EASTERN SAVINGS AND LOANS CREDIT UNION LTD

Firm Reference No 213756

Registered No IP00658C

DIRECTORS REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST MARCH 2026

EASTERN SAVINGS AND LOANS CREDIT UNION LTD

ADMINISTRATIVE INFORMATION

Directors	Ruth Wailes Julie Mansfield Les Abbie Graham Evans Dominic Williams Sally Chicken Glen Chisholm Nika Watt Bob Palmer
Secretary	Julie Mansfield
Society Registration Number	IP00658C
Financial Conduct Authority Registration Number	213756
Registered Office	61-63 Austin Street Ipswich Suffolk IP2 8DF
Auditors	Lindley Adams Limited Chartered Accountants and Statutory Auditors 28, Prescott Street Halifax, HX1 2LG
Bankers	Lloyds Bank Plc 25 Gresham Street London EC2 7HN United Trust Bank Ltd One Ropemaker Street London EC2Y 9AW The Co-operative Bank Plc P.O. Box 101 1 Balloon Street Manchester M60 4EP Redwood Bank The Nexus Building Broadway Letchworth Garden City Herts, SG6 3TA Cambridge & Counties Bank Ltd Charnwood Court New Walk Leicester LE1 6TE

EASTERN SAVINGS AND LOANS CREDIT UNION LTD

CONTENTS

EASTERN SAVINGS AND LOANS CREDIT UNION LTD

DIRECTORS' REPORT
FOR THE YEAR ENDED 31st MARCH 2026

The Directors present their report and the financial statements for the year ended 31 March 2026.

Principal activity and Business Review
The principal activities of the credit union are the promotion and encouragement of regular saving and prudent borrowing by its members, as defined in the Credit Unions Act 1979.

Results and Dividends
The surplus for the year, after taxation, after acquisitions amounted to £48,338 (2025 - £25,947)). In addition, there were 3,810 (2025 - 3,245) adult members with 1,916 (2025 - 1,697) members holding loans with the Credit Union.

As highlighted in note 23 of the financial statements, the credit union expanded its operations through a strategic merger with Holdfast Credit Union. In the financial statements you will see various figures stated as being "On Acquisition", this is because Financial Reporting Standards require us to account for the merger using the acquisition accounting method. The credit union will consider future expansion of its common bond, once the required legislation is updated.

In the meantime, the Directors have approved the payment of 1.5% junior interest and recommend the payment of a 0.7% dividend for adult and corporate members at the period end date of 31st March 2026. This will be voted upon at the Annual General Meeting.

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

Ruth Wailes
Julie Mansfield
Les Abbie
Graham Evans
Dominic Williams
Sally Chicken
Glen Chisolm
Nika Watt
Bob Palmer – Appointed November 2025

Financial risk management objectives and policies
The main financial risks arising from the Credit Union's activities are credit risk, liquidity risk and interest-rate risk. The Board reviews and agrees policies for managing each of these risks and these are summarised below:

- Credit Risk: All loan applications are assessed with reference to the Credit Union's lending policy. Changes to policy are approved by the Board.
- Interest Rate Risk: The main interest rate risk arises from differences between interest rate exposures on assets and on liabilities that form an integral part of the credit union's operations. The Credit Union considers interest rates when deciding on the dividend rates to propose on share accounts.
- Liquidity Risk: The Credit Union's policy is to maintain sufficient funds in a liquid form at all times to ensure that the Credit Union can meet its liabilities as they fall due. The objective of liquidity is to help smooth mismatches between maturing assets and liabilities and to provide a degree of protection against any unexpected developments that may arise.

These areas are outlined in greater detail in section 15 of the Notes to the Financial Statements.

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

Credit Union legislation requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102 "The Financial Reporting Standard applicable in the UK and Ireland" (United Kingdom Accounting Standards and applicable law). Under Credit Union legislation the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the credit union and of the surplus or deficit of the Credit Union for that year. In preparing these financial statements, the directors are required to:

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

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

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

This report was approved by the Board on 20/July/2026 and signed on its behalf by:

Name of Director 1: Ruth Wailes

Signature: Ruth Wailes
~~Ruth Wailes (Jul 16, 2026, 1:39pm)~~

Name of Director 2: Robert Palmer

Signature: R Palmer
~~Robert Palmer (Jul 16, 2026, 9:42am)~~

REPORT OF THE INDEPENDENT AUDITOR TO EASTERN SAVINGS AND LOANS CREDIT UNION LTD

OPINION

We have audited the financial statements of Eastern Savings and Loans Credit Union Ltd (the 'credit union') for the year ended 31 March 2026 which comprise revenue account, balance sheet, statement of changes to retained earnings, cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the credit union's affairs as at 31 March 2026 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014 and the Credit Unions Act 1979.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the credit union in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances as set out in note 22 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

OTHER INFORMATION

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- a satisfactory system of control over transactions has not been maintained;
- the financial statements are not in agreement with the books of account; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF THE BOARD

As explained more fully in the Statement of Directors' responsibilities set out on page 2, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the Credit Union's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intend to liquidate the Credit Union or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

We obtained an understanding of the legal and regulatory frameworks that are applicable to the credit union and determined that the following were most relevant: FRS 102, Co-operative and Community Benefit Societies Act 2014 and the Credit Unions Act 1979. Our approach to identifying and assessing the risks of material misstatement in respect of irregularities. Including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations irrespective of the size of amounts involved;
- we enquired of management the systems and controls the credit union has in place, the areas of the financial statements that are mostly susceptible to the risks of irregularities and fraud (which we outline below) and whether there was any known, suspected or alleged fraud;
- we identified the laws and regulations applicable to the credit union through discussions with senior management;
- identified laws and regulations were communicated within the audit team who remained alert to instances of non-compliance throughout the audit.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including override of controls) and addressed the risk through:

- making enquiries of those charged with governance as to their knowledge of actual, suspected and alleged instances of fraud;
- considering the internal controls in place to mitigate the risks of fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed our audit procedures which included, but were not limited to:

- reviewing the financial statements disclosures and determining whether accounting policies have been appropriately applied;
- obtaining third party confirmation of bank balances;
- reviewing the minutes of meetings of those charged with governance;
- reviewing relating party transactions of those charged with governance and determining whether the information provided is complete and appropriately disclosed in the financial statements;
- reviewing correspondence from professional advisors and regulators;
- reviewing and testing the internal controls in place for loans and savings and determining whether controls have been appropriately applied;
- reviewing and testing of revenue recognition processes and determining completeness of income;
- checking expenses are bona fide transactions of the credit union, and;
- reviewing post balance sheet and subsequent events, both financial and non-financial, that have occurred in the period between the financial year end and the signing of the audit report.

There is a risk that we will not detect all irregularities, including fraud, because of the inherent limitations of an audit, including those leading to a material misstatement in the financial statements of non-compliance with regulations. The areas in the financial statements that are most susceptible to fraud are Loans and Advances to Members and Subscribed Capital. We have investigated in particular where there is:

- Inadequate responses to third party confirmations of bank balances;
- Impairment losses stated below the minimum requirements laid down by credit union prudential guidelines.

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

USE OF OUR REPORT

This report is made solely to the credit union, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the credit union those matters we are required to state to it in a Report of the auditor's and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the credit union, for our audit work, for this report, or for the opinions we have formed.

....

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

Date 20 / July / 2016

EASTERN SAVINGS AND LOANS CREDIT UNION LTD

Revenue Account for the year ended 31 March 2026

	Note	2026	2025
		£	£
Loan Interest receivable and similar income	4	314,963	275,650
Interest payable	5	(8,924)	(19,980)
Net interest income		**306,039**	**255,670**
Fees and commissions receivable	6	44,321	42,580
Fees and commissions payable		(16,292)	(13,740)
Net fees and commissions receivable		**28,029**	**28,840**
Other income	7	10,330	36,528
Administrative expenses	8a	(211,317)	(206,291)
Depreciation and amortisation	11	(12,481)	(5,845)
Other operating expenses	8b	(60,060)	(52,466)
Impairment losses on loans to members	12e	(26,416)	(23,059)
Surplus Before Taxation		**34,124**	**33,377**
Taxation		(7,392)	(7,430)
Surplus for the Financial Year		**26,732**	**25,947**
Gain on acquisition	23	21,606	0
Total comprehensive income		**48,338**	**25,947**

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

EASTERN SAVINGS AND LOANS CREDIT UNION LTD

Balance Sheet as at 31 March 2026

	Note	2026 £	2025 £
ASSETS			
Loans and advances to banks	16	1,513,595	1,132,238
Loans and advances to members	12	906,567	782,856
Tangible fixed assets	11	40,833	46,930
Prepayments and accrued income		13,173	14,761
Total assets		**2,474,168**	**1,976,785**
LIABILITIES			
Subscribed capital - repayable on demand	13	1,972,873	1,477,446
Other payables	14	160,686	207,068
		2,133,559	1,684,514
Retained earnings		340,609	292,271
Total liabilities		**2,474,168**	**1,976,785**

The financial statements were approved, and authorised for issue by the board on 20/July/2026 and signed on its behalf by:

Ruth Wailes

Ruth Wailes (Jul 16, 2026, 1:39pm)
Director

R Palmer

Robert Palmer (Jul 16, 2026, 9:42am)
Director

Julie Mansfield

Julie Mansfield (Jul 16, 2026, 9:20pm)
Secretary

EASTERN SAVINGS AND LOANS CREDIT UNION LTD

Statement of Changes in Retained Earnings for the year ended 31 March 2026

	Note	2026	2025
		£	£
As at 1 April 2025		292,271	266,324
Total comprehensive income for the year		48,338	25,947
As at 31 March 2026		**340,609**	**292,271**

Movement in reserves

	Retained earnings		
	General reserve	Deferred Shares reserve	**Total Reserves**
As at 1 April 2025	288,771	3,500	**292,271**
Surplus for year	48,338	0	**48,338**
Other movements	0	0	**0**
As at 31 March 2026	**337,109**	**3,500**	**340,609**

EASTERN SAVINGS AND LOANS CREDIT UNION LTD

Cash flow statement for the year ended 31 March 2026

			Note	2026	2025
Cash Flows from operating activities				£	£
Surplus/(Deficit) before taxation				34,124	33,377
Adjustments for non-cash items					
	Depreciation	Charge	11	12,481	5,845
		On Acquisition	11	551	0
	Subordinated loan		20	0	(13,000)
	Impairment losses	Cost	12e	27,533	24,568
		On Acquisition	12d	18,927	0
				59,492	**17,413**
Movements in:					
	Prepayments and accrued income			1,588	7,663
	Other payables			(46,344)	(88,468)
				(44,756)	**(80,805)**
Cash flows from changes in operative assets and liabilities					
Cash inflow from subscribed capital			13	6,033,202	5,674,632
Cash outflow from repaid capital			13	(5,537,775)	(5,773,133)
New loans to members			12a	(1,198,070)	(1,022,888)
Repayment of loans by members			12a	1,027,899	929,878
				325,256	**(191,511)**
Taxation paid				(7,430)	(9,720)
Net Cash flows from operating activities				**366,686**	**(231,246)**
Cash flows from investing activities					
Purchase of property, plant and equipment			11	(6,935)	(31,506)
Net cash flow from managing liquid deposits			16	(360,766)	(23,859)
Net inflow from acquisition			23	21,606	0
				(346,095)	**(55,365)**
Net decrease in cash and cash equivalents				**20,591**	**(286,611)**
Cash and cash equivalents at beginning of the year				578,220	864,831
Cash and cash equivalents at end of year			16	**598,811**	**578,220**

EASTERN SAVINGS AND LOANS CREDIT UNION LTD

Notes to the Financial Statements for the year ended 31 March 2026

1 Legal and regulatory framework

The Credit Union is a society established under the Co-operative and Community Benefit Societies Act 2014, whose principal activity is to operate as a credit union, within the meaning of the Credit Unions Act 1979. The Credit Union has registered with the Financial Conduct Authority and is regulated by the Prudential Regulation Authority under the provisions of the Financial Services and Markets Act 2000.

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

2 Accounting policies

Basis of preparation

These financial statements have been prepared in accordance with FRS 102 - the Financial Reporting Standard applicable in the UK and Ireland.

The financial statements are prepared on the historical cost basis.

Going concern

The directors of the Credit Union believe that it is appropriate to prepare the financial statements on the going concern basis. In accordance with PRA Rulebook Guidelines outlined in Section 8.5 (1), the credit union must maintain a minimum Capital-To-Total Assets ratio of 3%.

	2026	**2025**
The relevant ratios are:-	13.77%	14.79%

Income

Loan interest receivable and similar income: Interest on both loans to members and loans to banks (i.e. cash and cash equivalents held on deposit with other financial institutions) is recognised using the effective interest method, and is calculated and accrued on a daily basis. Exempt interest on members' loans is not recognised.

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

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

Taxation

The tax charge for the year reflects current tax payable. Current tax is the expected corporation tax payable for the year, using tax rates in force for the year. The Credit Union is not liable to corporation tax payable on its activities of making loans to members, and investing surplus funds, as these are not classified as a trade. However, corporation tax is payable on investment income.

As a result of the limited activities of the Credit Union from which profits are chargeable to corporation tax, it is unlikely that deferred tax will arise.

Deferred grants and funding / revenue contributions

Deferred grants in respect of capital expenditure are credited to the income and expenditure account over the estimated useful life of the relevant fixed assets. Deferred grants and funding in respect of revenue items are credited to the income and expenditure account over the period to which they relate or to match the relevant expenditure. The grants / funding shown in the balance sheet represent the grants / funding receivable to date less the amount so far credited to the income and expenditure account.

EASTERN SAVINGS AND LOANS CREDIT UNION LTD

Notes to the Financial Statements for the year ended 31 March 2026 (continued)

2 Accounting policies (cont.)

Tangible fixed assets

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

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

Office equipment & furniture	4 years
Computers, software and hardware	3 years
Building alterations	10 years

Cash and cash equivalents

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

Financial assets – loans and advances to members

Loans to members are financial assets with fixed or determinable payments. Loans are made to members for provident or productive purposes on such security (or without security) and terms as the rules of the Credit Union provide. Loans are recognised when cash is advanced to members and measured at amortised cost using the effective interest method.

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

Impairment of financial assets

The Credit Union assesses, at each balance sheet date, if there is objective evidence that any of its loans to members are impaired. The loans are assessed collectively in groups that share similar credit risk characteristics, because no loans are individually significant. In addition, if, during the course of the year, there is objective evidence that any individual loan is impaired, a specific loss will be recognised.

Any impairment losses are recognised in the revenue account, as the difference between the carrying value of the loan and the net present value of the expected cash flows.

Financial liabilities – subscribed capital

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

Employee benefits

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

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

Reserves

Retained earnings are the accumulation of surplus and deficits to date.

Operating lease commitments

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

Strategic mergers

The Strategic Merger with Holdfast Credit Union has been accounted for using the acquisition method. This method will be applied to any subsequent Strategic Mergers, there are no other Strategic Mergers planned at this time.

EASTERN SAVINGS AND LOANS CREDIT UNION LTD

Notes to the Financial Statements for the year ended 31 March 2026 (continued)

3 Use of estimates and judgements

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

Impairment losses on loans to members

Impaired losses are stated after specifically reviewing all loans in arrears. Whilst the criteria used is whether the loan will be repaid within the term of the loan based upon the current regular pattern of repayments, the Directors have opted to apply the provisioning, under the regulatory standard, at various percentages based on the weeks the loans are in arrear, as outlined in section 3.11 of the Prudential Regulation Authority rulebook for Credit Unions.

4 Loan interest receivable and similar income

	2026	2025
	£	£
Loan interest receivable from members	276,058	236,547
Bank interest receivable from cash and liquid deposits	38,905	39,103
Total loan interest receivable and similar income	**314,963**	**275,650**

5 Interest expense

The adult and corporate members' interest expense is paid for the prior year. The interest is agreed by the Board of Directors after the year end. As a result it does not represent a liability at the balance sheet date.

	2026	2025
	£	£
Adult and corporate interest paid	8,924	19,980
Junior interest paid during the year	1,972	2,535
Adult and corporate interest rate	0.70%	1.00%
Junior interest rate	1.50%	1.50%
Adult and corporate members' interest proposed, but not recognised	13,175	8,796
Junior interest	2,479	1,974
Adult and corporate members' interest rate (annual rate)	0.70%	0.70%
Junior interest rate (annual rate)	1.50%	1.50%

6 Fees and commissions receivable

	2026	2025
	£	£
Entrance fees	2,924	2,608
Member service charges	41,397	37,030
Other fees	0	2,942
Total fees and commissions receivable	**44,321**	**42,580**

7 Other Income

	2026	2025
	£	£
Grants released	10,330	18,393
Service level agreement income	0	3,266
Donations and other income	0	14,869
	10,330	**36,528**

8 Expenses

	Note	2026	2025
		£	£
Administrative expenses	8a	211,317	206,291
Depreciation and amortisation	11	12,481	5,845
Other operating expenses	8b	60,060	52,466
		283,858	**264,602**

EASTERN SAVINGS AND LOANS CREDIT UNION LTD

Notes to the Financial Statements for the year ended 31 March 2026 (continued)

8a Administrative Expenses

	Note	2026	2025
		£	£
Employment costs	9b	131,148	124,672
Training and Conference		780	600
Advertising and Publicity		22,687	31,621
Auditors remuneration	8c	8,200	7,200
Telephone		3,956	3,031
Computer costs		25,742	27,838
Merger expenses		7,903	0
General expenses		3,853	2,981
Printing, Postage and Stationery		4,698	3,799
Loan fees		0	2,300
Other insurances		338	314
Junior interest		2,012	1,935
Total Administrative Expenses		**211,317**	**206,291**

8b Other Operating Expenses

	2026	2025
Cost of occupying offices (excluding depreciation)	£	£
Rents and Rates	14,209	13,009
Cleaning	160	259
Repairs and Maintenance	1,285	154
Heating and Lighting	3,251	3,375
	18,905	16,797
Regulatory and financial management costs		
Financial Conduct Authority and Prudential Regulation Authority Fees and FSCS fee	280	275
National Body Dues	2,219	1,948
Fidelity Insurance	1,910	1,849
Loan Protection and life savings insurance	19,577	16,745
Debt recovery fees & credit checks	17,169	14,852
	41,155	35,669
Total Other operating Expenses	**60,060**	**52,466**

8c Auditors remuneration

The Credit Union voluntarily presents an analysis of its auditors' remuneration in accordance with Companies (Disclosure of Auditor Remuneration and Liability Limitation Agreements) Regulations 2008.

	2026	2025
	£	£
Fees payable for the audit of the Credit Union's annual accounts	8,110	7,110
Fees payable to the Credit Union's Auditor for other services:		
Services relating to taxation	90	90
Total Auditors remuneration	**8,200**	**7,200**

9 Employees and employment costs

9a Number of employees

	2026	2025
The average monthly number of employees during the year were:	Number	Number
Office staff	7	7

9b Employment costs

	2026	2025
	£	£
Wages and salaries	120,592	114,877
Social security costs	7,806	7,445
Payments to defined contribution pension schemes	2,750	2,350
Total employment costs	**131,148**	**124,672**

EASTERN SAVINGS AND LOANS CREDIT UNION LTD

Notes to the Financial Statements for the year ended 31 March 2026 (continued)

9c Key Management Remuneration

The Directors of the Credit Union are all unpaid volunteers. The key management team for the Credit Union includes the credit union chief executive officer and 2 senior staff (2025: chief executive officer and 2 senior staff).

	2026	2025
	£	£
Short term employee benefits	89,056	81,728
Payments to defined contribution pension schemes	1,821	1,692
Total key management personnel compensation	**90,877**	**83,420**

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

10 Taxation

10a Recognised in the Revenue Account

The taxation charge for the year, based on the small profits rate of Corporation Tax of 19% (2025 19%) comprised:

	Note	2026	2025
Current tax		£	£
UK Corporation tax	10b	7,392	7,430
Total current tax and total taxation expense recognised in the Revenue Account		**7,392**	**7,430**

10b Reconciliation of taxation expense

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

	2026	2025
	£	£
Surplus Before Taxation	34,124	33,377
Surplus before taxation multiplied by the small profits rate of corporation tax in the UK of 19% (2025 19%)	6,484	6,342
Effects of:		
Non-taxable deficit on transactions with members	908	1,088
Total tax charge for the year	**7,392**	**7,430**

11 Tangible Fixed Assets

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

		Office equip & furniture	Building alterations	Computers, software and hardware	Total
Cost		£	£	£	
As at 1 April 2025		4,118	54,581	65,055	**123,754**
Additions	Cost	0	2,958	1,777	**4,735**
	On acquisition	0	0	2,200	**2,200**
Disposals		0	(429)	(9,389)	**(9,818)**
As at 31 March 2026		**4,118**	**57,110**	**59,643**	**120,871**
Depreciation					
As at 1 April 2025		4,118	54,078	18,628	**76,824**
Charge for the year		0	603	11,878	**12,481**
Charge on acquistition		0	0	551	**551**
Charge on disposal		0	(429)	(9,389)	**(9,818)**
As at 31 March 2026		**4,118**	**54,252**	**21,668**	**80,038**
Net Book Value					
As at 31 March 2026		**0**	**2,858**	**37,975**	**40,833**
As at 31 March 2025		0	503	46,427	**46,930**

EASTERN SAVINGS AND LOANS CREDIT UNION LTD

Notes to the Financial Statements for the year ended 31 March 2026 (continued)

12 Loans and advances to members

12a Loans and advances to members

		Note	2026	2025
			£	£
As at 1 April 2025			992,671	932,712
On Acquisition		23	83,759	0
Advanced during the year			1,114,311	1,022,888
Interest receivable			276,058	236,547
Repaid during the year			(1,303,957)	(1,166,425)
Gross loans and advances to members		12b	**1,162,842**	**1,025,722**
Impairment losses:	Individual financial assets	12b, 12e	(34,997)	(33,051)
	Groups of financial assets	12d	(221,278)	(209,815)
		12c	**(256,275)**	**(242,866)**
As at 31 March 2026			**906,567**	**782,856**

12b Memorandum - Total loan assets regulatory purposes

	Note	2026	2025
		£	£
Gross loans and advances to members		1,162,842	1,025,722
Impairment of individual financial assets		(34,997)	(33,051)
Total loan assets for regulatory purposes	15b	**1,127,845**	**992,671**

12c Credit risk disclosures

The credit union does not offer mortgages and as a result all loans to members are unsecured, except where there are restrictions on the extent to which borrowers may withdraw their savings whilst loans are outstanding. In addition to this, loans are secured by loan guarantee funds (total £42,580, 2025: £46,179)

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.

	2026		2025	
Not impaired:	**Amount**	**Proportion**	**Amount**	**Proportion**
Neither past due nor impaired	870,375	74.86%	707,397	68.97%
Up to 3 months past due	19,253	1.66%	26,177	2.55%
Between 3 and 6 months past due	0	0.00%	0	0.00%
Between 6 and 9 months past due	0	0.00%	0	0.00%
Between 9 months and 1 year past due	0	0.00%	0	0.00%
Over 1 year past due	0	0.00%	0	0.00%
Sub-total: loans not impaired	**889,628**	**76.52%**	**733,574**	**71.52%**
Individually impaired:				
Not yet past due, but impaired	0	0.00%	0	0.00%
Up to 3 months past due	0	0.00%	0	0.00%
Between 3 and 6 months past due	12,613	1.08%	10,974	1.07%
Between 6 and 9 months past due	16,078	1.38%	6,209	0.61%
Between 9 months and 1 year past due	8,066	0.69%	11,930	1.16%
Over 1 year past due	236,457	20.33%	263,035	25.64%
Sub-total: loans individually impaired	**273,214**	**23.48%**	**292,148**	**28.48%**
Total loans	**1,162,842**	**100.00%**	**1,025,722**	**100.00%**
Impairment allowance	(256,275)		(242,866)	
Total carrying value	906,567		782,856	

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

EASTERN SAVINGS AND LOANS CREDIT UNION LTD

Notes to the Financial Statements for the year ended 31 March 2026 (continued)

12d Allowance account for impairment losses

	Note	2026	2025
		£	£
As at 1 April 2025		209,815	218,298
Allowance for impairment losses on merger	23	18,927	0
Allowance for losses made/(reversed) during the year		23,041	35,140
Allowances reversed during the year		(30,505)	(43,623)
Increase (decrease) in allowance during the year	12e	**11,463**	**(8,483)**
As at 31 March 2026		**221,278**	**209,815**

12e Impairment losses recognised for the year

	2026	2025
	£	£
Impairment of individual financial assets	34,997	33,051
Decrease in impairment allowances during the year	(7,464)	(8,483)
	27,533	**24,568**
Reversal of impairment where debts recovered	(1,117)	(1,509)
Total impairment losses recognised for the year	**26,416**	**23,059**

13 Subscribed capital - financial liabilities

	Note	2026	2025
		£	£
As at 1 April 2025		1,477,446	1,575,947
Received on acquisition	23	545,261	0
Received during the year		5,479,017	5,654,652
Interest paid during the year		8,924	19,980
Repaid during the year		(5,537,775)	(5,773,133)
As at 31 March 2026		**1,972,873**	**1,477,446**

Deposits from members made by way of subscription for shares. The balance includes deposits made by juvenile depositors - £128,495 (2025 - £137,884).

14 Other payables

	2026	2025
	£	£
UK Corporation tax	7,392	7,430
Creditors and accruals	24,510	18,440
Loan Guarantee Funds	120,949	178,698
Grants carried forward: Revenue	7,835	2,500
	160,686	**207,068**

15 Additional financial instruments disclosures

15a Financial risk management

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

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

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

EASTERN SAVINGS AND LOANS CREDIT UNION LTD

Notes to the Financial Statements for the year ended 31 March 2026 (continued)

Financial risk management (cont.)

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

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

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

15b Interest rate risk disclosures

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

	2026		2025	
	Amount	**Average Interest Rate**	**Amount**	**Average Interest Rate**
Financial assets	**£**	**%**	**£**	**%**
Loans to members	1,127,845	26.04%	992,671	24.57%

The interest rates applicable to loans to members are fixed and range from 6% (6.17% APR) to 36% (42.58% APR).

15c Liquidity risk disclosures

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

15d Fair value of financial instruments

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

16 Cash and cash equivalents

	2026	**2025**
	£	£
Loans and advances to banks	1,513,595	1,132,238
Less: amounts maturing after three months	(914,784)	(554,018)
Total cash and cash equivalents	**598,811**	**578,220**

17 Post balance sheet events

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

18 Contingent liabilities

The Credit Union participates in the Financial Services Compensation Scheme (FSCS) and therefore has a contingent liability, which cannot be quantified, in respect of contributions to the FSCS, as required by the Financial Services and Markets Act 2000. The Financial Conduct Authority (FCA) has provided details of how the calculation of next year's contribution towards the FSCS will be calculated and full provision has been included for this liability. However this is subject to future changes in interest rates and levels of deposits held by UK deposit takers. Therefore there is inherent uncertainty regarding the totality of the levy that the Credit Union will have to pay.

EASTERN SAVINGS AND LOANS CREDIT UNION LTD

Notes to the Financial Statements for the year ended 31 March 2026 (continued)

19 Related Party Transactions

During the year, 24 members of the board, staff, volunteers, their close family members and connected corporate members held shares with the credit union (2025: 23 members). 1 member from the board, staff, volunteers or their close family members, were issued with or carried loans with the Credit Union (2025: 0 members).

A key member of staff at the Credit Union is also a director with All Together Money (formerly ABCUL) a national trade association. The credit union is affiliated with All Together Money and have paid £3,232 in training and annual subscriptions during the financial year.

20 Operating Lease Agreements

	2026	2025
Minimum lease payments under non-cancellable operating leases fall due as follows:	£	£
Within one year	13,000	2,083
Within two and five years	52,000	0
More than five years	121,488	0
	186,488	**2,083**

21 Financial Commitments

	2026	2025
The credit unions only financial commitments are the operating lease payments.	£	£
Contracted but not provided for in the financial statements	186,488	2,083

22 Non-audit services

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

23 Exceptional Items

On 25 September 2025 Eastern Savings and Loans Credit Union Ltd took on the assets and liabilities of Holdfast Credit Union Ltd, this resulted in a gain of **£21,606** as represented in Other Comprehensive Income.

During the acquisition the credit union received **£545,261** in Subscribed capital and **£83,759** in Loans and Advances to members, with **£18,927** deducted in impairment allowances.