

M FOR MONEY CREDIT UNION LIMITED

REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS

YEAR ENDED 30TH SEPTEMBER 2021

FCA registration number 216633

M FOR MONEY CREDIT UNION LIMITED

YEAR ENDED 30TH SEPTEMBER 2021

Administrative information

Status	M For Money Credit Union Ltd was incorporated under the Co-operative and Community Benefit Societies Act 2014 and the Credit Unions Act 1979 on the 24th December 2002.
Directors	David Winder - Chair Dan Tomlin - Secretary Derek Berry Marjory Hester Fiona Oakley Nicola Wareing Christine Bliss-Johnson Sonia Hay
Company Secretary	Dan Tomlin
Bankers Registered Office	The Co-Operative bank PO Box 250 Skelmersdale WN8 6WT
Credit Union Registered Office	The Bungalow Pinkwell Lane Hayes Middlesex UB3 1PB
Prudential Regulation Authority No.	216633
Auditors	PWH Accountancy Ltd Statutory Auditors The Counting House High Street Lutterworth Leicestershire LE17 4AY

M FOR MONEY CREDIT UNION LIMITED

YEAR ENDED 30TH SEPTEMBER 2021

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M FOR MONEY CREDIT UNION LIMITED

YEAR ENDED 30TH SEPTEMBER 2021

Directors' Report

The directors' present their annual report on the affairs of the Credit Union, together with the accounts and auditors' report for the year.

Principal Activities

The principal activities of the Credit Union are those of a Credit Union, accepting deposits from and lending sums to its members, with the objects of promoting thrift amongst its members and providing credit for their benefit at a fair and reasonable rate of interest.

Results of Operations and Dividends

The results for the year are as shown in the attached accounts, as are movements in the Credit Union's fixed assets.

Directors' of Management

The directors' during the year were:

David Winder - Chair	Christine Bliss-Johnson
Dan Tomlin - Secretary	Sonia Hay
Derek Berry	Nicola Wareing
Marjory Hester	
Fiona Oakley	

Directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Co-operative and Community Benefit Act law and Credit Union law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the credit union and of the excess of income over expenditure of the credit union for that period. In preparing those 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 in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the society and to enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Act Societies 2014. They are also responsible for safeguarding the assets of the credit union and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm that so far as they are aware, there is no relevant audit information of which the credit union's auditors are unaware. They have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the credit union's auditors are aware of that information.

Auditors

The auditors, PWH Accountancy Limited, have indicated their willingness to accept re-appointment under the provisions of the Co-operative and Community Benefit Societies Act 2014 and the Credit Unions Act 1979.

Signed on behalf of the directors' of management

Director
Date

M FOR MONEY CREDIT UNION LIMITED

YEAR ENDED 30TH SEPTEMBER 2021

Independent Auditors' Report to the members of M For Money Credit Union Limited

Opinion

We have audited the financial statements of M For Money Credit Union Limited (the 'society') for the year ended 30th September 2021 which comprise the Revenue Account and Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. 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).

This report is made solely to the society's members, as a body, in accordance with section 83 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the society's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the society and the society's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion, the financial statements:

- give a true and fair view of the state of the Credit Union's affairs as at 30th September 2020 and of its income and expenditure for the period then ended; and
- have been prepared in accordance with the requirements of 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 society 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 society'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 directors' are responsible for the other information. The other information comprises the information included in the Directors' Report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

M FOR MONEY CREDIT UNION LIMITED

YEAR ENDED 30TH SEPTEMBER 2021

Independent Auditors' Report to the members of M For Money Credit Union Limited (continued)

Matters on which we are required to report by exception

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

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

Responsibilities of the Directors

As explained more fully in the Directors' responsibilities statement on page 4 the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they 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 society'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 society or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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



PWH Accountancy Limited, Statutory Auditors

The Counting House

High Street

Lutterworth

Leicestershire

LE17 4AY

Date

9th March 2022

M FOR MONEY CREDIT UNION LIMITED

REVENUE ACCOUNT FOR THE YEAR ENDED 30TH SEPTEMBER 2021

		2021	2020
		£	£
Loan interest receivable and similar income	Note 4	118,470	131,957
Interest payable	5	<u>(50)</u>	<u>(4,207)</u>
Net interest income		118,420	127,750
Fees and commissions receivable	6	-	424
Fees and commissions payable		<u>(1,132)</u>	<u>(889)</u>
Net fees, interest and commissions receivable		117,288	127,285
Other income	6a	617	876
Administrative expenses	7a	(101,539)	(101,897)
Other operating expenses	7b	(3,121)	(3,034)
Impairment losses on loans to members	11 c	<u>(153)</u>	<u>(16,827)</u>
Surplus before taxation		13,092	6,403
Taxation	9a	<u>(387)</u>	<u>(476)</u>
Surplus for the financial year		12,705	5,927
		-	-
Total comprehensive income		<u>12,705</u>	<u>5,927</u>

M FOR MONEY CREDIT UNION LIMITED

BALANCE SHEET AS AT 30TH SEPTEMBER 2021

	2021	2020
	£	£
Note		
ASSETS		
Investment - share in CUS	8c 1	1
Cash, cash equivalents and liquid deposits	521,121	449,116
Deposits held at UK Financial Institutions	196,218	195,015
	<u>717,340</u>	<u>644,132</u>
Loans and advances to members	11a 708,714	673,997
Other receivables- subordinated loans to Credit Unions	10,000	20,000
Prepayments and accrued income	13,886	9,338
Total assets	<u>1,449,940</u>	<u>1,347,467</u>
LIABILITIES		
Share capital	1,220,523	1,143,610
Junior Savers	20,007	17,391
Other payables	12 20,735	20,496
	<u>1,261,265</u>	<u>1,181,497</u>
Subordinated Loans	15a 10,000	-
Retained earnings	15 178,675	165,970
Total liabilities	<u>1,449,940</u>	<u>1,347,467</u>

The financial statements were approved, and authorised for issue, by the Board on signed on its behalf by:

and

David Winder - Chair

Dan Tomlin - Secretary

M FOR MONEY CREDIT UNION LIMITED

STATEMENT OF CHANGES IN RETAINED EARNINGS

FOR THE YEAR ENDED 30TH SEPTEMBER 2021

RESERVES	2021	2020
	£	£
As at 1 October 2019	165,970	160,043
Total comprehensive income for the year	<u>12,705</u>	<u>5,927</u>
As at 30 September 2020	<u>178,675</u>	<u>165,970</u>

M FOR MONEY CREDIT UNION LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30TH SEPTEMBER 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Surplus/(deficit) before taxation		13,092	6,403
Adjustments for non-cash items:			
Impairment losses	11b	1,644	17,333
		<u>14,736</u>	<u>23,736</u>
Movements in:			
Other receivables		5,452	562
Other payables		399	3,139
		<u>20,587</u>	<u>27,437</u>
Cash flows from changes in operating assets and liabilities			
Cash inflow from subscribed capital		1,069,490	1,014,580
Cash outflow from repaid capital		(1,091,771)	(954,851)
New loans to members		(694,095)	(611,980)
Repayment of loans by members		769,553	717,782
		<u>73,764</u>	<u>192,968</u>
Taxation paid		(556)	(599)
		<u>73,208</u>	<u>192,369</u>
Net cash flows from operating activities			
Cash flows from investing activities			
Purchase of property, plant and equipment	10	-	-
Net cash flow from managing liquid deposits		<u>73,208</u>	<u>192,369</u>
Net decrease in cash and cash equivalents			
Cash and cash equivalents at beginning of year		644,132	451,763
Cash and cash equivalents at end of year		<u>717,340</u>	<u>644,132</u>

M FOR MONEY CREDIT UNION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER 2021

1. Legal and regulatory framework

The Credit Union is a society established under the Industrial and Provident Societies Act 1965, whose principal activity is to operate as a credit union, within the meaning of the Credit Unions Act 1979. The Credit Union has registered with the Financial Conduct Authority and is regulated by the 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 the Credit Union has only issued redeemable 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.

M FOR MONEY CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2021

Income

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

Fees and commissions receivable: Income relating to individual transactions is recognised when the transaction is completed.

Other income: Other income is recognised when receivable.

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. However, corporation tax is payable on investment income.

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

Tangible 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, on a straight line basis over its estimated useful life. There are currently no fixed assets held.

Cash and cash equivalents

Cash, cash equivalents and liquid deposits comprise cash on hand and investments with a maturity of less than or equal to 8 days.

M FOR MONEY CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2021

Financial assets – 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, on a monthly basis, 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.

Financial Liabilities – subscribed capital

Members' shareholdings in the Credit Union 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.

Employee benefits

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

Reserves

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

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.

M FOR MONEY CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2021

4. Loan interest receivable and similar income

	Note	2021	2020
		£	£
Loan interest receivable from members		116,904	129,029
Bank interest receivable on cash and liquid deposits		1,566	2,928
Total loan interest receivable and similar income		<u>118,470</u>	<u>131,957</u>

5. Interest expense

Interest expense is the dividend paid to members for the prior year. The dividend is formally proposed by the Directors after the year end and is confirmed at the following AGM. As a result it does not represent a liability at the balance sheet date.

	2021	2020
	£	£
Interest paid on Sub-Participation Loans	50	
Interest paid during the year including loan interest rebate	<u>-00</u>	<u>4,207</u>
	50	4,207
Interest proposed, but not recognised	<u>-</u>	<u>-</u>
Dividend rate:	<u>0.0%</u>	<u>0.5%</u>

6. Fees and commissions receivable

	2021	2020
	£	£
Dormant Fees	0	424
Total fees and commissions receivable	<u>-00</u>	<u>424</u>

6a. Other Income

Grants	0	-00
Other income	617	876
	<u>617</u>	<u>876</u>

7a. Administrative expenses

	2021	2020
	£	£
Employment costs	-	3,589
Staff training	240	380
Meeting and travel expenses	221	298
Consultancy Fees	79,800	79,800
Auditors' remuneration	2,500	3,000
Computer maintenance	2,711	3,260
Just Borrow Costs	3,739	3,534
Lace Curtains Costs	4,329	
Legal and professional	1,890	5,907
General expenses	30	(1,408)
Advertising & Marketing	6,079	3,537
Total administrative expenses	<u>101,539</u>	<u>101,897</u>

M FOR MONEY CREDIT UNION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER 2021

	2021	2020
	£	£
7b. Other operating expenses		
Regulatory and financial management costs		
Financial Conduct Authority and Prudential Regulation Authority fees	671	766
Association of British Credit Unions Limited dues	1,218	1,148
Fidelity Bond Insurance	1,232	1,120
	<u>3,121</u>	<u>3,034</u>
7c. Auditors' remuneration		
Fees payable for audit	2,500	2,490
Fees payable to the auditor for other services	-	-
Total auditors' remuneration	<u>2,500</u>	<u>2,490</u>

8. Employees and employment costs

8a. Number of employees

There were no staff members in the financial year.

8b. Directors' Remuneration

No remuneration is paid to the directors. At the year end, Directors held total shares of £18,224 (2020 £18,945) and total loans of £ 5,014 (2020 £3,532).

Included in administrative expenses is £79,800 (2020 £79,800) paid to Credit Union Solutions as part of a commercial agreement to provide consultancy services (including accounting and back office support).

8c. Investment

Credit Union Solutions Ltd is a multi stake holder Co-Operative owned by its staff and its clients (currently three Credit Unions). This means that the services it provides and the standards it works to are subject to the scrutiny of its clients and staff.

M For Money Credit Union owns one share of £1.00 in Credit Union Solutions Ltd.

M FOR MONEY CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2021

9. Taxation	2021	2020
	£	£
a) Recognised in the Revenue Account		
The taxation charge for the year, based on the small profits rate of Corporation Tax of 19% (2020: 19%) taking into account marginal relief) comprised:		
Current tax		
UK Corporation tax	<u>298</u>	<u>476</u>
Total current tax recognised in the Revenue Account	<u>298</u>	<u>476</u>

b) The Credit Union is not liable to corporation tax payable on its activities of making loans to members. However, corporation tax is payable on investment income.

10. Tangible fixed assets

All tangible fixed assets are expensed in the year of purchase.

11a. Credit risk disclosures

The Credit Union 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. Where loans are not impaired it is expected that the amounts repayable will be received in full.

M FOR MONEY CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2021

	Note	2021 £	2020 £
Not impaired:			
Loans not impaired		706,254	673,997
Sub-total: loans not impaired		<u>706,254</u>	<u>673,997</u>
Individually impaired:			
Up to 3 months past due		0	0
Between 3 and 6 months past due		3,408	3,142
Between 6 months and 1 year past due		2,680	10,981
Over 1 year past due		64,908	52,770
Total loans		<u>777,250</u>	<u>740,890</u>
Impairment allowance		<u>-68,536</u>	<u>-66,893</u>
Total carrying value		<u>708,714</u>	<u>673,997</u>
 11b. Provision for impairment losses			
As at 1 October 2020		66,893	49,560
Allowance for losses made during the year		1,644	17,333
Allowances reversed during the year		0	0
Increase in allowances during the year		<u>1,644</u>	<u>17,333</u>
As at 30 September 2021		<u>68,537</u>	<u>66,893</u>
 11c. Impairment losses recognised for the year			
Impairment of individual financial assets		0	0
Increase in impairment allowances during the year		1,644	17,333
		<u>1,644</u>	<u>17,333</u>
Reversal of impairment where debts recovered		-1,491	-506
Total impairment losses recognised for the year		<u>153</u>	<u>16,827</u>
 12. Other payables			
UK Corporation Tax		298	468
Accruals and deferred income		20,077	20,028
		<u>20,375</u>	<u>20,496</u>

M FOR MONEY CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2021

13. Additional financial instruments disclosures

13a. 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 the Credit Union. In order to manage this risk the Board approves the Credit Union lending policy, and all changes to it. All loan applications are assessed with reference to the lending policy in force at the time. Subsequently loans are regularly reviewed for any factors that may indicate that the likelihood of repayment has changed.

Liquidity risk: The Credit Union's policy is to maintain sufficient funds in liquid form at all times to ensure that it can meet its liabilities as they fall due. The objective of the 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 it 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 operation and 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. The risk is monitored on a regular basis by the Board.

13b. Interest rate risk disclosures

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

M FOR MONEY CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2021

	2021	Average	2020	Average
	Amount	Interest	Amount	Interest
	£	rate	£	rate
	£	£	£	£
Financial assets				
Loans to members	708,714	16.5%	673,997	19.1%
Financial liabilities				
Share capital	1,220,523	0.0%	1,143,610	0.5%

The interest rates applicable to loans to members are fixed and range from 2% to 36%. The interest payable on share capital is determined at the AGM. As a result, the surplus for the year is not particularly sensitive to interest rate risk and no sensitivity analysis is presented.

13c. 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.

13d. Fair value of financial instruments

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

14. Post balance sheet events

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

15. Reserves

	Voluntary	Statutory	Total
	Reserve	Reserve	Total
	£	£	£
At 1st October 2020	135,304	30,666	165,970
Comprehensive surplus for the year		12,705	12,705
Transfer between funds			0
Balance carried forward at 30th September 2021	135,304	43,371	178,675

15a. Other Capital Reserves

	2021	2020
	£	£
Sub-Ordinated Loans	10,000	0
	10,000	0

M FOR MONEY CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2021

15. Contingent liabilities

The Credit Union 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. The Financial Conduct Authority (FCA) had provided details of how the calculation of next year's contribution towards the FSCS will be calculated and full provision has been included for this liability. However this is subject to future changes in interest rates and levels of deposits held by UK deposit takers. Therefore there is inherent uncertainty regarding the totality of the levy that the Credit Union will have to pay.

16. Related party transactions

During the year - members of the Board, staff and their close family members had loans with the Credit Union of £ 17,917 (2020 £28,993). These loans were approved on the same basis as loans to other members. None of the directors, staff or their close family members, have any preferential terms on their loans. They also had share values of £ 39,785 (2020 £34,945).

During the year Credit Union Solutions Ltd paid £500 to Dan Tomlin (son of Graham Tomlin – CEO of Credit Union Solutions Ltd) for consultancy work.

17. Employee benefits

Under the UK accounting standards, the Credit Union did not make a provision for holiday pay, FRS 102 requires the cost of holiday pay to be recognised when employees render the service that increases their entitlement.

18. Loan Interest

The Credit Union is now required to ensure that all members loan Interest is on a receivable basis. Historically, the Credit Union accounted for its Interest on members loans on a receivable basis.