

WHERRY DRAGON CREDIT UNION LTD

Firm Reference No 213468

Registered No IP00309C

**DIRECTORS REPORT AND
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED

30 SEPTEMBER 2023

WHERRY DRAGON CREDIT UNION LTD

ADMINISTRATIVE INFORMATION

Directors	Ian Leather Emma Smith Linzi Gray Michael Conroy Steve Burrows Laurna Compton Aspi Tantra
Secretary	Emma Smith
Society Registration Number	IP00309C
Financial Conduct Authority Registration Number	213468
Registered Office	Room 15 City Hall Norwich NR2 1NH
Auditors	Lindley Adams Limited Chartered Accountants and Statutory Auditors 28, Prescott Street Halifax, HX1 2LG
Bankers	Unity Trust Bank Plc Nine Brindleyplace 4 Oozells Square Birmingham B1 2HB

WHERRY DRAGON CREDIT UNION LTD

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WHERRY DRAGON CREDIT UNION LTD**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

The Directors present their report and the financial statements for the year ended 30 September 2023.

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.

Results and Dividends

The surplus for the year, after taxation, amounted to £36,607 (2022 - £21,193). In addition, there were 1,093 (2022 - 1,081) adult members with 433 (2022 - 451) members holding loans with the Credit Union.

Based upon the performance of the Credit Union as set out in these financial statements, the Directors recommend the payment of a 0.85% dividend. This will be voted upon at the forthcoming Annual General Meeting.

Directors

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

Ian Leather
Emma Smith
Linzi Gray
Michael Conroy

Steve Burrows
Laura Compton
Aspi Tantra

Financial risk management objectives and policies

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 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 15 of the Notes to the Financial Statements.

Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Credit Union 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, including FRS 102 "The Financial Reporting Standard applicable in the UK and Ireland" (United Kingdom Accounting Standards and applicable law). Under Credit Union legislation 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 year. In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK 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 adequate accounting records that are sufficient to show and explain the Credit Union's transactions and disclose with reasonable accuracy at any time the financial position of the Credit Union and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014 and with the Credit Union 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.

In so far as the directors are aware:

- There is no relevant audit information (information needed by the Credit Union's auditors in connection with preparing their report) of which the Credit Union's auditors are unaware, and
- The directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Credit Union's auditors are aware of that information.

This report was approved by the Board on and signed on its behalf by:

Name of Director 1: _____

Signature _____

Name of Director 2: _____

Signature _____

WHERRY DRAGON CREDIT UNION LTD

Revenue Account for the year ended 30 September 2023

	Note	2023 £	2022 £
Loan Interest receivable and similar income	4	133,236	108,065
Interest payable	5	Dividend (18,607)	(14,595)
Net interest income		114,629	93,470
Fees and commissions receivable	6	178	89
Fees and commissions payable		(822)	(851)
Net fees and commissions payable		(644)	(762)
Other income	7	2,893	1,019
Administrative expenses	8a	(62,430)	(58,380)
Depreciation and amortisation	10	(1,932)	(1,868)
Other operating expenses	8b	(15,756)	(15,414)
Impairment gains on loans to members	11e	5,937	5,172
Surplus Before Taxation		42,697	23,237
Taxation		Corporation Tax (6,090)	(2,044)
Surplus for the Financial Year		36,607	21,193
Other comprehensive income		0	0
Total comprehensive income		Profit 36,607	21,193

Note: There is no comprehensive income other than those included on the Revenue Account.

WHERRY DRAGON CREDIT UNION LTD

Balance Sheet as at 30 September 2023

	Note	2023 £	2022 £
ASSETS			
Loans and advances to banks			
Investments	15	1,576,718	1,612,044
Loans and advances to members	11	625,599	625,941
Tangible fixed assets	10	2,732	2,913
Debtors, prepayments and accrued income		7,369	7,105
Total assets		2,212,418	2,248,003
LIABILITIES			
Subscribed capital - repayable on demand	12	1,913,551	1,989,539
Other payables	13	8,730	4,934
		1,922,281	1,994,473
Retained earnings		Reserves 290,137	253,530
Total liabilities		2,212,418	2,248,003

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

Director

Director

Secretary

WHERRY DRAGON CREDIT UNION LTD

Statement of Changes in Retained Earnings for the year ended 30 September 2023

	2023		2022	
	£		£	
As at 1 October 2022	253,530		232,337	
Total comprehensive income for the year	36,607		21,193	
As at 30 September 2023	290,137		253,530	
Movement in reserves				
	Retained earnings			Total
	General reserve	Revenue Reserve	Business Reserve	Online loan reserve
As at 1 October 2022	202,859	15,276	29,850	5,545
Surplus for year	36,016	591	0	0
Other movements	0	0	0	0
As at 30 September 2023	238,875	15,867	29,850	5,545

WHERRY DRAGON CREDIT UNION LTD

Cash flow statement for the year ended 30 September 2023

	Note	2023 £	2022 £
Cash Flows from operating activities			
Surplus Before Taxation		42,697	23,237
Adjustments for non-cash items			
Depreciation	10	1,932	1,868
Impairment losses	11e	(5,682)	(5,172)
		<u>(3,750)</u>	<u>(3,304)</u>
Movements in:			
Debtors, prepayments and accrued income		(264)	(5,429)
Other payables		3,795	850
		<u>3,531</u>	<u>(4,579)</u>
Cash flows from changes in operative assets and liabilities			
Cash inflow from subscribed capital	12	651,874	607,256
Cash outflow from repaid capital	12	(727,862)	(555,788)
New loans to members	11a	(354,696)	(383,690)
Repayment of loans by members	11a	360,721	411,797
		<u>(69,963)</u>	<u>79,575</u>
Taxation paid		(6,090)	(2,044)
Net Cash flows from operating activities		<u>(33,575)</u>	<u>92,885</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	12	(1,751)	0
Net cash flow from managing liquid deposits	15	(30,885)	(157,740)
		<u>(32,636)</u>	<u>(157,740)</u>
Net decrease in cash and cash equivalents		<u>(66,211)</u>	<u>(64,855)</u>
Cash and cash equivalents at beginning of year		527,312	592,167
Cash and cash equivalents at end of year	15	<u><u>461,101</u></u>	<u><u>527,312</u></u>

WHERRY DRAGON CREDIT UNION LTD

Notes to the Financial Statements for the year ended 30 September 2023

1 Legal and regulatory framework

The Credit Union 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. 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 Ireland.

The financial statements are prepared on the historical cost basis.

Going concern

The directors of the Credit Union believe that it is appropriate to prepare the financial statements on the going concern basis. In accordance with PRA Rulebook Guidelines outlined in Section 8.5 (1), the credit union must maintain a minimum Capital-To-Total assets ratio of 3%.

	2023	2022
The relevant ratios are:-	13.11%	11.28%

Income

Loan interest receivable and similar income: Interest on both loans to members and loans to banks (i.e. cash and cash equivalents held on deposit with other financial institutions) is recognised using the effective interest method, and is calculated and accrued on a daily basis. Exempt interest on members loans is not recognised.

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.

Other income: Other income is recognised either evenly over the period to which it relates or when the transaction is complete.

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

WHERRY DRAGON CREDIT UNION LTD

Notes to the Financial Statements for the year ended 30 September 2023 (continued)

2 Accounting policies (cont.)**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. The categories of property, plant and equipment are depreciated as follows:

Software & Computers	3 years
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Cash and cash equivalents

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

Financial assets – loans and advances to members

Loans to members are financial assets with fixed or determinable payments. Loans are made to members for provident or productive purposes on such security (or without security) and terms as the rules of the Credit Union provide. 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.

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.

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.

Reserves

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

WHERRY DRAGON CREDIT UNION LTD

Notes to the Financial Statements for the year ended 30 September 2023 (continued)

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

Impaired losses are stated after specifically reviewing all loans in arrears. The criteria used is whether the loan will be repaid within the term of the loan based upon the current regular pattern of repayments.

4 Loan interest receivable and similar income

	2023	2022
	£	£
Loan interest receivable from members	101,184	97,306
Bank interest receivable from cash and liquid deposits	32,052	10,759
Total loan interest receivable and similar income	133,236	108,065

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.

	2023	2022
	£	£
Interest paid during the year	18,607	14,595

Dividend rate	0.85%	0.85%
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Interest proposed, but not recognised	15,867	16,078
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Dividend rate	0.85%	0.85%
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6 Fees and commissions receivable

	2023	2022
	£	£
Entrance fees	114	89
CUNA loyalty reward	64	0
Total fees and commissions receivable	178	89

7 Other income

	2023	2022
	£	£
Unclaimed balances, dormant accounts and loans reinstated	931	0
Ancillary service charges	256	257
Sundry income	1,706	762
Total other income	2,893	1,019

8 Expenses

	Note	2023	2022
		£	£
Administrative expenses	8a	62,430	58,380
Depreciation and amortisation	10	1,932	1,868
Other operating expenses	8b	15,756	15,414
		80,118	75,662

WHERRY DRAGON CREDIT UNION LTD

Notes to the Financial Statements for the year ended 30 September 2023 (continued)

8a Administrative Expenses	Note	2023 £	2022 £
Loan officer and Marketing Officer Contracts	19	28,397	26,062
Training costs		550	405
Design Costs		0	395
Social Activity Costs		77	58
Auditors remuneration	8c	2,640	2,400
Consultancy costs	19	22,821	22,517
Computer maintenance		5,867	4,650
General expenses		986	845
Printing, Postage and Stationery		1,092	1,048
Total Administrative Expenses		62,430	58,380
8b Other Operating Expenses		2023	2022
Regulatory and financial management costs			
Financial Conduct Authority, Prudential Regulation Authority Fees and FSCS levy		511	729
National Body Dues		1,808	1,358
Fidelity Insurance		1,747	1,747
Loan Protection and life savings insurance		10,370	10,380
Bad debt recovery costs		1,320	1,200
Total Other operating Expenses		15,756	15,414
8c 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.			
		2023	2022
		£	£
Fees payable for the audit of the Credit Union's annual accounts		2,550	2,310
Fees payable to the Credit Union's Auditor for other services:			
Services relating to taxation		90	90
Total Auditors remuneration		2,640	2,400
9 Taxation			
9a Recognised in the Revenue Account			
The taxation charge for the year, based on the small profits rate of Corporation Tax of 19% (2022 19%) comprised:			
	Note	2023	2022
Current tax		£	£
UK Corporation tax	9b	6,090	2,044
Total current tax and total taxation expense recognised in the Revenue Account		6,090	2,044

WHERRY DRAGON CREDIT UNION LTD

Notes to the Financial Statements for the year ended 30 September 2023 (continued)

9b Reconciliation of taxation expense

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, tax charge for the year differs from the standard rate of corporation tax. The differences are explained below:

	2023	2022
	£	£
Surplus Before Taxation	<u>42,697</u>	<u>23,237</u>
Surplus before taxation multiplied by small profits rate of corporation tax in the UK of 19% (2022 19%)	8,112	4,415
Effects of:		
Non-taxable surplus on transactions with members	(2,022)	(2,371)
Total tax charge for the year	<u><u>6,090</u></u>	<u><u>2,044</u></u>

10 Tangible Fixed Assets

Tangible Fixed Assets comprise the following property, plant and equipment:

	Software & Computers
	£
Cost	
As at 1 October 2022	21,619
Additions	1,751
Disposals	0
As at 30 September 2023	<u><u>23,370</u></u>
Depreciation	
As at 1 October 2022	18,706
Charge for the year	1,932
Disposals	0
As at 30 September 2023	<u><u>20,638</u></u>
Net Book Value	
As at 30 September 2023	<u><u>2,732</u></u>
As at 30 September 2022	<u><u>2,913</u></u>

11 Loans and advances to members**11a Loans and advances to members**

	2023	2022
	£	£
As at 1 October 2022	783,144	825,258
Advanced during the year	354,696	383,690
Interest receivable	101,184	97,306
Repaid during the year	(461,905)	(509,103)
Gross loans and advances to members	<u><u>777,119</u></u>	<u><u>797,151</u></u>
Impairment losses:		
Individual financial assets	(46,454)	(14,007)
Groups of financial assets	(105,066)	(157,203)
	<u><u>(151,520)</u></u>	<u><u>(171,210)</u></u>
As at 30 September 2023	<u><u>625,599</u></u>	<u><u>625,941</u></u>

Note

11b

11b, 11e

11d

11c

WHERRY DRAGON CREDIT UNION LTD

Notes to the Financial Statements for the year ended 30 September 2023 (continued)

11b Memorandum - Total loan assets regulatory purposes	Note	2023	2022
		£	£
Gross loans and advances to members		777,119	797,151
Impairment of individual financial assets		(46,454)	(14,007)
Total loan assets for regulatory purposes	13b	<u>730,665</u>	<u>783,144</u>

11c Credit risk disclosures

The credit union does not offer mortgages and as a result all loans to members are unsecured, except where 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.

	2023		2022	
	Amount	Proportion	Amount	Proportion
Not impaired:				
Neither past due nor impaired	436,151	56.13%	531,439	66.67%
Up to 3 months past due	116,862	15.04%	48,065	6.03%
Between 3 and 6 months past due	0	0.00%	0	0.00%
Between 6 and 9 months past due	0	0.00%	0	0.00%
Between 9 months and 1 year past due	0	0.00%	0	0.00%
Over 1 year past due	0	0.00%	0	0.00%
Sub-total: loans not impaired	<u>553,013</u>	<u>71.17%</u>	<u>579,504</u>	<u>72.70%</u>
Individually impaired:				
Not yet past due, but impaired	63,407	8.16%	19,115	2.40%
Up to 3 months past due	1,822	0.23%	32,838	4.12%
Between 3 and 6 months past due	18,521	2.38%	6,374	0.80%
Between 6 and 9 months past due	12,296	1.58%	8,165	1.02%
Between 9 months and 1 year past due	5,503	0.71%	17,999	2.26%
Over 1 year past due	122,557	15.77%	133,156	16.70%
Total loans	<u>777,119</u>	<u>28.83%</u>	<u>797,151</u>	<u>27.30%</u>
Impairment allowance	(151,520)		(171,210)	
Total carrying value	<u>625,599</u>		<u>625,941</u>	

Factors that are considered in determining whether loans are impaired are discussed in note 3.

11d Allowance account for impairment losses	Note	2023	2022
		£	£
As at 1 October 2022		157,203	176,382
Allowances reversed during the year		(52,137)	(19,179)
Decrease in allowance during the year	11e	<u>(52,137)</u>	<u>(19,179)</u>
As at 30 September 2023		<u>105,066</u>	<u>157,203</u>

WHERRY DRAGON CREDIT UNION LTD

Notes to the Financial Statements for the year ended 30 September 2023 (continued)

11e Impairment losses recognised for the year	2023	2022
	£	£
Impairment of individual financial assets	46,454	14,007
Decrease in impairment allowances during the year	<u>(52,137)</u>	<u>(19,179)</u>
	(5,683)	(5,172)
Reversal of impairment where debts recovered	(254)	0
Total impairment gains recognised for the year	<u>(5,937)</u>	<u>(5,172)</u>

12 Subscribed capital - financial liabilities	2023	2022
	£	£
As at 1 October 2022	1,989,539	1,938,071
Received during the year	633,267	592,661
Dividends paid during the year	18,607	14,595
Repaid during the year	<u>(727,862)</u>	<u>(555,788)</u>
As at 30 September 2023	<u>1,913,551</u>	<u>1,989,539</u>

Deposits from members are made by way of subscription for shares.

13 Other payables	2023	2022
	£	£
UK Corporation tax	6,090	2,044
Accruals and deferred income	2,640	2,890
	<u>8,730</u>	<u>4,934</u>

14 Additional financial instruments disclosures

14a 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 the risk the Board approves the Credit Union's 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 payment has changed. The Credit Union also monitors its banking arrangements closely in light of the current banking situation.

Liquidity risk: The Credit Union's policy is to maintain sufficient funds in liquid form at all times to ensure that it meets its liabilities as they fall due. The objective of the Credit Union's 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. Note 2 provides further details about the impact of the maturity mismatch on the going concern status of the Credit Union.

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*.

WHERRY DRAGON CREDIT UNION LTD

Notes to the Financial Statements for the year ended 30 September 2023 (continued)

Financial risk management (continued)

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

14b Interest rate risk disclosures

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

	2023		2022	
	Amount	Average Interest Rate	Amount	Average Interest Rate
Financial assets	£	%	£	%
Loans to members	730,665	13.37%	783,144	12.10%

The interest rates applicable to loans to members are fixed and range from 6% to 24% per annum.

14c Liquidity risk disclosures

Excluding short-term other payables, as noted on the balance sheet, the Credit Union's financial liabilities, the subscribed capital, are repayable on demand.

14d Fair value of financial instruments

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

15 Cash and cash equivalents

	2023	2022
	£	£
Loans and advances to banks	1,576,718	1,612,044
Less: amounts maturing after three months	(1,115,617)	(1,084,732)
Total cash and cash equivalents	461,101	527,312

16 Post balance sheet events

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

17 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) has 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.

18 Non-audit services

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

WHERRY DRAGON CREDIT UNION LTD

Notes to the Financial Statements for the year ended 30 September 2023 (continued)

19 Related Party Transactions

During the year, 5 members of the board, staff and volunteers and 1 relative had loan balances with the Credit Union (2022 6 members). In all cases such loans were approved on the same basis as loans to other members of the credit union.

In of the loans to members of the board, staff and volunteers (2022 - 5 cases), a separate rate of 0.5% per month was granted in accordance with section 5 of the Credit Union rules, this rate is available to all members and it is used to encourage members to volunteer with the credit union.

Subject to this none of the directors, staff and volunteers have had any preferential terms on their loans.

A Director of this Credit Union, is also a Director of Norfolk First Credit Union Ltd and has a significant influence over both entities. The Credit Union paid the director £22,821 (2022- £22,517) for administration and consultancy services.

The Credit Union have made the following transactions with Norfolk First Credit Union Ltd during the financial year:

- a. Norfolk First Credit Union Ltd recharged the salary of two loan officers to the extent of £..... (2022 - £20,889).
- b. Norfolk First Credit Union Ltd holds a corporate share account with the Credit Union amounting to £28,000 (2022 - £30,000).
- c. The Credit Union holds a corporate share account with Norfolk First Credit Union Ltd amounting to £..... (2022 - £15,262).
- d. Included in Debtors on the Balance Sheet is an amount of £5,054 (2022 £5,054) owed to the credit union by Norfolk First Credit Union Ltd for an overpayment on the salary recharges.

Another of the directors is employed by Norwich City Council. The council provide the credit union with rent free premises.