

Lewisham Plus Credit Union Limited

Annual Report and Financial Statements

Year Ended 30 September 2025



Society No. 295C
FCA No. 213588
Registered 2 March 1992

Authorised by the Prudential Regulation Authority and regulated by
the Financial Conduct Authority and the Prudential Regulation Authority

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Vision, Mission, Values and Objectives



Our Vision

To promote financial inclusion and be a trusted and preferred provider of savings and loans in Lewisham and Bromley and for employees of our participating employers

Our Mission

To deliver an excellent service of savings and loans to an increasing number and range of members in a way that is sensitive to their needs.

Our Values

- * Placing members' mutual interests first.
- * Operating in an ethical way in accordance with the Co-operative Principles.
- * Being at the forefront of financial inclusion and embracing the diversity of our community.
- * Working with integrity, respect and equality of opportunity.
- * Supporting, valuing, training, engaging and encouraging staff and volunteers, who will always strive to exceed expectations.

Our Objectives

- * To increase membership and grow our organisation sustainably.
- * To support and serve the financial needs of the people of Lewisham and Bromley and employees of our participating employers.
- * For the members, staff and Board to reflect the diversity of the community we serve.
- * To embrace innovation and technology, while maintaining face-to-face services.
- * To ensure good governance, oversight, management and regulatory compliance.
- * To develop partnerships with key stakeholders who support our vision.



President's Foreword

Mark Plummer

President

It gives me great pleasure to present the President's Report for the financial year ended 30 September 2025. This year has been one of continued consolidation, thoughtful change, and steady progress as we continue to build a stronger, more resilient credit union for our members and communities.

Following the merger with Crownsavers in 2023, we focused on aligning operations, improving efficiency, and strengthening the member experience. We know that many members are continuing to feel the pinch from the cost-of-living crisis and we have been working hard to help as many existing and new members as we can.

A key development this year was the closure of our Cotmandene Crescent branch at the end of its lease, driven by reduced footfall as more members now confidently use our digital services. Importantly, all colleagues from that branch were redeployed across other locations, ensuring we retained valuable skills while further enhancing service levels elsewhere. To maintain a strong presence in Bromley, we expanded our outreach offering with weekly sessions across two community venues, ensuring that accessibility remains at the heart of our service.

Financially, the credit union remains on a solid footing. We are pleased to report a profit of £90,200 and an increase in our capital ratio to 10.6%. This outcome reflects prudent stewardship and diligent operational management in a challenging economic environment. Member savings continued to grow, supporting households in building financial resilience — a mission core to our purpose. Whilst lending slowed slightly due to affordability challenges faced by many members, we continue to prioritise responsible and compassionate lending decisions.

Operationally, we made meaningful strides in strengthening internal controls and governance. The successful resolution of historic bank reconciliation issues and the recovery of previously unallocated funds reflect the attention and diligence of our finance and management teams

This year also saw a continued evolution of our policies and processes, including enhancements to HR frameworks, operational resilience, and regulatory compliance — supporting our growing scale and regulatory responsibilities..

Our work across the community remains a cornerstone of our ethos. We strengthened partnerships with key stakeholders including local councils, housing associations, and charities, enabling us to support vulnerable residents more effectively. We published our first ever Social Impact Report and delivered the first of our refreshed Newsletters.

The introduction of a debt consolidation loan with support from Lewisham Council has already begun easing financial strain for some residents navigating rising living costs. We continued our youth financial education programmes, including school savings clubs and initiatives with local colleges and the Youth Parliament, reinforcing our long-term commitment to financial empowerment across generations.

None of these achievements would be possible without our exceptional staff and dedicated volunteers. This year, the Board met 17 times, supported by six active committees that ensured robust governance and strategic oversight. I extend heartfelt thanks to my fellow Directors and to our Supervisory Committee for their diligence, commitment and professional expertise. We also acknowledge our CEO, senior management team, and frontline staff and other volunteers who continue to serve members with professionalism and care in a demanding environment.

As we look to the year ahead, our focus remains on strengthening lending activity, enhancing our digital capability, and supporting member financial wellbeing. We will continue exploring opportunities to improve systems and invest in technology to support both efficiency and an enhanced member experience.

Our members remain at the centre of everything we do. Thank you for your continued trust and support. Together, we will build on this year's progress and continue delivering meaningful, ethical and community-focused financial services for all.



CEO's Report

Ravi Ravindran
CEO

I am delighted to provide a report on our activities for the past financial year. It has been another exciting year with changes and improvements. Following our merger in 2023, there has been further consolidation of our branches and products.

In November, we closed our branch in Cotmandene Crescent as the lease came to an end. Footfall had been declining since Covid as many of the members were using our app for transactions rather than visiting the branch. All colleagues from the branch were deployed to other locations, which helped to improve services in other branches and online. We continue to maintain our presence in Bromley by holding outreach sessions every Friday at the Hope Church in the Walnuts and at the United Reformed Church on Tuesdays.

Our remaining four branches and our online team were kept busy throughout the year with our normal branch and community activities. We have recruited an additional member of staff to help with the growing demand for our products and services.

Every year, we review our operations, product range and service levels, and this year is no different. We have streamlined our range of products to avoid duplication and simplify processes. Our top up facility reduces the need to have additional loan products and enables members to enjoy access to much needed funds throughout the year. This year we have added a debt consolidation loan with the support of Lewisham Council to help ease the pressure on Lewisham residents. The new product will help to reduce outgoings and the interest paid for most of these borrowers, thus increasing their disposable income.

We are eager to grow our Salary Saving products and would invite anyone who wishes to benefit from this facility to get in touch with us, so that we can approach your employer with a proposal to help build resilience against financial shocks and support your wellbeing.

Our many partnerships established over the years continue to flourish. Lewisham and Bromley councils are our main partners and we work with them on many areas. Phoenix, Clarion and other social landlords remain our key partners in the community with shared interest in supporting residents. We have partnered with a number of charities and organisations that support vulnerable people such as Deptford First, Community Advice Works, Bold Vision and Dinardos.

We also support young people within our two boroughs by running savings clubs in primary schools and working with the Youth Parliament in Lewisham and helping London South East Colleges to develop their curriculum.

During the year, we had to find a new partner to provide the chip and pin card facility. The parent company of our previous payment card provider Engage, decided to exit the market and we had to quickly find a solution. We have a new card provider in Suits Me, an award-winning UK based card solutions business.

We are fortunate to have a very experienced team of senior managers who can support our members well in almost all areas of their finances. On the occasions that we are unable to help, we are normally able to guide the member towards a suitable support provider. All our staff and volunteers work hard to support the credit union.

I need to make a special mention of all our volunteers, who help us in a number of areas. The board and the supervisory team, who are also volunteers, have provided guidance and support throughout the year. Their help has supported us in keeping costs down and increases the sustainability of the Credit Union. As a large credit union, we need to meet many more regulatory rules and the support received has made it much easier to manage this task. I very much look forward to another year of growth and prosperity for all.



Treasurer's Report

Paul Treece
Treasurer

I am pleased to be able to report that the Credit Union completed the year with a good financial result, generating a healthy profit of £90,200 after making provision for paying dividends. Our capital ratio, one of the key prudential measures, increased from 10.4% to 10.6%.

The board is recommending a 1% dividend for adult & corporate shares and 3% for juvenile deposits, both at the same level as in 2024.

We managed to resolve the bank differences that we were not able to explain last year. The issue last year was caused by inadvertent staff error, crediting cash and deposits for members that were already in our suspense accounts, leading to a duplication of deposits. We have now improved our procedures and a recovery of £31,205 is included in Other Operating Income (within Note 7) against the £72,143 loss on bank reconciliation differences last year. The remainder was not able to be allocated, but is probably in last year's suspense account. We eventually write suspense funds back as income where still unclaimed after seven years.

After making good progress on lending in 2024 we were unable to achieve the same volumes in 2025. That is partly due to the one-off consolidation of former Crownsavers loans during 2023/24 and partly the increasing affordability constraints many of our members face. The small reduction in our end of year loan balance meant that our income from loan interest was flat and we will start the next year with lower income per month than in 2024. Interest earned on investments held up and we moved funds from Metro Bank to safe government securities with better rates. However, we expect interest on investments to reduce in the year ahead.

Member savings did increase over the year and that will help people we serve to build their own resilience to financial shocks. StepChange, the debt advice charity, estimate that where households reach £1,000 in savings they expect problem debt issues to decrease by 25%.

Staff costs rose with the increase in the London Living Wage and the additional National Insurance costs from April 2025. We reduced occupancy costs by exiting from the lightly used branch in Cotmandene Crescent, though we added outreach locations for our Bromley residents instead.

Our largest cost increase was in impairment of loans for bad and doubtful debts. That was partly caused by an increase in members resorting to DROs or IVAs after getting too deeply into debt. We also saw a general deterioration in loan repayments, and increased provisions to counter this. There was also a reduction due to government policy reducing bad debt recoveries from benefits. Our staff are working hard to assist members and help to work through loan repayment issues.

In the uncertain economic environment, the credit union's financial result this year was a very positive achievement, made possible by some significant staff and volunteer/board efforts.

Our information technology was held back by this year's focus on resolving last year's bank reconciliation issues. We completed our move to Windows 11 and increased support costs after taking our email to Microsoft 365. We also improved the operational resilience of our systems. We plan to make changes to address IT improvements, both for members and to enable staff to be more efficient, over the next 2-3 years. That could include replacing our core systems, but we will be assessing options very carefully before making any future decision on IT transformation.



Supervisory Committee Report

Simon Loveitt

Chair of Supervisory Committee

The primary responsibilities of a credit union supervisory committee are to safeguard member assets by overseeing the credit union's financial health, internal controls, and regulatory compliance. The committee acts as an independent "watchdog" for the members, ensuring the credit union operates in their best interests. Its responsibilities are discharged by monitoring the actions of the Board of Directors and by undertaking reviews of specific areas of the organisation's work. We were supported this year by our internal auditor who has also helped us to prepare a wider audit programme for 2025/6, with findings and recommendations being fed back directly to the Board.

The focus of the Supervisory Committee over the last 12 months has been on bank reconciliations and suspense accounts following last year's unidentified variances. Many variances have been identified and new bank processes designed which are being implemented. The Supervisory Committee recognises the huge amount of work undertaken by staff and board members to resolve these variances.

Members of the Supervisory Committee continue to attend the Board meetings, observing and participating in the discussions.

The Supervisory Committee consists of five members and brings together a diverse, professional and experienced committee with skills and knowledge in accounting, banking & risk management, financial services, and the wider credit union sector. Stephen Grainge regularly attends the Supervisory Committee, maintaining a strong link as Risk Management and Compliance Director.

Progress against Business Plan

Lewisham Plus Credit Union had a successful year providing adult and junior savings, local society accounts and affordable loans for local people. Highlights for members are:

Adult membership was slightly up at 14,969 adults (14,863 in 2024), plus 1,225 juniors and 65 corporate members. **576 adult members joined in the year** (693 joined in 2024) but this was offset by closed dormant accounts, bad debtors and leavers.

Active adult membership was 12,435 members (83.1% of adults) at year end.

Savings increased by £318k (+2.1%) to £14.94m for adults, £491k for juniors and £115k for corporate members. This increase was despite a national trend of reductions as individuals draw on their savings to manage the increased cost of living.

We issued £4.94m loans, down by £0.7m (-12.4%), in 6,742 loans, down from 7,108 loans in 2024.

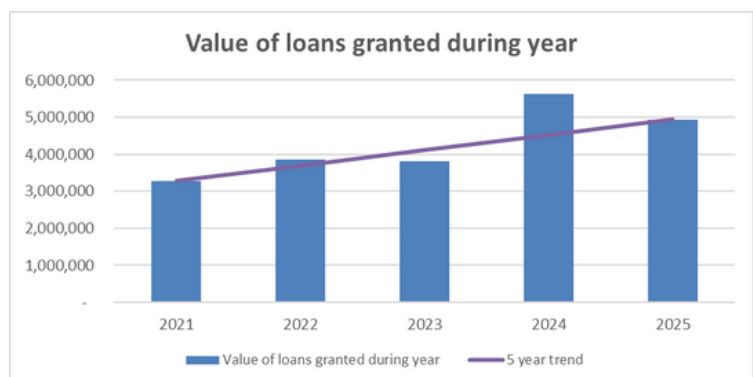
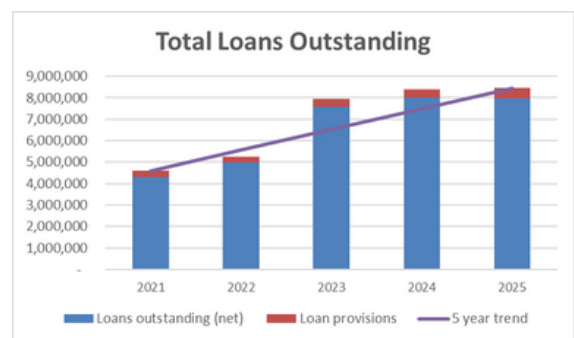
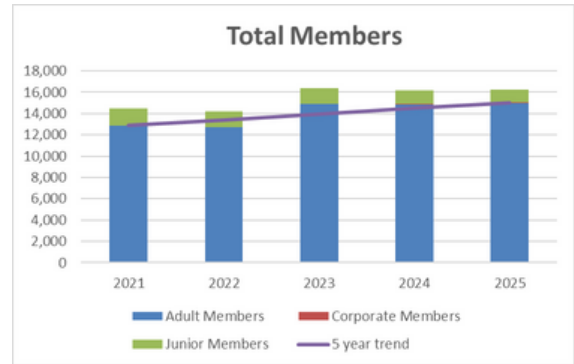
The loan balance increased by 1.2% to £10.49m before loan impairment. Net loans were slightly down at £7.98m after provisions for bad and doubtful debts.

Dividend (subject to approval at AGM) is proposed as **1.0% for adult and corporate members** (1% in 2024) and **3.0% for juniors** (3% in 2024).

Surplus after tax and dividends of £90k based on dividends actually paid in 2025.

Our capital ratio improved from 10.4% to 10.6%, supported in both years by subordinated loans of £200k each from Lewisham Council and Fair4All Finance.

Five-Year Trends



Directors and Officers

The current members of the Board are as follows:

Mark Plummer

*President and Marketing & Communications Director |
Appt. 2015 (appt. Pres. 2021)*

Mark worked in private banking for over 40 years, and has extensive experience of managing financial services business. He now runs his own consultancy business and sits on the Advisory Board of Finito Education



Oluwafela Ajayi

*Health and Safety Director |
Appt. 2021*

Fela has over 20 years' experience as a health and safety professional and works for an international firm of architects. He has been involved in a number of other voluntary roles within the local community in Lewisham.



Geoff Cave

*Member Services Director |
Appt. 2008*

Geoff is a civil servant and is actively involved in the Sydenham community, particularly in his role as editor of Sydenham Life magazine.



Bill Hackney

*Loans Director |
Appt. 2021*

Bill has over 30 years of experience in the investment management industry, during which time he has held a variety of different roles, involving responsibility for multiple matters including risk management, IT, insurance and finance.



Barney Hearnden

*Secretary |
Appt. 2016*

Barney is a solicitor and retired from his law firm CMS in October 2023. During his career he specialised in advising financial services businesses on matters such as corporate governance, commercial contracts and regulation.



Gareth Hall

*Operations Director |
Appt. 2019*

Gareth is a former solicitor and recently retired as a partner in the law firm Devonshires. He has extensive experience in advising businesses (including housing associations) on a variety of matters including financial services regulation and commercial contracts.



Tim Pagan

*HR Director |
Appt. 2016*

Tim retired after a 37 year career in the probation service, most recently as head of corporate services for the London wide service, with responsibility for HR, IT and property. He is a fellow of the Chartered Institute of Personal Development.



Louisa Papadouri

*Strategy Director |
Appt. 2021*

Louisa is Head of Finance and Operations for LP Squared, a company providing consultancy services to companies in the financial services sector. With three decades of involvement in the sector, she has a wealth of experience in the fields of finance, banking and business strategy.



Keith Howick

Credit Control & Complaints Director | Appt. 2016

Keith is a patent and trademark attorney and retired from his firm in 2014 after 30 years, which included serving as senior partner and managing partner. He was a board member of the Intellectual Property Regulation Board, and is chairman of the Board of Tulse Hill and Dulwich Hockey Club.



Jane Gregory

*Assistant Treasurer |
Appt. 2021*

Jane is a chartered accountant and management consultant, who spent much of her career working in the charitable sector, with responsibility for finance, governance and operations matters. She was a trustee and treasurer for the Upper Norwood Library Trust for six years and remains a regular volunteer.



Stephen Grainge

Risk Management & Compliance Director | Appt. 2024

Stephen has wide experience of working in regulated insurance businesses in the UK and Europe and for the last 12 years he was Finance Director for Tesco Underwriting Limited, Tesco's UK Motor and Home insurance company. He joined the Supervisory Committee in 2023, resigning that role in 2024 to join the Board.



Paul Treece

*Treasurer & IT Director |
Appt. 1992*

Paul was a founder member of the credit union, alongside his wife Lisa. He worked professionally as a principal solution architect, and has over 30 years of experience in the IT industry. He is also secretary for the ABCUL London and South of England Forum, and Treasurer for the Grove Centre Church.



Director's attendance at Board meetings during the year:

Director	No.	%	Director	No.	%
Oluwafela Ajayi	12/17	71%	Barney Hearnden	16/17	94%
Geoff Cave	15/17	88%	Keith Howick	16/17	94%
Stephen Grainge	15/17	88%	Tim Pagan	13/17	76%
Jane Gregory	16/17	94%	Louisa Papadouri	14/17	82%
Bill Hackney	15/17	88%	Mark Plummer	14/17	82%
Gareth Hall	16/17	94%	Paul Treece	16/17	94%

Directors and Officers

The current members of the Supervisory Committee are:

Simon Loveitt

Chair | Appt. 2023



Simon has over 30 years' experience working with credit unions in the North, including Bradford and Sheffield. He moved to London in 2023, and is currently serving as a Community Minister for two United Reformed Churches in Brockley and New Cross.

Jag Babbra

Appt. 2024



Jag is a chartered accountant with a background in audit and more than a decade of experience in investment banking. He currently works in the Treasury Division at NatWest Group.

Ash Saluja

Appt. 2019



Ash is Head of Financial Services in the law firm CMS. He has over 20 years' experience of advising banks and other financial services firms on regulatory and commercial issues.

Fergus Clark

Appt. 2023



Fergus has over 25 years of banking experience, primarily in risk management. He is a solicitor and an independent director of a medium-sized financial institution. Fergus was previously the Chair of the Supervisory Committee of Crownsavers Credit Union.

Rob Stone

Appt. 2024



Rob has worked within financial services for over 16 years. He is the Chief Financial Officer of QBE International and on the board of their UK and Belgium regulated insurance carriers. QBE International is a division of QBE Group, a top 20 international insurance company listed on the Australian stock exchange. Rob is a fellow (FCA) of the Institute of Chartered Accountants in England and Wales.

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: The principal activity of the credit union continues to be that defined in the Credit Unions Act 1979. The credit union's common bond covers anyone living or employed in Bromley, Lewisham or the SE19 postcode area or employed by certain local employers including Lewisham Council and the Lewisham and Greenwich NHS Trust.

Directors of the Credit Union

The Directors who held office during the year were as follows:

Oluwafela Ajayi, Geoffrey Cave, Stephen Grainge, Jane Gregory, William Hackney, Gareth Hall, Barney Hearnden (Secretary), Keith Howick, Timothy Pagan, Louisa Papadouri, Mark Plummer and Paul Treece.

Director participation in Board committees is shown below ("C" denotes Chair):

Finance & Technology	Gareth Hall (C), Jane Gregory, Louisa Papadouri, Mark Plummer, Paul Treece
Risk Management, Governance & Compliance	Stephen Grainge (C), Barney Hearnden, Louisa Papadouri
Loans & Credit Control	Bill Hackney (C), Jane Gregory, Keith Howick
Nominations	Barney Hearnden (C), Keith Howick, Tim Pagan, Mark Plummer
Operations	Tim Pagan (C), Oluwafela Ajayi, Geoffrey Cave, Bill Hackney, Gareth Hall, Paul Treece
Investment	Paul Treece (C), Stephen Grainge, Jane Gregory, Bill Hackney

As CEO, Ravi Ravindran attends all committees other than the Nominations Committee (where he attends for certain agenda items) and the Investment Committee, and certain members of staff, volunteers and Supervisory Committee participate in the Loans & Credit Control Committee.

Fair review of the business

12 Directors, all unpaid volunteers, served on the Board in FY2024/25. Another five volunteers served on our Supervisory Committee.

The Directors have met once a month during the year and have in addition held one special meeting for approval of the 2024 Annual Report, as well as four weekend strategy meetings to cover long-term planning and other strategic matters, aggregating to a total of 17 meetings altogether. We now have six Board committees, covering Loans & Credit Control; Operations; Finance & Technology; Risk Management, Governance & Compliance; Investment; and Nominations. These committees typically meet four times a year, and they provide formal written reports to the Board on a quarterly basis. This governance structure continues to help the main Board to focus its meetings on key strategic matters and other relevant issues, with directors addressing more routine matters and undertaking detailed preparatory analysis of key issues through the committees.

The following are some of the key initiatives and achievements from the past year. We published our first social impact report, which was well received by members and partner organisations. We held another successful and well-attended AGM at the Council Chambers in Catford. We significantly improved our bank reconciliation processes, which enabled us to improve the accuracy of our financial reporting and write back part of the loss recorded in our previous annual report. We maintained our compliance with PRA and FCA regulatory obligations. We developed and adopted a new suite of HR and related policies to guide our business, and updated a range of our other existing policies and procedures. Finally, we also resolved some long-running billing issues with our energy suppliers.

The Directors would once again like to express their appreciation for the dedication and professionalism of all of our staff, led by our CEO, Ravi Ravindran. They are vital to the successful operation of the credit union. The credit union also depends on the support of volunteers, who perform a wide range of valuable services. The Board would like to thank each member of staff and volunteer for their contribution in the past year.

Principal risks and uncertainties

The main financial risks arising from the credit union's activities are credit risk, liquidity risk and interest rate risk.

Credit Risk - The credit union is exposed to the risk of default on loans and bank balances. All loans are required by the credit union to be assessed against the lending policy.

Liquidity Risk - The credit union's policy is to maintain sufficient funds in liquid forms at all times to be able to meet its liabilities as they fall due and to meet the regulators' liquidity requirements.

Interest Rate Risk - The main interest rate risk arises from differences between interest rate exposures on assets and liabilities that form an integral part of the credit union's activities. The credit union considers interest rates when setting the level of proposed annual dividends.

Disclosure of information to the auditors

Each Director has taken steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the credit union's auditors are aware of that information. The Directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual 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 (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 period. 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 Credit Unions Act 1979 and the Co-operative and Community Benefit Societies Act 2014. 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.

Reappointment of auditors

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

Approved by the Board on 14 January 2026 and signed on its behalf by:

Barney Hearnden

.....
Barney Hearnden, Secretary

Independent Auditor's Report to the Members of Lewisham Plus Credit Union Limited

Opinion

We have audited the financial statements of Lewisham Plus Credit Union Limited 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 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 surplus 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 Unions Act 1979 and the Co-operative and Community Benefit Societies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the credit union in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the credit union's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Co-operative and Community Benefit Societies Act 2014

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

- proper books of account have not been kept by the credit union in accordance with the requirements of the legislation; or
- a satisfactory system of control over transactions has not been kept by the credit union in accordance with the requirements of the legislation; or
- the Revenue Account and Balance Sheet are not in agreement with the books of account of the credit union; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Directors are responsible for assessing the credit union's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the credit union or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

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;
- 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 extent of compliance with the laws and regulations identified above through making enquiries of management; and
- 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 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 and their knowledge of actual, suspected and alleged fraud;
- 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

180 St Vincent Street, Glasgow G2 5SG

Date: 21/1/2026

Revenue Account for the Year Ended 30 September 2025

	Note	2025 £	2024 £
Loan interest receivable and similar income	3	1,690,204	1,698,289
Interest payable and similar charges	4	<u>(175,323)</u>	<u>(100,344)</u>
Net interest income		<u>1,514,881</u>	<u>1,597,945</u>
Fees and commissions receivable	5	20,043	21,652
Fees and commissions payable	6	<u>(62,446)</u>	<u>(56,697)</u>
Net fees and commissions		(42,403)	(35,045)
Other operating income	7	75,129	28,595
Administrative expenses	8	(897,728)	(923,165)
Depreciation and amortisation		(31,855)	(33,810)
Other operating expenses	9	(176,844)	(187,959)
Impairment on loans for bad and doubtful debts		<u>(294,189)</u>	<u>(190,354)</u>
Surplus before tax		146,991	256,207
Corporation Tax	13	<u>(56,791)</u>	<u>(77,081)</u>
Surplus for the financial year		<u>90,200</u>	<u>179,126</u>
Total comprehensive income for the year		<u>90,200</u>	<u>179,126</u>

The revenue account has been prepared on the basis
that all operations are continuing operations.

The notes on pages 21 to 32 form an integral part of these financial statements.

Balance Sheet as at 30 September 2025

	Note	2025 £	2024 £
Assets			
Cash and balances at central banks	14	36,880	56,611
Loans and advances to banks	14	7,620,011	8,180,070
Loans and advances to customers	15	7,981,756	8,005,017
Tangible fixed assets	16	17,767	33,534
Investments	17	2,653,537	1,529,923
Intangible fixed assets	18	-	11,218
Debtors, prepayments and accrued income		173,364	184,499
Total assets		18,483,315	18,000,872
Liabilities			
Customer accounts	19	15,542,239	15,223,912
Other liabilities	20	414,010	336,183
Accruals and deferred income	21	405,951	409,862
		16,362,200	15,969,957
Subordinated loan	22	400,000	400,000
Other reserves	24	620,680	621,564
General reserve	24	1,100,435	1,009,351
Total reserves		2,121,115	2,030,915
Total liabilities		18,483,315	18,000,872

Approved and authorised by the Board on 14 January 2026 and signed on its behalf by:

Barney Hearnden

.....

Barney Hearnden
Secretary

Mark Plummer

.....

Mark Plummer
Director

Paul Treece

.....

Paul Treece
Director

The notes on pages 21 to 32 form an integral part of these financial statements.

Statement of Changes in Equity for the Year Ended 30 September 2025

	Other reserve £	Appropriation reserve £	General reserve £	Total £
At 1 October 2024	462,000	159,564	1,009,351	1,630,915
Surplus for the year	-	(884)	91,084	90,200
Other reserve movements	-	-	-	-
At 30 September 2025	462,000	158,680	1,100,435	1,721,115

	Other reserve £	Appropriation reserve £	General reserve £	Total £
At 1 October 2023	462,000	81,150	908,639	1,451,789
Surplus for the year	-	78,414	100,712	179,126
Other reserve movements	-	-	-	-
At 30 September 2024	462,000	159,564	1,009,	1,630,915

Statement of Cash Flows for the Year Ended 30 September 2025

	Note	2025 £	2024 £
Cash flows from operating activities			
Surplus for the year		90,200	179,126
<u>Adjustments to cash flows from non-cash items</u>			
Depreciation and amortisation	10	31,855	33,810
Corporation tax expense	13	56,791	77,081
Provision movement	16	294,189	190,353
Interest income on loans	15	(1,361,090)	(1,359,247)
Distribution on member shares		157,367	81,008
		(820,888)	(976,995)
<u>Working capital adjustments</u>			
(Increase)/decrease in other receivables and prepayments		11,135	(113,401)
Change in other liabilities		93,180	(18,793)
Change in deferred income		(3,911)	169,797
		100,404	37,603
Cash flows from changes in operating assets and liabilities			
Loan repayments less loans advanced		1,090,162	716,148
Customer balance cash movement		160,960	(520,220)
Movement on funds in investment		(1,123,614)	(1,529,923)
Movement on funds on deposit	14	895,424	1,033,116
		1,022,932	(300,879)
Corporation tax paid		(72,144)	(35,763)
Net cash flow from operating activities		320,504	(1,096,908)
Investing activities			
Purchase of tangible fixed assets		(4,870)	(16,961)
Net cash generated from/(used in) investing activities		(4,870)	(16,961)
Financing activities			
Cash movement on subordinated loans		-	200,000
Net cash generated from/(used in) financing activities		-	200,000
Net increase in cash and cash equivalents		315,634	(913,869)
Cash and cash equivalents at 1 October 2024		2,561,552	3,475,421
Cash and cash equivalents at 30 September 2025		2,877,186	2,561,552

The notes on pages 21 to 32 form an integral part of these financial statements.

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

1. General information

Lewisham Plus Credit Union Limited is registered in the UK as a society under the Co-operative and Community Benefit Societies Act 2014, whose principal activity is to operate as a credit union, within the meaning of the Credit Unions Act 1979. The Credit Union is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

The address of its registered office is:

262 Kirkdale, Sydenham, London, SE26 4RS

2. Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The accounts are presented in UK Sterling and rounded to the nearest pound.

Going concern

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

Key sources of estimation uncertainty

Impairment of Financial Assets: The Credit Union assesses at each reporting date, whether there is objective evidence that any of its loans to customers are impaired. The loans are assessed collectively in groups that share similar credit-risk characteristics. In addition, if, during the course of the year, there is objective evidence that any individual loan is impaired, a specific loss will be recognised. Any impairment losses are recognised in the Revenue Account, as the difference between the carrying value of the loan and the net present value of the expected cash flows.

Business Combinations

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 cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date.

Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

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

Revenue recognition

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. The recognition of interest is covered in the Finance Income and Costs Policy.

Grants

Grants are credited to deferred income. Grants for capital expenditure are released to the Revenue Account over the expected useful life of the asset. Grants for revenue expenditure are released to the Revenue Account as the expenditure is incurred.

Other grants

The Credit Union has received funding to lend to members for specific projects from local authorities. The loan funding, less outstanding loans, bad debts and bad debt provisions, will be returned to the local authority at the end of the respective projects. The current balance at the year end, which is due to the local authority, at this date, is included within creditors. Any bad debts on these loans are included as a cost within the Revenue Account. The amount of the creditor to the local authority which is released to cover the cost of the bad debts is recognised within the Revenue Account as income.

Finance income and costs policy

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

Tax

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Tangible fixed assets

Tangible fixed assets is stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible fixed assets includes directly attributable incremental costs incurred in their acquisition and installation.

It is the policy of the Credit Union to expense software development costs as well as the costs of running and maintaining the website.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Office equipment	33% straight line or 20% straight line for longer life assets
Tenant's improvements	Straight line over lower of the life of the asset or the lease

Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition over the fair value of the net assets acquired. It is initially recognised as an asset in the Balance Sheet and amortised over its useful life which is considered to be 2 years.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

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

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

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.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the Credit Union has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as an employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Classification

Loans to members are a debt instrument measured at amortised cost using the effective interest rate.

Recognition and measurement

Loans to members are financial assets with fixed or determinable payments and are not quoted in an active market. Loans are recognised when cash is advanced to members and measured at amortised cost using the effective interest rate method. Loans are derecognised when the rights to receive cash flows from the asset have expired, usually when all amounts outstanding have been repaid by the member.

Impairment

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 single loan is 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.

3. Interest receivable and similar income

	2025	2024
	£	£
Interest income on loans	1,361,090	1,359,247
Interest income on bank deposits	329,114	339,042
	<u>1,690,204</u>	<u>1,698,289</u>

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

4. Interest payable and similar charges

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

	2025	2024
	£	£
Ordinary share dividend	144,108	74,294
Juvenile share distribution	13,259	6,714
Total distributions	<u>157,367</u>	<u>81,008</u>
Interest payable on subordinated loans	<u>17,956</u>	<u>19,336</u>
	<u><u>175,323</u></u>	<u><u>100,344</u></u>

The distributions on members' shares represent distributions paid in the year which were approved at the last Annual General Meeting. The dividend rates approved at the 2025 and 2024 AGMs were:

	2025	2024
	%	%
Distributions paid during the period		
Juvenile distribution	3.00	1.50
Ordinary share dividend	1.00	0.50

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

	2025	2024
	%	%
Proposed distributions in respect of the period		
Proposed distribution on juvenile shares	3.00	3.00
Proposed dividend on ordinary shares	<u>1.00</u>	<u>1.00</u>

5. Fees and commissions receivable

	2025	2024
	£	£
Insurance commission	-	162
Annual service charges	2,825	5,565
Transfer of aged balances from suspense a/c	14,129	13,348
Donations received	1,037	13
Entrance fees	<u>2,052</u>	<u>2,564</u>
Fees and commissions receivable	<u>20,043</u>	<u>21,652</u>
Included within Annual Service Charges is £988 relating to Engage commission (2024: £3,518).		

6. Fees and commissions payable

	2025	2024
	£	£
Bank charges	47,905	46,072
Trade association dues	<u>14,541</u>	<u>10,625</u>
Fees and commissions payable	<u><u>62,446</u></u>	<u><u>56,697</u></u>

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

7. Other operating income

	2025 £	2024 £
Other income	34,385	16,446
Government grants receivable	40,744	12,149
	75,129	28,595

8. Administrative expenses

	2025 £	2024 £
Employee remuneration	684,956	659,090
Auditors' remuneration	15,020	12,455
Member communication and advertising	62,375	58,993
Legal, professional and credit reference agency costs	32,536	34,593
Computer software and maintenance costs	65,122	49,959
Other admin costs	37,719	35,932
Difference on bank reconciliation	-	72,143
	897,728	923,165

9. Other operating expenses

	2025 £	2024 £
Regulatory costs (including LP/LS insurance)	74,438	73,680
Office costs	102,406	114,279
	176,844	187,959

10. Operating surplus

	2025 £	2024 £
Arrived at after charging/(crediting):		
Depreciation expense	31,855	33,810
Operating lease expense – property	45,100	62,656
	76,955	96,466

11. Staff costs

The aggregate remuneration (including key management remuneration) was as follows:

	2025 £	2024 £
Wages and salaries	607,924	593,160
Social security costs	52,377	44,739
Pension costs, defined contribution scheme	24,655	21,191
	684,956	659,090

The average number of persons employed by the Credit Union (including key management) during the year and the number of Directors, analysed by category was as follows:

	2025 No.	2024 No.
Directors	12	12
Administration and support	26	25
	38	37

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

12. Auditors' remuneration

	2025 £	2024 £
Audit of the financial statements	15,020	12,455

13. Corporation tax

Tax charged/(credited) in the revenue account

	2025 £	2024 £
Current taxation		
UK corporation tax	56,791	77,081
	<u>56,791</u>	<u>77,081</u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK of 25% (2024 – higher than the standard rate of corporation tax in the UK 25%).

The differences are reconciled below:

	2025 £	2024 £
Surplus before tax	146,991	256,207
Corporation tax at standard rate	36,747	64,052
Effect of transactions exempt from taxation	20,044	13,029
Total tax charge	<u>56,791</u>	<u>77,081</u>

14. Loans and advances to banks

	2025 £	2024 £
Cash at bank	2,840,306	2,504,941
Short-term deposits	4,779,705	5,675,129
Loans and advances to banks	7,620,011	8,180,070
Cash balances	36,880	56,611
Total cash and bank balances and deposits	7,656,891	8,236,681
Less amounts maturing more than 8 days	(4,779,705)	(5,675,129)
Cash and cash equivalents in statement of cash flows	<u>2,877,186</u>	<u>2,561,552</u>

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

15. Loans and advances to customers

	2025 £	2024 £
Loan movement in the period		
Opening balance	10,358,180	9,808,509
Interest accrued on loans during period	1,361,090	1,359,247
Loans advanced during the period	4,937,716	5,632,574
Repayments received during period	(6,027,878)	(6,348,722)
Loans de/re-recognised	(143,034)	(93,428)
	<u>10,486,074</u>	<u>10,358,180</u>
Loan impairment	<u>(2,504,318)</u>	<u>(2,353,163)</u>
	<u>7,981,756</u>	<u>8,005,017</u>

	2025 £	2024 £
Loan repayments		
Loans repayments due within one year	6,088,139	6,103,326
Due after one year	4,397,935	4,254,854
Loan impairment	<u>(2,504,318)</u>	<u>(2,353,163)</u>
	<u>7,981,756</u>	<u>8,005,017</u>

Classification of loans

Loans to individual members	<u>7,981,756</u>	<u>8,005,017</u>
	<u>7,981,756</u>	<u>8,005,017</u>

Loan impairment

	Provision for written off debts	Doubtful debt provision	Total provision
Opening impairment	1,955,024	398,139	2,353,163
Charge to Revenue Account	352,684	60,045	412,729
Bad debt recovered	(118,540)	-	(118,540)
Loans de/re-recognised	<u>(143,034)</u>	<u>-</u>	<u>(143,034)</u>
Closing provision	<u>2,046,134</u>	<u>458,184</u>	<u>2,504,318</u>

Under Financial Reporting Standard 102 (FRS 102), the criteria for writing off a loan is different from the Board writing off the loan for internal purposes. As a result, for the financial statements loans written off by the Board that do not meet the criteria in FRS 102 for being written off are moved into the Provision for Written Off Debts. There is no net effect on the surplus or net assets of the Credit Union from this reallocation.

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

16. Tangible fixed assets

	Land and buildings £	Furniture, fittings and equipment £	Total £
Cost or valuation			
At 1 October 2024	376,122	120,902	497,024
Additions	-	4,870	4,870
Disposals	(113,570)	(6,513)	(120,083)
At 30 September 2025	262,552	119,259	381,811
Depreciation			
At 1 October 2024	369,189	94,301	463,490
Charge for the year	6,933	13,704	20,637
Disposals	(113,570)	(6,513)	(120,083)
At 30 September 2025	262,552	101,492	364,044
Carrying amount			
At 30 September 2025	-	17,767	17,767
At 30 September 2024	6,933	26,601	33,534

17. Investments

	2025 £	2024 £
Loans to Bank of England:		
Liquid Government Securities	2,653,537	1,529,923

18. Intangible fixed assets

	Goodwill £
Cost or valuation	
At 1 October 2024 and 30 September 2025	24,944
Depreciation	
At 1 October 2024	13,726
Charge for the year	11,218
At 30 September 2025	-
Carrying amount	
At 30 September 2025	-
At 30 September 2024	11,218

19. Customer accounts

	2025 £	2024 £
Customer balance movement in the period		
Opening balance	15,223,912	15,663,124
Deposited during the period	21,111,052	21,192,705
Withdrawn during the period	(20,792,725)	(21,631,917)
	15,542,239	15,223,912

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

	2025 £	2024 £
Classification of Customer balances		
Individual member shares	14,936,527	14,655,753
Corporate shares	115,182	112,255
Member balances	15,051,709	14,768,008
Juvenile deposits	490,530	455,904
	15,542,239	15,223,912

20. Other liabilities

	2025 £	2024 £
Due within one year		
Accrued expenses	112,715	95,688
Lewisham Housing Options scheme funds	238,130	161,977
Corporation tax liability	63,165	78,518
	414,010	336,183

21. Accruals and deferred income

	2025 £	2024 £
Deferred income brought forward	409,862	240,065
Deferred income received	-	179,060
Deferred income released	(3,911)	(9,263)
Deferred income	405,951	409,862

22. Subordinated loans

	2025 £	2024 £
Lewisham Borough Council	200,000	200,000
Fair4All Finance	200,000	200,000
Payable after one year	400,000	400,000

These debts are subordinate to the interests of all other creditors, including members and juvenile depositors, except deferred shares. In accordance with the PRA rulebook they are counted as regulatory capital. The debts are repayable on various dates starting in 2031. Interest is charged on the Lewisham Borough Council loan at a rate of Bank of England rate plus 3% and on the Fair4All loan at a rate of 1% above the rate of adult dividend declared.

23. Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

	2025 £	2024 £
Within one year	41,250	58,875
Later than one year and not later than five years	66,726	163,616
Later than five years	-	-

The amount of non-cancellable operating lease payments recognised as an expense during the year was £38,740 (2024 - £56,967).

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

24. 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.

Appropriation reserve

The appropriation reserve represents funds allocated by the Board for the future payment of dividends.

Other reserve

The other reserve represents reserves not allocated to any specific purpose.

25. Capital

The Credit Union classes all of its reserves as capital. The Credit Union manages its reserves through its financial and budgeting policies and procedures. The Prudential Regulation Authority sets out requirements for the capital ratio that the Credit Union must maintain. The ratio is calculated after proposed dividends. The Credit Union's compliance with the ratio at the year-end is set out below:

	2025 %	2024 %
Regulatory Requirement		
Minimum capital to asset ratio	6.38	6.33
Actual Capital to Asset Ratio	10.62	10.40

26. Financial Risk Management

The Credit Union manages its shares and loans so that it earns income from the margin between interest receivable and interest payable (including dividends paid).

The main financial risks arising from the activities of the Credit Union are credit risk, liquidity risk and market risk. The Board reviews and agrees policies for managing each of these risks which are summarised below:

Credit Risk

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

Liquidity Risk

The policy of the Credit Union is to maintain sufficient funds in liquid form at any time to ensure that it can meet its liabilities as they fall due and meet the liquidity ratios set by the regulators. The objective of the policy is to provide a degree of protection against any unexpected developments that may arise.

Market Risk

Market risk generally comprises of interest rate risk, currency risk and other price risk. The main risks impacting the Credit Union are set out below:

Interest rate risk: The main interest rate risk for the Credit Union arises between the interest rate exposure on loans, bank deposits and shares that form an integral part of a credit union's operations. The Credit Union considers rates of interest receivable when deciding on proposed dividend rates. Dividend rates are based on the historical results of the Credit Union and the Credit Union's strategic plans. The Credit Union does not use interest rate options to hedge its own positions.

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.

Other price risk: The Credit Union does not hold any listed investments other than UK Government short-dated bonds (gilts), valued on straight-line redemption yield to maturity.

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

27. Credit Risk Disclosure

The Credit Union holds the following security against its loans to members:

	2025 £	2024 £
Security for loans		
Attached Shares	1,596,336	1,784,190

The carrying amount of the loans to members represents the Credit Union's maximum exposure to 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	7,554,976	7,509,990
Individually impaired		
Not past due	-	-
Up to 3 months past due	467,770	482,949
Between 3 months and 6 months due	145,224	165,023
Between 6 months and 1 year past due	134,397	118,415
Over 1 year past due	137,573	126,779
Impaired and written off for internal purposes	2,046,134	1,955,024
	<u>2,931,098</u>	<u>2,848,190</u>
	10,486,074	10,358,180
Impairment allowance	(2,504,318)	(2,353,163)
	<u><u>7,981,756</u></u>	<u><u>8,005,017</u></u>

28. Interest Rate Disclosure

The following table shows the interest received during the year divided by the closing loan balance and the dividend paid during the year divided by the closing share balance:

	2025 Amount £	2025 Rates paid in year %	2024 Amount £	2024 Rates paid in year %
Financial assets				
Loans to members	7,981,756	17.05	8,005,017	16.98
Financial liabilities				
Juvenile deposits	490,530	2.70	455,904	1.47
Member shares	15,051,709	0.96	14,768,008	0.50
Subordinated loans	400,000	4.49	400,000	4.83
	<u>15,942,239</u>	1.10	<u>15,623,912</u>	0.64

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

29. Contingent liabilities

The Credit Union participates in the Financial Services Compensation Scheme (FSCS) which provides protection for its members up to the level of protection offered by the FSCS. As a result of the Credit Union's participation it has a contingent liability, which cannot be quantified, in respect of future contributions to the FSCS, as required by the Financial Services and Markets Act 2000.

30. Related party transactions

Key management personnel

The Credit Union classes Directors and members of the Senior Management team as Key Management.

The wife of the Treasurer is an employee of the Credit Union and she is also a member of Key Management.

Key management compensation

	2025	2024
	£	£
Salaries and other short term employee benefits	325,725	308,671
Post-employment benefits	11,705	10,914
	<u>337,430</u>	<u>319,585</u>

Nine members of staff were considered Key Management during the year (2024 – nine).

Summary of transactions with other related parties

Loans to Key Management and other staff are issued on standard terms and conditions. At the year-end £70,684 (2024 - £95,391) was owed by Directors, staff, and their close family, in respect of loans from the Credit Union, and they held shares totalling £135,753 (2024 - £115,601).

The following page does not form part of the statutory accounts

This page does not form part of the statutory financial statements.

Detailed Revenue Account for the Year Ended 30 September 2025

	Note	2025 £	2024 £
Income			
Interest income on loans		1,361,090	1,359,247
Interest income on bank deposits		329,114	339,042
Interest Received		1,690,204	1,698,289
Fees and commissions receivable	5	20,043	21,652
Other operating income	7	75,129	28,595
		1,785,376	1,748,536
Expenditure			
Employee remuneration		684,956	659,090
Auditors' remuneration		15,020	12,455
Bank charges		47,905	46,072
Interest on subordinated loans		17,956	19,336
Trade association dues		14,541	10,625
Regulatory costs		9,914	9,433
LP/LS insurance		64,524	64,247
Occupancy costs		102,406	114,279
Other admin costs		37,719	35,932
Bank reconciliation difference		-	72,143
Member communication and advertising		62,375	58,993
Legal, professional and credit reference agency costs		32,536	34,593
Computer software and maintenance costs		65,122	49,959
Depreciation and amortisation		31,855	33,810
Impairment on loans for bad and doubtful debts		294,189	190,354
		1,481,018	1,411,321
Operating Surplus/(Deficit)		304,358	337,215
Surplus before tax		304,358	337,215
Corporation Tax	13	(56,791)	(77,081)
Surplus for the financial year before dividend		247,567	260,134
Ordinary share dividend		(144,108)	(74,294)
Juvenile share distribution		(13,259)	(6,714)
Surplus for the financial year after dividend		90,200	179,126



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Society No. 295C
FCA No. 213588
Registered 2 March 1992

Lewisham Plus Credit Union Limited also trades as Lewisham+Bromley Credit Union
Registered Office: 262 Kirkdale, Sydenham, London, SE26 4RS

*Authorised by the Prudential Regulation Authority and regulated by
the Financial Conduct Authority and the Prudential Regulation Authority*