

**THE WELSH MINISTERS**

**and**

**BRECON AND DISTRICT CREDIT UNION LTD**

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**AGREEMENT RELATING TO THE PROVISION OF  
ACCESS TO BASIC FINANCIAL PRODUCTS  
(A SERVICE OF GENERAL ECONOMIC INTEREST)**

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**THIS AGREEMENT** is made on the **15<sup>th</sup> September 2010**  
**BETWEEN**

- (1) The Welsh Ministers; and
- (2) Brecon and District Credit Union Limited, 9 Cwrt Afon, 15-16 Castle Street, Brecon, LD3 9BU

**BACKGROUND**

- (A) In pursuance of their functions under section 126 of the Housing Grants, Construction and Regeneration Act 1996 and section 60 of the Government of Wales Act 2006, the Welsh Ministers wish to fund the Service Provider to provide certain services of general economic interest, being access to basic financial products.
- (B) The Welsh Assembly Government's "One Wales" delivery plan commits the Welsh Assembly Government to action on social justice that tackles poverty and provides people and their communities with the means to help themselves and break out of the poverty trap. The policy commits the Welsh Assembly Government to establish Credit Unions as social enterprises in every part of Wales, ensure access to a Credit Union for every Secondary School in Wales by 2011 and developing the ability of Credit Unions to take deposits of Child Trust Fund Accounts. This involves the funding of credit unions providing access to basic financial services for individuals who are without basic products and services and are as a result both financially and socially marginalised. The Welsh Assembly Government also has a Social Enterprise Strategy for Wales which commits it to securing appropriate finance and funding to enable the social enterprise sector, which includes credit unions, to grow.
- (C) The purpose of this Agreement is to ensure the delivery of a suite of basic affordable financial products and services which have been designed according to the specific requirements (simple, transparent and low cost) of the financially excluded and other vulnerable groups such as ethnic minorities, lone parents, the disabled, the elderly, those on low incomes or out of work.
- (D) The Service Provider currently operates as a self-financing credit union. Its common bond allows it to admit members who are resident in (insert local authority area/county). There is, in that area, demand for access to basic financial services which the Service Provider wishes to provide.
- (F) In order for credit unions to operate on the basis of principles and under conditions which enable them to fulfil their missions, financial support from the Welsh Ministers to cover some or all of the specific costs associated with the services of general economic interest is necessary.
- (G) To ensure the proportionality of the funding provided by the Welsh Ministers to the Service Provider, the Welsh Ministers funding under this Agreement is limited to that actually required to perform the public service obligations

imposed by this Agreement i.e. what is necessary to cover the net costs exclusively linked to the public service obligation imposed. The Welsh Ministers will check regularly that the compensation paid to the Service Provider does not lead to overcompensation. Consequently the benefit of this Agreement will accrue directly and exclusively to those who are financially marginalised.

- (H) Financial inclusion is in line with the basic objectives of the EC Treaty. The development of the social economy (as part of which credit unions are expressly mentioned) is also a priority for the structural funds in the period 2007-2013. The Commission Communication concerning the Structural Funds and their coordination with the Cohesion Fund states that there should be active support for the creation and development of organisations such as credit unions and that such organisations will generally require continuing assistance for some time. Further, due to the local nature of credit unions and their operation any effect on trade will be limited and not contrary to the interests of the Community.[AR – i can't see the need for this either.]
- (I) The Welsh Ministers enter into this Agreement in pursuance of their functions under sections 126 and 127 of the Housing Grants, Construction and Regeneration Act 1996, and Section 60 of the Government of Wales Act 2006.
- (J) The Service Provider is willing to provide services as set out below.

**It is agreed as follows:**

**1. Interpretation**

1.1. In this Agreement the words and expressions set out below have the meanings set out below unless inconsistent with the context:

“Agreement”	means: (i) this agreement (ii) the Schedules 1,2,3 and 4 attached to this agreement.
“Audit and Accounting Requirements”	means the requirements set out in Schedule 4;
“Compensation”	means the funding payable in respect of the Services to be provided in accordance with the terms and conditions contained in the Agreement; and will be sum up to <b>£21,260.</b>
“Delivery Organisation”	means The Social Investment Business Limited (company number 06490609) of 6 St Andrews Street (Fifth Floor), London

“Eligible Costs”	EC4A 3AE means the costs set out in Part B of Schedule 3; and
“Services”	means the credit union services of general economic interest more particularly described in Part A of Schedule 2.

1.2. The headings to the clauses are for convenience only and have no legal effect.

1.3. References to statutory provisions shall, where the context so admits or requires, be construed as including references to the corresponding provisions of any earlier statute (whether repealed or not) directly or indirectly amended, consolidated, extended or provisions of any subsequent statute directly or indirectly amending, consolidating, extending or replacing such provisions, and shall include any orders, regulations, instruments or other subordinate legislation made under the relevant statute.

1.4. References to clauses and the Schedules are references to clauses of and the Schedules to this Agreement.

1.5. References to the masculine gender shall include the feminine and neuter and references to the singular shall include the plural and vice versa.

## 2. Duration

2.1 This Agreement shall commence on **15<sup>th</sup> September 2010**.

2.2 This Agreement shall continue in force for an initial period to **September 2011** and may be renewed at the end of the initial term for a renewed term for such term as the Welsh Ministers may specify by the Welsh Ministers giving to the Service Provider notice in writing.

2.3 This Agreement shall terminate automatically without notice on the expiry of the initial term unless notice to renew is given before that date under the provisions of sub-clause 2.2. This Agreement shall terminate automatically without notice on the expiry of any renewed term.

### **3. Administrative Arrangements**

The Welsh Ministers have on **15<sup>th</sup> September 2010** entered into an agreement with the Delivery Organisation for the delivery of services which relate to this Agreement. Further details regarding the role of the Delivery Organisation are provided in Schedule 1 to this Agreement.

### **4. Services of General Economic Interest**

The Service Provider agrees to provide the Services on the terms and conditions set out in this Agreement.

### **5. Performance of the Services**

5.1. The Services shall be provided to people who satisfy the criteria of the common bond of the Service Provider, as determined in accordance with section 1(2)(b) of the Credit Unions Act 1979.

5.2. The Service Provider shall perform the Services in a manner which will achieve the targets set out in Part B of Schedule 2.

5.3. The Service Provider shall comply with the reasonable directions issued from time to time by the Welsh Ministers in respect of the Services and matters related to the Services.

### **6. Service Provider's General Obligations**

6.1. The Service Provider shall provide the Services in compliance with all applicable legal requirements (including, without limitation, the Data Protection Act 1998) and in compliance with the requirements of any consent, licence, approval, authority or similar act of which the Service Provider is or should from time to time be aware.

6.2. The Service Provider shall adhere at all times to all requirements of best practice applicable to the provision of the Services.

6.3. Where the Service Provider provides services and carries out activities falling both inside and outside the scope of that detailed in Part A of Schedule 2, the Service Provider shall ensure that its internal accounts show separately the costs and receipts associated with the Services detailed in Part A of Schedule 2 and those of other services, as well as the parameters for allocation of costs and revenues.

6.4. The Service Provider shall safeguard the performance of this Agreement against fraud. The Service Provider shall notify the Welsh Ministers

immediately if it has reason to suspect that any fraud has occurred or is occurring or is likely to occur.

## **7. Compensation and Payment**

- 7.1. The Welsh Ministers shall pay the Compensation to the Service Provider on the terms set out in Part A of Schedule 3.
- 7.2. Subject to the following sub-clause, the amounts referred to in Schedule 3 shall be reduced by all revenue received by the Service Provider in the previous quarter as a result of the provision of the Services.
- 7.3. The Service Provider may retain the same proportion of the revenue received by it in the previous quarter as a result of the provision of the Services as the proportion of its own capital which it applied during the same period towards the provision of the Services.
- 7.4. The Compensation shall be applied by the Service Provider solely towards the Eligible Costs of the provision of the Services.
- 7.5. Subject to the following sub-clause, Compensation will be paid in advance following receipt of a claim form which shall give details of actual expenditure in the previous quarter (for quarters other than the first quarter) as well as best estimates of expenditure for the next quarter and updated best estimates of expenditure to the end of the period of the Agreement.
- 7.6. The Compensation shall not be due unless and until the Service Provider has provided the Welsh Ministers with such other documentation as may reasonably be required from time to time by the Welsh Ministers, or the Delivery Organisation.

## **8. Repayment of overcompensation**

- 8.1. Notwithstanding any other provision of this Agreement except clause 8.3, the Service Provider shall repay to the Welsh Ministers the value of

$$£(A + B) - £C$$

where: A is the total Compensation actually paid to the Service Provider under this Agreement;  
B is the total revenue generated from the provision of the Services less the amount calculated in accordance with sub-clause 6.3; and  
C is the total costs which have actually been incurred by the Service Provider in connection with the Eligible Costs of providing the Services

as at the last day of the initial term (as described in clause 2.2) and (if applicable) as at the last day of the renewed term of this Agreement.

8.2 Payment of the amount due in accordance with clause 8.1 shall be made on demand by the Welsh Ministers together with compound interest calculated in accordance with Commission Regulation (EC) No 794/2004 of 21 April 2004.

8.3 If notice of a renewed term has been served by the Welsh Ministers pursuant to clause 2.2 and at the end of the initial term  $\pounds(A + B)$  does not exceed  $\pounds C$  by more than 10%, the Welsh Ministers may permit the Service Provider to carry forward the over compensation to the next year. Such amount carried forward shall be set off the amount due to the Service Provider for the performance of the Services in the following quarter and the provisions of Part B of Schedule 2 shall be amended accordingly.

8.4 The Welsh Ministers may require the repayment of any Compensation or revenue generated from the provision of the Services on demand to the extent that:

(a) it is required to do so as a result of a decision by the European Commission or as a result of any obligation under European Community law, or

(b) if in its opinion it is necessary to ensure that the assistance given under this Agreement taken together with any other assistance which has been or is likely to be received towards the Services is compatible with the EC State aid rules, or

(c) it is applied for purposes other than the Eligible Costs arising from the provision of the Services.

## **9. State aid**

The Service Provider must ensure that it complies with State aid rules. The Compensation payable under this Agreement is provided in accordance with Commission Decision of 28 November 2005 on the application of Article 86(2) of the EC Treaty to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of service of general economic interest (2005/842/EC). The Service Provider shall ensure that it complies with the contents of this Decision.

## **10. Accounts and Audit**

10.1 The Service Provider shall comply with the Audit Requirements.

10.2 The Service Provider shall permit the Welsh Ministers and the Auditor General for Wales and their staff to carry out such financial audits as either of them may consider appropriate from time to time. The Service Provider shall provide the Welsh Ministers and the Auditor General for Wales or their staff with such information as they may reasonably require for the purpose of such audits.

## 11. Termination

11.1 The Welsh Ministers may by notice in writing withhold payments or terminate this Agreement with immediate effect if the Service Provider or any of its staff:

11.1.1 commits any act of gross misconduct; or

11.1.2 is reasonably suspected of acting fraudulently, including without limitation, providing information which is incorrect or misleading to an extent considered misleading by the Welsh Ministers; or

11.1.3 is guilty of any conduct which in the opinion of the Welsh Ministers brings or is liable to bring the Welsh Ministers into disrepute; or

11.1.4 fails to perform an obligation under this Agreement having been requested to do so at least twice by the Assembly.

11.2 Neither party shall be in breach of this Agreement by reason of any delay in performance or non-performance of any of its obligations under this Agreement to the extent that such delay or non-performance is due to circumstances beyond its reasonable control.

11.3 The Welsh Ministers may by notice in writing terminate this Agreement with immediate effect if:

11.3.1 the Service Provider passes a resolution that it be wound up, or a court makes an order that the Service Provider be wound up, in either case otherwise than for the purposes of reconstruction or amalgamation, or circumstances arise which would enable a court to make such an order or the Service Provider is unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986;

11.3.2 a receiver, manager, administrator or administrative receiver is appointed to the Service Provider, or over all or part of the property which from time to time be comprised in the property and undertaking of it, or circumstances arise which would entitle a court or a creditor to appoint such a receiver, manager, administrator or administrative receiver.

11.4 Any termination shall be without prejudice to any accrued rights or liabilities which either party may have against the other.



## **12. Data Sharing**

The Welsh Ministers shall be entitled at any time to require the Service Provider to provide it with a copy of all information held by the Service Provider that relates to the beneficiaries of the Services, save where the Service Provider is prevented from doing so by any legal or regulatory requirement.

## **13. Warranties**

- 13.1 The Service Provider represents and warrants to the Welsh Ministers that:
- a) this Agreement constitutes legal, valid and binding obligations of the Service Provider;
  - b) the Service Provider has not taken any corporate or other action nor, to its knowledge or the knowledge of its officers, partners or principal (as applicable), have any steps been taken or legal proceedings been started for the winding-up, dissolution or for the appointment of a receiver or administrative receiver, or an administrator, trustee or similar officer of it or of any or all of its assets; and
  - c) in entering into this Agreement and in performing its obligations under this Agreement it is and will be at all times acting in accordance with its Rules.
- 13.2 The representations and warranties set out in clause 13.1 shall be deemed to be repeated by the Service Provider on each day during the subsistence of the Agreement as though made on each such day with reference to the facts and circumstances then existing on such day.

## **14. Assignment and Subcontracting**

14.1. The Service Provider shall not

- 14.1.1. assign or transfer all or any of its rights, benefits, obligations or duties; or
- 14.1.2. subcontract any or all of its rights, benefits, obligations or duties

under this Agreement.

## **15. Reporting Requirements**

- 15.1. The Service Provider shall provide the Welsh Ministers (via the Delivery Organisation) with reports (in such form and substance as the Welsh Ministers shall require (a format will be provided to the Service Provider) on a

quarterly basis including without limitation a report detailing the Services performed during the preceding quarter and the costs incurred in relation to the same.

- 15.2. Each annual report shall record the Service Provider's performance against the targets in Part B of Schedule 2.
- 15.3. The Service Provider is required to submit statutory accounts, Annual Financial Service Authority (FSA) returns and Quarterly FSA returns. Copies of these statutory accounts and FSA returns must also be made available to the Welsh Ministers (via the Delivery Organisation) within, or immediately after, the relevant reporting deadline (i.e. 7 months for the annual items and one month for the quarterly items).
- 15.4. Each quarterly report must provide a detailed statement on the Service Provider's progress to achieving the Level and targets specified in clause 23.
- 15.5. The Service Provider must notify the Delivery Organisation at the earliest time if it believes any documentation will be submitted after the reporting deadline.
- 15.6. The Welsh Ministers and the Delivery Organisation reserve the right to request further information to supplement the reports referred to in paragraphs 15.1 to 15.4, and or to request reports on a more frequent basis, if they so require. The Service Provider is required to comply with all such reasonable requests.
- 15.7. The Service Provider must immediately notify the Welsh Ministers (via the Delivery Organisation) of any matters relating to the Service Provider of which the Welsh Ministers would reasonably expect to receive notice. Such matters would include;
  - (a) Anything that has happened or is expected to happen which could have a significant impact on the Service Provider's reputation;
  - (b) Anything that has happened or is expected to happen which could affect the Service Provider's ability to continue to provide adequate services to its customers, and which could result in a serious detriment to a customer of the Service Provider;
  - (c) Anything that has happened or is expected to happen to do with the Service Provider which could result in serious financial consequences to the financial system or to other firms (including other credit unions);
  - (d) If there are any civil, criminal or disciplinary proceedings against the Service Provider;
  - (e) If there have been any significant events such as fraud, errors and other irregularities;
  - (f) If an event has put into question the Service Provider's honesty, integrity and reputation;
  - (g) If there is any question about the financial soundness of the Service Provider.

## 16. Liabilities

- 16.1 The Service Provider agrees that it shall be solely responsible for the performance of the Services and shall indemnify and keep indemnified the Welsh Ministers and their employees, servants, agents or sub-contractor from and against any and all actions, claims, costs, losses (including consequential loss, economic loss and loss of profit, revenue and goodwill), damages, demands, expenses (including legal costs and expenses on a solicitors own client basis) charges and other liabilities of whatsoever nature and howsoever arising as a result of or in connection with this Agreement or the termination of this Agreement for whatsoever reason including but not limited to:
- 16.1.1 death or personal injury; and/or
  - 16.1.2 loss of or damage to any property; and/or
  - 16.1.3 financial loss arising from any advice given or omitted to be given by the Service Provider; and/or
  - 16.1.4 any claim made against the Welsh Ministers by a third party arising out of or in connection with any of the Services provided by the Service Provider to the extent that such claim arises out of the breach, negligent performance or failure or delay in the performance of this Agreement by the Service Provider; and/or
  - 16.1.5 any other loss which is caused directly or indirectly by any act or omission of the Service Provider in relation to the provision of the Services.
- 16.2 Clause 16.1 shall not apply to the extent that the Service Provider is able to demonstrate that such death or personal injury, loss or damage was caused or contributed to by the Welsh Ministers negligence or default in relation to Welsh Ministers functions.
- 16.3 The Welsh Ministers acknowledge that the Service Provider owes contractual obligations to third parties that are not party to this Agreement. The Welsh Ministers accept no responsibility whatsoever for any failure by the Service Provider to perform the third party obligations and the Service Provider shall indemnify the Welsh Ministers for any liabilities, claims, proceedings, demands, losses, costs and expenses suffered or incurred by the Welsh Ministers directly or indirectly arising as a result of or in connection with any failure by the Service Provider to perform the third party obligations either in full or at all.

## **17. Freedom of Information**

- 17.1 The Service Provider acknowledges that the Welsh Ministers are subject to the requirements of the Code of Practice on Public Access to Information published by the Welsh Assembly Government, the Freedom of Information Act 2000, and the Environmental Information Regulations 2004.
- 17.2 The Service Provider acknowledges that the Welsh Ministers shall be responsible for determining in their absolute discretion whether:
- (i) to disclose any information which it has obtained under or in connection with this Agreement to the extent that the Welsh Ministers are required to disclose such information to a person making a disclosure request under the Freedom of Information Act 2000 or the Environmental Regulations 2004; and/or
  - (ii) any information is exempt from disclosure under the Code of Practice on Public Access to Information published by the Welsh Assembly Government, the Freedom of Information Act 2000 or the Environmental Information Regulations 2004.
- 17.3 The provisions of this clause 17 shall apply during the continuance of this Agreement and indefinitely after its expiry or termination.

## **18. Fees**

Any fees or costs of whatsoever nature incurred by the Service Provider in connection with this Agreement shall be borne solely by the Service Provider.

## **19. Equal Opportunities**

The Service Provider shall prepare and apply a policy of equal opportunities as employers, users of volunteers, and as providers of services, regardless of race, gender/gender identification, sexual orientation, religion and belief, age or as far as is practicable, any disability.

## **20. Welsh Language**

The Service Provider shall ensure that it meets the linguistic needs of the community or clientele for which the service which are funded by this Agreement are to be provided. In particular, the Service Provider shall ensure that Services provided under this Agreement are delivered bilingually i.e. in Welsh and English.

## 21 Attendance at Board Meetings

- 21.1 The Service Provider must inform the Welsh Ministers and the Delivery Organisation of all proposed board meetings of the Service Provider's directors.
- 21.2 The Service Provider must permit a representative of the Welsh Ministers and/or the Delivery Organisation to attend such meetings if so requested.

## 22. Training and Development

- 22.1 In its business support role, the Delivery Organisation may identify –
- (a) deficiencies in the Service Provider's business operations or
  - (b) a need for the Service Provider to develop and/or improve its environmental policies or equality and diversity strategies.

In order to address these deficiencies or needs the Delivery Organisation may from time to time offer training to the Service Provider. The Service Provider **MUST** accept any such offers of training and ensure that a suitably senior representative attends any training courses provided by the Delivery Organisation as directed by the Delivery Organisation.

- 22.2 For the purposes of general business development, the Delivery Organisation may from time to time offer business support training to the Service Provider. The Service provider **MAY** accept such offers of training and attend upon any such training courses provided by the Delivery Organisation.

## 23. Sustainability and Equality & Diversity

The Service Provider must:

- (a) by 30 September 2011 achieve at least Level 2 of the Green Dragon Environmental Standard; and
- (b) by 30 September 2011 achieve such equality and diversity targets as are agreed in writing with the Welsh Ministers (or in the absence of agreement, as reasonably directed by the Welsh Ministers).

## 24. Notices

- 24.1 All notices shall be made in writing and sent to the Service Provider at the address stated at the beginning of this Agreement and to the Welsh Ministers care of \_\_\_\_\_ at the address stated at the beginning of this Agreement (or such other address notified to the other party in accordance with the provisions of this clause).
- 24.2 Any notice shall be served by hand or first class post and marked for the attention of the Welsh Ministers whose address for service is c/o the Director of Legal Services, Crown Buildings, Cathays Park, Cardiff, CF10 3NQ (or such other person notified by the Welsh Ministers to

you) for the Welsh Ministers and Chief Executive for the Delivery Organisation (or such other person notified by the Delivery Organisation to the Welsh Ministers) for the Delivery Organisation and shall be deemed duly served on the day of delivery if sent by hand or 48 hours after posting provided that the notice is sent postage prepaid and the envelope is correctly addressed in accordance with this clause provided always that if the day of deemed delivery is not a business day (meaning a day on which the major clearing banks are open for the full range of banking transactions in Cardiff but excluding Saturdays, Sundays and public bank holidays in Wales) then the next business day shall be the deemed day of delivery.

## **25. General**

25.1 Any waiver of any breach of, or default under, any of the terms of this Agreement by the Welsh Ministers shall not be deemed a waiver of any subsequent breach or default and shall in no way affect the other terms of this Agreement.

25.2 For the avoidance of doubt clauses 11 (Accounts and Audit), 12.4 (Termination), 14 (Warranties), 15 (Assignment and Subcontracting), 16 (Reporting Requirements) and 25 (General) will survive termination of this Agreement and shall remain in full force and effect notwithstanding expiry or termination of this Agreement.

25.3 If any provision or part of any provision of this Agreement is found by a court or other competent authority to be void or unenforceable, such provision or part of a provision shall be deleted from this Agreement and the remaining provisions or parts of the provision shall continue in full force and effect.

25.4 This Agreement is the entire agreement between the Welsh Ministers and the Service Provider in respect of the Services and shall only be amended or varied in writing signed by each party.

25.5 Save as may be expressly provided in this Agreement, no term of this Agreement shall be enforceable under the Contracts (Rights of Third Parties) Act 1999 by a third party.

## **26. Governing Law and Jurisdiction**

This Agreement shall be governed by and construed in all respects in accordance with the laws of England and Wales and the parties agree to submit to the exclusive jurisdiction of the courts of England and Wales.

## SCHEDULE 1

### ROLE OF SOCIAL INVESTMENT BUSINESS

1. The Welsh Ministers have on the **15<sup>th</sup> September 2010** entered into an Agreement with the Delivery Organisation for the delivery of services; namely:
  - (i) The performance of administrative tasks arising out of this Agreement; and
  - (ii) The provision of services necessary to enable the Service Provider to provide the Services specified in the Agreement.
  
2. **Provision of Business Support**
  - 2.1 The Delivery Organisation have been procured by the Welsh Ministers to provide business support to the Service Provider. For the purpose of this clause, business support means services comprising detailed monitoring, business advice, identification of deficiencies, and the provision of services to address the deficiencies identified.
  
  - 2.2 The Service Provider may request business support from the Delivery Organisation at any time during the duration of this agreement, and is not permitted to procure business support services from any other provider.
  
  - 2.3 The value of the business support provided will form part of the Compensation awarded under this Agreement.
  
3. In the event that the Service Provider has any queries arising out of this Agreement at any time during the duration of the Agreement, the Service Provider shall contact the Delivery Organisation in the first instance. The contact details are:

The Social Investment Business  
Room 6  
20 Pantbach Rd  
Birchgrove  
Cardiff  
CF14 1UA

## **SCHEDULE 2**

### **PART A**

#### **THE SERVICES**

Provision of low cost insurance for members, consolidate expansion into the Ystradgynlais area. Recruitment of two new staff members

### **PART B**

#### **SERVICES TARGETS**

• Open two new school collection points
• Recruit new member of staff
• Recruit, induct and train 10 volunteers
• Increase membership from 650 to 720
• Open new collection point in Talgarth



## SCHEDULE 3

### PART A

#### COMPENSATION

1. The Compensation provided to the Service Provider is calculated on the basis of the Breakdown of Costs listed in Part B of this Schedule. The total amount of Compensation payable under this agreement is a sum not exceeding **£21,260**.
2. The Welsh Ministers have procured the Delivery Organisation to deliver services which will assist the Service Provider in their obligations to provide Services under this Agreement.
3. The Compensation shall be payable in quarterly parts in advance following receipt of a claim for payment from the Service Provider which may be submitted on or any time after the first day of each quarter. The first payment shall be made within 14 days of confirmation to the Service Provider that their application has been successful.
4. Each claim for payment will set out, in such detail as the Welsh Ministers or the Delivery Organisation may reasonably require, the eligible costs which the Service Provider expects to actually incur in the provision of the Services in the following quarter. The reporting will take the form of a transaction list showing defrayed expenditure and income evidenced by certified copies of invoices, timesheets etc. This will be required on a quarterly basis.
5. Each claim for payment shall be made to the Delivery Organisation. The address for submission of claim forms is:  
  
The Social Investment Business  
Room 6  
20 Pantbach Rd  
Birchgrove  
Cardiff  
CF14 1UA
6. Payment will be made by the Delivery Organisation to the Service Provider within 5 days of receipt of a complete and correct claim form. Payment will not be made until all the information required has been received by the Delivery Organisation and passed to the Welsh Ministers.

**PART B**

**COSTS**

Compensation shall be applied to the costs listed in the first column of the table below in amounts up to the following:

<b><u>Breakdown of Costs</u></b>	<b><u>Financial Year</u> <u>2010/11</u></b>
Staff	
Overheads	
Publicity and Marketing	
Interest on Loans	
Membership Fees	
<b>TOTAL</b>	<b>£21,260</b>

**SCHEDULE 4**  
**AUDIT REQUIREMENTS**

1. The Service Provider is required to submit to

The Social Investment Business  
Room 6  
20 Pantbach Rd  
Birchgrove  
Cardiff  
CF14 1UA

**by no later than 31 July** immediately following the end of the financial year (April-March) in which the grant was paid:

- a. a Certificate of Annual Expenditure relating to the Services in such form as the Welsh Ministers may from time to time require on the use of the grant for the financial year;
- b. an out-turn of expenditure confirming the sum claimed by way of Compensation during the previous financial year and stating that the Compensation was spent in accordance with the terms of this Agreement, signed by the chief financial officer.
- c. a signed declaration that no further claim for Compensation in respect of expenditure in the relevant financial year will be made to the Welsh Ministers and no additional assistance for the Services has been received or promised from an institution of the European Communities, a government department, a local authority, or any other partially or wholly public financial body or charitable fund.

2. The Service Provider shall ensure that its auditor submits to

The Social Investment Business  
Room 6  
20 Pantbach Rd  
Birchgrove  
Cardiff  
CF14 1UA

by no later than **31 October** following the end of the financial year, one of the following: -

- a. when satisfied that the terms of this Agreement have been complied with, a Certificate of Annual Expenditure form confirming that the entries stated and the Compensation has been claimed, spent and repaid in accordance with the terms of this Agreement

- b. when satisfied that the terms of this Agreement have been complied with but that the sum claimed is incorrect, a certified amended figure in accordance with the terms of this Agreement;
  - c. when not fully satisfied that the terms of this Agreement have been complied with or that there is doubt regarding the admissibility of the sums claimed, a certified claim subject to qualifications in an accompanying letter.
3. The Service Provider shall show separately in its annual accounts the costs and receipts associated with the Services and those of any other costs and receipts.
  4. All accounts shall clearly identify all funding given by the Welsh Ministers, and any grants received from an institution of the European Communities, a Government Department, a local authority, or any other partially or wholly publicly funded body or charitable fund, during that financial year.
  5. If the accounts do not isolate the funding given by the Welsh Ministers, the Service Provider shall provide an income and expenditure account certified by the finance officer confirming the level of funding given by the Welsh Ministers and its expenditure.

Signed by .....

Name .....

Under the authority of the Minister for Social Justice and Local Government (one of the Welsh Ministers).

Signed by .....

Name .....  
(please print)

By and on behalf of **Brecon and District Credit Union Limited**

Date .....

Signed by .....

Name .....  
(please print)

By and on behalf of **Brecon and District Credit Union Limited**

Date .....