



Navan Road Office
Villa Park Gardens
Navan Road
Dublin 7
Tel: 01 838 6406
Fax: 01 868 1143

Blanchardstown Centre Office
Unit 326-327
The Blanchardstown Centre
Dublin 15
Tel: 01 838 6406
Fax: 01 820 8123

Castleknock Office
Laurel Lodge Road
Castleknock
Dublin 15
Tel: 01 838 6406
Fax: 01 820 1329



Community
CREDIT UNION

stronger together

Monday	10am to 12.30pm 2pm to 5pm	10am to 5pm	Closed
Tuesday	10am to 12.30pm 2pm to 5pm	10am to 5pm	10am to 12.30pm 2pm to 5pm
Wednesday	Closed	Closed	10am to 12.30pm 2pm to 5pm
Thursday	10am to 12.30pm 2pm to 7.30pm	10am to 5pm	10am to 12.30pm 2pm to 5pm
Friday	10am to 12.30pm 2pm to 5pm	10am to 7pm	10am to 12.30pm 2pm to 5pm
Saturday	Closed	10am to 5pm	10am to 12.30pm
Sunday	Closed	Closed	Closed

COMMUNITY CREDIT UNION

CHRISTMAS OPENING HOURS

Saturday 24th December	CLOSED (all offices)
Monday 26th December	CLOSED (all offices)
Tuesday 27th December	CLOSED (all offices)
Wednesday 28th December	CLOSED (all offices)
Thursday 29th December	TOWN CENTRE OFFICE (10am-5pm) & NAVAN ROAD OFFICE (10am-12.30pm & 2pm-5pm)
Friday 30th December	TOWN CENTRE OFFICE (10am-5pm) & LAUREL LODGE OFFICE (10am-12.30pm & 2pm-5pm)
Saturday 31st December	CLOSED (all offices)
Monday 2nd January	CLOSED (all offices)

Email: info@communitycu.ie

Web: www.communitycu.ie

Annual Report 2011

Notice of AGM

Tuesday 13th December 2011, 8pm sharp
Draíocht, The Blanchardstown Centre, Dublin 15

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Notice of Annual General Meeting

The Annual General Meeting of the members of Community Credit Union Ltd. will take place in the Draíocht Theatre, The Blanchardstown Centre, Blanchardstown, Dublin 15 on Tuesday 13th December 2011 at 8.00pm. Members are requested to bring this Report to the AGM.

(A shuttle bus service will be available from Our Lady Help of Christians Church on the Navan Road, at 7.15pm sharp to bring members to the meeting and will return to that point after the meeting at approximately 10pm).

Notice of Elections

▶ Elections will be held to fill four vacancies on the Board of Directors, two on the Supervisory Committee and the position of Auditor.

Our auditor, Grant Thornton, offer themselves for re-election in accordance with S115 of the Credit Union Act 1997 (as amended).

▶ Nominations for the positions of Director and/or Supervisor and/or Auditor must be in writing, signed by a proposer and seconder (who must be members of the Credit Union) and also by the person nominated so as to indicate his/her consent.

▶ Nomination Forms are available from each office and completed Nomination Forms must reach the Credit Union's Registered Office at least three working days before the date of the Meeting.

▶ All those nominated (other than for the position of Auditor) must be members of the Credit Union and have reached the age of 18 years.

notices

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 of minutes of the last AGM
5. Report of the Board of Directors
6. Report of the Treasurer
7. Report of the Auditor
8. Report of the Supervisory Committee
9. Report of the Credit Committee
10. Report of the Credit Control Committee
11. Report of the Membership Committee
12. Report of the Promotion & Development Committee
13. Report of the Nominating Committee
14. Motions
15. Appointment of Tellers
16. Elections (Auditor, Supervisors & Directors)
17. Prize Draw
18. Any other business
19. Announcement of election results
20. Adjournment of meeting

The members assembled at any General meeting may suspend the order of business upon a two thirds (2/3) majority of the members present at the meeting.

agenda

Notice of Motions

Rule Changes

Motion No. 1

Rule 1 set out a list of definitions for terms that are used throughout the Standard Rules. One of the definitions relates to the Central Bank, which is the governing authority for Credit Unions in Ireland and incorporates the name "Financial Services Authority" which is now not used by the Central Bank.

Motion:

That this Annual General Meeting agrees to amend Rule 1 of the Standard Rules for Credit Unions (Republic of Ireland) by the deletion of "and Financial Services Authority" where it appears in the definition of "bank" so to read as follows:

"Bank" means the Central Bank via the office of The Registrar of Credit Unions.

Motion No. 2

In 2010, the Civil Partnership and Certain Rights and Obligations of Cohabitants Act, 2010, was passed into law. It is proposed that the rules be amended to reflect this new legislation.

Motion:

That this Annual General Meeting agrees to amend Rule 1 of the Standard Rules for Credit Unions (Republic of Ireland) by the insertion of the following definition of "civil partner":

"Civil Partner" has the meaning assigned to it by the Civil Partnership and Certain Rights and Obligations of Cohabitants Act, 2010".

notices

Notice of Motions

Motion No. 3

Rule 44 sets out the basis upon which the Credit Union may make loans to members. And section 9 of the rule specifies when an officer of the Credit Union may act as a guarantor for another member's loan and it is proposed that the rule be amended to include civil partners.

Motion:

That this Annual General Meeting agrees to amend Rule 44 (9) 1 of the Standard Rules for Credit Unions (Republic of Ireland) by the insertion of "civil partner", after spouse where appearing in line 2 so as to read as follows:

(9) The Credit Union shall not accept from an officer of the Credit Union a guarantee for a loan to another member unless that other member is an officer's spouse, "civil partner", child or parent.

Motion No. 4

Rule 136 sets out the composition and responsibilities of the Nominating Committee, which is currently specified as comprising three members. It is proposed that this be amended to allow the committee to have more members if necessary.

Motion:

That this Annual General Meeting agrees to amend Rule 136 (2) 1 of the Standard Rules for Credit Unions (Republic of Ireland) by the insertion of "a minimum of", so as to read as follows:

(2) The nominating committee shall consist of "a minimum of" three members, at least one of whom shall be a director.

notices

Notice of Motions

Motion No. 5

Rule 152 sets out the eligibility of individuals for the role of Auditor to the Credit Union and subsection (2) excludes individuals that are deemed to be closely related to officers of the Credit Union.

Motion:

That this Annual General Meeting agrees to amend Rule 152 (2) 1 of the Standard Rules for Credit Unions (Republic of Ireland) by the insertion of "civil partner", after spouse where appearing in line 1 so as to read as follows:

(2) None of the following persons shall be qualified for election as auditor of the Credit Union:

(b) a parent, spouse, "civil partner", brother, sister or child of an officer or voluntary assistant of the Credit Union.



Michael Lacey
Honorary Secretary
Tuesday, 15th November 2011

notices

Board & Staff

Board of Directors

Stephen Harrison
Mary Byrne
Michael Lacey
Seamus McGrattan

President
Vice President
Hon. Secretary
Hon. Treasurer

Sean Hosford
Seamus O'Neill
Celine Parkes
Paul Rice
Michael Walsh

Supervisory Committee

Ada Healy
Michael Gorman

Staff

Aidan O'Brien
Deirdre Finn
Maureen Brogan

CEO
Head of Branch Operations
Head of Finance, ICT & Compliance

Maja Mijatovic

Admin Officer – Finance

Martin Holsgrove
Louise Walshe

Credit Control Department

Office Supervisors

Aoife Barron
Marianne Kinirons

Audrey Carr
Natasha Ryan-Moyles

Member Services

Des Boylan
Nancy Brady
Annette Brennan
Emma Carson
Olivia Cregg
Camilla Deasy
Fiona Forde
Emelie Gorman
Donna Hilliard

Margaret Higgins
John Long
Karen Lynch
Deirdre Murphy
Marie Murray
Sinead Murray
Helen O'Donnell
Gillian White

board & staff

President's Report



It gives me great pleasure to welcome you to our 49th Annual General Meeting.

This year the title of our Annual Report is "Stronger Together" and there has not been a time in living memory when this was as important as it is today. Since the collapse of our banking system in 2008, we have seen economic decline in our country, which has had a traumatic effect on the lives of our members. Many are experiencing unemployment, business failures and reductions in their income while, at the same time, taxes have increased with more increases to come.

Survival, on an individual basis is difficult for many people but we can get through this by joining together in the Credit Union. There is strength in numbers and, with 27,000 members, your Credit Union is very strong. In almost 50 years of operation we have built up assets of over €70 million, and strong reserves, to enable us to help our members through difficult times.

2010 and 2011 have been such years and one of our main objectives has been to assist members in difficulty. Our government tells us that there are more tough budgets on the way and unemployment is not expected to start falling until 2014. We must continue to pull together and use the strength of our numbers to work through this recession.

Overview of the Year

It is now over 20 months since we became Community Credit Union, through the first merger in the country of two substantial Credit Unions, and we have now completed our first full financial year.

The impact of this has been very positive and is evident both at the counter, and behind the scenes. Many members now regularly avail of our full branch network or are using the additional automated methods to transact their business with us. We have made a number of changes to internal processes to speed up our response times to loan applications and there has been a good take up of our range of deposit accounts, which offer different saving options.

We have seen a significant increase in membership with 1,402 new members welcomed during the year and many other members, whose accounts have been inactive, have returned to us for services which have become increasingly difficult to obtain elsewhere.

We are very encouraged by this renewed interest in our Credit Union and are working hard to continually improve, and extend, the service that we provide.

president's report

New Services

Some of the new services that will be rolled out in the coming months include:

E-cheques -

An automated credit transfer facility to improve the convenience of accessing money from the Credit Union by transferring it directly to your bank account.

Inbound debit cards -

Members will be able to pay into their account, either in the office, or over the telephone using their laser card.

ICB -

We will be joining the Irish Credit Bureau, which will help us maintain speedy processing of loan applications.

Improved Website -

Currently members registered on our website have 24/7 access to their account information and can communicate securely with us. This will be extended to enable them to transfer money between, and out of, their Credit Union accounts.

Central Bank & the Credit Union Commission Interim Report

In an effort to upgrade the Central Bank's powers to deal with the regulatory aspects of the banking crisis, the government has brought forward two significant pieces of legislation this year. In October, the Central Bank Institutions (Resolution) (No 2) Act was signed into Law and the Credit Institutions Stabilisation Bill will be at its second stage in December.

These pieces of legislation have a wide focus but Credit Unions are also within their scope.

In addition, specific legislation to modernise the law in relation to Credit Unions is being prepared. A working group drawn from various stakeholders, known as "The Credit Union Commission", has recently published an interim report outlining their views on the future of Credit Unions in Ireland to assist in preparing new legislation due out next year.

While adapting to the changes resulting from this legislation will require a lot of work, we welcome them as it should result in a stronger movement offering better services to members in the future.

Media Reporting

There have been many reports in the media this year about the Credit Union movement with much of this being quite negative. It has been said that a small number of Credit Unions are in serious difficulty and many others will require some level of recapitalisation.

This is true but, a general impression has often been given that many Credit Unions have been poorly governed, large losses have arisen because of irresponsible lending and investment practices and that members' savings could be at risk. This is NOT true. There are over 400 separate Credit Unions in the Republic of Ireland and while inevitably some will have made mistakes in certain aspects of their decision making, the main source of difficulties lies within the wider economy and the government's efforts to deal with the banking crisis.

President's Report (Continued)

The Position of Your CU

In relation to Community Credit Union, it is worth noting that:

- ▶ We have never granted large loans for property speculation or business start ups. We have always been clear about the role of our Credit Union as being a personal lender to our members and in the current financial year the average loan size was less than €3,000.
- ▶ The significant cost that we have incurred this year relating to our lending was primarily spent in supporting good members who have hit hard times through no fault of their own.

By allowing these loans be repaid over a longer period; arrears have developed which required additional provisions to be made against possible bad debts and held until the loan is eventually cleared.

In addition, where the financial difficulty of the member was extreme, we wrote off the loan to enable them to repay it without incurring additional interest.

In all cases we remain committed to supporting our members.

- ▶ We have always invested our surplus funds, using external professional advice, in secure, capital guaranteed, products which are fully compliant with Central Bank Guidelines.

This year, however, as part of their plan to recapitalise the banks, the government changed the law in relation to certain bank bonds, some

of which were held by Credit Unions, and this forced significant losses on many, including Community Credit Union.

- ▶ Despite the difficult year resulting from exceptional Loan Provisioning and the investment loss forced on us by the government, we remain strong as our reserves at the start of the year exceeded €7.5m, which covered the deficit this year by almost 7 times and our forecasts indicate that we will be in a position to build on them again during 2012.
- ▶ Your Board does not envisage requiring any external assistance to weather this current recession.
- ▶ Finally, members should always be aware that their savings are **SAFE**. All savings are backed by the assets of the Credit Union but there is also the additional government guarantee of €100,000 per member.

Financial Performance

The Treasurer's Report sets out in detail the results for the year, but as will be evident, we are reporting a deficit of €1.1m for the year ended 30th September 2011. This is both disappointing, and unusual.

It is disappointing insofar that the bulk of this loss (almost €1 million) has been imposed on our members to bail out the banks and, were it not for this, we would almost have covered all our costs, including the significant additional costs of assisting members on an individual basis with their loan repayments. Thankfully, it is also unusual.

President's Report (Continued)

Traditionally we have generated surpluses and have been in a position to generously reward both savers and borrowers. The strength of the Credit Union model will ensure that this is only a temporary setback and we are confident that we will return to a surplus position next year.

While we do not expect any further investments losses to be imposed on us next year, the Board considers it prudent to take all available actions to strengthen our income and reduce expenses next year.

In this regard we have taken the following steps:

Interest rates on NEW loans have been increased by an average 10% since 1st October. Our rates still represent excellent value but the interest charged must reflect the cost of this service, which has increased since 2010.

DBI (Death Benefit Insurance) will be withdrawn from 1st January 2012. This insurance benefit, which was introduced in recent years, is no longer appropriate in the current circumstances. It costs members €200,000 per year and this money could be better utilised at this time. All traditional savings and loan insurance remain fully in place.

We will be reducing the costs of our staff, who work tirelessly to provide services to members, from the New Year. The details of this are still being finalised but the savings will be significant.

Dividend

The Directors will not be proposing a dividend at the AGM.

Acknowledgements

As has been noted above, this has been a difficult year for everyone, including members and personnel of the Credit Union. It is very important during this difficult period that we remember our strengths and commitment that will carry us through these difficult times.

I have seen this amongst the members, who recognise what their Credit Union is doing for them and they, in turn, are doing their very best for the Credit Union.

I have seen this in the staff who deliver a quality, friendly and efficient service in all of our offices throughout the year and;

I have seen this in your voluntary Board of Directors and Supervisory Committee who give unstintingly of their time to steer the Credit Union through the troubled waters around us.

To each, and all, I extend my thanks and look forward to a better year ahead.

Stephen Harrison

Stephen Harrison
President
Tuesday, 15th November 2011

Treasurer's Report



I present the Financial Accounts for the year ended 30th September 2011, which is our first full year as Community Credit Union.

Please note that these accounts are presented in the correct statutory format, which means that the income and expenses shown for 2010, include the transactions of Premier Credit Union from 1st October 2009 to 31st December 2009 AND the transactions of Community Credit Union from 1st January 2010 to 30th September 2010, i.e. they DO NOT include the transactions of Clonsilla Credit Union for the period 1st October 2009 to 31st December 2009.

As requested at last year's meeting, a separate information sheet will be available at the AGM to provide further information to make comparisons between the years clearer.

Financial Objectives in 2011

This year we continued to focus on guiding the Credit Union through these difficult times.

At the outset it was clear that:

- ▶ The wider economic conditions meant that growth in lending would be difficult to achieve and therefore income from this source was unlikely to increase.
- ▶ The personal circumstances of many members were likely to continue to deteriorate with implications for loan arrears and bad debts. It was therefore essential that we continued to make adequate provisions in this area.
- ▶ It would be necessary to adjust our lending criteria to reflect the current environment and minimise the risk in the loan book.
- ▶ It was important to ensure that our investment portfolio contributed the maximum possible return to the overall results, while still being managed within prudent guidelines.

We have achieved these goals and the current position of the Credit Union is significantly better than suggested by the significant deficit shown for the year.

Financial Highlights

Total Income & Expenses

Interest on loans to members totalled €3.94m representing 99.4% of the interest charged on loans over the year, which is very positive considering the difficulties faced by members over the past 12 months and highlights the efforts being made by members to honour their commitments.

Income earned from investments increased to €1.162m representing an average return of 3.97% against 2.98% in 2010.

Total income (net of interest payments to deposit account holders) was €4.93m, 22% higher than last year.

Our total expenses for the year amounted to €6,057,558 and within this the three key figures were the bad debts provision (€1.30m), bad debts write off (€1.37m) and the investment losses (€0.92m).

Bad Debts Provisioning

Providing for possible loan losses is one of the key tasks in all Credit Unions at present as it is an unfortunate reality that most members have had a significant reduction in their income in 2011. In the majority of cases, however, members have continued to meet their agreed payments in full, but, in some cases they have not been able to do so and this has resulted in an increase in average loan arrears.

Our books indicate that in the majority of cases the loans will be repaid in full, but the extra time that we are extending to members requires us to be

prudent and make provision against the possibility that some of these loans may run into difficulty before full repayment is made.

The additional provision this year brings our total provision to €4.3m or approximately 10% of the total value of loans. This amount is regularly, and closely, reviewed to ensure its adequacy. It is lower than many Credit Unions and reflects the lower average risk in our loans.

Bad Debts Write Off

The significant bad debts write off is a recognition of the serious difficulties that a number of members have found themselves in. Where a member is struggling to maintain their loan and interest repayments, writing off their loan gives them a realistic chance to honour their commitment over time. It does, however, mean that they lose many of the benefits of their membership until the debt is repaid, so this is only done as a last resort.

Most members, who have had their loan written off, are making a genuine effort to repay it and the bad debts recovered in 2011 amounted to almost €104,000. We anticipate that this will increase significantly in 2012.

Treasurer's Report (Continued)

Investment Losses

Investments written off of just over €922,000 related to subordinated bonds in Irish Banks. At the outset of the year the Board was confident that adjustments to our holdings in the previous twelve months had ensured that all foreseeable risks had been removed from the investment portfolio. This was based upon the law, and information available, at that time.

As the President has indicated in his report, the law was changed to allow these banks renege on their obligations and many Credit Unions, including ourselves, suffered losses as a result. It was a bitter blow to accept and it accounts for 82% of the deficit for the year. At this point we do not hold any similar investments and we do not envisage any further write down being required in 2012.

Deficit for the Year

When the expenses of €6.057m are deducted from the total income of €4.934m, there was a deficit of €1.123m.

Dividend

As we do not have a surplus for the year, nor available reserves set aside from previous years, the Board is not in a position to recommend the payment of a dividend.

Loans

The total value of loans in issue at 30th September 2011 was €41.9m, which was 3.5% lower than at the previous year end. The main reasons for the reduction were the write off of €1.4m

and reduced demand for loans from members. This however is an excellent result when compared with other Credit Unions where typical reductions in the value of loans over the year exceeded 10%.

Investments

Our investments increased by €0.5m to €29.5m over the year, which represented new investments of €1.4m offset by a write off of specific items amounting to €922,000.

Members' Savings

Members' Shares at September 2011 stood at €54.1m which was down €1m from the previous year end and deposits increased by approximately €800,000 to €10.2m. This reflects increased member awareness of the wide range of savings options available to them.

The net reduction of €200,000, or less than half a percent of the total, mostly related to members offsetting savings against their loans to reduce their outgoings and savings being offset against loans written off.

The overall level of savings is very stable and reflects members' continuing desire to build a nest egg towards their retirement or a rainy day.

Treasurer's Report (Continued)

Liquidity & Reserves

Despite the deficit for the year, our Balance Sheet at 30th September remains very strong.

We hold high cash reserves that will be more than adequate to meet any demands that may arise.

We have minimised the investment in assets that are not directly involved in earning revenue for the Credit Union. The guideline maximum for Credit Unions is 4% but we have only 1.5% of our total assets invested in non-income generating assets.

Our provisions against future losses are fully adequate.

Our Statutory Reserves are fully in line with guidelines.

Our non-statutory reserves, however, are in deficit of €612,000 and it is our intention to redress this in 2012.

Next Year

Our main task next year is to restore the Credit Union to a surplus at year end and to bring our non-statutory reserves back to a positive position.

The President referred in his address to three steps that the Board are taking to ensure that this will be the case. In 2012, we estimate the net benefit of these will be approximately €325,000 and in 2013 this will increase to approximately €600,000.

As it is not expected that any further losses will arise on investments in that time, and we estimate that bad debts provisioning and write offs will be lower next year, we are confident that we will achieve this goal.

Seamus McGrattan

Seamus McGrattan
Treasurer
Tuesday, 15th November 2011



Supervisory Committee Report

The Supervisory Committee acts as internal auditors, on behalf of the members, who elect them at the AGM.

The Committee ensures that the Board carries out its duties in accordance with the Credit Union Act, 1997.

One of the main audit tests carried out is the direct verification of Shares, Loans and Deposit balances in writing with 10% of the membership. A further check was carried out on those members who did not reply and statements were issued where queries arose.

In addition, other audit checks included:

- ▶ Cash & Petty Cash verifications.
- ▶ Reconciliations of Books of Account with computer records and financial accounts.
- ▶ Verification of fixed assets against register.
- ▶ Testing samples of Loan Applications, share withdrawals, direct debit payments and Supersaver Account transactions for compliance with procedure.

The Supervisory Committee meets on a weekly basis and had four meetings with the Board of Directors during the year.

Finally, we wish to thank the Board, Managers and Staff for their assistance and co-operation during the year.

*Ada Healy & Michael Gorman
The Supervisory Committee
Tuesday, 15th November 2011*

supervisory committee report

Credit Committee Report

The function of the Credit Committee is to oversee the Loan Application process.

Our objective is to ensure that members' loan applications are dealt with in an efficient and effective manner. We do this by;

- ▶ Setting appropriate policies and procedures.
- ▶ Delegating loan approval to Loans Officers.
- ▶ Holding weekly meetings to consider applications outside of the authority of the Loans Officers.

Using this approach, approximately 90% of requests are approved either at the time of application or as soon as the member can provide the necessary information, with the balance being dealt with within one week. To meet this target it is essential that members supply us with all of the information requested as soon as possible, otherwise delays in making a decision are likely to occur.

credit committee report



Credit Committee Report (Continued)

Review of the Year

General Comments

The key trends that emerged this year were:

▸ Reduction in larger loan applications.

Most members are being extremely cautious and are reluctant to take on additional large commitments while uncertainty exists around employment and income and this has resulted in a reduction in larger loan applications.

We have also applied a maximum loan limit of €25,000 above shares to a single member, or connected members, to reduce the risk profile of our loan book at this time and this has resulted in fewer large loans being issued.

For example, in the year ended 30th September 2010, we issued 46 loans over €25,000 to a value of €1.8m whereas in 2011, this reduced to 36 loans with a value of €1.1m.

Another key indicator of the change in members' circumstances is reflected in the requests for Special Rate Car Loans. In 2010 we issued 150 loans to a value of €1.80m but, in the current year this had fallen to 115 loans to a value of €1.46m.

▸ Increase in the number of smaller loan applications.

In addition to seeing a reduction in larger applications, we have noticed a significant increase in the number of smaller loan applications as members adjust their spending patterns to the current environment.

In 2010, for example, we issued 1,747 loans for under €1,000 but in 2011 this had increased to 2,002.

▸ Increase in the number of applications declined.

When approving a loan, the Credit Committee, or a Loans Officer, must be satisfied that, on the basis of the information available, the member has demonstrated that they are both ABLE and WILLING to repay the loan that is requested.

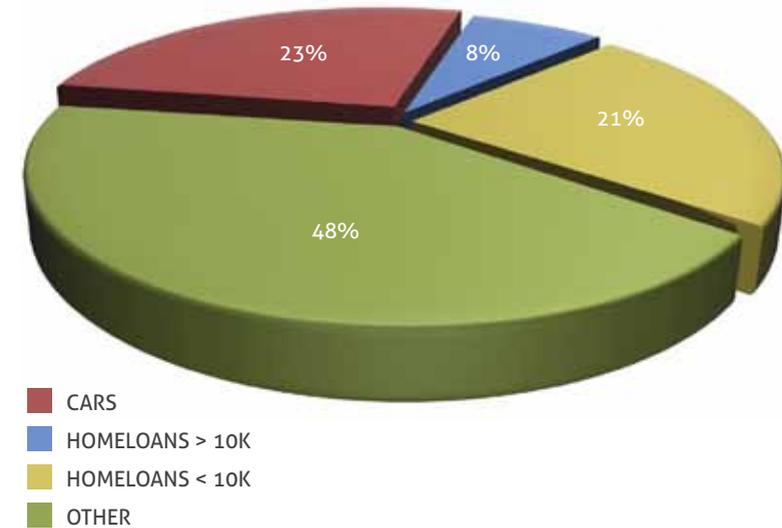
We have seen a large increase in the number of applications where this was not possible. It is with great reluctance that any member's request is refused but it would not be in the interest of either the member, or the Credit Union, to extend a loan which would be difficult for them to repay.

Credit Committee Report (Continued)

Loans Issued

During the year we approved 6,754 loans to a value of €19.0m and the average loan size was €2,807. 30% of loans were for less than €1,000 and at the other end of the scale, 1.14% of loans were for in excess of €25,000.

Analysis of Loans Issued by Purpose



Loans for cars proved to be as popular as ever with 23% of the amount granted being for that purpose, although loans for new cars represented a smaller percentage of the total than last year.

Loans for larger home-related purposes amounted to 8% (down from 12% last year) and just under half related to other purposes.

Loan Costs Comparison

We have made a comparison of the cost of the a Credit Union loan against other available loans a regular feature in our report as we feel it is important to highlight the great value to be achieved in borrowing from the Credit Union.

Our independent source for comparing costs is the Financial Regulator's "It's Your Money" website. The costs of three different sized loans over different repayment periods are tracked and 5 banks are offering 9 different types of loan.

The key points are that:

- In EVERY SINGLE CASE the monthly repayments and the overall cost of credit is higher than an equivalent loan from the Credit Union.
- The average cost of a loan from these institutions is 15% HIGHER than a similar loan from the Credit Union!

Credit Committee Report (Continued)

The costs compare as follows:

Loan Type	Average Cost of Bank Loan	Cost of Credit Union Loan	CU Saving!
€3,500 over 1 year	€248.34	€208.08	€40.26
€13,000 over 3 years	€2,417.77	€2,012.82	€404.94
€22,000 over 5 years	€6,679.89	€5,785.13	€894.76

Notes:

- ▶ Source: Financial Regulator 14th November 2011. Survey of 8 personal loans across 6 institutions.
- ▶ The Credit Union loan includes free Life/Permanent Disability insurance at no additional cost. We understand that this is not included with any of the other loans in the survey.

As can be seen, a loan from Community Credit Union was substantially cheaper in ALL cases, even before the extra benefits are taken into account.

- ▶ The Interest Rate used to calculate the cost of the €13,000 and €22,000 loan with the Credit Union is the Special Rate applying to Home Improvement and Car loans between €10,000 and €30,000.

Camilla Deasy, Stephen Harrison, Joan Nolan, Seamus O'Neill & Celine Parkes
The Credit Committee
Tuesday, 15th November 2011

Credit Control Committee Report

The Credit Control Committee has responsibility for monitoring the repayments on loans which are issued and ensuring that adequate procedures are put in place to deal with those cases which fall into arrears.

With total loans in issue of €42m, it is inevitable that some will fall into arrears and where this happens we try to help the member deal with the problem. Every opportunity is afforded to people who have genuine difficulties with their repayments and the Credit Union is always sympathetic in cases of genuine hardship. All we ask is that members contact us to talk about the problem.

In the rare situations where the member refuses to talk to us, or take any reasonable steps to make repayments, we take legal action to recover the loan. This is effective in most cases but unfortunately it puts extra cost on the member, which could be easily avoided.

This year some members were in serious financial difficulties and loans amounting to €1.37m were written off.

In most cases these loans were granted to good members who have simply fallen on difficult circumstances and efforts are being made to repay the debt according to their means. During the year we recovered €104,000 in respect of loans written off previously.

In addition to specific loans where repayment is in doubt, it is considered good practice to make a general provision against all loans in arrears. In both the President's and Treasurer's Reports the special circumstances of this year have been explained and we have increased our provision to €4.3m to cover any bad debts arising in the future.

Sean Hosford, Martin Holsgrove & Louise Walshe
The Credit Control Committee
Tuesday, 15th November 2011

Membership Committee Report

During the year we welcomed a further 1,402 new members to the Credit Union. When deceased members and transfers are taken into account, our total membership at 30th September 2011 stood at 27,929.

Olivia Cregg, Karen Lynch & Celine Parkes
Membership Committee
Tuesday, 15th November 2011

Promotion & Development Committee Report

The primary role of the Promotion & Development Committee is to:

- ▶ Engage and connect regularly with members, media, local organisations and communities.
- ▶ Utilise the various communications channels available to us to interact with members effectively and frequently, ensuring that you always have the most up-to-date information.
- ▶ Actively promote the services of Community Credit Union.
- ▶ Develop strategic marketing objectives & activities.
- ▶ Support local communities.
- ▶ Promote a culture of saving in local schools.
- ▶ Develop and implement Credit Union youth initiatives.

2011 has been an extremely active year and the methods by which we communicate with our members have grown considerably. We continue to develop products and services that will enhance communications and make life easier for you.

In spite of the difficult and challenging times we are in, Community Credit Union remains committed to the improvement of the economic and social wellbeing of our community and we have continued to sponsor and support individuals, groups and community initiatives.

Promotion & Development Committee Report (Continued)

2011 News in Brief

Website

As mentioned by our President, members registered on our website have 24/7 access to their account information and can communicate securely with us. This function will be extended significantly to enable you to transfer money between, and out of, your Credit Union accounts.

The website has proved to be a very popular service and currently almost 2,500 Members use it.

Members can also view and download many documents and forms from the website, including the Annual Report and our very popular Newsletter, "CCU Connect".

Visit www.communitycu.ie today and Register, it's so easy!

Social Media

Community Credit Union is about to join the Social Media revolution and is looking forward to engaging regularly with members on Facebook and Twitter, presenting an infinite amount of opportunity for us to connect directly with members old and new.

As well as being able to update members effectively and frequently via our website, Facebook will provide us with a number of excellent communication channels to interact with you and ensures that you have the most up-to-date information on products, services and events. So get ready to join us and 'Like us' on Facebook! You will also be able to follow us on Twitter where you can join in the conversation and we will keep

you updated on all that is happening at your CU!

Digital Signs

Digital signs are in all 3 offices which serve to regularly promote new services, products and important Credit Union announcements. Please make sure you take the time to read the notices when you visit us!

Express Lodgement (Blanchardstown Centre Office Only)

Express Lodgement is a popular service available at our Blanchardstown Centre Office. This is a very busy office and you can beat the queue by using the Express Lodgement service.

It is a very simple process:

- ▶ Complete the Memorandum of Lodgement.
- ▶ Complete and tear off the Express Lodgement slip.
- ▶ Place in the special envelope provided along with your cash/cheque.
- ▶ Fill in your details on the envelope.
- ▶ Place in the Express Lodgement Box located at the rear of the office.
- ▶ Keep the Memorandum of Lodgement for your own records!

Please feel free to ask any member of staff for assistance.



promotion & development committee report

Promotion & Development Committee Report (Continued)

Document Drop Box (Blanchardstown Centre Office Only)

Another great way to beat the queue at the Blanchardstown Centre Office! You can drop off your documentation, forms, etc. in the Document Drop Box (located just inside the entrance to the right).

CU Schools Quiz 2011

This year's Credit Union Schools Quiz was held on 7th February 2011 at St Peregrines GAA Club. The questions, compiled by primary school teachers, covered general topics including geography, history, music, literature, and sport. The winners were St Mochta's National School, Clonsilla (U11 and U13). This annual event, now in its 21st year, has become one of the highlights of the school calendar, attracting over 25,000 participants in over 300 venues throughout the 32 counties. If your school would like to participate in the next CU Schools Quiz, please contact us or stay tuned to our website www.communitycu.ie for more details.

Prize Draw

Our Members Prize Draw continues to be a hugely popular event.

Each quarter we draw 4 winners, each of whom receive €3,000 and at the AGM we have our Christmas Draw where we distribute the balance of the fund over more winners with a star prize of €20,000.

The winners over the past year have been:

Arthur Beatty	Breda Higgins
Nollaig O'Muraile	Gina Campbell
Stephanie Kenny	John Regazzoli
Catherine Carton	Cynthia Kiernan
Margaret Shannon	Orla Cryan
William McDonnell	Paddy Stoutt
Delia Adeonjobi	Elizabeth Morgan
Feargal Timmon	Karen Dempsey
Miriam Murray	Ellen Tomney
Monica Egleston	John Neylon
Patricia Travers	Nora Feeney
Siobhan O'Connor	

Congratulations to all of them!

If you would like to participate in the draw you can collect an entry form from any office or download one from our website.



promotion & development committee report

Promotion & Development Committee Report (Continued)

Community Sponsorship

At Community Credit Union, we firmly believe in committing to, and supporting, other groups and organisations in the community and have been doing so for many years. We endeavour to continue our sponsorship and support of individuals, groups and community initiatives during 2012. Community Credit Union was delighted to support the following beneficiaries in 2011:

- ▶ Laurel Lodge Community Centre
- ▶ St Francis Hospice Dublin 15
- ▶ St Oliver Plunkett Eoghan Ruadh GAA Club
- ▶ Castleknock Hurling & Football Club
- ▶ Nifty Fifty's
- ▶ Navan Road Football Club
- ▶ Institute of Technology Blanchardstown – The LINC
- ▶ Respect
- ▶ Hartstown Utd. F.C.
- ▶ Mountview United
- ▶ Mulhuddart Community Centre
- ▶ Mountview Senior Citizens
- ▶ St Peregrines GAA Club
- ▶ Erin go Bragh GAA Club
- ▶ Riverston Abbey Summer Camp
- ▶ Safer Blanchardstown (Community Safety Week)
- ▶ Niall Mellon Township Trust

If you are involved with, or represent, a local voluntary organisation active in sport, the arts or charitable activities please contact us if you feel we could be of assistance to you.

Members Week

Finally, we will be hosting our now traditional "Members Week" in the week commencing 19th December. This is a wonderful opportunity to say hello to each other during the festive season and we look forward to sharing some festive treats with you at all our offices.

Michael Gorman, Stephen Harrison, Aidan O'Brien, Paul Rice & Deirdre Walsh
Promotion & Development Committee
Tuesday, 15th November 2011

promotion & development committee report



Community Credit Union Limited

Financial Statements

For the year ended 30 September 2011

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Directors' Report For the year ended 30 September 2011

Statement of Directors' Responsibilities

The Credit Union Act, 1997 (as amended) requires the 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.

Results

The deficit for the year is set out in the Income and Expenditure Account on page 4.

Dividends

The directors do not recommend the payment of a dividend in respect of the year ended 30 September 2011. (2010: €137,391 (0.25%)).

Auditors

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

On behalf of the Credit Union

Treasurer:	Seamus McGrattan	Date: 1 November 2011
Member of Supervisory Committee:	Ada Healy	Date: 1 November 2011
Member of the Board of Directors:	Stephen Harrison	Date: 1 November 2011

directors' report

Independent Auditors' Report to the Members For the year ended 30 September 2011

We have audited the financial statements of Community Credit Union Limited for the year ended 30 September 2011 which comprise an Income and Expenditure Account, the Balance Sheet, the Cashflow Statement, the Statement of Total Recognised Gains and Losses 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 (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 Auditor

As described on page 1, Statement of Directors' Responsibilities, the Credit Union's Directors are responsible for the preparation of the Annual Report and the financial statements in accordance with applicable law and Generally Accepted Accounting Practices in Ireland.

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 prepared in accordance with the Credit Union Act, 1997 (as amended). 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 purposes of our audit and whether the Credit Union's Balance Sheet and its Income and Expenditure Account 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.

Independent Auditors' Report to the Members (Continued) For the year ended 30 September 2011

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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 applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered 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 Practices in Ireland, of the state of the Credit Union's affairs as at 30 September 2011 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 (as amended).

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

In our opinion the information given in the Directors' Report on page 1 is consistent with the financial statements.

**Grant Thornton
Chartered Accountants &
Registered Auditors
Mill House
Henry Street
Limerick**

Date: 1 November 2011

Income and Expenditure Account For the year ended 30 September 2011

	Schedule	2011 €	2010 €
INCOME			
Interest on Members' Loans		3,939,823	3,326,539
Members' Deposit and Other Interest, Expense and Similar Charges		(183,921)	(153,317)
Other Interest Income and Similar Income	1	<u>1,161,809</u>	<u>865,198</u>
Net Interest Income		4,917,711	4,038,420
Other Income	2	<u>16,302</u>	<u>11,099</u>
TOTAL INCOME		4,934,013	4,049,519
EXPENDITURE			
Salaries		1,138,358	941,385
Other Management Expenses	3	2,695,716	1,680,043
Depreciation		107,616	101,703
Loss on Disposal of Fixed Assets		889	7,386
Provision for Bad and Doubtful Debts		1,296,325	1,693,675
Investment Losses		922,645	-
Bad Debts Recovered		<u>(103,991)</u>	<u>(102,312)</u>
TOTAL EXPENDITURE		6,057,558	4,321,88
(DEFICIT) OF INCOME OVER EXPENDITURE FOR THE YEAR			
		(1,123,545)	(272,361)
Add: Undistributed Surplus as at 1 October		10,106	589,785
Transfer of Undistributed Surplus from Clonsilla Credit Union Limited on 31 December 2009		-	136,757
Reserves No Longer Required		478,259	-
Less: Dividend Paid		(137,371)	(292,622)
Interest Rebate Paid		-	(81,627)
TOTAL		(772,551)	79,932
Less: Transfer to Statutory Reserve		-	(8,300)
Transfer to Non- Distributable Investment Income Reserve		(52,139)	(61,662)
Transfer from Share Reserve		-	136
		<u>(52,139)</u>	<u>(69,826)</u>
UNDISTRIBUTED (DEFICIT)/SURPLUS AT 30 SEPTEMBER		<u>(824,690)</u>	<u>10,106</u>

On behalf of the Credit Union

Treasurer: Seamus McGrattan Date: 1 November 2011
 Member of Supervisory Committee: Ada Healy Date: 1 November 2011
 Member of the Board of Directors: Stephen Harrison Date: 1 November 2011

Statement of Total Recognised Gains and Losses For the year ended 30 September 2011

	2011 €	2010 €
(Deficit) for the financial year	<u>(1,123,545)</u>	<u>(272,361)</u>
Total (losses) relating to the financial year	<u>(1,123,545)</u>	<u>(272,361)</u>

On behalf of the Credit Union

Treasurer: Seamus McGrattan Date: 1 November 2011
 Member of Supervisory Committee: Ada Healy Date: 1 November 2011
 Member of the Board of Directors: Stephen Harrison Date: 1 November 2011

Balance Sheet

As at 30 September 2011

	Notes	2011	2010
		€	€
ASSETS			
Cash and Balances at Bank		2,054,564	1,234,029
Deposits and Investments	1	29,515,851	29,030,763
Loans to Members		41,923,487	43,441,059
Less: Provision for Bad and Doubtful Debts		(4,300,000)	(3,003,675)
Tangible Fixed Assets	3	1,083,275	1,181,095
Debtors, Prepayments & Accrued Income		1,032,976	980,254
TOTAL ASSETS		71,310,153	72,863,525
LIABILITIES			
Members' Shares	2	54,113,122	55,151,179
Members' Deposit Accounts		10,179,882	9,424,180
Members' Deposit Interest (Net of DIRT)		24,958	16,769
Other Liabilities, Creditors, Accruals and Charges	13	312,597	330,887
TOTAL LIABILITIES		64,630,559	64,923,015
NET WORTH		6,679,594	7,940,510
Represented By:			
RESERVES			
Statutory Reserve		6,211,371	6,211,371
Additional Regulatory Reserve		1,080,049	1,080,049
TOTAL REGULATORY RESERVE		7,291,420	7,291,420
Other Reserves			
Other Reserves	4	(611,826)	649,090
TOTAL RESERVES		6,679,594	7,940,510

On behalf of the Credit Union

Treasurer:	Seamus McGrattan	Date: 1 November 2011
Member of Supervisory Committee:	Ada Healy	Date: 1 November 2011
Member of the Board of Directors:	Stephen Harrison	Date: 1 November 2011

Significant Accounting Policies

For the year ended 30 September 2011

1.1 Accounting Convention

The Financial Statements have been prepared under the historical cost convention.

1.2 Tangible Fixed Assets

Depreciation is provided over the expected lives of tangible fixed assets.

Premises	2% SL per annum
Leasehold Improvements	4% SL per annum
Fixtures, Fittings & Equipment	12.5% RB per annum
Computer Equipment	20% SL per annum

1.3 (a) Interest on Members' Loans

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

(b) Investment Income

Investment income is recognised when received or receivable. Investments are stated at the lower of cost and market value with the exception of investments which carry guaranteed maturity values.

The specific Investment products held by the Credit Union are accounted for as follows:

Bank deposits, term deposits and other short term deposits

These are valued at the deposit amount plus any accrued interest at the balance sheet date. The interest income is recognised in the Income and Expenditure Account on an accruals basis. The accrued interest at the balance sheet date is included in Debtors, Prepayments and Accrued Income.

Investments, Bank Bonds and Government Bonds with return of capital guaranteed

Investments, Bank Bonds and Government Bonds with return of capital guaranteed are valued at the lower of cost and market value at the balance sheet date but not lower than the capital guaranteed amount. Where the cost of the Investment is greater than the guaranteed amount the excess is amortised over the life of the Investment. Dividend or other income is recognised in the Income and Expenditure Account when it is received or receivable. Investments are only capital guaranteed if held to maturity and if the Institutions fulfill their obligations. The Board of Directors is currently satisfied that these conditions will be met.

Investments with guaranteed returns

These are valued at cost plus guaranteed returns at the balance sheet date proportionally spread out over the life of the investment. These investments and any gains which are guaranteed under the terms of the investment/policy are only guaranteed if held to maturity. The relevant guaranteed amount for these investments each year, where no encashment is anticipated prior to maturity, is recorded in the Income and Expenditure Account. The cumulative guaranteed amount at the balance sheet date is included in Debtors, Prepayments and Accrued Income. Investments are only capital guaranteed if held to maturity and if the Institutions fulfill their obligations. The Board of Directors is currently satisfied that these conditions will be met.

Significant Accounting Policies (Continued)

For the year ended 30 September 2011

1.3 (b) Investment Income (continued)

Central Treasury FRN Fund

This is valued at the lower of cost and market value at the balance sheet. Dividend or other income is recognised in the Income and Expenditure Account when it is received or receivable. The accrued interest at the balance sheet date is included in Debtors, Prepayments and Accrued Income.

1.4 Pensions

The Credit Union operates a defined contribution pension scheme for employees. The annual contributions are charged to the Income and Expenditure Account in the period to which they relate, net of employees' contributions.

A defined benefit pension scheme is operated by a number of employees of the Credit Union. Payments made to this scheme are charged annually in the Financial Statements.

1.5 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 on the basis of Resolution 49 of the Irish League of Credit Unions. An additional provision is considered prudent by the Board to the amount of €1,531,126.

1.6 Value Added Tax

The Credit Union is not registered for VAT, therefore all expenses include VAT where charged.

Cashflow Statement

For the year ended 30 September 2011

	2011 €	2010 €
Opening Cash and Investments	30,264,792	21,292,685
Clonsilla Cash and Investments Introduced at 31 December 2009	-	8,117,521
	30,264,792	29,410,206
RECEIPTS		
(Decrease)/Increase in Members' Shares	(1,038,057)	815,930
Increase in Members' Deposits	755,702	58,916
Decrease/(Increase) in Members' Loans	148,120	(868,875)
Members' Loan Interest	3,939,823	3,326,539
Deposit & Investment Income	239,164	865,198
Bad Debts Recovered	103,991	102,312
(Increase) in Debtors, Prepayments and Accrued Income	(52,722)	(239,391)
Proceeds from disposal of fixed assets	200	-
Other Receipts	16,302	11,099
TOTAL RECEIPTS	4,112,523	4,071,728
DISBURSEMENTS		
Operating Expenses	2,648,544	2,774,744
Dividends Paid	137,371	292,622
Interest Rebate Paid	-	81,627
Decrease/(Increase) in Other Liabilities, Creditors, Accruals and Charges	10,100	(95,176)
Fixed Assets Purchased	10,885	163,325
TOTAL DISBURSEMENTS	2,806,900	3,217,142
Closing Cash and Investments	31,570,415	30,264,79

Notes to the Financial Statements For the year ended 30 September 2011

1. Deposits and Investments

These consist of the following:

	2011	2010
	€	€
Accounts in Authorised Credit Institutions	14,376,840	17,914,193
Bank Bonds	7,803,122	7,588,990
Central Bank Deposit	877,004	866,917
Irish & EMU State Securities	4,058,885	-
Tracker Bonds	2,400,000	2,400,000
Other	-	260,663
	<u>29,515,851</u>	<u>29,030,763</u>

Deposits and Investments are stated in line with the accounting policies as set out on pages 7 to 8. Included in Prepayments and Accrued Income at 30 September 2011 is an amount of €959,697 (2010: €862,019) relating to accrued income and guaranteed returns on the above Deposits and Investments.

The market value of the Deposits and Investments as at 30 September 2011 including accrued income is €29,037,390 (2010: €28,602,513). The value of investments can rise and fall with market conditions.

2. Members' Shares

The following is an analysis of Member Shares:

	2011	2010
	€	€
Regular Shares	51,744,138	52,489,806
Special Shares	1,674,719	1,824,272
Medium Term Share Accounts	364,025	382,070
Long Term Share Accounts	330,240	455,031
	<u>54,113,122</u>	<u>55,151,179</u>

Notes to the Financial Statements For the year ended 30 September 2011

3. Tangible Fixed Assets

	Freehold Premises	Leasehold Improvements	Computer Equipment	Fixtures, Fittings & Equipment	Total
	€	€	€	€	€
COST					
At 1 October 2010	948,343	446,498	384,698	228,397	2,007,936
Additions	-	-	3,151	7,734	10,885
Disposals	-	-	(1,815)	-	(1,815)
At 30 September 2011	<u>948,343</u>	<u>446,498</u>	<u>386,034</u>	<u>236,131</u>	<u>2,017,006</u>
DEPRECIATION					
At 1 October 2010	272,515	219,513	194,280	140,533	826,841
Charge for the Year	18,967	17,860	58,829	11,960	107,616
Depreciation on Disposals	-	-	(726)	-	(726)
At 30 September 2010	<u>291,482</u>	<u>237,373</u>	<u>252,383</u>	<u>152,493</u>	<u>933,731</u>
NET BOOK VALUE					
At 30 September 2011	<u>656,861</u>	<u>209,125</u>	<u>133,651</u>	<u>83,638</u>	<u>1,083,275</u>
At 30 September 2010	<u>675,828</u>	<u>226,985</u>	<u>190,418</u>	<u>87,864</u>	<u>1,181,095</u>

The Credit Union has a twenty five year lease in respect of a property at Blanchardstown, Dublin 15, that expires on 30 September 2022.

4. Other Reserves

	Balance 30/09/2010 €	Net Movement €	Balance 30/09/2011 €
Other Reserves			
Distributable Dividend Reserve	340,927	(340,927)	-
Undistributed Surplus	10,106	(834,796)	(824,690)
Interest Rebate Reserve	137,332	(137,332)	-
	488,365	(1,313,055)	(824,690)
Non-Distributable Investment Income Reserve	160,725	52,139	212,864
Total Other Reserves	<u>649,090</u>	<u>(1,260,916)</u>	<u>(611,826)</u>

Notes to the Financial Statements For the year ended 30 September 2011

5. Proposed Dividend

The Directors recommend the following distributions:

	2011		2010	
	Rate%	€	Rate%	€
Gross Dividend on Shares	0.00 %	0	0.25 %	137,391
Loan Interest Rebate	0.00%	0	0.00%	0

6. Related Party Transactions

During the year the Credit Union advanced €20,000 to Directors (2010: €22,000). Directors' balances at 30 September 2011 are as follows: Share balances €51,203, Deposit Balances €37,608, Loan balances €105,479. (2010: Share balances €66,330, Deposit Balances €8,481, Loan Balances €138,865).

During the year the Credit Union advanced €97,720 (2010: €59,135) in loans to other Officers, (comprising of Staff and Supervisors). Other Officers' balances at 30 September 2011 are as follows: Share balance €97,882, Deposit balance €104,870, Loan balance €184,007 (2010: Share balances €124,624, Deposit balances €79,278, Loan balances €139,107).

The Board of Directors has appointed Freedom Trust Services Ltd. as Corporate Trustee for the Credit Union's defined contribution pension plan. The fee charged is €2,500 plus VAT. Michael Lacey is a Director of both the Credit Union and Freedom Trust Services Ltd.

7. Insurance Against Fraud

The Credit Union has insurance against fraud in the amount of €1,900,000 in compliance with Section 47 of the Credit Union Act, 1997 (as amended).

8. Honorarium to Treasurer

The Treasurer decided to forgo the Treasurer's Honorarium this year. (2010: €nil)

9. Rates of Interest Charged on Members' Loans

Interest has been charged on members' loans on a reducing balance basis at a rate of 9.6% per annum (0.8% per month, 10% APR). The Credit Union also has three special rates available.

SR1	-	8.4% per annum (0.7% per month, 8.7% APR)
SR2	-	7.2% per annum (0.6% per month, 7.4% APR)
SR3	-	6.0% per annum (0.5% per month, 6.2% APR)

The Credit Union has increased interest rates by 10 points effective from 1 October 2011.

10. Post Balance Sheet Events

The Credit Union has a significant portfolio of Investments at 30 September 2011. The value of these Investments can rise and fall with market conditions. The current market conditions are volatile and it is reasonable to expect that there has been volatility in the valuations of some Investments since 30 September 2011. However, it is not possible to quantify the effect of this volatility. In accordance with FRS 21 "Events After the Balance Sheet Date", any such effect on the valuation of Investments since the balance sheet date and 1 November 2011 is a non adjusting event and accordingly the financial statements do not reflect any adjustment in respect of same.

In the opinion of the Board of Directors, there are no other events after the balance sheet date which requires disclosure or adjustment in accordance with FRS 21.

Notes to the Financial Statements For the year ended 30 September 2011

11. Contingent Liabilities

There were no contingent liabilities in existence at 30 September 2011 that would impact on the financial statements.

12. Pension

Pension benefits are funded over the employees' period of service by way of defined contributions paid to an approved fund held with Irish Life Assurance plc. Contributions are based on a fixed percentage of employee's annual salary and the charge in the Income & Expenditure Account reflects contributions paid and payable in respect of the year ended 30 September 2011. The charge for the year under review is €125,643 (2010 - €102,754) and contributions payable at the year end of €32,911.

Prior to the formation of Community Credit Union on 1st January 2010 through the merger of Premier and Clonsilla Credit Unions, Clonsilla Credit Union was a member of "The Irish League of Credit Unions Republic of Ireland Pension Scheme" (The ILCU scheme) which is a defined benefit pension scheme. The Credit Union withdrew from the scheme on 28th February 2010 and staff participating in that scheme transferred, as at that date, to the defined contribution scheme held with Irish Life Assurance plc.

The assets and liabilities of the ILCU scheme were valued by an independent professionally qualified actuary as at 1st March 2008 using the Projected Unit Cost Method. The actuary identified that the pension scheme had an overall past service deficit of €27.34million but was unable to identify how much of this deficit was attributable to any particular Credit Union. A further actuarial valuation was scheduled to be carried out as at 1st March 2011 and the completion date for this review is 30th November 2011.

Some staff members expressed a preference to remain in the ILCU scheme in relation to past service (deferred) benefits with any costs associated with this being borne by them. The Credit Union is in discussion with the Trustees of the ILCU scheme to determine the amount required to fund past service deficits for this group. No liability exists in relation to this group for service after 1st March 2010.

No past, or future, liability exists in relation to staff members who fully exited the scheme as of 28th February 2010.

13. Other Liabilities, Creditors, Accruals and Charges

	2011	2010
	€	€
Accruals	106,706	115,806
Other Creditors	193,196	204,683
Members Prize Draw	12,695	10,398
	<u>312,597</u>	<u>330,887</u>

14. Rate of Interest Paid on Members' Deposit Accounts

Super Saver	-	0.5% per annum on balances less than €2,000 1.00% per annum on balances greater than €2,000
Six Month Saver	-	1.75% per annum
One Year Saver	-	2.50% per annum
Three & Five Year Saver	-	2.25% per annum

Schedules to the Income and Expenditure Account For the year ended 30 September 2011

The following schedules on pages 14 to 15 do not form part of the statutory financial statements which are the subject of the Independent Auditors' Report on pages 2 to 3.

SCHEDULE 1 – OTHER INTEREST INCOME AND SIMILAR INCOME

	2011	2010
	€	€
Deposit and Investment Income	<u>1,161,809</u>	<u>865,198</u>
TOTAL PER INCOME AND EXPENDITURE ACCOUNT	<u>1,161,809</u>	<u>865,198</u>

Other interest income and similar income consists of interest and net gains and is analysed as follows:

	2011	2010
	€	€
Received at the Balance Sheet date	953,423	634,458
Receivable within 12 months of the Balance Sheet date	156,247	169,078
Other	<u>52,139</u>	<u>61,662</u>
TOTAL	<u>1,161,809</u>	<u>865,198</u>

SCHEDULE 2 – OTHER INCOME

	2011	2010
	€	€
Entrance Fees	1,165	783
Other Income	4,620	-
Commission	<u>10,517</u>	<u>10,316</u>
TOTAL PER INCOME AND EXPENDITURE ACCOUNT	<u>16,302</u>	<u>11,099</u>

Schedules to the Income and Expenditure Account For the year ended 30 September 2011

SCHEDULE 3 – OTHER MANAGEMENT EXPENSES

	2011	2010
	€	€
Treasurer's Honorarium	(2,500)	775
Promotions and Subscriptions	123,720	76,353
Education and Training	17,258	1,998
Rent	110,809	84,058
Rates	29,532	25,763
Merger costs	19,935	29,873
ILCU Subscriptions	74,346	65,699
Share and Loan Insurance	373,442	335,023
DBI Insurance	200,616	165,885
General Insurance	18,934	20,269
Computer Costs	95,634	63,301
Light and Heat	22,551	16,528
Cleaning	13,896	10,921
Repairs and Maintenance	11,664	18,545
Printing and Stationery	26,783	25,176
Telephone	20,044	17,869
A.G.M., Convention and Meeting Expenses	36,749	21,114
Legal and Professional	73,282	55,737
Staff Uniforms	3,665	6,193
Audit	18,150	18,150
Bad Debts Written Off	1,369,452	577,457
Security	28,845	26,308
Sundry Expenses	<u>8,909</u>	<u>17,048</u>
TOTAL PER INCOME AND EXPENDITURE ACCOUNT	<u>2,695,716</u>	<u>1,680,043</u>

Notes From AGM

Notes From AGM
