

**GATEWAY
CREDIT UNION LIMITED**

**FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2025**

BEVAN BUCKLAND LLP
CHARTERED ACCOUNTANTS
GROUND FLOOR CARDIGAN HOUSE
CASTLE COURT
SWANSEA ENTERPRISE PARK
SWANSEA
SA7 9LA

GATEWAY CREDIT UNION LIMITED

INFORMATION PAGE
YEAR ENDED 30 SEPTEMBER 2025

DIRECTORS	B Pippen D Williams P Jenkins S Brooks S Burch P Buckley J Watkins P Pippen R Holland
FCA REGISTERED NUMBER	214010
COMPANY REGISTRATION NO	484C
REGISTERED OFFICE	21 Commercial Street Pontypool NP4 6JQ
AUDITORS	Bevan Buckland LLP Chartered Accountants And Statutory Auditors Ground Floor Cardigan House Castle Court Swansea Enterprise Park Swansea SA7 9LA
BANKERS	The Cooperative Bank Lloyds Unity Trust

GATEWAY CREDIT UNION LIMITED
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YEAR ENDED 30 SEPTEMBER 2025

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GATEWAY CREDIT UNION LIMITED

DIRECTORS' REPORT

YEAR ENDED 30 SEPTEMBER 2025

The board of directors presents its report together with the financial statements for the year ended 30 September 2025.

Principal activity and Business Review

The principal activities of the credit union are the promotion and encouragement of regular saving and prudent borrowing by its members, as defined in the Credit Unions Act 1979.

Directors

The directors who served during the year are as stated below:

B Pippen	
D Williams	
M Jones	Resigned February 2025
P Jenkins	
S Brooks	
S Burch	
P Buckley	
J Watkins	Appointed February 2025
P Pippen	Appointed February 2025
R Holland	Appointed February 2025

Financial risk management objectives and policies

The main financial risks arising from Credit Union's activities are credit risk, liquidity risk and interest rate risk. The board reviews and agrees policies for managing each of these risk and these are summarised below:

Credit Risk: All loan applications are assessed with reference to the Credit Union's lending policy. Changes to policy are approved by the Board.

Interest Rate Risk: The main interest rate risk arises from differences between interest rate exposures on assets and on liabilities that form an integral part of the credit union's operations. The Credit Union considers interest rates when deciding on the dividend rates to propose on share accounts.

Liquidity Risk: The Credit Union's policy is to maintain sufficient funds in a liquid form at all times to ensure that the Credit Union can meet its liabilities as they fall due. The objective of liquidity is to help smooth mismatches between maturing assets and liabilities and to provide a degree of protection against any unexpected developments that may arise.

These areas are outlined in greater detail in section 21a of the Notes of the Financial Satatements.

GATEWAY CREDIT UNION LIMITED

DIRECTORS' REPORT

YEAR ENDED 30 SEPTEMBER 2025

Legislation requires the Directors to prepare financial statements for each financial year. Under that law the 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 the Credit Union Act 1979 and the Co-operative and Community Benefit Societies Act 2014 the 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 Directors are required to:

- ♦ select suitable accounting policies and then apply them consistently;
- ♦ make judgements and estimates that are reasonable and prudent;
- ♦ state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- ♦ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the credit union will continue to operate.

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 requirements of the Co-operative and Community Benefit Societies Act 2014 and the Credit Unions Act 1979. 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 TO AUDITORS

The Board confirms that all necessary steps have been taken to make themselves aware of matters which would be relevant for audit purposes and have communicated such matters to the auditors. They also confirm that, so far as they are aware, at the date of approval of the financial statements there are no matters relevant to the audit of the financial statements which have not been disclosed to the auditors.

RESULTS AND DIVIDEND

The results for the year are set out in the Revenue Account on page 5.

The directors consider that these results are satisfactory in the current economic climate and hope to see improvements and continued growth in membership in the coming twelve months.

The board of directors propose the payment of a dividend of 0% for the year (2024 - 0%). This proposal will be put to the members of the credit union at the Annual General Meeting.

AUDITORS

Bevan Buckland LLP have indicated their willingness to accept re-appointment for a further term. A resolution to re-appoint them is to be proposed at the Annual General Meeting.

P.J. Pippen
Secretary - Paula Pippen

23/01/26
Date

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
GATEWAY CREDIT UNION LIMITED
YEAR ENDED 30 SEPTEMBER 2025**

Opinion

We have audited the financial statements of Gateway Credit Union Limited for the year ended 30 September 2025 which comprise the Revenue Account, Statement of Changes in Retained Earnings, Balance Sheet, the Cash Flow Statement and related notes. The financial reporting framework that has been applied in their preparation 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:

- give a true and fair view of the state of the credit union's affairs as at 30 September 2025 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Co-operative and Community Benefit Societies Act 2014 and the Credit Unions Act 1979.

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 directors' 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 credit union'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 other information comprises the information included in the annual report, including the directors' report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

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.

Opinions on other matters prescribed by the Co-operative and Community Benefit Societies Act 2014

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report have been prepared in accordance with applicable legal requirements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
GATEWAY CREDIT UNION LIMITED
YEAR ENDED 30 SEPTEMBER 2025**

Matters on which we are Required to Report by Exception

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of financial statements which 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 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 directors either intend to liquidate the credit union or to cease operations, or have no realistic alternative but to do so.

Our 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.

Irregularities, including fraud, and instances of non-compliance with laws and regulations. We design procedures based on assessed risk and in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the credit union and determined that the following were most relevant: FRS 102, Co-operative and Community Benefit Societies Act 2014 and the Credit Unions Act 1979. Our approach to identifying and assessing the risks of material misstatement in respect of irregularities. Including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations irrespective of the size of amounts involved;
- we enquired of management the systems and controls the credit union has in place, the areas of the financial statements that are mostly susceptible to the risks of irregularities and fraud (which we outline below) and whether there was any known, suspected or alleged fraud;
- we identified the laws and regulations applicable to the credit union through discussions with senior management;
- identified laws and regulations were communicated within the audit team who remained alert to instances of non-compliance throughout the audit.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
GATEWAY CREDIT UNION LIMITED
YEAR ENDED 30 SEPTEMBER 2025**

In response to the risk of irregularities and non-compliance with laws and regulations, we designed our audit procedures which included, but were not limited to:

- reviewing the financial statements disclosures and determining whether accounting policies have been appropriately applied;
- obtaining third party confirmation of bank balances;
- reviewing the minutes of meetings of those charged with governance;
- reviewing related party transactions of those charged with governance and determining whether the information provided is complete and appropriately disclosed in the financial statements;
- reviewing correspondence from professional advisors and regulators;
- reviewing and testing the internal controls in place for loans and savings and determining whether controls have been appropriately applied;
- reviewing and testing of revenue recognition processes and determining completeness of income;
- checking expenses are bona fide transactions of the credit union, and;
- reviewing post balance sheet and subsequent events, both financial and non-financial, that have occurred in the period between the financial year end and the signing of the audit report.

There is a risk that we will not detect all irregularities, including fraud, because of the inherent limitations of an audit, including those leading to a material misstatement in the financial statements or non-compliance with regulations. The areas in the financial statements that are most susceptible to fraud are Loans and Advances to Members and Subscribed Capital.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the credit union's directors, as a body, in accordance with Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the directors 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's directors as a body, for our audit work, for this report, or for the opinions we have formed.

Bevan Buckland LLP
Chartered Accountants
Statutory Auditors

Date:

Ground Floor Cardigan House
Castle Court
Swansea Enterprise Park
Swansea
SA7 9LA

GATEWAY CREDIT UNION LIMITED

REVENUE ACCOUNT
YEAR ENDED 30 SEPTEMBER 2025

	Note	2025 £	2024 £
Loan interest receivable and similar income	4	270,760	287,384
Interest payable	5	(3,048)	(285)
Net interest income		267,712	287,099
Fees and commissions receivable	6	14,174	11,445
Fees and commissions payable		-	
Net fees and commissions receivable		14,174	11,445
Grant income		54,713	53,871
Other income		19,840	5,460
Employment costs	7	(162,699)	(180,995)
Establishment costs	8	(4,828)	(5,388)
Administrative expenses	9	(89,496)	(98,473)
Regulatory costs	10	(20,635)	(18,605)
Depreciation and amortisation	14	(5,643)	(8,130)
Impairment losses on loans to members	15	(66,979)	(51,878)
(DEFICIT)/SURPLUS FOR THE YEAR BEFORE TAXATION		6,159	(5,594)
Taxation	13	(20,883)	(16,924)
(DEFICIT)/SURPLUS FOR THE YEAR		(14,724)	(22,518)
Loss on disposal of fixed asset		-	
TOTAL COMPREHENSIVE INCOME		(14,724)	(22,518)

STATEMENT OF CHANGES IN RETAINED EARNINGS

		2025 £	2024 £
As at 1 October 2024		346,390	368,908
Total comprehensive income for the year		(14,724)	(22,518)
Dividends paid/movement		-	-
As at 30 September 2025	20	331,666	346,390

GATEWAY CREDIT UNION LIMITED

BALANCE SHEET
YEAR ENDED 30 SEPTEMBER 2025

		2025	2024
	Note	£	£
ASSETS			
Loans and advances to banks		2,695,087	2,663,323
Cash in hand	76		95
		2,695,163	2,663,418
Loans and advances to members	15	770,960	729,507
Tangible fixed assets	14	172,205	146,753
Other receivables		2,298	2,964
Prepayments and accrued income		75,682	83,829
TOTAL ASSETS		3,716,308	3,626,471
LIABILITIES			
Subscribed capital - repayable on demand	16	2,653,428	2,716,521
Junior savers	17	303,402	323,752
Subordinated loan	18	150,000	150,000
Other payables	19	277,812	89,808
		3,384,642	3,280,081
Retained earnings	20	331,666	346,390
TOTAL LIABILITIES		3,716,308	3,626,471

Approved by the board of directors on

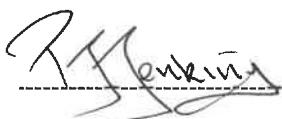
and signed on their behalf by:



Chair - Brian Pippen



Secretary - Paula Pippen



Director - Phil Jenkins

GATEWAY CREDIT UNION LIMITED

CASH FLOW STATEMENT
YEAR ENDED 30 SEPTEMBER 2025

	2025 £	2024 £
OPERATING ACTIVITIES		
(Deficit) / Surplus before taxation	6,159	(5,594)
Adjustments for non-cash items:		
Depreciation	5,643	8,130
Impairment losses	66,979	51,878
	<hr/>	<hr/>
	78,781	54,414
Movements in:		
Accrued interest	8,147	(19,290)
Other receivables	666	(4,404)
Other payables	188,004	(26,815)
	<hr/>	<hr/>
	196,817	(50,509)
CASH FLOWS FROM CHANGES IN OPERATING ASSETS AND LIABILITIES		
Cash inflow from subscribed capital	2,671,637	4,488,069
Cash outflow from repaid capital	(2,734,730)	(4,693,453)
Cash inflow from junior shares	41,002	119,190
Cash outflow from junior shares	(61,352)	(161,292)
Cash inflow from Sub-ordinated loan	-	-
New loans to members	(911,389)	(842,903)
Repayment of loans by members	802,957	986,742
	<hr/>	<hr/>
	(191,875)	(103,647)
Dividend paid	-	-
Corporation Tax paid	(20,884)	(16,924)
	<hr/>	<hr/>
NET CASH FLOWS FROM OPERATING ACTIVITIES	(212,759)	(120,571)
INVESTING ACTIVITIES		
Purchase of fixed assets	(31,094)	(2,887)
	<hr/>	<hr/>
	(31,094)	(2,887)
Net decrease in cash and cash equivalents	31,745	(110,745)
Cash and cash equivalents at beginning of year	2,663,418	2,774,163
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT END OF YEAR	2,695,163	2,663,418
	<hr/>	<hr/>

GATEWAY CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS **YEAR ENDED 30 SEPTEMBER 2025**

1 LEGAL AND REGULATORY FRAMEWORK

Gateway Credit Union Limited is a society established under the Co-operative and Community Benefit Societies Act 2014, whose principal activity is to operate as a credit union, within the meaning of the Credit Unions Act 1979. Gateway Credit Union Limited is authorised by the Prudential Regulation Authority and is regulated by the Financial Conduct Authority and Prudential Regulation Authority under the provisions of the Financial Services and Markets Act 2000.

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, Gateway Credit Union has issued redeemable shares and interest-bearing shares.

2 ACCOUNTING POLICIES

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.

The financial statements are prepared on the historical cost basis.

Going Concern

The financial statements are prepared on the going concern basis. The directors believe this is appropriate because there is adequate reserves and working capital to support the operations of the credit union.

Income

Loan interest receivable and similar income:

Interest on both loans to members and loans to banks (ie. Cash and cash equivalents held on deposit with other financial institutions) is recognised using the effective interest rate 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.

Taxation

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 from which profits are chargeable to corporation tax, it is unlikely that deferred tax will arise.

Deferred grants

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

GATEWAY CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 30 SEPTEMBER 2025

Tangible Fixed Assets

Fixed assets are shown at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset. Depreciation has been charged on this valuation to write off the value of each asset over its estimated useful life. The following depreciation rates are used:

Freehold property	~ 1% straight line
Computer equipment	~ 25% straight line
Furniture and fittings	~ 20% straight line

Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand and with the Bank of England and loans and advances to banks (ie cash deposited with banks) with maturity of less than or equal to three months.

Loans and Advances to Members

Loans to members are financial assets with fixed or determinable payments, and are not quoted in an 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.

Impairment of financial assets

The Credit Union assesses, at each balance sheet date, if there is objective evidence that any of its loans to members are impaired. The loans are assessed collectively in groups that share similar credit risk characteristics, because no loans are individually significant. In addition, if, during the course of the year, there is objective evidence that any individual loan is impaired, a specific loss will be recognised.

Any impairment losses are recognised in the revenue account, as the difference between the carrying value of the loan and the net present value of the expected cash flows.

Subscribed Capital

Members' shareholdings are redeemable and therefore are classified as financial liabilities, and described as subscribed capital. They are initially recognised at the amount of cash deposited and subsequently measured at amortised cost.

Subordinated loans

The company initially recognises subordinated liabilities when the company becomes a party to the contractual provisions of the instrument.

Employee Benefits

Defined contribution plans:

The amounts charged as expenditure for the defined contribution plan are the contributions payable for the relevant accounting period.

Other employee benefits:

Other benefits, including holiday pay, are recognised as an expense over the period they are earned.

Reserves

Retained earnings are the accumulated surpluses to date that have not been declared as dividends returnable to members. The balances of the distributable and non-distributable reserves are detailed in note 19 to the financial statements.

GATEWAY CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 30 SEPTEMBER 2025

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 the credit union'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 following bad debt provisions were made on loans to members:

- 100% of outstanding net liabilities on loans over 12 months in arrears or where recovery is considered unfeasible;
- 80% of outstanding liabilities on loans 9 to 12 months in arrears;
- 60% of outstanding liabilities on loans 6 to 9 months in arrears;
- 35% of outstanding liabilities on loans 3 to 6 months in arrears.
- 100% of renegotiated loans where repayment period is over 5 years

	2025	2024
	£	£
Loan interest receivable from members	189,311	191,844
Bank interest receivable on cash and liquid deposits	81,449	95,540
Total loan interest receivable and similar income	<u>270,760</u>	<u>287,384</u>
5 INTEREST EXPENSE	2025	2024
	£	£
Junior and Child Trust Fund interest	3,048	285
Individual Savings Accounts interest	-	-
Interest paid during the year	<u>3,048</u>	<u>285</u>
Dividend rate on subscribed capital	0.00%	0.00%
Interest proposed, but not recognised	<u>-</u>	<u>-</u>
6 FEES AND COMMISSIONS RECEIVABLE	2025	2024
	£	£
Entrance fees	-	-
Housing association fees	60	65
Members' administration fees	14,114	11,380
Total fees and commissions receivable	<u>14,174</u>	<u>11,445</u>
7 EXPENSES	2025	2024
Note	£	£
Employment costs	12	162,699
Establishment costs	8	4,828
Administrative expenses	9	89,496
Depreciation and amortisation	-	5,643
Regulatory costs	10	20,635
		<u>283,301</u>
		<u>311,591</u>

GATEWAY CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2025

8 ESTABLISHMENT COSTS	2025	2024
	£	£
Rent and rates	-	465
Heat and light	2,862	4,078
Property insurance and maintenance	1,966	845
	4,828	5,388

9 ADMINISTRATIVE COSTS		2025	2024
	Note	£	£
Advertising and publicity expenses		10,223	6,613
Accountancy and professional fees		3,865	3,533
Printing, stationery, postage and office consumables		5,935	5,644
Telephone		2,826	5,008
Repairs, renewals and computer maintenance		33,798	32,913
Auditors' remuneration	11	10,788	11,767
General expenses		3,260	6,270
Bank charges and interest		1,602	2,171
Training and conference costs		1,345	1,342
Travelling expenses		221	1,668
Legal and court costs		1,719	3,531
Credit agency fees		13,194	17,353
Honoraria		720	660
Sundry expense		-	-
		89,496	98,473

10 REGULATORY COSTS		2025	2024
		£	£
Loan protection / life savings insurance		3,733	4,797
Fidelity bond and general insurance		8,675	10,891
ABCUL dues		3,538	2,882
Consumer duty		4,689	-
Data Protection Registry		-	35
		20,635	18,605

11 AUDITORS' REMUNERATION

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

	2025	2024
	£	£
Fees payable for audit of accounts	10,342	11,321
Fees payable for other services:		
Preparation of Annual Return	330	330
Services relating to Taxation	116	116
	10,788	11,767

GATEWAY CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 30 SEPTEMBER 2025

12 EMPLOYEES AND EMPLOYMENT COSTS

Employee information	2025	2024
	£	£
Wages and salaries	162,699	180,995
	162,699	180,995

The directors are not remunerated and no employee received emoluments in excess of £60,000.

The average monthly number of persons, employed by the credit union during the year was:

	2025	2024
Management and administration	<u>9</u>	<u>10</u>

13 TAXATION

13a Recognised in the Revenue Account

	2025	2024
	£	£
Corporation Tax @ 25% (2024 - 25%)		
on bank deposit interest receivable	20,883	16,924
Underprovision in prior year	-	-
	20,883	16,924

13b Reconciliation of Taxation Expense

Gateway Credit Union Limited 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 explained below:

	2025	2024
	£	£
(Deficit)/surplus before taxation	<u>6,159</u>	<u>(5,594)</u>
(Deficit)/surplus before taxation multiplied by small profits rate of corporation tax in the UK of 25% (2024: 25%)	1,540	(1,399)
Non-taxable surplus on transactions with members	19,343	18,323
Corporation tax charge for the year	20,883	16,924

GATEWAY CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 30 SEPTEMBER 2025

14 FIXED ASSETS - TANGIBLE	Freehold Property	Furniture & fittings	Computer equipment	Total
Cost:				
Opening balance	146,240	10,522	62,951	219,713
Additions	2,702	1,088	27,304	31,094
Disposals	-	-	(36,277)	(36,277)
Closing balance	<u>148,942</u>	<u>11,610</u>	<u>53,978</u>	<u>214,530</u>
Depreciation:				
Opening balance	7,253	9,555	56,152	72,960
Charge for year	1,479	507	3,656	5,642
On disposals	-	-	(36,277)	(36,277)
Closing balance	<u>8,732</u>	<u>10,062</u>	<u>23,531</u>	<u>42,325</u>
Net Book Value:				
30 September 2024	<u>140,210</u>	<u>1,548</u>	<u>30,447</u>	<u>172,205</u>
30 September 2023	<u>138,987</u>	<u>967</u>	<u>6,799</u>	<u>146,753</u>

15 LOANS AND ADVANCES TO MEMBERS

15a Loans and Advances to Members

	2025	2024
	£	£
Opening loan balances	907,693	1,323,728
Loans advanced in year	<u>911,389</u>	<u>842,903</u>
	<u>1,819,082</u>	<u>2,166,631</u>
Loans repaid in year	(802,957)	(986,742)
Loans written off during the year	(114,418)	(272,196)
	<u>901,707</u>	<u>907,693</u>

15b Credit Risk Disclosures

Gateway Credit Union Limited 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.

The carrying amount of the loans to members represents the credit union'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.

GATEWAY CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2025

15b Credit Risk Disclosures

	2025	2024
	£	£
Not impaired:		
Neither past due nor impaired	703,029	663,188
Up to 3 months past due	79,049	72,235
Between 3 and 6 months past due	-	-
Between 6 months and 1 year past due	-	-
Over 1 year past due	-	-
Loans not impaired	782,078	735,423
Individually impaired:		
Not yet past due, but impaired	-	-
Up to 3 months past due	-	-
Between 3 and 6 months past due	12,045	23,077
Between 6 months and 1 year past due	25,475	30,210
Over 1 year past due	82,109	118,983
Total loans	901,707	907,693
Impairment allowance	(130,747)	(178,186)
Total carrying value	770,960	729,507

15c Impairment losses

	2025	2024
	£	£
As at 1 October 2024	178,186	398,504
Allowance for losses made during the year	66,979	51,878
Allowances reversed during the year	-	-
Increase/(decrease) in allowances during the year	66,979	51,878
Loans written off during the year	(114,418)	(272,196)
As at 30 September 2025	130,747	178,186

16 SUBSCRIBED CAPITAL

	2025	2024
	£	£
Opening balance	2,716,521	2,921,905
Share monies received	2,671,637	4,488,069
Dividends added to members' accounts	-	-
	5,388,158	7,409,974
Less: Share monies repaid	(2,734,730)	(4,693,453)
Closing balance	2,653,428	2,716,521

Members' shares include 50 corporate members with balances totalling £174,773 (2024 - 63 totalling £160,285).

GATEWAY CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2025

17 JUNIOR SAVERS	2025	2024
	£	£
Opening balance	323,752	365,854
Share monies received	41,002	119,190
	<hr/>	<hr/>
Less: Share monies repaid	364,754	485,044
Closing balance	(61,352)	(161,292)
	<hr/>	<hr/>
	303,402	323,752

Junior Savers include Child Trust Fund accounts totalling £70,299 (2024: £88,529)

18 SUBORDINATED LOANS	2025	2024
	£	£
Subordinated loans	150,000	150,000
	<hr/>	<hr/>
The subordinated loans are made up as follows		
Welsh Government 2019	50,000	50,000
Welsh Government 2021	100,000	100,000
	<hr/>	<hr/>
	150,000	150,000

The combined loan balance will be paid in equal instalments over 15 years, commencing October 2025. Both loans are interest free.

The repayment schedule for the loans is as follows:

	2025	2024
	£	£
Instalments due < 1 year	10,000	
Instalments due > 1 year	10,000	10,000
Instalments due between 2 and 5 years	30,000	30,000
Instalments due after 5 years	100,000	110,000
	<hr/>	<hr/>
	150,000	150,000

19 OTHER PAYABLES	2025	2024
	£	£
Trade creditors and accruals	12,511	15,776
Government grant & other grants	247,966	56,012
Taxes and Social Security	17,335	18,020
	<hr/>	<hr/>
	277,812	89,808

GATEWAY CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 30 SEPTEMBER 2025

20 RETAINED EARNINGS

	2025			2024	
	Revenue Reserve	Business Loan Reserve	General Reserve	Total	Total
	£	£	£	£	£
Balance at 1 October 2024	199,037	12,645	134,708	346,390	368,908
(Deficit)/Surplus for the year after taxation	(14,724)	-	-	(14,724)	(22,518)
	184,313	12,645	134,708	331,666	346,390
Dividends paid during year	-	-	-	-	-
Transfers between reserves	-	-	-	-	-
Balance at 30 September 2025	184,313	12,645	134,708	331,666	346,390

The Revenue Reserve and Business Loan Reserve are distributable. The General Reserve is not distributable.

21 ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURES

21a 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.

The main financial risks arising from the credit union's activities are credit risk, liquidity 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 the credit union, resulting in financial loss to Gateway Credit Union Limited. In order to manage this risk, the Board approves 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 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.

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

GATEWAY CREDIT UNION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2025

21b Interest Rate Risk Disclosures

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

	2025		2024	
	Amount £	Average interest rate %	Amount £	Average interest rate %
Financial assets				
Loans to members	<u>901,707</u>	25.23	<u>907,693</u>	23.44
Financial liabilities				
Subscribed capital	<u>2,653,428</u>	0.00	<u>2,716,521</u>	0.00

The interest rates applicable on loans to members are fixed and range from 3.7% APR to 42.6% APR.

The interest payable on subscribed capital is determined on the basis of income less administrative expenses and a consistent margin is maintained between interest receivable and interest payable. As a result, the surplus for the year is not particularly sensitive to interest rate risk and no sensitivity analysis is presented.

21c Liquidity Risk Disclosures

Excluding short-term other payables, as noted in the Balance Sheet, the credit union's financial liabilities, the subscribed capital, are repayable on demand.

21d Fair Value of Financial Instruments

Gateway Credit Union Limited does not hold any financial instruments at fair value.

22 CASH AND CASH EQUIVALENTS

	2025 £	2024 £
Loans and advances to banks	2,695,087	2,663,323
Cash in hand	76	95
Less: Amounts maturing after three months	(1,757,882)	(1,809,777)
	<u>937,281</u>	<u>853,641</u>

23 CONTINGENT LIABILITIES

Gateway Credit Union Limited participates in the Financial Services Compensation Scheme (FSCS) and therefore has a contingent liability which cannot be quantified, in respect of contributions to the FSCS, as required by the Financial Services and Markets Act 2000.

24 POST BALANCE SHEET EVENTS

There are no material events after the balance sheet date to disclose.

25 RELATED PARTY TRANSACTIONS

During the year, no members of the Board or staff had loans or outstanding loan balances with Gateway Credit Union Limited.

