

FCA Registration number: 213672

Cambrian Credit Union Limited

Annual Report and Financial Statements

for the Year Ended 30 September 2023

Xeinadin Audit Limited
Statutory Auditor
Riverside House
Kings Reach Business Park
Stockport
SK4 2HD

Cambrian Credit Union Limited

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Cambrian Credit Union Limited

Credit Union Information

Chairman	P Green
Directors	P Green C Hawkins J Forrest H Rawlins E Owen P Jones
Registered office	144 Conway Road Llandudno Junction Conwy North Wales LL31 9NP
Bankers	The Co-operative Bank Central Commercial Branch PO Box 250 Skelmersdale WN8 6WT
Auditors	Xeinadin Audit Limited Statutory Auditor Riverside House Kings Reach Business Park Stockport SK4 2HD

Cambrian Credit Union Limited

Directors' Report Year Ended 30 September 2023

The Board of Directors present their report and the financial statements for the year ended 30 September 2023.

The Board of Directors

The Board of Directors who held office during the year were as follows:

P Green - Chairman

J Gilmore (resigned 28 February 2023)

C Hawkins

K Roberts (resigned 30 April 2023)

G Chaplin (resigned 31 May 2023)

J Forrest (appointed 31 October 2022)

H Rawlins (appointed 31 October 2022)

E Owen (appointed 31 January 2023)

P Jones (appointed 30 April 2023)

Dividends

The directors recommend a final dividend payment of £40,876 be made in respect of the financial year ended 30 September 2023. This dividend has not been recognised as a liability in the financial statements.

Principal activities and business review

The principal activity of the Credit Union during the year was that of the provision of savings and lending facilities for the benefit of its members.

Cambrian Credit Union Limited

Directors' Report Year Ended 30 September 2023

Common Bond

Admission to membership of the Credit Union is restricted to:

- An individual who resides or is employed in the in the locality comprising the whole of Wales.
- A body corporate, an individual in his/her capacity as a partner in a partnership, an individual in his/her capacity as an officer or a member of the governing body of an unincorporated association, if the body corporate partnership or unincorporated association has:
 - A Place of business in the above locality
 - The following significant connection with the above is locality:
is an organisation with a headquarters in Wales that delivers services to residents or employees in the above locality.
- An individual which is a member of the following bona fide organisations:
 - Unison
 - Unite the UnionProvided that the member lives or works within Wales, Shropshire, Cheshire West and Chester, Wirral.
- An individual who is a member of the same household as, and is a relative of, an individual who is a member of the Credit Union and falls directly within a common bond specified above.

Results and dividends

The accounts show the results for the years activities for the combined operations.

The surplus for the year, before taxation, amounted to £80,244. Within the surplus is a net profit on disposal for the sale of two properties totalling £36,437.

The dividend is calculated at 0.6% (2022: 0.00%) for the Member Accounts and Junior Accounts.

Cambrian Credit Union Limited

Directors' Report Year Ended 30 September 2023

Directors responsibilities

The Board of Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Credit Union Law requires the directors to prepare financial statements for each financial year. Under that law the Board of 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 Credit Union law the Board of 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 Board of Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; 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 Board of 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 Co-operative and Community Benefit Societies Act 2014. 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.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Credit Union's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

Reappointment of auditors

Xeinadin Audit Limited will be recommended for re-appointment at the AGM under The Co-operative and Community Benefit Societies Act 2014.

Cambrian Credit Union Limited

Directors' Report Year Ended 30 September 2023

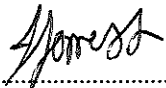
Approved by the Board on 25 January 2024 and signed on its behalf by:



.....
P Green
Chairman



.....
C Hawkins
Director



.....
J Forrest
Director

Cambrian Credit Union Limited

Independent Auditor's Report to the Members of Cambrian Credit Union Limited

Opinion

We have audited the financial statements of Cambrian Credit Union Limited for the year ended 30 September 2023, set out on pages 9 to 22. 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), including FRS 102 "The Financial reporting Standard applicable in the UK and Republic of Ireland".

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 2023 and of its profit 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 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 Board's 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 company'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 Board are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Cambrian Credit Union Limited

Independent Auditor's Report to the Members of Cambrian 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:

- a satisfactory system of control over transactions has not been maintained; or
- the credit union has not kept proper accounting records; or
- the financial statements are not in agreement with the books of account; or
- we have not received all the information and explanations we require for our audit.

Respective Responsibilities of the Board of Directors

As explained more fully in The Board of Directors' Responsibilities (set out on page 4), 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 Board of 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 Board of 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Credit Union's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Credit Union's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Credit Union to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Cambrian Credit Union Limited

Independent Auditor's Report to the Members of Cambrian Credit Union Limited

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Credit Union to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Credit Union audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. The description forms part of our auditor's report.

Use of this report

This report is made solely to the Credit Union's members, as a body, in accordance with Section 87, Part 7 of Chapter 14 of 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.

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Xeinadin Audit Limited
Statutory Auditor
Riverside House
Kings Reach Business Park
Stockport
SK4 2HD

25 January 2024

Cambrian Credit Union Limited

Revenue Account for the Year Ended 30 September 2023

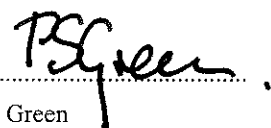
	Note	2023 £	2022 £
Income	3	1,141,721	873,621
Administrative expenses		<u>(1,061,477)</u>	<u>(996,766)</u>
Operating surplus/(deficit)	4	<u>80,244</u>	<u>(123,145)</u>
Exceptional items			
Exceptional Grant Income		<u>-</u>	<u>85,000</u>
Total exceptional items		<u>-</u>	<u>85,000</u>
Surplus/(Deficit) before tax		80,244	(38,145)
Taxation	7	<u>(20,299)</u>	<u>(5,804)</u>
Surplus/(Deficit) for the financial year		<u><u>59,945</u></u>	<u><u>(43,949)</u></u>

The above results were derived from continuing operations.

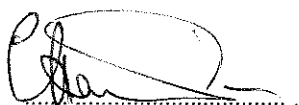
Cambrian Credit Union Limited
(FCA Registration number: 213672)
Balance Sheet as at 30 September 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	8	348,086	477,451
Current assets			
Debtors	9	3,735,560	2,765,552
Investments	10	196,434	-
Cash, cash equivalents and liquid deposits	11	3,824,440	5,306,466
		<u>7,756,434</u>	<u>8,072,018</u>
Total assets		<u><u>8,104,520</u></u>	<u><u>8,549,469</u></u>
Capital, liabilities and reserves			
Members capital - repayable on demand	13	6,622,284	7,133,511
Reserves		687,732	627,787
Other liabilities	12	594,504	588,171
Subordinated loan - due after one year		200,000	200,000
Total capital, liabilities and reserves		<u><u>8,104,520</u></u>	<u><u>8,549,469</u></u>

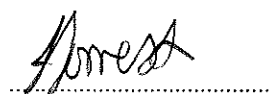
Approved and authorised by the Board on 25 January 2024 and signed on its behalf by:



P Green
Chairman



C Hawkins
Director



J Forrest
Director

Cambrian Credit Union Limited

Statement of Changes in Reserves for the Year Ended 30 September 2023

	Other reserve £	General reserves £	Revenue reserves £	Total £
At 1 October 2021	39,796	631,940	-	671,736
Deficit for the year	-	-	(43,949)	(43,949)
Other reserve movement	(39,796)	(4,153)	43,949	-
Total comprehensive income	(39,796)	(4,153)	-	(43,949)
At 30 September 2022	-	627,787	-	627,787

	General reserves £	Revenue reserves £	Total £
At 1 October 2022	627,787	-	627,787
Surplus for the year	-	59,945	59,945
Other reserve movement	59,945	(59,945)	-
Total comprehensive income	59,945	-	59,945
At 30 September 2023	687,732	-	687,732

Cambrian Credit Union Limited

Statement of Cash Flows for the Year Ended 30 September 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Surplus/(deficit) for the year		59,945	(43,949)
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	4	27,803	17,470
Profit on disposal of tangible assets		(36,437)	(29,410)
Taxation provision	7	<u>20,299</u>	<u>5,804</u>
		71,610	(50,085)
Working capital adjustments			
Increase in other debtors	9	(91,637)	(35,493)
Increase in other creditors	12	<u>59,859</u>	<u>65,079</u>
Cash generated from operations		39,832	(20,499)
Taxation paid	7	<u>(4,975)</u>	<u>(3,833)</u>
Net cash flow from operating activities		<u>34,857</u>	<u>(24,332)</u>
Cash flows from investing activities			
Acquisitions of tangible assets		-	(55,000)
Proceeds from sale of tangible assets		138,000	80,330
Acquisition of gilts		<u>(196,434)</u>	<u>-</u>
Net cash flows from investing activities		<u>(58,434)</u>	<u>25,330</u>
Cash flows from changes in operating assets and liabilities			
Cash inflow from members shares		14,409,923	11,448,217
Cash outflow from share withdrawals		(14,990,003)	(12,052,325)
Loans issued to members		(3,413,202)	(2,398,930)
Repayment of loans by members		<u>2,534,833</u>	<u>2,399,806</u>
Net cash flows from operating activities		<u>(1,458,449)</u>	<u>(603,232)</u>
Net decrease in cash and cash equivalents		(1,482,026)	(602,234)
Cash and cash equivalents at 1 October		<u>5,306,466</u>	<u>5,908,700</u>
Cash and cash equivalents at 30 September		<u><u>3,824,440</u></u>	<u><u>5,306,466</u></u>

The notes on pages 13 to 22 form an integral part of these financial statements.

Cambrian Credit Union Limited

Notes to the Financial Statements for the Year Ended 30 September 2023

1 General information

The address of its registered office is:
144 Conway Road
Llandudno Junction
Conwy
North Wales
LL31 9NP

These financial statements were authorised for issue by the Board on 25 January 2024.

Legal and regulatory framework

The Credit Union is a society established under the Industrial and Provident Societies Act 1965, whose principal activity is to operate as a Credit Union, within the meaning of the Credit Unions Act 1979. The Credit Union has registered with the Financial Conduct Authority under the provisions of the Co-Operative and Community Benefit Societies Act 2014.

In accordance with the regulatory environment for Credit Unions, deposits from members can be made by subscription for redeemable shares, deferred shares and interest-bearing shares. At present the Credit Union has only issued redeemable shares.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared in accordance with FRS102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' and with The Co-Operative and Community Benefit Societies Act 2014.

The financial statements are prepared on the historical cost basis.

Going concern

At the balance sheet date, the financial statements were prepared on a going concern basis which assumes the Credit Union will continue in operational existence for the foreseeable future.

The board have reviewed both capital and liquidity ratios for their industry as well as considering the reputational position of the Credit Union and accordingly have prepared the financial statements on a going concern basis.

The board have considered the impact of appropriate economic factors on the ability of the Credit Union to continue in operational existence for the foreseeable future, being at least 12 months from the audit report date. The board have made assumptions when preparing forecasts for the business that lead them to conclude the Credit Union is a going concern.

Cambrian Credit Union Limited

Notes to the Financial Statements for the Year Ended 30 September 2023

Income

Loan interest receivable and similar income: Interest on both loans to members and loans to banks (i.e. cash and cash equivalents held on deposit with other financial institutions) is recognised using the effective interest method, and is calculated and accrued on a daily basis.

Fees and commissions receivable: Fees and charges 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 completed.

Government grants

Government grants are accounted for under the relevant methods under FRS 102 dependant on the specified requirement of the grants received.

Tax

The tax charge for the year reflects current tax payable. Current tax is the expected corporation tax payable for the year, using tax rates in force for the year. The Credit Union is not liable to corporation tax payable on its activities of making loans to members, and investing surplus funds, as these are not classified as a trade. However, corporation tax is payable on investment income.

As a result of the limited activities of the Credit Union from which profits are chargeable to corporation tax, it is unlikely that deferred tax will arise.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is provided to write off the cost of each item of property, plant and equipment, less its estimated residual value, on a straight line basis over its estimated useful life. The categories of property, plant and equipment are depreciated as follows:

Asset class	Depreciation method and rate
Computer Equipment, Software & Website Development	33% Straight line
Fixtures & Fittings	25% Straight line
Land & Buildings	2% Straight line

Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand available and with a variety of banks (i.e. cash deposited with banks). The board will consider deposits with a maturity date up to 60 months.

Current asset investment

Current asset investments include Gilt-edged securities (gilts) which are debt securities issued by the Bank of England on behalf of His Majesty's Treasury.

Gilts are initially recorded at cost and adjusted to the fair value at each reporting date.

Cambrian Credit Union Limited

Notes to the Financial Statements for the Year Ended 30 September 2023

Financial assets - loans and advances to members

Loans to members are financial assets with fixed to determinable payments, and are not quoted in active market. Loans are recognised when cash is advanced to members and measured at amortised cost using the effective interest method.

Loans are derecognised when the right to receive cash flows from the asset have expired, usually when all amounts outstanding have been repaid by the member. The Credit Union does not transfer loans to third parties.

Members shares

Members' shareholdings in the Credit Union are redeemable and described as members shares - repayable on demand. They are initially recognised at the amount of cash deposited and subsequently measured at amortised cost.

Employee benefits

Defined contributions plans: The amounts charged as expenditure for the defined contribution plan are the contributions payable by the Credit Union for the relevant period.

Other employee benefits: Other short and long term employee benefits, including holiday pay, are recognised as an expense over the period they are earned.

Reserves

General reserves are the accumulated surpluses to date that have not been declared as dividends returnable to members.

Use of estimates and judgements

The preparation of financial statements requires the use of certain accounting estimates. It also requires the Directors to exercise judgement in applying the Credit Unions accounting policies.

3 Revenue

The analysis of the Credit Union's revenue for the year from continuing operations is as follows:

	2023	2022
	£	£
Loan interest receivable from members	715,467	596,454
Bank interest receivable on cash and liquid deposits	98,706	26,183
Grants received	142,304	120,290
Bad debts recovered	135,471	96,331
Other revenue	45,136	34,363
Gilts interest	4,637	-
	<u>1,141,721</u>	<u>873,621</u>

4 Operating profit

Arrived at after charging/(crediting)

Cambrian Credit Union Limited

Notes to the Financial Statements for the Year Ended 30 September 2023

	2023	2022
	£	£
Depreciation expense	27,803	17,470
Auditor's remuneration - The audit of the company's annual accounts	<u>5,866</u>	<u>6,600</u>

5 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2023	2022
	£	£
Wages and salaries	412,572	358,271
Social security costs	35,811	29,008
Pension costs, defined contribution scheme	8,752	7,116
Other employee expense	<u>20,641</u>	<u>12,841</u>
	<u>477,776</u>	<u>407,236</u>

The average number of persons employed by the Credit Union (including directors) during the year, analysed by category was as follows:

	2023	2022
	No.	No.
Administration and support	<u>18</u>	<u>18</u>

6 Auditors' remuneration

	2023	2022
	£	£
Audit of the financial statements	5,865	6,600
Non audit services	<u>2,415</u>	<u>2,100</u>
	<u>8,280</u>	<u>8,700</u>

Cambrian Credit Union Limited

Notes to the Financial Statements for the Year Ended 30 September 2023

7 Taxation

Tax charged/(credited) in the income statement

	2023 £	2022 £
Current taxation		
UK corporation tax	<u>20,299</u>	<u>5,804</u>

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK 2022 - 22% (2022 - 19%). The rate is an average of the UK tax rates in 2023 year end which increased from 19% to 25% from 1st April 2023.

The differences are reconciled below:

	2023 £	2022 £
Profit/(loss) before tax	<u>80,244</u>	<u>(38,145)</u>
Corporation tax at standard rate	17,654	(7,247)
Effect of revenues exempt from taxation	<u>2,645</u>	<u>13,051</u>
Total tax charge	<u>20,299</u>	<u>5,804</u>

The Credit Union is not liable to corporation tax payable on its activities of making loans to members, and investing surplus funds, as these are not classified as a trade. However, corporation tax is payable on investment income. As a result, the tax charge for the year differs from the standard rate of Corporation Tax. The differences are shown above.

Cambrian Credit Union Limited

Notes to the Financial Statements for the Year Ended 30 September 2023

8 Tangible assets

	Land and buildings £	Computer equipment, software and website £	Total £
Cost or valuation			
At 1 October 2022	476,581	352,939	829,520
Disposals	<u>(116,000)</u>	<u>-</u>	<u>(116,000)</u>
At 30 September 2023	<u>360,581</u>	<u>352,939</u>	<u>713,520</u>
Depreciation			
At 1 October 2022	55,871	296,198	352,069
Charge for the year	7,728	20,074	27,802
Eliminated on disposal	<u>(14,437)</u>	<u>-</u>	<u>(14,437)</u>
At 30 September 2023	<u>49,162</u>	<u>316,272</u>	<u>365,434</u>
Carrying amount			
At 30 September 2023	<u>311,419</u>	<u>36,667</u>	<u>348,086</u>
At 30 September 2022	<u>420,710</u>	<u>56,741</u>	<u>477,451</u>

Included within the net book value of land and buildings above is £311,419 (2022 - £420,710) in respect of freehold land and buildings.

9 Debtors

	2023 £	2022 £
Loans to members	3,578,270	2,699,899
Prepayments	<u>157,290</u>	<u>65,653</u>
Total current and other debtors	<u>3,735,560</u>	<u>2,765,552</u>

10 Current asset investments

	2023 £
Gilt edged security	<u>196,434</u>

During the year the credit union acquired two gilt edged securities. These are UK Government liabilities denominated in sterling, issued by HM Treasury and listed on the London Stock Exchange.

The valuation disclosed in the accounts includes a net fair value surplus adjustment of £1,373.

Cambrian Credit Union Limited

Notes to the Financial Statements for the Year Ended 30 September 2023

11 Cash and cash equivalents

	2023 £	2022 £
Cash on hand	83,305	124,603
Cash at bank	875,573	467,278
Short-term deposits	2,865,562	4,714,585
	3,824,440	5,306,466

12 Creditors

	Note	2023 £	2022 £
Due within one year			
Child trust fund		166,920	173,828
Juvenile deposits		172,742	241,592
Accrued expenses		31,948	13,211
Income tax liability	7	21,423	6,099
Deferred grants		201,471	153,441
		594,504	588,171
Due after one year			
Loans and borrowings		200,000	200,000

13 Members shares

	2023		2022	
	No.	£	No.	£
Members Shares	6,622,284	6,622,284	7,133,511	7,133,511

During the year the Credit Union issued new share capital of £14,409,923 (2022: £11,520,403) and repaid share capital of £14,990,003 (2022: £12,052,325)

Cambrian Credit Union Limited

Notes to the Financial Statements for the Year Ended 30 September 2023

14 Financial risk management

The Credit Union manages its subscribed capital and loans to members so that it earns income from the margin between interest receivable and interest payable/dividends payable.

The main financial risks arising from the Credit Union activities are lending risk, liquidity risk, market risk and interest rate risk. The Board reviews and agrees policies for managing each of these risks, which are summarised below.

Lending risk: Lending risk is the risk that a borrower will default on their contractual obligations relating to repayments to the Credit Union, resulting in financial loss to the Credit Union. In order to manage this risk the Board approves the Credit Union's 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 that the likelihood of repayment has changed.

Liquidity risk: The Credit Union's policy is to maintain sufficient funds in liquid form at all times to ensure that it can meet its liabilities as they fall due. The objective of the Credit Union's liquidity policy is to smooth the mismatches between maturing assets and liabilities and to provide a degree of protection against any unexpected developments that may arise. The Credit Union spreads its funds across a number of financial institutes with appropriate terms in accordance with the PRA. This ensures the funds are protected as much as they can be whilst having enough liquidity available but also generating a return on excess funds.

Market risk: Market risk is generally comprised of interest rate risk, currency risk and other price risk. The Credit Union conducts all its transactions in sterling and does not deal in derivatives or commodity markets. Therefore the Credit Union is not exposed to any form of currency risk or other price risk.

Interest rate risk: The Credit Union's main interest rate risk arises from differences between the interest rate exposures on the receivables and payables that form an integral part of a Credit Union's operations. The Credit Union considers rates of interest receivable, amongst other factors, when deciding on the dividend rate payable on subscribed capital. The Credit Union does not use interest rate options to hedge its own positions.

Credit risk: This is the risk of a financial loss arising from a counter-party failing to meet its obligations to the Credit Union. The financial strength of investment counter-parties is assessed. Investments are spread across several banks and investment types. The amount that can be invested with any one counter-party is capped.

Cambrian Credit Union Limited

Notes to the Financial Statements for the Year Ended 30 September 2023

15 Interest rate risk disclosures

The following table shows the average interest rates applicable to relevant financial assets and financial liabilities.

	2023		2022	
	Amount	Average interest rate	Amount	Average interest rate
	£		£	
Financial assets				
Loans to members	3,601,098	19.9%	2,718,591	21.9%
Shares repayable on demand				
Members shares	6,622,284	0.00%	7,133,511	0.00%

The interest rates applicable to loans to members are fixed and range from 6.9% to 42.6%.

The interest payable on shares is determined on the basis of income less administrative expenses and, as can be seen above, a consistent margin is maintained between interest receivable and interest payable. As a result, the deficit for the year is not particularly sensitive to interest rate risk and no sensitivity analysis is presented.

Cambrian Credit Union Limited

Notes to the Financial Statements for the Year Ended 30 September 2023

16 Lending risk disclosures

The carrying amount of the loans to members represents the Credit Union's maximum exposure to lending risk. The following table provides information on the lending quality of loan repayments. Where loans are not impaired it is expected that the amounts repayable will be received in full.

	2022		2022	
	Amount	Proportion	Amount	Proportion
	£	%	£	%
Not impaired:				
Neither past due nor impaired	3,323,096	86.43%	2,484,007	85.18%
Up to 3 months past due	153,432	3.99%	117,822	4.04%
Between 3 and 6 months past due	-	-	-	-
Between 6 months and 1 year past due	-	-	-	-
Over 1 year past due	-	-	-	-
Sub-total: loans not impaired	<u>3,754,530</u>	<u>90.42%</u>	<u>2,601,829</u>	<u>89.22%</u>
Individually impaired including bad debt's written off:				
Not yet past due, but impaired	-	-	-	-
Up to 3 months past due	-	-	-	-
Between 3 and 6 months past due	368,149	9.58%	314,242	10.78%
Between 6 months and 1 year past due	-	-	-	-
Over 1 year past due	-	-	-	-
Total loans	<u>3,844,677</u>	<u>100%</u>	<u>2,916,071</u>	<u>100%</u>
Impairment allowance	(266,407)		(216,172)	
Total carrying value	<u>3,578,270</u>		<u>2,699,899</u>	

Cambrian Credit Union Limited

Detailed Revenue Account for the Year Ended 30 September 2023

	2023	2022
	£	£
Income (analysed below)	<u>1,141,721</u>	<u>873,621</u>
Gross surplus (%)	100%	100%
Administrative expenses		
Regulatory costs (analysed below)	12,743	58,233
General administrative expenses (analysed below)	785,482	726,864
Finance charges (analysed below)	19,673	14,189
Impairment losses on loans to members	<u>243,579</u>	<u>197,480</u>
	<u>1,061,477</u>	<u>996,766</u>
Operating surplus/(deficit)	80,244	(123,145)
Exceptional item	<u>-</u>	<u>85,000</u>
(Deficit)/surplus before tax	<u><u>80,244</u></u>	<u><u>(38,145)</u></u>

This page does not form part of the statutory financial statements.

Cambrian Credit Union Limited

Detailed Revenue Account for the Year Ended 30 September 2023

	2023 £	2022 £
Income		
Loan interest	715,467	596,454
Bank interest	98,706	26,183
Entrance Fees	29,095	28,124
Other Income	16,542	8,714
Grants	142,304	120,290
Cash over / (short)	(501)	(2,461)
Bad debt recovery	135,471	96,331
Gilts interest	4,637	-
Sundry income	-	(14)
	1,141,721	873,621
Regulatory costs		
Insurance	6,951	52,378
Fidelity Bond	4,315	4,315
Volunteer Expenses	129	-
FCA Fees	1,348	1,540
	12,743	58,233
General administrative expenses		
Wages and salaries	412,572	358,271
Staff NIC (Employers)	35,811	29,008
Staff pensions (Defined contribution)	8,752	7,116
Staff training	5,960	5,205
Staff welfare	14,681	7,636
Rent and rates	30,784	34,120
Light, heat and power	7,970	9,709
Repairs and maintenance	13,936	9,334
Telephone and fax	4,755	9,748
Office expenses	5,120	3,655
Computer software and maintenance costs	71,466	107,421
Printing, postage and stationery	5,830	7,673
Sundry expenses	13,284	11,175
Fair value on gilts	1,374	-
Board & AGM Expenses	9,256	7,548
Advertising	83,279	71,778
Auditor's remuneration - The audit of the company's annual accounts	5,866	6,600
Auditors' remuneration - non audit work	2,414	2,100
Legal and professional fees	61,006	50,707
Depreciation of freehold property	7,728	9,831
Depreciation of fixtures and fittings (owned)	1,557	1,557
Depreciation of office equipment (owned)	18,518	6,082

This page does not form part of the statutory financial statements.

Cambrian Credit Union Limited

Detailed Revenue Account for the Year Ended 30 September 2023

	2023 £	2022 £
(Profit)/loss on disposal of tangible fixed assets	<u>(36,437)</u>	<u>(29,410)</u>
	785,482	726,864
Finance charges		
Bank charges	17,132	14,189
Gilt charges	<u>2,541</u>	<u>-</u>
	19,673	14,189
Impairment losses on loans to members		
Impairment expense	<u>243,579</u>	<u>197,480</u>
Operating (deficit)/surplus	80,244	(123,145)
Exceptional Grant Income		
Exceptional Item	<u>-</u>	<u>85,000</u>
(Deficit)/surplus before tax	<u><u>80,244</u></u>	<u><u>(38,145)</u></u>

