



CLAREMORRIS
CREDIT UNION
SAINT COLMANS



2009

ANNUAL GENERAL MEETING DECEMBER 17TH 2009

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You are cordially invited

to attend the **Annual General Meeting** of St. Colman's (Claremorris) Credit Union which will be held in **The McWilliam Park Hotel** on **Thursday, December 17th, 2008 at 9.00pm.**

Agenda for A.G.M.

- | | |
|---|---|
| 1 Acceptance of any proxies by Board of Directors. | 10 Credit Control Cmte Report. |
| 2 Ascertainment that Quorum is present. | 11 Membership Cmte Report. |
| 3 Standing Orders Adopted. | 12 Report of the Education & Promotion Cmte. |
| 4 Reading and approval (or correction) of the minutes of last A.G.M. | 13 Nominating Cmte Report. |
| 5 Board of Directors Report. | 14 Appointment of Tellers. |
| 6 Treasurer & Auditor Report. Consideration of the Accounts. | 15 Election of Directors, Supervisors & Auditor. |
| 7 Declaration of Proposed Dividend. | 16 Rule changes & amendments. |
| 8 Supervisory Cmte Report. | 17 Any other Business. |
| 9 Credit Cmte Report. | 18 Announcement of Election Results. |
| | 19 Close of Meeting. |

Elections: Directors, Supervisors, Auditor

There are five vacancies on the Board of Directors this year. There is one vacancy on the supervisory committee, in addition the Auditor is elected annually.

It is the function of the Nominating Committee to ensure that these vacancies are filled. Further nominations may be made in writing signed by a proposer and seconder (who shall be members of the Credit Union) and also by the nominee to indicate his/her consent and should be addressed to the Secretary at the registered office at least 3 days before the A.G.M.

John Kirrane

Hon. Secretary.

Directors Report

Directors present their annual report with the financial accounts of the Credit Union for the year ended 30th September 2009. A statement of directors responsibilities is set out in this document.

Review of the Year

The Credit Union had a surplus of income over expenditure of €859,505 compared with a surplus of €2.899m in 2008. The 2008 surplus was boosted by a recovery of previous losses on investments. The actual performance for 2009 was very similar to 2008 before the additional provision for Bad Debts.

Bad Debts Provision and Write-Offs

We have kept the matter of bad debts under close review and a huge amount of our management and staff resources have been channelled into the area to ensure that these provisions and write-offs are kept to a minimum.

The actual provision is increased to €3,362,769 and we have been pro-active in writing off bad debts in accordance with operating standards. The write-offs in 2009 were €663k compared with €171k in 2008.

We wish to assure members that these write-offs will continue to be pursued and all necessary action will be taken to achieve the maximum recovery for the Credit Union. In 2009 we collected €105k which had previously been written off in the accounts, this exceeded the two previous financial years combined.

Dividends

The Board have carefully considered the amount that should be paid in dividends. We have recommended a 2.25% dividend at a cost of €1,309,774. As members will be aware, shares are available for withdrawal on demand, therefore our dividend is directly comparable to a demand deposit rate at any other financial institution and as such, is far superior. We believe that this dividend is an excellent return for members, given the current economic backdrop and will also be amongst the highest paid by any Credit Union in the Country.

Risks and Outlook

The economic environment continues to be extremely challenging with understandable pressure on some portions of our loan book. The demand for Credit has fallen across all financial institutions including ourselves and as a consequence, we estimate that loan interest will continue to fall marginally.

We have prudently removed virtually all risk from our investment book and over 80% of our investments are now short to medium term deposits. Any equity based investments we hold are largely in with profit and capital guaranteed products and the funds are safe provided these are held to maturity.

We have appointed a new general manager who is actively reviewing all aspects of the Credit Unions activities and we expect that efficiencies and savings will result in the medium term.

Directors Report

Transfers to Reserves

In accordance with the Credit Union Acts we have made a transfer of 10% of the surplus for the year to the Statutory Reserve. The reserve now stands at €6,639,650 an increase of €85,950. There are also transfers to other reserves and these are fully detailed in note 4 of the accounts.

Auditors

The Auditors Jim Finan & Company offer themselves for re-appointment in accordance with the Credit Union Act 1997.

Signed on behalf of the Board of Directors

Brendan Mellett, Chairman

Statement of Directors Responsibilities

The Credit Union Act 1997 requires the directors to prepare financial statements for each financial year which give a true view of the affairs of the Credit Union and of the income and expenditure account of the Credit Union for that period.

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

- ❖ Select suitable accounting policies and then apply them consistently.
- ❖ Make judgments and estimates that are responsible 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 to enable them to ensure that the financial statements comply with the Credit Union Act 1997. 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. The books and records are maintained at the Credit Union at the Square, Claremorris, Co Mayo.

Statement of Supervisory Committees Responsibilities

The Credit Union Act 1997 requires the appointment of a Supervisory Committee which will oversee directors in the performance of their functions, examine books and documents of the Credit Union and verify a sample of members balances.

Auditors Report

For The Year Ending 30th September 2009

We have audited the financial statements of St. Colman's (Claremorris) Credit Union Ltd for the year ended 30th September 2009 which comprise the Income and Expenditure Account, Balance Sheet, the Cash Flow Statement, and the related notes.

These financial statements have been prepared under the accounting policies set out therein and the accounting standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practices in 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. Our audit work has been undertaken so that we might 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 in the statement of Director's Responsibilities the Credit Union directors are responsible for the preparation of the financial statements in accordance with applicable law and Irish Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board in Ireland and the United Kingdom.

We report to you our opinion as to whether the financial statements give a true and fair view in accordance with Generally Accepted Accounting Practice, and are properly in accordance with the Credit Union Act 1997. We also report to you whether in our opinion, proper accounting records have been kept by the Credit Union and whether the information given in the Directors' Report is consistent with the financial statements. In addition we state whether we have obtained all the information and explanations necessary for the purpose of our audit and whether the Credit Union's balance sheet and its income and expenditure are in agreement with the books of account.

We read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors Report.

We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information. These financial statements have been prepared under the accounting policies set out therein.

Auditors Report

For The Year Ending 30th September 2009

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ire) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Credit Union's circumstances consistently and adequately disclosed.

We planned and preformed our audit so as to obtain all the information and explanations which we consider necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion, the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the Credit Union's affairs as at 30th September 2009 and its income and expenditure for the year then ended and have been properly prepared in accordance with the provisions of the Credit Union Act 1997, except for the following matters:

The Credit Union has not complied with Section 35 of the Credit Union Act 1997 which sets out the amount and ratios of loans which may be granted for various periods. This is dealt with in note 18.

All the information and explanations which we consider necessary for the purposes of our audit have been obtained. In our opinion, proper books of account have been kept by the Credit Union. The financial statements are in agreement with the books of the account.

In our opinion the information given in the Director's Report is consistent with the financial statements.

Jim Finan & Associates,

Registered Auditor & Chartered Accountants,

25th November 2009

Income & Expenditure Account

For The Year Ending 30th September 2009

	NOTE	2009 €	2008 €
Interest on members loans		1,458,520	1,601,905
Other interest receivable	Sch 1	2,049,999	2,587,501
Net interest income		3,508,519	4,189,406
Other income	Sch 2	56,007	50,564
Total income		3,564,526	4,239,970

Expenditure

Salaries and related costs		357,276	260,759
Other management expenses	Sch 3	1,215,189	812,970
Depreciation	3	52,644	56,917
Increase in provision for doubtful debts	1.6	1,185,006	270,263
Bad debts recovered		-105,094	-60,330
Total expenditure		2,705,021	1,340,579

Excess of income over expenditure		859,505	2,899,391
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Release from distribution reserve	4	1,887,638	791,594
Release from other reserves	4	606,320	0
Undistributed surplus from 2008	4	708	708
		2,494,666	792,302
		3,354,171	3,691,693

Transfer to statutory reserve		85,950	289,939
Transfer to unrealised income reserve	4	122,000	0
Non-statutory regulatory reserve	4	169,505	0
Dividend paid	4	1,887,638	791,594
Transfer to reserve for future dividends	4	1,089,078	2,609,452
Total distributions		3,354,171	3,690,985
Undistributed surplus at year-end		0	708

On behalf of the Credit Union 25/11/09

Luke O'Malley
Treasurer

John Timothy
Supervisor

Brendan Mellett
Chairman

Balance Sheet

For The Year Ending 30th September 2009

	NOTE	2009 €	2008 €
Cash and balances at bank		877,817	1,058,958
Deposits and investments	1.4 & 18	50,189,877	45,380,567
Loans to members	18	19,675,501	22,380,281
Less provision for doubtful debts	1.6	-3,362,769	-2,177,763
Tangible fixed assets	3	692,968	688,027
Prepayments and accruals		18,158	11,275
Total assets		68,091,552	67,341,345

Liabilities

Members shares	16	58,599,332	56,616,329
Other liabilities, creditors, accruals and charges (incl. DIRT)	17	66,767	271,430
		58,666,099	56,887,759

Members Resources

Statutory reserve	1.7 & 4	6,639,650	6,553,700
Additional regulatory reserve	1.7 & 4	169,505	0
Total regulatory reserves		6,809,155	6,553,700
Other reserves	1.7 & 4	2,616,298	3,899,886
		9,425,453	10,453,586

Total Liabilities and Reserves		68,091,552	67,341,345
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On behalf of the Credit Union 25/11/09

Luke O'Malley **John Timothy** **Brendan Mellett**
Treasurer Supervisor Chairman

Notes to the Accounts

For The Year Ending 30th September 2009

1. Significant Accounting Policies

1.1 Accounting Convention

The Financial Statements are prepared under the historical cost convention.

1.2 Income Recognition

Interest on Members Loans is recognised when payment is received as specified in Section 10(1)(C)(i) of the Credit Union Act, 1997 (i.e. on a cash basis).

a) Deposits: Credit when the income is earned. Where the fixed deposit term is in excess of one year the appropriate part is credited to the current year on the assumption that they will be held to maturity and not subject to penalties for early encashment.

b) Guaranteed Bonds: Where there is a guarantee of capital plus a guaranteed return at the maturity date, the income is credited on an annualised basis. No credit is taken until maturity on any investments which may pay a premium on maturity.

1.3 Depreciation

Depreciation is provided on a straight-line basis over the expected lives of the tangible assets:

	2009	2008
Freehold Premises	2% on cost	2% on cost
Computer Equipment/ATM	25% on cost	25% on cost
Other Fixed Assets	10% on cost	10% on cost

1.4 Investments

Investments are valued at the lower of cost or net realisable value except that where there is a guaranteed return provided the investments are held to maturity then the market value is assumed to be the guaranteed return.

1.5 Pension Costs

The Credit Union operates a defined contribution pension scheme on behalf of employees. The Credit Union's contribution were charged in the Profit & Loss Account.

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 30th September 2009 based upon the number of weeks a loan is in arrears. The total provision at 30th September 2009 was €3,362,769. The provision is based on the computerised calculation of arrears as per Resolution 49 of the Irish League Credit Unions plus additional provisions which are deemed to be prudent.

1.7 Reserves

a) The Credit Union Act requires that at least 10% of the surplus for the year be transferred to the Statutory Reserve. This reserve may not be reduced.

b) Reserve for Unrealised Income Where the receipt of the income is not expected for a period of one year, at least, then the unrealised income is credited to the reserve. The income may be released from the reserve as it is realised.

c) Non-Statutory Regulatory Reserve The Financial Regulator requires that the Statutory Reserve and the Non-Statutory Regulatory Reserve when taken together should amount to 10% of the gross assets.

Notes to the Accounts

For The Year Ending 30th September 2009

2. Cash Flow Statement

	2009 €	2008 €
Opening Cash and Investments	46,439,525	57,766,176

Receipts

Members Shares	27,863,199	33,349,793
Members Loans Repaid	7,653,556	9,802,231
Members Loan Interest Received	1,458,520	1,601,905
Investment Interest Received	2,049,999	2,587,501
Bad Debts Recovered	105,094	60,330
Other Receipts	56,007	50,564
	39,186,375	47,452,324
Total	85,625,900	105,218,500

Disbursements

Members Shares	25,880,196	47,673,635
Increase in Debtors	6,883	0
Members Loans Granted	4,948,776	9,325,917
Decrease in Creditors	204,663	-87,700
Dividends Paid	1,887,638	791,594
Operating Expenses	1,572,465	1,073,729
Fixed Assets Purchased	57,585	1,800
Total	34,558,206	58,778,975

Closing Cash and Investments	51,067,694	46,439,525
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Notes to the Accounts

For The Year Ending 30th September 2009

3. Tangible Fixed Assets

	Computer Equip.	A.T.M. Equip.	Fixtures Fittings	Freehold Property	TOTAL
Cost or Valuation	€	€	€	€	€
AT 30 Sept 2008	229,647	76,521	203,153	753,964	1,263,285
Additions					
in the Year	46,926	0	2,581	8,078	57,585
AT 30 Sept 2009	276,573	76,521	205,734	762,042	1,320,870

Depreciation

AT 30 Sept 2008	229,647	57,390	196,846	91,375	575,258
Charge for					
the Year	9,385	19,131	8,888	15,240	52,644
AT 30 Sept 2009	239,032	76,521	205,734	106,615	627,902

Net Book Value

AT 30 Sept 2009	37,541	0	0	655,427	692,968
AT 30 Sept 2008	0	19,131	6,307	662,589	688,027

4. Reserves

	Balance 30 Sept '09	Transfers 30 Sept '09	Dividends Paid	Balance 30 Sept '09
	€	€	€	€
Statutory Reserve	6,553,700	85,950		6,639,650
Additional Regulatory Reserve	0	169,505		169,505
	6,553,700	255,455		6,809,155
Unrealised Income Reserve	0	122,000		122,000
General Reserve	606,320	-606,320		0
Reserve for				
Future Dividends	3,292,858	1,089,078	1,887,638	2,494,298
Undistributed Surplus	708	-708		0
	3,899,886	604,050	1,887,638	2,616,298

Notes to the Accounts

For The Year Ending 30th September 2009

6. Proposed Dividend

The Dividends proposed by the directors are as follows:

	2009	2008
	2.25%	3%
	€	€
Gross Dividend on Shares	1,309,774	1,923,000

7. Post Balance Sheet Events

The directors have considered the effect of the global fall in stock markets in making provision for losses.

8. Honorarium to Treasurer

The directors recommend that the Treasurer be paid a gross honorarium for the year ended 30th September 2009 of €10,400. This is an accumulation of unpaid Honorariums for previous years.

9. Related Party Transactions Directors & Other Officers

The total loan balances at 30th September 2009 was €255,130 (17 loans)

10. Insurance Against Fraud

The Credit Union has insurance against fraud in the amount of €1.27m in compliance with Section 47 of the Credit Union Act 1997.

11. Pensions

The Credit Union does operate a contribution based pension scheme for staff and the Credit Unions contributions are included with wages and salaries in the accounts. The amount paid in 2009 was €18,000

12. Capital Commitments

There were no capital commitments at the year end.

13. Interest Rates charged on Members Loans

The rate of interest charged is 7.79% APR on the outstanding balance. There are special rates for car loans and secured loans, subject to availability.

14. Contingent Liabilities

The Credit Union holds a number of investments products that are guaranteed to Provide a full return of capital provided they are held to maturity. In the unlikely event that these policies were to be cashed before maturity the Encashment value could be significantly lower than the balance sheet value.

15. Bank and Other Loans

There were no bank loans or overdrafts at the year end.

Notes to the Accounts

For The Year Ending 30th September 2008

16. Members Shares Regular Share Accounts

	2009	2008
	€	€
Regular Share Accounts	58,599,332	56,616,329
Total Per Balance Sheet	58,599,332	56,616,329

17. Other Liabilities, Creditors, Accruals & Charges (incl. DIRT Tax)

	2009	2008
	€	€
Income Equalisation Acc.	0	99,980
Audit Fees	17,700	21,000
Other Accruals	21,028	44,887
DIRT	91	81,563
PAYE/PRSI	27,948	24,000
Total Per Balance Sheet	66,767	271,430

18. Deposits and Investments

	€m
Deposits maturing in less than 6 months	31.3
Deposits maturing in 6 - 12 months	3.7
Deposits maturing in 12 - 24 months	1.7
Deposits maturing in over 24 months	5.9
Total Deposit	42.6

Other Investments	€m
Maturing in less than 6 months	.5
Maturing in 6 - 12 months	1.5
Maturing in 1 - 2 years	3.8
Maturing in 2 - 3 years	0
Maturing in over 3 years	1.8
Total Investments	7.6

Total deposits and Investments	50.2
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Notes to the Accounts

For The Year Ending 30th September 2009

19. Loans Ratios

The Credit Union Act requires that the following limits shall apply to loans:

Loans exceeding 5 years 20% of total loans

Loans exceeding 10 years 10% of total loans

As at 30th September 2009 the following was the situation:

	€	%
Loans exceeding 5 years	3,556,733	18
Loans exceeding 10 years	4,623,972	23

The above were outside of the parameters laid down in the Act. Steps have been taken to redress the situation by only granting short term (up to 5 years) loans until the situation is in full compliance with the Act.

20. Analysis of Investment Income

	€
Total Income Receivable	2,049,999
Amount not receivable for more than 12 months	122,000
Amount attributable to 2008/2009	1,927,999

21. The accounts were approved by the Directors on 25th November 2009.

Schedule 1

Other interest receivable for the year ended 30th Sept. 2009

	2009	2008
	€	€
Investment income	2,049,999	2,587,501
Total per income & expenditure account	2,049,999	2,587,501

Schedule 2

Other income for the year ended 30th Sept. 2009

	2009	2008
	€	€
ECCU Rebate	880	0
Rent Receivable	37,000	37,000
Entrance Fees	129	187
Sundry Income	17,998	13,377
Total per income & expenditure account	56,007	50,564

Notes to the Accounts

For The Year Ending 30th September 2008

Schedule 3

Other management expenses for the year ended 30th Sept 2009

	2009	2008
	€	€
Treasurers Honorarium	10,440	2,000
Rent and Rates	9,835	13,218
Lighting, Heating and Cleaning	7,688	8,192
Repairs and Renewals	14,044	2,340
Printing, Stationery and Postage	24,344	22,903
Telephone	4,478	5,789
Advertising	19,769	50,330
Convention and Seminar Expenses	5,243	2,252
Chapter and AGM Expenses	3,960	500
Travel and subsistence	17,605	16,553
Bank Interest and Charges	2,366	5,578
Audit Fee	17,820	21,000
General Insurance	19,607	34,890
Share and Loan Insurance	156,618	168,372
Legal and Professional Fees	81,317	171,009
Computer Maintenance	39,322	24,795
Bad Debts Written Off	663,715	171,214
Miscellaneous Expenses	31,637	29,518
Affiliation and Registrars Fees	61,596	40,972
Dinner dance	6,771	961
IFRSA Fees	6,869	10,198
Education Fund	1,668	3,235
Irish Credit Bureau	1,205	0
ATM Costs	7,272	7,151
Total	1,215,189	812,970

ST. COLMAN'S (CLAREMORRIS) CREDIT UNION LTD.



Chairman: Brendan Mellett **Vice Chairman:** Pat Walsh

Secretary: John Kirrane **Treasurer:** Luke O'Malley

Other Directors: Sean Moran, James Maloney, Seamus Connaughton, Martina Gormally, Robert Cosgrove, P. J. McGrath, Jimmy Flynn

Supervisors: Tomás Ruane, Marian Cullinane, John Timothy

Registered Office: The Square, Claremorris, Co. Mayo

Registered Number: 336CU

Bankers: Ulster Bank, Claremorris, Co. Mayo

Solicitors: Maguire & Brennan, Claremorris, Co. Mayo

Auditors: Jim Finan & Company, Registered Auditors
Charter House, Linenhall Street, Castlebar, Co. Mayo

Opening Hours **Monday – Friday:** 10.00 – 5.30 pm
Saturday: 12.00 – 6.00 pm

Tel: 094 9371159
Fax: 094 9362249

Email: claremorriscu@eircom.net
www.claremorriscreditunion.com

Christmas Opening Hours

Wed. 23rd Dec 10.00 – 5.30

Thu. 24th Dec 10.00 – 12.00

Fri. 25th Dec Closed

Sat. 26th Dec Closed

Mon, 28th Dec Closed

Tues, 29th Dec Closed

Wed, 30th Dec 10.00 – 5.30

Thur. 31st Dec 10.00 – 1.00

Fri. 1st Jan Closed

Sat. 2nd Jan 12.00 – 6.00

Easier on YOU...