



London Capital Credit Union
the savings & loans co-operative



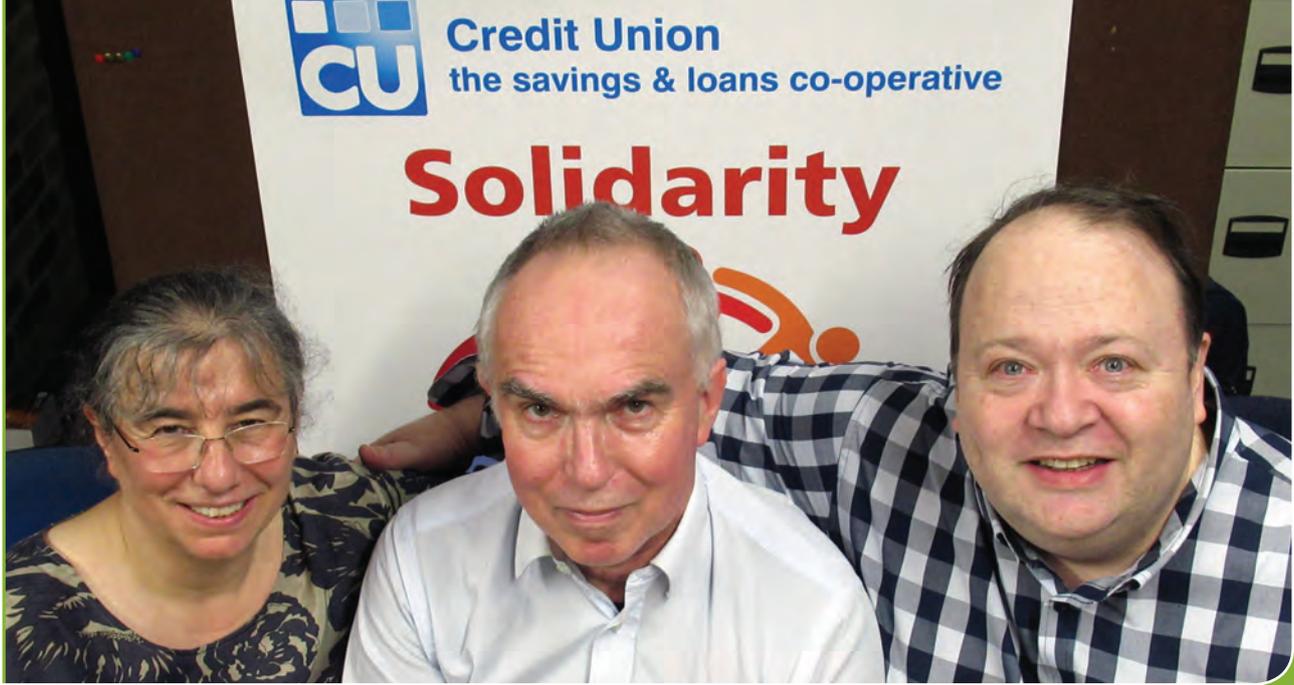
Promoting Saving & Dealing with Debt



Annual Report
2016 - 2017



Solidarity



L-R: Helen Baron (President), Mark Badcock (Treasurer), Don Kehoe (Secretary)

Overview

This is a report of the credit union's activity for financial year to the end of September 2017. The purpose of this report is to inform our members and other interested parties of our progress in meeting our aims, objectives and targets set out in the corporate business plan.

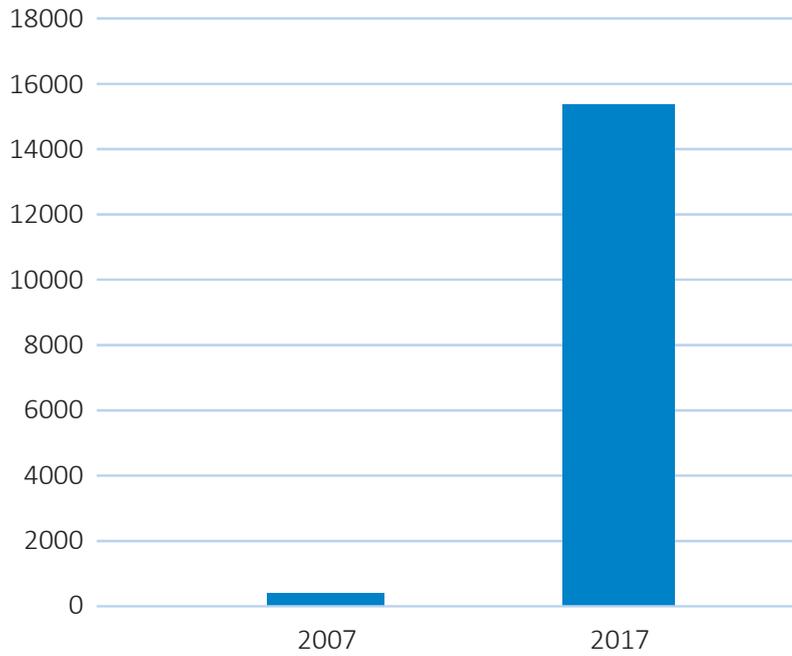
We are pleased to report a further surplus for the financial year, but it has proved to be a challenging one for a variety of reasons. Reducing real wages have led to increased number of our members struggling to meet their repayments. In 2017 we participated in a trial of an online project called CU Loans promoted through MoneySupermarket.com. Regrettably levels of bad debt with this project proved unacceptably high therefore we ended our participation. Generally higher levels of default on loans has been a very significant cost to the business, particularly as a result of online fraud and identity theft. Incidents of online fraud have risen to unacceptable levels which causes very real problems for those affected by identity theft. This is an issue for government, regulators and the financial services industry to address as a matter of urgency.

Despite the challenging year we have made another surplus to further strengthen our reserves, improved customer service including making our loan application process quicker and easier. We continue to keep members informed with our regular newsletter and have developed a new App for mobile devices. We look forward to another year of growth, helping ever more people to manage their money and escape from over indebtedness.

Member Satisfaction- Customer Service

Our further growth continues to come through personal recommendation. Once again, 2016-17 saw continued focus in providing the best possible levels of customer service. We do this, not just because it is good for business, but because our 'customers' are our members and they own the business. During 2017 we undertook our annual survey and asked our members how they rated us for customer service. Yet again the survey shows a high overall level of member satisfaction with the services we provide, with an average score of 9.0 out of a possible 10, (an increase from 8.6 in the previous year). We will continue to develop our services with the focus on customer/member satisfaction with a view to continuous improvement in everything we do. High levels of member satisfaction continues to drive increased membership as people recommend us to friends, family and work colleagues.

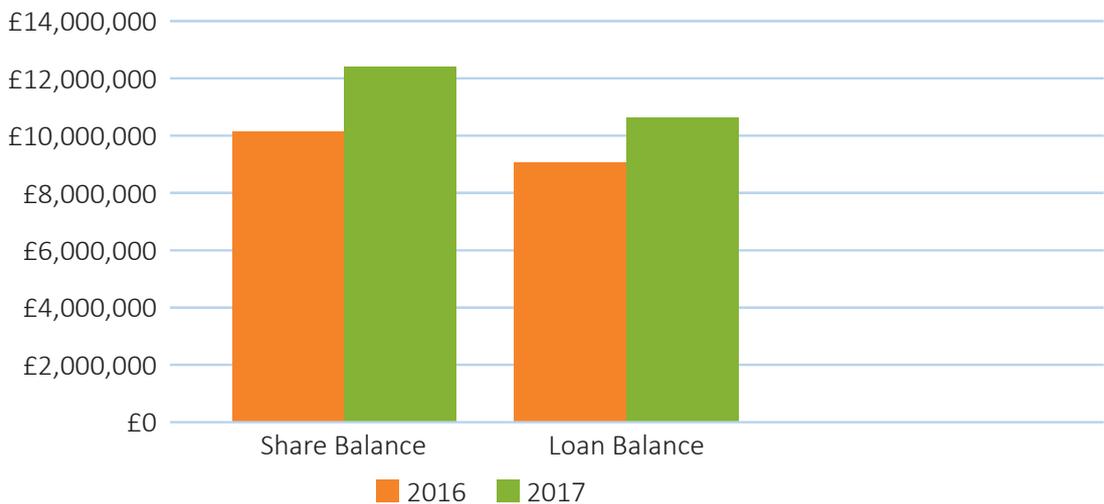
Membership



10 Year Variances



Year on Year Variances



Social Performance

As a co-operative we are committed to social goals broader than increasing 'shareholder value' and maximising profits. Whilst we need to trade at a profit to meet our running costs and invest in service improvements, the way we run our business and distribute our profits marks us out as ethically different.

Our rulebook sets out our aims and objectives as follows.

Objects

The objects of the credit union shall be the:

1. promotion of thrift among its members by the accumulation of their savings;
2. creation of sources of credit for the benefit of its members at a fair and reasonable rate of interest;
3. use and control of members' savings for their mutual benefit; and
4. training and education of members in the wise use of money and in the management of their financial affairs.

Social goals

1. To contribute towards the alleviation of poverty within the community
2. To contribute towards the economic regeneration of the community

The credit union is a democratically owned and controlled co-operative, run by and for its members on the basis of mutual self-help. Its primary objective is to encourage people to save for the future, as a way of avoiding the risks of excessive borrowing. At times when our members need to borrow, or when they are struggling to meet the high cost of existing borrowing, the credit union offers low cost 'Saver Loans' that reduce the cost of borrowing to manageable levels. We also provide guidance and support with budgeting and dealing with debt, and over time our members move from being borrowers to being savers.

Market Research - Social Impact

Three financial analysts from a leading City banking institution made an assessment of the social and financial impact of our lending business. They looked at all of our first-time borrowers over the preceding three months, and analysed where they had previously been borrowing and at what cost. From this they were able to determine that for every £1 a member saves, and that we lend to clear existing debts, our members will save £1.25 each year in interests, bank charges and fees. During 2016-17 we issued loans to the value of £8,209,000 to our members. Based on this formula they are estimated to have saved over £10,260,000 in interest by transferring high cost debts to the credit union. Over the next 5 years we forecast a financial benefit to our members, and the wider community, in excess of £109 million.

What our members say:

“*The Credit Union gives me peace of mind to know I can borrow money anytime without paying high interest. It's also like a family-having a feeling I belong to a caring financial body.*”



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www.credit-union.coop



London Living Wage Campaign

We are very proud to be an accredited London Living Wage employer and an early adopter of this important initiative. Far too many working people struggle to make ends meet, yet most of us agree that work should be the best way out of poverty. This is why the Credit Union supports The Living Wage Campaign which was launched in 2001. The Living Wage is an example of communities, business, campaigners and faith groups coming together to find practical ways to address in-work poverty, strengthening families and wider communities.

What our members say:

“It's helped me get in to the habit of saving, which I'd never been able to do.”

“When I first used the credit union It helped me to get Christmas presents that I couldn't afford. Since using the credit union I now realise that I wouldn't be without it.”



FairBanking Mark- Five Star Award

The FairBanking Foundation charity first awarded London Capital Credit Union its five star mark for our 'Saver Loan' and 'Instant Saver Loan' products in 2015. We are proud that the fairness of our products and services continue to be recognised in this way and that others are improving to follow our example of best lending practice in the interest of customers and wider society. It fits well with the co-operative values of openness and honesty.



Women in Finance Charter

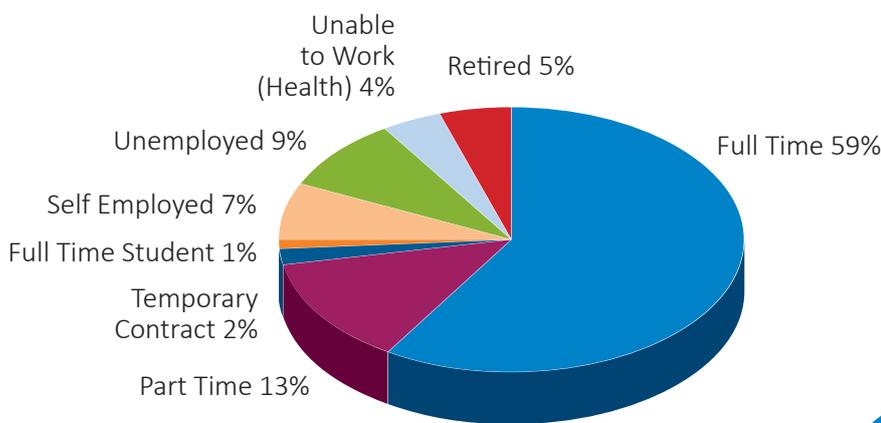
In 2016 we were one of the first financial institutions to sign up to the UK Women in Finance Charter. The charter, which was launched by HM Treasury, aims to improve gender diversity in senior positions in the financial sector. A balanced workforce is good for business, customers and workplace culture, so the charter commits financial services providers to work together to build a more balanced and fair industry. Equality is a core part of what credit unions are all about, so it is natural for us to support the charter. Since being part of the launch of this initiative we are pleased to note that there are now 162 financial institutions following our lead and committing to the Charter.

“I have cleared my credit card debt for the first time since uni and reduced my overdraft from £1,000 to £100.”

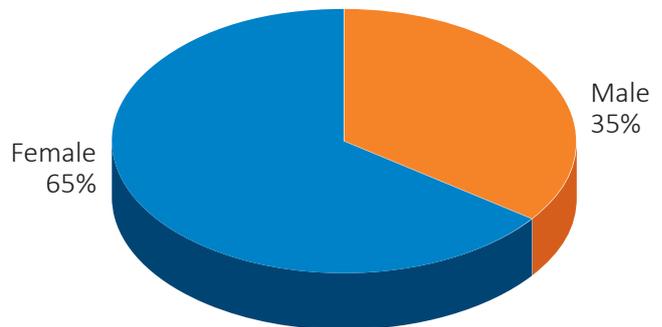
Who Are Our Members?

We strive to design our services and products to meet the needs of all people, regardless of their background. That said, we continue to be of greatest help to those most often excluded from mainstream financial services. These are typically people with long term health issues, having been made redundant, or having gone through a personal crisis such as divorce/separation. We conduct an annual survey of our membership. Here is a snap shot of our membership at the end of the 2016-17 financial year.

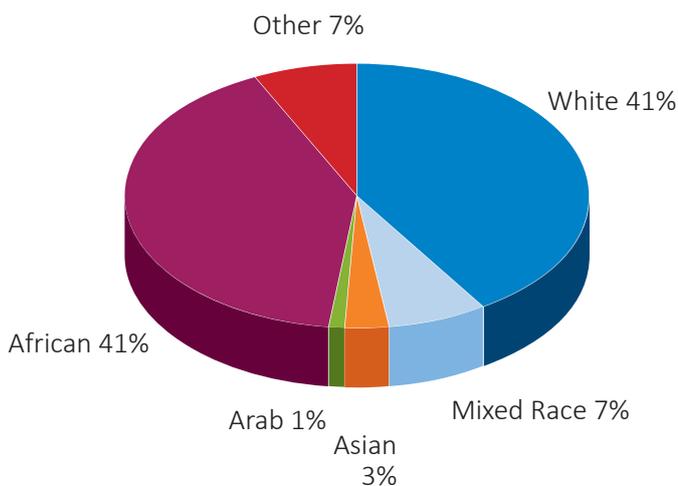
Employment



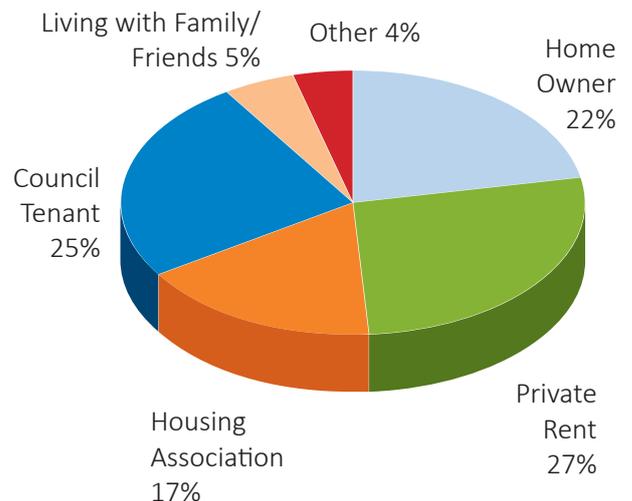
Gender



Ethnicity



Housing



Corporate Governance

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 year 2016-17 the directors listed further down this page held office following the AGM in February 2017.

Directors' Attendance at Board Meetings During the Financial Year to the end of September 2017

The Board is comprised of unpaid members of the Credit Union who commit to volunteer on a regular basis. During the year in question one director, John Hitchin, resigned due to family commitments with the arrival of a new baby. We would like to record our appreciation of his significant contribution to the credit union over a number of years. Efforts to recruit suitably qualified volunteers to the Board have continued. Since the financial year end the Board have co-opted Paul Campy, Carmen M'Boko and Anthonia Ifeanyi-Okoro, all of whom will stand for election at the next AGM.

We remain committed to ensure that anyone serving on the Board must be suitably qualified and be deemed to be 'fit and proper' as defined by the regulator. We welcome expressions of interest to join the board which should be made by contacting the President in the first instance. We will arrange for you to attend board meetings in a non-voting observer capacity so you can be sure you want to commit to being a regular volunteer with the credit union.

The Chief Executive Officer also attends Board meetings in a non-voting capacity.

Director	27 Oct	17 Nov	15 Dec	26 Jan	23 Feb	23 Mar	27 Apr	25 May	22 Jun	27 Jul	24 Aug	28 Sep	Number of meetings attended
Mr Mark Badcock	P	Ap	Ap	P	P	P	Ap	P	P	Ap	P	Ap	7 out of 12
Ms Helen Baron	P	P	P	P	P	P	P	P	P	P	P	P	12 out of 12
Mr Jonathan Colclough	P	Ap	P	P	Ap	Ap	P	Ap	P	P	P	P	8 out of 12
Mr James Darbyshire	Ap	P	Ap	P	Ap	P	P	P	Ap	Ap	P	P	7 out of 12
Ms Kathleen Egan	P	P	Ap	P	Ap	P	P	Ap	Ap	P	Ap	P	7 out of 12
Ms Elaine Greaves	P	P	P	P	Ap	P	Ap	P	P	P	P	P	10 out of 12
Mr John Hitchin	P	Ap	LoA	LoA	P	Ap	Ap	Rs					2 out of 5
Mr Don Kehoe	P	P	P	P	P	P	P	P	P	P	P	P	12 out of 12
TOTAL	7	5	4	7	4	6	5	5	5	5	6	6	

P = present

Co = Co-opted

Rm = Removed by Board

Obs = Observing as prospective Board member

Ap = apologies for absence received

Rs = Resigned

LoA = Leave of Absence agreed by the Board

Loans Panel Report

The Board appoints a panel of members who are each authorised to make decisions on loan applications. During the year the decision making process has become quicker and the resulting member satisfaction has led to a further increase in the number and value of loans issued. During the 2016-17 financial year an average 484 loans per month were issued (482 pcm 2015-16), totalling £ 8,209,000 (£7,728,000, 2015-16). We are pleased to report that the average loan value continues to rise after many years of decline, and this is a welcome indicator of our ability to attract a range of members from every socio-economic group, as too many small value loans increases our costs disproportionately and makes the business less sustainable.

The Loans Panel continues to balance the need to meet the demand for loans with the essential role of protecting our members' savings by minimising risk as far as is possible. The rate of bad debt provisioning rose during the year, largely as a result of online fraud. We have also seen very many people struggling with the effects of reduced real wages as inflation continues to outstrip wage growth and most welfare benefits remain frozen. Where members do struggle with payments our Loans Support Officers will generally offer to freeze interest on the member's loans until they are able to find another job. Whilst this increases the cost of bad debt provisioning it helps the member at the time when they need that level of understanding. This maintains member loyalty, trust and reduces long term losses.

Report of Supervisory Committee

The committee's role is to act as an independent auditor of internal systems to ensure that policies, procedures and regulatory requirements are properly applied. Since the previous AGM in 2017 the elected committee members were Mr. Robert James, Ms Brenda Cossio, Mr. Eugene McCrohan and Mr. Ian Gilbert. Since the AGM Messrs. James and Gilbert resigned due to relocation and employment respectively, and we would like to thank them for their excellent work during their years in office. During the year two more volunteers, Gordon Brown and John Davies have greatly assisted as co-opted members in the supervisory role. These Supervisors have carried out regular checks in the office and provided both written and verbal reports to every meeting of the Board of Directors. They focus checks with relation to the risk register, prioritising areas where risk is highest. We are pleased to report once again that no issues of major concern have been identified in the period.

One of the key roles of the Supervisory Committee is to ensure that the Board delivers compliance with regulatory requirements. We are pleased to confirm that all regulatory returns have been completed and returned as required. It is noted that the credit union continues to maintain key ratios at levels above those required by the Prudential Regulation Authority (PRA).

Capital And Liquidity Ratios- 30th September 2017

	Actual	PRA Requirement
Liquidity Ratio	27%	10%
Capital Ratio	8.2%	8%

Remuneration

It should be noted that all Directors and Supervisors conduct their duties on a purely voluntary unpaid capacity with only 'out of pocket' expenses paid. They commit significant amounts of time and effort in behind the scenes work that ensures the success of the credit union.

The credit union is pleased to report that all of its staff continue to be paid at rates well above the London Living Wage. This is an hourly rate, set independently, every year. It is calculated according to cost of living and gives the minimum pay rate required for a worker to provide their family with the essentials of life. In London the rate during the latter part of the year in question was £10.20p per hour. The ratio between hourly rates of pay of the highest and lowest paid employee in 2016-17 remained static at 2.9.

Looking Forward

For the past seven years the economic circumstances of ordinary working people has become increasingly difficult as wages have generally lagged behind inflation, and in-work benefits as well as welfare payments to the disabled and unemployed have been frozen. Inflation has increased further diminishing real incomes for many millions of people. This economic situation makes it more difficult for people to save money and for some of our members to repay their loans. Whilst this presents continuing challenges, the recent Bank of England base rate rise has already increased the cost of borrowing offered by our competitors. This makes us even more competitive in the lending market.

We continue to be confident of meeting our business plan targets as more people look for ways of reducing the cost of borrowing, look to practical ways of saving, and recognise the benefits of our supportive and flexible way of doing business.

In last year's report we identified one of our key challenges in the next few years was to increase our capital/assets ratio. Ongoing changes required by our regulators require us to significantly increase our capital ratio and this will present a real challenge. We can do this in a number of ways. Since the end of the financial year we successfully renegotiated a subordinated loan from Haringey Council, albeit significantly reduced, which will help us greatly, but on its own is not enough. We are now offering deferred shares to increase capital and actively seeking additional subordinated loans from local authorities, social housing providers and high net worth individuals. Without deferred shares or subordinated loan capital we will be faced by a very real choice of either/or slowing down growth and/or increasing the cost of our loans, or taking less risk in our lending. This would make us less attractive to the mainstream population and increase our risks by focussing unnecessarily on sub-prime markets to the exclusion of the majority of people who would benefit from our services. The increase in capital requirements for credit unions is a real barrier to future growth and our ability to meet the needs of those who need us most.

Back in 2012 we began to accept corporate members, allowing community groups to make deposits with us. We now have over thirty businesses, charities and community groups as corporate members and are planning to promote this as a way of increasing deposits to meet the needs of members and rising demand for loans in years to come. Businesses, charities or voluntary organisations can place sums on deposit with the credit union and this greatly assists us by providing additional capital to lend, displacing high interest loans and preventing problem debt in our communities.

What our members say:

“ *It's helped me to get some savings together, taken directly from my salary leaves me knowing I'm saving without having to see it enter my bank account in the first place!* ”

“ *A few years ago I borrowed for school uniforms. Since then, I have saved and used my savings for holidays or emergencies that have occurred. It has been a lifesaver.* ”

Thank You to Supporters

We wish to express our appreciation to those who have supported us during the year, particularly our members whose savings generate the lending capital and loan interest that pays for our running costs.

The continuing cross-party support of councillors, and officers at both Islington and Haringey Councils and their long-term commitment to co-operative financial services in their boroughs allows us to plan continued expansion at the same rates we have experienced for the last four years. We have received on-going support and joint working with these councils. Islington Council have provided financial support to help us provide financial advice and support to their residents. Haringey Council have provided financial incentives to children of the borough to encourage them into the savings habit. Additionally, they have provided subordinated loan capital which has been essential to meeting the increased regulatory requirements for capital, and in providing money to lend to Haringey residents.

Also we express appreciation for the support of a number of housing associations and social housing providers, notably Barnet Homes, Arhag, Homes for Haringey, Islington Council and City of London Housing. This support has been key to our ability to help many more families escape from debt and poverty during this period so we wish to put on record our appreciation.

We would again like to thank the Co-operative Bank for providing us, and the majority of the UK credit union movement, with an excellent banking service at much reduced cost. Despite the bank's earlier difficulties, they have remained committed to supporting the credit union movement and to their ethical policies. We have remained loyal to them as a result. The Co-op group also provide us with a discount at food stores that keeps down the costs of office supplies such as tea, coffee and biscuits. A small but significant example of co-operation amongst co-operatives.

We wish to thank the ever growing number of employers who allow their staff to have credit union savings/ loan repayments deducted directly from their salary. These schemes are crucial to encouraging ordinary working people to save rather than borrow, and in preventing debt problems in years to come.

Volunteers and interns have, as ever, played a crucial part in running the organisation, from directors to office volunteers, and members who organise workplace presentations. Together with our small, dedicated staff team we have a true co-operative organisation based on mutual self-help. It is a tribute to all that we have achieved so much in the past 12 months and promise even more in years to come.

What our members say:

“With unexpected costs, the credit union is extremely helpful with very low interest. Best thing I ever discovered to be honest.”

“The Credit Union has supported me to save and manage my debt, which has enabled me and my children to have an optimistic future.”

London Capital Credit Union Ltd
Annual Report and Financial Statements
for the Year Ended
30 September 2017

*Selected pages from the accounts are presented here.
The full financial statements can be found on our website
www.Credit-Union.coop/AnnualReports&Accounts*



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Credit Union Information

FCA Number	214094
Society Number	IP00513C
Secretary	Don Kehoe
Registered office	The Jeremy Hopgood Rooms Caxton House 129 St John's Way London N19 3RQ
Auditors	Alexander Sloan 38 Cadogan Street Glasgow G2 7HF

London Capital Credit Union Ltd is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

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Directors' Report for the Year Ended 30 September 2017

The Directors present their report and the financial statements for the year ended 30 September 2017.

Principal activity

The principal activity of the Credit Union is to promote saving as an alternative to borrowing, and provide low cost loans for members at times where borrowing is needed.

Directors of the Credit Union

The directors who held office during the year were as follows:

Ms Helen Baron

Mr Don Kehoe

Ms Elaine Greaves

Mr James Darbyshire

Mr Mark Badcock

Mr Jon Colclough

Ms Kathleen Egan

Mr John Hitchin (Resigned 25 May 2017)

Principal risks and uncertainties

The main financial risks arising from the Credit Union's activities are credit risk, liquidity risk and interest rate risk.

Credit Risk - The Credit Union is exposed to the risk of default on loans and bank balances. All loans are required by the Credit Union to be assessed against the Credit Union's lending policy.

Liquidity Risk - The Credit Union's policy is to maintain sufficient funds in liquid forms at all times to be able to meet its liabilities as they fall due and to meet the regulator's liquidity requirements.

Interest Rate Risk - The main interest rate risk arises from differences between interest rate exposures on assets and liabilities that form an integral part of the Credit Union's activities. The Credit Union considers interest rates when setting the level of proposed dividends each period.

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Directors' Report for the Year Ended 30 September 2017

Disclosure of information to the auditors

Each Director has taken steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Credit Union's auditors are aware of that information. The Directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Credit Union legislation requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Credit Union legislation the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Credit Union and of the surplus or deficit of the Credit Union for that period. In preparing these financial statements, the Directors are required to:

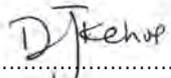
- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Credit Union will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Credit Union's transactions and disclose with reasonable accuracy at any time the financial position of the Credit Union and enable them to ensure that the financial statements comply with the Credit Unions Act 1979 and the Co-operative and Community Benefit Societies Act 2014. They are also responsible for safeguarding the assets of the Credit Union and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Reappointment of auditors

A resolution for the re-appointment of Alexander Sloan as auditors of the Credit Union is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board on 14 December 2017 and signed on its behalf by:


.....
Mr Don Kehoe
Secretary

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Independent Auditor's Report

We have audited the financial statements of London Capital Credit Union Ltd for the year ended 30 September 2017. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Credit Union's members, as a body, in accordance with the Co-operative and Community Benefit Society Act 2014. Our audit work has been undertaken so that we might state to the Credit Union'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.

Respective responsibilities of Directors and auditor

As explained more fully in the Director's Responsibility statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors to the financial statements.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Credit Union's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

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 2017 and of its profit 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 Credit Union Act 1979 and the Co-operative and Community Benefit Societies Act 2014.

Matters on which we are required to report by exception

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

- proper books of account have not been kept by the Credit Union in accordance with the requirements of the legislation; or
- a satisfactory system of control over transactions has not been maintained by the Credit Union in accordance with the requirements of the legislation; or
- the Revenue Account and Balance Sheet are not in agreement with the books of account of the Credit Union; or
- we have not received all the information and explanations we require for our audit

Alexander Sloan,

.....

38 Cadogan Street
Glasgow
G2 7HF

26 January 2017

Revenue Account for the Year Ended 30 September 2017

	Note	2017 £	2016 £
Loan interest receivable and similar income	3	1,254,285	983,092
Interest payable and similar charges	4	(66,498)	(54,724)
Net interest income		1,187,787	928,368
Fees and commissions receivable	5	9,283	4,035
Fees and commissions payable	6	(12,605)	(11,764)
Net fees and commissions		(3,322)	(7,729)
Other operating income	7	56,332	67,787
Administrative expenses	8	(620,828)	(576,760)
Depreciation and amortisation		(10,466)	(12,525)
Other operating expenses	9	(53,310)	(41,144)
Impairment on loans for bad and doubtful debts		(456,895)	(265,226)
Surplus before tax		99,298	92,771
Corporation Tax	13	(2,497)	(2,716)
Surplus for the financial year		96,801	90,055
Other comprehensive income		-	-
Total comprehensive income for the year		96,801	90,055

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Balance Sheet as at 30 September 2017

	Note	2017 £	2016 £
Assets			
Loans and advances to banks	14	3,207,245	2,448,119
Loans and advances to customers	15	10,644,304	9,072,319
Intangible assets	17	6,604	4,170
Tangible fixed assets	18	3,669	6,302
Prepayments and accrued income		18,748	19,159
Total assets		13,880,570	11,550,069
Liabilities			
Customer accounts	20	12,403,717	10,138,099
Other liabilities	21	777,174	783,357
Accruals and deferred income	22	12,960	38,695
		13,193,851	10,960,151
Other reserves	24	382,265	382,265
General reserve	24	304,454	207,653
Total reserves		686,719	589,918
Total liabilities		13,880,570	11,550,069

Approved and authorised by the Board on 14 December 2017 and signed on its behalf by:

Helen Baron

Ms Helen Baron
Director

DJ Kehoe

Mr Don Kehoe
Secretary

M. D. Badcock

Mr Mark Badcock
Treasurer

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Statement of Changes in Equity for the Year Ended 30 September 2017

	IT & Property Reserves £	Other Reserves £	Appropriation reserve £	General reserve £	Total £
At 1 October 2016	120,000	183,789	78,476	207,653	589,918
Surplus for the year	-	-	-	96,801	96,801
At 30 September 2017	120,000	183,789	78,476	304,454	686,719

	IT & Property Reserves £	Other Reserves £	Appropriation reserve £	General reserve £	Total £
At 1 October 2015	120,000	185,051	17,529	177,283	499,863
Surplus for the year	-	-	-	90,055	90,055
Other reserve movements	-	(1,262)	60,947	(59,685)	-
At 30 September 2016	120,000	183,789	78,476	207,653	589,918

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Statement of Cash Flows for the Year Ended 30 September 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Surplus for the year		96,801	90,055
Depreciation and amortisation	10	10,466	12,525
Corporation tax expense	13	2,497	2,716
Provision movement		506,252	270,693
Interest income on loans		(1,250,176)	(976,583)
Distribution on member shares		66,498	54,724
		(567,662)	(545,870)
Decrease in other receivables and prepayments		411	3,394
(Decrease)/increase in trade and other payables	21	(5,964)	3,515
Decrease in deferred income		(25,735)	(1,305)
		(31,288)	5,604
Cash flows from changes in operating assets and liabilities			
Loan repayments less loans advanced		(828,061)	(1,528,957)
Customer balance cash movement		2,199,120	1,760,610
Movement on funds on deposit		(104,400)	(556,392)
		1,266,659	(324,739)
Income taxes paid	13	(2,716)	(1,986)
Net cash flow from operating activities		664,993	(866,991)
Cash flows from investing activities			
Acquisitions of property plant and equipment		(2,781)	(2,791)
Acquisition of intangible assets	17	(7,486)	(2,768)
Net cash flows from investing activities		(10,267)	(5,559)
Net increase/(decrease) in cash and cash equivalents		654,726	(872,550)
Cash and cash equivalents at 1 October		1,438,227	2,310,777
Cash and cash equivalents at 30 September		2,092,953	1,438,227

Selected pages from the accounts are presented here.

The full financial statements can be found on our website www.Credit-Union.coop/AnnualReports&Accounts

Detailed Revenue Account for the Year Ended 30 September 2017

	Note	2017 £	2016 £
Income			
Interest income on loans		1,250,176	976,583
Interest income on bank deposits		12,753	13,581
Interest Received		1,262,929	990,164
Entrance Fees	5	9,283	4,035
Other income		5,597	5,069
Government grants receivable		50,735	26,305
CUEP funding		-	36,413
		1,328,544	1,061,986
Expenditure			
Staff costs		414,216	383,025
Auditor fees		7,700	6,100
Bank charges		12,605	11,764
Fidelity bond insurance		4,499	3,890
FSCS levy		4,438	5,233
Rent & Occupancy & Room Hire		43,136	30,727
Other insurance LP/LS		1,237	1,294
Training		2,469	5,440
Staff expenses		9,155	8,460
Sundry expenses		6,224	5,386
Volunteer expenses		14,948	15,763
Newlon matched savers		1,300	1,740
ABCUL Dues		9,911	10,460
Telephone		12,289	11,193
Office Supplies/Printing/Copying		8,873	10,727
Marketing		85,542	80,910
Postage		3,796	4,838
Credit agency fees		23,068	11,021
ALD Fees		6,091	7,482
Legal/Consultancy		4,451	6,136
Software Maintenance/Support		10,795	8,079
Depreciation and amortisation		10,466	12,525
Impairment on loans for bad and doubtful debts		456,895	265,226
		1,154,104	907,419

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Detailed Revenue Account for the Year Ended 30 September 2017

	Note	2017 £	2016 £
Operating Surplus/(Deficit)		174,440	154,567
Surplus before tax		174,440	154,567
Corporation Tax	13	(2,497)	(2,716)
Surplus for the financial year before dividend		171,943	151,851
Distributions		(66,498)	(54,724)
Interest rebate		(8,644)	(7,072)
Surplus for the financial year after dividend		96,801	90,055

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London Capital Credit Union Ltd

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Secure Savings | Ethical Investments
Low Cost Loans | Young Savers Accounts
Profit Sharing Dividends

Authorised by the Prudential Regulation Authority and Regulated by
the Financial Conduct Authority and the Prudential Regulation Authority
Firm No. 214094 | Reg. No. 513c

Registered Address:
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