



Derbyshire Community Bank
Where local really counts

2026 AGM PACK



Presented By :

Simon Haslam – Chair

Phil Cole – CEO

Wednesday 20th April 2026 2pm Online

Erewash Credit Union t/as **Derbyshire Community Bank** AGM 2026

1. Welcome & Introductions
2. Apologies
3. Minutes of 2025 AGM
4. Chair's report
5. CEO report
6. Treasurer's report
7. Audited accounts to September 2025
8. Appointment of TC Group as auditors until the end of the 2027 AGM
9. Resolutions:

A. Re-election of current directors to serve for a period of three years

- i. Simon Haslam
- ii. Pat Butler

B. Election of new directors, having been appointed by the board during the year to serve until the AGM – each for a period of three years

i. None

C. Authorisation for the board to co-opt up to two additional directors to serve until the 2027 AGM

9. Any other business

Special General Meeting - Agenda

1. Resolution to approve changes to the Rules of the Credit Union

A. To change the definition of the Common Bond

All as set out in the attached document showing the proposed changes to the Rules

Minutes of 2025 AGM

Erewash Credit Union Ltd, trading as DERBYSHIRE COMMUNITY BANK

Wednesday, 19th March 2025 2pm

Meeting held virtually via video conference hosted by ABCUL

AGENDA ITEM

RESOLUTIONS/ACTIONS

Attendees

See attendance register – 23 members in attendance

Housekeeping

Jake Hatch from ABCUL provided housekeeping information and guidance on how to utilise the voting functions during today's AGM.

1) **Welcome & Introductions** by Simon Haslam, Chair of the Board. Mr Haslam confirmed that a quorum was present and that the meeting could therefore commence

2) Minutes of 2024 AGM

The minutes of the previous AGM having been circulated with the papers for the meeting, members were asked to approve the minutes of the 2024 AGM.

Accepted as a true record

15 members voted, and of those 60% agreed minutes were a true record, 40% abstained due to not being present at the last AGM. | There were no votes against

3) Chair's Report for the financial year ending 30th September 2024

Presented in line with submitted papers.

No questions raised

4) Treasurer's Report

Presented in line with submitted papers.

No questions raised.

5) Receive the annual audited accounts

Presented in line with submitted papers.

No questions raised.

Members were invited to accept the audited accounts

15 members voted unanimously in favour

7) Polls

VOTE – to re-elect Gordon Thomas to the board

Resolution agreed – 12 votes Yes, 2 against.
14 members voting

VOTE – to re-elect Philip Fee to the board

Resolution agreed – Unanimous Yes vote by
14 members voting

VOTE – to appoint Alexa Toms to the board

Resolution agreed – 14 votes Yes, 1 against.
15 members voting

VOTE – to appoint Richard Payne to the board

Resolution agreed – 15 votes Yes, Unanimous. 15 members voting

VOTE – to authorise the board to appoint an additional director

Resolution agreed – 13votes Yes, 1 against. 14 members voting

11

VOTE – to approve a dividend of 2%

Resolution agreed – Unanimous Yes vote by 16 members voting

VOTE – to re-appoint Alexander Sloan as auditors

Resolution agreed – Unanimous Yes vote by 16 members voting

12

8] Social Impact Presentation

Phil Cole, CEO gave a presentation on the impact of DCBank on the community of Derbyshire and Derby City including demographics, deprivation, the positive impact of our lending and savings.

9] The meeting ended at 3:07pm

2024/25 Financial Year Report

from Our Chair



Simon Haslam, Chair

As Chair of the Board of Directors, I am pleased to present my report covering the financial year from 1 October 2024 to 30 September 2025. Where appropriate I have added commentary on developments that have taken place since 30 September to ensure members are fully up to date.

The year in brief

The most important event for our Credit Union in the year was our merger with Chesterfield and North East Derbyshire Credit Union which took place just a few days before our year end. I extend the very warmest of welcomes to all our new members from Chesterfield and North East Derbyshire, and thank the directors and staff of CNEDCU for all their hard work in making the merger possible. I also thank our own Chief Executive, Phil Cole, for all the work he and his team in Derby did to ensure the merger went without a hitch.

I also want to thank Malcolm Wright who retired from our board at the end of December – Malcolm was one of the founders of Money Spider Credit Union back in 2004 and joined our board when they merged with us in 2020. Malcolm has been an exemplary director, and I and my board colleagues will miss his wise counsel and advice.

Turning to how our credit union performed in the year, conditions for our members have continued to be tough - the combination of continued inflation and pressure on cost of living and a challenging economic environment present real challenges for many of our members. Demand for loans - whether top-up loans or new loans - has been very strong. However, we continue to decline many applications – either for reasons of simple affordability (we are not allowed to make loans unless we are satisfied that the repayments are affordable) or because of applications where there is clear evidence of an unsupportable level of gambling activity. We are not trying to moralise about particular behaviours, but our regulators rightly require us to have regard to potentially damaging activity by a member – and many of our fellow credit unions have had to face litigation from members arguing that a loan should not have been made to them because it was obvious that they had a gambling problem. The net result was that – particularly in the first half of the year – we were lending less to members than previously – and this reduced our overall interest income for the year.

Where our members have struggled to keep up with their loan repayments, we continue to support those members wherever possible – whilst having regard to our regulatory duties to ensure that borrowers are not over-extending themselves. At the same time, we are mindful that our funds all come from other members of the credit union, and we owe it to them to ensure that any borrowers do repay their loans if at all possible. It was pleasing therefore to see a drop in the overall level of bad debt provisions and write offs.

Membership

Membership continues to grow, not just through more than 3,000 members joining us from CNEDCU but also from steady growth each month.

Total members – September 2024 4,586

Total members – September 2025 7,801

Total members – April 2026 7,920

The trend of members choosing to interact with us via our app or our website continues – our Derby office and our Chesterfield office often see less than one member a week in person. That of course helps with efficiency, but it does mean that we lose much of the ‘word of mouth’ recommendations and the sense of community that were part of the original credit union movement and which were so crucial to our own early success in Ilkeston and CNEDCU’s early growth in and around Chesterfield. The board remains keen to find ways to re-connect with our communities – not least because we are worried that the focus on electronic communication with members may disenfranchise those who are not digital natives and also because many new members have joined with the sole aim of getting a loan.

We want those members to know that we are a cooperative, and that the money they borrow comes from savings by their neighbours – and that members who choose not to repay their loans are damaging their community.

We are very keen to re-launch our volunteering activities, with the idea that volunteers would take turns to provide a ‘physical presence’ at a local community centre or similar – if anyone is interested in being part of that, please email info@dcbank.org.uk.

Members’ Share Balances

Member balances were of course inflated by the merger with Chesterfield – as can be seen below

Total shareholder balances September 2024 £1,560,778

Total shareholder balances September 2025 £1,974,114

However, this disguises a problem – overall saving activity by members is reducing. Ultimately, we depend upon growing our deposits from members to fund our lending activities – so if you know anyone who might be interested in keeping some of their savings with Derbyshire Community Bank, then please mention us – and give them our website details!

We are also keen to get the message out to potential saving members about the social purpose that can be achieved by becoming a member at Derbyshire Community Bank and saving money with us. As a co-operative, together we can have a positive impact on our community, particularly for those with limited access to savings or to affordable credit. More than 55% of our members live in the most deprived areas of the county, so it is important that our products and services are appropriate and valued by our members.

As part of our social impact, I want to thank the generous people who save with us to help deliver our social purpose – these are our ‘Angel Savers’, with deposits totalling more than £1/2 million, enabling us to deliver on our social purpose. We have launched a new marketing campaign to find more of these Angel Savers.

As you will see elsewhere in the AGM papers, we are not recommending a dividend this year.

Financial Strategy and Performance

Our financial performance over the last two years is shown below:

| <i>Year</i> | <i>Revenue</i> | <i>Surplus (deficit) before dividends</i> |
|----------------|-----------------|---|
| <i>2023/24</i> | <i>£441,131</i> | <i>£30,503</i> |
| <i>2024/25</i> | <i>£421,309</i> | <i><u>£(20,563)</u></i> |
| | | |

Overall, the financial performance for the year was disappointing – the board had budgeted for a modest surplus of £30,000 before dividends but for a number of reasons we underperformed against that. Some of the underperformance was the reduced lending activity particularly in the first half of the year which accounts for perhaps half of the budget miss. The rest of the short fall was the time and professional fees we incurred in relation to the merger with Chesterfield. The board is confident that the merger is in the interests of our members, and that this will flow through into our numbers over the next year or two.

However, we have concluded that the continued operation of an office in the centre of Chesterfield is not currently supportable – especially considering the costs of the office and the fact that the footfall of members into the office is almost non-existent. The board has therefore taken the difficult decision to close the office. We hope that we may be able to maintain some form of ‘drop in’ presence in Chesterfield and are exploring options for this.

Members should be reassured that our reserves position is very comfortable – with audited reserves at the end of September 2025 of £392,000 together with ‘negative goodwill’ of £159,000 (effectively the net reserves transferred to us on the Chesterfield merger) – a very comfortable 19% of our assets and well ahead of the level of reserves we are required to hold by our regulators.

Having considered the deficit for the year, and the fact that we will continue making a deficit for at least the first half of the new financial year, the board believes it is not appropriate to pay a dividend this year

Year End Reserves

Audited Reserves at the end of the financial year were £392,000 and remain strong. In addition we have the reserves from Chesterfield currently held for technical accounting reasons as 'negative goodwill' of £159,000.

The board has carried out a detailed review of the level of our reserves and are satisfied that our current level of reserves is well above the level required by our regulators and also provides a sufficient contingency for unexpected outcomes.

Regulation

As a credit union, Derbyshire Community Bank is regulated by both the Financial Conduct Authority ('FCA') and the Prudential Regulation Authority (PRA) – both regulators have traditionally applied a 'light touch' to their regulation of the credit union sector, but with the number of credit unions who are failing (or being rescued by a 'merger' into a larger and stronger credit union) increasing, that 'light touch' is becoming demonstrably firmer. The PRA have required all credit unions to attest to the quality of their governance – our self-review identified a few areas of potential improvement, which we have now completed, so we believe we are in an appropriate position given our size and lack of complexity.

All our CREDs ratios (the key indicators set for a credit union of our size by the PRA) are currently green.

Common Bond

The Common Bond is the 'connection' which all Credit Unions are required to have which links all their members – for us at Derbyshire Community Bank, our current Common Bond is that all members must live or work within the County of Derbyshire (including the City of Derby).

The board has considered our Common Bond – particularly in light of the creation of a new Mayor for the East Midlands (effectively Derbyshire and Nottinghamshire) who controls significant development funding some of which we might be eligible to access. And we have concluded that it would be sensible to expand our common bond to cover all of Nottinghamshire, and also to add anywhere else that has a 'DE' post code (which effectively includes much of the eastern half of Staffordshire and Castle Donington. We are therefore asking members to approve a change to our Rules to extend our Common Bond.

And finally...

I thank all our many supporters for their help and contribution during 2024/25. As outlined above we hope to further build upon this in the coming year, and to develop new, fruitful partnerships across our (hopefully) expanded common bond area.

I want to convey my appreciation of the professional and dedicated approach taken by Phil Cole, our Chief Executive Officer, and by his team, in continuing to develop and modernise the operations of the Credit Union.

Finally, I must express my sincere gratitude to my colleagues on the Board of Directors, who meet regularly to steer us in the right direction.

I am also, of course, incredibly grateful to you - our members - without whom none of this would exist for our local community.

Simon Haslam
Chair



CEO Report

Phil Cole , CEO

I would like to begin by expressing my gratitude to Simon our Chair and the board members for their support and commitment throughout the year.

Their dedication to our members, and their commitment to apply their knowledge and experience to our credit union has been foundational to our progress and success as a credit union.

Year in Review

The year 2024-25 has been significant as we successfully merged with Chesterfield and North East Derbyshire Credit Union (CNEDCU), welcoming the CNEDCU staff team and members to DCBank.

This increases our Membership to 7,801 and extends our reach across the north of Derbyshire. By joining forces, we can provide a more efficient platform to serve our members and community better.

Social impact is particularly important to us. We are here to enable members to flourish, create opportunities and learn how to manage their money better. Our regular Member surveys continue to reassure us that we're doing the right things, and our services are highly valued by Members.

We are also incredibly grateful to those members who leave us a Google Review, so many 5 stars. The positive comments are invaluable to reassure others that DCBank is liked and trusted by those who save and borrow with us.

We know that people struggle to save, despite good intentions. FCA research finds that 10% of UK adults don't have savings at all and a further 20% have less than £1,000 savings.

Our Holding Saver account makes it really easy to save with just £3 weekly as part of our loan agreement. Members tell us how much this helps them and it has been great to see so many more of our members starting to save, sometimes for the first time.

Starting the savings habit can be transformational; building financial resilience, learning good money habits and able to make positive financial decisions.

We introduced the Bus Saver facility as a new innovative scheme to make bus travel more affordable across Derbyshire. We've really enjoyed collaborating with our local bus companies, Travel Derbyshire and EMCCA to make this a reality.

A great example of what a community credit union can achieve to improve the lives of our community.

Projects we are working on:

Direct Debits

Borrowers will be able to repay their loans with direct debit rather than standing order, making it easier to repay.

Savings

Angel Savers

We're tremendously grateful to the many members who hold more than £1,000 savings with us. We call them our Angel Savers; they enable us to lend within our community to those who may otherwise have limited options.

We're very close to £1million of Angel Savers, we're looking forward to reaching that target this year!

Salary Saver

Our Salary Saver scheme makes it really easy to start saving and keep the savings habit.

We will be growing our Salary Saver scheme with existing partners and attracting new employers who want to support their employee financial wellbeing.

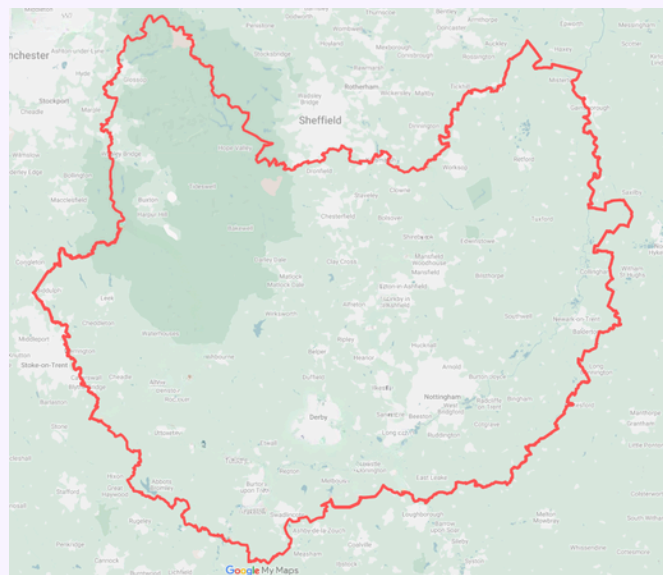
Partnerships

Derbyshire is a big county and hard for us to reach everyone! For that reason, we are indebted to the many organisations, employers and local authorities who support and promote us. We will continue to develop our partnerships, creating and share resources to enable them to help people manage their money well and benefit from being a part of DCBank.

Common Bond change

we have the opportunity to amend our common bond; this defines our membership. We are proposing to amend our Common Bond definition to include the full EMCCA region by adding Nottinghamshire and Nottingham plus east Staffordshire, parts of which are not currently served by a credit union. This will enable us to collaborate more effectively with EMCCA, other partners, employers and our neighbouring credit unions so that we can better serve our community.

Read More Here - <https://www.dcbank.org.uk/2026/05/extending-our-reach/>



None of this would be possible without the dedication of our hard-working staff team at DCBank. Every day they bring their enthusiasm, their own experience and expertise to enable us to serve our members better.

Finally, a big thank you also to our members, your continued support and trust in us is both humbling and reassuring.

As we celebrate our twentieth year as a credit union, we could not do this without your ongoing support and sharing with others about DCBank, enabling more in our community to flourish.

Warmest Regards, Phil Cole

Treasurer's report

The economic environment that we and our members faced in 2024/25 continued to be tough – inflation may have moderated from its peak, but energy costs continue to be high, and many of our members are still badly impacted by cost-of-living increases. Despite this, Derbyshire Community Bank has been resilient and continued to serve its members.

2024/25 was a challenging year for our credit union – with lending lower than expected, savings from members down, and our operating costs increased – and we also had unbudgeted costs for our due diligence on the merger with Chesterfield and also technology and operational costs in executing the merger.

This all meant that we have reported a deficit for the first time in some considerable while. Before the costs of paying dividends (which are charged to the accounts as an expense) our deficit for the year was £20,563 compared to a surplus of £30,503 in 2023/24. The board have carefully considered the financial position of the credit union, and has concluded that we should not recommend a dividend this year – hopefully we will see a better result for our current year and we will be able to re-instate dividends in a year's time.

Income/expenditure

Interest income for the year from loans to members was down by nearly 7% on the previous year, as we have been lending less money – but this was made up in part by nearly doubled interest income on our bank deposits due to the higher interest rate environment and a smarter approach to placing our surplus funds to improve returns.

Phil, our CEO, has brought staffing back up to complement – and this year overall staffing costs were higher than before as we had fewer staff vacancies across the year as a whole.

Our net charge for bad and doubtful debts was down by £10,000 – still higher than we would like but moving in the right direction. Although we do our best to show forbearance when members fall into arrears, particularly when this is due to circumstances outside of their control, borrowing members do need to recognise that we are a cooperative – borrowers are borrowing money from members with savings – and where a member can no longer repay their loan, the bad debt costs fall on other members – not some faceless group of shareholders.

Phil and his team will be working hard to continue to reduce our bad debt provisions in the coming year.

Treasurer's report

Balance Sheet

If we had not completed our merger with Chesterfield, savings balances would have fallen slightly in the year, as would loan balances; but overall the merger has given us a much stronger balance sheet with a net cash position improved to £912,000 at our year end – up from £581,000 – well above the level required by our regulators and giving us the resources to meet what we will hope be an increased appetite for borrowing from our members in 2026.

| | 2024 | 2025 |
|--|------------|------------|
| <i>Total Assets</i> | £2,020,787 | £2,731,181 |
| <i>Member's Shares</i> | £1,560,778 | £2,182,367 |
| <i>Loans to Members, net of provisions</i> | £1,436,734 | £1,974,114 |
| <i>Interest on member loans</i> | £432,881 | £405,170 |
| <i>Surplus (deficit) before Tax and before dividends</i> | £30,503 | £(17,497) |
| <i>General Reserves</i> | £433,823 | £392,044 |

Budget & Business Plan

Each year the board approve a business plan and budget for the new financial year, and performance against the budget and plan is reviewed and monitored at our monthly board meetings. The budget for this year is a deficit budget but we expect the second half of the year to be broadly at break even..

Compliance (as at Sept 25)

The credit union remains in a strong position maintaining liquidity of £912,000 – 39% of our liabilities, and well ahead of what our regulators require.

In addition, our capital to asset ratio requirement of only 3% is comfortably exceeded at 19%.

Dividend

In light of the deficit highlighted in my report I endorse the recommendation of the board that a dividend is not paid this year.

Patricia Butler

May 2026

EREWASH CREDIT UNION LIMITED
TRADING AS DERBYSHIRE COMMUNITY BANK
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2025

Firm Reference Number: 213810



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

**EREWASH CREDIT UNION LIMITED
TRADING AS DERBYSHIRE COMMUNITY BANK
CREDIT UNION INFORMATION**

| | |
|----------------------------------|--|
| FCA number | 213810 |
| Registered Society number | 730C |
| Directors | Patricia Butler Philip Fee Simon Haslam Gordon Thomas Tanya Noone Richard Payne Alexa Toms |
| | (Appointed 18 November 2024) (Appointed 17 February 2025) |
| Secretary | Philip Fee |
| Registered office | CUBO The Old Post Office Victoria Street Derby Derbyshire DE1 1EQ |
| Auditor | TC Group Business Advisors & Accountants 180 St Vincent Street Glasgow G2 5SG |

EREWASH CREDIT UNION LIMITED TRADING AS DERBYSHIRE COMMUNITY BANK CONTENTS

| | Page |
|-----------------------------------|-------------|
| Directors' report | 1 - 2 |
| Independent auditor's report | 3 - 5 |
| Revenue account | 6 |
| Statement of comprehensive income | 7 |
| Balance sheet | 8 |
| Statement of changes in equity | 9 |
| Statement of cash flows | 10 |
| Notes to the financial statements | 11 - 27 |

EREWASH CREDIT UNION LIMITED
TRADING AS DERBYSHIRE COMMUNITY BANK
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2025

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

Principal activity

The principal activity of the Credit Union continued to be that defined in the Credit Union Act 1979. The Credit Union's common bond covers anyone living or working in Derbyshire, or living with and being a relative of someone living or working in Derbyshire.

The Credit Union is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

Results and dividends

The results for the year are set out on page 6.

Directors

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

Patricia Butler

Philip Fee

Simon Haslam

Gordon Thomas

Malcolm Wright

(Resigned 31 December 2025)

Tanya Noone

Richard Payne

(Appointed 18 November 2024)

Alexa Toms

(Appointed 17 February 2025)

Compliance statement

Under the Prudential Regulation Authority rulebook the Board of Directors must report to the members at the Annual General Meeting on certain areas of compliance within the Credit Union. The Credit Union is therefore pleased to report that during the year the Credit Union has been in compliance with:

- Depositor Protection Rules 11, 12, 14 and the requirements of rule 15 that relate to rule 11;
- PRA Credit Union Rule 2.10 (fidelity bond insurance requirements); and
- The requirements of compliance under the PRA "additional activities".

Principal risks and uncertainties

The main financial risks of the Credit Union are set out in the notes to the financial statements.

**EREWASH CREDIT UNION LIMITED
TRADING AS DERBYSHIRE COMMUNITY BANK
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2025**

Statement of Directors responsibilities

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Legislation requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under the Credit Union Act 1979 and the Co-operative and Community Benefit Societies Act 2014 the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the credit union and of the surplus or deficit of the credit union for that period. In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the credit union will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the credit union's transactions and disclose with reasonable accuracy at any time the financial position of the credit union and enable them to ensure that the financial statements comply with the Credit Union Act 1979 and the Co-operative and Community Benefit Societies Act 2014. Directors are also responsible for safeguarding the assets of the credit union and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

Sofaras each person who was a Director at the date of approving this report is aware, there is no relevant audit information of which the Credit Union's auditor is unaware. Additionally, the Directors individually have taken all the necessary steps that they ought to have taken as Directors in order to make themselves aware of all relevant audit information and to establish that the Credit Union's auditor is aware of that information.

Auditor

A resolution for the re-appointment of Alexander Sloan as auditors of the Credit Union is to be proposed at the forthcoming Annual General Meeting.

On behalf of the board



.....
Simon Haslam

Director 5/5/2026

Date:

EREWASH CREDIT UNION LIMITED

TRADING AS DERBYSHIRE COMMUNITY BANK

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF EREWASH CREDIT UNION LIMITED

Opinion

We have audited the financial statements of Erewash Credit Union Limited (the 'Credit Union') for the year ended 30 September 2025 which comprise the revenue account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- Give a true and fair view of the state of the Credit Union's affairs as at 30 September 2025 and of its deficit for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and have been prepared in accordance with the requirements of the Credit Union Act 1979 and the Co-operative and Community Benefit Societies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the credit union in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

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

EREWASH CREDIT UNION LIMITED TRADING AS DERBYSHIRE COMMUNITY BANK INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF EREWASH CREDIT UNION LIMITED

Matters on which we are required to report by exception

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

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

Responsibilities of Directors

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- We identified the laws and regulations applicable to the credit union through discussions with management, and from our wider knowledge and experience of the sector;
- We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the credit union, including Corporate and Community Benefit Society legislation and taxation legislation;
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- Identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

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

**EREWASH CREDIT UNION LIMITED
TRADING AS DERBYSHIRE COMMUNITY BANK
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF EREWASH CREDIT UNION LIMITED**

Extent to which the audit was considered capable of detecting irregularities, including fraud

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected relationships;
- Tested journal entries to identify unusual transactions;
- Assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 2 were indicative of potential bias; 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 PRA, FCA and HMRC.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Credit Union's members, as a body, in accordance with the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the credit union's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Credit Union and the Credit Union's members as a body, for our audit work, for this report, or for the opinions we have formed.

TC Group

TC Group

5/5/2026

Business Advisors & Accountants

Statutory Auditor

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

EREWASH CREDIT UNION LIMITED
TRADING AS DERBYSHIRE COMMUNITY BANK
REVENUEACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2025

| | Notes | 2025 £ | 2024 £ |
|--|-------|------------------------|---------------------|
| Loan interest receivable and similar income | 3 | 421,309 | 441,131 |
| Interest payable and similar charges | 4 | (24,623) | (28,186) |
| Net interest receivable | | <u>396,686</u> | <u>412,945</u> |
| Fees and commissions receivable | 5 | 63 | 78 |
| Fees and commissions payable | 6 | (1,834) | (1,861) |
| Net fees and commissions | | <u>(1,771)</u> | <u>(1,783)</u> |
| Other operating income | 7 | 5,057 | - |
| Administrative expenses | 8 | (323,432) | (278,416) |
| Depreciation and amortisation | | (504) | (689) |
| Other operating expenses | 9 | (34,551) | (33,434) |
| Impairment on loans for bad and doubtful debts | 1 | (80,198) | (91,078) |
| | 6 | | |
| (Deficit) before taxation | | <u>(38,713)</u> | <u>7,545</u> |
| Corporation tax | 13 | (3,066) | (1,568) |
| (Deficit)/surplus for the year | | <u><u>(41,779)</u></u> | <u><u>5,977</u></u> |

The Revenue Account has been prepared on the basis that all operations are continuing operations.

The notes on pages 11 to 27 form an integral part of these financial statements.

EREWASH CREDIT UNION LIMITED
TRADING AS DERBYSHIRE COMMUNITY BANK
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2025

| | 202 5 £ | 202 4 £ |
|---|-----------------|--------------|
| (Deficit)/surplus for the year | (41,779) | 5,977 |
| Other comprehensive income | - | - |
| Total comprehensive (loss)/income for the year | <u>(41,779)</u> | <u>5,977</u> |

The notes on pages 11 to 27 form an integral part of these financial statements.

**EREWASH CREDIT UNION LIMITED
TRADING AS DERBYSHIRE COMMUNITY BANK
BALANCESHEET**

AS AT 30 SEPTEMBER 2025

| | Notes | 202 5 £ | 202 4 £ |
|---------------------------------------|----------|-------------------|-------------------|
| Assets | | | |
| Cash and balances at central banks | 1 | 102 | - |
| Loans and advances to banks | 4 | 912,320 | 581,281 |
| Loans and advances to customers | 1 | 1,974,11 | 1,436,734 |
| Intangible assets | 4 | (158,774) | - |
| Tangible assets | 1 | 485 | 989 |
| Prepayments | 5 | 2,938 | 1,783 |
| | 1 | <u> </u> | <u> </u> |
| Total assets | 8 | 2,731,181 | 2,020,787 |
| | 1 | <u> </u> | <u> </u> |
| | 7 | | |
| Liabilities and reserves | | | |
| Customer accounts | 1 | 2,182,367 | 1,560,778 |
| Other liabilities | 9 | 143,510 | 16,199 |
| Accruals and deferred income | 2 | 1,000 | 4,148 |
| Provisions for liabilities | 0 | 12,260 | 5,839 |
| | 2 | <u> </u> | <u> </u> |
| | 2 | 2,339,137 | 1,586,964 |
| | 2 | <u> </u> | <u> </u> |
| General reserve | 4 | 392,04 | 412,60 |
| Other reserves | | 4- | 7 |
| | | <u> </u> | <u> </u> |
| Total reserves | | 392,044 | 433,823 |
| | | <u> </u> | <u> </u> |
| Total liabilities and reserves | | 2,731,181 | 2,020,787 |
| | | <u> </u> | <u> </u> |

The financial statements were approved by the Board of Directors and authorised for issue on 5/5/2026 and are signed on its behalf by:



Patricia Butler

Director



Simon Haslam

Director



Philip Fee

Secretary

The notes on pages 11 to 27 form an integral part of these financial statements.

EREWASH CREDIT UNION LIMITED
TRADING AS DERBYSHIRE COMMUNITY BANK
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2025

| | Appropriation Reserve £ | General Reserve £ | Total £ |
|---|-------------------------------|-------------------------|----------------|
| Balance at 1 October 2023 | 24,467 | 403,379 | 427,846 |
| Year ended 30 September 2024: | | | |
| Surplus and total comprehensive income for the year | - | 5,977 | 5,977 |
| Other movements | (3,251) | 3,251 | - |
| | <u>21,216</u> | <u>412,607</u> | <u>433,823</u> |
| Balance at 30 September 2024 | 21,216 | 412,607 | 433,823 |
| Year ended 30 September 2025: | | | |
| Deficit and total comprehensive income for the year | - | (41,779) | (41,779) |
| Other movements | (21,216) | 21,216 | - |
| | <u>-</u> | <u>392,044</u> | <u>392,044</u> |
| Balance at 30 September 2025 | - | 392,044 | 392,044 |

The notes on pages 11 to 27 form an integral part of these financial statements.

EREWASH CREDIT UNION LIMITED
TRADING AS DERBYSHIRE COMMUNITY BANK
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2025

| | Notes | £ | 2025 £ | £ | 2024 £ |
|--|-------|-----------|----------------|-----------|----------------|
| Cash flows from operating activities | | | | | |
| Deficit for the period | | | (41,779) | | 5,977 |
| Depreciation and amortisation | 10 | 504 | | 689 | |
| Corporation tax expenses | 13 | 3,066 | | 1,568 | |
| Provision movement | 16 | 80,198 | | 91,078 | |
| Interest income on loans | 3 | (405,170) | | (432,881) | |
| Distribution on members shares | 4 | 24,623 | | 28,186 | |
| | | | (296,779) | | (311,360) |
| Working capital adjustments | | | | | |
| Change in other receivables and prepayments | | (1,155) | | (135) | |
| Change in other liabilities | | 1,984 | | (5,261) | |
| Change in provisions | | 6,421 | | - | |
| Change in deferred income | | (3,148) | | - | |
| | | | 4,102 | | (5,396) |
| Cash flows from changes in operating assets and liabilities | | | | | |
| Loan repayments less loans advanced | 15 | 328,892 | | 428,066 | |
| Customer balance cash movement | | 42,799 | | (76,021) | |
| Movement on funds on deposit | 14 | (320,484) | | - | |
| | | | 51,207 | | 352,045 |
| Corporation tax paid | | | (1,568) | | (444) |
| Net cash flow from operating activities | | | (284,817) | | 40,822 |
| Investing activities | | | | | |
| Cash acquired on acquisition | | 295,474 | | - | |
| Net cash generated from/(used in) investing activities | | | 295,474 | | - |
| Net increase in cash and cash equivalents | | | 10,657 | | 40,822 |
| Cash and cash equivalents at beginning of year | | | 581,281 | | 540,459 |
| Cash and cash equivalents at end of year | | | 591,938 | | 581,281 |

The notes on pages 11 to 27 form an integral part of these financial statements.

EREWASH CREDIT UNION LIMITED

TRADING AS DERBYSHIRE COMMUNITY BANK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2025

1 Accounting policies

Background information

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

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Co-operative and Community Benefit Societies Act 2014.

The financial statements are prepared in sterling, which is the functional currency of the credit union. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

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

1.3 Income

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

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

1.4 Intangible fixed assets - goodwill

Negative Goodwill represents the excess of the fair value of net assets acquired over the cost of acquisition. It is initially recognised as a negative asset in the Balance Sheet as at 30 September 2025. As the non-cash assets acquired are realised the negative goodwill is released to the Revenue Account.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|-------------------------------------|-----------------------|
| Electronic and electrical equipment | 5 years straight line |
|-------------------------------------|-----------------------|

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of less than 8 days.

EREWASH CREDIT UNION LIMITED
TRADING AS DERBYSHIRE COMMUNITY BANK
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2025

1 Accounting policies

(Continued)

1.7 Financial instruments

The credit union has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the credit union's balance sheet when the credit union becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include loans to members and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Impairment of financial assets

The credit union assesses, at each balance sheet date, if there is objective evidence that any of its loans to members are impaired. The loans are assessed collectively in groups that share similar credit risk characteristics, because no loans are individually significant. In addition, if, during the course of the year, there is objective evidence that any individual loan is impaired, a specific loss will be recognised. Any impairment losses are recognised in the revenue account, as the difference between the carrying value of the expected cash flows.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the credit union transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

Basic financial liabilities

Basic financial liabilities, including members deposits are classified as debt and are initially recognised at transaction price. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the credit union's contractual obligations expire or are discharged or cancelled.

1.8 Taxation

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

EREWASH CREDIT UNION LIMITED
TRADING AS DERBYSHIRE COMMUNITY BANK
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2025

1 Accounting policies

(Continued)

Current tax

The tax currently payable is based on taxable surplus for the year. Taxable surplus differs from the surplus as reported in the revenue account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The credit union's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date. Any surplus on transactions with members of the credit union is excluded from taxable income.

1.9 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when the credit union is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

2 Judgements and key sources of estimation uncertainty

In the application of the credit union's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

EREWASH CREDIT UNION LIMITED
TRADING AS DERBYSHIRE COMMUNITY BANK
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2025

2 Judgements and key sources of estimation uncertainty

(Continued)

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Loan Impairment

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

LP/LSInsurance

The Credit Union makes provision for future death benefit claims. The Credit Union has made an estimate of the provision. The actual amounts required to be paid will depend on the life of members and their balances with the Credit Union.

3 Interest receivable and similar income

| | 202 | 202 |
|----------------------------------|----------------|-------------------|
| | 5 £ | 4 £ |
| Interest income on loans | 405,17 | 432,88 |
| Interest income on bank deposits | 0 | 18,250 |
| | <u>-16,139</u> | <u> </u> |
| | <u>421,309</u> | <u>441,131</u> |

4 Interest payable and similar charges

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

| | 202 | 202 |
|--|-------------------|-------------------|
| | 5 £ | 4 £ |
| Interest and similar charges paid during the period | 5 £ | 4 £ |
| Dividend on dividendbearingshares | 21,216 | 24,526 |
| Interest paid on interest bearing shares | 3,407 | 3,660 |
| | <u> </u> | <u> </u> |
| | <u>24,623</u> | <u>28,186</u> |

EREWASH CREDIT UNION LIMITED
TRADING AS DERBYSHIRE COMMUNITY BANK
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2025

4 Interest payable and similar charges

(Continued)

The distributions on member's shares represents distributions paid in the year which were approved at the last Annual General Meeting. The distribution rates approved at the previous AGM were:

| | 2025 | 2024 |
|--|-------------|-------------|
| Distribution rates paid during year | % | % |
| Ordinary member dividend | 2.00 | 2.00 |
| Corporate savers dividend | 2.00 | 2.00 |
| Junior savers dividend | 2.00 | 2.00 |
| | <u>2.00</u> | <u>2.00</u> |

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

| | 2025 | 2024 |
|--|-------------|-------------|
| Dividend rates to be proposed at the Annual General Meeting | % | % |
| Ordinary member dividend | - | 2.00 |
| Corporate savers dividend | - | 2.00 |
| Junior savers dividend | - | 2.00 |
| | <u>-</u> | <u>2.00</u> |

5 Fees and commissions receivable

| | 2025 | 2024 |
|-----------------|-------------|-------------|
| | £ | £ |
| Service charges | 63 | 78 |
| | <u>63</u> | <u>78</u> |

6 Fees and commissions payable

| | 2025 | 2024 |
|--------------|--------------|--------------|
| | £ | £ |
| Bank charges | 1,834 | 1,861 |
| | <u>1,834</u> | <u>1,861</u> |

7 Other operating income

| | 2025 | 2024 |
|--------------|--------------|-------------|
| | £ | £ |
| Other income | 5,057 | - |
| | <u>5,057</u> | <u>-</u> |

EREWASH CREDIT UNION LIMITED
TRADING AS DERBYSHIRE COMMUNITY BANK
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2025

8 Administrative expenses

| | Notes | 2025 £ | 2024 £ |
|--|-------|----------------|----------------|
| Staff costs | 12 | 216,087 | 189,176 |
| External auditor's remuneration | | 10,000 | 10,000 |
| Member communication and advertising | | 6,124 | 5,798 |
| Legal, professional and credit control costs | | 54,193 | 31,539 |
| Computer and software expenses | | 29,558 | 30,804 |
| Travel costs | | 1,470 | 9 |
| General administration costs | | 6,000 | 11,090 |
| | | <u>323,432</u> | <u>278,416</u> |

9 Other operating expenses

| | 2025 £ | 2024 £ |
|----------------------------|---------------|---------------|
| Regulatory costs | 2,990 | 1,747 |
| Costs of occupying offices | 31,561 | 31,687 |
| | <u>34,551</u> | <u>33,434</u> |

10 Operating (deficit)/surplus

| | 2025 £ | 2024 £ |
|---|---------------|---------------|
| Operating (deficit)/surplus for the year is stated after charging: | | |
| Fees payable to the credit union's external auditor for the audit of the financial statements | 10,000 | 10,000 |
| Depreciation of owned tangible fixed assets | 504 | 689 |
| Operating lease charges | 30,912 | 31,061 |
| | <u>41,416</u> | <u>41,750</u> |

11 Directors' remuneration

The average monthly number of Directors at the Credit Union during the year was:

| 2025 Number | 2024 Number |
|----------------|----------------|
| <u>8</u> | <u>7</u> |

The directors do not receive remuneration for their service to the Credit Union.

EREWASH CREDIT UNION LIMITED
TRADING AS DERBYSHIRE COMMUNITY BANK
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2025

12 Staff costs

The average monthly number of persons employed by the credit union during the year was:

| | 2025 | 2024 |
|----------------------------------|---------------|---------------|
| | Number | Number |
| Administration and support staff | 7 | 7 |
| | <u>7</u> | <u>7</u> |

Their aggregate remuneration comprised:

| | 2025 | 2024 |
|-----------------------|----------------|----------------|
| | £ | £ |
| Wages and salaries | 195,576 | 170,901 |
| Social security costs | 10,759 | 9,920 |
| Pension costs | 9,752 | 8,355 |
| | <u>216,087</u> | <u>189,176</u> |

13 Corporation tax

| | £ | £ |
|--|--------------|--------------|
| Current tax | | |
| UK corporation tax on taxable surplus for the current period | 3,066 | 1,568 |
| | <u>3,066</u> | <u>1,568</u> |

The actual charge for the year can be reconciled to the expected charge for the year based on the surplus or deficit and the standard rate of tax as follows:

| | 2025 | 2024 |
|---|-----------------|--------------|
| | £ | £ |
| Deficit before taxation | (38,713) | 7,545 |
| | <u>(38,713)</u> | <u>7,545</u> |
| Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2024: 19.00%) | (7,355) | 1,434 |
| Tax effect of income/expenditure not taxable in determining taxable surplus | 10,421 | 134 |
| | <u>3,066</u> | <u>1,568</u> |
| Taxation charge for the year | <u>3,066</u> | <u>1,568</u> |

EREWASH CREDIT UNION LIMITED
TRADING AS DERBYSHIRE COMMUNITY BANK
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2025

14 Loans and advances to banks

| | 2025 | 2024 |
|--|-----------------------|-----------------------|
| | £ | £ |
| Cash held at banks | 591,836 | 581,281 |
| Bank deposits | 320,484 | - |
| | <u>912,320</u> | <u>581,281</u> |
| Loans and advances to banks | 912,320 | 581,281 |
| Cash in hand | 102 | - |
| | <u>912,422</u> | <u>581,281</u> |
| | <u><u>912,422</u></u> | <u><u>581,281</u></u> |
| Loans split by repayment period | | |
| Cash and cash equivalents | 591,938 | 581,281 |
| Amounts maturing in over 8 days | 320,484 | - |
| | <u>912,422</u> | <u>581,281</u> |
| | <u><u>912,422</u></u> | <u><u>581,281</u></u> |

15 Loans and advances to customers

| | Notes | 2025 | 2024 |
|--|--------------|-------------------------|-------------------------|
| | | £ | £ |
| Loan movement | | | |
| Opening balances | | 2,295,040 | 2,329,791 |
| Interest on loans | | 405,170 | 432,881 |
| Loans acquired through transfer of engagements | | 636,705 | - |
| Loans advanced during the period | | 1,355,038 | 1,096,464 |
| Loans repaid during the period | | (1,683,930) | (1,524,530) |
| Loans derecognised | | (18,703) | (39,566) |
| | | <u>2,989,320</u> | <u>2,295,040</u> |
| Loan impairment provisions | 16 | (1,015,206) | (858,306) |
| | | <u>1,974,114</u> | <u>1,436,734</u> |
| | | <u><u>1,974,114</u></u> | <u><u>1,436,734</u></u> |
| Loans split by repayment period | | | |
| Capital repayments due within 1 year | | 2,268,095 | 1,620,150 |
| Capital repayments due after 1 year | | 721,225 | 674,890 |
| Loan impairment provisions | 16 | (1,015,206) | (858,306) |
| | | <u>1,974,114</u> | <u>1,436,734</u> |
| | | <u><u>1,974,114</u></u> | <u><u>1,436,734</u></u> |
| Loans split by type | | | |
| Loans to individual members | | 2,989,320 | 2,295,040 |
| Loan impairment provisions | 16 | (1,015,206) | (858,306) |
| | | <u>1,974,114</u> | <u>1,436,734</u> |
| | | <u><u>1,974,114</u></u> | <u><u>1,436,734</u></u> |

EREWASH CREDIT UNION LIMITED
TRADING AS DERBYSHIRE COMMUNITY BANK
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2025

16 Loan impairment

| | Write off Provision £ | Arrears Provision £ | Total Provisions £ |
|---|--------------------------------------|------------------------------------|-----------------------------------|
| Loan impairment provision | | | |
| Opening balances | 680,688 | 177,618 | 858,306 |
| Provision acquired in transfer of engagements | - | 95,405 | 95,405 |
| Provision movement | (3,579) | 65,074 | 61,495 |
| | <u>677,109</u> | <u>338,097</u> | <u>1,015,206</u> |
| Closing balances | <u>677,109</u> | <u>338,097</u> | <u>1,015,206</u> |

Under Financial Reporting Standard 102 (FRS 102), the criteria for derecognising (writing off a loan) is different from when the credit union would write off the loan for internal purposes. Loans written off by the Board that do not meet the criteria in FRS 102 for being derecognised are not written off in these financial statements. The loans the credit union feel should be written off but which do not meet the criteria in FRS 102 for being derecognised are fully provided in the write off provision which is shown above. As a result there is no net effect on the surplus or net assets of the credit union from this requirement of FRS 102.

| | Notes | 2025 £ | 2024 £ |
|--|--------------|-------------------|-------------------|
| Impairment revenue account charge | | | |
| Impairment provision movement | | 61,495 | 51,512 |
| Bad debts derecognised | 15 | 18,703 | 39,566 |
| | | <u>80,198</u> | <u>91,078</u> |

17 Tangible fixed assets

| | Electronic and electrical equipment £ |
|---|--|
| Cost | |
| At 1 October 2024 and 30 September 2025 | 6,293 |
| Depreciation and impairment | |
| At 1 October 2024 | 5,304 |
| Depreciation charged in the year | 504 |
| At 30 September 2025 | 5,808 |
| Carrying amount | |
| At 30 September 2025 | 485 |
| At 30 September 2024 | 989 |

EREWASH CREDIT UNION LIMITED
TRADING AS DERBYSHIRE COMMUNITY BANK
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2025

18 Intangible fixed assets

| | Negative goodwill |
|---|-----------------------------|
| | £ |
| Cost | |
| At 1 October 2024 | - |
| Additions - business combinations | (158,778) |
| | <u> </u> |
| At 30 September 2025 | (158,778) |
| | <u> </u> |
| Amortisation and impairment | |
| At 1 October 2024 and 30 September 2025 | - |
| | <u> </u> |
| Carrying amount | |
| At 30 September 2025 | (158,778) |
| | <u> </u> |
| At 30 September 2024 | - |
| | <u> </u> |

19 Customer accounts

| | 2025 | 2024 |
|--|-----------------------------|-----------------------------|
| | £ | £ |
| Deposit movement | | |
| Opening balances | 1,560,777 | 1,608,613 |
| Acquired through transfer of engagements | 554,168 | - |
| Deposited during the period | 3,185,026 | 2,974,782 |
| Withdrawn during the period | (3,117,604) | (3,022,617) |
| | <u> </u> | <u> </u> |
| | 2,182,367 | 1,560,778 |
| | <u> </u> | <u> </u> |
| Deposits split by type | | |
| Standard dividend bearing member shares | 1,788,212 | 1,167,938 |
| Standard interest bearing member shares | 168,134 | 210,620 |
| Corporate dividend bearing shares | 140,141 | 132,519 |
| | <u> </u> | <u> </u> |
| | 2,096,487 | 1,511,077 |
| Juvenile member deposits | 85,880 | 49,701 |
| | <u> </u> | <u> </u> |
| | 2,182,367 | 1,560,778 |
| | <u> </u> | <u> </u> |

20 Other liabilities

| | 2025 | 2024 |
|------------------------------|-----------------------------|-----------------------------|
| | £ | £ |
| Corporation tax | 3,066 | 1,568 |
| Other creditors | 50,000 | 3,971 |
| Accruals and deferred income | 90,444 | 10,660 |
| | <u> </u> | <u> </u> |
| | 143,510 | 16,199 |
| | <u> </u> | <u> </u> |

EREWASH CREDIT UNION LIMITED
TRADING AS DERBYSHIRE COMMUNITY BANK
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2025

21 Financial risk management

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

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

Credit risk

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

Liquidity risk

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

Market risk

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

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

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

Other price risk: The credit union only holds investments in government securities and those with credit institutions that meet the criteria of Chapter 6 of the PRA rulebook. The credit union monitors the investments throughout the year.

22 Deferred income

| | 2025 | 2024 |
|-------------------|--------------|--------------|
| | £ | £ |
| Opening balance | 4,148 | 4,148 |
| Release in period | (3,148) | - |
| | <hr/> | <hr/> |
| Carried Forward | <u>1,000</u> | <u>4,148</u> |

EREWASH CREDIT UNION LIMITED
TRADING AS DERBYSHIRE COMMUNITY BANK
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2025

23 Retirement benefit schemes

| | 2025 | 2024 |
|--|--------------|--------------|
| | £ | £ |
| Defined contribution schemes | | |
| Charge to revenue account in respect of defined contribution schemes | 9,752 | 8,355 |
| | <u>9,752</u> | <u>8,355</u> |

The credit union operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the credit union in an independently administered fund.

At the balance sheet date, pension contributions of £2,531 (2024: £1,251) were due to be paid by the credit union.

24 Provisions for liabilities

| | 2025 | 2024 |
|---------------------------|---------------|--------------|
| | £ | £ |
| LP/LS Insurance Provision | 12,260 | 5,839 |
| | <u>12,260</u> | <u>5,839</u> |

The Credit Union provides a level of death benefit protection for members. A provision is therefore made for the estimated cost based on the history of claims and claims known at the Balance Sheet date.

Movements on provisions:

| | £ |
|-----------------------------------|---------------|
| At 1 October 2024 | 5,839 |
| Additional provisions in the year | 6,421 |
| | <u>12,260</u> |
| At 30 September 2025 | <u>12,260</u> |

EREWASH CREDIT UNION LIMITED
TRADING AS DERBYSHIRE COMMUNITY BANK
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2025

25 Credit risk on lending

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

| | 2025 | 2024 |
|---------------------------|-------------|-------------|
| | £ | £ |
| Security for loans | | |
| Attached shares | 336,848 | 286,530 |

The carrying amount of the loans to members represents the credit union's maximum exposure to credit risk. The following table provides information on the credit quality of loan repayments. Where loans are not impaired it is expected that the amounts repayable will be received in full. The status 'past due' includes any loan where payments are in arrears. The amount included is the entire loan amount and not just the overdue amount.

| | 2025 | 2024 |
|---|------------------|------------------|
| | £ | £ |
| Loans not individually impaired | | |
| Not past due | 1,946,020 | 1,467,281 |
| | <u>1,946,020</u> | <u>1,467,281</u> |
| Loans individually impaired | | |
| Between 3 and 6 months past due | 58,645 | 18,185 |
| Between 6 months and 1 year past due | 93,677 | 73,346 |
| Over 1 year past due | 213,869 | 55,540 |
| Individually impaired and written off for internal purposes | 677,109 | 680,688 |
| | <u>1,043,300</u> | <u>827,759</u> |
| Total loans | 2,989,320 | 2,295,040 |
| Impairment allowance | (1,015,206) | (858,306) |
| | <u>1,974,114</u> | <u>1,436,734</u> |

26 Credit risk on bank and investments

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

| | 2025 | 2024 |
|--------------------|----------------|----------------|
| | £ | £ |
| Bank accounts | 591,836 | 581,281 |
| Bank term deposits | 320,484 | - |
| | <u>912,320</u> | <u>581,281</u> |

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

EREWASH CREDIT UNION LIMITED
TRADING AS DERBYSHIRE COMMUNITY BANK
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2025

27 Interest rates on financial instruments

The following table shows the interest earned during the year divided by the average loan balance and the dividend/interest paid during the year divided by the average share balance. The average balance is taken as the average of the opening and closing balances.

| | 2025 | | 2024 | |
|------------------------------|--------------------|--------------------------------|--------------------|--------------------------------|
| | Amount £ | Interest rates in year % | Amount £ | Interest rates in year % |
| Financial assets | | | | |
| Loans to members | 2,989,320 | 15.33% | 2,295,040 | 18.72% |
| Loans and advances to banks | 912,320 | 2.16% | 581,281 | 1.47% |
| | <u>3,901,640</u> | | <u>2,876,321</u> | |
| Financial liabilities | | | | |
| Juvenile deposits | (85,880) | - | (49,701) | - |
| Dividend bearing shares | (1,928,353) | 1.31% | (1,300,457) | 1.89% |
| Interest bearing shares | (168,134) | 1.80% | (210,620) | 1.49% |
| | <u>(2,182,367)</u> | | <u>(1,560,778)</u> | |

28 Reserves

General Reserve

The general reserve represents the base capital of the credit union and is the retained surpluses and deficits which have not been allocated to another specific reserve.

Appropriation Reserve

The appropriation reserve represents funds allocated by the Board for the future payment of dividends. As the dividends are not a commitment at the year end date they are not included within creditors.

29 Capital

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

| | 2025 % | 2024 % |
|-------------------------------|---------------|---------------|
| Actual capital to asset ratio | <u>14.35%</u> | <u>20.42%</u> |
| Regulatory requirement | | |
| Total capital requirement | <u>3.00%</u> | <u>3.00%</u> |

EREWASH CREDIT UNION LIMITED
TRADING AS DERBYSHIRE COMMUNITY BANK
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2025

30 Acquisition of a credit union

On 25 September 2025 the company acquired the business of Chesterfield and North East Derbyshire Credit Union Limited.

| | Fair Value |
|-----------------------------------|-------------------|
| | £ |
| Loans to members net of provision | 541,300 |
| Cash and cash equivalents | 295,474 |
| Trade and other payables | (123,829) |
| | <hr/> |
| Total identifiable net assets | 712,945 |
| Goodwill | (158,778) |
| | <hr/> |
| Total consideration | 554,167 |
| | <hr/> <hr/> |
| Satisfied by: | £ |
| Issue of shares | 554,167 |
| | <hr/> <hr/> |

EREWASH CREDIT UNION LIMITED
TRADING AS DERBYSHIRE COMMUNITY BANK
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2025

31 Interest rate risk

The credit union's primary source of net income arises from the management of the differences in the exposures arising from financial instruments and the margins earned on them. The credit union does not use interest rate options to hedge its own positions. The interest rate repricing table set out below is based on the earlier of the loan maturity date and the next interest rate repricing date. The loan maturity date is subject to a number of factors.

| | 0-3 months | 3-6 months | 6-12 months | 1-5 years | Over 5 years | Non-interest bearing | Total |
|---------------------------------------|------------------|------------------|------------------|------------------|-----------------|----------------------|------------------|
| | £ | £ | £ | £ | £ | £ | £ |
| Assets | | | | | | | |
| Cash and balances at central banks | - | - | - | - | - | 102 | 102 |
| Loans and advances to banks | 596,992 | 315,328 | - | - | - | - | 912,320 |
| Loans and advances to customers | 219,892 | 108,037 | 641,346 | 992,443 | 12,396 | - | 1,974,114 |
| Intangible assets | - | - | - | - | - | (158,778) | (158,778) |
| Property, plant and equipment | - | - | - | - | - | 485 | 485 |
| Prepayments | - | - | - | - | - | 2,938 | 2,938 |
| Total assets | 816,884 | 423,365 | 641,346 | 992,443 | 12,396 | (155,253) | 2,731,181 |
| Liabilities and reserves | | | | | | | |
| Customer accounts | 168,134 | - | - | - | - | 2,014,233 | 2,182,367 |
| Other liabilities | - | - | - | - | - | 143,510 | 143,510 |
| Accruals and deferred income | - | - | - | - | - | 1,000 | 1,000 |
| Provisions | - | - | - | - | - | 12,260 | 12,260 |
| Reserves | - | - | - | - | - | 392,044 | 392,044 |
| Total liabilities and reserves | 168,134 | - | - | - | - | 2,563,047 | 2,731,181 |
| | (648,750) | (423,365) | (641,346) | (992,443) | (12,396) | 2,718,300 | - |

EREWASH CREDIT UNION LIMITED
TRADING AS DERBYSHIRE COMMUNITY BANK
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2025

32 Analysis of changes in net funds

| | 1 October 2024 £ | Cash flows 30 September 2025 £ | 2025 £ |
|---------------------------------------|------------------------|---|----------------|
| Cash and cash equivalents | 581,281 | 10,657 | 591,938 |
| Bank deposits maturing in over 8 days | - | 320,484 | 320,484 |
| | <u>581,281</u> | <u>331,141</u> | <u>912,422</u> |

33 Financial commitments, guarantees and contingent liabilities

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

34 Operating lease commitments

Lessee

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

| | 2025 £ | 2024 £ |
|----------------------------|--------------|---------------|
| Within one year | 5,184 | 32,319 |
| Between two and five years | - | 5,184 |
| | <u>5,184</u> | <u>37,503</u> |

35 Related party transactions

Key management personnel

The credit union classifies the Directors and members of the senior management team as key management.

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

| | 2025 £ | 2024 £ |
|--------------------|---------------|---------------|
| Wages and salaries | <u>94,152</u> | <u>74,708</u> |

Transactions with key management

Balances held by members of key management and their close family members in the credit union are set out below.

| | 2025 £ | 2024 £ |
|--|---------------|---------------|
| Shares held by key management and their close family | <u>52,055</u> | <u>47,041</u> |

EREWASH CREDIT UNION LIMITED
TRADING AS DERBYSHIRE COMMUNITY BANK
DETAILED REVENUE ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2025

| | Notes | 2025 £ | 2024 £ |
|--|-------|-----------------|----------------|
| Income | | | |
| Interest income on loans | 3 | 405,170 | 432,881 |
| Interest income on bank deposits | 3 | 16,139 | 8,250 |
| Fees and commissions receivable | 5 | 63 | 78 |
| Other income | 7 | 5,057 | - |
| | | <u>426,429</u> | <u>441,209</u> |
| Expenditure | | | |
| Staff costs | 12 | 216,087 | 189,176 |
| Auditors remuneration | | 10,000 | 10,000 |
| Member communication and advertising | 8 | 6,124 | 5,798 |
| Legal, professional and credit control costs | 8 | 54,193 | 31,539 |
| Computer and software expenses | 8 | 29,558 | 30,804 |
| Travel costs | 8 | 1,470 | 9 |
| Bank charges | 6 | 1,834 | 1,861 |
| General administration costs | 8 | 6,000 | 11,090 |
| Regulatory costs | 9 | 2,990 | 1,747 |
| Costs of occupying offices | 9 | 31,561 | 31,687 |
| Depreciation and amortisation | 10 | 504 | 689 |
| Impairment on loans for bad and doubtful debts | 16 | 80,198 | 91,078 |
| | | <u>440,519</u> | <u>405,478</u> |
| Surplus before taxation | | (14,090) | 35,731 |
| Corporation tax | 13 | (3,066) | (1,568) |
| | | <u>(17,156)</u> | <u>34,163</u> |
| Distributions | | (24,623) | (28,186) |
| (Deficit)/surplus for the year | | <u>(41,779)</u> | <u>5,977</u> |

Special General Meeting – Agenda

1. Resolution to approve changes to the Rules of the Credit Union

A. To change the definition of the Common Bond

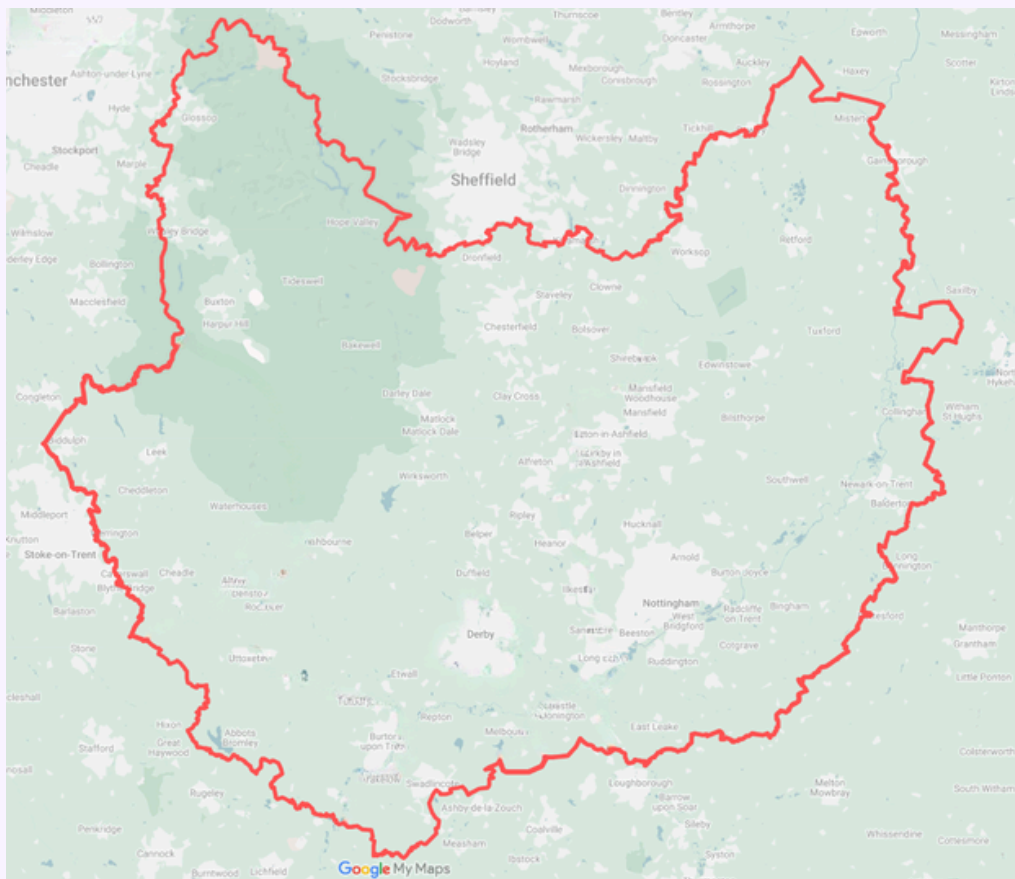
All as set out in the attached document showing the proposed changes to the Rules

Extending our Reach

We are bringing a proposal to increase our common bond from Derbyshire to include the wider East Midlands region. This will include Nottinghamshire, Nottingham City East Staffordshire.

The proposed new wording is:

an individual residing in or being employed in the locality of the County of Derbyshire or the City of Derby, "DE" postcodes, the County of Nottinghamshire or the City of Nottingham, East Staffordshire Borough, Staffordshire Moorlands, Lichfield District and Tamworth Borough as delineated on the attached map



Special General Meeting

Extending our Reach

an individual residing in or being employed in the locality of the County of Derbyshire or the City of Derby, "DE" postcodes, the County of Nottinghamshire or the City of Nottingham, East Staffordshire Borough, Staffordshire Moorlands, Lichfield District and Tamworth Borough as delineated on the attached map

Why are we making this change now?

There are a number of benefits for DCBank to be extending our reach: Our region now falls within the East Midlands Combined Authority EMCCA, so it makes some sense to include everyone within the region, and means that we have improved accessibility to funding and projects within the EMCCA region.

The east of Staffordshire currently has no credit union – amazing but true. That's 250,000 people who can access credit union savings and loans for the first time

Derbyshire county doesn't include all 'DE' postcodes, which can cause some confusion. Current regulations permit a common bond up to 3million population. This proposed change increases DCBank's estimated population from 1million to 2.7million.

This population increase enables DCBank to increase our membership, improving our efficiency and benefit from economies of scale.

The UK government has the ambition to double the size of the mutual sector (that includes credit unions). The Kings speech this year included the long awaited Enhancing Financial Services Bill, which will increase credit union common bond population to 10million, enabling larger, more efficient and effective credit unions to flourish. Increasing our common bond towards the 3 million population size is a stepping stone towards that ambition.

Read More Here - <https://www.dcbank.org.uk/2026/05/extending-our-reach/>



Derbyshire Community Bank

Where local really counts

