

Annual Report | 2015



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 7th December at 8pm. All members are welcome to attend.

Tullamore Credit Union Ltd - Board Of Directors:

Martina Martin (Chairperson)
Patrick Doheny (Vice-Chairperson)
Olive Heffernan (Honorary Secretary)

Laughlin Fitzsimons
Tony Flanagan
Breda Flynn
Brian Gunning
Declan Mc Donnell
Fra Mollen
Gerard Nolan
Liam O'Callaghan

Tullamore Credit Union Ltd - Board Oversight Committee:

Ciara Flanagan
Liam Walsh
Ray Spain

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. Any other business
- V. Announcement of election results
- W. 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 2015. While the results are set out in detail in the Financial Report, overall the outcome has been particularly strong, and has surpassed expectations in almost all significant areas, with savings, lending, investments and surplus all coming in ahead of budget.

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

The focus of the Board has been to provide a quality service to members. For this to happen the Board is working to ensure that the required resources are in place to sustain the future expansion of services to members. The Board approved a new 5 year strategic plan this year and this is currently being implemented by Management. The focus of this plan is to provide a broader range of services to members in a cost effective, and financially sustainable basis. We aim to innovate by leveraging the financial strength of the 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 to benefit from economies of scale, whilst attracting larger players into the marketplace on a more competitive basis.

The Board of Directors is 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.

Of course, for Tullamore Credit Union Ltd 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. Credit unions have accepted a series of ever more restrictive regulations in recent years, but the promised supportive regulatory environment has yet to be established. A dialogue on this issue has recently begun within the movement and we look forward to a positive outcome. You will, no doubt have heard reports in the media in recent months of the possible implementation of additional regulation on credit unions. Tullamore Credit Union Ltd, through our representative body, CUDA, has been actively campaigning for a deferral of any implementation pending a full review of the proposals from the government appointed commission on credit unions.

“Overall the outcome has been particularly strong, and has surpassed expectations in almost all significant areas, with savings, lending, investments and surplus all coming in ahead of budget.”



Report of the Board of Directors

There has been considerable media coverage on the issue of restructuring within the credit union movement. Certainly there have been a number of high profile amalgamations of credit unions, particularly in the past year, and this has been a major topic of discussion within the credit union sector. Indeed, REBO the body appointed by the government to oversee such amalgamations has had its term extended to the end of March 2016. The Board holds the view that we would not actively seek out any amalgamations, but would engage openly with any credit union that approach us, strictly on the basis that any move in this regard must be in the best interest of our members.

In order for our credit union to function effectively, we rely on the voluntary input from many individuals, at Board, Board Oversight Committee and Committee levels. While the commitment can be significant, we welcome the involvement of more volunteers in our organisation. If any current member would like to learn more about participating in the running of our credit union, please contact the CEO, Dennis Daly, or indeed any member of the Board of Directors and we will provide additional information on how you might get involved.

To conclude, I would like to take this opportunity to thank the Members of Tullamore Credit Union Ltd for their continued support and loyalty. I would also like to thank my fellow Directors, Members of the Board Oversight Committee and our Volunteers for their enormous support and input over the past 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 Ltd 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 2015, from a financial perspective, was strong. The excess of income over expenditure for the year amounted to €5.3 million, up from €4.2 million in 2014. In addition, Members' Savings, Loans Issued, and Total Assets have all shown good growth in the year.

Members' Savings again showed an increase in 2015. 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. The growth in savings this year was €8.1 million to €168.4 million in total. Our Reserves, which are a real measure of the strength of the credit union, have also risen by €3.8 million to €48 million at year end.

For the first time in several years, total loans outstanding have shown an increase and now stand at €58.1 million, fuelled largely by an increase in new loans issued to members of €25.5 million. This is the third year in a row of increased lending to members, reflecting an improving local economy, and more member confidence. The quality of the loan book also reflects an improving situation, with loans charged off reducing from €1 million to €744k and an increase in collection of previous bad debts of €129k to €423k. Given the improvements in loan book quality, the Board does not feel that there is any requirement to further increase our provision figure above the current level of €13 million.

Our investment portfolio continues to show significant growth, reflecting the growth in member savings and the reinvestment of surplus generated during the year. Investment income remained strong at €4.7 million, down slightly on last year's figure of €4.9 million. However, as in previous years

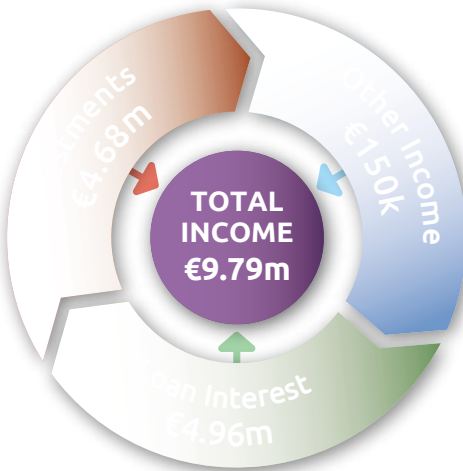


I would caution members that, with the current low interest rate environment in Europe, investment income is expected to reduce further over the coming years. The Finance Committee, appointed by the Board of Directors continues to work with our Financial Controller and our investment advisors to ensure our investment portfolio is managed in a prudent manner to safeguard members funds and achieve a reasonable rate of return.

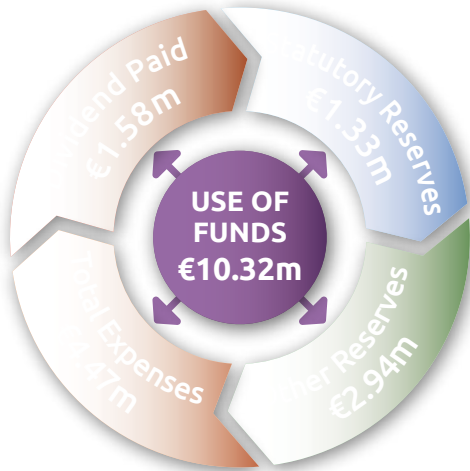
In light of the above performance, the Board is recommending payment to members of a Dividend of 0.75% this year.

Fra Mollen, Finance Officer

Where the Money Comes From



Where the Money Goes



CEO Report



Welcome to the first CEO report to the Annual General Meeting of the members of Tullamore Credit Union Ltd.

The commencement of the Credit Union and Co-Operation with Overseas Regulation Act (2012), called CUCORA in 2013, introduced a large number of new regulations for credit unions, and led to many changes in the way in which credit unions operate. Among these was the creation of the position of CEO, to replace that of manager, which had existed for many years. This change was not one in name only, as full responsibility for the operational aspects of the credit union now legally rests with the CEO. For this reason we feel that it is appropriate for the CEO to update the membership, at least annually, on operational issues.

Perhaps the key area of operations in credit unions is providing loans to members. Our credit union aims to strike a balance between obtaining the relevant information upon which to make a decision, and providing a prompt response to member applications. There is no doubt that the increased regulation brought about by CUCORA had led to an increase in the information and paperwork

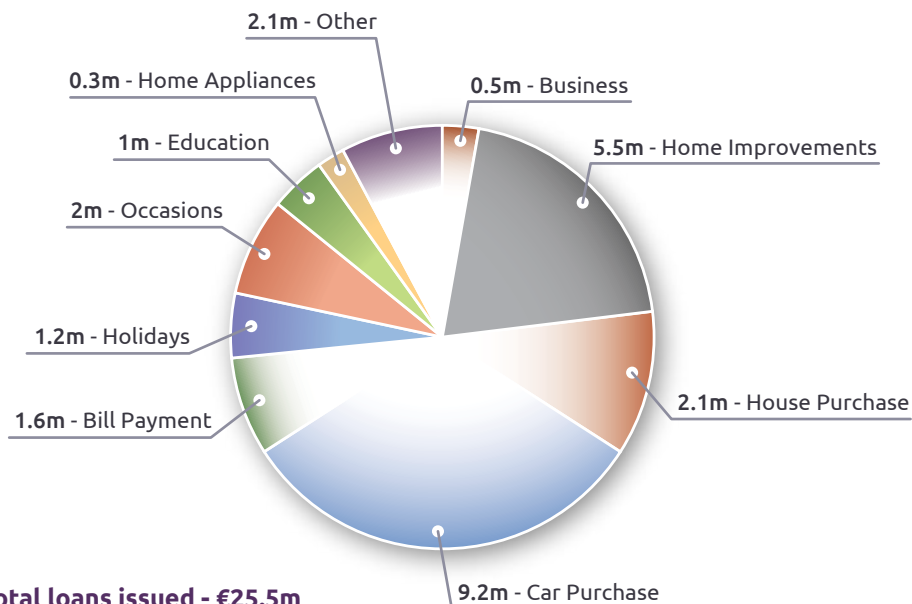


Report of the Board of Directors

required. As a credit union we identified, early in the year, that this had impacted on our ability to deliver quality service to borrowing members and took action to put in place a more appropriate underwriting framework. Members responded positively to this change and demand for new loans increased significantly. We still require a certain level of Information, but members should be aware that this will allow us make better lending decisions, which helps us provide loans to members at affordable rates.

Another area of focus over the past year has been that of Information Technology (IT). In the modern age a credit union such as ours cannot function without a robust and secure IT platform. More and more of our transactions with our members now takes place electronically, a trend that we expect will increase in future years. The past year has seen a significant amount of work in this area particularly on upgrading networks and servers, and in reviewing and improving system security. A full time IT manager has been appointed to oversee this work.

Loans Issued in 2014-2015 by Purpose [€ million]



Total loans issued - €25.5m

One project that we have been progressing is that of replacing our current ATM service with full scale Debit Card access. The need for this was thrown into focus with the loss of the service from Bank of Ireland ATMs during the year. Pending the upgrading to Debit card status, TCU ATM cards may still be used to withdraw funds at the credit union's ATM located in Patrick Street, or through the AIB network nationwide. As to the current status of the debit card project, I am pleased to state that an extensive pilot programme for debit card has been under way in recent months and all testing



to date has been successful. We expect to be in a position to launch the card to members in the coming months.

The next 1-2 years will also see the completion of another significant project, the changeover to a new core IT platform. Our current system, will need replacing and we will be looking at all options available to ensure that the replacement will be the most suitable, and cost effective in the marketplace.

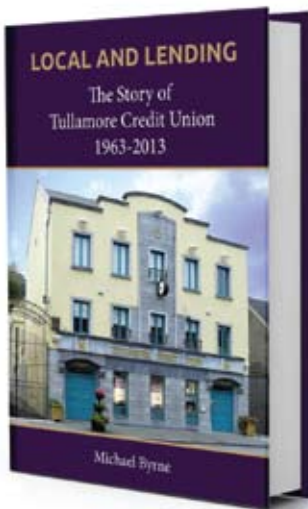
Our credit union is committed to meeting the highest standards possible in meeting the needs of our members. This involves a process of continuous improvement involving controls, procedures and structures, and listening to our members. We are currently undertaking an Organisational Review, looking at all aspects of our operations. We expect that this will help us to deliver on our promise of quality service for all members.

As you will see in the Financial Report, Membership, Savings and Lending are all up considerably in the year. Overall this has been a good year for our credit union, and one that sees us very much open for business and determined to meet our members' financial needs for many years to come.

Dennis Daly, CEO

LOCAL AND LENDING

The Story of Tullamore Credit Union 1963-2013



This publication looks at the progress of Tullamore Credit Union over fifty years from 1963. How did it come about? How was it sustained? Who were the leaders, managers and staff at the front line?

Launching at AGM

On sale in Tullamore Credit Union and other bookshops





Director's Report

The Directors present their report and the audited financial statements for the year ended 30 September 2015.

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

Results and distributions to members

The results for the financial year to 30 September 2015 are set out on page 11.

The Board proposes to the membership the payment of 0.75% dividend and no rebate of interest for the current year in line with note 6 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 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.

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 Act, 1997.

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 return to members. The Board monitors such policy in line with the Credit Union Act, 1997 (as amended) and guidance notes issued by the Central Bank of Ireland

**Market Risk:**

Tullamore Credit Union Limited conducts all of its transactions in Euro, accordingly the Credit Union is not exposed to any currency risk or other such direct market risk. The Credit Union considers its potential exposure to overall market risk in the banking sector and seeks to minimise such risks through its investment policy.

Research and development

The Credit Union did not undertake any research and development activity during the year.

Events since the balance sheet date

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 Act, 1997 (as amended) 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.

Books of Account

The measures taken by the directors to ensure compliance with the requirements of Section 108 of the Credit Union Act, 1997 (as amended), 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 Act, 1997 (as amended).

This report was approved by the Board on 13th November 2015 and signed on its behalf by:

Martina Martin
Director

Olive Heffernan
Director

"This has been a good year for our credit union, and one that sees us very much open for business and determined to meet our members' financial needs for many years to come.



Statement of Directors' Responsibilities

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

The Credit Union Act, 1997 (as amended) requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Credit Union and of the income and expenditure of the Credit Union for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Credit Union will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements. 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 Act, 1997 (as amended). They are also responsible for safeguarding the assets of the Credit Union and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

Statement Of Board Oversight Committee Responsibilities

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

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, resolves issues 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 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 operates an open and transparent relationship with the Board of Directors where all issues are comprehensively discussed and the Committee enjoys full access to any information it requires. 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. The Committee focused on many areas of the Credit Union business during the year, amongst those were Risk Management, Lending and Strategy.

The Committee completed various training programmes which included the areas of Corporate Governance, Anti-Money Laundering and Data Protection. 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 would like to extend our thanks to the Board of Directors, CEO and all staff of the credit union for their assistance to us throughout the 2014/2015 financial year.

Ciara Flanagan, Liam Walsh, Ray Spain



Independent Auditors' Report to the Members of Tullamore Credit Union Limited

We have audited the financial statements of Tullamore Credit Union Limited for the year ended 30 September 2015 which comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement, the Statement of Total Recognised Gains and Losses and the related notes.

The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by Chartered Accountants Ireland (Generally Accepted Accounting Practice in Ireland).

This report is made solely to the Credit Union's members, as a body, in accordance with Section 120 of the Credit Union Act, 1997. Our audit work has been undertaken so that we might state to 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). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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 2015 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, Act 1997.

Other matters prescribed by the Credit Union Act, 1997

- 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: 30th October 2015



Income & Expenditure Account

For the year ended 30th September 2015

	Notes	2015 €	2014 €
INCOME			
Interest on Members Loans		4,958,140	5,059,647
Members' Deposits & Other Interest Expense and Similar Charges		-	-
Other Interest Income and Similar Income	Schedule 1	4,685,000	4,901,839
Net Interest Income		9,643,140	9,961,486
Other Income	Schedule 2	149,659	142,174
TOTAL INCOME		9,792,799	10,103,660
EXPENDITURE			
Salaries		1,427,231	1,250,687
Other Management Expenses	Schedule 3	3,041,871	3,084,370
Depreciation		144,165	632,858
Losses on Investments		278,398	492,480
Provision for Bad and Doubtful Debts	Note 2	-	700,000
Bad Debts Recovered		(422,606)	(293,870)
TOTAL EXPENDITURE		4,469,059	5,866,525
Excess of Income over Expenditure for the year		5,323,740	4,237,135
Add: Undistributed Surplus at 1 October 2014		1,841,134	2,141,298
Reserves no longer required	Note 4	143,780	2,031,590
Less: Dividend Paid		(1,581,403)	(1,543,585)
Interest Rebate Paid		-	-
TOTAL	A	5,727,251	6,866,438
Less: Transfer to Statutory Reserve		(1,335,446)	(493,714)
Transfers to Other Reserves:			
Realised Reserves	Note 4	(2,943,780)	(4,531,590)
Unrealised Reserves	Note 4	-	-
Other Allocations		-	-
TOTAL	B	(4,279,226)	(5,025,304)
UNDISTRIBUTED SURPLUS 30 SEPTEMBER 2015	A-B	1,448,025	1,841,134
There are no recognised gains or losses other than the surplus or deficit for the above two years.			

These Financial Statements were approved by the Board on: 30th October 2015

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: 30th October 2015
 Date: 30th October 2015
 Date: 30th October 2015



Balance Sheet

As at 30th September 2015

	Notes	2015	2014
		€	€
ASSETS			
Cash and Balances at Bank		2,853,657	1,709,433
Deposits and Investments		164,694,231	155,336,372
Loans to Members		58,102,818	56,763,409
Less: Provision for Bad and Doubtful Debts	Note 2	(13,000,000)	(13,000,000)
Tangible Fixed Assets	Note 3	1,339,729	1,271,165
Other Assets		-	-
Debtors, Prepayments and Accrued Income		2,570,228	2,704,361
Retirement Benefit Surplus	Note 8	-	-
TOTAL ASSETS		216,560,663	204,784,740
LIABILITIES			
Members' Shares	Note 7	168,378,155	160,221,832
Members' Deposits		-	-
Members' Deposit Interest (Net of Dirt)		-	-
Bank Overdraft		-	-
Bank and Other Loans		-	-
Money Management Accounts		-	-
Other Liabilities, Creditors, Accruals and Charges	Note 5	179,166	302,419
Retirement Benefit Liability	Note 8	15,053	14,537
TOTAL LIABILITIES		168,572,374	160,538,788
NET WORTH		47,988,289	44,245,952
Represented By:			
RESERVES			
Statutory Reserve	Note 4	24,471,468	23,136,022
Additional Regulatory Reserve		-	-
TOTAL REGULATORY RESERVE	Note 4	24,471,468	23,136,022
Realised Reserves	Note 4	21,078,587	18,527,916
Unrealised Reserves	Note 4	2,438,234	2,582,014
TOTAL RESERVES		47,988,289	44,245,952

These Financial Statements were approved and authorised for issue by the Board on: 30th October 2015

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: 30th October 2015
 Date: 30th October 2015
 Date: 30th October 2015

**Cash Flow Statement**

For the year ended 30th September 2015

		2015 €	2014 €
Opening Cash and Investments	A	157,045,805	145,268,795
RECEIPTS			
Members' Shares		128,702,782	118,480,200
Members' Deposits		-	-
Members' Loans Repaid		23,457,920	24,108,874
Members' Loan Interest Received		4,958,140	5,059,647
Investment Income Received		4,431,734	6,440,542
Bad Debts Recovered		422,606	293,870
Other Receipts		149,659	142,174
TOTAL	B	162,122,841	154,525,307
DISBURSEMENTS			
Members' Shares Withdrawn		120,546,458	113,301,548
Members' Deposits Withdrawn		-	-
Members' Loans Granted		25,541,187	24,665,146
Interest Paid		-	-
Dividends Paid		1,035,485	1,390,529
Taxation Paid		545,918	153,056
Loan Interest Rebate Paid		-	-
Operating Expenses		3,738,981	3,131,072
Fixed Assets Purchased		212,729	106,946
Other Disbursements		-	-
TOTAL	C	151,620,758	142,748,297
CLOSING CASH AND INVESTMENTS	A+B-C	167,547,888	157,045,805

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www.tullamorecu.ie





Car Draw Income and Expenditure

For the year ended 30th September 2015

	2015 €	2014 €
Surplus Brought Forward	12,752	7,339
INCOME		
Income from Members	235,100	230,180
TOTAL	247,852	237,519
EXPENDITURE		
Car Prizes	86,900	78,900
Cash Prizes	150,000	145,000
Other Prizes	-	-
Car Draw Expenses	2,407	867
TOTAL	239,307	224,767
EXCESS OF INCOME OVER EXPENDITURE	8,545	12,752

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 2014

1st Prize: Toyota Corolla from Lambe Bros - Ben & Gina Peilow, Geashill.
There were also 40 winners of €1000.

March 2015

1st Prize: Renault Megane from Tullamore Motors - Christopher O'Reilly, Killeigh.
There were also 35 winners of €1000.

June 2015

1st Prize: Nissan Pulsar 1.5 XE Diesel from Tullamore Nissan - John Byrne, Cadamstown.
There were also 40 winners of €1000.



L-R Louise Koutska (TCU), Chairperson Martina Martin, winner John Byrne, Adrian Delaney (Tullamore Nissan) and Credit Union CEO Dennis Daly

September 2015

1st Prize: Hyundai i30 1.6 Diesel from Fitzpatrick's Tullamore - Martina Neville, Ballydaly.
There were also 35 winners of €1000.

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



Notes to the annual accounts and financial statements for the year ended 30 September 2015.

1. Significant Accounting Policies:

1.1 ACCOUNTING CONVENTION

The Financial Statements are prepared in accordance with generally accepted accounting principles under the historical cost convention, and comply with financial reporting standards issued by the Financial Reporting Council, as promulgated by Chartered Accountants Ireland and Irish statute comprising the Credit Union Act, 1997 (as amended).

1.2 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 when payment is received as specified in Section 110(1)(C)(i) of the Credit Union Act, 1997 (as amended) (i.e. on a cash basis).

Investment Income

Investment Income is recognised when received or irrevocably receivable, net of fees for investment managers.

1.3. TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment loss. Cost includes all costs that are directly attributable to bringing the asset into working condition for its intended use.

Depreciation

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost less estimated residual value, of each asset systematically over its expected useful life.

Depreciation is provided on a straight line basis as follows:

	Minimum Recommended	Rates Applied
Freehold Premises	2% Per Annum	2% Straight Line
Leasehold Premises	Over the period of the lease	
Fixtures and Fittings	10% Per Annum	10% Reducing Balance
Office Equipment	20% Per Annum	20% Reducing Balance
Computers	25% Per Annum	25% Straight Line

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.

1.4. INVESTMENTS

The accounting treatment for the investments of the Credit Union is in accordance with Generally Accepted Accounting Practice in Ireland and the Guidance Note on Investments issued by the Central Bank of Ireland. The specific investment products held by the Credit Union are accounted for as follows:

(i) Bank Deposits and Structured Term Deposits

These are valued at the deposit amount plus any accrued interest income. Interest income is recognised in the income statement on an accruals (time) basis.

(ii) Structured Investment Bonds

Structured Investment Bonds with fixed maturity dates are valued at cost as these bonds are not traded on an open market. Any guaranteed income is recognised in the Income Statement on an accruals (time) basis.

(iii) Government Bonds and Other Investment Bonds

Government Bonds and other investment bonds which are traded on an open market are valued at the lower of cost or market value or par and interest or dividend income is recognised in the income statement when it



is received or receivable. Decreases in the capital value of the bonds are included in the Income Statement. Increases which reverse a previous decrease in the value of the bonds are included in the Income Statement. All other increases in excess of the cost of the bonds are not recognised until the bonds are sold.

(iv) Perpetual Bonds

Perpetual bonds, which are not capital guaranteed, are valued at the lower of cost or market value or par and interest income is recognised in the Income Statement when it is received or irrevocably receivable. Decreases in the capital value of the perpetual bonds are included in the Income Statement. Increases which reverse a previous decrease in the capital value of the bond are included in the Income Statement. All other increases in excess of the cost of the bonds are not recognised until the bonds are sold.

(v) Unit Funds

Unit funds are valued at the lower of cost, market value or par and dividend or other income is recognised in the Income Statement when it is received or irrevocably receivable. Decreases in market value are recognised immediately. Increases which reverse a previous decrease in the capital value of the fund are included in the Income Statement. All other increases in excess of the cost of the funds are not recognised until the asset is sold or matures.

(vi) Commercial Paper

Commercial paper, which are not capital guaranteed, are valued at the lower of cost or market value or par and interest is recognised in the income statement when it is received or receivable. Decreases in the capital value of the commercial paper are included in the Income Statement. Increases which reverse a previous decrease in the capital value of the commercial paper are included in the Income Statement. All other increases in excess of the cost of the commercial paper are not recognised until the commercial paper is sold.

(vii) IL&P 0% Bond

ILP Bond is not tradeable on the open market and with no market value available, it is valued at the investment manager's best estimate of the net realisable value of this bond.

1.5. 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 2015.

1.6. BAD AND DOUBTFUL DEBTS

Bad debts written off are included in other management expenses. Bad debts recovered are included in the Income and Expenditure account. Provisions for doubtful debts are made against current loan balances which the directors consider are uncollectible. The amount provided is calculated based on the number of weeks a loan is in arrears, adjusted for any specific bad debts, in accordance with Resolution 49 calculations. An additional specific provision in the amount of €9,264,695 (2014 €9,134,901) is considered prudent by the board of directors.

1.7. DISTRIBUTION POLICY

In respect of each financial year, the Credit Union will allocate surplus funds to the Statutory Reserve and other reserves in accordance with the provisions of the Credit Union Act, 1997 (as amended) 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.

2. Provision for Bad and Doubtful Debts

	2015 €	2014 €
Balance at 1 October 2014	13,000,000	12,300,000
Increase in Provision in the year	-	700,000
Transfer against Bad Debts Written Off in the year	-	-
BALANCE AT 30 SEPTEMBER 2015	13,000,000	13,000,000



3. Tangible Fixed Assets For the year ended 30th September 2015

	Land & Buildings Freehold	Long Leasehold Property
COST:	€	€
At 1 October, 2014	900,000	39,639
Additions	-	-
Disposals	-	-
At 30 September, 2015	900,000	39,639
DEPRECIATION:		
At 1 October, 2014	-	31,712
On Disposals	-	-
Charge for the year	18,000	7,927
At 30 September 2015	18,000	39,639
NET BOOK VALUE At 30 September 2015	882,000	-
NET BOOK VALUE At 30 September 2014	900,000	7,927

Tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate that their carrying value may be impaired. During the year ended 30 September 2015, the Credit Union carried out an impairment review of the carrying value of its freehold premises. This review indicated that the recoverable amount of the freehold premises was greater than the carrying value (based on market value) and therefore no impairment is recognised.

4. Reserves

	Balance at 1 October 2014 €	Transfer of Realised Profit €	Surplus for the Year €	Transfers to/ (from) Reserves €	Balance at 30 September 2015 €
Statutory Reserve	23,136,022	-	-	1,335,446	24,471,468
General Reserve	9,000,000	-	-	-	9,000,000
Distributable Realised Reserve	5,186,782	-	-	143,780	5,330,562
Dividend Reserve	2,500,000	-	-	1,000,000	3,500,000
Technology Reserve	-	-	-	1,300,000	1,300,000
Building Reserve	-	-	-	500,000	500,000
Unrealised Non-distributable Reserve	2,582,014	(143,780)	-	-	2,438,234
Undistributed Surplus	1,841,134	143,780	3,742,337	(4,279,226)	1,448,025
AT 30 SEPTEMBER 2015	44,245,952	-	3,742,337	-	47,988,289



Office Equipment	Fixtures & Fittings	Computers	Total
€	€	€	€
183,941	576,068	432,764	2,132,412
338	126,639	85,752	212,729
-	-	(13,128)	(13,128)
184,279	702,707	505,388	2,332,013
133,156	356,918	339,461	861,247
-	-	(13,128)	(13,128)
12,116	34,582	71,540	144,165
145,272	391,500	397,873	992,284
39,007	311,207	107,515	1,339,729
50,785	219,150	93,303	1,271,165

5. Other Liabilities, Creditors, Accruals & Charges

	2015 €	2014 €
Accrued expenses	179,166	302,419
Pension contributions	15,053	14,537
TOTAL PER BALANCE SHEET	194,219	316,956

6. Dividends and Loan Interest Rebate

The Directors recommend the following distributions:

	2015		2014	
	Rate %	€	Rate %	€
Gross Dividend on Shares	0.75%	1,236,901	1%	1,586,249
Loan Interest Rebate	0%	-	0%	-

7. Members Shares

	2015 €	2014 €
Regular Share Accounts	116,463,353	110,710,154
Special Share Accounts	51,847,802	49,424,678
Medium Term Share Accounts	20,000	40,000
Long Term Share Accounts	47,000	47,000
TOTAL PER BALANCE SHEET	168,378,155	160,221,832



8. Pension Costs

Contributions to the Irish Life Assurance Company PLC 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 €158,492 (2014 - €158,182). €15,053 of employer contributions remain outstanding at 30 September 2015.

9. Rates of Interest Charged on Members' Loans

The Credit Union charges rates of interest as follows:	PER MONTH	APR
Members Loan Rate 9.5% per annum	0.792%	9.96%
Asset Loan Rate 6.5% per annum	0.542%	6.70%
Special Student Loan Rate 6.5% per annum	0.542%	6.70%
Loans within Shares Rate 5.95% per annum	0.496%	6.12%

10. Rates of Interest Paid on Members' Deposits

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

11. Capital Commitments

At 30th September 2015 there are no capital commitments to disclose.

12. Contingent Liabilities

There are no contingent liabilities to disclose.

13. Related Party Transactions

During the year two hundred and ninety two loans totalling €1,318,221 (2014 €1,062,387) were advanced to officers and their families. At 30 September 2015 loans to officers and their families were €3,439,672 (2014 €3,313,188) while shares of officers and their families with loans were €897,436 (2014 €833,884). At 30 September 2015 the total shares held by officers and their families were €6,135,429 (2014 €5,705,444).

14. Insurance Against Fraud

The Credit Union has insurance against fraud in compliance with Section 47 of the Credit Union Act, 1997 (as amended) in the amount of €2.5 million.

15. Post Balance Sheet Events

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

16. Approval of Financial Statements

The Board of Directors approved these financial statements for issue on 30th October 2015.



Schedule 1 - Other Interest Income and Similar Income

For the year ended 30th September 2015

	2015	2014
	€	€
Investment Income Received	4,685,000	4,901,839
Gains on Sale of Investments	-	-
TOTAL PER INCOME AND EXPENDITURE ACCOUNT	4,685,000	4,901,839

ANALYSIS OF INVESTMENT INCOME

Investment Income and Gains Received	4,268,542	4,392,801
Investment Income to be received within 12 months	81,489	140,380
Other investment income	334,969	368,658
TOTAL PER INCOME AND EXPENDITURE ACCOUNT	4,685,000	4,901,839

Schedule 2 - Other Income

For the year ended 30th September 2015

	2015	2014
	€	€
Commission	104,988	96,977
Fees	44,519	45,045
Co Op Dividend	152	152
TOTAL PER INCOME AND EXPENDITURE ACCOUNT	149,659	142,174

Christmas Opening Hours

Monday 21st December 10am – 5pm
 Tuesday 22nd December 10am -5pm
 Wednesday 23rd December 10am – 5pm
 Thursday 24th December 10am – 2pm
 Friday 25th December CLOSED
 Saturday 26th December CLOSED

Monday 28th December CLOSED
 Tuesday 29th December 10am – 5pm
 Wednesday 30th December 10am -5pm
 Thursday 31st December 10am – 5pm
 Friday 01st January CLOSED
 Saturday 02nd January 10am – 5pm



**Schedule 3 - Other Management Expenses**

For the year ended 30th September 2015

	2015 €	2014 €
Rent and Rates	34,194	32,768
Lighting, Heating and Cleaning	56,520	48,706
Repairs and Renewals	25,755	11,432
Security	17,432	13,672
Printing and Stationery	48,434	35,001
Postage and Telephone	75,782	63,009
Donations and Sponsorship	34,630	25,721
Promotion and Advertising	125,567	56,849
Training Costs	11,448	15,653
Convention Expenses	6,272	7,560
AGM Expenses	36,121	28,836
Travel and Subsistence	19,015	10,696
Bank Charges	98,725	82,542
Overdraft Interest	3,948	3,282
Audit Fee	30,750	30,750
General Insurance	58,512	56,515
Share and Loan Insurance (Gross)	396,004	406,809
Pension	158,492	158,182
Legal and Professional Fees	501,931	469,412
Computer Maintenance	178,701	165,462
Bad Debts Written Off	743,857	1,014,063
Miscellaneous Expenses	35,972	44,740
Affiliation Fees	63,493	56,605
Regulatory Levy	62,968	49,831
Deposit Protection Account Charges CBCIRFL	102,426	123,652
ATM and Debit Card Expenses	114,922	72,622
TOTAL PER INCOME AND EXPENDITURE ACCOUNT	3,041,871	3,084,370



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."

Community Involvement

This year Tullamore Credit Union Ltd maintained its strong commitment to supporting groups and initiatives that benefit the local community.

The annual Primary School Table Quiz took place in February. 20 local schools sent 195 students into battle in what has become one of the most hotly contested competitions on the school calendar. In the Junior Competition Ballinamere N.S. were victorious, with Ballinagar N.S. and Geashill N.S. in second and third place respectively.

In the Senior Competition Geashill N.S. came out on top, closely followed by Ballinagar N.S. and Charleville N.S. These three teams went on to represent Tullamore in the CUDA National Finals in March. Ballinagar N.S. secured third place.

The Transition Year CU AT YOUR SCHOOL Programme was completed in five local secondary schools. The TY Face The Phoenix competition for young entrepreneurs is underway and a live final will take place in February 2016.

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 Ltd's common bond, and the projects had to benefit the local area. In April 2015 Tullamore Credit Union Ltd presented 46 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 2015 to various worthwhile projects around the world including places as far wide as Kenya, Zambia and Nepal. Closer to home funding was distributed to St. Vincent de Paul in Tullamore.

Tullamore Credit Union Ltd 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 32 participants. The Overall Winner was Whitehall.

Online Services [visit: www.tullamorecu.ie]

- Online Accounts
- Electronic Funds Transfer
- Bill Payments
- Loan Enquiries
- Balances & Statements



Services

- Loan Facilities
- Direct Lodgement of Salaries/ Social Welfare/Pensions
- Home, Travel & Car Insurance
- Payroll Deductions
- Personal Finance Programme
- Foreign Exchange
- Laser Payments
- ATM Facilities

Opening Hours

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

www.tullamorecu.ie |    

Tullamore Credit Union Ltd is regulated by the Central Bank of Ireland.

