



Clondalkin Credit Union Ltd

Annual Accounts
and Financial Statements
Year Ended 30th September 2016

ANNUAL GENERAL MEETING

**Wednesday
25th January 2017
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 Oversight Committee and Staff.

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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.*

Annual General Meeting 2016

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 25th January 2017, commencing at 8.00 p.m.

NOTICE OF ELECTIONS

Elections will be held to fill four (4) vacancies on the Board of Directors, two (2) vacancies on the Board Oversight Committee and the position of Auditor.

Joe Menton
Secretary.

Directors, Committee Members, Staff & Other Information

BOARD OF DIRECTORS

Chair:	Kieran Carroll.
Vice Chair:	Anne Brougham.
Secretary:	Joe Menton.
Directors:	Tom Dunphy, John Finn, Tony Foster, Margaret Heffernan, Noel Molloy, Tommy Quinn, Dmitry Stimasov and Robert Walker.

BOARD OVERSIGHT COMMITTEE

Chair:	Andrew Dunne.
Committee Members:	Bernie Coffey and John Maguire.

CREDIT COMMITTEE

Chair:	Margaret Heffernan.
Committee Members:	Kieran Carroll, Peter Gormley, Trudy Greene and Robert Walker.

CREDIT CONTROL COMMITTEE

Chair:	Tommy Quinn.
Committee Members:	John Finn, Joe Menton and Noel Molloy.

NOMINATION COMMITTEE

Chair:	Anne Brougham.
Committee Members:	Tom Dunphy and Joe Menton.

MEMBERSHIP COMMITTEE

Chair:	Tommy Quinn.
Committee Members:	Sharon Howley and Annette McBrien.

OTHER VOLUNTEERS

Marco Riccio, Dean Alford, Anne McCarthy O'Neill and Orla Graham.

STAFF

Michael O'Conaill (CEO), Adrian Mangan (Operations Manager), Martin Holsgrove (Credit Control Manager), Robert Keegan (Compliance Officer), James Nugent (Credit Controller), Lorraine Phelan (Office Administrator), Noelle Rooney (Branch Manager), Pamela Power (Marketing & Development Officer), Adrienne Seery, (Finance Officer), Catherine Byrne, Aoife Carey, Denise Daly, Olive Denby, Suzanne Duke, Kathleen Finn, Margaret Galvin, Sarah Kelly, Sharon Kynes, Annette McBrien, Jamie McCarthy, Therese Moore, Carmel Rowe, Gavin Moloney and Luke Rigney,

AUDITOR

Philip Monahan FCA, Keveny Monahan & Company, Chartered Accountants & Statutory Audit Firm, 18-22 Pembroke Road, Dublin 4

INTERNAL AUDITOR

Burke & Associates, Public & Forensic Accountants, Liosbain Business Park, Galway.

RISK & COMPLIANCE

Compliance & Risk Management Associates Ltd (CARMA), 51 Mount Anville Wood, Dublin 14.

BANKERS

AIB Bank, 45-46 Tower Road, Clondalkin, Dublin 22.

Bank of Ireland, Main Street, Rathcoole, Co Dublin.

Annual General Meeting 2016

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 2016.
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. Motions & Amendments to Rules.
20. Any Other Business.
21. Announcement of Election Results.
22. Adjournment or Close of Meeting.

Standing Orders for General Meetings

VOTING.

1. Each member shall be entitled to one vote irrespective of his/her shareholding in the credit union, in accordance with Section 82 (2) of the Credit Union Act 1997 (as amended).

ELECTION PROCEDURE.

2. Elections to fill vacancies on the Board of Directors, the Board Oversight Committee and the position of Auditor shall be by majority vote and by secret ballot.
3. When nominations are announced, Tellers shall be appointed by the chair and the ballot papers shall be distributed. Ballots shall be conducted in the following order: (i) Auditor; (ii) Board Oversight Committee; (iii) board of directors. When the ballots are completed, the ballot papers shall be collected and counted by the Tellers. Ballot papers which contain votes for more candidates than the number of vacancies which are required to be filled shall be void. When the votes have been counted by the Tellers, the results shall be handed to the Chair who shall announce the result of the ballots in accordance with the agenda of the meeting.

In the event that all vacancies are not filled by the first ballot, further ballots from the nominated candidates not already elected shall be taken as required. In the event of an equality of votes between candidates for any vacancy, a further ballot between those candidates shall be conducted to fill the vacancy and should that ballot fail to determine the matter, the vacancy shall be filled by lot from among those candidates.

MOTIONS

4. All motions from the floor of the AGM must be proposed and seconded by members present at the AGM and moved by the proposer. If the proposer is absent when the motion is called, the motion shall be deemed to have failed.
5. A proposer of a motion may speak for such period as shall be at the discretion of the Chair of the meeting and shall have the right of reply before the motion is put to the meeting for a vote.
6. In exercising his/her right of reply, a proposer may not introduce new material.
7. The seconder of a motion shall have such time as shall be allowed by the Chair to second the motion.
8. Members are entitled to speak on any such motion and must do so through the Chair. All speakers to any motion shall have such time as shall be at the discretion of the Chair.
9. The Chair shall have the absolute right to decide at any time when a motion has been sufficiently discussed and may put the motion to the meeting giving the proposer the right of reply before doing so.

Standing Orders for General Meetings *continued*

MISCELLANEOUS.

10. The Chair of the board of directors shall be the Chair of any general meeting, except where he/she is not available, in which case it shall be the Vice-Chair, except where he/she is not available, in which case the board of directors shall appoint from their number a person who shall act as Chair of any general meeting.
11. The Chair may at his/her discretion, extend the privilege of the floor to any person who is not a member.
12. Matters not covered by the Agenda may be introduced under "Any Other Business" at the discretion of the Chair.
13. The Chair's decision on any matter relating to these Standing Orders or interpretation of same shall be final.
14. No member shall have more than one vote on each question at any general meeting of the credit union or any adjournment thereof irrespective of his/her shareholding in the credit union provided, however, that except in voting at elections, the Chair of the meeting shall have a second or casting vote in the event of equality of voting. Voting by proxy shall be allowed only when a member other than a natural person votes through a representative, who is a member of the group, duly authorised in writing for that purpose and accepted as such by the board of directors.
15. Any matter to be decided upon by vote at the AGM shall, unless otherwise expressly provided for by law or the rules, be decided upon by simple majority.

SUSPENSION OF STANDING ORDERS.

16. Any one of these Orders or all of these Standing Orders may be suspended on a motion to this effect receiving a two-thirds majority of those present and voting.

ALTERATION OF STANDING ORDERS.

17. These Standing Orders may be amended or altered at a general meeting and only if a motion to this effect has received a two-thirds majority of those present and voting.

ADJOURNMENTS.

18. Adjournments of the AGM shall take place only in accordance with Section 81(1) of the Credit Union Act 1997 (as amended).

Statement of Directors' Responsibilities

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.
21 December 2016.

Joe Menton,
Secretary.
21 December 2016.

Directors' Report

It is my privilege to present the report of the board of directors of Clondalkin Credit Union Ltd. for the year ended 30 September 2016.

Principal activity and review of business

The principal activity of the credit union is the acceptance of savings from members and the provision of loans to members in accordance with the provisions of the Credit Union Act 1997 (as amended) and the Rules of the Credit Union for the time being in force.

Financial results

This is the first year that the financial statements have been prepared under the new financial reporting standard FRS102.

The excess of income over expenditure for the year amounted to €1,256,819 an increase of €188,972 over the previous year.

Total assets at year end amounted to €73,371,183 which was an increase of €5,434,054 over the previous year. Members shares increased by €4,274,331 to €56,587,137 while loans to members decreased by 0.53% from €24,530,622 to €24,400,087.

Total income for the year amounted to €3,113,382 with interest on members' loans at €2,453,449 accounting for 79% of this amount.

Total expenditure for the year fell from €2,137,381 to €1,856,563 which is mainly attributable to the reduction in the provision for bad and doubtful debts. Gross loans written-off this year amounted to €388,563 (2015: €487,766) reflecting the improved performance of the credit union's loan book.

Dividend on shares/loan interest rebate

The directors recommend a dividend in respect of the year ended 30 September 2016 of €75,957 (0.125%), prior year (€255,543, 0.5%) and a 5% rebate of interest paid on standard loans during the year (€104,332).

Reserves

The Central Bank requires credit unions to maintain a Regulatory Reserve Ratio of not less than 10% of Total Assets on an ongoing basis. In addition, Section 45 (5)(a) of the Credit Union Act 1997 (as amended) requires credit unions to maintain reserves in addition to the Regulatory Reserve in respect of operational risk having regard to the nature, scale, complexity and risk profile of its business. The credit union has adopted the Basic Indicator Approach (BIA) in the calculation of the operational risk reserve and a sum of 15% of the average gross income for the previous three years was transferred to the Operational Risk Reserve.

The following table shows the assets, shares, loans and reserves of the credit union at year end with the previous year stated for comparison purposes.

	2015	Net Movement	2016
Assets	67,937,129	5,434,054	73,371,183
Shares	52,312,806	4,274,331	56,587,137
Loans	24,530,622	-130,535	24,400,087
Total Reserves	9,290,001	1,001,276	10,291,277

Directors' Report

Principal risks and uncertainties

The credit union is fully aware of its principal risks and operates within a conservative Board approved risk management policy. The credit union has adopted the PRISM risk categories of the Central Bank for the purpose of categorising its risks. These categories are, capital risk, credit risk, operational risk, liquidity risk, governance risk, environmental risk, strategic risk, market risk and insurance risk.

Accounting records

The Directors believe that they comply with the requirements of Section 108 of the Credit Union Act, 1997 (as amended) with regard to books of account by employing accounting personnel with appropriate expertise and by providing adequate resources to the financial function. The books of account of the Credit Union are maintained at the Credit Union's premises at 22 Main Street, Clondalkin, Dublin 22.

Liquidity

It is the policy of the board of directors to maintain liquid funds at a minimum of 20% of unattached savings at all times. This is to ensure that the credit union can meet its normal day to day obligations as they arise. At year end liquid funds amounted to 37% of unattached savings.

Provision for bad and doubtful debts

The credit union maintains a provision for bad and doubtful debts in line with best practice. The adequacy of the provision is reviewed every month by the credit control committee and independently every quarter by an external accountancy firm. Following the review carried out at 30 September 2016, the board of directors considered it prudent for the credit union to have a provision of €2,073,794.

Health and 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.

EFT services

The credit union became an associate member of the clearing system in August 2016. Since then members have had the option of getting their loans and withdrawals paid directly to their bank accounts. While each member will only have one membership number, they will have a separate IBAN for each account they hold in the credit union which is not related in any way to the membership number.

Authorisation

The credit union is authorised as an investment business firm under Section 26 of the Investment Intermediaries Act 1995 (as amended) to provide the services of an investment intermediary.

Post balance sheet events

There are no post balance sheet events affecting the credit union since 30 September 2016.

Directors' Report

Auditors

In accordance with Section 115 of the Credit Union Act 1997 (as amended), the auditors Keveny Monahan offer themselves for re-election.

In conclusion, I wish to thank our members for their continued support of the credit union and on a personal note I wish to thank the directors, committee members, management and staff for their support during the year.

Kieran Carroll
Chair of the Board.
21 December 2016

Independent Auditor's Report

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

We have audited the financial statements of Clondalkin Credit Union Limited for the year ended 30 September 2016 which comprise the Income and Expenditure Account, the Statement of Other Comprehensive Income, the Balance Sheet, the Statement of Changes in Reserves, the Statement of Cash Flows, and the related notes. The financial reporting framework that has been applied in their preparation is Irish law, including the Credit Union Act, 1997 (as amended) and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the Credit Union's members, as a body, in accordance with Section 120 of the Credit Union Act, 1997 (as amended). 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 auditors

As described more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Credit Union Act, 1997 (as amended). Our 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 us 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, we read all the financial and non-financial information in the annual 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.

Independent Auditor's Report

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the assets, liabilities and financial position of the Credit Union as at 30 September 2016 and of its surplus for the year then ended;
- have been properly prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, issued by the Financial Reporting Council; and
- have been properly prepared in accordance with the requirements of the Credit Union Act, 1997 (as amended) and the Credit Union Act 1997 (Regulatory Requirements) Regulations 2016

Other matters on which we are required to report by the Credit Union Act 1997 (as amended)

We have obtained all the information and explanations which, to the best of our knowledge and belief, we consider necessary for the purposes of our audit. In our opinion, proper accounting records have been kept by the Credit Union. The financial statements are in agreement with the accounting records.

Philip Monahan

for and on behalf of

Keveny Monahan & Co.

Chartered Accountants and Statutory Audit Firm

Herbert House

18 – 22 Pembroke Road

Dublin 4

21 December 2016

Annual Accounts & Financial Statements

INCOME AND EXPENDITURE ACCOUNT
for the year ended 30 September 2016

		2016	2015
		€	€
INCOME			
Interest on Members' Loans	(Schedule 1)	2,453,449	2,525,703
Members' Deposit Interest and Similar Charges		-33,550	-51,293
Other Interest Income and Similar Income	(Schedule 2)	606,086	655,277
NET INTEREST INCOME		3,025,985	3,129,687
Other Income	(Schedule 3)	87,397	75,541
TOTAL INCOME		3,113,382	3,205,228
EXPENDITURE			
Salaries and Pension		962,519	893,045
Other Management Expenses	(Schedule 4)	1,148,277	1,271,017
Depreciation and Impairment		366,499	356,191
Provision for Bad and Doubtful Debts		-305,661	-97,023
Bad Debts Recovered		-341,840	-320,761
Bad Debts Written Off		26,769	34,912
TOTAL EXPENDITURE		1,856,563	2,137,381
EXCESS OF INCOME OVER EXPENDITURE FOR YEAR		1,256,819	1,067,847

These Financial Statements were approved by the board of directors on 21 December 2016.

On behalf of Clondalkin Credit Union Ltd.

Kieran Carroll
Chair of the Board

Michael O'Conaill
CEO

Andrew Dunne
Member of Board Oversight Committee

STATEMENT OF OTHER COMPREHENSIVE INCOME
for the year ended 30 September 2016

		2016	2015
		€	€
Excess of Income over Expenditure for the year		1,256,819	1,067,847
Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,256,819	1,067,847

On behalf of Clondalkin Credit Union Ltd.

Kieran Carroll
Chair of the Board

Michael O'Conaill
CEO

Andrew Dunne
Member of Board Oversight Committee

Annual Accounts & Financial Statements

BALANCE SHEET

as at 30 September 2016

		2016	2015
		€	€
ASSETS	Notes		
Tangible Fixed Assets	7	5,194,078	5,489,458
Cash and Cash Equivalents	8	2,508,603	1,571,954
Deposits & Investments	9	42,955,834	38,597,766
Loans to Members	10	24,400,087	24,530,622
Less: Provision for Bad Debts	11	-2,073,794	-2,740,316
Debtors, Prepayments and Accrued Income	12	386,375	487,645
TOTAL ASSETS		73,371,183	67,937,129
LIABILITIES			
Members' Shares	13	56,587,137	52,312,806
Members' Deposits	13	6,122,626	6,003,443
Money Management Accounts	13	8,219	8,755
Other Liabilities, Creditors, Accruals and Charges	14	361,924	322,124
TOTAL LIABILITIES		63,079,906	58,647,128
ASSETS LESS LIABILITIES		10,291,277	9,290,001
RESERVES			
Regulatory Reserve	15	8,070,830	6,962,803
Additional Regulatory Reserve		-	300,000
TOTAL REGULATORY RESERVE		8,070,830	7,262,803
Operational Risk Reserve	15	487,135	-
Other Reserves			
Realised Reserves	15	1,733,312	2,027,198
TOTAL RESERVES		10,291,277	9,290,001

These Financial Statements were approved by the board of directors on 21 December 2016.

On behalf of Clondalkin Credit Union Ltd.

Kieran Carroll
Chair of the Board

Michael O'Conaill
CEO

Andrew Dunne
Member of Board Oversight Committee

Annual Accounts & Financial Statements

STATEMENT OF CHANGES IN RESERVES

	Realised Reserves €	Regulatory Reserve €	Operational Risk Reserve €	Total €
As at 01 October 2015	2,027,198	7,262,803	-	9,290,001
Excess of Income over Expenditure	1,256,819	-	-	1,256,819
Dividend Paid	-255,543	-	-	-255,543
Transfer to Operational Risk Reserve	-487,135	-	487,135	-
Transfer to Regulatory Reserve	-808,027	808,027	-	-
TOTAL RESERVES	1,733,312	8,070,830	487,135	10,291,277

Annual Accounts & Financial Statements

CASH FLOW STATEMENT

for the year ended 30 September 2016

	2016	2015
	€	€
Cash and Cash equivalents at beginning of year	40,169,720	34,805,239
Cash flows from operating activities		
Loans repaid	13,857,693	11,874,288
Loans granted	-13,753,927	-12,122,578
Loan interest	2,453,449	2,525,703
Interest paid	-33,550	-51,293
Investment income	606,086	655,277
Bad debts recovered	341,840	320,761
Dividend paid	-255,545	-247,365
Operating expenses	-2,110,794	-2,164,062
Other receipts	87,397	75,541
Other disbursements		-50,993
Movement in other assets and liabilities	-366,994	-79,015
Net cash generated from operating activities	825,655	736,264
Cash flows from investing activities		
Fixed asset purchases/disposals	-71,119	-45,388
Net cash flows from investing activities	-71,119	-45,388
Cash flows from financing activities		
Members' Shares Received	20,762,162	18,894,757
Members' Deposits Received	7,627,950	10,418,039
Members' Shares Withdrawn	-16,351,343	-15,528,934
Members' Deposits Withdrawn	-7,498,588	-9,110,257
Net cash flows from financing activities	4,540,181	4,673,605
Net increase in cash and cash equivalents	5,294,717	5,364,481
Cash and cash equivalents at end of year	45,464,437	40,169,720

Annual Accounts & Financial Statements

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 September 2016

1. LEGAL AND REGULATORY FRAMEWORK

Clondalkin Credit Union Limited is established under the Credit Union Act 1997 (as amended). The Credit Union is registered with the Registrar of Credit Unions and is regulated by the Central Bank of Ireland. The principal place of business is 22 Main Street, Clondalkin, Dublin 22.

2. ACCOUNTING POLICIES

2.1 Statement of compliance and basis of preparation

These financial statements have been prepared in accordance with applicable Irish accounting standards including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and Irish statute comprising the Credit Union Act, 1997 (as amended).

The financial statements have been prepared on the historical cost basis except for modifications to a fair value basis for certain financial instruments as specified in the accounting policies below.

2.2 First time adoption of FRS 102

These are Clondalkin Credit Union Limited's first financial statements to comply with FRS 102. The date of transition to FRS 102 is 1 October 2014.

The transition to FRS 102 has resulted in a number of accounting policy changes and transition adjustments compared to those applied previously. Note 24 to the financial statements describes the differences between the reserves and surplus presented previously, and the amounts as restated to comply with the accounting policies selected in accordance with FRS 102 for the reporting period ended 30 September 2015 (i.e. comparative information), as well as the retained reserves presented in the opening Balance Sheet (i.e. at 1st October 2014). It also describes all the required changes in accounting policies made on first-time adoption of FRS 102.

2.3 Currency

The financial statements are prepared in Euro, which is the functional currency of the Credit Union. The presentation currency of the Credit Union is also the Euro. Monetary amounts in these financial statements are rounded to the nearest Euro.

Annual Accounts & Financial Statements

2.4 Going Concern

The financial statements are prepared on the going concern basis. The directors of Clondalkin Credit Union Limited believe this is appropriate as the Credit Union:

- is generating annual surpluses;
- maintains an appropriate level of liquidity; and
- has reserves that are currently above the minimum requirements of the Central Bank.

2.5 Income

Interest on members' loans

Interest on loans to members is recognised using the effective interest method, and is calculated and accrued on a daily basis.

Investment Income

The Credit Union currently only has investments that are valued at amortised cost, and use the effective interest method to recognise investment income.

Other Income

Other income such as commissions receivable on insurance products and foreign exchange services arises in connection to specific transactions. Income relating to individual transactions is recognised when the transaction is completed.

2.6 Dividends to members and interest on members' deposits

Interest on members' deposits

Interest on members' deposits is recognised using the effective interest method.

Dividend on shares and loan interest rebates

Dividends are made from current year's surplus or the dividend reserves set aside for that purpose. The Board's proposed distribution to members each year is based on the dividend and loan interest rebate policy of the Credit Union.

The rate of dividend and loan interest rebate recommended by the Board will reflect:

- The risk profile of the Credit Union, particularly in its loan and investment portfolios;
- The Boards desire to maintain a stable rather than volatile rate of dividend each year; and
- members' legitimate dividend and loan interest rebate expectations: all dominated by prudence and the need to sustain the long-term welfare of the Credit Union.

For this reason the Board will seek to build up its reserves to absorb unexpected shocks and still remain above the minimum regulatory requirements.

The Credit Union accounts for dividends and rebates of loan interest when members ratify such payments at the Annual General Meeting.

Annual Accounts & Financial Statements

2.7 Tangible fixed assets and depreciation

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Credit Union adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is accrued, if the replacement part is expected to provide incremental future benefits to the Credit Union. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the Income and Expenditure account during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight line method.

Investment property	Not depreciated in line with FRS 102
Premises	Over 25 years
Fixtures and Fittings	Over 10 years
Office Equipment	Over 4 years

The assets residual values, useful lives and depreciation methods are reviewed and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised within “other gains” or “other losses” in the Income and Expenditure Account.

2.8 Impairment of Fixed Assets

At each reporting end date, the Credit Union reviews the carrying value of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Credit Union estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the Income and Expenditure Account.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the Income and Expenditure Account.

2.9 Cash and cash equivalents

Cash and cash equivalents comprise operating cash on hand and cash deposited with banks with original maturity of less than or equal to three months.

2.10 Basic financial assets

Basic financial assets are initially measured at the transaction price, including transaction costs, and are subsequently carried at amortised cost using the effective interest method. Basic financial instruments include the following:

Loans to members

Loans to members are financial assets with fixed or determinable payments. Loans are recognised when cash is advanced to members and measured at amortised cost using the effective interest method.

Investments held at amortised cost

Investments held at amortised cost are measured at amortised cost using the effective interest method less impairment. This means that the investment is measured at the amount paid for the investment, minus any repayments of the principal; plus or minus the cumulative amortisation using the effective interest method of any difference between the amount at initial recognition and the maturity amount; minus, in the case of a financial asset, any reduction for impairment or un-collectability. This effectively spreads out the return on such investments over time, but does take account immediately of any impairment in the value of the investment.

Other receivables

Other receivables such as prepayments are initially measured at transaction price including transaction costs and are subsequently measured at amortised cost using the effective interest method.

Non Basic Financial Assets

Investments held at fair value

The fair value of assets traded on an active market will be the price that would be received if an asset were sold in an orderly transaction between market participants at the measurement date. In the absence of an active market, the credit union establishes fair value by reference to recent transactions in similar items. If a reliable measure of fair value is not available the credit union measures the asset at cost less impairment until a reliable measure of fair value becomes available.

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2.11 Impairment of Financial Assets

Financial assets, other than those held at fair value, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the expected cash flows discounted at the asset's original effective interest rate.

In the case of impairment of loans to members, the loans are assessed collectively in groups that share similar credit risk characteristics except for individually significant loans which are assessed on a loan by loan basis for impairment. Any impairment losses are recognised in the Income and Expenditure Account.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in the Income and Expenditure Account.

2.12 De-recognition of Financial Assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Credit Union transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

In the case of loans to members, loans are derecognised, when the right to receive cash flows from the loans have expired, usually when all amounts outstanding have been repaid by the member. Clondalkin Credit Union Limited does not transfer loans to third parties.

2.13 Basic Financial Liabilities

Basic financial liabilities are initially recognised at the transaction price, including transaction costs, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities are subsequently carried at amortised cost using the effective interest method.

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Financial liabilities members' shares and deposits

Members' Shares, Money Management Accounts and Deposits are redeemable and therefore are classified as financial liabilities. They are initially recognised at the amount of cash deposited and subsequently members' deposits are measured at amortised cost.

Other payables

Other payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Other payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

2.14 De-recognition of Financial Liabilities

Financial liabilities are derecognised when the obligations of the Credit Union specified in the contract are discharged, cancelled or expire.

2.15 Employee Benefits

Pension Costs

Clondalkin Credit Union Limited operates a defined contribution pension scheme for its employees, the assets of which are held separately from those of the Credit Union in independently administered funds. Contributions to the scheme are 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.

Other employee benefits

The costs of short-term employee benefits, including holiday pay, are recognised as a liability and as an expense (unless those costs are required to be recognised as part of the cost of fixed assets) over the period they are earned.

2.16 Reserves

Regulatory reserve

The Credit Union is required to establish and maintain a minimum Regulatory reserve of at least 10% of the assets of the Credit Union in accordance with Credit Union Act 1997 (Regulatory Requirements) Regulations 2016. The sum of €8,070,830 in the Regulatory Reserve at 30 September 2016 represented 11% of the Total Assets of the Credit Union.

Operational Risk Reserve

The Credit Union has established an Operational Risk reserve which is separate, distinct and in addition to the reserves the Credit Union is required to hold in its Regulatory reserve.

The amount held in the Operational Risk reserve is the predicted impact of operational risk events that may have a material impact on the Credit Union's business. The sum of €487,135 in the Regulatory Reserve at 30 September 2016 represented 0.66% of Total Assets

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Other Reserves

Other reserves are the accumulated surpluses to date that have not been declared as dividends and the funds held in the Community Development Fund established by resolution of the members, in line with Section 44 of the Credit Union Act 1997 (as amended), at the annual general meeting held in respect of the year ended 30 September 2013.

3. USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Credit Union's accounting policies. The areas requiring a higher degree of judgement, or complexity, and areas where assumptions or estimates are most significant to the financial statements are disclosed below:

Determination of depreciation, useful economic life and residual value of tangible assets

The annual depreciation charge depends primarily on the estimated useful lives of each type of asset and, in certain circumstances, estimates of residual values. The directors regularly review these useful lives and change them if necessary to reflect current conditions. In determining these useful economic lives management consider technological change, patterns of consumption, physical condition and expected economic utilisation of the assets. Changes in the useful lives can have a significant impact on the depreciation charge for the financial year.

Impairment of buildings

The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable. In that event, an impairment loss is recognised as the difference between the carrying amount and the "value in use" calculation. The impairment charge, if applicable, is charged to the Income and Expenditure account in the period in which the related events or changes in circumstances occur.

Bad debt provision – impairment of loans to members

Clondalkin Credit Union Limited assesses if there is objective evidence that any of its loans are impaired with due consideration of environmental factors. The loans are assessed collectively in groups that share similar credit risk characteristics. Individually significant loans are assessed on a loan by loan basis. In addition, if there is objective evidence that any individual loan is impaired, a specific loss will be recognised. Bad debt provisioning is monitored by the Credit Union, and the Credit Union assesses and approves its provisions and the adequacy of same on a quarterly basis.

The estimation of loan losses is inherently uncertain and depends upon factors, including loan loss trends, credit risk characteristics in loan classes, local and international economic climates, conditions in various sectors of the economy to which the Credit Union is exposed, and other external factors such as legal and regulatory requirements.

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Operational Risk reserve

The directors have considered the requirements of the Credit Union Act, 1997 (as amended) and have considered an approach to the calculation of the operational risk reserve. Clondalkin Credit Union Limited uses the Basic Indicator Approach as set out in the operational risk measurements techniques proposed under Basel II capital adequacy rules for banking institutions in calculating the Operational Risk Reserve.

4. RATES OF INTEREST CHARGED ON LOANS

The rates of interest charged on loans per annum were as follows:

	Per Month	APR
	%	%
Standard Loans	0.91	11.52
Loans fully secured by shares	0.56	6.96
Special Car Loans	0.66	8.25
Special Christmas Loans	0.66	8.25
Special Holiday Loans	0.66	8.25
One-4-One Loans	0.46	5.64

5. RATES OF INTEREST PAID ON MEMBERS' DEPOSITS

The rate of interest paid on members' deposit accounts were as follows:

	2016	2015
	%	%
Jubilee Accounts	0.00%	0.00%
On Demand Deposit Accounts	0.25%	0.50%
30 Day Notice Accounts	0.75%	1.25%

6. KEY MANAGEMENT PERSONNEL COMPENSATION

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Credit Union, directly or indirectly, including any Director of the Credit Union. The Directors of Clondalkin Credit Union Limited are all unpaid volunteers. The key management personnel compensation was as follows:

	2016	2015
	€	€
Short term employee benefits paid to key management	492,115	466,131
Payments to pension schemes	35,279	33,486
Total key management personnel compensation	<u>527,394</u>	<u>499,617</u>

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7. TANGIBLE FIXED ASSETS

	Investment Property €	Freehold Property €	Fixtures & Fittings €	Office Equipment €	Total €
COST/VALUATION					
At 1 October 2015	430,000	8,292,890	130,316	265,014	9,118,220
Additions	-	-	-	71,119	71,119
Disposals	-	-	-	-61,695	-61,695
At 30 September 2016	430,000	8,292,890	130,316	274,438	9,127,644
DEPRECIATION					
At 1 October 2015		3,332,559	104,220	191,983	3,628,762
Charge for year		318,611	4,071	43,817	366,499
Disposals		-	-	-61,695	-61,695
At 30 September 2016		3,651,170	108,291	174,105	3,933,566
NET BOOK VALUE					
At 30 September 2016	430,000	4,641,720	22,025	100,333	5,194,078
NET BOOK VALUE					
At 30 September 2015	430,000	4,960,331	26,096	73,031	5,489,458

8. CASH AND CASH EQUIVALENTS

	2016	2015
	€	€
Cash and balances at bank	<u>2,508,603</u>	<u>1,571,954</u>

9. DEPOSITS AND INVESTMENTS

	2016	2015
	€	€
Accounts in authorised credit institutions (Irish and Non-Irish based)	33,686,892	35,456,268
Irish and EEA State Securities	1,969,000	-
Bank Bonds	6,750,000	2,750,000
Central Bank Deposits	549,942	391,498
Total Deposits and Investments	<u>42,955,834</u>	<u>38,597,766</u>

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10. FINANCIAL ASSETS - LOANS

	2016	2015
	€	€
As at 01 October	24,530,622	25,896,694
Loans granted during the year	13,753,927	12,122,578
Loans repaid during the year	-13,857,693	-13,453,738
Gross loans to members	24,426,856	24,565,534
Loans written off in year	-26,769	-34,912
As at 30 September	<u>24,400,087</u>	<u>24,530,622</u>

11. PROVISION FOR BAD DEBTS/IMPAIRMENT OF LOANS TO MEMBERS

	2016	2015
	€	€
As at 01 October	2,740,316	3,289,229
Net movement in bad debt provision for loans currently outstanding	-639,753	-514,001
Decrease in bad debt provision as a result of write offs previously provided for	-26,769	-34,912
As at 30 September	<u>2,073,794</u>	<u>2,740,316</u>

12. DEBTORS, PREPAYMENTS AND ACCRUED INCOME

	2016	2015
	€	€
Loan interest receivable	58,965	82,776
Prepayments	57,099	182,364
Investment Interest Receivable	270,311	222,505
	<u>386,375</u>	<u>487,645</u>

13. MEMBERS SHARES AND DEPOSITS

	2016	2015
	€	€
Members' Shares	56,587,137	52,312,806
Members' Deposits		
Jubilee Accounts	83,807	57,582
Demand Deposit Accounts	3,076,493	2,624,809
30 Day Notice Accounts	2,920,826	2,928,352
Term Accounts	41,500	392,700
Money Management Accounts	8,219	8,755
	<u>62,717,982</u>	<u>58,325,004</u>

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14. OTHER LIABILITIES, CREDITORS, ACCRUALS AND CHARGES

	2016	2015
	€	€
Revenue – DIRT	1,379	21,209
Revenue – PAYE/PRSI	22,195	42,186
Other creditors and accruals	338,350	258,729
	<u>361,924</u>	<u>322,124</u>

15. RESERVES

	Balance 01/10/2015 €	Payment of Dividend €	Net Movement €	Balance 30/09/2016 €
Regulatory Reserve	7,262,803	-	808,027	8,070,830
Operational Risk Reserve	-	-	487,135	487,135
Other Reserves				
General Reserve	140,000	-	-140,000	-
Development Reserve	334,676	-	-334,676	-
Undistributed Surplus	1,472,835	-255,543	413,885	1,631,177
Community Development Fund	79,687	-	22,448	102,135
Total Reserves	9,290,001	-255,543	1,256,819	10,291,277

16. CREDIT RISK DISCLOSURES

Clondalkin Credit Union Limited offers loans to members however the majority of all loans to members are unsecured, except that there are restrictions on the extent to which borrowers may withdraw their savings whilst loans are outstanding. Individual members may borrow up to €25,000 unsecured and €100,000 secured.

The Credit Union complies with Regulation 12 of the Credit Union Act, 1997 (Regulatory Requirements) Regulations 2016. This Regulation:

- Restricts the concentration of lending by the Credit Union within certain sectors or to connected persons or groups (concentration limits);
- Restricts the absolute amount of lending to certain sectors to a set percentage of the regulatory reserve (large exposure limit);
- restricts the loan duration of certain loans to specified limits (maturity limits);
- requires specified lending practices to be in place where loans are made to certain sectors such as commercial loans, community loans or loans to another Credit Union.

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The carrying amount of the loans to members represents Clondalkin Credit Union Limited's maximum exposure to credit risk. The following table provides information on the credit quality of loan repayments. Where loans are not impaired it is expected that the amounts repayable will be received in full.

	2016		2015	
	€	%	€	%
LOANS NOT IMPAIRED				
Total Loans not Impaired	19,531,119	80.05	18,768,591	76.51
IMPAIRED LOANS				
Not past due	945,680	3.88	506,195	2.06
Up to 9 weeks past due	1,725,256	7.07	2,263,082	9.23
Between 10 and 18 weeks past due	349,226	1.43	300,572	1.23
Between 19 and 26 weeks past due	115,354	0.47	262,289	1.07
Between 27 and 39 weeks past due	229,867	0.94	287,484	1.17
Between 40 and 52 weeks past due	124,312	0.51	227,793	0.93
53 or more weeks past due	1,379,273	5.65	1,914,616	7.80
TOTAL IMPAIRED LOANS	4,868,968	19.95	5,762,031	23.49
TOTAL LOANS	24,400,087		24,530,622	

17. RELATED PARTY TRANSACTIONS

	No of Loans	2016
Loans advanced to related parties during the year	15	€82,490
Total loans outstanding to related parties at the year end	24	€200,447
Total provision for loans outstanding to related parties	1	€1,601

The related party loans stated above comprise of loans to members of the board of directors, the management team and members of the families of members of the board of directors and the management team of Clondalkin Credit Union Limited. Total loans outstanding to related parties represented 0.82% of the total loans outstanding at year end.

18. DIVIDENDS

The following distributions were made during the year

	2016		2015	
	Rate %	€	Rate %	€
Dividend on Shares	0.5	255,545	0.5	247,365

The Directors are proposing a dividend of 0.125% (€75,957) and a loan interest rebate of 5% (€104,332) on standard loans for approval by the members at the AGM.

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19. POST BALANCE SHEET EVENTS

There have been no post balance sheet events affecting the credit union since year end.

20. 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).

21. CAPITAL COMMITMENTS

The Credit Union has capital commitments in the sum of €43,370 in respect of works to upgrade its business continuity systems.

22. CONTINGENT LIABILITIES

The Credit Union had no contingent liabilities at year end.

23. COMPARATIVE INFORMATION

Comparative information has been reclassified where necessary to conform with current year presentation.

24. TRANSITION TO FRS 102

This is the first financial year that Clondalkin Credit Union Limited has presented the financial statements complying with FRS 102. The last financial statements under Irish GAAP were for the financial year ended 30 September 2015. Clondalkin Credit Union Limited's date of transition to FRS 102 is 1 October 2014. Set out below are the changes in accounting policies which reconcile the excess of income over expenditure for the financial year ended 30 September 2015 and reserves as at 1 October 2014 and 30 September 2015 between Irish GAAP as previously reported and FRS 102.

Reconciliation of excess of income over expenditure from Irish GAAP to FRS 102

	Note	30/09/2015 €
Surplus as previously reported		972,942
Bad debt loan provisioning impact of FRS 102	(a)	97,023
Accruals basis of income recognition	(b)	-2,118
Surplus in accordance with FRS 102		1,067,847

Reconciliation of reserves from Irish GAAP to FRS 102

	30/09/2015 €	30/09/2014 €
Opening balance as previously stated at 01 October	9,243,837	8,570,664
Bad debt loan provisioning impact of FRS 102	-36,612	-133,635
Accruals basis of income recognition	82,776	84,894
Reserves in accordance with FRS 102	9,290,001	8,521,923

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Note (a) – Bad debt provision

FRS 102 does not allow general provisions for bad debts, thereby resulting in an add-back of any general bad debt provisioning at 30 September 2014 and 30 September 2015.

Note (b) – Accruals basis for income recognition

Credit unions historically account for interest income on a cash receipts basis. FRS 102 requires that income be accounted for on an accruals basis. Interest earned as at 30 September but not received until after September is now accrued at 30 September. The correction is retrospective.

SUPPLEMENTARY INFORMATION RELATING TO THE FINANCIAL STATEMENTS

The following schedules do not form part of the statutory financial statements which are the subject of the Independent Auditor's Report on pages 12 to 13.

SCHEDULE 1 – INTEREST ON MEMBERS' LOANS

	2016	2015
	€	€
Loan interest income received	2,394,484	2,442,927
Loan interest income receivable	58,965	82,776
TOTAL PER INCOME AND EXPENDITURE ACCOUNT	2,453,449	2,525,703

SCHEDULE 2 - OTHER INTEREST INCOME AND SIMILAR INCOME

	2016	2015
	€	€
Investment income received at balance sheet date	335,774	415,368
Investment income receivable within 1 year	270,312	239,909
TOTAL PER INCOME AND EXPENDITURE ACCOUNT	606,086	655,277

SCHEDULE 3 - OTHER INCOME

	2016	2015
	€	€
ECCU Claims Experience Refund	69,081	26,853
Commission	18,316	12,025
Rent Received	-	36,663
TOTAL PER INCOME AND EXPENDITURE ACCOUNT	87,397	75,541

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SUPPLEMENTARY INFORMATION RELATING TO THE FINANCIAL STATEMENTS

SCHEDULE 4 - OTHER MANAGEMENT EXPENSES

	2016	2015
	€	€
Rates	42,021	43,322
Lighting, Heating and Cleaning	32,300	32,084
Repairs and Renewals	7,564	5,626
Security	952	5,077
Printing and Stationery	25,227	30,748
Postage and Telephone	28,136	24,001
Donations & Sponsorships	32,553	383
Debt Collection	3,761	4,669
Promotion and Advertising	27,154	21,592
Education & Training	23,259	28,269
Convention/Chapter Expenses	29,542	18,472
General Meeting Expenses	18,000	21,788
Travel & Subsistence	-	1,731
Entertainment Costs	350	3,333
Bank Charges	59,518	48,564
Audit Fee	33,981	21,302
General Insurance	22,045	27,964
Share & Loan Insurance	301,655	291,837
Legal and Professional Fees	196,221	320,175
Maintenance Contracts	75,022	146,313
Miscellaneous Expenses	26,734	26,166
Death Benefit Insurance	81,677	88,873
Affiliation/Registration Fees	80,605	58,728
TOTAL PER INCOME AND EXPENDITURE ACCOUNT	1,148,277	1,271,017

Statement of Board Oversight Committee Responsibilities

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 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 met collectively on 12 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.

Andrew Dunne
Chair of the Committee.
21 December 2016

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:

- (i) Identifying candidates to be nominated for appointment to the board of directors;
- (ii) Accepting nominations of candidates proposed to be appointed to the board of directors;
- (iii) Proposing candidates for election by a general meeting to be members of the board of directors;
- (iv) Informing candidates of the time commitment expected from them in respect of their role as a member of the board of directors;
- (v) Ensuring there is an appropriate succession plan in place for the board of directors;
- (vi) Ensuring that each director is given adequate induction to his/her role on the board of directors;
- (vii) Arranging training for the members of the board of directors; and
- (viii) 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 2016

This year there are vacancies for an auditor, two members of the board oversight committee and four directors.

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 oversight committee and board of 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 oversight committee and board of directors 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.

Auditor

Philip Monahan FCA, Keveny Monahan & Co., Chartered Accountants & Statutory Audit Firm, being willing and eligible, is nominated for election to the position of auditor of the credit union for the year ending 30th September 2017.

Report of the Nomination Committee

Board Oversight Committee

There are (2) vacancies to be filled on the board oversight committee at the AGM. The candidates being nominated to fill the vacancies on the board oversight committee are:

- Carol Donohue
- Susan Reid

Board of Directors

There are four (4) vacancies on the board of directors to be filled at the AGM. The candidates being nominated to fill the vacancies on the board of directors are:

- Dean Alford
- Kieran Carroll
- Noel Molloy
- Tommy Quinn

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

Anne Brougham
Chair of the Committee.
21 December 2016

Report of 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 2016 the committee met on 47 occasions and considered a total of 5,716 applications for loans. 5,442 applications totalling €13,684,655 were granted during the year, an increase of €1,632,651 over the previous year.

Regretfully 264 applications amounting to €1,474,986 were not approved this year.

The following tables show the main categories for which loans were approved this year.

Loans Approved by Amount €	2016		2015	
	Number	Amount €	Number	Amount €
0 – 500	927	345,646	1,061	386,925
501 – 2,000	2,754	3,521,013	2,710	3,424,273
2,001 – 5,000	1,192	4,179,402	1,111	3,853,338
5,001 – 10,000	419	3,186,045	379	2,889,536
10,001 – 15,000	99	1,330,574	53	679,982
15,001 – 25,000	41	814,080	34	646,800
Over €25,000	10	307,895	5	171,150
Total	5,442	13,684,655	5,353	12,052,004

Loans Approved by Time Period	2016		2015	
	Number	Amount €	Number	Amount €
Less than 1 Year	1,792	2,145,178	1,801	1,983,861
1 to 3 Years	1,956	4,713,006	1,873	4,221,435
3 to 5 Years	1,652	6,595,879	1,649	5,771,959
Over 5 Years	42	230,592	30	74,749
Total	5,442	13,684,655	5,353	12,052,004

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 a credit agreement. It is important that members provide accurate information at the time of making their applications. To ensure that applications can be dealt with as speedy as possible, members are requested to provide up-to-date proof of income and expenditure in the form of current consecutive payslips (2), recent bank statements (3 months) or latest certified accounts (where applicable). Failure to provide accurate information may result in a delay in receiving loan approval.

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

Margaret Heffernan
Chair of the Committee
21 December 2016

Report of 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.

In accordance with its terms of reference, the committee meets at least monthly to review the performance of the credit union's loan book. This ensures that loans in arrears are identified at an early stage and remedial action undertaken in line with credit union policy. I am pleased to report that the loan arrears position in the credit union improved over the year ended 30 September 2016.

Members who are experiencing difficulty with their agreed loan repayments should contact the credit union immediately their financial circumstances change. Failure to do so could result in their loans going into arrears which could potentially damage their credit rating.

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.

The number of arrears letters issued during the year ended 30 September 2016 was 4,806 and I am pleased to report that the vast majority of members reacted positively to the letters. The committee approved 30 applications for loan rescheduling (47 in 2015). I wish to remind members that rescheduling a loan will restrict access to further credit in accordance with the Central Bank Section 35 Regulatory Requirements.

A total of 110 loans in the sum of €388,562.55 were transferred to the credit union's bad debts register during the year ended 30 September 2016, a reduction of €96,469, over the previous year.

Bad debts recovered amounted to €341,840, an increase of €21,079 over 2015.

In conclusion, on behalf of the committee, I wish to thank the board of directors, credit control manager and credit union staff for the support given to the committee during the year.

Tommy Quinn
Chair of the Committee
21 December 2016

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 2016 with comparative figures for the previous year.

	2016	2015
Membership at start of year	20,119	15,927
New members admitted during the year	1,057	1,040
Transfer of Engagements	-	4,029
Accounts closed during the year	653	827
Number of members who died during the year	74	50
Number of members at year end	20,449	20,119

Who may become a Member of Clondalkin Credit Union?

Any person who lives or works in Clondalkin, Saggart, Rathcoole, Brittas or Newcastle may become members of Clondalkin Credit Union.

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

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

Insurance Benefits

Clondalkin Credit Union provides Loan Protection Insurance Cover, 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 22 loans to the value of €89,741.60 were repaid under this policy.

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

This year 82 Life Savings claims and 77 Death Benefit claims were paid totalling €274,456.86 and €100,100 respectively.

Should you have any queries regarding membership of the credit union please call into any of our offices 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
21 December 2016

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 69 applications for funding totalling €33,228.09. Since the CDF was established the credit union has made a total of €543,633 in charitable donations and contributions to community projects.

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

Round Towers GAA Club	Clondalkin Arts Group
Moyle Park College	Clondalkin Youth Theatre
Clondalkin Toastmasters	Clondalkin Drama Group
Rathcoole Community Council	Deansrath Community College
Clondalkin Indoor Bowling Club	Clondalkin Women's Group
Clondalkin ICA	St. Vincent De Paul
Clondalkin Animal Aid	Bawnogue Youth & Community Centre
Clondalkin Rugby Club	An Caislean Nua Badminton Club
Bawnogue Unemployed Group	Clondalkin Active Retirement Association
Sacred Heart School, Shruleen	Clondalkin Chamber of Commerce
St Johns Church, Clondalkin	Holy Family School, Rathcoole
Peamount United FC	Colaiste Chillian
St Marys GFC, Saggart	Neart Le Cheile
St Francis GFC, Baldonnell	

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.
21 December 2016

Motions & Rule Amendments

Motion No 1

“That the members of Clondalkin Credit Union Limited hereby resolve that Transfers of Engagements into Clondalkin Credit Union Limited during the calendar year 2017 may be effected by way of Board Resolution subject to the approval of the Central Bank of Ireland in accordance with the provisions of the Credit Union Act 1997 (as amended)”

Motion No 2

That Rule 13(2) of the Rules of the Credit Union is amended to read as follows:

(2) A person shall be treated as having the qualification required for admission to membership of the credit union if he is a member of the same household as, and is a member of the family of, another person who is a member of the credit union and who has a direct common bond with those other members. However, a child or step-child of a member, where such child or step-child is under the age of 18 years and living outside the common bond but resident in the Republic of Ireland or the United Kingdom, shall not be precluded from membership of the credit union.

Motion No 3

That Rule 34 (4) of the Rules of the Credit Union is amended to read as follows:

(4) The credit union may make loans to persons ceasing to have the common bond required of members of the credit union provided the total amount outstanding in respect of all such loans shall not exceed 25 per cent., or such larger percentage as may be approved by the Bank, of the total amount outstanding in respect of all loans made by the credit union to its members.

Motion No 4

That Rule 5 (1) (vi), (vii) and (viii) are is amended to read as follows:

- (vi) the improvement of the well-being and spirit of the members' community;
- (vii) the provision of the following additional service(s) by the credit union to the members subject to the prior approval of the Registrar of Credit Unions and any other permissions or licences that may be required by law: Member Personal Current Account Services; and
- (viii) subject to section 48 of the Act, the provision to its members of such additional services as are for their mutual benefit.

Deposit Guarantee Scheme - Member Information

Clondalkin Credit Union Limited is a member of the Deposit Guarantee Scheme (DGS).

A new EU Directive on Deposit Guarantee Schemes (2014/49/EU) has been transposed into Irish law. The EU Directive is aimed at harmonisation and simplification of protected deposits, a faster pay-out and improved financing of DGS schemes. In addition, new depositor information requirements have been introduced in order to ensure that depositors are aware of the key aspects of protection of their deposits by the DGS.

The following is the Standard Notification containing useful information about the DGS which has been approved for distribution to members.

Clondalkin Credit Union Limited Deposit Guarantee Scheme – Depositor Information Sheet	
Basic information about the protection of your eligible deposits	
Eligible deposits in Clondalkin Credit Union Limited are protected by:	the Deposit Guarantee Scheme (“DGS”) ⁽¹⁾
Limit of protection:	€100,000 per depositor per credit institution ⁽²⁾
If you have more eligible deposits at the same credit institution:	All your eligible deposits at the same credit institution are ‘aggregated’ and the total is subject to the limit of €100,000 ⁽²⁾
If you have a joint account with other person(s)	The limit of €100,000 applies to each depositor separately ⁽³⁾
Reimbursement period in case of credit institution’s failure:	20 working days ⁽⁴⁾
Currency of reimbursement:	Euro
To contact Clondalkin Credit Union Limited for enquiries relating to your account:	Clondalkin Credit Union Limited 22 Main Street Clondalkin Dublin 22 Tel: 01 4570884 Email: info@clondalkincu.ie
To contact the DGS for further information on compensation:	Deposit Guarantee Scheme Central Bank of Ireland PO BOX 11517 Spencer Dock North Wall Quay Dublin 1 Tel: 1890-777777 Email: info@depositguarantee.ie
More information:	www.depositguarantee.ie

Deposit Guarantee Scheme - Member Information

Additional information

(1) Scheme responsible for the protection of your deposit

Your deposit is covered by a statutory deposit guarantee scheme. If insolvency should occur, your eligible deposits would be repaid up to €100,000.

(2) General limit of protection

If a covered deposit is unavailable because a credit institution is unable to meet its financial obligations, depositors are repaid by the DGS. This repayment covers at maximum €100,000 per person per credit institution. This means that all eligible deposits at the same credit institution are added up in order to determine the coverage level. If, for instance, a depositor holds a savings account with €90,000 and a current account with €20,000, he or she will only be repaid €100,000.

(3) Limit of protection for joint accounts

In case of joint accounts, the limit of €100,000 applies to each depositor. However, eligible deposits in an account to which two or more persons are entitled as members of a business partnership, association or grouping of a similar nature, without legal personality, are aggregated and treated as if made by a single depositor for the purpose of calculating the limit of €100,000.

In some cases eligible deposits which are categorised as “temporary high balances” are protected above €100,000 for six months after the amount has been credited or from the moment when such eligible deposits become legally transferable. These are eligible deposits relating to certain events which include:

- (a) certain transactions relating to the purchase, sale or equity release by the depositor in relation to a private residential property;
- (b) sums paid to the depositor in respect of insurance benefits, personal injuries, disability and incapacity benefits, wrongful conviction, unfair dismissal, redundancy, and retirement benefits;
- (c) the depositor’s marriage, judicial separation, dissolution of civil partnership, and divorce;
- (d) sums paid to the depositor in respect of benefits payable on death; claims for compensation in respect of a person’s death or a legacy or distribution from the estate of a deceased person.

More information can be obtained at www.depositguarantee.ie

(4) Reimbursement

The responsible deposit guarantee scheme is:

Deposit Guarantee Scheme, Central Bank of Ireland, PO Box 11517, Spencer Dock, North Wall Quay, Dublin 1.
Tel: 1890-777777. Email: info@depositguarantee.ie. Website: www.depositguarantee.ie

It will repay your eligible deposits (up to €100,000) within 20 working days until 31 December 2018; within 15 working days from 1 January 2019 until 31 December 2020; within 10 working days from 1 January 2021 to 31 December 2023; and within 7 days from 1 January 2024 onwards, save where specific exceptions apply. Where the repayable amount cannot be made available within seven working days depositors will be given access to an appropriate amount of their covered deposits to cover the cost of living within five working days of a request. Access to the appropriate amount will only be made on the basis of data provided by the credit institution. If you have not been repaid within these deadlines, you should contact the deposit guarantee scheme.

Other important information

In general, all retail depositors and businesses are covered by the Deposit Guarantee Scheme. Exceptions for certain deposits are stated on the website of the Deposit Guarantee Scheme. Your credit institution will also inform you on request whether certain products are covered or not. If deposits are eligible, the credit institution shall also confirm this on the statement of account.

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;
Anne Brougham, Kieran Carroll and James A Foster.

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.

Member Complaints Procedure

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.



Clondalkin Credit Union Limited



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