

Clondalkin Credit Union Ltd.



**Annual Accounts
and Financial Statements
Year Ended 30th September 2014**

'Building Community Through Giving'

ANNUAL GENERAL MEETING

**Wednesday
28th January 2015
at 8pm**

Louis Fitzgerald Hotel, Clondalkin, Dublin 22

**All members attending the AGM will be entered into a FREE draw
€1500 in prizes will given out on the night**



'Building Community Through Giving'

***Light refreshments will be served after the meeting
and there will be an opportunity to meet informally
with the Board, Board Oversight Committee and Staff.***

CLONDALKIN CREDIT UNION LIMITED

ANNUAL REPORTS 2014

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CREDIT UNION INVOCATION

*Lord, make me an instrument of thy peace
Where there is hatred, let me sow love;
where there is injury, pardon;
where there is doubt, faith;
where there is despair, hope;
where there is darkness, light;
and where there is sadness, joy.*

*O DIVINE MASTER, grant that I may
not so much seek to be consoled as to console;
to be understood as to understand;
to be loved as to love;
for it is in giving, that we receive;
it is in pardoning, that we are pardoned;
and it is in dying that we are born to eternal life.*

NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of the Members of Clondalkin Credit Union Ltd. will take place in The Louis Fitzgerald Hotel, Clondalkin, Dublin 22 on Wednesday 28th January 2015 commencing at 8.00 p.m.

NOTICE OF ELECTIONS

Elections will be held to fill eleven (11) vacancies on the Board of Directors, three (3) vacancies on the Board Oversight Committee and the position of Auditor.

Joe Menton.

Secretary.

19 November 2014.

DIRECTORS, COMMITTEE MEMBERS, STAFF AND OTHER INFORMATION

DIRECTORS

Kieran Carroll, (Chair)
Aileen O'Donovan, (Vice-Chair)
Joe Menton, (Secretary)
Sheila Barr
Bernie Coffey
Tony Foster
Rebecca Kelly
Noel Molloy
Tommy Quinn
Dmitry Stimasov
Robert Walker

BOARD OVERSIGHT COMMITTEE

Irene Menton (Chair)
Anne Brougham
John McGrath

CREDIT COMMITTEE

Dmitry Stimasov (Chair)
Dean Alford
Kieran Carroll
Tony Foster
Padraig Kelly

CREDIT CONTROL COMMITTEE

Joe Menton (Chair)
Noel Molloy
Tommy Quinn

NOMINATION COMMITTEE

Dmitry Stimasov (Chair)
Bernie Coffey
Robert Walker

MEMBERSHIP COMMITTEE

Tommy Quinn (Chair)
Annette McBrien

STAFF

Michael OConaill (CEO)
Adrian Mangan (Operations & Risk Manager)
Lorraine Phelan (Office Administrator)
Robert Keegan (Compliance Officer)
Martin Holsgrove (Credit Control Officer)
Adrienne Seery, (Finance Officer)
Pamela Power, (Marketing & Development Officer)
Aoife Carey
Kathleen Finn
Margaret Galvin
Sarah Kelly
Annette McBrien
Jamie McCarthy
Carmel Rowe
Therese Moore

OTHER VOLUNTEERS

Tricia Casey
Orla Graham
Anne McCarthy O'Neill

AUDITOR

Philip Monahan F.C.A.
Keveny Monahan & Company
Chartered Accountants & Registered Auditors
18 Pembroke Road
Dublin 4

BANKERS

AIB Bank
45-46 Tower Road
Clondalkin
Dublin 22

INTERNAL AUDITOR

Burke & Associates
Public & Forensic Accountants
Liosbain Business Park
Tuam Road, Galway

CLONDALKIN CREDIT UNION LIMITED
ANNUAL GENERAL MEETING 2014

AGENDA

1. Acceptance of Proxies (if any) by the Board of Directors.
2. Ascertainment that a quorum is present.
3. Adoption of Standing Orders.
4. Reading and approval (or correction) of minutes of the last AGM.
5. Report of the Board of Directors.
6. Consideration of the Annual Accounts for the year ended 30th September 2014.
7. Report of the Auditor.
8. Approval of Dividend.
9. Report of the Board Oversight Committee.
10. Report of the Nomination Committee.
11. Appointment of Tellers.
12. Election of Auditor.
13. Election to fill vacancies on the Board Oversight Committee.
14. Election to fill vacancies on the Board of Directors.
15. Report of the Credit Committee.
16. Report of the Credit Control Committee.
17. Report of the Membership Committee.
18. Report of the Community Development Committee.
19. Amendments to Rules.
20. Any Other Business.
21. Announcement of Election Results.
22. Adjournment or close of Meeting.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

for the year ended 30 September 2014.

The Credit Union Act, 1997 (as amended) requires directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the credit union and of the income and expenditure of the credit union for that period.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the credit union and which enables them to ensure that the financial statements comply with the Credit Union Act, 1997 (as amended). 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.

Kieran Carroll,
Chair of the Board.
19 November 2014.

Tony Foster,
Director.

REPORT OF THE BOARD OF DIRECTORS

It is my privilege to present the report of the board of directors of Clondalkin Credit Union Ltd. for the year ended 30 September 2014.

Principal Activity and Review of Business

The principal activity during the year was the operation of a credit union under the provisions of the Credit Union Act 1997 (as amended). Members' savings continued to grow during the year while loans to members decreased which reflected the general trend in credit union lending during the year.

Financial Results

The credit union made steady progress during the year ended 30 September 2014. Total assets at year end amounted to €52,803,613 which was an increase of €583,465 over the previous year. Members shares increased by €978,446 to €40,775,405 while loans to members decreased by 7% to €23,560,916. The growth in savings and fall in loans is in line with the general trend in the credit union movement. Decreasing loan books is one of the biggest challenges facing credit unions. However, as the Irish economy recovers it is anticipated that there will be an increase in demand for loans. Increasing the loan book is a high priority area for the board of directors in the coming year.

Income for the year amounted to €3,025,203 a fall of 5% on the previous year. Members' loan interest is still the main source of income for the credit union and at €2,475,699 amounted to 82% of total income.

Investment interest was down 11% on the previous year even though average investments for the year increased by over €3,000,000. The main reason for this fall was the low rates of return available for our investments.

Total expenditure for the year amounted to €2,990,651, which was 4% up on the previous year. The increase in expenditure arose because the board of directors decided that it was prudent to increase the impairment charge on the premises at 22 Main Street by €915,059. Bad debts written-off to the accounts this year amounted to €44,963 a decrease of €31,399 on the previous year while the increased provisions required for bad and doubtful debts decreased by 34% to €376,310. Overall surplus for the year amounted to €34,552.

Reserves

A sum of €3,455 was transferred to the statutory reserve at year end bringing it to 10.5% of total assets. This percentage exceeds the minimum regulatory reserve ratio of 10% set by the Central Bank.

Total reserves at year end amounted to €7,108,054 which equated to 13.5% of total assets.

The following table shows the savings, loans and reserves of the credit union over the past five years.

	2010	2011	2012	2013	2014
Shares	43,323,578	41,129,630	38,953,425	39,796,959	40,775,405
Loans	33,073,442	29,835,446	26,852,885	25,319,535	23,560,916
Reserves	7,718,891	7,192,414	7,320,342	7,317,110	7,108,054

Valuation of Fixed Assets

The credit union moved to its present offices at 22 Main Street in August 2009. FRS 11 states that when conditions indicate that the market value of an asset may have fallen below the carrying value, an impairment review is required. A “value in use” review carried out at year end indicated that no impairment was required. However, in line with the prudence accounting concept, the board decided to have the “value in use” stress tested, following which the board decided that an impairment of €915,059 would be appropriate.

Liquidity

It is board policy to maintain liquid funds at a minimum of 20% of uncommitted savings on an ongoing basis. This is to ensure that the credit union has sufficient funds available for the normal day to day operation of the credit union.

Provision for Bad and Doubtful Debts

The credit union actively monitors the performance of the credit union’s loan book to ensure that adequate provisions are made for non-performing loans. An independent review of the loan book is undertaken each quarter to confirm the veracity of the credit unions own internal processes. The reports resulting from the independent reviews are presented to the board of directors for consideration and approval. Following the review carried out at 30 September 2014, the board of directors considered it prudent for the credit union to have a provision of €2,724,591.

Dividend on Shares

I am pleased to report that the board of directors is recommending a dividend of 0.5% on members’ shares for the year ended 30 September 2014.

Fitness & Probity Standards for Credit Unions

New fitness and probity standards for credit union directors and members of the board oversight committee were commenced during the year. In general the standards require that directors and committee members must:

- be competent and capable
- act honestly, ethically and with integrity; and
- be financially sound.

Members seeking election to the board of directors or board oversight committee must now go through a due diligence process, carried out by the nomination committee, before they can be nominated for the board or board oversight committee.

In addition, any director who wishes to be considered for the position of chair of the board must complete an online individual questionnaire and must be pre-approved by the Central Bank before taking up the position of chair.

Health & Safety

As part of our responsibility to our employees and volunteers the credit union is committed to providing and maintaining a safe place to work and I am pleased to report that no accidents or ill health were reported during the year.

Payments by Debit Card

Members may use debit cards to make payments to their credit union accounts.

Debit cards may be used over the telephone, on-line or at the counter eliminating the need for members to carry cash.

This service has proved extremely popular with members, with an average of 1,400 transactions amounting to over €200,000 being processed every month.

Members' Car Draw

The board of directors decided to introduce a members' car draw during the year. It was also decided that the first draw would not be held until sufficient numbers had entered the draw to ensure its sustainability. The initial take up by members was quite high but at year end the numbers were still short of the minimum number set by the board of directors. Any members interested in joining the car draw should pick up an application form from the credit union office or download a form from the credit union's web-site: www.clondalkincu.ie

Acknowledgements

The achievements of the credit union would not have been possible without the loyalty and confidence of our members and on behalf of the board of directors, I wish to thank our members for continuing to place their trust in the credit union.

I also wish to recognise the dedication of our management and staff who remain as committed as ever to ensuring that our members are provided with the best possible service.

In conclusion, I wish to thank the directors, committee members and volunteers for the support and assistance given to me personally during the year.

Kieran Carroll.
Chair of the Board.
19 November 2014.

INCOME AND EXPENDITURE ACCOUNT

for the year ended 30 September 2014

	2014	2013
	€	€
INCOME		
Interest on Members' Loans	2,475,699	2,601,514
Members' Deposit Interest and Similar Charges	-57,055	-68,797
Other Interest Income and Similar Income (Schedule 1)	548,702	618,401
NET INTEREST INCOME	2,967,346	3,151,118
Other Income (Schedule 2)	57,857	42,370
TOTAL INCOME	3,025,203	3,193,488
EXPENDITURE		
Salaries	659,673	638,917
Other Management Expenses (Schedule 3)	972,155	960,636
Depreciation and Impairment	1,244,448	1,001,363
Provision for Bad and Doubtful Debts (Note 1.6)	376,310	566,153
Bad Debts Recovered	-261,935	-289,000
TOTAL EXPENDITURE	2,990,651	2,878,069
EXCESS OF INCOME OVER EXPENDITURE FOR YEAR	34,552	315,419
Add: Undistributed Surplus at 1 October 2013	949,721	919,730
Less: Dividend Paid (Note 6)	-196,426	-198,886
TOTAL	787,847	1,036,263
Less: Transfer to Statutory Reserve	-3,455	-31,542
Transfer to Realised Reserves	-55,000	-55,000
TOTAL	-58,455	-86,542
UNDISTRIBUTED SURPLUS AT 30 SEPTEMBER 2014	729,392	949,721

STATEMENT OF TOTAL RECOGNISED GAINS & LOSSES

for the year ended 30 September 2014

	2014	2013
	€	€
Surplus for the financial year	34,552	315,419
Revaluation of Premises		-61,852
Total gains/losses relating to the financial year	34,552	253,567

These Financial Statements were approved by the board of directors on 19 November 2014.

On behalf of Clondalkin Credit Union Ltd.

Kieran Carroll

Chair of the Board

Michael O'Conaill

Manager

Irene Menton

Member of Board Oversight Committee

BALANCE SHEET

as at 30 September 2014

	2014	2013
	€	€
ASSETS		
Cash and Balances at Bank	562,735	348,538
Deposits & Investments	25,825,598	22,726,300
Loans to Members	23,560,916	25,319,535
Less: Provision for Bad & Doubtful Debts (Note 1.6)	-2,724,591	-2,996,563
Tangible Fixed Assets (Note 3)	5,301,674	6,513,758
Debtors, Prepayments and Accrued Income	277,281	308,580
TOTAL ASSETS	52,803,613	52,220,148
LIABILITIES		
Members' Shares	40,775,405	39,796,959
Members' Deposits	4,698,044	4,878,523
Money Management Accounts	7,658	11,097
Other Liabilities, Creditors, Accruals and Charges (Note 18)	214,452	216,459
TOTAL LIABILITIES	45,695,559	44,903,038
NET WORTH	7,108,054	7,317,110
RESERVES		
Statutory Reserve	5,538,306	5,534,851
Other Reserves (Note 4)		
Realised Reserves	1,569,748	1,782,259
Unrealised Reserves	0	0
TOTAL RESERVES	7,108,054	7,317,110

These Financial Statements were approved by the board of directors on 19 November 2014.

On behalf of Clondalkin Credit Union Ltd.

Kieran Carroll
Chair of the Board

Michael O'Conaill
Manager

Irene Menton
Member of Board Oversight Committee

NOTES TO THE ANNUAL ACCOUNTS AND FINANCIAL STATEMENTS

for the year ended 30 September 2014

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Accounting Convention

The Financial Statements are prepared under the historical cost convention as modified by the revaluation of the premises at 43 Tower Road.

1.2 Income Recognition

Interest on Members' Loans is recognised when payment is received as specified in section 110 (1)(c)(i) of the Credit Union Act, 1997, (as amended) (i.e. on a cash basis). Investment Income is recognised on an accruals basis.

1.3 Depreciation

Depreciation is provided on a straight line basis over the expected useful lives of Tangible Fixed Assets.

	Rates Applied
Investment Property	Not depreciated in line with SSAP 19
Freehold Property	0.34% per month (4% per annum)
Fixtures & Fittings	0.84% per month (10% per annum)
Office Equipment	2.08% per month (25% per annum)
Computer Software	2.08% per month (25% per annum)
Computer Hardware	2.08% per month (25% per annum)

1.4 Investments

Investments are stated at the lower of cost or market value, other than investments which have a guaranteed maturity value at a fixed future date, which will be carried at cost until that date.

The specific investment products held by the credit union are accounted for as follows:

Bank Deposits

Bank deposits are stated at the balances held in the deposit accounts at balance sheet date.

NOTES TO THE ANNUAL ACCOUNTS AND FINANCIAL STATEMENTS

for the year ended 30 September 2014

1.5 Pension Cost

Pension benefits are funded by way of defined contributions paid to approved funds held with Standard Life Assurance Company and Friends First Life Assurance Company. Contributions are charged to the income and expenditure account in the year in which they fall due.

1.6 Bad and Doubtful Debts

Bad debts written off are included in Other Management Expenses. Bad debts recovered are included in the Income and Expenditure Account. A provision for doubtful debts is made against loan balances in arrears at 30 September 2014 on the basis of the 2003 Resolution 49 of the Irish League of Credit Unions Biennial Delegate Meeting. An additional general provision of €1,236,131 is considered prudent by the board of directors.

Provision for Bad and Doubtful Debts	2014 €	2013 €
Opening balance	2,996,563	3,084,924
Transfer against bad debts written off in the year	- 648,282	-654,514
Increase in provision in the year	376,310	566,153
Closing balance at year end	2,724,591	2,996,563

NOTES TO THE ANNUAL ACCOUNTS AND FINANCIAL STATEMENTS

for the year ended 30 September 2014

	2014	2013
2. CASH FLOW STATEMENT		
	€	€
Opening Cash & Investments	23,074,838	19,296,190
RECEIPTS		
Members' Shares	14,764,503	13,783,380
Members' Deposits	10,173,185	10,422,223
Members' Loans Repaid	10,415,166	12,126,731
Members' Loan Interest Received	2,475,699	2,601,514
Investment Interest Received	548,702	618,401
Bad Debts Recovered	261,935	289,000
Other Receipts	57,857	42,370
Decrease/(Increase) in Sundry Debtors	31,299	29,344
TOTAL	38,728,346	39,912,963
DISBURSEMENTS		
Members' Shares Withdrawn	12,516,206	12,939,845
Members' Deposits Withdrawn	10,353,663	9,903,956
Members' Loans Granted	10,532,407	11,324,257
Interest Paid	57,055	68,797
Dividends Paid	196,426	198,886
Taxation Paid	91,299	77,818
Operating Expenses	1,582,802	1,445,373
Fixed Assets Purchased	32,364	111,372
Other Disbursements	50,622	59,007
(Increase)/Decrease in Other Liabilities	2,007	5,004
TOTAL	35,414,851	36,134,315
Closing Cash & Investments	26,388,333	23,074,838

NOTES TO THE ANNUAL ACCOUNTS AND FINANCIAL STATEMENTS

for the year ended 30 September 2014

3. TANGIBLE FIXED ASSETS

	Investment Property €	Freehold Property €	Fixtures & Fittings €	Office Equipment €	Total €
COST/VALUATION					
At 1 October 2013	430,000	6,991,060	98,581	195,582	7,715,223
Additions	0	0	0	32,364	32,364
Disposals	0	0	0	-22,284	-22,284
Revaluation/Impairment	0	-915,059	0	0	-915,059
At 30 September 2014	430,000	6,076,001	98,581	205,662	6,810,244
DEPRECIATION					
At 1 October 2013	0	983,471	56,283	161,711	1,201,465
Charge for year	0	305,506	8,862	15,021	329,389
Disposals	0	0	0	-22,284	-22,284
At 30 September 2014	0	1,288,977	65,145	154,448	1,508,570
NET BOOK VALUE					
At 30 September 2014	430,000	4,787,024	33,436	51,214	5,301,674
NET BOOK VALUE					
At 30 September 2013	430,000	6,007,589	42,298	33,871	6,513,758

The premises located at 22 Main Street, Clondalkin, Dublin 22 was valued by McNally Handy Partners Valuation Surveyors at year end. The estimated market value at balance sheet date was €1,030,000. In line with FRS 11, “Impairment of Fixed Assets and Goodwill”, an impairment review was undertaken by the board of directors at year end as the carrying value in the financial statements, €5,702,083, was greater than the market value. A value in use calculation was prepared by forecasting future cash flows and discounting these using a discount rate of 5%. The value in use was calculated at €8,360,347, and as it was greater than the carrying value no impairment was required. However, the board of directors decided to stress test the underlying assumptions regarding cash flow forecasts following which an impairment charge of €915,059 was considered prudent.

In accordance with SSAP 19 “Accounting for Investment Properties” a valuation of 43 Tower Road, Clondalkin, Dublin 22 was undertaken by McNally Handy & Partners Valuation Surveyors. The estimated market value at balance sheet date was €430,000.

NOTES TO THE ANNUAL ACCOUNTS AND FINANCIAL STATEMENTS

for the year ended 30 September 2014

4. OTHER RESERVES

	Balance 01/10/2013 €	Net Movement €	Balance 30/09/2014 €
Realised			
General Reserve	140,000	0	140,000
Development Reserve	634,676	0	634,676
Undistributed Surplus	949,721	-220,329	729,392
Community Development Fund	57,862	7,818	65,680
Total Other Reserves – Realised	1,782,259	-212,511	1,569,748

5. OTHER ALLOCATIONS - None.

6. PROPOSED DIVIDEND AND OTHER RETURNS TO MEMBERS

	2014		2013	
	Rate %	€	Rate %	€
Dividend on Shares	0.5	201,711	0.5	196,430

7. POST BALANCE SHEET EVENTS

There are no post balance sheet events affecting the credit union since 30 September 2014.

8. RELATED PARTY TRANSACTIONS

Griffen Graphics provided printing services to the credit union amounting to €15,526.24 during the year. Noel Molloy, director, is the beneficial owner of this company.

Loans advanced to officers during the year amounted to €30,213.00.

The balances at the balance sheet date in respect of officers were:

	2014	2013
Shares	€444,567.16	€499,247.29
Deposits	€238,513.04	€248,503.29
Loans	€113,043.47	€175,985.48

NOTES TO THE ANNUAL ACCOUNTS AND FINANCIAL STATEMENTS

for the year ended 30 September 2014

9. INSURANCE AGAINST FRAUD

The Credit Union has insurance against fraud in the amount of €2,600,000 in compliance with Section 47 of the Credit Union Act, 1997 (as amended).

10. PENSIONS

The Credit Union operates a defined contribution pension scheme, the assets of which are held separately from those of the Credit Union in independently administered funds.

	2014	2013
Pension Costs	€39,034	€46,011

11. CAPITAL COMMITMENTS

The credit union has no capital commitments.

12. RATES OF INTEREST CHARGED ON MEMBERS' LOANS

The credit union charged six rates of interest on loans to members during the year.

- Standard loan interest rate 10.95%.
- Loans fully secured by shares 6.75%.
- Countdown Loans 7.95%.
- Special Rate Holiday Loans 7.95%
- One-4-One Loans 5.5%.
- special Rate Car Loans 7.95%
- Community Development Loans 4.95%.

13. RATES OF INTEREST PAID ON MEMBERS' DEPOSITS

- The rate of interest paid on members' deposits was 0.5% per annum.
- The rate of interest paid on one year fixed term accounts was 3% per annum.
- The rate of interest paid on two year savings accounts was 2% per annum.

14. CONTINGENT LIABILITIES

There are no contingent liabilities.

15. ACCOUNTING FOR DIVIDENDS

In accordance with FRS 21 'Events after the balance sheet date' dividends recommended by the board of directors to be paid following the AGM are no longer reflected as a liability in the financial statements of the credit union until such time as they are approved at the AGM.

NOTES TO THE ANNUAL ACCOUNTS AND FINANCIAL STATEMENTS

for the year ended 30 September 2014

16. OTHER LIABILITIES, CREDITORS, ACCRUALS & CHARGES

	2014
	€
Trade Creditors	51,433
PAYE/PRSI	17,630
Unposted Dividend & Interest	86,930
Sundry Creditors	58,459
Total per Balance Sheet	214,452

The credit union has an overdraft facility of €500,000 with Allied Irish Bank plc. No security is held by Allied Irish Bank plc in relation to this overdraft facility.

SCHEDULE 1 - OTHER INTEREST INCOME AND SIMILAR INCOME

for the year ended 30 September 2014

	2014	2013
	€	€
Investment income received at balance sheet date	422,237	397,385
Investment income receivable within 12 months of balance sheet date	126,465	221,016
TOTAL PER INCOME AND EXPENDITURE ACCOUNT	548,702	618,401

SCHEDULE 2 - OTHER INCOME

for the year ended 30 September 2014

	2014	2013
	€	€
ECCU Claims Experience Refund	27,060	11,518
Commission	4,305	2,976
Rent Received	26,492	27,876
TOTAL PER INCOME AND EXPENDITURE ACCOUNT	57,857	42,370

SCHEDULE 3 - OTHER MANAGEMENT EXPENSES

for the year ended 30 September 2014

	2014	2013
	€	€
Treasurers Honorarium	4,000	4,000
Rates	37,120	37,902
Lighting, Heating and Cleaning	23,317	33,271
Repairs and Renewals	10,302	6,324
Printing and Stationery	22,165	21,832
Postage and Telephone	22,529	25,803
Donations & Sponsorships	0	0
Debt Collection	5,482	5,245
Promotion and Advertising	40,083	40,474
Education & Training	14,773	12,318
Convention Expenses	12,868	9,445
General Meeting Expenses	16,800	16,800
Entertainment Costs	765	1,030
Bank Charges	32,139	25,520
Audit Fee	12,936	10,680
General Insurance	19,307	19,495
Share & Loan Insurance	236,850	230,621
Deposit Protection Account Payments	10,074	0
Pension	39,034	46,011
Legal and Professional Fees	147,384	154,450
Maintenance Contracts	90,076	76,443
Bad Debts Written Off	44,963	76,362
Miscellaneous Expenses	16,144	11,609
Death Benefit Insurance	63,416	59,377
Affiliation/Registration Fees	36,684	35,624
Recruitment Expenses	12,944	0
TOTAL PER INCOME AND EXPENDITURE ACCOUNT	972,155	960,636

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF CLONDALKIN CREDIT UNION LIMITED

I have audited the financial statements of Clondalkin Credit Union Limited for the year ended 30 September 2014 which comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement, the Statement of Total Recognised Gains and Losses and the related notes and accounting policies. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

Respective responsibilities of Directors and Auditors

As explained more fully in the Statement of Director's Responsibilities, the directors are responsible for the preparation of the financial statements giving a true and fair view. My responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on auditing (UK and Ireland). Those standards require me to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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, I read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF CLONDALKIN CREDIT UNION LIMITED *(continued)*

Opinion on financial statements

In my opinion the financial statements:

- give a true and fair view of the state of the credit union's affairs as at 30 September 2014 and of its income and expenditure for the year then ended;
- have been prepared in accordance with Generally Accepted Accounting Practice in Ireland; and
- have been properly prepared so as to conform with the requirements of the Credit Union Act 1997 (as amended).

Other matters prescribed by the Credit Union Act 1997 (as amended)

- I have obtained all the information and explanations which I considered were necessary for the purpose of my audit.
- In my opinion, proper accounting records have been kept by the credit union.
- The financial statements are in agreement with the Accounting Records.

Philip Monahan, F.C.A., *Chartered Accountant*

Keveny Monahan & Co.,

Chartered Accountants & Registered Auditors

18 Pembroke Road,

Dublin 4.

Date: 19 November 2014.

STATEMENT OF BOARD OVERSIGHT COMMITTEE RESPONSIBILITIES

for the year ended 30 September 2014

The Credit Union Act, 1997 (as amended) requires the appointment of a Board Oversight Committee to assess whether the board of directors has operated in accordance with Part IV, Part IVA and any regulations made for the purposes of Part IV or Part IVA of the Credit Union Act, 1997 (as amended) and any other matter prescribed by the Central Bank in respect of which they are to have regard to in relation to the board of directors.

REPORT OF THE BOARD OVERSIGHT COMMITTEE

The board oversight committee, previously called the supervisory committee, met on twenty one (21) occasions during the year for the purposes of carrying out its statutory responsibilities.

In compliance with Section 76O (1) (b) of the Credit Union Act 1997 (as amended) “the Act” the committee met with the board of directors to report on its assessment of whether the board of directors had operated in accordance with Part IV and Part IVA of the Act and any regulations relating to Part IV and Part IVA.

The committee confirms that as provided for in Section 76O (3) of the Act it had access at all times to the books and documents of the credit union.

In addition to the meetings held with the board of directors under Section 76O (1) (b) of the Act, the committee was represented at all regular monthly meetings of the board of directors. The committee was also represented at meetings of board committees held during the year.

The committee confirms that in its opinion the board of directors has complied with the requirements of Part IV and Part IVA of the Credit Union Act 1997 (as amended).

In conclusion, the committee would like to thank the directors, volunteers and staff for their assistance during the past year.

Irene Menton.

Chair of the Committee.

19 November 2014.

REPORT OF THE NOMINATION COMMITTEE

Section 56B of the Credit Union Act 1997 (as amended) sets out the responsibilities of the nomination committee.

Among the responsibilities are:

Identifying candidates to be nominated for appointment to the board of directors;
Accepting nominations of candidates proposed to be appointed to the board of directors;
Proposing candidates for election by a general meeting to be members of the board of directors;
Informing candidates of the time commitment expected from them in respect of their role as a member of the board of directors;
Ensuring there is an appropriate succession plan in place for the board of directors;
Ensuring that each director is given adequate induction to his/her role on the board of directors;
Arranging training for the members of the board of directors; and
Assisting the credit union in ensuring that the persons nominated for the board of directors comply with the standards of fitness and probity issued by the Central Bank.

Since the commencement of Section 56B every candidate to be nominated for appointment to the board of directors must be proposed through the nomination committee.

Vacancies to be filled at AGM 2014

This year there are vacancies for an auditor, 3 members of the board oversight committee and eleven (11) directors.

Fitness and Probity

The nomination committee confirms that the credit union has performed the necessary due diligence in respect of all candidates nominated to fill vacancies on the board of directors and board oversight committee and is satisfied that the persons nominated are compliant with the fitness and probity standards for credit unions issued under Section 50 of the Central Bank Reform Act 2010.

Succession Planning Workshop

To fulfil its obligations under the Credit Union Act 1997 (as amended), the nomination committee sought expressions of interest for the vacancies on the board of directors and board oversight committee.

Two succession planning workshops were held on the 11th October 2014 and 1st November 2014. Attendees were made aware of the time commitment expected in respect of a director and member of the board oversight committee.

Auditor

Philip Monahan FCA, Keveny Monahan & Co Chartered Accountants and Registered Auditors, being willing and eligible, is nominated for election to the position of auditor of the credit union for the year ending 30th September 2015.

REPORT OF THE NOMINATION COMMITTEE (continued)

Board of Directors

This year all eleven members of the current board of directors are required to retire in accordance with Section 53(6)(b) of the Credit Union Act 1997 (as amended). This means that there are eleven (11) vacancies on the board of directors to be filled at the AGM.

The following eleven members are being proposed for election to the board of directors at the annual general meeting;

Dean Alford
Anne Brougham
Kieran Carroll
James A Foster
Trudy Greene
Rebecca Kelly
Joe Menton
Noel Molloy
Tommy Quinn
Dmitry Stimasov
Robert Walker

Board Oversight Committee

This year all current members of the board oversight committee retire at the AGM. This means there are three (3) vacancies on the board oversight committee to be filled at the AGM.

The candidates being proposed to fill the vacancies on the board oversight committee are;

Bernie Coffey
Andrew Dunne
Tom Dunphy

In conclusion, I wish to thank the board of directors, board oversight committee, volunteers and staff for their assistance during the year.

Dmitry Stimasov.
Chair of the Committee.
19 November 2014.

REPORT OF THE CREDIT COMMITTEE

The credit committee is appointed annually by the board of directors to consider and decide on applications for credit.

During the year ended 30 September 2014 the committee met on 47 occasions and considered 4,977 applications for loans. Of these 4,855 applications totalling €10,453,011 were approved reflecting a decrease of €798,764 over the previous year.

Regretfully 122 applications amounting to €600,157 were not approved this year.

The following tables show the main categories and purposes for which loans were approved.

€	2014		2013	
	Number	Amount €	Number	Amount €
1 – 1,000	2,280	1,500,651	2,531	1,621,615
1,001 – 5,000	2,203	5,416,725	2,411	5,900,858
5,001 – 10,000	296	2,182,841	327	2,479,043
10,001 – 15,000	44	569,179	56	731,809
15,001 – 25,000	20	401,900	23	433,450
25,001 – 50,000	12	381,715	3	85,000
Total	4,855	10,453,011	5,351	11,251,775

Purpose	Number	Amount €	Number	Amount €
Car Purchase	511	2,310,354	488	2,082,285
Home Improvements	1,259	3,621,793	1,294	4,001,682
Holidays	779	1,113,196	827	1,274,278
Car Repairs/Tax/Ins	386	413,769	425	450,632
Christmas	558	644,629	712	786,723
House Purchase	12	79,450	14	54,200
Other Purposes	1,350	2,269,820	1,591	2,601,975
Total	4,855	10,453,011	5,351	11,251,775

Irish Credit Bureau (ICB)

When assessing applications for credit, the credit union acts in compliance with the EC (Consumer Credit Agreements) Regulations 2010. This means assessing a member's creditworthiness, including undertaking an ICB enquiry where necessary, prior to concluding the credit agreement. Therefore it is important that members provide accurate information at the time of making their applications. To ensure that applications can be dealt with as speedily as possible, members are requested to provide proof of income in the form of current payslips or latest audited accounts and a copy of a recent bank statement (where applicable) at the time of making an application for a loan.

In conclusion, on behalf of the committee, I wish to thank the directors and staff for their co-operation and assistance during the year.

Dmitry Stimasov.
Chair of the Committee.
 19 November 2014.

REPORT OF THE CREDIT CONTROL COMMITTEE

The credit control committee is appointed annually by the board of directors to seek to ensure the repayment of loans in accordance with loan agreements.

The committee meets as often as is necessary to monitor loan accounts, consider applications for loan rescheduling and to prepare reports for presentation to the monthly meetings of the board of directors.

Despite some improvement in the Irish economy during the year, some members, with legacy debt, were still experiencing difficulty in servicing their debts including their loans with the credit union. However, as the year progressed and with improved credit risk assessment there was an overall improvement in the arrears position of the credit union.

It is important that members who are experiencing difficulty with their agreed loan repayments contact the credit control officer immediately their financial circumstances change. Members approaching the credit control officer in this way will be dealt with in a sympathetic manner and in complete confidence. In the year under review a total of 41 loans were rescheduled to facilitate members whose financial circumstances had changed.

Members are also reminded that the Money Advice & Budgeting Service (MABS) provides a free, independent and confidential service to people who may be experiencing difficulty with managing their debt. The MABS helpline number is 0761 072000 or visit www.mabs.ie for further information.

During the year ended 30 September 2014 a total of 5,630 arrears letters were issued to members. This is a significant reduction on the number of arrears letters issued during 2013. This arose because the credit union decided that the initial contact with a member who goes into arrears is to send them a statement of account which prints their loan arrears at the date the statement is printed. It is gratifying to report that the response to the issuing of the statements has been excellent with the vast majority of members responding positively.

Regretfully, some members did not engage with the credit union despite the best efforts of the credit control officer and committee to encourage them to contact us to discuss their accounts. In these cases the accounts were referred to our solicitors for legal action.

This year a total of 116 loans in the sum of €693,244.58 were transferred to the credit union's bad debts register while bad debts recovered amounted to €261,935. The amount of bad debts recovered has been quite stable over the year as a number of members whose circumstances have improved have setup a regular repayment schedule to repay their outstanding debts to the credit union.

In conclusion, on behalf of the committee, I wish to thank the board of directors, Credit Control Officer and Credit Union Staff for the support given to the committee during the year.

Joe Menton.
Chair of the Committee.
19 November 2014.

REPORT OF THE MEMBERSHIP COMMITTEE

The membership committee is appointed annually by the board of directors to consider and decide on applications for membership of the credit union.

The following table shows the membership details of the credit union for the year ended 30 September 2014 with comparative figures for the previous year.

	2014	2013
Membership at start of year	15,847	15583
New members admitted during the year	758	789
Accounts closed during the year	642	488
Number of members who died during the year	36	37
Number of members at year end	15,927	15,847

Who may become a Member of Clondalkin Credit Union?

Membership of Clondalkin Credit Union is limited to persons living or working in Clondalkin.

To become a member of the credit union an applicant must provide the following:

- (i) proof of identity;
- (ii) verification of their permanent place of residence; and
- (iii) proof of their tax identification number (PPS number).

Insurance Benefits

Clondalkin Credit Union provides Loan Protection and Life Savings Insurance Cover and Death Benefit Insurance Cover free of charge to eligible members.

Loan Protection Insurance

The coverage provided by this insurance means that any outstanding loan balance will be repaid in full on the death of an eligible member. This year 16 loans to the value of €92,595.04 were repaid under this policy.

Life Savings Insurance (LS) & Death Benefit Insurance (DBI)

Under these policies cover is provided by the credit union free of charge to eligible members as an incentive to save regularly and to maintain savings with the credit union. This year 49 claims, totalling €170,126.76 were paid out under the LS and DBI policies.

Should you have any queries regarding membership of the credit union please call into our office and our staff will be happy to assist you. Alternatively you may visit www.clondalkincu.ie.

In conclusion, I wish to thank the board of directors and credit union staff for their assistance during the year.

Tommy Quinn.
Chair of the Committee.
19 November 2014.

REPORT OF THE COMMUNITY DEVELOPMENT COMMITTEE

The community development committee is appointed annually by the board of directors to administer the Community Development Fund (CDF) on behalf of the credit union.

The Community Development Fund was established by the members at the 2003 AGM to be used for social, cultural or charitable purposes (including community development).

Organisations seeking funding from the CDF must apply in writing on a form provided by the credit union and must state briefly how the funding will be used by the organisation.

The committee meets on a monthly basis to consider applications for funding from the CDF.

This year the committee approved 87 applications for funding totalling €47,182.36. Since the CDF was established the credit union has made a total of €459,322 in charitable donations and contributions to community projects.

The following organisations in the Clondalkin area received contributions from the CDF during the year;

Clondalkin Youth Band	Clondalkin Active Retirement Group
Clondalkin Tidy Towns Committee	Clondalkin Arts Group
Castle Park FC	Clondalkin Youth Theatre
Shrleen Parents Association	Aras Chrónáin
Gaelscoil na Camoige	Moyle Park College Boxing Club
Scoil Ide	Clondalkin Women's Group
Clondalkin ICA	Clondalkin Travellers Training Enterprise
Tower Cycling Club	Knockmitten Youth & Community Centre
Woods United FC	Clondalkin Indoor Bowling Club
Clondalkin Gymnastics Club	Clondalkin Animal Aid
Clondalkin Drama Group	Bawnogue Youth & Community Centre
Scoil Mochua	Floraville Residents Association
Clondalkin Lions Club	An Caislean Nua Badminton Club
Bawnogue Unemployed Group	The Laurels Charity Crew
Colaiste Chillian	St. Vincent De Paul

In conclusion, on behalf of the committee, I wish to thank the board of directors and credit union staff for their assistance during the year.

Joe Menton.

Chair of the Committee.

19 November 2014.

AMENDMENTS TO RULES

The credit union operates under the Standard Rules for Credit Unions (Republic of Ireland) issued by the Irish League of Credit Unions “the Standard Rules”.

To take account of the amendments to the Credit Union Act 1997, brought about by the Credit Union and Co-operation with Overseas Regulators Act 2012, a complete amendment of the Standard Rules was approved by the 2014 AGM of the Irish League of Credit Unions.

In accordance with the Rules of the Credit Union it is necessary for the complete amendment of the Standard Rules to be laid before the members at the Annual General Meeting for approval.

A copy of the Standard Rules with the proposed amendments tracked for ease of identification has been prepared.

A copy of the tracked version of the Standard Rules is available for viewing or printing on the credit union’s web-site www.clondalkincu.ie.

Any member who wishes to receive a copy of the tracked version of the Standard Rules by email should request a copy by sending an email to info@clondalkincu.ie. Printed copies of the amended rules will be available at the AGM or by request.

MEMBER COMPLAINTS PROCEDURE

It is the aspiration of your credit union that a complaint against the credit union will be resolved in a fair and equitable manner. In order that this is accomplished the following is the procedure which you should follow in order to have your complaint, in your capacity as a member, settled. For a full description of this procedure, please refer to Rule 108 of the Standard Rules of the Credit Union.

For the purposes of this procedure the complaining party or parties shall be referred to as the complainant.

Step 1. The complainant discusses the complaint with the complaints officer of the credit union who will, where possible, resolve the complaint.

The complaints officer is Adrian Mangan.

If the complaint is not resolved to the satisfaction of the complainant:

Step 2. The complainant, or a person on behalf of the complainant, shall complete a complaints form which is pre-addressed to the complaints sub-committee. The complainant shall have the right to be heard by the sub-committee which shall investigate, discuss and, wherever possible, resolve the complaint.

The members of the complaints sub-committee are;

Bernie Coffey, Rebecca Kelly and Robert Walker.

If the complaint is not resolved to the satisfaction of the complainant:

Step 3. The complainant shall request the secretary of the credit union to forward the complaints form to the board of directors of the credit union. The complainant shall have the right to be heard by the board of directors which shall investigate, discuss and, wherever possible, resolve the complaint.

If the complaint is not resolved to the satisfaction of the complainant:

Step 4. The complainant shall refer the complaint to the Financial Services Ombudsman's Bureau, 3rd Floor, Lincoln House, Lincoln Place, Dublin 2. Lo-Call 1890 882090 or email: enquiries@financialombudsman.ie so long as the complaint:

- (a) falls within the jurisdiction of that Ombudsman, and
- (b) does not relate to a matter that involves only the governance of the credit union.

In accordance with the Credit Union Act, 1997 (“the Act”), because the Rules of the credit union give directions as to the manner in which disputes are to be decided, every dispute to which the credit union is a party shall be decided in that manner. Thus a dispute by a member against the credit union under a contract constituted by the Rules of the credit union may not normally be referred to the courts and must be dealt with in accordance with the procedure. Where no decision is made on a dispute within 50 days from the date on which the Complaints Form is submitted to the credit union, any party to the dispute may apply to the District Court which may hear and determine the matter in dispute.

An application for the enforcement of a decision made under the scheme may be made to the District Court. As an alternative to availing of this scheme, the complaining member and the credit union may by consent refer a dispute to the Registrar of Credit Unions who shall hear and decide the dispute. If a dispute is referred to the Registrar in this way, it will not be heard under this scheme.

The Member Complaints Procedure is drawn up in accordance with the Rules and the Act. It is a standard scheme for all credit unions in the Republic of Ireland affiliated to the Irish League of Credit Unions and applies to the credit union following registration of its amended Rules under the Act. It will be appreciated this guide only contains the principal features of the scheme and is not intended as a full legal analysis nor should it be relied on as such. Full details of the scheme are contained in Rule 108 of the Rules of the credit union, a copy of which will be available to the member on request from the credit union. The legal basis for the scheme is contained in Part VIII of the Act.



New Year, New Car?

Clondalkin Credit Union

Available January 2015

8.95%

Car loans available for a limited time only
Monday 5th January until Friday 13th February 2015

*Typical Example: Monthly repayment of €158.88 with APR of 9.33% based on a loan amount of €5000 over a repayment period of 36 months. Total amount repayable €5719.68 Loans available to new & existing members. Terms & Conditions apply

Clondalkin Credit Union Limited is regulated by the Central Bank of Ireland

