



Enterprise  
Credit Union

**you're better off with us**



# **ANNUAL REPORT 2018**

***“You’re better off with us”***

# Agenda

ECU 30th Annual Meeting 6.00pm

Welcome and introduction – Tony Denny

Introduction of the Board of Directors

Apologies

Minutes of the 29<sup>th</sup> AGM year ending 2017 – Tony Denny

Chairperson's Report – Tony Denny

Developments during 2018 – Tony Denny

Treasury Report – Karen Bennett

Auditor's Report – Peter Green (SB&P LLP)

Internal Auditor's Report – enclosed

Money Laundering Report – enclosed

Loans Officers' Report – enclosed

Compliance Report – enclosed

Chief Executive Officer's Report – Karen Bennett

Motions to the AGM – Tony Denny

- Change of Rules – P.A. Jones

Election of Officers – Tony Denny

Any Other Business

Close of Business

**PLEASE FEEL FREE TO STAY AND HAVE A CHAT WITH ANY OF OUR DIRECTORS OR STAFF AFTER THIS MEETING, REFRESHMENTS ARE AVAILABLE.**

## Standing Orders Motions

- 1) A member shall address all comments through the Chair.
- 2) A member shall only address the Meeting when called upon by the Chair to do so and should raise their hand to indicate that they wish to address the floor.
- 3) Speeches are to be clear and relevant to the subject before the Meeting.
- 4) The person proposing the motion shall be allowed a maximum of five minutes to speak on the motion.
- 5) The person seconding the motion shall be allowed a maximum of three minutes to speak in support.
- 6) A member may not speak twice on the same subject except he/she: (a) Is the Mover of a motion with the right of reply. (b) Wishes to object or to explain (with permission of the Chair).
- 7) The Mover of a "Procedural Motion" (adjournment, lay on the table, motion to postpone) shall have no right of reply.
- 8) Debate shall cease when the Chair decides sufficient debate has taken place.
- 9) No speeches or amendments are to be made after the "Motion" has been put and carried or negated.
- 10) A member speaking on a "Point of Order" is to state the point clearly and concisely. (A "Point of Order" must have relevance to the "Standing Order".)
  - (a) A member shall not call another member to order but may draw the attention of the Chair to a "Breach of Order".
  - (b) In no event can a member call the Chair to order.
- 11) A "question" shall not be put to the vote if a member desires to speak on it or move an amendment to it, however the following may be moved at any time: a "Procedural Motion: The Previous Question", "Proceed to the Next Business" or the "Closure: That the Question be now Put."
- 12) Only one amendment should be before the Meeting at once and at the same time.
- 13) When a motion is withdrawn, any amendment to it fails.
- 14) The Chair shall have the right to a "Casting Vote".
- 15) If there is equality of voting on an amendment and if the Chair does not exercise a Casting Vote, the amendment is lost.
- 16) Provision is to be made for protection of the Chair from vilification.
- 17) No Member shall impute improper motives against another Member.
- 18) Conduct at General Meetings:
  - (a) Any person in breach of these Standing Orders, who interrupts the person speaking, who uses rude or abusive language, or disrupts the conduct of the Meeting, shall be warned that any repeat of such misconduct will result in his/her expulsion from the meeting.
  - (b) Elections: If the Chair is a candidate standing for election they shall hand over the chairing of the meeting to another officer or member of staff for that item.

## Chair's Report

Welcome and greetings to all members and invited guests of the Enterprise Credit Union to this year the 30th Annual General Meeting. This report covers the period October 1st, 2017 to September 30th, 2018.

Firstly, I want to introduce myself as your new Chair. I've served on the board for a number of years since election holding various roles including vice chair for the last 2 years. Having been a resident of Knowsley all my life I see daily the difference made by ECU and I'm steadfast in securing the long-term future of the organisation so we can keep making a difference.

This year was a special year for Enterprise credit union as we celebrated our 30th Birthday. As with all birthdays we made sure it was commemorated appropriately and as a board we offered the chance for 10 of our lucky members to win a £3K holiday in our life changing draw. What a fabulous way to celebrate, with you, the important people our members. We also had a celebratory dinner with over 90 guests and colleagues, this occasion gave us a great chance to reflect from our humble beginnings in a church hall in Huyton!!

In 2018 the Board of Enterprise credit union has went through some new experiences and challenges particularly with the additional regulatory scrutiny that comes as we grow. In the changing environment we operate in we must continue to govern the organisation well, support our teams and ensure we secure the future for ECU. The Board of Directors have invested more of their time into our governance and compliance this year and again are embracing the challenges ahead. It was with sadness we accepted the resignation of Martin Fife, who has Chaired the board so well since 2016, prior to which he stood in various capacities as a board member since 2008. We wish Martin well and thank him for his long-standing commitment to ECU. It's often lost that the board are made up of volunteers, giving their own time to make the organisation a success. I personally value every hour given by current and former board members.

At the heart of our decision process was what is best for our member offering. Being a co-operative organisation gives us the ability to think this way and I'm proud of the product range giving a fair, affordable service to members.

Again, we have seen record growth in the year surpassing our 2020 vision of £20M in assets and 20,000 members. This growth is only achieved through the strength of our teams who work tirelessly to make ECU the success it clearly is. In 2018 we issued a 2% dividend to our members as agreed at last year's AGM and deposited over £175,000 into your accounts.

Another special acknowledgement must go to our long serving, inspirational Chief Executive, Karen. Karen has been voted as President of ABCUL, a brilliant achievement in itself. This gives Enterprise a real national voice and further evidences the respect the sector has in our offering. Well done.

2019 is a time to consolidate, with more online offering (as per member feedback), newer refined products and an ever expanding customer base. We are also building our longer term plans, plans that will be agile to react to the fast-paced environment we operate in whilst keeping our values as the core base. Much time has been spent by the board and leadership team identifying the right technologies to invest in to meet this vision and we will be trialling new things throughout next year.

On behalf of the Board and Management, we would like to thank our member-owners for helping to make ECU a strong organisation. 2018 was a remarkable year and we can't wait to make it even better together in 2019!

Best regards,

Tony Denny

## Loans Officers' Report

During the past year, our loans officers approved more than **16,400** loans at a total value of **£17.8million pounds**. The value is a slight reduction from last year and in part is due to us working even harder with members to ensure financial wellbeing and affordability. Our loans have been a life line for so many of our members and we are delighted to see an increase in our Loyalty Plus Loans offering up to £15,000 to many members to enable them to access the good things in life. We have also been there in the tough times and helped thousands of people who have needed a few hundred pounds to help them get through the bumps in the road.

## Credit Control Team

ECU still have one of the best loan books in the country and work closely with our members to ensure we do not overstretch anyone or put them in financial difficulty. We understand people have money issues and the impact of universal credit is affecting many of our members. We are here to listen and will work with our members and help them during these difficult times.

**If you do know of anyone who is struggling or has defaulted on a loan with us, please encourage them to contact us and we will do our best to help.**

## Treasury Report

It is the treasury team's responsibility to report to the Board of Directors, and to you the members, on the financial affairs of this credit union.

Onto this year's accounts. As the accounts have shown the income made this year has been a substantial amount, and in agreement with our auditors we have made a **20%** transfer into our general reserve.

After discussion with our Board of Directors we are also recommending that we pay a 2% dividend to you our members. The dividend will be proposed and voted on during the resolutions of this meeting. This proposed dividend will equate to over **£240,000** which represents our excellent surplus shown this year. This surplus, although substantial is down on the year before however this has been down to the reduction in interest received since we changed our rates on the loans and introduced our advantage loan. The expenditure has also increased due to the impairment losses which showed a sharp increase, partly due to the change in the economic climate. Although this shows as a loss we still pursue these loans and do our best to recover our members money. Our surplus is made possible by the prompt payment on loans and also the fantastic amount of shares our members invest with us.

Indeed, it shows the confidence and trust our members have with us compared to the many high street banks. However, in this current economic climate it is prudent that we continue to keep a close eye on the trends and turnover of our business as a whole and will advise the Board of Directors accordingly.

We give a special mention to Danny Peers our finance manager who has worked very hard this year on the accounts and is commended by the Board of Directors and our own auditors. We would like to once again thank the membership of the Credit Union for their continued support and hope that this report has clearly demonstrated that Enterprise Credit Union is not only in a healthy financial position but continues to go from strength-to-strength. Something that we should all be very proud of.

**Treasury Team**

## Auditor's Report

We have audited the financial statements of Enterprise Credit Union Limited for the year ended 30 September 2018 which comprise the Revenue Account, the Balance Sheet, the Statement of changes in retained earnings, the 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 in 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).

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 credit union and the credit union's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the credit union's affairs as at 30 September 2018 and of its 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 and the Credit Unions Act 1979.

**SB&P LLP** | Oriel House, 2-8 Oriel Road, Bootle, Liverpool, Merseyside, L20 7EP.

Enterprise Credit Union Limited

Revenue Account  
for the Year Ended 30 September 2018

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	Notes	30.9.18 £	30.9.17 £
Loan interest receivable and similar income	4	1,915,686	1,764,158
Interest payable	5	(234,719)	(179,006)
<b>NET INTEREST INCOME</b>		<b>1,680,967</b>	<b>1,585,152</b>
Fees and commissions receivable		28,886	28,068
Fees and commissions payable		(13,215)	(19,957)
<b>NET FEES AND COMMISSIONS RECEIVABLE</b>		<b>15,671</b>	<b>8,111</b>
Other income		120,070	142,190
Administrative expenses		(909,269)	(677,096)
Depreciation and amortisation	9 & 10	(70,948)	(58,223)
Other operating expenses		(179,544)	(221,940)
Impairment losses on loans to members	11	(307,201)	(215,555)
<b>SURPLUS BEFORE TAXATION</b>	7	<b>349,746</b>	<b>562,639</b>
Taxation	8	2,143	1,682
<b>SURPLUS FOR THE FINANCIAL YEAR</b>		<b>347,603</b>	<b>560,957</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>347,603</b>	<b>560,957</b>

A note of the additional recognised gains and losses are set out on **Page 10**

**Enterprise Credit Union Limited**

**Balance Sheet  
30 September 2018**

	Notes	30.9.18 £	30.9.17 £
<b>ASSETS</b>			
Cash		<b>29,734</b>	24,337
Loans and advances to banks		<b>3,951,980</b>	3,100,239
		<b>3,981,714</b>	3,124,576
Loans and advances to members	11	<b>15,917,643</b>	14,157,796
Intangible fixed assets	9	<b>103,650</b>	120,600
Tangible fixed assets	10	<b>372,143</b>	391,665
Prepayments and accrued income		<b>123,122</b>	58,967
<b>TOTAL ASSETS</b>		<b>20,498,272</b>	17,853,604
<b>LIABILITIES</b>			
Subscribed capital – repayable on demand	12	<b>15,576,809</b>	13,301,866
Deferred shares	13	<b>50,000</b>	50,000
Other payables	14	<b>261,858</b>	239,736
		<b>15,888,667</b>	13,591,602
Retained earnings		<b>4,609,605</b>	4,262,002
<b>TOTAL LIABILITIES</b>		<b>20,498,272</b>	17,853,604

**Notes to the Financial Statements - for the Year Ended 30 September 2018**

**Note 4\*** represents loan interest received.

**Note 5\*** represents dividend allocated for prior years accounts.

**Note 7\*** represents surplus before corporation tax.

Note 8\* this reflects the corporation tax payable to the inland revenue

**Notes 9 & 10\*** represent fixed assets and tangible assets.

**Note 11\*** represents Loans and advances to members.

**Note 12\*** Subscribed capital repayable on demand represents shares payable to members. Included above are shares amounting to £9,033,246 (2017 -£6,905,350) which are attached to the loans above. The shares above also include £ 1,187,792(2017 - £862,150) relating to corporate members.

**Note 13\*** represents Deferred Shares

**Note 14\*** represents creditors due including Junior Shares of **£99,917**

## Enterprise Credit Union Limited

### Statement of changes in retained earnings 30 September 2018

	Notes	30.9.18 £	30.9.17 £
As at 1 October 2017		4,262,002	3,701,045
Total comprehensive income for the year		347,603	560,957
<b>AS AT 30 SEPTEMBER 2018</b>		<b>4,609,605</b>	<b>4,262,002</b>

## Internal Audit Report

The Internal Audit function assists the main Board of Directors in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control, the audit process, and the processes of the Credit Union for monitoring compliance with UK laws, regulations, rulebook and our own code of conduct. The Internal Audit Function within Enterprise Credit Union comprises of two areas: -

We employ the services of an independent external audit firm, Alexander Sloan, who conduct detailed reviews of our internal processes in respect of safety and compliance to regulation, conduct and our own rules. Their findings are reported to the Board and Management with any recommendations for improvement.

We also have an Internal Audit Committee that consists of two Directors Paul Jones and Jenny France, supported by Karen Bennet CEO and Frank Corcoran Compliance & Risk Officer. The Committee meet regularly to review the audit reports above, appraise policies and procedures, analyse the risks and the risk register and discuss ways to improve and develop our systems and controls. The Committee provide the reporting link to the full Board of Directors.

The Audit Committee can report that, with the increased resources within the Finance Department, the reporting process for the Board on all financial aspects is now more comprehensive and that the systems of control have been enhanced to reflect the growth seen in both membership and levels of savings and loans. The Board now receive details information via a report on all the Key Performance Indicators and financial matters.

Increased resources in the Compliance & Risk area have also assisted with reviews of policies and procedures and with the implementation of new regulation such as the General Data Protection Regulation.

As we have grown to more than 20,000 members and £20 million in assets, our internal systems and controls have become more complex and stringent. The Capital levels of 20% as reported in our accounts, well in excess of the required 10% level, are testament to the prudent financial management. With this will come new opportunities for Enterprise which will only enhance and improve the services we offer.

**PA Jones, Jenny France Internal Audit Committee**

## Money Laundering Report

It is the role of the Money Laundering Reporting Officer to monitor, investigate and report any suspicious activity with financial transactions in the credit union. These include irregular deposits, which the credit union has a duty to report to the relevant organisations. Another one of the roles is the verification of identification. In order to improve this service, we now use on-line verification, which is proving really popular with our members who cannot get into the office to provide copies of their identification. In line with our compliance function we have held training sessions for all our staff and volunteers to incorporate any changes in legislation.

### **Money Laundering Reporting Officer**

## Compliance Report

Regulation is increasing and changing, both across the financial sector in general, and specifically for credit unions as we develop and grow. This has been particularly evident over the last year with the introduction of major changes such as the General Data Protection Regulation (GDPR) which transformed the way your data is processed and controlled.

Enterprise has grown rapidly in recent years, is one of the largest in ABCUL, and is considered a leading credit union in the movement. We pride ourselves in being at the forefront of developing new products and services. The impact and requirements of regulation increases as a credit union grows.

The Board of Directors at Enterprise take regulation very seriously and to ensure that we comply with all of the requirements have appointed a Compliance & Risk Officer to work on a part time basis. This role will provide vital support to the Board and Senior Management in adhering to the regulatory regime.

Credit Unions are regulated differently to banks and building societies in many ways but are part of the Financial Services Compensation Scheme (FSCS) which guarantees the safety of protected deposits up to a maximum of £85,000. If a credit union fails, the FSCS aim to refund all eligible members within a seven day period so you can be assured that your savings are secure.

## Board of Directors

The Board is responsible for the strategic direction of the credit union, establishing policies and procedures for the operation of the business. It also holds management responsible for delivery of the business plan and maintenance of high quality service to members.

During the financial year 2017-18 the directors (listed further down this page) held office following the AGM in February 2018. Directors' Attendance at Board Meetings during the Financial Year to the end of September 2018 is given below. The Board is comprised of unpaid members of the Credit Union who commit to volunteer on a regular basis.

Efforts to recruit suitably qualified volunteers to the Board have continued. Our nomination committee received two applications from existing directors to re stand (short bio's below) and also two expressions of interest, which unfortunately where outside the time limits. Both of these members have been invited to observe and attend a future meeting in the hope they would be willing to stand at next years AGM.

It was with regret the Board of Directors made the difficult decision to close down the externally funded MABS service within the business and as a result had to begin the redundancy process at the end of our financial year. This was not a decision that was taken lightly and was done with the strategic aims and needs of our members and credit union moving forward. We would like to thank those staff involved for their dedicated and loyal service over the years and wish them luck in their future endeavours.

## Board of Directors - Attendance

DIRECTORS	Oct	Nov	Dec	Jan	Feb	March	Apr	May	June	July	Aug	Sep
Martin Fife	A	P	N	A	P	P	P	P	A	P	P	P
Tony Denny	P	P	N	P	P	P	P	P	P	P	P	P
Tom Roberts	P	P	N	P	P	P	P	P	P	P	P	A
Paul Jones	P	P	N	P	P	A	P	P	A	P	P	P
Jenny France	P	P	N	P	P	P	P	P	A	P	P	P
Julie Delaney Lynn	P	P	N	P	P	P	P	A	P	P	P	P
Ken McGlashan	P	P	N	P	A	P	P	P	P	P	P	P
Anne McGlashan	P	P	N	P	P	P	P	A	P	P	P	P

O= Observer    P=Present    A=Apologies    R = Resigned    N= No meeting

## **The following are presenting themselves for election this evening:**

Both Individuals are standing for re-election

### **Tom Roberts – Director**

I was born and bred in Huyton but now live in Plymouth. I was previously a Director of Hope Credit Union in Plymouth and believe in the power, strength and ability of the local community. I was elected on to the Board of Enterprise in 2012 and have witnessed the strategic vision shown by the Board and Staff which will only move this Credit Union from strength to strength. I hope to be re-elected this evening and look forward to working with the Board in the coming year.

### **Ken McGlashan – Director**

I've been involved with the Co-operative movement since 1985. The Knowsley Co-op Party were instrumental in setting up our first Credit Union in St Georges parish many years ago. I was elected to the board in 2012. Presently I am an Elected Labour/Co-op Councillor for Page Moss Ward have been a Labour Councillor since 1996, I'm a School Governor for both Park View Primary and St Aloysius Primary, have lived in Huyton for over 70 years, have 9 children who all went to schools in Knowsley and I clearly value my local community. I hope to be re-elected this year and look forward to representing you at Enterprise Credit Union for the coming year.

## **JACKY ALKER AWARD.**

This year saw the creation of the “Jacky Alker” Award which was bestowed in our 30<sup>th</sup> year to Jacky himself who retired as a volunteer in 2017. His enthusiasm, drive and commitment shown to this credit union over the past 29 years has been phenomenal.

It is with great delight that the award this evening is presented to Martin Fife, who after 12 years as a board member has decided to retire. Martin joined our board in 2006 and became Chair in 2015. Martin has led the board and has guided us and helped shape our strategic vision to face the future and all the challenges and opportunities it brings.



## Chief Executive Officer's Report

I have taken the opportunity in this report to reflect on our impact not only this year, but on the 30 years since we began. As you can see, the booklets and video have highlighted some of the facts and figures over the years, but I want to touch on the personal impact we have had.

I've been lucky to have been involved for 20 of those years and have witnessed some of the life changing effects we have had on our members. We have been there for bad times in members lives and have helped people when they have had nowhere else to turn, however we have also been there in the good times and witnessed some amazing achievements and celebrations.

Something else we are delighted to see are second and third generations of our members coming to us and more importantly staying with us for their financial needs. I also want to stress that every single one of our members save, some from a couple a pound per week to others who save hundreds. Its these savings we turn around to make the loans we all access when we need them.

I have been known to speak quite bluntly on how I feel; we are the best community credit union in the country, and I have always known I am right. Recent reports from ABCUL our trade association, now prove we are. We have the highest percentage of reserves than any other credit union and are now ranked in the top five. The other top ranked credit unions are predominantly employee-based credit unions which re-strengthened my belief that yes, we are by far the best community credit union.

In fact, many credit unions are seeing a slump and are coming to us to see how we do our business. I can't count how many visits we have had this past year from other credit unions visiting us to see our working practices. Not just in the UK either but also Ireland and the USA.

I don't think we have a secret remedy, I am convinced its our values and beliefs that make us successful and I can confidently say those beliefs and values are no more prominent anywhere other than our staff team. They are just fantastic.

I will be talking this evening around our plans for the year ahead, so I won't go into too much detail in my report, but rest assured this credit union will only ever have the interest of its members at the heart of everything we do.

A special mention to our outgoing Chair Martin Fife, he has been so instrumental to the development in our credit union and the values he holds have guided us through some exciting and challenging times. I wish him all the very best in the future. Final thanks have to go to my board of directors and also our staff, who have greatly supported me this year in my role as newly elected President of our trade association ABCUL.

Karen Bennett

## Our Team doesn't stop Growing

Enterprise welcome on board our newest recruit Jess who started with us in February 2018



"I have really enjoyed the last 11 months with ECU. I have had the opportunity of working across the many branches and this has given me a great understanding of the support we offer our members and the very unique relationship we have with them, unlike anywhere else I have ever worked before."

Jess Powell

## What Our Members Say...



*"All the staff are so helpful. Best thing I ever done was join up"*

**Michelle**

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*"Nothing's too much trouble, always smiling with a very friendly Professional service"*

**Charlotte**

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*"Never had any problems. Great Service and the Staff always go out of their way for you."*

**Gary | St Helens**

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*"Very friendly staff explained everything to me, would highly recommend"*

**Danni**

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*"Excellent services and all people in the office are fantastic and very helpful"*

**Derral**



