



Annual General Meeting

FYE 2024

1st Oct 23 - 30th Sept 24

Wednesday 29th January 2025
8:00pm
ACU Office & Zoom

Contents

Contents	2
Notice of Annual General Meeting.....	3
Order of Business	3
Report Of the President / Chair	4
Report Of the Treasurer and Consideration of Accounts	5
Income	5
Expenditure.....	5
Balance Sheet figures.....	5
General Reserve.....	6
Detailed Management Expenses	6
Income and Expenditure Account	7
Statement of Charges in Reserves	8
Balance Sheet	9
Cash Flow Statement.....	10
Notes to the Financial Statements	11
Proposal of Interest Rebate and Dividend	28
Report Of the Auditor.....	29
Auditors.....	29
Directors	29
Independent Auditors Report to the Members of Abbey Credit Union Limited	29
Report of the Credit Committee.....	30
Report of the Supervisory Committee	32
Report of the Credit Control Committee	33
Report of the Membership Officer	34
Insurance Committee Report.....	35
Share Insurance	35
Loan Protection Insurance	35
Death Benefit Insurance	35
Report of the Development Committee	36
Minutes of the 2023 Annual General Meeting.....	37

Notice of Annual General Meeting

The Annual General Meeting of Abbey Credit Union will be held this year on Wednesday 29th January 2025 at 8.00pm at the Abbey Credit Union offices at 2 Green Walk, Newtownabbey. We will also broadcast this on Zoom and enable remote attendees to view and participate also.

Order of Business

1. Ascertain that a Quorum is Present
2. Approval of the Minutes of the last Annual General Meeting
3. Report of the President
4. Report of the Treasurer and Consideration of Accounts
5. Report of the Auditor
6. Declaration of Dividend and Interest Rebate
7. Report of the Credit Committee
8. Report of the Supervisory Committee
9. Report of Credit Control Committee
10. Report of the Membership Officer
11. Insurance Committee Report
12. Report of Education and Marketing Committee
13. Report of the Development Committee
14. Election of Auditor
15. Election of Directors
16. Election of Supervisors
17. Any other Business
18. Announcement of Election Results
19. Adjournment or Close of Meeting

Report Of the President / Chair

On behalf of the Board of Directors, supervisors and voluntary staff of Abbey credit Union Ltd, I welcome you, here in person or joining via Zoom, to this, our 54th Annual General meeting. Welcome also to our Auditor who will make his formal report later.

Firstly, I want to apologise for the brevity of this report – for the past number of months I’ve had to step back due to a serious illness. However, I am recovering and have been kept up to date on the ongoing activity of credit union.

During the meeting you will hear from the Treasurer on the financial affairs, and from the other committees.

I am required to report on behalf of the Board on our compliance or otherwise with Depositor Protection 11, 12, 14 and 15. Our systems enable us to comply with these other than the testing and reporting elements of 11 and 12 – which we will address in the year ahead.

I must also report that we have always maintained a policy of insurance complying with 2.10.

At a high level, this has been a relatively static year – shares down slightly at £4.482m, a 0.15% reduction; loans also down around 6% at £1.46m giving us a loan: share ratio of 32.5%.

Total adult membership has reduced from 2430 to 2413, and of this number only 796 are borrowers.

Minor accounts continue to grow in number – now sitting at 79 with a value of £12.3k.

This year, we have upgraded our operating systems and enhanced both our website and our mobile app, to both improve our member services and ease the burden on our small volunteer team. You, the member can now check your account balances and complete a loan application “on-line”. Also, potential new members can now complete the membership application process online. Whilst some of our processes have been streamlined, the increasing use of on-line access and the management of it, reduces the time available for “face-to-face” member interaction and also creates an expectation of immediate response to applications and queries – in light of this, the notification every member received for this meeting included a request for additional volunteers – let’s hope there is a positive response to this and we can continue to serve you, the membership in accordance with your expectations.



Sam Ferguson

President

Report Of the Treasurer and Consideration of Accounts

Welcome all, here on site and on-line.

This financial year's figures again reflect local, national and worldwide economy factors, once again witnessed by a lower loan book value coupled with an increased tendency for share withdrawals.

This year, we have upgraded our operating systems and enhanced both our website and our mobile app, in an effort to both improve our member services and ease the burden on our small volunteer team. We have also reinstated our Thursday opening times.

Electronic payment activity continues at a similar level to the previous two years – at just under 20k transactions. Member requests for electronic payment direct to their account is on the rise, there were 36 such payments per month through the year compared to 10 the previous year.

In my view, we continue to achieve a reasonable level of service to our members and an acceptable financial performance.

On to the figures:

Income

Total interest income, at ~£305k is up 25% on the prior year, with members loan interest at £163k down by 5% and "other interest" (i.e., bank/building society interest) at £142k up by 97%.

Expenditure

Total expenditure at £ 211k is up by 25%

Management expenses increased by ~£11k (8%) – we review the detail shortly.

Net losses on loans are £44.2k made up by written off loans of £34.3k, bad debt recovered £291, increase in provision £10k. Last year we wrote off £28.5k, recovered £5k and were able to reduce provision by £5k. The bad debt provision at £145k is more than 80% above the minimum recommended level excluding interest owed, or 25% when counting outstanding interest.

Corporation tax due is significantly higher (£33.9k versus £14.5k) due to the increased income earned by our bank and building society accounts.

This results in a post-tax surplus of £59.5k, down 1.6% on prior year (~£60.5k).

Balance Sheet figures

Total Assets (fixed assets; money at banks/building societies; nett loans; accrued income)
£5.02m up from £4.95m

Total Liabilities (members shares; money owed by us)
£4.57m up from £4.53m

General Reserve

£456k up from £421k. This equates to 9.1% of assets, the legal requirement being 3%.

Loans at £1.46m, are down around 6% - continuing the negative trend (down 3.5%) of the previous financial year.

Shares at £4.5 m, are essentially static, down some 0.15%.

Loan to share ratio ~32.5%, slightly down on last year and still much lower than desired – continuing to reflect that some 65% of members are savings only oriented. (Total membership at year end was 2413, of whom only 796 had loans).

The loan interest charged is some 53% of total income, and as such, the dividend and loan interest rebate I'll be proposing will reflect this.

Detailed Management Expenses

There are few notable differences with an increase of just over £11k – I'll run through the biggest expenditures:-

Rates +£400

General Insurance: +£300 (typical premium increase plus additional cyber protection associated with website and on-line services)

Member balances insurance: +£1300 (premium increase)

Death benefit insurance: +£400

Repairs/Renewals etc: +£9,000 – the prime reason being a charge (~£3000) to exit our previous software provider contract and a regular monthly charge of ~£700 for new system software support for our online services including cyber protection, device and email encryption and cloud back-up.

Overall, Abbey Credit Union, despite our totally voluntary and very much part-time operation remains viable - that said, we are such a small team there is little scope to grow our individual capabilities and offer all the enhanced services we can provide to the membership – which is where the future lies.

In conclusion, I'd like to thank my fellow directors and volunteers for their support, diligence and dedication throughout the year – enabling us all to maintain a proportionate service level to our members.

I also have to thank the audit team from PGM for their diligence in reviewing our operations and preparing the financial statements.



Michael Mulholland
Honorary Treasurer

Income and Expenditure Account

	Note	2024	2023
		£	£
Interest on members' loans	4	162,616	171,201
Other interest income and similar income	5	142,224	72,218
Net interest income		304,840	243,419
Other income	7	77	715
Depreciation	12	(16,527)	(10,995)
Other management expenses (Schedule 1)	8	(150,684)	(139,539)
Net losses on loans to members	13d	(44,214)	(18,517)
Surplus/ (Deficit) for the financial year before taxation		93,492	75,083
Taxation	10	(33,939)	(14,557)
Surplus/ (Deficit) for the financial year after taxation		59,553	60,526

Statement of Charges in Reserves

	General reserve £	Unappropriated surplus/(deficit) £	Total reserves £
Opening balance at 1 October 2022	371,681	-	371,681
Total comprehensive income for the year	-	60,526	60,526
Interest rebate paid during the Year	-	(7,176)	(7,176)
Dividends paid during the year (Note 6)	-	(4,130)	(4,130)
Transfer between reserves	49,220	(49,220)	-
Closing balance at 30 September 2023	420,901	-	420,901
Opening balance at 1 October 2023	420,901	-	420,901
Total comprehensive income for the year	-	59,553	59,553
Interest rebate paid during the Year (Note 6)	-	(12,965)	(12,965)
Dividends paid during the year (Note 6)	-	(11,916)	(11,916)
Transfer between reserves	34,672	(34,672)	-
Closing balance at 30 September 2024	455,573	-	455,573

Balance Sheet

	Note	2024	2023
		£	£
ASSETS			
Cash and cash equivalents	11	202,833	174,393
Tangible fixed assets	12	259,676	220,873
Loans to members – Gross	13a	1,456,721	1,549,674
Provisions against loans to members	13c	(145,000)	(135,000)
Prepayments and accrued income	14	49,672	42,233
Investments	15	3,202,307	3,102,125
Total assets		5,026,209	4,954,298
LIABILITIES			
Members' shares	16	(4,482,053)	(4,489,736)
Minors' deposits	17	(29,666)	(12,349)
Other payables	18	(58,917)	(31,312)
Total liabilities		(4,570,634)	(4,533,397)
ASSETS LESS LIABILITIES		455,573	420,901
RESERVES			
General reserve		455,573	420,901
Total reserves		455,573	420,901

Cash Flow Statement

	Note	2024 £	2023 £
Cash flows from operating activities			
Loans repaid by members	13a	1,293,827	1,338,836
Loans granted to members	13a	(1,235,196)	(1,307,698)
Loan interest received	4	166,683	172,308
Investment income received	5	126,621	53,201
Other income received	7	77	715
Bad debts recovered	13d	291	4,981
Dividends and interest rebates paid	6	(24,881)	(11,306)
Operating expenses paid		(146,345)	(140,051)
Corporation tax paid	10	(14,557)	(3,805)
Net cash flows from operating activities		166,520	107,181
Cash flows from investing activities			
Purchase of property, plant and equipment	12	(55,330)	-
Purchase of investments		(1,578,109)	(1,359,355)
Proceeds from sale of investments		1,477,465	713,642
Net cash flows from investing activities	15	(155,974)	(645,713)
Cash flow from financing activities			
Minors' deposits received	17	17,317	10,936
Members' shares received	16	884,741	839,892
Members' shares withdrawn	16	(892,424)	(755,262)
Net cash flows from financing activities		9,634	95,566
Net increase / (decrease) in cash and cash equivalents		20,180	(442,966)
Increase/ (decrease) in bank overdraft		8,260	(3,546)
Cash and cash equivalents at beginning of year		174,393	620,905
Cash and cash equivalents at end of year	11	202,833	174,393

Notes to the Financial Statements

1. Legal and regulatory framework

Abbey Credit Union Ltd. is established under the Credit Unions (Northern Ireland) Order 1985. The Credit Union is registered with the Department for the Economy and is regulated by the Financial Conduct Authority ("FCA") and Prudential Regulation Authority ("PRA"). The principal place of business is 2 Green Walk, Rathcoole, Newtownabbey.

2. Accounting policies

2.1. Statement of compliance and basis of preparation

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102").

The financial statements have been prepared on the historical cost basis.

2.2. Currency

The financial statements are prepared in Sterling, which is the functional currency of the Credit Union. Monetary amounts in these financial statements are rounded to the nearest £.

2.3. Going concern

The financial statements are prepared on the going concern basis. The directors of Abbey Credit Union Ltd. believe this is appropriate as the Credit Union:

- Maintains an appropriate level of liquidity; and
- Has reserves that are currently above the minimum requirements of the PRA.

2.4. Income

Interest on members' loans

Interest on loans to members is recognised using the effective interest method, and is calculated and accrued on a daily basis.

Investment income

The Credit Union currently only has investments that are valued at amortised cost, and use the effective interest method to recognise investment income.

Other income

Other income such as commissions receivable on insurance products and foreign exchange services arises in connection to specific transactions. Income relating to individual transactions is recognised when the transaction is completed.

Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions, it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2.5. Dividends on shares and loan interest rebates

Dividends are made from current year's surplus or the unappropriated surpluses set aside for that purpose. The Board's proposed distribution to members each year is based on the dividend and loan interest rebate policy of the Credit Union.

The rate of dividend and loan interest rebate recommended by the Board will reflect:

- the risk profile of the Credit Union, particularly in its loan and investment portfolios;
- the Board's desire to maintain a stable rather than a volatile rate of dividend each year; and
- members' legitimate dividend and loan interest rebate expectations;

all dominated by prudence and the need to sustain the long-term welfare of the Credit Union.

For this reason the Board will seek to build up its reserves to absorb unexpected shocks and still remain above minimum regulatory requirements.

The Credit Union accounts for dividends and rebates of loan interest when members ratify such payments at the Annual General Meeting.

2.6. Taxation

Corporation tax is provided for on taxable interest from investments. All other income of the Credit Union is exempt from Corporation tax.

2.7. Cash and cash equivalents

Cash and cash equivalents comprise operating cash on hand and cash deposited with banks with original maturity of less than or equal to three months.

2.8. Financial instruments

The Credit Union has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised when the Credit Union becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when, and only when, there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets and liabilities are classified according to the substance of the contractual arrangements entered into.

2.9. Basic financial assets

Basic financial assets are initially measured at the transaction price, including transaction costs, and are subsequently carried at amortised cost using the effective interest method. Basic financial instruments include the following:

Loans to members

Loans to members are financial assets with fixed or determinable payments. Loans are recognised when cash is advanced to members and measured at amortised cost using the effective interest method.

Investments held at amortised cost

Investments held at amortised cost are measured at amortised cost using the effective interest method less impairment. This means that the investment is measured at the amount paid for the investment, minus any repayments of the principal; plus or minus the cumulative amortisation using the effective interest method of any difference between the amount at initial recognition and the maturity amount; minus, in the case of a financial asset, any reduction for impairment or un-collectability. This effectively spreads out the return on such investments over time, but does take account immediately of any impairment in the value of the investment.

2.10. Other receivables

Other receivables such as prepayments are initially measured at transaction price including transaction costs and are subsequently measured at amortised cost using the effective interest method.

2.11. Impairment of financial assets

Financial assets, other than those held at fair value, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the expected cash flows discounted at the asset's original effective interest rate.

In the case of impairment of loans to members, the loans are assessed collectively in groups that share similar credit risk characteristics except for individually significant loans which are assessed on a loan by loan basis for impairment.

Any impairment losses are recognised in the Income and Expenditure account.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in the Income and Expenditure account.

2.12. De-recognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Credit Union transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

In the case of loans to members, loans are derecognised, when the right to receive cash flows from the loans have expired, usually when all amounts outstanding have been repaid by the member. Abbey Credit Union Ltd. does not transfer loans to third parties.

2.13. Basic financial liabilities

Basic financial liabilities are initially recognised at the transaction price, including transaction costs, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities are subsequently carried at amortised cost using the effective interest method.

Financial liabilities members' shares and deposits

Members' shares, Money Management Accounts and Deposits are redeemable and therefore are classified as financial liabilities. They are initially recognised at the amount of cash deposited and subsequently minors' deposits are measured at amortised cost.

Other payables

Other payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Other payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

2.14. De-recognition of financial liabilities

Financial liabilities are derecognised when the obligations of the Credit Union specified in the contract are discharged, cancelled or expire.

2.15. Tangible fixed assets

Tangible fixed assets comprises items of property, plant and equipment, which are stated at cost, less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

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

Land and buildings	50 years straight line
Fixtures and equipment	10 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the Income and Expenditure account.

2.16. Impairment of tangible fixed assets

At each reporting end date, the Credit Union reviews the carrying value of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Credit Union estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the Income and Expenditure account.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the Income and Expenditure account.

2.17. Reserves

General reserve

The Credit Union is required to maintain and establish a minimum general reserve of at least 3% of the assets of the Credit Union in accordance with the PRA Rulebook: Non-CRR Firms: Credit Unions Instrument 2016.

Unappropriated surplus

The unappropriated surplus is the accumulated surpluses to date that have not been declared as dividends or loan interest rebate returnable to members or set aside to the general reserve.

3. 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 Abbey Credit Union Ltd.'s accounting policies. The areas requiring a higher degree of judgement, or complexity, and areas where assumptions or estimates are most significant to the financial statements are disclosed below:

Impairment losses on loans to members

The Credit Union's accounting policy for impairment of financial assets is set out in accounting policy in Note 2.16.

The estimation of loan losses is inherently uncertain and depends upon many factors, including loan loss trends, credit risk characteristics in loan classes, local and international economic climates, conditions in various sectors of the economy to which the Credit Union is exposed, and, other external factors such as legal and regulatory requirements.

Credit risk is identified, assessed and measured through the use of rating and scoring tools with emphasis on weeks in arrears and other observable credit risk metrics.

The ratings influence the management of individual loans. The credit rating triggers the impairment assessment and if relevant the raising of specific provisions on individual loans where there is doubt about their recoverability.

Loan loss provisioning is monitored by the Credit Union, and the Credit Union assesses and approves its provisions and provision adequacy on a quarterly basis. All at times the Credit Union ensures that its provisions meet the minimum requirements contained within the PRA Credit Union Rule book. Key assumptions underpinning the Credit Union's estimates of collective provisions for loans with similar credit risk characteristics, and, incurred but Not Reported provisions ("IBNR") are based on the historical experiences of the Credit Union allied to the Credit Union's judgement of relevant conditions in the wider technological, market, economic or legal environment in which the Credit Union operates.

If a loan is impaired, the impairment loss is the difference between the carrying amount of the loan and the present value of the expected cash flows discounted at the asset's original effective interest rate taking account of pledged shares and other security as appropriate. Assumptions are back tested with the benefit of experience. After a period of time, when it is concluded that there is no real prospect of recovery of loans/part of loans which have been subjected to a specific provision, the Credit Union writes off that amount of the loan deemed irrecoverable against the specific provision held against the loan.

4. Interest on members' loans

	2024 £	2023 £
Opening accrued loan interest receivable	(11,362)	(12,469)
Loan interest received in year	166,683	172,308
Closing accrued loan interest receivable	7,295	11,362
Total interest on members' loans	162,616	171,201

5. Other interest income and similar income

	2024 £	2023
Opening accrued interest on investments	(26,396)	(7,379)
Investment income in the year	126,621	53,201
Closing accrued interest on investments	41,999	26,396
Total investment income	142,224	72,218

6. Dividends and Loan Interest Rebate

The dividend and any loan interest rebate are formally proposed by the directors after the year end and are confirmed at an AGM of the members. As a result the proposed dividend for the current year does not represent a liability at the Balance Sheet date and the dividend included in the Statement of Reserves in the current year relates to dividends paid to members for the prior year.

The dividends and loan interest rebate for the current and prior year periods were as follows:

	2024 £	2023 £
Dividend paid during the year	12,965	4,130
Dividend rate:		
Members' shares	0.30%	0.10%
Dividend proposed, but not recognised	13,225	13,001
Dividend rate:		
Members' shares	0.30%	0.30%
Loan rebate paid during the year	11,916	7,176
Loan rebate rate:		
	7.0%	4.5%
Loan rebate proposed, but not recognised	11,543	11,917
Loan rebate rate:		
	7.0%	7.0%

7. Other income

	2024 £	2023 £
Miscellaneous income	77	715
Total other income	77	715

8. Expenses

	Note	2024 £	2023 £
Depreciation	12	16,527	10,995
Other management expenses (Schedule 1)		150,684	139,539
		167,211	150,534

8a. Auditors' remuneration

Abbey Credit Union voluntarily presents an analysis of its auditors' remuneration in accordance with the Companies (Disclosure of Auditor Remuneration and Liability Limitation Agreements) Regulations 2008.

	2024 £	2023 £
Fees payable for the audit of the annual accounts	6,000	6,000
Fees payable to the auditor for other services:	1,020	1,020
Total auditors' remuneration	7,020	7,020

9. Employees and employment costs

All officers / staff work on a voluntary basis and thus, there are no paid employees.

10. Taxation

	2024 £	2023 £
Corporation tax charge in respect of current year	33,939	14,557
Reconciliation of tax charge to taxable income		
Investment income	142,224	72,218
Corporation Tax at 23.9% (2023: 20%)	33,939	14,557

As disclosed in the accounting policy for taxation in note 2.6 all income other than income from investments is exempt from Corporation Tax.

11. Cash and cash equivalents

	2024 £	2023 £
Deposits with banks	202,833	174,393
Total cash and cash equivalents	202,833	174,393

Short term deposits with banks are deposits with original maturity of less than or equal to three months. All other deposits with banks are included under Investments in the Balance Sheet and disclosed in Note 15.

12. Tangible fixed assets

Tangible fixed assets comprise the following property, plant and equipment:

	Freehold land and buildings £	Fixtures and equipment £	Total £
Cost			
At 1 October 2023	297,083	164,122	461,205
Additions	-	55,330	55,330
At 30 September 2024	297,083	219,452	516,534
Depreciation			
At 1 October 2023	101,011	139,321	240,332
Charge for the year	5,942	10,585	16,527
At 30 September 2024	106,953	149,906	256,859
Net book value			
At 30 September 2024	190,130	69,546	259,676
At 30 September 2023	196,072	24,801	220,873

13. Loans to members – financial assets

13a. Loans to members

	Note	2024 £	2023 £
As at 1 October 2023		1,549,674	1,609,310
Advanced during the year		1,235,196	1,307,698
Repaid during the year		(1,293,827)	(1,338,836)
Loans written off		(34,322)	(28,498)
Gross loans to members	13b	1,456,721	1,549,674
Impairment allowances			
Individual loans		(116,056)	(93,778)
Groups of loans		(28,944)	(41,222)
Loan provision	13c	(145,000)	(135,000)
As at 30 September 2024	13b	1,311,721	1,414,674

13b. Credit risk disclosures

Abbey Credit Union Ltd. does not offer mortgages and as a result all loans to members are unsecured, except that there are restrictions on the extent to which borrowers may withdraw their savings whilst loans are outstanding. There are maximum amounts set down by the PRA in terms of what amount a member can borrow from the Credit Union.

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

	2024		2023	
	Amount £	Proportion %	Amount £	Proportion %
Not impaired:				
Neither past due nor impaired	1,289,099	88.5%	1,341,546	86.6%
More than 3 months past due	33,367	2.3%	51,255	3.6%
More than 6 months past due	32,308	2.2%	28,046	1.8%
More than 9 months past due	23,590	1.6%	24,243	1.6%
More than 12 months past due	78,357	5.4%	104,584	6.7%
	1,456,721		1,549,674	
Gross loans not impaired	1,289,099	88.5%	1,341,546	86.6%
Gross loans individually impaired	167,622	11.5%	208,128	13.4%
Total gross loans	1,456,721	100%	1,549,674	100.0%
Impairment allowance				
Individual loans	(116,056)		(93,778)	
Groups of loans	(28,944)		(41,222)	
Total carrying value	1,311,721		1,414,674	

Factors that are considered in determining whether loans are impaired are discussed in Note 3, dealing with estimates.

13c. Loan provision account for impairment losses

	2024 £	2023 £
As at 1 October 2023	135,000	140,000
Allowance / (reduction) for loan losses made during the year	10,000	(5,000)
As at 30 September 2024	145,000	135,000

13d. Net recoveries or losses recognised for the year

	2024 £	2023 £
Bad debts recovered	291	4,981
(Increase)/Reduction in loan provisions during the year	(10,000)	5,000
	(9,709)	9,981
Loans written off	(34,505)	(28,498)
Net losses on loans to members recognised for the year	(44,214)	(18,517)

14. Prepayments and accrued income

	2024 £	2023 £
Accrued income investments	41,999	26,396
Accrued loan interest income	7,295	11,362
Prepayments	379	4,475
	49,672	42,233

15. Investments

Investments at the current and prior Balance Sheet date were all measured at amortised cost as appropriate and comprised of the following:

	2024 £	2023 £
Fixed term deposits with banks	3,202,307	3,102,125
Total investments at amortised cost	3,202,307	3,102,125

16. Members' Shares – financial liabilities

	2024 £	2023 £
As at 1 October 2023	4,489,736	4,405,106
Received during the year	884,741	839,892
Repaid during the year	(892,424)	(755,262)
As at 30 September 2024	4,482,053	4,489,736

Members' shares are repayable on demand except for shares attached to loans. The breakdown of the shares between attached and unattached is as follows:

	2024 £	2023 £
Attached shares	878,005	950,279
Unattached shares	3,604,048	3,539,457
Total members' shares	4,482,053	4,489,736

17. Minors' Deposits – financial liabilities

	2024 £	2023
As at 1 October 2023	12,349	1,413
Received during the year	17,335	10,936
Repaid during the year	(18)	-
As at 30 September 2024	29,666	12,349

Minors' deposits are repayable on demand.

18. Other payables

	2024 £	2023 £
Corporation tax	33,939	14,557
Bank overdraft	9,206	946
Creditors and other accruals	15,772	15,809
	58,917	31,312

19. Additional financial instruments disclosures

19a. Financial risk management

Abbey Credit Union Ltd. is a provider of personal and business loans and also provides savings products to its members. The Credit Union invests excess funds with a view to ensuring that the return from members' loans and investments is adequate to meet the overheads of the Credit Union and provide a reasonable return to members on shares and deposits. The Credit Union has a risk register in place to help the directors manage the various risks arising from its activities to include the issuing of loans to members and investing the excess funds of the Credit Union.

The main financial risks arising from Abbey Credit Union's activities are credit 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.

Credit risk: Credit risk is the risk that a borrower will default on their contractual obligations relating to repayments to Abbey Credit Union Ltd., resulting in financial loss to the Credit Union. In order to manage this risk the Board approves the Credit Union's credit policy, and all changes to it. All loan applications are assessed with reference to the credit policy in force at the time. Subsequently loans are regularly reviewed for any factors that may indicate that the likelihood of repayment has changed. The credit risk on members' loans is disclosed in Note 13b.

The Credit Union's investments are also exposed to credit risk and the Credit Union mitigates the risk by only placing investments with financial institutions where the counterparties have strong credit ratings and using investment products authorised by the PRA.

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 Credit Union adheres on an ongoing basis to the minimum liquidity ratio as set out in the PRA Rulebook.

Market risk: Market risk is generally comprised of interest rate risk, currency risk and other price risk. Abbey Credit Union Ltd. 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 on investments and members' loans when deciding on the dividend rate payable on shares and on any loan interest rebate.

19b. Interest rate risk disclosures

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

	2024		2023	
	Amount £	Average interest rate	Amount £	Average interest rate
Financial assets				
Gross loans to members	1,456,721	12.68%	1,549,674	12.68%
Financial liabilities				
Members' shares	4,482,053	0.30%	4,489,736	0.10%
	4,482,053		4,489,736	

The interest rates applicable to general loans to members are fixed at 12.68%. The dividend on shares and interest on deposits 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 dividend on shares and interest payable on deposits. As a result, the surplus for the year is not particularly sensitive to interest rate risk and no sensitivity analysis is presented.

19c. Liquidity risk disclosures

All of the financial liabilities of the Credit Union are repayable on demand except for some members' shares attached to loans.

19d. Fair value of financial instruments

Abbey Credit Union Ltd. does not hold any financial instruments at fair value.

19e. Capital

The Credit Union maintains sufficient reserves to buffer the Credit Union against any losses on its members' loans and also its investments. The current general reserve is in excess of the minimum requirement set down by the PRA, and stands at 9.1% (2023: 8.5%) of the total assets of the Credit Union at the Balance Sheet date.

20. Post Balance Sheet events

There are no material events after the Balance Sheet date to disclose.

21. Contingent liabilities

Abbey Credit Union Ltd. had no contingent liabilities at the current or prior Balance Sheet date.

22. Capital commitments

There were no capital commitments either contracted for or approved by the Board at the year end.

23. Insurance against fraud

The Credit Union has insurance against fraud in compliance with the PRA Rulebook.

24. Related party transactions

Loans to directors, employees, supervisors and their related parties

Directors, employees, supervisors and their related parties had the following loan transactions during the year. These loans are given under the normal loan policy terms for all credit union members.

Description	Loan balances at 1 October 2023 £	Loans issued during the year £	Amounts repaid during the year £	Loan balances at 30 September 2024 £
Directors, employees, supervisors and their related parties	35,939	34,356	(27,865)	42,431
	35,939	34,356	(27,865)	42,431

Directors, employees, supervisors and their related parties share balances

Directors, employees, supervisors and their related parties had the following share balances at the year end.

	Share balances at 30 September 2024 £	Share balances at 30 September 2023 £
Directors, employees, supervisors and their related parties	130,697	106,643
	130,697	106,643

25. Approval of Financial Statements

The financial statements were approved, and authorised for issue, by the Board on 29 January 2025.

Schedule 1 - Other management expenses

	2024 £	2023 £
Staff training	700	747
Rent and rates	4,547	4,187
Treasurers honorarium	3,000	3,000
General Insurance	7,209	6,946
Members' balances insurance	32,365	31,073
Death benefit insurance	60,974	60,537
Affiliation fees	3,113	2,760
Light and heat	3,062	3,637
Repairs and renewals	16,621	7,548
Stationery and printing	627	1,451
Telephone and postage	3,439	2,631
FCA fees	1,040	1,489
Audit fees	7,020	7,020
Legal and professional fees	-	894
Bank charges	4,613	4,493
Collection differences	913	188
Miscellaneous expenses	1,441	938
Total other management expenses	150,684	139,539

Proposal of Interest Rebate and Dividend

Mr M. Mulholland confirmed there was a surplus of £59.5k available and proposed a share dividend of 0.3% to both adult and minor accounts. Mr M. Mulholland also proposed an interest rebate of 7.0% to those that borrowed during the financial year.

The reason behind this is to reward members who borrow from Abbey Credit Union and maintain the Ethos of the organisation.

Report Of the Auditor

Auditors

A resolution to appoint PGM accountants as auditors for the company for another year will be proposed later in the Annual General Meeting.

By order of the board.

Directors

The Directors of the credit union at 30th September 2024 are:

Sam Ferguson
Gail Wilson
Jonathan McDonnell

Michael Mulholland
Norma Richmond
Margaret Gail McCracken

Joan Robinson
Diane Johnston

Independent Auditors Report to the Members of Abbey Credit Union Limited

(Extracted from full FRS102 financial statement 2024)

Opinion

We have audited the financial statements of Abbey Credit Union Ltd (the 'Credit Union') for the year ended 30th September 2024, which comprise the Income and Expenditure Account, the Balance Sheet, the Statement of Changes in Reserves, the Cash Flow Statement and notes to the financial statements including a summary of significant accounting policies. The financial reporting framework that has been applied in their presentation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements in all material respects:

- give a true and fair view of the state of the Credit Union's affairs as at 30th September 2024 and of its income and expenditure and cash flows for the year then ended;
- have been properly prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, issued by the Financial Reporting Council; and
- have been prepared in accordance with the requirements of the Credit Unions (Northern Ireland) Order 1985.

Signed by Paul McAreavey, Director PGM Accountants

PGM Accountants
405 Lisburn Road,
Belfast
BT9 7EW

Report of the Credit Committee

In the past financial year, Abbey Credit Union's Credit Committee approved 705 loan applications to the total of £1.2 million. This figure is relatively static with last year being 737 loan applications at £1.3 million, which means Abbey Credit Union is still delivering loans to the local community.

Abbey Credit Union has always and continues to ensure that we judge each loan application on its own merit taking into account the history of the account as well as the needs of the applicant whilst being sensitive at all times.

The Credit Committee continuously carry out their task of checking all loan applications thoroughly and objectively ensuring a fair and transparent process. It is always our aim to ensure we are providing affordable credit to those that require it with the importance on smart lending and the member's financial situation our main focus, protecting all from any issues.

The amounts borrowed vary from day to day and from month to month, the committee will review each member's capacity to repay what is required by checking income and expenditure documents, bank statements, credit reports and any other supporting evidence that is produced or requested by the member and/or Abbey Credit Union.

The most common requests were for mainly for Home Improvements.

Min Loan	Max Loan	FYE2024	FYE2024	Split	FYE2023	FYE2023	Split
		Count	Amount		Count	Amount	
£0.00	£500.00	140	£53,325.00	20%	167	£62,265.00	23%
£500.01	£1,000.00	190	£162,785.00	27%	203	£173,225.00	28%
£1,000.01	£2,000.00	200	£329,993.53	28%	185	£303,220.00	25%
£2,000.01	£3,000.00	86	£233,735.59	12%	79	£215,188.00	11%
£3,000.01	£4,000.00	39	£149,095.00	6%	38	£142,700.00	5%
£4,000.01	£5,000.00	26	£126,762.70	4%	24	£118,300.00	3%
£5,000.01	£7,500.00	17	£106,000.00	2%	30	£187,800.00	4%
£7,500.01	£10,000.00	5	£43,500.00	1%	10	£94,000.00	1%
£10,000.01	£30,000.00	2	£30,000.00	0%	1	£11,000.00	0%
		705	£1,235,196.82		737	£1,307,698.00	

The Credit Union is an ethical and affordable financial institution at the heart of our community. We exist solely for the benefit of our members, not to profit from them. Borrowing from the credit union is simple; there are no hidden costs, no sneaky stuff to get you to pay more. We endeavour to ensure that our members are aware of the tremendous value which we offer and in ensuring that they view the credit union as the first port of call when they or a family member want a personal loan. We encourage members to be wary of “Pay-day” or “Quick fix” lenders who profit from making credit available to financially vulnerable or overburdened families.

We also offer flexibility regarding loan repayments – a loan can be paid back early without penalties or it can be rescheduled if there is a change in the borrower’s circumstances. For comparison with other lenders, we also offer the unique aspects of Loan Protection Insurance, no hidden fees or charges and indeed the loan interest rebate which you may receive. This figure is announced each year at the A.G.M.

The Credit Committee wishes to acknowledge the efforts of all tellers, loan officers and all staff who helped to prepare and present all loan applications for our consideration, along with assisting with the smooth running of the Credit Committee.

The members of Abbey Credit Union, who continue to support us by borrowing and faithfully repaying their loans, are as always, the backbone of our Credit Union and to them we are eternally indebted.

Mrs D Johnston
Loans Officer

Report of the Supervisory Committee

During this financial year, the Supervisory Committee undertook regular reviews in relation to Abbey Credit Union Limited's business operations, policies and procedures. This included checks such as:

- policy implementation processes
- compliance with established policies
- maintenance of accounting records
- spot checks and
- other systems of planning and internal control.

In addition to monitoring the activities of the Board of Directors, the Supervisory Committee continues to advise the Board of Directors in matters related to governance, regulatory affairs and business operations, consistent with the requirements of the regulatory authorities in the financial services industry such as the Irish League of Credit Unions, the Financial Conduct Authority and the Prudential Regulation Authority.

The committee would like to thank everyone for their co-operation throughout the year.

Please note that during this financial year, we encountered illnesses, hospital visits as well as our President being in hospital for a longer period hence the low attendance.

Attendances of Board of Directors 2023 / 2024						
Director	Possible	Actual		Director	Possible	Actual
S. Ferguson	12	4		N. Richmond	12	9
M. Mulholland	12	12		D. Johnston	12	9
J. Robinson	12	10		J. McDonnell	12	12
G. Wilson	12	11		M. McCracken	12	9

Mrs J Brady, Mr S Hughes and Mr W Wilson

Report of the Credit Control Committee

Abbey Credit Union places priority on the management of debt. The procedures are reviewed regularly and updated accordingly, as needed during the financial year. The Credit Control Committee and staff meet regularly to review accounts for members who are in debt. This includes review of accounts where payment is late, those rescheduled and those where the account requires more intensive management to ensure debt is recovered.

With rising inflation and increasing costs across the board right across the UK, the total accounts that were turned into a debt and accounted for in our bad debt provision is £145k, an increase of £10k against last year's total of £135k. The reasons are usually down to a change in the personal circumstances of a member. The pressure on income, such as the cost of home heating and electricity, pay increases may be low or there may be no income increase at all. All our actions to help members deal with their debt with the credit union take account of the implications the economic situation has for them and the difficulty some have to maintain loan repayments.

Staff monitor accounts to check for regular payments of loans and interest. Members who have missed payments are contacted with a view to getting accounts back on track as quickly as possible. The work of staff and the services of a debt collector have proved invaluable in getting payments for live accounts restarted and in the collection of debts.

The total amount collected by the Debt Collector on behalf of Abbey Credit Union this year was £1,720 - the net payment towards debt was £1,228 and the Debt Collector received £492. In effect, this service does not incur a cost to Abbey Credit Union as the Collector's fees are taken from the amount collected. All members are given the opportunity to arrange payment directly, so that they may avoid collection fees. If they do not avail of this opportunity their account is referred to the Collector.

The Credit Control Committee would encourage any member having trouble in meeting regular payments to contact a member of staff. We will endeavour to deal with your position sensitively and look at ways to keep the account active whilst reducing the loan and interest arrears. Avoiding acting will cause the debt to rise and may even incur legal costs, which only add to the dilemma. We would urge members not to let embarrassment put you off, your membership is important to us, we are here to help, if we can, please give us the opportunity to try.

Within the calendar year, we changed the computer system and therefore the Credit Control element was not fully utilised or tracked, therefore we are unable to provide exact numbers of contacts at this time.

Michael Mullholand (Treasurer)

Report of the Membership Officer

During the past year 128 new members joined the credit union, 100 adult members and 28 junior members. This brings the total membership to 2440 adult members plus 82 minors.

Increasing our membership base is one of the key objectives in our business development strategy. With our change last year with our online systems and access, this has now meant we can encourage members to join Abbey Credit Union online and upload all the required documentation.

During this upcoming financial year, we will also strive to develop our membership base by marketing the local area where possible and encourage those to join Abbey Credit Union.

Insurance Committee Report

Abbey Credit Union cares about helping our members and provides eligible members with a range of insurance services.

Share Insurance

Share insurance provides coverage of savings for all eligible members at no direct cost to the member. This is provided as an additional incentive to save regularly and maintain savings within Abbey Credit Union. Depending on your age and how much you have saved with the credit union over the years, life share insurance provides dependants with a return on the deceased member's death. For each £1 saved there is life insurance cover at no extra individual cost for eligible members on shares saved up to age 70. The maximum insurable shareholding is £15,000.

Loan Protection Insurance

Abbey Credit Union provides loan protection insurance on the lives of eligible members up to 85 years of age with outstanding credit union loans. This is at no extra cost to the member. Loans above a certain size and for certain age categories may require a declaration of health report to be completed and submitted to our insurance company.

Should a member with an outstanding loan die, the loan balance may be repaid in full pending approval from our insurance company. This means that members can borrow from Abbey Credit Union with the full confidence that your dependants may not be obliged to repay the outstanding loan balance should you die. Abbey Credit Union also continued to maintain the required level of insurance against fraud and dishonesty throughout the year.

Abbey Credit Union is also compliant with the deposit protection scheme and the Single Customer View requirements (SCV).

Death Benefit Insurance

Another benefit on offer at Abbey Credit Union at no cost to the member is our Death Benefit Insurance. This is designed to relieve the burden of bereavement costs. DBI is available for eligible members who join before 70 years of age and are fit to follow their normal occupation.

The cover selected by the board is £2,500 for the Death Benefit Insurance

Report of the Development Committee

The Board and staff of Abbey Credit Union are continually working to improve the service we offer to members. We have developed policies to cover all aspects of the Credit Union's operation and to increase its efficiency. These policies are reviewed regularly and revised where necessary to ensure that members are always at the forefront of our concerns.

Our IT system enables non-members to apply to join the credit union on-line and upload all the required documentation. Existing members can also apply through our website to become an online member enabling them to access their credit union account 24/7. Our online facility allows members to keep track of their credit union accounts online, apply for a loan on-line and send us a message securely. This makes having a credit union account more accessible and convenient.

We are always conscious of our duty to become more eco-friendly, and the use of our DocuSign functionality for online loans has proved our greatest success story. This technology allows members to sign loan forms digitally without the need for paper copies. We hope to avail of this functionality further in the coming months and years to enable us to become as paper free as possible.

The changes in Data Protection legislation now in force obliges us to have photographic ID and proof of address for all members. While this is in place for those who have joined in recent years, those members of longer standing who have not supplied ID or proof of address, are asked to assist us at their convenience. Ask the staff for details.

We believe Abbey Credit Union has an important role to play in helping to rebuild a strong and local community and to make a difference in the lives of ordinary people during the tough times ahead. We want to position Abbey Credit Union as a lender of choice for all those with a borrowing need in our community. Credit Unions are the most trusted financial institutions, and we will continue to build on this reputation. We will continue to identify opportunities and build relationships that will result in both active membership growth and increased lending in accordance with the credit union's strategic objectives.

Minutes of the 2023 Annual General Meeting

Abbey Credit Union Limited

Minutes of AGM held January 2024

The 53rd Annual General meeting of Abbey Credit Union Limited was held at the Abbey Credit Union offices, Rathcoole, Newtownabbey. This was also available to join on Zoom for members that couldn't make it to the office on Wednesday 17th January 2024.

Attendance: There were 15 total members present in person (9) and (6) via Zoom.

Apologies: None

Quorum: It was agreed that there was quorum of members for the meeting to proceed.

Minutes: The minutes for the 52nd Annual General Meeting (held January 2023) meeting were available as hard copy in the booklet for the meeting, for those present and taken as read.

Proposed by J. McDonnell, seconded by S. Hughes and all in attendance.

President's Report: The President, S. Ferguson presented the report. He highlighted the success of Abbey Credit Union and congratulated all those who played a part, past and present in ensuring that success. The President talked about our celebrations this last year to commemorate 50 years of service to our members and the community within our common bond. He also outlined that we are only at a point in our journey and the need, in the future, to be prepared to meet the needs of members as they change over time. The Board was pleased to recommend a dividend of 0.3% and an interest rebate of 7.0%.

Treasurer's Report: The Treasurer, M. Mulholland presented his report and summarised some of the main points from the financial statements for the financial year ended 30th September 2023, as follows:

- Surplus available for distribution - £60.5
- Income was approx. £243k whilst expenditure was £169k.
- £1.55m out on loans

Proposed by J. Robinson, seconded by N. Richmond

Report of the Auditor: Paul McAreevey, the Auditor presented the audit report. He highlighted to the members in line with FRS102 that the audit opinion was that the Financial Statements represented a true and fair view of the financial position of Abbey Credit Union as at 30th September 2023.

Declaration of dividend and rebate of interest: Dividend of 0.3% and interest rebate of 7.0%.

Proposed by R. McQuitty, seconded by W. Wilson

Committee Reports: Below is a list of the various reports and those who presented them:

Report	Person
Credit Committee Report	D. Johnston
Supervisory Committee Report	J. Brady
Credit Control Committee Report	M. Mulholland
Membership	S. Ferguson
Insurance	M. Mulholland

M. Mulholland advised on the benefits of insurance for loan protection and the Death Benefit (DBI) element of insurance. He noted that the cost of DBI to Abbey Credit Union is still an operational expense that occurs, to deliver the £2,500 cover for members. This is what drives the surplus down, leading to lower dividends and rebates being offered, as opposed to charging the membership for the insurance as an annual fee.

Nominations Committee: The names of officers who were due for election/re-election to the Board and Supervisory Committee were provided by the President, S. Ferguson. All in attendance were invited to vote for the following nominees:

Directors – Joan Robinson, Diane Johnston and Samuel Ferguson
Supervisor – Joyce Brady

Ballot papers were distributed, collected and the votes were counted.

Election of Auditor: A proposal was made to re-appoint PGM Accountants for another year.
Proposed by: N. Richmond, seconded by S. Hughes

AOB:

Treasurers Honorarium should remain at £3000 for the coming year.

Proposed by: J. Robinson, seconded by J. Brady

In accordance with Rule 132 and subject to Rule 168, that up to £1,000 be allocated.

Proposed by G. McCracken, seconded by D. Johnston

Election of Officers: All the proposed nominees were elected / re-elected for another 3-year term.

Name	Position	Age
Joan Robinson	Director	71
Diane Johnston	Director	54
Sam Ferguson	Director	89
Joyce Brady	Supervisor	65

Close of meeting: Meeting ended at 08:50pm.



Mr S Ferguson – President



Mr J McDonnell – Secretary