



Annual Report and Financial Statements for the year Ending 31st March 2025



Acorn Community Bank is the trading name of Wiltshire and Swindon Credit Union Limited

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1. Chair's Introduction

I am delighted to be able to present to you the second annual report for Acorn Community Bank, covering the twelve months to March 2025.

This past year has been one of steady growth and consolidation, following the merger between Wiltshire and Swindon Credit Union, Swan Community Bank and The Clivey Credit Union in 2023. It has seen the number of our active members rise from 5,249 to 6,395, with the demand for loans remaining high. We recognise that many of our members have struggled to save money on a regular basis, due to the difficult economic conditions. To help them, we have introduced a number of savings incentive schemes, backed by the Illegal Money Lending Team, to encourage them as much as possible. We have also run a very successful Financial Inclusion project in Salisbury, which has been welcomed from many areas of the community, with the aim of helping people manage their money better. You will find more details of these in the Management Report below.

I should like to pay tribute to Nick Gallop, my predecessor as Chair, for his hard work over the past five years and his guiding hand which has enabled our credit union to flourish. I would like to extend my thanks to all members of our Board of Directors who have volunteered their time in ensuring our organisation is well run and governed, putting us in a very strong position to face the challenges of the future.

Our vision for the future is that we will grow quickly after a year of consolidation, aiming to match the government's expectation of the credit union movement doubling in size over five years. Our aim is to improve the service we offer to our members, both in terms of the products we offer and also the way we work with them to improve their financial lives. To achieve this, the Board took a strategic decision earlier this year to invest in its operational staff during the current financial year (2025-26). The addition of a full-time professional Chief Executive Officer post (Clive Henly) is a key element of this strategy. This appointment from 1st April 2025 is a very important step up for the future growth and professionalism of Acorn Community Bank. Prior to this appointment, Clive had been our volunteer General Manager and director for over 11 years.

I am also delighted to say that Acorn Community Bank was awarded Best Credit Union (South) in the 2025 Consumer Credit Awards. These awards are based on the votes of our members and the general public; and illustrate that our members recognise the excellent service we are providing.

This annual report consists of three main sections:

- The Management Report. This gives more detail about the results for the year, how we have grown as a credit union and the various activities we have undertaken in working for our members. It also looks at the current year (2025-26) and the initiatives we are working on
- The Directors' Report. This summarises the activities and responsibilities of the board of directors, the overall results for the financial year and the recommendation to the membership regarding the dividend payment
- The Independent Auditor's report, which is an assessment of our position as a going concern. This is followed by the auditor's detailed financial statement with accompanying notes.

The report will be considered and approved by the Board of Directors and then put forward for approval at the Annual General Meeting (AGM) in September 2025. At the AGM we will also ask members to agree the proposed dividend for the year, and vote for new Directors to our Board of unpaid volunteers.

Philip Turnbull

Chair, Acorn Community Bank

2. Management Report

Our Growth

During the year our overall membership grew from 9,203 to 9,961, a rise of 8.2%. Our active membership (those members who have transacted with us during those twelve months) grew from 5,249 to 6,395 – a very encouraging increase of 21.8%, showing the increased level of engagement, we have been able to foster with our established members, as well as those who are new to the credit union. Of our active members, 3,895 had both savings and loans at the end of March 2025, while 3,330 were savers only.

Over the twelve months we granted 4,398 loans with a value of £2.19m, meaning that our members avoided this amount of high-interest lending and around half a million pounds high-interest payments which was thus available to spend in the local economy. At the end of March 2025 our gross loan portfolio stood at 2.32m, down slightly from 2.40m at the end of the previous year. Delinquency (measured as the increase in provisioning as a proportion of the loan portfolio) was a challenge to us throughout the year, with an overall rate of 5.9%, above our target of 5.0%.

The overall level of member savings fell slightly during the year from £3.58m to £3.54m. However, this masks a significant increase in the amount of money our members have invested in savings incentive schemes, often creating a saving pot for the first time in their lives. By the end of March our members had saved over £68,000 in such schemes. These included:

- Our **Christmas Savers** Club, with over 200 members savings each month between January and October
- The national Credit Union **PrizeSaver** scheme, with 363 of our members participating with a chance to win up to £5,00 in a monthly draw
- Our **Uniform Saver** ** scheme, encouraging members to save in preparation for the start of the new school year in the autumn term
- Our **Acorn Saver** ** product, encouraging first-time savers to set aside a small sum regularly, to kick-start a savings habit

** These schemes have been generously supported by the Illegal Money Lending Team, who provide the funds for bonuses to be paid out on these accounts.

Our overall surplus for the year was £12,082, which was below our target for the year, due to slower lending growth than planned and the higher provisions for bad debts. Nevertheless, our capital/assets ratio increased from 7.48% to 7.70%, underlining what had been a solid year of consolidation.

Social Impact and Financial Inclusion

In April 2024 we started a 12-month project in Salisbury, backed by Wiltshire Council's Health Inequality Fund. This recognised that financial stress is one of the causes of more general health issues, and that the relief of this problem was a large factor in improving well-being. Over the course of the project, over 242 people were referred to the team, with over 450 meetings. Meetings focused on understanding clients' financial position, helping them apply for outstanding benefits and helping them create a budget for the future. By the end of the period, we had created a network of around 30 referral organisations, including housing associations, care organisations and charities, with the number of referrals rising steadily each month.

Although the project formally ended in May 2025, we have managed to continue the work, though on a scaled-down basis. We have managed to secure some short-term funding, and we are hopeful that we will be able to obtain some longer-term funding soon. It has been hailed across the Salisbury community as being a tremendous success, and something we would like to emulate in other areas, if funding can be found.

We have forged close ties with a number of food banks, larders and similar community initiatives across the region, supporting many people who are struggling with their personal and family finances. Through these we have promoted savings incentives, encouraging people to save on a regular basis with the promise of a bonus payment after a few months. These incentives have been sponsored by the Illegal Money Lending Team (IMLT), which combats the activities of loan sharks.

Member Service and the Consumer Duty Act

One of our key focuses during the year has been to address the requirements of the Consumer Duty Act, which was introduced in 2023 with the aim of ensuring good outcomes for members. The four outcomes which form part of the duty are:

- **Product and service design.** During the year we introduced our new Progress Loan, available to those people who receive benefits other than child benefit, as well as a range of savings incentives products to encourage our members to save, often for the first time. We also implemented a new Direct Debit system to enable easier repayment of loan instalments.
- **Price and value.** We continually review the pricing of our products to offer the best value, within the constraints of our overall business model.
- **Consumer understanding.** In the earlier part of 2025, we redesigned our website to make it easier to use, and to ensure language was clear and simple. We also survey our members annually to receive feedback on their experience, and the information gleaned is analysed and acted on.
- **Customer support.** Our board approved an investment in the team for the year 2025-26 with the aim of improving the support we give our members. We have also improved our processes significantly, so as to speed up the turnaround time for loan applications and ensure that e-mails and telephone calls are dealt with quickly and in a consistent manner.

On our annual survey, carried out in July 2024 to gain feedback about our products and services, our overall rating was 4.4 points out of 5, with 95% of respondents saying that they would recommend Acorn Community bank to family and friends. The results of the survey and the comments made by our members will be fed into our plans for the coming year.

Looking forward

We are continuing to focus on delivering good credit union services to our members, encouraging saving on a regular basis as well as sensible and prudent borrowing, when it is necessary. We also look outwards to the many people in our communities who have not yet joined us, many of whom would benefit from our services. It has been estimated that around £20.3m people in the country do not have good financial resilience – the ability to overcome a financial shock. Either they do not have sufficient savings, or they do not qualify to borrow money from their main bank when they need to, due to their imperfect credit history. This drives far too many people to borrow money at very high interest rates, or using Buy Now Pay Later schemes, leading many into further debt and potentially high penalty charges

In June 2025 we introduced a new version of our **new mobile phone app**. This has more functionality than the previous version, including:

- Biometric login, making it easier and more secure for members to log in, without having to remember a PIN
- The ability to set up separate savings pots, so members can save regularly for particular reasons, such as school uniforms or holidays
- Links to junior accounts which the member has set up for younger members of their families, so they can transfer money to those accounts on a regular basis, so fostering a regular savings habit.

We have simplified the process for opening **junior membership** accounts. Members can now open accounts for their children, grandchildren or other young members of their families through our website and then providing identification documentation to our team. The junior account will then appear as a linked account on the sponsoring adult's mobile phone app.

We are planning to **merge with Connection Credit Union**, which is a credit union serving the employees of Tyco Electronics (UK) Ltd in Swindon. Connection Credit Union has a history dating back over 40 years, and we have been learning a lot about how they provide good services to their members through salary deductions. We already have around twenty **payroll partners**, and our aim is to use this experience to develop this base further by partnering with more employers in the region. Saving regularly through payroll has been shown to be a highly effective way of building financial resilience.

In the autumn of 2025, we plan to launch our first **interest-bearing savings** product. This will be aimed at encouraging members to save on a regular basis. We recognise that, whilst many of our members value the co-operative nature of the credit union, and value the share of profits through the dividend payment, we are in competition with a number of other ethical organisations, such as building societies, in the area of savings.

We are developing ideas with **local authorities and housing associations** which look at the following ways Acorn can support communities:

- Savings plans, including those for young people, to encourage people in communities to plan for their future
- Supporting people who have joined the list for social housing, helping them to prepare for the time when they move to their first home, with the aim of making it a long-term, stable tenancy
- Providing loans for rental deposit and furnishings for new tenancies
- Finding good solutions for tenants who have rent arrears, with the aim of bringing their tenancy back to a stable position and avoiding future costs and potential eviction.

Further future developments we are working on include:

- The development of cash payment facilities using PayPoint in local shops
- The ability for members to make online payments into their accounts
- The introduction of fixed-term savings bonds for longer-term saving
- Wider promotion of our savings and loan products through a variety of new outlets and employer partnerships

Clive Henly
Chief Executive Officer

3. Directors' Report

Principal activity

Acorn Community Bank is the trading name of Wiltshire and Swindon Credit Union. It was formed in 2023 following the merger of a number of credit unions from Milton Keynes, Oxford, Swindon and Wiltshire, with an overall history of nearly 40 years. Our common bond stretches over the four geographical counties of Wiltshire, Oxfordshire, Berkshire and Buckinghamshire; including the Cities of Milton Keynes and Oxford, and the Boroughs of Swindon and Reading. 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, amounted to £12,082 (2024: £157,664, in an 18-month period including gains on mergers). In addition, there were 9,961 (2024: 9,203) members with 3,895 (2024: 3,561) members holding loans with the credit union.

The Directors recommend the payment of a 0.25% dividend at the year end, which will be voted upon at the AGM.

The Board of Directors

The table below shows directors who held office during the 12-month reporting period.

Name	Board attendance
Philip Turnbull (chair from Feb 25)	11/12
Clive Henly *	11/12
Nick Gallop (chair to Jan 25)	10/12
Chris Pollard	10/12
Sue Gurney	9/12
Neil Cosburn (from Sep 24)	7/7
Gael Decoudou (from Sep 24)	3/7
Richard Laval (from Jan 25)	1/3
Diane Hockley (from March 25)	0/1

* Clive Henly resigned from the Board on 1 April 2025 to take up the position of Chief Executive Officer and a paid employee of Acorn Community Bank.

The Directors are collectively responsible for providing strategic direction and oversight to the paid staff and management team of Acorn and ensuring financial stability in the short and longer term. Each month they review the financial position and progress on planned activities and also agree new or modified policies.

They are also responsible to ensure all financial and commercial laws; regulations and rules are proper followed. We abide by the code of conduct of the Financial Conduct Authority and ensure that Acorn is compliant with the new Consumer Duty Regulations introduced during the year.

Acorn Community Bank is a member of the Association of British Credit Unions. This provides the generic Credit Union rule book and a code of governance supported by resources, advice and training

to help credit unions put in place systems and policies that strengthen governance and protect members' interests. We measure compliance with the ABCUL code and our progress.

During the year we simplified our committee structure. We now have a Governance Committee, a Finance Committee and an Audit and Risk Committee. Each committee meets quarterly in alternate months.

The Audit and Risk Committee replaces the previous Supervisory Committee which was independent of the Board and separately elected by members. The work of the new committee is supplemented by volunteers and by a budget to commission external reports into those aspects of our governance and operations of highest risk and potential impact.

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 the 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 to 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.

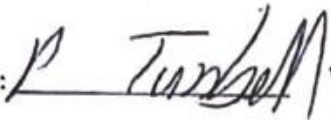
In so far as the directors are aware:

- 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 directors' report was approved by the Board on 31st August 2025 and signed on its behalf by:

Name: Philip Turnbull

Signature:



Position: Chair

Name: Richard Laval

Signature:



Position: Vice Chair

4. Administrative Information

Society Registration Number	IP00672C
Financial Conduct Authority Registration Number	213793
Registered Office	Unit A, George Hall Court Cavendish Square Swindon, Wiltshire SN3 2LZ
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 Santander UK Plc 2 Triton Square, Regent's Place London NW1 3AN The Co-operative Bank Plc P.O. Box 101 1 Balloon Street Manchester M60 4EP

5. Independent Auditor's Report

Opinion

We have audited the financial statements of Wiltshire and Swindon Credit Union Ltd (the 'credit union') for the year ended 31 March 2025 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 2025 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 18 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 internal controls, resulting from: management override, lack of oversight, segregation in duties or supervisory controls;
- Inadequate record keeping, resulting from: lack of complete and timely reconciliations of bank or cash or a lack of timely and appropriate documentation of transactions;
- Evidence of past or suspected fraud in the credit union;
- A high turnover of senior management or key staff;
- High volumes of cash being handled and processed;

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

6. Financial Statements

ACORN COMMUNITY BANK

(Trading name of Wiltshire and Swindon Credit Union)

Revenue Account for the year ended 31 March 2025

	Note	2025 £	18 month period 2024 £
Loan Interest receivable and similar income	4	650,192	673,766
Interest payable	5	(33,826)	(11,209)
Net interest income		616,366	662,557
Fees and commissions receivable	6	1,666	2,194
Fees and commissions payable		(3,561)	(4,182)
Net fees and commissions payable		(1,895)	(1,988)
Other income	7	72,302	11,465
Administrative expenses	8a	(423,120)	(417,913)
Depreciation and amortisation	11	(10,059)	(18,398)
Other operating expenses	8b	(52,129)	(65,245)
Impairment losses on loans to members	12e	(174,410)	(85,030)
Subordinated loan interest		(2,340)	0
Surplus Before Taxation		24,715	85,448
Taxation		(12,633)	(12,246)
Surplus for the Financial Year		12,082	73,202
Gain on mergers	22	0	84,462
Total comprehensive income		12,082	157,664

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

ACORN COMMUNITY BANK

(Trading name of Wiltshire and Swindon Credit Union)

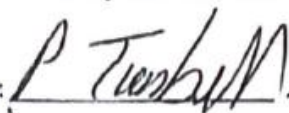
Balance Sheet as at 31 March 2025

	Note	2025 £	2024 £
ASSETS			
Loans and advances to banks	16	<u>1,531,507</u>	<u>1,478,557</u>
Loans and advances to members	12	2,331,047	2,400,417
Tangible fixed assets	11	7,033	11,208
Prepayments and accrued income		21,201	31,448
Total assets		<u>3,890,788</u>	<u>3,921,630</u>
LIABILITIES			
Subscribed capital - repayable on demand	13	3,535,411	3,578,658
Other payables	14	<u>55,936</u>	<u>49,713</u>
		3,591,347	3,628,371
Subordinated Loan	21	89,000	94,900
Retained earnings		210,441	198,359
Total liabilities		<u>3,890,788</u>	<u>3,921,630</u>

The financial statements were approved, and authorised for issue by the Board on 31st August 2025 and signed on its behalf by:

Name: Philip Turnbull

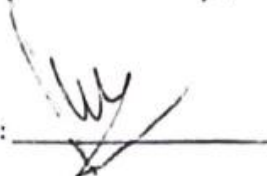
Signature:



Position: Chair

Name: Richard Laval

Signature:



Position: Vice Chair

Name: Clive Henly

Signature:



Position: Chief Executive Officer

ACORN COMMUNITY BANK

(Trading name of Wiltshire and Swindon Credit Union)

Statement of Changes in Retained Earnings for the year ended 31 March 2025

	2025	2024
	£	£
As at 1 April 2024	198,359	40,695
Total comprehensive income for the year	12,082	157,664
As at 31 March 2025	210,441	198,359

Movement in reserves	Total	
Retained earnings		
General reserve		
As at 1 April 2024	198,359	198,359
Surplus for year	12,082	12,082
Other movements	0	0
As at 31 March 2025	210,441	210,441

ACORN COMMUNITY BANK

(Trading name of Wiltshire and Swindon Credit Union)

Cash flow statement for the year ended 31 March 2025

Cash Flows from operating activities		£	£
Surplus Before Taxation		24,715	85,448
Adjustments for non-cash items			
Depreciation	11	10,059	18,398
Impairment losses	12e	<u>180,235</u>	<u>85,367</u>
		190,294	103,765
Movements in:			
Subordinated loan	21	(5,900)	33,300
Prepayments and accrued income		10,247	(40,678)
Other payables		<u>6,223</u>	<u>36,376</u>
		10,570	28,998
Cash flows from changes in operative assets and liabilities			
Cash inflow from subscribed capital	13	8,956,294	1,620,059
Cash outflow from repaid capital	13	(8,999,541)	(1,892,726)
New loans to members	12a	(2,508,302)	(3,491,535)
Repayment of loans by members	12a	<u>2,397,437</u>	<u>2,831,340</u>
		(154,112)	(932,862)
Taxation paid		<u>(12,633)</u>	<u>(12,246)</u>
Net Cash flows from operating activities		58,834	(726,897)
Cash flows from investing activities			
Purchase of property, plant and equipment	11	(5,884)	(10,153)
Net cash flow from managing liquid deposits		0	0
Net inflow from acquisitions	22	<u>0</u>	<u>1,764,216</u>
		(5,884)	1,754,063
Cash and cash equivalents		52,950	1,027,166
Cash and cash equivalents at beginning of year		<u>1,478,557</u>	<u>451,391</u>
Cash and cash equivalents at end of year	16	<u>1,531,507</u>	<u>1,478,557</u>

ACORN COMMUNITY BANK

(Trading name of Wiltshire and Swindon Credit Union)

Notes to the Financial Statements for the year ended 31 March 2025

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. The credit union is trading under Acorn Community Bank.

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

2. Accounting policies

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%.

	2025	2024
The relevant ratios are:-	7.70%	7.48%

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.

ACORN COMMUNITY BANK

(Trading name of Wiltshire and Swindon Credit Union)

Notes to the Financial Statements for the year ended 31 March 2025

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.

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.

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:

Computers, software and equipment: 3 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.

ACORN COMMUNITY BANK

(Trading name of Wiltshire and Swindon Credit Union)

Notes to the Financial Statements for the year ended 31 March 2025

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.

Reserves

Retained earnings are the accumulated surpluses to date that have not been declared as dividends returnable to members.

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.

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. The criteria used is whether the loan will be repaid within the term of the loan based upon the current regular pattern of repayments.

ACORN COMMUNITY BANK

(Trading name of Wiltshire and Swindon Credit Union)

Notes to the Financial Statements for the year ended 31 March 2025

4. Loan interest and similar income

	2025	2024
	£	£
Loan interest receivable from members	596,791	608,145
Bank interest receivable from cash and liquid deposits	53,401	65,621
Total loan interest receivable and similar income	650,192	673,766

5. Interest Expense

Interest expense is the dividend paid to members for the prior year. The dividend is formally proposed by the Directors after the year end and is confirmed at the following AGM. As a result it does not represent a liability at the balance sheet date.

	£	£
Interest paid during the year	33,826	11,209
Dividend rate	1.00%	1.00%
Interest proposed, but not recognised	8,532	35,787
Dividend rate	0.25%	1.00%

6. Fees and commissions receivable

	2025	2024
	£	£
Entrance fees	1,666	2,194
Total fees and commissions receivable	1,666	2,194

7. Other Income

	£	£
Grants and deferred income	70,818	4,115
Sundry income	926	4,156
Donations	558	3,194
Total other income	72,302	11,465

ACORN COMMUNITY BANK

(Trading name of Wiltshire and Swindon Credit Union)

Notes to the Financial Statements for the year ended 31 March 2025

8. Expenses

	Note	2025 £	2024 £
Administrative expenses	8a	423,120	417,913
Depreciation and amortisation	11	10,059	18,398
Other operating expenses	8b	52,129	65,245
		485,308	501,556

8a Administrative Expenses	Note	2025 £	2024 £
Employment costs	9b	327,530	289,829
Training and Conference		4,724	5,599
Advertising		54	8,083
Volunteers' expenses		3,529	518
Auditor's remuneration	8c	6,000	7,200
Internal audit		4,363	1,421
Consultancy costs		2,560	0
Recruitment costs		132	0
Telephone		5,920	5,436
Computer maintenance		42,723	38,974
Member communications		0	2,172
Merger Costs		168	33,764
Other merger costs		7,305	0
General expenses		11,763	7,427
Loan payments		0	10,204
Printing, Postage and Stationery		4,951	5,253
Other insurance		1,398	2,033
Total Administrative Expenses		423,120	417,913

8b Other Operating Expenses	2025 £	2024 £
Cost of occupying offices (excluding depreciation)		
Office maintenance	2,533	1,906
Rent, Rates, Utility costs and Room Hire	3,485	7,704
	6,018	9,610
Regulatory and financial management costs		
Financial Conduct Authority, Prudential Regulation	1,693	2,617
Authority Fees and FSCS Levy		
National Body Dues	3,242	2,937
Fidelity Insurance	6,194	6,604
Credit checks & Debt Recovery costs	34,982	43,477
	46,111	55,635
Total Other Operating Expenses	52,129	65,245

ACORN COMMUNITY BANK

(Trading name of Wiltshire and Swindon Credit Union)

Notes to the Financial Statements for the year ended 31 March 2025

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.

	Note	2025 £	2024 £
Fees payable for the audit of the Credit Union's annual accounts		5,910	10,110
Fees payable to the Credit Union's Auditor for other services:		90	90
Services relating to taxation			
Auditor's remuneration		6,000	10,200
Over accrual for Swan Credit Union Ltd audit fee	22		(3,000)
Total Auditor remuneration		6,000	7,200

9. Employees and employment costs

9a Number of employees

The average monthly number of employees during the year were:

	2025 Number	2024 Number
Office staff	<u>9</u>	<u>9</u>

9b Employment costs

	2025 £	2024 £
Wages, salaries and social security costs	318,319	284,503
Pension costs	<u>9,211</u>	<u>5,326</u>
Total employment costs	<u>327,530</u>	<u>289,829</u>

9c Director's remuneration

The Directors of the Credit Union are all unpaid volunteers, there is no salaried key management for the Credit Union (2024: none).

10. Taxation

10a Recognised in the Revenue Account

The taxation charge for the year, based on the main rate of Corporation Tax of 25% and reduced by marginal relief (2024 25% and reduced by marginal relief) comprised

	Note	2025 £	2024 £
Current tax			
UK Corporation tax	10b	12,633	12,246

Total current tax and total taxation expense recognised in the Revenue Account

<u>12,633</u>	<u>12,246</u>
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ACORN COMMUNITY BANK

(Trading name of Wiltshire and Swindon Credit Union)

Notes to the Financial Statements for the year ended 31 March 2025

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 tax 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:

	2025	2024
	£	£
Surplus Before Taxation	<u>24,715</u>	<u>85,448</u>
Surplus before taxation multiplied by the small profits rate of corporation tax in the UK of 19% (2024 25% and reduced by marginal relief)	4,696	18,640
Effects of:		
Non-taxable surplus/(deficit) on transactions with members	<u>7,937</u>	<u>(6,394)</u>
Total tax charge for the year	<u>12,633</u>	<u>12,246</u>

11. Tangible Fixed Assets

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

	Computers, software and equipment	Total
Cost	£	£
As at 1 April 2024	67,312	67,312
Additions	5,884	5,884
Disposals	<u>0</u>	<u>0</u>
As at 31 March 2025	<u>73,196</u>	<u>73,196</u>
Depreciation		
As at 1 April 2024	56,104	56,104
Charge for the year	10,059	10,059
Charge on disposal	<u>0</u>	<u>0</u>
As at 31 March 2025	<u>66,163</u>	<u>66,163</u>
Net Book Value		
As at 31 March 2025	<u>7,033</u>	<u>7,033</u>
As at 31 March 2024	<u>11,208</u>	<u>11,208</u>

ACORN COMMUNITY BANK

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Notes to the Financial Statements for the year ended 31 March 2025

12. Loans and advances to members

12a Loans and advances to members		Note	2025	2024
			£	£
As at 1 April 2024			3,081,444	1,459,766
Member loans taken on from merger		22	0	962,380
Advanced during the year			2,508,302	3,491,535
Interest receivable			596,791	608,145
Repaid during the year			(2,994,228)	(3,439,485)
Gross loans and advances to members		12b	3,192,309	3,082,341
Impairment losses:				
Individual financial assets		12b, 12e	(2,006)	(897)
Groups of financial assets		12d	(859,256)	(681,027)
		12c	(861,262)	(681,924)
As at 31 March 2025			<u>2,331,047</u>	<u>2,400,417</u>

12b Memorandum - Total loan assets regulatory purposes		Note	2025	2024
			£	£
Gross loans and advances to members			3,192,309	3,082,341
Impairment of individual financial assets			(2,006)	(897)
Total loan assets for regulatory purposes		15b	<u>3,190,303</u>	<u>3,081,444</u>

ACORN COMMUNITY BANK

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Notes to the Financial Statements for the year ended 31 March 2025

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.

The carrying amount of the loans to members represents the credit union's maximum exposure to credit risk. The following table provides information on the credit quality of loan repayments.

Where loans are not impaired it is expected that the amounts repayable will be received in full.

	2025		2024	
Not impaired:	Amount	Proportion	Amount	Proportion
Neither past due nor impaired	2,204,370	69.05%	2,202,630	71.46%
Up to 3 months past due	78,862	2.47%	103,101	3.34%
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	2,283,233	71.52%	2,305,731	74.80%
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	64,772	2.03%	62,582	2.03%
Between 6 and 9 months past due	54,645	1.71%	52,413	1.70%
Between 9 months and 1 year past due	44,371	1.39%	30,075	0.98%
Over 1 year past due	745,289	23.35%	631,540	20.49%
Total loans	3,192,309	28.48%	3,082,341	25.20%
Impairment allowance	(861,262)		(681,924)	
Total carrying value	<u>2,331,047</u>		<u>2,400,417</u>	

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

12d Allowance account for impairment losses	Note	2025	2024
		£	£
As at 1 April 2024		681,027	363,340
Allowance for losses made during the year		178,229	84,470
Allowance for impairment losses on merger	22	0	233,217
Increase in allowance during the year	12e	178,229	317,687
As at 31 March 2025		<u>859,256</u>	<u>681,027</u>

ACORN COMMUNITY BANK

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Notes to the Financial Statements for the year ended 31 March 2025

12e Impairment losses recognised for the year	2025	2024
	£	£
Impairment of individual financial assets	2,006	897
Increase in impairment allowances during the year	<u>178,229</u>	<u>84,470</u>
	180,235	85,367
Reversal of impairment where debts recovered	<u>(5,825)</u>	<u>(337)</u>
Total impairment losses recognised for the year	<u>174,410</u>	<u>85,030</u>

13. Subscribed Capital – Financial Liabilities

	Note	2025	2024
		£	£
As at 1 April 2024		3,578,658	1,460,673
Subscribed capital taken on from merger	22	0	2,390,652
Received during the year		8,922,468	1,608,850
Dividends paid during the year		33,826	11,209
Repaid during the year		<u>(8,999,541)</u>	<u>(1,892,726)</u>
As at 31 March 2025		<u>3,535,411</u>	<u>3,578,658</u>

Deposits from members are made by way of subscription for shares. The balance includes deposits made by juvenile members - £122,334 (2024 £98,209).

14. Other Payables

	Note	2025	2024
		£	£
UK Corporation tax		11,000	12,468
Accruals		23,606	25,955
Deferred income		160	160
Subordinated loan	21	<u>21,170</u>	<u>11,130</u>
		<u>55,936</u>	<u>49,713</u>

ACORN COMMUNITY BANK

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Notes to the Financial Statements for the year ended 31 March 2025

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.

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.

	2025		2024	
	Amount	Average Interest Rate	Amount	Average Interest Rate
	£	%	£	%
Financial assets	3,190,303	19.03%	3,081,444	20.09%
Loans to members				

The interest rates applicable to loans to members are fixed and range from 4.5% to 36% per annum.

ACORN COMMUNITY BANK

(Trading name of Wiltshire and Swindon Credit Union)

Notes to the Financial Statements for the year ended 31 March 2025

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

	2025	2024
	£	£
Loans and advances to banks	1,531,507	1,478,557
Less: amounts maturing after three months	0	0
Total cash and cash equivalents	<u>1,531,507</u>	<u>1,478,557</u>

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.

19. Related Party Transactions

During the year, 1 member of the board, staff, volunteers or their close family members, had a loan with the Credit Union (2023 - 1). The loan was approved on the same basis as loans to other members of the Credit Union. None of the directors, staff, volunteers and close family members have any preferential terms on their loans.

20. 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.

ACORN COMMUNITY BANK

(Trading name of Wiltshire and Swindon Credit Union)

Notes to the Financial Statements for the year ended 31 March 2025

21. Subordinated Loan

The credit union has a subordinated debt of £70,000 from Swindon Borough Council to strengthen the credit unions regulatory capital. The interest rate applicable is 1.3% AER. The credit union also has £35,500 of subordinated loans acquired from the merger with Swan Credit Union Ltd.

The debts are presented in accordance with the PRA rulebook, rule 8.2 (5). The debts will be written down from capital by 20% over the final four years to maturity, the impact on regulatory capital is set out below:

		2025	2024
		£	£
Regulatory capital is made up of:	Retained earnings	210,441	198,359
	Subordinated loan	89,000	94,900
	CAPITAL	A 299,441	293,259
This is divided by:	TOTAL ASSETS	B 3,890,788	3,921,630
CAPITAL TO TOTAL ASSETS RATIO (A / B x 100):		7.70%	7.48%

22. Merger of Clivey Credit Union Ltd and Swan Credit Union Ltd

In the prior period, on 1 March 2023 Wiltshire and Swindon Credit Union Ltd took on the assets and liabilities of Clivey Credit Union Ltd, this resulted in a gain of £56,063. Also, in the prior period on 1 April 2023 Wiltshire and Swindon Credit Union Ltd took on the assets and liabilities of Swan Credit Union Ltd, this resulted in a gain of £28,399. The combined gain from the mergers was £84,462 as represented in Other Comprehensive Income.