M FOR MONEY CREDIT UNION LIMITED

REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS

YEAR ENDED 30TH SEPTEMBER 2025

FCA registration number 216633

M FOR MONEY CREDIT UNION LIMITED

YEAR ENDED 30TH SEPTEMBER 2025

Administrative information

Status	M For Money Credit Union Ltd was incorporated under the Co-operative and Community Benefit Societies Act 2014 and the Credit Unions Act 1979 on the 24th December 2002.
Directors	Marjory Hester- Chair Gary Elliott - Secretary David Winder Fiona Turner - Vice Chair Sonia Hay Spencer Nash - Treasurer
Company Secretary	Gary Elliott - Secretary
Bankers Registered Office	The Co-Operative bank PO Box 250 Skelmersdale WN8 6WT
Credit Union Registered Office	The Bungalow Pinkwell Lane Hayes Middlesex UB3 1PB
Prudential Regulation Authority No.	216633
Auditors	Cottons Accountants LLP Chestnut Field House Chestnut Field Rugby CV21 2PD

M FOR MONEY CREDIT UNION LIMITED

YEAR ENDED 30TH SEPTEMBER 2025

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Directors' Report

The Directors of M for Money Credit Union present their annual report on the affairs of the Credit Union, together with the accounts and auditor's report for the year.

Principal Activities

The principal activities of M For Money Credit Union are those of a regulated credit union, accepting deposits in the form of savings from members and lending sums to members at a reasonable and fair rate of interest. We are also there to help our members improve their financial capability and to provide options for their money management.

Results of Operations and Dividends

The results of the year are as shown in the attached accounts, as are movements in the Credit Union's fixed assets.

Directors 'of Management

The Directors during the year were;

Marjory Hester-Chair	David Winder
Spencer Nash- Treasurer	Sonia Hay
Gary Ellott-Acting Secretary	Fiona Turner

Activities of the year

We have had another busy year. We have increased our membership again by 499, showing a good spread across our Common Bond area. We are seeing increases in our membership from our payroll schemes as well as those who reach us by our marketing and importantly, by word of mouth, showing that we have a lot to offer.

We agreed in total loans to the value of £806,930, this was 1231 loans. Of these loans the largest number and value of these was for our Child Benefit loans. There were 1041 of these with loans given to the value of £450,380. Our payroll deduction loans proved popular and there were 132 of these with a total value of £224,550. Many of these were for larger loans and subject to Director approval. Our saver loans scheme was popular with 58 of our members to the value of £13,200.

During the year we have investigated a new range of loans, and these were offered after the end of our financial year and will appear in next year's report. As you can see, we are keen to find out what our members want from us and how we can offer them products that will help them in what we recognise have been difficult financial circumstances in the cost-of-living crisis. During the year we have been reviewing savings and loans and have had to take steps to increase our liquidity by drawing on some of our investments.
This problem has come about because of the approach we have deliberately taken to help members by offering competitive loans and the fact that members are not saving quite as much as they did. We agreed that we would reach out to members about increasing and encouraging savings and we have been looking at membership fees.

Directors' Report (continued)

That is ongoing work as is a new approach to membership. We have improved our communication with you about financial difficulty in loan repayments and would like to encourage all our members to talk to us about those difficulties as we can generally find ways to help you. Our loans are set with low interest to help you; we are all members and need to support each other.

We took the decision during the year to create a 1 year post to provide outreach in the community and in particular, to encourage the increase in payroll membership. Meera Shah was appointed and went to work in raising our profile in the community and spending time with our payroll partners. We believe that this post has created a better understanding of the role of M4Money and what it can offer to its members. We have also learnt valuable lessons in our communications and loan products as a Board which will help us in moving forward. We appreciate that funding this post affected our ability to pay a dividend last year and has affected our liquidity, but we anticipated that and feel that the longer-term gains will be worth it.

We have been communicating with you all on a regular basis through our e-newsletter and through social media. This communication is being reviewed and we would welcome feedback from you as to how best we can both keep you informed and give you the opportunity to feed back your ideas and comments.

We have seen an encouraging rise in use of our app and understand that most users of it find it an easy way to manage their account and to activate loans and savings. We are working with our credit union colleagues around the area who are also getting their service delivery as we do through Credit Union Solutions, to explore possible new provision of software that drives our systems, including the app. This could result in some changes to the app during the coming year. We will of course, keep you posted.

Your directors are all members of M4Money and use its services. We are a small Board which meets monthly, mainly on Zoom. We are looking for new Directors, particularly from the south of our Common Bond area which includes the London Boroughs to the south of Buckinghamshire. If you would like to explore becoming a Director, please let us know.

Director's responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Co-operative and Community Benefit Act law and Credit Union law requires 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 of the excess of income over expenditure of the credit union for that period. In preparing those financial statements, the directors are required to;

Directors' Report (continued)

-select suitable accounting policies and then apply them consistently,
-make judgements and estimates that are reasonable and prudent,
-state whether applicable 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 proper accounting records which disclose with reasonable accuracy at any time, the financial position of M4Money and to enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Act Societies 2014. 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.

The directors confirm that as so far as they are aware, there is no relevant audit information of which the credit union's auditors are unaware. They have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the credit union's auditors are aware of that information.

Auditors
The auditors, Cottons Accountants LLP, have indicated their willingness to accept appointment unc the provisions of the Co-operative and Community Benefit Societies Act 2014 and the Credit Union Act 1979.

Signed on behalf of the director of management

Director Date

M FOR MONEY CREDIT UNION LIMITED

YEAR ENDED 30TH SEPTEMBER 2025

Independent Auditors' Report to the members of M For Money Credit Union Limited

Opinion

We have audited the financial statements of M for Money Credit Union Limited (the 'society') for the year ended 30th September 2025 which comprise the Revenue Account, Balance Sheet, Statement of Changes in Retained Earnings and 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the society's members, as a body, in accordance with section 83 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the society'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 society and the society's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion, the financial statements:

- give a true and fair view of the state of the Credit Union's affairs as at 30th September 2025 and of its income and expenditure for the period then ended; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014 and the Credit Unions Act 1979.
- Have been prepared in accordance with UK Generally Accepted Accounting Practice

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable

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 company'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 directors' are responsible for the other information. The other information comprises the information included in

We have nothing to report in this regard.

Independent Auditors' Report to the members of M For Money 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 Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- a satisfactory system of internal control over transactions has not been maintained; or
- the society has not kept proper accounting records; or
- the financial statements are not in agreement with the books of account; or
- we have not received all the information and explanations that we need for our audit.

Responsibilities of the Directors

As explained more fully in the Directors' responsibilities statement on page 4 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 they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the society'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 society 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.

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including

- the engagement partner ensured that the engagement team collectively had the appropriate competence,
- we identified the laws and regulations applicable to the company through discussions with directors and
- we focused on specific laws and regulations which we considered may have a direct material effect on the
- we assessed the extent of compliance with the laws and regulations identified above through making
- identified laws and regulations were communicated within the audit team regularly and the team remained remained alert to instances of non-compliance throughout the audit.

M FOR MONEY CREDIT UNION LIMITED

YEAR ENDED 30TH SEPTEMBER 2025

Independent Auditors' Report to the members of M for Money Credit Union Limited

We assessed the susceptibility of the company's financial statements to material misstatement, including Obtaining an understanmding 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 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;
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors;

There are inherent limitations in our audit procedures described above. The more removed that laws and 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. The areas in the financial statements that are most susceptible to fraud are loans and advances to members and subscribed capital. We have investigated in particular where there is:

- Insufficient levels of impairment allowance of loans made:

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.

Cottons Accountants LLP
Chestnut Field House
Chestnut Field
Rugby
CV21 2PD

Date

M FOR MONEY CREDIT UNION LIMITED

REVENUE ACCOUNT FOR THE YEAR ENDED 30TH SEPTEMBER 2025

	Note	2025 £	2024 £
Loan interest receivable and similar income	4	169,851	170,961
Interest payable	5	-	-
Net interest income		169,851	170,961
Fees and commissions receivable	6	-	-
Fees and commissions payable		(2,731)	(1,807)
Net fees, Interest and commissions receivable		167,120	169,154
Other income	6a	292	582
Administrative expenses	7a	(153,206)	(135,110)
Other operating expenses	7b	(3,614)	(3,540)
Impairment losses on loans to members	11 c	(10,691)	(20,234)
Surplus before taxation		(99)	10,852
Taxation	9a	(1,812)	(1,482)
Surplus for the financial year		(1,911)	9,370
		-	-
Total comprehensive income		(1,911)	9,370

M FOR MONEY CREDIT UNION LIMITED

BALANCE SHEET AS AT 30TH SEPTEMBER 2025

	Note	2025 £	2024 £
ASSETS			
Investment - share in CUS	8c	1	1
Cash, cash equivalents and liquid deposits		119,630	206,543
Deposits held at UK Financial Institutions		175,278	167,898
		294,909	374,442
Loans and advances to members	11a	1,000,339	949,971
Other receivables- suborinated loans to Credit Unions		20,000	20,000
Prepayments and accrued income		5,112	9,446
Total assets		1,320,360	1,353,859
LIABILITIES			
Share capital		1,073,939	1,119,245
Junior Savers		9,378	8,913
Other payables	12	48,217	34,964
		1,131,534	1,163,122
Subordinated Loans	15a	10,000	10,000
Retained earnings	15	178,826	180,737
Total liabilities		1,320,360	1,353,859

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

Marjory Hester-Chair

Gary Elliott - Secretary

Spencer Nash - Treasurer

M FOR MONEY CREDIT UNION LIMITED

STATEMENT OF CHANGES IN RETAINED EARNINGS

FOR THE YEAR ENDED 30TH SEPTEMBER 2025

	2025	2024
RESERVES	**£**	**£**
As at 1 October 2024	180,737	171,367
Total comprehensive income for the year	(1,911)	9,370
As at 30 September 2025	178,826	180,737

M FOR MONEY CREDIT UNION LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30TH SEPTEMBER 2025

	Note	2025 £	2024 £
Cash flows from operating activities			
Surplus/(deficit) before taxation		(99)	10,852
Adjustments for non-cash items:			
Impairment losses	**11b**	11,144	21,176
		11,045	32,028
Movements in:			
Other receivables		4,334	254
Other payables		(13,356)	(10,304)
		2,023	21,978
Cash flows from changes in operating assets and liabilities			
Cash inflow from subscribed capital		1,173,954	1,153,091
Cash outflow from repaid capital		(1,221,661)	(1,108,980)
New loans to members		(806,930)	(776,775)
Repayment of loans by members		774,893	712,374
		(77,721)	1,688
Taxation paid		(1,812)	(1,030)
		(79,533)	658
Net cash flows from operating activities			
Cash flows from investing activities			
Purchase of property, plant and equipment	**10**	-	-
Net cash flow from managing liquid deposits		**(79,533)**	**658**
Net decrease in cash and cash equivalents			
Cash and cash equivalents at beginning of year		374,442	373,784
Cash and cash equivalents at end of year		294,909	374,442
Per lead schedule and accounts		294,909	374,442
Difference		-	-

1. Legal and regulatory framework

The Credit Union is a society established under the Industrial and Provident Societies Act 1965, whose principal activity is to operate as a credit union, within the meaning of the Credit Unions Act 1979. The Credit Union has registered with the Financial Conduct Authority and is regulated by the Prudential Regulation Authority under the provisions of the Financial Services and Markets Act 2000.

In accordance with the regulatory environment for credit unions, deposits from members can be made by subscription for redeemable shares, deferred shares and interest-bearing shares.
At present the Credit Union has only issued redeemable shares.

2. Accounting policies

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* .

The financial statements are prepared on the historical cost basis.

Going concern

The financial statements are prepared on the going concern basis.

Income

Loan interest receivable and similar income: Interest on loans to members is recognised using the effective interest method, and is calculated and accrued on a daily basis.

Fees and commissions receivable: Income relating to individual transactions is recognised when the transaction is completed.

Other income: Other income is recognised when receivable.

Taxation

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. 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.

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. Deprecation is provided to write off the cost of each item of property, plant and equipment, less its estimated residual value, on a straight line basis over its estimated useful life. There are currently no fixed assets held.

Cash and cash equivalents

Cash, cash equivalents and liquid deposits comprise cash on hand and investments with a maturity of less than or equal to 8 days.

Financial assets – loans and advances 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.

Impairment of financial assets

The Credit Union assesses, on a monthly basis, 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, during the course of the year, 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.

Financial Liabilities – subscribed capital

Members' shareholdings in the Credit Union are redeemable and therefore are classified as financial liabilities, and described as subscribed capital. They are initially recognised at the amount of cash deposited and subsequently measured at amortised cost.

Employee benefits

Other employee benefits: Other short and long term employee benefits, including holiday pay, are recognised as an expense over the period they are earned.

Reserves

Retained earnings are the accumulated surpluses to date that have not been declared as dividends returnable to members.

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 the Credit Union’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.

4. Loan interest receivable and similar income

	Note	2025	2024
		£	£
Loan interest receivable from members		160,312	163,213
Bank interest receivable on cash and liquid deposits		9,539	7,748
Total loan interest receivable and similar income		169,851	170,961

5. Interest expense

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.

	2025	2024
	£	£
Interest paid on Sub-Participation Loans	0	0
Interest paid during the year including loan interest rebate	-00	-00
	-00	-00
Interest proposed, but not recognised	-	-
Dividend rate:	0.0%	0.0%

6. Fees and commissions receivable

	2025	2024
	£	£
Dormant Fees	0	-
Total fees and commissions receivable	-00	-00

6a. Other Income

	2025	2024
Grants	0	-00
Other income	292	582
	292	582

7a. Administrative expenses

	Note	2025	2024
		£	£
Employment costs	8a	15,810	1,157
Staff training		2,272	2,682
Meeting and travel expenses		460	253
Consultancy Fees		108,000	96,000
Auditors' remuneration	7c	2,400	2,400
Computer maintenance		5,259	3,710
Insurance - D/O insurance			-
Just Borrow Costs			-
Lace Curtains Costs		8,201	11,823
Legal and professional		4,194	2,697
General expenses		226	93
Advertising & Marketing		6,384	14,295
Total administrative expenses		153,206	135,110

7b. Other operating expenses

	2025 £	2024 £
Regulatory and financial management costs		
Financial Conduct Authority and Prudential Regulation Authority fees	794	750
Association of British Credit Unions Limited dues	1,230	1,312
Fidelity Bond Insurance	1,590	1,478
	3,614	3,540

7c. Auditors' remuneration

	2025 £	2024 £
Fees payable for audit	2,400	2,400
Fees payable to the auditor for other services	-	-
Total auditors' remuneration	2,400	2,400

8. Employees and employment costs

8a. Number of employees

There were no staff members in the financial year.

8b. Directors' Remuneration

No remuneration is paid to the directors. At the year end, Directors held total shares of £ 14,109 (2024 £10,476) and total loans of £ 7,254 (2024 £8,925).

Included in administrative expenses is £108,000 (2024 £96,000) paid to Credit Union Solutions as part of a commercial agreement to provide consultancy services (including accounting and back office support).

Credit Union solutions Ltd provided a short term loan of £20,000.

8c. Investment

Credit Union Solutions Ltd is a multi stake holder Co-Operative owned by its sfaff and its clients (currently four Credit Unions). This means that the services it provides and the standards it works to are subject to the scrutiny of its clients and staff.

M For Money Credit Union owns one share of £1.00 in Credit Union Solutions Ltd.

9. Taxation

	2025	2024
	£	£
a) Recognised in the Revenue Account		

The taxation charge for the year, based on the small profits rate of Corporation Tax of 19% (2024: 19%) taking into account marginal relief) comprised:

	2025	2024
Current tax		
UK Corporation tax	1,812	1,369
Total current tax recognised in the Revenue Account	1,812	1,369

b) The Credit Union is not liable to corporation tax payable on its activities of making loans to members. However, corporation tax is payable on investment income.

10. Tangible fixed assets

All tangible fixed assets are expensed in the year of purchase.

11a. Credit risk disclosures

The Credit Union 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.

The carrying amount of the loans to members represents the Credit Union's maximum exposure to credit risk. Where loans are not impaired it is expected that the amounts repayable will be received in full.

	Note	2025 £	2024 £
Not impaired:			
Loans not impaired		989,144	934,684
Sub-total: loans not impaired		989,144	934,684
Individually impaired:			
Up to 3 months past due		8,619	12,517
Between 3 and 6 months past due		3,102	7,422
Between 6 months and 1 year past due		4,292	10,472
Over 1 year past due		143,893	122,443
Total loans		1,149,050	1,087,538
Impairment allowance		-148,711	-137,567
Total carrying value		1,000,339	949,971

11b. Provision for impairment losses

	2025 £	2024 £
As at 1 October 2024	137,567	116,391
Allowance for losses made during the year	11,144	21,176
Allowances reversed during the year	0	0
Increase in allowances during the year	11,144	21,176
As at 30 September 2025	**148,711**	**137,567**

11c. Impairment losses recognised for the year

	2025 £	2024 £
Impairment of individual financial assets	0	0
Increase in impairment allowances during the year	11,144	21,176
	11,144	21,176
Reversal of impairment where debts recovered	-453	-942
Total impairment losses recognised for the year	**10,691**	**20,234**

12. Other payables

	2025 £	2024 £
UK Corporation Tax	1,709	1,369
Loan From Credit Union Solutions Ltd	20,000	0
Accruals and deferred income	26,508	33,595
	48,217	34,964

13. Additional financial instruments disclosures

13a. Financial risk management

The Credit Union manages its subscribed capital and loans to members 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 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 the Credit Union, resulting in financial loss to the Credit Union. In order to manage this risk the Board approves the Credit Union 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.

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 objective of the liquidity policy is to smooth the mismatches between maturing assets and liabilities and to provide a degree of protection against any unexpected developments that may arise.

Market risk: Market risk is generally comprised of interest rate risk, currency risk and other price risk. The Credit Union conducts all its transactions in sterling and does not deal in derivatives or commodity markets. Therefore it 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 operation and considers rates of interest receivable when deciding on the dividend rate payable on subscribed capital. The Credit Union does not use interest rate options to hedge its own positions. The risk is monitored on a regular basis by the Board.

13b. 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
	£	£	£	£
Financial assets				
Loans to members	1,000,339	16.0%	949,971	17.2%
Financial liabilities				
Share capital	1,073,939	0.0%	1,119,245	0.0%

The interest rates applicable to loans to members are fixed and range from 2% to 36%. The interest payable on share capital is determined at the AGM. As a result, the surplus for the year is not particularly sensitive to interest rate risk and no sensitivity analysis is presented.

13c. Liquidity risk disclosures

Excluding short-term other payables, as noted in the balance sheet, the Credit Union's financial liabilities, the subscribed capital, are repayable on demand.

13d. Fair value of financial instruments

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

14. Post balance sheet events

There are no material events after the balance sheet date to disclose.

15. Reserves

	Voluntary Reserve	Statutory Reserve	Total
	£	£	£
At 1st October 2024	137,366	43,371	180,737
Comprehensive surplus for the year	-1,911		-1,911
Transfer between funds			0
Balance carried forward at 30th September 2025			
	135,455	43,371	178,826

15a. Other Capital Reserves	2025	2024
	£	£
Sub-Ordinated Loans	10,000	10,000
	10,000	10,000

15. Contingent liabilities

The Credit Union participates in the Financial Services Compensation Scheme (FSCS) and therefore has a contingent liability, which cannot be quantified, in respect of contributions to the FSCS, as required by the Financial Services and Markets Act 2000. The Financial Conduct Authority (FCA) had provided details of how the calculation of next year's contribution towards the FSCS will be calculated and full provision has been included for this liability. However this is subject to future changes in interest rates and levels of deposits held by UK deposit takers. Therefore there is inherent uncertainty regarding the totality of the levy that the Credit Union will have to pay.

16. Related party transactions

During the year - members of the Board, staff and their close family members had loans with the Credit Union of £ 7,254 (2024 £8,925). These loans were approved on the same basis as loans to other members. None of the directors, staff or their close family members, have any preferential terms on their loans. They also had share values of £ 13,831 (2024 £10,476).

17. Employee benefits

Under the UK accounting standards, the Credit Union did not make a provision for holiday pay, FRS 102 requires the cost of holiday pay to be recognised when employees render the service that increases their entitlement.

18. Loan Interest

The Credit Union is now required to ensure that all members loan Interest is on a receivable basis. Historically, the Credit Union accounted for its Interest on members loans on a receivable basis.