



Annual Report

Year ending 30th September 2025



Chair's Update

Chris Kearton

Welcome to our 2025 Annual Report covering our activities and achievement through the financial year October 2024-September 2025- and outlining our plans for 2026.

At the AGM, we will be presenting the key information which you as members rightly want to see but will also ensure we meet our obligations under the financial regulations. We will also seek your views on our future development to ensure we deliver what you want from your Credit Union.

We have had a challenging year, with a couple of key staff changes and technical challenges all with the backdrop of a an ever-challenging economic environment. However, our great team were still able to increase our lending and offer a dividend for our members.

As part of these changes Paul Hancock our previous CEO made the decision to leave our company to pursue new ventures. We wish Paul all the very best in his future endeavours and thank him for his time here at Sheffield Credit Union. On that note we are also delighted to welcome Colin Havard, our new CEO, who will bring his wealth of experience in working in local communities with organisations such as Sheffield City Council.

The business priority continues to be to attract new members and to extend our lending – in order to strengthen our financial position and help fund our ambition to help the people who need it most in our local communities. However, we never forget that our ultimate aim is to help our members be free of debt and we are always looking for new savers and to help all members put money aside when they can.

We have a busy 2026 planned to grow the credit union! These include a new website, app developments and a new trading name to bring Sheffield and LASER closer together under one name and springboard our growth plans.

We appreciate the support of our partners such as Sheffield City Council (Communities, Housing, Homelessness and the Cost of Living Team); Citizens Advice Bureau, Sheffield Chamber of Commerce; Department of Work and Pensions (DWP) and the Illegal Money Lending Team.

I would like to thank our great team for their dedication and hard work and record my appreciation of the time and effort our volunteer Directors continue to donate to the Union.

Lastly, I would like to thank Christine Ursall, who is standing down as a Director – she has been very generous with her time and expertise, and will be sorely missed.



Chris Kearton
Chair of Sheffield Credit Union

Compliance Report

Richard Edwards

The Compliance Committee exists to provide assurance to both the board and the members that the Credit Union is complying with relevant laws, regulations, codes, and guidance. To gain this assurance the committee relies upon:

- Reports from employees of the Credit Union
- Communication from members
- Internal audit work carried out by TIAA
- External audit work carried out by the external auditors
- Ad hoc testing carried out by members of the committee, and
- Additional support from other specialist advisers where necessary.

The Committee currently comprises of Richard Edwards; interim CEO; and Compliance Officer.

During the year we have seen changes in our Senior Management and have spent a lot of management time working with the Rotherham office. The Committee recognises that these events increased the risk of non-compliance during the year. This coming year, the Compliance policies of the Sheffield and former Laser Credit Unions have started to be merged and updated.

The board responded to this increased risk by:

- By working closely with TIAA and agreeing a timetable of areas of the business to closely monitor
- The Credit Union is undergoing a re-structure following the departure of the CEO. The senior management team of the Credit Union are currently ensuring that an appropriate level of control and risk management is enacted at an operational level. The FCA have been informed of the changes and the Senior Management Functions of the Credit Union have been shared among the board directors.
- The board has approved the purchase of a new software to monitor compliance in a coherent way and make records more transparent for all employees. Unfortunately, the previous software package was not as flexible as we had hoped.

Based upon the work that the Committee has undertaken during the year I report as follows: I am not aware of any material non-compliance with laws, regulations, codes, or guidance occurring during the year.

I am also happy to report that the Committee is working closely with the interim CEO, and the board, to ensure that the Credit Union both manages and governs compliance risk effectively. Informing this view I have relied heavily upon the Committee's understanding of the systems, processes, controls, and operating culture of the organisation. This assurance is also supported by additional testing that has been performed regarding some, but not all, areas of compliance risk during the year.

The credit union has in place a Single Customer Review Report (SCV). This is tested monthly and would enable the Financial Services Compensation Scheme protection to function in the event of a catastrophic control failure.

Treasurer's Report

Peter Armstrong

The information provided here is based on the accounts for our last financial year - October 2024 to September 2025. A summary of the figures is included in this report. The full set of accounts is available on request to the office or at the AGM. Numbers quoted below are rounded.

This is the first year in which the Sheffield and LASER accounts are fully combined. The previous year's figures were for Sheffield only. The large differences between the two columns are mainly due to the addition of the LASER figures.

The overall picture is that our financial position remains stable and we have a clean bill of health from the auditor. Lending and income grew steadily but so did our costs, which were affected by salary increases and the addition of new staff.

Total shares (savings) did not grow in the year, while the amount on loan grew by 5%. This is less than we expected and was partly due to a difficult Autumn in 2024, when we lost a valued member of staff. The level of lending has since improved considerably.

The level of bad debt remains healthy at less than 5% - well within our target and better than many credit unions.

The accounts include £73,000 expenditure on the dividend and interest payments agreed at the last AGM.

Two items in the account summary need some explanation:

- The £197k shown as 'Negative goodwill' is actually positive income. This arose when Sheffield merged with LASER, which had net assets of £197k. To account for this, the value is recorded as one-off income called "negative goodwill" (ie not purchased goodwill). The combined assets are being used towards growing the merged organisation for the benefit of both Sheffield and Rotherham members.
- The £101,000 spent from strategic reserves is included as part of normal expenditure but is not regarded as such. We set aside £300,000 of our substantial reserves for strategic development costs. The £101,000 is part of that planned strategic spending and will come from reserves but is still shown as affecting the final balance.

In the current year lending is growing more strongly, largely due to the efforts of our new Marketing and Lending Managers, and our accounts continue to be well-managed by our Finance Director, Finance manager and team.

There is still more work to be done to fully integrate the Sheffield and LASER operations. We continue to work on the final merger of the systems, which includes a great deal of detailed effort to develop the mobile app, a new website, unified forms and processes and new software tools to assist staff in the processing of loan applications.

Summary of accounts for year ending 31 September 2025

Balance sheet	2024-5	2023-24
Assets		
Tangible assets (Building & equipment)	406,699	434,437
Debtors (owed to us, mainly loans to members)	3,980,014	3,183,767
Cash and bank accounts (& investments)	2,954,748	2,943,295
Creditors (money we owe)	-54,978	-43,738
Total assets	7,286,483	6,517,761
Liabilities (Deposits and reserves)		
Revenue reserve (including strategic fund)	1,251,797	1,262,627
General reserve (required by law)	327,043	327,043
Members deposits (savings)	5,627,442	4,844,000
Junior deposits (savings)	80,201	84,091
Total liabilities (members funds)	7,286,483	6,517,761
Income and expenditure		
Income		
Interest on members' loans	793,760	610,951
Interest on bank deposits	73,899	105,374
Negative goodwill (ie LASER reserves)	197,028	
Grants & contract income	129,349	3,062
Sundry income (joining & transaction fees)	67,610	47,095
Bad debt recovery (on written-off loans)	26,793	33,070
Total income	1,288,439	799,552

Expenditure

Administrative costs **	1,105,906	740,065
Spend from strategic reserve**	101,440	
Dividend on adult savings (for previous year)	72,096	63,711
Interest on junior savings	784	957
Total expenditure	1,280,226	804,733
Operating surplus (income - expenditure)	8,213	-5,181
Less tax (mainly on bank interest)	-19,043	-22,970
Net surplus for year	-10,830	-28,151

The large differences between years are because 2024-5 figures include LASER accounts.

** Spend from strategic reserve is shown separately from the administrative costs here, but they are combined in the full accounts. While this must formally be shown as contributing to the annual balance, it is not regarded as part of 'normal' expenditure.