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Monday: ... 10am - 5pm

Tuesday: ... 10am - 5pm

Wednesday: 10.30am - 5pm

Thursday: .. 10am - 5pm

Friday: 10am - 7pm

Saturday: ... 10am - 5pm



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Tullamore Credit Union Ltd.

Credit Union House, Patrick Street, Tullamore, Co. Offaly. Eircode: R35 YW58

tel: 057 9351780 freephone teleloan: 1800 56 55 55 fax: 057 9351280 email: info@tullamorecu.ie

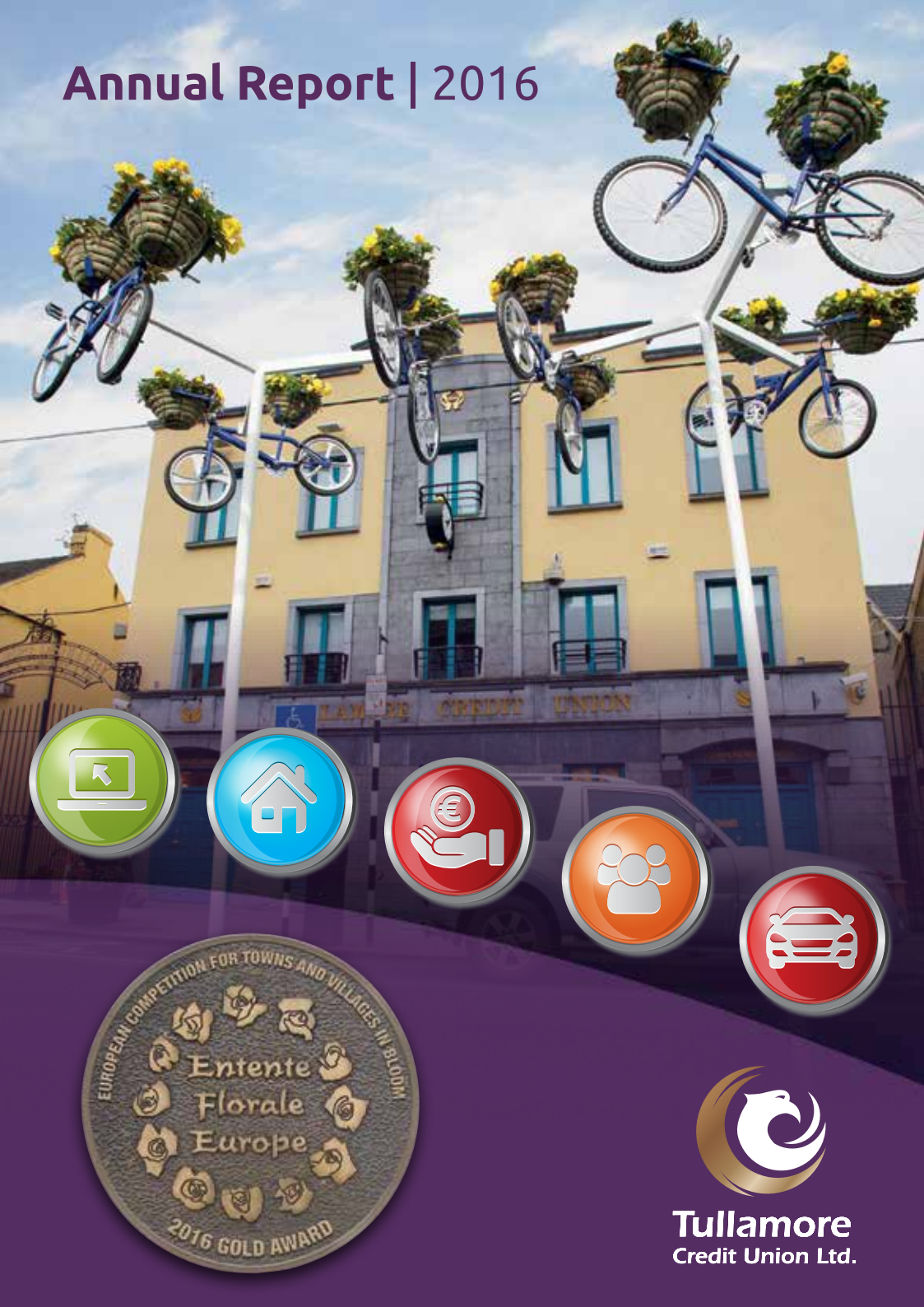
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Annual Report | 2016



Tullamore
Credit Union Ltd.

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Notice of Annual General Meeting

The Annual General Meeting of the members of Tullamore Credit Union Ltd will take place in Tullamore Court Hotel on Monday 5th December 2016 at 8pm. All members are welcome to attend.

Tullamore Credit Union Ltd - Board Of Directors:

Martina Martin (Chairperson)
Olive Heffernan (Secretary)
Patrick Doheny
Fra Mollen
Breda Flynn
Brian Gunning
Laughlin Fitzsimons
Tony Flanagan
Declan McDonnell
Gerard Nolan
Liam O' Callaghan

Tullamore Credit Union Ltd - Board Oversight Committee:

Ciara Flanagan (Chair)
Liam Walsh (Secretary)
Ray Spain
Dennis Daly (CEO)

Agenda

- A. Acceptance of proxies
- B. Ascertainment that a quorum is present
- C. Adoption of standing orders
- D. Reading and approval of the minutes of last Annual General Meeting
- E. Report of the Board of Directors
- F. Financial Report
- G. Report of the CEO
- H. Report of the Auditor
- I. Report of Board Oversight Committee
- J. Declaration of Dividend
- K. Report of the Credit Committee
- L. Report of the Credit Control Committee
- M. Report of the Membership Committee
- N. Community Involvement
- O. Report of the Nomination Committee
- P. Appointment of Tellers
- Q. Election of Auditor
- R. Appointment of Auditor
- S. Election to fill vacancies on the Board Oversight Committee
- T. Election to fill vacancies on the Board of Directors
- U. Rule Amendments
- V. Any other business
- W. Announcement of election results
- X. Adjournment or close of meeting



Board of Directors Report



I am very pleased to present the report of the Board of Directors for the year to September 30th 2016. While the results are set out in detail in the Financial Report, overall the outcome has been strong, and has surpassed expectations in a number of areas, such as savings, lending, investments and surplus all coming in ahead of budget.

The results for this past year are particularly pleasing in relation to loan growth, and, we hope, this reflects a confidence in our local economy. However, given the current interest rate environment in Europe, the Board remains cautious about investment performance over the next few years. Nonetheless the asset base of the credit union continues to grow, providing a strong base for the future growth and viability of Tullamore Credit Union.

The focus of the Board has been to provide a quality service to members. We have been working to ensure that the required resources are in place to sustain the future expansion of services to members. Our strategic plan is on target to deliver a broader range of services to members in a cost effective, and financially sustainable basis. We continue to innovate by leveraging the financial strength of our credit union to invest in research and development on a range of new services, not only as a “stand alone” entity, but also in conjunction with fellow credit unions. This approach will allow us benefit from economies of scale, whilst attracting larger players into the marketplace on a more competitive basis.

The Board approved an organisational review which resulted in a number of change management processes being completed. I would like to thank you and all our members for your patience during this time.

The Board of Directors has been actively engaged in embedding a strong culture of Risk Management and Regulatory Compliance, supported by a strong control framework, throughout the organisation. The Board believes that this is vital to underpin the growth and development envisaged for our credit union.

For Tullamore Credit Union to realise its full potential in meeting member requirements it is important that our efforts are supported by forward looking, enabling legislation, assisted by appropriate regulation. We continue a process of dialogue on this issue within the movement and we look forward to a positive outcome.

During the year, the Board of Directors approved the purchase of a building on Main Street. The purpose of this is to future proof our business requirements and open up opportunities to serve our members better. Our CEO will outline detailed plans a little later and drawings are available for viewing at the rear of the meeting hall here and in the banking hall in our office.

To conclude, I would like to take this opportunity to thank the Members of Tullamore Credit Union for their continued support and loyalty. I would also like to thank my fellow Directors, Members of

The results for this past year are particularly pleasing in relation to loan growth, and, we hope, this reflects a confidence in our local economy.



the Board Oversight Committee and our Volunteers for their enormous support and input over the past year. I would like to pay a special tribute to Liam Walsh who is stepping down from the Board Oversight Committee this year. On behalf of the Board, I would also like to thank our Management and Staff for their dedication and professionalism at all levels of the organisation.

I would like to wish you a Happy and peaceful Christmas, and a Prosperous New Year. Tullamore Credit Union is your Credit Union and I would encourage you to make full use of all of its financial services.

Martina Martin, Chairperson

Financial Report



On behalf of the Board of Directors, I am delighted to advise that our credit union's performance in the year to September 2016, from a financial perspective, was strong. The excess of income over expenditure for the year amounted to €5.6 million, down from €6.3 million in 2015. Driven by this our Reserves, which are a real measure of the strength of the credit union, have risen by €4.4 million to €58.4 million at year end. In addition, Members' Savings, Loans Issued, and Total Assets have all shown good growth in the year.

Members' Savings again showed a significant increase in 2016. This continues the trend of recent years, with members recognising the financial strength of Tullamore Credit Union Ltd as a safe place for their savings. During 2016 we have applied to retain balances above €100,000 following discussions with the relevant members and are in the process of applying for the ability to accept additional savings over €100,000. We will keep members informed of developments. The growth in savings this year was €7.7 million to €176.2 million in total.

2016 has seen the introduction of a new methodology for presenting annual accounts for all companies, moving from Irish Generally Accepted Accounting Principles (GAAP) to Financial Reporting Standards (FRS) 102. This has meant an adjustment to our figures from 2014 onwards so we have meaningful comparisons in our accounts. There are numerous new disclosures so there is more information available to the members regarding their Credit Union.

The investment portfolio generated income of €3.9m in the financial year ending 30 September 2016. This represented a solid return against the backdrop of an increasingly adverse investment environment. In spite of the challenging environment, the investment portfolio of €172.9 million is well positioned. We have worked hard to place a prudent proportion of the portfolio in medium to longer term investments, while at the same time ensuring that liquidity levels remain appropriate. This strategy will help minimise reinvestment risk over the coming years which is important given that interest rates are now expected to remain at current levels for the foreseeable future. The portfolio is fully compliant with all investment limits specified under new regulations which were published at the start of this year in the Credit Union Act 1997 (Regulatory Requirements) Regulations 2016.

In light of the above performance, the Board is recommending payment to members of a dividend of 0.5% this year.

Fra Mollen, Finance Officer



CEO Report

I am very pleased to update our members on operational issues from the past year. Under the CUCORA Act of 2012, management of the operational side of our credit union falls to me as CEO. I have responsibility also for implementation of our credit union's strategy as set out by the Board of Directors.

As you have heard, the year has been very successful, not only from a financial perspective, but also operationally, with member interaction with our credit union increasing in all areas, including:

Membership	940 new members joined
Loans Issued	€29.9 million issued an increase of 17% on 2015
Car Loans Issued	1801 car loans totalling €12.6 million issued - an increase of 36% on 2015 in the overall amount
EFT /Online Transactions	up 15% on 2015
Savings Lodged/Withdrawn	€279.3 million up 12% on 2015

ORGANISATIONAL STRUCTURE

As the local economy recovers from several years of recession, our credit union is now focused on serving our members' changing needs for the future. The Board of Directors has approved a strategic plan covering the period to 2020, and operationally we are putting in place the resources and structures to support the implementation of this plan. No doubt you, as members will have noticed a number of changes during the year, as a result. For example, as the Chairperson stated in the report of the Board of Directors, we have carried out an Organisational Review during the year. The purpose of this was to ensure that operationally, we had appropriate resources and structures in place to meet your needs as members, into the future. The outcome of this review required that many existing staff be up-skilled into new areas, and that several additional staff be recruited. Inevitably, this degree of change has taken some time to bed in and, at times, did result in delays and disruption for members. We appreciate very much your patience and support during these recent months. As CEO, I can assure you that the changes made now will benefit members for many years to come.

Our plans involve a significant degree of change in the way we will do business in the future. The aim is to expand the range and quality of services that we can provide to our members while retaining the level of member service that have been a feature of our business to date.

One particular issue that has been raised by members has been the requests from the credit union for members to provide proof of identity and confirmation of address. While we have known many of you personally for over 50 years, nonetheless there is now a legal obligation on all financial institutions, including credit unions, to have such documentation on file and current, on all our members. Failure to do so will open the credit union to substantial fines, and other possible regulatory sanctions. We do apologise for any inconvenience that this might cause to individual members, but please appreciate that this is a legal requirement and not controlled by the credit union.



PREMISES

I am also happy to update members on progress of the development of a second premises at Main Street. We are now in the process of tendering for the fit out, and hope to be operational in Q2 2017. As membership and demand for our services from members expand and we progress with the implementation of our business strategy, we are conscious of the constraints placed on our business by the current premises at Patrick Street. While this will remain our primary location we recognise the need to facilitate future expansion and flexibility in achieving our business goals and believe that the premises at Main Street can provide that flexibility. Initially some of our existing staff will be relocated there to address space restrictions in Patrick street. We are also extremely conscious of the fact that over 7000 members now use our office each week. As you would expect, our plans have to address the need to facilitate our members in the event of the Patrick Street office being out of commission for any reason for a period of time. A second location provides us with an ideal business continuity facility to provide an immediate alternative in the event of any service disruption at our Patrick Street office. We are also examining a number of exciting possibilities for the provision of new services in Main Street, and we will keep members up to date as these unfold.

SUPPORT FOR LOCAL BUSINESS

We all hope for meaningful economic recovery and as a credit union, we are focused on doing whatever we can to support this in our area. To this end we have developed a suite of new loan products, at attractive rates, to support local business and the farming community. Among the initiatives unveiled are:

- **Business Support Fund** – provides finance to assist in job creation.
- **Businesspay** – Working Capital facility for SMEs.
- **Secured and Unsecured Business Loans** – to support asset purchase or business expansion and potential job creation.

SUPPORT FOR HOME PURCHASE

We are conscious of the struggle that many of our members face in providing a home for themselves either by buying or renting. In the past year, our credit union has supported 55 individual members or couples to purchase their homes through our ASSET Loan programme. This programme will continue during the coming year, and we continue to engage with the Central Bank of Ireland for approval to expand our product offering in this area.

We have also implemented a programme aimed at supporting members who intend utilising the Government Tenant Purchase Scheme to buy out their homes from the local council, in the coming year.

In conjunction with our representative body, CUDA, we are engaged with the Central Bank of Ireland and the Department of Finance, to identify a mechanism that might allow credit unions support the development of social housing.

INFORMATION TECHNOLOGY

As part of our planning for the future we have also engaged outside specialists to advise on options with regard to our core IT platform. Our current system has, with various upgrades, served us exceptionally well for over 25 years. The current version is now approaching its end of life, and we are now looking at options to upgrade to a new platform, future proofed to support implementation of our strategic plan but fundamentally to support our member transaction services.

At previous AGMs you have heard me speak about our wish to provide debit card services to our members. We believe that this is a core requirement for any credit union in meeting our members' needs at this point. Operationally work has progressed well in the pilot phase, and I am happy to



report that cards have fully met all test criteria both in Ireland and abroad. In conjunction with the other credit unions involved in the project, we continue to engage with the Central Bank of Ireland to address regulatory and legislative issues around the provision of card services. While this process is likely to take some months to complete, we expect that the outcome, in addition to card services, will be the ability of our credit union to provide full current account services to members.

As part of our programme of ongoing improvement, we are focused on providing a full suite of online and mobile based services to members. This currently includes:

CU Online – Online Management of your account through our web site

CU Anywhere – Access to your account from your mobile phone

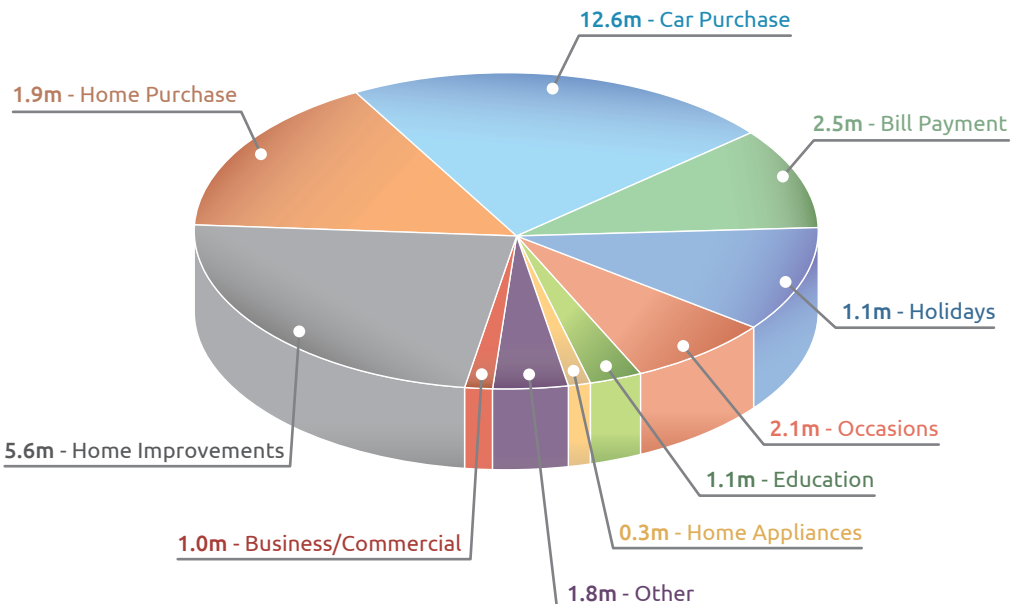
Facebook – Keep up to date with all things credit union through our facebook page

CULoans – Fast approval to loan application through our dedicated loan APP on your phone via Facebook.

More and more members are using these services. Why not check them out for yourselves? If you would like any member of staff to assist in looking at any of these services, please call in to see us.

Dennis Daly, CEO

Loans Issued in 2015-2016 by Purpose [€ million]





Directors' Report

The directors present their report and the audited financial statements for the financial year ended 30 September 2016.

Principal activities, review of the business and future developments

The principal activity of Tullamore Credit Union Limited is the provision of savings and loans to members in its common bond. The Credit Union manages its members' shares, capital and loans to members so that it earns income from the margin between interest receivable and interest payable. Both the level of business and the year-end financial position were satisfactory.

Results and distributions to members

The Board proposes to the membership the payment of 0.5% dividend and a 0% rebate of interest for the current year in line with note 5 in the financial statements.

Principal Risks and Uncertainties

The main financial risks arising from the activities of Tullamore Credit Union Limited are credit risk, liquidity risk and interest rate risk. The Board reviews and agrees policies for managing each of these risks which are summarised at Note 20.

Future developments

The directors expect to develop and expand the current activities of the Credit Union and they are confident of its ability to operate successfully in the future.

Post balance sheet events

There were no significant events affecting the Credit Union since the balance sheet date.

Directors

The present membership of the board are as set out on page 1.

In accordance with Section 53 of the Credit Union Acts 1997 to 2012 four directors of the Credit Union are required to retire from the board at this year's Annual General Meeting. Being eligible all four directors offer themselves for re-election.

Impact of FRS 102

The financial statements for the year ended 30 September 2016 have been prepared in accordance with FRS 102 and the comparative figures for 30 September 2015 were restated where necessary.

Accounting records

The measures taken by the directors to ensure compliance with the requirements of Section 108 of the Credit Union Acts 1997 to 2012, regarding proper books of account are the implementation of necessary policies and procedures for recording transactions, the employment of competent accounting personnel with appropriate expertise and the provision of adequate resources to the financial function. The books of account of the Credit Union are maintained at the Credit Union's premises at Patrick Street, Tullamore, Co. Offaly.

Auditors

The auditors, Byrne Casey & Associates, have indicated their willingness to continue in office in accordance with the provisions of Section 115 of the Credit Union Acts 1997 to 2012.

This report was approved by the Board on 25 October 2016 and signed on its behalf by:

Martina Martin
Director

Olive Heffernan
Director



Joe Kenny First President Tullamore Credit Union



A native of Ballyhaunis, Co. Mayo Joe came to Tullamore in 1954 to take up a teaching post in Tullamore Vocational school (Tullamore College). He became Deputy Principal in 1969 and remained in that position until his retirement in 1992. After his retirement he forged a career in broadcasting with series of very popular programmes on Midlands Radio 3. He was Captain of Tullamore Golf Club in 1985.

On 2nd April 1963 Joe was elected as first President of Tullamore Credit Union which was founded following months of regular meetings and the preparation of a feasibility study. He served as President for a total of eight years 1963; 1964; 1965; 1966; 1967; 1988; 1989 and 1990. He also served as Vice President twice in 1983 and 1984 and was a member of the Supervisory Committee in 1980 and 1981. Even beyond his involvement at board level, he continued to have a great interest in Tullamore Credit Union.

Joe's enormous contribution has led to the success of Tullamore Credit Union today. At our fiftieth anniversary

dinner dance, held on 20th April 2013 in the Tullamore Court Hotel, a special presentation was made to honour this contribution. In July 2013 the Board decided to further honour Joe by naming a meeting room "the Kenny Room" which he officially opened together with the President of the day Breda Flynn. Joe was humbled by this honour and expressed his deepest gratitude to the Board.

At our Annual General Meeting in December 2015 Joe was presented with the first copy of the book "Local and Lending the story of Tullamore Credit Union 1963 – 2013" by its author Michael Byrne which included a contribution from Joe. The publication of the book brought him a great sense of joy.

Friday 2nd September 2016 was a very sad day in the family of Tullamore Credit Union when word filtered through that Joe has passed away in the loving care of the staff of Mowlam Nursing Home, Moate. The Credit Union office was closed during his funeral. Staff of the office, pupils from Tullamore College and past Presidents led by his old friend P.J. Egan formed guards of honour on his final journey to Clonminch Cemetery.

Joe was pre-deceased by his beloved Nan. Our sincere and deepest sympathies to his brother Ado, sister-in-law Gertie, nieces, nephews, grandnieces, grandnephews, relatives and his many, many friends.

Ar dheis de go raibh a anam.

Brian Gunning



Statement of Directors' Responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable Irish law and accounting practice generally accepted in Ireland. The directors have elected to use the accounting standards issued by the Financial Reporting Council and published by the Institute of Chartered Accountants in Ireland.

The Credit Union Acts 1997 to 2012 require 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 books of account which disclose with reasonable accuracy at any time the financial position of the Credit Union and to enable them to ensure that the financial statements comply with the Credit Union Acts 1997 to 2012. They are also responsible for safeguarding the assets of the Credit Union and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Credit Union's website. Legislation in Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board of Directors

Martina Martin, Director *Olive Heffernan, Director*

Statement Of Board Oversight Committee Responsibilities

The Credit Union Acts 1997 to 2012 require the appointment of a Board Oversight Committee to assess whether the board of directors has operated in accordance with Part IV, Part IVA and any regulations made for the purposes of Part IV or Part IVA of the Credit Union Acts 1997 to 2012 and any other matter prescribed by the Central Bank of Ireland in respect of which they are to have regard to in relation to the Board.

Ciara Flanagan, Chairperson of the Board Oversight Committee

Report of the Board Oversight Committee

In accordance with the Credit Union Act, 1997 (as amended) and Credit Union and Co-Operation with Overseas Regulators Act 2012, the Board Oversight Committee has the general duty of overseeing the performance of the Board of Directors in the execution of their duties. The Committee observes and assesses the Board, engages with and reports to the Board and reports to you the membership, at the AGM.

At least one representative of the Board Oversight Committee has attended every meeting of the Board of Directors as required by the Act, and, having reviewed the procedures of these meetings, the Committee is satisfied that the actions and decisions of the Directors were compliant with current rules and legislation. We have also attended other committee meetings on an ad hoc basis.

The Board Oversight Committee continues to operate an open and transparent relationship with the Board of Directors where we are accommodated by the Board of Directors and management in relation to any queries we may have. In accordance with the Credit Union Act, 1997 (as amended) and Credit Union and Co-Operation with Overseas Regulators Act 2012, the Board Oversight Committee held four independent meetings with the Board of Directors during the year. These meetings give the oversight committee the opportunity to request information or reports on practises within the credit union where we may seek further information, for example Information Technology procedures.

The Committee members have completed and continue to attend various training programmes which included mandatory training in the areas of Anti-Money Laundering, Data Protection and Ethics. We also attended Leadership masterclasses on building and monitoring credit union strategy and the Role of IT governance and we attended Central Bank workshops during the year. The Board Oversight Committee is satisfied that the continual review of the credit unions processes and procedures by the Board of Directors ensures that the credit union meets all of the requirements laid down from a legal and regulatory perspective. We are satisfied that every action or decision taken by the Board of Directors is in the interests of the membership of Tullamore Credit Union.

We would like to extend our thanks to the Board of Directors, the CEO and all staff of the credit union for their assistance to us throughout the 2015/2016 financial year.

Ciara Flanagan, Liam Walsh, Ray Spain



Independent Auditor's Report to the Members of Tullamore Credit Union Limited

We have audited the financial statements of Tullamore Credit Union Limited for the financial year ended 30 September 2016 which comprise the Income and Expenditure Account, the Balance Sheet, the Statement of Changes in Retained Earnings, the Cash Flow Statement and the related notes.

The relevant financial reporting framework that has been applied in their preparation is Irish law and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants 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 Acts 1997 to 2012. Our audit work has been undertaken so that we might state to the Credit Union's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Credit Union and the Credit Union's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditors

As explained more fully in the Statement of Directors' Responsibilities, the Credit Union directors are responsible for the preparation of the financial statements giving a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland).

Scope of the Audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Credit Union's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the Financial Statements

In our opinion the financial statements:

- give a true and fair view of the state of the Credit Union's affairs as at 30 September 2016 and of its income and expenditure for the year then ended;
- have been prepared in accordance with Generally Accepted Accounting Practice in Ireland; and
- have been properly prepared so as to conform with the requirements of the Credit Union Acts 1997 to 2012.

Other matters prescribed by the Credit Union Acts 1997 to 2012

- we have obtained all the information and explanations which we considered were 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 accounting records.

Byrne Casey & Associates

Registered Auditors, Clonminch Hi Technology Park, Tullamore, Co Offaly. Date: 25th October 2016

**Income & Expenditure Account**

For the year ended 30th September 2016

	Notes	2016 €	2015 €
INCOME			
Interest on Loans	Schedule 1	5,101,563	4,936,553
Other Interest Income and Similar Income	Schedule 2	3,892,300	4,291,362
Net Interest Income		8,993,863	9,227,915
Other Income	Schedule 3	135,956	149,659
Other Gains	Schedule 4	202,416	317,468
TOTAL INCOME		9,332,235	9,695,042
EXPENDITURE			
Salaries		1,511,083	1,427,231
Other Management Expenses	Schedule 5	2,295,628	2,298,014
Depreciation		171,089	144,165
Other Losses	Schedule 6	150,198	177,361
Bad Debts Provision		(330,225)	(946,837)
Bad Debts Recovered		(591,545)	(422,606)
Bad Debts Written Off		550,140	743,857
TOTAL EXPENDITURE		3,756,368	3,421,185
Excess/(Deficit) of Income over Expenditure for the year		5,575,867	6,273,857
TOTAL COMPREHENSIVE INCOME		5,575,867	6,273,857

These Financial Statements were approved and authorised for issue by the Board on: 25 October 2016.

Signed on behalf of Tullamore Credit Union Limited:

CEO: Dennis Daly
 Member of Board Oversight Committee: Ciara Flanagan
 Member of the Board of Directors: Martina Martin

Date: 25 October 2016.

Date: 25 October 2016.

Date: 25 October 2016.

Balance Sheet

As at 30th September 2016

	Notes	2016 €	2015 €
ASSETS			
Cash and Balances at Bank		3,620,147	2,853,657
Deposits and Investments - Cash Equivalents		42,250,717	38,857,030
Deposits and Investments - Other		130,638,766	126,418,841
Loans	22	61,548,829	58,102,818
Less: Provision for Bad Debts	23	(7,349,573)	(7,679,798)
Tangible Fixed Assets	4	1,543,929	1,339,729
Debtors, Prepayments and Accrued Income	14	2,602,072	2,740,645
TOTAL ASSETS		234,854,887	222,632,922
LIABILITIES			
Members' Shares	15	176,249,158	168,378,155
Other Liabilities, Creditors, Accruals and Charges	16	180,237	179,166
Retirement Benefit Liability	16	16,483	15,053
TOTAL LIABILITIES		(176,445,878)	(168,572,374)
NET WORTH		58,409,009	54,060,548
RESERVES			
Regulatory Reserve		26,538,725	24,471,468
Operational Risk Reserve		1,000,000	-
Other Reserves			
Realised Reserves		28,490,649	27,150,846
Unrealised Reserves		2,379,635	2,438,234
TOTAL RESERVES		58,409,009	54,060,548

Represented By:

RESERVES

Regulatory Reserve		26,538,725	24,471,468
Operational Risk Reserve		1,000,000	-
Other Reserves			
Realised Reserves		28,490,649	27,150,846
Unrealised Reserves		2,379,635	2,438,234
TOTAL RESERVES		58,409,009	54,060,548

These Financial Statements were approved and authorised for issue by the Board on: 25 October 2016.

Signed on behalf of Tullamore Credit Union Limited:

CEO: Dennis Daly
 Member of Board Oversight Committee: Ciara Flanagan
 Member of the Board of Directors: Martina Martin

Date: 25 October 2016.
 Date: 25 October 2016.
 Date: 25 October 2016.



Statement of Changes In Retained Earnings

	Balance 1 October 2015	Payment of Dividend and Loan Rebate
	€	€
Regulatory Reserve	24,471,468	
Operational Risk Reserve	-	
OTHER REALISED RESERVES		
Undistributed Surplus	7,520,284	(1,227,406)
Other Realised Reserves	19,630,562	-
TOTAL OTHER REALISED RESERVES	51,622,314	(1,227,406)
UNREALISED RESERVES		
Other Unrealised Reserves	2,438,234	
TOTAL UNREALISED RESERVES	2,438,234	-
TOTAL RESERVES	54,060,548	(1,227,406)

1. The Regulatory reserve of the Credit Union as % of total assets as at 30 September 2016 was 11.3%. (2015: 11.3%).
2. In accordance with S45 of the Credit Union Act 1997 to 2012, Tullamore Credit Union Limited put in place an Operational Risk reserve during the current period. The Board approved a transfer of €1,000,000 from the Undistributed Surplus reserve to the new Operational Risk reserve, following the completion of an internal process of assessing the level of the reserve required to cover the operational risk within the Credit Union.
3. The transfer of €1,335,446 to the Regulatory reserve in the previous year represented 25% of the surplus of the Credit Union in the amount of €5,323,740, as stated under previous Irish GAAP. No adjustment has been made to this transfer to reflect the fact that the restated surplus for the previous year under FRS 102 now stands at €6,273,857, nor has any adjustment been made for the increase in the reserves of the Credit Union as at 1 October 2014 of €5,122,144 on transition to FRS 102 (see Note 28).
4. Following commencement of S13 of the 2012 Act, the requirement for Credit Unions to transfer 10% of their annual surplus to their statutory reserve (now known as the Regulatory reserve) each year has been removed. Notwithstanding this the Board of Tullamore Credit Union Limited has transferred €2,067,257 of its current year surplus to its Regulatory reserve so that the reserve would stand at 11.3% of Total Assets at current year end, in excess of the required limit of 10% and at the same % as 2015.



Appropriation of Current Year Surplus	Transfer Between Reserves	Balance 30 September 2016
€	€	€
-	2,067,257	26,538,725
-	1,000,000	1,000,000
5,575,867	(3,067,257)	8,801,488
-	58,599	19,689,161
5,575,867	58,599	56,029,374
	(58,599)	2,379,635
-	(58,599)	2,379,635
5,575,867	-	58,409,009

As you may be aware, Tullamore Credit Union Ltd. is required, under the Criminal Justice (*Money Laundering & Terrorist Financing*) Act 2010, to have up to date information for all our members. In order to assist us with this requirement, **PLEASE BRING THE FOLLOWING DOCUMENTATION WITH YOU ON YOUR NEXT VISIT TO THIS OFFICE.**

PHOTOGRAPHIC IDENTIFICATION

- Passport/Driving Licence

ADDRESS VERIFICATION

- A Current Utility Bill
- A Current Car/Home Insurance Policy
- A Current Bank A/C or Credit Card Statement

(The documents must be dated within the past 6 months.)

Tullamore Credit Union Ltd. greatly appreciates your assistance in this matter and looks forward to continuing to meet your financial needs for many years into the future.



**Cash Flow Statement**

For the year ended 30th September 2016

	2016 €	2015 €
Opening Cash and Cash Equivalents	41,710,687	42,753,740
CASH FLOWS FROM OPERATING ACTIVITIES		
Loans Repaid	25,962,513	23,457,920
Loans Granted	(29,958,660)	(25,541,189)
Loan Interest Received	5,101,563	4,936,553
Investment Interest Received	4,121,767	4,456,601
Bad Debts Recovered	591,545	422,606
Dividends Paid	(808,881)	(1,035,485)
Taxation Paid	(418,525)	(545,918)
Other Receipts	135,956	149,659
Operating Expenses	(3,842,886)	(3,717,394)
NET CASH FLOWS FROM OPERATING ACTIVITIES	884,392	2,583,353
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed Asset Purchases/Disposals	(375,289)	(212,729)
Net Cash Flow From Managing Cash Equivalents	(4,219,925)	(11,570,001)
NET CASH FLOWS FROM INVESTING ACTIVITIES	(4,595,214)	(11,782,730)
CASH FLOWS FROM FINANCING ACTIVITIES		
Members Shares Received	143,578,996	128,702,782
Members Shares Withdrawn	(135,707,997)	(120,546,458)
NET CASH FLOWS FROM FINANCING ACTIVITIES	7,870,999	8,156,324
CLOSING CASH AND CASH EQUIVALENTS	45,870,864	41,710,687

Don't forget to take part in our NEW YEAR DRAW.
Simply fill in and return the form on the back of the letter
accompanying this booklet to the office before 31st December 2016.

All members who return the form will be entered into a free draw for €500 in Quid Vouchers to kick start 2017.



Community Involvement

Tullamore Credit Union continues to maintain its strong commitment to supporting groups and initiatives that benefit the local community.

The annual Primary School Table Quiz took place in February. 18 local schools sent 180 students into battle in what has become one of the most hotly contested competitions on the school calendar. In the Junior Competition Geashill N.S. were victorious, with St Joseph's Ballinagar N.S. and Durrow N.S. in second and third place respectively.

In the Senior Competition Ballinagar N.S. came out on top, followed by Geashill N.S. and Ballinamere N.S.

These three teams went on to represent Tullamore in the CUDA National Finals in March. Geashill N.S. secured second place.

The TY Face The Phoenix competition for young entrepreneurs is underway and a live final will take place in February 2017.

This year, a number of groups and organisations applied for assistance from the Community Support Fund. Applicants had to be from within Tullamore Credit Union's common bond, and the projects had to benefit the local area. In April 2016 Tullamore Credit Union presented 49 local groups, charities and clubs with a donation. See www.tullamorecu.ie for a full list of recipients.

The Our World Fund introduced in 2005, allocated €10,000 in 2016 to various worthwhile projects around the world including places as far wide as Syria and Zambia. Closer to home funding was distributed to St. Vincent de Paul in Tullamore and The Young Priests Society.

Tullamore Credit Union continues to sponsor the Tidy Tullamore competition. In September, the annual presentation evening took place, dedicated to acknowledging the hard work by various voluntary groups over the summer months. Awards were presented to 29 participants. The Overall Winner was Whitehall Estate. The Gold Medal secured by Tullamore in the National Tidy Towns Competition was also recognised.

Tullamore was awarded a second Gold Medal in the European Entente Florale Competition. This was an outstanding accomplishment, giving recognition to the hard work and effort put in by our Community. We were delighted to have met the judging panel on the day, applaud 'Team Tullamore' and are delighted to have played our part in such a wonderful achievement.

Notes to the financial statements financial year ended 30 September 2016.

1. Legal and regulatory framework

Tullamore Credit Union Limited is established under the Credit Union Acts 1997 to 2012. The Credit Union is registered with the Registrar of Credit Unions and is regulated by the Central Bank of Ireland. The principal place of business is Patrick Street, Tullamore, Co. Offaly.

2. Statement of Compliance

These financial statements have been prepared in accordance with FRS 102 (The Financial Reporting Standard applicable in the UK and Republic of Ireland) ("FRS 102").

3. Accounting Policies

3.1. BASIS OF PREPARATION

The financial statements have been prepared on the going-concern basis and in accordance with accounting standards generally accepted in the UK and Republic of Ireland (as issued by the Financial Reporting Council) and the Credit Union Acts 1997 to 2012. The financial statements are prepared on the historical cost basis.

3.2. TRANSITION TO FRS 102

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

The transition to FRS 102 has resulted in a number of accounting policy changes compared to those applied previously. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 28.

3.3. CURRENCY

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

3.4. GOING CONCERN

The financial statements are prepared on the going concern basis. The directors of Tullamore Credit Union Limited believe this is appropriate as the Credit Union: - Is generating annual surpluses; - Maintains an appropriate level of liquidity; and - Has reserves that are currently above the minimum requirements of the Central Bank of Ireland.

3.5. REVENUE RECOGNITION

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Credit Union and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received. The following criteria must also be met before revenue is recognised:

Interest on Members' Loans

Interest on Members Loans is recognised on an accruals basis using the effective interest rate method in accordance with FRS 102 and Section 110(1)(D) of the Credit Union Acts 1997 to 2012. An approximation of the effective interest rate method is calculated by taking the interest accrual at the reporting period adjusted for any accrual relating to impaired loans.

Investment Income

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

Other Income

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

3.6. DISTRIBUTION POLICY

In respect of each financial year, the Credit Union will allocate surplus funds to the Regulatory Reserve and other reserves in accordance with the provisions of the Credit Union Acts 1997 to 2012 and guidance issued by the Central Bank of Ireland. The board of directors may also decide to hold reserves in excess of minimum statutory requirements, taking prudent account of the scale and complexity of the Credit Union's business, its risk profile and prevailing market conditions. The dividend payment is based on the distributable income of the Credit Union after meeting its reserve requirements. Dividends to the Credit Union's members are recognised as a liability of the Credit Union when approved by the Credit Union's shareholders at the annual general meeting.

3.7. TAXATION

The Credit Union is not subject to income tax or corporation tax on its activities as a Credit Union.

3.8. TANGIBLE ASSETS

Tangible Fixed Assets are initially stated at cost or at valuation, less accumulated depreciation. The charge for depreciation is calculated to write off the original cost or valuation of tangible fixed assets, less their estimated residual value, over their expected useful lives as follows:

Freehold Premises	- 2% Straight line
Leasehold properties	- Over the period of the lease
Computer Equipment	- 25% Straight line
Fixtures & fittings	- 10% Reducing balance
Office Equipment	- 20% Reducing balance

Tangible fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that carrying values may not be recoverable. If any such indication exists and where the carrying value exceeds the net recoverable amount, the assets are written down to their recoverable amount. The recoverable amount of tangible assets, property, plant and equipment is the greater of open market value and value in use. In assessing value in use the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined by the income generating unit to which the asset belongs. When the recoverable amount of the income generating unit is less than the carrying amount, an impairment loss is recognised.

3.9. CASH AND CASH EQUIVALENTS

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

3.10. FINANCIAL INSTRUMENTS

The Credit Union has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised when the Credit Union becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when, and only when, there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets and liabilities are classified according to the substance of the contractual arrangements entered into.

3.11. BASIC FINANCIAL ASSETS

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

Loans to members

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

Investments held at amortised cost

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

3.12. OTHER RECEIVABLES

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

3.13. IMPAIRMENT OF FINANCIAL ASSETS

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

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

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

Any impairment losses are recognised in the Income and Expenditure account.

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

3.14. DE-RECOGNITION OF FINANCIAL ASSETS

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

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

3.15. BASIC FINANCIAL LIABILITIES

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

Financial liabilities members' shares and deposits

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

Other payables

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

3.16. DE-RECOGNITION OF FINANCIAL LIABILITIES

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

3.17. PENSIONS

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 an employee's annual salary and the charge to the Income and Expenditure Account reflects contributions paid and payable in respect of the year ended 30 September 2016.

3.18. RESERVES

The Credit Union is required to maintain and establish a minimum Regulatory reserve of at least 10% of the assets of the Credit Union in accordance with Credit Union Act 1997 (Regulatory Requirements) Regulations 2016.

Operational Risk reserve

The Credit Union has established an Operational Risk reserve which is separate, distinct and in addition to the reserves the Credit Union is required to hold in its Regulatory reserve. The amount held in the Operational Risk reserve is the predicted impact of operational risk events that may have a material impact on the Credit Union's business.

Dividend reserve

Dividend reserves are the accumulated surpluses to date that have not been declared as dividends or loan interest rebate returnable to members or set aside to the Regulatory or Operational Risk reserves.

Non-Distributable Investment Income reserve

Investment income that has been recognised in the financial statements but will not be received within 12 months of the Balance Sheet date is classified as "non-distributable" and is not distributable as a dividend in accordance with Section 31 of the Credit Union Act 1997 (Regulatory Requirements) Regulations 2016. A reclassification between non-distributable and distributable is made as investments come to within 12 months of maturity date.

3.19. BAD AND DOUBTFUL DEBTS

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

Impairment losses on loans to members

The Credit Union's accounting policy for impairment of financial assets is set out in accounting policy in Note 3.13. The estimation of loan losses is inherently uncertain and depends upon many factors, including loan loss trends, credit risk characteristics in loan classes, local and international economic climates, conditions in various sectors of the economy to which the Credit Union is exposed, and, other external factors such as legal and regulatory requirements. Credit risk is identified, assessed and measured through the use of rating and scoring tools with emphasis on weeks in arrears and other observable credit risk metrics. The ratings influence the management of individual loans. The credit rating triggers the impairment assessment and if relevant the raising of specific provisions on individual loans where there is doubt about their recoverability. Loan loss provisioning is monitored by the Credit Union, and the Credit Union assesses and approves its provisions and provision adequacy on a quarterly basis. Key assumptions underpinning the Credit Union's estimates of collective provisions for loans with similar credit risk characteristics, and, Incurred But Not Reported provisions ("IBNR") are based on the historical experiences of the Credit Union allied to the Credit Union's judgement of relevant conditions in the wider technological, market, economic or legal environment in which the Credit Union operates. If a loan is impaired, the impairment loss is the difference between the carrying amount of the loan and the present value of the expected cash flows discounted at the asset's original effective interest rate taking account of pledged shares and other security as appropriate. Assumptions are back tested with the benefit of experience. After a period of time, when it is concluded that there is no real prospect of recovery of loans/part of loans which have been subjected to a specific provision, the Credit Union writes off that amount of the loan deemed irrecoverable against the specific provision held against the loan.

4. Tangible Fixed Assets

For the year ended 30th September 2016

	Land & Buildings Freehold	Leasehold Property, Fixtures & Fittings
COST:	€	€
At 1 October, 2015	900,000	39,639
Additions	245,371	-
Disposals	-	-
At 30 September, 2016	1,145,371	39,639
DEPRECIATION:		
At 1 October, 2015	18,000	39,639
Charge for the financial year	22,908	-
Disposals	-	-
At 30 September 2016	40,908	39,639
NET BOOK VALUE At 30 September 2016	1,104,463	-
NET BOOK VALUE At 30 September 2015	882,000	-

5. Dividends and Loan Interest Rebate

The Directors recommend the following distributions:

	2016		2015	
	Rate %	€	Rate %	€
Gross Dividend on Shares	0.50%	864,887	0.75%	1,236,901
Loan Interest Rebate	0%	-	0%	-

6. Post Balance Sheet Events

There were no significant events affecting the Credit Union since the balance sheet date.

7. Insurance Against Fraud

The Credit Union has insurance against fraud in compliance with Section 47 of the Credit Union Act, 1997 to 2012 in the amount of €2.5 million.

8. Pensions

Defined contribution plans

Contributions to the Irish Life Assurance Company PLC and Zurich Group Life pension scheme are charged to the Income and Expenditure Account for the period to which they relate. The pension charge represents contributions due from the Credit Union and amounted to €187,283 (2015: €158,492). €16,483 of employer contributions remain outstanding at 30 September 2016 (2015: €15,053).

Office Equipment	Fixtures, Fittings & Equipment	Computer Equipment	Total
€	€	€	€
184,279	702,707	505,388	2,332,013
6,258	13,627	110,033	375,289
(38,789)	(158,695)	-	(197,484)
151,748	557,639	615,421	2,509,818
145,272	391,500	397,873	992,284
14,102	57,300	76,779	171,089
(38,789)	(158,695)	-	(197,484)
120,585	290,105	474,652	965,889
31,163	267,534	140,769	1,543,929
39,007	311,207	107,515	1,339,729

9. Deposits and Investments

	2016 €	2015 €
Irish & EEA State Securities	6,828,886	6,721,332
Accounts in Authorised Credit Institutions	130,238,710	124,643,569
Bank Bonds	28,309,697	30,566,820
Collective Investment Schemes	4,667,493	562,582
Investments in Societies	3,809	3,809
Central Bank Deposits	1,802,012	1,738,883
Other	1,038,876	1,038,876
TOTAL PER BALANCE SHEET	172,889,483	165,275,871

10. Capital Commitments

There were no known capital commitments or contingent liabilities that would require disclosure in the financial statements.

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www.tullamorecu.ie



11. Rates of Interest Charged on Members' Loans

The Credit Union charges rates of interest as follows:	PER MONTH	APR
Members Loan Rate 9.50% per annum	0.792%	9.96%
SME short term Loan Rate 7.50% per annum	0.625%	7.76%
SME Medium/Long term Loan Rate 7.00% per annum	0.583%	7.23%
Special Car Loan Rate 6.99% per annum	0.583%	7.22%
Asset Loan Rate 6.50% per annum	0.542%	6.70%
Special Student Loan Rate 6.50% per annum	0.542%	6.70%
Home Improvement Loan Rate 6.50% per annum	0.542%	6.70%
Secured SME Medium/Long term Loan Rate 6.00% per annum	0.500%	6.17%
Loans within Shares Rate 5.95% per annum	0.496%	6.12%
Secured Home Improvement Loan Rate 5.00% per annum	0.417%	5.12%

12. Rates of Interest Paid on Members' Deposits

	PER MONTH	APR
The Credit Union has no members' deposits and consequently no interest was paid.	N/A	N/A

13. Contingent Liabilities

There are no contingent liabilities to disclose.

14. Debtors, Prepayments and Accrued Income

	2016 €	2015 €
Loan Interest Income Receivable	117,244	170,417
Investment Income Receivable	2,379,633	2,556,882
Other Debtors and Receivables	105,195	13,346
TOTAL PER BALANCE SHEET	2,602,072	2,740,645

15. Members Shares

	2016 €	2015 €
Regular Share Accounts	124,367,795	116,463,008
Special Share Accounts	51,814,363	51,848,147
Medium Term Share Accounts	20,000	20,000
Long Term Share Accounts	47,000	47,000
TOTAL PER BALANCE SHEET	176,249,158	168,378,155

16. Other Liabilities, Creditors, Accruals & Charges

	2016 €	2015 €
Audit Fee	14,452	14,452
Car Draw	3,158	8,545
Other accrued expenses	158,394	122,697
Pension contributions	16,483	15,053

Taxation creditors

PAYE/PRSI	4,233	33,472
	196,720	194,219

17. Prior Year Adjustments

There have been no known events affecting the Credit Union since the prior year end which would require adjustment or disclosure in the financial statements.

18. Key Management Personnel Compensation

The remuneration of key management was as follows;	2016 €	2015 €
Remuneration	322,431	261,923
Pension contributions	61,620	62,688
	384,051	324,611

Executive Directors and certain senior employees who have authority and responsibility for planning, directing and controlling activities of the credit union are considered to be key management personnel. The Directors of Tullamore Credit Union Limited are all unpaid volunteers.

19. Credit Risk Disclosures

	2016 €		2015 €	
	Amount	%	Amount	%
Not Impaired Loans				
Not Past Due	37,433,807	60.82%	33,933,246	58.40%
Up to 9 Weeks Past Due	9,479,985	15.40%	9,301,249	16.01%
Between 10 and 18 Weeks Past Due	60,489	0.10%	149,555	0.26%
Between 19 and 26 Weeks Past Due	46,837	0.08%	53,436	0.09%
Between 27 and 39 Weeks Past Due	19,052	0.03%	17,222	0.03%
Between 40 and 52 Weeks Past Due	22,747	0.04%	19,439	0.03%
53 or More Weeks Past Due	39,984	0.06%	26,366	0.05%
TOTAL NOT IMPAIRED LOANS	47,102,901	77%	43,500,513	75%
Impaired Loans				
Not Past Due	4,235,104	6.88%	1,454,183	2.50%
Up to 9 Weeks Past Due	5,760,350	9.36%	7,807,236	13.44%
Between 10 and 18 Weeks Past Due	1,413,015	2.30%	1,178,723	2.03%
Between 19 and 26 Weeks Past Due	464,067	0.75%	786,369	1.35%
Between 27 and 39 Weeks Past Due	426,577	0.69%	617,253	1.06%
Between 40 and 52 Weeks Past Due	284,609	0.46%	407,287	0.70%
53 or More Weeks Past Due	1,862,206	3.03%	2,351,254	4.05%
TOTAL IMPAIRED LOANS	14,445,928	23%	14,602,305	25%
TOTAL LOANS	61,548,829		58,102,818	

20. Credit Risk Disclosures

20a. FINANCIAL RISK MANAGEMENT

Tullamore Credit Union Limited is a provider of personal and business loans and also provides savings products to its members. The Credit Union invests excess funds with a view to ensuring that the return from members' loans and investments is adequate to meet the overheads of the Credit Union and provide a reasonable return to members on shares and deposits. The Credit Union has a risk register in place to help the directors manage the various risks arising from its activities to include the issuing of loans to members and investing the excess funds of the Credit Union.

The main financial risks arising from Tullamore Credit Union Limited's activities are credit risk, liquidity risk and interest rate risk. The Board reviews and agrees policies for managing each of these risks, which are summarised below.

CREDIT RISK:

Credit risk is the risk that a borrower will default on their contractual obligations relating to repayments to the Credit Union resulting in financial loss. In order to manage this risk the Board approves the Credit Union's Lending policy, and all amendments thereto. All loan applications are assessed with reference to the lending policy in force at the time. Subsequently, loans are regularly reviewed for any factors that may indicate impairment on loans advanced. The Board approves the Credit Union's Credit Control policy which lays down the procedures for the collection of loans in arrears together with the basis for recording impairments on loans. The credit risk on members' loans is disclosed in Note 19.

The Credit Union's investments are also exposed to credit risk and the Credit Union mitigates the risk by only placing investments with financial institutions where the counterparties have strong credit ratings and using investment products authorised by the Central Bank.

LIQUIDITY RISK:

Tullamore Credit Union Limited's policy is to maintain sufficient funds in liquid form at all times to ensure that it can meet its liabilities as they fall due. The objective of the liquidity policy is to smooth the mismatches between maturing assets and liabilities and to provide a degree of protection against any unexpected developments that may arise. Members' shares which are available on demand are identified as liabilities, other shares which are held as members' resources, are not available for withdrawal in accordance with the Credit Union Acts 1997 to 2012. The Credit Union adheres on an ongoing basis to the minimum liquidity ratio and minimum short term liquidity ratio as set out in the Credit Union Act 1997 (Regulatory Requirements) Regulations 2016.

INTEREST RATE RISK:

Tullamore Credit Union Limited's main interest rate risk arises from differences between the interest rate exposures on loans and investments receivable, as offset by its cost of capital, which is typically that of distributions to members payable in the form of dividends and interest rebates. Tullamore Credit Union Limited considers rates of interest receivable when deciding on the appropriation of income and its returns to members. The Board monitors such policy in line with the Credit Union Acts 1997 to 2012 and guidance notes issued by the Central Bank of Ireland.

MARKET RISK:

Market risk is generally comprised of interest rate risk, currency risk and other price risk. Tullamore Credit Union Limited conducts all its transactions in Euro and does not deal in derivatives or commodity markets. Therefore, the Credit Union is not exposed to any form of currency risk or other price risk.

20b. INTEREST RATE RISK DISCLOSURES

The following table shows the average interest rates applicable to relevant financial assets and financial liabilities.

	2016		2015	
	Amount €	Average Interest Rate	Amount €	Average Interest Rate
Financial assets				
Gross Loans	61,548,829	8.29%	58,102,818	8.50%
Financial liabilities				
Members' shares	176,249,158	0.50%	168,378,155	0.75%

The interest rates applicable to loans to members are fixed and range from 5% to 9.5%. The dividend on shares is determined on the basis of income less administrative expenses and, as can be seen above, a consistent margin is maintained between interest receivable and dividend on shares. As a result, the surplus for the year is not particularly sensitive to interest rate risk and no sensitivity analysis is presented.

20c. LIQUIDITY RISK DISCLOSURES

All of the financial liabilities of the Credit Union are repayable on demand except for some members' shares attached to loans.

20d. FAIR VALUE OF FINANCIAL INSTRUMENTS

Tullamore Credit Union Limited does not hold any financial instruments at fair value.

20e. CAPITAL

The Credit Union maintains sufficient reserves to buffer the Credit Union against any losses on its members' loans and also its investments. The current Regulatory reserve is in excess of the minimum requirement set down by the Central Bank of Ireland, and stands at 11% of the total assets of the Credit Union at the Balance Sheet date.

21. Related Party Disclosures (As required under FRS102)

	No. of Loans €	Amount 2016 €	Amount 2015 €
Loans Advanced to Related Parties During the Year	39	155,516	149,504
Total Loans Outstanding to Related Parties at 30 September 2016	32	473,499	453,265
Total Provisions for Loans Outstanding to Related Parties at 30 September 2016	2	38,168	16,793
Total Provision Charge During the Year for Loans Outstanding to Related Parties	2	21,375	11,854

22. Movement in Loans During the Year

	2016 €	2015 €
Opening Loan Balance 1 October 2015	58,102,818	56,763,409
Loans Granted During the Year	29,958,662	25,541,987
Loans Repaid During the Year	(25,962,513)	(23,457,920)
Loans Written Off During the Year	(550,138)	(744,658)
CLOSING LOAN BALANCE 30 SEPTEMBER 2016	61,548,829	58,102,818

23. Movement in Provisions During the Year

	2016 €	2015 €
Opening Provision Balance 1 October 2015	7,679,798	8,626,635
Net Movement in Bad Debt Provision During the Year for Loans Currently Outstanding	330,225	946,837
Decrease in Bad Debt Provision as a Result of Loan Write Offs Previously Provided For	-	-
CLOSING PROVISION BALANCE 30 SEPTEMBER 2016	7,349,573	7,679,798

Breakdown of Closing Provision Balance 30 September 2016

	2016 €	2015 €
Individually Significant Loans	822,015	850,156
Collectively Assessed Loans	3,892,472	6,180,825
Other Impaired Loans	2,635,086	648,817
CLOSING PROVISION BALANCE 30 SEPTEMBER 2016	7,349,573	7,679,798

24. Analysis of Gross Loans Outstanding as at 30 September 2016

By Time Period	Number of Loans	Amount €	By Amount	Number of Loans	Amount €
Less than 1 year	1,671	3,792,695	€1 - €500	314	80,567
>1 year and <3 years	3,508	22,496,879	€501 - €2,000	1,136	1,418,729
>3 years and <5 years	2,061	25,458,200	€2,001 - €5000	1,901	6,568,267
>5 years and <10 years	151	4,493,846	€5,001 - €10,000	2,090	15,231,540
>10 years and <25 years	78	5,150,358	€10,001 - €15,000	1,111	13,631,460
>25 years	1	156,851	€15,001 - €25,000	655	12,304,552
			€25,001 - €50,000	184	6,178,637
			€50,001 - €100,000	66	4,517,842
			€100,001 - €250,000	13	1,617,235
			Over €250,000	-	-
TOTAL	7,470	61,548,829	TOTAL	7,470	61,548,829

25. Loans Advanced to Members in the year ended 30 September 2016

By Time Period	Number of Loans	Amount €	By Amount	Number of Loans	Amount €
Less than 1 year	2,538	3,494,016	€1 - €500	1,643	557,323
>1 year end and <3 years	3,736	10,896,178	€501 - €2,000	3,462	4,301,972
>3 years and <5 years	2,130	13,420,325	€2,001 - €5000	1,796	6,478,585
>5 years and <10 years	64	633,812	€5,001 - €10,000	1,011	7,761,916
>10 years and <25 years	35	1,490,559	€10,001 - €15,000	348	4,467,623
>25 years	4	23,775	€15,001 - €25,000	187	3,710,270
			€25,001 - €50,000	45	1,549,102
			€50,001 - €100,000	14	981,874
			€100,001 - €250,000	1	150,000
			Over €250,000	-	-
TOTAL	8,507	29,958,665	TOTAL	8,507	29,958,665

26. Analysis of Total Savings

	Savings Value		Number of Members	
	Amount	%	No.	%
< €10,000	46,337,880	26.29%	26,521	85.65%
€10,001 - €30,000	53,139,501	30.15%	3,110	10.04%
€30,001 - €50,000	28,072,546	15.93%	739	2.39%
€50,001 - €70,000	16,548,929	9.39%	283	0.91%
€70,001 - €100,000	20,387,575	11.57%	238	0.77%
> €100,000	11,762,727	6.67%	74	0.24%
TOTAL	176,249,158	100%	30,965	100%

Analysis of Total Savings Greater Than €100,000

	Savings Value		Number of Members	
	Amount	%	No.	%
€100,001 - €200,000	8,410,586	71.50%	67	90.54%
€200,001 - €300,000	692,203	5.88%	3	4.05%
€300,001 - €400,000	676,837	5.75%	2	2.70%
€400,001 - €500,000	-	-%	-	-%
> €500,000	1,983,101	16.86%	2	2.70%
TOTAL	11,762,727	100%	74	100%

27. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The Credit Union transitioned to FRS 102 on 1 October 2014.

Reconciliation of reserves

	At 1 October 2014			At 30 September 2015		
	Previously stated €	Effect of transition €	FRS 102 (restated) €	Previously stated €	Effect of transition €	FRS 102 (restated) €
Fixed assets	1,271,165	-	1,271,165	1,339,729	-	1,339,729
Investments	114,292,065	556,775	114,848,840	125,837,201	581,640	126,418,841
Other Current assets	97,848,145	4,565,369	102,413,514	97,063,531	5,490,619	102,554,150
TOTAL ASSETS	213,411,375	5,122,144	218,533,519	224,240,461	6,072,259	230,312,720
Members shares	(160,221,832)	-	(160,221,832)	(168,378,155)	-	(168,378,155)
Other liabilities, creditors, accruals and charges	(316,956)	-	(316,956)	(194,219)	-	(194,219)
TOTAL LIABILITIES	(160,538,788)	-	(160,538,788)	(168,572,374)	-	(168,572,374)
RESERVES	44,245,954	5,122,144	49,368,098	47,988,289	6,072,259	54,060,548

Reconciliation of income and expenditure for the financial year

	At 30 September 2015		
	Previously stated	Effect of transition	FRS 102 (restated)
	€	€	€
Interest on Members' Loans	4,958,140	(21,587)	4,936,553
Other Interest Income and Similar Income	4,685,000	(76,170)	4,608,830
Expenditure	(4,469,059)	1,047,874	(3,421,185)
Other operating income	149,659	-	149,659
OPERATING PROFIT	5,323,740	950,117	6,273,857

Tullamore Credit Union Limited has adopted FRS 102 for the first time in these financial statements for the year ended 30th September 2016. The reconciliations that follow highlight the key impacts on both the surplus for the financial year and the retained earnings.

27a. LOAN BOOK PROVISION

Tullamore Credit Union Limited carried loan provisions of €13,000,000 at 30 September 2015 and €13,000,000 at 30 September 2014 in its previous Irish GAAP financial statements. A review of these provisions under Section 11 of FRS 102 has been carried out in relation to objective evidence of impairment and following this review an adjustment has been recognised of €5,320,202 for 30 September 2015 and €4,373,365 at 30 September 2014 for the financial statements of the Credit Union under FRS 102.

27b. INTEREST ON MEMBERS' LOANS

Under previous Irish accounting standards, Tullamore Credit Union Limited accounted for its loan interest from members' loans on a cash basis. Section 11 of FRS 102 requires the use of the effective interest method for recognising loan interest income, which effectively means recognising interest on members' loans on an accruals basis, with appropriate allowance made for recognising interest on any impaired loans. The amount of the accrued interest after allowance for interest on impaired loans was €192,004 at 30 September 2014 and €170,417 at 30 September 2015.

27c. INVESTMENT INCOME

Under previous Irish accounting standards, Tullamore Credit Union Limited accounted for its Investment Income when received or irrevocably receivable, net of fees for investment managers. Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 are applied to all of its financial instruments. Section 11 of FRS 102 requires the use of the effective interest method for recognising investment income and as such an adjustment has been recognised for the FRS 102 financial statements of the Credit Union. The adjustment was €556,775 at 30 September 2014 and €24,867 at 30 September 2015.

27d. SALARIES

Under previous Irish accounting standards, Tullamore Credit Union Limited, did not make a provision for holiday pay, i.e. holidays earned but not taken prior to the year end. In contrast, FRS 102 requires the cost of short-term compensated absences to be recognised when employees render the service that increases their entitlement. As a result no accrual has been made to reflect this as it was immaterial in nature.

28. Approval of financial statements

The financial statements were approved, and authorised for issue by the Board of Directors on 25 October 2016.

Our Mission:

To offer a comprehensive range of financial services at attractive and competitive rates for the benefit of our members while maintaining the Credit Union ethos of service before profit.



Tullamore Credit Union Ltd.

The following pages do not form part of the statutory Financial Statements which are the subject of the Independent Auditor's report on page 10.

Schedule 1 - Interest On Loans

For the year ended 30th September 2016	2016 €	2015 €
Loan Interest Income Received	4,984,319	4,766,136
Loan Interest Income Receivable	117,244	170,417
TOTAL PER INCOME AND EXPENDITURE ACCOUNT	5,101,563	4,936,553

Schedule 2 - Other Interest Income And Similar Income

For the year ended 30th September 2016	2016 €	2015 €
Investment Income Received and Receivable within 12 months	3,892,300	4,291,362
TOTAL PER INCOME AND EXPENDITURE ACCOUNT	3,892,300	4,291,362

Schedule 3 - Other Income

For the year ended 30th September 2016	2016 €	2015 €
Commission	94,098	104,988
Fees	41,706	44,519
TOTAL PER INCOME AND EXPENDITURE ACCOUNT	135,804	149,507

Schedule 4 - Other Gains

For the year ended 30th September 2016	2016 €	2015 €
Gains on Sale of Investments	202,416	317,468
TOTAL PER INCOME AND EXPENDITURE ACCOUNT	202,416	317,468

Christmas Opening Hours

Monday 19th December 10am – 5pm
 Tuesday 20th December 10am – 5pm
 Wednesday 21st December 10am – 5pm
 Thursday 22nd December 10am – 5pm
 Friday 23rd December 10am – 7pm
 Saturday 24th December 10am – 2pm

Monday 26th December CLOSED
 Tuesday 27th December CLOSED
 Wednesday 28th December CLOSED
 Thursday 29th December 10am – 5pm
 Friday 30th December 10am – 7pm
 Saturday 31st December 10am – 5pm
 Monday 02nd January CLOSED

Schedule 5 - Other Management Expenses

For the year ended 30th September 2016

	2016 €	2015 €
Rent and Rates	33,834	34,194
Lighting, Heating & Cleaning	53,735	56,520
Repairs & Renewals	24,957	25,758
Security	21,041	17,432
Printing and Stationery	39,136	48,434
Postage and Telephone	85,476	75,782
Donations and Sponsorship	35,930	34,630
Promotion and Advertising	108,201	125,567
Training Costs	16,515	11,448
Convention Expenses	7,811	6,272
AGM Expenses	32,966	36,121
Travel and Subsistence	19,257	19,015
Bank Charges	91,547	98,725
Overdraft Interest	1,281	3,948
Audit Fee	30,750	30,750
General Insurance	60,084	58,512
Share and Loan Insurance (Gross)	386,554	396,004
Pension	187,283	158,492
Legal and Professional Fees	383,427	501,931
Computer Maintenance	222,229	178,701
Miscellaneous Expenses	41,819	35,969
Affiliation Fees	74,968	63,493
Regulatory Levy	86,016	62,968
Deposit Protection Account Charges & CBCIRFL	109,305	102,426
ATM and debit card Expenses	141,506	114,922
TOTAL PER INCOME AND EXPENDITURE ACCOUNT	2,295,628	2,298,014

Schedule 6 - Other Losses

	2016 €	2015 €
Losses on Investments	150,198	177,361
TOTAL PER INCOME AND EXPENDITURE ACCOUNT	150,198	177,361



Car Draw Income and Expenditure

For the year ended 30th September 2016	2016 €	2015 €
Surplus Brought Forward	8,545	12,752
INCOME		
Income from Members	237,620	235,100
TOTAL	246,165	247,852
EXPENDITURE		
Car Prizes	83,000	86,900
Cash Prizes	159,000	150,000
Other Prizes	-	-
Car Draw Expenses	1,007	2,407
TOTAL	243,007	239,307
EXCESS OF INCOME OVER EXPENDITURE	3,158	8,545

Car Draw Winners

Our quarterly Members' Car Draw remains very popular and typically attracts around 5500 participants. The draw takes place in public in the Credit Union office with members drawing the winning numbers and representatives from the Board Oversight Committee monitoring proceedings. Cost of entry is €10 per draw. Download an entry form on www.tullamorecu.ie or call to the office to sign up.

December 2015

1st Prize Peugeot Active 2008 1.4 Diesel from Hugo Loonam Motors - Adrian Daly, Ballinagar.

There were also 40 winners of €1000.



December 2015



March 2016

March 2016

1st Prize Toyota Corolla 1.4 D from Lambe Bros - Margaret Lynam, Ballincloghan, Rahan.

There were also 40 winners of €1000.



June 2016



September 2016

June 2016

1st Prize Citroen C4 Diesel from Hugo Loonam - James & Catherine Leonard, Blueball.

There were also 45 winners of €1000.

September 2016

1st Prize Nissan Pulsar 1.5 Diesel XE from Tullamore Nissan - Florence Haines, Mountmellick Road, Portlaoise.

There were also 34 winners of €1000.

**Well done to all our
Car Draw Winners!!**



Motion to Amend the Registered Rules of Tullamore Credit Union Ltd.

That the following be inserted in Rule 2

“(i) the provision of the following additional service(s) by the credit union to the members subject to the prior approval of the Registrar of Credit Unions and any other permissions or licences that may be required by law:

Member Payment Account Services”.

Extract from the Credit Union Act 1997 (as amended)

Section 56B (5) states that:

“Every candidate to be nominated for appointment as a member of the Board of Directors of a Credit Union shall be proposed through the nomination committee of the Credit Union. No person shall otherwise be put forward for election or seek election at an annual general meeting or special general meeting of the Credit Union at which an election is held for members of the Board of Directors.”

Section 56B (6) states that:

“The nomination committee shall ensure it receives nominations for appointment of persons as members of the Board of Directors of a Credit Union in time prior to any annual general meeting, or special general meeting at which an election is held for such members, so as to enable any requirements by or under Part 3 of the Central Bank Reform Act 2010 to be met in advance of those persons being nominated for appointment.”

Tullamore Credit Union Ltd is a growing financial services organisation with approximately 30,000 members. Our primary focus is to deliver a range of quality services to our members in an affordable manner. We are currently offering a range of personal and business loans, call in for more information.