

**THE CO-OPERATIVE FAMILY CREDIT UNION LIMITED
T/A THE MONEY CO-OP**

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2025**



CHARTERED ACCOUNTANTS

KM

Chartered Accountants & Statutory Auditors

Burnley Wharf

Manchester Road

Burnley

BB11 1JG

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FOR THE YEAR ENDED 30 SEPTEMBER 2025

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CREDIT UNION INFORMATION
FOR THE YEAR ENDED 30 SEPTEMBER 2025

Credit union name	The Co-operative Family Credit Union Limited	
Trading name	The Money Co-op	
FCA reference number	213649	
Registered society number	558C	
Directors	David Fawell	Chair
	Grant Mitchell	Treasurer
	Andrew Cheatle	
	Amanzi Ejioogu	Appointed March 2025
	Basil Foulkes	Appointed January 2025
	Samuel Hale	
	Peter Harris	
	Nisha Ravat	
	Helen Rawlings	Appointed January 2025
	Robin Webster	
Other directors who served during the year	Lisa Parry	Resigned June 2025
Secretary	Sarah Hollingsworth	
Registered office	1 Angel Square Manchester M60 0AG	
Auditor	KM Chartered Accountants & Statutory Auditors Burnley Wharf Manchester Road Burnley BB11 1JG	

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2025

The directors present their report and the financial statements for the year ended 30 September 2025.

Principal activity and common bond

The principal activity of The Co-operative Family Credit Union Limited (the "Credit Union") continued to be that defined in the Credit Union Act 1979.

The Credit Union's common bond covers those working in the co-operative and retail sectors as well as members of the co-operative sector and the USDAW trade union.

The Credit Union is authorised by the Prudential Regulation Authority ("PRA") and regulated by the Financial Conduct Authority ("FCA") and the PRA.

Directors

The directors who held office during the year and up to the date of signing the financial statements are shown on page 3.

Compliance statement

Under the PRA Rulebook, the Board is required to report to members at the Annual General Meeting ("AGM") on specific areas of compliance within the Credit Union. The Credit Union is pleased to confirm that, during the year, it has complied with:

- Depositor Protection Rules 11, 12, 14 and the requirements of Rule 15 relating to Rule 11;
- PRA Credit Union Rule 2.10 (fidelity bond insurance requirements);
- The compliance requirements under the PRA Additional Activities section.

Principal risks and uncertainties

The main financial risks of the Credit Union are set out in the notes to the financial statements.

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations. Legislation requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under the Credit Union Act 1979 and the Co-operative and Community Benefit Societies Act 2014, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Credit Union and of the surplus or deficit of the Credit Union for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Credit Union will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Credit Union's transactions and disclose with reasonable accuracy at any time the financial position of the Credit Union and enable them to ensure that the financial statements comply with the Credit Union Act 1979 and the Co-operative and Community Benefit Societies Act 2014. The directors are also responsible for safeguarding the assets of the Credit Union and for taking reasonable steps to prevent and detect fraud and other irregularities.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2025

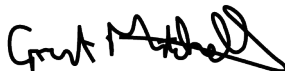
Disclosure of information to the auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the Credit Union's auditor is unaware. Each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to ensure that the Credit Union's auditor is aware of that information.

The directors' report was approved by the Board on 15 January 2026 and signed on its behalf by:



.....
David Fawell
Chair



.....
Grant Mitchell
Treasurer



.....
Sarah Hollingsworth
Secretary

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2025

Opinion

We have audited the financial statements of the Credit Union for the year ended 30 September 2025, which comprise the revenue account, the balance sheet, the statement of changes in retained earnings, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Credit Union's affairs as at 30 September 2025 and of its surplus or deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Credit Union Act 1979 and the Co-operative and Community Benefit Societies Act 2014.

Basis for opinion

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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Credit Union's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. Our responsibility is to read the other information and consider whether it is materially inconsistent with the financial statements or our knowledge obtained during the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Co-operative and Community Benefit Societies Act 2014

In our opinion, based on the work undertaken during our audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements;

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2025

- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

- 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 kept by the Credit Union in accordance with the requirements of the legislation;
- the revenue account and balance sheet are not in agreement with the books of account of the Credit Union;
- we have not received all the information and explanations we require for 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 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 based on 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 can detect irregularities, including fraud, is detailed below.

Extent to which the audit was considered capable of detecting irregularities, including fraud

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:

- we 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 management and from our wider knowledge and experience of the sector;
- we focused on specific laws and regulations that we considered might have a direct material effect on the financial statements or the operations of the Credit Union, including Corporate and Community Benefit Society legislation and taxation legislation;
- we assessed the extent of compliance with the laws and regulations identified above by making enquiries of management;
- identified laws and regulations were regularly communicated within the audit team, which remained alert to instances of non-compliance throughout the audit.

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2025

We assessed the susceptibility of the Credit Union'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;
- assessed whether judgements and assumptions made in determining the accounting estimates, as set out in the notes to the financial statements, were indicative of potential bias;
- investigated the rationale behind significant or 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.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.

Use of our report

This report is made solely to the Credit Union's members, as a body, in accordance with the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Credit Union's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Credit Union and the Credit Union's members as a body, for our audit work, for this report, or for the opinions we have formed.



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KM

Chartered Accountants & Statutory Auditors
Burnley Wharf
Manchester Road
Burnley
BB11 1JG
15 January 2026

REVENUE ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2025

	Note	2025	2024
Net interest income		£	£
Loan interest receivable and similar income	4	752,403	763,773
Interest payable and similar charges	5	(82,722)	(108,517)
		669,681	655,256
Other operating income			
Grant income		53,754	20,337
Other income		20,703	20,500
		74,457	40,837
Expenditure			
Impairment losses on loans to members	6	(56,947)	(104,774)
Administrative expenses	7	(600,356)	(546,083)
Other operating expenses	10	(12,235)	(12,438)
Depreciation	14	-	-
		(669,538)	(663,295)
Surplus before tax		74,600	32,798
Tax	11	(24,737)	(23,473)
Surplus for the financial year		49,863	9,325

The above results were derived from continuing operations.

There are no items of other comprehensive income.

The notes on pages 13 to 21 form an integral part of these financial statements.

BALANCE SHEET

AS AT 30 SEPTEMBER 2025

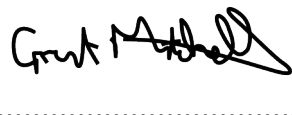
	Note	2025	2024
Assets		£	£
Cash and bank balances	12	3,579,991	3,295,961
Loans to members	13	3,451,084	3,519,506
Tangible fixed assets	14	-	-
Prepayments and accrued income		31,358	36,232
		7,062,433	6,851,699
Liabilities			
Members' deposits	15	6,200,646	5,991,426
Other liabilities	16	50,442	98,791
		6,251,088	6,090,217
Retained earnings		811,345	761,482
		7,062,433	6,851,699

The notes on pages 13 to 21 form an integral part of these financial statements.

The financial statements were approved and authorised for issue by the Board on 15 January 2026 and signed on its behalf by:



David Fawell
Chair



Grant Mitchell
Treasurer



Sarah Hollingsworth
Secretary

STATEMENT OF CHANGES IN RETAINED EARNINGS
FOR THE YEAR ENDED 30 SEPTEMBER 2025

	General reserve	Total
	£	£
At 1 October 2023	752,157	752,157
Surplus for the financial year	9,325	9,325
At 30 September 2024	761,482	761,482
Surplus for the financial year	49,863	49,863
At 30 September 2025	811,345	811,345

The notes on pages 13 to 21 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2025

	Note	2025	2024
		£	£
Cash flows from operating activities			
Surplus before tax		74,600	32,798
Adjustments for non-cash items:			
Interest on loans	4	(644,792)	(661,043)
Interest on deposits	5	82,722	108,517
Impairment losses	6	109,062	162,142
Working capital adjustments:			
Prepayments and accrued income:		4,874	5,650
Other liabilities		(49,613)	52,864
Changes in operating assets and liabilities:			
Loans to members	13	604,152	469,840
Members' deposits	15	126,498	94,257
		307,503	265,025
Corporation tax paid		(23,473)	(13,703)
Net cash flows from operating activities		284,030	251,322
Cash flows from investing activities			
Movement in funds on deposit		(337,000)	245,593
Net cash flows from investing activities		(337,000)	245,593
Net increase/(decrease) in cash and cash equivalents		(52,970)	496,915
Cash and cash equivalents at beginning of year		1,957,961	1,461,046
Cash and cash equivalents at end of year	12	1,904,991	1,957,961

The notes on pages 13 to 21 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2025

1. Background information

The Credit Union is a society established under the Co-operative and Community Benefit Societies Act 2014, whose principal activity is to operate as a credit union within the meaning of the Credit Unions Act 1979. The Credit Union is authorised by the PRA and regulated by the FCA and the PRA.

2. Accounting policies

2.1. Basis of preparation

These financial statements have been prepared in accordance with FRS 102 and the requirements of the Co-operative and Community Benefit Societies Act 2014.

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 £.

The financial statements have been prepared under the historical cost convention except that, as disclosed in the accounting policies, certain items are shown at fair value.

2.2. Going concern

The directors have assessed the appropriateness of using the going concern basis and have considered events or conditions that might cast significant doubt on the Credit Union's ability to continue as a going concern. The directors confirm that there are no material uncertainties regarding this assumption. Based on the reserves held, the operating model, risk assessments, and forward-looking budgets, the directors are satisfied that the Credit Union is adequately resourced to continue operating for at least twelve months from the date the financial statements are authorised for issue. The Credit Union continues to adopt the going concern basis in preparing its financial statements.

2.3. Income

Interest receivable on loans to members is calculated daily and is recognised when payment is received.

Bank interest receivable is recognised as it accrues.

Other income either arises in connection with a specific transaction or accrues evenly over the year. Income relating to individual transactions is recognised when the transaction is complete.

2.4. Grants

Grants for capital expenditure are credited to the revenue account over the estimated useful life of the related fixed assets. Grants relating to revenue expenditure are recognised in the period to which they relate or to match the relevant expenditure. Deferred grants shown in the balance sheet represent amounts receivable to date, less amounts credited to the revenue account.

2.5. Tax

The tax charge for the year reflects current tax payable. Current tax is the expected corporation tax payable for the year, using tax rates in force for the year. The Credit Union is not liable to corporation tax payable on its activities of making loans to members, and investing surplus funds, as these are not classified as a trade. However, corporation tax is payable on investment income.

As a result of the limited activities of the Credit Union from which profits are chargeable to corporation tax, it is unlikely that deferred tax will arise.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2025

2.6. Tangible fixed assets

Tangible fixed assets 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, less its estimated residual value, over its estimated useful life, as follows:

Asset class	Depreciation method	Rate
Office equipment	Straight line	33%

2.7. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and loans and advances to banks (i.e. cash deposited with banks) with original maturities of 8 days or less.

2.8. Financial assets – loans to members

Loans to members are financial assets with fixed or determinable payments and are not quoted in an active market. Loans are recognised when cash is advanced to members and measured at amortised cost using the effective interest method.

Loans are derecognised when the right to receive cash flows from the asset have expired, usually when all amounts outstanding have been repaid by the member. The Credit Union does not transfer loans to third parties.

2.9. Impairment of financial assets

At each balance sheet date, the Credit Union assesses if there is objective evidence that any of its loans to members are impaired. The loans are assessed collectively in groups that share similar credit risk characteristics, because no loans are individually significant. In addition, if there is objective evidence that any individual loan is impaired, a specific loss will be recognised. Any impairment losses are recognised in the revenue account, as the difference between the carrying value of the loan and the net present value of the expected cash flows.

2.10. Financial liabilities

Shares held by members in the Credit Union are redeemable and are therefore classified as financial liabilities. They are initially recognised at the amount of cash deposited and subsequently measured at amortised cost.

2.11. Retirement benefits

The expenditure recognised for the defined contribution scheme consists of contributions payable by the Credit Union for the relevant period.

3. Judgements and key sources of estimation uncertainty

In the application of the Credit Union's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2025

Impairment losses on loans to members

At each balance sheet date, the Credit Union assesses if there is objective evidence that any of its loans to members are impaired. The loans are assessed collectively in groups that share similar credit risk characteristics, because no loans are individually significant. In addition, if there is objective evidence that any individual loan is impaired, a specific loss will be recognised. Any impairment losses are recognised in the revenue account, as the difference between the carrying value of the loan and the net present value of the expected cash flows.

4. Loan interest receivable and similar income

	2025	2024
	£	£
Loan interest receivable from members	644,792	661,043
Bank interest receivable	107,611	102,730
	752,403	763,773

5. Interest payable and similar charges

	2025		2024	
	%	£	%	£
Dividend on dividend bearing shares	1.50	74,093	2.00	106,351
Interest on interest bearing shares	4.00	8,629	5.00	2,166
		82,722		108,517

Interest expense is the dividend paid to members for the prior year. The dividend is formally proposed by the directors after the year end and is confirmed at the following AGM. As a result, it does not represent a liability at the balance sheet date.

6. Loan impairment

	2025	2024
	£	£
Loan impairment provision		
Opening balance	97,024	119,567
Movement in provision during the year	6,421	(22,543)
	103,445	97,024
Impairment losses		
Movement in provision during the year	6,421	(22,543)
Loans derecognised	102,641	184,685
	109,062	162,142
Bad debts recovered	(52,115)	(57,368)
Impairment losses recognised in the year	56,947	104,774

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2025

7. Administrative expenses

	Note	2025	2024
		£	£
Employment costs	8	340,283	335,473
Auditors' remuneration	9	12,600	13,920
Bank charges		14,413	13,107
Computer software and maintenance costs		115,119	103,270
Credit control costs		5,362	18,162
General expenses		9,117	4,469
Insurance		2,041	4,155
Legal and professional fees		7,725	1,900
Member communication and advertising		64,310	33,123
Printing, postage and stationery		4,800	1,062
Staff and directors' expenses		8,612	6,764
Telephone and internet		10,419	7,623
Training and conferences		5,555	3,055
		600,356	546,083

8. Employees and employment costs

	2025	2024
	£	£
Employment costs		
Wages and salaries	297,017	295,118
Social security costs	25,181	24,278
Payments to defined contribution pension schemes	18,085	16,077
	340,283	335,473
Employees	Number	Number
Average monthly number of employees during the year	10	9

9. Auditors' remuneration

	2025	2024
	£	£
Audit of the financial statements	7,500	6,600
Internal audit services	4,800	7,020
Tax services	300	300
	12,600	13,920

10. Other operating expenses

	2025	2024
	£	£
Cost of occupying offices	-	-
Regulatory costs	12,235	12,438
	12,235	12,438

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2025

11. Tax

	2025	2024
	£	£
Reconciliation of tax charge		
Surplus before tax	74,600	32,798
Tax at standard UK corporation tax rate of 25%	18,650	8,199
Effect of income/expenditure not taxable	8,253	17,483
Decrease in tax from adjustment for prior periods	(30)	-
Marginal relief for corporation tax	(2,136)	(2,209)
Tax charge for the year	24,737	23,473

Factors that are considered in determining the corporation tax charge are disclosed in Note 2.5.

12. Cash and bank balances

	2025	2024
	£	£
Bank deposits	1,675,000	1,338,000
Cash held at banks	1,904,991	1,957,961
Loans and advances to banks	3,579,991	3,295,961
Cash in hand	-	-
	3,579,991	3,295,961
Balances split by repayment period		
Cash and cash equivalents	1,904,991	1,957,961
Amounts maturing in over 8 days	1,675,000	1,338,000
	3,579,991	3,295,961

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2025

13. Loans to members

	Note	2025	2024
		£	£
Loan movement			
Opening balance		3,616,530	3,610,012
Interest on loans		644,792	661,043
Loans advanced		2,851,933	2,839,960
Loans repaid		(3,456,085)	(3,309,800)
Loans derecognised		(102,641)	(184,685)
		3,554,529	3,616,530
 Loan arrears analysis			
Not past due		3,264,824	3,414,438
Up to 3 months past due		208,593	101,896
Between 3 and 6 months past due		25,190	34,142
Between 6 and 9 months past due		10,109	43,766
Between 9 months and 1 year past due		21,976	2,797
Over 1 year past due		23,837	19,491
		3,554,529	3,616,530
Loan impairment provision	6	(103,445)	(97,024)
		3,451,084	3,519,506

Factors that are considered in determining whether loans are impaired are discussed in Note 2.9.

14. Tangible fixed assets

	Office equipment	Total
	£	£
Cost		
At 1 October 2024	9,656	9,656
Additions	-	-
Disposals	-	-
At 30 September 2025	9,656	9,656
 Depreciation		
At 1 October 2024	9,656	9,656
Charge for the year	-	-
Eliminated on disposals	-	-
At 30 September 2025	9,656	9,656
 Carrying amount		
At 30 September 2025	-	-
At 30 September 2024	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2025

15. Members' deposits

	2025	2024
	£	£
Deposit movement		
Opening balance	5,991,426	5,788,652
Interest on deposits	82,722	108,517
Deposits received	5,962,872	5,632,731
Deposits withdrawn	(5,836,374)	(5,538,474)
	6,200,646	5,991,426

Deposits split by type

Individual dividend bearing shares	5,904,391	5,851,533
Individual interest bearing shares	296,255	139,893
	6,200,646	5,991,426

16. Other liabilities

	2025	2024
	£	£
Accruals	23,569	21,490
Deferred grant income	-	51,692
Other payables	2,136	2,136
	25,705	75,318
Corporation tax	24,737	23,473
	50,442	98,791

17. Financial risk management

The Credit Union manages its shares and loans so that it earns income from the margin between interest receivable and interest payable. The main financial risks arising from the Credit Union's activities are credit risk, liquidity risk and market risk. The Board reviews and agrees policies for managing each of these risks which are summarised below:

Credit risk

Credit risk is the risk that a borrower will default on their contractual obligations relating to repayments to the Credit Union, resulting in financial loss to the Credit Union. To manage this risk, the Board approves the Credit Union's lending policy and all changes to it. All loan applications are assessed with reference to the lending policy in force at the time. Subsequently, loans are regularly reviewed for any factors that may indicate that the likelihood of repayment has changed. The Credit Union also monitors its banking arrangements for credit risk.

Liquidity risk

The Credit Union's policy is to always maintain sufficient funds in liquid form to ensure that it can meet its liabilities as they fall due and comply with the liquidity ratios set by the regulators. The objective of the policy is to provide a degree of protection against any unexpected developments that may arise.

Market risk

Market risk generally comprises interest rate risk, currency risk and other price risks. The main risks impacting the Credit Union are outlined below:

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Interest rate risk

The Credit Union's main interest rate risk arises from the interest rate exposure on loans, bank deposits and shares that form an integral part of a credit union's operations. The Credit Union considers rates of interest receivable when deciding on proposed dividend rates. Dividend rates are based on the historical results of the Credit Union and its strategic plans. The Credit Union does not use interest rate options to hedge its own positions.

Currency risk

The Credit Union conducts all its transactions in sterling and is therefore not exposed to any form of currency risk.

Other price risks

The Credit Union only holds investments in government securities and in credit institutions that meet the criteria set out in Chapter 6 of the PRA Rulebook. The Credit Union monitors these investments throughout the year.

18. Credit risk on lending

The Credit Union holds the following security against its loans to members:

	2025	2024
	£	£
Security for loans		
Attached shares	758,760	824,124

19. Interest rate risk disclosures

The following table shows the interest earned during the year divided by the average loan balance and the dividend/interest paid during the year divided by the average share balance. The average balance is taken as the average of the opening and closing balances.

	2025		2024	
Financial assets	£	%	£	%
Loans and advances to banks	3,579,991	3.13	3,295,961	3.24
Loans to members	3,554,529	17.98	3,616,530	18.29
Financial liabilities				
Dividend bearing shares	5,904,391	1.26	5,851,533	1.83
Interest bearing shares	296,255	3.96	139,893	3.10

20. Capital

The Credit Union classes all its reserves as capital and manages its reserves through its financial and budgeting policies and procedures. The PRA sets out requirements for the capital ratio that the Credit Union must maintain. The Credit Union's compliance with the ratio at the year end is set out below:

	2025	2024
	%	%
Actual capital to asset ratio	11.49	11.11
Regulatory minimum capital ratio requirement	5.00	5.00

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FOR THE YEAR ENDED 30 SEPTEMBER 2025

21. Related party transactions

The Credit Union classes the directors and members of the senior management team as its key management personnel. None of the directors received any remuneration during the year.

	2025	2024
	£	£
Remuneration of key management personnel		
Salaries and other short-term employee benefits	112,901	121,686
Payments to defined contribution pension schemes	7,169	7,298
	120,070	128,984
	2025	2024
	£	£
Transactions with key management personnel		
Loans to key management personnel and their close family	-	-
Shares held by key management personnel and their close family	48,329	58,759

Loans to key management personnel and their close family are on standard terms and conditions.

22. Post balance sheet events

We completed our planned merger with Unity Credit Union Limited on 21 October 2025. The transfer of engagements comprised 462 member accounts, consisting of loans to members of £112,305 and members' deposits of £739,981, along with credit union reserves of £67,332. None of these figures are included in these financial statements. There are no other material events after the balance sheet date to disclose.

23. Contingent liabilities

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