



Mutual Societies Annual Return Form (AR30)

For societies registered under the Co-operative and Community Benefit Societies Act 2014

Society name:

Association of British Credit Unions Ltd

Important information you should read before completing this form

You must use this form if you are a:

- registered society (previously referred to as an 'industrial and provident society')
- co-operative society
- community benefit society

registered under the Co-operative and Community Benefit Societies Act 2014.

You must submit this form and the society's accounts within 7 months of the end of your financial year. Failure to submit is an offence for which the society may be prosecuted.

Please note:

- we have an information note that may assist you in completing this application
- any personal details you give on the form will be placed on the society's public file.
- it is important you give accurate and complete information and disclose all relevant information. If you do not, it may take us longer to process your annual return.

Please keep a copy of the form and supporting documents for future reference.

Terms in this form

'FCA', 'PRA', 'us' and 'we' refer to the Financial Conduct Authority or Prudential Regulation Authority.

'You' refers to the person signing the form on behalf of the society.

'The 2014 Act' is the Co-operative and Community Benefit Societies Act 2014



Mutual Societies Annual Return Form (AR30)

For societies registered under the Co-operative and Community Benefit Societies Act 2014

Filling in the form

1 If you are using your computer to complete the form:

- use the TAB key to move from question to question and press SHIFT TAB to move back to the previous question; and
- print the completed form and arrange for it to be signed by all relevant individuals.

2 If you are filling in the form by hand:

- use black ink;
- write clearly; and
- arrange for it to be signed and dated by all relevant individuals.

3 If you make a mistake, cross it out and initial the changes; do not use correction fluid.

4 If you:

- leave a question blank;
- do not get the form signed; or
- do not attach the required supporting information

without telling us why, we will treat the application as incomplete. This will increase the time taken to assess your application.

5 If there is not enough space on the form, you may use separate sheets of paper. Clearly mark each separate sheet of paper with the relevant question number. Any separate sheets should be signed by the signatories to the form.

6 Email a scanned copy of the signed form and supporting documents to

mutualsannrtns@fca.org.uk

or send it by post to:

Mutuals Team
Financial Conduct Authority
25 The North Colonnade
Canary Wharf
LONDON
E14 5HS

7. Please make sure you include:

- this form
- a set of printed accounts – signed by two members and the secretary (3 signatures in total)
- an audit report or accountant's report where required; and
- any supporting documents.

1

Details of society

1.1 Details of the society

Register number	23136R
Registered office address	Holyoake House Hanover Street Manchester
Postcode	M60 0AS

1.2 Year end date (dd/mm/yyyy)

See Note 1.2

3	0	/	0	9	/	2	0	1	6
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Committee of management

If you are a club you do not need to give a year of birth in questions 1.3-1.6.

The names of the members of the Committee at the date on which the return is signed should be entered below in BLOCK CAPITALS.

1.3 Details of Chairman

Name	Robert Joseph Kelly
Address	11 Myrie Gardens Bishopbriggs Glasgow
Postcode	G64 1EB
Year of birth	1978
Business occupation and other directorships	Credit Union General Manager Director: Credit Unions of Glasgow Ltd, Queens Cross Workspace Ltd Management Committee Member: Thenue Housing Association Trustee: The Credit Union Foundation

1.4 Details of Treasurer

Name	David Martin
Address	82 Fox Street Scunthorpe North Lincolnshire
Postcode	DN15 7LD
Year of birth	1944

Business occupation and other directorships	Retired No other directorships
---	-----------------------------------

1.5 Details of Secretary

Name	Denis Greenall
Address	20 Pentre Banadi Killay Swansea
Postcode	SA2 7DD
Year of birth	1952
Business occupation and other directorships	Credit Union Manager. No other directorships

1.6 Details of Members of the Committee

Name	Address	Year of birth	Business occupation and other directorships
Karen Bennett	3 Woodland Road Walton Liverpool L4 8SS	1964	Credit Union Chief Executive No other directorships
Grenville Rupert Stanley Bingham	3 Vinegar Street London E1W 2QQ	1943	IT Management Consultant Director: London Community Credit Union Ltd Trustee: The Credit Union Foundation
Patricia Elizabeth Butler	31 Milverton Avenue Bearsden Glasgow G61 4BE	1960	Credit Union General Manager No other directorships
Ian Atkins	Alcriba, 56 Inkerman Road Woolston, Southampton SO19 9DA	1953	Aircraft Engineer, Director: Plane Saver Credit Union
Peter Reginald Evans	Iona Chequers Lane Wychbold Droitwich Spa Worcestershire WR9 7PH	1949	Retired Credit Union Chief Executive Trustee: Children Today Charitable Trust Trustee: Hunters Hill Charitable Trust
Karen Walker	9 Winchester Way Ipswich Suffolk IP2 9YE	1965	Credit Union Business Manager Fostering and Adoption Recruitment Co-ordinator. No other directorships.

Please use separate sheets of paper if you need more space, following the instructions provided in section 5 above.

Please indicate how many separate sheets of paper you have used

Please continue, answering all questions.

- 1.7 Are any members of the society's committee disqualified as directors under the Company Director Disqualification Act 1986?**

☒ No
☐ Yes

- 1.8 Does the society carry out any activity which is regulated under the Financial Services and Markets Act 2000?** (e.g. accepting deposits in a form other than withdrawable shares; offering insurance products; undertaking residential mortgage business). If 'yes' please state the society's Financial Services Register firm reference number

☒ No
☐ Yes

Financial Services Register firm reference number

- 1.9 Is the society a subsidiary of another society?**

☒ No
☐ Yes

- 1.10 Does the society have one or more subsidiaries?**

☐ No
☒ Yes

- 1.11 Is the society currently accepted by the HM Revenue and Customs as a charity for tax purposes?**

☒ No
☐ Yes

Please confirm you have attached a copy of the letter from HM Revenue and Customs confirming charitable tax status:

☐ Yes

- 1.12 Is this society a charity registered with the Office of the Scottish Charity Regulator (OSCR)?**

☒ No
☐ Yes ▶ provide your Scottish Charity number below

- 1.13 Is the society registered with one of the following (please tick)?**

- ☐ Homes and Communities Agency
☐ The Welsh Ministers
☐ Scottish Housing Regulator

If so, please provide your register number

All societies must answer the following questions:

- if a **bona fide co-operative society** go to question 1.14
- if **existing for the benefit of the community** go to question 1.19

Bona fide co-operative society

1.14 How did members benefit from the business, industry or trade of the society during the year?

Members received a variety of services including: information and guidance in the form of access to a phone and email enquiry service, regular bulletins with updates and briefings, access to a secured members' section of the Association's website containing information guides, briefings and a members' forum, assistance with rule changes, access to public relations opportunities, training and management information. ABCUL members were the only credit unions able to access networking and training opportunities such as the Association's Annual Conference and regional Forums.

1.15 Is membership of the society required to obtain the benefits offered by it?

- ☒ Yes
☐ No

1.16 In what way did members participate in an ongoing basis in the society's primary business during the year?

Members used the enquiry service to answer queries on a variety of legal, regulatory and operational queries related to the management of credit unions. They were also able to access over 100 information guides and a discussion forum on the members' section of the website. 300 members attended the Annual Conference to access a range of training and networking opportunities as well as the Association's AGM and a similar number attended regional ABCUL Forum meetings. 79 credit union members took part in the annual members survey which gathers views on services and priorities to help the ABCUL Board meet the needs of members.

1.17 How did members democratically control the society?

Members were able to put forward Motions for discussion at the Association's AGM, speak to those Motions and vote on them. They also had opportunities to nominate and vote on candidates for director and supervisory committee positions. The Association was governed by a board of directors selected from the membership, by the membership. Directors also fed back to regional ABCUL Forums on a regular basis, including by providing information on topics discussed at board meetings.

1.18 How did the society use any surplus/profit?

If the society distributed the surplus/profit to members please explain how this was done.

Surplus was transferred to general funds, not distributed to members. One of the objectives of the Association is to build reserves equal to 6 months' running costs. We currently have 4.75 months core running costs in reserves.

Please use separate sheets of paper if you need more space (see section 5 above)

Please indicate how many separate sheets of paper you have used.

Continue to 2.1

Community benefit society

1.19 Who are the community the society benefited?

--

1.20 How did the society benefit that community during the year?

--

1.21 How did the society use any surplus/profit?

--

Please use separate sheets of paper if you need more space (see section 5 above).

Please indicate how many separate sheets of paper you have used.

--

Continue to 2.1

2 Statistics

Account details

2.1 You must enter the figures below

See notes for help on items E-T. Enter NIL where applicable

A	Members at beginning of year	215
B	Members ceased during year	13
C	Members admitted during year	6
D	Members at end of year	208
E	Turnover for year	12,384,956
F	Total of income and expenditure (receipts and payments added together)	24,705,063
G	Net surplus/(deficit) for year	64,849
H	Fixed assets	27,769
I	Current assets	5,832,159
J	Total assets (equal to amount in row O, below)	5,859,928
K	Current liabilities	4,929,544
L	Share capital	208
M	Long-term liabilities	-
N	Reserves	930,176
O	Total liabilities, share capital & reserves (K+L+M+N) (equal to amount in J above)	5,859,928
All societies (excluding clubs) must complete boxes P-T		
P	Investments in other registered societies	115,000
Q	Loans from members	0
R	Loans from Employees' Superannuation Schemes	0
S	Dividends on sales	0
T	Share interest	0

2.2 Names of subsidiaries as defined in sections 100 and 101 of the Co-operative and Community Benefit Societies Act 2014

Cornerstone Mutual Services Ltd

2.3 Names of subsidiaries not dealt with in group accounts (if any) and reasons for exclusions (as approved by the FCA)

The society must have written authority from us to exclude a subsidiary from group accounts

3

The audit

3.1 Type of audit used for the attached accounts.

If the society has used a full professional audit or an accountant's report then the report must be prepared by a registered auditor.

- ☒ Full professional audit ▶ Continue to section 4
- ☐ Accountant's report ▶ Complete questions 3.2 and 3.3
- ☐ Lay audit ▶ Complete questions 3.2 and 3.3
- ☐ Unaudited ▶ Complete questions 3.2 and 3.3

3.2 Do the society's registered rules allow the society not to undertake a full professional audit?

- ☒ No
- ☐ Yes

3.3 Has the membership passed at a general meeting a resolution allowing the society not to undertake a full professional audit for the year of account in question? (In accordance with section 84 of the Co-operative and Community Benefit Societies Act 2014)

- ☒ No
- ☐ Yes

4 Accounts and signature

Accounts

4.1 Date on which the accounts and balance sheet will be/were laid before the AGM (dd/mm/yyyy)

1	2	/	0	3	/	2	0	1	7
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4.2 Has your society produced accounts to the minimum standard required?

☒ Yes ▶ you must confirm that you have attached the accounts and the audit/accountant's report bearing the original signatures of the auditor (if required by law), the secretary and the two committee members.

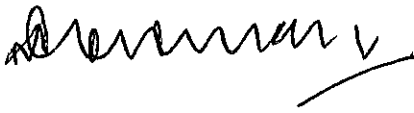
☒ Attached

☐ No ▶ you must produce accounts to the minimum standard required, see notes for details.

Signature – all societies to complete

4.3 The Secretary of the society must sign and date below


I certify that the information in this form is correct to the best of my knowledge and belief.

Name	Denis Greenall
Signature	
Phone number	01792 297344
Email	denis.greenall@abcul.org
Date	dd/mm/yy 23/4/17

Name	Address	Year of Birth	Business Occupation and Other Directorships
Donald James Kehoe	Flat 1 Sebastian House 2-4 Sebastian Street Clerkenwell London EC1V 0HE	1957	IT Consultant Director: Lothbury Software Ltd, Sebastian House Ltd (non trading), Cavendish School Educational Trust, London Capital Credit Union Ltd, St Luke's Parochial Trust, St Luke's Trustee Ltd, Help on your Doorstep Ltd
John Macdonald	56 Park Lane Salford M6 7RQ	1956	Bus driver Director: Voyager Alliance Credit Union Ltd Trustee: Transport Benevolent Fund
Carol McHarg	29 Pollock Crescent Kilwinning Ayrshire KA13 6HP	1963	Credit Union Manager Director: Pennyburn Regeneration Youth Development Enterprise, Cornerstone Mutual Services Ltd
Clive Rix	22 Adbolton Grove West Bridgford Nottingham NG2 5AR	1950	Employments: Freelance Business Adviser and Lecturer at the University of Leicester Director: Nottingham Credit Union Ltd, Coal Trade Benevolent Association, Cornerstone Mutual Services Ltd, Central College, Nottingham
Andrew Wright	52 Kilmailing Road Glasgow G44 5UJ	1955	Credit Union Manager Director: Credit Unions of Glasgow Ltd
Mark Lyonette	63 Corkland Road Chorlton Manchester M21 8XS	1965	Chief Executive of ABCUL/Cornerstone Mutual Services Ltd Trustee: The Credit Union Foundation

Signature of Secretary

I certify that the information on this supplementary page is correct to the best of my knowledge and belief.

Name	Denis Greenall
Signature	
Phone number	01792 297344
Email	Denis.greenall@abcul.org
Date	dd/mm/yy 23/04/17.

ASSOCIATION OF BRITISH CREDIT UNIONS LIMITED
CONSOLIDATED DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016

Company registration number: IP23136R

ASSOCIATION OF BRITISH CREDIT UNIONS LIMITED FOR THE YEAR ENDED 30 SEPTEMBER 2016

COMPANY INFORMATION

Company Registration number IP23136R

Directors

Robert Kelly (President)
David Martin (Treasurer)
Kevin Waters (Vice President)
Carol McHarg
Alan Hignett (Secretary)
Clive Rix
Peter Evans
John Macdonald
Andrew Wright
Granville Bingham
Don Kehoe
Karen Bennett
Denis Greenall
Patricia Butler

Registered Office

Holyoake House
Hanover Street
Manchester
M60 0AS

Bankers

The Co-operative Bank plc
Balloon Street
Manchester
M60 4EP

Auditors

Mitchell Charlesworth LLP
Chartered Accountants
Centurion House
129 Deansgate
Manchester
England
M3 3WR

ASSOCIATION OF BRITISH CREDIT UNIONS LIMITED

FOR THE YEAR ENDED 30 SEPTEMBER 2016

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ASSOCIATION OF BRITISH CREDIT UNIONS LIMITED FOR THE YEAR ENDED 30 SEPTEMBER 2016

DIRECTORS' REPORT

The directors of the association present their annual report and the financial statements for the year ended 30 September 2016.

Principal activities

The principal activity of the association during the period was that of a trade association for credit unions in England, Scotland and Wales.

Status and Administration

The association is registered society. It is governed by the board of directors which is elected by the members in general meeting, in accordance with the association's rule book.

Committee members

The following members have held office since 1 October 2015:

Association of British Credit Union Limited:

Robert Kelly (President)
Angela Hampson (term ended March 2016)
David Martin (Treasurer)
Kevin Waters (Secretary until March 2016, Vice President from March 2016)
Carol McHarg
Alan Hignett (Secretary from March 2016)
Clive Rix
Peter Evans
John Macdonald
Frank Duffy (Resigned August 2016)
Andrew Wright
Granville Bingham
Don Kehoe
Karen Bennett
Denis Greenall
Patricia Butler (Co-opted March 2016)

Cornerstone Mutual Services Limited

Mark Lyonette
Annette Warne-Thomas
Lord David Hunt
Elaine Draper
Louise Galbraith (Resigned July 2016)
Carol McHarg
Clive Rix
Carol Strand (Appointed September 2016)

Auditor

In accordance with the association's articles, a resolution proposing that Mitchell Charlesworth LLP be reappointed as auditor will be put at a general meeting.

Committee of management responsibilities statement

Co-operative and Community Benefit Societies (formerly Industrial and Provident Societies) legislation requires the association to prepare accounts for each financial year which give a true and fair view of the state of affairs of the association at the year end and of its profit or loss for the year then ended.

In relation to the association these requirements are the responsibility of the Board. They are responsible for preparing the accounts of the association and in so doing are required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgments and estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed.
- Prepare the accounts on the going concern basis unless it is inappropriate to do so.

The board is responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the association. They are also responsible for safeguarding the assets of the association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**ASSOCIATION OF BRITISH CREDIT UNIONS LIMITED
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

DIRECTORS' REPORT

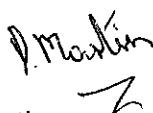
Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the association's auditor is unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the association's auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Approved by the board on 02/02/2017

And signed on their behalf by


David Martin
Treasurer

ASSOCIATION OF BRITISH CREDIT UNIONS LIMITED FOR THE YEAR ENDED 30 SEPTEMBER 2016

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASSOCIATION OF BRITISH CREDIT UNIONS LIMITED

We have audited the consolidated financial statements of the Association of British Credit Unions Limited for the year ended 30th September 2016 on pages 7 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the society's members, as a body, 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 society'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 society and the society's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of committee of management and auditors

As explained more fully in the Committee of Management's Responsibilities Statement set out on page 4, the Committee of Management is responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the society's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Committee of Management; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

We have undertaken the audit in accordance with the requirements of APB Ethical Standards, in the circumstances set out in the related note in the financial statements.

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the associations affairs as at 30 September 2015, and of its income and expenditure for the year then ended of the undertakings included in the consolidation as a whole and;
- 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 (formerly Industrial and Provident Societies Act 1965 to 2002).

In our opinion, based on the work undertaken in the course of our audit, the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements, and the Directors' Report has been prepared in accordance with applicable legal requirements.

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 any material misstatements in the Directors' Report.

**ASSOCIATION OF BRITISH CREDIT UNIONS LIMITED
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE CREDIT UNION FOUNDATION ✕**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 (formerly Industrial and Provident Societies Act 1965 to 2002) requires us to report to you if, in our opinion:

- the society has not kept proper books of account, and not maintained a satisfactory system of control over its transactions, in accordance with the requirements of the legislation;
- the revenue account, any other accounts to which our report relates, and the balance sheet are not in agreement with the society's books of account; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report under Companies Act 2006.



**Mr Paul Booth (Senior Statutory Auditor)
For and on behalf of MITCHELL CHARLESWORTH
LLP**

Chartered Accountants
Centurion House
129 Deansgate
Manchester
M3 3WR

Date:

**ASSOCIATION OF BRITISH CREDIT UNIONS LIMITED
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

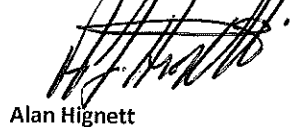
CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT

	Notes	2016	2015
Income			
Members' dues	4.7% 35,522 ↓	723,310	758,832
Other trade body income	3	496,543 ✓	481,470 ✓
CUEP and other services income	4 8	11,165,103 ✓	11,130,893 ✓
Total income	0.11% 13,961 ↑	12,384,956 ✓	12,371,195
Expenditure			
Direct costs of trade body	5	(347,427) ✓	(348,442) ✓
Direct costs of CUEP and other services	6	(10,236,909) ✓	(10,144,661) ✓
Staff costs	7	(1,332,495) ✓	(1,324,492) ✓
Office costs	8	(386,364) ✓	(408,702) ✓
Professional costs	9	(16,912) ✓	(28,645) ✓
Total expenditure	0.52% 65,165 ↑	(12,320,107) ✓	(12,254,942) ✓
Surplus on ordinary activities before taxation		64,849 ✓	116,253 ✓
Taxation	10	(2,980) ✓	(3,409) ✓
Surplus for the year after taxation		61,869 ✓	112,844 ✓
Transfer (to)/from designated funds re Forums		12,268	(1,029)
Surplus for the year transferred to general funds		74,137 ✓	111,815 ✓
Accumulated general funds brought forward		595,124	483,309
Fund balances carried forward	19	669,261 ✓	595,124 ✓

These financial statements were approved by the members of the committee on 2/2/17 and are signed on their behalf by:


Robert Kelly
President


David Martin
Treasurer


Alan Hignett
Secretary

The income and expenditure account includes all gains and losses recognised in the year.

The notes on pages 11 to 21 form part of these financial statements

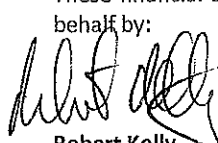
ASSOCIATION OF BRITISH CREDIT UNIONS LIMITED
FOR THE YEAR ENDED 30 SEPTEMBER 2016

CONSOLIDATED BALANCE SHEET

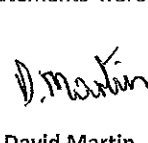
	Notes	2016	2015
		£	£
Fixed Assets			
Tangible assets	11	27,769	9,585
Current Assets			
Stock		700	7,242
Debtors	13	1,558,972	2,258,704
Cash at bank	14	<u>4,272,487</u>	<u>2,453,431</u>
		5,832,159	4,719,377
Creditors: amounts falling due within one year	15	<u>(4,929,544)</u>	<u>(3,860,440)</u>
Net Current Assets		902,615	858,937
Net Assets		<u>930,384</u>	<u>868,522</u>
Members' Funds			
Share capital	20	208	215
Designated funds		260,915	273,183
General funds		<u>669,261</u>	<u>595,124</u>
		<u>930,384</u>	<u>868,522</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

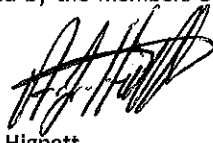
These financial statements were approved by the members of the committee on 2/2/17 and are signed on their behalf by:



Robert Kelly
President



David Martin
Treasurer



Alan Hignett
Secretary

Company registration number: IP23136R

The notes on pages 11 to 21 form part of these financial statements

ASSOCIATION OF BRITISH CREDIT UNIONS LIMITED

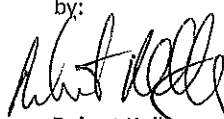
FOR THE YEAR ENDED 30 SEPTEMBER 2016

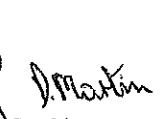
BALANCE SHEET


	Notes	2016	2015
		£	£
Fixed Assets			
Tangible assets	11	27,769	9,585
Investments	12	<u>300,000</u>	<u>300,000</u>
		327,769	309,585
Current Assets			
Stock		700	500
Debtors	13	1,179,929	1,800,093
Cash at bank	14	<u>2,536,641</u>	<u>1,445,839</u>
		3,717,270	3,246,432
Creditors: amounts falling due within one year	15	<u>(3,149,710)</u>	<u>(2,718,788)</u>
Net Current Assets		567,560	527,644
Net Assets		<u>895,329</u>	<u>837,229</u>
Members' Funds			
Share capital	20	208	215
Designated funds		260,915	273,183
General funds		<u>634,206</u>	<u>563,831</u>
		<u>895,329</u>	<u>837,229</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the members of the committee on 21/2/17 and are signed on their behalf by:


 Robert Kelly
 President


 David Martin
 Treasurer


 Alan Hignett
 Secretary

Company registration number: IP23136R

The notes on pages 11 to 21 form part of these financial statements

ASSOCIATION OF BRITISH CREDIT UNIONS LIMITED
FOR THE YEAR ENDED 30 SEPTEMBER 2016

CONSOLIDATED CASH FLOW STATEMENT

	Notes	2016	2015
		£	£
Cash flows from operating activities			
Cash generated from operations	22	1,841,797	1,347,075
Income taxes paid		<u>(3,409)</u>	<u>(2,207)</u>
Net cash inflow from operating activities		1,838,388	1,344,868
Investing activities			
Interest received		10,201	8,397
Purchase of tangible assets		<u>(29,526)</u>	<u>(11,119)</u>
Net cash (used in)/generated from investing activities		(19,325)	(2,722)
Financing activities			
Issue of share capital		<u>(7)</u>	<u>(22)</u>
Net cash used in financing activities		(7)	(22)
(Decrease)/Increase in cash in the year		1,819,056	1,342,124
Cash and cash equivalents at beginning of year		<u>2,453,431</u>	<u>1,111,307</u>
Cash and cash equivalents at end of year		<u>4,272,487</u>	<u>2,453,431</u>

The notes on pages 11 to 21 form part of these financial statements

ASSOCIATION OF BRITISH CREDIT UNIONS LIMITED FOR THE YEAR ENDED 30 SEPTEMBER 2016

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies

General information

Association of British Credit Unions Limited is a private company limited by shares, incorporated in England and Wales. Its registered office is Holyoake House, Hanover Street, Manchester, M60 0AS.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at amortised cost. The principal accounting policies adopted are set out below.

These financial statements for the year ended 30 September 2016 are the first financial statements of Association of British Credit Unions Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 October 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 23.

Group financial statements

These financial statements consolidate the results of the Association and its wholly owned subsidiary Cornerstone Mutual Services Limited.

The subsidiary's financial statements have been prepared under the historical cost convention and in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102").

The parent company has taken advantage of section 408 of the Companies Act 2006 and has not included its own Income and Expenditure Account in these financial statements. The parent company's surplus for the year was £70,375 (2015: £104,870).

Going concern

After reviewing the group's forecasts and projections, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

Fixed Assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Banking services	over the life of the contract – 20% per year
Furniture, fittings and equipment	20% per year
Computer equipment	33.3% per year

Stock

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

ASSOCIATION OF BRITISH CREDIT UNIONS LIMITED

FOR THE YEAR ENDED 30 SEPTEMBER 2016

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

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

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

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

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

ASSOCIATION OF BRITISH CREDIT UNIONS LIMITED

FOR THE YEAR ENDED 30 SEPTEMBER 2016

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Fund Accounting

General funds are available at the discretion of the directors in furtherance of the general objectives of the association. Designated funds are funds set aside by the directors out of restricted funds for specific future purposes or projects.

Forums

Credit Union Members of ABCUL are organised into various Forums, for the purposes of training, support and development. Forums are branches of ABCUL, having no distinct legal existence. All financial transactions are processed centrally, from ring-fenced allocations of dues for each chapter. Any unspent allocation is carried forward for use in future periods.

Income recognition

Income represents amounts due, net of Value Added Tax. Income is recognised as follows:

Members' Dues and Insurance Endorsements are recognised as income from the date that they fall due for payment to the Association.

Income from Grant funded projects is recognised when associated eligible expenditure is incurred by the Association, under the terms of the particular grant, and after allowing for any amounts refundable in respect of the current or prior years.

Other income is recognised when services are delivered or products are despatched.

Expenditure

Expenditure is included in the income and expenditure account on an accruals basis, inclusive of any VAT that cannot be recovered.

ASSOCIATION OF BRITISH CREDIT UNIONS LIMITED

FOR THE YEAR ENDED 30 SEPTEMBER 2016

Pension costs

ABCUL contributes to employees' personal pension plans or a stakeholder plan. Contributions are accounted for on an accruals basis.

Taxation

Corporation tax is payable on interest receivable in the Association of British Credit Unions Limited and on any surplus in the subsidiary Cornerstone Mutual Services Limited. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

2. Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3. Other trade body income

	2016	2015
Insurance endorsements	245,000	245,000
Forum income	12,405	10,050
Bank interest	10,201	8,397
Conference fees	129,240	112,188
Consultancy fees	3,960	8,168
Training fees	25,731	39,957
Publication sales	1,133	3,681
Sponsorship	21,199	20,000
VAT recoverable	30,842	33,699
Other	<u>16,832</u>	<u>330</u>
	<u>496,543</u>	<u>481,470</u>

4. CUEP and other services income

	2016	2015
CUEP	9,446,602	9,359,177
Other services	<u>1,718,501</u>	<u>1,771,716</u>
	<u>11,165,103</u>	<u>11,130,893</u>

ASSOCIATION OF BRITISH CREDIT UNIONS LIMITED

FOR THE YEAR ENDED 30 SEPTEMBER 2016

NOTES TO THE FINANCIAL STATEMENTS

5. Direct costs of trade body

	2016	2015
Board meeting and committee costs	40,289	47,142
Attendance at others' meetings	3,627	5,194
Forum costs	100,294	83,527
PR and branding	15,076	26,806
Subscriptions and affiliations	26,463	24,868
Conference direct costs	119,157	102,156
Consultancy costs, incl associates	2,840	5,937
Training costs, incl associates	20,568	34,590
Publications for resale	1,703	4,112
Strategic business development costs	<u>17,410</u>	<u>14,110</u>
	<u>347,427</u>	<u>348,442</u>

6. Direct costs of CUEP and other services

	2016	2015
CUEP	8,520,590	8,370,702
Other services	<u>1,716,319</u>	<u>1,773,959</u>
	<u>10,236,909</u>	<u>10,144,661</u>

In addition to these direct costs, CUEP was allocated its share of group overheads of £332,111 and its share of staff costs of £593,902 (2015: £364,525 and £623,951). These amounts are eliminated on consolidation.

7. Staff costs

	2016	2015
Salaries and NI	1,131,813	1,132,938
Pension costs	58,721	46,234
PR, HR, IT, Finance associates and temporary staff	82,290	53,892
Staff training and recruitment	3,629	10,217
Staff expenses	<u>56,042</u>	<u>81,211</u>
	<u>1,332,495</u>	<u>1,324,492</u>

ASSOCIATION OF BRITISH CREDIT UNIONS LIMITED

FOR THE YEAR ENDED 30 SEPTEMBER 2016

NOTES TO THE FINANCIAL STATEMENTS

Particulars of employees:

	2016	2015
Average number of full-time equivalent employees	33	33
Number of employees at balance sheet date	33	35

Directors of the association do not receive salaries or other remuneration. Out of pocket expenses, travel and accommodation are reimbursed and included within board costs at note 4.

8. Office costs

	2016	2015
Rent and service charges	201,971	143,817
Equipment rental and maintenance	53,174	53,535
Insurance	43,849	20,580
Repairs and maintenance	-	87,872
Telephone and postage	22,800	29,060
Stationery, printing and copying	40,688	48,370
Website costs	12,540	16,020
Depreciation	<u>11,342</u>	<u>9,448</u>
	<u>386,364</u>	<u>408,702</u>

9. Professional fees

	2016	2015
Audit fees	13,200	18,000
Bank charges	1,143	1,371
Other legal and professional services	<u>2,569</u>	<u>9,274</u>
	<u>16,912</u>	<u>28,645</u>

Included within other legal and professional fees is £661 relating to non audit fees (2015: £300).

10. Taxation

	2016	2015
Corporation tax is charged at the small companies rate as follows:		
Corporation tax at 20%	<u>2,980</u>	<u>3,409</u>

ASSOCIATION OF BRITISH CREDIT UNIONS LIMITED
FOR THE YEAR ENDED 30 SEPTEMBER 2016

NOTES TO THE FINANCIAL STATEMENTS

11. Fixed assets

	Banking Services £	Computer equipment £	Furniture fittings and equipment £	Total £
Cost or valuation				
At 1 October 2015	1,859,369	120,667	32,110	2,012,146
Additions	-	29,526	-	29,526
Disposals	-	-	-	-
At 30 September 2016	<u>1,859,369</u>	<u>150,193</u>	<u>32,110</u>	<u>2,041,672</u>
Depreciation				
At 1 October 2015	1,859,369	111,297	31,895	2,002,561
Charge for the year	-	11,127	215	11,342
Disposals	-	-	-	-
At 30 September 2016	<u>1,859,369</u>	<u>122,424</u>	<u>32,110</u>	<u>2,013,903</u>
Net book value				
At 30 September 2016	-	<u>27,769</u>	-	<u>27,769</u>
At 30 September 2015	-	<u>9,370</u>	<u>215</u>	<u>9,585</u>

No assets are held under finance leases or hire purchase contracts.

Depreciation of other assets amounting to £11,342 (2015: £9,448) is included within office costs as disclosed in note 8.

12. Investments

	2016 Company	2015 Company
Subordinated loan – Cornerstone Mutual Services Limited	300,000	300,000

The Subordinated loan investment was from The Association of British Credit Unions Limited to its subsidiary undertaking Cornerstone Mutual Services Limited and is only repayable on or after 9th January 2018. Interest will be determined on the date on which the loan becomes repayable and is not to exceed an annual rate of 5% above the Bank of England base rate at the date the loan was taken out (being 0.5%).

ASSOCIATION OF BRITISH CREDIT UNIONS LIMITED

FOR THE YEAR ENDED 30 SEPTEMBER 2016

NOTES TO THE FINANCIAL STATEMENTS

13. Debtors

	2016	2016	2015
	Group	Company	Group
Trade debtors	1,039,884	928,837	350,064
Sub-ordinated loan	115,000	-	-
Prepayments	85,445	52,957	74,392
Income receivable on contracts	242,807	122,299	1,662,088
VAT repayable	<u>75,836</u>	<u>75,836</u>	<u>172,160</u>
	<u>1,558,972</u>	<u>1,179,929</u>	<u>2,258,704</u>

14. Cash at bank

Cash at bank balances include £2,059,452 (2015: £962,418) held in trust for The Co-operative Bank in respect of banking services minimum volumes and other deferred fees. Corresponding amounts are included within creditors.

The Association's current account held with The Co-operative bank has a charge over the balance held in a Corporate Blocked Guarantee account dated 25 August 2016. The current account at the year end was not overdrawn.

15. Creditors

	2016	2016	2015
	Group	Company	Group
Trade creditors	1,876,657	475,707	1,786,841
Accruals	349,059	107,830	605,500
Income received in advance	2,668,734	689,171	1,435,353
Amounts owed to subsidiary undertaking	-	1,842,848	-
PAYE/NIC	28,962	28,962	29,337
Corporation tax	2,980	2,040	3,409
Other creditors – Pension	<u>3,152</u>	<u>3,152</u>	<u>-</u>
	<u>4,929,544</u>	<u>3,149,710</u>	<u>3,860,440</u>

16. Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases as follows;

	2016		2015	
	Land and Buildings	Other	Land and Buildings	Other
Within one year	-	3,579	-	5,976
Between two to five years	-	2,085	-	6,797
More than five years	-	-	-	-
	-	<u>5,664</u>	-	<u>12,773</u>

ASSOCIATION OF BRITISH CREDIT UNIONS LIMITED

FOR THE YEAR ENDED 30 SEPTEMBER 2016

NOTES TO THE FINANCIAL STATEMENTS

17. Related party transactions

At 30 September 2016, the association was owed by The Credit Union Foundation (CUF), a company under common control an amount of £7,732 (2015: £309) and is included within trade creditors.

During the year the association made sales to and purchases from CUF amounting to £2,219 (2015: £4,447) and £23,688 (2015: £48,239) respectively.

Due to the nature of the society, being a central service for other credit unions, there are numerous transactions with credit unions in which some of the directors are associated. These have been undertaken in accordance with the society's normal business terms and at arms length. On this basis we have not considered it necessary to detail any of these transactions.

18. Results of subsidiary undertaking

On 16 February 2012 Cornerstone Mutual Services Limited, a company limited by guarantee, was incorporated in England and Wales. This company is under common control and commenced to trade in the year ended 30 September 2014. The company provides efficient and cost-effective services to the credit unions, banks, building societies and institutions which are members of the company. These transactions have been included in the consolidated accounts.

	2016	2015
Surplus for the financial year	<u>3,762</u>	<u>6,945</u>
Aggregate capital and reserves	<u>35,055</u>	<u>31,293</u>

19. Statement of accumulated funds

	Forums	Office relocation and refurbishments	Research and development	General funds	Total
At 1 October 2015	103,183	50,000	120,000	595,124	868,307
Net income or expenditure	-	-	-	61,869	61,869
Transfers	<u>(12,268)</u>	<u>-</u>	<u>-</u>	<u>12,268</u>	<u>-</u>
At 30 September 2016	<u>90,915</u>	<u>50,000</u>	<u>120,000</u>	<u>669,261</u>	<u>930,176</u>

Designated funds in respect of Forums represent the accumulated net assets of Forums. These are available for Forums to utilise to further the aims of the Association at a local level. Applications are made to the Board to utilise these funds as part of the annual approval of operational plans.

Designated funds for office relocation & refurbishment represent amounts available for the Manchester office. These funds, which are available at the discretion of the Board, will be retained pending decisions by the Landlord on the long-term future for the building.

Designated funds for research and development represent amounts available for specific projects to further the aims and objectives of the Association. These funds are available at the discretion of the Board.

General funds represent funds accumulated by the Association that have not been designated for a specific purpose. The Association aims to retain sufficient general funds to cover 6 months' costs. Also included is the profit and loss account balance retained by the subsidiary company.

ASSOCIATION OF BRITISH CREDIT UNIONS LIMITED

FOR THE YEAR ENDED 30 SEPTEMBER 2016

NOTES TO THE FINANCIAL STATEMENTS

20. Share capital

The share capital consists of £1 shares which have arisen on admission to the association. The shares are neither transferable nor withdrawable and do not carry any right to interest. Upon a Credit Union ceasing to be a member of the association, as set out in the rule book, its share shall be forfeited and extinguished.

21. APB Ethical Standards

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

22. Reconciliation of operating profit to net cash (outflow)/inflow from Operating activities

	2016	2015
Operating profit	64,849	116,253
Depreciation	11,342	9,448
Interest received	(10,201)	(8,397)
(Increase)/decrease in stock	6,542	(7,242)
(Increase)/decrease in debtors	699,732	1,435,066
Increase/(decrease) in creditors	<u>1,069,533</u>	<u>(198,053)</u>
	<u>1,841,797</u>	<u>1,347,075</u>

23. Reconciliations on adoption of FRS 102

Reconciliation of funds

	1 October 2014 £	30 September 2015 £
Funds as reported under previous UK GAAP and under FRS 102	<u>755,700</u>	<u>868,522</u>

Reconciliation of surplus for the financial period

	2015 £
Surplus as reported under previous UK GAAP and under FRS 102	<u>111,815</u>

Notes to reconciliations on adoption of FRS 102

There are no adjustments required in respect of previous periods for the transition to FRS 102.

