

Annual Return (AR30) form

Society Name: Association of British Credit Unions Limited

Society Num: 23136 R

An Annual Return must be completed by all societies registered under the Co-operative and Community Benefit Societies Act 2014 ('the Act') (including any societies previously registered under the Industrial and Provident Societies Act 1965). The Annual Return must include:

- this form;
- a set of the society's accounts; and
- where required, an audit report or report on the accounts.

A society must submit the Annual Return within 7 months of the end of the society's financial year. Failure to submit on time is a prosecutable offence.

Please note that this form, including any details provided on the form, will be made available to the public through the Mutuels Public Register.

For guidance on our registration function for societies, which includes guidance on the requirement to submit an Annual Return, please see [here](#)

2.1 What date did the financial year covered by these accounts end?

30/09/2021

3.1 Please provide the names of the people who were directors of the society during the financial year this return covers.

Some societies use the term 'committee member' or 'trustee' instead of 'director'. For ease of reference, we use 'director' throughout this form.

Name of Director	Month of Birth	Year of Birth
Karen Bennett	Jun	1964
Andrew Wright	Nov	1955
Alan Hignett	Nov	1957

Richard Munro	Apr	1959
Paul Norgrove	May	1987
Karen Farrow	May	1966
Julia Daniel	Jul	1977
Deborah Smith-Hands	Jun	1982
Ian Atkins	Sep	1953
Gail Reid	Mar	1958
Christina Stoneman	Nov	1975
James Clancy	Apr	1951
Clive Henly	May	1960
Ian Fletcher	Sep	1952
Elizabeth Degning	Jan	1958
Don Kehoe	Jul	1957

3.2 All directors must be 16 or older. Please confirm this is this case:

☒ All directors are aged 16 or over

3.3 Societies are within the scope of the Company Director Disqualification Act 1986 (CDDA). Please confirm that no director is disqualified under that Act:

☒ No director is disqualified

3.4 Please state any close links which any of the directors has with any society, company or authority.

'Close links' includes any directorships or senior positions held by directors of the society in other organisations.

Credit Union Manager
Credit Union Director
Credit Union Foundation Trustee

3.5 Please provide the name of the person who was secretary at the end of the financial year this return covers.

Societies must have a secretary

Name of Secretary	Month of Birth	Year of Birth
Alan Hignett	Nov	1957

4.1 Please confirm that:

- ☒ accounts are being submitted with this form
- ☒ the accounts comply with relevant statutory and accounting requirements
- ☒ the accounts are signed by two members and the secretary (3 signatures in total)

4.2 Based on the accounts, please provide the information requested below for the financial year covered by this return.

Number of members	172
Turnover	1127011
Assets	1496284
Number of Employees	17
Share Capital	172

**Highest rate of interest
paid on shares**

0

4.3 What Standard Industrial Classification code best describes the society's main business?

Where more than one code applies, please select the code that you feel best describes the society's main business activity. You will find a full list of codes [here](#)

SIC Code

**Activities of business and employers
membership organizations (94110)**

*

Societies are required to appoint an auditor to audited unless they are small or have disapplied this requirement. For further guidance see chapter 7 of our guidance:

<https://www.fca.org.uk/publication/finalised-guidance/fg15-12.pdf>

5.1 Please select the audit option the society has complied with:

- ☒ Full Professional Audit
- ☐ Auditor's report on the accounts
- ☐ Lay Audit
- ☐ No audit

5.2 Please confirm the audit option used by the society is compliant with the society's own rules and the Act

☒ We have complied with the audit requirements

5.3 Please confirm any audit report (where required) is being submitted with this Annual Return

- ☒ Yes
- ☐ Not applicable

5.4 Is this society accepted by HM Revenue and Customs (HMRC) as a charity for tax purposes?

- ☐ Yes
- ☒ No

5.5 If the society is registered with the Office of the Scottish Charity Regulator (OSCR) please provide your OSCR registration number.

- ☐ Registered

☒ Not applicable

5.6 Is the society a housing association?

☒ No

☐ Yes

6.1 Is the society a subsidiary of another society?

☐ Yes

☒ No

6.2 Does the society have one or more subsidiaries?

(As defined in sections 100 and 101 of the Act)

☐ Yes

☒ No

All societies are registered meeting one of two conditions for registration. These are that the society is either:

- a bona fide co-operative society ('co-operative society'); or
- are conducting business for the benefit of the community ('community benefit society').

You must answer the questions set out in the next section of this form, depending on which condition for registration you meet.

If you are not sure which condition for registration applies to the society please see chapters 4 and 5 of our guidance [here](#).

7.1 Condition for Registration

☒ Co-operative society

☐ Community Benefits society

Co-operative societies must answer the following questions in relation to the financial year covered by this return.

7A.1 What is the business of the society?

For example, did you provide housing, manufacture goods, develop IT systems etc.

ABCUL is the leading Trade Association for credit unions in England, Scotland and Wales. It provides member credit unions with a range of services including legislative and regulatory lobbying, government representation, training and business development, organisational capacity and media links

7A.2 Please describe the members' common economic, social and cultural needs and aspirations.

In answering this question, please make sure it is clear what needs and aspirations members had in common.

The members of ABCUL are all credit unions that exist to serve the member base within their respective common bond areas. Each credit union shares the objects set out in the Credit Unions Act 1979.

7A.3 How did the society's business meet those needs and aspirations?

You have described the society's business answer to question 7A.1, and in question 7A.2 you have described the common needs and aspirations of members. Please now describe how during the year that business met those common needs and aspirations.

Members used the enquiry service to answer queries on a variety of legal, regulatory and operational queries relating to the management of credit unions. they were also able to access over 100 information guides and have access to a discussion forum. Members could access a variety of meetings and training sessions, many of them online as the Association continued to adapt to serve its members during the pandemic. The Association represented the interests of its members to the UK and devolved Governments, regulators and the media.

7A.4 How did members democratically control the society?

For example, did the members elect a board at an annual general meeting; did all members collectively run the society.

Members were able to put forward motions to the AGM, speak to them and vote on them. They also had opportunities to nominate and vote for candidates for the ABCUL Board. The Association was governed by a Board of Directors selected from the membership by the membership.

7A.5 What did the society do with any surplus or profit?

For instance, did you pay a dividend to members (and if so, on what basis); did money get reinvested in the business; put into reserves; used for some other purpose?

Surplus was transferred to General Funds, not distributed to members. One of the objectives of the Association is to build reserves equal to 9 months running costs.

ASSOCIATION OF BRITISH CREDIT UNIONS LIMITED

**INDIVIDUAL FINANCIAL STATEMENTS
FOR INFORMATION PURPOSES**

FOR THE YEAR ENDED 30 SEPTEMBER 2021

Company registration number: IP23136R

ASSOCIATION OF BRITISH CREDIT UNIONS LIMITED FOR THE YEAR ENDED 30 SEPTEMBER 2021

COMPANY INFORMATION

Company Registration Number IP23136R

Directors

Karen Bennett (President)
Paul Norgrove (Vice President)
Deborah Smith-Hands (Treasurer)
Alan Hignett (Secretary)
Christina Stoneman (resigned 23/03/21)
Ian Atkins (resigned 23/03/21)
Andrew Wright
Richard Munro
Liz Degning (resigned 23/03/21)
James Clancy (resigned 23/03/21)
Gail Reid (resigned 23/03/21)
Karen Farrow
Julia Daniel
Ian Fletcher (resigned 23/03/21)
Don Kehoe (resigned 23/03/21)
Clive Henly (appointed 23/03/21)

Registered Office

Holyoake House
Hanover Street
Manchester
M60 0AS

Bankers

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

Auditors

Crowe U.K. LLP
3rd Floor, The Lexicon
Mount Street
Manchester
M2 5NT

ASSOCIATION OF BRITISH CREDIT UNIONS LIMITED

FOR THE YEAR ENDED 30 SEPTEMBER 2021

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ASSOCIATION OF BRITISH CREDIT UNIONS LIMITED FOR THE YEAR ENDED 30 SEPTEMBER 2021

DIRECTORS' REPORT

The Directors of the Association present their annual report and the financial statements for the year ended 30 September 2021.

Principal activities

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

Status and Administration

The Association is a 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 2020:

Karen Bennett

Paul Norgrove

Andrew Wright

Richard Munro

Clive Henly (appointed 23/03/2021)

Gail Reid (resigned 23/03/2021)

Ian Atkins (resigned 23/03/2021)

Christina Stoneman (resigned 23/03/2021)

Deborah Smith-Hands

Karen Farrow

Julia Daniel

Alan Hignett

James Clancy (resigned 23/03/2021)

Liz Degning (resigned 23/03/2021)

Ian Fletcher (resigned 23/03/2021)

Don Kehoe (resigned 23/03/2021)

Going concern and COVID-19

The Management team of ABCUL has considered the impact of COVID-19 on the business. Although the pandemic has impacted some of the day to day activities, it is not considered to be material at this time. The situation will continue to be reviewed and monitored closely by the ABCUL Board and Management Team.

Auditor

The auditor, Crowe U.K. LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006 and the Association's governance policy.

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 2021

DIRECTORS' REPORT

Statement of disclosure to auditor

Each of the persons who were directors at the time when this Directors' report was approved has confirmed that:

- so far as the director is aware, there is no relevant information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant information and to establish that the Company's auditor is aware of that information.

In preparing this report, the directors have taken advantage of the small companies' exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 2 February 2022 and signed on its behalf by



Karen Bennett
President

ASSOCIATION OF BRITISH CREDIT UNIONS LIMITED FOR THE YEAR ENDED 30 SEPTEMBER 2021

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

Opinion

We have audited the financial statements of the Association of British Credit Unions Limited (the "Association") for the year ended 30 September 2021, which comprise the Statement of Income and Expenditure, the Balance Sheet, and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Association's affairs as at 30 September 2021 and of the Association's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014.

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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 2 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 Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Association'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 Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

ASSOCIATION OF BRITISH CREDIT UNIONS LIMITED FOR THE YEAR ENDED 30 SEPTEMBER 2021

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

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

- a satisfactory system of controls over transactions has not been maintained; or
- the Society has not kept proper accounting records; or
- the financial statements are not in agreement with the books of account; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Committee of management responsibilities statement on page 3, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board Members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Association'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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We obtained an understanding of the legal and regulatory frameworks within which the Association operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Co-operative and Community Benefit Societies Act 2014, and Taxation legislation.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management, valuation and recognition of provisions, and revenue recognition.

- Management override of controls. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals and reviewing accounting estimates for indication of bias.
- Valuation and recognition of provisions. The Association recognises a number of provisions in the financial statements, which are significant primarily due to their judgemental nature. The main provision is that in relation to the longstanding dispute between the Association and FIS. Our audit procedures included discussion of the relevant issues with management, and obtaining and reviewing all related legal paperwork and third-party documentation to determine the most reasonable value for each provision. Management were challenged on their approach taken to calculation methodology.
- Revenue recognition. Our audit procedures included consideration of the design of controls around revenue recognition and walkthroughs to confirm the existence of these for each significant revenue stream; inspection of any credit notes raised after the year end; recalculation of members' dues using the established methodology; agreement of a sample of values for credit union assets under management used in members' dues calculations to the audited credit union asset returns; reconciliation of total revenue stream receipts to alternative sources of numbers and values of similar transactions (e.g. for specific events); and substantive sample testing of transactions taking place within the year.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that

ASSOCIATION OF BRITISH CREDIT UNIONS LIMITED

FOR THE YEAR ENDED 30 SEPTEMBER 2021

compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the Association'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 Association'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.



Vicky Szulist (Senior statutory auditor)

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

3rd Floor, The Lexicon

Mount Street

Manchester

M2 5NT

Date:

2nd February 2022


ASSOCIATION OF BRITISH CREDIT UNIONS LIMITED

FOR THE YEAR ENDED 30 SEPTEMBER 2021

INCOME AND EXPENDITURE ACCOUNT

	Notes	2021	2020
Income			
Members' dues		741,522	708,762
Other trade body income	4	373,935	580,361
Other services income		6,971	84,540
CMS legacy income		<u>4,583</u>	<u>97,945</u>
Total income		1,127,011	1,471,608
Expenditure			
Direct costs of trade body	5	(136,488)	(294,472)
Direct costs arising from CMS		(434)	(210,531)
Staff costs	6	(651,603)	(658,178)
Office costs	7	(165,341)	(173,038)
Professional costs	8	<u>(15,853)</u>	<u>(16,106)</u>
Total expenditure		(969,719)	(1,352,325)
Profit/(Loss) on ordinary activities before taxation		157,292	119,283
Taxation	9	<u>(418)</u>	<u>(594)</u>
(Loss)/Profit for the year after exceptional cost and taxation		156,874	118,689
Transfer (to)/from designated funds	16	<u>(136,248)</u>	<u>8,904</u>
(Deficit)/Surplus for the year transferred to general funds		<u>20,626</u>	<u>127,593</u>
Accumulated general funds brought forward		<u>664,111</u>	<u>536,518</u>
Accumulated general funds carried forward	16	<u>684,737</u>	<u>664,111</u>

These financial statements were approved and authorised for issue by the members of the committee on 2 February 2022 and are signed on their behalf by:



Karen Bennett
President



Deborah Smith-Hands
Treasurer



Alan Hignett
Secretary

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

The notes on pages 10 to 17 form part of these financial statements

ASSOCIATION OF BRITISH CREDIT UNIONS LIMITED

FOR THE YEAR ENDED 30 SEPTEMBER 2021

BALANCE SHEET

	Notes	2021		2020	
		£	£	£	£
Fixed Assets					
Tangible assets	10	-		970	
			-		970
Current Assets					
Debtors	11	88,939		77,334	
Cash at bank	12	<u>1,407,345</u>		<u>1,126,454</u>	
		1,496,284		1,203,788	
Creditors: amounts falling due within one year	13	<u>(448,210)</u>		<u>(313,553)</u>	
Net Current Assets			<u>1,048,074</u>		<u>890,235</u>
Net Assets			<u>1,048,074</u>		<u>891,205</u>
Members' Funds					
Share capital	17	172		177	
Designated funds	16	363,165		226,917	
General funds	16	<u>684,737</u>		<u>664,111</u>	
			<u>1,048,074</u>		<u>891,205</u>

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

These financial statements were approved and authorised for issue by the members of the committee on 2 February 2022 and are signed on their behalf by:



Karen Bennett
President



Deborah Smith-Hands
Treasurer



Alan Hignett
Secretary

Company registration number: IP23136R

The notes on pages 10 to 17 form part of these financial statements

ASSOCIATION OF BRITISH CREDIT UNIONS LIMITED

FOR THE YEAR ENDED 30 SEPTEMBER 2021

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies

General information

Association of British Credit Unions Limited is a society registered under the Co-operative and Community Benefit Societies Act 2014. The Association's registered number is IP23136R. The registered office is Holyoake House, Hanover Street, Manchester, M60 0AS.

The principal activity of the Association is to act as the trade body for credit unions within England, Scotland and Wales.

Accounting convention

These financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies, and in accordance with Section 1A of Financial Reporting Standard 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, except where exemptions are available from the Co-operative and Community Benefit Societies Act 2014.

The following principal accounting policies have been applied:

Going concern

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

Fixed Assets and depreciation

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. 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:

Furniture, fittings and equipment	20% per year
Computer equipment	33.3% per year

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.

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.

(a) Basic financial assets

Basic financial assets represents stock, debtors and cash and bank balances, and these are initially measured at transaction price including transaction costs. At 30 September 2021, the Association had only financial assets classified as basic financial instruments.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

ASSOCIATION OF BRITISH CREDIT UNIONS LIMITED

FOR THE YEAR ENDED 30 SEPTEMBER 2021

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies (continued)

(b) Basic financial liabilities

Basic financial liabilities represents creditors, bank loans, and loans from related companies, and are initially recognised at transaction price. At 30 September 2021, the Association had only financial liabilities classified as basic financial instruments.

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 general 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.

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. The Association's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

2. 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.

ASSOCIATION OF BRITISH CREDIT UNIONS LIMITED

FOR THE YEAR ENDED 30 SEPTEMBER 2021

NOTES TO THE FINANCIAL STATEMENTS

3. Judgements and key sources of estimation uncertainty

In the application of the Association'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.

4. Other trade body income

	2021	2020
Insurance endorsements	200,000	245,000
Forum income	2,160	20,943
Bank interest	936	2,735
Conference fees	34,875	139,564
Training fees	67,756	66,725
Publication sales	50	100
Sponsorship	35,000	35,000
VAT recoverable	1,432	17,367
Prize Link Savings	26,400	-
Other	<u>5,326</u>	<u>52,927</u>
	<u>373,935</u>	<u>580,361</u>

5. Direct costs of trade body

	2021	2020
Board meeting and committee costs	8,717	18,067
Attendance at others' meetings	-	4,500
Forum costs	29,271	72,000
PR and branding	12,754	29,257
Hospitality	751	4,756
Subscriptions and affiliations	11,280	11,803
Conference and project direct costs	12,986	138,071
Training costs, incl associates	28,329	16,018
Prize Link Savings – direct costs	<u>32,400</u>	<u>-</u>
	<u>136,488</u>	<u>294,472</u>

ASSOCIATION OF BRITISH CREDIT UNIONS LIMITED

FOR THE YEAR ENDED 30 SEPTEMBER 2021

NOTES TO THE FINANCIAL STATEMENTS

6. Staff costs

	2021	2020
Salaries and NI	584,798	572,939
Pension costs	31,712	31,460
Temporary staff/Associates	17,491	17,986
Staff training and recruitment	10,120	8,488
Staff expenses	<u>7,482</u>	<u>27,305</u>
	<u>651,603</u>	<u>658,178</u>

Particulars of employees:

	2021	2020
Average number of full-time equivalent employees	16	15
Number of employees at balance sheet date	17	15

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.

7. Office costs

	2021	2020
Rent and service charges	56,073	57,326
Equipment rental and maintenance	47,954	44,339
Insurance	20,525	21,407
Telephone and postage	6,316	7,415
Stationery, printing and copying	21,036	25,236
Website costs	12,467	14,410
Depreciation	<u>970</u>	<u>2,905</u>
	<u>165,341</u>	<u>173,038</u>

8. Professional fees

	2021	2020
Audit fees	4,600	4,400
Bank charges	1,411	1,735
Other legal and professional services	<u>9,842</u>	<u>9,971</u>
	<u>15,853</u>	<u>16,106</u>

Included within other legal and professional fees is £1,485 relating to non-audit fees paid to the auditors (2020: £1,000).

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NOTES TO THE FINANCIAL STATEMENTS

9. Taxation

	2021	2020
Corporation tax is charged as follows:		
Corporation tax at 19%	<u>418</u>	<u>594</u>

10. Fixed assets

	Computer equipment £	Furniture fittings and equipment £	Total £
Cost or valuation			
At 1 October 2020	76,005	6,563	82,568
Additions	-	-	-
Disposals	<u>(15,870)</u>	<u>-</u>	<u>(15,870)</u>
At 30 September 2021	<u>60,135</u>	<u>6,563</u>	<u>66,698</u>
Depreciation			
At 1 October 2020	75,035	6,563	81,598
Charge for the year	970	-	970
Disposals	<u>(15,870)</u>	<u>-</u>	<u>(15,870)</u>
At 30 September 2021	<u>60,135</u>	<u>6,563</u>	<u>66,697</u>
Net book value			
At 30 September 2021	<u>-</u>	<u>-</u>	<u>-</u>
At 30 September 2020	<u>970</u>	<u>-</u>	<u>970</u>

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

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FOR THE YEAR ENDED 30 SEPTEMBER 2021

NOTES TO THE FINANCIAL STATEMENTS

11. Debtors

	2021	2020
Trade debtors	57,416	48,499
Other debtors	1,695	-
Prepayments and accrued income	<u>29,828</u>	<u>28,835</u>
	<u>88,939</u>	<u>77,334</u>

12. Cash at bank

Cash at bank balances include £15,699 (2020: £15,705) 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.

13. Creditors

	2021	2020
Trade creditors	7,522	26,535
Accruals	30,258	25,757
Income received in advance	342,413	194,939
PAYE/NIC	13,970	14,627
VAT payable	-	3,933
Corporation tax	418	594
Other creditors	<u>53,629</u>	<u>47,168</u>
	<u>448,210</u>	<u>313,553</u>

14. Operating lease commitments

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

	2021		2020	
	Land and Buildings	Other	Land and Buildings	Other
Within one year	46,170	-	34,628	-
Between two to five years	80,798	-	-	-
More than five years	-	-	-	-
	<u>126,968</u>	<u>-</u>	<u>34,628</u>	<u>-</u>

ASSOCIATION OF BRITISH CREDIT UNIONS LIMITED FOR THE YEAR ENDED 30 SEPTEMBER 2021

NOTES TO THE FINANCIAL STATEMENTS

15. Related party transactions

At 30 September 2021, the Association owed The Credit Union Foundation (CUF), a company under common control, an amount of £nil (2020: £nil) which is included within trade creditors. During the year the Association made sales to and purchases from CUF amounting to £610 (2020: £9,421) and £3,511 (£2020: £8,292) 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, £34,697 of CUF staff time was absorbed by ABCUL (2020: £29,884). 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 Association, 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 Association's normal business terms and at arm's length. On this basis we have not considered it necessary to detail any of these transactions.

16. Statement of accumulated funds

	Designated Funds						Total
	Forums	Bounce Forward Fund	Research and development	Glasgow WOCCU conference	Young Professional Network	General funds	
At 1 October 2020	84,370	-	120,000	20,000	2,547	664,111	891,028
Net income or expenditure	-	-	-	-	-	156,874	156,874
Transfer from General Fund	45,148	75,000	-	10,000	6,100	(136,248)	-
Transfer to General Fund	-	-	-	-	-	-	-
At 30 September 2021	<u>129,518</u>	<u>75,000</u>	<u>120,000</u>	<u>30,000</u>	<u>8,647</u>	<u>684,737</u>	<u>1,047,902</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.

The ABCUL Board has decided to create a new designated reserve of £75,000 titled the 'Bounce Forward Fund' which is expected to be fully utilised in the financial year 2021/2022. The purpose of the new designated fund is to create an opportunity for ABCUL to recognise the business model, sustainability and profitability challenges that some of our member credit unions have experienced during the COVID-19 pandemic. The fund will essentially be an opportunity for member credit unions to apply for a grant award of up to a maximum of £2,500 to be used for promotional and marketing activity that will generate income led activity in the short to medium term. Full terms and conditions will be attached to the grant awards and an assessment panel will be created to review any applications received. The fund will be targeted at member credit unions most in need of boosting their sustainability/profitability/income levels.

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.

Designated funds for the WOCCU Conference in Glasgow represent an amount set aside by the Board to cover the cost of supporting the 2022 WOCCU World Conference in Glasgow.

Designated Funds in respect of YPN (Young Professional Network) represent the underspend of allocated funds which has occurred due to the Covid-19 restrictions currently in place. These funds will be released once restrictions are lifted.

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.

ASSOCIATION OF BRITISH CREDIT UNIONS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

17. 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.