



Pentecostal
Community Bank



The Pentecostal Community Bank

45th Annual General Meeting
6pm via Zoom
Saturday 15 March 2025





**Pentecostal
Community Bank**

AGM agenda

1. Welcome from the Chair
2. Opening prayer
3. Scripture: Acts 4:32-35
4. Apologies
5. Minutes of last AGM: 16 March 2024
6. Matters arising
7. Directors' report
8. Youth Shadow Board report
9. Speaker: David Frederick
10. Loan report
11. Audit Committee report
12. Nominations for the Board
13. PCU Financial Statements
 - i. Independent auditor report
 - ii. Accounts
 - iii. Recommendation for dividend
14. Appointment of auditor
15. Close in prayer

Scripture



Acts 4:32-35

- 32 All the believers were one in heart and mind. No one claimed that any of their possessions was their own, but they shared everything they had;
- 33 With great power the apostles continued to testify to the resurrection of the Lord Jesus. And God's grace was so powerfully at work in them all;
- 34 That there were no needy persons among them. For from time to time those who owned land or houses sold them, brought the money from the sales;
- 35 And put it at the apostles' feet, and it was distributed to anyone who had need

Minutes of the 44th Annual General Meeting of the Pentecostal Credit Union

Held on Saturday 16 March 2024 via Zoom

Directors present

Leslie Laniyan (Chair)

Lorna Lynch

Ann Waugh (Chair, Audit Committee)

Rev. Geoffrey Folkes

Marcia Jones

David Frederick

Patricia Toussainte (Secretary)

Amaris Williamson (Chair, Youth Shadow Board)

Staff in attendance

Mr S Bowes (Chief Executive Officer)

Ms E Bowes (Head of Marketing and Communications)

1. Welcome

The AGM convened at 6pm. Mr Leslie Laniyan presided over the meeting as the Chair of the PCU.

2. Opening prayer and scripture

Rev. Geoffrey Folkes delivered the opening prayer.

3. Scripture reading

Jeremiah 29 vs 11-14. Ms Lorna Lynch read the scripture as part of the opening session.

4. Apologies

Ms Marcia Jones.

5. Minutes of the last AGM: 18 March 2023

PCU Secretary Patricia Toussainte summarised the minutes of the last AGM. There were no corrections to the last AGM minutes.

Leslie Laniyan proposed that the minutes be accepted as a true record of proceedings. Seconded by Geoffrey Folkes.

6. Matters arising

There were no matters arising.



7. Directors' report to the membership

Leslie Laniyan read the Directors report.

He summarised the following:



Loss of our founder

The last financial year saw record levels of growth for PCU, but also the loss of our founder Rev. Carmel Jones. A page dedicated to the memory of Rev. Jones is on our website at: <https://pcuuk.com/about-us/honouring-the-legacy-remembering-rev-carmel-jones>

Growth

- PCU asset base £13.4m
- Loan portfolio £8.4m
- New membership increased by over 80%.

Review and revision of our vision, mission and values

PCU revised its vision, mission and values in preparation for planned change and development.

Vision: To be the finance partner for every Pentecostal Christian in Great Britain.

Mission: To economically empower our community, and build wealth together.

Values:

- Customer First
- Every Member Matters
- Integrity
- Faith Centred

Financial wellbeing at PCU – our survey

PCU developed its first financial wellbeing strategy as a response to the new Consumer Duty. We also initiated a survey of our members to inform the strategy. Leslie Laniyan reported on key outcomes from the survey. You can see the full results at <https://pcuuk.com/news/pcu-unveils-customer-survey-results-shaping-a-brighter-financial-future-together>

Fair trading at PCU – PCU achieves the Fairlife Mark

PCU attained the Fairlife Mark in July 2023 – which is awarded to companies that price honestly and trade fairly with their customers. It spans all areas of finance and unites responsible providers that put their customers first.

Questions

There was one question from the membership about availability of recorded meetings. Elaine Bowes responded that the AGM is recorded only for accuracy in minute taking and is not available to participants. However, the written minutes of the meeting will be available.

The Director's report was accepted by the membership.

8. Presentation by the Youth Shadow Board (YSB)

Amaris Williamson, the Chair of the YSB, introduced herself and outlined their achievements over the year.

Key highlights were as follows.

Summer programme 2023

This year, the summer programme was held as a residential weekend in Brighton. The main focus for the weekend was on team bonding, teamwork and team development. They also focused on presenting skills and communication skills. Towards the end of the weekend, the group looked to the future and what the Youth Shadow Board should look like.

Future plans

As a group, they decided that they needed to focus on recruiting from PCU's junior savers. They also looked at resuming the presentation of Moneywise workshops to young people – both as face-to-face and online events. "We want the YSB to continue to be a place of support for our young people's various needs and to continue being a nurturing environment."

There were no questions and the YSB report was accepted by the membership.

9. Keynote speaker, Emmanuel Asuquo: OneStopSave

The Chair introduced our keynote speaker – Emmanuel Asuquo (Eman).

Eman opened by stating that he has always been about helping people like himself to manage their money better. Hardworking people who need support to help them make their money work for them and tools to empower them. OneStopSave is about levelling the financial playing field.

The problem

There are increasing numbers of people who are in financial difficulties and need help. Half of UK adults fall into the category of hardworking people who are less affluent, and the existing market place does not meet their needs. This is the segment being targeted by OneStopSave.

The target market

12.8m people aged between 18-44 years earning between £10k and £50k per annum. However, they expect to attract many users from outside the target demographic.

Value proposition

Vision: Everyone has the confidence to manage their own money

Mission: Level the money playing field for everyone

Proposition: Education – understand about money; Relatable – learn how to save money; Empower – be better off in the future

Powered by partners

- OneStopSave is a combination of Money Saving Expert, Money Supermarket and Groupon in one place.
- The deal partner is Global Savings Group.
- Partners include Hastings Direct, Admiral, 118 188 Money, Capital one, Zopa, Wickes, Sephora and Ryanair.

Questions

There were many questions for Eman, mainly around how the platform would run, and more generic questions about wealth creation, pensions and property.

The Chair thanked Eman for coming along and delivering an excellent presentation.



10. Loan report

The loan report was summarised by Shane Bowes.

Reporting on the loan performance for the last financial year, he summarised the following.

- Our loan portfolio is our largest asset and our primary income generating tool.
- The chart shows that loan take-up tends to be seasonal and the most popular months are summer and around Christmas time.
- June to August accounted for almost 50% of the loan allocation for the entire year.
- For the 12-month period we allocated just over a total of £3,051,995 in loans. Considering the size of the organisation, this is excellent performance.

There were no questions.

11. Audit Committee report

The Audit Committee Report was presented by Ann Waugh, the Chair of the Audit Committee. Ann Waugh began by explaining that the Committee's overarching objectives include ensuring that the Pentecostal Credit Union (PCU) has an effective internal control framework to manage the risks that PCU and its members face in the short, medium and long-term.

For the 2022-23 financial year, overall, the Committee judged operational effectiveness and design effectiveness to be generally reasonable or substantial.

Directors' attendance was 78% this year.

Questions

There was one question about the limited assurance status given to the cyber security audit. Ann responded that this was not about any operational flaws, but the fact that a formal contract had not been in place with the IT support provider. Shane Bowes went on to explain that the relationship with the provider was in good order, but there had been no formal written contract. This was now in place. He reminded the membership that PCU have an annually reviewed cyber security

policy and Cyber Central accreditation. In order to attain that accreditation, PCU's cyber security infrastructure had to go through rigorous testing, including resilience to hijacking and cyber attacks etc. What was thought to be a flaw in the system was just that we only had an informal arrangement with an IT support company. We needed to formalise this and we now have a formal contract. We have passed all other important tests in relation to our cyber security arrangements.

The Audit Committee report was accepted.



12. Nominations for election to the Board

The Chair read out the biographies of each nominee. Nominees were:

- Geoffrey Folkes
- Lorna Lynch
- Marcia Jones

As per Rule 101 – as the number of nominees did not exceed the number of vacancies to be filled, the Chair declared that all nominees were duly elected.

Questions

There was one question about appointing “lay people to the Board”. Elaine Bowes responded



All Directors are PCU members and we do have ‘lay’ people on the board. For information: skills and competencies needed for the Board are assessed annually according to the needs of the organisation – which can change from time to time. In addition, we also have advisory groups made up of PCU members who are proficient in certain areas and who add their skills to the overall Board competence as they advise the Board on specialist or particular topics – such as the current Marketing Advisory Group.

13. PCU financial statements

Ms Lorna Lynch presented the financial accounts for the year. She asked members to refer to the accounts in their packs and on the screen. She highlighted the following.

- We had an increase in income of 32%.
- We had an increase in expenditure of 25%.
- The increase in expenditure was due to our investment into our digital platforms.
- Membership loans were up by 26%.
- Overall total assets were up by 5%.

She concluded that PCU's financial health is doing very well.

Questions

There was one question.

Why would someone save with PCU and not alternatives. Shane Bowes responded. He explained that by depositing the savings here, you are helping to build wealth in the Black community, as 98% of our members are African and Caribbean. Helping to circulate the pound is helping us to build wealth. Also, we are an institution that considers your personal



circumstances when making decisions about lending and we don't just leave it to the credit score only. If a loan application flags as a risk, we might ask you other questions to help us to decide. Our default position is not to decline. We are looking to build the credit-worthiness of our members and we may do that by offering a lesser amount in loan and observing how the account is run over the ensuing months, for example. In that way we build that member up to become more credit-worthy.

Dividend

A dividend of 1% was proposed by Ms Lynch and seconded by Shane Bowes.

14. Appointment of the auditor

Ms Lorna Lynch also proposed that we continue with our auditors, Thomas Wescott, for the next financial year. This was seconded by Ann Waugh.

15. Prayer and end

Leslie Laniyan thanked everyone for attending the meeting and commented on its high attendance.

The closing prayer was led by Rev. Geoffrey Folkes and the meeting ended.

Directors' report 2023-24

Presented by Leslie Laniyan



I am proud to be able to welcome you to the first AGM under our new trading name the Pentecostal Community Bank.

Once again I am proud to present very positive news in terms of growth and development at PCB. Currently:

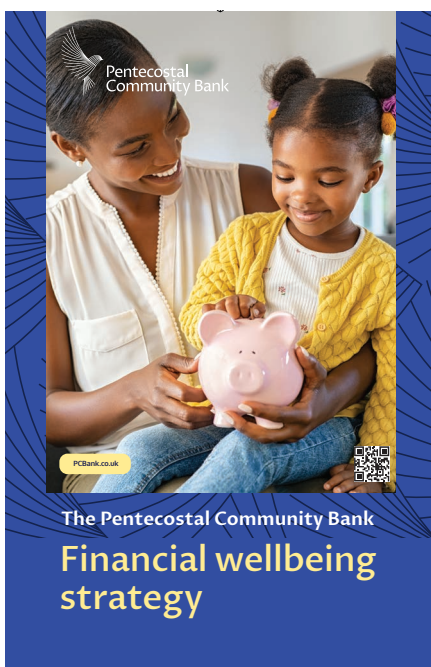
- An asset base of over £13.5m
- A loan portfolio of £9m



Transition to the Pentecostal Community Bank

This has been the singular most important achievement for us this year, so I focus below exclusively on this.

From the Pentecostal Credit Union to the Pentecostal Community Bank wasn't just a name change, but a reflection of our significant growth and development over the past 44 years – becoming one of the financially strongest credit unions in the UK. The rebrand to community bank reflects our broader range of services and capabilities. We now offer a virtual banking service, allowing members to do all their banking online, while still maintaining personal service options. This evolution represents a strategic move to better serve our members' changing needs in the digital age.



New look, same values

Visual rebranding has accompanied our transition, but we can reassure members that with our new logo and visual identity the core values and mission of the organisation remain unchanged. The Pentecostal heritage, which has been fundamental to the organisation since its founding by Rev. Carmel Jones in 1980, will continue to be at the heart of our operations. Rebranding is not just cosmetic, but will come with future tangible benefits for members. It's a delicate balance of embracing change, while maintaining the trust and familiarity that members value.

The transition to a community bank indicates that our members can expect to see a broader range of services and capabilities. We are working on a number of plans to expand our services, which we aim to bring to fruition within 18 months.

There will also be continuous upgrading of our digital offering – maintaining and increasing, where necessary, our investment in the digital back end of the business.

What will not change is our commitment to economically empowering our members. We believe profoundly that business ownership and entrepreneurship is key to this. A community's economic empowerment is linked to its entrepreneurial success.

Community banks like PCB play a crucial role in stimulating economic growth within the community. Because of the loans we provide to our member businesses and churches, they have been able to expand their



operations, create jobs, contribute to the local economy and build wealth. Further, many have testified to the fact that PCB stepped in when mainstream lenders would not.

Unlike larger banks, we have a better understanding of the community market and are more willing to take risks on small businesses and our Pentecostal Ministries. These risks are properly evaluated as our rate of default is impressively low.

Our long-term objectives

We have five long-term objectives that we want to achieve:

1. We want to position PCB as a thought leader in the economic development space, and in so doing build PCB's credibility on a local and national scale, with senior leaders in financial, civic, government and commercial spaces.
2. We want to increase the wealth prospects for PCB members.
3. We want to strengthen the narrative around Black people and wealth.
4. We want to strengthen the narrative around Black people and business acumen, and the capacity to attract finance and business growth support.
5. We want to build the narrative around successful Black people and families – however they may be structured – building and increasing economic pride and confidence.

The basis of our operational model is aspirational, valuing self-help and development to build economically powerful communities. We reject notions of dependency and approaches that are dependency based and, in doing so, we believe we provide faith and hope to our members, who come from communities that have been politically and economically disenfranchised.

You can see an edit of the PCB launch event at:
<https://youtu.be/wtDGpRBZ998>

And finally.

We have a wonderful agenda for 2025-26. We look forward to our future knowing that our greatest achievements are still to come.

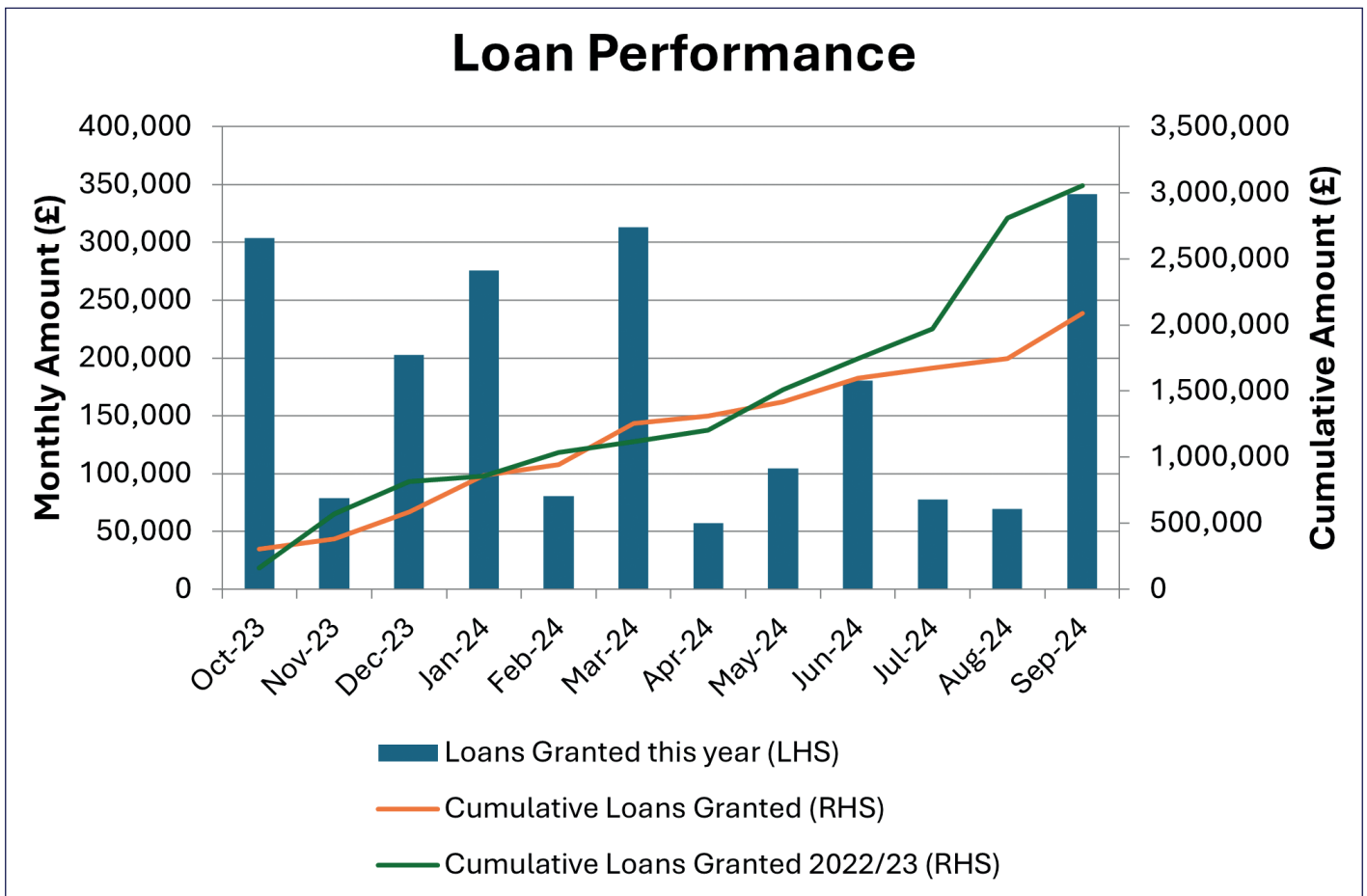
So, we want to thank the CEO – Shane Bowes and his team for their tremendous efforts and achievements in bringing us to this point of organisational excellence. Most importantly, we want to thank you our members and friends for your unwavering support. Our aim is to continue to do our best to deliver exceptional services and stay true to our values.

Regulatory compliance

In accordance with regulatory requirements, we can inform the membership that the PCB has Fidelity Bond Insurance and Public Liability Insurance in place. We are also fully compliant with Single Customer View requirements and we do not carry out any other additional activities other than those that we are approved to carry out.

Loans report

1 October 2023 to 30 September 2024



Month	Loans granted (£)	Total (£)
October 2023	303,730	303,730
November 2023	78,709	382,439
December 2023	202,900	585,339
January 2024	275,970	861,309
February 2024	80,700	942,009
March 2024	313,200	1,255,209
April 2024	57,150	1,312,359
May 2024	104,700	1,417,059
June 2024	180,399.99	1,597,458.99
July 2024	77,500	1,674,958.99
August 2024	69,500	1,744,458.99
September 2024	342,000	2,086,458.99
Total	2,086,458.99	2,086,458.99

Youth Shadow Board report

Presented by Amaris Williamson



Good evening, everyone. I'm Amaris, the Chair of the Youth Shadow Board. This past year, the YSB has heavily focused on rebranding who we are. Many of us are over 18 now and over the summer programme we discussed how we wanted to move forward with this programme to better support our new needs as being adults, while also fulfilling the needs of the PCB to connect with their young people. In order for us to establish our rebrand, we are focusing on redeveloping ourselves as a group to understand how to navigate this new era of life, while also wanting to stay connected. We hold many of our meetings online, while most of us are finishing our degrees, while also meeting in person every so often.

One of the PCB's key responsibilities was that they wanted to connect with their junior savers, so the YSB are in the process of getting in contact with as many junior savers as possible, in order to provide them with an understanding about what being a part of the PCB means and financial advice. Our aim is to have consistent communication with our junior savers, so that they feel integrated into the PCB, but also provide them with a sense of mentorship.

We have also made the decision that it was important for us as a group to connect with other youth groups and, for the rest of the following year, we have multiple days of connecting with young people from various churches. We believe this provides a sense of community and it's also a way for us to go back to our foundations of providing many of these youth groups with moneywise workshops that we have catered to different age groups from as young as seven until 25.

As the year proceeds, we work to connect with our board members more to provide them with an understanding of how to keep young people encouraged and engaged when it comes to financial understanding, and we look to have direct communication with them. We are also focused on giving back to our community and giving a helping hand when there is a need, as we have done over the years supporting the Christmas Hamper programme of the New Testament Assembly Tooting.



Audit Committee report

Presented by Ann Waugh



Executive summary

As Audit Committee Chair, I am reporting on our activities for the year ending 30 September 2024. The Committee has effectively overseen Pentecostal Community Bank's (PCB) internal control framework, ensured appropriate risk management, while supporting the mission of community wealth creation, financial resilience, and long-term sustainability.

Internal audit results 2023-24

Our internal audits focused on key risk areas with the following results:

Audit area	Assessment
1. Management information	Substantial
2. Board/Committee effectiveness	Substantial
3. Bad debts and arrears management	Substantial
4. Loan compliance	Substantial
5. Follow up	In progress

Given the opinion of the internal auditors and the other information available to it from its work during the year, the Audit Committee can therefore provide the members with reasonable assurance that the PCU's control mechanisms are working satisfactorily and exceed industry standards. Our year-on-year assessment of control effectiveness evidences consistent substantial results.

In April 2024, following Coventry Building Society's acquisition of the Co-operative Building Society, the Audit Committee conducted a review to evaluate its alignment with PCB's biblical values and investment criteria. Based on our comprehensive assessment, we provided assurance that Coventry Building Society meets our core requirements for a biblically aligned and secure investment management.

Forward planning 2024-25

The Indicative Audit Strategy 2024-27 and Annual Plan 2024-25 have been developed through risk assessment to ensure comprehensive coverage. Focus areas for the coming year include:

1. Anti-money laundering
2. Risk management framework
3. ICT management controls
4. Income-savings products
5. Loan compliance
6. Follow-up audits

Follow-up recommendations

The Follow-up Review 2023-24 internal audits identified a total of 15 recommendations. Of these, 10 recommendations have been fully implemented. Two recommendations were considered but not implemented after risk assessment. Three recommendations remain in progress and are progressing satisfactorily with the due date of April 2025.

Board attendance

Director attendance at Board meetings averaged 79% for 2023-24, representing a 1% improvement from the previous year. A comprehensive new training programme has been implemented, with Directors actively engaging in structured learning modules to enhance governance capabilities and expertise.

Member impact

The Committee's oversight work directly benefits our members by ensuring that clear member-first policies are embedded throughout PCB's operational structure. This focus ensures that member interests remain paramount in all decision-making processes. Our audits confirm that PCB is maintaining a strong and stable financial position while sustaining full compliance with all applicable regulations.

Forward-look

As PCB moves forward, the evolving regulatory and economic landscape presents both challenges and opportunities. The Prudential Regulation Authority (PRA) continues to emphasise operational resilience and digital security, while the Financial Conduct Authority (FCA) has sharpened its focus on fair digital transformation practices. Industry analysts predict stabilising interest rates but sustained margin pressures, alongside rising technology investment demands. However, PCB can differentiate through relationship banking, particularly as larger banks continue to scale back their physical presence.

By maintaining strong governance, financial resilience and strategic technological investment, PCB can continue delivering value to its members while ensuring regulatory compliance and long-term sustainability. The Audit Committee remains vigilant, as PCB adapts effectively to this dynamic environment.

Acknowledgments

The Audit Committee extends sincere thanks to the CEO for his exceptional cooperation throughout the year. We also recognise the Board for their collective commitment to good governance and continued support of the Audit Committee.

Conclusion

The Audit Committee remains vigilant regarding PCB's strategic developments and will continue to be cognisant of current outlooks from regulatory bodies and industry analysts, whilst adapting our audit areas and oversight approach accordingly to ensure robust assurance mechanisms are maintained.

The Pentecostal Community Bank

Annual Report and Financial Statements

for the Year Ended 30 September 2024



WESTCOTTS

CHARTERED ACCOUNTANTS
& BUSINESS ADVISERS

THE PENTECOSTAL COMMUNITY BANK

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THE PENTECOSTAL COMMUNITY BANK

COMPANY INFORMATION

Chairman	Mr G L Laniyan
Chief executive	Mr S Bowes
Directors	Ms P M Toussainte Miss L Lynch Ms M Jones Mr D Frederick Rev G Folkes
Audit Committee members	Miss A Waugh
Treasurer	Mr S Bowes
Company secretary	Ms P M Toussainte
Loan officer	Ms R Henderson
Registered & principal office	15 Oldridge Road Balham London SW12 8PL
Auditors	Westcotts (SW) LLP Tallford House 38 Walliscote Road Weston-super-Mare Somerset BS23 1LP

THE PENTECOSTAL COMMUNITY BANK

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2024

The directors present their report and the financial statements for the year ended 30 September 2024.

Directors of the company

The directors who served during the year were as follows:

Mr S Bowes - Chief executive

Mr G L Laniyan - Chairman

Ms P M Toussainte - Company secretary and director

Miss L Lynch

Ms M Jones

Mr D Frederick

Rev G Folkes

The principal activity of the directors is to be responsible for the delivery of the business of the Pentecostal Credit Union and legislative and regulatory compliance. To provide strategic direction to the staff team and to ensure the best interests of the membership are met.

Non-Executive Directors:

Miss A Waugh - Chair of Audit Committee

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

THE PENTECOSTAL COMMUNITY BANK

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Co-operative and community Benefit Society law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the credit union and of the surplus/deficit of the credit union for that period. 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved and authorised by the Board on and signed on its behalf by:

.....
Ms P M Toussainte
Company secretary and director

THE PENTECOSTAL COMMUNITY BANK

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE PENTECOSTAL COMMUNITY BANK

Opinion

We have audited the financial statements of The Pentecostal Community Bank (the Credit Union) for the year ended 30 September 2024, which comprise the revenue account, the balance sheet, the statement of changes in retained earnings, the cash flow statement and the notes to the financial statements Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows, and, 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 30 September 2024 and of its profit 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 Society and 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 responsibilities for the audit of the financial statements section of our report. We are independent of the Credit Union in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's 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 original financial statements were 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 directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

THE PENTECOSTAL COMMUNITY BANK

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE PENTECOSTAL COMMUNITY BANK (CONTINUED)

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters 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; or
- the society has not kept proper accounting records; or
- 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 directors

As explained more fully in the Directors Responsibility statement Statement of Directors' Responsibilities [set out on pages 2 and 3 3], the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures 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 identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management. We communicated identified laws and regulations throughout our team, and remained alert to any indications of non-compliance throughout the audit.

THE PENTECOSTAL COMMUNITY BANK

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE PENTECOSTAL COMMUNITY BANK (CONTINUED)

- The company is subject to laws and regulations that govern the preparation of the financial statements, including financial reporting legislation, and other companies legislation. The company is also subject to other laws and regulations where the consequences of non-compliance could have a material impact on the amounts or disclosures within the financial statements including FCA laws and regulations, employment, anti-bribery, anti-money laundering and certain aspects of companies legislation.
- Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. In any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

THE PENTECOSTAL COMMUNITY BANK

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE PENTECOSTAL
COMMUNITY BANK (CONTINUED)**

Use of our report

This report is made solely to the Credit Union's members, as a body, in accordance with the Co-operative and Community Benefit Societies Act 2014 and the Credit Union Act 1979.. Our audit work has been undertaken so that we might state to the Credit Union's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Credit Union and the Credit Union's members as a body, for our audit work, for this report, or for the opinions we have formed.

.....
Peter Lomax (Senior Statutory Auditor)
For and on behalf of Westcotts (SW) LLP, Statutory Auditor

Tallford House
38 Walliscote Road
Weston-super-Mare
Somerset
BS23 1LP

Date:.....

THE PENTECOSTAL COMMUNITY BANK

REVENUE ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2024

	Note	2024 £	2023 £
Income			
Entrance fees		1,714	3,197
Income from loans to members		493,972	418,050
Interest received on investments		230,648	147,532
Other revenue		5,600	7,999
Total income		<u>731,934</u>	<u>576,778</u>
Administrative expenses			
Wages and salaries		(90,337)	(98,233)
Staff NIC (Employers)		(5,778)	(6,136)
Staff pensions (Defined contribution)		(2,541)	(2,951)
Insurance		(7,214)	(6,877)
Repairs and maintenance		-	(296)
Office expenses		(67,435)	(80,982)
Data processing expenses		(32,782)	(30,107)
Affiliation fees		(5,854)	(13,037)
Sundry expenses		-	(280)
Advertising		(79,309)	(5,755)
Auditor's remuneration - The audit of the company's annual accounts		(12,300)	(7,950)
Auditor's remuneration - Internal audit services		(14,280)	(4,171)
Consultancy fees		(6,734)	(9,840)
FCA fees		(1,404)	(6,375)
Legal and professional fees		(137,229)	(81,948)
Bad debts written off		240,153	8,176
Bank charges		(2,367)	(2,864)
Investment management charges		(7)	(57)
Amortisation of patents		(97)	(129)
Depreciation of fixtures and fittings (owned)		(9,670)	(12,129)
Other gains/losses		(6,844)	(78)
Administrative expenses		<u>(242,029)</u>	<u>(362,019)</u>
Surplus/(Deficit) for the year before taxation		489,905	214,759
Tax on profit	6	<u>(57,372)</u>	<u>(31,704)</u>
Surplus/(Deficit) for the year before appropriations		<u>432,533</u>	<u>183,055</u>
Appropriations:			
Revenue Reserve		432,533	183,055
Dividend		<u>(100,011)</u>	<u>(96,683)</u>
Total applied		<u>332,522</u>	<u>86,372</u>

The notes on pages 14 to 24 form an integral part of these financial statements.

THE PENTECOSTAL COMMUNITY BANK

REVENUE ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

The notes on pages 14 to 24 form an integral part of these financial statements.
Page 9

THE PENTECOSTAL COMMUNITY BANK

(REGISTRATION NUMBER: 213242)
BALANCE SHEET AS AT 30 SEPTEMBER 2024

	Note	2024 £	2023 £
Fixed assets			
Intangible assets	7	291	388
Tangible assets	8	473,834	490,288
		<u>474,125</u>	<u>490,676</u>
Members Loans			
Members Loans	9	9,083,642	8,400,978
Less: Provision for underperforming loans		(484,408)	(724,561)
Members Loans		<u>8,599,234</u>	<u>7,676,417</u>
Current assets			
Debtors	10	31,000	41,625
Investments	11	4,227,211	4,103,572
Cash at bank and in hand		211,586	1,164,687
		<u>4,469,797</u>	<u>5,309,884</u>
Total current assets		<u>4,469,797</u>	<u>5,309,884</u>
Total assets		<u>13,543,156</u>	<u>13,476,977</u>
Liabilities			
Ordinary members shares	14	10,115,714	10,374,365
Junior members shares	14	69,738	114,494
Hold shares	14	190	190
Liabilities		10,185,642	10,489,049
Other payables	13	83,711	46,647
Revaluation reserve		297,124	297,124
Social and educational reserve		115,409	115,409
Revenue reserve		1,280,676	948,154
General reserve		1,580,594	1,580,594
Total liabilities		<u>13,543,156</u>	<u>13,476,977</u>

The notes on pages 14 to 24 form an integral part of these financial statements.
Page 10

THE PENTECOSTAL COMMUNITY BANK

(REGISTRATION NUMBER: 213242)

BALANCE SHEET AS AT 30 SEPTEMBER 2024 (CONTINUED)

Approved and authorised by the Board on and signed on its behalf by:

.....
Mr G L Laniyan
Chairman

.....
Ms P M Toussainte
Company secretary and director

.....
Miss L Lynch
Director

The notes on pages 14 to 24 form an integral part of these financial statements.
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THE PENTECOSTAL COMMUNITY BANK

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2024

	Revaluation reserve £	Social and education £	General reserve £	Revenue reserve £	Total £
Opening total equity	297,124	115,409	1,580,594	948,154	2,941,281
Profit for the year	-	-	-	432,533	432,533
Dividends	-	-	-	(100,011)	(100,011)
At 30 September 2024	297,124	115,409	1,580,594	1,280,676	3,273,803

	Revaluation reserve £	Social and education £	General reserve £	Revenue reserve £	Total £
Opening total equity	297,124	115,409	1,480,594	961,782	2,854,909
Profit for the year	-	-	-	183,055	183,055
Dividends	-	-	-	(96,683)	(96,683)
Transfers	-	-	100,000	-	100,000
Other movements on reserves	-	-	-	(100,000)	(100,000)
At 30 September 2023	297,124	115,409	1,580,594	948,154	2,941,281

The notes on pages 14 to 24 form an integral part of these financial statements.
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THE PENTECOSTAL COMMUNITY BANK

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 SEPTEMBER 2024

	Note	2024 £	2023 £
Cash flows from operating activities			
Profit for the year		432,533	183,055
Adjustments to cash flows			
Depreciation and amortisation		9,767	12,258
Disposal of fixed assets		6,784	-
Cash inflow from subscribed capital		2,809,512	3,195,062
Cash outflow from repaid capital		(3,112,919)	(2,636,447)
Loans issued to members		(2,086,459)	(3,051,997)
Income tax expense	6	57,372	31,704
Repayment of loans by members		1,403,795	1,338,613
Increase/(Decrease) in loan provision		(240,153)	(8,176)
		(719,768)	(935,928)
Working capital adjustments			
Decrease in trade debtors	10	10,625	18,137
Increase in trade creditors	13	11,396	1,247
		(697,747)	(916,544)
Cashflow from operations		(697,747)	(916,544)
Income taxes paid	6	(31,704)	(10,861)
Net cash flow from operating activities		(729,451)	(927,405)
Cash flows from financing activities			
Dividends paid	3	(100,011)	(96,683)
Net decrease in cash and cash equivalents		(829,462)	(1,024,088)
Cash and cash equivalents at 1 October		5,268,259	6,292,347
Cash and cash equivalents at 30 September		4,438,797	5,268,259

The notes on pages 14 to 24 form an integral part of these financial statements.
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THE PENTECOSTAL COMMUNITY BANK

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

1 General information

The company was formerly known as Pentecostal Credit Union Ltd.

The address of its registered office is:

15 Oldridge Road
Balham
London
SW12 8PL

Accounting convention

Pentecostal Credit Union Limited is a society registered 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. Pentecostal Credit Union Limited 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 only has redeemable shares.

These financial statements have been prepared in accordance with FRS102, the financial reporting standard applicable in the UK and Republic of Ireland.

The financial statements are prepared on the historic cost basis apart from the revaluation of fixed asset investments.

The financial statements are prepared in sterling, which is the functional currency of the Credit Union.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Going concern

The financial statements have been prepared on a going concern basis. The directors of Pentecostal Credit Union Limited believe this is appropriate despite a mismatch in the maturity of analysis of subscribed capital and loans to members, because any deficit would be covered by the investments currently held by the Credit Union.

THE PENTECOSTAL COMMUNITY BANK

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

2 Accounting policies (continued)

Judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome.

The key judgements that the directors are required to make relate to:

- The level of impairment loss that it is recorded against loans that are in arrears;
- The overlay applied to the impairment loss to recognise loans that are not yet in arrears but are impaired.

Loan Impairment

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

Tax

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Land and buildings	2% reducing balance
Furniture, fixtures and fittings	25% reducing balance
Computer equipment	3 year straight line

THE PENTECOSTAL COMMUNITY BANK

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

2 Accounting policies (continued)

Intangible assets

Separately acquired trademarks and licences are shown at historical cost.

Trademarks, licences (including software) and customer-related intangible assets acquired in a business combination are recognised at fair value at the acquisition date.

Trademarks, licences and customer-related intangible assets have a finite useful life and are carried at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Patents	25% reducing balance

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, demand deposits with banks, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value. In the statement of financial position, bank overdrafts are shown within borrowing or current liabilities

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

THE PENTECOSTAL COMMUNITY BANK

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

2 Accounting policies (continued)

Financial instruments

Recognition and measurement

A financial asset or a financial liability is recognised only when the company becomes party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

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.

Juvenile depositors

Juvenile transactions are included within the financial statements unless specially shown otherwise.

Financial assets - loans and advances to members

Loans to members are financial assets with fixed or determinable payments, and are not quoted in an active market. Loans are recognised when cash is advanced to members and measured at amortised cost using the effective interest method.

Interest

All interest payable and receivable is accounted for on an accruals basis.

Impairment review

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.

3 Dividends

	2024 £	2023 £
Dividends paid during the year	100,011	96,683
	<u>100,011</u>	<u>96,683</u>

THE PENTECOSTAL COMMUNITY BANK

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

3 Dividends (continued)

	2024	2023
Dividend rate:		
Balances less than £10,000	1%	1%
Balances greater than £10,000	<u>1%</u>	<u>1%</u>

Dividends are 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.

4 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2024 £	2023 £
Wages and salaries	90,337	98,233
Social security costs	5,778	6,136
Pension costs, defined contribution scheme	<u>2,541</u>	<u>2,951</u>
	<u>98,656</u>	<u>107,320</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2024 No.	2023 No.
Administration and support	<u>2</u>	<u>2</u>
	<u>2</u>	<u>2</u>

5 Auditors' remuneration

	2024 £	2023 £
Audit of the financial statements	<u>12,300</u>	<u>7,950</u>

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 to assist us with the preparation of the financial statements.

Separately to fees paid to the statutory auditors, fees are also paid to other auditors for internal audit services, totalling £14,280 (2023: £4,171).

THE PENTECOSTAL COMMUNITY BANK

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

6 Taxation

Tax charged/(credited) in the statement of comprehensive income

	2024 £	2023 £
Current taxation		
UK corporation tax	<u>57,372</u>	<u>31,704</u>

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2023 - the same as the standard rate of corporation tax in the UK) of 25% (2023 - 22%).

The differences are reconciled below:

	2024 £	2023 £
Profit before tax	<u>489,905</u>	<u>214,759</u>
Corporation tax at standard rate	122,476	47,247
Tax increase/(decrease) from other tax effects	(290)	(770)
Other tax effects for reconciliation between accounting profit and tax expense (income)	<u>(64,814)</u>	<u>(14,773)</u>
Total tax charge	<u>57,372</u>	<u>31,704</u>

7 Intangible assets

	Patents £	Total £
Cost or valuation		
At 1 October 2023	<u>2,178</u>	<u>2,178</u>
At 30 September 2024	<u>2,178</u>	<u>2,178</u>
Amortisation		
At 1 October 2023	1,790	1,790
Amortisation charge	<u>97</u>	<u>97</u>
At 30 September 2024	<u>1,887</u>	<u>1,887</u>
Carrying amount		
At 30 September 2024	<u>291</u>	<u>291</u>
At 30 September 2023	<u>388</u>	<u>388</u>

THE PENTECOSTAL COMMUNITY BANK

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

8 Tangible assets

	Land and buildings £	Fixtures, fittings and equipment £	Total £
Cost or valuation			
At 1 October 2023	690,771	75,065	765,836
Disposals	-	(75,065)	(75,065)
At 30 September 2024	<u>690,771</u>	<u>-</u>	<u>690,771</u>
Depreciation			
At 1 October 2023	207,267	68,281	275,548
Charge for the year	9,670	-	9,670
Eliminated on disposal	-	(68,281)	(68,281)
At 30 September 2024	<u>216,937</u>	<u>-</u>	<u>216,937</u>
Carrying amount			
At 30 September 2024	<u>473,834</u>	<u>-</u>	<u>473,834</u>
At 30 September 2023	<u>483,504</u>	<u>6,784</u>	<u>490,288</u>

9 Members Loans

	2024 £	2023 £
Members Loans		
Members loan accounts brought forward	8,400,978	6,687,594
Members loan accounts repaid	(1,897,767)	(1,756,711)
Members loan accounts granted	2,086,459	3,051,997
Members loan account interest charged	493,972	418,098
Gross loans and advances to members	<u>9,083,642</u>	<u>8,400,978</u>
Provision for underperforming loans	<u>(484,408)</u>	<u>(724,561)</u>
	<u>8,599,234</u>	<u>7,676,417</u>

THE PENTECOSTAL COMMUNITY BANK

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

10 Debtors

	2024	2023
	£	£
Other debtors	31,000	31,000
Prepayments	-	10,625
	<u>31,000</u>	<u>41,625</u>

11 Current asset investments

	2024	2023
	£	£
Other investments	<u>4,227,211</u>	<u>4,103,572</u>

12 Cash and cash equivalents

	2024	2023
	£	£
Cash at bank	<u>211,586</u>	<u>1,164,687</u>

13 Creditors

	2024	2023
	£	£
Due within one year		
Other payables	26,339	14,943
Corporation tax liability	6 <u>57,372</u>	<u>31,704</u>
	<u>83,711</u>	<u>46,647</u>

14 Subscribed capital - financial liabilities (including Juniors)

	2024	2023
	£	£
Balance brought forward from last year	10,489,049	9,930,434
Shares saved and loans repaid	2,709,501	3,098,379
Dividends paid	100,011	96,683
Shares withdrawn	<u>(3,112,919)</u>	<u>(2,636,447)</u>
	<u>10,185,642</u>	<u>10,489,049</u>

THE PENTECOSTAL COMMUNITY BANK

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

14 Subscribed capital - financial liabilities (including Juniors) (continued)

	2024 £	2023 £
Analysed as:		
Ordinary member shares	10,115,714	10,374,365
Junior members shares	69,738	114,494
Hold shares	190	190
	<u>10,185,642</u>	<u>10,489,049</u>

15 Financial Risk management

The Pentecostal Credit Union Limited manages its subscribed capital and loans to members so that it earns income from the margin between interest receivable and interest payable (including dividends paid).

The main financial risks arising from the activities of Pentecostal Credit Union Limited 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 Pentecostal Credit Union Limited, resulting in financial loss to the Pentecostal Credit Union Limited. In order to manage this risk the Board approves the lending policy of Pentecostal Credit Union Limited and all changes to it. All loan applications are assessed with reference to the lending policy in force at the time. Subsequently loans are regularly reviewed for any factors that may indicate the likelihood of repayment has changed. the Credit Union also monitors its banking arrangements for Credit risk.

Liquidity Risk

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

Market Risk:

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

Interest rate risk:

The main interest rate risk for Pentecostal Credit Union Limited arises between the interest rate exposure on loans and bank deposits that form an integral part of a Credit Union's operations. The Credit Union does not pay interest on shares, but pays a Dividend which is set by the board every year. Dividend rates are based on the historical results of the Credit Union and the Credit Union's strategic plans. The Directors do not believe the dividend represents an interest rate risk. The Credit Union does not use interest rate options to hedge its own position.

Foreign Currency Risk:

All transactions are carried out in sterling and therefore the Credit Union is not exposed to any form of foreign currency risk.

THE PENTECOSTAL COMMUNITY BANK

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

16 Interest Rate Disclosure

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

Financial assets	2024		2023	
	Amount £	Average interest rate %	Amount £	Average interest rate %
Loans to members	<u>9,083,642</u>	<u>5.44</u>	<u>8,400,978</u>	<u>5.28</u>

The interest rates applicable to loans to members are fixed and range from 5.0% to 36.0% per annum.

There is no interest charged on financial liabilities.

17 Liquidity Risk Disclosure

The main liquidity risk is on the subscribed share capital, which is repayable on demand.

18 Credit Risk Disclosure

Pentecostal Credit Union Limited does offer mortgages and as a result some loans to members are secured against properties owned by the respective member. In addition to this, there are restrictions on the extent to which borrowers may withdraw their savings whilst loans are outstanding and some loans are fully secured by members savings.

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

Loan analysis	2024 £	2023 £
Not past due	8,362,795	7,492,118
Up to 3 months past due	143,849	279,743
Between 3 months and 6 months due	5,921	93,589
Between 6 months and 1 year past due	49,472	51,908
Over 1 year past due	<u>521,605</u>	<u>483,620</u>
	9,083,642	8,400,978
General provision	(213,812)	(205,150)
Specific provision	(270,596)	(519,411)
Total carrying value	<u>8,599,234</u>	<u>7,676,417</u>

THE PENTECOSTAL COMMUNITY BANK

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

19 Contingent liabilities

Pentecostal 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) had 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 Pentecostal Credit Union will have to pay.

20 Related party transactions

Loans can be made to directors, as members of the Credit Union, in the course of business and on the same terms as are available to other members, in accordance with the requirement of the Financial Conduct Authority. During the year, 6 members of the Board, staff and their close family members (2023: 6 members) had loans with the Credit Union.

During the year £77,836 (2023: £69,633) including Employers National Insurance was paid to key management personnel in respect of remuneration.

During the year, Pentecostal Credit Union paid £72,462 (2023: £65,340) in consultancy fees to the mother of a member of key management personnel.

Privacy Notice – Recording of the Annual General Meeting (AGM)

1. Purpose of recording

The Pentecostal Community Bank will record the Annual General Meeting (AGM) conducted via Zoom. The recording is made for business purposes, specifically to assist in the accurate preparation of meeting minutes, as required under our governance policies.

2. Lawful basis for processing

The lawful basis for recording the AGM is legitimate interest under the UK General Data Protection Regulation (UK GDPR). Maintaining an accurate record of the meeting is essential for transparency and compliance with our corporate governance obligations.

3. How long we keep the recording

The recording will be retained for one year or until the minutes of the AGM are formally approved at the next AGM, whichever comes first. After this period, the recording will be securely deleted.

4. Who has access to the recording?

The recording will only be accessible to:

- The board of directors and company secretary for minute-taking purposes
- Internal staff responsible for governance and compliance
- Any other individuals authorised by Pentecostal Community Bank for legitimate business needs

It will not be shared with third parties unless required by law.

5. Notification and participation

- The Zoom platform will automatically notify all participants that the meeting is being recorded.
- By remaining in the meeting, attendees acknowledge and consent to the recording.
- There are no alternative participation options for those who do not wish to be recorded. However, attendees may turn off their camera if they prefer not to appear in the video recording.

6. Your rights

Under data protection laws, you have rights regarding your personal data, including:

- The right to access a copy of your data
- The right to request correction of inaccurate information
- The right to object to processing in certain circumstances

To exercise your rights, please contact info@pcbank.co.uk

7. Additional Information

For further details on how we process personal data, please refer to our Privacy Policy at www.Pcbank.co.uk



Pentecostal Community Bank