

EASTERN SAVINGS AND LOANS CREDIT UNION LTD

Firm Reference No 213756

Registered No IP00658C

**DIRECTORS REPORT AND
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED

30 SEPTEMBER 2022

EASTERN SAVINGS AND LOANS CREDIT UNION LTD

ADMINISTRATIVE INFORMATION

Directors	Sally Chicken Ruth Wailes Julie Mansfield Les Abbie Graham Evans Dominic Williams Mandy Errington
Secretary	Julie Mansfield
Society Registration Number	IP00658C
Financial Conduct Authority Registration Number	213756
Registered Office	61-63 Austin Street Ipswich Suffolk IP2 8DF
Auditors	Lindley Adams Limited Chartered Accountants and Statutory Auditors 28, Prescott Street Halifax, HX1 2LG
Bankers	The Co-operative Bank Plc P.O. Box 101, 1 Balloon Street Manchester M60 4EP Suffolk Building Society PO Box 547 Ipswich IP3 9WZ Cambridge & Counties Bank Charnwood Court 5B New Walk Leicester, LE1 6TE Lloyds Bank Plc 25 Gresham Street London EC2 7HN

EASTERN SAVINGS AND LOANS CREDIT UNION LTD

CONTENTS

Directors' Report	1-2
Independent Auditors' Report	3-4
Revenue Account	5
Balance Sheet	6
Statement of changes in Retained Earnings	7
Cash flow statement	8
Notes to the financial statements	9-18

EASTERN SAVINGS AND LOANS CREDIT UNION LTD**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

The Directors present their report and the financial statements for the year ended 30 September 2022.

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 £41,693 (2021 - £8,319). In addition, there were 3,376 (2021 - 3,232) adult members with 1,261 (2021 - 1,222) members holding loans with the Credit Union.

The Directors have approved the payment of 1.5% junior interest and recommend the payment of a 0.50% dividend for adult and corporate members at the yearend. This will be voted upon at the Annual General Meeting.

Directors

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

Sally Chicken

Ruth Wailes

Julie Mansfield

Les Abbie

Graham Evans

Dominic Williams - appointed April 2022

Mandy Errington - appointed April 2022

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 9/3/23 and signed on its behalf by:

Name of Director 1: SALLY CHICKEN

Signature Sally Chicken

Name of Director 2: RUTH WAILES.

Signature Ruth Wailes.

REPORT OF THE INDEPENDENT AUDITOR TO EASTERN SAVINGS AND LOANS CREDIT UNION LTD

OPINION

We have audited the financial statements of Eastern Savings and Loans Credit Union Ltd (the 'credit union') for the year ended 30 September 2022 which comprise revenue account, balance sheet, statement of changes to retained earnings, cash flow statement 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).

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 and the Credit Unions Act 1979.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the credit union in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances as set out in note 23 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

OTHER INFORMATION

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Board is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- a satisfactory system of control over transactions has not been maintained;
- the financial statements are not in agreement with the books of account; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF THE BOARD

As explained more fully in the Statement of Directors' responsibilities set out on page 2, the Board is 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 Board is 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 either intend to liquidate the Credit Union 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.

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

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

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

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including override of controls) and addressed the risk through:

- making enquiries of those charged with governance as to their knowledge of actual, suspected and alleged instances of fraud;
- considering the internal controls in place to mitigate the risks of fraud.

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

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

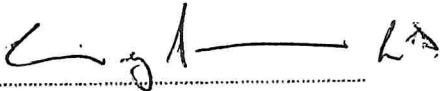
There is a risk that we will not detect all irregularities, including fraud, because of the inherent limitations of an audit, including those leading to a material misstatement in the financial statements of non-compliance with regulations. The areas in the financial statements that are most susceptible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

- Inadequate internal controls, resulting from: management override, lack of oversight, segregation in duties or supervisory controls;
- Inadequate record keeping, resulting from: lack of complete and timely reconciliations of bank or cash or a lack of timely and appropriate documentation of transactions;
- Evidence of past or suspected fraud in the credit union;
- A high turnover of senior management or key staff;
- High volumes of cash being handled and processed;

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

USE OF OUR REPORT

This report is made solely to the credit union, 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 those matters we are required to state to it in a Report of the auditor's 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, for our audit work, for this report, or for the opinions we have formed.


 Lindley Adams Limited
 Chartered Accountants and Statutory Auditors
 28 Prescott Street,
 Halifax, HX1 2LG

Date 13th June 2013

EASTERN SAVINGS AND LOANS CREDIT UNION LTD

Revenue Account for the year ended 30 September 2022

	Note	2022 £	2021 £
Loan Interest receivable and similar income	4	169,405	157,828
Interest payable	5	(3,319)	(1,094)
Net interest income		166,086	156,734
Fees and commissions receivable	6	40,799	38,815
Fees and commissions payable		(9,963)	(9,930)
Net fees and commissions receivable		30,836	28,885
Other income	7	62,309	57,997
Administrative expenses	8a	(161,056)	(168,306)
Depreciation and amortisation	11	(3,026)	(3,194)
Other operating expenses	8b	(37,847)	(37,292)
Impairment losses on loans to members	12e	(14,309)	(25,644)
Surplus Before Taxation		42,993	9,180
Taxation		(1,300)	(861)
Surplus for the Financial Year		41,693	8,319
Total comprehensive income		41,693	8,319

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

EASTERN SAVINGS AND LOANS CREDIT UNION LTD

Balance Sheet as at 30 September 2022

	Note	2022 £	2021 £
ASSETS			
Loans and advances to banks	16	1,475,212	1,433,976
Loans and advances to members	12	554,110	605,540
Tangible fixed assets	11	2,596	5,622
Prepayments and accrued income		12,318	16,797
Total assets		2,044,236	2,061,935
LIABILITIES			
Subscribed capital - repayable on demand	13	1,689,174	1,745,827
Other payables	14	162,714	152,453
		1,851,888	1,898,280
Subordinated loan	20	35,000	48,000
Retained earnings		157,348	115,655
Total liabilities		2,044,236	2,061,935

The financial statements were approved, and authorised for issue by the board on 9/3/23 and signed on its behalf by:

Sally Attkin
Director

Ruth Waites
Director

L. M. M. M.
Secretary

EASTERN SAVINGS AND LOANS CREDIT UNION LTD

Statement of Changes in Retained Earnings for the year ended 30 September 2022

	Note	2022 £	2021 £
As at 1 October 2021		115,655	107,336
Total comprehensive income for the year		41,693	8,319
As at 30 September 2022		157,348	115,655

Movement in reserves

	Retained earnings		Deferred Shares reserve	Lloyds Development Fund	Growth Fund reserve
	General reserve	Other reserves			
As at 1 October 2021	(52,670)	10,289	3,500	100,000	54,536
Surplus for year	34,436	0	0	0	0
Other movements	64,825	(10,289)	0	0	(54,536)
As at 30 September 2022	46,591	0	3,500	100,000	0

	Dividend Reserve	Total Reserves
As at 1 October 2021	0	115,655
Surplus for year	7,257	41,693
Other movements	0	0
As at 30 September 2022	7,257	157,348

EASTERN SAVINGS AND LOANS CREDIT UNION LTD

Cash flow statement for the year ended 30 September 2022

	Note	2022 £	2021 £
Cash Flows from operating activities			
Surplus/(Deficit) before taxation		42,993	9,180
Adjustments for non-cash items			
Depreciation	11	3,026	3,194
Subordinated loan	20	(13,000)	(13,000)
Impairment losses	12e	16,676	28,589
		6,702	18,783
 Movements in:			
Prepayments and accrued income		4,479	9,087
Other payables		10,261	(68,657)
		14,740	(59,570)
 Cash flows from changes in operative assets and liabilities			
Cash inflow from subscribed capital	13	9,790,142	9,446,452
Cash outflow from repaid capital	13	(9,846,795)	(9,404,318)
New loans to members	12a	(682,819)	(660,281)
Repayment of loans by members	12a	717,573	706,000
		(21,899)	87,853
 Taxation paid		(1,300)	(861)
Net Cash flows from operating activities		41,236	55,385
 Cash flows from investing activities			
Purchase of property, plant and equipment	11	0	(3,024)
Net cash flow from managing liquid deposits	16	(502,100)	0
		(502,100)	(3,024)
 Net decrease in cash and cash equivalents		(460,864)	52,361
Cash and cash equivalents at beginning of the year		1,433,976	1,381,615
 Cash and cash equivalents at end of year	16	973,112	1,433,976