

*SAG Credit Union Limited*  
Annual Report and Financial  
Statements

For the year ended 30 September 2025

## **SAG Credit Union Limited**

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## **SAG Credit Union Limited Company Information**

### **Directors**

M. McNeill  
L. Jordan (resigned October 2024)  
E. Henderson  
M. Cafolla  
J. McKenna  
A. Aldridge  
A. Mulholland (resigned October 2024)  
G. McArdle  
D. Broderick  
J. Peden  
J. Gault (resigned October 2024)  
M. Crowley (appointed April 2025)  
L. Wright (appointed January 2025)

### **Registered office**

87 Andersonstown Road  
Belfast  
BT11 9BS

### **Auditors**

PGM Chartered Accountants  
405 Lisburn Road  
Belfast  
BT9 7EW

### **Bankers**

Ulster Bank  
Unit G, Westwood Centre  
Belfast  
BT11 9BQ

Danske Bank  
The Kennedy Centre  
564 - 568 Falls Road  
Belfast  
BT11 9AE

Bank of Ireland  
202 Andersonstown Road  
Belfast  
BT11 9EB

**SAG Credit Union Limited**  
**Statement of Directors' Responsibilities**  
for the year ended 30 September 2025

**Statement of Directors' Responsibilities**

The Credit Unions (Northern Ireland) Order 1985 and amendments thereto require the directors to prepare financial statements for each financial year which give a true and fair view of the State of Affairs of the Credit Union and the Income and Expenditure Account of the Credit Union for that period.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Credit Union will continue in business.

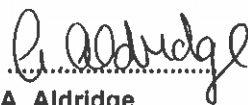
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Credit Union and to enable them to ensure that the financial statements are prepared in accordance with applicable law in Northern Ireland and UK Generally Accepted Accounting Practice, including the standards issued by the Financial Reporting Council, and in particular FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

They are 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.

On behalf of the board of directors.



**M. McNeill**  
President



**A. Aldridge**  
Treasurer



**D. Broderick**  
Secretary

**26 November 2025**

# **Independent Auditors' Report to the Members of SAG Credit Union Limited**

## **Opinion**

We have audited the financial statements of SAG Credit Union Limited (the 'Credit Union') for the year ended 30 September 2025, which comprise the Income and Expenditure Account, the Balance Sheet, the Statement of Changes in Reserves, the 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 presentation 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 in all material respects:

- give a true and fair view of the state of the Credit Union's affairs as at 30 September 2025 and of its income and expenditure and cash flows for the year then ended;
- have been properly prepared in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, issued by the Financial Reporting Council; and
- have been prepared in accordance with the requirements of the Credit Unions (Northern Ireland) Order 1985.

## **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Credit Union in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Conclusions relating to going concern**

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

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

## **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

# **Independent Auditors' Report to the Members of SAG Credit Union Limited (continued)**

## **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Credit Unions (Northern Ireland) Order 1985 requires us to report to you if, in our opinion:

- proper books of account have not been kept by the Credit Union in accordance with the requirements of the legislation;
- a satisfactory system of control over transactions has not been maintained by the Credit Union in accordance with the requirements of the legislation;
- the income and expenditure account to which our report relates, and the balance sheet are not in agreement with the books of account of the Credit Union;
- we have not obtained all the information and explanations which we considered were necessary for the purposes of our audit.

## **Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Credit Union's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Credit Union or to cease operations, or have no realistic alternative but to do so.

## **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:

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 that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the credit union through discussions with directors and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, such as the Credit Unions (Northern Ireland) Order 1985;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

# **Independent Auditors' Report to the Members of SAG Credit Union Limited (continued)**

## **Auditor's responsibilities for the audit of the financial statements (continued)**

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud,
- their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions.

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims.

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

## **Purpose of our audit work and to whom we owe our responsibilities**

This report is made solely to the Credit Union's members, as a body, in accordance with Article 47 of the Credit Unions (Northern Ireland) Order 1985. 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.



**PGM Chartered Accountants  
Statutory Auditor  
405 Lisburn Road  
Belfast  
BT9 7EW**

**26 November 2025**

**SAG Credit Union Limited**  
**Income and Expenditure Account**  
for the year ended 30 September 2025

	Note	2025 £	2024 £
Interest on members' loans	4	3,667,036	3,368,311
Other interest income and similar income	5	1,249,150	1,018,623
<b>Net interest income</b>		<b>4,916,186</b>	<b>4,386,934</b>
Other income	7	2,815	2,743
Employment costs	9b	(827,709)	(652,248)
Depreciation	12	(66,346)	(116,696)
Other management expenses (Schedule 1)		(1,312,015)	(1,049,495)
Net recoveries or losses on loans to members	13d	(195,807)	(252,768)
<b>Surplus for the financial year before taxation</b>		<b>2,517,124</b>	<b>2,318,470</b>
Taxation	10	(312,287)	(255,221)
<b>Total comprehensive income</b>		<b>2,204,837</b>	<b>2,063,249</b>

The financial statements were approved, and authorised for issue, by the Board on 26 November 2025 and signed on its behalf by:



**M. McNeill**  
**President**

Credit Union No. CU000074



**A. Aldridge**  
**Treasurer**




**D. Broderick**  
**Secretary**




**SAG Credit Union Limited**  
**Balance Sheet**  
as at 30 September 2025

	Note	2025 £	2024 £
<b>ASSETS</b>			
Cash and balances at bank	11	1,264,037	802,433
Tangible fixed assets	12	1,124,779	1,014,010
Loans to members – Gross	13a	37,513,622	33,165,887
Provisions against loans to members	13c	(1,603,796)	(1,462,722)
Prepayments and accrued income	14	1,060,817	592,061
Deposits – cash equivalents	11	10,434,363	11,900,372
Deposits - other	15	31,738,769	26,133,804
<b>Total assets</b>		<b>81,532,591</b>	<b>72,145,845</b>
<b>LIABILITIES</b>			
Members' shares	16	(66,482,817)	(58,725,606)
Minors' deposits	17	(1,888,245)	(1,673,853)
Other payables	18	(691,808)	(436,411)
<b>Total liabilities</b>		<b>(69,062,870)</b>	<b>(60,835,870)</b>
<b>ASSETS LESS LIABILITIES</b>		<b>12,469,721</b>	<b>11,309,975</b>
<b>RESERVES</b>			
General reserve		12,469,721	11,309,975
<b>Total reserves</b>		<b>12,469,721</b>	<b>11,309,975</b>

The financial statements were approved, and authorised for issue, by the Board on 26 November 2025 and signed on its behalf by:

  
M. McNeill  
President  
Credit Union No. CU000074

  
A. Aldridge  
Treasurer

  
D. Broderick  
Secretary

**SAG Credit Union Limited**  
**Statement of Changes in Reserves**  
for the year ended 30 September 2025

	General reserve £	Unappropriated surplus £	Total reserves £
<b>Opening balance at 1 October 2024</b>	10,771,005	-	10,771,005
Total comprehensive income for the year	-	2,063,249	2,063,249
Interest rebate paid during the Year (Note 6)	-	(957,606)	(957,606)
Dividends paid during the year (Note 6)	-	(566,673)	(566,673)
Transfer between reserves	538,970	(538,970)	-
<b>Closing balance at 30 September 2024</b>	<b>11,309,975</b>	<b>-</b>	<b>11,309,975</b>
<b>Opening balance at 1 October 2024</b>	<b>11,309,975</b>	<b>-</b>	<b>11,309,975</b>
Total comprehensive income for the year	-	2,204,837	2,204,837
Transfer of engagement Link Credit Union	875,388	-	875,388
Interest rebate paid during the year (Note 6)	-	(1,022,011)	(1,022,011)
Dividends paid during the year (Note 6)	-	(898,468)	(898,468)
Transfer between reserves	284,358	(284,358)	-
<b>Closing balance at 30 September 2025</b>	<b>12,469,721</b>	<b>-</b>	<b>12,469,721</b>

- (1) The General reserve of the Credit Union as a % of total assets as at 30 September 2025 was 15.3% (2024: 15.7%) which is in excess of the required limit of 10%. This was after transferring £284,358 (2024: £538,970) of the Credit Union's current year surplus to the general reserve.
- (2) The Unappropriated surplus is the accumulated surpluses to date that have not been declared as dividends or loan interest rebate returnable to members or set aside to the General reserve.

**SAG Credit Union Limited**  
**Cash Flow Statement**  
for the year ended 30 September 2025

	Note	2025 £	2024 £
Loans repaid by members	13a	14,447,864	13,521,892
Loans granted to members	13a	(16,838,148)	(16,128,143)
Loan interest received	4	3,659,470	3,338,987
Investment income received	5	791,913	1,234,501
Other income received	7	2,815	2,743
Bad debts recovered	13d	67,313	55,254
Dividends paid	6	(898,468)	(566,673)
Interest rebates paid	6	(1,022,011)	(957,606)
Operating expense paid including employment costs		(1,954,415)	(1,719,787)
Corporation tax paid		(277,394)	(153,111)
<b>Net cash flows from operating activities</b>		<b>(2,021,061)</b>	<b>(1,371,943)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	12	(41,602)	(14,450)
Transfer of engagement Link Credit Union		672,808	-
Purchase of investments		(6,450,000)	(6,141,231)
Proceeds from sale of investments		3,945,034	6,090,000
<b>Net cash flows from investing activities</b>		<b>(1,873,760)</b>	<b>(65,681)</b>
<b>Cash flow from financing activities</b>			
Members' shares received	16	9,104,464	8,264,003
Members' shares withdrawn	16	(6,396,417)	(6,246,711)
Minors' deposits received	17	397,134	301,404
Minors' deposits withdrawn	17	(214,765)	(217,038)
<b>Net cash flows from financing activities</b>		<b>2,890,416</b>	<b>2,101,658</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(1,004,405)</b>	<b>664,032</b>
Cash and cash equivalents at beginning of year		12,702,805	12,038,774
<b>Cash and cash equivalents at end of year</b>	<b>11</b>	<b>11,698,400</b>	<b>12,702,805</b>

**SAG Credit Union Limited**  
**Notes to the Financial Statements**  
for the year ended 30 September 2025

**1. Legal and regulatory framework**

SAG Credit Union Limited is established under the Credit Unions (Northern Ireland) Order 1985. The Credit Union is registered with the Department for the Economy and is regulated by the Financial Conduct Authority ("FCA") and Prudential Regulation Authority ("PRA").

The principal place of business is 87 Andersonstown Road, Belfast, BT11 9BS.

**2. Accounting policies**

**2.1. Statement of compliance and basis of preparation**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102").

The financial statements have been prepared on the historical cost basis.

**2.2. Currency**

The financial statements are prepared in Sterling, which is the functional currency of the Credit Union. Monetary amounts in these financial statements are rounded to the nearest £.

**2.3. Going concern**

The financial statements are prepared on the going concern basis. The directors of SAG Credit Union Limited believe this is appropriate as the Credit Union:

- Is generating annual surpluses;
- Maintains an appropriate level of liquidity; and
- Has reserves that are currently above the minimum requirements of the PRA.

**2.4. Income**

*Interest on members' loans*

Interest on loans to members is recognised using the effective interest method and is calculated and accrued on a daily basis.

*Investment income*

The Credit Union currently only has investments that are valued at amortised cost and uses the effective interest method to recognise investment income.

*Other income*

Other income such as commissions receivable on insurance products and foreign exchange services arises in connection to specific transactions. Income relating to individual transactions is recognised when the transaction is completed.

**2.5. Interest on minors' deposits**

Interest on minors' deposits is recognised using the effective interest method.

**SAG Credit Union Limited**  
**Notes to the Financial Statements (continued)**  
for the year ended 30 September 2025

**2.6. Dividends on shares and loan interest rebates**

Dividends are made from current year's surplus or the unappropriated surpluses set aside for that purpose. The Board's proposed distribution to members each year is based on the dividend and loan interest rebate policy of the Credit Union.

The rate of dividend and loan interest rebate recommended by the Board will reflect:

- the risk profile of the Credit Union, particularly in its loan and investment portfolios;
- the Board's desire to maintain a stable rather than a volatile rate of dividend each year; and
- members' legitimate dividend and loan interest rebate expectations;

all dominated by prudence and the need to sustain the long-term welfare of the Credit Union.

For this reason the Board will seek to build up its reserves to absorb unexpected shocks and still remain above minimum regulatory requirements.

The Credit Union accounts for dividends and rebates of loan interest when members ratify such payments at the Annual General Meeting.

**2.7. Taxation**

Corporation tax is provided for on taxable interest from investments. All other income of the Credit Union is exempt from Corporation tax.

**2.8. Cash and cash equivalents**

Cash and cash equivalents comprise operating cash on hand and cash deposited with banks with original maturity of less than or equal to three months.

**2.9. Financial instruments**

The Credit Union has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised when the Credit Union becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when, and only when, there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets and liabilities are classified according to the substance of the contractual arrangements entered into.

**SAG Credit Union Limited**  
**Notes to the Financial Statements (continued)**  
for the year ended 30 September 2025

**2.10. Basic financial assets**

Basic financial assets are initially measured at the transaction price, including transaction costs, and are subsequently carried at amortised cost using the effective interest method. Basic financial instruments include the following:

*Loans to members*

Loans to members are financial assets with fixed or determinable payments. Loans are recognised when cash is advanced to members and measured at amortised cost using the effective interest method.

*Investments held at amortised cost*

Investments held at amortised cost are measured at amortised cost using the effective interest method less impairment. This means that the investment is measured at the amount paid for the investment, minus any repayments of the principal; plus or minus the cumulative amortisation using the effective interest method of any difference between the amount at initial recognition and the maturity amount; minus, in the case of a financial asset, any reduction for impairment or uncollectability.

This effectively spreads out the return on such investments over time, but does take account immediately of any impairment in the value of the investment.

**2.11. Other receivables**

Other receivables such as prepayments are initially measured at transaction price including transaction costs and are subsequently measured at amortised cost using the effective interest method.

**2.12. Impairment of financial assets**

Financial assets, other than those held at fair value, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the expected cash flows discounted at the asset's original effective interest rate.

In the case of impairment of loans to members, the loans are assessed collectively in groups that share similar credit risk characteristics except for individually significant loans which are assessed on a loan by loan basis for impairment.

Any impairment losses are recognised in the Income and Expenditure account.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in the Income and Expenditure account.

**SAG Credit Union Limited**  
**Notes to the Financial Statements (continued)**  
for the year ended 30 September 2025

**2.13. De-recognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Credit Union transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

In the case of loans to members, loans are derecognised, when the right to receive cash flows from the loans have expired, usually when all amounts outstanding have been repaid by the member. SAG Credit Union Limited does not transfer loans to third parties.

**2.14. Basic financial liabilities**

Basic financial liabilities are initially recognised at the transaction price, including transaction costs, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities are subsequently carried at amortised cost using the effective interest method.

*Financial liabilities members' shares and deposits*

Members' shares, Money Management Accounts and Deposits are redeemable and therefore are classified as financial liabilities. They are initially recognised at the amount of cash deposited and subsequently minors' deposits are measured at amortised cost.

*Other payables*

Other payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Other payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

**2.15. De-recognition of financial liabilities**

Financial liabilities are derecognised when the obligations of the Credit Union specified in the contract are discharged, cancelled or expire.

**2.16. 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 over its estimated useful life. The categories of property, plant and equipment are depreciated as follows:

Freehold land and buildings	30 years straight line (from 2025)
Leasehold land and buildings	Fully depreciated
Fixtures and fittings	4 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is recognised in the Income and Expenditure account.

The useful life of the building at 87 Andersonstown Road, Belfast, BT11 9BS was reviewed during the year and has been amended to be 30 years from 1 October 2024. The depreciation charge reflects this change in the estimated useful life.



**SAG Credit Union Limited**  
**Notes to the Financial Statements (continued)**  
for the year ended 30 September 2025

**2.17. Impairment of tangible fixed assets**

At each reporting end date, the Credit Union reviews the carrying value of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Credit Union estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the Income and Expenditure account.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying 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 the Income and Expenditure account.

**2.18. Employee benefits**

*Pension Scheme*

SAG Credit Union Limited participates in an industry-wide pension scheme for employees (NEST Pension Scheme).

*Other Employee Benefits*

The costs of short-term employee benefits, including holiday pay, are recognised as a liability and as an expense (unless those costs are required to be recognised as part of the cost of fixed assets) over the period they are earned.

**2.19. Reserves**

*General reserve*

The Credit Union is required to maintain and establish a minimum General reserve of at least 10% of the assets of the Credit Union in accordance with the PRA Rulebook: Non-CRR Firms: Credit Unions Instrument 2016.

*Unappropriated surplus*

The unappropriated surplus is the accumulated surpluses to date that have not been declared as dividends or loan interest rebate returnable to members or set aside to the General reserve.



**SAG Credit Union Limited**  
**Notes to the Financial Statements (continued)**  
for the year ended 30 September 2025

**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 SAG Credit Union Limited's accounting policies. The areas requiring a higher degree of judgement, or complexity, and areas where assumptions or estimates are most significant to the financial statements are disclosed below:

*Impairment losses on loans to members*

The Credit Union's accounting policy for impairment of financial assets is set out in accounting policy in Note 2.12. The estimation of loan losses is inherently uncertain and depends upon many factors, including loan loss trends, credit risk characteristics in loan classes, local and international economic climates, conditions in various sectors of the economy to which the Credit Union is exposed, and, other external factors such as legal and regulatory requirements. Credit risk is identified, assessed and measured through the use of rating and scoring tools with emphasis on weeks in arrears and other observable credit risk metrics.

The ratings influence the management of individual loans. The credit rating triggers the impairment assessment and if relevant the raising of specific provisions on individual loans where there is doubt about their recoverability. Loan loss provisioning is monitored by the Credit Union, and the Credit Union assesses and approves its provisions and provision adequacy on a quarterly basis.

At all times the Credit Union ensures that its provisions meet the minimum requirements contained within the PRA Credit Union Rule book. Key assumptions underpinning the Credit Union's estimates of collective provisions for loans with similar credit risk characteristics, and, Incurred But Not Reported provisions ("IBNR") are based on the historical experiences of the Credit Union's allied to the Credit Union's judgement of relevant conditions in the wider technological, market, economic or legal environment in which the Credit Union operates.

If a loan is impaired, the impairment loss is the difference between the carrying amount of the loan and the present value of the expected cash flows discounted at the asset's original effective interest rate taking account of pledged shares and other security as appropriate. Assumptions are back tested with the benefit of experience. After a period of time, when it is concluded that there is no real prospect of recovery of loans/part of loans which have been subjected to a specific provision, the Credit Union writes off that amount of the loan deemed irrecoverable against the specific provision held against the loan.

**4. Interest on members' loans**

	2025 £	2024 £
Opening accrued loan interest receivable	(146,718)	(117,394)
Loan interest received in year	3,659,470	3,338,987
Closing accrued loan interest receivable	154,284	146,718
<b>Total interest on members' loans</b>	<b>3,667,036</b>	<b>3,368,311</b>

**5. Other interest income and similar income**

	2025 £	2024 £
Opening accrued interest on investments	(402,709)	(618,586)
Investment income received in year	791,913	1,234,500
Closing accrued interest on investments	859,946	402,709
<b>Total investment income</b>	<b>1,249,150</b>	<b>1,018,623</b>

**SAG Credit Union Limited**  
**Notes to the Financial Statements (continued)**  
for the year ended 30 September 2025

**6. Dividends and Loan Interest Rebate**

The dividend and any loan interest rebate are formally proposed by the directors after the year end and are confirmed at an AGM of the members. As a result the proposed dividend for the current year does not represent a liability at the Balance Sheet date and the dividend included in the Statement of Reserves in the current year relates to dividends paid to members for the prior year.

The dividends and loan interest rebate for the current and prior year periods were as follows:

	2025 £	2024 £
<b>Dividend paid during the year</b>	<b>898,468</b>	<b>566,673</b>
Dividend rate:		
Members shares	1.50%	1.00%
<b>Dividend proposed, but not recognised</b>	<b>839,814</b>	<b>880,884</b>
Dividend rate:		
Members' shares	1.25%	1.50%
	2025 £	2024 £
<b>Loan rebate paid during the year</b>	<b>1,022,011</b>	<b>957,606</b>
Loan rebate rate:	35%	35%
<b>Loan rebate proposed, but not recognised</b>	<b>1,362,632</b>	<b>1,178,909</b>
Loan rebate rate:	40%	35%

**SAG Credit Union Limited**  
**Notes to the Financial Statements (continued)**  
for the year ended 30 September 2025

**7. Other income**

	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
Membership fees	<b>1,563</b>	1,746
Commission	<b>1,152</b>	939
Miscellaneous income	<b>100</b>	58
<b>Total other income</b>	<b>2,815</b>	<b>2,743</b>

**8. Expenses**

		<b>2025</b>	<b>2024</b>
	Note	<b>£</b>	<b>£</b>
Employment costs	9b	<b>827,709</b>	652,248
Depreciation	12	<b>66,346</b>	116,696
Other management expenses (Schedule 1)		<b>1,312,015</b>	1,046,195
		<b>2,206,070</b>	<b>1,815,139</b>

**8a. Auditors' remuneration**

SAG Credit Union voluntarily presents an analysis of its auditors' remuneration in accordance with the Companies (Disclosure of Auditor Remuneration and Liability Limitation Agreements) Regulations 2008.

	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
Fees payable for the audit of the annual accounts	<b>20,500</b>	19,500
Fees payable to the auditor for other services:	<b>11,712</b>	4,800
<b>Total auditors' remuneration</b>	<b>32,212</b>	<b>24,300</b>

**9. Employees and employment costs**

**9a. Number of employees**

The average monthly number of employees during the year was:

	<b>2025</b>	<b>2024</b>
	<b>Number</b>	<b>Number</b>
Manager	<b>1</b>	1
Other staff	<b>28</b>	25
<b>Total</b>	<b>29</b>	<b>26</b>

**SAG Credit Union Limited**  
**Notes to the Financial Statements (continued)**  
for the year ended 30 September 2025

**9b. Employment costs**

	2025 £	2024 £
Wages and salaries	715,841	578,256
Social security costs	64,898	45,227
Payments to defined contribution pension schemes	46,970	28,765
<b>Total employment costs</b>	<b>827,709</b>	<b>652,248</b>

**10. Taxation**

	2025 £	2024 £
Corporation tax charge in respect of current year	312,287	254,656
Adjustment in respect of prior year tax charge	-	565
	<b>312,287</b>	<b>255,221</b>

**Reconciliation of tax charge to taxable income**

Investment income	1,249,150	1,018,623
<b>Corporation Tax at 25% (2024: 25%)</b>	<b>312,287</b>	<b>254,656</b>

As disclosed in the accounting policy for taxation in note 2.7 all income other than income from investments is exempt from Corporation Tax.

**11. Cash and cash equivalents**

	2025 £	2024 £
Cash in current accounts	1,264,037	802,433
Deposit accounts	10,434,363	11,900,372
<b>Total cash and cash equivalents</b>	<b>11,698,400</b>	<b>12,702,805</b>

Deposits with banks categorised under cash and cash equivalents above are those that can be realised within 8 business days.

**SAG Credit Union Limited**  
**Notes to the Financial Statements (continued)**  
for the year ended 30 September 2025

**12. Tangible fixed assets**

Tangible fixed assets comprise the following property, plant and equipment:

	Freehold land and buildings £	Leasehold property £	Fixtures £	Total £
<b>Cost</b>				
At 1 October 2024	1,897,917	107,636	493,633	2,499,186
Transfer of engagement Link Credit Union	132,122	-	3,392	135,514
Additions	36,466	-	5,136	41,602
Disposals	-		(212,439)	(212,439)
<b>At 30 September 2025</b>	<b>2,066,505</b>	<b>107,636</b>	<b>289,722</b>	<b>2,463,863</b>
<b>Depreciation</b>				
At 1 October 2024	936,657	107,636	440,884	1,485,177
Charge for the year	35,234	-	31,112	66,346
On disposals			(212,439)	(212,439)
<b>At 30 September 2025</b>	<b>971,891</b>	<b>107,636</b>	<b>259,557</b>	<b>1,339,084</b>
<b>Net book value</b>				
<b>At 30 September 2025</b>	<b>1,094,614</b>	<b>-</b>	<b>30,165</b>	<b>1,124,779</b>
At 30 September 2024	961,261	-	52,749	1,014,010

**13. Loans to members – financial assets**

**13a. Loans to members**

	Note	2025 £	2024 £
As at 1 October 2024		33,165,887	30,847,588
Transfer of engagement Link Credit Union		2,218,542	-
Advanced during the year		16,838,148	16,128,143
Repaid during the year		(14,447,864)	(13,521,892)
Loans written off		(261,091)	(287,952)
<b>Gross loans to members</b>		<b>37,513,622</b>	<b>33,165,887</b>
Individual loans		(1,322,106)	(1,203,500)
Groups of loans		(281,690)	(259,222)
Loan provision	13c	(1,603,796)	(1,462,722)
<b>As at 30 September 2025</b>		<b>35,909,826</b>	<b>31,703,165</b>

**SAG Credit Union Limited**  
**Notes to the Financial Statements (continued)**  
for the year ended 30 September 2025

**13b. Credit risk disclosures**

SAG Credit Union Limited does not offer mortgages and as a result all loans to members are unsecured, except that there are restrictions on the extent to which borrowers may withdraw their savings whilst loans are outstanding. There are maximum amounts set down by the PRA in terms of what amount a member can borrow from the Credit Union.

The carrying amount of the loans to members represents SAG Credit Union Limited'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.

	2025		2024	
	Amount £	Proportion %	Amount £	Proportion %
<b>Not impaired:</b>				
Neither past due nor impaired	<b>34,872,297</b>	<b>93.0%</b>	30,851,471	<b>93.0%</b>
More than 3 months past due	<b>519,688</b>	<b>1.4%</b>	317,353	<b>1.0%</b>
More than 6 months past due	<b>354,239</b>	<b>0.9%</b>	321,440	<b>1.0%</b>
More than 9 months past due	<b>190,264</b>	<b>0.5%</b>	130,021	<b>0.4%</b>
More than 12 months past due	<b>1,577,134</b>	<b>4.2%</b>	1,545,602	<b>4.6%</b>
<b>Gross loans not impaired</b>	<b>34,872,297</b>	<b>93.0%</b>	30,851,471	<b>93.0%</b>
<b>Gross loans individually impaired</b>	<b>2,641,325</b>	<b>7.0%</b>	2,314,416	<b>7.0%</b>
<b>Total gross loans</b>	<b>37,513,622</b>	<b>100%</b>	33,165,887	<b>100%</b>
<b>Impairment allowance</b>				
Individual loans	(1,322,106)		(1,203,500)	
Groups of loans	(281,690)		(259,222)	
	<b>(1,603,796)</b>		<b>(1,462,722)</b>	

Factors that are considered in determining whether loans are impaired are discussed in Note 3, dealing with estimates.

**SAG Credit Union Limited**  
**Notes to the Financial Statements (continued)**  
for the year ended 30 September 2025

**13c. Loan provision account for impairment losses**

	2025 £	2024 £
As at 1 October 2024	1,462,722	1,442,653
Transfer of engagement Link Credit Union	139,045	-
Increase / (Decrease) in loan provisions during the year	2,029	20,069
<b>As at 30 September 2025</b>	<b>1,603,796</b>	<b>1,462,722</b>

**13d. Net recoveries or losses recognised for the year**

	2025 £	2024 £
Bad debts recovered	67,313	55,254
(Increase) / Reduction in loan provisions during the year	(2,029)	(20,069)
	65,284	35,185
Loans written off	(261,091)	(287,953)
<b>Net losses on loans to members recognised for the year</b>	<b>(195,807)</b>	<b>(252,768)</b>

**14. Prepayments and accrued income**

	2025 £	2024 £
Prepayments	42,040	42,634
Accrued income investments	864,493	402,709
Accrued interest on members loans	154,284	146,718
	<b>1,060,817</b>	<b>592,061</b>

**SAG Credit Union Limited**  
**Notes to the Financial Statements (continued)**  
for the year ended 30 September 2025

**15. Deposits**

Deposits with banks at the current and prior Balance Sheet dates comprised of the following:

**Cash Equivalents (can be realised within 8 business days)**

	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
Deposits with banks – minors	<b>1,844,042</b>	1,614,914
Deposits with banks	<b>8,590,321</b>	10,285,458
<b>Total cash equivalents</b>	<b>10,434,363</b>	11,900,372

**Other (can be realised after 8 business days)**

	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
Deposits with banks	<b>31,738,769</b>	26,133,804
<b>Total cash equivalents and deposits</b>	<b>42,173,132</b>	38,034,177



**SAG Credit Union Limited**  
**Notes to the Financial Statements (continued)**  
for the year ended 30 September 2025

**15. Deposits (continued)**

The category of counterparties with whom the deposits were held was as follows:

	<b>2025</b>	2024
	<b>£</b>	<b>£</b>
Ulster Bank	<b>6,834,558</b>	7,459,636
Arbuthnot Latham	-	4,542,067
Nationwide	<b>3,042,016</b>	3,042,016
Goldman Sachs	<b>2,500,000</b>	2,000,000
Flagstone	<b>31,824</b>	1,903
Brearley	<b>2,531,396</b>	116,257
Natwest	<b>4,000,000</b>	4,000,000
Mariana	<b>5,000,000</b>	5,000,000
Bank of Ireland	<b>472,539</b>	58,781
Progressive	<b>1,935,420</b>	1,156,080
Danske	-	438,269
Santander	<b>625,379</b>	600,227
Royal Bank of Canada	<b>1,800,000</b>	1,000,000
Barclays	-	2,000,000
Causeway Barclays JBS	<b>1,400,000</b>	1,000,000
Causeway Societe Generale	<b>1,000,000</b>	1,000,000
Aldermore Bank	-	92,660
Cambridge & Counties	-	526,281
Causeway CIBC	<b>5,500,000</b>	4,000,000
United Bank	<b>500,000</b>	-
Meteor Credit Agricole	<b>500,000</b>	-
Charter Savings Bank	<b>500,000</b>	-
Causeway BNP	<b>4,000,000</b>	-
<b>Total deposits</b>	<b>42,173,132</b>	<b>38,034,177</b>

**SAG Credit Union Limited**  
**Notes to the Financial Statements (continued)**  
for the year ended 30 September 2025

**16. Members' Shares – financial liabilities**

	2025 £	2024 £
As at 1 October 2024	58,725,606	56,708,314
Transfer of engagement Link Credit Union	5,049,164	-
Received during the year	9,104,464	8,264,003
Repaid during the year	(6,396,417)	(6,246,711)
<b>As at 30 September 2025</b>	<b>66,482,817</b>	<b>58,725,606</b>

Members' shares are repayable on demand except for shares attached to loans. The breakdown of the shares between attached and unattached is as follows:

	2025 £	2024 £
Unattached shares	43,040,442	38,171,643
Attached shares	23,442,375	20,553,963
<b>Total members' shares</b>	<b>66,482,817</b>	<b>58,725,606</b>

**17. Minors' Deposits – financial liabilities**

	2025 £	2024 £
As at 1 October 2024	1,673,853	1,589,487
Transfer of engagement Link Credit Union	32,023	-
Received during the year	397,134	301,404
Repaid during the year	(214,765)	(217,038)
<b>As at 30 September 2025</b>	<b>1,888,245</b>	<b>1,673,853</b>

Minors' deposits are repayable on demand.

**18. Other payables**

	2025 £	2024 £
Payroll taxes	17,029	-
Corporation tax	325,338	254,656
Creditors and other accruals	349,441	181,755
	<b>691,808</b>	<b>436,411</b>

**SAG Credit Union Limited**  
**Notes to the Financial Statements (continued)**  
for the year ended 30 September 2025

**19. Additional financial instruments disclosures**

**19a. Financial risk management**

SAG Credit Union Limited is a provider of personal loans and also provides savings products to its members. The Credit Union invests excess funds with a view to ensuring that the return from members' loans and investments is adequate to meet the overheads of the Credit Union and provide a reasonable return to members on shares and deposits.

The Credit Union has a risk register in place to help the directors manage the various risks arising from its activities to include the issuing of loans to members and investing the excess funds of the Credit Union.

The main financial risks arising from SAG Credit Union's 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 SAG Credit Union Limited resulting in financial loss to the Credit Union. In order to manage this risk the Board approves the Credit Union's credit policy, and all changes to it.

All loan applications are assessed with reference to the credit policy in force at the time. Subsequently loans are regularly reviewed for any factors that may indicate that the likelihood of repayment has changed. The credit risk on members' loans is disclosed in Note 13b.

The Credit Union's investments are also exposed to credit risk and the Credit Union mitigates the risk by only placing investments with financial institutions where the counterparties have strong credit ratings and using investment products authorised by the PRA. The breakdown of the financial institutions where investments are held are disclosed in Note 15.

**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 Credit Union adheres on an ongoing basis to the minimum liquidity ratio as set out in the PRA Rulebook.

**Market risk:** Market risk is generally comprised of interest rate risk, currency risk and other price risk. SAG Credit Union Limited 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 on investments and members' loans when deciding on the dividend rate payable on shares and on any loan interest rebate.

**SAG Credit Union Limited**  
**Notes to the Financial Statements (continued)**  
for the year ended 30 September 2025

**19b. Interest rate risk disclosures**

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

	2025		2024	
	Amount £	Average interest rate	Amount £	Average interest rate
<b>Financial assets</b>				
Gross loans to members	37,513,622	10.38%	33,165,887	10.52%
<b>Financial liabilities</b>				
Members' shares	66,482,817	1.25%	58,725,606	1.50%
Minors' deposits	1,888,245		1,673,853	
	<b>68,371,062</b>		<b>60,399,459</b>	

The interest rates applicable to general loans to members are fixed at 12.68%. The Credit Union also offers a special rate loan for balances over £7,000 at a rate 6%. The dividend on shares and interest on deposits 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 dividend on shares and interest payable on deposits. As a result, the surplus for the year is not particularly sensitive to interest rate risk and no sensitivity analysis is presented.

**19c. Liquidity risk disclosures**

All of the financial liabilities of the Credit Union are repayable on demand except for some members' shares attached to loans.

**19d. Fair value of financial instruments**

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

**19e. Capital**

The Credit Union maintains sufficient reserves to buffer the Credit Union against any losses on its members' loans and also its investments. The current General reserve is in excess of the minimum requirement set down by the PRA, and stands at 15.3% of the total assets of the Credit Union at the Balance Sheet date.

**20. Post Balance Sheet events**

There are no material events after the Balance Sheet date to disclose.

**21. Contingent liabilities**

SAG Credit Union Limited had no contingent liabilities at the Balance Sheet date.

**22. Capital commitments**

There were no capital commitments either contracted for or approved by the Board at the year end.

**23. Insurance against fraud**

The Credit Union has insurance against fraud in compliance with the PRA Rulebook.

**SAG Credit Union Limited**  
**Notes to the Financial Statements (continued)**  
for the year ended 30 September 2025

**24. Related party transactions**

During the year loans were advanced to directors and the management team of the Credit Union and their families in the amount of £92,171 (2024: £123,525). The loans outstanding from these parties at 30 September 2025 were £239,573 (2024: £218,028). These loans amounted to 0.64% of total gross loans due at 30 September 2025 (2024: 0.66%).

The directors and management team share balances stood at £128,819 at 30 September 2025 (2024: £145,779).

**25. Transfer of Engagements**

On 4 April 2025, Link Credit Union Limited transferred to SAG Credit Union Limited. The Income and Expenditure of Link Credit Union has been reflected in the financial statements of SAG Credit Union Limited from that date onwards. At the date of transfer all assets and liabilities of Link Credit Union Limited were transferred to SAG Credit Union Limited.

**26. Approval of Financial Statements**

The financial statements were approved, and authorised for issue, by the Board on 26 November 2025.

**SAG Credit Union Limited**  
**Schedule to the Financial Statements**  
for the year ended 30 September 2025

**Schedule 1 - Other management expenses**

	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
Rent, rates and ground rent	<b>57,110</b>	57,181
Heat, light and cleaning	<b>42,006</b>	36,692
Repairs and maintenance	<b>60,253</b>	22,120
Computer maintenance	<b>112,997</b>	90,834
Security expenses	<b>6,387</b>	5,478
Printing and stationery	<b>17,635</b>	22,572
Postage and telephone	<b>18,425</b>	12,786
Donations and sponsorship	<b>17,309</b>	15,479
Promotion and advertising	<b>33,709</b>	24,486
Treasurer's expenses contributions	<b>4,000</b>	4,000
Loan control expenses	<b>3,510</b>	8,024
Approved gifts	<b>19,966</b>	12,835
Training and education	<b>14,834</b>	18,716
AGM expenses	<b>16,145</b>	14,822
Board expenses	<b>4,970</b>	749
Convention and chapter expenses	<b>4,639</b>	8,058
Bank charges	<b>90,341</b>	72,187
Audit fees	<b>20,500</b>	19,500
General insurance	<b>40,228</b>	36,812
Affiliation fees	<b>8,880</b>	6,817
Savings protection scheme fees	<b>5,360</b>	4,789
Share and loan insurance	<b>583,405</b>	496,432
Legal and professional	<b>40,121</b>	28,212
Miscellaneous	<b>11,356</b>	5,383
60 <sup>th</sup> anniversary costs	<b>14,376</b>	7,907
Transfer of engagement costs	<b>50,101</b>	-
PRA / FCA fees	<b>1,248</b>	2,750
SPS repayment	<b>12,204</b>	13,875
<b>Total other management expenses</b>	<b>1,312,015</b>	1,049,495