



30 September

2025

Firm registration number 475226

**Directors'
Report and
Financial
Statements**

Administrative information

Directors	D Wright C Carlisle H Ward (Deceased 24.11.2024) MJ Isted D Greenwood M Jasper K Hennings (Resigned 16.10.2025) R Kullar R Lovering
Secretary	R Kullar
Registration Number	740C
Financial Conduct Authority Registration	475226
Registered Office	15 Grafton Road Worthing West Sussex BN11 1QP
Auditors	Lindley Adams 28 Prescott Street Halifax West Yorkshire HX1 2LG
Bankers	The Co-Operative Bank PO Box 101 Manchester M60 4EP

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Directors' Report

for the year ended 30 September 2025

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

Principal activities

The principal activity of the credit union are the promotion and encouragement of regular saving and prudent borrowing by its members, as defined in the Credit Unions Act 1979.

During the year, the West Sussex and Surrey Credit Union Limited was fortunate to receive financial assistance from a number of bodies. Where funds have been received directly by the credit union, the income has been recognised within these financial statements. We would like to thank all of our funding partners for their assistance.

Financial results for the year

The deficit for the year, after taxation, amounted to £34,658 (2024: £90,536). In addition, there were 13,174 adult members (2024: 13,238), with 2,307 members (2024: 2,836) holding loans with the credit Union.

Dividends

The Directors do not recommend the payment of a dividend (2024: nil). This will be voted upon at the Annual General Meeting.

Directors

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

D Wright	
C Carlisle	
H Ward	(Deceased 24.11.2024)
MJ Isted	
D Greenwood	
M Jasper	
K Hennings	(Resigned 16.10.2025)
R Kullar	
R Lovering	

It is with deep regret that the Board records the death of our friend and colleague Heather Ward.

Directors' interests

All of the directors are members of the West Sussex and Surrey Credit Union Limited. All transactions are undertaken on the credit union's standard commercial terms.

Auditors

A resolution proposing that Lindley Adams be reappointed as auditors of the credit union will be put to the Annual General Meeting.

Financial risk management objectives and policies

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 of these risks and these are summarised below:

Credit Risk: All loan applications are assessed with reference to the Credit Union's lending policy. Changes to policy are approved by the Board.

Interest Rate Risk: The main interest rate risk arises from differences between interest rate exposures on assets and on liabilities that form an integral part of the credit union's operations. The Credit Union considers interest rates when deciding on the dividend rates to propose on share accounts.

Liquidity Risk: The Credit Union's policy is to maintain sufficient funds in a liquid form at all times to ensure that the Credit Union can meet its liabilities as they fall due. The objective of liquidity is to help smooth mismatches between maturing assets and liabilities and to provide a degree of protection against any unexpected developments that may arise.

These are outlined in greater detail in section 13a of the Notes to the Financial Statements.

Directors' responsibilities

The directors are responsible for preparing the Directors' 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 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company 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 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 of disclosure to the credit union's auditors

So far as the directors are aware there is no relevant audit information of which the credit union's auditors are unaware. Additionally, the directors have taken all 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 auditors are aware of that information.

The Directors' Report was approved by the Board of Directors on 19 March 2026 and signed on its behalf by:


D Wright


M Jasper

Mark Jasper (Mar 19, 2026 17:14:46 GMT)

Independent Auditors' Report

TO THE MEMBERS OF WEST SUSSEX AND SURREY CREDIT UNION LIMITED

Opinion

We have audited the financial statements of West Sussex and Surrey Credit Union Ltd (the 'credit union') for the year ended 30 September 2025 which comprise revenue account, balance sheet, statement of changes to retained earnings, 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 of 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 the provisions available for small entities, in the circumstances as set out in note 19 to the financial statements, 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 Board is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- a satisfactory system of control over transactions has not been maintained;
- the financial statements are not in agreement with the books of account; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the board

As explained more fully in the Statement of Directors' responsibilities set out on page 2, the Board 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 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 Board 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 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, and instances of non-compliance with laws and regulations. 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:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the credit union and determined that the following were most relevant: FRS 102, Co-operative and Community Benefit Societies Act 2014 and the Credit Unions Act 1979. 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 the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations irrespective of the size of amounts involved;
- we enquired of management the systems and controls the credit union has in place, the areas of the financial statements that are mostly susceptible to the risks of irregularities and fraud (which we outline below) and whether there was any known, suspected or alleged fraud;
- we identified the laws and regulations applicable to the credit union through discussions with senior management;
- identified laws and regulations were communicated within the audit team who remained alert to instances of non-compliance throughout the audit.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including override of controls) and addressed the risk through:

- making enquiries of those charged with governance as to their knowledge of actual, suspected and alleged instances of fraud;
- considering the internal controls in place to mitigate the risks of fraud.

Independent Auditors' Report - continued**TO THE MEMBERS OF WEST SUSSEX AND SURREY CREDIT UNION LIMITED**

In response to the risk of irregularities and non-compliance with laws and regulations, we designed our audit procedures which included, but were not limited to:

- reviewing the financial statements disclosures and determining whether accounting policies have been appropriately applied;
- obtaining third party confirmation of bank balances, members shares and members loans;
- reviewing the minutes of meetings of those charged with governance;
- reviewing relating party transactions of those charged with governance and determining whether the information provided is complete and appropriately disclosed in the financial statements;
- reviewing and testing the internal controls in place for loans and savings and determining whether controls have been appropriately applied;
- reviewing and testing of revenue recognition processes and determining completeness of income;
- checking expenses are bona fide transactions of the credit union, and;
- reviewing post balance sheet and subsequent events, both financial and non-financial, that have occurred in the period between the financial year end and the signing of the audit report.

There is a risk that we will not detect all irregularities, including fraud, because of the inherent limitations of an audit, including those leading to a material misstatement in the financial statements of non-compliance with regulations. 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:

- Inadequate responses to third party confirmations of bank balances.
- Impairment losses stated below the regulatory standard outlined in the prudential guidelines for credit unions.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: 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, 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 credit union those matters we are required to state to it in a Report of the auditor's 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, for our audit work, for this report, or for the opinions we have formed.

Lindley Adams Limited

Lindley Adams Limited (Mar 20, 2026 10:06:22 GMT)

Lindley Adams Limited
Chartered Accountants and Statutory Auditors
28 Prescott Street,
Halifax, HX1 2LG

Date: **Mar 20, 2026**

Revenue Account

for the year ended 30 September 2025

	Note	2025 £	2024 £
Loan interest receivable and similar income	4	874,352	1,282,854
Interest payable	5	(8,054)	(26,053)
Net interest income		866,298	1,256,801
Fees and commissions payable		(18,526)	(16,283)
Net fees and commission payable		(18,526)	(16,283)
Other income	13e	34,582	17,213
Administrative expenses	6a	(579,538)	(668,605)
Depreciation and amortisation	9	(39,405)	(41,158)
Other operating expenses	6b	(35,793)	(32,732)
Impairment losses on loans to members	10e	(228,755)	(589,162)
Deficit before taxation		(1,137)	(73,926)
Taxation	8a	(33,521)	(16,610)
Deficit for the financial year		(34,658)	(90,536)
Other comprehensive income		-	-
Total Comprehensive Income		(34,658)	(90,536)

There are no items of other comprehensive income. West Sussex and Surrey Credit Union Limited has chosen the single-statement approach to the Revenue Account.

Balance Sheet

as at 30 September 2025

	Note	2025 £	2024 £
ASSETS			
Cash, cash equivalents and liquid deposits			
Loans and advances to banks	14	4,582,951	4,134,226
Loans and advances to members	10	2,442,951	4,455,396
Tangible fixed assets	9	539,257	63,451
Other receivables		9,371	3,611
Prepayments and accrued income		70,549	25,083
Total assets		7,645,079	8,681,767
LIABILITIES			
Subscribed capital - repayable on demand	11a	6,876,791	7,846,486
Other payables	12	228,317	216,314
		7,105,108	8,062,800
Retained earnings		40,758	75,416
Other reserves		60,484	79,522
Deferred shares	11b	310,929	310,829
Subordinated debt - over 4 years remaining	13g	50,000	135,000
Subordinated debt - 4 years and fewer remaining	13g	77,800	18,200
Total liabilities		7,645,079	8,681,767

The financial statements were approved, and authorised for issue, by the Board on 19 March 2026 and signed on its behalf by:



D Wright
Director



Mark Jasper (Mar 19, 2026 17:14:46 GMT)
M Jasper
Director



R Kullar
Secretary

Statement of changes in Retained Earnings
 for the year ended 30 September 2025

	Retained earnings	Capital Grants	2025 £	2024 £
As at 1 October 2024	75,416	79,522	154,938	227,030
Fair4All acquisition grant		(24,054)	(24,054)	(12,306)
Fair4All IT grant		-	-	30,750
Fair4All reversal of previous years IT grant		5,016	5,016	-
Total comprehensive income for the year	(34,658)	-	(34,658)	(90,536)
As at 30 September 2025	40,758	60,484	101,242	154,938

Cash flow statement

for the year ended 30 September 2025

	Note	2025 £	2024 £
Cash flows from operating activities			
Surplus before taxation		(1,137)	(73,926)
Adjustment for non-cash items:			
Depreciation and loss on disposal	9	50,064	41,158
Impairment losses	10e	258,452	607,487
		<u>308,516</u>	<u>648,645</u>
Movements in:			
Prepayments, accrued income and other receivables		(51,226)	59,265
Grants		(19,038)	18,444
Other payables		<u>(4,961)</u>	<u>(8,110)</u>
		<u>(75,225)</u>	<u>69,599</u>
Cash flows from changes in operating assets and liabilities			
Cash inflow from subscribed capital	11a	5,046,126	5,227,374
Cash outflow from repaid capital	11a	(6,015,821)	(5,548,433)
New loans to members	10a	(1,369,529)	(2,716,741)
Repayment of loans by members	10a	3,123,522	3,550,486
Cash inflow from deferred shares	11b	100	14,047
Cash outflow from repayment of subordinated loans		<u>(25,400)</u>	<u>(18,000)</u>
		<u>758,998</u>	<u>508,733</u>
Taxation paid		<u>(16,557)</u>	<u>(12,674)</u>
Net cash flow from operating activities		<u>974,595</u>	<u>1,140,377</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	9	(525,870)	(28,302)
Net cash flow from managing liquid deposits		<u>(1,838,966)</u>	<u>298,073</u>
Net decrease in cash and cash equivalents		<u>(1,390,241)</u>	<u>1,410,148</u>
Cash and cash equivalents at beginning of year		<u>2,365,868</u>	<u>955,720</u>
Cash and cash equivalents at end of year	14	<u>975,627</u>	<u>2,365,868</u>

Notes to the financial statements

for the year ended 30 September 2025

1 Legal and regulatory framework

West Sussex and Surrey Credit Union Limited 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. West Sussex and Surrey Credit Union Limited has registered with the Financial Conduct Authority and is regulated by the Prudential Regulatory Authority under the provisions of the Financial Services and Markets Act 2000. The registered office address is 15 Grafton Road, Worthing BN11 1QP

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 West Sussex and Surrey Credit Union Limited has issued redeemable shares and deferred 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. 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 £.

Going concern

The Directors of the Credit Union believe that it is appropriate to prepare the financial statements on the going concern basis. In accordance with PRA Rulebook Guidelines outlined in Section 8.5 (2), the credit union must maintain a minimum Capital-To-Total assets ratio of 5%. The relevant ratios are 2025: 7.06% (2024: 7.13%).

Income

Loan interest receivable and similar income: Interest on both loans to members and loans to banks (i.e. cash and cash equivalents held on deposit with other financial institutions) is recognised using the effective interest method, and is calculated and accrued on a daily basis. Exempt interest on members loans is not recognised.

Deferred grants and funding/revenue contribution:

Deferred grants in respect of capital expenditure are credited to the income and expenditure account over the estimated useful life of the relevant fixed assets. Deferred grants and funding in respect of revenue items are credited to the income and expenditure account over the period to which they relate or to match the relevant expenditure. The grants/funding shown in the balance sheet represents the grants/funding receivable to date less the amount so far credited to the income and expenditure account.

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

Other income: Other income is recognised when it falls due or is received and is comprised primarily of grants and other investment income.

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. West Sussex and Surrey Credit Union Limited is not liable to corporation tax payable on its activities of making loans to members, and investing surplus funds, as these are not classified as a trade. However, corporation tax is payable on investment income.

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

Tangible fixed assets

Tangible fixed assets comprise items of computer equipment, fixtures, fittings and equipment, freehold and leasehold buildings, which are at cost, less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Depreciation is provided to write off the cost of each item of computer equipment, fixtures, fittings and equipment, freehold buildings and leasehold buildings, less its estimated residual value over its expected useful life as follows:

Computer equipment	33.3% straight line
Fixtures & fittings	15% written down value
Leasehold building	10 years straight line
Freehold property	2% straight line

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 the revenue account.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and with the bank and loans and advances (i.e. cash deposits with banks) with maturity of less than or equal to three months.

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 made to members for provident or productive purposes on such security (or without security) and terms as the rules of the Credit Union provide.

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. [In accordance with relevant regulations] West Sussex and Surrey Credit Union Limited does not transfer loans to third parties.

Impairment of financial assets

West Sussex and Surrey Credit Union Limited 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 loan and the net present value of the expected cash flows.

Financial liabilities - subscribed capital

Members' shareholdings in West Sussex and Surrey Credit Union Limited 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.

In addition to the above ordinary shares, deferred shares to the value of 2025: £310,929 (2024: £310,829) have been issued. Deferred members' shareholdings in the Credit Union are only redeemable in the event of liquidation and therefore is classified as equity in accordance with Section 22 of FRS 102. These shares qualify for dividends in the same way as ordinary shares, and only one vote is permitted per shareholder regardless of the amount of deferred shares held.

Notes to the financial statements

for the year ended 30 September 2025

Employee benefits

Defined contribution plans: The amounts charged as expenditure for the defined contribution plan are the contributions payable by West Sussex and Surrey Credit Union Limited for the relevant period.

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'

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

Subordinated debt represents fixed term loans provided to West Sussex and Surrey Credit Union Limited for the sole benefit of its members.

Other reserves brought forward represent one off non repayable grants from certain Housing Associations for their tenants to gain access to affordable credit. The grants will be utilised as required by West Sussex and Surrey Credit Union Limited. In August 2022, the Credit Union received the first tranche grant of £35,000 from Fair4All for the acquisition of Community Savings & Loans (Berkshire) Credit Union Limited, and the development of the Credit Union's computer systems. The second tranche of £34,900 was received in March 2023. In September 2024, a grant of £28,000 was received for business infrastructure costs and £2,750 to support reporting requirements under an agreement with Fair4All.

The amount of the grant unspent at the reporting date, being £40,484 is held within other reserves on the Balance Sheet.

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

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 assets are consumed.

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 West Sussex and Surrey Credit Union Limited'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, is disclosed below:

Impairment losses on loans to members

Impaired losses are stated after specifically reviewing all loans in arrears. The criteria used is whether the loan will be repaid within the term of the loan based upon the current regular pattern of repayments.

When a loan is significantly in arrears and there are some repayments being received by West Sussex and Surrey Credit Union Limited then it is not written off.

All loans are provided for at various percentages based on the weeks the loans are in arrears.

All loans are provided for, under the regulatory standard, at various percentages based on the weeks the loans are in arrear, as outlined in section 3.11 of the Prudential Regulation Authority rulebook for Credit Unions.

4 Loan interest receivable and similar income.

	2025	2024
	£	£
Loan interest receivable from members	733,673	1,205,484
Bank interest receivable on cash and liquid deposits	140,679	77,370
Total loan interest receivable and similar income	874,352	1,282,854

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.

Interest paid during the year also relates to interest payable on juvenile accounts and subordinated loans.

Interest and dividend payments are shown within interest payable in the accounts.

	2025	2024
	£	£
Interest paid during the year		
Non-deferred shares	-	15,268
Deferred shares	-	533
	-	15,801
Dividend rate:		
Share accounts	0,00%	0,20%
Interest proposed, but not recognised	-	-
Dividend rate:		
Share accounts	0,00%	0,00%
Interest paid on juvenile accounts during the year		
Rate	2,00%	2,00%
Amount	5,547	6,264
Interest payable on subordinated loans		
Rate	6.84%-7.21%	6.41%-7.21%
Amount	2,507	3,988
Total interest payable	8,054	26,053

6 Expenses

	2025	2024
	£	£
Administrative expenses	579,538	668,605
Depreciation and amortisation	39,405	41,158
Other operating expenses	35,793	32,732
	654,736	742,495

6a Administrative expenses

	2025	2024
	£	£
Employment costs	415,834	507,146
Staff training	332	638
Directors' expenses	641	1,127
Auditors' remuneration	8,190	7,800
Telephone and broadband	17,191	17,504
Computer maintenance	39,558	33,127
Legal and professional	7,635	4,989
General expenses	87,239	93,097
Printing, postage and stationery	669	1,383
Other insurance	2,249	1,794
Total administrative expenses	579,538	668,605

Notes to the financial statements

for the year ended 30 September 2025

6b Other operating expenses

Other operating expenses comprise the costs of occupying offices and regulatory and financial management costs:

	2025 £	2024 £
Cost of occupying offices (excluding depreciation)		
Rent and rates	25,627	21,381
Cleaning	299	1,056
Repairs and maintenance	-	-
Heating and lighting	4,225	4,388
	<u>30,151</u>	<u>26,825</u>
Regulatory and financial management costs		
Financial Conduct Authority fees	1,450	1,592
Financial Services Compensation Scheme levy	-	-
Fidelity insurance	4,192	4,315
	<u>5,642</u>	<u>5,907</u>
	<u><u>35,793</u></u>	<u><u>32,732</u></u>

6c Auditors' remuneration

West Sussex and Surrey Credit Union Limited voluntarily presents an analysis of its auditors' remuneration in accordance with the Companies (Disclosure of Auditor Remuneration and Liability Limited Agreements) Regulations 2008.

	2025 £	2024 £
Fees payable for the audit of West Sussex and Surrey Credit Union Limited's annual accounts	<u>8,190</u>	<u>7,800</u>
Total auditors' remuneration	<u><u>8,190</u></u>	<u><u>7,800</u></u>

7 Employees and employment costs**7a Number of employees**

The average monthly number of employees (excluding directors) during the year were:

	2025 Number	2024 Number
Office staff	<u>13</u>	<u>20</u>

7b Employment costs

	2025 £	2024 £
Wages and salaries	319,736	459,762
Social security costs	25,336	34,355
Payments to defined contribution pension schemes	8,466	10,965
Severance payment	61,119	1,214
Staff Benefit Scheme	1,177	850
Total employment costs	<u><u>415,834</u></u>	<u><u>507,146</u></u>

7c Directors' remuneration

The Executive and Non-Executive Directors' and the Senior Management Team of West Sussex and Surrey Credit Union Limited are its key management personnel.

The Non-Executive Directors' of West Sussex and Surrey Credit Union Limited act on a volunteer basis and hence are not paid a salary and do not incur any related costs.

The Executive Directors' remuneration is as follows:

	2025 £	2024 £
Remuneration for qualifying services	29,658	27,876
Payment to defined contribution pension schemes	1,068	1,020
	<u><u>30,726</u></u>	<u><u>28,896</u></u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2025: 1 (2024: 1)

Aggregate remuneration of key management personnel, which includes Executive Directors' remuneration, totals 2025: £136,474 (2024: £163,564). Included within this figure are payments to defined contribution pension schemes of 2025: £3,840 (2024: £3,684).

8 Taxation**8a Recognised in Revenue Account**

The taxation charge for the year, based on the main rate of Corporation Tax of 25% and reduced by marginal relief (2024: 25% and reduced by marginal relief) comprised:

	Note	2025 £	2024 £
Current tax		-	-
UK Corporation tax	8b	<u>33,521</u>	<u>16,610</u>
Total current tax and Total taxation expense recognised in the Revenue Account		<u><u>33,521</u></u>	<u><u>16,610</u></u>

8b Reconciliation of taxation expenses

West Sussex and Surrey Credit Union Limited 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.

	2025 £	2024 £
Surplus (deficit) before taxation	<u>(1,137)</u>	<u>(73,926)</u>
Surplus (deficit) before taxation multiplied by applicable rate of 19% (2024: 19%)	(216)	(14,046)
Effects of: Non-taxable deficit on transactions with members	<u>33,737</u>	<u>30,656</u>
Total tax charge for the year	<u><u>33,521</u></u>	<u><u>16,610</u></u>

Notes to the financial statements

for the year ended 30 September 2025

9 Tangible fixed assets

Tangible fixed assets comprise the following property, plant and equipment:

	Freehold Property £	Leasehold building £	Computer equipment £	Fixtures and fittings £	Total £
Cost					
At 30 September 2024	-	7,403	133,516	7,431	148,350
Disposal	-	(7,403)	(64,942)	(7,431)	(79,776)
Additions	475,909	-	49,961	-	525,870
At 30 September 2025	475,909	-	118,535	-	594,444
Depreciation					
At 30 September 2024	-	2,157	77,157	5,585	84,899
Disposal	-	(2,897)	(60,358)	(5,862)	(69,117)
Charge for the year	313	740	38,075	277	39,405
At 30 September 2025	313	-	54,874	-	55,187
Net book value					
At 30 September 2025	475,596	-	63,661	-	539,257
At 30 September 2024	-	5,246	56,359	1,846	63,451

10 Loans and advances to members - financial assets**10a Loans and advances to members**

	Note	2025 £	2024 £
As at 1 October 2024		6,491,030	7,631,490
Advanced during the year		1,369,529	2,716,741
Loan interest		733,673	1,205,484
Repaid during the year		(3,857,195)	(4,755,970)
Gross loans and advances to members	10b	4,737,037	6,797,745
Impairment losses			
Individual financial assets		(212,738)	(306,715)
Groups of financial assets		(2,081,348)	(2,035,634)
	10c	(2,294,086)	(2,342,349)
As at 30 September 2025		2,442,951	4,455,396

Included in gross loans and advances to members, £2,114,785 (2024: £4,045,371) is receivable in more than one year. Gross loans include loans secured by guaranteed funds, £52,943 (2024: £40,220)

10b Memorandum - Total loan assets for regulatory purposes

	Note	2025 £	2024 £
Gross loans and advances to members		4,737,037	6,797,745
Impairment of individual financial assets		(212,738)	(306,715)
Total loan assets for regulatory purposes	13b	4,524,299	6,491,030

10c Credit risk disclosures

West Sussex and Surrey Credit Union Limited 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 maximum loan amount is £15,000.

The carrying amount of the loans to members represents West Sussex and Surrey Credit Union Limited'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.

	2025		2024	
	Amount £	Proportion %	Amount £	Proportion %
Not impaired:				
Neither past due nor impaired	2,027,175	42.79%	3,638,830	53.53%
Up to 3 months past due	229,285	4.84%	457,756	6.73%
Between 3 months and 6 months past due	132,628	2.80%	347,818	5.12%
Between 6 months and 9 months past due	128,093	2.70%	257,755	3.79%
Between 9 months and 1 year past due	131,432	2.77%	174,581	2.58%
Over 1 year past due	1,144,350	24.17%	740,232	10.89%
Sub-total: loans not impaired	3,792,963	80.07%	5,616,972	82.63%
Individually impaired:				
Not yet past due, but impaired	17,652	0.37%	28,945	0.43%
Up to 3 months past due	10,635	0.22%	46,470	0.69%
Between 3 months and 6 months past due	4,950	0.10%	13,246	0.19%
Between 6 months and 9 months past due	6,860	0.15%	28,847	0.42%
Between 9 months and 1 year past due	8,000	0.17%	55,289	0.81%
Over 1 year past due	895,977	18.92%	1,007,977	14.83%
Total loans	4,737,037	100.00%	6,797,746	100.00%
Impairment allowance	(2,294,086)		(2,342,349)	
Total carrying value	2,442,951		4,455,397	

Factors that are considered in determining whether loans are impaired are discussed in note 3.

Notes to the financial statements

for the year ended 30 September 2025

10d Allowance account for impairment losses

	Note	2025 £	2024 £
As at 1 October 2024		2,035,634	1,734,863
Increase in allowances during the year	10e	45,714	300,771
As at 30 September 2025		2,081,348	2,035,634

10e Impairment losses recognised for the year

	2025 £	2024 £
Impairment of individual financial assets	212,738	306,715
Increase in impairment allowances during the year	45,714	300,771
	258,452	607,487
Reversal of impairment where debts recovered	(29,697)	(18,325)
Total impairment losses recognised for the year	228,755	589,162

11a Subscribed capital - financial liabilities

	Note	2025 £	2024 £
As at 1 October 2024		7,846,486	8,167,545
Received during the year		5,040,579	5,205,842
Repaid during the year		(6,015,821)	(5,548,433)
Dividend and interest paid		5,547	21,532
As at 3 September 2025	13b	6,876,791	7,846,486

Deposits from members are made by way of subscription for shares. The balance includes deposits made by juvenile members of £260,885 (2024: £291,076)

11b Deferred shares

	2025 £	2024 £
As at 1 October 2024	310,829	296,782
Received during the year	100	13,514
Dividend	-	533
As at 3 September 2025	310,929	310,829

12 Other payables

	Note	2025 £	2024 £
UK Corporation Tax		33,717	16,753
Other payables		126,606	126,775
Provision for repayment of subordinated debt	13g	46,200	33,800
Accruals and deferred income		21,794	38,986
		228,317	216,314

13 Additional financial instruments disclosures**13a Financial risk management**

West Sussex and Surrey Credit Union Limited 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 West Sussex and Surrey Credit Union Limited's activities are credit risk, liquidity risk, market 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 West Sussex and Surrey Credit Union Limited, resulting in financial loss to West Sussex and Surrey Credit Union Limited. In order to manage this risk the Board approves West Sussex and Surrey Credit Union Limited'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: West Sussex and Surrey Credit Union Limited'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 West Sussex and Surrey Credit Union Limited'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 West Sussex and Surrey Credit Union Limited.

Market risk: Market risk is generally comprised of interest rate risk, currency risk and other price risk. West Sussex and Surrey Credit Union Limited conducts all its transactions in sterling and does not deal in derivatives or commodity markets. Therefore West Sussex and Surrey Credit Union Limited is not exposed to any form of **currency risk** or **other price risk**.

Interest rate risk: West Sussex and Surrey Credit Union Limited's main interest risk rate arises from differences between the interest rate exposures on the receivables and payables that form an integral part of a credit union's operations. West Sussex and Surrey Credit Union Limited considers rates of interest receivable when deciding on the dividend rate payable on subscribed capital. West Sussex and Surrey Credit Union Limited does not use interest rate options to hedge its own positions.

Notes to the financial statements

for the year ended 30 September 2025

13b Interest rate 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	<u>4,524,299</u>	<u>16.22%</u>	6,491,030	18.57%
Financial liabilities				
Subscribed capital				
Savings accounts	6,615,906	0.00%	7,555,410	0.00%
Junior savers	<u>260,885</u>	<u>2.00%</u>	<u>291,076</u>	<u>2.00%</u>
	<u>6,876,791</u>		<u>7,846,486</u>	
Deferred shares	<u>310,929</u>	<u>0.00%</u>	310,829	0.20%

The interest rates applicable to loans to members are fixed and range from 1% to 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.

13c Liquidity risk disclosures

Excluding short-term other payables, as noted in the balance sheet, West Sussex and Surrey Credit Union Limited's financial liabilities, the subscribed capital, are payable on demand.

13d Fair value of financial instruments

West Sussex and Surrey Credit Union Limited does not hold any financial instruments at fair value.

13e Other income

	2025 £	2024 £
Grants	32,633	17,146
Rent from freehold property	1,699	-
Donations	<u>250</u>	<u>67</u>
	<u>34,582</u>	<u>17,213</u>

13f Regulatory capital and capital-asset ratio

	2025 £	2024 £
Regulatory capital:		
Retained earnings	40,758	75,416
Other reserves	60,484	79,522
Deferred shares	310,929	310,829
Subordinated debt - over 4 years remaining	50,000	135,000
Subordinated debt - 4 years and fewer remaining	<u>77,800</u>	<u>18,200</u>
	<u>539,971</u>	<u>618,968</u>
Total assets:	<u>7,645,079</u>	<u>8,681,767</u>
Capital-asset ratio:	<u>7.06</u>	<u>7.13</u>

13g Subordinated loans

	Note	2025		2024	
		Interest free £	Interest rates 6.84%-7.21% £	Interest free £	Interest rates 6.41%-7.21% £
Provision for repayment	12	10,000	36,200	10,000	23,800
Over 4 years remaining		50,000	-	135,000	-
Under 4 years remaining		-	<u>77,800</u>	-	<u>18,200</u>
		<u>60,000</u>	<u>114,000</u>	<u>145,000</u>	<u>42,000</u>

14 Cash and cash equivalents

	2025 £	2024 £
Cash and balances with the Bank of England	-	-
Loans and advances to banks	<u>4,582,951</u>	<u>4,134,226</u>
Less: amounts maturing after three months	<u>(3,607,324)</u>	<u>(1,768,358)</u>
Total cash and cash equivalents	<u>975,627</u>	<u>2,365,868</u>

15 Post balance sheet events

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

16 Contingent liabilities

West Sussex and Surrey Credit Union Limited 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) has 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 West Sussex and Surrey Credit Union Limited will have to pay.

Notes to the financial statements

for the year ended 30 September 2025

**17 Operating lease commitments
Lessee**

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

	2025	2024
	£	£
Within one year	12,107	25,828
Between 2 and 5 years	21,427	62,098
Over 5 years	5,803	55,500
	<u>39,337</u>	<u>143,426</u>

Operating lease payments recognised as an expense 2025: £31,383 (2024 - £25,828).

18 Related party transactions

During the year one members of staff (2024: four members) were issued with, or carried a loan with West Sussex and Surrey Credit Union Limited. Any loans are approved on the same basis as loans to other members of West Sussex and Surrey Credit Union Limited. None of the directors, staff or their close family members have any preferential terms on loans.

West Sussex and Surrey Credit Union Limited does not have an ultimate controlling party.

19 Auditors' Ethical Standards

In common with many businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

20 Nils Scheme

West Sussex & Surrey Credit Union hold funds on behalf of Adur District Council, Bognor Regis Town Council, Worthing Borough Council and Farnham Town Council to be lent out at zero interest rate under the Nils Scheme. These amounts are included in note 12.



30 September

2025

MANAGEMENT INFORMATION

Detailed Revenue Account

for the year ended 30 September 2025

	2025	2025	2024	2024
Income				
Interest on loan to members		733,673		1,205,484
Grants		32,633		17,146
Bank interest		139,686		74,115
Rent from investment property		1,699		-
Other income		250		67
Bad Debts recovered		29,698		18,325
Engage Card		992		3,255
		<u>938,631</u>		<u>1,318,392</u>
Administrative expenses				
Wages and salaries	319,736		459,762	
Employer's N.I. contributions	25,336		34,355	
Staff pension costs	8,466		10,965	
Staff Benefit	1,176		850	
Severance payment	61,119		1,214	
Rent	20,308		17,500	
Rates	5,319		3,881	
General Insurance	1,559		1,104	
Fidelity Bond Insurance	4,192		4,315	
Directors liability Insurance	690		690	
Trade association membership dues	332		638	
Light and heat	4,225		4,388	
Printing, postage and stationery	669		1,383	
Promotion and advertising	36,779		45,533	
Telephone	17,191		17,504	
Computer running costs	39,558		33,127	
Entertainment	527		97	
Travelling expenses	800		2,309	
Legal and professional fees	41,809		30,275	
Audit fees	8,190		7,800	
Accountancy charge	2,088		4,483	
Bank charges	18,526		16,283	
Loss on disposal of fixed assets	6,073		-	
Bad and doubtful debts	258,450		607,487	
PRA Fees	1,450		1,592	
Depreciation on fixture fittings and computers	39,405		41,158	
Office Cost	5,800		13,844	
Card payment charges	1,437		1,684	
Cleaning	298		1,056	
Junior Savers Interest	5,547		6,264	
AGM costs	206		988	
Subordinated loan interest payable	2,507		3,988	
		<u>939,768</u>		<u>1,376,517</u>
Income over expenditure		<u>(1,136)</u>		<u>(58,125)</u>
Dividend		0		(15,801)
		<u>(1,136)</u>		<u>(73,926)</u>
Taxation		<u>(33,521)</u>		<u>(16,610)</u>
Expenditure in excess of income		<u>(34,658)</u>		<u>(90,536)</u>