

**GATEWAY  
CREDIT UNION LIMITED**

**FINANCIAL STATEMENTS  
YEAR ENDED 30 SEPTEMBER 2024**

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 2024**

**DIRECTORS**

B Pippen  
D Williams  
M Jones  
P Jenkins  
S Brooks  
S Burch  
A Blackmore *Resigned February 2024*  
P Buckley *Appointed March 2024*  
J Watkins *Appointed September 2024*

**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**  
**INDEX TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 SEPTEMBER 2024**

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## **GATEWAY CREDIT UNION LIMITED**

### **DIRECTORS' REPORT YEAR ENDED 30 SEPTEMBER 2024**

The board of directors presents its report together with the financial statements for the year ended 30 September 2024.

The Co-operative and Community Benefit Societies Act 2014 and the Credit Unions Act 1979 require the directors to prepare financial statements for each year which give a true and fair view of the state of affairs of the credit union and of its income and expenditure 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**

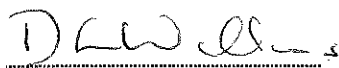
The results for the year are set out in the Revenue Account on page 5.

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.

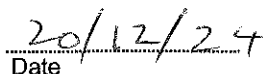
The board of directors propose the payment of a dividend of 0% for the year (2023 - 0%). This proposal will be put to the members of the credit union at the Annual General Meeting.

#### **AUDITORS**

The board of directors sought tenders for the 2024 audit. Following the tendering process, a resolution to re-appoint Bevan Buckland LLP was made.

  
.....

**Secretary - David Williams**

  
.....  
Date

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
GATEWAY CREDIT UNION LIMITED  
YEAR ENDED 30 SEPTEMBER 2024**

**Opinion**

We have audited the financial statements of Gateway Credit Union Limited for the year ended 30 September 2024 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 (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 2024 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**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.

**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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
GATEWAY CREDIT UNION LIMITED  
YEAR ENDED 30 SEPTEMBER 2024**

**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.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

**Extent to which the audit was considered capable of detecting irregularities, including fraud**

We identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, and then, design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

We discussed our audit independence complying with the Revised Ethical Standard 2019 with the engagement team members whilst planning the audit and continually monitored our independence throughout the process.

**Identifying and assessing potential risks related to irregularities**

In identifying and assessing risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- Enquiring of management, including obtaining and reviewing supporting documentation, concerning the Credit Union's policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Discussing among the engagement team how and where fraud might occur in the financial statements and any potential indicators of fraud.
- Obtaining an understanding of the legal and regulatory frameworks that the Credit Union operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Credit Union. The key laws and regulations we considered in this context included the Co-operative and Community Benefit Societies Act, the Credit Unions Act and relevant tax legislation.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
GATEWAY CREDIT UNION LIMITED  
YEAR ENDED 30 SEPTEMBER 2024**

**Audit response to risks identified**

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations;
- enquiring of management concerning actual and potential litigation and claims; performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments;
- assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and
- evaluating the operational rationale of any significant transactions that are unusual or outside the normal course of operations.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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](http://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: 2nd January 2025

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

**GATEWAY CREDIT UNION LIMITED**

**REVENUE ACCOUNT  
YEAR ENDED 30 SEPTEMBER 2024**

	Note	2024 £	2023 £
Loan interest receivable and similar income	4	287,384	275,261
Interest payable	5	(285)	(7,994)
<b>Net interest income</b>		<b>287,099</b>	<b>267,267</b>
Fees and commissions receivable	6	11,445	10,858
Fees and commissions payable		-	
<b>Net fees and commissions receivable</b>		<b>11,445</b>	<b>10,858</b>
Grant income		53,871	37,101
Other income		5,460	3,050
Employment costs	7	(180,995)	(174,558)
Establishment costs	8	(5,388)	(8,693)
Administrative expenses	9	(98,473)	(98,242)
Regulatory costs	10	(18,605)	(14,095)
Depreciation and amortisation		(8,130)	(11,846)
Impairment losses on loans to members		(51,878)	(70,638)
<b>(DEFICIT)/SURPLUS FOR THE YEAR BEFORE TAXATION</b>		<b>(5,594)</b>	<b>(59,796)</b>
Taxation	13	(16,924)	(9,442)
<b>(DEFICIT)/SURPLUS FOR THE YEAR</b>		<b>(22,518)</b>	<b>(69,238)</b>
Loss on disposal of fixed asset		-	
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>(22,518)</b>	<b>(69,238)</b>

**STATEMENT OF CHANGES IN RETAINED EARNINGS**

		2024 £	2023 £
As at 1 October 2023		368,908	441,820
Total comprehensive income for the year		(22,518)	(69,238)
Dividends paid/movement		-	(3,674)
<b>As at 30 September 2024</b>	19	<b>346,390</b>	<b>368,908</b>



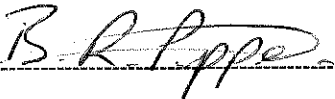
**GATEWAY CREDIT UNION LIMITED**

**BALANCE SHEET  
YEAR ENDED 30 SEPTEMBER 2024**

	Note	2024 £	2023 £
<b>ASSETS</b>			
Loans and advances to banks		2,663,323	2,773,086
Cash in hand		95	1,077
		<u>2,663,418</u>	<u>2,774,163</u>
Loans and advances to members	15	729,507	925,224
Tangible fixed assets	14	146,753	151,996
Other receivables		2,964	7,368
Prepayments and accrued income		83,829	64,539
		<u>3,626,471</u>	<u>3,923,290</u>
<b>TOTAL ASSETS</b>			
<b>LIABILITIES</b>			
Subscribed capital - repayable on demand	16	2,716,521	2,921,905
Junior savers	17	323,752	365,854
Subordinated loan		150,000	150,000
Other payables	18	89,808	116,623
		<u>3,280,081</u>	<u>3,554,382</u>
Retained earnings	19	346,390	368,908
		<u>-</u>	<u>-</u>
		<u>3,626,471</u>	<u>3,923,290</u>
<b>TOTAL LIABILITIES</b>			

Approved by the board of directors on

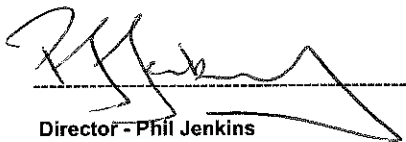
and signed on their behalf by:



Chair - Brian Phippen



Secretary - David Williams



Director - Phil Jenkins

**GATEWAY CREDIT UNION LIMITED**

**CASH FLOW STATEMENT  
YEAR ENDED 30 SEPTEMBER 2024**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
<b>OPERATING ACTIVITIES</b>		
(Deficit) / Surplus before taxation	(5,594)	(59,796)
Adjustments for non-cash items:		
Depreciation	8,130	11,846
Impairment losses	51,878	70,974
	<u>54,414</u>	<u>23,024</u>
Movements in:		
Accrued interest	(19,290)	(35,176)
Other receivables	4,404	(277)
Other payables	(26,815)	51,604
	<u>(41,701)</u>	<u>16,151</u>
<b>CASH FLOWS FROM CHANGES IN OPERATING ASSETS AND LIABILITIES</b>		
Cash inflow from subscribed capital	4,488,069	4,139,448
Cash outflow from repaid capital	(4,693,453)	(4,186,403)
Cash inflow from junior shares	119,190	69,375
Cash outflow from junior shares	(161,292)	(101,925)
Cash inflow from Sub-ordinated loan	-	-
New loans to members	(842,903)	(1,190,633)
Repayment of loans by members	986,742	1,243,250
	<u>(103,647)</u>	<u>(26,888)</u>
Dividend paid	-	(3,674)
Corporation Tax paid	(16,924)	(9,442)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u><b>(120,571)</b></u>	<u><b>(40,003)</b></u>
<b>INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(2,887)	(11,793)
	<u>(2,887)</u>	<u>(11,793)</u>
Net decrease in cash and cash equivalents	(110,745)	(12,620)
Cash and cash equivalents at beginning of year	2,774,163	2,786,782
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u><u><b>2,663,418</b></u></u>	<u><u><b>2,774,163</b></u></u>

**GATEWAY CREDIT UNION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 SEPTEMBER 2024**

**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.

**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.

**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.

**GATEWAY CREDIT UNION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 SEPTEMBER 2024**

**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.

**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 2024**

**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

**4 LOAN INTEREST RECEIVABLE AND SIMILAR INCOME**

	2024	2023
	£	£
Loan interest receivable from members	191,844	231,341
Bank interest receivable on cash and liquid deposits	95,540	43,920
<b>Total loan interest receivable and similar income</b>	<b><u>287,384</u></b>	<b><u>275,261</u></b>

**5 INTEREST EXPENSE**

	2024	2023
	£	£
Junior and Child Trust Fund interest	285	7,994
Individual Savings Accounts interest	-	-
<b>Interest paid during the year</b>	<b><u>285</u></b>	<b><u>7,994</u></b>
Dividend rate on subscribed capital	0.25%	0.25%
<b>Interest proposed, but not recognised</b>	<b><u>6,791</u></b>	<b><u>7,305</u></b>

**6 FEES AND COMMISSIONS RECEIVABLE**

	2024	2023
	£	£
Entrance fees	-	-
Housing association fees	65	65
Members' administration fees	11,380	10,793
<b>Total fees and commissions receivable</b>	<b><u>11,445</u></b>	<b><u>10,858</u></b>

**7 EXPENSES**

		2024	2023
	Note	£	£
Employment costs	12	180,995	174,558
Establishment costs	8	5,388	8,693
Administrative expenses	9	98,473	98,242
Depreciation and amortisation		8,130	11,846
Regulatory costs	10	18,605	14,095
		<b><u>311,591</u></b>	<b><u>307,434</u></b>

**GATEWAY CREDIT UNION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 30 SEPTEMBER 2024**

<b>8 ESTABLISHMENT COSTS</b>	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Rent and rates	465	2,680
Heat and light	4,078	4,534
Property insurance and maintenance	845	1,479
	<u>5,388</u>	<u>8,693</u>

<b>9 ADMINISTRATIVE COSTS</b>	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Advertising and publicity expenses	6,613	9,826
Accountancy and professional fees	3,533	4,716
Printing, stationery, postage and office consumables	5,644	6,651
Telephone	5,008	5,294
Repairs, renewals and computer maintenance	32,913	26,740
Auditors' remuneration	11,767	6,495
General expenses	6,270	7,461
Bank charges and interest	2,171	3,562
Training and conference costs	1,342	1,185
Travelling expenses	1,668	1,989
Legal and court costs	3,531	4,466
Credit agency fees	17,353	19,257
Honoraria	660	600
Sundry expense	-	-
	<u>98,473</u>	<u>98,242</u>

<b>10 REGULATORY COSTS</b>	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Loan protection / life savings insurance	4,797	5,734
Fidelity bond and general insurance	10,891	2,688
ABCUL dues	2,882	4,191
PRA fees	-	1,482
Data Protection Registry	35	-
	<u>18,605</u>	<u>14,095</u>

<b>11 AUDITORS' REMUNERATION</b>	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Fees payable for audit of accounts	11,321	6,049
Fees payable for other services:		
Preparation of Annual Return	330	330
Services relating to Taxation	116	116
	<u>11,767</u>	<u>6,495</u>

**GATEWAY CREDIT UNION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 30 SEPTEMBER 2024**

**12 EMPLOYEES AND EMPLOYMENT COSTS**

<b>Employee information</b>	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Wages and salaries	180,995	174,558
	<b>180,995</b>	<b>174,558</b>

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:

	<b>2024</b>	<b>2023</b>
Management and administration	10	10

**13 TAXATION**

**13a Recognised in the Revenue Account**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Corporation Tax @ 19% (2023 - 19%) on bank deposit interest receivable	16,924	9,442
Underprovision in prior year	-	-
	<b>16,924</b>	<b>9,442</b>

**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:

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Surplus before taxation	<b>(5,594)</b>	<b>(59,796)</b>
(Deficit)/Surplus before taxation multiplied by small profits rate of corporation tax in the UK of 25% (2023: 19%)	(1,399)	32,502
Non-taxable surplus on transactions with members	18,323	(23,060)
<b>Corporation tax charge for the year</b>	<b>16,924</b>	<b>9,442</b>

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<b>14 FIXED ASSETS - TANGIBLE</b>	<b>Freehold Property</b>	<b>Furniture &amp; fittings</b>	<b>Computer equipment</b>	<b>Total</b>
	£	£	£	£
<b>Cost:</b>				
Opening balance	146,240	9,748	60,838	216,826
Additions	-	774	2,113	2,887
Disposals	-	-	-	-
Closing balance	<u>146,240</u>	<u>10,522</u>	<u>62,951</u>	<u>219,713</u>
<b>Depreciation:</b>				
Opening balance	5,789	9,220	49,821	64,830
Charge for year	1,464	335	6,331	8,130
On disposals	-	-	-	-
Closing balance	<u>7,253</u>	<u>9,555</u>	<u>56,152</u>	<u>72,960</u>
<b>Net Book Value:</b>				
30 September 2024	<u>138,987</u>	<u>967</u>	<u>6,799</u>	<u>146,753</u>
30 September 2023	<u>140,451</u>	<u>528</u>	<u>11,017</u>	<u>151,996</u>

**15 LOANS AND ADVANCES TO MEMBERS**

**15a Loans and Advances to Members**

	<b>2024</b>	<b>2023</b>
	£	£
Opening loan balances	1,323,728	1,392,347
Loans advanced in year	842,903	1,190,633
	<u>2,166,631</u>	<u>2,582,980</u>
Loans repaid in year	(986,742)	(1,243,250)
Loans written off during the year (See Note 15c)	(272,196)	(16,002)
	<u>907,693</u>	<u>1,323,728</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.



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**15b Credit Risk Disclosures**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
<b>Not impaired:</b>		
Neither past due nor impaired	663,188	850,021
Up to 3 months past due	72,235	81,155
Between 3 and 6 months past due	-	-
Between 6 months and 1 year past due	-	-
Over 1 year past due	-	-
<b>Loans not impaired</b>	<u>735,423</u>	<u>931,176</u>
<b>Individually impaired:</b>		
Not yet past due, but impaired	-	-
Up to 3 months past due	-	-
Between 3 and 6 months past due	23,077	40,122
Between 6 months and 1 year past due	30,210	76,978
Over 1 year past due	118,983	275,452
<b>Total loans</b>	<u>907,693</u>	<u>1,323,728</u>
<b>Impairment allowance</b>	(178,186)	(398,504)
<b>Total carrying value</b>	<u><u>729,507</u></u>	<u><u>925,224</u></u>

**15c Impairment losses**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
As at 1 October 2023	398,504	343,868
Allowance for losses made during the year	51,878	70,638
Allowances reversed during the year	-	-
Increase/(decrease) in allowances during the year	51,878	70,638
Loans written off during the year	(272,196)	(16,002)
<b>As at 30 September 2024</b>	<u><u>178,186</u></u>	<u><u>398,504</u></u>

**16 SUBSCRIBED CAPITAL**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Opening balance	2,921,905	2,968,860
Share monies received	4,488,069	4,135,774
Dividends added to members' accounts	-	3,674
	<u>7,409,974</u>	<u>7,108,308</u>
Less: Share monies repaid	(4,693,453)	(4,186,403)
<b>Closing balance</b>	<u><u>2,716,521</u></u>	<u><u>2,921,905</u></u>

Members' shares include 63 corporate members with balances totalling £160,285 (2023 - 54 totalling £149,193).

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<b>17 JUNIOR SAVERS</b>	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Opening balance	365,854	398,404
Share monies received	119,190	69,375
	<u>485,044</u>	<u>467,779</u>
Less: Share monies repaid	(161,292)	(101,925)
Closing balance	<u><b>323,752</b></u>	<u><b>365,854</b></u>

Junior Savers include Child Trust Fund accounts totalling £88,529 (2023: £118,675)

<b>18 OTHER PAYABLES</b>	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Trade creditors and accruals	15,776	24,228
Government grant & other grants	56,012	82,954
Taxes and Social Security	18,020	9,441
	<u><b>89,808</b></u>	<u><b>116,623</b></u>

<b>19 RETAINED EARNINGS</b>	<b>2024</b>				<b>2023</b>
	<b>Revenue Reserve</b>	<b>Business Loan Reserve</b>	<b>General Reserve</b>	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Balance at 1 October 2023	221,555	12,645	134,708	368,908	441,820
(Deficit)/Surplus for the year after taxation	(22,518)	-	-	(22,518)	(69,238)
	<u>199,037</u>	<u>12,645</u>	<u>134,708</u>	<u>346,390</u>	<u>372,582</u>
Dividends paid during year	-	-	-	-	(3,674)
Transfers between reserves	-	-	-	-	-
Balance at 30 September 2024	<u><b>199,037</b></u>	<u><b>12,645</b></u>	<u><b>134,708</b></u>	<u><b>346,390</b></u>	<u><b>368,908</b></u>

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

**20 ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURES**

**20a 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.

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**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.

**20b 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 %
<b>Financial assets</b>				
Loans to members	<u>907,693</u>	23.19	<u>1,323,728</u>	23.44
<b>Financial liabilities</b>				
Subscribed capital	<u>2,716,521</u>	0.00	<u>2,921,905</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.

**20c 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.

**20d Fair Value of Financial Instruments**

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

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**21 CASH AND CASH EQUIVALENTS**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Loans and advances to banks	2,663,323	2,773,086
Cash in hand	95	1,077
Less: Amounts maturing after three months	<u>(1,809,777)</u>	<u>(1,650,074)</u>
	<u>853,641</u>	<u>1,124,089</u>

**22 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.

**23 POST BALANCE SHEET EVENTS**

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

**24 RELATED PARTY TRANSACTIONS**

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