ARCCU CO-OPERATIVE
CREDIT UNION LTD.

2012

12TH ANNUAL GENERAL MEETING & FINANCIAL STATEMENTS

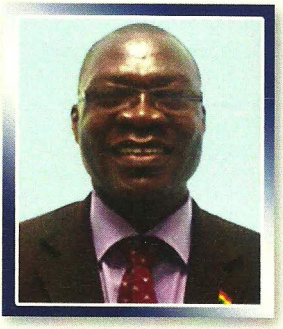
THEME: DEVELOPING THE INDIVIDUAL THROUGH CREDIT UNION

BOARD OF DIRECTORS

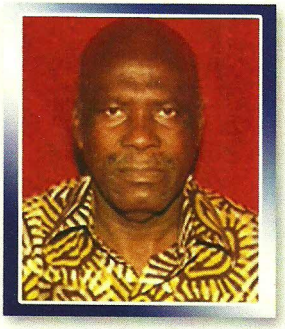
ARCCU CO-OPERATIVE CREDIT UNION LTD.

EDWARD QUARMINA HOWARD
(BOARD CHAIRMAN)

MRS PANDIBAPAGA TESOMBI SAGOE
(VICE-CHAIRPERSON)



GEORGE TWENEBOAH-KODUA
(SECRETARY)



KWESI EDUKUMA HAGAN
(TREASURER)

ISAAC KWARTENG
(MEMBER)

RICHARD KWESI ADJORLOLO
(MEMBER)

REV. KOJO IMPRAIM
(MEMBER)

MRS. ABA SMITH
(MEMBER)

CYNTHIA ADEMADJIKU
(MEMBER)

A.G.M Programme

12.00 - Opening Prayer	Rev. Kojo Impraim
Credit Union Song	Mr. George Tweneboah - Kodua
Introduction of Chairman & Dignitaries	Mr. Emmanuel Prah
Chairman's Welcome Address	Mr. Edward Howard
Presentation of Audit Report	Mr. Albert Ankomah, CUA
Manager's Presentation	Mr. Emmanuel Prah
Brief Remarks -	Mr. Emmanuel Oduro Darko General Manager (CUA Ltd.)
-	Nana Kobina Nketsia V Omanhen of Essikado Traditional Area

Presentation of Awards

Election and Induction of Board & Committees

Vote of Thanks

Closing Prayer

VISION STATEMENT

ARCCU CO-OPERATIVE CREDIT UNION AIMS AT REDUCING POVERTY AND CREATING WEALTH AMONG ITS MEMBERS.

MISSION STATEMENT

ARCCU CO-OPERATIVE CREDIT UNION LIMITED
IS A FINANCIAL ORGANIZATION WHICH MEMBERSHIP
AIMS TO PROVIDE FINANCIAL SERVICES
TO MEMBERS FOR THEIR GENERAL WELFARE.

CREDIT UNION SONG

IT'S A SMALL WORLD AFTER ALL
IT'S A SMALL WORLD AFTER ALL
IT'S A SMALL WORLD AFTER ALL
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

EDWARD QUARMINA HOWARD
(BOARD CHAIRMAN)

Chairman's Report

Mr. Edward Q. Howard is a Chartered Accountant, a member of the Institute of Chartered Accountants, Ghana.

He also holds a Bachelor of Commerce degree (B.Com) with honours, from the University of Cape Coast and a Diploma in Management and Administration from the Institute of Professional Management and Administration – UK.

Mr. Howard is currently the Board Chairman, a position he has occupied since 2007.

He is also the Vice-Chairman of the Western Chapter of the Credit Unions Association (CUA) of Ghana and has worked with ACCOSCA (African Confederation of Co-operative Savings and Credit Associations) as a Resource person.

Mr. E. Q. Howard works with Takoradi Flour Mill Limited as the Deputy Chief Accountant.

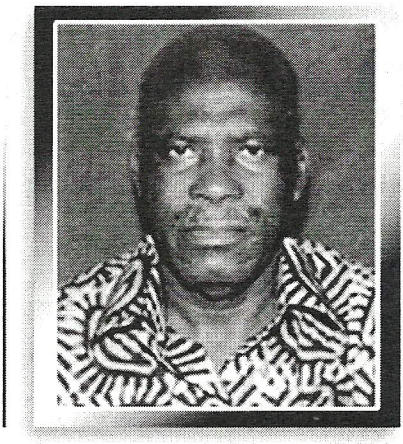
He is also a partner in Perfect Team Business Consult, an Accounting and Management firm in Takoradi and acts regularly as a Resource person for the Takoradi Business Advisory Centre (BAC).

MRS PANDIBAPAGA TESOMBI SAGOE
(VICE-CHAIRPERSON)

Mrs. Pandibapaga Tesombi Sagoe is a Chemical Engineer. She holds a Masters degree from the University of Iasi of Romania.

She is the deputy Managing Director of Solar Opticals, a private limited company for the past 22 years. Mrs Sagoe has been on the Board for the past 6 years and has been Vice-chairperson since 2007.

She is also the manageress of Monique's Collection and a former Board member of Jayee University College at Accra.



KWESI EDUKUMA HAGAN
(TREASURER)

Kwesi Edukuma Hagan is an Electrical Technician with Intermediate Certificate in Electrical Engineering Practice from City and Guilds of London.

Mr. Hagan has garnered a wealth of experience in Electrical Engineering which covers 40 years. He worked with T.V.L.C. from 1971-78 and Multiwall Paper Sacked Limited Takoradi from 1984-2011 as an Electrical Superintendent. He is also a member of Ghana Electrical Contractors Association.

Mr. Hagan joined ARCCU in January 2001. He has been on the current Board for five years and is presently the Treasurer. Mr. Hagan also served for four years as a member of the Education Committee.

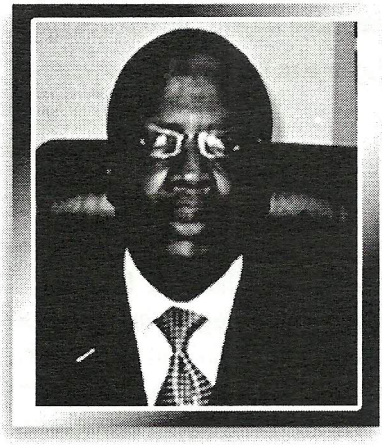
GEORGE TWENEBOAH-KODUA
(SECRETARY)

Mr. George Tweneboah-Kodua is an Educationist. George holds a Bachelor of Education (honours) degree in Agriculture from the University of Education, Winneba. He is currently pursuing an M-Phil programme at the University of Cape Coast.

Mr. George Tweneboah-Kodua is presently the Deputy Regional Manager of the Methodist Educational Unit of the Ghana Education Service. George is also the Executive Director of NAPS Financial Services.

He is also a past Board Chairman of Anaji Christ the King Community Co-operative Credit Union and a patron of Takoradi Secondary School Youth Savings Club.

George joined the Board in 2006 and is the current Board Secretary.



RICHARD KWESI ADJORLOLO
(MEMBER)

Richard Kwesi Adjorlolo joined ARCCU in March 2006. In 2007, he joined the Board and remains a member to date.

Richard brings to the Board a rich blend of banking experience that spans twenty years. He presently works as the Takoradi Branch Manager of Bank of Africa Ghana Limited. Before then, he was with Standard Chartered Bank as an Associate Relationship Manager.

Richard holds a Diploma and a Bachelor's degree (Honours) in Commerce from the University of Cape Coast. He is also a certified Credit Analyst.

Richard has attended a host of international and local conferences. He serves on the boards of other financial institutions as well as churches and other not-for-profit organizations.

REV. KOJO IMPRAIM
(MEMBER)

Rev. Kojo Impraim is the Senior Pastor of the Assemblies of God Central Church in Takoradi. He has been in the ministry for the past Twenty-Two years.

He is a graduate of K.N.U.S.T., West Africa Advance School of Theology, Lome, Togo, Haggai Institute, in Singapore, South East Asia and Biblical Institute for Leadership Development, Ames, Iowa, U.S.A.

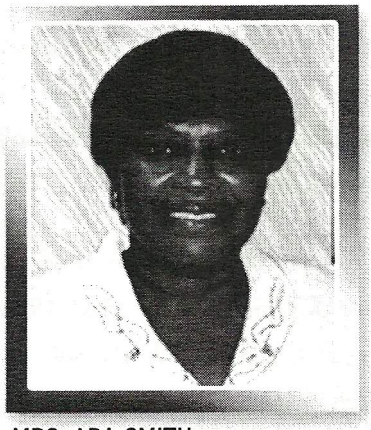
Rev Kojo Impraim was the Head of the Mathematics Department of Ahantaman Secondary School from 1981-1988. He has been on the board of ARCCU Co-o perative Credit Union for the past four years. He is married and has Four Children.

CYNTHIA ADEMADJIKU
(MEMBER)

Cynthia Ademadjiku is the head of the Business Desk of Ghana-Asia Business Advisory Center and a former staff of Takoradi Flour Mill Ltd.

She has a Diploma in Business and Administration Studies and is currently studying with Wisconsin International University College.

Cynthia has been on the board of ARCCU for the past four (4) years. She has attended a number of international courses including one in Rwanda where she presented a paper on "Youth Activities in Credit Unions in Ghana."



MRS. ABA SMITH
(MEMBER)

Mrs. Aba Smith is an Educationist who recently retired as a Deputy Director of Education. She holds a Bachelor of Arts Degree with Honours in English and French from the University of Cape Coast, a Diploma in Good Governance from GIMPA. She also has a Diploma in Management and Administration from the Institute of Professional Management and Administration – UK.

Mrs. Aba Smith worked with the Ghana Education Service for Thirty-eight (38) years and was the Headmistress of Bompeh Senior high School from 1998 to 2010.

Mrs. Smith is the brain behind the formation of ARCCU Co-operative Credit Union; a project she started in 1999. She joined the current Board in 2010. She also founded the Youth Savings Clubs in Schools in Ghana and initiated the CUA HIV Health programme which was launched in 2001. From 1998 to 2004, Mrs. Smith was the National Chairman of CUA from 1998 to 2004.

She is the Director of EDAR Smith Company Limited, Takoradi and has special interest in voluntary/social work.

EMMANUEL WILLIAM PRAH
(GENERAL MANAGER)

Mr. Emmanuel Prah joined ARCCU in August 2011 as the General Manager.

He comes from a management and quasi-legal background. Before joining ARCCU, Mr. Prah worked briefly as a Business Consultant with Premier Consult, Accra and CUA – under a GIZ project – as a Technical Advisor.

He was also the Contracts Manager of ESSL, London. Between 1996 and 2002, Mr. Prah was the Regional Head of Prosecutions for SSNIT in Takoradi.

Mr. Prah holds an MBA in Finance from the University of Leicester and a BA Social Sciences degree from KNUST.

AUDITORS REPORT

REPORT OF THE AUDITORS TO THE MEMBERS FOR THE PERIOD ENDED 30TH JUNE,2011

We have audited the Financial Statements of the ARCCU Co-operative Credit Union Ltd, Which have been prepared under the historical cost convention? We have obtained all the information and explanation we required.

These Financial Statements are the responsibility of the Union Directors. Our responsibility is to express a independent opinion on these Financial Statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. These standards require that we plan and perform our audit to obtain reasonable assurance that the Financial Statements are free from material misstatements. An audit includes examining, on test basis evidence supporting the amounts and disclosures in the Financial Statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, proper records have been kept and the Financial Statements which are in agreement therewith, comply with the requirements of the Cooperative Societies Decree of 1968 (NLCD 252) and give a true and fair view of the state of affairs of the Society as at 30th June, 2010 and of the results of its business operations for the period then ended.

Signature.....

Amponsah Doku Aaron
Name.....

CUA LTD.

Signature.....

Akey Bekoe
Name.....

CUA

Signature.....

O. G . Ortsin
Name .....

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ARCCU CO-OPERATIVE CREDIT UNION LTD.
INCOME AND EXPENDITURE FOR THE YEAR ENDED 30TH JUNE, 2011

	NOTES	2011 GH ¢	2010 GH ¢
INCOME			
41 Interest on Loans	2	656,061.70	594,434.80
42 Interest on Liquid Investments	3	254,519.51	227,805.23
45 Other Financial Income	4	-	-
		910,581.21	822,240.03
46 Non Financial Income	5	158,746.88	106,169.82
TOTAL INCOME		**1,069,328.09**	**928,409.85**
LESS EXPENDITURE:			
51 Cost of Funds	6	114,562.07	199,136.64
52 Personnel Cost	7	262,321.61	136,340.37
53 Occupancy	8	11,925.70	12,339.30
54 Organizational	9	157,171.84	175,490.40
55 Security	10	49,337.62	29,058.23
56 Administration	11	111,012.54	76,816.66
57 Provision for Loan Losses and Write Off	12 / 24	129,588.74	150,000.00
TOTAL OPERATING EXPENSES		**835,920.12**	**779,181.60**
Net Surplus		**233,407.97**	**149,228.25**
SURPLUS APPROPRIATION			
Net Surplus c/f		233,407.97	149,228.25
25% Statutory Reserve		58,351.99	37,307.06
Education Reserve			
Proposed Dividend			56,510.00
Operating Reserve		175,055.98	55,411.19
		233,407.97	149,228.25

ARCCU CO-OPERATIVE CREDIT UNION LTD.
BALANCE SHEET AS AT 30TH JUNE 2011

ASSETS	NOTES	2011 GH ¢	2010 GH ¢
11 Liquid Funds	13	8,013.39	9,277.30
12 Liquid Investments	14	1,501,546.69	1,475,301.89
13 Other Investments	15	181,656.60	117,165.10
14/24 Net Loans To Members	16 / 24	2,161,910.64	2,012,835.89
15 Other Assets	17	124,858.29	59,307.03
16/25 Net Fixed Assets	22	483,864.38	170,927.19
TOTAL ASSETS		**4,461,849.99**	**3,844,814.40**
LIABILITIES			
21 Current Liabilities	18	28,689.95	87,007.47
22 Members Savings	19	3,363,549.43	2,933,379.41
23 External Loans	20	-	-
		3,392,239.38	**3,020,386.88**
CAPITAL			
31 Members Shares	21	445,995.82	376,735.44
32 Reserves (incl. Net Surplus)	23	623,614.79	447,692.08
		1,069,610.61	**824,427.52**
TOTAL LIABILITIES AND CAPITAL		**4,461,849.99**	**3,844,814.40**

Approved by Management Board on 2ND August, 2011
The above statement together with the attached certified shedules giving full details of all assets are to our best knowledge and belief correct.

EDWARD Q. HOWARD
Chairman

K.E. HAGAN
Treasurer

Approved by DoC:

DEPARTMENT OF CO-OPERATIVES
WESTERN REGION

Date: 24/10/2011

APPROVED
REGISTRAR CO-OPERATIVE OFFICER

ARCCU CO-OPERATIVE CREDIT UNION LTD
NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

The Significant accounting policies adopted by the union and used in the preparation of the Financial Statement are as follows:

a) Basis of Accounting

The financial statements have been prepared under the historical cost convention.

b) INTEREST ON MEMBERS' SAVINGS

Interest on Members' Savings is paid on yearly balance.

c) DEPRECIATIONS

Depreciation is charge on a straight line basis

Premises	2%
Office Equipment	25%
Furniture & Fittings	20%
Equipment and Vehicles	20%
Computer and IT Equipment	33.33%
Software	33.33%

2. Interest on Loans	2011 GH ¢	2010 GH ¢
Interest on Normal Loans	656,061.70	594,434.80
Interest on Other Loans	-	-
	656,061.70	**594,434.80**

3. Interest on Liquid Investments		
Int. on Call Deposit	1,543.42	2,700.21
Int. on Fixed Deposit - Amalbank	57,848.31	78,755.25
Int. on Fixed Deposi - Merchantt	31,888.98	23,914.87
Int. on PIA (GCS)	78,567.58	50,845.95
Int. on Fixed Deposit - UT		31,943.71
Int. on Bank Savings		0.76
Int. on Fixed Deposit - Intercontinental	72,635.35	32,385.63
Interest on CUA CFF Savings	12,035.87	7,258.85
	254,519.51	**227,805.23**

4. Other Financial Income		
Interest On Other Investment	-	-
Dividend On Other Investment	-	-
	-	-

5. Non Financial Income		
Entrance Fee	4,645.25	-
Loan Processing Fees	127.02	-
Savings Boxes Commission	2,150.00	
Sale of withdrawable bks	20.50	
Members closed Accounts	16,369.06	
Commission on LPP	3,956.14	
Commission on Daily savings	91,003.53	
Sale of Passbook	17.00	
Other Income	16,513.55	
Accounts Closure Charges	3,514.68	-
Gain or Loss on Disposal of Fixed Assets	215.00	-
Impaired loan Income	20,215.15	-
	158,746.88	**106,169.82**

6. Cost of Funds	2011 GH ¢	2010 GH ¢
Interest on Member Savings	114,562.07	199,136.64
Interest on Fixed Deposits	-	-
Interest on External Loans	-	-
	114,562.07	**199,136.64**

7. Personnel Cost		
Staff Salaries	125,470.07	87,194.47
SSNIT contribution	19,313.24	10,683.86
Staff Overtime	4,118.09	4,094.11
Attachment Allowance	2,030.80	3,402.44
Mobile Bankers Pro. Fund	-	2,570.00
Operational Allowance	3,773.15	2,735.28
Staff Bonus	11,332.90	6,614.00
Staff Overtime (Daily Savings)	411.01	2,988.30
Staff Transport Allowance	11,145.00	5,250.00
Mobile Bankers Uniform	3,739.00	6,332.41
Staff Insurance	272.29	-
Dressing Allowance	3,122.00	-
Long service Award	100.00	-
Medical Expenses	381.00	278.00
C-CUPP	5,968.40	4,197.50
Daily Savings Commission	71,144.66	-
	262,321.61	**136,340.37**

8. Occupancy		
Rent	5,624.00	7,253.00
Repairs and Maintenance	6,301.70	5,086.30
	11,925.70	**12,339.30**
9. Organizational Cost		
CUA Dues	10,701.25	21,708.00
Travelling Expenses	368.80	440.00
Donations	4,110.00	1,460.00
Meeting Cost	1,155.05	1,025.00
Promotions and Advertising	1,130.00	-
Chapter Dues	6,420.75	-
CUA Golden Jubilee	-	835.00
Biennial Conference	-	7,143.00
Board Expenses	15,523.45	12,579.19
Education Committee All.	3,650.00	1,326.00
Fuel and Lubricant	2,345.00	968.00
Loss on Kojokrom takeover	-	16,519.60
Loans Committee All.	2,860.00	2,144.00
Land bank Exp	194.00	110.00
WOCCU Conference	28,356.74	1,793.55
Members Forum	1,622.10	719.00
T&T - Main office	5,021.44	5,321.90
Commission Paid - Daily Savings	-	56,786.79
Education & Training	18,494.60	3,302.20
Hotel Accom. & Protocol	572.05	599.60
SupervisoryCommittee Allowances	4,805.00	2,760.00
Travels Expenses - Daily Savings	15,388.71	11,238.15
Honorarium	14,132.40	11,313.42
Annual General Meeting	20,320.50	13,901.90
Transport Exp. - Home Banking	-	1,496.10
	157,171.84	**175,490.40**

10. Security	**2011 GH ¢**	**2010 GH ¢**
Risk Management Premium	25,000.00	15,940.50
Audit Expenses	1,712.00	2,000.50
Annual Renewal Fees	325.00	15.00
Fire and Burlgary Insurance	-	82.67
Fire Protection Exp.	412.00	412.00
Legal Expenses	1,000.00	377.50
Police/Private Guard	7,707.50	6,280.06
Motor Vehicle Insurance	2,130.40	
CUA Stabilization Fund	8,170.72	-
Audit Fees	2,880.00	3,950.00
	49,337.62	**29,058.23**

11. Administration		
Cleaning and Sanitation	2,411.90	1,600.02
Bank Charges	5,130.57	7,905.84
Repairs & Maintenance of Equipment	2,468.00	1,761.50
Repairs & Maint. of Computer Equip.	6,599.59	5,284.25
Repairs & Maint. Of office furniture	320.90	509.30
Repairs & Maint.(Plant and Equip.)	111.00	300.00
Repairs & Maint. (software)	1,020.00	2,819.99
Repairs & Maint.(motor vehicle)	552.61	-
Printing & Stationery (Daily Savings)	8,196.00	-
Communication & Postage	13,749.66	8,980.05
Miscellaneous	144.00	-
Publication & Newspaper	523.50	
Office Expenses	2,835.30	2,457.20
Utilities	19,852.78	11,626.73
Printing and Stationery	10,034.48	14,700.11
Depreciation on Fixed Assets	37,062.25	18,871.67
	111,012.54	**76,816.66**
12. Provision for Loan Losses and Write Off		
Increase in Provision for Loan Losses	113,906.00	50,000.00
Bad Loans Written Off	15,682.74	100,000.00
	129,588.74	**150,000.00**

13. Liquid Funds	**2011 GH ¢**	**2010 GH ¢**
Cash On Hand	10,337.26	4,422.96
Petty Cash	-	-
Office Safe	-	-
Cash Balance	**10,337.26**	**4,422.96**
GCB Current AC	100.00	(4,191.39)
Ecobank Current	-	337.77
Amalbank Current	(28,171.94)	(4,234.64)
Amalbank Dollar Acc.	9,565.40	2,742.45
Merchant Current	1,206.14	-
Ahantaman Current	12,842.01	6,298.70
Group Loan Cash A/C	-	1,300.00
Mobile Bankers Control A/C	2,134.52	2,601.45
Bank Balance	**(2,323.87)**	**4,854.34**
	8,013.39	**9,277.30**

14. Liquid Investments		
Bank Savings - GCB	168.75	168.75
Amalbank Call Deposit	69,575.07	41,830.50
GCB Call Deposit	2,527.66	4,626.55
CUA CFF Savings	70,819.40	49,246.27
CFF Savings - Kojokrom	462.74	-
PIA - GCS	368,674.57	427,255.45
Fixed Deposit - Amalbank	461,717.83	412,000.00
M-Fund - Databank	83,367.53	-
Fixed Deposit - Merchant Bank	-	195,794.48
Fixed Deposit - Intercontinental	444,233.14	344,379.89
	1,501,546.69	**1,475,301.89**
15. Other Investments		
CUA Micro Savings Boxes	39,410.00	17,225.50
CUA Shares	300.00	300.00
CUA Kasoa Training Centre Shares	9,000.00	9,000.00
CUA Statutory Reserves Deposit	132,946.60	90,639.60
	181,656.60	**117,165.10**
16. Loans To Members		
Normal Loans	2,418,799.17	2,140,135.68
LOANS TO MEMBERS - MALE	-	-
LOANS TO MEMBERS - GROUPS		-
	2,418,799.17	
Bad Debt Written Off	(142,982.53)	2,140,135.68
Accumulated Provision For Loan Losses	(113,906.00)	(127,299.79)
	2,161,910.64	**2,012,835.89**
17. Other Assets		
Staff Salary Advance	3,313.09	4,279.98
Rent Prepaid	750.00	-
Interest Receivable	63,750.32	-
Staff Rent Loan	36,739.28	12,654.03
Staff Education Loan	3,295.75	793.40
Debtor (Michael Bessah)	9,808.35	10,408.35
Asset in Liquidation	-	31,171.27
WOCCU Exp. Prepaid	1,255.00	-
Home Banking (Bannerman)	59.00	-
Stationery Stock	5,887.50	-
	124,858.29	**59,307.03**

18. Current Liabilities	2011 GH ¢	2010 GH ¢
Audit Fees Payable	2,880.00	3,000.00
CUA/Chapter Dues	8,488.50	17,854.00
Local LPP	8,367.53	-
Commission Payable	-	436.05
Postage and Communication	1,342.99	681.40
Provident Fund	2,570.00	2,570.00
LPP	3,599.13	3,956.02
Rent Payable	-	2,000.00
Dividend on Shares	-	56,510.00
SSNIT	1,073.10	-
Mobile Bankers Over	368.70	-
	28,689.95	**87,007.47**
19. Members Savings		
Regular Savings	3,360,049.43	2,933,379.41
Members Fixed Deposit	3,500.00	-
	3,363,549.43	**2,933,379.41**
20. External Loans		
Loan from xxx Bank	-	-
Loan from CUA CFF	-	-
	-	-
21. Members Shares		
Normal Shares	445,995.82	376,735.44
MEMBER SHARES - MALE	-	-
MEMBER SHARES - GROUPS	-	-
	445,995.82	**376,735.44**

22. Fixed Asset Schedule

Fixed Assets	Cost	Write Off/Disp	Additions	Balance
Land & Premises(W.I.P)	121,341.03		275,314.96	396,655.99
Office Equipment	29,639.14		7,651.00	37,290.14
Factura software	17,433.94	17,433.94	0.00	0.00
Furniture & Fittings	14,291.60		3,592.00	17,883.60
Plant & Machinery	13,697.00			13,697.00
Motor Vehicles	481.50		32,796.18	33,277.68
Computer and IT Equipment	42,625.62		20,986.00	63,611.62
Software - Easybank	0.00		27,093.24	27,093.24
Total Gros Assets	**239,509.83**	**17,433.94**	**367,433.38**	**589,509.27**
Depreciation	**Balance b/f**	**Disposal**	**Charge for the year**	**Balance**
Land & Premises	0.00		0.00	0.00
Office Equipment	18,947.42		5,071.92	24,019.34
Furniture & Fittings	11,866.51		1,894.97	13,761.48
Plant & Machinery	9,587.90		3,424.25	13,012.15
Motor Vehicles	421.34		8,259.21	8,680.55
Computer and IT Equipment	27,759.47		11,637.97	39,397.44
Software - Easybank	0.00		6,773.93	6,773.93
Total Depreciation	**68,582.64**	**0.00**	**37,062.25**	**105,644.89**
Net Fixed Assets	**170,927.19**	**17,433.94**	**330,371.13**	**483,864.38**

23. Reserves

	Balance b/f	Adjustments	Appropriation	Balance
Statutory Reserve	143,126.98	0.00	58,351.99	201,478.97
Education Reserve	9,614.86	0.00	0.00	9,614.86
Operating Reserve	294,950.24	57,485.26	175,055.98	412,520.96
Total Reserve	**447,692.08**	**57,485.26**	**233,407.97**	**623,614.79**

24. Accumulated Provision For Loan Losses

Balance b/f	127,299.79
Less Set Aside (see below)	-142,982.53
Subtotal	**-15,682.74**
Bad Loans Written Off	15,682.74
Increase In Provision	113,906.00
Accumulated Provision	**113,906.00**

Ageing Report	**No. of loans**	**Loan Balance**	**%**	**Required**
current		1,932,627.38	1%	19,326.00
1-3months		170,405.28	10%	17,041.00
4-6months		108,071.85	30%	32,422.00
7-9months		48,989.53	60%	29,394.00
10-12months		15,722.68	100%	15,723.00
Accumulated Provision	0	1,948,350.06		**113,906.00**
Over 12months			**set aside**	**142,982.53**

SPEECH BY BOARD CHAIRMAN ARCCU

EDWARD QUARMINA HOWARD
(BOARD CHAIRMAN)

Nananom, The General Manager, CUA Ghana, The Regional Cooperative Officer, Chairmen and Managers from sister Credit Unions, Distinguished Invited Guests, Fellow Co-operators, Ladies and Gentlemen,

On behalf of the Board of Directors of ARCCU, I am pleased to welcome you to yet another Annual General Meeting, for the year ended 30th June 2011.

I am even more pleased to report to you the positive results achieved last financial year; a strong financial performance, service delivery expansion, and significant progress towards business process excellence, making significant strides in our chosen market, and growing the size of membership, among others.

These were achieved, however, in a very challenging operational environment.

Economic Environment

The year 2010/2011 (July 2010 – June 2011) was a challenging year in the national financial market. The world economy was trying to recover from the global recession. Unemployment rates kept soaring in Europe and the USA. Businesses, both large and small, experienced declining consumer demand and have responded by reducing employee levels. As the crisis intensified, the effects on developing countries increased in step and remittance from Ghanaians in such countries to Ghana dwindled or ceased.

In Ghana, increasing crude oil prices caused corresponding increases in domestic prices of fuel, fuelling inflationary pressures across general goods and services, although the official inflation rate was single digit. Prices of petroleum product, utilities such as electricity and water also went up. This led to high cost of operations both for the Credit Unions and our members. During the year under review, returns on liquid investment kept declining and this seriously affected our income.

In spite of the above, prudent management practices helped us to make some strides.

Operating Results

Indicator	2011	2010	%Change
Total Assets	4,461,849.99	3,844,814.40	16.05
Savings	3,363,549.43	2,933,379.41	14.66
Loans Granted	2,161,910.64	2,012,835.89	7.41
Shares	445,995.82	376,735.44	18.38
Reserves	623,614.79	447,692.08	39.30
Liquid Investments	1,501,546.69	1,475,301.89	1.78
Fixed Assets	483,864.38	188,152.69	157.17
Net Profit	233,407.97	149,228.25	56.41

An aggregate interest of 4% per annum on savings was paid on quarterly basis.

Dividend

The Board of Directors is recommending a dividend of 15% per share.

Strategy

We continue to be guided by our strategic objective of growing shareholder value and providing assistance to members on a timely basis. In this regard, we want to encourage members to buy more than the minimum shares and also to make regular savings. We therefore recommend that in order to increase our Share Base,

this year's Dividends should be added to the Shares Accounts. We must always remember that the Credit Union idea is to help us to save, create wealth and grow our own capital. This way the Credit Union helps us to expand. The Board therefore wishes to appeal to all members to honour our loan obligations religiously and also save regularly.

Management will continue to take hard stance to retrieve loans from defaulters. Some of these measures may seem rather harsh but management is being forced into it in our own interest. We want to appeal to ourselves to honour our loan repayment obligations to enable us to continue living as a Happy Family.

Corporate Governance

In line with the constitution of CUA, all the Directors are to retire this year. Some, however, are eligible for re-election. Others, including myself, have completed our term and are therefore leaving the board. We wish to thank you for your cooperation during our tenure. New members who are joining the Board will be introduced to you in due course.

ARCCU House

Work on the ARCCU House was started and the ground floor was ready by 30th June 2011. The staff moved into the office on 1st July, 2011. The work on the building is on-going and is at an advanced stage. This House was dedicated this morning to the Glory of the Almighty God, Jehovah.

The Year(s) Ahead

Expenditures are on the rise. Loan repayments are not as expected. We, however, believe that with prudent management practices, and your cooperation, and support, this negative trend will be halted.

Capital Expenditure

Management wishes to undertake the following in order to facilitate the operations of ARCCU:

- To develop part of the land acquired;
- To complete the work on the ARCCU House

Staffing

We continue to improve upon the capabilities of our staff with continuous training both in- house and externally. In our effort to avoid training people only for them to leave us, it is the Board's plan to improve the already good working conditions of staff.

We thank our hardworking staff for improving day to day in offering quality service to our members, though there is more room for improvement

It is important to state, however, that members' funds need to be protected. Therefore, much as the Board deems it fit for the staff to be rewarded, the Board also expects that staff give of their best.

Conclusion

Once again, on behalf of the Board, I would like to sincerely thank the management team, ARCCU staff and the entire membership for a successful year.

To you members, we say thank you for the confidence reposed in the Board.

It is my hope that the incoming Board of Directors will continue to work hard to sustain and even surpass the achievements we have made in the past.

We look forward to working together with all our stakeholders to deliver the promise that ARCCU holds for existing members and people within its Common Bond.

Thank you.

Edward Quarmina Howard

SPEECH BY GENERAL MANAGER ARCCU

EMMANUEL WILLIAM PRAH
(GENERAL MANAGER)

It is indeed a special privilege to be with you and present to you the General Manager's report. The last financial year was indeed momentous. Momentous in the sense that, it was the year in which ARCCU moved into its own building and acquired its first vehicle.

PERFORMANCE REVIEW

The above capital outlay did not detract from ARCCU's strong performance over the years. ARCCU continued its growth as membership grew from 7,338 to 8,072. Our assets also went from GHc 3,844,814.40 to GHc 4,461,849.99 with profits increasing from GHc 149,228.25 to GHc 233,407.97. Our Operating Reserves increased from GHc 55,411.19 to GHc 175,055.98.

There is no gainsaying that the last financial year was a good one to us and it is our hope as management to continue in that strive and even improve the performance figures. Notwithstanding, it is essential that we drop certain caveats. For the purpose of convenience the caveats which will doubtlessly impact our profits shall be considered in the latter part of the report.

PRODUCTS

In response to demands from our members and the exigencies of the microfinance terrain, ARCCU has introduced the following products.

- Commercial Transport Loan
- Christmas Saving/Loan
- Building & Land Savings/Loan
- New Member Emergency Loan
- Funeral Saving/Loan
- Education Savings/Loan
- Fixed Deposit

The Commercial Transport Loan has been very popular and over-subscribed. It has also served as a great publicity outlet to us. Indeed, after its launch, there has been a flood of members (current and potential) to enquire about its availability.
We intend reviewing performance in respect of the new products in order to adopt strategies that will leverage the benefits thereto.
Permit me also to use this opportunity to invite members to visit us with their credit needs; for it is only when we know their needs that we can develop or review products to meet their expectations.

2011-2012 FINANCIAL YEAR - PROJECTS

LOANS

The area of loan recovery has been an Achilles heel of a sort for us. Our loan delinquency rate is a far-cry from the recommended 5%. This, from our observation mainly stems from a misplaced perception of the Happy Family concept. It is not uncommon to hear some members say that as for credit union loan you pay at your own pace. Whilst we wish to at all times maintain the happy family, we are also conscious of the fact that one bad apple if not checked can spoil the entire bunch. In this wise we intend being a bit more robust in debt recovery this time. Recalcitrant loan defaulters shall be served with writs and judgment executed if obtained. Our appeal is that members who are behind their payment schedule pay up to avoid compelling to resort to legal action.

HUMAN RESOURCE DEVELOPMENT

Our assets are only as good as the kind of human resource we have. In the microfinance terrain, new challenges come up by the day. To meet such challenges require constant updating of skills. Management has decided that each staff member shall benefit from at least one training programme in the course of the year. Attached to this is an expectation that delivery on the job shall improve.

SAVINGS CLUB

There is an adage that train up a child the way he or she should go and the child will never depart from that. Habits once formed are difficult to break. Taking cue from this, ARCCU intends adopting some Savings Clubs from secondary schools. This will be our quota in inculcating saving habits in the youth who are the future adults and for that matter the future of ARCCU.

CORPORATE SOCIAL RESPONSIBILITY

Within the year, ARCCU was privileged to move to its own office complex. Our office complex is by all standards plush. This stands in sharp contrast to the standards of our new community. The Top Ten area has historically been one of the deprived areas of Takoradi. We cannot turn a blind eye to this if our physical community is to welcome and join us. For this reason, ARCCU in the course of the year donated two wheel barrows to the Amanful West Electoral area to support the communal cleaning of the Amanful area.

We were also the main sponsors of the "Sallah Top 6" for the muslim community in Sekondi Takoradi to mark the Eid-il-Adha.

We have also donated a computer set to the Collin Avenue (English & Arabic) Primary School which is just across our office.

ARCCU as a credit union is under the Department of Co-operatives as we are registered by them. As part of our corporate responsibility to our immediate stakeholder, we donated a refrigerator and curtains to the Department for office use. We hope to, in collaboration with other credit unions, do more to bring the department in line with the growing stature of credit unions in the region.

With a good foundation built, one can comfortably say that the future can only be bright, if and only if the right strategies are adopted. In this direction Management proposes undertaking the following projects:

LAND BANK

This project was started in the last financial year. Presently, we are in the process of completing the acquisition of 200 plots for sale to members. This is project is to help members acquire their own plots and spread payment over a comfortable period of time. Undertaking this project also helps us keep to our core business of savings mobilization and the granting of loans.

SETTING UP OF AGENCIES/BRANCHES

We will continue to explore the possibility of setting up branches and agencies as strategies towards maintaining our strengths; meeting the challenges or threats posed by our competitors; increasing membership; serving members better and ultimately increasing our worth. Even though we are committed to expansion; what we will not do is physical expansion for the sake of it.

PROFIT CAVEAT

It is management's intention to continue ARCCU's growth and profits. Sustaining growth and profits requires planning for the medium to long term. As we embark on projects to sustain long-term profitability, it may sometimes be inevitable to compromise short-term profits. It is therefore prudent that we make our members and other stakeholders aware of certain probabilities.

Firstly, we are behind in our regulatory commitments to CUA to the tune of about GHc 130,000.00. Secondly, the ARCCU Land Bank project is projected to cost about GHc 850,000.00. Work on ARCCU House is progressing; but at a cost. We will need not less than GHc 250,000.00 to complete. The colossal amounts involved will doubtlessly take a hit on our liquid investments and ultimately our profitability. Besides, the setting up of further offices will increase expenditure and reduce profit levels in the short-term.

CONCLUSION

All in all we expect to build on our performance for the year 2010-11. Thank you all for your continuous support and more importantly for being a member of the happy family of ARCCU.

SUPERVISORY COMMITTEE

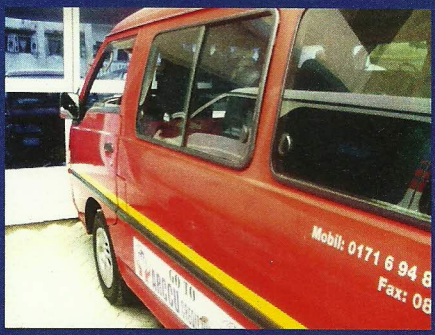
Mr. Donald Bruce	Chairman
Mr. Francis Aidoo	Secretary
Charles Arthur	Member

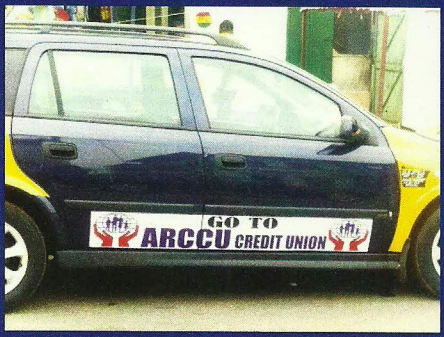
LOANS COMMITTEE

Mr. John Winful	Chairman
Mrs. Mercy Ampah	Secretary
Mrs. Cecilia Gyasi Brown	Member

EDUCATION COMMITTEE

Mr. Christopher Amavi	Chairman
Elfreda Ocran	Secretary
Mr. Moses Agyei	Member





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