GREAT WESTERN CREDIT UNION LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2025

Firm Reference Number: 213583

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

GREAT WESTERN CREDIT UNION LIMITED

CREDIT UNION INFORMATION

FCA number	213583	
Registered Society number	IP000597	
Directors	L Ryden	
	D Lindsay	
	S Taylor	
	P Kellett	
	P Jones	
	C Tilbury	(Appointed 21 November 2024)
	I Walters	(Appointed 19 December 2024)
	G Snow	(Appointed 27 February 2026)
Secretary	P Kellett	
Registered office	112-114 Cheltenham Road Bristol BS6 5RW	
Auditor	TC Group Business Advisors & Accountants 180 St Vincent Street Glasgow G2 5SG	

GREAT WESTERN CREDIT UNION LIMITED

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GREAT WESTERN 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
Great Western Credit Union (GWCU) works to increase the financial wellbeing of our communities through delivering affordable financial services which significantly reduce costs for beneficiaries, reducing or removing the ‘poverty premium’ where that might apply, and increasing the amount of wealth retained and circulated in our communities so that we can also contribute to our economic regeneration and development.

We have some objects set out in law:

1. The promotion of thrift;
2. The creation of sources of credit;
3. The use and control of members’ savings for their mutual benefit; and
4. The training and education of members in the wise use of money.

The Board has also adopted four further objectives:

- Make saving and borrowing fair and accessible
- Put our members first
- Champion financial wellbeing
- Ensure long-term stability

Our core strategy is to increase our membership presence across our geographic area, to continue to improve our online user experience, and to increase the number of savings and affordable loans we offer, to support our future resilience and enable us to achieve our social impact goals.

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

Financial review
The results for the year are set out on page 7.

During the year GWCU lent £13.7m to our members, an 23% increase on the previous year, and at the end of the year our net loan book stood at £12.5m, growth of 18%. Loan applications have been growing and there is very high demand from the community. We introduced new savings products and deposits from members grew strongly from £10.3m to £11.6m.

Over the year, we made an operating loss of £827,805 which represents our continued investment in growing the credit union. As a result of our increased lending, interest income grew by 14% to £2.1m. The impairment charge to loan book percentage fell for the fourth year in a row, and in cash terms the cost of providing for impaired core loans fell 5% from last year.

Our investment and modernisation programme mean that we forecast a further deficit in the next financial year. However, we have realised significant efficiency improvements: our new lending journey allows automated loan decisioning; contact with members in arrears is now largely automated, and our AI assistant handles hundreds of customer enquiries each week. As we continue to grow, we maintain contingency plans and a strong risk management framework for GWCU's for long-term sustainability and continued going concern.

Directors

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

L Ryden	
J Cairns	(Resigned 18 March 2025)
D Lindsay	
S Taylor	
P Kellett	
P Jones	
C Tilbury	(Appointed 21 November 2024)
I Walters	(Appointed 19 December 2024)
G Snow	(Appointed 27 February 2026)

Great Western Credit Union (GWCU) is a Credit Union under the Credit Union Act 1979, and the Co-operative and Community Benefit Societies Act 2014. Its Directors are recruited from the membership of the Credit Union, from contact with other local organisations and networks and through Directors' own networks. All Directors must be (or become) a member of GWCU, and all Directors are volunteers.

Directors are elected by members at the Annual General Meeting or, if a vacancy arises during the year, co-opted by the Board and then subject to election at the next AGM. All prospective Directors are subject to appropriate due diligence in order to ensure that they are 'fit and proper' to be a Director of a regulated Credit Union. New Directors undergo a thorough induction and are mentored by existing Directors. Members agree the Rule Book that is the governing document for GWCU.

Directors are responsible for setting the strategy and ensuring that it is implemented successfully. They have oversight of the activities put in place by staff to implement the strategy and they are responsible for agreeing the annual plans and budgets with the CEO and staff team. They provide oversight and challenge in ensuring that those plans are met and that budgets are adhered to.

The Directors are also responsible for agreeing the Policies that apply to the governance and operation of the Credit Union, and the schedule of delegation which sets out the powers and responsibilities of the CEO and staff team. The staff team is responsible for the day-to-day operation of GWCU, including all loan decision-making and the implementation of the Board's Policies. The staff team is responsible for ensuring that risk is managed within the agreed risk appetite and Policy statements, and that regulatory compliance is maintained.

The key management person of the Credit Union is the CEO and pay for this position is recommended by the People Committee to the Board, and then agreed by the Board as a whole. The CEO sets the pay and conditions for all other staff.

The Board would like to acknowledge its continued appreciation of all the Credit Union staff, volunteers and members' forum for their dedication, hard work and support over the last year.

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); and:

• The requirements of compliance under the PRA "additional activities".

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

A resolution for the re-appointment of TC Group as auditors of the credit union is to be proposed at the forthcoming Annual General Meeting.

By order of the board

Peter Kellett
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P Kellett
Secretary
Date: 9/3/2026

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GREAT WESTERN CREDIT UNION LIMITED

Opinion

We have audited the financial statements of Great Western 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.

Materiality Uncertainty in relation to Going Concern

At this stage of their Business Plan, the credit union is forecasting a further deficit being generated over the next 12 months. The credit union has plans to improve its financial position. At the time of writing the credit union's ability to continue as a going concern depends on the success of the credit union's plans. The credit union is currently in active dialogue with a lender with the aim to update the terms of its agreement so that it meets the definition of subordinated debt for capital purposes. At the year end if these funds were not classed as capital the credit union would be below its capital ratio requirements. As a result there exists a material uncertainty that may cast significant doubt on the credit union's ability to continue as a going concern. Our opinion is not modified in respect of this matter. Further details are set out in Notes 1 and 2 of the financial statements.

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 strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Directors' report have 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;
- 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
- reviewing correspondence with PRA, FCA and HMRC.

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

TC Group (Senior Statutory Auditor)

Business Advisors & Accountants

Statutory Auditor

10/3/2026

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

GREAT WESTERN CREDIT UNION LIMITED

REVENUE ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2025

	Notes	2025 £	2024 £
Loan interest receivable and similar income	**3**	2,122,553	1,869,854
Interest payable and similar charges	**4**	(436,094)	(290,736)
Net interest receivable		1,686,459	1,579,118
Fees and commissions receivable	**5**	359,662	250,572
Fees and commissions payable	**6**	(75,519)	(66,587)
Net fees and commissions		284,143	183,985
Other operating income	**7**	263,076	136,001
Administrative expenses	**8**	(1,944,316)	(1,653,575)
Depreciation and amortisation		(129,961)	(116,549)
Other operating expenses	**9**	(54,195)	(69,611)
Impairment on loans for bad and doubtful debts	**15**	(933,011)	(899,843)
(Deficit) before taxation		(827,805)	(840,474)
Corporation tax	**12**	-	23,418
Deficit for the year		**(827,805)**	**(817,056)**

The Revenue Account has been prepared on the basis that all operations are continuing operations.
The notes on pages 12 to 30 form an integral part of these financial statements.

GREAT WESTERN CREDIT UNION LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2025

	Notes	2025 £	2024 £
Deficit for the year		(827,805)	(817,056)
Other comprehensive income		-	-
Total comprehensive loss for the year		(827,805)	(817,056)

The notes on pages 12 to 30 form an integral part of these financial statements.

GREAT WESTERN CREDIT UNION LIMITED

BALANCE SHEET

AS AT 30 SEPTEMBER 2025

	Notes	2025 £	2024 £
Assets			
Loans and advances to banks	**13**	2,247,378	2,987,808
Loans and advances to customers	**14**	12,450,319	10,536,257
Investments	**16**	1	1
Intangible assets	**17**	196,784	185,716
Tangible assets	**18**	718,569	725,685
Other receivables	**19**	128,633	123,284
Prepayments		74,182	84,421
Total assets		**15,815,866**	**14,643,172**
Liabilities and reserves			
Customer accounts	**20**	11,579,921	10,347,256
Other liabilities	**21**	290,145	249,106
Deferred income	**23**	73,976	133,729
Managed funds		1,068,607	1,000,831
Provisions for liabilities	**26**	84,817	84,817
Borrowing	**22**	6,014,811	5,296,039
		19,112,277	17,111,778
General reserve	**31**	(3,627,854)	(2,800,049)
Revaluation reserve	**31**	306,143	306,143
Deferred shares	**31**	25,300	25,300
Total reserves		(3,296,411)	(2,468,606)
Total liabilities and reserves		**15,815,866**	**14,643,172**

The financial statements were approved by the Board of Directors and authorised for issue on 9/3/2026 and are signed on its behalf by:

Denis Lindsay

D Lindsay
Director

Ian Walters

I Walters
Director

Peter Kellett

P Kellett
Secretary

The notes on pages 12 to 30 form an integral part of these financial statements.

GREAT WESTERN CREDIT UNION LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2025

	Revaluation Reserve £	General Reserve £	Total £
Balance at 1 October 2023	306,143	(1,982,993)	(1,676,850)
Year ended 30 September 2024:			
Deficit and total comprehensive income for the year	-	(817,056)	(817,056)
Other movements	-	-	-
Balance at 30 September 2024	**306,143**	**(2,800,049)**	**(2,493,906)**
Year ended 30 September 2025:			
Deficit and total comprehensive income for the year	-	(827,805)	(827,805)
Balance at 30 September 2025	**306,143**	**(3,627,854)**	**(3,321,711)**

The notes on pages 12 to 30 form an integral part of these financial statements.

GREAT WESTERN 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			(827,805)		(817,056)
Depreciation and amortisation	**10**	129,961		116,549	
Corporation tax expenses	**12**	-		(23,418)	
Provision movement	**15**	949,347		922,289	
Interest income on loans	**3**	(2,064,141)		(1,808,842)	
Distribution on members shares	**4**	157,915		72,393	
			(826,918)		(721,029)
Working capital adjustments					
Change in other receivables and prepayments		(17,133)		(17,341)	
Change in other liabilities		41,039		37,851	
Change in deferred income		8,023		18,479	
			31,929		38,989
Cash flows from changes in operating assets and liabilities					
Loan repayments less loans advanced	**14**	(799,268)		(922,867)	
Customer balance cash movement		1,074,750		125,479	
Movement on funds on deposit	**13**	10,981		1,591,140	
			286,463		793,752
Corporation tax paid			22,023		(10,122)
Net cash flow from operating activities			(1,314,308)		(715,466)
Investing activities					
Purchase of intangible assets	**17**	(119,900)		(188,931)	
Purchase of tangible fixed assets	**18**	(14,013)		(7,672)	
Proceeds on disposal of tangible fixed assets		-		4,248	
Net cash used in investing activities			(133,913)		(192,355)
Financing activities					
Cash movement of other loans		718,772		2,224,510	
Net cash generated from financing activities			718,772		2,224,510
Net (decrease)/increase in cash and cash equivalents			(729,449)		1,316,689
Cash and cash equivalents at beginning of year			2,451,738		1,135,049
Cash and cash equivalents at end of year	**34**		**1,722,289**		**2,451,738**

The notes on pages 12 to 30 form an integral part of these financial statements.

1 Accounting policies

Background information

Great Western Credit Union Ltd is a society established under the Co-operative and Community Benefit Societies Act 2014, operating as a Credit Union under the Credit Unions Act 1979.

Great Western Credit Union is authorised by the Prudential Regulation Authority and is regulated by the Financial Conduct Authority and the Prudential Regulation Authority under the provisions of the Financial Services and Markets Act 2000.

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 Business combinations

Acquisitions of other credit unions are conducted through transfer of engagements.

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the fair value of the identifiable assets, liabilities and contingent liabilities acquired over the shares issued to the transferring members is recognised as negative goodwill.

Negative goodwill is recorded as an intangible asset within the Balance Sheet and then amortised as the non-cash assets acquired are realised in line with FRS 102.

1.3 Going concern

The financial statements are prepared on the going concern basis. At this stage of their Business Plan, the credit union is forecasting a further deficit being generated over the next 12 months. The credit union expect improvements in the financial position and that the level of subordinated debt to increase in the next 12 months. The directors have taken into account the changes to the wider economic environment due to the cost of living crisis. Risks continue to be carefully monitored and the directors believe the credit union’s response to have been prudent and proportionate. Please see Key Judgements and Estimates (Going Concern and Subordinated Debt) for further information. The ability of the credit union to continue as a going concern does depend on the success of the Board's plans and negotiations with its lender. While the Board is confident in their success a material uncertainty does exist.

The directors of Great Western Credit Union believe going concern basis is appropriate despite a mismatch in the maturity analysis of subscribed capital & deposits and loans to members because the inherent nature of a credit union’s operations requires this risk to be accepted. The mismatch in the maturity analysis is managed through careful monitoring of historical experience of demand for withdrawals and loan disbursements, and the maintenance of a prudent liquidity buffer.

1 Accounting policies **(Continued)**

1.4 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.

1.5 Intangible fixed assets - goodwill

Negative Goodwill represents the excess of the fair value of net assets acquired over the cost of acquisitionn. It is initially recognised as a negative asset in the Balance Sheet. As the non-cash assets acquired are realised the negative goodwill is released to the Revenue Account.

1.6 Intangible fixed assets

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation 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:

Software	3 years straight line

1.7 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:

Leasehold land and buildings	100 years straight line
Fixtures and fittings	15% reducing balance
Computer equipment	3-20 years 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 profit or loss.

1.8 Impairment of fixed assets

At each reporting period end date, the credit union reviews the carrying amounts of its tangible and intangible 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.

1.9 Borrowing

Subordinated debt includes any debts that rank below unsubordinated debt.

1.10 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 3 months.

1.11 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.

1 Accounting policies **(Continued)**

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.

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.

1.12 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. Great Western 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.

During the financial year, the credit union obtained a revaluation of its long leasehold on its office buildings. The gain has resulted in deferred tax which has been accounted for in line with FRS 102.

1.13 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.

1.14 Retirement benefits

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

1.15 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)**

1.16 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) have had the most significant effect on amounts recognised in the financial statements.

Subordinated Debt

The Credit Union has received funds for projects where any unused funds would be repayable after 5 years and would be subordinated to other creditors, except deferred shares. On receipt these funds are allocated to subordinated loans as they are not repayable for at least 5 years and a day. These funds may decline if they are used to cover bad debts, fees or allocated for use under the contract. The Credit Union believes these funds meet the definition of subordinated loans and have therefore treated the unused funds at 30 September 2025 of £1,059,097 as subordinated loans (2024: £740,325). It has been identified that some of the terms of some of these contract may result in the debt not classifying as capital for regulatory purposes. The Credit Union is currently in active dialogue with the lender with the aim of updating these terms.

2 Judgements and key sources of estimation uncertainty (Continued)

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

Loans are recognised as impaired where there is a significant event which results in the loan repayments not being made in accordance with the original loan agreement.

The events Great Western Credit Union considers significant are non-receipt of a payment on time and in full, and the Credit Union agreeing to temporarily alter the terms of the loan (for example to assist members in temporary financial difficulties).

Where a payment is not received on time and in full then a loan is considered to be in arrears. An estimate is made of the likely future recoverability of groups of loans in arrears based on the number of days they have been in arrears. This results in the credit union making an impairment allowance for the difference between the carrying value of the loan and the amount estimated as being likely to be recovered. For those amounts estimated as likely to be recovered the future cash flows are discounted based on the original effective interest rate, and a further impairment allowance is made for the difference between this discounted future cash flow and the estimated recoverable balance. The estimates of future recoverability on loans not guaranteed are based on historic experience.

Where the Credit Union has agreed to a temporary alteration in the terms of the loan then the loan is also classified as impaired. The future cash flows are discounted based on the original effective interest rate of the loan, and an impairment allowance is made for difference between the discounted value and the carrying value of the loan.

Going Concern

The Credit Union is using subordinated loans to help its capital position as it grows to a level of being self sufficient. Our financial projections, which support our going concern assessment, rely on estimates of bad debts, loan growth and interest rates together with the level of assets in the Credit Union and level of subordinated debts. These assumptions will be dependent on a number of factors outside the credit union's control including the general state of the economy and customer behavior. The Board believes that the assumptions that underpin the financial projections are reasonable and achievable and show that the capital ratios will continue to be met over the next year.

3 Interest receivable and similar income

	2025 £	2024 £
Interest income on loans	2,064,141	1,808,842
Interest income on bank deposits	58,412	61,012
	2,122,553	1,869,854

Interest Receivable on Loans to members includes £128,209 (2024: £107,543) of accrued interest not yet charged to member accounts. This is included within Loans on the Balance Sheet. Interest Receivable on Bank deposits includes £8,908 (2024: £11,618) of accrued interest not yet received.

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	19,520	20,962
Interest paid on interest bearing shares	125,164	37,523
Distributions to juvenile depositors	13,231	13,908
	157,915	72,393
Interest on borrowing	278,179	218,343
	436,094	290,736

The distributions on member's 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	**%**	**%**
Dividend bearing member deposits	0.25	0.25

At the forthcoming Annual General Meeting the Directors will propose the following dividends based on the results for the current year. If approved these dividends will be included as a cost in next year's financial statements once they have been paid.

	2025	2024
Distribution rates to be proposed at the Annual General Meeting	**%**	**%**
Dividend bearing member deposits	0.25	0.25

5 Fees and commissions receivable

	2025	2024
	£	**£**
Member service and entrance fees	13,090	2,481
Contract income	346,572	245,800
Other commission	-	2,291
	359,662	250,572

6 Fees and commissions payable

	2025	2024
	£	**£**
Bank charges	75,519	66,587

7 Other operating income

	2025	2024
	£	£
Other income	35,504	832
Grant income	226,167	135,055
Donations received	1,405	114
	263,076	136,001

8 Administrative expenses

	Notes	2025	2024
		£	£
Staff costs	11	1,136,984	939,505
External auditor's remuneration		17,114	20,106
Member communication and advertising		241,135	166,279
Legal, professional and credit control costs		242,470	254,046
Computer and software expenses		260,579	210,909
Travel costs		3,218	4,086
General administration costs		42,816	58,644
		1,944,316	1,653,575

9 Other operating expenses

	2025	2024
	£	£
Regulatory costs	6,370	6,122
Costs of occupying offices	47,825	63,489
	54,195	69,611

10 Operating deficit

	2025	2024
Operating deficit for the year is stated after charging:	£	£
Fees payable to the credit union's external auditor for the audit of the financial statements	17,114	20,106
Depreciation of owned tangible fixed assets	21,129	28,284
Amortisation of intangible assets	108,832	88,265
Operating lease charges	1,580	1,464

11 Employees

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

	2025 Number	2024 Number
Employees	34	32

Their aggregate remuneration comprised:

	2025 £	2024 £
Wages and salaries	981,556	834,360
Social security costs	102,405	67,116
Pension costs	53,023	38,029
	1,136,984	939,505

Short term employee benefits include wages, salaries, social security contributions and paid annual leave.

12 Corporation tax

	2025 £	2024 £
Current tax		
Adjustments in respect of prior periods	-	(23,418)

The actual charge/(credit) 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	(827,805)	(840,474)
Expected tax credit based on the standard rate of corporation tax in the UK of 25.00% (2024: 25.00%)	(206,951)	(210,119)
Tax effect of income/expenditure not taxable in determining taxable surplus	206,951	186,701
Taxation charge/(credit) for the year	-	(23,418)

13 Loans and advances to banks

	2025 £	2024 £
Cash held at banks	1,722,289	2,451,738
Bank deposits	525,089	536,070
Loans and advances to banks	2,247,378	2,987,808
Total cash and bank balances	2,247,378	2,987,808
Loans split by repayment period		
Cash and cash equivalents	1,722,289	2,451,738
Amounts maturing in over 90 days	525,089	536,070
	2,247,378	2,987,808

14 Loans and advances to customers

	Notes	2025 £	2024 £
Loan movement			
Opening balances		14,348,882	12,122,400
Interest on loans		2,064,141	1,808,842
Loans advanced during the period		13,711,024	11,179,337
Loans repaid during the period		(12,911,756)	(10,256,470)
Loans derecognised		(472,990)	(505,227)
		16,739,301	14,348,882
Loan impairment provisions	**15**	(4,288,982)	(3,812,625)
		12,450,319	10,536,257
Loans split by repayment period			
Capital repayments due within 1 year		10,145,882	8,754,618
Capital repayments due after 1 year		6,593,419	5,594,264
Loan impairment provisions	**15**	(4,288,982)	(3,812,625)
		12,450,319	10,536,257
Loans split by type			
Loans to members		16,739,301	14,348,882
Loan impairment provisions	**15**	(4,288,982)	(3,812,625)
		12,450,319	10,536,257

15 Loan impairment

	Write off Provision £	Arrears Provision £	Total Provisions £
Loan impairment provision			
Opening balances	2,880,888	931,737	3,812,625
Provision movement	410,340	66,017	476,357
Closing balances	3,291,228	997,754	4,288,982

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		476,357	417,062
Bad debts derecognised	**14**	472,990	505,227
Bad debts recovered		(16,336)	(22,446)
		933,011	899,843

16 Investments

	2025 £	2024 £
Share in York Court (Bristol) Management Company Limited	1	1

The Credit Union holds one £1 share (representing 33% of the issued share capital) in York Court (Bristol) Management Company Limited (a company registered in England and Wales under the Companies Act 2006). There are three shares in issue and the other shares are held by officers of the Credit Union. Decisions are required to be unanimously agreed by the members. No distributions have been made by the company and as its results and balances are so small the effect of any accounting adjustments would be inconsequential and therefore none have been made.

17 Intangible fixed assets

	Negative goodwill	Software	Total
	£	£	£
Cost			
At 1 October 2024	(74,699)	764,025	689,326
Additions	-	119,900	119,900
At 30 September 2025	(74,699)	883,925	809,226
Amortisation and impairment			
At 1 October 2024	(74,699)	578,309	503,610
Amortisation charged for the year	-	108,832	108,832
At 30 September 2025	(74,699)	687,141	612,442
Carrying amount			
At 30 September 2025	-	196,784	196,784
At 30 September 2024	-	185,716	185,716

18 Tangible fixed assets

	Leasehold land and buildings	Fixtures and fittings	Computer equipment	Total
	£	£	£	£
Cost or valuation				
At 1 October 2024	670,000	126,152	212,275	1,008,427
Additions	-	2,055	11,958	14,013
At 30 September 2025	670,000	128,207	224,233	1,022,440
Depreciation and impairment				
At 1 October 2024	6,195	72,890	203,657	282,742
Depreciation charged in the year	6,681	7,660	6,788	21,129
At 30 September 2025	12,876	80,550	210,445	303,871
Carrying amount				
At 30 September 2025	657,124	47,657	13,788	718,569
At 30 September 2024	663,805	53,262	8,618	725,685

Land and buildings were revalued in December 2023 by JSR Business Property Advisers who are not connected with the credit union on the basis of market value. The valuation was based on recent market transactions on arm’s length terms for similar properties.

The property acquired on acquisition of Wyvern Credit Union was revalued in December 2025. The valuation does not constitute a formal 'Red Book' valuation as defined by the RICS. As the amounts are not material the Directors believe this is a reasonable estimate of the value. The Directors do not believe there would be any material change to the value of the assets at the balance sheet date.

18 Tangible fixed assets (Continued)

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	2025	2024
	£	£
Cost	296,038	296,038
Accumulated depreciation	(36,163)	(29,968)
Carrying value	259,875	266,070

19 Other receivables

	2025	2024
Amounts falling due within one year:	£	£
Other debtors	128,633	123,284

20 Customer accounts

	2025	2024
	£	£
Deposit movement		
Opening balances	10,347,256	10,149,384
Share movement	1,232,665	197,872
	11,579,921	10,347,256
Deposits split by type		
Standard dividend bearing member shares	9,677,658	8,640,556
Standard interest bearing member shares	1,230,022	889,093
Corporate dividend bearing shares	33,807	118,659
	10,941,487	9,648,308
Juvenile member deposits	638,434	698,948
	11,579,921	10,347,256

21 Other liabilities

		2025	2024
	Notes	£	£
Other creditors		99,761	131,094
Accruals and deferred income		190,384	118,012
		290,145	249,106

22 Borrowing and debt

	2025 £	2024 £
Payable within one year	50,000	-
Payable between 1-2 years	50,000	50,000
Payable between 2-5 years	1,475,000	375,000
Payable after 5 years	4,439,811	4,871,039
	6,014,811	5,296,039

The Credit Union has received loans from Joseph Rowntree Foundation, Bristol City Council, City Funds, Co-operative & Community Finance, The Banker Workers Charity and Fair4All Finance.The balance also contains funds under contract as set out in the Key Judgement section of the financial statements.

23 Deferred income

	2025 £	2024 £
Opening balance	133,729	64,713
Increase in period	105,500	206,988
Release in period	(165,253)	(137,972)
	73,976	133,729

23 Managed funds

	2025 £	2024 £
Opening balance	1,000,832	1,051,368
Increase in period	267,435	265,201
Release in period	(199,660)	(315,738)
	1,068,607	1,000,831

Managed funds represent amounts received from Bath and North East Somerset Council, Mendip District Council, Vulnerable Persons Resettlement Fund and Bristol City Council for applicants who fulfil the criteria for advances under the rules set out by the respective local authority. These loans are administered by Great Western Credit Union on behalf of those local authorities and are non-interest bearing.

25 Retirement benefit schemes

Defined contribution schemes	2025 £	2024 £
Charge to revenue account in respect of defined contribution schemes	53,023	38,029

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.

26 Provisions for liabilities

	Notes	2025 £	2024 £
Deferred tax liabilities		84,817	84,817

27 Credit risk on bank and investments

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

	2025 £	2024 £
Bank accounts	1,722,289	2,451,738
Bank term deposits	525,089	536,070
Investments	1	1
	2,247,379	2,987,809

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

28 Capital

The credit union is currently in active dialogue with a lender to clarify and update the terms of its contract to ensure subordinated debt held by the credit union meets the definition of capital (see Key Judgments and Estimates). The credit union requires this debt to be classed as capital in order to meet its capital ratio at the year end. Further details on classification of capital is contained within the key judgement note to the financial statements. 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.

29 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	16,739,301	13.28%	14,348,882	13.67%
Investments	1	-	1	-
Loans and advances to banks	2,247,378	2.23%	2,987,808	1.95%
	18,986,680		17,336,691	
Financial liabilities				
Juvenile deposits	(638,434)	1.98%	(698,948)	1.91%
Dividend bearing shares	(9,711,465)	0.19%	(8,759,215)	0.22%
Interest bearing shares	(1,230,022)	11.81%	(889,093)	4.47%
Loans to the credit union	(6,014,811)	4.92%	(5,296,039)	5.22%
	(17,594,732)		(15,643,295)	

30 Deferred shares

	2025 £	2024 £
Deferred shares at year end	25,300	25,300

31 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.

Revaluation Reserve
The revaluation reserve represents net unrealised gains from revaluing properties.

32 Financial risk management

Great Western Credit Union manages its subscribed capital and deposits and its loans to members so that it earns income from the margin between interest receivable and interest payable, in order to fund its operations and to achieve its purposes.

The main financial risks arising from Great Western 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 Great Western Credit Union, resulting in financial loss to Great Western Credit Union. In order to manage this risk, the Board approves Great Western 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
Great Western 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 Great Western 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 (section 'Going Concern') provides further details about the impact of the maturity mismatch on the going concern status of Great Western Credit Union.

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

-Interest rate risk: The risk that GWCU is not able to reprice its products in a sufficiently timely manner to meet its objectives, in an economic environment where Interest rates are moving.

-Foreign Currency Risk: All transactions are carried out in sterling and therefore the credit union is not exposed to any form of foreign currency risk.

33 Credit risk on lending

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

	2025	2024
	£	£
Security for loans		
Loans where bad debts are covered by third parties	263,949	433,274

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	14,953,652	12,664,673
Up to 3 months past due	688,592	430,571
Loans where credit risk covered by council	263,949	433,274
	15,906,193	13,528,518
Loans individually impaired		
Between 3 and 6 months past due	267,904	222,492
Between 6 months and 1 year past due	191,692	176,617
Over 1 year past due	373,512	421,255
	833,108	820,364
Total loans	16,739,301	14,348,882
Impairment allowance	(4,288,982)	(3,812,625)
	12,450,319	10,536,257

34 Analysis of changes in net debt

	1 October 2024	Cash flows	30 September 2025
	£	£	£
Cash and cash equivalents	2,451,738	(729,449)	1,722,289
Bank deposits maturing in over 8 days	536,070	(10,981)	525,089
	2,987,808	(740,430)	2,247,378
Borrowings excluding overdrafts	(5,296,039)	(718,772)	(6,014,811)
	(2,308,231)	(1,459,202)	(3,767,433)

35 Financial commitments, guarantees and contingent liabilities

As a firm registered by the PRA and FCA, the Credit Union is obliged to contribute to the Financial Services Compensation Scheme (FSCS), which protects customers of failed deposit takers and victims of financial mis-selling. This levy is proportionate to the size of the Credit Union's protected deposits, but at the balance sheet date the actual cost of the levy in future years is unknown. GWCU makes a prudent estimate of the amount we are likely to pay and takes a charge during the year to cover this estimate.

36 Related party transactions

Employees forming the key management personnel are the CEO and any other member(s) of the Senior Management team subject to regulatory pre-approval. Employed key management personnel are also included in Employment costs. There are two members of key management.

The Directors of Great Western Credit Union are also key management personnel and form a Non-Executive Board. No Directors are remunerated or otherwise compensated for their service, which is given on a voluntary basis. Out of pocket expenses incurred in the course of their duties are reimbursable in accordance with agreed Board policy.

The Credit Union incurred legal fees from Bevan Brittan LLP during the year totaling £Nil (2024: £1,787). The spouse of a member of the Board is a member of key management within Bevan Brittan LLP. All transactions were carried out under standard terms.

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2025	**2024**
	£	**£**
Wages and salaries	158,008	143,586
Pension expense	9,655	8,070
Aggregate compensation	167,663	151,656

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	175	328
Shares held by key management and their close family	122,098	18,707
Deferred shares held by key management and their close family	1,000	2,150

The following page does not form part of the statutory accounts

GREAT WESTERN CREDIT UNION LIMITED

DETAILED REVENUE ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2025

	Notes	2025 £	2024 £
Income			
Interest income on loans	3	2,064,141	1,808,842
Interest income on bank deposits	3	58,412	61,012
Fees and commissions receivable	5	359,662	250,572
Other income	7	263,076	136,001
		2,745,291	2,256,427
Expenditure			
Staff costs	11	1,136,984	939,505
Auditors remuneration		17,114	20,106
Member communication and advertising	8	241,135	166,279
Legal, professional and credit control costs	8	242,470	254,046
Computer and software expenses	8	260,579	210,909
Travel costs	8	3,218	4,086
Bank charges	6	75,519	66,587
General administration costs	8	42,816	58,644
Regulatory costs	9	6,370	6,122
Costs of occupying offices	9	47,825	63,489
Depreciation and amortisation	10	129,961	116,549
Impairment on loans for bad and doubtful debts	15	933,011	899,843
Loan interest payable		278,179	218,343
		3,415,181	3,024,508
Surplus before taxation		(669,890)	(768,081)
Corporation tax	12	-	23,418
		(669,890)	(744,663)
Distributions		(157,915)	(72,393)
Deficit for the year		(827,805)	(817,056)