



Enterprise  
Credit Union

**you're better off with us**



# **ANNUAL REPORT 2019**

***"You're better off with us"***

# Agenda

ECU 31st Annual Meeting 6.00pm

Welcome and introduction – Tony Denny

Introduction of the Board of Directors

Apologies

Minutes from the 2018 AGM – Tony Denny

Chairperson’s Report – Tony Denny

Developments during 2019 – Tony Denny

Guest Speaker – Bernard Cogan Cuna Mutual Insurance

Treasury Report – Danny Peers

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

Internal Audit and Risk Committee 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 to wording of Field of Membership
- Proposal of Dividend
- Election of Officers
- Election of Auditors

Any Other Business

Close of Business

## 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) The person proposing the motion shall be allowed a maximum of five minutes to speak on the motion.
- 4) The person seconding the motion shall be allowed a maximum of three minutes to speak in support.
- 5) 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).
- 6) The Mover of a “Procedural Motion” (adjournment, lay on the table, motion to postpone) shall have no right of reply.
- 7) Debate shall cease when the Chair decides sufficient debate has taken place.
- 8) No speeches or amendments are to be made after the “Motion” has been put and carried or negated.
- 9) 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.
- 10) 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.”
- 11) Only one amendment should be before the Meeting at once and at the same time.
- 12) When a motion is withdrawn, any amendment to it fails.
- 13) The Chair shall have the right to a “Casting Vote”.
- 14) If there is equality of voting on an amendment and if the Chair does not exercise a Casting Vote, the amendment is lost.
- 15) Provision is to be made for protection of the Chair from vilification.
- 16) No Member shall impute improper motives against another Member.
- 17) 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 Enterprise Credit Union to this year our 31<sup>st</sup> Annual General Meeting. This report covers the period October 1<sup>st</sup> 2018, to September 30th 2019.

I would like to give a special mention to our guest from Ireland here this evening, Bernard Cogan from Cuna Mutual Insurance. I will leave Bernard to give a small presentation on the many benefits we, as members have accessed during our partnership with Cuna.

As you will hear this evening this year has been an extremely busy year and I would like to begin by giving my sincere thanks to my fellow board members, staff and volunteers who have worked tirelessly to ensure this credit union goes from strength to strength.

The year began with a visit from the Bank of England who, rightly so, scrutinised all our policies, procedures and governance arrangements. It gives me great pleasure to report that we received a very positive feedback report and were delighted to be recognised in the sector for the outstanding work we do on your behalf.

In March this year we began working on our new vision for 2025 and have changed our mission statement, we have realigned this with our core values and are confident we will go from strength to strength these coming years.

### Our Vision

***Our vision is to be the leading ethical member-owned financial services provider for the communities in which we serve.***

### Our Mission

***Our mission is to provide quality, relevant, inclusive savings, loans and insurance products for our members throughout their lives.***

### Our Values

***We will deliver our strategy by:***

- ✓ **Being responsive to the needs of our members, now and in the future.**
- ✓ **Being inclusive to all those living or working within our community**
- ✓ **Being responsible and ensuring we operate our business ethically and acting to treat all members well**
- ✓ **Being honest and fair and acting at all times with integrity**
- ✓ **Being respectful to our members circumstances and consistent with our approach.**

Directors are volunteers and with the increased growth brings greater responsibility and accountability ,we are accountable to you our members and this is something we don't take lightly. I am delighted to welcome this evening two new proposed directors for election. I have had the privilege of meeting both of these members and was pleased to see their commitment and passion and learn what new skills they can bring to the Board, In addition to this two of our existing directors are up for re-election (myself included) and I, like Anne McGlashan here are hoping you will support the motion this evening.

Before I finish I just wanted to acknowledge our staff team who work tirelessly with members to make a massive difference to the communities we serve. Recently I had the privilege of attending the Knowsley Business awards where we won 'Highly Commended' in the customer commitment category. That award is a direct acknowledgement of the teams great work, something we value immensely as a board.

I will leave Karen our CEO to give you an insight into some of our plans for the years ahead but for now would like to reflect on some of the achievements this year.

On behalf of the Board and Management, we would like to thank our member-owners for helping to make ECU a strong organisation. 2019 was a remarkable year and we can't wait to make it even better together in 2020!

Best regards,

Tony Denny

Chair

## Loans Officers' Report

During the past year, our loans officers approved more than **18,500** loans at a total value of **£19.2 million 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 overhauled and we are working hard to make it easier to apply online, via telephone and we hope to develop our own app in the coming months. We have developed some new products this year including our Season Ticket Loan and School Uniform Loan which has been a welcome addition to so many of our members'. It is with this in mind we are looking at even more products and hope to launch some exciting new ones in the months ahead.

## Payments Team

Here at ECU, we will always endeavour to help our members manage their finances when faced with large costs or unexpected demands. Our loan products are constantly reviewed to ensure that they meet members' needs and provide good value for money. Our rates are competitive in the credit union industry and provide the additional benefit of life cover which, for many, gives much needed peace of mind that should the worst happen, the loan will be repaid in full.

Whilst we will always try to help, there will be times when we cannot grant a loan, as we would not wish to lend where we feel the member cannot afford to repay. This would increase their financial burden and not help in the long run. The affordability is key to the granting of any loan and ensures the wellbeing of our members.

The money we lend out is from the savings of all of our members, so we have a duty, not just to lend it out safely, but to ensure that we get that money back. The loan repayments provide the income from interest to cover overheads, allow us to meet our regulatory Capital requirements and to pay the dividend each year to all of our savers. Bad debts eat into the funds we have to pay the dividend.

We would urge anyone who is experiencing financial difficulty in paying their loan to contact us and speak to our Credit Control Team who will try to help make the loan more manageable. They have options available that can make repayments more manageable but rely upon the cooperation of the member. Recovery action will be taken where necessary to recover loans but, hopefully, are a last resort and we would much prefer to work with our members.

**If you are experiencing financial difficulty, please contact us to discuss your account as we can help.  
If you know a member who is having problems, please urge them to do the same.**

## Treasury Report

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

Enterprise Credit Union continues to show significant growth and as the accounts have shown this year's surplus, after dividends, equates to over £290,000. This increases our total reserves to over **£4.9** million.

After discussion with our Board of Directors we are recommending that we pay a 2% dividend to our members. The dividend will be proposed and voted on during the resolutions of this meeting. This proposed dividend is a significant amount and will equate to over **£307,000** and represents our financial strength and continued growth for this financial year.

This continued growth shows the confidence and trust our members have with us and is made possible by prompt loan repayments and the fantastic amount of savings our members invest with us.

In achieving future growth, it is important that we continue to assess our targets, deliver on budgets and strive to achieve our objectives set out in our business plan. It is also essential that we continue to examine trends and monitor all aspects of the Credit Unions financial performance.

We would like to 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.

**Treasury Team**

**Enterprise Credit Union Limited****Revenue Account  
for the Year Ended 30 September 2019**

	Notes	30.9.19 £	30.9.18 £
Loan interest receivable and similar income	4	2,052,350	1,915,686
Interest payable	5	(276,423)	(234,719)
<b>NET INTEREST INCOME</b>		<b>1,775,927</b>	<b>1,680,967</b>
Fees and commissions receivable		32,154	28,886
Fees and commissions payable		(8,536)	(13,215)
<b>NET FEES AND COMMISSIONS RECEIVABLE</b>		<b>23,618</b>	<b>15,671</b>
Other income		29,958	120,070
Administrative expenses		(853,590)	(909,269)
Depreciation and amortisation	9 & 10	(65,909)	(70,948)
Other operating expenses		(192,256)	(179,544)
Impairment losses on loans to members	11	(421,869)	(307,201)
<b>SURPLUS BEFORE TAXATION</b>	7	<b>295,879</b>	<b>349,746</b>
Taxation	8	1,582	2,143
<b>SURPLUS FOR THE FINANCIAL YEAR</b>		<b>294,297</b>	<b>347,603</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>294,297</b>	<b>347,603</b>

A note of the additional recognised gains and losses are set out on page 8



**Enterprise Credit Union Limited****Balance Sheet  
30 September 2019**

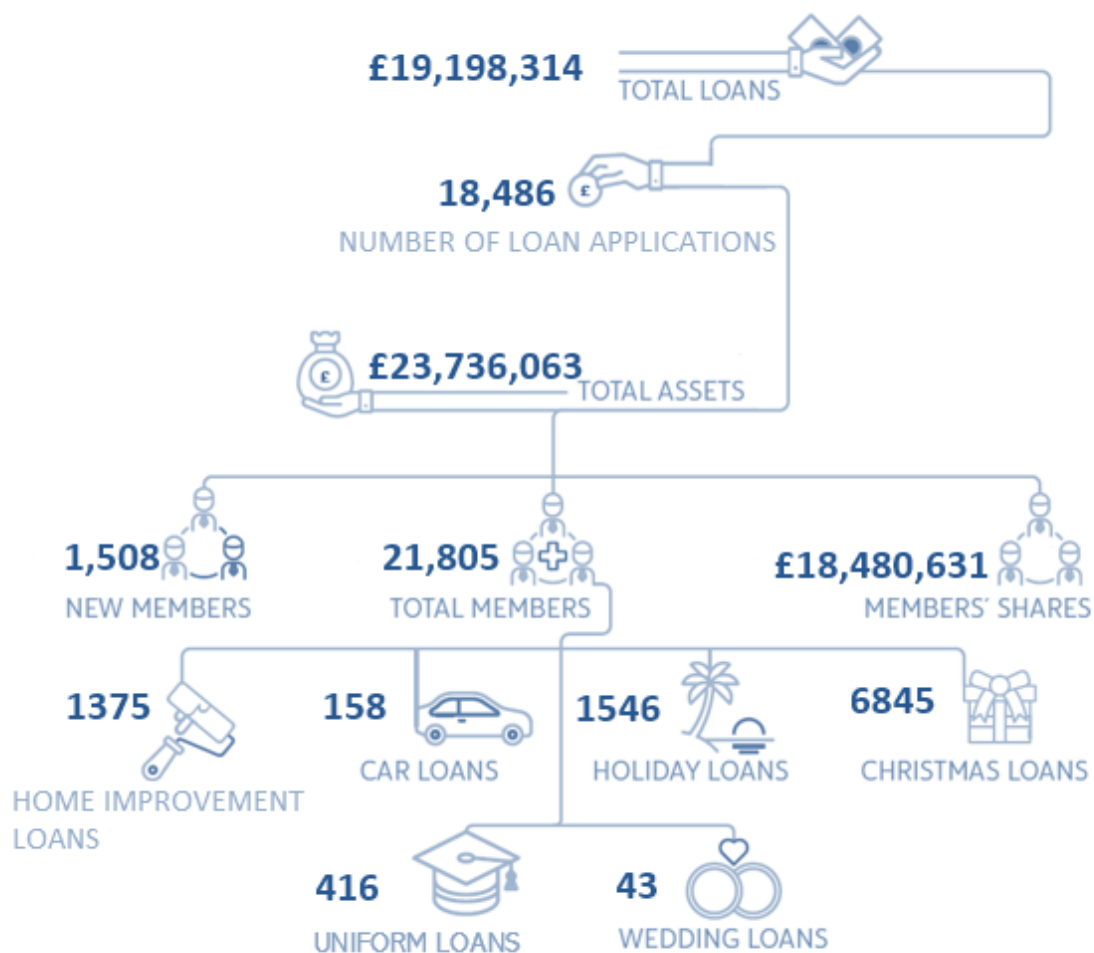
	Notes	30.9.19 £	30.9.18 £
<b>ASSETS</b>			
Cash		<b>34,521</b>	29,734
Loans and advances to banks		<b>4,574,974</b>	3,951,980
		<b>4,609,495</b>	3,981,714
Loans and advances to members	11	<b>18,583,756</b>	15,917,643
Intangible fixed assets	9	<b>86,700</b>	103,650
Tangible fixed assets	10	<b>331,793</b>	372,143
Prepayments and accrued income		<b>124,319</b>	123,122
		<b>23,736,063</b>	20,498,272
<b>TOTAL ASSETS</b>			
<b>LIABILITIES</b>			
Subscribed capital – repayable on demand	12	<b>18,480,631</b>	15,576,809
Deferred shares	13	<b>50,000</b>	50,000
Other payables	14	<b>301,530</b>	261,858
		<b>18,832,161</b>	15,888,667
Retained earnings		<b>4,903,902</b>	4,609,605
		<b>23,736,063</b>	20,498,272
<b>TOTAL LIABILITIES</b>			

**Enterprise Credit Union Limited**

**Statement of changes in retained earnings  
30 September 2019**

	Notes	30.9.19 £	30.9.18 £
As at 1 October 2018		4,609,605	4,262,002
Total comprehensive income for the year		294,297	347,603
<b>AS AT 30 SEPTEMBER 2019</b>		<b>4,903,902</b>	<b>4,609,605</b>

**KEY FIGURES FROM 2019**



## Auditor's Report

We have audited the financial statements of Enterprise Credit Union Limited for the year ended 30 September 2019 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

## **Internal Audit and Risk Committee Report**

The Internal Audit Committee assists the main Board of Directors in fulfilling its oversight responsibilities for: -

- regulatory financial reporting
- the system of internal control
- the audit process
- compliance with UK laws and regulations
- our internal own code of conduct

The Internal Audit Committee consists of two Directors, Paul Jones and Jenny France, supported by both Karen Bennett (CEO) and Frank Corcoran (Head of Compliance & Risk) from our staff team.

ECU also employ the services of Alexander Sloan (Accountants & Business Advisors) as internal auditors who conduct a detailed independent check of all areas of the business. They report on their findings, and any recommendations are reviewed and implemented. The Committee and Alexander Sloan will work with management and staff to investigate and correct issues and to ensure any staff training, or procedural requirements are put in place.

A full review is taking place to develop our policies and procedures, to improve and evidence effective controls and reporting.

The Internal Audit Committee is pleased that the new arrangements in the Finance Department have increased the quality of reports, controls and management, and we will always take account of the impact any changes make on management and staff resources.

As Enterprise has now exceeded £20 million in assets, we are subject to more stringent ratios and requirements from the Prudential Regulation Authority and the Financial Conduct Authority our regulators. We will ensure that we comply with all their requirements and as you will see from the financial reports, we are in a strong position with Capital of 21%, well over the minimum requirements of 10%. We will continue to monitor all our Key Ratios at least monthly to ensure that we remain strong.

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

## **Money Laundering Report**

As a financial institution we are obliged to comply with all Anti Money Laundering Regulation.

We are required to verify the identity of new members and to assist with this, have introduced an electronic system of identity verification for members who cannot get into the office or do not have the required documentation. We hope this helps provide efficient and alternative systems and makes it easier for you to join and take advantage of the services we offer.

We are also legally required to report any suspicious transactions. To this effect, we have systems and controls in place to identify any unusual transactions and all of our staff and volunteers undertake training annually.

**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. ECU have strengthened the support for the management team and have enhanced the role of our Compliance & Risk Officer. 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 2018-19 the directors (listed further down this page) held office following the AGM in February 2019. Directors' Attendance at Board Meetings during the Financial Year to the end of September 2019 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 new applications, who will be invited to observe the next meeting whilst we undertake the required regulatory due diligence.



Tony Denny- I have been involved with the Credit Union for the past three years and am currently Chair of the Board of Directors. I have been involved in my local community for the past twenty years and live in Prescot, I am married with one young son. I hope to be re - elected here this evening to enable me to continue with the leadership of the credit union as we embark on our new business plan



Julie Delaney-Lynn- I have been a Director for the past 18 years and have seen this credit union grow at a phenomenal rate during that time, I am currently Secretary of the credit union and love being involved. I work in the civil service and from Huyton and am married with two grown up children



Jenny France- I have been on the Board for two years now and have thoroughly enjoyed learning and being a part of the credit union. I am currently Vice Chair and a member of the Internal Audit and Risk Committee. I work in commercial banking industry and live in St Helens



Ken McGlashan – I've been involved as a Director with the credit union for the past seven years and have lived in Huyton for the past 70 years. I have 9 children who all went to schools in Knowsley and I clearly value my local community.



Anne McGlashan- I have been involved since 2012 as a Director and have been involved in various committees throughout this time. I work in a local school and live in Huyton with 3 grown up sons. I am due for re-election this year and hope I can count on your support.



Tom Roberts - 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 am currently Treasurer. I have witnessed the strategic vision shown by the Board and Staff which will only move this Credit Union from strength to strength.



Paul Jones - I have been involved in credit unions for over thirty years and more recently as a Director with Enterprise. I am on the Internal Audit and Risk Committee and this year have taken part in the Nominating Committee. I am a senior lecturer at Liverpool John Moore's University and a leading expert in Credit Unions both nationally and internationally. I currently live in Manchester

## Board of Directors - Attendance

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

N=NO MEETING

P=Present

A =Absent

SD=

# The following are presenting themselves for election this evening

Re- election of two directors

**Tony Denny**

**Anne McGlashan**

Now meet our two new proposed Directors



**Josh Austin**

Josh has been a member for eight years and bring a great deal of expertise to our Board. He is a team leader with Talk Talk and heads up their IT/Salesforce Department. He is a very driven individual and believes in the ethos of the credit union and their values are very important to him.



**Kay Davies**

Kay has been a member for seven years and brings a range of skills to the board. She has spent the past ten years as a civil servant and has recently joined a local housing association as a senior customer liaison officer. Kay is also a local councillor in Liverpool and is very community driven.



## Chief Executive Officer's Report

As you can see from Tony's report, we have had an extremely busy year. In addition to this and yes in spite of , we are delighted to report that we have been selected amongst five organisations to take part in a pilot project under Fair4All who will help towards our goal of reaching even more people in our field of membership.

Plans are underway to accelerate that growth and we are currently looking into and improving our systems to make it easier for you our members to communicate, transact and work with us . I am delighted to share with you a few of our plans for the future and hope it will give you a small insight into what I can honestly say is transforming to our credit union.

As you can see there is a lot of work ahead and indeed you will see some changes, please rest assured it is you our members that will be at the forefront of any developments , we hope to develop some focus groups to help us achieve these changes and would urge you to speak to me afterwards if you would be willing to come on board as part of our focus and product development groups.

I say this every year, I know we are the best credit union in this country, and I don't say that lightly. 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 literally are fantastic. I cannot thank them enough.

A special mention to our Board of Directors, who have constantly given 100% to leading and governing our credit union and on a personal level have greatly supported me in my role as President of our trade association ABCUL.

Amongst us this evening we also have a volunteer who, may I say is also a great and dear friend to each of us in the credit union. We have decided this year to highlight and commend her for all her work in the past fifteen years and present her with what we call our Jacky Alker Award, in recognition for the dedication and commitment she has shown over the years. We genuinely would be lost without her. Can I ask you all to show your appreciation as I hand over to Tony Denny our chair to present Ellen McEvoy with the award this evening.

**Karen Bennett**

# Motions

## 1. Additional Common Bond Wording to cover Universities and Colleges

An individual who is associated with other members through: studying at the following educational institutions:

- Liverpool University
- Liverpool John Moores University
- Hope University
- Edge Hill University
- City of Liverpool College
- Liverpool Institute of Performing Arts
- St Helens College
- Knowsley Community College



2. Dividend Proposal of 2% on both Adult and Junior Saver Accounts for the year ending 30<sup>th</sup> September 2019



3. Election of two new Directors and two existing Directors for re-election of a further term of 3 years
4. Election of Auditors

## **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.

We will be awarding the Jacky Alker Award this evening to a very worth recipient who has been with our credit union for the past fifteen years. They have tirelessly volunteered day in day out and always gives a 100%.

## **We listened .....**

...Last year you asked about increasing our Gold Saver Accounts from £10,000 to £20,000 We are delighted to inform you that as of the 1<sup>st</sup> April 2020 this will be actioned and opened up to those members who have gold accounts.

.... You asked about products for the students within our field of membership. Our motion this evening shows we listened and subject to approval we will be developing products to suit the needs of those young adults in university and colleges across our field of membership

## **What our Members Say...**

*I wouldn't go anywhere else, Christmas is possible thanks to my credit union*

**Jenny**

*Happy helpful staff, best thing I ever did was join the credit union*

**Charlotte**

*The Credit union has been brilliant, they have helped me save for a deposit on my house and there when I need them.*

**Josh**

