



Collaborating
for **change**...

ABCUL
Annual Report
2009/10

ABCUL
Association of British Credit Unions Limited

COLLABORATING FOR CHANGE...

"What we need to happen in this country is for credit unions to extend. There is a danger that if you don't get the growth of credit unions that we all want to see then excessive extra regulation of private lenders will drive people to the loan sharks. We all know what we want, which is affordable, reasonable, proper credit for everyone in our country, especially the poorest. That's what credit unions bring but we have to do this in a way that doesn't drive people into the arms of people who are loan sharks."

Rt Hon. David Cameron MP – April 2010

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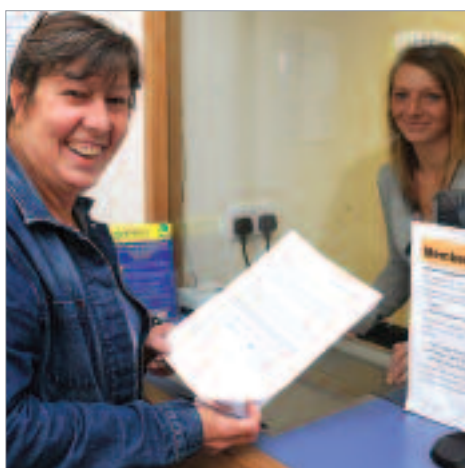
ABCUL in numbers 2009/10

ABCUL policy work in 2009/10

Credit unions and ABCUL – working in partnership

Board of directors

ABCUL staff



ABCUL is the main trade association for credit unions in Britain

We provide a range of services to our members including:

- Representation to Government, policy makers and the media
- Technical information and guidance
- Training
- Conferences

ABCUL is an Industrial and Provident Society owned and controlled by its members. ABCUL is led by a board of directors elected from its membership, by its membership.

This report highlights just some of the work that ABCUL carried out between October 2009 and September 2010, as we work towards achieving our vision that credit unions will become the primary source of affordable, high quality and ethical financial services for the people of Great Britain.



COLLABORATING FOR CHANGE...

“Owned and controlled by their members and run for their benefit, credit unions offer a range of services including current accounts, ISAs and child trust funds. Whether it is a location, employer or association, members of credit unions share a ‘common bond’. Local, ethical and tailored to the needs of its members, credit unions are part of a growing movement that allows people to borrow money within a defined community.”

The Ecologist – October 2009

President’s welcome

Despite further delays to the much anticipated changes to credit union law, this has not been a quiet year for credit unions or for ABCUL. Behind the scenes, ABCUL has been working hard to help credit unions cope with an evolving regulatory, economic and legislative environment. We continue with our proactive work to build a ‘back office’ for the sector which will help credit unions to capitalise on past growth and prepare for a significant leap forward both in membership and in the types of services they can provide. It even has the potential of a link to the Post Office branch network thereby significantly increasing access to credit union services.



A new Government will always bring new ideas and new challenges and the Coalition Government has been no exception. We have ahead of us a complete reform of the financial regulatory structure and major changes to the regulation of credit look likely. All this is happening as the Government looks to mutuals and volunteers to play a role in their communities and workplaces (something of course, which credit unions and their thousands of volunteers have been doing for decades).

And the changes are not just coming from Westminster – the European Union has played a large part in the design of regulatory reforms and that is why our participation in the European Network of



Credit Unions has continued to be so important. Equally our liaison with the Scottish Government and Welsh Assembly Government remain very important priorities for the Association.

This work, with Governments and regulators needs to be translated into information to members, both during the consultation period, and when decisions have been made. That is why our work during the year to redesign our information resources for members has been so important. We have also developed a new website for the public and members, which has greatly improved our online presence.



Credit unions will continue to face challenges in the coming year, as indeed many individuals and their families face challenges in these difficult times. ABCUL will continue to do all it can to ensure credit unions have the flexible legislative and proportionate regulatory environment to offer fair and affordable financial services to millions of people.

Thank you to all our members and partners who are helping us in this aim.

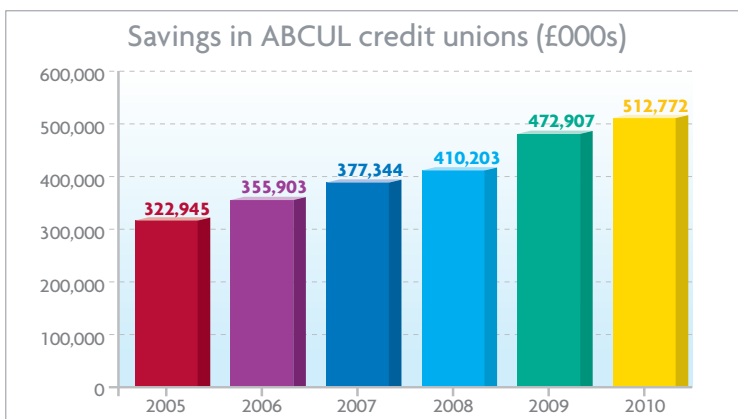
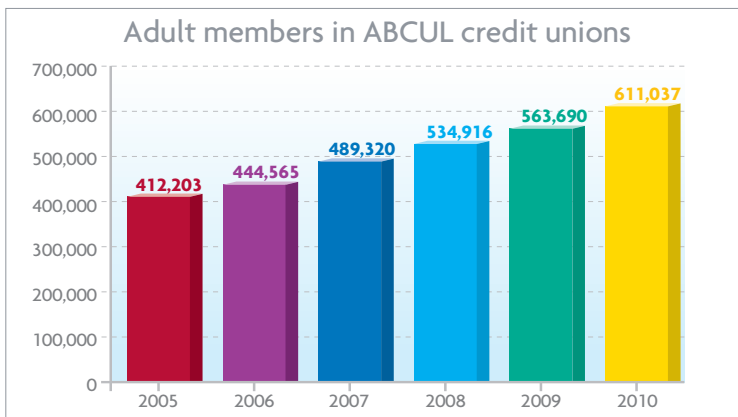
Antony MacRow-Wood
President

COLLABORATING FOR CHANGE...

"Credit unions are there to look after members of their community. You can save with them in the good times and borrow back from them in the bad times. It's the perfect institution for doing just that."

MoneySavingExpert, Martin Lewis – February 2010

ABCUL credit unions in numbers



- The average growth in ABCUL credit unions during 2009/10 was 9.7%
- Savings in ABCUL credit unions increased by 8.4% in 2009/10
- In the five years to 2010, savings in ABCUL credit unions increased by 58%
- In the five years to 2010 membership in ABCUL credit unions increased by 48%

Unaudited figures from quarterly returns provided by the Financial Services Authority showed that at the end of September 2010 there were:

780,251 adult credit union members

111,035 junior savers

£634 million in savings

£502 million out on loan

£754 million in assets

"I would like to congratulate you all for the training we received last Saturday. I had already been on a similar course about two years ago but this was so much better both in content and delivery. So good in fact we wondered if we could arrange for some more!!"
ABCUL training participant

ABCUL in numbers 2009/2010

Training

- 137 Classroom Based Courses
- 129 Virtual Training Courses using our web based technology
- 1396 people attended classroom training
- 669 people attended virtual training sessions
- 165 people completed self-paced online training courses
- 23 credit unions benefitted from Strategic Business Development bespoke assistance

Courses take place around the country and online – courses in both the virtual classroom and on demand are available at www.abcul.coop



COLLABORATING FOR CHANGE...

“We are determined to help credit unions grow and expand into the future. But growth and expansion must be established on the basis of credibility – credibility that can only come as credit unions build sustainability. And it is in the interests of credit unions, the members of credit unions and the movement as a whole that sustainability is built. This Government believes that strong credit unions will greatly enrich British society, so it is in our interest to do whatever we can to help the credit union movement to prosper.”
Mark Hoban MP, Financial Secretary to the Treasury – June 2010

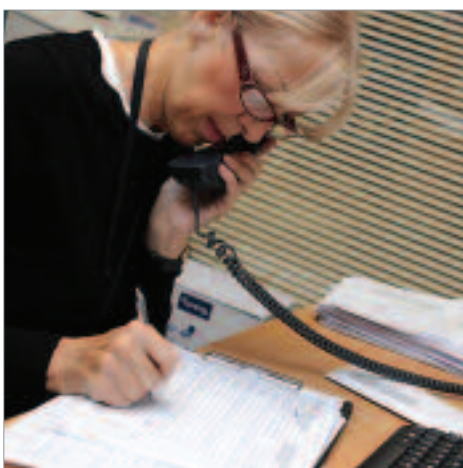
ABCUL in numbers 2009/2010

Information and communications

A major rewriting and reformatting of all ABCUL information was carried out during 2009/10. The members’ section of ABCUL’s new website now contains 67 new Information Guides.

During the year a full redesign of ABCUL’s web presence took place which will eventually see all ABCUL’s services available through the one website – www.abcul.coop.

The Co-operative Bank continued to support *Credit Union News*, which is distributed to around 4,000 people, and the redesigned email bulletin service on www.abcul.coop updates over 2,000 people with news about credit unions.





Conferences

- 8 major events
- 900 delegates

As well as the Annual Conference and AGM and the Autumn Conference, the two main events for credit union practitioners in Britain, ABCUL ran a number of shorter events aimed at a range of audiences.

The Northern Financial Inclusion Conference, supported by the Co-operative Bank, attracted around 250 delegates including representatives from housing providers, advice agencies, local authorities and credit unions. Events also took place for specific groups of credit unions and the team organised the Summer Reception for the All Party Parliamentary Group on Credit Unions.

Speakers at ABCUL events throughout the year included:

- Mark Hoban MP, as Shadow Treasury Spokesperson and as Financial Secretary to the Treasury
- Helen Goodman MP, Minister of State at the Department for Work and Pensions
- BBC Newsnight Economic Editor Paul Mason
- Writer and broadcaster Vivienne Parry

As well as speakers from a range of organisations including the Financial Services Authority, the Financial Services Compensation Scheme, HM Treasury, the Building Societies Association, the World Council of Credit Unions, Credit Union National Association (CUNA), Citizens Advice and Scotland's Accountant in Bankruptcy.

COLLABORATING FOR CHANGE...

"Credit unions offer a safe and reliable way of saving and borrowing money, especially for people on lower incomes. Developing a strong and effective credit union movement that meets the financial needs of all Welsh citizens is high on the Assembly Government's social justice agenda. Carl Sargeant AM, Social Justice Minister, Welsh Assembly Government – September 2010

ABCUL in numbers 2009/2010

Credit Union Current Account

At the end of September 2010:

- 25 credit unions offered the account to their members
- 30,000 account holders
- 5.6 million transactions
- Average combined balances of £4 million





ABCUL Policy work in 2009/10

- 22 responses issued to consultations – a 50% rise on last year demonstrates the level of change facing the sector
- 34 briefings and updates issued to members
- 118 MPs and Peers signed up to the re-formed All Party Parliamentary Group on Credit Unions
- 6 meetings by either All Party Parliamentary Group on Credit Unions in Westminster or the Cross Party Group on Credit Unions in Holyrood
- 3 fringe meetings at Party Conferences
- Over 30 speeches or presentations made at conferences and seminars

New legislation

Legislative reform (and subsequent regulatory reform) has been delayed due to reduced parliamentary time in an election year. Credit unions are keen to take up opportunities which will allow them to:

- provide services to community groups, businesses and social enterprises
- bring new groups into membership
- pay interest (instead of dividend) on credit union savings

COLLABORATING FOR CHANGE...

“Credit unions are all the good bits of banking and none of the bad. They lend at sensible interest rates and they pay sensible rates. Banking without the bull and the bonuses.”

Lesley Campbell, *The Daily Record* – April 2010

ABCUL in numbers 2009/2010

Back Office – moving forward

One of the most powerful ways for the 500 credit unions in Britain to have a bigger collective impact on financial inclusion is to collaborate on elements of credit union operations. ABCUL’s Back Office Project targets this collaboration. Its purpose is to roll out sustainable central services to strengthen credit unions across Britain.

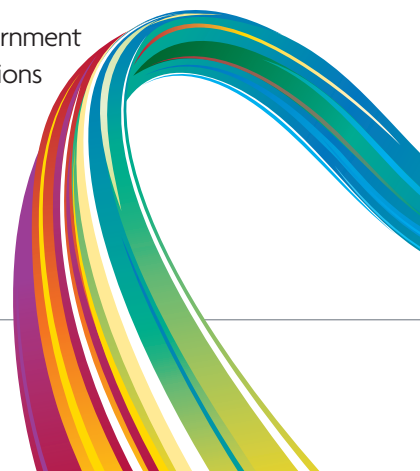
Benefits from working together include economies of scale, sharing and promoting best practices, and new products and services. Together these benefits will enhance sustainability and professionalism, and facilitate the growth and reach of the sector.

During 2010 -11 the project moved forward by:

- Recruiting a dedicated project manager
- Establishing a project team and project office
- Increasing knowledge of similar projects through international research
- Consulting and informing with credit unions through workshops and seminars
- Developing a project plan for further progress.

Pieces of work being developed by the project include:

- Centralised debt recovery trial
- Development of a Credit Union Prepaid Card
- Engaging with Government and other organisations to develop plans and explore funding sources.





Credit unions and ABCUL working in partnership with...

Barclays

As well as Barclays' support for the Connect Project (below), Barclays' donation towards ABCUL's Back Office Project has enabled the Association to move ahead with its plans to build an infrastructure which will allow credit unions and increasing numbers of members to benefit from economies of scale and an expanded range of services.



Citizens Advice

Funded by Barclays, the Connect Project encourages joint working between credit unions and Citizens Advice Bureaux. A small bursary scheme helped to create 15 new partnerships for a wide range of initiatives across the country. Joint information designed by ABCUL and Citizens Advice has helped to counter some of the myths that exist about credit unions and debt advisors.



The Co-operative Group

The Co-operative Group continues to be a valuable partner for ABCUL, supporting events including the Annual Conference and AGM and the Northern Financial Inclusion Conference as well as *Credit Union News*.



Behind the scenes administration of the Credit Union Current Account is carried out by the Co-operative Bank.

COLLABORATING FOR CHANGE...

“The emphasis on providing access to credit unions through the post office network, funded by a between levy on banks, would give people another trusted way to manage their money and get access to more affordable credit.”

Andy Burrows, Postal Expert, Consumer Focus, March 2010

Credit unions and ABCUL working in partnership with...

Department for Work and Pensions

Project DELTA, funded by the Department for Work and Pensions to support credit unions delivering the Growth Fund continued during 2009/10.

DWP Department for Work and Pensions

Over 120 credit unions benefitted from a range of tools and bespoke support during the year.

- 40 have completed bespoke Business Development Sessions with experienced mentors
- Credit unions have benefitted from 25 workshops on the PEARLS financial monitoring system
- 530 people have received training in lending best practice
- DELTA credit unions have also benefitted from three new comprehensive toolkits on Credit Control, Compliance and Merger.

Financial Services Authority/HM Treasury Moneymadeclear

ABCUL took part in the large scale pilot of the Moneymadeclear money guidance pathfinder in the North of England. ABCUL appointed two Money Guides to deliver face-to-face interviews, delivering free, confidential and impartial advice on a range of financial issues.

FSA

Moneymadeclear
No selling. No jargon. Just the facts.



Credit unions and ABCUL working in partnership with...

Home Retail Group

Research on how credit unions can work with secondary schools to increase financial capability and encourage savings was completed during the year. ABCUL hopes to continue this work in the future, and ensure credit unions are as well represented in secondary schools as they are in primary schools.



CUNA Mutual Group

ABCUL's relationship with CUNA Mutual Group continues, with the mutual insurance provider continuing to offer an increasing range of insurance products to ABCUL members. CMG continues to be a valuable supporter of ABCUL conferences.



Other Partnerships

ABCUL carries out work for a range of organisations, including membership organisations, local authorities and housing providers, helping them to extend credit union services and increase access.

COLLABORATING FOR CHANGE...

“Co-operative principles, particularly through the vitally important credit unions, have been ever present in the campaigns for fairer lending practices, and I want to see a much tougher code of conduct than the current system enforced on financial institutions so that it is far harder to exclude or disadvantage the poor when it comes to lending and insurance practices.”

Ed Miliband MP, Leader of the Opposition, August 2010

Accounts

Income and Expenditure

FOR THE YEAR ENDED 30 SEPTEMBER 2010

	2010		2009 (as restated)	
	£	£	£	£
INCOME				
Members' Dues		675,131		641,443
Other income from Membership Services		290,150		266,392
Fee-based Services income		2,331,018		2,494,572
		<u>3,296,299</u>		<u>3,402,407</u>
EXPENDITURE				
Direct costs of Membership Services	313,580		189,453	
Direct costs of Fee-based Services	1,660,702		2,024,400	
Staff costs	1,036,217		940,739	
Office costs	183,027		181,084	
Professional costs	18,827		7,649	
Charitable donations – CU Foundation	-		8,000	
		<u>(3,212,353)</u>		<u>(3,351,325)</u>
(DEFICIT) / SURPLUS FOR THE YEAR BEFORE TAXATION		83,946		51,082
Corporation Tax charge		<u>(864)</u>		<u>(3,110)</u>
(DEFICIT) / SURPLUS FOR THE YEAR BEFORE TRANSFERS		83,082		47,972
Transfer to designated funds re Chapters		(12,357)		(12,251)
Transfer to designated funds re WOCCU 2011 conference in Glasgow		<u>(15,000)</u>		<u>(15,000)</u>
SURPLUS FOR THE YEAR TRANSFERRED TO GENERAL FUNDS		55,725		20,721
ACCUMULATED GENERAL FUND B/F		<u>325,532</u>		<u>304,811</u>
ACCUMULATED GENERAL FUND C/F		<u>£381,257</u>		<u>£325,532</u>

There are no recognised gains and losses other than those passing through the income and expenditure account.

Accounts Balance Sheet

AT 30 SEPTEMBER 2010

	2010		2009 <i>(as restated)</i>	
	£	£	£	£
FIXED ASSETS		523,520		923,573
CURRENT ASSETS				
Stock	5,800		3,500	
Debtors	567,035		680,118	
Cash at bank	1,405,052		767,487	
	<u>1,977,887</u>		<u>1,451,105</u>	
CURRENT LIABILITIES				
Creditors		<u>1,732,996</u>		<u>1,317,468</u>
NET CURRENT ASSETS		<u>244,891</u>		<u>133,637</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		768,411		1,057,210
LIABILITIES GREATER THAN ONE YEAR		(92,996)		(464,864)
		<u>£675,415</u>		<u>£592,346</u>
SHARE CAPITAL		310		323
ACCUMULATED FUNDS				
Designated funds in respect of Chapters		93,848		81,491
Designated funds for office relocation & refurbishment		50,000		50,000
Designated funds for WOCCU 2011 conference		30,000		15,000
Designated funds for research & development		120,000		120,000
General funds		381,257		325,532
		<u>£675,415</u>		<u>£592,346</u>

COLLABORATING FOR CHANGE...

"I just make a regular payment into my account, every month, and forget about it until Christmas comes around and as a result the last few years I've enjoyed a great Christmas holiday."

Patrick Smith, The Co-operative Credit Union member

Board of Directors 2009/10

ABCUL's Board of Directors is elected from its membership, by its membership.

Antony MacRow-Wood

President and Director for the South West

Martin O'Donnell

Vice President (from March 2010) and Director for the South East

Rod Ashley

Treasurer and Director for Scotland

Angela Hampson

Secretary and Director for Scotland

David Martin

Deputy Treasurer (from March 2010) and Director for Yorkshire/Humber

Kevin Waters

Deputy Secretary and Director for West Midlands (from March 2010)

Sharon Angus-Crawshaw

Director for Wales

James Berry

National Director (until September 2010)

Derek Buckland

Director for the South East

Malcolm Elcoat

Director for the North East (from March 2010)

Alan Hignett

National Director

Clive Rix

Director for the East

Marlene Shiels

Vice President (until March 2010) and National Director

Peter Sloan

National Director from March 2010 / Director for the North West until March 2010

Edwina Sykes

Director for the North West

Keith Moore

Deputy Treasurer and Director for the North East (until March 2010)

Una Townsend

Deputy Secretary and Director for the West Midlands (until March 2010)

ABCUL Supervisory Committee

Michael Hope

Chair (from March 2010)

Jenny Kirk

Secretary

John Le Brocq

Chair (until March 2010)

ABCUL Standing Orders Committee

Deborah Harris

Chair

Cathy McGrath

Secretary

Gary Robertson

Member



ABCUL staff

The ABCUL staff team is led by Chief Executive Mark Lyonette. Staff are either based at Head Office or in locations around Britain.

This was the ABCUL staff team at the end of September 2010.

Abbie Shelton

Policy & Communications Manager

Anna Chadwick

DELTA Project Manager

Anna Douglas

Membership Services Assistant

Annette Warne-Thomas

Head of Business Development

Carol Strand

Finance & Shared Services Manager

Chris Canham

Business Development Manager

Clare Atkinson

Events Co-ordinator

Dan Archer

DELTA Project Support

David Batten

PEARLS Analyst

Frank McKillop

Policy Officer (Scotland)

James Moran

Banking Services Manager

James Wright

Banking Services Co-ordinator

Judith McKenzie

Executive PA

Karen Knott

Web/Training Co-ordinator

Karina Byron

Training Co-ordinator

Kay Forbes

Training Co-ordinator

Lisa Collington

DELTA Project Manager

Matt Bland

Policy and Communications Assistant

Maureen Mooney

Membership Services Assistant

Peter Bussy

Training & Development Manager

Phil Davies

IT Officer

Ross Bentong

DELTA Project Manager

Sam Hardwick

Project Operations Manager

Sarah Anwar

Finance Officer

Simone Barrett

PA to Senior Management

Tanya Mackle

DELTA Lead Project Manager

Tracey Nutter


Finance Officer

Vikki Strand

PEARLS Administrator

The following worked for ABCUL during 2009/10, some providing specialist input on a temporary basis. We would like to thank them for their contribution towards the work of the Association – Anne Selka, Charlotte Ward, Diane Borthwick, Emma Johnston, Giselle Chua, Kenneth Rose, Kelly Mooney, Lorraine Hennessey, Patricia Elder, Peter Corfield, Stella Acton.

ABCUL would like to thank all the organisations from which it has received support over the past year.



ABCUL is the principal trade association for credit unions in Britain, representing around 70% of credit unions. ABCUL credit unions account for over 80% of the credit union sector's members and assets. ABCUL represents its members with government, the FSA and in the media. It provides a full range of advice, information, training and development services to help its members grow to be sustainable financial co-operatives.

For further information about ABCUL or any of its services, please contact the Head Office.

ABCUL

Holyoake House, Hanover Street,
Manchester M60 0AS

Tel: 0161 832 3694

Fax: 0161 832 3706

Email: info@abc.ul.org

Web: www.abc.ul.coop

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Association of British Credit Unions Limited