

**Report of the Directors and  
Financial Statements  
for the Year Ended 30 September 2025  
for  
Enterprise Credit Union Limited**

**Enterprise Credit Union Limited**

**Contents of the Financial Statements  
for the Year Ended 30 September 2025**

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**Enterprise Credit Union Limited**

**Company Information  
for the Year Ended 30 September 2025**

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<b>BOARD OF DIRECTORS:</b>	A Denny J Delaney-Lynn J France P Jones J Austin C Wohlers J G Morley
<b>SECRETARY:</b>	Mrs J Delaney-Lynn
<b>REGISTERED OFFICE:</b>	Wynsford Hall Lane Huyton Merseyside L36 6AX
<b>REGISTERED NUMBER:</b>	IP00115C (England and Wales)
<b>FCA REFERENCE:</b>	213291
<b>AUDITORS:</b>	SB&P Oriel House 2-8 Oriel Road Bootle Liverpool Merseyside L20 7EP

## Enterprise Credit Union Limited

### Report of the Board of Directors for the Year Ended 30 September 2025

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The Board of Directors present their report with the financial statements of the company for the Year Ended 30 September 2025.

#### PRINCIPAL ACTIVITY

The principal activity of the credit union in the year under review was that of providing loans to its members. Enterprise Credit Union Ltd 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. Enterprise Credit Union Ltd has registered with the Financial Conduct Authority under the provisions of the Financial Services and Markets Act 2000.

#### BOARD OF DIRECTORS

The directors shown below have held office during the period from 1 October 2024 to the date of this report.

A Denny  
J Delaney-Lynn  
A McGlashan (Resigned 15/11/2024)  
K McGlashan (Resigned 15/11/2024)  
J France  
P Jones  
K Davies (Resigned 16/09/2025)  
J Austin  
C Wohlers  
P Crawley (Resigned 31/12/2024)  
J G Morley (Appointed 15/11/2024)

#### BOARD OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

The Co-operative and Community Benefit Societies Act 2014 and the Credit Unions Act 1979 require 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 that law 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 Co-operative and Community Benefit Societies Act 2014 and the Credit Unions Act 1979. They 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 AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information of which the credit union's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the credit union's auditors are aware of that information.

#### AUDITORS

The auditors, SB&P, will be proposed for re-appointment at the forthcoming Annual General Meeting.

#### ON BEHALF OF THE BOARD:

.....  
Mrs J Delaney-Lynn – Director & Secretary

Date:

## Report of the Independent Auditors to the Members of Enterprise Credit Union Limited

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### Opinion

We have audited the financial statements of Enterprise Credit Union Limited for the Year Ended 30 September 2025 which comprise the Revenue Account, the Balance Sheet, the Statement of changes in retained earnings, the Cash Flow Statement 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).

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 income and expenditure 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 Co-operative and Community Benefit Societies Act 2014 and the Credit Unions Act 1979.

### 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 society 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 Board of 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 Board of 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 Report of the Directors and Financial Statements, other than the financial statements and our auditor's report thereon. The Board of Directors is responsible for the other information contained within the Report of the Directors and Financial Statements. Our opinion on the financial statements does not cover the other information and 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.

### **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:

- the credit union has not kept proper books of account, and not maintained a satisfactory system of control over its transactions, in accordance with the requirements of the legislation; or
- the revenue account, any other accounts to which our report relates, and the balance sheet are not in agreement with the credit union's books of account; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

### **Responsibilities of the Board of Directors**

As explained more fully in the Board of Directors' responsibilities statement set out on page 2, the Board of Directors is 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 it determines 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 Board of Directors is 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 Board of Directors either intends to liquidate the credit union or to cease operations, or has 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. 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 are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Credit Union and the sector in which it operates, and identified the key laws and regulations that:
  - had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the Co-operative and Community Benefit Societies Act 2014 and the Credit Unions Act 1979; and
  - do not have a direct effect on the financial statements but compliance with which may be fundamental to the Credit Union's ability to operate or to avoid a material penalty. These included the Credit Union's regulatory requirements.
- We obtained an understanding of how the scheme is complying with those legal and regulatory frameworks by making enquiries of management, reviewing minutes of Board of Directors' meetings, and reviewing any correspondence with regulatory bodies.
- We assessed the susceptibility of the Credit Union's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the audit engagement team included:
  - identifying the controls that are in place to prevent and detect fraud;
  - challenging assumptions and judgements made in connection with significant accounting estimates;
  - addressing the risk of management override of controls, including testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business;
  - assessing the extent of compliance with the relevant laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

**Report of the Independent Auditors to the Members of  
Enterprise Credit Union Limited**

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**Use of our report**

This report is made solely to the society's members, as a body, in accordance with section 87 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 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.

SB&P  
Statutory Auditor  
2-8 Oriel Road  
Bootle  
Liverpool  
Merseyside  
L20 7EP

Date .....

Enterprise Credit Union Limited

Revenue Account  
for the Year Ended 30 September 2025

	Notes	30.9.25 £	30.9.24 £
Loan interest receivable and similar income	4	5,424,431	4,975,014
Interest payable	5	(925,560)	(1,121,914)
<b>NET INTEREST INCOME</b>		<b>4,498,871</b>	<b>3,853,100</b>
Fees and commissions payable		(36,202)	(53,716)
<b>NET FEES AND COMMISSIONS PAYABLE</b>		<b>(36,202)</b>	<b>(53,716)</b>
Other income		82,910	29,146
Administrative expenses		(1,626,770)	(1,375,846)
Depreciation and amortisation	9 & 10	(44,765)	(74,847)
Other operating expenses		(366,955)	(299,544)
Impairment losses on loans to members	11	(811,050)	(1,079,846)
<b>SURPLUS BEFORE TAXATION</b>	8	<b>1,696,039</b>	<b>998,447</b>
Taxation	8	(49,662)	(70,965)
<b>SURPLUS FOR THE FINANCIAL YEAR</b>		<b>1,646,377</b>	<b>927,482</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>1,646,377</b>	<b>927,482</b>

**Enterprise Credit Union Limited**

**Balance Sheet  
30 September 2025**

	Notes	30.9.25 £	30.9.24 £
<b>ASSETS</b>			
Cash		20,729	20,658
Balances at banks		10,604,642	9,456,810
		<b>10,625,371</b>	<b>9,477,468</b>
Loans and advances to members	11	38,097,777	35,008,225
Intangible fixed assets	9	-	1,950
Tangible fixed assets	10	533,884	568,918
Prepayments and accrued income		302,113	254,022
<b>TOTAL ASSETS</b>		<b>49,559,145</b>	<b>45,310,583</b>
<b>LIABILITIES</b>			
Subscribed capital – repayable on demand	12	36,797,730	34,456,698
Deferred shares	13	100,000	100,000
Other payables	14	943,073	681,920
		<b>37,840,803</b>	<b>35,238,618</b>
Retained earnings	18	11,718,342	10,071,965
<b>TOTAL LIABILITIES</b>		<b>49,559,145</b>	<b>45,310,583</b>

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

and were

.....  
Mrs J Delaney-Lynn - Director & Secretary

.....  
A Denny - Director

.....  
P Jones - Director

Enterprise Credit Union Limited

Statement of changes in retained earnings  
30 September 2025

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	Notes	30.9.25 £	30.9.24 £
As at 1 October 2024		10,071,965	9,144,483
Total comprehensive income for the year		1,646,377	927,482
<b>AS AT 30 SEPTEMBER 2025</b>		<b><u>11,718,342</u></b>	<b><u>10,071,965</u></b>

Enterprise Credit Union Limited

Cash Flow Statement  
for the Year Ended 30 September 2025

	Notes	30.9.25 £	30.9.24 £
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Surplus before taxation		1,696,039	998,447
Adjustments for non – cash items:			
Depreciation & Amortisation	9 & 10	44,765	74,846
Impairment losses	11	935,280	1,186,800
		<u>2,676,084</u>	<u>2,260,093</u>
Movements in:			
Prepayments and accrued income		(48,091)	(63,195)
Other payables	14	282,456	172,916
		<u>2,910,449</u>	<u>2,369,814</u>
<b>CASH FLOWS FROM CHANGES IN OPERATING ASSETS AND LIABILITIES</b>			
Cash inflow from subscribed capital	12	19,218,862	18,059,119
Cash outflow from repaid capital	12	(16,877,830)	(14,983,644)
New loans to members	11	(23,057,499)	(25,263,748)
Repayment of loans by members	11	19,032,667	20,175,838
		<u>1,226,649</u>	<u>357,379</u>
Taxation paid		(70,965)	(27,867)
		<u>1,155,684</u>	<u>329,512</u>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	10	(7,781)	(114,203)
Deferred Shares issued	13	-	50,000
		<u>1,147,903</u>	<u>265,309</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>			
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>			
		<u>9,477,468</u>	<u>9,212,159</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>			
		<u>10,625,371</u>	<u>9,477,468</u>

1. **LEGAL AND REGULATORY FRAMEWORK**

The credit union is 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 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.

2. **ACCOUNTING POLICIES**

**Basis of preparation**

The 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. The directors of the credit union believe this is appropriate despite a mismatch in the maturity analysis of subscribed capital and loans to members, because £16,234,656 (2024 - £15,070,605) of the subscribed capital is not redeemable at short notice unless loans with the same members have been repaid.

**Interest on members' loans**

Interest on both loans to members and cash and cash equivalents held on deposit is calculated and accrued on a daily basis, and is recognised in the Revenue Account on an accruals basis.

**Fees and commissions receivable**

Fees and commissions 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 completed.

**Intangible fixed assets**

Intangible fixed assets comprise computer software, which is stated at cost, less accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Amortisation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer software	<b>10% on cost</b>
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**Tangible fixed assets**

Tangible fixed assets comprise items of property, plant and equipment, which are stated at cost, less accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Long Leasehold building	<b>4% on cost</b>
Enhancements to property	<b>4% on cost</b>
Fixtures, Fittings & Equipment	<b>10% on cost</b>
Computer equipment	<b>33.3% on cost</b>

2. **ACCOUNTING POLICIES (continued)**

**Taxation**

The tax charge for the year reflects the 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 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.

**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 maturity of less than or equal to three months.

**Financial assets - Loans to members**

Loans to members are financial assets with fixed determinable payments and are not quoted in an active market.

Loans to members are recognised when cash is advanced and measured at amortised cost using the effective interest method so as to generate a constant rate of interest when applied to the amount of debt outstanding at the beginning of any period. Loans may be for a period up to seven years. 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 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. Provision for doubtful debts is made against current loan balances which the directors consider are uncollectible. The amount provided is calculated based on the number of weeks a loan is in arrears adjusted for any specific bad debts (using as a minimum a formula set out by the PRA). 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 are redeemable on demand, subject to settlement of any attached loans 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.

**Deferred shares**

Member's shareholdings in deferred shares are not redeemable on demand and are repayable only after all other liabilities have been paid. They are treated as part of the equity of the credit union. The dividends payable on these shares are treated as a distribution to members and are recognised in the Statement of Changes in Retained Earnings.

**Grants and Service Contract Income**

Revenue grants are recognised as income in the Revenue Account so as to match them with the expenditure towards which they are intended to contribute. Where the related expenditure has not yet been recognised in the Revenue Account the relevant amount of the grant is treated as deferred income.

Capital grants towards expenditure on fixed assets are taken to the Balance Sheet and amortised over the life of the assets to which they relate.

**Reserves**

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

Under FCA regulations, if the amount in its General reserve stands at less than 10% of its total assets the credit union must transfer to its General reserve at least 20% of its profits after tax for the year.

**Employee benefits – including pension costs**

The credit union operates a group personal pension scheme for the benefit of the employees. The contributions are charged to the Revenue Account as they accrue. The assets of the scheme are held separately in an independently administered fund.

Other employee benefits including holiday pay are recognised as an expense over the period they are earned.

**Notes to the Financial Statements - continued  
for the Year Ended 30 September 2025**

**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 the impairment reviews of the financial assets as described in Note 2. The credit union uses observable evidence relating to the arrears of certain groups of loans in assessing the impairment provision together with evidence of past impairment reviews relating to loans with similar credit risk characteristics.

**4. LOAN INTEREST RECEIVABLE AND SIMILAR INCOME**

	30.9.25	30.9.24
	£	£
Loan interest receivable from members	5,222,876	4,691,153
Bank interest receivable on cash and liquid deposits	201,555	283,861
<b>Total loan interest receivable and similar income</b>	<b>5,424,431</b>	<b>4,975,014</b>

**5. INTEREST PAYABLE**

Interest payable 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.

	30.9.25	30.9.24
	£	£
Dividends paid on non- deferred shares	744,875	1,010,050
Interest payable on interest bearing shares	180,685	111,864
	<b>925,560</b>	<b>1,121,914</b>
Dividend rate	3.0%	2.5%
Dividend proposed, but not recognised	950,000	756,000
Juvenile dividend proposed but not recognised	12,000	9,000
Dividend rate	3.0%	2.5%

**6. EMPLOYEES AND EMPLOYMENT COSTS**

	30.9.25	30.9.24
Average monthly number of employees during the year		
Office staff	30	26
	<b>30</b>	<b>26</b>
	30.9.25	30.9.24
	£	£
Wages and salaries	938,746	802,243
Social security costs	96,690	73,055
Payments to defined contribution pension schemes	76,942	62,286
	<b>1,112,378</b>	<b>937,584</b>

**7. SURPLUS BEFORE TAXATION**

The surplus before taxation is stated after (receiving) and charging:

	30.9.25	30.9.23
	£	£
Other grants receivable	(28,134)	(13,905)
Amortisation – owned assets	1,950	16,950
Depreciation – owned assets	42,815	57,897
Auditors' remuneration	18,120	17,498
	<b>28,751</b>	<b>67,440</b>
Directors' remuneration and other benefits etc	-	-

## 8. TAXATION

**Recognised in the Revenue Account**

The tax charge on the profit on ordinary activities for the year was as follows:

	30.9.25 £	30.9.24 £
Current tax:		
UK corporation tax	49,662	70,965
<b>Total current tax and total taxation expense recognised in the Revenue Account</b>	<b>49,662</b>	<b>70,965</b>

**Reconciliation of taxation expense**

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, the tax charge for the year differs from the standard rate of Corporation Tax. The differences are explained below:

	30.9.25 £	30.9.24 £
Surplus before taxation	2,440,914	2,008,497
Surplus before taxation multiplied by the profits rate of Corporation tax in the UK of 25%	610,228	502,124
<b>Effects of</b>		
Non – taxable surplus on transactions with members	(560,566)	(431,159)
<b>Total current tax and total taxation expense recognised in the Revenue Account</b>	<b>49,662</b>	<b>70,965</b>

## 9. INTANGIBLE FIXED ASSETS

	Computer Software £	Totals £
<b>COST</b>		
At 1 October 2024	169,500	169,500
Additions	-	-
Disposals	-	-
At 30 September 2025	169,500	169,500
<b>AMORTISATION</b>		
At 1 October 2024	167,550	167,550
Charge for year	1,950	1,950
Eliminated on disposal	-	-
At 30 September 2025	169,500	169,500
<b>NET BOOK VALUE</b>		
At 30 September 2025	-	-
At 30 September 2024	1,950	1,950

**10. TANGIBLE FIXED ASSETS**

	Long leasehold £	Improvements to property £	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>					
At 1 October 2024	294,310	651,732	127,233	81,767	1,155,042
Additions	-	-	-	7,781	7,781
At 30 September 2025	294,310	651,732	127,233	89,548	1,162,823
<b>DEPRECIATION</b>					
At 1 October 2024	190,886	224,448	96,751	74,039	586,124
Charge for year	6,464	18,713	10,886	6,752	42,815
At 30 September 2025	197,350	243,161	107,637	80,791	628,939
<b>NET BOOK VALUE</b>					
At 30 September 2025	96,960	408,571	19,596	8,757	533,884
At 30 September 2024	103,424	427,284	30,482	7,728	568,918

**11. LOANS AND ADVANCES TO MEMBERS****Members Loans**

	30.9.25 £	30.9.24 £
At 1 October 2024	36,185,193	32,027,951
Advanced during the year	23,057,499	25,263,748
Repaid during the year	(19,032,667)	(20,175,838)
Gross loans and advances to members	40,210,025	37,115,861
Impairment losses individual assets - Loans written off provision for doubtful loans	(917,870) (1,194,378)	(930,668) (1,176,968)
At 30 September 2025	38,097,777	35,008,225

## 11. LOANS AND ADVANCES TO MEMBERS (CONTINUED)

**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. A member may not withdraw their savings below the threshold limits that applied. The maximum amount that a member may borrow is £15,000.

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 recovered in full.

The provision for loan impairment includes loans which do not meet the criteria for being derecognised (written off) under FRS 102. However, the Board of Management believes it is prudent to make the provision based on historical outcomes.

	30.9.25 Amount £	30.9.25 Proportion %	30.9.24 Amount £	30.9.24 Proportion %
<b>Individually impaired:</b>				
Not yet past due, but impaired	27,023,123	68.8	25,299,726	69.9
Up to 3 months past due	11,535,500	29.4	10,024,664	27.7
Between 3 months and 6 months past due	422,603	1.1	609,038	1.7
Between 6 months and 1 year past due	249,942	0.6		
Over 1 year past due	60,987	0.2	251,765	0.7
	<b>39,292,155</b>	<b>100%</b>	<b>36,185,193</b>	<b>100%</b>
<b>Impairment allowance</b>	<b>1,194,378</b>		<b>1,176,968</b>	
	<b>38,097,777</b>		<b>35,008,225</b>	

**Allowance account for impairment losses**

	30.9.25 £	30.9.24 £
At 1 October 2024	1,176,968	920,836
Movement in allowances during the year	17,410	256,132
At 30 September 2025	<b>1,194,378</b>	<b>1,176,968</b>

11. **LOANS AND ADVANCES TO MEMBERS (CONTINUED)**

**Impairment losses recognised for the year**

	30.9.25 £	30.9.24 £
Impairment of individual financial assets	917,870	930,668
Movement in impairment allowances during the year	17,410	256,132
	<u>935,280</u>	<u>1,186,800</u>
Reversal of impairment where debts recovered	(124,230)	(106,954)
	<u>811,050</u>	<u>1,079,846</u>

12. **SUBSCRIBED CAPITAL – FINANCIAL LIABILITIES MEMBERS SHARES**

	30.9.25 £	30.9.24 £
At 1 October 2024	34,456,698	31,381,223
Received during the year	19,218,862	18,059,119
Withdrawn during the year	(16,877,830)	(14,983,644)
At 30 September 2025	<u>36,797,730</u>	<u>34,456,698</u>

Included above are shares amounting to £16,234,656 (2024 - £15,070,605) which are attached to the loans above. The shares above also include £1,806,854 (2024 - £1,741,622) relating to corporate members.

13. **DEFERRED SHARES – FINANCIAL LIABILITIES**

	30.9.25 £	30.9.24 £
At 1 October 2024	100,000	50,000
Received during the year	-	50,000
Withdrawn during the year	-	-
At 30 September 2025	<u>100,000</u>	<u>100,000</u>

14. **OTHER PAYABLES - CREDITORS**

	30.9.25 £	30.9.24 £
Trade creditors	29,079	29,869
Corporation Tax	49,662	70,965
Social security and other taxes	25,446	16,987
Accrued expenses	292,487	181,429
Grants in advance	98,420	6,054
Juvenile deposits	447,979	376,616
	<u>943,073</u>	<u>681,920</u>

## 15. ADDITIONAL FINANCIAL INSTRUMENT DISCLOSURES

**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'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.

**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 credit union's 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. Note 2 provides further details about the impact of the maturity mismatch on the going concern status of the credit union.

**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, the credit union 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 receivables and payables that form an integral part of a credit union's operations. The credit union considers rates of interest receivable when deciding on the dividend rate payable on subscribed capital and interest-bearing shares. The credit union does not use interest rate options to hedge its own positions.

**Interest rate risk disclosures**

The following table shows the average interest rates applicable to relevant financial assets and financial liabilities.

	<b>30.9.25 Amount</b>	<b>30.9.25 Average interest rate</b>	<b>30.9.24 Amount</b>	<b>30.9.24 Average interest rate</b>
	£	%	£	%
<b>Financial assets</b>				
Loans to members	<b>39,292,155</b>	<b>13.75</b>	<b>36,185,193</b>	<b>13.0</b>
<b>Financial liabilities</b>				
Subscribed capital	<b>32,347,635</b>	<b>3.5</b>	<b>30,803,199</b>	<b>3.5</b>
Deferred shares	<b>100,000</b>	<b>-</b>	<b>100,000</b>	<b>-</b>
Interest bearing shares	<b>4,450,095</b>	<b>4.0</b>	<b>3,653,499</b>	<b>4.0</b>
	<b>36,897,730</b>		<b>34,556,698</b>	

The interest rates applicable to loans to members are fixed and range from 0.7% per month to 2.3% per month. The interest payable on subscribed capital is determined on the basis of income less administrative expenses and as can be seen above, a consistent margin is maintained between interest receivable and interest payable. As a result the surplus for the year is not particularly sensitive to interest rate risk and no sensitivity analysis is presented.

15. **ADDITIONAL FINANCIAL INSTRUMENT DISCLOSURES (CONTINUED)**

**Liquidity risk disclosures**

Excluding short term other payables, as noted in the Balance Sheet, the credit union's financial liabilities, the subscribed capital, are payable on demand.

**Fair value of financial instruments**

The credit union does not hold any financial instruments at fair value.

16. **RELATED PARTY TRANSACTIONS**

During the year, 60 members of the Board, senior management and their close family members (2024: 57 members) had loans and savings with the credit union. These loans were approved on the same basis as loans to other members of the credit union. None of the directors, senior management or their close family members, have any preferential terms on their loans.

17. **OPERATING LEASE COMMITMENTS**

The following operating lease payments are committed to be paid:

	<b>30.9.25</b>	<b>30.9.24</b>
	<b>£</b>	<b>£</b>
Within one year	<b>9,360</b>	<b>9,360</b>
Between one and five years	<b>780</b>	<b>9,360</b>
More than five years	<b>-</b>	
	<b>10,140</b>	<b>18,720</b>

Notes to the Financial Statements - continued  
for the Year Ended 30 September 2025

## 18. RESERVES

	General Reserves	Other Reserve	Development Reserve	Deferred Shares Reserve	Totals
At 1 October 2024	3,178,491	6,543,474	250,000	100,000	10,071,965
Dividends		(744,875)			(744,875)
Surplus for year		2,391,252			2,391,252
Transfer	478,250	(478,250)			-
At 30 September 2025	3,656,741	7,711,601	250,000	100,000	11,718,342

The Development Reserve was created to provide for future capital expenditure in Information Technology and other related costs.

The directors have agreed to transfer 20% of the Surplus for the year (2024 - 20%) to the General Reserve. The accounting policies on page 11 state that under PRA regulations at least 20% of the surplus must be transferred if the General reserve stands at less than 10% of the total assets.

## 19. OTHER INFORMATION

Number of loans at 30 September	30.9.25	30.9.24
Percentage movement	15,540	15,708
	(1.1%)	1.1%
Members at 30 September	24,819	24,879
Percentage movement	(0.2%)	6.5%
General reserve as a percentage of total assets	7.4%	5.3%
Capital asset ratio	23.6%	20.9%
Liquidity ratio	25%	28.7%
Risk adjusted capital ratio	24.6%	23.2%

Enterprise Credit Union Limited

Revenue Account  
for the Year Ended 30 September 2025

	30.9.25		30.9.24	
	£	£	£	£
<b>Turnover</b>				
Loan interest received		5,222,876		4,691,153
<b>Other income</b>				
Grants income	28,134		13,905	
Bad debts recovered	124,230		106,954	
Other income	4,776		15,241	
Disposal of tangible fixed assets	50,000		-	
Deposit account interest	201,555		283,861	
		<u>408,695</u>		<u>419,961</u>
		<b>5,631,571</b>		<b>5,111,114</b>
<b>Expenditure</b>				
Staffing Costs	1,141,385		954,379	
Computer Maintenance	167,789		125,055	
Training and Events	44,562		55,297	
LP/LS Insurance	236,939		203,945	
Building and Maintenance	27,377		16,516	
Operating/Running Costs	128,101		114,828	
Credit Control Fees	53,228		24,464	
Professional & Regulatory Fees	148,367		113,729	
General Expenses	7,497		12,776	
Business Development Expenditure	38,480		31,052	
Amortisation of intangible fixed assets				
- Computer software	1,950		16,950	
Depreciation of tangible fixed assets				
- Long leasehold	6,464		10,235	
- Improvements to property	18,713		25,168	
- Fixtures and fittings	10,886		10,126	
- Computer equipment	6,752		12,368	
Bad debts	917,870		930,668	
Bad debt provision	17,410		256,132	
Donations	-		23,350	
		<u>2,973,770</u>		<u>2,937,038</u>
		<b>2,657,801</b>		<b>2,174,076</b>
<b>Finance costs</b>				
Bank charges		36,202		53,716
Interest on Shares		180,685		111,864
<b>NET SURPLUS</b>		<u><u>2,440,914</u></u>		<u><u>2,008,496</u></u>