

1. Call to Order
2. Opening Prayer
3. Credit Union Song
4. Introduction of Chairman, Board, Committee Members & Dignitaries

Business for Day

- i.* Minutes of Previous Meeting
 - ii.* Chairman's Address and Report
 - iii.* Presentation of the 2017/18 Audited Accounts
 - iv.* External Auditors' Report
 - v.* Presentation of the 2018/19 Budget
 - vi.* Review of Bye-laws
 - vii.* Elections
 - viii.* Testimony Time
 - ix.* Presentation of Awards
 - x.* Open Forum
 - xi.* Chairman's Closing Remarks
5. Closing Prayer

THE CREDIT UNION SONG

It's a small world after all (3x)
It's a small, small world
It's a small world after all
It's a world of laughter
It's a world of tears and cheers
It's a credit union world
It's a small world after all (3x)

VISION: ***"To be the leading Credit Union in Ghana."***

MISSION: ***"To empower members by offering financial services which lead to wealth creation:"***

MINUTES OF 17TH ARCCU AGM HELD ON 12TH JANUARY, 2018 AT THE TTU AUDITORIUM

1 Opening

The Annual General Meeting (AGM) was formally started at 12.10 pm with a Call to Order by the General Manager, Mr. Emmanuel Prah. This was followed by the Credit Union song which was led by Mrs. Regina Comfort Kornu.

The GM then introduced the members of the ARCCU Board and the two Committees as well as dignitaries present.

2.0 Previous Minutes and Matters Arising

The Board Secretary, Mr. Charles Arthur, presented the minutes of the 16th AGM after which he moved for the acceptance of the minutes as a working document of the Union. Ms. Margaret Anamoah seconded the motion to indicate that the minutes reflected proceedings at the 16th AGM of the Union.

2.1 Chairman's Welcome Address & Report

The Chairman of the Board, Mr. Alex Odoikwei Sackeyfio was introduced as the Chairman for the occasion. He proceeded to give his welcome address and annual report as follows:

Minutes' Silence

A minutes silence was observed for the dearly departed of the Union.

Performance

The Board Chairman submitted that performance was stabilizing as seen in the 2016/17 surplus of GHc 323,068.16; which was an improvement over the GHc 318,882.00 recorded for 2016/17 financial year.

Member savings increased from GHc 6,938,338.49 to GHc 8,374,588.50 with Total Assets moving GHc 9,513,888.08 to GHc 11,430,505.10 in the year under review.

Dividend

On the basis of the surplus made and the Union's financial strength, a dividend of 15% of paid up shares was proposed.

"Promoting Loyalty; the Role of the Member"

On the theme, 'Promoting Loyalty; the Role of the Member', the Board Chairman exhorted members to save regularly and pay loans on schedule. He also advised members to recommend ARCCU to their family and friends. He added that meeting these obligations makes one a loyal member.

New Products/Programmes

New products were introduced as:

ARCCU Cheque Book: Just like cheques from the universal banks, the ARCCU cheque can be cleared anywhere in Ghana.

E-Loan Application: Members can start the loan application process by completing an online loan form.

Mobile Banking App: The Board Chairman indicated that the Union will soon launch a mobile banking app by which members can make savings and loan payments via an app on their phone.

He implored members to patronize these new products as they help improve the convenience of doing business with ARCCU.

Land Bank

The Board Chairman explained the the issue was still in court and Union's prayer was for a swift hearing to lead to judgement.

2.2 Audited Accounts for 2016/17 Financial Year

The audited accounts for the 2016/17 financial year was presented by the Board Treasurer, Ms. Elizabeth Obeng after which she moved for the acceptance (of the audited accounts) as a working document for the Union.

Ms. Joyce Zeye, a member of the audit team that audited the Union's accounts, read the certification on the audited accounts on behalf of Department of Co-operatives in compliance with the Co-operative Societies Act (NLCD 252) 1968. With this, the motion made by the Board Treasurer was seconded by Mr. Sam Manford to pave the way for the discussion of the accounts. The highlights of the audited accounts were summarized in Akan by the General Manager.

2.3 Budget for the 2017/18 Financial Year

The highlights of the budget were given as follows:

Interest on loan is to increase from GHc 1.3 million to GHc 1.7million

Liquid Investments would grow from GHc 2,678,165.24 to 3,322,746.23 in the 2017/18 financial year.

Member Loans will increase from GHc 4,853,545.90to GHc 5,837,608.54.

Interest on savings is to increase from GHc 379,903.18 to GHc 488,570.98.

Total Assets will altogether increase from GHc 11,430,505.10 to GHc 13,236,545.87.

With the above highlights, the General Manager moved for the acceptance of the budget. Mr. George Williams seconded the motion to approve the budget.

2.4 Elections

By way of introduction, Mr. William Dallie, the Metro Director of Cooperatives praised ARCCU saying that, in spite of the hard economic conditions in Ghana, the year 2017 has been good for the Union given the surplus and the strong balance sheet. He lauded the Board, the Management and staff as well as the entire members for their support in chalking the surplus posted in the financial reports. He said that the proposed dividend of 15% was very commendable.

He then briefed the meeting about the vetting of nominated candidates leading to the clearance of the following for approval my members.

Mr. John Dickson Mensah Supervisory Committee

Ms.Patricia Abaidoo Loans Committee

The Metro Director then asked for popular acclamation for the aproval or otherwise of the vetted members. The meeting by popular acclamation approved the nomination of the two.

2.5 Testimony Time

Mr. Okoree Edwin, a member of ARCCU (Kojokrom) commended the Union for the help given in his time of need. He said his motorbike with which he works, was stolen. He went to see the Kojokrom branch manager and within a couple of days he got a loan to buy another motorbike and that saved his business.

Mr. Yankey was also very appreciative of the Marketing Manager, who facilitated his loan to save him from dire predicament. He however suggested that items like sardines, rice, cooking oil be given to AGM attendees instead of cooked food.

Madam Sophia was full of praise for ARCCU for the funeral loan she got on the demise of her son.

2.6 Presentation of Awards

The General Manager mentioned that the awards are categorized into the three branches of ARCCU: Takoradi, Kojokrom and Kokompe. An award each is given to the best male and female member of the branch. The awardees are as follows

Takoradi: Madam Aisha Abubakar and Mr. John Yawson

Kojokrom: Madam Elizabeth Damson and Mr. Daniel Adobaw

Kokompe: Matilda Arthur and Mr. Peter Ansan

A special award was given to Ms. Frances Betty Fraikue for bringing in new members and ensuring that the new members saved regularly.

2.7 Open Forum

Mr. Okoree asked for the criteria used to elect members unto the Board. He also asked that special awards should be given to the Kojokrom Branch Manager.

Sister Araba of Anaji bemoaned why after being with ARCCU for eleven years she has not yet been awarded.

Isaac Ansa asked when ARCCU will be linked to the Controller & Accountant General Dept for deductions.

In answering the above, the General Manager explained that aspiring Board members should among others, have the minimum shares, save regularly, repay their loans on schedule, have an understanding of the credit union concept and pass vetting before election.

The Board will, in the future, consider profiling members in order of year of membership, assess and budget for special awards for long serving members.

Due to the charging of facilitation fees at the AG's department, ARCCU favours a direct debit system, which like the AG's, deducts agreed amounts from the member's accounts and credits same to the member's accounts at ARCCU. ARCCU facilitates the process on behalf of the member to ensure maximum convenience.

For the next round of questions, Honorable Danso (Assembly man of Amanful Electoral Area) asked if it is possible to waive loan interests. Another member questioned why awards are for only six members considering the fact that the Union has over ten thousand members.

The General Manager in response said, as the Union does not charge COT and other fees, interest on loans remains the only viable source of the Union. Waiving interest on loans will therefore collapse the Union. On the number of awardees, the GM submitted that awards seek to reward excellent or special performance. Accordingly, the few that show excellent performance get rewarded. As we grow, the award system will be decentralized to the branch where the number of awardees will be increased.

2.8 Board Chairman's Closing Remarks

The Board Chairman concluded by thanking all members for their commitment towards the steady growth of the Union and asked for their support in the years ahead. He also congratulated the elected members to the Loans and Supervisory Committees and asked them to be committed

servants to their committees. He then wished the meeting a Happy and Prosperous New Year. With this he formally brought the day's meeting to a close at 2.28 pm.

2.9 Closing Prayer

The closing prayer was said by Van Baffoe.

Signed



(Charles Kofi Arthur)
Board Secretary

WELCOME ADDRESS AND REPORT BY THE ARCCU BOARD CHAIRMAN AT THE 18TH ANNUAL GENERAL MEETING AT TTU ON 11.01.19

3.1 Introduction

Distinguished shareholders and our wonderful invited guests, exactly a day short of a year ago, we met to review the affairs of our credit union. Another financial year has ended and in accordance with our annual custom, I welcome you all to the 18th AGM of our great Union: ARCCU.

At our last AGM, I started my speech by asking for a minute's silence for our members who passed on. I want us to do so again as between the last AGM and this, we have lost as many as 19 members.

As our Union grows, we also go through the normal life cycle occurrences. With a heavy heart, I announce to you that within the last financial year, the Union lost two of its employees: Mr. William Bannerman-Martin of the Kokompe office and Mr. Eric Yamoah, the Union's driver. May we therefore observe a minute's silence for our dear ones in ARCCU who are no more with us.

3.2 The Macro-Economy

The effects of the macro economy on the Union were mixed. In the first half of the year, the virtual stabilization of the cedi (depreciated by 4.9% in 2017 against 9.7% in 2016) coupled with reduced domestic borrowing by the government and reduced inflation (11.8% as at Dec 2017 compared with 14.4% in 2016) led to a lowering of interest rates within the financial sector. The major industry marker on interest, the Monetary Policy rate reduced from 25.5% in 2016 to 20.00% in 2017. Since then, it has reduced further to 17%.

The introduction of the Reference rate early 2018 is likely to bring down interest rates further.

The happenings at the macro level have direct implications on our operations as the Union is not an island in the financial sector. The gradual but steady reduction of lending interest rates gives us the signal to follow suit. But then we feel constrained as our interest rate at 19.5% is already low. Besides, unlike the banks, almost all of our services do not attract any charge. The Board nonetheless is committed to finding ways to make our business model more efficient and for that matter be in a position to lower the lending rates of the Union.

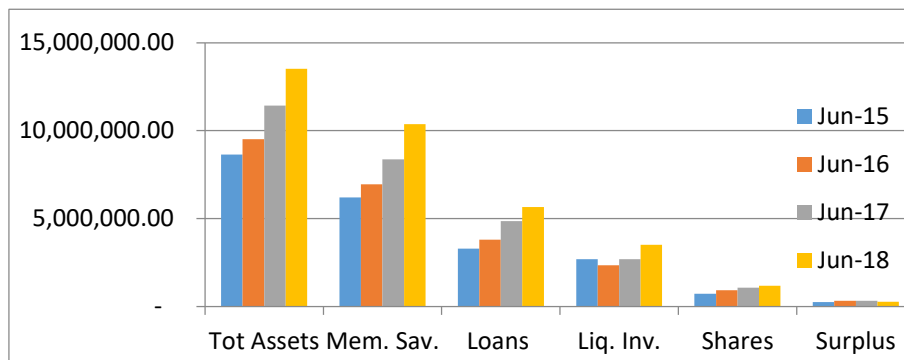
3.3 "ARCCU: A Rock in the Midst of Financial Turmoil"

A talk about happenings at the macro level cannot end without touching on the apparent confidence slump within the financial sector. The collapse or absorption of seven universal banks has led to some kind of confidence crisis within the sector. This grim development has been exacerbated by extreme liquidity crisis facing some established MFIs.

A fall out of the above has been the nurturing of deep apprehension and consequent loss of confidence in the financial sector. This has in turn led to the dual phenomenon of panic withdrawals and people keeping a lot of money at home in spite of the risk of robbery.

At ARCCU, mainly due to our prudent management strategies, we have avoided any instance of liquidity distress. I therefore wish to use the opportunity to assure our members that their cash and investments are well protected and shall not be exposed to any danger. Indeed, ARCCU has been our rock in the midst of the ongoing financial turmoil and I will entreat you all to spread this “gospel.”

3.4 2017/18 Performance Review



	Jun-18	Jun-17	Jun-16	Jun-15
Total Assets	13,525,590.64	11,430,505.10	9,513,888.08	8,640,856.14
Member Savings	10,364,365.90	8,374,588.50	6,938,338.49	6,195,510.17
Loans	5,661,291.09	4,853,545.90	3,798,573.29	3,289,872.10
Liquid Investments	3,497,591.63	2,678,165.24	2,334,933.12	2,688,213.89
Shares	1,170,889.36	1,074,892.85	920,636.16	777,133.65
Surplus	257,690.97	323,068.16	318,882.00	238,545.94

Within the 2017/18 financial year, the Union chalked some relative successes.

A review of performance for the 2017/18 financial year shows strong performance in most areas.

AREA	%AGE INCREASE
Tot Assets	18.33
Mem. Sav.	23.76
Loans	16.64
Liq. Inv.	30.60
Shares	8.93
Surplus	(20.24)

Total Assets grew by 18.33%, Member Savings increased by 23.76%, Member Loans went up by 16.64% with Liquid Investment going up by 30.60%. Member Shares increased by 8.93%. The only drawback was in the area of Surplus which reduced by 20.24%.

The low Surplus performance was as a result of the significant reduction in interest on investments with investment houses. Even though Liquid Investments increased from GHc 2,678,165.24 in the 2016/17 financial year to GHs 3,497,591.63 in the 2017/18 financial year, returns or interest on Liquid Investments dropped from GHs 724,692.68 to GHs 535,777.09

within the same period due to significant and consistent drop in interest rates; thereby causing a shortfall in the area of surplus.

3.5 Dividend

Our recent past where banks were closed on the basis of low Capital Adequacy standing brings up the need to shore up our institutional capital from the current level. At the same time, the Board believes that the hard work and most importantly the unshaken commitment and loyalty of members need to be rewarded. In this direction, the Board proposes a dividend of 15% to all paid up members.

To help boost the Union's capital, the Board is proposing a split payment: half to one's share balance and the other half into savings.

3.6 Review of Minimum Shares

The Union presently requires a minimum share subscription of GHs 150.00 for membership. This minimum share subscription has been in use for more than five years. As the Union's asset size increases, it becomes necessary for the minimum share level to increase to help maintain a good capital adequacy level. Within this context, the Board is proposing a new minimum share level of GHs 200.00 to take effect from 1st July, 2019.

3.7 Review of Bye-laws

In line with current happenings and the need to meet our regulatory obligations, the Board will be presenting later today, areas for amendments. As it will be explained, these amendments streamline areas of ambiguity, fill up void areas as well as review positions and functions to make them current and functional.

3.8 Aprembo Agency

Within the current financial year, the Effia-Kwesimintsim Municipal Area (EKMA) has been carved out of the STMA. Some major economic activities like traditional market and bus stations have been relocated to the Aprembo area. This apparent upsurge in economic importance calls for some strategic redirection. The Board in response has upgraded the Union's presence in the Aprembo area from an agency to a branch effective 2nd January, 2019. Our members within the vicinity can now visit our office which is close to the bus terminal for business.

3.9 ARCCU Land

The issue remains in court. Significantly, hearing proper on the case has now started. Whilst we remain very positive of winning the case, it is apt to point out that the "the wheels of justice grinds slowly" but in the long run, justice shall be served.

3.10 Conclusion

In concluding I wish to assure you all that our credit union, ARCCU remains strong. In the coming year, we will strive to consolidate the gains made and explore ways to improve service and efficiency. We wish to thank our wonderful members for their support over the past year. As we

do so, we also wish to solicit your unflinching loyalty and commitment to the Union. We again seek the mercies and favour of our God for the year that lies ahead.

Finally, the Board wishes to thank the Management and staff of the Union who have worked tirelessly to keep the Union on a good footing. Let me use the opportunity to thank my colleague Board and Committee members. The long and winding meetings have been most exacting but necessary to help move the Union forward. Your sacrifices are well appreciated.

As we part, my request is that we tell our family and friends that ARCCU continues to be a financial rock and haven for your cash investments. Thank you.

A handwritten signature in blue ink, appearing to read "A. Sackeyfi". The signature is fluid and cursive, with a long horizontal stroke at the beginning.

(Alex O. Sackeyfi)
Board Chairman

INDEPENDENT AUDITORS' REPORT TO MEMBERS OF ARCCU CO-OPERATIVE CREDIT UNION

We have audited the accompanying financial statement of ARCCU Co-operative Credit Union, which comprises the statement of Financial Position as at 30th June, 2018 and the Income Statement, Statement of Changes in Equity and Cash Flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Director's Responsibility for the Financial Statements

As stated in ARCCU's Bye-laws, the Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, the Co-operative Societies Act (NLCD 252) 1968 and other regulations. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.


Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Generally Accepted International Standards on Auditing. These standards require that we comply with **ethical requirements**, plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatements. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal controls relevant to the entity's preparation and fair presentation of the financial statements, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes; evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of ARCCU Co-operative Credit Union Limited as of 30th June, 2018, and of its financial performance and its cash flows for the year then ended in accordance with the Co-operative Societies Act (NLCD 252) 1968 and Industry Standards.

Auditor's Signature




Date: 18/10/2018

CUA Ltd

P.O.Box 12148, ACCRA-North

Auditor's Signature



Date: 18-10-18

Department of Co-operative

P.O. Box M150 Accra

ARCCU CO-OPERATIVE CREDIT UNION LTD
STATEMENT OF FINANCIAL POSITION AS AT POSITION 30TH JUNE 2018

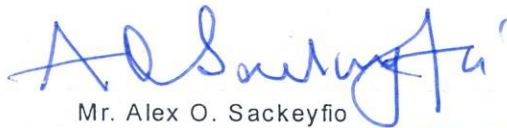
<u>ASSETS</u>	<u>NOTES</u>	<u>JUNE 2018</u>	<u>JUNE 2017</u>
		GHC	GHC
Liquid Funds	13	360,347.76	51,977.16
Liquid Investments	14	3,497,591.63	2,678,165.24
Other Investments	15	1,728,236.50	2,332,975.61
Net loans to Members	16/24	5,661,291.09	4,853,545.90
Other Current Assets	17	1,362,317.24	612,143.19
Non-Current Assets	22	915,806.42	901,698.00
<u>TOTAL ASSETS</u>		<u>13,525,590.64</u>	<u>11,430,505.10</u>

LIABILITIES

Current Liabilities	18	159,775.66	207,845.23
Member Savings	19	10,364,365.90	8,374,588.50
<u>Sub-total</u>		<u>10,524,141.56</u>	<u>8,582,433.78</u>

CAPITAL

Member Shares	20	1,170,889.36	1,074,892.85
Reserves (incl Net Surplus)	23	1,830,559.72	1,689,845.19
<u>Sub-total</u>		<u>3,001,449.08</u>	<u>2,764,738.04</u>
<u>TOTAL LIABILITIES + CAPITAL:</u>		<u>13,525,590.64</u>	<u>11,430,505.10</u>



Mr. Alex O. Sackeyfi
Chairman



Ms. Elizabeth Obeng
Treasurer

DEPARTMENT OF COOPERATIVES
WESTERN REGION

Approved by Department of Co-operatives: _____

APPROVED
REGIONAL COOP. DIRECTOR

Date: _____

18/06/2018

ARCCU CO-OPERATIVE CREDIT UNION LTD

**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30TH JUNE
2018**

<u>INCOME</u>	<u>NOTES</u>	<u>JUNE 2018</u>	<u>JUNE 2017</u>
		GHS	GHS
Interest on Loans	2	1,591,616.19	1,363,558.06
Int on Liquid Invest't	3	535,772.09	724,692.68
Other Fin. Income	4	60,174.20	59,031.54
Financial Income		2,187,562.48	2,147,282.28
Add Non- Fin. Income	5	496,902.93	428,758.02
<u>TOTAL INCOME</u>		<u>2,684,465.41</u>	<u>2,576,040.30</u>

LESS EXPENDITURE

Cost of Funds	6	511,259.68	409,797.46
Personnel Cost	7	770,657.59	706,799.17
Occupancy	8	95,330.97	98,414.67
Organizational	9	703,634.80	662,528.80
Security	10	138,098.59	133,605.92
Administration	11	183,767.49	198,431.16
Loan Loss Provision	12/23	24,025.32	43,394.96
<u>Operating Expenses</u>		<u>2,426,774.44</u>	<u>2,252,972.14</u>

Net Surplus

257,690.97

323,068.16

SURPLUS APPROPRIATION

<i>Net Surplus c/f</i>	%	257,690.97	323,068.16
Statutory Reserve	25%	64,422.74	80,767.04
Operating Reserve	75%	193,268.23	242,301.12
<u>Total</u>	<u>100%</u>	<u>257,690.97</u>	<u>323,068.16</u>

The notes 1-24 form an integral part of the financial statement.

CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH JUNE 2018

	<u>2018</u>	<u>2017</u>
1.1 CASH FLOW FROM OPERATING ACTIVITIES (before Changes on Operating Assets & Liabilities)		
Net Surplus	257,690.97	323,068.16
Adjustment		-
Depreciation on Non-Current Assets	61,266.58	72,405.95
Increase in Provision for Loan Losses	24,025.32	43,394.96
Bad Loans Written Off	-	-
Gain (-)/Loss(+) on Disposal of Non-Current Assets	-	(1,219.51)
Other Adjustment (Reserve)	-	-
CASH FLOW FROM OPERATING ACTIVITIES	<u>342,982.87</u>	<u>437,649.56</u>
CHANGES IN OPERATING ASSETS AND LIABILITIES		
Increase(-)/Decrease(+) in Total Loan Balance	(831,770.51)	(1,098,367.57)
Increase(-)/Decrease(+) in Other Current Assets	(750,174.05)	3,853.11
Increase(+)/Decrease(-) in Member Savings	1,989,777.40	1,436,250.01
Increase(+)/Decrease(-) in Other Current Liabilities	(48,069.62)	(30,291.12)
NET CASH GENERATED FROM OPERATING ACTIVITIES	<u>702,746.09</u>	<u>749,093.99</u>
1.2 INVESTING ACTIVITIES		
Purchase of Non-Current Assets	(75,375.00)	(455,619.80)
Disposal of Non-Current Assets	-	1,600.00
Increase(+)/Decrease(-) in Other Investments	604,739.11	(263,822.34)
NET CASH USED IN INVESTING ACTIVITIES	<u>529,364.11</u>	<u>(717,842.14)</u>
1.3 FINANCING ACTIVITIES		
Proceeds from Share Subscription	95,996.51	154,256.69
External Loan	(83,333.28)	33,333.28
Dividend Paid	(116,976.44)	-
NET CASH USED IN FINANCING ACTIVITIES	<u>(104,313.21)</u>	<u>187,589.97</u>
1.4 CASH & CASH EQUIVALENT AT THE END OF THE PERIOD		
Net Increase(+)/Decrease(-) in Cash & Cash Equivalent	1,127,796.99	218,841.82
Opening Cash & Cash Equivalent at the Beginning of Year	2,730,142.40	2,511,300.58
CLOSING CASH & CASH EQUIVALENT	<u>3,857,939.39</u>	<u>2,730,142.40</u>

STATEMENT OF CHANGES IN EQUITY

	Members' Share	Operating Reserve	Statutory Reserve	Total Equity
Balance B/F	1,074,892.85	1,108,167.96	581,677.23	2,764,738.04
Adjustments (Dividend Paid)	-	-116,976.44	-	-116,976.44
Net Shares Subscribed	95,996.51	-	-	95,996.51
Surplus for the Year (Appropriation)	-	193,268.23	64,422.74	257,690.97
Total	1,170,889.36	1,184,459.75	646,099.97	3,001,449.08

4.0 NOTES TO THE FINANCIAL STATEMENT

1. BASIS OF PREPARATION

1.1 Statements of Compliance

The financial statement of ARCCU Co-operative Credit Union Ltd. has been prepared in accordance with International Financial Reporting Standards (IFRS) and the Co-operative Societies Act (NLCD 252) 1968, except as disclosed in the accounting policies below.

1.2 Basis of Measurement

The financial statement has been prepared under the historical cost convention.

1.3 Use of estimates and Judgements

The preparation of financial statement is in conformity with IFRS, which requires the Union's Board and Management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses.

1.4 Functional and Presentation Currency

The financial statement is presented in Ghanaian Cedis (GH¢), which is the credit union's functional and presentational currency.

1.5.0 Significant and Accounting Policies

The significant accounting policies adopted by the credit union which have been used in preparing these financial statements are as follows:

1.5.1 Revenue Recognition

i. Interest on Loans

Interest on members' loans are recognized in the statement of comprehensive income when payment is received (on cash basis).

ii. Investment Income

Investment income is recognized in the statement of comprehensive income on accrual basis or when investments are rolled over as against the receipt of cash

iii. Other Financial Income

Other Financial Income comprises interest earned on the Union's bank accounts, other investments and dividend received on shares owned. They are measured at amortized cost

iv. Non-Financial Income

Revenue from the provision of service to members is recognized when earned, specifically when amounts are fixed or can be determined and the ability to collect is reasonably assured.

1.6 Expenses

Expenses are recognised when incurred, without regard to receipt or payment of cash.

1.7 Interest on Members' Savings

Interest on Members' Savings is paid on member's minimum quarterly balance

1.8 Provision of Loan Loss

The Credit Union has determined the likely impairment/loss on loans which have not maintained the loan repayments in accordance with the loan contract. An estimate of the collective provision is based on the age of the loans. Any adjustments made in loan loss provision are recognized in the statement of comprehensive income. Any reduction in provision for loan losses is not recognised as income.

1.9 Bad Debts Written Off/Loans Set Aside

Bad debts are written off from time to time as determined by Management and approved by the Board of Directors. Bad debts are written off against the accumulated provisions for loan losses, if a provision for loan loss had previously been recognized. If no provision had been recognized, the write offs are recognized as expense in the statement of comprehensive income.

1.10 Member Shares

Member Shares subscribed by members are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset.

1.11 Members Loans

All member loans are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and have been classified as loans and receivables. Member loans are reported at their recoverable amount representing the aggregate amount of principal, less any provision for impaired loans.

1.12 Member Savings

Member Savings are measured at amortized cost.

1.13 Leased Assets (If Any)

Where substantially all of the risks and rewards incidental to ownership of a leased asset have been transferred to the Credit Union ("finance lease"), the asset is treated as if it had been purchased outright. The amount initially recognized as an asset is the lower of the fair value of the leased property and the present value of the minimum leased payments payable over the lease period.

1.14 Employee Benefits

a) Post-Employment Benefits: Social Security and National Insurance Trust (SSNIT)

Under a national defined contribution pension scheme, ARCCU contributes 13% of employees basic Salary to SSNIT for employee pensions. ARCCU's obligation is limited to the relevant contributions, which are settled on due date. The pension liabilities and obligation, however, rest with SSNIT.

b) Co-operative Credit Union Pension Plan (C-CUPP)

ARCCU has a pension plan for all employees who have completed probation. Employees contribute 7.5% of their basic salary to the fund, whilst ARCCU contributes the same 7.5%. The obligation under the plan is limited to the relevant contribution and these are settled on due dates.

1.15 Property, Plant and Equipment

An item of Property, Plant and Equipment is initially recognized at cost and subsequently measured at cost less accumulated depreciation and any accumulated impairment losses, with the exception of land which is not depreciated.

Depreciation is recognized in the statement of comprehensive income and is provided for on a straight-line basis over the estimated useful life of the assets. The current annual depreciation rates for each class of property, plant and equipment are as follows:

Asset	%
Building	2
Motor vehicle	20

Office Equipment	25
Furniture and Fittings	20
Plant & Equipment	20
Computers and Accessories	33.33
Software	33.33

Gains or losses on disposal of Property, Plan and Equipment are recognized in the statement of comprehensive income. ARCCU Maintains a scrap value of 1% on the cost of assets

Particulars	2018	2017
2. Interest on Loans	(Ghc)	(Ghc)
Interest on Normal Loans	1,356,514.46	1,172,765.60
Interest on Other Loans	235,101.73	190,792.46
Sub-Total	1,591,616.19	1,363,558.06
3. Interest on Liquid Investments		
Energy Bank Fixed Deposit	25,636.28	26,805.20
IGS Finance	5,549.76	1,928.46
Brooks Asset Management	-	163,402.81
Databank	8,502.40	11,210.61
Dalex Finance	36,857.10	12,715.04
Gold Coast Fund Management	303,082.57	355,184.33
Bank of Africa Fixed Deposit	61,573.30	74,813.29
NTHC	3,324.20	-
First Atlantic Bank Fixed Deposit	20,586.19	-
CUA Capital	872.60	-
CUA CFF Savings	69,787	78,632.94
Sub-Total	535,772.09	724,692.68
4. Other Financial Income		
Interest on Statutory Reserve Deposit	60,109.20	58,966.54
Dividend on CUA Shares	65.00	-
Sub-total	60,174.20	59,031.54
5. Non-Operating Income		
Entrance Fee	21,980.00	18,860.00
Sale of Withdrawal Books	1,240.00	400.00
Commission on LPP	7,085.80	5,640.29
Commission on Daily Savings	283,750.50	240,993.30
Commission on Home Banking	4,211.00	3,837.00
Impaired Loan Income	4,416.45	2,658.34
Rent Income	86,413.14	88,830.00
Local LPP	46,000.00	46,712.34
Account Closure Charges	983.12	1,406.50
Sale of Passbook	775.00	645.00
Loan Processing Fees	18,233.50	11,834.10
Gain/Loss on Disposal of Non-Current Assets	-	1,219.51
Other Income	21,814.42	5,721.64

<i>Sub-total</i>	<i>496,902.93</i>	<i>428,758.02</i>
6. Cost of Funds		
Interest on Member Savings	397,038.11	337,527.64
Interest on Fixed Deposits	79,830.44	42,375.54
Interest on External Loans	34,391.13	28,894.28
<i>Sub-total</i>	<i>511,259.68</i>	<i>409,797.46</i>
7. Personnel Cost		
Staff Salaries	479,410.79	440,388.39
SSNIT (Employer's Contribution)	61,303.21	55,964.49
Staff Overtime	242.79	3,781.25
Clothing Allowance	33,137.95	26,637.43
Staff Bonus	20,723.77	22,021.43
Operational Allowance	14,870.24	17,949.31
Responsibility Allowance	14,355.51	12,915.20
Attachment Allowance	9,194.00	5,400.00
Staff Insurance	8,767.84	14,247.71
IGS Management Fund	-	2,204.79
Long Service Award	5,200.00	3,735.00
Staff Lunch	32,877.00	31,045.00
Medical Expenses	460.00	-
C-CUPP	35,466.15	25,159.64
Staff Transport Allowance	54,648.14	45,349.53
<i>Sub-total</i>	<i>770,657.59</i>	<i>706,799.17</i>
8. Occupancy		
Rent & Rates	1,960.00	2,700.00
Repairs & Maintenance	7,346.42	9,261.00
Utilities	86,024.55	86,453.67
<i>Sub-total</i>	<i>95,330.97</i>	<i>98,414.67</i>
9. Organizational Cost		
CUA Dues (Head Office)	14,536.00	16,523.00
CUA Dues (Chapter)	10,902.00	7,800.00
Department of Co-operatives Dues	50.00	150.00
Donations	4,470.00	2,700.00
Publicity & Promotions	1,800.00	1,647.00
Education & Training	9,207.00	2,828.40
Transport Cost (Mobile Bankers)	74,270.41	63,636.72
Hotel & Protocol	895.00	1,000.00
Supervisory Committee Allowance	11,286.85	13,256.40
Loabs Committee Allowance	14,502.38	14,261.20
Mobile Banking Clothing Expenses	8,574.62	12,234.00
Mobile Bankers' SSNIT	15,169.57	12,272.00
Mobile Bankers' Award & Bonus	9,300.00	-
Mobile Banking Commission	267,364.68	261,294.44
Mobile Bankers' Snack	25,376.00	22,721.00

Honorarium	7,917.20	14,259.88
Board Allowances	114,478.84	102,291.81
Meeting Expenses	4,796.35	2,411.30
WOCCU Congress	38,834.80	28,925.65
Social Responsibility	1,500.00	4,034.50
Car Park Expense	-	150.00
Land Bank Expenses	410.00	-
Conferences	16,978.00	9,560.00
Annual General Meeting	34,503.53	38,571.50
Member Loans (System Impaired) Expense	16,511.57	30,000.00
Sub-total	703,634.80	662,528.80
10. Security		
Risk Management Premium (LSI)	37,011.71	25,560.71
CUA Stabilization Fund	13,825.68	24,794.91
Vehicle Insurance	3,718.61	4,263.41
Fire and Burglary Insurance	9,053.68	9,778.90
Outsourced Security (Private & Police)	63,655.41	59,869.49
Legal Expenses	483.50	1,929.00
Audit Fees	10,350.00	7,410.00
Sub-total	138,098.59	133,605.92
11. Administration		
Travelling and Transport	1,598.10	4,365.78
Bank Charges	8,602.38	7,475.67
Travelling Expense	756.00	518.00
Postage and Communication	14,334.98	13,406.75
Repairs & Maintenance (Equipment)	5,625.00	3,976.00
Repairs & Maintenance (Computer)	2,015.00	2,804.00
Repairs & Maintenance (Furniture)	107.00	30.00
Office Expenses	7,971.40	8,827.43
Repairs & Maintenance (Plant & Machinery)	2,309.00	2,453.00
Repairs & Maintenance (Vehicles)	1,614.00	2,321.00
Maintenance Fee on Software	19,049.53	19,399.99
Publication & Newspapers	1,125.00	1,131.05
Fuel	14,482.67	19,185.20
Cleaning & Sanitation	12,096.85	11,154.50
Audit Expenses	3,000.00	2,728.55
Printing & Stationery	27,814.00	26,248.29
Depreciation on Non-Current Assets	61,266.58	72,405.95
Sub-total	183,767.49	198,431.16
12. Provision for Loan Losses		
Increase in Loan Loss Provision (<i>See not 24</i>)	24,025.32	43,394.96
Sub-total	24,025.32	43,394.96
13. Liquid Funds		
Petty Cash – Kokompe	141.10	190.04

Petty cash – Kojokrom	228.00	74.30
Cash on Hand	-	20,040.21
General Imprest	53.54	0.50
<i>Sub-total</i>	<i>422.64</i>	<i>20,305.05</i>
GCB Current	17.75	17.75
First Atlantic Bank (Current)	112,474.73	100.00
Fidelity Bank (Current)	3,004.93	3,524.18
Lower Pra Rural Bank (Current)	42,028.79	1,722.13
Energy Bank (Current)	79,018.24	15,419.43
UMB Bank (Current)	137.83	137.83
Electronic Cash (Airtel)	1,000.00	1,000.00
Mini Vault	100,009.14	-
Electronic Cash	-	1,202.90
Mobile Money Vault	5,085.00	3,303.62
Mobile Money (Airtel)	-	815.94
Mobile Money (MTN)	3,654.10	1,502.80
Bank of Africa (Current)	12,499.76	(1,823.15)
Bank of Africa (Dollar)	733.95	1,371.04
<i>Sub-total of Bank Current</i>	<i>359,925.12</i>	<i>31,672.11</i>
Grand Total (Liquid Funds)	360,347.76	51,977.16
14. Liquid Investments		
Bank of Africa (T-Bill)	328,621.79	290,090.30
Bank of Africa (Fixed Deposit)	160,739.79	137,867.35
Dalex Finance	275,000.00	150,000.00
IGS Fixed Deposit	21,000.00	21,000.00
Energy Bank Fixed Deposit	143,412.53	143,412.53
First Atlantic Bank (Fixed Deposit)	280,426.32	-
Databank (T-Bill)	68,495.89	64,913.95
Fidelity Bank (Call Deposit)	7,255.18	857.36
Bank of Africa (Call Deposit)	5,064.90	5,064.90
GCB Call Deposit	2,185.39	2,185.39
Flex Atlantic Bank (Flex)	1,847.11	-
Lower Pra Bank (Savings)	12,425.84	-
NTHC (Term Investment)	300,000.00	-
CUA Capital (Term Investment)	50,000.00	-
GCFM (PIA Investment)	1,153,204.74	1,245,724.24
CFF Savings	679,966.27	550,004.19
<i>Sub-total</i>	<i>3,497,591.63</i>	<i>2,678,165.24</i>
15. Other Investments		
CUA Statutory Reserve Deposit	581,677.23	500,910.20
Shares in CUA	500.00	500.00
Shares in CUTRAC	11,000.00	11,000.00
Land Bank	527,664.00	527,474.00
Brooks Asset Management (Term Investment)	-	685,696.14
Investment Property	607,395.27	607,395.27
<i>Sub-total</i>	<i>1,728,236.50</i>	<i>2,332,975.61</i>

16. Net Loans to Members		
Loans to Members (Female)	2,509,953.00	5,266,787.86
Loans to Members (Male)	3,415,768.84	-
Loans to Members (Groups)	120,185.57	-
Sub-total of Member Loans	6,045,907.41	5,266,787.86
Less set aside	36,628.32	52,650.96
Sub-total of Member Loans	6,009,279.09	5,214,136.90
Less Accum. Provision for Loan Loss	347,988.00	360,591.00
Net Loan to Members	5,661,291.09	4,853,545.90
17. Other Current Assets		
Staff Loans & Advances	193,816.23	132,955.15
Rent Prepaid	175.00	1,975.00
Rent Receivables	14,560.00	19,900.00
Interest Receivable	100,072.72	94,579.56
Stock of ARCCU Cloth	4,226.75	7,006.75
Stock of Stationery	28,196.90	7,343.60
WOCCU Conference Prepaid	21,171.50	12,049.80
LO Loans	-	16,511.57
Brooks Term Investment	685,696.14	-
Mobile Bankers' Shortage	-	5,419.76
Anointed Star Loan	314,402.00	314,402.00
Sub-total	1,362,317.24	612,143.19
18. Current Liabilities		
Audit Fees Payable	11,718.15	7,410.00
Stabilization Fund Payable	13,897.89	42,059.10
Risk Management Claims Payable (LSI)	901,71	3,530.00
Insurance Premium Payable	3,666.38	6,083.07
LPP Premium Payable	-	7,843.85
Local LPP	46,425.85	46,712.33
Withholding Tax Payable	-	255.00
Interest on Member's Fixed Deposit	7,770.69	7,984.41
Rent advance Received	37,920.00	65,833.14
Mobilizer Uniform Expenses Payable	1,573.00	-
Staff Long Service Award	1,102.00	-
Retired Board Ex-Gratia Payable	25,193.76	-
Mobile Bankers' Control	4,985.90	-
Mobile Bankers' Overages	(749.65)	-
Postage & Communication Payable	369.98	21.31
Interest on Loan Capitalization	-	18,333.36
Other Accounts Payable (Mobilizers' Cloth)	5,000.00	1,779.71
Sub-total	159,775.66	207,845.28
19. Member Savings		
Member Savings (Female)	5,683,860.60	7,761,079.32
Member Savings (Male)	3,642,103.09	-
Member Savings (Group)	155,465.50	-

Sub-total Member Savings	9,481,429.19	7,761,079.32
Current Accounts	37,453.28	23,410.15
Loan Cash Collateral	149,188.43	116,726.37
Land Deposit account	39,425.91	33,419.24
Youth savings	4,643.26	4,327.82
Fixed Deposit	652,225.83	435,625.60
Sub-total of Other Savings	882,936.71	613,509.18
Grand Total of Savings	10,364,365.90	8,374,588.50
20. Non-Current Liabilities		
CFF Loan	-	83,333.28
Sub-total	-	83,333.28
21. Member Shares		
Member Shares (Female)	684,970.28	1,074,892.85
Member Shares (Male)	462,501.30	-
Member Shares (Group)	23,417.78	-
Sub-total	1,170,889.36	1,074,892.85

22. NON CURRENT ASSET SCHEDULE							
Description	Cost as at 01.07.16	Disposal Cost	Additions	Bal/Cost at 30.06.17	Disposal Cost	Additions	Balance at 30.06.18
<i>Property, Plant & Equipment (PPE)</i>							
Land & Premises	126,395.00		-	126,395.00		-	126,395.00
Land Kojokrom	-		86,899.73	86,899.73		-	86,899.73
Building Owner Occupied	245,194.42		17,459.00	262,653.42		2,200.00	264,853.41
Building -WIP, Kojokrom	54,851.00		317,605.34	372,456.34		51,343.00	423,799.34
MotorBike/Vehicle	86,380.18		-	86,380.18		-	86,380.18
Plant & Machinery	44,980.00		-	44,980.00		-	44,980.00
Furniture & Fittings	29,693.30		2,690.00	32,383.30		-	32,383.30
Computer & IT Equipment	135,874.73		16,667.73	152,542.46		13,097.00	165,639.46
Office Equipment	41,124.72	1,945.00	8,298.00	47,477.72		8,735.00	56,212.72
Micro Savings Boxes	39,410.00		-	39,410.00		-	39,410.00
PPE Sub-total	803,903.35	1,945.00	449,619.80	1,251,578.15	-	75,375.00	1,326,953.15
<i>Intangible Assets</i>							
Easybank Software	13,550.00	-	6,000.00	19,550.00	-	-	19,550.00
Sub-total Int. Assets	13,550.00	-	6,000.00	19,550.00	-	-	19,550.00
Tot. Carry Value of NCA	817,453.35	1,945.00	455,619.80	1,271,128.15	-	75,375.00	1,346,503.15

22 NON-CURRENT ASSET (CONTD)

Description	Cost as at 01.07.16	Disposal Deprec'n	Charge for the Year	Bal bf as at 30.06.17	Disposal Deprec'n	Charge for the Year	Balance at 30.06.18
Property, Plant & Equipment (PPE)							
Land & Premises	-		-	-		-	-
Land Kojokrom	-		-	-		-	-
Building Owner Occupied	23,842.05		5,200.54	29,042.59		5,244.10	34,286.69
Building -WIP, Kojokrom	-		-	-		8,391.21	8,391.21
MotorBike/Vehicle	44,173.97		10,335.60	54,509.57		10,335.60	64,845.17
Plant & Machinery	34,164.50		8,906.04	43,070.54		878.39	43,948.93
Furniture & Fittings	21,397.21		4,243.89	25,641.10		2,488.07	28,129.17
Computer & IT Equipment	108,384.73		20,672.91	129,057.64		20,778.39	149,836.03
Office Equipment	32,893.24	1,564.51	6,842.14	38,170.87		6,699.96	44,870.83
Micro Savings Boxes	29,261.96		9,753.98	39,015.94		-	39,015.94
PPE Dep. Sub-total	294,117.66	1,564.51	65,955.10	358,508.25	0.00	54,815.72	413,323.97
Intangible Assets							
Easybank Software	4,471.05	-	6,450.85	10,921.90	-	6,450.85	17,372.76
Int.Assets Dep. Sub-total	4,471.05	-	6,450.85	10,921.90	-	6,450.85	17,372.76
Total Dep. of NCA	298,588.71	1,564.51	72,405.95	369,430.15	-	61,266.58	430,696.73
Carrying Amount	518,864.64	380.49	383,213.85	901,698.00	-	14,108.42	915,806.42

23. Reserves	Balance B/F	Adjust't (Div.)	Approp'n	Balance
Statutory Reserve	581,677.23	-	64,422.74	646,099.97
Operating Reserve	1,108,167.96	-116,976.44	193,268.23	1,184,459.75
Total Reserve	1,689,845.19	-116,976.44	257,690.97	1,830,559.72

24. Accumulated Provision for Loan Losses				
Bal. B/F	Set Aside	Sub-total	Increase	Accum. Prov.
360,591.00	-36,628.32	323,962.68	24,025.32	347,988.00

Ageing Report	Loan Balance	%	Req. Prov.
Current	5,407,546.95	1%	54,075.00
1-3 Months	173,927.63	10%	17,393.00
4-6 Months	128,803.07	30%	38,641.00
7-9 Months	152,806.86	60%	91,684.00
10-12 Months	146,194.58	100%	146,195.00
Rqd Accumulated Provision			347,988.00
<i>Loans Over 12 Months</i>	36,628.32	Set Aside	36,628.32
Total Loan Balance	6,045,907.41		

BUDGET FOR THE 2018/19 FINANCIAL YEAR

BUDGETED STATEMENT OF FINANCIAL POSITION FOR 30TH JUNE, 2019

ASSETS	2018/19	2017/18
Liquid Funds	441,304.05	360,347.76
Liquid Investments	4,167,110.22	3,497,591.63
Other Financial Investments	1,169,164.09	1,728,236.50
Loans	7,636,276.26	5,661,291.09
Other Current Assets	1,590,126.39	1,362,317.24
Non-Current Assets	955,082.14	915,806.42
TOTAL ASSETS	15,959,063.15	13,525,590.64
FINANCED BY		
Current Liabilities	264,984.89	159,775.66
Member Savings	12,377,993.16	10,364,365.90
Member Shares	1,251,742.82	1,170,889.36
RESERVES		
Reserves (Incl. Net Surplus)	2,064,342.28	1,830,559.72
TOTAL LIABILITIES & EQUITY	15,959,063.15	13,525,590.64

BUDGETED COMPREHENSIVE INCOME STATEMENT FOR THE 2018/19 FINANCIAL YEAR

PARTICULARS	2018/19	2017/18
Interest on Loans	2,244,387.30	1,591,616.19
Interest on Liq. Investments	557,841.20	535,772.09
Other Fin. Income	66,125.67	60,174.20
Total Fin. Income	2,868,354.17	2,187,562.48
Non-Operating Income	496,932.00	496,902.93
Total Income	3,365,286.17	2,684,465.41
LESS EXPENDITURE		
Cost of Funds	656,887.17	511,259.68
Personnel Cost	973,131.18	770,657.59
Occupancy	146,400.00	95,330.97
Organizational	757,558.05	703,634.80
Security	193,561.02	138,098.59
Administration	238,546.40	183,767.49
Provision for Loan Losses	60,000.00	24,025.32
Total Operating Cost	3,026,083.82	2,426,774.44
SURPLUS	339,202.35	257,690.97

LIST OF COMMITTEES

SUPERVISORY COMMITTEE

Mr. Donald Nimoh Bruce (Chairman)

Mr. Daniel Botchway Eyiah

Mr. John Dickson Mensah

LOANS COMMITTEE

Mr. Frank Arku Essel (Chairman)

Mrs. Naana Dadzie

Ms. Patricia Abaidoo