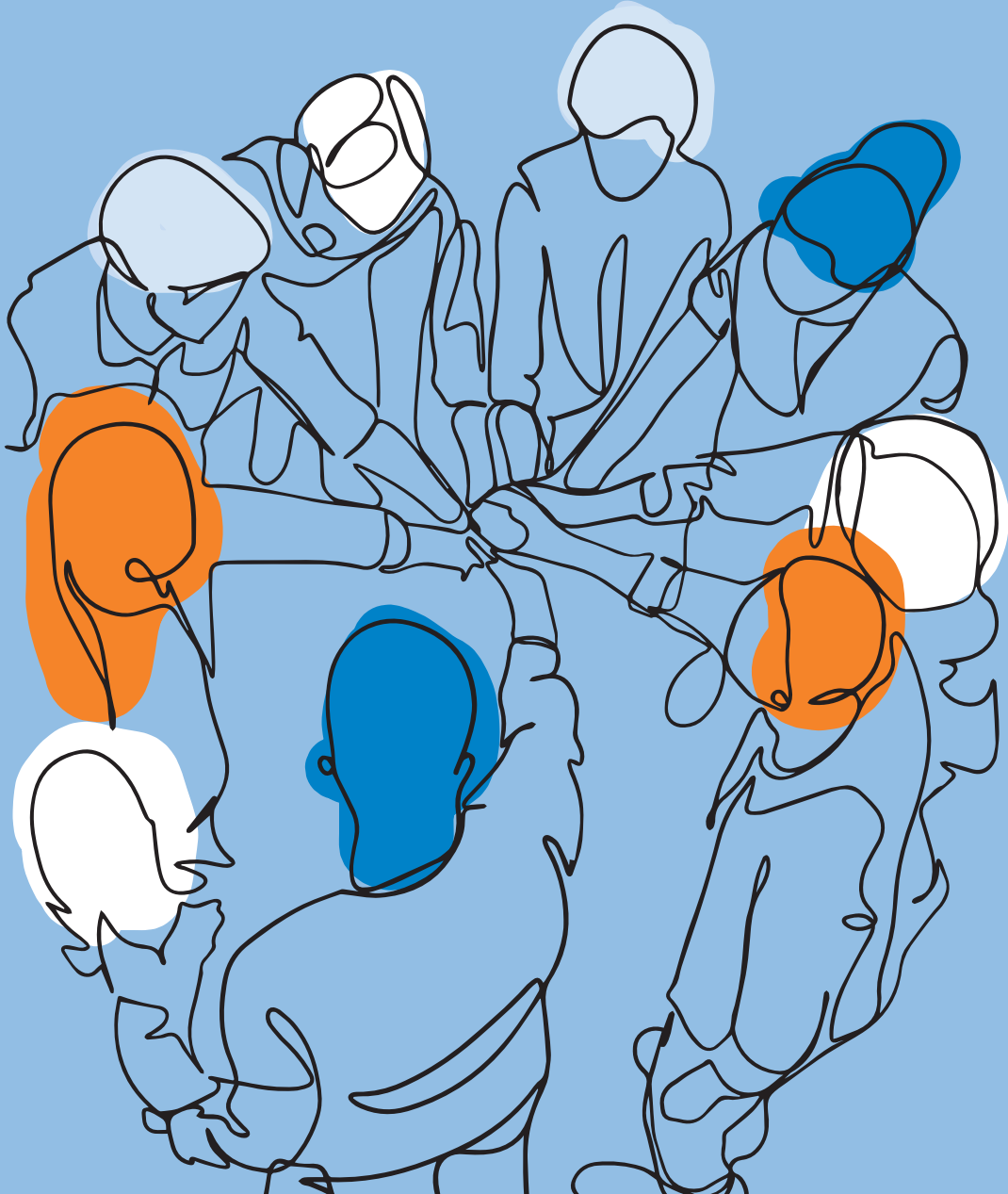




London Capital Credit Union
the savings & loans co-operative



Co-operating For Good

Annual Report
2024 - 2025



Active Adult Membership



20,677
(+12%)

Members Loans Balances



£17,517,445
(+37%)

Loan Interest Income



£1,977,943
(+18%)

Total Savings



£22,453,613
(+5%)

Value of loans issued



£12,212,312
(+46%)

Capital Asset Ratio



13.6%
(+22%)

Member Hub

The Credit Union helping everyday lives. Throughout the year, London Capital Credit Union has helped our members navigate different stages of life with greater financial confidence through our savings and loan services. The emphasis the credit union places on encouraging members to save has helped them adopt more sustainable money management habits, supporting greater financial security and freedom over the long term.

Saving directly from salary for life's goals



"I started saving from my salary with London Capital Credit Union a few years ago; it really helped me build up funds and, three years later, I was able to pay for my indefinite leave to remain."

Gerald,
Royal Hospital for Neuro-Disability.

The Salary Saving Scheme makes it easy for me to save, as it comes out directly from my pay – it is automatic and I forget about it. I would recommend other colleagues to join as it encourages you to save and it's free."

Trudy,
University College London Hospital.

A helping hand with lasting impact

Compassion and understanding are common themes in the way members describe their interactions with London Capital Credit Union.

Thoko Mazibuko requested a loan from the credit union to help support her children through secondary school and college:

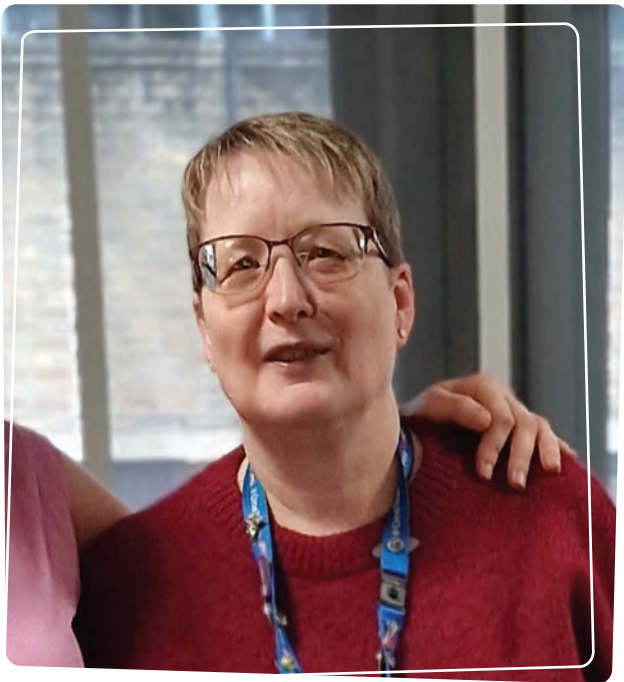
"The process wasn't invasive and I felt they really wanted to help. It had a positive impact on my family, big difference in my children's confidence and happiness at school, as well as their academic progress."

By your side when faced with the unexpected

Jude Pius, who has been a member of London Capital Credit Union for more than eight years, shared how a loan from the credit union helped him following the death of his mother.

"She suddenly passed away in Nigeria, my finances were limited to attend the funeral back home, I turned to London Capital Credit Union for help who greeted me with a compassionate and listening ear. I applied for a loan and was approved with little hassle. This allowed me to fly out to Nigeria - without the Credit Union, I would not have been able to mourn my mother in person. I was so happy for them backing me up during that time."

Working Together To Make It Better



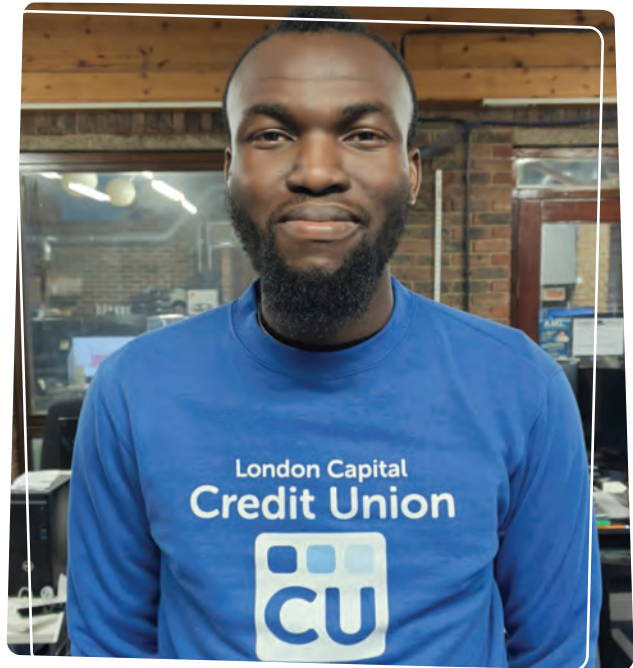
The Salary Saving Scheme is one of the many ways we support both prospective and current members. Evidence indicates that individuals are significantly more likely to open a savings account when their employer offers a salary savings scheme through the credit union.

The financial well-being and resilience provided by access to savings or low-cost loans is considered a valuable benefit by both employees and employers utilizing this service. This, in turn, can alleviate stress caused by financial issues, thereby reducing staff turnover, absenteeism, and sickness levels.

"We wanted to encourage our staff to save rather than offering loans. The credit union ethos is aligned with our values as a Trust. We think it's important for their long-term wellbeing."

**Margaret Bingham-Crisp,
People Experience Lead
Homerton NHS Trust**

A Word From Our Team



Members are not the only ones who benefit from the Credit Union; the staff and volunteers who keep it running can also share powerful stories of what it means to be part of a movement that offers a helping hand to so many.

Timmy began his journey at London Capital as a Member Support Officer. After a year in this role, he moved to the Loan Support team, where he now works directly with members to find responsible, sustainable solutions to help them manage their finances.

"I really appreciate working at the Credit Union because of the opportunities to grow and develop within the organisation, and the value and trust the company places in its employees."

He explains that what sets the Credit Union apart from a typical high-street bank is its emphasis on genuine, compassionate relationships with members.

"A member's credit profile might not meet the lending standards of a high street bank, yet a thorough assessment by the Credit Union may reveal recent stability or positive financial behaviours-allowing the team to offer help where others cannot."



As a North London resident wanting to make a local difference, Helen began volunteering with London Capital Credit Union in 2017.

“After retiring, I really appreciated the structure that volunteering at the Union provides me with. I love seeing the staff building friendly relationships with members, and am constantly impressed by the lengths to which my colleagues will go to in order to understand the circumstances of the members they interact with.”

Over the years, Helen has witnessed first-hand the impact the Credit Union has on how local residents manage their money. For many members, joining London Capital offers their first realistic and accessible opportunity to build meaningful savings. One moment has stayed with her. She recalls working with a member who had just finished repaying their Saver Loan:

“They sat across from me and told me. This is the first time I have ever had savings in my life’ – It was brilliant to hear that. That’s what it’s all about. It’s a really good feeling to sit with someone who tells you that.”



London Capital Credit Union
the savings & loans co-operative



**Got a little time -
and a big heart?
Come and volunteer with us.**

You'll be part of a supportive, fun team, with plenty of tea, coffee and biscuits on hand while you make a real difference.

If you're more of a connector, try your hand as a Workplace Ambassador or Member Recruiter. So many of our members joined because a colleague, friend or family member pointed them our way.

Drop us an email at info@credit-union.coop and we'll send you a simple starter pack with everything you need to get going.

Partner with us to support financial wellbeing

If you work in employee wellbeing, HR, or payroll, or know someone who does, we'd love to show how easy it is to set up a Salary Saving Scheme with London Capital Credit Union.

You can support staff to build financial confidence and reduce money worries – all through the convenience of payroll.

Get in touch
bizdevelopment@credit-union.coop

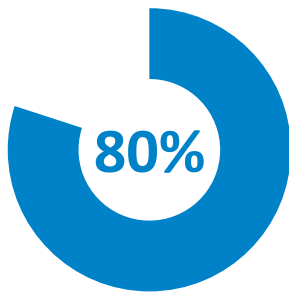
Member Survey

Satisfaction

Throughout the financial year we have continued to focus on providing the best possible levels of customer service. Over 22% of members contacted, responded to the survey, up from 9% the previous year. The survey shows that we have maintained a very high overall level of member satisfaction with the services we provide, with an average score of 9.0 out of a possible 10.



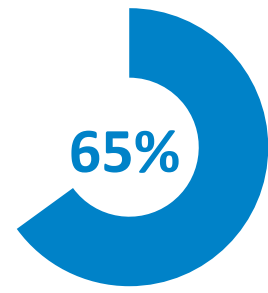
What Members Told Us



would be willing to help publicise our work.



had no savings of any kind before joining the CU.

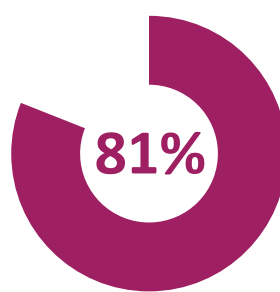


knew of different accounts available.

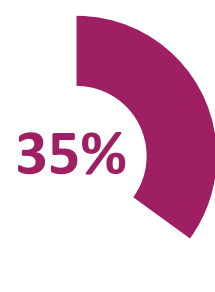
Impact Highlights



helped with a low-cost saver loan from the CU.

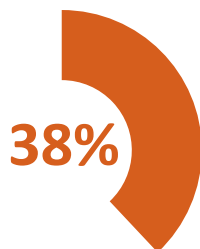


registered with secure area of the website and/or app.



are lone parents.

Member Recruitment



of members joined through word of mouth.

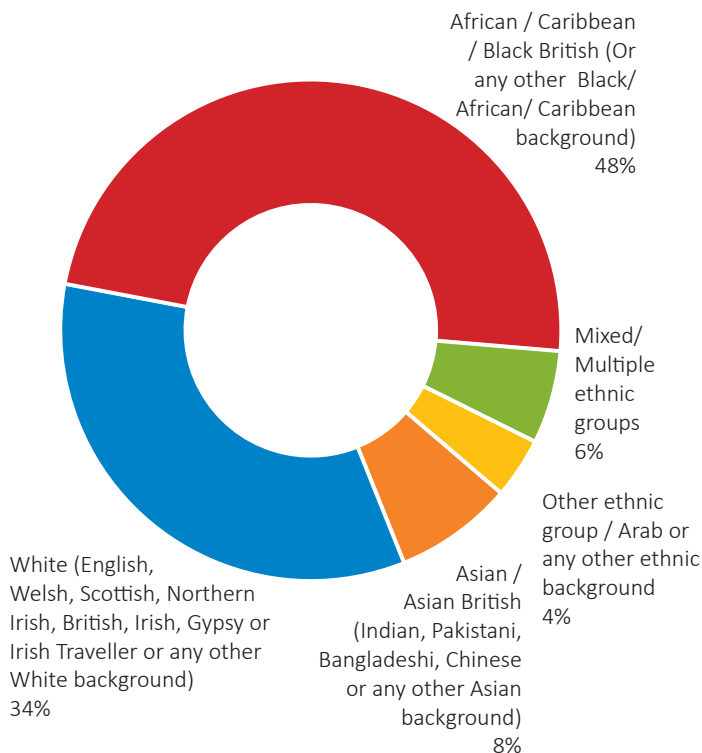


found us at employer partners staff wellbeing schemes.

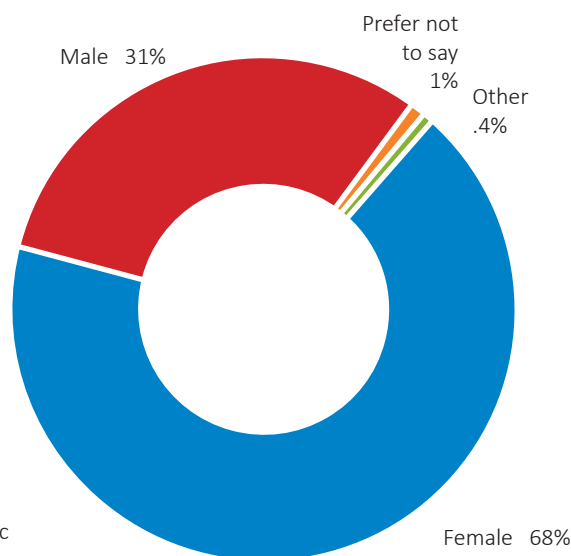
About Our Members

Even co-operatives have to balance the books, weighing up commercial and social objectives that can pull indifferent directions. Luckily our co-operative is not subject to the financial strains relating to share price fluctuation so can afford to take longer term decisions when it comes to helping members. To assess how we meet our social objective we look at certain socio-economic factors and see how they relate to those sections of society most likely to face financial exclusion, debt and poverty.

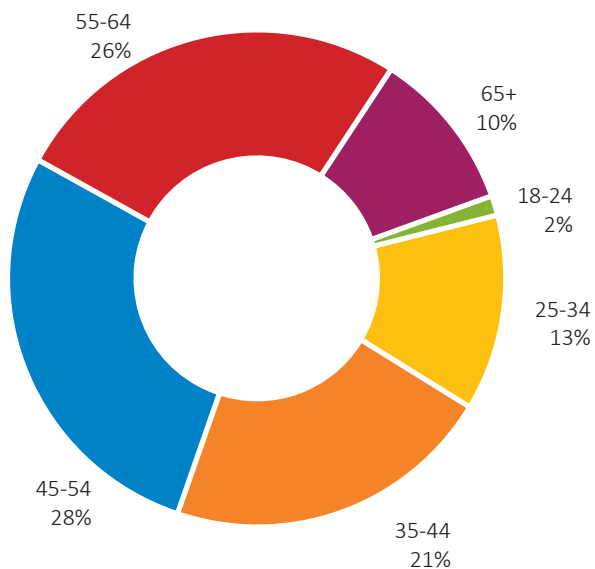
Ethnicity



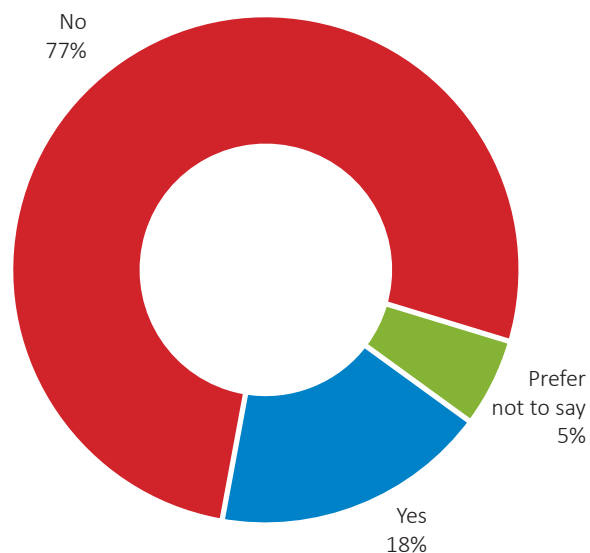
Gender



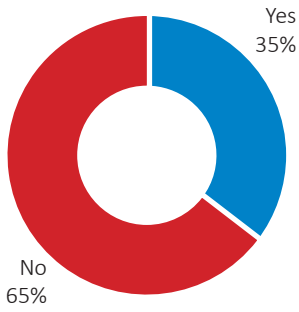
Age



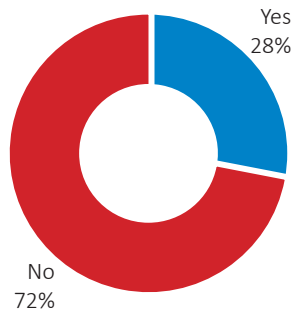
Disability



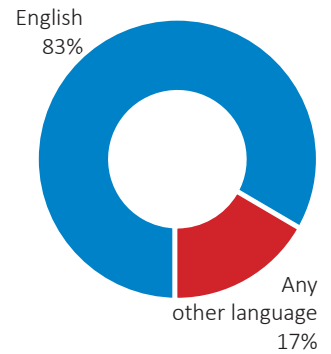
Single Parent Status



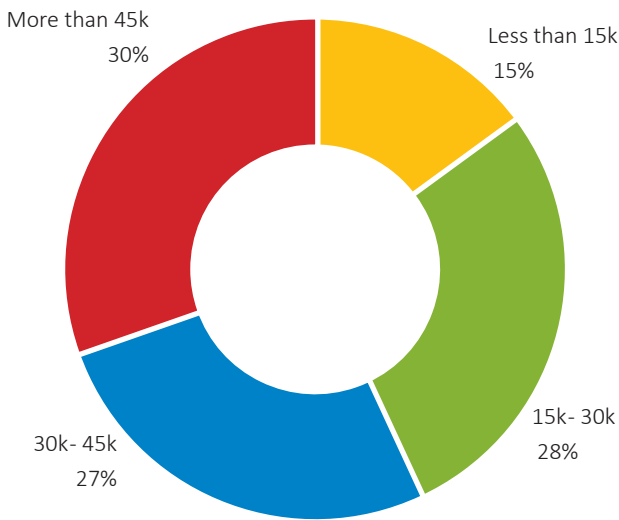
Caring Responsibilities (excluding children)



First Language

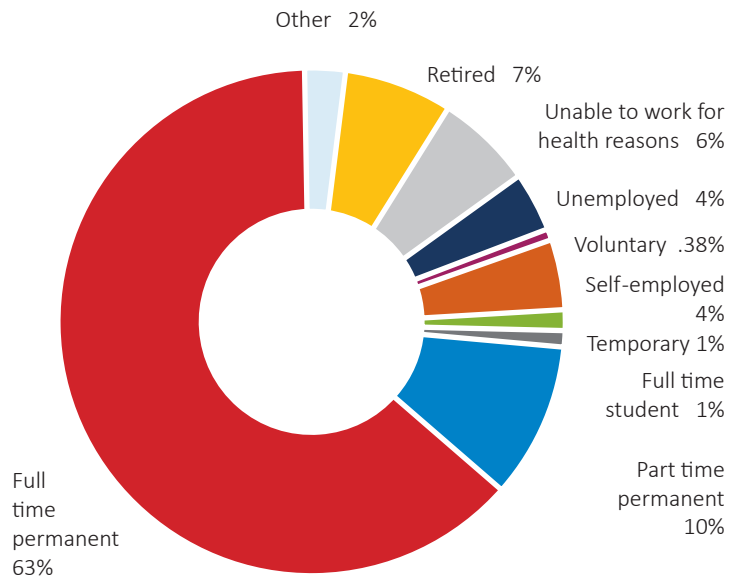


Total Household Income

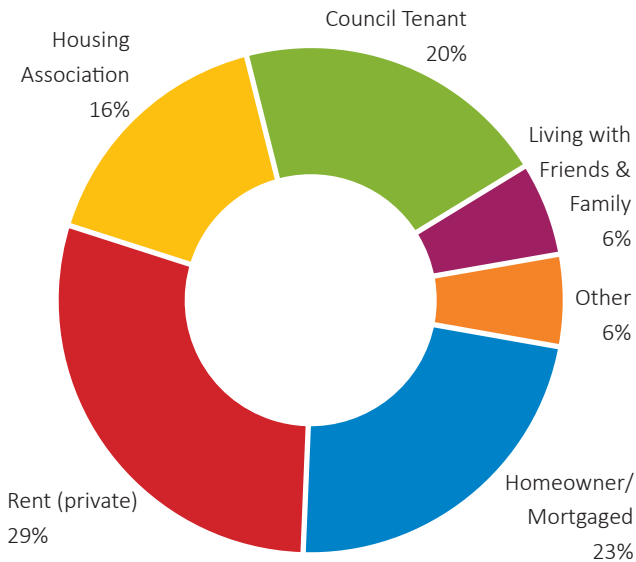


Annual salary/earnings in London 2025 was £49,692

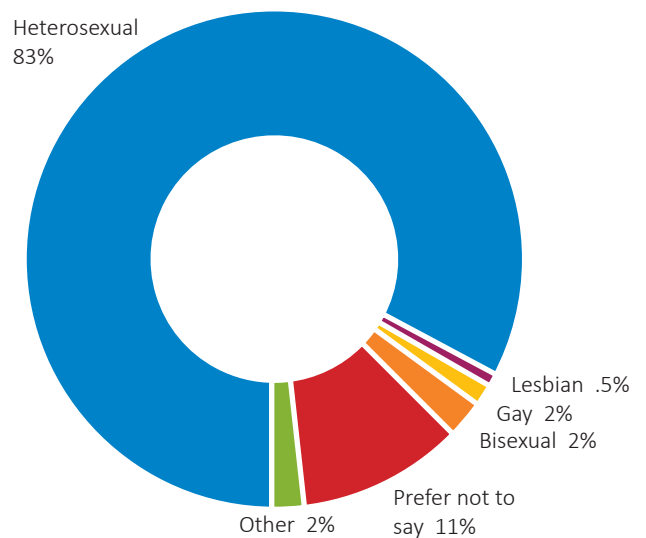
Employment



Housing Tenure



Sexual Orientation





*Ms Helen Baron
(President)*



*Mr Don Kehoe
(Secretary)*



*Ms Julie Dupont-
Nedellec (Treasurer)*

Report of Directors for the Financial Year

Overview

The Credit Union is a democratically owned and controlled co-operative, run by and for its members on the basis of mutual self-help. This is the annual report of the Credit Union for the financial year to the end of September 2025. The purpose of this report is to inform members & stakeholders of our progress in meeting our objectives, to provide high quality ethical and affordable co-operative financial services.

The year has seen continued strong growth in membership, savings, the value of the loan book, with increased capital asset ratio and lending margins while maintaining low typical loan interest rates. This will allow us to increase dividends on members savings and provide loan interest rebate to our borrowing members.

The primary purpose of the Credit Union is to promote saving as an alternative to borrowing, so it is pleasing to report

- further surplus over £500k
- like for like increase of 12% in the number of members now saving with us
- 5% in the value of our members savings balances during the year.

It is our member's savings that provide the money to lend to people in times of need. In this financial year the value of loans we issued, savings we attracted and the number of members we have again served have all increased significantly.

We have increased financial surplus as we have grown our loan book further, increasing income and maintaining effective cost controls. We plan to continue to allocate funds to our dividend reserves for distribution to savers as a dividend and a rebate of interest that members have paid on their loans. We will return dividends and loan rebates to our members in the local communities where the profits were generated.

Outlook for the Future

It is never possible to predict the future but it seems likely that both inflation and bank interest rates are likely to reduce in the current financial year. We will continue to base our strategy on providing the highest quality services, listening and responding to the needs of our members. We expect further growth in the number of people we help to save, an increase in the value of our members savings and further strong demand for our ethical and low-cost loan products.

The UK government is consulting on changes to credit union regulation that may liberalise the rules limiting competition in the market. We envisage the trend to continue toward fewer larger credit unions benefiting from economies of scale whilst remaining committed to the communities we serve.

Key to our continued growth to benefit many more people is to invest in technology to improve our already popular online services. In particular we seek to further reduce the time taken for loan applications to be process. In moving towards increased automation of lending decisions we will commit to ensuring a human approach that ensures we provide secure savings accounts and affordable credit to those often excluded from 'mainstream' for-profit providers.

Loans Panel Report

Our interest rates on loans can start from as low as 2.9% apr and are based on the principles of risk-based lending. Our typical loan rate remains at 12.7% apr, significantly lower than most Credit Unions and compares very well with an average UK credit card rate which has risen further to 26.6% Unlike other lenders we did not increase our loan interest rates, even during the period of very high inflation. We are constantly reviewing our rates on lending products to ensure we remain ethical, fair and favourable for our members.

Success in lending is particularly important as it evidences our ability to replace other sources of more expensive debt, and gets ever more people moving from being borrowers into becoming savers. Maintenance of a good loan book is vitally important for the Credit Union to maintain independence and longer-term financial sustainability, helping many tens of thousands of people along the way.

During the year we issued £12,217,000 in loans to members, 20% more loans than last year and an increase in value of loans issued of over 46%. By year end the loan balances increased to £20,454,000 up by 46% year on year with loan interest income boosted by 35% year on year. All whilst maintaining low typical loan interest rates at a time when High Street bank lending rates rose significantly.

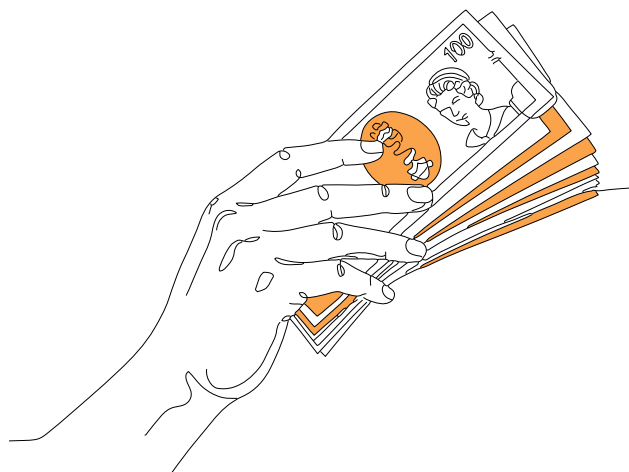
With inflation and bank lending rates still at high levels we expect pressure on household finances to continue to cause financial stresses to the public. We expect the trend to continue where we are seeing working people borrowing higher sums to clear credit cards or bank loans. The increasing popularity of our larger value Homeowner Loans is set to continue but we expect the majority of loans to be of smaller value, often to people who might otherwise have no access to affordable credit.

Report of Supervisory Team

The role of the team is to act as an independent internal auditor to ensure that policies, procedures and regulatory requirements are properly applied. Since the AGM in March 2025 the elected supervisory members having served for the year are Gordon Brown, Brenda Cossio (Chair), John Davies and Eugene McCrohan. These Supervisors have carried out regular checks in the office and provided both written and verbal reports to every meeting of the Board of Directors. They focus checks with regard to the risk register and Board risk appetite, prioritising areas where risk is deemed greatest. Where issues have been raised then prompt action has been taken to improve processes and policies.

One of the key roles of the supervisory team is to ensure that the Board delivers compliance with regulatory requirements. We are pleased to confirm that all regulatory returns have been completed and returned as required.

The Credit Union would like to express our appreciation to the hard work and commitment of our long serving supervisory team, all of whom are volunteers.



Corporate Governance

Board of Directors

The Board is responsible for the strategic direction of the Credit Union, establishing policies and procedures for the operation of the business. It also holds management accountable for delivery of the business plan and maintenance of high-quality service to members. During the financial year the following directors held office:

Directors' Attendance at Board Meetings 2024-2025

Directors	Number of meetings attended	Notes
Helen Baron	12/12	President
Elisabetta Bertero	10/12	
Christiana Bukola Durosomo	5/12	
Paul Campy	8/12	
Julie Dupont-Nedellec	11/12	Treasurer
Chikezie Ekeanyanwu	12/12	
Elaine Greaves	7/12	
Kerry Hallett		Resigned 28th November 2024
François Jarrosson	11/12	
Don Kehoe	12/12	Secretary
Peter Lovell	5/12	
Mike McGowan	11/12	
Ed Pringle	10/12	
Mr Edmund Pringle	10/12	

The Board is comprised solely of unpaid members of the Credit Union who commit to volunteer on a regular basis. The Chief Executive Officer also attends Board meetings in a non-voting capacity. We remain committed to ensuring that anyone serving on the Board must be suitably qualified and committed to fulfil these roles.

Remuneration

It should be noted that all Directors and Supervisors conduct their duties on a purely voluntary capacity with only 'out of pocket' expenses paid. They commit very significant amounts of time and effort in behind the scenes work that ensures the continuing success of the Credit Union in meeting the needs of our members.

The Credit Union is pleased to report that all of its staff continue to be paid at rates above the London Living Wage. This is an hourly rate, set independently, every year. It is calculated according to cost of living and establishes the recommended minimum pay rate required for a worker to provide their family with the essentials of life. In London the rate during the latter part of the year in question was £14.80 per hour. The ratio between hourly rates of pay of the highest and lowest paid employee in the Credit Union remained the same during the year at just under 2.9.

LONDON CAPITAL CREDIT UNION LTD

Firm Reference No 214094

Registered No IP00513C

**DIRECTORS REPORT AND
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED

30 SEPTEMBER 2025

LONDON CAPITAL CREDIT UNION LTD

ADMINISTRATIVE INFORMATION

Directors	Helen Baron Elisabetta Bertero Paul Campy Elaine Greaves François Jarrosson Don Kehoe Chikezie Ekeanyanwu Peter Lovell Edmund Pringle Michael McGowan Julie Dupont-Nedellec Christiana Bukola Durosomo Monica Kaur
Secretary	Don Kehoe
Society Registration Number	IP00513C
Financial Conduct Authority Registration Number	214094
Registered Office	The Jeremy Hopgood Rooms Caxton House 129 St John's Way London N19 3RQ
Auditors	Lindley Adams Limited Chartered Accountants and Statutory Auditors 28, Prescott Street Halifax, HX1 2LG
Bankers	The Co-operative Bank Plc P.O. Box 101 1 Balloon Street Manchester M60 4EP Unity Trust Bank Plc Nine BrindleyPlace Birmingham B1 2HB

LONDON CAPITAL CREDIT UNION LTD

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Balance Sheet	20
Statement of changes in Retained Earnings	21
Cash flow statement	22
Notes to the financial statements	23

LONDON CAPITAL CREDIT UNION LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2025

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

Principal activity and Business Review

The principal activities 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.

Results and Dividends

The surplus for the year, after taxation, amounted to £365,756 (2024 - £255,376). In addition, there were 20677 (2024 - 18512) adult members with 5968 (2024 - 5323) members holding loans with the Credit Union.

Based upon the performance of the Credit Union as set out in these financial statements and sufficient reserves held, the Directors recommend the payment of a 1.1% dividend. This will be voted upon at the forthcoming Annual General Meeting.

Directors

The directors who served during the year are as stated below:

Helen Baron	Chikezie Ekeanyanwu
Elisabetta Bertero	Peter Lovell
Paul Campy	Edmund Pringle
Elaine Greaves	Michael McGowan
François Jarrosson	Julie Dupont-Nedellec
Donald Kehoe	Christiana Bukola Durosomo
Monica Kaur – Appointed August 2025	Kerry Hallett

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 each 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 areas are outlined in greater detail in section 14 of the Notes to the Financial Statements.

Statement of Directors' Responsibilities

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

Credit Union 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, including FRS 102 "The Financial Reporting Standard applicable in the UK and Ireland" (United Kingdom Accounting Standards and applicable law). Under Credit Union legislation 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 year. In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and 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 credit union will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Credit Union's transactions and disclose with reasonable accuracy at any time the financial position of the Credit Union and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014 and with the Credit Union 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.

In so far as the directors are aware:

- There is no relevant audit information (information needed by the Credit Union's auditors in connection with preparing their report) of which the Credit Union's auditors are unaware, and
- The directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Credit Union's auditors are aware of that information.

This report was approved by the Board on 12th March 2026 and signed on its behalf by:



Ms Helen Baron
Director



Mr Don Kehoe
Secretary

REPORT OF THE INDEPENDENT AUDITOR TO LONDON CAPITAL CREDIT UNION LTD

OPINION

We have audited the financial statements of London Capital 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 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 the provisions available for small entities, in the circumstances as set out in note 20 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

Except for the effect of the matter described in the qualified opening section of the report, 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.

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:

- Impairment allowances made in excess of loans in arrears.

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

Date.....

LONDON CAPITAL CREDIT UNION LTD

Revenue Account for the year ended 30 September 2025

	Note	2025	2024
		£	£
Loan Interest receivable and similar income	4	2,274,243	1,912,770
Interest payable	5	<u>(222,050)</u>	<u>(193,327)</u>
Net interest income		2,052,193	1,719,443
Fees and commissions receivable	6	41,557	37,322
Fees and commissions payable		<u>(83,049)</u>	<u>(61,635)</u>
Net fees and commissions payable		(41,492)	(24,313)
Other income	7	105,780	3,109
Administrative expenses	8a	(1,302,000)	(1,100,903)
Depreciation, amortisation and Negative Goodwill	11	(9,853)	75,922
Other operating expenses	8b	(149,980)	(130,554)
Impairment losses on loans to members	12e	(202,940)	(218,831)
Subordinated loan interest		<u>(6,083)</u>	<u>(7,964)</u>
Surplus Before Taxation		445,625	315,909
Taxation		(79,869)	(60,533)
Surplus for the Financial Year		365,756	255,376
Other comprehensive income		0	0
Total comprehensive income		365,756	255,376

Note: There is no comprehensive income other than those included on the Revenue Account.

The notes on pages 23 to 32 form an integral part of these financial statements.

LONDON CAPITAL CREDIT UNION LTD

Balance Sheet as at 30 September 2025

	Note	2025 £	As restated 2024 £
ASSETS			
Loans and advances to banks	20	8,433,491	11,207,477
Loans and advances to members	12	17,517,445	12,757,322
Tangible fixed assets	11	10,755	9,878
Prepayments and accrued income	20	193,058	189,630
Total assets		26,154,749	24,164,307
LIABILITIES			
Subscribed capital - repayable on demand	13	22,453,613	21,287,538
Other payables	14, 20	140,490	181,879
		22,594,103	21,469,417
Subordinated loans	15, 20	1,100,000	600,000
Retained earnings		2,460,646	2,094,890
Total liabilities		26,154,749	24,164,307

The financial statements were approved, and authorised for issue by the board on 12th March 2026 and signed on its behalf by:

Ms Helen Baron

Director

Ms Julie Dupont-Nedellec

Director

Mr Don Kehoe

Secretary

The notes on pages 23 to 32 form an integral part of these financial statements.

LONDON CAPITAL CREDIT UNION LTD

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

	2025	2024
	£	£
As at 1 October 2024	2,094,890	1,839,514
Total comprehensive income for the year	365,756	255,376
As at 30 September 2025	2,460,646	2,094,890

Movement in reserves

	Retained earnings					Total
	General reserve	Revenue reserve	Lloyds reserve	IT & Property reserve	Other reserve	Appropriation reserve
As at 1 October 2024	1,206,001	31,647	50,000	412,265	120,000	274,977
Surplus for year	365,756	0	0	0	0	0
Other movements	0	0	0	0	0	0
As at 30 September 2025	1,571,757	31,647	50,000	412,265	120,000	274,977
						2,460,646

The notes on pages 23 to 32 form an integral part of these financial statements.

LONDON CAPITAL CREDIT UNION LTD

Cash flow statement for the year ended 30 September 2025

	Note	2025 £	As restated 2024 £
Cash Flows from operating activities			
Surplus Before Taxation		445,625	315,909
Adjustments for non-cash items			
Depreciation	11	9,853	(75,922)
Impairment losses	12e	206,181	222,460
		<u>216,034</u>	<u>146,538</u>
 Movements in:			
Subordinated loans	15	500,000	0
Prepayments and accrued income		(3,428)	(152,852)
Other payables		(41,389)	20,014
		<u>455,183</u>	<u>(132,838)</u>
 Cash flows from changes in operative assets and liabilities			
Cash inflow from subscribed capital	13	20,086,848	18,645,950
Cash outflow from repaid capital	13	(18,920,773)	(17,469,209)
New loans to members	12a	(12,212,312)	(8,380,544)
Repayment of loans by members	12a	7,246,008	6,313,511
		<u>(3,800,229)</u>	<u>(890,292)</u>
Taxation paid		(79,869)	(60,533)
Net Cash flows from operating activities		<u>(2,763,256)</u>	<u>(621,216)</u>
 Cash flows from investing activities			
Purchase of property, plant and equipment	11	(10,730)	(3,897)
Net cash flow from managing liquid deposits	17	4,412,201	(524,676)
		<u>4,401,471</u>	<u>(528,573)</u>
 Net increase (decrease) in cash and cash equivalents		<u>1,638,215</u>	<u>(1,149,789)</u>
Cash and cash equivalents at beginning of year		2,152,343	3,302,132
 Cash and cash equivalents at end of year	17	<u><u>3,790,558</u></u>	<u><u>2,152,343</u></u>

The notes on pages 23 to 32 form an integral part of these financial statements.

LONDON CAPITAL CREDIT UNION LTD

Notes to the Financial Statements for the year ended 30 September 2025

1 Legal and regulatory framework

The Credit Union 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. The Credit Union has registered with the Financial Conduct Authority and is regulated by the Prudential Regulation Authority under the provisions of the Financial Services and Markets Act 2000.

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

2 Accounting policies

Basis of preparation

These financial statements, with exception to a general and prudential provision for loan impairments outlined in note 3 to the accounts, have been prepared in accordance with FRS 102 - the Financial Reporting Standard applicable in the UK and Ireland.

The financial statements are prepared on the historical cost basis.

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 8.5A, the credit union that has total assets of more than £5 million must have:

	The relevant capital amounts:	
	2025	2024
(1) capital of at least 5% of total assets up to and including £10 million, and	500,000	500,000
(2) capital of at least 8% of total assets above £10 million up to and including £50 million	1,292,380	1,133,145
Minimum regulatory capital	<u>1,792,380</u>	<u>1,633,145</u>
	The relevant ratios are:	
Base requirement capital to total assets	6.85%	6.76%
Actual capital to total assets (as calculated on note 15)	13.61%	11.15%

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.

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 transactions is recognised when the transaction is completed.

Other income: Other income is recognised either evenly over the period to which it relates or when the transaction is complete.

Taxation

The tax charge for the year reflects current tax payable. Current tax is the expected corporation tax payable for the year, using tax rates in force for the year. The Credit Union is not liable to corporation tax payable on its activities of making loans to members, 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 the Credit Union from which profits are chargeable to corporation tax, it is unlikely that deferred tax will arise.

LONDON CAPITAL CREDIT UNION LTD

Notes to the Financial Statements for the year ended 30 September 2025 (continued)

2 Accounting policies (cont.)

Tangible fixed assets

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

Depreciation is provided to write off the cost of each item of property, plant and equipment, less its estimated residual value, on a straight line basis over its estimated useful life. The categories of property, plant and equipment are depreciated as follows:

Fixtures and Fittings	3-4 years	Software	3 years
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Cash and cash equivalents

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

Deferred grants and funding / revenue contributions

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 represent the grants / funding receivable to date less the amount so far credited to the income and expenditure account.

Financial assets – loans and advances to members

Loans to members are financial assets with fixed or determinable payments. 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 recognised when cash is advanced to members and measured at amortised cost using the effective interest method.

Loans are derecognised when the right to receive cash flows from the asset have expired, usually when all amounts outstanding have been repaid by the member.

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 loan and the net present value of the expected cash flows.

Financial liabilities – subscribed capital

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

Employee benefits

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

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

Reserves

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

Operating lease commitments

Rentals paid under operating leases are charged to the Revenue account on a straight line basis over the period of the lease.

LONDON CAPITAL CREDIT UNION LTD

Notes to the Financial Statements for the year ended 30 September 2025 (continued)

3 Use of estimates and judgements

The preparation of financial statements requires the use of certain accounting estimates. It also requires the Directors to exercise judgement in applying the Credit Union's accounting policies. The areas requiring a higher degree of judgement, or complexity, and areas where assumptions or estimates are most significant to the financial statements, are disclosed 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.

Loans in arrears 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.

In addition to the regulatory standard, an annual general provision of 0.25% and a monthly prudential provision of 0.04% is applied to loans under 13 weeks in arrears.

4 Loan interest receivable and similar income	2025	2024
	£	£
Loan interest receivable from members	1,977,943	1,676,844
Loan Interest rebate to members	(31,076)	(13,965)
Bank interest receivable from cash and liquid deposits	327,376	249,891
Total loan interest receivable and similar income	<u>2,274,243</u>	<u>1,912,770</u>

5 Interest expense

Interest expense is the dividend paid to members for the prior year. The dividend is formally proposed by the Directors after the year end and is confirmed at the following AGM. As a result it does not represent a liability at the balance sheet date.

		2025	2024
		£	£
Interest paid during the year		<u>222,050</u>	<u>193,327</u>
Dividend rate	Adult and Corporate members	1.10%	1.00%
	Juvenile depositors	1.10%	1.00%
Interest rebate rate		2.00%	2.00%
Interest proposed, but not recognised		<u>242,000</u>	<u>233,500</u>
Dividend rate	Adult members	1.10%	1.10%
	Juvenile depositors	1.10%	1.10%
Interest rebate rate		2.00%	2.00%

6 Fees and commissions receivable	2025	2024
	£	£
Dormant account service charges	13,463	12,612
Bad debt recovery admin fees	28,094	24,710
Total fees and commissions receivable	<u>41,557</u>	<u>37,322</u>

7 Other Income	2025	2024
	£	£
Grants and deferred income	102,300	0
Donations	3,480	3,109
	<u>105,780</u>	<u>3,109</u>

LONDON CAPITAL CREDIT UNION LTD

Notes to the Financial Statements for the year ended 30 September 2025 (continued)

8 Expenses	Note	2025	2024
		£	£
Administrative expenses	8a	1,302,000	1,100,903
Negative Goodwill		0	(84,429)
Depreciation and amortisation	11	9,853	8,507
Other operating expenses	8b	149,980	130,554
		<u>1,461,833</u>	<u>1,155,535</u>
8a Administrative Expenses	Note	2025	2024
		£	£
Employment costs	9b	1,000,095	828,214
Training and Conference		11,656	8,733
Members communication and Advertising		135,290	130,188
Volunteer expenses		3,869	6,162
Staff expenses		11,213	10,782
Auditors remuneration	8c	17,231	13,249
Computer, software and maintenance costs		80,259	51,252
Legal and Professional		31,307	33,053
General expenses		2,246	7,635
Printing, Postage and Stationery		7,707	10,500
Other insurances		1,127	1,135
Total Administrative Expenses		<u>1,302,000</u>	<u>1,100,903</u>
8b Other Operating Expenses		2025	2024
Cost of occupying offices (excluding depreciation)		£	£
Rents and Business Rates		53,137	51,048
Repairs and Maintenance		1,134	0
		<u>54,271</u>	<u>51,048</u>
Regulatory and financial management costs			
Financial Conduct Authority, Prudential Regulation Authority Fees and FSCS levy		1,500	1,500
National Body Dues		18,312	18,740
Fidelity Insurance		8,050	8,721
Credit checks & Debt Recovery costs		67,847	50,545
		<u>95,709</u>	<u>79,506</u>
Total Other operating Expenses		<u>149,980</u>	<u>130,554</u>
8c Auditors remuneration		2025	2024
The Credit Union voluntarily presents an analysis of its auditors' remuneration in accordance with Companies (Disclosure of Auditor Remuneration and Liability Limitation Agreements) Regulations 2008.		£	£
Fees payable for the audit of the Credit Union's annual accounts		17,141	13,249
Fees payable to the Credit Union's Auditor for other services:			
Services relating to taxation		90	0
Total Auditors remuneration		<u>17,231</u>	<u>13,249</u>
9 Employees and employment costs		2025	2024
9a Number of employees		Number	Number
The average monthly number of employees during the year were:			
Office staff		<u>25</u>	<u>21</u>

LONDON CAPITAL CREDIT UNION LTD

Notes to the Financial Statements for the year ended 30 September 2025 (continued)

9b Employment costs	2025	2024
	£	£
Wages, salaries and social security	980,664	799,185
Payments to defined contribution pension schemes	19,431	29,029
Total employment costs	<u>1,000,095</u>	<u>828,214</u>

9c Key Management

The key management team for the Credit Union includes the Chief executive officer and Finance manager. The remaining Directors of the Credit Union are unpaid volunteers.

	2025	2024
	£	£
Short term employee benefits	142,387	118,196
Payments to defined contribution pension schemes	4,710	4,486
Total key management personnel compensation	<u>147,097</u>	<u>122,682</u>

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

10 Taxation

10a Recognised in the Revenue Account

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

	Note	2025	2024
		£	£
Current tax		£	£
UK Corporation tax	10b	<u>79,869</u>	<u>60,533</u>
Total current tax and total taxation expense recognised in the Revenue Account		<u>79,869</u>	<u>60,533</u>

10b Reconciliation of taxation expense

The Credit Union is not liable to corporation tax payable on its activities of making loans to members, and investing surplus funds, as these are not classified as a trade. However, corporation tax is payable on investment income. As a result, tax charge for the year differs from the standard rate of corporation tax. The differences are explained below:

	2025	2024
	£	£
Surplus Before Taxation	<u>445,625</u>	<u>315,909</u>
Surplus before taxation multiplied by the main rate of corporation tax in the UK of 25% (2024 25%)	111,406	78,977
Effects of: Non-taxable surplus on transactions with members	<u>(31,537)</u>	<u>(18,444)</u>
Total tax charge for the year	<u>79,869</u>	<u>60,533</u>

11 Tangible Fixed Assets

Tangible Fixed Assets comprise the following property, plant and equipment:

Cost	Fixtures and		Total
	Fittings	Software	
	£		£
As at 1 October 2024	131,588	86,002	217,590
Additions	<u>10,730</u>	<u>0</u>	10,730
As at 30 September 2025	<u>142,318</u>	<u>86,002</u>	<u>228,320</u>
Depreciation			
As at 1 October 2024	121,710	86,002	207,712
Charge for the year	<u>9,853</u>	<u>0</u>	9,853
As at 30 September 2025	<u>131,563</u>	<u>86,002</u>	<u>217,565</u>
Net Book Value			
As at 30 September 2025	<u>10,755</u>	<u>0</u>	<u>10,755</u>
As at 30 September 2024	<u>9,878</u>	<u>0</u>	<u>9,878</u>

LONDON CAPITAL CREDIT UNION LTD

Notes to the Financial Statements for the year ended 30 September 2025 (continued)

12 Loans and advances to members

12a Loans and advances to members	Note	2025	2024
		£	£
As at 1 October 2024		15,953,932	13,978,478
Advanced during the year		12,212,312	8,380,544
Interest receivable		1,977,943	1,676,844
Repaid during the year		<u>(9,223,951)</u>	<u>(7,990,355)</u>
Gross loans and advances to members	12b	20,920,236	16,045,511
Impairment losses:			
Individual financial assets	12b, 12e	(345,206)	(91,579)
Groups of financial assets	12d	<u>(3,057,585)</u>	<u>(3,196,610)</u>
	12c	<u>(3,402,791)</u>	<u>(3,288,189)</u>
As at 30 September 2025		<u>17,517,445</u>	<u>12,757,322</u>

12b Memorandum - Total loan assets regulatory purposes	Note	2025	2024
		£	£
Gross loans and advances to members		20,920,236	16,045,511
Impairment of individual financial assets		<u>(345,206)</u>	<u>(91,579)</u>
Total loan assets for regulatory purposes	16b	<u>20,575,030</u>	<u>15,953,932</u>

12c Credit risk disclosures

The credit union does not offer mortgages and as a result all loans to members are unsecured, except where there are restrictions on the extent to which borrowers may withdraw their savings whilst loans are outstanding.

The carrying amount of the loans to members represents the credit union's maximum exposure to credit risk. 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	16,911,148	80.82%	12,038,953	75.03%
Up to 3 months past due	693,759	3.32%	925,073	5.77%
Between 3 and 6 months past due	0	0.00%	0	0.00%
Between 6 and 9 months past due	0	0.00%	0	0.00%
Between 9 months and 1 year past due	0	0.00%	0	0.00%
Over 1 year past due	0	0.00%	0	0.00%
Sub-total: loans not impaired	<u>17,604,907</u>	<u>84.14%</u>	<u>12,964,026</u>	<u>80.80%</u>
Individually impaired:				
Not yet past due, but impaired	0	0.00%	0	0.00%
Up to 3 months past due	0	0.00%	0	0.00%
Between 3 and 6 months past due	283,495	1.36%	124,081	0.77%
Between 6 and 9 months past due	168,658	0.81%	180,872	1.13%
Between 9 months and 1 year past due	116,438	0.56%	239,733	1.49%
Over 1 year past due	<u>2,746,738</u>	<u>13.13%</u>	<u>2,536,799</u>	<u>15.81%</u>
Total loans	<u>20,920,236</u>	<u>15.86%</u>	<u>16,045,511</u>	<u>19.20%</u>
Impairment allowance	(3,402,791)		(3,288,189)	
Total carrying value	<u>17,517,445</u>		<u>12,757,322</u>	

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

LONDON CAPITAL CREDIT UNION LTD

Notes to the Financial Statements for the year ended 30 September 2025 (continued)

12d Allowance account for impairment losses	Note	2025	2024
		£	£
As at 1 October 2024		3,196,610	3,065,729
Increase (decrease) in impairment allowances during the year		<u>(139,025)</u>	<u>130,881</u>
Increase (decrease) in allowance during the year	12e	(139,025)	130,881
As at 30 September 2025		<u>3,057,585</u>	<u>3,196,610</u>

12e Impairment losses recognised for the year	2025	2024
	£	£
Impairment of individual financial assets	345,206	91,579
Increase (decrease) in impairment allowances during the year	<u>(139,025)</u>	<u>130,881</u>
	206,181	222,460
Reversal of impairment where debts recovered	<u>(3,241)</u>	<u>(3,629)</u>
Total impairment losses recognised for the year	<u>202,940</u>	<u>218,831</u>

13 Subscribed capital - financial liabilities	2025	2024
	£	£
As at 1 October 2024	21,287,538	20,110,797
Received during the year	19,864,798	18,452,623
Dividends paid during the year	222,050	193,327
Repaid during the year	<u>(18,920,773)</u>	<u>(17,469,209)</u>
As at 30 September 2025	<u>22,453,613</u>	<u>21,287,538</u>

Deposits from members are made by way of subscription for shares. The balance includes deposits made by juvenile members - £357,621 (2024 - £440,926).

14 Other payables	Note	2025	As restated 2024
		£	£
UK Corporation tax		81,844	62,471
Accruals and deferred income		58,646	50,427
Other creditors		0	3,981
Subordinated loan	15, 20	<u>0</u>	<u>65,000</u>
		<u>140,490</u>	<u>181,879</u>

15 Subordinated loan

To assist with regulatory capital, 6 subordinated loans were granted to the credit union between 2017 and 2025. These are repayable over an 8 to 20 year period. These have been presented in accordance with capital guidelines outlined in the PRA rulebook, rule 8.2(5) and summarised as follows:

	Granted	Loans Granted	Loans repaid to 2025	Loan not qualifying as regulatory capital	Loan qualifying as regulatory capital	Years remaining
		£		£	£	
Haringey Council Member	Dec-2017	400,000	0	0	400,000	15
St Lukes Trust	Sep-2018	15,000	15,000	0	0	0
Trust for London	Sep-2018	50,000	50,000	0	0	0
Trust for London	Jun-2020	100,000	0	0	100,000	5
Trust for London	May-2023	100,000	0	0	100,000	7
Fair4All	Aug-2025	500,000	0	0	500,000	8
Carried forward		<u>1,165,000</u>	<u>65,000</u>	<u>0</u>	<u>1,100,000</u>	

LONDON CAPITAL CREDIT UNION LTD

Notes to the Financial Statements for the year ended 30 September 2025 (continued)

			As restated
The impact to regulatory capital is outlined below:	2025		2024
	£		£
Regulatory capital is made up of:	Retained earnings	2,460,646	2,094,890
	Subordinated loan	1,100,000	600,000
	CAPITAL	A 3,560,646	2,694,890
This is divided by:	TOTAL ASSETS	B 26,154,749	24,164,307
CAPITAL TO TOTAL ASSETS RATIO (A / B x 100):		13.61%	11.15%

16 Additional financial instruments disclosures

16a Financial risk management

The Credit Union manages its subscribed capital and loans to members so that it earns income from the margin between interest receivable and interest payable.

The main financial risks arising from the Credit Union's activities are credit risk, liquidity risk and interest rate risk. The board reviews and agrees policies for managing each of these risks, which are summarised below.

Credit risk: Credit risk is the risk that a borrower will default on their contractual obligations relating to repayments to the Credit Union, resulting in financial loss to the Credit Union. In order to manage the risk the Board approves the Credit Union's lending policy, and all changes to it. All loan applications are assessed with reference to the lending policy in force at the time. Subsequently loans are regularly reviewed for any factors that may indicate that the likelihood of payment has changed. The Credit Union also monitors its banking arrangements closely in light of the current banking situation.

Liquidity risk: The Credit Union's policy is to maintain sufficient funds in liquid form at all times to ensure that it meets its liabilities as they fall due. The objective of the Credit Union's liquidity policy is to smooth the mismatches between maturing assets and liabilities and to provide a degree of protection against any unexpected developments that may arise. Note 2 provides further details about the impact of the maturity mismatch on the going concern status of the Credit Union.

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

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

16b Interest rate risk disclosures

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

	2025		As restated 2024	
	Amount	Average	Amount	Average
	£	Interest Rate %	£	Interest Rate %
Financial assets				
Loans to members	20,575,030	10.83%	15,953,932	11.20%

The interest rates applicable to loans to members are fixed and range from 2.9% to 26.8% per annum.

16c Liquidity risk disclosures

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

16d Fair value of financial instruments

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

LONDON CAPITAL CREDIT UNION LTD

Notes to the Financial Statements for the year ended 30 September 2025 (continued)

17 Cash and cash equivalents	2025	2024
	£	£
Loans and advances to banks	8,433,491	11,207,477
Less: amounts maturing after three months	(4,642,933)	(9,055,134)
Total cash and cash equivalents	<u>3,790,558</u>	<u>2,152,343</u>
 18 Leasing Agreements		
Minimum lease payments under non-cancellable operating leases fall due as follows:	2025	2024
	£	£
Within one year	3,168	2,512
Between one and five years	11,769	0
	<u>14,937</u>	<u>2,512</u>
 19 Financial Commitments	2025	2024
	£	£
Contracted but not provided for in the financial statements	<u>14,937</u>	<u>2,512</u>
 20 Previous year adjustments		
a £183,566 in Bank and Investment interest receivable, previously included in Loans and Advances to bank has been presented within Debtors and Prepayments. This is to ensure consistent presentation over the two years.		
b To satisfy the requirements of note 15 to the accounts, £65,000 in subordinated loans have been presented within Other payables. This represented the balance not eligible to be presented within regulatory capital at 30 September 2024.		
c The following disclosures on the Balance sheet have been amended accordingly:		
 Loans and Advances to Banks	2024	
As previously stated (described as Investments & Loans advances to Banks in the previous financial statements)	£ 11,391,043	
Bank and Investment interest receivable	(183,566)	
Revised disclosure	<u>11,207,477</u>	
 Prepayments and Accrued Income	2024	
As previously stated (described as Other receivables and Prepayments in the previous financial statements)	£ 6,064	
Bank and Investment interest receivable	183,566	
Revised disclosure	<u>189,630</u>	
 Other payables	2024	
As previously stated (described as 'Other Liabilities' in the previous financial statements)	£ 116,879	
Subordinated loans payable	65,000	
Revised disclosure	<u>181,879</u>	
 Subordinated loans	2024	
As previously stated	£ 665,000	
Subordinated loans payable	(65,000)	
Revised disclosure	<u>600,000</u>	

LONDON CAPITAL CREDIT UNION LTD

Notes to the Financial Statements for the year ended 30 September 2025 (continued)

21 Post balance sheet events

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

22 Contingent liabilities

The Credit Union participates in the Financial Services Compensation Scheme (FSCS) and therefore has a contingent liability, which cannot be quantified, in respect of contributions to the FSCS, as required by the Financial Services and Markets Act 2000. The Financial Conduct Authority (FCA) 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 levv that the Credit Union will have to pay.

23 Related Party Transactions

During the year, 9 members of the board, volunteers and 1 of their close family members, were issued with or carried loans with the Credit Union (2024 - 6 members). In 9 instances (2024 - 4), a separate rate for staff rate 1.5 or 3% was granted in accordance with CREDS section 7.2.7(1)(a). Subject to this none of the other directors and staff have had any preferential terms on their loans.

The Credit Union received a subordinated loan of £50,000 from St Luke's Parochial Trust in the year 2018/19 whose chair is the secretary of the Credit Union. This balance was repaid during the 2024-25 financial year. There were no subordinated loans received from related parties this year.

The Credit Union's trade body is the Association of British Credit Unions Limited (ABCUL). One of the Directors of the Credit Union was also previously a Director of ABCUL. Subscriptions paid to ABCUL during the year were £18,312 (2024: £18,740).

24 Non-audit services

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

Active Adult Membership



20,677
(+12%)

Members Loans Balances



£17,517,445
(+37%)

Loan Interest Income



£1,977,943
(+18%)

Total Savings



£22,453,613
(+5%)

Value of loans issued



£12,212,312
(+46%)

Capital Asset Ratio



13.6%
(+22%)



London Capital Credit Union Ltd

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Secure Savings | Ethical Investments
Low Cost Loans | Young Savers Accounts
Profit Sharing Dividends

Authorised by the Prudential Regulation Authority and Regulated by
the Financial Conduct Authority and the Prudential Regulation Authority
Firm No. 214094 | Reg. No. 513c

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