

Guidance Notes for completion of AR25

1. These details should be current at the date of signing the return, not at the Balance Sheet date. The number of Directors should agree with that shown in the credit union's rules and if it does not, an explanation should be given.
2. This should not exceed 10% of the total membership.
3. Article 26(1) of the Order as amended, limits the amount of deposits from persons under 16 years of age to £10,000. Details are needed if there are any accounts in excess of this figure.
4. This should not include interest on the fund established under Article 26(2) of the Order.
5. This should not be less than 20% of the surplus for the year unless the general reserve exceeds 10% of total assets (Article 36), in which case sufficient may be transferred to maintain a reserve of not more than 20% of total assets.
6. This should not exceed 8% of members' shareholding (Article 36(4)).
7. This should not exceed 10% of surplus for the year and is only permissible if the dividend on members' shares is 3% or higher (Article 36(5)).
8. If the credit union has revalued its premises, the valuation should be supported by a certificate from an independent qualified valuer. Any increase resulting from the revaluation must be shown in the balance sheet as a **revaluation reserve**. This reserve is not available for distribution and must not be taken into account in the calculation of the 20% and 10% figures mentioned in Note 5.
9. Under Article 27(1) credit unions are not allowed to borrow except temporarily from banks or other credit unions. Such borrowings must not exceed 50% of members' shares without the prior written consent of the Registrar (Article 27(2)). If applicable, please enclose details of the borrowing term, interest rate and security.

10. The limit on loans which a credit union may make to members is 98% of its net assets (Credit Unions (Limit on Loans Regulations (NI) 1986). **Net assets** means total assets less liabilities. **Liabilities** includes creditors, accrued charges, provision for dividends, interest rebates and taxation, bank overdraft and loans but not liabilities in respect of share capital. Any revaluation reserve should also be deducted to determine the net book value of assets.
11. The Credit Unions (Authorised Investments) Regulations (NI) 1995 prescribe the way in which a credit union may invest its surplus funds.
12. Basis for this figure, cost or valuation, should be indicated.
13. Loans written off should agree with the corresponding figure in the expenditure column of Section 2, page 3. The balance due at the balance sheet date should agree with the figure for loans due by members in the assets column of Section 2, page 5.
14. This may be calculated by taking the simple average of the opening and closing total loan balances.
15. If there are any loans in this category, please give a written explanation of the steps being taken to regularise the position (Article 28(2)).
16. Irish League of Credit Unions' only should complete column 0-9 weeks etc in accordance with their own rules.
17. Any departure from the recommended formula for calculating the provision for bad and doubtful debts should be highlighted on page 7 of the return.
18. If the credit union has prepared interim accounts for the period of this return, please enclose them.
19. Give breakdown of general insurances paid in "Notes on Annual Return" on page 7.