

NORTHUMBERLAND CREDIT UNION LTD

FSA Reference No 219785

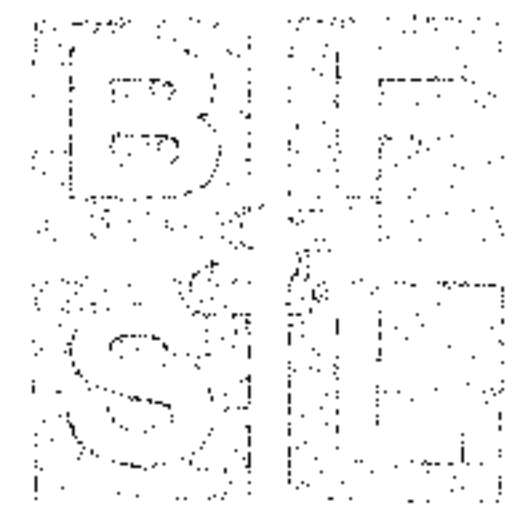
FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 SEPTEMBER 2011

Business Focus & Systems Ltd

Chartered Accountants, Business Advisors & Statutory Auditors



4 Chevin Mill
Leeds Road
Otley
West Yorkshire
LS21 1BT



T : 01943 855700 F : 01943 855701 E : mail@bfandsl.co.uk W : bfandsl.co.uk

Registered in England & Wales at the above address. Company Number 4669692.

Directors: A.M. Massarella FCA, N.Firth ACA, Company Secretary: L. Lewis MAAT

Registered to carry on audit work in the UK and regulated for a range of investment business activities by The Institute of Chartered Accountants in England & Wales.

**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF
NORTHUMBERLAND CREDIT UNION LTD**

We have audited the financial statements, being the primary statements of Income and Expenditure and Balance Sheet, together with the Notes thereto which are set out on pages 2 to 4. These statements have been prepared in accordance with the accounting policies set out therein. The report is made solely for the Credit Union's members as a body, and our audit work has been undertaken so that we might state to the Credit Union's members those matters that we are required to declare 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'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

The directors are responsible for preparing financial statements for each financial year in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice. In preparing those financial statements the directors are required to: -

- show a true and fair view of the state of affairs of the Credit Union and the surplus/deficit for that period
- select suitable accounting policies and apply them consistently
- make judgements and estimates that are reasonable and prudent
- prepare financial statements on a going concern basis unless this 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 at any time the financial position of the Credit Union, and to enable them to ensure that the financial statements comply with the Industrial and Provident Societies Acts 1965-2002 and the Credit Union Act 1979. They are also responsible for safeguarding the assets of the Credit Union, and hence taking reasonable steps for the prevention and detection of fraud and other irregularities. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and the 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 THE 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 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.

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standard - Provision Available for Small Entities in the circumstances set out in Note 8 to the Financial Statements.

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 30 September 2011 and of its income and expenditure of the year then ended; and,
- have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and with the Industrial and Provident Societies Acts 1965-2002 and the Credit Union 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 Industrial and Provident Societies Acts 1965-2002 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 in the books of account of the credit union.
- we have not obtained all the information and explanations necessary for the purposes of our audit.

NORTHUMBERLAND CREDIT UNION LTD

Income and Expenditure Account for the year ended 30th September 2011

INCOME	Notes	2011	2010
Entrance Fees		120	250
Income from loans to members.	2	6,168	4,990
Interest received on investments		153	78
Grant release Revenue		4,591	6,391
Capital		-	-
Donations and other income		1,304	882
TOTAL INCOME FOR THE YEAR		12,336	12,591
EXPENDITURE			
Administration Expenses		9,232	7,633
Auditors Remuneration		966	707
Fidelity Bond Insurance		396	299
Management expenses		-	1
Bad Debt Provision		4,066	968
Bad Debts Written Off		-	897
Bank Charges		19	19
Savings & Loan Insurance		636	575
Other Insurance		236	-
FSA Fees		262	237
Trade Association Dues		-	-
Depreciation of assets	3	29	29
TOTAL EXPENDITURE FOR THE YEAR		15,842	11,365
(DEFICIT) SURPLUS FOR YEAR BEFORE TAX		(3,506)	1,226
TAXATION		31	16
(DEFICIT) SURPLUS FOR YEAR AFTER TAX		(3,537)	1,210
Appropriations:-			
To General Reserve compulsory transfer		-	242
To General Reserve voluntary transfer		(3,537)	968
To Dividends proposed nil (2010 nil %)		-	-
TOTAL APPROPRIATIONS		(3,537)	1,210

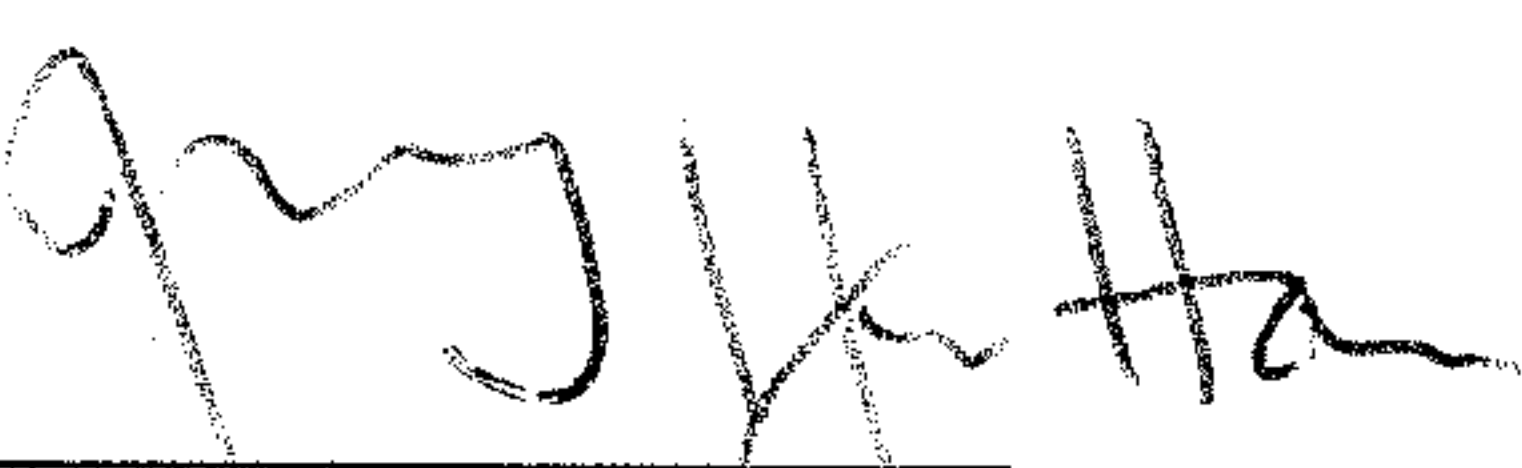
Note :There are no recognised gains or losses other than those included on the income and expenditure account
All figures included on the income and expenditure account are from continuing activities.

NORTHUMBERLAND CREDIT UNION LTD


Balance Sheet as at 30th September 2011

	Notes	2011	2010
FIXED ASSETS	3	94	123
MEMBERS LOAN ACCOUNTS	2		
Current balances		63,469	43,055
Less provision for unperforming loans		<u>(7,755)</u>	<u>(3,689)</u>
		55,714	39,366
SUNDRY DEBTORS		147	109
INVESTMENTS			
Deposit Account		79,034	38,880
		<u>79,034</u>	<u>38,880</u>
IMMEDIATE LIQUIDITY			
Cash at bank on current account.		11,034	52,673
Cash in hand.		-	-
		<u>11,034</u>	<u>52,673</u>
Less			
Creditors and accruals		(1,026)	(812)
Grants Carried Forward : Revenue		(34,874)	(30,474)
: Capital		-	-
Taxation due within one year		<u>(31)</u>	<u>(16)</u>
		<u>(35,931)</u>	<u>(31,302)</u>
NET LIQUIDITY		<u>(24,897)</u>	<u>21,371</u>
TOTAL NET ASSETS		<u>110,092</u>	<u>99,849</u>
CAPITAL AND RESERVES			
MEMBERS SHARES	2		
Ordinary members shares.		90,603	77,529
Junior Members Shares		6,578	5,872
Dividend Reserve		-	-
		<u>97,181</u>	<u>83,401</u>
RESERVES			
General reserve		12,911	16,448
TOTAL CAPITAL AND RESERVES		<u>110,092</u>	<u>99,849</u>


We hereby approve and adopt the attached accounts for circularisation to our members.



 Committee Member



 Committee Member



 Secretary

2/2/12

 Date

NORTHUMBERLAND CREDIT UNION LTD

NOTES ON THE ACCOUNTS

1 ACCOUNTING POLICIES

- a. The Credit Union is registered under the Industrial and Provident Societies Act 1965. The financial statements have been prepared under the historic cost accounting rules in accordance with the Industrial and Provident Societies Act 1965-1978 and the Credit Union Act 1979. Applicable accounting standards have been followed.
- b. Fixed Assets are stated at cost. Depreciation of fixed assets is charged by equal instalments commencing in the year of acquisition at rates estimated to write off their cost less any residual value over their expected useful lives as follows:-
- | | |
|-------------------------------|---------|
| Office Furniture and Fittings | 5 years |
| Computers | 4 years |
| Software | 3 years |
- c. Interest is accounted for on the basis of amounts receivable or payable in the year covering these accounts.
- d. Provision for Doubtful Debts is stated after specifically reviewing all loans in arrears. The criteria used is whether the loan will be repaid within the medium term and whether there is a regular pattern of repayments.
- e. Juvenile transactions are included within the accounts unless specifically shown otherwise.

2 SUMMARY OF MEMBERS SHARE (including Juniors) AND LOAN ACCOUNTS

	SHARES		LOANS	
	2011	2010	2011	2010
Balances brought forward from last year	83,401	67,914	43,055	36,803
Shares saved and loans repaid.	51,281	49,545	(82,260)	(72,866)
Dividends paid		-		
Shares withdrawn	(37,501)	(34,058)		
Loans granted			96,506	75,025
Interest charged			6,168	4,990
Loans Written off			-	(897)
Balances carried forward to next year.	<u>97,181</u>	<u>83,401</u>	<u>63,469</u>	<u>43,055</u>

3 TANGIBLE FIXED ASSETS

COST

	Computer & Printer	Office equip & Furniture	Software	Total
Cost at 30th September 2010	2,741	482	750	3,973
Additions during year.	-	-	-	0
Cost at 30th September 2011	<u>2,741</u>	<u>482</u>	<u>750</u>	<u>3,973</u>

DEPRECIATION

Depreciation at 30th September 2010	2,741	359	750	3,850
Charged in these accounts	-	29	-	29
Depreciation at 30th September 2011	<u>2,741</u>	<u>388</u>	<u>750</u>	<u>3,879</u>
VALUE ON 30TH SEPTEMBER 2011	<u>-</u>	<u>94</u>	<u>-</u>	<u>94</u>
VALUE ON 30TH SEPTEMBER 2010	<u>-</u>	<u>123</u>	<u>-</u>	<u>123</u>

4 NUMBER OF MEMBERS (including Juniors)

	2011	2010
Number at beginning of year	433	369
Joined during year	71	120
Lapsed during year	(27)	(56)
Number at end of year.	<u>477</u>	<u>433</u>

5 NON AUDIT SERVICES

In common with many other Credit Unions of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist us with the preparation of the financial statements.