

**Coming to a place near you.**





Central Liverpool  
CREDIT UNION

# Highlights of the Year



Our Bus



Eileen K. Halligan Award



Our Breck Rd Premises



Our Staff



Presented by  
Phil Lillywhite  
Chairperson



Our Members Talk

Plus, a bit about  
our future  
Strategy



Some of you may recall that our 30<sup>th</sup> birthday celebrations at the cathedral in 2019, the credit union introduced the Eileen K Halligan award , It was felt that award would celebrate the very specific ethos Eileen has always held for the CU. In this way she could spread those ideas and recognise Young Savers simultaneously. Unfortunately, Covid intervened, so this year we are presenting three awards in order to catch up. This is the first of them, watch out for the other two later in the year.

The Eileen K Halligan award is a testament to member number 5 and it's a lasting record of the difference she is making, and will continue to make for many more years to come.

These courageous young girls have had a tough time of late, yet still manage to enjoy life and keep on smiling.

Bella was diagnosed with type 1 diabetes at age seven. Then two years later Amelia received the same diagnosis at the age of six. Both girls have been in and out of hospital, missed lots of school and now manage their diabetes and inject themselves 4-5 times a day with insulin.

Maddy had an accident in January when on a trip to a trampoline park for Bella's birthday, she snapped her leg so severely that she could have lost it. She had to be operated on and have a cage on her leg, she spent four months in a wheelchair and is now learning to walk again. As a result of all this, Jody, their mother, has sent a lot of time in hospital with each one of the girls, which meant each of the girls have had to adapt to mum not being around.

They are definitely deserving of the Eileen K. Halligan award for courage and strength during difficult times.

We understand that they are going on a caravan holiday with their £500.



Maddy, Bella and Amelia Jones, with their mum Jody.

# Our Staff

## CU Futures Programme

CU Futures is a 10 month intensive development programme for younger professionals in the credit union sector to develop their skills, knowledge and experience in the sector and support their career progression and retention. After completing this element participants will spend a further 12 months completing a professional qualification and participating in ABCUL's Young Professionals Network. This is a one of a kind development opportunity for young professionals within our sector to further their skills and experience and progress to the next stage of their careers. Between 2020 and 2021, our colleague Zara Rose was the latest of our young people to complete the programme. Some of her colleagues join her at her graduation. Here is what Zara had to say about it.



## CU Futures-Class of 2021



## Annual Report 2021



Being part of CU Futures was an interesting way to learn more about credit unions and the areas that aren't part of my normal day-to-day job, and the work that goes on behind the scenes to keep the business running.

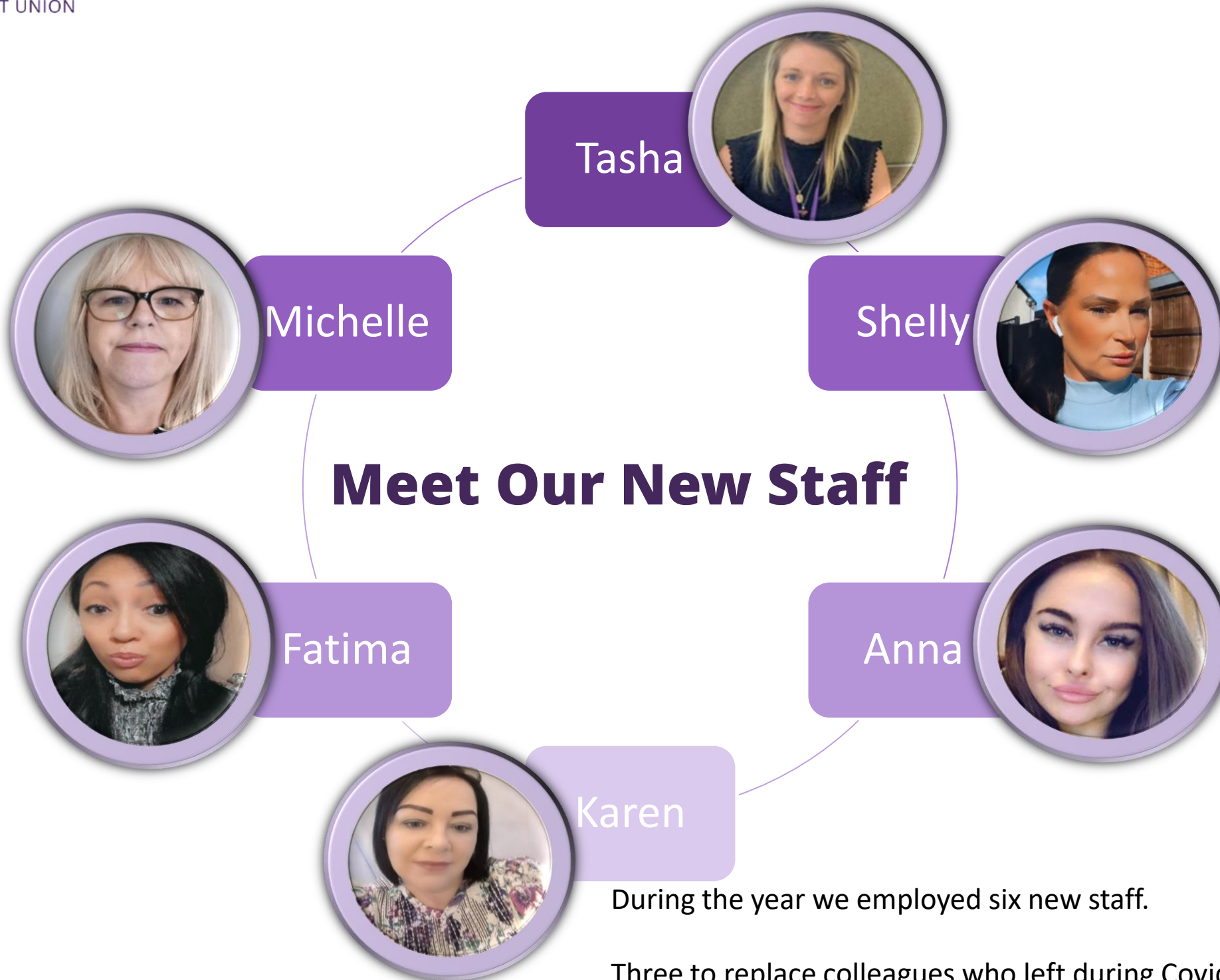
The support I received from management and board members to complete some of my assignments meant a lot, and made me grateful to work for such a community-based company.

It has helped me to expand my knowledge of the credit union and learn more about different types of credit unions and the differences in how they operate, as well as growing my confidence in developing and progressing within the credit union going forward.

I really enjoyed my experience and the opportunity to take part in this program.



Thanks,  
Zara



## Meet Our New Staff

During the year we employed six new staff.

Three to replace colleagues who left during Covid lockdown and three additional staff

All these new people add to our brilliant  
**MEMBER SERVICE TEAM.**



Central Liverpool  
CREDIT UNION

# We go where you are.

# Annual Report 2021

Breck Road  
Address

213 Breck  
Road,  
Liverpool L5  
6PT

The corner of  
Breck Rd and  
Faraday St



Even though we have our branches and members can do all of their transactions on line we still felt the need for some way of us getting to people who still could not access us. Across Liverpool City Region.

Hence our mobile office, known as **The Bus**.

We attend markets, food banks, community centres, etc., across the region.

The Bus has proved so popular and is so much in demand that we now think we need **A Fleet**.

And yes, though some of you were fooled, the helicopter it was a 1<sup>st</sup> April Joke.

You may recall that during the first lockdown we closed our branches in Walton and Kensington, which we leased, and purchased these premises in Breck Road

At long last, our new **Breck Road Branch** is nearing completion.

Come and join us on our open day on Saturday 30<sup>th</sup> July, 2022 from ?-?

Take a look around, enjoy refreshments and music and tell your friends and neighbours to join.

Find out where The Bus will be each week by following our social media pages and, or, our website.

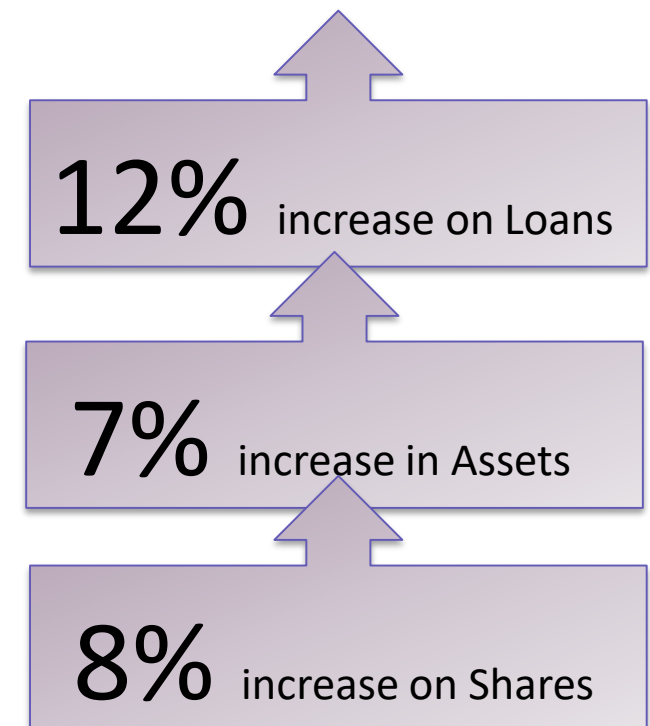




Key Performance Ratios = Greater than < = Less than

BALANCE SHEET	2021	2020
<b>Assets</b>		
Bank & Cash	1,577,9933	2,014,256
Loan Accounts	9,816,328	8,764,480
Bad debt reserve	(321,484)	(342,273)
Tangible fixed assets	898,446	741,717
Other debtors	63,650	84,433
<b>Total assets</b>	<b>12,034,933</b>	<b>11,262,613</b>
<b>LIABILITIES</b>		
Members shares	9,293,147	8,571,850
Juvenile deposits	128,477	123,052
Other payables	640,739	716,230
Provisions for liabilities	20,310	27,793
General reserves	1,952,260	1,823,688
<b>Total liabilities and reserves</b>	<b>12,034,933</b>	<b>11,262,613</b>

FINANCIAL RATIOS	Recommended	CLCU
Capital/Asset	> 10%	16%
Liquidity	> 5%	37%
Bad Debt/Loans	< 10%	3%
Income/Assets	> 1%	1%
Expenses/Assets	<5%	1%
Corporate Accounts	<1.5%	0.50%
Risk Adjusted Capital	>8%	16%
Shares/Assets	70-90%	77%
Assets/Shares + Juvenile	105%	127%
Loans/Assets	70-80%	81%
Share/Loan	<80%	94%
Income/cost	<3%	1.0%



## DETAILED INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2021

	2021		2020	
	£	£	£	£
- members loans			1,080,362	995,403
- bank interest received			2,374	11
Fee income			77,026	83,453
Insurance commission			-	
Other income			50,000	117,675
<b>Total Income</b>			<b>1,209,762</b>	<b>1,196,542</b>
<b>Expenditure</b>				
Staff wages and salaries	369,550		354,532	
Other staff costs	12,391		10,012	
Property costs	100,481		69,566	
Insurance	105,772		110,523	
Information technology	72,051		69,579	
Communications	54,681		46,594	
Marketing	15,083		1,133	
Regulation	21,454		17,638	
Depreciation	52,338		69,171	
Professional fees	144,193		131,459	
Audit fee	18,000		18,000	
Bad debts and provision movement	89,413		118,096	
Sundry expenses	8,740		9,624	
<b>Total expenditure</b>		<b>(1,064,147)</b>		<b>(1,025,927)</b>
<b>Operating profit</b>		<b>145,615</b>		<b>170,615</b>
<b>Interest payable and similar expenses</b>				
Dividend		(0)		(1,658)
Fees & commissions payable		(16,592)		(13,710)
<b>Surplus before taxation</b>		<b>129,023</b>		<b>155,247</b>
Taxation		(451)		(0)
<b>Surplus after taxation</b>		<b>128,572</b>		<b>155,247</b>

This page does not form part of the financial statements.

### Let us talk about Profit

On the face of it, you would think that we made less profit this year than last year. But Last year we received significant Covid related grants that resulted in an increase in year –end profit in 2020.

When you remove the grants from the profit calculations then 2021 shows huge increase of profit of .....



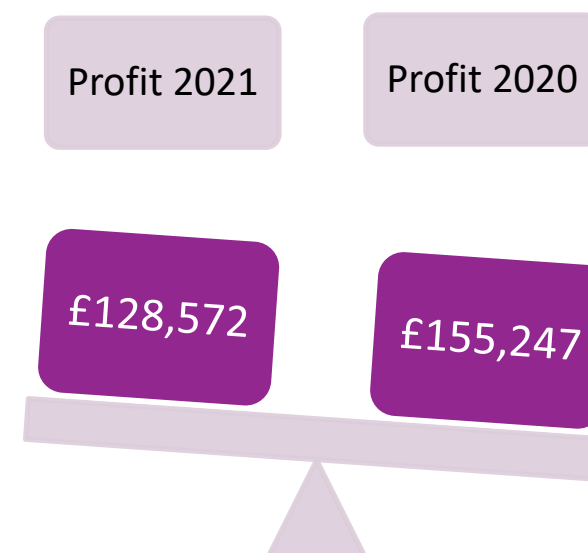
**109%**

Profit 2021

Profit 2020

£128,572

£155,247





## Shares and Loans

### Unattached shares definition

A "share", in relation to a credit union, means each sum of £1 that a member has in savings in the credit union.

**Unattached Shares means those total savings which are not attached to loans. For instance; if you have £100 in savings but no loan that is £100 unattached shares. If you have £100 in savings but owe £50 off your loan then £50 will be unattached shares.**

### UNATTACHED SHARES VALUE

Year	No of Members	Unattached Shares
2020	5,063	3,735,785
2021	4,396	4,104,706

Increase on Loans  
Issued In 2021  
Compared to  
2020

**14%**

### ISSUED LOANS BY INTEREST RATE

Interest Rate	2021 No of Loans	2021 Loan Value	2020 No of Loans	2020 Loan Value
0.5%	484	756,462	404	584,165
1.0%	3,248	4,602,675	2,281	3,416,849
1.5%	6	14,500	1	1,000
2.0%	74	57,973	994	1,027,829
2.5%	39	42,450	18	26,700
3.0%	2,405	1,689,348	1,686	1,226,200
<b>Total</b>	<b>6,256</b>	<b>7,163,407</b>	<b>5,384</b>	<b>6,282,743</b>



# CLCU's Near Perfect Service

During the year a number of independent reports were conducted on what Central Liverpool Credit Union (CLCU) means to its members and what the Social impact of the Credit Union has had on its community.



As the professional body for customer service, ICS lead the way in setting service standards and supporting organisational and individual performance through delivering service excellence.

We became a member of ICS in 2021 in order to work towards their Service Mark, a national standard, independently recognising an organisation's achievement in customer service and its commitment to upholding those standards.

The first step in achieving the Service Mark was for ICS to Benchmark our credit union to see where we are starting from and what improvements we may need to make to achieve the standard. It is the Benchmark report we share with you



Smart Money People is where consumers come to share feedback about the financial world and where financial firms come to better understand the voice of the customer.

We discovered that a number of our members had left very positive reviews of CLCU on the Smart Money People website.

Nicky Frost very kindly produced a Verbatim Analysis of the reviews from the website.

It is Nicky's analysis we share with you.



**Nick Hopkins Consulting**

NHC is an independent consultancy based in Glasgow. It works with local and national organisations within the public, voluntary and social housing sectors from across the UK. NHC were commissioned by Fair4 All Finance and the Merseyside Credit Unions to do a Social Impact report for each of the credit unions and a collective report for Merseyside.

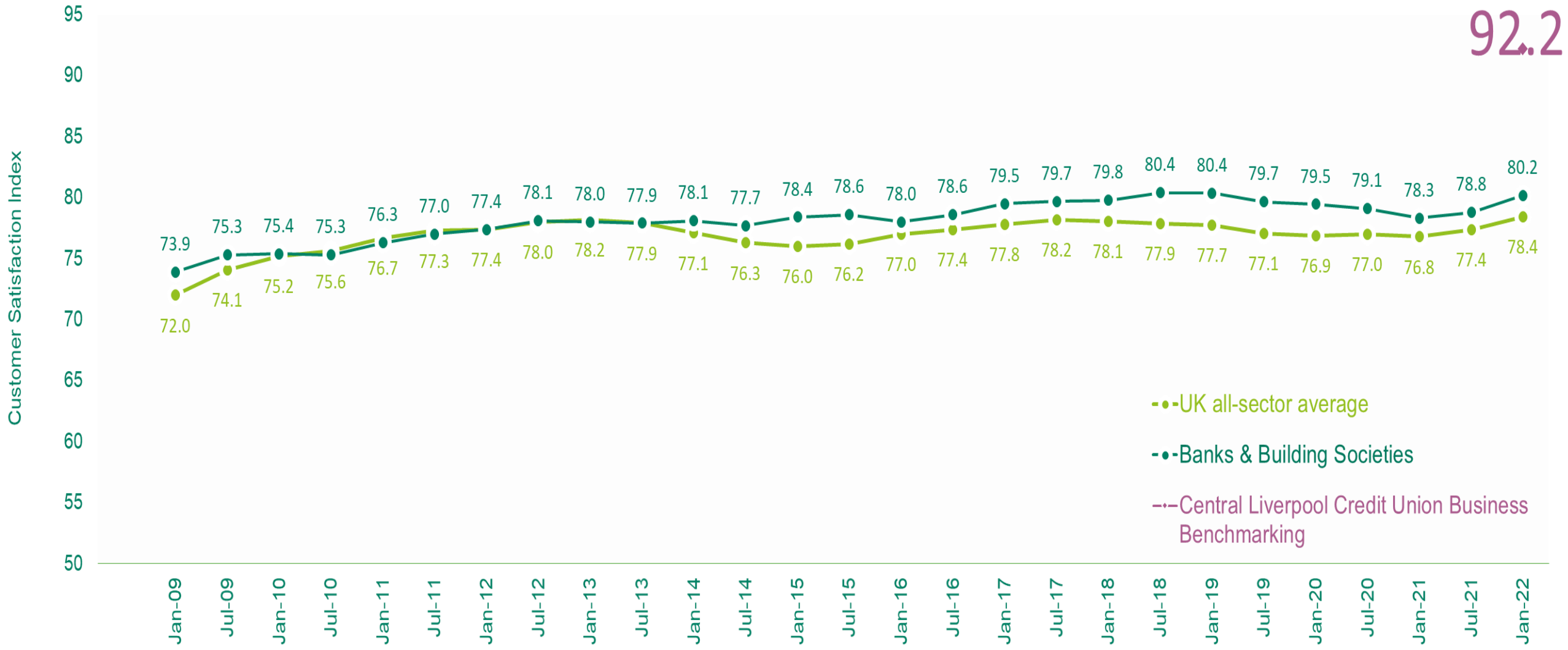
The report has not been published yet but I have been told it looks very impressive so far. We will keep you informed.

## What is social impact?

In essence, the definition of social impact means any significant or positive changes that solve or at least address social injustice and challenges. Businesses or organisations achieve these goals through conscious and deliberate efforts or activities in their operations and administrations.



# Satisfaction trends



Central Liverpool Credit Union Business Benchmarking gave us a Satisfaction trend of **92.2**



# Comparing Scorecard measures to UKCSI







## Smart Money People verbatim analysis of Central Liverpool Credit Union

### Executive summary

**Exclusively positive reviews** of Central Liverpool Credit Union (CLCU) made on [Smart Money People](#), underpinned by an **Overall Rating of 'Amazing'** with **4.96** out of five stars.

Reviews are split between **Personal Loans** and **Savings** products.

The most significant themes of member verbatim focussed on how **Friendly or helpful** (27%) staff are, followed by how CLCU helps members realise their **Financial goals** (18%), and being **There when I need them most** (12%).

**Staff are central to members' experiences at CLCU**; colleagues were referenced in 62% of reviews.

Members also cited their **length of membership** with CLCU 10% and the **financial support offered in the lead up to Christmas** (7%) in their reviews, suggesting that these are sources of affinity, pride and moments-of-truth.



## Verbatim soundbites

### Friendly or helpful



- The staff are very friendly and make you welcome when you go there.
- Best union there is! Helpful, friendly, always smiling.
- I mostly use Kensington branch, Liverpool ...really nice bunch of ladies.

### Financial goals



- They are good at promoting financial education and ensuring members save as well as borrow so they protect their futures.
- Helping me to save up which I've never been able to do.
- Such a fantastic help for so many people who have to budget and really make hard decisions.

### There when I need them most



- I've relied on credit union a lot over the years! Helped me out so much when I've felt stuck.
- You have helped me out when I had no family and my fridge freezer broke down and don't expect loads in return.
- Thanks to CLCU I found it easy to save, then they granted me a loan in my most needed time.

### Ease



- 'Does what it says on the tin', so simple.
- So easy to communicate with, always there to help.
- Easy to apply, decision in minutes, convenient and affordable.



*"I am confident managing money"*

Respondents who agree:

**UK average: 58%**

CLCU members: 65%

*"Its very important to save for a rainy day"*

Respondents who agree:

**UK average: 40%**

CLCU members: 55%



**Building Resilience**

**8/10**

Members said that the credit union had encouraged them to save more

Borrowing from a **high cost lender** costs **1.65 times** the amount borrowed.

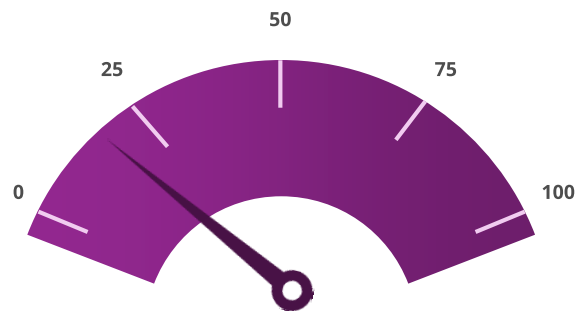
Borrowing from **Central Liverpool Credit union** costs **1.08 times** the amount borrowed.

**Helping the financially excluded**

**75%** of members have a credit score in the **bottom 20%** of the population. They are susceptible to high cost lenders.

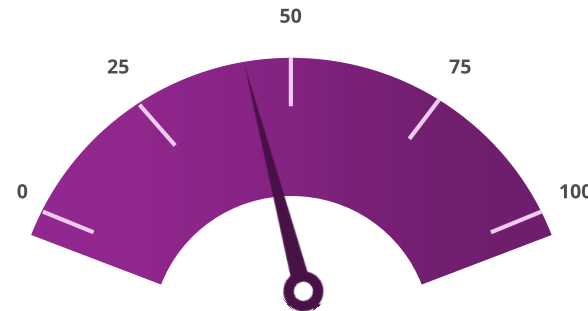
Using the Credit Union **saves them £295 for every £500 borrowed.**

**Turning borrowers to savers**



**20%**

*2 years' membership saving to loan ratio: 20p:£1*



**45%**

*5 years' membership saving to loan ratio: 45p:£1*

**Calculating savings**

So far, during Covid-19 we lent £800k. Compared to high cost lenders, **75%** of our borrowers have saved **£354,000** in **excess interest payments**

Over the last 12 months we have lent £6.5m which equates to savings of

**£2.8m**

# Priorities



Technology

- Integrating systems
- Loan tracker
- Telephone call handling
- Online chat



Stakeholders

- Members
- Volunteers, staff and board
- Investors and funders
- Regulators



Partnerships

- Community organisations
- Housing co-operatives
- Social landlords
- Employers
- Other credit unions



Marketing

- CLCU difference
- Financial wellbeing
- Content for financial health
- Non-digital



**Central Liverpool**  
CREDIT UNION

## What the future holds

### Financial Services And Markets Bill

The Government intends to bring forward a Financial Services And Markets Bill in this session of Parliament.

The Economic Secretary, John Glen, delivered a speech at the Association Of British Credit Unions Limited (ABCUL) annual conference, announcing that legislative changes to support the credit union sector will be included in the upcoming Financial Services And Markets Bill.

Here is an extract from John Glen's speech where he talks about amendments to the Credit Union Act.

### Amendments to the Credit Unions Act

The government will continue to stand by credit unions in your mission to provide access to affordable credit and increase financial resilience.... just as we did in the pandemic... to ensure the sector can deliver for its members now and into the future.

A big part of that, of course, is we in government listening and being responsive to the sector.

The 'Vision 2025' consultation clearly set out stakeholders' interest in offering services beyond those they can currently offer... allowing credit unions to diversify their incomes and support financial inclusion by providing further opportunities for the sector to grow and expand their reach.

We heard you loud and clear, and last year at this conference, I spoke about our commitment to amend the Credit Unions Act to allow credit unions in Great Britain to offer a wider range of products and services.

Today, we are delivering on this commitment. I am pleased to announce that we are preparing on the basis that these changes will be a part of the upcoming Financial Services and Markets Bill.

This legislation will include a new supplementary object, which will be optional to adopt... enabling credit unions to offer hire purchase, conditional sale agreements, and insurance distribution services to their members.

We know that you will have members, especially key workers or those who work a shift pattern, for whom having access to a reliable car can be essential. And these changes will mean that you can offer products such as car finance to your members, should they wish to choose them, for the first time.

As you'd expect, there will be processes to navigate, including ensuring compliance and seeking the necessary permissions from the regulators. But I believe that this change will genuinely help your members and see your credit union grow.

The Bill also makes minor amendments to support best corporate governance, including a legal requirement for credit unions to submit annual accounts to the FCA, and express permission for credit unions to temporarily lend to and borrow from other credit unions, even when there is no membership link. This shouldn't change the way you are currently operating, but rather provide legal certainty for these activities.

I am thrilled to be delivering on this 2020 Budget commitment... the government really values its engagement with the sector and I will keep listening to ensure we continue to support credit unions, so that you, in turn, can support your members.



The Economic Secretary, John Glen