

2026

ANNUAL REPORT

**ANNUAL GENERAL MEETING
16TH MARCH 2026**





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CARDIFFCU.COM

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“To our members, thank you for making 2025 a true year of community; your trust and support help us grow stronger together as we move into 2026.”

-Caroline Richardson, CEO



Bringing the community together.

We attended the annual Credit Unions of Wales Celebrations in October 2025. It was great to get together with other Credit Unions and organisations that support us.



Have you spotted us?

We have been busy out in the community this year, from relaunching our Volunteers Program to heading out on the streets of Cardiff to chat to our community about all things Credit Unions! We even had our own fluffy mascot for the day!

Do you want to give back to your community? Scan the QR code if you'd like to be a part of our Volunteer Team!



Financial wellbeing in the workplace

We have gained 4 new Payroll Partners who are committed to improving the financial wellbeing in their workplace. We are so happy to have them on board!



What our members think: ★ Trustpilot

Such a quick and great service. Emma C was extremely helpful throughout the process. Would recommend to friends and family struggling with debts.



This was a very easy process. Got my decision quickly and easily, without leaving the house. Staff were great and you can tell they genuinely care about their members. All in all very pleased and would highly recommend. Thanks CVCU!



Credit union has given me a lifeline out of a mess that I cannot seem to clear up. Saved me a huge amount of money as well. Very grateful for their help with this.



Our Commitment to You

Financial wellbeing isn't about having lots of money – it's about feeling confident, prepared and in control. Small steps, like saving a little each month or planning ahead for seasonal costs, can make a real difference over time.

We're here to support you at every stage of your financial journey – from building savings to accessing fair, affordable credit when you need it. With simple steps and trusted local support, you can build stronger financial wellbeing for the future.

Financial resilience from a young age

We are working with schools all over Cardiff and the Vale to ensure that children are developing the skills they need for the future when it comes to financial confidence.



You love our services!

We have over 100 Trustpilot reviews at a 4.7 star average rating. Thank you to all our members who have left us a lovely review!

Want to get involved?

Whether you want to save, borrow, volunteer, or keep up with what we get up to, our website and socials will have all the information you need!

cardiffcu.com



Meet our Directors



Rhian Thomas

Rhian is a Business Consultant specialising in Commercial and Contract Management. A former Senior Lecturer in Strategy and Management, Rhian has been involved with the Credit Union since 2020 and also holds board roles in the Healthcare and Aerospace sectors.



Mair Garland

Mair Garland is a Communications specialist originally from Llantrisant and now based in London. Mair spent more than a decade in the in-house team at Kingfisher plc, the parent company of B&Q and Screwfix, specialising in government relations and previously led relationships with the Senedd for a small retail trade association. She now works on a freelance basis as an independent consultant.



Robert Smith

Robert Smith is an Honorary Researcher at Cardiff University, having retired from an academic post in the University's School of Geography and Planning. As a retired long serving housing association board member with a Cardiff-based association, Robert has considerable experience of governance in the third sector.



Ian Sharp

Ian has been a credit union member for over 20 years. Ian is a retired executive director at Velindre NHS Trust (Human Resources). Ian has sat on various Boards and committees; is a local resident and also a Trustee of the charity Cancer Research Wales.



Adam Pallister

Adam is a Chartered Management Accountant and currently the Director of Treasury for Foundation Homeloans, a specialist mortgage lender. He has over twenty years of experience at several specialist lending organisations, providing deposits and loans to customers underserved by the UK's main High Street Banks. Adam is a board director of St George Housing, a newly licensed housing association and has been with the Credit Union for more than 2 years supporting the Finance & Treasury committee, offering valuable industry insight.



Mohammed Field

Mo is a trained accountant with ACCA and has several years of experience working as a Management Accountant and Financial Controller in the construction and manufacturing industry, public sector, as well as third sector organisations in UK. Before taking early retirement from Welsh Government, where he was a Regulator of Social Housing, responsible for Governance and financial management of Housing Associations in Wales. He also served for 3 years as Treasurer for CVCU.



Mike Halloran

Working in the financial inclusion field in the social housing sector, Mike believes a well-supported credit union is imperative to alleviate the cycle of debt social housing tenants face. By being a director of CVCU, Mike brings experience of both organisations



Tony Tanner

Tony works at Cardiff Bus: one of our main payroll employer partners. Tony is a longstanding member of CVCU, and has been a director for 24 years, and most recently CVCU Compliance Officer for 12 years.



Llinos Jonathan

Llinos is the FCA Regulations Consumer Duty Champion within CVCU. She is a Fellow of the Chartered Institute of Marketing and a Chartered Marketer. During her executive career Llinos worked as a senior marketing leader within both UK FTSE 100 and US Fortune 500 organisations covering brands such as Nestlé, O2, Motorola and latterly US ITT Inc where she was Global Executive Director of Marketing, Brand and Communications. Prior to joining CVCU Llinos was Trustee for the Design and Technology Association where she was on the Finance and General-Purpose Committee as well as leading their Strategic Marketing Group. She is a UK Digital Leader, a member of Women on Boards and a Committee member for the Société Franco-Britannique de Cardiff.



Paula Burnell

Paula has 25 years' experience with Welsh Water and is currently Head of Service. Paula established the first National Priority Services data share in Wales and developed the Community hub and vulnerable customer programme. Paula currently serves on the CVCU Consumer Duty group.



Jennifer Perry

Jennifer, a former General Counsel and Company Secretary, joined the Board in May 2025 and is Chair of the Governance sub-committee. She brings over 30 years of experience to the C&VCU in legal, governance, compliance and regulatory risk at senior manager and executive level in UK banking and financial services institutions, including at 2 large mutuals. Jennifer is married with 2 grown-up children and has lived in the Vale for over 25 years. She is passionate about maintaining the role that credit unions and mutuals play in their local communities.

Board Attendance Record

2024/25

Board	21/10/24	18/11/24	11/12/24	27/01/25	17/02/25	17/03/25	28/04/25	19/05/25	16/06/25	21/07/25	Aug	22/09/25	Total
Rhian Thomas	Ap	√	√	√	√	√	√	√	√	√		√	10/11
Paula Burnell	√	√	√	√	√	√	√	√	√	√		√	11/11
Mo Field	√	√	√	√	√	√	√	√	√	√		√	11/11
Mair Garfield									√ (Ob (1))	√ (Ob (2))		√ (Ob (3))	3/3
Michael Halloran	√	√	Ap	√	Ap	Ap	√	√	Ap	√		Ap	6/11
Llinos Jonathon	√	√	√	√	Ap	√	√	Ap	√	√		√	9/11
Adam Pallister	√ (Ob)(2)	√ (Ob)(3)	√	√	Ap	√	Ap	Ap	√	Ap		√	7/11
Jennifer Perry						√ (Ob)(1)	√ (Ob)(2)	√ (Ob)(2)	√	√		√	6/6
Diane Richards	√	√	Ap	√	√	√	√	√	√	√		√	10/11
Ian Sharp	Ap	√	Ap	√	√	√	Ap	Ap	√	√		√	7/11
Robert Smith	√	√	Ap	√	√	√	√	√	√	√		√	10/11
Tony Tanner	Ap	√	Ap	Ap	Ap	√	√	√	Ap	Ap		√	5/11

AGM Agenda

01	Welcome
02	Minutes of the 2024 Annual General Meeting 17 March 2025
03	Board of Directors Reports
04	Accounts of the Year Ending 30th September 2025
	Members' Vote: It is proposed that the financial accounts presented to the AGM are accepted. The full financial accounts are included in this pack. Members will be able to ask questions to our External Auditors and Treasurer regarding the accounts.
05	Application of Surplus for Year Ending 30th September 2025
	Members' Vote: It is proposed that a dividend of 0.10% is applied to eligible Adult Members' shares, and 1.0% dividend applied for Junior Savers.
06	Election of Board of Directors:
	Members' Vote: It is proposed that the existing Board Director, Dr Robert Smith is re-elected. Members' Vote: It is proposed that Jennifer Perry and Mair Garland are elected to the Board of Directors.
07	Ratification of the Appointment of the Auditor
	Members' Vote: It is proposed that Cardiff & Vale Credit Union's current External Auditors - Xeinadin Audit Ltd. (formerly Hallidays Group Limited) are re-appointed for a further year.

CARDIFF & VALE CREDIT UNION
MINUTES OF THE 2024 ANNUAL GENERAL MEETING
Date: Monday 17 March 2025 Time: 17:30
Western Leisure Centre, Ely, Cardiff CF5 5HJ

Present:

Jane Hutt MS, Minister for Social Justice, and Patron Credit Unions of Wales

Directors:

Rhian Thomas (RT) (Chair)		
Paula Burnell (PB)	Mo Field (MF)	Mike Halloran (MH)
Llinos Jonathan (LJ)	Adam Pallister (AP)	Diane Richards (DR)
Ian Sharp (IS)	Bob Smith (BS)	Tony Tanner (TT)

Not including the above there were 21 CVCU members in attendance in total including staff members. It was confirmed that the meeting was quorate (Rule 94).

Apologies: None

Also

Jennifer Perry (Observer with a view to becoming a Board Director)
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Management in attendance:

Caroline Richardson (Chief Executive) (CEO)

Others in Attendance

Philip Jones (PJ) Auditor, Hallidays – Xeinadin Group (in attendance remotely)
Gill Nurton (Minute taker)

03/24 - 01	<p>Chair's Welcome - The Chair welcomed all attending the in person Annual General Meeting (AGM) of the Cardiff and Vale Credit Union (CVCU). In opening the meeting, the Chair wished to pay tribute to former Vice Chair and member of the CVCU Board, Terry Brenig Jones.</p> <p>Terry Brenig Jones passed away at the end of 2024. He dedicated so much of his energy and time to the Credit Union movement, embodying the core values of community, contribution, and support. Since joining the CVCU Board in 2009, Terry brought knowledge and commitment to governance and strategic development. His leadership as Vice Chair and Chair of the Governance Group from 2013 was transformative. He was more than a Board Director, he was a true champion of the organisation's mission. Terry's wisdom, humility and unwavering dedication helped shape not just our policies and working methods, but the culture of the Credit Union. His ability to inspire, provide sage advice and take on complex challenges with selflessness set a standard of excellence that will continue to guide us. The Chair was pleased to have learnt from his wisdom and said she often reflected on <i>'What would Terry have done?'</i> when deliberating on CVCU matters.</p>
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	<p>Annual Statement of Accounts Chair's Statement – the Chair advised of an incident of fraud detected by the team at CVCU which involved the manipulation of procedures and controls. The matter had not materially affected CVCU Members shares or accounts and the exceptional costs identified in the Statement of Accounts to be considered later in the meeting had been recovered.</p> <p>A Year of Achievements – the Chair advised that the CVCU had had a very busy and challenging year. The team were committed to supporting CVCU members and the community and this has been achieved through a range of partnership working and a keen focus by the Sub Groups of the Board which will be reported later in the meeting.</p>
03/24 - 02	<p>Minutes of the Annual General Meeting 18 March 2024 The minutes of the 2022 Annual General Meeting 18 March 2024 were APPROVED as a correct record.</p>
03/24 – 03	<p>Welcome to Jane Hutt MS, Minister for Social Justice, and Patron of Credit Unions for Wales The Chair welcomed Jane Hutt MS, Welsh Minister for Social Justice, Chief Whip, and long-standing champion of the Credit Union movement in Wales and her support is appreciated by the CVCU Board, Management Team, and Members. .</p> <p>Jane Hutt MS was pleased to join CVCU members, Board Directors, and staff at the AGM, and to put a spotlight on the achievement of the CU in Cardiff and the Vale during 2023/24. CVCU is a lifeline for many citizens in Cardiff and the Vale and she had been delighted to attend the CVCU office in December to witness first hand the work of the team supporting those who find themselves with unexpected bills or a seasonal need. The support given to help individuals access affordable credit to help with increasing costs and provide advice or signposting to encourage financial resilience is invaluable. The work of CVCU demonstrates the shared ambition of the Welsh Government (WG) to support Credit Unions in Wales and the financial wellbeing of individuals and to have a presence in communities the WG had funded the Loan Expansion Scheme which supported over 4000 people across Wales with loans and to build their credit, signposting people away from illegal lenders and pay day loans. It was commendable to see people like Michael Sheen (Welsh actor) speaking out about the need for affordable credit. He recently wrote off £1m of debt of people in his community by taking on payday lenders, loan sharks and the banking industry as part of his campaign to throw light on the high costs of credit.</p> <p>Ms Hutt highlighted the work of the Responsible Loan Network and the input from the CVCU Management team who will be attending a meeting with the banking communities in Wales at the end of the month to discuss the 'Fair Banking Proposal' aimed at ensuring that all individuals and businesses have access to affordable credit.</p> <p>Ms Hutt advised that there were still many challenges to overcome, however the work of the CU's in Wales was supporting social justice. In particular at CVCU the payroll partnership schemes, Junior Savers Clubs and outreach work were providing vital financial resilience and support, and the WG would continue to provide funding to grow participation levels.</p>
	<p>Ms Hutt thanked the Board Directors, Working Group Members, the CEO and her management team and staff at the CVCU and looked forward to working</p>

	<p>together to promote and publicise the CU movement across Wales in the coming 12 months.</p> <p>The Chair thanked the Minister for her and the WG continued support and agreed that there were plenty of positives to be taken from the last 12 months and lots of work to be done going forward.</p>
03/24 – 04	Report of the Board of Directors
	<p>Chair's Report (RT)</p> <p>The Chair presented her report to the AGM, which provided an overview of CVCU's performance and progress over the last 12 months.</p> <p>New Board Director - within the last financial year, we have been pleased to co-opt Adam Pallister (AP) to the Board. AP had already made a significant contribution to the Finance & Treasury Group over the last 12 months.</p> <p>Consumer Duty Leadership – The CVCU were honoured to receive the Consumer Duty Leadership in Consumer Finance Award at the Consumer Duty Awards in London, celebrating the team's outstanding commitment to member support. This recognition is a testament to the teams relentless pursuit of delivering good consumer outcomes and preventing consumer harm. Key achievements in implementing the Consumer Duty Act within our operations include:</p> <ul style="list-style-type: none"> • Implementing innovative software to support customers and improve access to information. • Creating a dedicated staff role for Vulnerable Members. • Enhancing financial wellness education through digital platforms. • Establishing a Consumer Duty Committee to drive and maintain cultural change. <p>Many thanks to Llinos Jonathan our Board Consumer Duty Champion for leading on this.</p> <p>Governance and Compliance - our Governance Development Group has made progress on our processes over the last year, including:</p> <ul style="list-style-type: none"> • Amending Credit Union rules to expand our common bond across Wales. • Streamlining our Board meeting processes. • Reflecting and acting on the outcomes of comprehensive internal audits. • Enhancing monthly compliance reporting. <p>Business Development and Member Engagement - the past 12 months saw several initiatives in developing our member experience:</p> <ul style="list-style-type: none"> • Comprehensive loan cost review. • Introduction of Google Analytics to understand member demographics. • Launching a successful '30 Days of Giveaways' campaign for our 30th anniversary. • Becoming the first UK credit union to implement Recite Me software for website accessibility. <p>Lending and Support - the Credit Committee processed 4,418 loan applications, approving 2,082 loans totalling over £3.25 million throughout the year. CVCU remains committed to responsible and affordable lending, supporting members through various financial needs.</p>

	<p>Awards and Recognition - CVCU celebrated remarkable individual achievements that reflect our organisational spirit, at the Credit Unions of Wales awards in November 2024.</p> <ul style="list-style-type: none"> • Elaine Edwards received the Outstanding Member of Staff Award for her invaluable contributions to Member Services and community support. • Barry Primary School was recognised for its dedication to financial education through the School Savers Club programme, fostering early financial literacy. • Llinos Jonathan, our Board Consumer Duty Champion, won Volunteer of the Year for her work in developing our Consumer Duty work. • Cardiff Council was honoured with the Payroll Partner Award for its efforts in promoting financial security among employees through payroll savings schemes. <p>Finance - in the context of rising costs and a challenging economic climate, our financial performance resulted in an initial small surplus of £355, but after corporation tax (£31,560) is deducted, we end the year with a deficit of - £31,205. Mohammed Field, Chair of the Finance & Treasury Group will reflect on the key financial pressures and our performance in his Treasurer's report, but in summary.</p>
	<p>Governance Development Group (Chair)</p> <p>The Governance Development Group (GDG) has seen a number of action items completed in the last 12 months. This includes the full amendment of the Credit Union rules as approved by the membership and approved by the FCA. The main point to note is the extension of the common bond to any person living or working anywhere in Wales.</p> <p>The year saw streamlined Board meetings to free up time to give more time to reflect on the CEO quarterly reports consisting of a more comprehensive operational summary and to focus on Credit Union risk and strategic objectives.</p> <p>Alexander Sloan, appointed as the CVCU's internal control provider completed two audits in the last 12 months for ICT and Finance, ensuring CVCU's compliance with external regulations and that CVCU has sound internal controls and management in place. These new internal audit reviews replace the previous Supervisory Committee and are proving to be effective sources for the Board and Executive to review current policies and procedures and monitoring any ongoing concerns.</p> <p>The CEO and Operations Manager have focused the monthly FCA compliance reporting on operational management and reporting. Continued effort will be on strengthening internal control and ensuing policies and procedures meet regulatory compliance.</p> <p>Looking forward, the GDG will focus on Board recruitment, development, and retention, ensuring a breadth of talent and expertise to guide the growth and strategic initiatives of the CVCU. This will be evidenced through Director development plans and sustained work with the ABCUL Academy compliance modules providing opportunities for personal development for Board Members and Senior Staff members.</p>
	<p>Business Development Group (RS)</p>

The Business Development Group (BDG) has taken on several tasks to improve CVCU services for members.

- A loan cost review was completed to ensure the Credit Union is offering fair and ethical loan products whilst factoring in rising operational costs. The BDG reviewed CVCU's loans products and rates compared to the market, and an extensive and detailed analysis was performed - this work included loan profiling by type, loan purpose and costing. In addition to the loan cost review, BDG researched CVCU rates compared with 57 other Credit Unions and high street banks across the UK. Based on this data, BDG suggested loan products needed to be streamlined to make our products more user friendly for our members.
- Google analytics was launched for web analytics to help find out more about demographic, goals, and behaviours of our Members with various different campaigns in place.
- The 1872 Temperature Check survey was a step for CVCU to engage with active Adult Members to gather feedback about CVCU's products and service. A 95% positive feedback was earned and generated reengagement from our Members whose accounts may have been dormant.
- The annual Marketing Plan was launched including a top line calendar along with various promotional plans to take place in 2025. Moneyworks Wales and CVCU continue to work closely together to ensure both are aligned with financial wellbeing communications and monthly promotions
- Facebook, X, and now Instagram our latest social media platform is assisting the CVCU to interact with a wider member audience.
- CVCU was proud to announce the collaboration with Recite Me a software that enables website accessible and inclusivity for our diverse range of members. CVCU is the first ever Credit Union in UK to launch this software for Members. This initiative was in line with the Consumer Duty Action Plan to reduce friction in the Member journey. Recite Me was also nominated at Credit Unions of Wales Awards in the products and innovations category.
- 2024 was CVCU's 30-year anniversary. For this milestone year, CVCU gave something back to our Members of all groups and ages with a '30 Days of Giveaways' campaign. This gave a boost to our Member engagement and encouraged new Members. On the back of this campaign, we have had a lot of positive Member stories about the impact CVCU has had on their lives.

Moving forward, the BDG will focus on following the new annual marketing planner to further engagement with our Members, and using the new tools mentioned above to drive innovation of new products and enhance the customer journey.

Consumer Duty Group (LJ)

LJ presented the Consumer Duty Group (CDG) report.

The CVCU was honoured to be awarded the challenging Consumer Duty Leadership in Consumer Finance Awards over and above some exceptional competition from major UK Retail Finance institutions. The Awards were established to recognise the effort of firms they believe were dedicated to delivering good outcomes for their retail customers, those who continuously address issues that risk causing consumer harm and to highlight those firms who demonstrate a high commitment to good practice and areas for

improvement. We were thrilled to be recognised for our team's outstanding efforts.

Key achievements were:

- The FCA recognised that the CVCU had introduced and were monitoring new software platforms that enabled it to identify and support the 65% of vulnerable people who needed payment assistance or were at risk of negative credit management through underpayment.
- Staff had been trained on how to recognise vulnerability.
- A new "expert" vulnerability staff role was created, and we have started a new community collaboration regarding vulnerability with Welsh Water.
- Financial wellness information was being regularly posted on a new clearer, simpler and much more informative website enhanced by social media posts which help, support, and educate on financial wellness.
- Over 13 training sessions were delivered on key aspects of the duty, and 5 major policies were reviewed.
- In order to aid cultural change, the Consumer Duty Group report monthly to the Board on progress and with the intention of continually improving governance, creating greater unity of purpose between Board and staff, and providing a clear focus on what actions are necessary to deliver good consumer outcomes, avoid harm and improve financial wellbeing.

In July the Consumer Duty Board Report, which is an FCA regulatory requirement, committed CVCU to a series of ongoing processes which we have been working through during the remainder of the year, namely:

- Strategic Plan Focus on Consumer Duty Regulations - A key area was to ensure that CVCU's strategic plan outlines the key initiatives and objectives for CVCU to ensure our strategy remains aligned with Consumer Duty. This activity has been completed.
- Expanding Social Media Presence - We committed to making consumer access easier and consequently have recently expanded and broadened our social media presence into Instagram, which now allows us to communicate with the younger demographic base. Our plans are to educate followers about Credit Unions, support them with financial wellness information and later in the year develop case studies that allow consumers to visualise how they can achieve their financial objectives.
- Advancing Customer Understanding - We introduced new "Recite Me" software onto our website. Recite Me offers a range of on-demand accessibility solutions that ensures that our website is user-friendly for individuals with disabilities, situational challenges, and language support. The results show our pages being viewed over 445 times with 40% of the users choosing the translation function.

We also issued a new innovative "Member Satisfaction Temperature Check" for Members to complete anonymously which provides a gauge of their satisfaction with the performance of CVCU. Feedback shows Members are highly satisfied and have trust in the CVCU's ability to help them with their financial wellbeing.

We are currently advancing our work on customer segmentation within our common bond so that we can tailor better outcomes for differing consumer. By understanding the diverse needs of our customers, we can provide more personalised and effective solutions for them.

- Enhancing Focus on Vulnerability – most importantly the CVCU has extended its focus on vulnerability is a key priority. We continue to expand our community work in collaboration with Dŵr Cymru/Welsh Water and seek other aligned partners where we can perform similar work. Additionally, we will continue our reporting and monitoring of vulnerability and expand our financial wellness programs. Our aim is to provide more material and seek local opportunities to spread our increased knowledge about financial management. We have recently added a new role to our staff cohort, to dedicate time within our communities to listen to feedback and assist with financial concerns.
- Maintaining Competitive Analysis - We undertake regular competitive analysis and are also looking to expand our product range as legislation allows. To this end CVCU is in the early stages of developing a new savings product which aligns closely with our business purpose and values.
- Structured Monitoring and Measuring Outcomes - We are working on creating a more structured approach to monitoring and measuring outcomes. We still have ongoing work to do on establishing processes and programs, however in the future, we intend to develop Key Performance Indicators from our on-line presence through detailed analytics, together with ongoing online feedback and surveys. This will help us ensure that our initiatives are effective and that we can continuously improve consumer outcomes.

In conclusion, CVCU is a small organisation, and efforts need to be proportionate to our size, but that does not detract from our continual focus on delivering the best outcomes for our Members. Our commitment to the Consumer Duty Regulations and our proactive approach to enhancing consumer engagement, understanding and financial wellness are at the core of our strategy. By expanding our social media presence, advancing customer understanding, focusing on vulnerability, maintaining competitive analysis and implementing structured monitoring and measuring outcomes, we are dedicated to ensuring that our initiatives are effective and impactful.

Moving forward, we will continue to build on these initiatives, leveraging feedback and data to refine our strategies and improve our services. We are proud of the progress we have made and remain committed to our mission of delivering good consumer outcomes, avoiding harm, and enhancing financial wellness.

Finance and Treasury Group (MF)

MF was pleased to report on a successful year, although it did not pass without its challenges. Despite the downturn in the economy during the year in question CVCU have had a positive performance and have continued to provide affordable loans to Members and maintain a competitive edge with the review of products and ensured better return on investments.

MF highlighting the key element of the financial statements:

- The Annual Report and Financial Statements were audited by our external auditors Xeinadin Audit Chartered Accountants.
- Their audit opinion concluded that the financial statements, "give a true and fair view of the state of the Credit Union's affairs, as at 30 September 2024. There are no issues in relation to going concern."

- The financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice, compliant with the Cooperative and Community Benefit Societies Act 2014, which meets the Prudential Regulation Authority requirements for Credit Unions in the UK.
- The summary of the financial statements show a small surplus of £355. But, after deducting corporation tax £31,560, the result is a deficit for the year of £31,205. As shown below:

MF stated that the CU movement in Wales pays over £1m in Corporation Tax which he believed was an unfair tax for CU's and he was lobbying WG to get this changed.

MF reported on the accounts as follows: -

Year	2024	Restated 2023
	£	£
Total Income	816,091	826,417
Administrative Expenses	(815,420)	(732,389)
Operation Surplus/ deficit	671	94,028
Exceptional Expense	(121,680)	(75,177)
Total Exceptional Income	121,364	75,177
Total Exceptional Item	316	
Surplus	355	94,028
Less: Corporation Tax	<u>(31,560)</u>	<u>(26,528)</u>
Deficit	(31,205)	67,500

MF explained to the meeting the change to the 2023 accounts reflected the reinstatement of exceptional income relating to the fraudulent transactions which after tax resulted in a surplus in 2023 of £67,500. MF confirmed that all monies with the exception of £16,000 had been recovered over the two years and no Member account had been affected. The surplus over the two year period after Corporation Tax was £36,295.

MF reported specifically on the 2024 Statement of accounts as follows: -

Income

The total income for the year was slightly down in comparison with the previous year by 1%. However, income from loan interest increased by 13.7% due to increase in demand for loans from Members. As a result, income received from investment was marginally decreased from last year by 6.8%. This demonstrates that during economic pressures, families need the support of the Credit Union, and we are pleased that we are able to help.

Expenditure

Regulatory costs, which include loan protection insurance fees paid to Trade Association and audit costs, totalled £50,757 - a slight increase of 1.9% on last year.

General administrative expenses were £667,678, increased by 13.9% on last year. The most significant expenditures to note were:

- Total Staff costs £400,026, increased by 5% on last year. We are a "Living Wage" employer and must remunerate our staff accordingly.
- Computer software maintenance cost £80,194 - this is a significant increase on previous years, due to the cost of software for the new

accounting system. This increase was anticipated. It is anticipated that this will support future development and expansion as well as giving CVCU a secure, effective, and efficient system.

- Legal and professional costs were £33,783.
- Depreciation of fixed assets was £27,936. This is non-cash item and a method of accounting for fixed assets calculated in line with accounting policies.
- Bank charges at £9,800 were slightly lower than last year.
- Impairment provision, £87,185. This is also non-cash item as it is a charge to the account should some Members loans become uncollectable.

Balance Sheet

CVCU continued to maintain a strong financial position despite the downturn in the economy. The main points to note are:

- Fixed assets remain unchanged since last year's investments in new systems £736,755.
- Loan to Members has increased by £550,434, current balances - after bad debts provision - stands at £ 4,596,466.
- Cash balances held in financial institution and at bank were £3,796,647, slightly lower than last year, primarily, due to increase in loans to Members.
- Membership has marginally decreased by 4.6% and currently stands at £7,682,021 which we believe is due to the downturn in economy and mirrors a trend throughout the sector.
- Total reserves are £624,736, slightly lower than last year, due to this year's deficit result, after tax. Our Capital Asset Ratio at end of September 2024 was 13.6%, above the PRA recommendation.

Dividends

In line with previous years and in recognition of achieving a better return on investment, the Board of Directors has recommended a dividends payment for Adult Members of 0.25% and for Junior Members of 2.00%.

Internal Audit

A recent internal audit, conducted by Alexander Sloan our Internal Auditors has been confirmed that our current financial systems, policies and procedures suitable for the Credit Union and are effective and efficient.

CVCU is committed to being an ethical, responsible Credit Union, maintaining our competitive position, supporting our community, and providing affordable loans and better return on investments to our members.

In conclusion , MF assured the meeting that the Finance and Treasury Group meet on a monthly basis and is supported by experienced colleagues to ensure scrutiny of the financial reports and controls to ensure the CVCU is financially viable and that Members funds and investments are safeguarded.

The Chair thanked the Chairs of the Sub Groups and all the Board Directors, dedicated staff and volunteers for what had been an incredibly busy and challenging year.

03/24 - 05	Accounts of the Year Ending 30 September 2024
	The Chair invited Phillip Jones from Hallidays - Xeinadin Group, the appointed auditors to present the accounts to the Members.

	<p>PJ presented the Auditors financial report for CVCU for year ending 30 September 2024 and confirmed that the Xeinadin Group had carried out the audit in accordance with international accounting standards, regulations and FRS102 financial requirements. The accounts, internal procedures and controls had all been tested, and all the necessary evidence had been gathered and provided by the CVCU officers. PJ advised that the CVCU had followed all the necessary legislation and financial regulations.</p> <p>PJ confirmed that Xeinadin Group on the audit evidence were therefore able to provide an unqualified, true, and fair opinion and there were no matters to report. There were no issues with the viability of liquidity of the CVCU.</p> <p>In conclusion PJ thanked the CEO and her team for their support in preparing accounts.</p> <p>The Chair thanked PJ for his presentation and the ongoing support received from the Xeinadin Group team and thanked officers for all their work to finalise the 2023/24 Statement of Accounts.</p> <p>The Chair invited questions from those present. There were no questions</p> <p>The Chair asked for a vote to be taken to accept the Financial Accounts 2023/24.</p> <p>The Statement of Financial Accounts for 2023/24 were APPROVED by the Members at the meeting.</p>				
03/24 - 06	<p>Application of Surplus for Year Ending 30th September 2023</p> <p>The Board of Directors having taken advice from the Finance and Treasury Group was recommending to the AGM that a dividend of 0.25% is distributed to Adult Member share accounts and 2.0% to Junior savings accounts. This dividend would be taken from reserves.</p> <p>A vote was taken, and those present UNANIMOUSLY APPROVED - That</p> <table border="1"> <tr> <td>1</td> <td>a dividend of 0.25% be distributed to Adult Member share accounts.</td> </tr> <tr> <td>2</td> <td>a dividend of 2.0% be distributed to Junior savings accounts.</td> </tr> </table>	1	a dividend of 0.25% be distributed to Adult Member share accounts.	2	a dividend of 2.0% be distributed to Junior savings accounts.
1	a dividend of 0.25% be distributed to Adult Member share accounts.				
2	a dividend of 2.0% be distributed to Junior savings accounts.				
03/24 - 07	<p>Election of Board of Directors</p> <p>The Chair invited the meeting to vote on the following elections of Board Members:</p> <table border="1"> <tr> <td>6.1</td> <td> <p><u>Existing Board of Directors Re-Election for 3 Year Term</u> After a vote, the following Directors were re-elected <i>by unanimous decision:</i> Board of Directors: Mohammed Field, Llinos Jonathan & Tony Tanner.</p> </td> </tr> <tr> <td>6.2</td> <td> <p><u>New Board Director Election for 3 Year Term</u> After a vote, the following co-opted Member was elected as full Board Member <i>by unanimous decision:</i> Board of Directors: Adam Pallister</p> </td> </tr> </table>	6.1	<p><u>Existing Board of Directors Re-Election for 3 Year Term</u> After a vote, the following Directors were re-elected <i>by unanimous decision:</i> Board of Directors: Mohammed Field, Llinos Jonathan & Tony Tanner.</p>	6.2	<p><u>New Board Director Election for 3 Year Term</u> After a vote, the following co-opted Member was elected as full Board Member <i>by unanimous decision:</i> Board of Directors: Adam Pallister</p>
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03/4 - 08	<p>Ratification of the Appointment of the Auditor</p> <p>The recommendation of the Board that the Xeinadin Group be re-appointed as CVCU's auditors for the year 2024/25.</p>				

	The meeting APPROVED the appointment of Xeinadin Group as External Auditors for 2024/25.
03/24 - 09	Close of Meeting
	The Chair thanked Members for attending and thanked the CEO and staff for all their support and contributions to the success of the CVCU and this Annual General Meeting. <i>Meeting Closed at 18.30pm</i>



A Message from our Chair

On behalf of the Board of Directors, it is my privilege to welcome you to the Annual General Meeting of Cardiff & Vale Credit Union (CVCU). Croeso mawr i bawb.

I am pleased to report that 2024–25 was a year of genuine progress for CVCU - financially, operationally, and in terms of the support we provide to the communities across the Cardiff and Vale of Glamorgan area.

I would like to begin by extending my heartfelt thanks to every member of our staff, our managers, and our Board of Directors for their hard work, commitment and diligence throughout the year. The achievements we acknowledge tonight are a direct reflection of their collective effort and dedication.

A croeso and diolch yn fawr / thank you as well to Jane Hutt – Cabinet Member for Social Justice, Chief Whip and Trefnydd at Welsh Government, for her attendance at this year's AGM and for her ongoing support for CVCU and the wider Credit Union movement in Wales.

Financial Performance

I am delighted to report that CVCU has recorded a surplus for the financial year which ended on the 30th of September 2025. Total income grew by 14% to £931,965, driven principally by a 13.7% increase in loan interest income and a 30.5% improvement in investment income.

After administrative expenses of £873,209 and taxation of £33,026, CVCU recorded a net surplus for the year of £25,730. Our total reserves stand at £626,666, and our capital asset ratio remains comfortably above the PRA's recommendation at 12.1%. Our loan book - after provision for bad debts - stands at £4,684,243 and our cash balances held across financial institutions total £3,664,472.

The Board has recommended a dividend of 0.10% for adult members and 1.00% for junior members for this year. While this is a reduced dividend, it reflects a prudent approach in light of anticipated forthcoming investment in our premises, ensuring the long-term financial strength of the Credit Union for all members.

Our accounts have been audited by Xeinaidin Audit Limited, whose opinion confirmed that the financial statements give a true and fair view of the Credit Union's affairs.

Business Development

The Business Development Group has had an active and productive year. The group continued to develop our product range, including improvements to our Platinum Loan to make it more accessible and fairer for members. Marketing activity expanded into new in-person campaigns at Cardiff Market and Cardiff Central Station, reaching over 200 members of the public and further raising awareness of CVCU's services.

We were pleased to welcome new payroll partners this year - including Orbits IT, St David's College, and Daisy Day Nursery - and we continued to strengthen our digital presence through improved website analytics, Search Engine Optimisation and an active social media strategy. A thorough customer segmentation exercise, commissioned through ILBA 24, has provided valuable demographic insights that will help us to better tailor our products and communications to the full breadth of our membership.

Governance

The Governance Development Group (GDG) has had a particularly significant year, including introducing a comprehensive Performance and Development Review (PDR) process for Board members to ensure and demonstrate Board effectiveness in line with PRA requirements, with all PDRs completed by the end of February 2026.

The GDG also approved the creation of a new Associate Director role, enabling CVCU to benefit from specialist expertise on a project-by-project basis. A revised Board Director Role Profile, refreshed Induction process and updated Directors' Handbook were all agreed during the year. The GDG additionally assumed oversight of operational compliance and Consumer Duty developments following the disbanding of the Consumer Duty Sub-Group.

Consumer Duty & Member Outcomes

I am pleased to highlight that CVCU was honoured to receive the 'Voice of the Consumer' award at the Association of British Credit Unions Member Sentiment Awards – an initiative which recognises CVCU as a members-first credit union with exemplary Consumer Duty standards.

Our work throughout 2025 saw the four pillars of good consumer outcomes firmly considered within our operation, with dedicated Consumer Duty reporting to the Board, a trained vulnerability specialist and the continued use of the Recite Me platform supporting language translation and text-to-speech accessibility. Member surveys showed that 95% of members agree that we are upholding our values and standards in accordance with the Duty.

Important Information: Life Insurance

Following a decision by the Board on the 22nd of September 2025, and with further consideration by the Finance & Treasury Group (F&TG) at its meeting on 9th of February 2026, the Board has endorsed the recommendation that the Life Insurance provision currently offered to existing Members will cease on 30th September 2026.

Life Insurance for new Members had already ceased in September 2025. Members will receive notice of this update throughout the coming months via our website, email and social media channels on a further three occasions prior to the scheme ending.

Any claims submitted by a Member within the first 12 months following cessation – that is, between 1 October 2026 and 30 September 2027 – will however, continue to be considered under the current Life Insurance provision.

Thank you & Recognition

I wish to again extend my sincere and warm appreciation to our entire staff team and management for their tremendous efforts throughout the year. Their day-to-day commitment to our members and to the values of the Credit Union movement is the foundation upon which everything we achieve is built.

I would also like to thank my fellow Board Directors for their voluntary dedication, their expert contributions and the considerable time they give in service of our members and community. We are fortunate to have such a capable and committed Board.

On this occasion, I must make special mention of our former Board Director, Diane Richards, who stood down from the Board last September, after many years of service to CVCU. Diane's commitment spanned over several decades – offering a long-standing contribution to the Credit Union, and on behalf of the Board, I offer our thanks and very best wishes for the future.

I also wish to recognise the work of Mike Watkins – our longest serving volunteer – who is also stepping down after 20 years of service. We appreciate the significant contribution made by Mike and thank him for his support.

As described earlier, we have introduced a new Associate Director role this year – an opportunity to recruit new talent on a case-by-case basis, as well as retaining the services of erstwhile Board Directors who are not always able to commit to a full Board Director role. I am very pleased to confirm that Anthony Tanner, Ian Sharp and Mike Halloran will remain members of the CVCU family as they transition from Board Directors to Associate Directors roles, post-AGM.

Finally, and most importantly, I thank you - our members - for your continued loyalty and trust. It is your membership and commitment to the values of the Credit Union movement that enables us to build a fairer, more ethical financial future for the communities of Cardiff & the Vale of Glamorgan.

Diolch yn fawr / Thank you,

A handwritten signature in cursive script that reads "Rhian Thomas".

Rhian Thomas
Chair, Board of Directors



Caroline Richardson, CEO

Report of the Credit Committee

During the year to September 2025 CVCU has in total considered 4,274 loans applications of which 1,615 were approved totalling £2,701,911.11 The number of applications declined were 2,659.

The Credit Committee consider loan applications amounting to the value of £15K and for this period, 32 applications were considered. None were declined and the value amounted to £375,141.71. There were no appeals during this period.

Christmas, cars and home improvement loans continue to be the most popular as well as debt consolidation loans. The Credit Committee works closely with the loans and credit control teams and over the course of the year have reviewed the group Terms of Reference, Lending policy and Credit Control policy.

In September 2025, the group also reviewed loan rates for all categories, recommending to the Finance & Treasury group to streamline loan products and lift rates slightly in line with market average but remain fair and affordable for members.



Jennifer Perry, Chair of Governance Development Group

Report of the Governance Development Group

This report covers the period from 31 March 2025 to 31 August 2025 during which the Chair chaired the Governance Development Group (GDG) and the period 1 September 2025 to 28 February 2026, during which Jennifer Perry assumed the position of the chair of the GDG. The GDG assumed the role of the Nomination Committee and as such:

- Introduced a PDR process for the purpose of ensuring and demonstrating Board effectiveness in accordance with PRA requirements, comprising interview by 2 members of the Board. A Board member survey and the setting of a task objective and personal development objectives for each Board member.
- Set a time limit for the first round of reviews to be completed by the next AGM and subsequently within 18 months of the last review. All PDRs were completed by the end of February 2026.
- Reviewed the first process, determined that the next round of PDRs for Board members would not commence until October 2026 to avoid availability issues encountered over the summer period and that each review would be conducted by the Chair or the Deputy Chair to meet PRA requirements as set out in the PRA's 2025 sector assessment letter to credit union directors of credit unions with assets up to £50m.

- Approved the creation of the role of Associate Director to attract people who had valuable expertise, but who may not want a full time Board role. This would enable CVCU to benefit from expertise of Associate Directors on a project-by-project basis.
- Reviewed and agreed a standard Board Director Role Profile.
- Reviewed and agreed Induction process for new Board Director
- Reviewed and agreed an updated Directors' Handbook

The GDG assumed oversight of operational compliance, reviewing the quarterly compliance checklist and reviewing Internal Audit reports before reporting on the same to the Board Following the disbanding of the Consumer Duty Sub-Group, the GDG assumed oversight of compliance with consumer duty developments, policies and processes and welcomed LJ to the GDG.

The GDG oversaw a review of all the risks in the risk register by all Board sub-groups responsible for those risks, reviewed and revised the parameters of the traffic light system of risk classification, presented the outcome of the reviewed risks with red status to the Board for acceptance. The Board accepted those risks. The GDG agreed with the Board that it would oversee quarterly reviews of risks, reporting to the Board on high amber rated and red rated risks.

The GDG reviewed two “Dear Director” letters, the 2025 Sector Assessment letter to credit union directors and the Operational Risk and Resilience: A Proportionate Approach for Credit Unions both dated 28 November 2025 and requested management confirmation of steps needed to assure compliance.

The GDG also commenced a review of governance policies and the GDG Terms of Reference given the changes in its responsibilities.



Mair Garland, Chair of Business Development Group

Report of the Business Development Group

Over the last year, the Business Development Group has continued to support the delivery of CVCU's overarching objectives to build our membership and loan portfolio, and to make it easier for members and prospective members to access our services online in an ever-challenging external context. The Group has supported the following initiatives:

Tracking the Progress of our Product Ranges: The Business Development Group plays a key role in tracking and scrutinising the success and challenges connected to CVCU's product ranges. This included changes to our Platinum Loan this year to make it more accessible and fairer to members, as well as established products such as our Christmas Loan. This will continue to be a priority into 2026 to track progress in real time and address any concerns as early as possible for the benefit of members and prospective members.

Enhancing Member Experience & Digital Innovation: Continued focus on making it easier for members and prospective members to access our services and products online. This includes workstreams to better understand where and how members and prospective members are accessing information about CVCU and work to identify and reduce digital frictions for new and existing members. This includes:

- A thorough analysis of common friction points for members and prospective members accessing our services online.
- Implementing Google Analytics to track traffic sources to the CVCU website and the most popular areas of the website.

- Strengthening CVCU's social media presence on Facebook and LinkedIn, especially with a consistent and deliberate strategy (with the former targeting existing and prospective members and the latter focused on our Payroll members through Moneyworks).
- Improving Search Engine Optimisation (SEO), and Answer Engine Optimisation (AEO) especially in light of more prospective members seeking advice from Artificial Intelligence (AI) platforms including Chat GPT.

New Marketing Initiatives: This year, the Marketing and Business Development team undertook new in-person marketing initiatives with guidance from the Business Development Group. This year included in-person campaigns at Cardiff Market and Cardiff Central Station, with useful conversations with the public regarding the perception and awareness of CVCU and the wider Credit Union movement. Across the two events, more than 200 leaflets were distributed and 87 people accessed the CVCU website via the QR code. The Group is currently exploring out-of-home marketing options to complement in-person campaigns into 2026.

Attracting New Payroll Members: The Business Development Group continues to support the Business Development team's initiatives to attract new Payroll members and increase participation among existing Payroll members. New members this year have included Orbits IT, St David's College, and Daisy Day Nursery.

Getting to Know our Members through Customer Segmentation: The Business Development team commissioned ILBA 24 to analyse several customer demographic profiles across a number of factors including age, location and economic wealth and to underpin our Consumer Duty principles. The data gleaned from this work will support the Business Development Group to ensure its communications and products suit the needs across our membership base and will continue to attract new members.

Monitoring Compliance with Regulations: The Business Development Group continues to ensure that all marketing activity is fully compliant with the FCA's Consumer Duty and we are analysing the implications of the new Data (Use and Access) Act to ensure we will be fully compliant (for example, in how we implement Cookies on the CVCU website).



Llinos Jonathan, Consumer Duty Champion

Consumer Duty Report

2025 was a year of progress and proud achievements for our credit union. We successfully embedded key learnings and insights into a robust “Business as Usual” model, and the four pillars of good consumer outcomes, as outlined by the FCA Consumer Duty Regulations, are now firmly integrated into our everyday operations. In addition, we have ensured that both our strategic and annual plan are fully aligned with the FCA’s Consumer Duty expectations.

We were honoured to receive the “Voice of the Consumer” award at the Association of British Credit Unions Member Sentiment Awards—a pioneering initiative celebrating credit unions that demonstrate exemplary Consumer Duty standards and a truly member-first culture. This recognition reflects the strength of our commitment to supporting all members, particularly those in vulnerable circumstances.

Our work in this area included:

- Maintaining a dedicated Consumer Duty Champion, who provides regular board reporting to ensure Consumer Duty remains central to every board discussion. This has helped embed a culture focused on member outcomes alongside operational performance.
- Appointing a trained vulnerability specialist, offering tailored and compassionate support for our most vulnerable members.
- Continuing the utilisation of Recite Me, showing we are providing much needed support through language translation (Welsh, Arabic and Spanish being widely utilised) and text to speech (1,063 translations).
- Monitoring good outcomes using 1872 Culture surveys to hear directly from our members. Surveys show 95% of our members agree we are upholding our values, behaviours and standards according to the duty.

- Sharing practical wellbeing resources, including financial wellness blogs and guidance on budgeting, credit score building, and seasonal financial planning.

At last year's AGM, we committed to advancing our customer segmentation work to better understand the diverse needs within our common bond. We are proud to share that this work is now complete. The insights gained have strengthened our understanding of member needs and highlighted clear opportunities to provide even more targeted support. Importantly, it reinforces the essential role that our credit union plays across the Cardiff & Vale area.

Customer vulnerability continues to be a major focus for us and during 2025 we strengthened and grew our volunteer team who are now dedicated partners within the council hubs. Their work ensures that we provide trusted access points for those seeking financial support, bringing awareness of ethical, fair lending and face to face support to those who may be more vulnerable. Our members' stories remind us why this work truly matters. One member, who fled conflict overseas, told us:

"I want to thank you for your professionalism and understanding of my personal situation. I support my family due to fleeing the war back home, and the credit union understood my circumstances and reduced my monthly deductions for a period to help me support my vulnerable family."

Another shared:

"The credit union was there for me during the COVID crisis when I was in danger of losing my home due to rent arrears. They saved me from homelessness by providing a loan. Now I trust them with my monthly savings for a rainy day or to support my family should anything happen to me."

These testimonies reflect the heart of our mission: to be a trusted, compassionate, and dependable financial partner for our community, our commitment to achieve the best outcomes for our consumers and our close alignment to the FCA Consumer Duty Requirements. We remain proud of the progress made in 2025 and will continue to build on this strong foundation in the year ahead.

Finally, we are delighted to announce a new partnership this year with Citizens Advice - an organisation whose values naturally align with those of the credit union. This collaboration brings together two community-focused services with a shared commitment to fairness, financial wellbeing, and accessible support. Citizens Advice staff will now be available within our Cardiff office, offering members and the wider community seamless access to trusted guidance on a range of personal and financial concerns. Together, we are seeking to create a stronger, more supportive network for the people within our common bond and especially for those people who live within the Cardiff and Vale area.

We are a small team, but we remain firmly committed to delivering the best outcomes possible for those who live within our area not only in accordance with the FCA's Consumer Duty guidance but perhaps even more importantly as part of our core values and purpose as a Credit Union.

We seek to deliver fair, ethical and trustworthy financial support to all the communities who live within Cardiff and Vale area.

Funding Support 2024/25

CVCU continues to receive financial support and gives thanks to our funders for the following projects:

Development Officer: partial funding from City of Cardiff Council for this post allows us to continue to work with local businesses and community groups to raise awareness of our work and services, particularly to support the local economy and tackle issues of financial capability and financial exclusion in the city.

Financial Inclusion Grant: funding from City of Cardiff Council to operate volunteer-led information points to offer support to Council tenants and bring awareness to the benefits of saving with a credit union.

School Savings in the Vale of Glamorgan: funding from Welsh Government to develop and support school savings clubs in the Vale of Glamorgan.

Moneyworks Payroll Scheme: funding from Welsh Government to support workplace savings schemes driving financial wellbeing within the community.

The Board would like to relay its appreciation to both organisations for their help and support in allowing us to deliver social projects that improve financial wellbeing for our members.



Adam Pallister, Treasurer

Treasurer's Report for 2024-25

I am pleased to report we had a successful year, recording a surplus and thus increasing the capital position of the Credit Union.

I want to begin by highlighting the key element of the financial statements:

The Annual Report and Financial Statements were audited by our external auditors “Xeinaidin Audit Limited” Chartered Accountants. Their audit opinion concluded that 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. In auditing the financial statements, we have concluded that the Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.” The financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice, compliant with the Cooperative and Community Benefit Societies Act 2014, which meets the Prudential Regulation Authority requirements for Credit Unions in the UK.

The summary of the financial statements shows a surplus of £58,756. But, after deducting corporation tax £33,026, the result is a surplus for the year of £25,730. As shown below:

Year	2025	2024
	£	£
Income	931,965	816,092
Administrative expenses	-873,209	-815,420
Operational Surplus / (Deficit)	58,756	672
Exceptional Items Expense	0	-121,680
Exceptional Items Income	0	121,364
Total Exceptional Items	0	-316
Surplus / (Deficit) before tax	58,756	356
Taxation	-33,026	-31,560
Surplus / (Deficit) for the financial year	25,730	-31,204

Income: The total income this year was significantly up in comparison with last year by 14%. However, income from loan interest increased by 13.7% primarily due to increase in interest from members. Income received from investment has also increased from last year by 30.5%. This demonstrates the improved product pricing and more efficient utilisation of excess liquidity.

Expenditure: Operating expenditure also increased in comparison to last year from 815,420 to 873,209, a 7% increase year on year. The main reasons for this increase were: Staffing Costs which increased from £400,206 to £422,623 driven by the increased cost of living. An increase in Impairments of £27,945 from £87,185 to £115,130

Balance Sheet: We continue to maintain a strong financial position. The main points to note are:

- Fixed assets remain broadly unchanged, at £711,104.
- Loan to members has increased by £87,777, current balances - after bad debts provision - stands at £ 4,684,243.
- Cash balances held in financial institution and at bank were £3,664,472, slightly lower than last year, primarily, due to increase in loans to members.
- Our total reserves are £626,666, a slight increase on last year, due to this year's surplus, after tax.
- Our Capital asset ratio at end of September 2024 was 12.1%, above the PRA recommendation.

Dividends: Given the expectation of upcoming costs in relation to the Cardiff premises the Board of Directors has recommended a reduced dividend payment for this year with adult members at 0.10% and for junior members 1.00%.

Finally, we are committed to being an ethical, responsible credit union, maintaining our competitive position, supporting our community and providing affordable loans and better return on investments to our members.

FCA Registration number: 213467

Cardiff and the Vale Credit Union Limited

Annual Report and Financial Statements

for the Year Ended 30 September 2025

Xeinadin Audit Limited
Statutory Auditor
Riverside House
Kings Reach Business Park
Yew Street
Stockport
Cheshire
SK4 2HD

Cardiff and the Vale Credit Union Limited

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Cardiff and the Vale Credit Union Limited

Credit Union Information

Chair	R Thomas
Directors	R Thomas I Sharp A Tanner M Halloran R Smith M Field L Jonathan P Burnell A Pallister J Perry M Garland
Secretary	R Smith
Registered office	4 Working Street Cardiff CF10 1GN
Auditors	Xeinadin Audit Limited Statutory Auditor Riverside House Kings Reach Business Park Yew Street Stockport Cheshire SK4 2HD

Cardiff and the Vale Credit Union Limited

Directors' Report Year Ended 30 September 2025

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

The Board of Directors

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

R Thomas

I Sharp

D Richards (resigned 22 September 2025)

A Tanner

M Halloran

R Smith

T D Brenig-Jones (deceased 11 December 2024)

M Field

L Jonathan

P Burnell

A Pallister (appointed 18 November 2024)

J Perry (appointed 19 May 2025)

M Garland (appointed 22 September 2025)

Principal activities and business review

The principal activity of the Credit Union during the year was that of the provision of savings and lending facilities for the benefit of its members.

Results and dividends

The accounts show the results for the years activities for the combined operations.

The surplus for the year, after taxation, amounted to £25,730

The dividend is calculated at 0.10% (2024: 0.25%) for the Member Accounts and 1% (2024: 2.00%) for the Junior Accounts.

Cardiff and the Vale Credit Union Limited

Directors' Report Year Ended 30 September 2025

Directors responsibilities

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

Credit Union Law requires the Board of Directors to prepare financial statements for each financial year. Under that law the Board of 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 law the Board of 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 Board of Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Credit Union will continue in business.

The Board of 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. 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.

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 which they know the auditors are unaware of.

Reappointment of auditors

Xeinadin Audit Limited will be recommended for re-appointment at the AGM under The Co-operative and Community Benefit Societies Act 2014.

Approved and authorised by the Board on and signed on its behalf by:

.....
R Thomas
Chair

.....
A Pallister
Director

.....
R Smith
Secretary

Cardiff and the Vale Credit Union Limited

Independent Auditor's Report to the Members of Cardiff and the Vale Credit Union Limited

Opinion

We have audited the financial statements of Cardiff and the Vale Credit Union Limited for the year ended 30 September 2025, which comprise of the Revenue Account, Balance Sheet, Statement of Changes in Equity, 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 (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial reporting Standard applicable in the UK and Republic of Ireland".

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 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 Board's 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 company'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.

Cardiff and the Vale Credit Union Limited

Independent Auditor's Report to the Members of Cardiff and the Vale Credit Union Limited

Other information

The Board are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

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

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:

- a satisfactory system of control over transactions has not been maintained ; or
- the credit union has not kept proper accounting records; or
- 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.

Respective responsibilities of The Board of Directors

As explained more fully in the The Board of Directors' Responsibilities (set out on page 3), the Board 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 Board 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 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 Board either intend to liquidate the Credit Union or to cease operations, or have no realistic alternative but to do so.

Cardiff and the Vale Credit Union Limited

Independent Auditor's Report to the Members of Cardiff and the Vale Credit Union Limited

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.

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 commercial knowledge and experience of the computer component manufacturing and supply sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Credit Union, including the Co-operative and Community Benefit Societies Act 2014, taxation legislation and data protection, anti-bribery, employment, environmental (including Waste Electrical and Electronic Equipment recycling (WEEE) Regulations 2013) and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

Cardiff and the Vale Credit Union Limited

Independent Auditor's Report to the Members of Cardiff and the Vale Credit Union Limited

We assessed the susceptibility of the Credit Union's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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 were indicative of potential bias; and
- 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 HMRC, relevant regulators including the Health and Safety Executive, and the Credit union's legal advisors.

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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. The description forms part of our auditor's report.

Use of this report

This report is made solely to the Credit Union's members, as a body, in accordance with Section 87, Part 7 of Chapter 14 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'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.

Cardiff and the Vale Credit Union Limited

Independent Auditor's Report to the Members of Cardiff and the Vale Credit Union Limited

.....
Xeinaidin Audit Limited
Statutory Auditor
Riverside House
Kings Reach Business Park
Yew Street
Stockport
Cheshire
SK4 2HD
16 March 2026

Cardiff and the Vale Credit Union Limited

Revenue Account for the Year Ended 30 September 2025

	Note	2025 £	2024 £
Income	3	931,965	816,092
Administrative expenses		<u>(873,209)</u>	<u>(815,420)</u>
Operating surplus	4	<u>58,756</u>	<u>672</u>
Exceptional items expense		-	(121,680)
Exceptional items income		<u>-</u>	<u>121,364</u>
Total exceptional items		<u>-</u>	<u>(316)</u>
Surplus/(Deficit) before tax		58,756	356
Taxation	7	<u>(33,026)</u>	<u>(31,560)</u>
Surplus/(Deficit) for the financial year		<u>25,730</u>	<u>(31,204)</u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

The notes on pages 13 to 23 form an integral part of these financial statements.

Cardiff and the Vale Credit Union Limited

**(FCA Registration number: 213467)
Balance Sheet as at 30 September 2025**

	Note	2025 £	2024 £
Fixed assets			
Tangible assets	8	711,104	736,755
Current assets			
Debtors	9	4,807,827	4,874,162
Cash, cash equivalents and liquid deposit	10	<u>3,664,472</u>	<u>3,796,647</u>
		<u>8,472,299</u>	<u>8,670,809</u>
Total assets		<u>9,183,403</u>	<u>9,407,564</u>
Liabilities, capital and reserves			
Total liabilities excluding member shares	11	1,176,263	1,100,806
Members capital - repayable on demand	13	7,380,474	7,682,021
General reserves		259,371	259,371
Revenue reserves		<u>367,295</u>	<u>365,366</u>
Total liabilities and reserves		<u>9,183,403</u>	<u>9,407,564</u>

Approved and authorised by the Board on and signed on its behalf by:

.....
R Thomas
Chair

.....
A Pallister
Director

.....
R Smith
Secretary

Cardiff and the Vale Credit Union Limited

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

	General reserves £	Revenue reserves £	Total £
At 1 October 2023	259,371	419,424	678,795
Deficit for the year	-	(31,204)	(31,204)
Total comprehensive income	-	(31,204)	(31,204)
Dividends	-	(22,854)	(22,854)
At 30 September 2024	259,371	365,366	624,737
	General reserves £	Revenue reserves £	Total £
At 1 October 2024 As restated	259,371	365,365	624,736
Surplus for the year	-	25,730	25,730
Total comprehensive income	-	25,730	25,730
Dividends	-	(23,800)	(23,800)
At 30 September 2025	259,371	367,295	626,666

The notes on pages 13 to 23 form an integral part of these financial statements.

Cardiff and the Vale Credit Union Limited

Statement of Cash Flows for the Year Ended 30 September 2025

	Note	2025 £	2024 £
Cash flows from operating activities			
Surplus/(deficit) for the year		25,730	(31,204)
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	4	29,449	27,936
Taxation provision	7	33,026	31,560
Impairment losses		<u>115,129</u>	<u>87,185</u>
		203,334	115,477
Working capital adjustments			
Decrease/(increase) in other debtors	9	154,112	(93,714)
Increase/(decrease) in other liabilities	11	<u>59,502</u>	<u>(46,233)</u>
Cash generated from operations		416,948	(24,470)
Taxation paid	7	<u>(31,524)</u>	<u>(34,210)</u>
Net cash flow from operating activities		<u>385,424</u>	<u>(58,680)</u>
Cash flows from investing activities			
Acquisitions of tangible assets		(3,798)	(13,713)
Cash flows from changes in operating assets and liabilities			
Dividends paid		(23,800)	(22,854)
Cash inflow from share deposits		6,375,883	6,007,075
Cash outflow from share withdrawals		(6,662,977)	(6,361,164)
New loans to members		(2,701,911)	(3,145,971)
Repayment of loans by members		<u>2,499,004</u>	<u>2,508,353</u>
Net cash flows from operating activities		<u>(513,801)</u>	<u>(1,014,561)</u>
Net decrease in cash and cash equivalents		(132,175)	(1,086,954)
Cash and cash equivalents at 1 October		<u>3,796,647</u>	<u>4,883,601</u>
Cash and cash equivalents at 30 September		<u>3,664,472</u>	<u>3,796,647</u>

The notes on pages 13 to 23 form an integral part of these financial statements.

Cardiff and the Vale Credit Union Limited

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

1 General information

The address of its registered office is:

4 Working Street

Cardiff

CF10 1GN

These financial statements were authorised for issue by the Board on 16 March 2026.

Legal and regulatory framework

The Credit Union is a society established under the Industrial and Provident Societies Act 1965, 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 under the provisions of the Co-Operative and Community Benefit Societies Act 2014.

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

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 and basis of preparation

These financial statements have been prepared in accordance with FRS102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared in accordance with FRS102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' and with The Co-Operative and Community Benefit Societies Act 2014.

The financial statements are prepared on the historical cost basis.

Going concern

At the balance sheet date, the financial statements were prepared on a going concern basis which assumes the Credit Union will continue in operational existence for the foreseeable future.

The board have reviewed both capital and liquidity ratios for their industry as well as considering the reputational position of the Credit Union and accordingly have prepared the financial statements on a going concern basis.

The board have considered the impact of current market conditions and the ability of the Credit Union to continue in operational existence for the foreseeable future, being at least 12 months from the audit report date. The board have made assumptions when preparing forecasts for the business around the current market conditions that lead them to conclude the Credit Union is a going concern.

Cardiff and the Vale Credit Union Limited

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

Income

Loan interest receivable and similar income: Interest on both loans to members and loans to banks (ie. 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.

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.

Government grants

Government grants are accounted for under the relevant methods under FRS 102 dependant on the specified requirement of the grant received.

Tax

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 surplus are chargeable to corporation tax, it is unlikely that deferred tax will arise.

Tangible assets

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

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

Depreciation

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:

Asset class	Depreciation method and rate
Computer Equipment	2 - 5 Years (20% - 50% Straight line)
Fixtures and fittings	5 to 15 Years (7% - 20% Straight line)
Land and buildings	50 Years (2% Straight line on building)
ICT Cabling & Piping	25 Years (4% Straight line)

Low value assets worth £500 or less will be treated as revenue expenditure

Cash and cash equivalents

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

Cardiff and the Vale Credit Union Limited

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

Financial assets - loans and advances to members

Loans to members are financial assets with fixed to determinable payments, and are not quoted in active market. 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. The Credit Union does not transfer loans to third parties.

Impairment of financial assets

The credit union assesses, at each balance sheet date, if there is objective evidence that any of its loans to members are impaired. The loans are assessed collectively in groups that share similar credit risk characteristics, 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

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.

Members shares

Members' shareholdings in the Credit Union are redeemable and described as members shares - repayable on demand. They are initially recognised at the amount of cash deposited and subsequently measured at amortised cost.

Employee benefits

Defined contributions 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

General reserve is a reserve set aside, this contributes to capital for PRA purposes. The revenue reserve is the remainder accumulated surplus to date less dividends returnable to members. The credit union may create other reserves should they feel it is necessary.

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 Unions accounting policies. The provision for doubtful debts is prepared in accordance with the PRA provision. This estimate is required by the PRA and is standard within the industry.

The credit union assesses recoverability in line with FRS102 as described in the impairment note. The PRA have specific requirements for provisioning which are followed, other than that recoverability of assets would be reviewed each month, and if loans are not likely to be recovered, for example if a member is in financial difficulties, they will be written down.

Cardiff and the Vale Credit Union Limited

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

3 Revenue

The analysis of the Credit Union's revenue for the year from continuing operations is as follows:

	2025	2024
	£	£
Loan interest receivable from members	654,565	589,997
Bank interest receivable on cash and liquid deposits	138,913	106,407
Grants received	104,049	76,485
Bad debts recovered	20,891	22,542
Other revenue	13,547	20,661
	<u>931,965</u>	<u>816,092</u>

4 Operating surplus

Arrived at after charging/(crediting)

	2025	2024
	£	£
Depreciation expense	<u>29,449</u>	<u>27,936</u>

Cardiff and the Vale Credit Union Limited

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

5 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2025 £	2024 £
Wages and salaries	371,063	354,397
Social security costs	40,081	35,527
Pension costs, defined contribution scheme	11,479	10,102
	<u>422,623</u>	<u>400,026</u>

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

	2025 No.	2024 No.
Administration and support	<u>15</u>	<u>16</u>

6 Auditors' remuneration

	2025 £	2024 £
Audit of the financial statements	8,168	7,424
Non audit services	5,011	4,702
	<u>13,179</u>	<u>12,126</u>

Cardiff and the Vale Credit Union Limited

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

7 Taxation

Tax charged/(credited) in the income statement

	2025 £	2024 £
Current taxation		
UK corporation tax	<u>33,026</u>	<u>31,560</u>

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2024 - the same as the standard rate of corporation tax in the UK) of 25% (2024 - 25%). The rate is an average of the UK tax rates which increased from 19% to 25% from 1st April 2023.

The differences are reconciled below:

	2025 £	2024 £
Profit before tax	<u>58,756</u>	<u>356</u>
Corporation tax at standard rate	14,689	89
Effect of revenues exempt from taxation	<u>18,337</u>	<u>31,471</u>
Total tax charge	<u>33,026</u>	<u>31,560</u>

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

Cardiff and the Vale Credit Union Limited

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

8 Tangible assets

	Land and buildings £	Furniture and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 October 2024	668,724	92,362	121,396	882,482
Additions	-	-	3,798	3,798
At 30 September 2025	<u>668,724</u>	<u>92,362</u>	<u>125,194</u>	<u>886,280</u>
Depreciation				
At 1 October 2024	32,212	47,293	66,222	145,727
Charge for the year	6,456	7,797	15,196	29,449
At 30 September 2025	<u>38,668</u>	<u>55,090</u>	<u>81,418</u>	<u>175,176</u>
Carrying amount				
At 30 September 2025	<u>630,056</u>	<u>37,272</u>	<u>43,776</u>	<u>711,104</u>
At 30 September 2024	<u>636,512</u>	<u>45,069</u>	<u>55,174</u>	<u>736,755</u>

Included within the net book value of land and buildings above is £630,056 (2024 - £636,512) in respect of freehold land and buildings.

Cardiff and the Vale Credit Union Limited

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

9 Debtors

	2025 £	2024 £
Loans to members	4,684,243	4,596,466
Other debtors	1,660	168,060
Prepayments & accrued income	<u>121,924</u>	<u>109,636</u>
Total current and other debtors	<u>4,807,827</u>	<u>4,874,162</u>

10 Cash, cash equivalents and liquid deposits

	2025 £	2024 £
Cash at bank	561,105	815,791
Short-term deposits	<u>3,103,367</u>	<u>2,980,856</u>
	<u>3,664,472</u>	<u>3,796,647</u>

11 Other liabilities

	Note	2025 £	2024 £
Due within one year			
Juvenile deposits		169,939	155,486
Accruals and deferred income		321,604	258,616
Income tax liability	7	<u>33,062</u>	<u>31,560</u>
		<u>524,605</u>	<u>445,662</u>
Due after one year			
Other non-current financial liabilities		150,074	155,144
Subordinated Loan		<u>500,000</u>	<u>500,000</u>
		<u>650,074</u>	<u>655,144</u>

12 Pension and other schemes

Defined contribution pension scheme

The Credit Union operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Credit Union to the scheme and amounted to £11,478 (2024 - £10,102).

Cardiff and the Vale Credit Union Limited

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

13 Members shares

	2025		2024	
	No.	£	No.	£
Members shares of £1 each	<u>7,380,474</u>	<u>7,380,474</u>	<u>7,682,021</u>	<u>7,682,021</u>

During the year the Credit Union issued new shares of £6,375,883 (2024: £6,007,075) and repaid shares of £6,662,977 (2024: £6,361,164)

The above figures include the movement in junior shares, which increased by £14,453 (2024: £12,593). The actual decrease in members share capital excluding junior shares was £287,094 (2024; £366,682).

14 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/dividends payable.

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

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

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

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.

Cardiff and the Vale Credit Union Limited

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

15 Interest rate risk disclosures

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

	2025		2024	
	Amount £	Average interest rate	Amount £	Average interest rate
Financial assets				
Loans to members	4,858,264	13.47%	4,749,581	12.42%
Shares repayable on demand				
Members shares	7,380,474	0.1%	7,682,021	0.2%

The interest rates applicable to loans to members are fixed and range from 3.9% to 42.2%.

The interest payable on shares is determined on the basis of income less administrative expenses and, as can be seen above, a consistent margin is maintained between interest receivable and interest payable. As a result, the surplus for the year is not particularly sensitive to interest rate risk and no sensitivity analysis is presented.

16 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) had provided details of how the calculation of next year's contribution towards the FSCS will be calculated and full provision has been included for this liability. However this is subject to future changes in interest rates and levels of deposits held by UK deposit takers. Therefore there is inherent uncertainty regarding the totality of the levy that the Credit Union will have to pay.

Cardiff and the Vale Credit Union Limited

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

17 Credit risk disclosures

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 not impaired	4,281,977	86.10%	4,202,054	86.87%
Up to 3 months past due	372,543	7.49%	419,279	8.67%
Between 3 and 6 months past due	-	0%	-	0%
Between 6 months and 1 year past due	-	0%	-	0%
Over 1 year past due	-	0%	-	0%
Sub-total: loans not impaired	4,654,520	93.59%	4,621,333	95.54%
Individually impaired:				
Not yet past due, but impaired	-	-	-	-
Up to 3 months past due	15,112	0.30%	-	-
Between 3 and 6 months past due	56,492	1.14%	23,201	0.48%
Between 6 months and 1 year past due	195,554	3.93%	66,569	1.38%
Over 1 year past due	51,715	1.04%	125,962	2.60%
Total loans	4,973,393	100%	4,837,065	100%
Impairment allowance	(289,150)		(240,600)	
Total carrying value	4,684,243		4,596,466	

18 Related party transactions

During the year 17 members of the board, staff and close family members (2024: 14) had loans with the credit union. The loans were approved on the same basis as loans to other members. None of the terms were preferred to other members.

Cardiff and the Vale Credit Union Limited

Detailed Revenue Account for the Year Ended 30 September 2025

	2025	2024
	£	£
Income (analysed below)	<u>931,965</u>	<u>816,092</u>
Gross surplus/(deficit) (%)	100%	100%
Administrative expenses		
Regulatory costs (analysed below)	56,984	50,757
General administrative expenses (analysed below)	686,926	667,678
Finance charges (analysed below)	14,169	9,800
Impairment losses on loans to members	<u>115,130</u>	<u>87,185</u>
	<u>873,209</u>	<u>815,420</u>
Operating surplus/(deficit)	<u>58,756</u>	<u>672</u>
Exceptional items expense	-	(121,680)
Exceptional items income	<u>-</u>	<u>121,364</u>
	<u>-</u>	<u>(316)</u>
Surplus/(deficit) before tax	<u><u>58,756</u></u>	<u><u>356</u></u>

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

Cardiff and the Vale Credit Union Limited

Detailed Revenue Account for the Year Ended 30 September 2025

	2025 £	2024 £
Income		
Interest on members' loans	654,565	589,997
Bank deposit interest receivable	138,913	106,407
Grants released	104,049	76,485
Sundry income	13,547	20,661
Bad debts recovered	20,891	22,542
	931,965	816,092
Regulatory costs		
Loan protection/life savings insurance	35,867	28,817
Fidelity bond and general insurance	1,573	4,315
Trade body fees	11,374	10,201
Auditors remuneration	8,170	7,424
	56,984	50,757
General administrative expenses		
Wages and salaries	371,063	354,397
Social Security	40,081	35,527
Staff pensions (Defined contribution)	11,479	10,102
Office running costs	39,268	68,237
Computer software and maintenance costs	112,352	80,194
Rent - admin	24,097	26,580
Training and conference costs	18,800	9,319
Travel and subsistence	1,185	997
Advertising	11,612	9,035
Recruitment	762	1,153
Accountancy and payroll	5,011	4,702
Consultancy fees	860	5,716
Legal and professional fees	20,907	33,783
Depreciation	29,449	27,936
	686,926	667,678
Finance charges		
Bank charges	14,169	9,800
Impairment losses on loans to members		
Impairment expense	115,130	87,185
Operating surplus/(deficit)	58,756	672

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

Cardiff and the Vale Credit Union Limited

Detailed Revenue Account for the Year Ended 30 September 2025

	2025 £	2024 £
Exceptional items (analysed below)		
Exceptional expense fraud cost	-	(121,680)
Exceptional income insurance recovered	-	76,505
Exceptional income HMRC recovered	-	44,859
	<u>-</u>	<u>(316)</u>
Surplus/(deficit) before tax	<u>58,756</u>	<u>356</u>

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