WESTON SUPER MARE AND DISTRICT CREDIT UNION LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2025

Firm Reference Number: 230768

TC Group
Business Advisors & Accountants
180 St Vincent Street
Glasgow
G2 5SG

WESTON SUPER MARE AND DISTRICT CREDIT UNION LIMITED

CREDIT UNION INFORMATION

FCA number	230768	
Registered Society number	708C	
Directors	G Davies	
	J Jones	
	A Gilinsky	
	Sarah Hemming	
	Thomas Stevenson	(Appointed 22 January 2025)
Secretary	John Jones	
Registered office	Kestrel Court Harbour Road Portishead BS20 7AN	
Auditor	TC Group Business Advisors & Accountants 180 St Vincent Street Glasgow G2 5SG	

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WESTON SUPER MARE AND DISTRICT CREDIT UNION LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2025

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

Principal activity
The principal activity of the credit union continued to be that defined in the Credit Union Act 1979.

The credit union is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

Results and dividends
The results for the year are set out on page 6.

Fair review of the business
The accounts show the results for the year's activities for the combined operations.

The deficit for the year, after taxation, amounted to (£82,354) (2024 deficit - £27,034). Particulars of dividends paid are detailed in note 4 to the financial statements.

Directors
The Directors who held office during the year and up to the date of signature of the financial statements were as follows:

G Davies	
G Taylor	(Resigned 30 November 2025)
J Jones	
A Gilinsky	
Sarah Hemming	
Thomas Stevenson	(Appointed 22 January 2025)

Compliance statement
Under the Prudential Regulation Authority rulebook the Board of Directors must report to the members at the Annual General Meeting on certain areas of compliance within the credit union. The credit union is therefore pleased to report that during the year the credit union has been in compliance with:

• Depositor Protection Rules 11, 12, 14 and the requirements of rule 15 that relate to rule 11; and

• PRA Credit Union Rule 2.10 (fidelity bond insurance requirements).

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; and
- 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. Directors are also 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.

Statement of disclosure to 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. Additionally, the Directors individually have taken all the necessary steps that they ought to have taken as Directors in order to make themselves aware of all relevant audit information and to establish that the credit union's auditor is aware of that information.

Auditor

TC Group were appointed as auditor to the credit union and a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

On behalf of the board

....

J Jones

Director

Date: ....

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF WESTON SUPER MARE AND DISTRICT CREDIT UNION LIMITED

Opinion

We have audited the financial statements of Weston Super Mare and District Credit Union Limited (the 'credit union') for the year ended 30 September 2025 which comprise the revenue account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, 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; and
- 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, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 in the course of 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; and
- 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; or
- a satisfactory system of control over transactions has not been kept by the credit union in accordance with the requirements of the legislation; or
- the Revenue Account and Balance Sheet are not in agreement with the books of account of the credit union; or
- 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 as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting 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:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the credit union through discussions with directors and other management, and from our wider knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the 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 through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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

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 set out in Note 2 were indicative of potential bias; and
- 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; and
- requesting correspondence with PRA and FCA.

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.

TC Group (Senior Statutory Auditor)

....

Business Advisors & Accountants

Statutory Auditor

Business Advisors & Accountants
180 St Vincent Street
Glasgow
G2 5SG

WESTON SUPER MARE AND DISTRICT CREDIT UNION LIMITED

REVENUE ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2025

	Notes	2025 £	2024 £
Loan interest receivable and similar income	**3**	325,200	302,505
Interest payable and similar charges	**4**	(10,843)	(18,899)
Net interest receivable		314,357	283,606
Fees and commissions receivable	**5**	5,978	4,687
Fees and commissions payable	**6**	(37,159)	(31,663)
Net fees and commissions		(31,181)	(26,976)
Other operating income	**7**	46,180	23,358
Administrative expenses	**8**	(277,270)	(229,628)
Depreciation and amortisation		(627)	(360)
Other operating expenses	**9**	(20,293)	(18,443)
Impairment on loans for bad and doubtful debts	**17**	(106,282)	(54,091)
(Deficit) before taxation		(75,116)	(22,534)
Corporation tax	**13**	(5,521)	(4,500)
Deficit for the year		**(80,637)**	**(27,034)**

The Revenue Account has been prepared on the basis that all operations are continuing operations.
The notes on pages 11 to 29 form an integral part of these financial statements.

WESTON SUPER MARE AND DISTRICT CREDIT UNION LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2025

	Notes	2025 £	2024 £
Deficit for the year		(80,637)	(27,034)
Other comprehensive income		-	-
Total comprehensive loss for the year		(80,637)	(27,034)

The notes on pages 11 to 29 form an integral part of these financial statements.

WESTON SUPER MARE AND DISTRICT CREDIT UNION LIMITED

BALANCE SHEET

AS AT 30 SEPTEMBER 2025

	Notes	2025 £	2024 £
Assets			
Cash and balances at central banks	**15**	3	82
Loans and advances to banks	**15**	1,032,917	709,445
Loans and advances to customers	**16**	2,017,169	2,316,636
Tangible assets	**18**	1,679	760
Other receivables	**19**	6,038	12,105
Prepayments		7,349	4,019
Total assets		**3,065,155**	**3,043,047**
Liabilities and reserves			
Customer accounts	**20**	2,607,542	2,679,517
Other liabilities	**21**	28,677	30,184
Deferred income	**22**	230,062	53,835
		2,866,281	2,763,536
General reserve	**28**	158,874	239,511
Deferred shares	**28**	40,000	40,000
Total reserves		198,874	279,511
Total liabilities and reserves		**3,065,155**	**3,043,047**

The financial statements were approved by the Board of Directors and authorised for issue on .... and are signed on its behalf by:

....
G Davies
Director

....
J Jones
Director

....
S Hemming
Director

The notes on pages 11 to 29 form an integral part of these financial statements.

WESTON SUPER MARE AND DISTRICT CREDIT UNION LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2025

	Deferred Shares	Appropriation Reserve	General Reserve	Total
	£	£	£	£
Balance at 1 October 2023	40,000	12,520	254,025	306,545
Year ended 30 September 2024:				
Deficit and total comprehensive income for the year	-	-	(27,034)	(27,034)
Other movements	-	(12,520)	12,520	-
Balance at 30 September 2024	**40,000**	**-**	**239,511**	**279,511**
Year ended 30 September 2025:				
Deficit and total comprehensive income for the year	-	-	(80,637)	(80,637)
Balance at 30 September 2025	**40,000**	**-**	**158,874**	**198,874**

The notes on pages 11 to 29 form an integral part of these financial statements.

WESTON SUPER MARE AND DISTRICT CREDIT UNION LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2025

	Notes	£	2025 £	£	2024 £
Cash flows from operating activities					
Deficit for the period			(80,637)		(27,034)
Depreciation and amortisation	**14**	627		360	
Corporation tax expenses	**13**	5,521		4,500	
Provision movement	**17**	106,282		54,091	
Interest income on loans	**3**	(296,141)		(278,822)	
Distribution on members shares	**4**	10,843		18,899	
			(172,868)		(200,972)
Working capital adjustments					
Change in other receivables and prepayments		2,737		(1,235)	
Change in other liabilities		(2,528)		6,757	
Change in deferred income		176,227		21,198	
			176,436		26,720
Cash flows from changes in operating assets and liabilities				-	
Loan repayments less loans advanced	**16**	489,326		85,986	
Customer balance cash movement		(82,818)		76,353	
Movement on funds on deposit	**15**	(267,847)		214,902	
			138,661		377,241
Corporation tax paid			(4,500)		(4,550)
Net cash flow from operating activities			57,092		171,405
Investing activities					
Purchase of tangible fixed assets	18	(1,546)		(829)	
Net cash used in investing activities			(1,546)		(829)
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			55,546		170,576
Cash and cash equivalents at beginning of year			499,527		328,951
Cash and cash equivalents at end of year	**32**		**555,073**		**499,527**

The notes on pages 11 to 29 form an integral part of these financial statements.

1 Accounting policies

Background information

Weston Super Mare and District Credit Union Limited is registered in the UK as a society 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 Union Act 1979. The credit union is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

The address of its registered address is: SG011, Kestrel Court, Harbour Road, Portishead, North Somerset, BS20 7AN.

1.1 Accounting convention

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Directors have a reasonable expectation that the credit union has adequate resources to continue in operational existence for the foreseeable future. Thus the Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Income

Fees and charges receivable either arise in connection with a specific transaction, or accrue evenly over the year. Income relating to individual transactions is recognised when the transaction is complete.

Interest receivable on loans to members and bank interest are recognised using the effective interest rate basis and are calculated and accrued on a daily basis.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Office Equipment	1 to 2 years
Computers	1 to 4 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Impairment of fixed assets

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

1 Accounting policies **(Continued)**

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the revenue account, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the revenue account, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of less than 8 days.

1.7 Financial instruments

The credit union has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the credit union's balance sheet when the credit union becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include loans to members and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in the revenue account, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

The credit union assesses, at each balance sheet date, 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 expected cash flows.

Derecognition of financial assets

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

1 Accounting policies **(Continued)**

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including members deposits are classified as debt and are initially recognised at transaction price. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through the revenue account. Debt instruments may be designated as being measured at fair value through the revenue account to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the credit union’s contractual obligations expire or are discharged or cancelled.

1.8 Taxation

The tax expense for the period comprises current tax. Tax is recognised in the revenue account, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

Current tax

The tax currently payable is based on taxable surplus for the year. Taxable surplus differs from the surplus as reported in the revenue account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The credit union’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

1.9 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense. The cost of any unused holiday entitlement is recognised in the period in which the employee’s services are received. Termination benefits are recognised immediately as an expense when the credit union is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1 Accounting policies **(Continued)**

1.12 Government grants

Grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received. Revenue grants are recognised as income over the periods when the related costs are incurred. Capital grants are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

2 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 considered to be 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 current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) and those in the accounting policies have had the most significant effect on amounts recognised in the financial statements.

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.

Loan Impairment

The credit union assesses, at each reporting date, if there is objective evidence that any of its loans to customers are impaired. The loans are assessed collectively in groups that share similar credit-risk characteristics. 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.

Deferred income

This is recognised in line with the stipulated timescale and/or when performance conditions are met.

3 Interest receivable and similar income

	2025	**2024**
	£	**£**
Interest income on loans	296,141	278,822
Interest income on bank deposits	29,059	23,683
	325,200	302,505

4 Interest payable and similar charges

As shares are classed as a liability the dividend on these shares is classed as interest for accounting purposes under FRS 102:

	2025	2024
Interest and similar charges paid during the period	**£**	**£**
Dividend on dividend bearing shares	-	11,645
Interest paid on interest bearing shares	10,843	7,254
	10,843	18,899

The distributions on members' shares represents distributions paid in the year which were approved at the last Annual General Meeting. The dividend rates approved at the previous AGM were:

	2025	2024
Distribution rates paid during year	**%**	**%**
	-	0.50

The Directors do not propose a dividend for the last financial year.

5 Fees and commissions receivable

	2025	2024
	£	**£**
Service charges	5,978	4,687

6 Fees and commissions payable

	2025	2024
	£	**£**
Banking service charges	37,159	31,663
	37,159	31,663

7 Other operating income

	2025	2024
	£	**£**
Grant income	46,180	23,358

8 Administrative expenses

	Notes	2025 £	2024 £
Staff costs	**12**	195,612	169,549
External auditor's remuneration	**10**	7,295	8,495
Member communication and advertising		17,868	13,660
Legal, professional and credit control costs		17,656	11,080
Computer and software expenses		23,385	19,261
Travel costs		1,639	1,212
General administration costs		13,815	6,371
		277,270	229,628

9 Other operating expenses

	2025 £	**2024 £**
Regulatory costs	5,232	5,042
Costs of occupying offices	15,061	13,401
	20,293	18,443

10 External auditor's remuneration

Fees payable to the credit union's external auditors:	**2025 £**	**2024 £**
For audit services		
Audit of the financial statements of the credit union	7,295	7,475
For other services		
Audit-related assurance services	540	510
Taxation compliance services	540	510
	1,080	1,020

11 Directors' remuneration

The average monthly number of Directors at the Credit Union during the year was:

	2025 Number	**2024 Number**
Directors	6	5

The directors do not receive remuneration for their service to the Credit Union.

12 Staff costs

The average monthly number of persons (excluding Directors) employed by the credit union during the year was:

	2025 Number	2024 Number
Staff	10	10

Their aggregate remuneration comprised:

	2025 £	2024 £
Wages and salaries	185,162	161,719
Social security costs	5,588	4,967
Pension costs	4,862	2,863
	195,612	169,549

13 Corporation tax

	2025 £	2024 £
Current tax		
UK corporation tax on taxable surplus for the current period	5,521	4,500

The actual charge for the year can be reconciled to the expected charge for the year based on the surplus or deficit and the standard rate of tax as follows:

	2025 £	2024 £
Deficit before taxation	(75,116)	(22,534)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2024: 19.00%)	(14,272)	(4,281)
Tax effect of income/expenditure not taxable in determining taxable surplus	19,793	8,781
Taxation charge for the year	5,521	4,500

14 Operating deficit

Operating deficit for the year is stated after charging:	**2025** **£**	**2024** **£**
Depreciation of owned tangible fixed assets	627	360
Operating lease charges	13,924	12,811

15 Loans and advances to banks

	2025 **£**	**2024** **£**
Cash held at banks	555,070	499,445
Bank deposits	477,847	210,000
Loans and advances to banks	1,032,917	709,445
Cash in hand	3	82
Total cash and bank balances	1,032,920	709,527

Loans split by repayment period

Cash and cash equivalents	555,073	499,527
Amounts maturing in over 8 days	477,847	210,000
	1,032,920	709,527

16 Loans and advances to customers

	Notes	2025 £	2024 £
Loan movement			
Opening balances		2,593,831	2,423,711
Interest on loans		296,141	278,822
Loans advanced during the period		1,128,831	1,415,411
Loans repaid during the period		(1,618,157)	(1,501,397)
Loans derecognised		(50,352)	(22,716)
		2,350,294	2,593,831
Loan impairment provisions	**17**	(333,125)	(277,195)
		2,017,169	2,316,636
Loans split by repayment period			
Capital repayments due within 1 year		946,648	1,407,056
Capital repayments due after 1 year		1,403,646	1,186,775
Loan impairment provisions	**17**	(333,125)	(277,195)
		2,017,169	2,316,636
Loans split by type			
Loans to individual members		2,350,294	2,593,831
Loan impairment provisions	**17**	(333,125)	(277,195)
		2,017,169	2,316,636

17 Loan impairment

	Write off Provision £	Arrears Provision £	Total Provisions £
Loan impairment provision			
Opening balances	112,354	164,841	277,195
Provision movement	5,805	50,125	55,930
Closing balances	118,159	214,966	333,125

Under Financial Reporting Standard 102 (FRS 102), the criteria for derecognising (writing off a loan) is different from when the credit union would write off the loan for internal purposes. Loans written off by the Board that do not meet the criteria in FRS 102 for being derecognised are not written off in these financial statements. The loans the credit union feel should be written off but which do not meet the criteria in FRS 102 for being derecognised are fully provided in the write off provision which is shown above. As a result there is no net effect on the surplus or net assets of the credit union from this requirement of FRS 102.

	Notes	2025 £	2024 £
Impairment revenue account charge			
Impairment provision movement		55,930	31,375
Bad debts derecognised	**16**	50,352	22,716
		106,282	54,091

18 Tangible fixed assets

	Office Equipment £	Computers £	Total £
Cost			
At 1 October 2024	2,500	31,929	34,429
Additions	-	1,546	1,546
At 30 September 2025	2,500	33,475	35,975
Depreciation and impairment			
At 1 October 2024	2,500	31,169	33,669
Depreciation charged in the year	-	627	627
At 30 September 2025	2,500	31,796	34,296
Carrying amount			
At 30 September 2025	-	1,679	1,679
At 30 September 2024	-	760	760

19 Other receivables

Amounts falling due within one year:	2025 £	2024 £
Other debtors	6,038	12,105

20 Customer accounts

	2025 £	2024 £
Deposit movement		
Opening balances	2,679,517	2,584,265
Deposited during the period	2,597,950	2,611,217
Withdrawn during the period	(2,669,925)	(2,515,965)
	2,607,542	2,679,517
Deposits split by type		
Standard dividend bearing member shares	2,158,699	2,250,724
Standard interest bearing member shares	230,249	228,440
Corporate dividend bearing shares	194,056	179,824
	2,583,004	2,658,988
Juvenile member deposits	24,538	20,529
	2,607,542	2,679,517

21 Other liabilities

	2025 £	2024 £
Corporation tax	5,521	4,500
Other creditors	7,959	4,281
Accruals and deferred income	15,197	21,403
	28,677	30,184

22 Deferred income

	2025	2024
	£	£
Opening balance	53,835	32,637
Increase in period	243,624	37,419
Release in period	(67,397)	(16,221)
	230,062	53,835

Deferred income is included in the financial statements as follows:

	1 Oct '24	30 Sept 25	30 Sept 25	30 Sep '25
	£	£	£	£
NSC Rent Guarantee Fund	14,245	13,401	(14,941)	12,705
Alliance LGF	7,129	1,129	(1,877)	6,381
Homes In Sedgemoor LGF	4,381	345	(328)	4,398
NSC LGF	8,450	-	(838)	7,612
NCS LGF for Rent Guarantee Referrals	19,630	-	(1,335)	18,295
NDH for Matched Savings Scheme 2026	-	1,500	-	1,500
Alliance LGF - Flooring	-	50,000	(800)	49,200
Fair4All	-	145,500	(20,839)	124,661
CUSP Grant	-	31,750	(26,440)	5,310
	53,835	243,625	(67,398)	230,062

23 Retirement benefit schemes

	2025	2024
Defined contribution schemes	£	£
Charge to revenue account in respect of defined contribution schemes	4,862	2,863

The credit union operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the credit union in an independently administered fund.

24 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 (including dividends paid).

The main financial risks arising from the activities of the credit union 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 repayment to the credit union, resulting in financial loss to the credit union. In order to manage this risk, the Board approves the 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 the likelihood of repayment has changed. The credit union also monitors its banking arrangements for credit risk.

Liquidity risk

The policy of the credit union is to maintain sufficient funds in liquid form at any time to ensure that it can meet its liabilities as they fall due and meet 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 of interest rate risk, foreign currency risk and other price risk. The main risks impacting the credit union are set out below:

Interest rate risk

The main interest rate risk for the credit union arises between 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 the credit union's strategic plans. The credit union does not use interest rate options to hedge its own positions.

25 Credit risk on lending

The credit union holds the following security against its loans to members:

	2025	2024
	£	£
Security for loans		
Attached shares	248,952	238,432

The carrying amount of the loans to members represents the credit union's maximum exposure to credit risk. The following table provides information on the credit quality of loan repayments. Where loans are not impaired it is expected that the amounts repayable will be received in full. The status 'past due' includes any loan where payments are in arrears. The amount included is the entire loan amount and not just the overdue amount.

	2025	2024
	£	£
Loans not individually impaired		
Not past due	1,855,833	2,085,492
Up to 3 months past due	133,299	220,183
	1,989,132	2,305,675
Loans individually impaired		
Between 3 and 6 months past due	62,071	29,890
Between 6 months and 1 year past due	97,899	67,155
Over 1 year past due	83,033	78,757
Individually impaired and written off for internal purposes	118,159	112,354
	361,162	288,156
Total loans	2,350,294	2,593,831
Impairment allowance	(333,125)	(277,195)
	2,017,169	2,316,636

26 Credit risk on bank and investments

The credit union invests funds not yet actively deployed in the following investments:

	2025	2024
	£	£
Bank accounts	555,070	499,445
Bank term deposits	477,847	210,000
	1,032,917	709,445

The credit union believes the full amount of these investments is recoverable.

27 Interest rates on financial instruments

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	
	Amount	Interest rates in year	Amount	Interest rates in year
	£	%	£	%
Financial assets				
Loans to members	2,350,294	11.98%	2,593,831	11.11%
Loans and advances to banks	1,032,917	3.34%	709,445	3.24%
	3,383,211		3,303,276	
Financial liabilities				
Juvenile deposits	(24,538)	-	(20,529)	-
Dividend bearing shares	(2,352,755)	-	(2,430,548)	0.46%
Interest bearing shares	(230,249)	4.73%	(228,440)	-
	(2,607,542)		(2,679,517)	

28 Reserves

General Reserve

The general reserve represents the base capital of the credit union and is the retained surpluses and deficits which have not been allocated to another specific reserve.

The credit union has the following other reserves:

Deferred Shares Reserve

The deferred shares reserve represents investment in the credit union under the class of deferred shares, as defined by section 31A of the Credit Unions Act 1979.

Appropriation Reserve

The appropriation reserve represents funds allocated by the Board for the future payment of dividends. As the dividends are not a commitment at the year end date they are not included within creditors.

29 Deferred shares

	2025	2024
	£	£
Opening balances	40,000	40,000

30 Capital

The credit union classes all of its reserves and subordinated loans as capital as well as any revaluation reserve meeting the requirements of the PRA rulebook for capital. The credit union manages its reserves through its financial and budgeting policies and procedures. The Prudential Regulation Authority sets out requirements for regulatory capital that the credit union must maintain. The credit union's position with the requirements at the year end is set out below:

	2025	2024
	%	%
Actual regulatory capital ratio	6.49	9.19
Regulatory requirement		
Regulatory minimum capital ratio requirement	3.00	3.00

31 Interest rate risk

The credit union's primary source of net income arises from the management of the differences in the exposures arising from financial instruments and the margins earned on them. The credit union does not use interest rate options to hedge its own positions. The Interest rate repricing table set out below is based on the earlier of the loan maturity date and the next interest rate repricing date. The loan maturity date is subject to a number of factors.

	0-3 months	3-6 months	6-12 months	1-5 years	Over 5 years	Non-interest bearing	Total
	£	£	£	£	£	£	£
Assets							
Cash and balances at central banks	-	-	-	-	-	3	3
Loans and advances to banks	882,917	150,000	-	-	-	-	1,032,917
Loans and advances to customers	88,640	45,775	251,764	1,630,431	559	-	2,017,169
Property, plant and equipment	-	-	-	-	-	1,679	1,679
Other receivables	-	-	-	-	-	6,038	6,038
Prepayments	-	-	-	-	-	7,349	7,349
Total assets	971,557	195,775	251,764	1,630,431	559	15,069	3,065,155
Liabilities and reserves							
Customer accounts	-	230,249	-		-	2,377,293	2,607,542
Other liabilities	-	-	-	-	-	28,677	28,677
Accruals and deferred income	-	-	-	-	-	230,062	230,062
Reserves	-	-	-	-	-	198,874	198,874
Total liabilities and reserves	-	230,249	-	-	-	2,834,906	3,065,155
Difference	(971,557)	34,474	(251,764)	(1,630,431)	(559)	2,819,837	-
Cumulative	(971,557)	(937,083)	(1,188,847)	(2,819,278)	(2,819,837)	-	

32 Analysis of changes in net funds

	1 October 2024	Cash flows	30 September 2025
	£	£	£
Cash and cash equivalents	499,527	55,546	555,073
Bank deposits maturing in over 8 days	210,000	267,847	477,847
	709,527	323,393	1,032,920

33 Financial commitments, guarantees and contingent liabilities

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.

34 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2025	2024
	£	£
Within one year	2,733	2,702

35 Related party transactions

The credit union classes the Directors and the Chief Executive Officer as key management.

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2025	2024
	£	£
Wages and salaries	45,533	27,172
Pension expense	2,558	605
Aggregate compensation	48,091	27,777

35 Related party transactions **(Continued)**

Transactions with key management

Balances held by members of key management and their close family members in the credit union are set out below. Loans to key management and their close family members are on standard terms and conditions.

	2025	2024
	£	£
Loans to key management and their close family	22,560	21,831
Shares held by key management and their close family	48,231	65,439

The following page does not form part of the statutory accounts

WESTON SUPER MARE AND DISTRICT CREDIT UNION LIMITED

DETAILED REVENUE ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2025

	Notes	2025 £	2024 £
Income			
Interest income on loans	3	296,141	278,822
Interest income on bank deposits	3	29,059	23,683
Fees and commissions receivable	5	5,978	4,687
Other income	7	46,180	23,358
		377,358	330,550
Expenditure			
Staff costs	12	195,612	169,549
Auditors remuneration	10	7,295	8,495
Member communication and advertising	8	17,868	13,660
Legal, professional and credit control costs	8	17,656	11,080
Computer and software expenses	8	23,385	19,261
Travel costs	8	1,639	1,212
Banking services costs	6	37,159	31,663
General administration costs	8	13,815	6,371
Regulatory costs	9	5,232	5,042
Costs of occupying offices	9	15,061	13,401
Depreciation and amortisation	14	627	360
Impairment on loans for bad and doubtful debts	17	106,282	54,091
		441,631	334,185
Surplus before taxation		(64,273)	(3,635)
Corporation tax	13	(5,521)	(4,500)
		(69,794)	(8,135)
Distributions		(10,843)	(18,899)
Deficit for the year		(80,637)	(27,034)