



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

mutualsanrtns@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	7
---	---	---	---	---	---	---	---	---	---

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	KAREN BENNETT
Address	3 Woodland Road Walton Liverpool
Postcode	L4 8SS
Year of birth	1964
Business occupation and other directorships	Enterprise Credit Union Ltd - CEO Trustee: The Credit Union Foundation

1.4 Details of Treasurer

Name	DON KEHOE
Address	Apartment 1, Sebastian House 2-4 Sebastian Street Clerkenwell London
Postcode	EC1V 0HE
Year of birth	1957
Business occupation and other directorships	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

1.5 Details of Secretary

Name	CAROL MCHARG
Address	29 Pollock Crescent Kilwinning Ayrshire
Postcode	KA13 6HP
Year of birth	1963
Business occupation and other directorships	Credit Union Manager Director: Pennyburn Regeneration Youth Development & Cornerstone Mutual Services Ltd. Enterprise, Cornerstone Mutual Services Ltd

1.6 Details of Members of the Committee

Name	Address	Year of birth	Business occupation and other directorships
ANDREW WRIGHT	52 Kilmailing Road Glasgow G44 5UJ	1955	Credit Union Manager Director: Credit Unions of Glasgow Ltd
GRENVILLE RUPERT STANLEY BINGHAM	3 Vinegar Street London E1W 2QQ	1943	IT Management Consultant Trustee: The Credit Union Foundation
IAN ATKINS	Alcriba, 56 Inkerman Road Woolston, Southampton S019 9DA	1953	Aircraft Engineer, Director: Plane Saver Credit Union
PETER REGINALD EVANS	Iona Chequers Lane Wychbold Droitwich Spa Worcestershire WR9 7PH	1949	Director: Second Change Furnishing - Worcester- social enterprise
KAREN WALKER	9 Winchester Way Ipswich Suffolk IP2 9YE	1965	Credit Union Business Manager Fostering and Adoption Recruitment Co-ordinator
JOHN MCDONALD	56 Park Lane Salford M6 7RQ	1956	Director: Voyager Alliance Credit Union Ltd Trustee: Transport Benevolent Fund

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

1

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.

- 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 5.01 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	208
B	Members ceased during year	15
C	Members admitted during year	4
D	Members at end of year	197
E	Turnover for year	5, 277,819
F	Total of income and expenditure (receipts and payments added together)	10,666,992
G	Net surplus/(deficit) for year	-111,354
H	Fixed assets	14,222
I	Current assets	2,041,135
J	Total assets (equal to amount in row O, below)	2,055,357
K	Current liabilities	1,236,006
L	Share capital	197
M	Long-term liabilities	0
N	Reserves	819,351
O	Total liabilities, share capital & reserves (K+L+M+N) (equal to amount in J above)	2,055,357

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 7 / 0 3 / 2 0 1 8

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	Carol McHarg
Signature	<i>Carol McHarg</i>
Phone number	07415 132 679
Email	Carol.McHarg@abcuf.org
Date	dd/mm/yy 9/4/18

ASSOCIATION OF BRITISH CREDIT UNIONS LIMITED
CONSOLIDATED DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017

Company registration number: IP23136R

**ASSOCIATION OF BRITISH CREDIT UNIONS LIMITED
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

COMPANY INFORMATION

Company Registration number IP23136R

Directors
Robert Kelly (President)
Karen Bennett (Vice President)
David Martin (Treasurer)
Denis Greenall (Secretary)
Carol McHarg
Clive Rix
Peter Evans
John Macdonald
Andrew Wright
Grenville Bingham
Don Kehoe
Patricia Butler
Ian Atkins
Karen Walker
Rosemary Britten

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 2017

CONTENTS

	Page
Directors' Report	3 – 4
Independent Auditor's Report	5 – 6
Consolidated Income and Expenditure Account	7
Consolidated Balance Sheet	8
Balance Sheet	9
Consolidated Cash Flow Statement	10
Notes to the Financial Statements	11 - 20

ASSOCIATION OF BRITISH CREDIT UNIONS LIMITED FOR THE YEAR ENDED 30 SEPTEMBER 2017

DIRECTORS' REPORT

The directors of the association present their annual report and the financial statements for the year ended 30 September 2017.

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 2016:

Association of British Credit Union Limited:

Robert Kelly (President)
David Martin (Treasurer)
Kevin Waters (Vice President from October 2016, resigned February 2017)
Karen Bennett (Vice President from March 2017)
Alan Hignett (Secretary from October 2016, resigned March 2017)
Denis Greenall (Secretary from March 2017)
Carol McHarg
Clive Rix
Peter Evans
John Macdonald
Andrew Wright
Grenville Bingham
Don Kehoe
Patricia Butler
Ian Atkins (Co-opted February 2017)
Karen Walker (Co-opted February 2017)
Rosemary Britten (Co-opted June 2017)

Cornerstone Mutual Services Limited

Mark Lyonette
Annette Warne-Thomas (Resigned March 2017)
Lord David Hunt (Resigned January 2018)
Elaine Draper (Resigned September 2017)
Carol McHarg
Clive Rix
Carol Strand
Richard Aitken Davies (Elected November 2017)
Leslie Beecher (Elected January 2018)

Auditor

In accordance with the association's governance policy, a tendering process is underway with regards to appointing auditors for the following year.

Committee of management responsibilities statement

Co-operative and Community Benefit 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 2017

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 31/01/2018.

And signed on their behalf by



David Martin
Treasurer

ASSOCIATION OF BRITISH CREDIT UNIONS LIMITED FOR THE YEAR ENDED 30 SEPTEMBER 2017

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

Opinion

We have audited the consolidated financial statements of the Association of British Credit Unions Limited for the year ended 30 September 2017 which comprise the Consolidated Statement of Income and Expenditure, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 company's affairs as at 30 September 2017 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 21 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the board members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the board members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The board members are responsible for the other information. 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.

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.

Opinions on other matters

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.

ASSOCIATION OF BRITISH CREDIT UNIONS LIMITED FOR THE YEAR ENDED 30 SEPTEMBER 2017

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- 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.

Responsibilities of directors

As explained more fully in the Committee of management responsibilities statement, the Board Members 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.

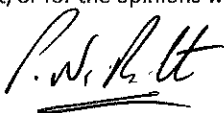
In preparing the financial statements, the Board members are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the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

Auditor's responsibilities for the audit of the financial statements

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

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

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.


Paul Booth (Senior Statutory Auditor)
for and on behalf of Mitchell Charlesworth LLP
Chartered Accountants
Statutory Auditor

31/1/18
.....


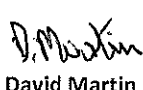

Centurion House
129 Deansgate
Manchester
M3 3WR

**ASSOCIATION OF BRITISH CREDIT UNIONS LIMITED
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT

	Notes	2017	2016
Income			
Members' dues		661,546	723,310
Other trade body income	3	521,081	496,543
CUEP and other services income	4	<u>4,095,192</u>	<u>11,165,103</u>
Total income		5,277,819	12,384,956
Expenditure			
Direct costs of trade body	5	(323,835)	(347,427)
Direct costs of CUEP and other services	6	(2,876,539)	(10,236,909)
Staff costs	7	(1,810,752)	(1,332,495)
Office costs	8	(356,296)	(386,364)
Professional costs	9	<u>(21,751)</u>	<u>(16,912)</u>
Total expenditure		(5,389,173)	(12,320,107)
Surplus on ordinary activities before taxation		(111,354)	64,849
Taxation	10	332	(2,980)
Surplus for the year after taxation		<u>(111,022)</u>	<u>61,869</u>
Transfer (to)/from designated funds re Forums		(6,746)	12,268
Surplus for the year transferred to general funds		<u>(117,768)</u>	<u>74,137</u>
Accumulated general funds brought forward		<u>669,261</u>	<u>595,124</u>
Fund balances carried forward	19	<u>551,493</u>	<u>669,261</u>

These financial statements were approved by the members of the committee on 31/01/2018 and are signed on their behalf by:




 Robert Kelly David Martin Denis Greenall
 President Treasurer Secretary

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

The notes on pages 11 to 20 form part of these financial statements

**ASSOCIATION OF BRITISH CREDIT UNIONS LIMITED
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

CONSOLIDATED BALANCE SHEET

	Notes	2017		2016	
		£	£	£	£
Fixed Assets					
Tangible assets	11		14,222		27,769
Current Assets					
Stock		200		700	
Debtors	13	408,129		1,558,972	
Cash at bank	14	<u>1,632,806</u>		<u>4,272,487</u>	
		2,041,135		5,832,159	
Creditors: amounts falling due within one year	15	<u>(1,236,006)</u>		<u>(4,929,544)</u>	
Net Current Assets			805,129		902,615
Net Assets			<u>819,351</u>		<u>930,384</u>
Members' Funds					
Share capital	20	197		208	
Designated funds	19	267,661		260,915	
General funds	19	<u>551,493</u>		<u>669,261</u>	
			<u>819,351</u>		<u>930,384</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 31/01/2018 and are signed on their behalf

by:




Robert Kelly
President

David Martin
Treasurer



Denis Greenall
Secretary

Company registration number: IP23136R

The notes on pages 11 to 20 form part of these financial statements

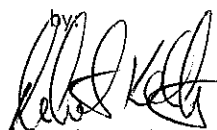
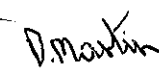

**ASSOCIATION OF BRITISH CREDIT UNIONS LIMITED
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

BALANCE SHEET

	Notes	2017		2016	
		£	£	£	£
Fixed Assets					
Tangible assets	11	14,222		27,769	
Investments	12	<u>300,000</u>		<u>300,000</u>	
			314,222		327,769
Current Assets					
Stock		200		700	
Debtors	13	197,413		1,179,929	
Cash at bank	14	<u>1,411,469</u>		<u>2,536,641</u>	
		1,609,082		3,717,270	
Creditors: amounts falling due within one year	15	<u>(1,011,116)</u>		<u>(3,149,710)</u>	
Net Current Assets			647,966		567,560
Net Assets			<u>912,188</u>		<u>895,329</u>
Members' Funds					
Share capital	20	197		208	
Designated funds		267,661		260,915	
General funds		<u>644,330</u>		<u>634,206</u>	
			<u>912,188</u>		<u>895,329</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 31/01/2018 and are signed on their behalf

by:   
Robert Kelly **David Martin** **Denis Greenall**
 President Treasurer Secretary

Company registration number: IP23136R

The notes on pages 11 to 20 form part of these financial statements

**ASSOCIATION OF BRITISH CREDIT UNIONS LIMITED
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

CONSOLIDATED CASH FLOW STATEMENT

	Notes	2017		2016	
		£	£	£	£
Cash flows from operating activities					
Cash generated from operations	22		(2,639,732)		1,841,797
Income taxes paid			<u>(2,980)</u>		<u>(3,409)</u>
Net cash inflow from operating activities			(2,642,712)		1,838,388
Investing activities					
Interest received		3,042		10,201	
Purchase of tangible assets		<u>-</u>		<u>(29,526)</u>	
Net cash (used in)/generated from investing activities			3,042		(19,325)
Financing activities					
Repayment of share capital		<u>(11)</u>		<u>(7)</u>	
Net cash used in financing activities			(11)		(7)
(Decrease)/Increase in cash in the year			(2,639,681)		1,819,056
Cash and cash equivalents at beginning of year			<u>4,272,487</u>		<u>2,453,431</u>
Cash and cash equivalents at end of year			<u>1,632,806</u>		<u>4,272,487</u>

The notes on pages 11 to 20 form part of these financial statements

ASSOCIATION OF BRITISH CREDIT UNIONS LIMITED FOR THE YEAR ENDED 30 SEPTEMBER 2017

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.

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 £60,124 (2016: £70,375).

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 2017

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies (continued)

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 2017

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies (continued)

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 forum. 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.

ASSOCIATION OF BRITISH CREDIT UNIONS LIMITED FOR THE YEAR ENDED 30 SEPTEMBER 2017

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies (continued)

Expenditure

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

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

	2017	2016
Insurance endorsements	245,000	245,000
Forum income	10,491	12,405
Bank interest	3,042	10,201
Conference fees	104,759	129,240
Consultancy fees	-	3,960
Training fees	50,586	25,731
Publication sales	2,175	1,133
Sponsorship	33,801	21,199
VAT recoverable	50,066	30,842
Other	<u>21,161</u>	<u>16,832</u>
	<u>521,081</u>	<u>496,543</u>

4. CUEP and other services income

	2017	2016
CUEP	3,346,490	9,446,602
Other services	<u>748,702</u>	<u>1,718,501</u>
	<u>4,095,192</u>	<u>11,165,103</u>

**ASSOCIATION OF BRITISH CREDIT UNIONS LIMITED
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

NOTES TO THE FINANCIAL STATEMENTS

5. Direct costs of trade body

	2017	2016
Board meeting and committee costs	47,051	40,289
Attendance at others' meetings	4,470	3,627
Forum costs	76,077	100,294
PR and branding	16,708	15,076
Hospitality	5,585	-
Subscriptions and affiliations	29,242	26,463
Conference direct costs	104,639	119,157
Consultancy costs, incl associates	-	2,840
Training costs, incl associates	31,193	20,568
Publications for resale	3,230	1,703
Strategic business development costs	<u>5,640</u>	<u>17,410</u>
	<u>323,835</u>	<u>347,427</u>

6. Direct costs of CUEP and other services

	2017	2016
CUEP	1,639,680	8,520,590
Other services	<u>1,236,859</u>	<u>1,716,319</u>
	<u>2,876,539</u>	<u>10,236,909</u>

In addition to these direct costs, CUEP was allocated its share of group overheads of £300,220 and its share of staff costs of £997,306 (2016: £332,111 and £593,902). These amounts are eliminated on consolidation.

7. Staff costs

	2017	2016
Salaries and NI	1,494,490	1,131,813
Pension costs	98,134	58,721
PR, HR, IT, Finance associates and temporary staff	62,817	82,290
Staff training and recruitment	20,147	3,629
Staff expenses	<u>135,164</u>	<u>56,042</u>
	<u>1,810,752</u>	<u>1,332,495</u>

**ASSOCIATION OF BRITISH CREDIT UNIONS LIMITED
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

NOTES TO THE FINANCIAL STATEMENTS

Particulars of employees:

	2017	2016
Average number of full-time equivalent employees	41	33
Number of employees at balance sheet date	45	33

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 5.

8. Office costs

	2017	2016
Rent and service charges	139,149	201,971
Equipment rental and maintenance	63,379	53,174
Insurance	52,422	43,849
Repairs and maintenance	21,836	-
Telephone and postage	27,798	22,800
Stationery, printing and copying	23,097	40,688
Website costs	8,690	12,540
Bad debt expense	166	-
Cornerstone Mutual conference	6,212	-
Depreciation	<u>13,547</u>	<u>11,342</u>
	<u>356,296</u>	<u>386,364</u>

9. Professional fees

	2017	2016
Audit fees	13,200	13,200
Bank charges	1,410	1,143
Other legal and professional services	<u>7,141</u>	<u>2,569</u>
	<u>21,751</u>	<u>16,912</u>

Included within other legal and professional fees is £5,461 relating to non audit fees paid to the auditors (2016: £661).

10. Taxation

	2017	2016
Corporation tax is charged as follows:		
Corporation tax at 20%/19%	<u>(332)</u>	<u>2,980</u>

**ASSOCIATION OF BRITISH CREDIT UNIONS LIMITED
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

NOTES TO THE FINANCIAL STATEMENTS

11. Fixed assets

	Banking Services £	Computer equipment £	Furniture fittings and equipment £	Total £
Cost or valuation				
At 1 October 2016	1,859,369	150,193	32,110	2,041,672
Additions	-	-	-	-
Disposals	-	<u>(7,601)</u>	<u>(25,547)</u>	<u>(33,148)</u>
At 30 September 2017	<u>1,859,369</u>	<u>142,592</u>	<u>6,563</u>	<u>2,008,524</u>
Depreciation				
At 1 October 2016	1,859,369	122,424	32,110	2,013,903
Charge for the year	-	13,547	-	13,547
Disposals	-	<u>(7,601)</u>	<u>(25,547)</u>	<u>(33,148)</u>
At 30 September 2017	<u>1,859,369</u>	<u>128,370</u>	<u>6,563</u>	<u>1,994,302</u>
Net book value				
At 30 September 2017	<u>-</u>	<u>14,222</u>	<u>-</u>	<u>14,222</u>
At 30 September 2016	<u>-</u>	<u>27,769</u>	<u>-</u>	<u>27,769</u>

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

Depreciation amounting to £13,547 (2016: £11,342) is included within office costs as disclosed in note 8.

12. Investments

	2017 Company	2016 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 2017**

NOTES TO THE FINANCIAL STATEMENTS

13. Debtors

	2017	2017	2016
	Group	Company	Group
Trade debtors	147,526	105,329	1,039,884
Sub-ordinated loan	115,000	-	115,000
Prepayments and accrued income	125,987	73,408	85,445
Income receivable on contracts	-	-	242,807
Corporation tax	940	-	-
VAT repayable	<u>18,676</u>	<u>18,676</u>	<u>75,836</u>
	<u>408,129</u>	<u>197,413</u>	<u>1,558,972</u>

14. Cash at bank

Cash at bank balances include £235,142 (2016: £2,059,452) 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

	2017	2017	2016
	Group	Company	Group
Trade creditors	457,568	68,645	1,876,657
Accruals	369,225	105,689	349,059
Income received in advance	247,428	247,428	2,668,734
Amounts owed to subsidiary undertaking	-	427,569	-
PAYE/NIC	38,177	38,177	28,962
Corporation tax	608	608	2,980
Other creditors	<u>123,000</u>	<u>123,000</u>	<u>3,152</u>
	<u>1,236,006</u>	<u>1,011,116</u>	<u>4,929,544</u>

16. Operating lease commitments

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

	2017		2016	
	Land and Buildings	Other	Land and Buildings	Other
Within one year	82,180	5,838	98,616	3,579
Between two to five years	-	5,838	82,180	2,085
More than five years	-	-	-	-
	<u>82,180</u>	<u>11,676</u>	<u>180,796</u>	<u>5,664</u>

**ASSOCIATION OF BRITISH CREDIT UNIONS LIMITED
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

NOTES TO THE FINANCIAL STATEMENTS

17. Related party transactions

At 30 September 2017, the association owed The Credit Union Foundation (CUF), a company under common control an amount of £2,949 (2016: £7,732) which is included within trade creditors.

During the year the association made sales to and purchases from CUF amounting to £28,804 (2016: £2,219) and £12,653 (2016: £23,688) respectively.

Each year the ABCUL Board and The Credit Union Foundation Board agree a maximum budgeted amount of staffing resource that the ABCUL board agrees it will donate to The Credit Union Foundation. The amount of this resource is monitored at least quarterly through the Foundation accounts.

During the year, £35,000 of ABCUL staff time was absorbed by ABCUL. ABCUL is happy to absorb this staff time due to the benefits it receives as a result of the products, services and programmes the Foundation has and continues to develop for not only ABCUL members but the broader credit union movement. Examples of this include but are not limited to – ABCUL Academy, ABCUL Insight, CU Futures and higher attendance at ABCUL AGM.

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. The company's registered office is Holyoake House, Hanover Street, Manchester, M60 0AS.

	2017	2016
(Deficit)/surplus for the financial year	<u>(127,892)</u>	<u>3,762</u>
Aggregate capital and reserves	<u>(92,837)</u>	<u>35,055</u>

19. Statement of accumulated funds

	Forums	Office relocation and refurbishments	Research and development	General funds	Total
At 1 October 2016	90,915	50,000	120,000	669,261	930,176
Net income or expenditure	-	-	-	(111,022)	(111,022)
Transfers	<u>6,746</u>	-	-	<u>(6,746)</u>	-
At 30 September 2017	<u>97,661</u>	<u>50,000</u>	<u>120,000</u>	<u>551,493</u>	<u>819,154</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.

**ASSOCIATION OF BRITISH CREDIT UNIONS LIMITED
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

NOTES TO THE FINANCIAL STATEMENTS

19. Statement of accumulated funds (continued)

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.

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

	2017	2016
Operating profit	(111,354)	64,849
Depreciation	13,547	11,342
Interest received	(3,042)	(10,201)
(Increase)/decrease in stock	500	6,542
(Increase)/decrease in debtors	1,151,783	699,732
Increase/(decrease) in creditors	<u>(3,691,166)</u>	<u>1,069,533</u>
	<u>(2,639,732)</u>	<u>1,841,797</u>

