

FCA Registration number: 213369
Registration number: IP00088C

Leeds City Credit Union Limited

Annual Report and Financial Statements

For the year ended 30 September 2022

Leeds City Credit Union Limited
Report and Financial Statements
For the year ended 30 September 2022

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Leeds City Credit Union Limited
Credit Union Information
For the year ended 30 September 2022

Directors

A McPhillips (President Resigned 23 March 2022)
K Bavage (appointed 16 February 2021)
A Beavis (appointed 16 February 2021)
N Canwell (resigned 26 November 2021)
M Christie
S Khaliq (appointed 23 March 2022)
C Neal
J O'Neill (resigned 23 March 2022)
H Chicken (appointed 22 June 2022)
T Mistry (Appointed 23 March 2022)
J Toole (President)
C Turnbull
D Yip (resigned 23 March 2022)

Registered office

2nd Floor
Carlton Tower
34 St Paul's Street
Leeds
West Yorkshire
LS1 2QB

Auditors

BHP LLP
First Floor
Mayesbrook House
Lawnswood Business Park
Redvers Close
Leeds
West Yorkshire
LS16 6QY

Senior Management

P Kaye - CEO
S Mee
R Tween
C Cockroft
M S Porter
B Anderson

Leeds City Credit Union Limited

Directors' Report

For the year ended 30 September 2022

The directors present their report and the financial statements of the Credit Union for the year ended 30 September 2022.

Principal activity

The principal activity of the Credit Union in the year under review was that of a credit union providing services to members.

Directors

The directors who served the Credit Union during the year were as follows, there were 11 board meetings during the year ended 30 September 2022.

Name	Number of board meetings attended	Out of a possible	% of possible board meetings attended
J Toole (President)	10	12	83%
A McPhillips (President resigned 23 March 2022)	5	6	83%
K Bavage	8	12	67%
A Beavis	9	12	75%
N Canwell (resigned 26 November 2021)	2	2	100%
M Christie	12	12	100%
S Khaliq (appointed 23 March 2022)	6	7	86%
C Neal	10	12	83%
J O'Neill (resigned 23 March 2022)	5	6	83%
H Chicken (appointed 22 June 2022)	3	3	100%
T Mistry (appointed 23 March 2022)	5	7	71%
C Turnbull	8	12	75%
D Yip (resigned 23 March 2022)	2	5	40%

Leeds City Credit Union Limited

Directors' Report

For the year ended 30 September 2022

Directors' responsibilities

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

Industrial and Provident Society law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws). Under Industrial and Provident Society law 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 and surplus or deficit of the credit union for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 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 each of the directors is aware:

- there is no relevant audit information of which the Credit Union's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Credit Union's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Leeds City Credit Union Limited

Directors' Report

For the year ended 30 September 2022

Strategic Report

Results and business review

The credit union's purpose is to help members build a good life, supporting financial wellbeing and independence by being inclusive to all.

The Board and Management are constantly striving to deliver on that purpose as, unfortunately for many members, the only viable alternative to a credit union loan is a loan from either doorstep lenders or payday lenders. These high-cost lenders charge up to 1,250% in interest.

At the beginning of the year, the impact of the pandemic was continuing to have a significant impact on the operations and results of the credit union and the financial position of its members. Periods of lockdown and encouragement to stay at home subdued consumer spending and therefore affected demand for loans. Illness and periods of isolation also impacted on the credit union's ability to deliver services, with branch closures occasionally required and remote working implemented where possible.

In addition to these challenges, the senior management team of the credit union had changed completely over the previous 12 months as long-standing staff members have moved on. The newly created team has a clear focus on modernising the service the credit union delivers and providing a much-improved member experience. Progress has been good on several initiatives over the year, with loan processing times reduced, faster payments introduced, a new mobile app launched, capacity to process loan applications increased, loan book returned to growth, the completion of the merger with Bramley credit union and a new risk and compliance framework introduced.

Following numerous discussions we are pleased to have secured an additional common bond area in the London Borough of Barking & Dagenham ("LBBD") and are progressing ahead of plan and should be able to offer all of our services to the residents in that area. As part of this offering the LBBD council have agreed to provide appropriate funding.

Furthermore, management have continued to improve colleague satisfaction by a large amount through improving the working culture, which has had a noticeable impact on sickness levels and motivation which in turn leads to improvements in member service.

There has been a continued focus on other major projects and work continues to try to extract value from the IT providers but this is proving problematic. A strategic review is being carried out to ascertain the way forward.

Thanks to the improvements mentioned previously, the financial outcome for the year has been more positive than expected in our original financial projections. The credit union upheld its overall financial position, including an increase in its net loan book due to higher applications, but a reduction in members' deposits. The credit union's capital position was slightly above the previous year due to an increasing loan book and therefore interest income, combined with a static bad debt position, and at the year end its regulatory capital was £2,149,618 (20/21 - £2,248,809).

Net loan balances to members increased from £6,185,577 to £7,131,882. The bad debt charge for the year decreased to £60,424 (21/22 £142,138). The credit union suffered a slight reduction in its savings balances from members for the year and at 30 September 2022, members' deposits stood at £23,042,382 (20/21 - £23,274,074).

Leeds City Credit Union Limited

Directors' Report

For the year ended 30 September 2022

The credit union recorded a pre-tax surplus of £47,237 (20/21 - £220,028). This year's surplus was helped by a range of grants supporting the credit union, although these grants are lower than previous years. Grants are never a guaranteed source of funding and can either be one-off awards or agreed for a set number of years and can be given without condition or on the basis of supplying services. Without this source of funding over the past year, the credit union's financial position would have looked far less positive.

In the coming year, the Board are aware of the challenges posed by significant increases in the cost of living, which will impact those on lower incomes the hardest. These pose a risk to the finances of the credit union should they cause members to miss loan repayments and increase bad debt. The Board will continue to monitor this risk and take any action necessary.

Given the uncertainty over the future outlook and the significant investment required in the business, the Board have chosen to maintain a prudent but balanced strategy and therefore to continue with the current £10 annual membership fee, but not to increase it. As in previous years, only 50% of the maximum fee will be charged. The dividend policy also remains unchanged from the previous year and unfortunately dividends will not be paid until the Credit Union is in a more stable environment.

Social Purpose and Highlights

The last year has again proved to be a challenging one for our members with the cost of living challenges hitting the communities we serve hard. Through this we have continued to strengthen our support of our communities. Our overall lending increased by 40% in 2021/22 to £7.2m. Almost half of this lending was to some of the most vulnerable customers in our community, helping keep them away from the harm of high cost lenders and illegal money lenders. We saved our members well over £3 million in high interest payments last year.

To further support our members we have improved our overall proposition, extending the availability of our Family Loan to help more members in need, developed additional digital solutions (mew app, improved web site and access to faster payments).

Our teams have continued to engage and strengthen relationships in our communities, working with employers (payroll membership increased by 7%). In addition we have supported programmes such as Homes for Ukrainians, Leeds Welfare Scheme, attended various Cost of Living events around Leeds, worked with WDH and attended various Financial Fitness events around Wakefield and running a drop in surgery at Compton Library.

Our increased support for the community saw more Money & Budget Service sessions booked in 2021/22 than the previous year, providing one-to-one advice and support for local people to help them get their finances in order and signpost them to other available services. To ensure we reached as many people as possible, these sessions were carried out both in person and digitally.

Governance

Looking forwards, the credit union will be run on a day-to-day basis by a senior management team comprising a Chief Executive, Head of Finance, Head of Risk and Compliance, Head of Member Experience, Head of Credit and Head of Technology. This team has been assembled over the last couple of years to modernise and improve the credit union's financial performance, improve the risk and control functions, and enhance the member experience.

Leeds City Credit Union Limited
Directors' Report
For the year ended 30 September 2022

The senior management team reports to the Board of Directors, who have the ultimate responsibility for the governance of the credit union.

The Board meet once a month and there is a separate Audit and Finance Committee that also currently meets once per month, which focuses on the financial management of the credit union and is also responsible for overseeing the internal and external audit functions.

The internal audit is performed by Leeds City Council and the external auditors are BHP LLP.

The credit union has policies in place to ensure that the Board has sufficient skills and experience to oversee the running of one of the UK's largest credit unions.

The credit union also has a policy that no Directors can serve a term of longer than 6 years. This ensures a regular renewal of the Board and is a key element of good governance.

Going Concern and financial risk management objectives and policies

The key financial risks faced by the credit union are the risk of bad debts and a declining loan book.

In the current economic climate, and considering the market in which the credit union operates, this risk is expected to remain high over the coming year.

The credit union has again reviewed credit control and debt collection procedures during the year, with the aim of minimising the risk of bad debts. Any debts in arrears are pursued either by the credit union's staff or by external debt collection agencies.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director 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. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

Approved by the Board on 9 February 2023 and signed on its behalf by:



.....
J Toole (President) Director

Leeds City Credit Union Limited

Independent Auditor's Report to the Members of Leeds City Credit Union Limited

Opinion

We have audited the financial statements of Leeds City Credit Union Limited for the year ended 30 September 2022, which comprise of the Revenue Account, Balance Sheet, Statement of Changes In Reserves, Statement of Cash Flows 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Credit Union's affairs as at 30 September 2022 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-Operative and Community Benefit Societies Act 2014.

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

In auditing the financial statements, we have concluded that the Board of Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the society's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Leeds City Credit Union Limited

Independent Auditor's Report to the Members of Leeds City Credit Union Limited

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Directors' are responsible for the other information contained within the Directors' annual report. Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 requires us to report to you if, in our opinion:

- the Credit Union has not kept proper books of account, and not maintained a satisfactory system of control over its transactions, in accordance with the requirements of the legislation; or
- the revenue account, any other accounts to which our report relates, and the balance sheet are not in agreement with the Credit Union's books of account; or
- we have not received all the information and explanations we require for our audit.

Respective responsibilities of The Board of Directors

As explained more fully in the Board of Directors' Responsibilities (set out on page 3), the Board of 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 it determines 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 Board of 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 Board of Directors either intend to liquidate the Credit Union or to cease operations or have no realistic alternative but to do so.

Leeds City Credit Union Limited

Independent Auditor's Report to the Members of Leeds City Credit Union Limited

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.

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

We gained an understanding of the legal and regulatory framework applicable to the Credit Union and the industry in which it operates and considered the risk of acts by the Credit Union that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We focussed on laws and regulations, relevant to the Credit Union, which could give rise to a material misstatement in the financial statements. Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries with management, review of minutes and both legal and consultancy expenses. There are inherent limitations in the audit procedures described and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

As part of our audit, we addressed the risk of management override of internal controls, including testing of journals and review of nominal ledger. We evaluated whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.


Leeds City Credit Union Limited

Independent Auditor's Report to the Members of Leeds City Credit Union Limited

Use of this report

This report is made solely to the Credit Union's members, as a body, in accordance with Section 87 of The Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Credit Union'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 Credit Union and the Credit Union's members as a body, for our audit work, for this report, or for the opinions we have formed.

...


[Mike Jackson \(Feb 15, 2023 12:03 GMT\)](#)

Michael Jackson FCA CTA (Senior Statutory Auditor)

For and on behalf of BHP LLP, Statutory Auditor

First Floor, Mayesbrook House

Lawnswood Business Park

Redvers Close

Leeds

LS16 6QY

Date: Feb 15, 2023

Leeds City Credit Union Limited
Revenue Account
For the year ended 30 September 2022

	Note	2022 £	2021 £
Loan interest receivable and similar income	3	1,636,433	1,469,144
Interest payable	6	<u>(51,701)</u>	<u>(60,161)</u>
Net interest income		1,584,732	1,408,983
Fees and commissions receivable		104,855	157,730
Fees and commissions payable		<u>(78,675)</u>	<u>(102,716)</u>
Net fees and commissions payable		26,180	55,014
Other income	4	767,244	635,875
Administrative expenses		(2,251,375)	(1,719,249)
Depreciation and amortisation		(19,120)	(18,457)
Impairment losses on loans to members		<u>(60,424)</u>	<u>(142,138)</u>
Surplus/(deficit) before tax		47,237	220,028
Taxation	10	<u>(27,428)</u>	<u>(29,945)</u>
Surplus for the financial year		<u>19,809</u>	<u>190,083</u>
Other Comprehensive income		-	-
Total comprehensive income		<u>19,809</u>	<u>190,083</u>

The above results were derived from continuing operations.

The notes on pages 16 to 30 form an integral part of these financial statements

Leeds City Credit Union Limited (FCA Registration number: 213369)

Balance Sheet

As at 30 September 2022

	Note	2022 £	2021(restated) £
Assets			
Cash, cash equivalents and liquid deposits			
Cash and balances with the Bank of England		-	-
Loans and advances to banks	13	19,115,083	20,274,339
Loans to members	12	7,131,882	6,185,577
Tangible fixed assets	11	454,038	302,871
Other receivables		-	-
Prepayments and accrued income		311,567	254,402
Total assets		<u>27,012,570</u>	<u>27,017,189</u>
Liabilities and reserves			
Members' capital – repayable on demand	15	23,042,382	23,274,074
Other liabilities	14	1,344,572	1,038,140
Subordinated loan liability	15	475,998	456,166
Subordinated loan reserves	15	369,000	488,000
Revaluation reserve		6,514	6,514
Income and expenditure reserves		1,774,104	1,754,295
		<u>27,012,570</u>	<u>27,017,189</u>

The financial statements were approved, and authorised for issue, by the Board on 9 February 2023 and signed on its behalf by:



.....
J Toole - President & Director



.....
M Christie - Director



.....
K Bavage - Secretary

Leeds City Credit Union Limited
Statement of Changes in Reserves
For the year ended 30 September 2022

	Revaluation reserve £	Subordinated loans £	Income and expenditure account £	Total £
At 1 October 2021 (as restated)	6,514	488,000	1,754,295	2,248,809
Surplus for the year	-	-	19,809	19,809
Transfer to liabilities	-	(119,000)	-	(119,000)
Total comprehensive income	-	(119,000)	19,809	(99,191)
At 30 September 2022	<u>6,514</u>	<u>369,000</u>	<u>1,774,104</u>	<u>2,149,618</u>

	Revaluation reserve £	Subordinated loans £	Income and expenditure account £	Total £
At 1 October 2020	6,514	1,241,666	1,564,212	2,812,392
Restatement	-	(595,000)	-	(595,000)
At 1 October (as restated)	6,514	646,666	1,564,212	2,217,392
Surplus for the year	-	-	190,083	190,083
Transfer to liabilities	-	(158,666)	-	(158,666)
Total comprehensive income	-	(158,666)	190,083	31,417
At 30 September 2021	<u>6,514</u>	<u>488,000</u>	<u>1,754,295</u>	<u>2,248,809</u>

Leeds City Credit Union Limited
Statement of Cash Flows
For the year ended 30 September 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Surplus/(deficit) for the year		19,809	190,083
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	19,120	18,457
Finance costs	6	51,701	60,161
Taxation provision	10	27,428	29,945
Impairment losses		<u>95,359</u>	<u>153,695</u>
		213,417	452,341
Working capital adjustments			
(Increase)/Decrease in other debtors		(57,165)	119,130
Increase in other liabilities	14	<u>308,339</u>	<u>83,625</u>
Cash generated from operations		464,591	655,096
Taxation paid		<u>(29,335)</u>	<u>(35,488)</u>
Net cash flow from operating activities		<u>435,256</u>	<u>619,608</u>
Cash flows from investing activities			
(Acquisitions) of tangible assets		(170,287)	(10,952)
Proceeds from sale of investment properties		<u>-</u>	<u>-</u>
Net cash flows from investing activities		<u>(170,287)</u>	<u>(10,952)</u>
Cash flows from changes in operating assets and liabilities			
Interest paid	6	(37,502)	(47,948)
Dividends paid on shares	6	(14,199)	(12,213)
Repayment of subordinated loans	15	(99,168)	(297,500)
Cash (outflow)/inflow from share withdrawals/deposits		(231,692)	1,009,361
Loans repaid/(issued) by member		<u>(1,041,664)</u>	<u>260,439</u>
Net cash flows from operating activities		<u>(1,424,225)</u>	<u>912,139</u>
Net (decrease) / increase in cash and cash equivalents		(1,159,256)	1,520,795
Cash and cash equivalents at 1 October		<u>20,274,339</u>	<u>18,753,544</u>
Cash and cash equivalents at 30 September		<u>19,115,083</u>	<u>20,274,339</u>

1. General information

The address of the Credit Union's registered office is:

2nd Floor
Carlton Tower
34 St Paul's Street
Leeds
West Yorkshire
LS1 2QB

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 Services Authority under the provisions of the Financial Services and Markets Act 2000.

In accordance with the regulatory environment for credit union's, 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

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared in accordance with FRS102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' and also with The Co-Operative and Community Benefit Societies Act 2014.

These financial statements are prepared on an historical cost basis as amended by the revaluation of freehold property. The preparation of financial statements requires the use of estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Although these estimates and associated assumptions are based on historical experiences and the management's best knowledge of current events and actions, the actual results may ultimately differ from those estimates. The estimates and underlying assumptions are reviewed on an on-going basis.

The financial statements are presented in Sterling (£s) and rounded to the nearest £.

2. Accounting policies - continued

Going concern

The financial statements have been prepared on a going concern basis. The Board have considered the financial position of the Credit Union as at 30 September 2022 and have also reviewed forecasts up to September 2025 and are satisfied that it is appropriate to present these accounts on the going concern basis.

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.

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 relates to service fees, grants and donations and is credited to the income and expenditure account in the period to which the income relates.

Grant income

Grant income is included on an accruals basis with revenue grants credited to the income and expenditure account.

Grants in respect of capital expenditure are released to the statement of comprehensive income by equal annual instalments over the expected useful lives of the relevant assets.

Tax

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.

Prior Period Adjustment

In preparing the financial statements for the year ended 30 September an amendment was required in relation to prior periods. The effect and nature of the restatements are shown in Note 21.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

2. Accounting policies - continued

Depreciation

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets, other than freehold land. The rates applicable are:

Asset class	Depreciation method and rate	
Freehold property	2.5%	pa on straight line basis
Long leasehold property	2.5%	pa on straight line basis
Improvements to leasehold property	6.67%	pa on straight line basis
Fixtures and fittings	20%	pa on straight line basis
Computer equipment and software	20-33%	pa on straight line basis

Individual freehold and leasehold properties are carried at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the statement of financial position date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers. Revaluation gains and losses are recognised in the statement of comprehensive income unless losses exceed the previously recognised gain or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

Impairment of Assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Debtors

Short term debtors are measured at transaction price, less any impairment.

Bad debt provision

A provision of 100% is made for all loans made more than one year in arrears. A provision of between 10% and 90% is made for all loans between 1 and 12 months in arrears. The Board have reviewed the provisioning at the year end and are satisfied that it reflects the experience on loan book arrears over the past 5 years and therefore, they have concluded that the year-end provision is adequate.

2. Accounting policies - continued

Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank and other loans, are measured initially at fair value, net of transaction costs and are measured subsequently at amortised cost using the effective interest method.

Cash, cash equivalents and liquid deposits

Cash and cash equivalents comprise cash on hand and call deposits and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

The Credit Union also maintains a portfolio of fixed term deposit accounts which are measured at amortised cost. All of the fixed term deposits will mature within 60 months of the balance sheet date.

Financial assets – loans and advances to members

Loans to members are financial assets with fixed to 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.

Financial liabilities – members shares

Members' shareholdings in the Credit Union are redeemable and described as members shares – repayable on demand. They are initially recognised as the amount of cash deposited and subsequently measured at initial deposit plus any dividend applicable to the member's account.

Employee benefits

Defined contribution plans: The amounts charged as expenditure for the defined contribution plan are the contributions payable by the Credit Union for the relevant period.

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.

Use of estimates and judgments

The preparation of financial statements requires the use of certain accounting estimates. It also requires the Directors to exercise judgment in applying the Credit Union's accounting policies.

The key significant area of management estimates and judgments relates to the provision for bad debts. The basis of the bad debt provision is set out in note 20.

2. Accounting policies - continued

The Directors believe that credit risk is likely to increase during the next financial year due to recent and known future events, such as higher inflation, rising fuel costs and the increases to National Insurance Contributions. These factors may have an impact on the recoverability of the loan book and result in increased impairment losses. At the time of signing the accounts, there has been limited evidence of increased credit risk impacting on the loan book and therefore the Directors are unable to reliably estimate the impact of increased impairment risk that may arise in the future. The financial model and the bad debt provision will be kept under close review in relation to this.

Leases

Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Grants

Grants in respect of capital expenditure are released to the Statement of Comprehensive Income by equal instalments over the expected useful lives of the relevant assets.

Subordinated loans

Amounts classified as subordinated loans are those loans which qualify as such by the Prudential Regulation Authority's regulations and so are considered part of the Credit Union's capital base.

The amount of any subordinated loan that qualifies as capital must, over its final four years to maturity or, where the subordinated loan requires repayment in tranches, over the final four years to maturity of each tranche, be written down by a credit union by 20% of the amount of the loan or tranche per year. This amount is transferred to liabilities within the Balance Sheet and is shown in Note 15.

3. Loan interest receivable and similar income

	2022	2021
	£	£
Unidentified share balances	73,753	83,237
Interest receivable on members' loans	1,415,031	1,231,512
Bank interest received	<u>147,649</u>	<u>154,395</u>
	<u><u>1,636,433</u></u>	<u><u>1,469,144</u></u>

Leeds City Credit Union Limited
Notes to the Financial Statements
For the year ended 30 September 2022

4. Other income

The analysis of the company's other gains and losses for the year is as follows:

	2022	2021
	£	£
Grants and donations	768,609	590,388
Lottery donations	(1,365)	3,180
Transfer of reserves following merger with West Leeds and Bramley Credit Union Ltd	-	42,307
	<u>767,244</u>	<u>635,875</u>

5. Operating surplus

Arrived at after charging/(crediting)

	2022	2021
	£	£
Depreciation expense	19,120	18,457
Movement in revaluation reserve	-	-
Fees payable to the Credit Union's auditor for:		
• the audit of the Credit Union annual accounts	18,000	15,240
• other non-audit services	<u>3,744</u>	<u>3,120</u>

6. Interest payable and similar charges

	2022	2021
	£	£
Interest on subordinated loans	37,502	47,948
Dividend	<u>14,199</u>	<u>12,213</u>
	<u>51,701</u>	<u>60,161</u>

The dividend 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.

Leeds City Credit Union Limited
Notes to the Financial Statements
For the year ended 30 September 2022

7. Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2022	2021
	£	£
Wages and salaries	1,090,362	900,308
Social security costs	94,392	58,092
Other post-employment benefit costs	<u>48,910</u>	<u>40,464</u>
Subtotal	1,233,664	998,864
Staff training and travel expenses	<u>29,785</u>	<u>27,792</u>
	<u><u>1,263,449</u></u>	<u><u>1,026,656</u></u>

The average number of persons employed by the Credit Union (including the directors) during the year, analysed by category was as follows:

	2022	2021
	No.	No.
Administration and support	<u>47</u>	<u>42</u>

8. Directors' and key management remuneration

The Directors of Leeds City Credit Union are the Members of the Board. Key management are considered to be the Chief Executive, and Senior Management Team. Key management remuneration was as follows:

	2022	2021
	£	£
Short term employee benefits	335,909	156,478
Payments to defined contribution pension schemes	<u>15,749</u>	<u>7,287</u>
	<u><u>351,658</u></u>	<u><u>163,765</u></u>

No directors received any remuneration during the year (2021: £Nil).

Leeds City Credit Union Limited
Notes to the Financial Statements
For the year ended 30 September 2022

9. Auditor's remuneration

	2022	2021
	£	£
Audit of the financial statements	18,000	15,240
Non-audit services	<u>3,744</u>	<u>3,120</u>
	<u><u>21,744</u></u>	<u><u>18,360</u></u>

10. Taxation

Tax charged/(credited) in the income statement

	2022	2021
	£	£
Current taxation		
UK corporation tax	<u>27,428</u>	<u>29,945</u>

Reconciliation of taxation expense

Leeds City Credit Union is not liable to corporation tax payable on its activities of making loans to members 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:

	2022	2021
	£	£
Surplus before taxation	<u>47,237</u>	<u>220,028</u>
Surplus before taxation multiplied by small profits rate of corporation tax in the UK of 19%	8,975	41,805
Effects of:		
Non-taxable surplus/(deficit) on transactions with members	18,453	(11,860)
Total tax charge for the year	<u><u>27,428</u></u>	<u><u>29,945</u></u>

Leeds City Credit Union Limited
Notes to the Financial Statements
For the year ended 30 September 2022

11. Tangible assets

	Long leasehold property £	Furniture, fittings and equipment £	Computer equipment £	Leasehold improvements £	Total £
Cost or valuation					
At 1 October 2021	377,986	79,602	275,340	227,638	960,566
Additions	-	57,866	25,808	86,613	170,287
Disposals	-	-	-	-	-
Revaluation	-	-	-	-	-
At 30 September 2022	<u>377,986</u>	<u>137,468</u>	<u>301,148</u>	<u>314,251</u>	<u>1,130,853</u>
Depreciation					
At 1 October 2021	87,743	77,167	265,147	227,638	657,695
Charge for the year	9,757	960	7,681	722	19,120
Eliminated on disposal	-	-	-	-	-
At 30 September 2022	<u>97,500</u>	<u>78,127</u>	<u>272,828</u>	<u>228,360</u>	<u>676,815</u>
Carrying amount					
At 30 September 2022	<u>280,486</u>	<u>59,341</u>	<u>28,320</u>	<u>85,891</u>	<u>454,038</u>
At 30 September 2021	<u>290,243</u>	<u>2,435</u>	<u>10,193</u>	<u>-</u>	<u>302,871</u>

Revaluation

The fair value of the company's land and buildings was revalued on 6 October 2020 by Eddisons Commercial Limited in accordance with the RICS Valuation Professional Standards, who are not connected with the company. The valuation has been adopted as at 30 September 2022.

Leeds City Credit Union Limited
Notes to the Financial Statements
For the year ended 30 September 2022

12. Loans and advances to members

	2022	2021
	£	£
Gross loans and advances to members	11,229,681	10,188,017
Impairment losses	<u>(4,097,799)</u>	<u>(4,002,440)</u>
Total loans and advances to members	<u><u>7,131,882</u></u>	<u><u>6,185,577</u></u>

13. Cash and cash equivalents

	2022	2021
	£	£
Cash at bank and in hand	<u>19,115,083</u>	<u>20,274,339</u>

Barclays Bank plc hold a security of £70,000 cash cover for a direct debit origination facility of Leeds City Credit Union Limited.

14. Other liabilities

	2022	2021
Note	£	£
Due within one year		
Social security and other taxes	30,422	19,143
Accrued expenses	142,523	127,171
Income tax liability	27,428	29,960
Other creditors	179,008	175,700
Managed funds	803,984	578,799
Deferred grant income	<u>161,207</u>	<u>107,367</u>
	<u><u>1,344,572</u></u>	<u><u>1,038,140</u></u>

Managed funds represent monies paid to the Credit Union for lending on behalf of third parties which had not been lent out at the year end. This made up of the following balances: Headrow Money Line £195,702 (2021: £95,007), House Proud Loans on behalf of Leeds City Council £477,024 (2021: £387,166) and Energy Efficiency Loans on behalf of Wakefield Council £131,258 (2021: £96,626).

	2022	2021
	£	£
Deferred income at 1 October	107,367	92,292
Resources deferred during the year	160,702	52,875
Amounts released from previous years	<u>(106,862)</u>	<u>(38,800)</u>
	<u><u>161,207</u></u>	<u><u>107,367</u></u>

15. Share capital

Allotted, called up and fully paid shares

	2022		2021	
	No.	£	No.	£
Members shares of £1 each	<u>23,042,382</u>	<u>23,042,382</u>	<u>23,274,074</u>	<u>23,274,074</u>

During the year the Credit Union's net movement in share capital is £231,692 (2021: £1,009,361).

Reserves

Income and expenditure reserve: this includes all current and prior period retained surpluses and deficits.

Subordinated loan: part of this is recorded as a reserve as it is repayable in instalments in line with the PRA rules on repayment in tranches

Revaluation reserve: this represents the difference between the historical cost of properties (less accumulated depreciation) and their market value is at 30 September 2016.

Other reserve

	2022 £	2021 (as restated) £
Subordinated loan reserve		
Balance at the start of the year	488,000	646,667
Transfer to Subordinated loan liability	<u>(119,000)</u>	<u>(158,667)</u>
Balance at the end of the year	<u>369,000</u>	<u>488,000</u>

	2022 £	2021 £
Revaluation reserve		
Balance at the start and end of the year	<u>6,514</u>	<u>6,514</u>

	2022 £	2021 (as restated) £
Subordinated Loan liability		
Balance at the start of the year	456,166	594,999
Repayments in the year	(99,168)	(297,500)
Transfer from Subordinated loan reserve	<u>119,000</u>	<u>158,667</u>
Balance at the start of the year	<u>475,998</u>	<u>456,166</u>

16. Obligations under leases and hire purchase contracts

The total of future minimum lease payments is as follows:

	2022	2021
	£	£
Land & Buildings		
Not Later than one year	10,500	-
Due in more than one year, but less than 5 years	124,500	-
Due in more than five years	<u>171,000</u>	<u>-</u>
	<u><u>306,000</u></u>	<u><u>-</u></u>
Others – Office Equipment		
Not Later than one year	8,404	8,404
Due in more than one year, but less than 5 years	<u>8,404</u>	<u>16,808</u>
	<u><u>16,808</u></u>	<u><u>25,212</u></u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £13,504 (2021: £9,986).

17. 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/dividends payable.

The main financial risks arising from the Credit Union activities are credit risk, liquidity risk, market risk and interest rate risk. The Board reviews and agrees policies for managing each of these risks, which are summarised below.

Credit risk: Credit risk is the risk that a borrower will default on their contractual obligations relating to repayments to the Credit Union, resulting in financial loss to the Credit Union. In order to manage this 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 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 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.

Leeds City Credit Union Limited
Notes to the Financial Statements
For the year ended 30 September 2022

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 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.

18. Interest rate risk disclosures

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

	2022		2021	
	Amount	Average	Amount	Average
	£	interest rate	£	interest rate
		%		%
Financial assets				
Loans to members	<u>11,229,681</u>	<u>16.90%</u>	<u>10,188,017</u>	<u>16.44%</u>
Dividend paid				
Members shares	<u>14,199</u>	<u>0.20%</u>	<u>12,213</u>	<u>0.20%</u>

The interest rates applicable to loans to members are fixed and range from 3.00% to 36.00%.

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

19. Related party transactions

No directors had any loans outstanding at the year end (2021: £Nil).

The Credit Union made a loan to Headrow Money Line during the previous year, under normal commercial terms. The balance outstanding at the year end was £139,931 (2021:£160,545). Interest was receivable on this loan of £9,063 (2021: £10,222).

As at the year end, Headrow Money Line held £42,111 (2021: £24,677) within a corporate members account of the Credit Union. The Credit Union made management charges to Headrow Money Line of £22,375 (2021: £42,496) in line with the agreement between the two companies. The balance of the Intercompany Loan as the year end was £195,702 (2021:£95,007)

During 2022 and 2021, Headrow Money Line is a related party on the basis that it shared key management personnel.

Leeds City Credit Union Limited
Notes to the Financial Statements
For the year ended 30 September 2022

20. Credit risk disclosures

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.

	2022		2021	
	Amount £	Proportion %	Amount £	Proportion %
Not impaired:				
Neither past due nor impaired	6,529,018	58.14%	5,723,779	56.18%
Up to 3 months past due	-	-	-	-
Between 3 and 6 months past due	-	-	-	-
Between 6 months and 1 year past due	-	-	-	-
Over 1 year past due	-	-	-	-
Subtotal: loans not impaired	6,529,018	58.14%	5,723,779	56.18%
Individually impaired:				
Not yet past due, but impaired	-	-	-	-
Up to 3 months past due	477,497	4.25%	448,580	4.40%
Between 3 and 6 months past due	182,424	1.63%	144,102	1.42%
Between 6 months and 1 year past due	295,595	2.63%	265,833	2.61%
Over 1 year past due	3,745,147	33.35%	3,605,723	35.39%
Total loans	<u>11,229,681</u>	<u>100%</u>	<u>10,188,017</u>	<u>100%</u>
Impairment allowance	<u>(4,097,799)</u>		<u>(4,002,440)</u>	
Total carrying value	<u>7,131,882</u>		<u>6,185,577</u>	

21. Subordinated debt

Leeds City Credit Union Limited has loans from Joseph Rowntree Foundation (“JRF”) and Leeds City Council (“LCC”). These loans are subordinate to the interests of all other creditors including members and juvenile depositors. The loan from JRF is repayable 5 years and 1 day after notice is served and incurs interest annually at 2% whereas the LCC loan is fixed term; interest is payable at the Bank of England base rate, the capital is repayable in equal six monthly instalments with the final repayment on 1st April 2025.

During the year the treatment of the subordinated loan from Leeds City Council was clarified in relation to discounting the tranches repayable. The impact of this is considered material and therefore a prior year adjustment has been made.

The adjustment has been made to the opening comparative reserves and the comparative year as follows. As at 1 October 2020, the subordinated loan reserve has been restated from £1,241,666 to £646,666, a movement of £595,000 creating a liability of the same amount. As at 31 September 2021, the subordinated loan reserve has been restated from £944,166 to £488,000, a movement of £456,166 reflecting the opening liability less repayments made in the period. A liability of £456,166 has been recognised on the Balance sheet as at 30 September 2021, to reflect the discounted tranches repayable on the loan.

22. Contingent liabilities

The Credit Union participates in the Financial Services Compensation Scheme (“FSCS”) which provides protection for its members up to the level of protection offered by the FSCS. As a result of the Credit Union’s participation it has a contingent liability, which cannot be quantified in respect of future contributions to the FSCS, as required by the Financial Services and Markets Act 2000.

23. Pension commitments

The Credit Union operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Credit Union in an independently administered fund. The pensions cost charge represents contributions payable by the Credit Union to the fund. The amount recognised as an expense in the period was £48,910 (2021: £40,464). Contributions totalling £6,113 (2021: £7,176) were payable to the fund at the balance sheet date and are included in creditors.

Leeds City Credit Union Limited

MANAGEMENT INFORMATION

For the year ended 30 September 2022

Leeds City Credit Union Limited
Detailed Revenue Account
For the year ended 30 September 2022

	2022	2021
	£	£
Income (analysed below)	<u>2,508,532</u>	<u>2,262,749</u>
Administrative expenses		
General administrative expenses (analysed below)	2,270,495	1,737,706
Finance charges (analysed below)	78,675	102,716
Impairment losses	60,424	142,138
	<u>2,409,594</u>	<u>1,982,560</u>
Operating surplus	98,938	280,189
Interest payable and similar charges (analysed below)	<u>(51,701)</u>	<u>(60,161)</u>
Surplus before tax	<u><u>47,237</u></u>	<u><u>220,028</u></u>

Leeds City Credit Union Limited
Detailed Revenue Account
For the year ended 30 September 2022

	2022	2021
	£	£
Income		
Interest on members' loans	1,415,031	1,231,512
Bank interest received	147,649	154,395
Unidentified share balances	73,753	83,237
Grants and donations	768,609	590,388
Service fees	104,855	157,730
Lottery donations	(1,365)	3,180
Transfer of reserves on merger with Bramley Credit Union	<u>-</u>	<u>42,307</u>
	<u><u>2,508,532</u></u>	<u><u>2,262,749</u></u>
General administrative expenses		
Wages and salaries	1,090,362	900,308
Social security costs	94,392	58,092
Staff pensions	48,910	40,464
Insurance	20,021	18,544
Staff training	2,367	2,937
Travelling	32,586	24,855
Rent and rates	66,511	31,996
Light, heat and power	51,962	24,394
Repairs and maintenance	(4,519)	1,839
Telephone and fax	37,622	42,523
Computer software and maintenance costs	236,966	238,300
Printing, postage and stationery	63,654	38,655
Trade subscriptions	429	1,452
Sundry expenses	34,964	4,321
Cleaning	3,682	6,246
Advertising	239,206	140,943
Accountancy and payroll	48,543	36,404
Auditor's remuneration – the audit of the Credit Union's annual account accounts	18,000	15,240
Legal and professional fees	165,717	91,736
Depreciation of long leasehold property	10,479	9,757
Depreciation of fixtures and fittings	960	424
Depreciation of computer equipment	<u>7,681</u>	<u>8,276</u>
	<u><u>2,270,495</u></u>	<u><u>1,737,706</u></u>

Leeds City Credit Union Limited
Detailed Revenue Account
For the year ended 30 September 2022

	2022	2021
	£	£
Finance charges		
Bank charges	76,289	76,544
Credit agency charges	<u>2,386</u>	<u>26,172</u>
	<u>78,675</u>	<u>102,716</u>
Impairment losses		
Impairment expense	<u>60,424</u>	<u>142,138</u>
Interest payable and similar charges		
Subordinate loan interest payable	37,502	47,948
Dividend paid	<u>14,199</u>	<u>12,213</u>
	<u>51,701</u>	<u>60,161</u>
Surplus before tax	<u><u>47,237</u></u>	<u><u>220,028</u></u>