

Registration number CU000023

COOKSTOWN CREDIT UNION LIMITED

DIRECTORS' REPORT AND
FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2025

COOKSTOWN CREDIT UNION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2025

Company information

Directors	Martina Larmour (Chairperson) Patrick Loughran (Secretary) Jacqueline O'Neill (Treasurer) Leona Lawless Martin Mullan Gavin Rodgers Evelyn U C McKenna Mary Hogg Norah Fowley
Company number	CU000023
FSA Firm Reference Number	574118
Registered office	16-18 Burn Road Cookstown Co. Tyrone BT80 8DN
Auditors	Kelly & O'Neill Ltd 15E Molesworth Street Cookstown Co Tyrone BT80 8NX
Bankers	Bank of Ireland 32 James Street Cookstown Co Tyrone
Solicitors	Carson McDowell LLP Murray House Murray Street Belfast BT1 6DN

COOKSTOWN CREDIT UNION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2025

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COOKSTOWN CREDIT UNION LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2025

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

Principal activity

The principal activity of the Credit Union is the promotion of thrift among its members by the accumulation of their savings and the loaning of these funds to members at a fair and reasonable rate of interest.

Principal Risks and Uncertainties

The purpose of our Credit Union is to allow members to save together and lend to each other at a fair and reasonable rate of interest. The principal risks and challenges facing the Credit Union are loan default, not lending a sufficient proportion of funds so that too much of the Credit Union's resources are tied up in investment products, poor performance of investments and the risk that we will not have sufficient cash resources to meet day to day running costs and repay members savings when demanded (liquidity risk).

These risks are managed by the Credit Union board so as to achieve an acceptable balance of growth and security for members' resources.

Results and dividends

The Profit for the year, after taxation, amounted to £244,409. Particulars of dividends paid and proposed are detailed in the notes to the financial statements.

A final dividend of £202,214 (1%) (2024: £190,859 (1%)) has been proposed by the directors. The dividend has not been accounted for within the current financial statements as it has yet to be approved.

An interest rebate of £44,686 (variable rates) (2024: £68,486 (variable rates)) has been proposed by the directors. The interest rebate has not been accounted for within the current financial statements as it has yet to be approved.

Directors

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

Martina Larmour (Chairperson)

Evelyn U C McKenna

Patrick Loughran (Secretary)

Mary Hogg

Jacqueline O'Neill (Treasurer)

Norah Fowley

Leona Lawless

Martin Mullan

Gavin Rodgers

Statement of directors' responsibilities

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

The Credit Unions (Northern Ireland) Order 1985 (as amended) requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the Credit Union and of the Income and Expenditure of the Credit Union in that year.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;

COOKSTOWN CREDIT UNION LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2025

..... continued

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Credit Union and to enable them to ensure that the financial statements are prepared in accordance with applicable law in Northern Ireland and UK Generally Accepted Accounting Practice, including the standards issued by the Financial Reporting Council, and in particular FRS102 "The Financial Reporting Standards applicable in the UK and Republic of Ireland". 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

Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditors

The auditors, Kelly & O'Neill Ltd, have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

This report was approved by the Board on 24 November 2025 and signed on its behalf by:



Martina Larmour
Chairperson



Patrick Loughran
Secretary



Jacqueline O'Neill
Treasurer

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF COOKSTOWN CREDIT UNION LIMITED

We have audited the financial statements of Cookstown Credit Union Limited for the year ended 30 September 2025 which comprise the Income and Expenditure Account, the Balance Sheet, Statement of Changes in Reserves and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 - The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements in all material respects:

- give a true and fair view of the state of the Credit Union's affairs as at 30 September 2025 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, issued by the Financial Reporting Council; and
- have been prepared in accordance with the requirements of the Credit Unions (Northern Ireland) Order 1985.

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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Credit Union's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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. 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.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF COOKSTOWN CREDIT UNION LIMITED

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 Credit Unions (Northern Ireland) Order 1985 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;
- a satisfactory system of control over transactions has not been maintained by the Credit Union in accordance with the requirements of the legislation;
- the income and expenditure account to which our report relates, and the balance sheet are not in agreement with the books of account of the Credit Union;
- we have not obtained all the information and explanations which we considered were necessary for the purposes of 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.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF COOKSTOWN CREDIT UNION LIMITED

We obtained an understanding of the legal and regulatory framework applicable to the company through enquiry of management, industry research and the application of cumulative audit knowledge. We identified the following principal laws and regulations relevant to the company - Companies Act 2006 and the Financial Reporting Standard applicable to the UK and Republic of Ireland (FRS102). We developed an understanding of the key fraud risks to the entity (including how fraud might occur), the controls in place to help mitigate those risks, and the accounts, balances and disclosures within the financial statements which may be susceptible to management bias. Our understanding was obtained through review of the financial statements for significant accounting estimates, analysis of journal entries, walkthrough of the key controls system in place and enquiry of management.

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.

Purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Credit Union's members, as a body, in accordance with Article 47 of the Credit Unions (Northern Ireland) Order 1985. 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.

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Kelly & O'Neill Ltd
Chartered Accountants and
Registered Auditors
24 November 2025

15E Molesworth Street
Cookstown
Co Tyrone
BT80 8NX

COOKSTOWN CREDIT UNION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2025

Income and Expenditure Account for the year ended 30 September 2025

	Notes	2025	2024
		£	£
Income			
Interest on members' loans	3	773,354	730,924
Investment income	4	328,460	285,095
Net interest income		<u>1,101,814</u>	<u>1,016,019</u>
Other income	6	<u>9,675</u>	<u>7,461</u>
Total Income		<u>1,111,489</u>	<u>1,023,480</u>
Expenditure			
Property expenses	Sch 1	48,589	36,799
Administrative expenses	Sch 2	724,764	582,178
Depreciation	11	15,284	22,771
Loans written off		103,552	36,078
Bad debts recovered		(37,559)	(42,909)
Provision for bad and doubtful debts	15	(70,000)	-
Total expenditure		<u>784,630</u>	<u>634,917</u>
Surplus/(deficit) for the financial year before taxation		326,859	388,563
Taxation		<u>(82,450)</u>	<u>(71,274)</u>
Surplus/(deficit) for the year after taxation		<u>244,409</u>	<u>317,289</u>

All activities of the company are from continuing operations. There were no recognised gains or losses other than the income and expenditure for the above two financial years. These financial statements were approved by the board, and authorised for issue, on 24 November 2025 and signed on its behalf by:

Martina Larmour

Martina Larmour (Chairperson)

Patrick Loughran

Patrick Loughran (Secretary)

J. O'Neill

Jacqueline O'Neill (Treasurer)

COOKSTOWN CREDIT UNION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2025

Balance Sheet as at 30 September 2025

		2025	2024
	Notes	£	£
Assets			
Loans to Members	9	11,244,089	9,822,751
Bad debt provision	15	(160,000)	(230,000)
Deposits and investments	10	9,473,438	9,045,276
Cash and cash equivalents	21	925,326	788,165
		<u>21,482,853</u>	<u>19,426,192</u>
Other Assets			
Tangible assets	11	3,398,559	3,586,076
Other Debtors & Prepayments	12	295,400	254,305
Minors' Funds	23	1,866,439	1,707,626
		<u>5,560,398</u>	<u>5,548,007</u>
Total Assets		27,043,251	24,974,199
Liabilities			
Members' Shares	14	21,078,134	19,390,667
Minors' deposits	23	1,866,439	1,707,626
Sundry Creditors and Accruals	13	821,927	595,987
Provision for Taxation	8	82,450	71,274
		<u>23,848,950</u>	<u>21,765,554</u>
Total Liabilities		23,848,950	21,765,554
Net Assets		3,194,301	3,208,645
Members' Resources			
Appropriation Account		254,301	268,645
General Reserve		2,940,000	2,940,000
Total Members' Resources		3,194,301	3,208,645

These accounts were approved by the Board of Directors and authorised for issue on 24 November 2025 and are signed on behalf of the board by:

Martina Larmour (Chairperson)

Patrick Loughran (Secretary)

Jacqueline O'Neill (Treasurer)

The notes on pages 11 to 29 form an integral part of these financial statements.

COOKSTOWN CREDIT UNION LIMITED

STATEMENT OF CHANGES IN RESERVES FOR THE YEAR ENDED 30 SEPTEMBER 2025

	Appropriation account	General reserve	Total
	£	£	£
As at 1 October 2023	286,411	2,885,000	3,171,411
Surplus for the year	388,562	-	388,562
Taxation	(71,274)	-	(71,274)
Dividend paid during the year	(141,417)	-	(141,417)
Interest rebate paid during the year	(138,567)	-	(138,567)
Appropriation Adjustment	(70)	-	(70)
Transfer to general reserve	(55,000)	55,000	-
As at 30 September 2024	268,645	2,940,000	3,208,645
As at 1 October 2024	268,645	2,940,000	3,208,645
Surplus for the year	326,859	-	326,859
Taxation	(82,450)	-	(82,450)
Dividend paid during the year	(191,850)	-	(191,850)
Interest rebate paid during the year	(67,047)	-	(67,047)
Appropriation adjustment	144	-	144
Transfer to general reserve	-	-	-
As at 30 September 2025	254,301	2,940,000	3,194,301

These accounts were approved by the Board of Directors and authorised for issue on 24 November 2025 and are signed on behalf of the board by:

Martina Larmour
Martina Larmour (Chairperson)

Patrick Loughran
Patrick Loughran (Secretary)

J. O'Neill
Jacqueline O'Neill (Treasurer)

COOKSTOWN CREDIT UNION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2025

Cash flow statement for the year ended 30 September 2025

	2025	2024
	£	£
Opening Cash and Cash Equivalents	21	788,165
Cash flows from operating activities		553,220
Surplus for the year before tax	11	15,284
Depreciation		70,555
(Profit)/Loss on Disposal	12	(41,095)
Movement in other assets	13	225,940
Movement in other creditors	21	(70,000)
Increase/(Decrease) in bad debt provision		103,552
Loans written off		144
Appropriation adjustment	9	(1,524,890)
Cash movement in members loans	8	(71,274)
Corporation tax paid		<u><u>(964,925)</u></u>
Net cash (used in)/generated from operating activities		<u><u>(1,382,219)</u></u>
Proceeds from sales of tangible fixed assets		180,399
Net cash generated from/(used in) other sources		<u><u>180,399</u></u>
Cash flows from investing activities		(2,316,617)
Purchase of tangible fixed assets	11	(78,721)
Movement in cash investments	10	(428,162)
Net cash generated from/(used in) investing activities		<u><u>1,266,335</u></u>
Cash flows from financing activities		630,813
Movement in members shares	14	1,687,467
Dividend and interest rebate	19	(258,897)
Net cash generated from financing activities		<u><u>350,829</u></u>
Net increase/(decrease) in cash and cash equivalents		<u><u>234,945</u></u>
Cash and cash equivalents at the end of the financial year	21	925,326
		<u><u>788,165</u></u>

COOKSTOWN CREDIT UNION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2025

Schedule 1 - Property Expenses for the year ended 30 September 2025

	2025	2024
	£	£
Property expenses		
Rates	13,500	12,303
Insurance	17,035	16,890
Heating, lighting & cleaning	18,054	7,606
	<hr/>	<hr/>
	48,589	36,799
	<hr/>	<hr/>

Schedule 2 - Administrative expenses for the year ended 30 September 2025

	2025	2024
	£	£
Administration expenses		
Wages & salaries	203,155	193,940
Pension costs	19,582	17,027
Loan & share insurance	191,762	172,306
Repairs & maintenance	2,141	1,964
Printing, stationery & advertising	29,131	32,966
Postage & telephone	4,603	19,481
Computer costs	98,406	64,850
Chapter expenses	-	1,655
Travelling & subsistence expenses	2,941	5,944
Legal & professional	40,084	21,273
Affiliation fees	8,162	5,515
Audit fees	12,420	12,540
Bank charges	18,964	10,321
Education & training	3,975	3,436
Donations	470	2,760
General expenses	18,413	16,200
(Profit)/Loss on disposal of tangible assets	70,555	-
	<hr/>	<hr/>
	724,764	582,178
	<hr/>	<hr/>

COOKSTOWN CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2025

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1. Accounting policies

1.1. Legal and regulatory framework

Cookstown Credit Union Limited is established under the Credit Unions (Northern Ireland) Order 1985. The Credit Union is registered with the Department for the Economy and is regulated by the Financial Conduct Authority ("FCA") and Prudential Regulation Authority ("PRA"). The principal place of business is 16-18 Burn Road, Cookstown, Co. Tyrone, BT80 8DN.

1.2. Statement of compliance and basis of preparation

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").

The financial statements have been prepared on the historical cost basis.

1.3. Currency

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 £.

1.4. Going concern

Cookstown Credit Union Limited believe this is appropriate as the Credit Union is generating annual surpluses, maintains an appropriate level of liquidity and has reserves that are currently above the minimum requirements of the Prudential and Regulatory Authority and the Irish League of Credit Unions.

1.5. Income

Interest on members' loans

Interest on members' loans is recognised using the effective interest method, and is calculated and accrued on a daily basis.

Investment income

Interest on investments is calculated using the effective interest method, and is calculated and accrued on a daily basis.

Other Income

Other income such as commissions receivable on foreign exchange services or bad debts recovered arises in connection to specific transactions. Income relating to individual transactions is recognised when the transaction is completed.

1.6. Interest on minors' deposits

Interest on minors' deposits is recognised using the effective interest method.

COOKSTOWN CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2025

..... continued

1.7. **Dividends on shares and loan interest rebates**

Dividends are made from current year's surplus or the unappropriated surpluses set aside for that purpose. The Board's proposed distribution to members each year is based on the dividend and loan interest rebate policy of the Credit Union.

The rate of dividend and loan interest rebate recommended by the Board will reflect:

- The risk profile of the Credit Union, particularly in its loan and investment portfolios;
- The Board's desire to maintain a stable rather than a volatile rate of dividend each year and
- Members' legitimate dividend and loan interest rebate expectations;
- All dominated by prudence and the need to sustain the long-term welfare of the Credit Union.

For this reason the Board will seek to build up its reserves to absorb unexpected shocks and still remain above minimum regulatory requirements.

The Credit Union accounts for dividends and rebates of loan interest when members ratify such payments at the Annual General Meeting.

1.8. **Taxation**

Corporation tax is provided for on taxable interest from investments and grant income. All other income of the Credit Union is exempt from corporation tax

1.9. **Cash and cash equivalents**

Cash and cash equivalents comprise operating cash on hand and cash deposited with banks with original maturity or less than or equal to three months.

1.10. **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 when the Credit Union becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when, and only when, there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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

COOKSTOWN CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2025

..... continued

1.11. Basic financial assets

Basic financial assets are initially measured at the transaction price, including transaction costs, and are subsequently carried at amortised cost using the effective interest method. Basic financial instruments include the following:

Loans to members

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

Investments held at amortised cost

Investments held at amortised cost are measured at amortised cost using the effective interest method less impairment. This means that the investment is measured at the amount paid for the investment, minus any repayments of the principal; plus or minus the cumulative amortisation using the effective interest method of any difference between the amount at initial recognition and the maturity amount; minus, in the case of a financial asset, any reduction for impairment or un-collectability. This effectively spreads out the return on such investments over time but does not take account immediately of any impairment in the value of the investment. Cookstown Credit Union Limited's only investments are deposits with banks and other approved institutions.

1.12. Other receivables

Other receivables such as prepayments and accrued investment income are initially measured at transaction price including transaction costs and are subsequently measured at amortised cost using the effective interest method.

COOKSTOWN CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2025

..... continued

1.13 Impairment losses

Financial assets, other than those held at fair value, are assessed for indicators of impairment at the end of each reporting date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the expected cash flows discounted at the asset's original effective interest rate.

In the case of impairment of loans to members, the loans are assessed collectively in groups that share similar credit risk characteristics except for individually significant loans which are assessed on a loan by loan basis for impairment. Any impairment losses are recognised in the Income and Expenditure Account.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. the impairment reversal is recognised in the Income and Expenditure account.

1.14. De-recognition 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 to another party substantially all of the risks and rewards of ownership of the financial asset, 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.

In the case of loans to members, loans are derecognised, when the right to receive cash flows from the loans have expired, usually when all amounts outstanding have been repaid by the member. Cookstown Credit Union Limited does not transfer loans to third parties.

COOKSTOWN CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2025

..... continued

1.15. Basic financial liabilities

Basic financial liabilities are initially recognised at the transaction price, including transaction costs, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities are subsequently carried at amortised cost using the effective interest method.

Financial liabilities members' shares and deposits

Members' shares are redeemable and therefore are classified as financial liabilities. They are initially recognised at the amount of cash deposited and subsequently members' deposits are measured at amortised cost.

Other payables

Other payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Other payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.16. De-recognition of financial liabilities

Financial liabilities are derecognised when the obligations of the Credit Union specified in the contract are discharged, cancelled or expire.

1.17. Tangible fixed assets and depreciation

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

Depreciation is provided to write off the cost of each item less residual value of each asset over its estimated useful life, as follows:

Land and buildings	-	Not currently depreciated
Fixtures, fittings and equipment	-	10% reducing balance

It is the directors' belief that the carrying value of the building reflects the residual value. As such, no depreciation has been charged in the year. This will be reviewed on an annual basis.

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 recognised in the Income and Expenditure account.

COOKSTOWN CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2025

..... continued

2 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 Cookstown Credit Union Limited accounting policies. The areas requiring a higher degree of judgement, or complexity, and areas where assumptions or estimates are most significant to the financial statements, are disclosed below:

Impairment losses on loans to members

The Credit Union's accounting policy for impairment of financial assets is set out in note 1. Loan loss provisioning is monitored by the Credit Union, and the credit Union assesses and approves its provisions and provision adequacy on a quarterly basis. At all times the Credit Union ensures that its provisions meet the minimum requirements contained within the PRA Credit Union Rule book. Over and above the regulatory requirements, the Credit Union reviews the loan book for evidence of impairment. The estimation of loan losses is inherently uncertain and depends upon many factors, including loan loss trends, credit risk characteristics in loan classes, local and international economic climates, conditions in various sectors of the economy to which the Credit Union is exposed and other external factors such as legal and regulatory requirements. Credit risk is identified, assessed and measured through the use of rating and scoring tools with emphasis on months in arrears and other observable credit risk metrics. The ratings influence the management of individual loans. The credit rating triggers the impairment assessment and if relevant the raising of specific provisions on individual loans where there is doubt about their recoverability. Key assumptions underpinning the Credit Union's estimates of collective provisions for loans with similar credit risk characteristics are based on the historical experiences of the Credit Union's allied to the Credit Union's judgement of relevant conditions in the wider technological, market, economic or legal environment in which the Credit Union operates. If a loan is impaired, the impairment loss is the difference between the carrying amount of the loan and the present market value of the expected cash flows taking account of pledged shares and other security as appropriate. Assumptions are back tested with the benefit of experience. After a period of 12 months, when it is concluded that there is no real prospect of recovery of loans/part of loans which have been subjected to a specific provision, the Credit Union writes off that amount of the loan deemed irrecoverable against the specific provision held against the loan.

3. Interest on members' loans

	2025	2024
	£	£
Closing accrued loan interest receivable	24,767	26,254
Loan interest received in the year	774,841	726,056
Opening accrued loan interest receivable	(26,254)	(21,386)
Total interest on members' loans	<u>773,354</u>	<u>730,924</u>

COOKSTOWN CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2025

..... continued

1.18. Reserves

General reserve - Credit Unions are required to maintain and establish a minimum level of capital based on the value of assets held by the Credit Union in accordance with Part 8 of the PRA Credit Union Rulebook. Cookstown Credit Union Ltd holds total assets of more than £10 million and so its capital ratio is required to be a blended rate of 5% on the first £10million of assets and 8% on assets between £10 million and £50 million.

Unappropriated surplus - The unappropriated surplus is the accumulated surpluses to date that have not been declared as dividends or loan interest rebate returnable to members or set aside to the general reserve.

1.19. Employee benefits

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

The regular cost of providing retirement pensions and related benefits is charged to the profit and loss account over the employees' service lives on the basis of a constant percentage of earnings.

COOKSTOWN CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2025

..... continued

		2025	2024
		£	£
4.	Other interest income and similar income		
	Investment income and gains received by the Balance Sheet date	328,460	285,095
	Total Investment Income	<u>328,460</u>	<u>285,095</u>
5.	Pension costs		
	The company operates a defined contribution pension scheme in respect of the company. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £19,582 (2024 - £17,027).		
6.	Other Income		
		2025	2024
		£	£
	Entrance Fees	458	349
	Foreign Exchange Commission	7,877	2,640
	Corpoation Tax Refund	-	552
	Axa Commission	-	3,920
	Room Hire	1,340	-
		<u>9,675</u>	<u>7,461</u>
7.	Employees		
	Number of employees	2025	2024
	The average monthly numbers of employees during the year was:	7	7
	Employment costs	2025	2024
		£	£
	Wages and salaries	203,155	193,940
	Pension costs	19,582	17,027
		<u>222,737</u>	<u>210,967</u>

COOKSTOWN CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2025

..... continued

8. Tax on profit on ordinary activities

	2025	2024
	£	£
Current tax		
UK corporation tax	82,450	71,274

All income other than income from investments, room hire and grant income is exempt from Corporation Tax.

9. Loans to members

	2025	2024
	£	£
As at Balance as at 1st October	9,822,751	8,064,183
Loans granted	5,289,761	4,705,811
Repaid during the year	(3,764,871)	(2,911,165)
Loans written off	(103,552)	(36,078)
as at 30th September	<u>11,244,089</u>	<u>9,822,751</u>
Impairment allowances	-	-
Individual loans	(160,000)	(230,000)
Groups of loans	<u>(160,000)</u>	<u>(230,000)</u>
Loan provision	-	-
As at 30th September	<u>11,084,089</u>	<u>9,592,751</u>

COOKSTOWN CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2025

..... continued

10. Deposits and investments	2025	2024
	£	£
Fixed term deposits with banks	9,473,438	9,045,276
	<hr/>	<hr/>
	9,473,438	9,045,276
	<hr/>	<hr/>

The category of counterparties with whom the investments were held was as follows:

	2025	2024
	£	£
A1	615,158	446,943
A2	41,799	-
A3	-	92,746
Aa3	413	-
Not rated	8,816,068	8,505,587
	<hr/>	<hr/>
	9,473,438	9,045,276
	<hr/>	<hr/>

The category disclosed above is taken from www.moodys.com and is based on the most available information at the date of the approval of these financial statements.

COOKSTOWN CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2025

..... continued

11. Tangible fixed assets

	Land and buildings	Fixtures, fittings and equipment	Total
	freehold	£	£
Cost			
At 1 October 2024	3,473,548	264,923	3,738,471
Additions	78,721	-	78,721
Disposals	(285,716)	-	(285,716)
	<hr/>	<hr/>	<hr/>
At 30 September 2025	3,266,553	264,923	3,531,476
Depreciation			
At 1 October 2024	40,311	112,084	152,395
On disposals	(34,762)	-	(34,762)
Charge for the year	-	15,284	15,284
	<hr/>	<hr/>	<hr/>
At 30 September 2025	5,549	127,368	132,917
Net book values			
At 30 September 2025	3,261,004	137,555	3,398,559
At 30 September 2024	3,433,237	152,839	3,586,076

12. Prepayments, Accrued Income & Other Debtors

	2025	2024
	£	£
Prepayments & other debtors	15,001	13,636
Accrued interest	249,086	240,669
PAYE Repayable	31,313	-
	<hr/>	<hr/>
	295,400	254,305

13. Other payables

	2025	2024
	£	£
Other taxes and social security costs	-	2,347
Accruals and deferred income	821,636	592,340
Other creditors	291	1,300
	<hr/>	<hr/>
	821,927	595,987

COOKSTOWN CREDIT UNION LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2025**

..... continued

14. Members' shares	2025	2024
	£	£
Balance as at 1st October	19,390,667	18,759,854
Shares deposited	7,682,623	5,830,672
Dividend	191,850	141,417
Loan Interest Rebate	67,047	138,567
	27,332,187	24,870,510
Shares withdrawn	(6,254,053)	(5,479,843)
Balance as at 30th September	21,078,134	19,390,667

Members shares are repayable on demand except for shares attached to loans. The breakdown of the shares between attached and unattached is as follows:

	2025	2024
	£	£
Unattached shares	17,481,501	16,135,615
Attached shares	3,596,633	3,255,052
Balance as at 30th September	21,078,134	19,390,667

COOKSTOWN CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2025

..... continued

14.1. Credit risk disclosures

Cookstown Credit Union Limited does not offer mortgages and as a result all loans to members are unsecured, except that there are restrictions on the extent to which the borrowers may withdraw their savings whilst loans are outstanding. There are maximum amounts set down by the PRA in terms of what amount a member can borrow from the Credit Union.

The carrying amount of the loans to members represents Cookstown Credit Union Limited'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		
	£	%	£	%
Not impaired:				
Neither past due nor impaired	11,215,835	99.7%	9,764,700	99.4%
Gross loans impaired:				
More than 3 months past due	19,879	0.18%	19,168	0.20%
More than 6 months past due	4,200	0.04%	37,578	0.38%
More than 9 months past due	3,708	0.03%	1,305	0.01%
More than 12 months past due	467	0.00%	-	-%
Total gross loans	<hr/> 11,244,089	100.00%	9,822,751	100.00%
Impairment Allowance				
Individual loans	(160,000)		(230,000)	
Groups of loans	<hr/>		<hr/>	
Total carrying value	<hr/> 11,084,089		<hr/> 9,592,751	

15. Provision for doubtful debts

	2025	2024
	£	£
Opening Balance	230,000	230,000
Increase/(Decrease) in provision	(70,000)	-
	<hr/>	<hr/>
	160,000	230,000
	<hr/>	<hr/>

COOKSTOWN CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2025

..... continued

18. Insurance Against Fraud

Cookstown Credit Union Limited has insurance against fraud in compliance with the PRA handbook.

19. Dividend and Loan Interest Rebate

The dividend and any loan interest rebate are formally proposed by the directors after the year end and are confirmed at an AGM of the members. As a result the proposed dividend for the current year does not represent a liability at the Balance Sheet date and the dividend included in the Statement of Changes in Equity in the current year relates to dividends paid to members for the prior year.

The following distributions were made during the year:

		2025	2024
		£	£
Dividend paid during the year	1%	191,850	0.75% 141,417
Loan interest rebate paid during the year	Variable	67,047	20% 138,567
		<hr/> 258,897	<hr/> 279,984
		<hr/>	<hr/>

		2025	2024
		£	£
Proposed dividends and loan interest rebate			
Dividend proposed, but not recognised	1%	202,214	1% 190,859
Loan interest rebate proposed, but not recognised	Variable	44,686	Variable 68,486
		<hr/> 246,900	<hr/> 259,345
		<hr/>	<hr/>

Due to the reduced loan rates available, it has been proposed that a variable interest rebate be issued in the current year. The proposed rates are based on the following loan interest rates:

12% Loans	10%
4% - 9.95% Loans	5%

20. Post balance sheet events

During the year, the Credit Union incurred significant legal costs in relation to an ongoing legal case. The case remains unresolved at the reporting date, and the final outcome is expected to be determined within the next financial year. As no new information has arisen after the reporting period that would affect the amounts recognised in these financial statements, this matter is classified as a non-adjusting event in accordance with FRS 102 Section 32.

COOKSTOWN CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2025

..... continued

21. Cash and cash equivalents

	2025	2024
	£	£
Cash balances	279,862	248,287
Short term deposits with banks	645,464	539,878
	<hr/>	<hr/>
	925,326	788,165
	<hr/>	<hr/>

21.1. Loan provision account for impairment losses

	2025	2024
	£	£
Opening Balance	230,000	230,000
Increase/(Decrease) in loan provision during the year	(70,000)	-
	<hr/>	<hr/>
	160,000	230,000
	<hr/>	<hr/>

21.2. Net recoveries or losses recognised for the year

	2025	2024
	£	£
Bad debts recovered	(37,559)	(42,909)
Increase/(Decrease) in loan provision during the year	(70,000)	-
	<hr/>	<hr/>
	(107,559)	(42,909)
Loans written off	103,552	36,078
Net (recoveries)/losses on loans to members recognised during the year	(4,007)	(6,831)
	<hr/>	<hr/>

21.3. Interest Rate Risk Disclosure

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

	2025	Average Interest Rate %	2024	Average Interest Rate %
Financial Assets				
Gross loans to members	11,244,089	7.95%	9,822,751	7.79%
Financial Liabilities				
Members' Shares	21,078,134	1%	19,390,667	0.75%

The interest rates applicable on loans to members are variable. The dividend on shares and interest on deposits is determined on the basis of income less administrative expense.

COOKSTOWN CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2025

..... continued

21.4. Liquidity risk disclosures

All of the financial liabilities of the Credit Union are repayable on demand except for some members' shares which are attached to loans.

21.5. Fair value of financial instruments

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

21.6. Capital

Cookstown Credit Union Limited maintains sufficient reserves to buffer the Credit Union against any losses on its members' loans and also its investments. The current General Reserve is in excess of the minimum requirement set down by the PRA, and stands at 10.9% of the total assets of the Credit Union at the balance sheet date.

22. Related Party Transactions

Directors of the Credit Union during the financial year ended 30 September 2025 operated share and loan accounts with the Credit Union. The following transactions and balances existed with members who were Directors during the financial year ended 30 September 2025:

Shares	2025	2024
	£	£
Opening balance	89,997	83,133
Shares deposited	53,054	47,257
Dividend/loan interest rebate	1,293	2,247
Withdrawals	(53,217)	(42,640)
Closing balance	<u>91,127</u>	<u>89,997</u>

Loans	2025	2024
	£	£
Opening balance	124,645	111,186
Loans granted	76,400	41,656
Loans repaid	(35,308)	(28,197)
Closing balance	<u>165,737</u>	<u>124,645</u>

COOKSTOWN CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2025

..... continued

23. Minors' funds

	2025	2024
	£	£
Monies held in bank & deposit accounts	1,170,233	1,133,924
Interest receivable	2,817	1,485
Owed from seniors	701,994	572,217
Corporation tax	(8,605)	-
	<hr/>	<hr/>
	1,866,439	1,707,626
	<hr/>	<hr/>

Minors' deposits

	2025	2024
	£	£
Minor accounts	1,808,274	1,660,015
Available for distribution to minors	58,165	47,611
	<hr/>	<hr/>
	1,866,439	1,707,626
	<hr/>	<hr/>