



Tullamore
Credit Union Ltd.

Annual Report | 2017



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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 4th December 2017 at 8pm. All members are welcome to attend.

Tullamore Credit Union Ltd - Board Of Directors:

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

Tullamore Credit Union Ltd - Board Oversight Committee:

Ciara Flanagan (Chairperson)
 Ray Spain (Secretary)
 Eileen Brophy
 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 2017. While the results are set out in detail in the Financial Report, overall this year's 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.

In an improving economic climate both our savings and lending portfolios performed well. However, due to continued low interest rates globally over the last year our investment income has declined further, primarily due to falling investment returns in the Euro area. The Board expects investment returns to remain relatively low for the immediate future. The continued support of our members, combined with prudent management of our finances, has resulted, once again, in a healthy surplus that will help underpin the continued success of Tullamore Credit Union for many years to come.

The focus of the Board has always been to provide quality service to members. For the third year in a row Credit Unions have been voted Ireland's most trusted financial institutions. Please remember, Tullamore Credit Union is your Credit Union and I would encourage you to make full use of all our services.

I am pleased to report that the Board has recently received approval from the Central Bank of Ireland to offer Member Personal Current Account Services (MPCAS). However, as reported repeatedly in previous annual reports, in order 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 underpinned by appropriate regulation. Members, I am disappointed to report that despite our best efforts and the Trojan work of CUDA – our representative body – we are still no closer to achieving our objective of providing a full range of loan offerings to our members.

For any organisation to develop and grow, it must continually plan for the future. Given the extent and pace of change in the Credit Union environment, our Board of Directors - supported by Management - has recently formulated a revised Strategic Business Plan. This updated strategic plan will direct our efforts in servicing the changing needs of our members over the next 3 years. In September we opened our new building on Main Street. The purpose of this capital investment is to future proof our business requirements and open up opportunities to serve our members better.

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

The focus of the Board has always been to provide quality service to members.



I wish to thank our Management and Staff for their efforts in the past year. In addition I want to pay tribute to my fellow Board Directors, Board Oversight Committee and Volunteers for their dedication and support. The responsibility of managing a Credit Union of our size is immense and involves great dedication and commitment. In particular, I would like to pay special tribute to Eilish Horan who retired from Tullamore Credit Union in May following 44 years of loyal service and to Olive Heffernan and Laughlin Fitzsimons who are stepping down from the Board this year. Finally, I wish each and every member a very happy and peaceful Christmas, and best wishes for the New Year.

Patrick Doheny, 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 2017, from a financial perspective, was strong. The excess of income over expenditure for the year amounted to €4.3 million, down from €5.6 million in 2016. Driven by this our Reserves, which are a real measure of the strength of the Credit Union, have risen by €3.4 million to €61.8 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 2017. 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 €9.9 million to €186.1 million in total.

2017 is the second year of the new Financial Reporting Standards (FRS) 102 methodology for presenting annual accounts. There are numerous disclosures so there is significant information available to the members regarding their Credit Union.

The investment portfolio generated income of €3.1m in the financial year ending 30 September 2017. This represented a solid return against the backdrop of an increasingly adverse investment environment. In spite of the challenging environment, the investment portfolio of €183.9 million leaves Tullamore Credit Union 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 the very low current levels for the foreseeable future. The portfolio is fully compliant with all investment limits specified under regulations included 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 0.25% this year.

Declan Mc Donnell, Finance Officer



CEO Report

As CEO, it is my pleasure to update you, our members on some operational developments in a busy year, and to share with you some of our plans for new improvements for the future.

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 overall business strategy as set out by the Board of Directors.

Some of the highlights of the past year from an operational perspective are set out in the table:

Membership	1037 new members joined
Loans Issued	€30.3 million issued
Car Loans Issued	1801 car loans totalling €12.6 million issued
EFT /Online Transactions	229,410 up 9.1%
Savings Lodged/Withdrawn	€403.8 million - up by 45%

As you can see member interaction with our credit union continues to grow, with significant increases in new member and online activity recorded. New loans to members has reached €30million, which is the highest figure since pre recession days of 2008.

NEW PREMISES

The renovations to our new office at Main Street have been completed, and some back office functions have now been transferred to the new office at this time. We are also examining options to transfer a number of services to the new building including the possibility of using self service technology to provide services outside of the current opening hours. One of the drivers behind the establishment of a second office was to ensure continuity of service to members in the event of an incident requiring the closure of our Patrick Street office. The new office now provides a backup site that, if required, could be opened within a matter of hours in a location convenient for members.

SUPPORT FOR LOCAL BUSINESS

We continue to focus on support for local business as our town, and surrounding areas, strive to recover from several years of recession. We now have a range of loan products at attractive rates available for businesses and farmers alike. We encourage all our self employed members to consider the credit union option for their borrowing requirements.

This year we also introduced a special loan tailored to help members avail of the Council Tenant Purchase Scheme. This scheme provides substantial discounts to tenants who wish to buy out their homes. Details of all loan packages are available on our website www.tullamorecu.ie or through our Patrick Street office.



CREDIT UNION WEBSITE

We are currently putting the final touches to an updated Tullamore Credit Union website, which, we believe, will be much more user friendly. Already many members are using our online and mobile services to access their accounts for transactions including money transfers and bill payment. If you are not using this service already please check it out.

DEBIT CARD AND CURRENT ACCOUNT

Some years ago I advised members at AGM of our plans to deliver debit card access to member accounts. While this project has taken more time than anticipated, I am pleased to advise that it has now expanded to the provision of full current account services, including overdraft facilities. At last year's AGM we sought member approval for a Member Personal Current Account Service (MPCAS) We have recently received approval from the Central Bank of Ireland for MPCAS and expect completion of development work and rollout in the coming year. This will be a major upgrade to our service provision to members, who will then be able to enjoy all the benefits of banking, but with your credit union.

NEW SAVINGS PRODUCTS

As a credit union, we strive to reward our members for their loyal support. With some banks paying less than 0.1% for demand deposits our dividend rate is comparable with anything in the marketplace. Whilst we would like to return more to members, we must be aware of the likelihood that paying a dividend substantially in excess of the market rate may cause an inflow of money seeking the higher rate. This could have the effect of destabilising any credit union, which would certainly not be in the best interest of our members. We currently have an extremely strong, well-capitalised credit union, providing a broad range of services at reasonable rates, and we intend to remain so in the future. In the coming year we intend to investigate a number of new and exciting options that would allow us provide a broader range of savings products for members. This may include access deposit accounts, term deposit accounts and advice on wealth management and longer term investment products.

BRINGING MEMBERS HOME

Over the past ten years, the impact of the recession has led many credit union members, or their sons and daughters, to leave the area, and in many cases, our shores, in search of a better life. We would like to remind all these members that their credit union has not forgotten them, and that they continue to have the same right of access to all of our services as those members still living in the area. We would be delighted to hear from them with regard to their financial needs and for them to rekindle their membership with Tullamore Credit Union.

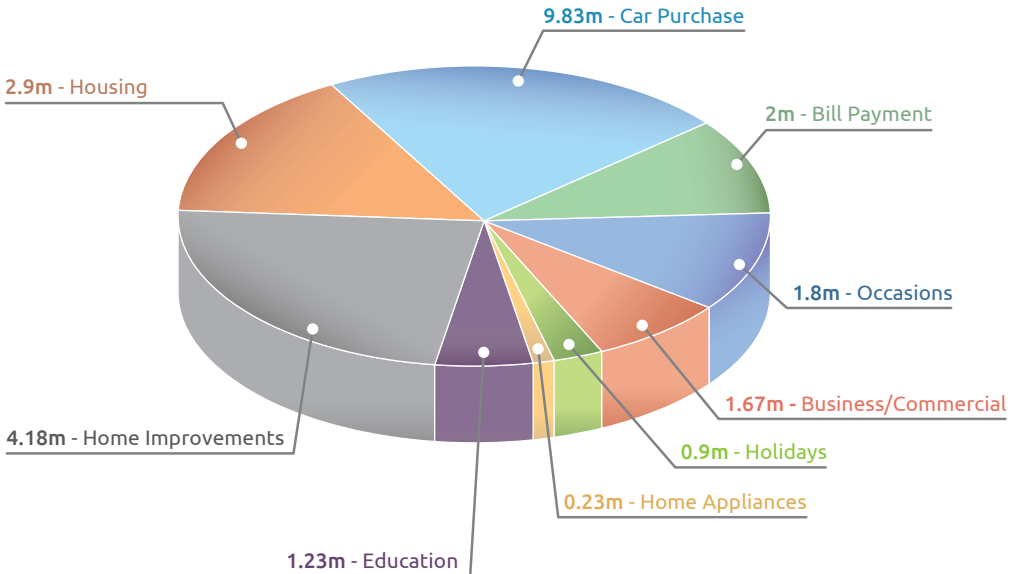
For example, we have recently been contacted by a number of members that reside in other countries but whose dream is to eventually return home to live. As part of our service development programme we are currently looking at a product to allow such members avail of loan finance to assist with the purchase of a site or house, to allow their eventual return home.

I hope that this has given members a flavour of the innovative plans that are under consideration at present. As a credit union we are determined to continuously improve our services and delivery channels and to provide the best range and quality of services available to you, our members.

Dennis Daly, CEO



Loans Issued in 2016-2017 by Purpose [€ million]



We continue to focus on support for local business as our town, and surrounding areas, strive to recover from several years of recession. We now have a range of loan products at attractive rates available for businesses and farmers alike.



Directors' Report

The directors present their report and the audited financial statements for the financial year ended 30 September 2017.

Principal Activities

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.

Authorisations

The credit union is authorised as follows:

- Insurance/reinsurance intermediary under the European Communities (Insurance Mediation) Regulations, 2005 (as amended)
- Investment Intermediaries (Restricted Activity Investment Product Intermediary) pursuant to Section 26 of the Investment Intermediaries Act, 1995 (as amended)
- Service Providers holding appointments from IIA product producers, including intermediaries that may issue appointments, appearing in the register maintained under Section 31 of the Investment Intermediaries Act, 1995 (as amended)
- Entitled under Regulation 9(1)(b) of the European Community (Payment Services) Regulations 2009 to provide payment services.

Business Review

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. Both the level of business and the year-end financial position were satisfactory.

Results And Distributions To Members

The excess income over expenditure for the year is set out in the Income & Expenditure account on page 11.

The Board proposes to the membership the payment of a 0.25% dividend for the current year in line with note 7 in the financial statements, subject to agreement by the membership at the Annual General Meeting.

Principal Risks and Uncertainties

The main financial risks arising from the activities of Tullamore Credit Union Limited are credit risk, liquidity risk, interest rate risk and continuous compliance with regulatory and legislative requirements. The Board reviews and agrees policies for managing each of these risks which are summarised at Note 25.

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 Act 1997 (as amended) four directors of the Credit Union are required to retire from the Board at this year's Annual General Meeting. Two retiring directors are not seeking re-election. Two new Board Members are proposed by the Nominations Committee and will go forward for election at this years Annual General Meeting.



Accounting Records

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 Tullamore Credit Union Limited 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 26 October 2017 and signed on its behalf by:

Patrick Doheny
Director

Breda Flynn
Director

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 the Institute of Chartered Accountants in Ireland.

The Credit Union Act 1997 (as amended) 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 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.

On behalf of the Board of Directors

Patrick Doheny
Director

Breda Flynn
Director

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 IV(A) and any regulations made for the purposes of Part IV or Part IV(A) 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.

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.

This report covers the period since the last AGM of Tullamore Credit Union Ltd which was held on Monday 5th December 2016.

Since our last report Theresa Wrafter has resigned her position and Eileen Brophy has been co-opted to replace her. We would like to thank Theresa for her input during her time on the committee.

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, collectively and on an individual basis and were, and continue to be compliant with current rules and legislation.

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 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 2016/2017 financial year.

Ciara Flanagan, Ray Spain, Eileen Brophy

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

Opinion

We have audited the financial statements of Tullamore Credit Union Limited for the financial year ended 30 September 2017 which comprise the Income and Expenditure Account, the Balance Sheet, the Statement of Changes in Reserves, the Cash Flow Statement and notes to the financial statements, including the summary of significant accounting policies. The 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.

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 2017 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 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described below in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Credit Union in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Irish Auditing and Accounting Supervisory Authority (IAASA) Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (Ireland) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate: or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Credit Union's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.



Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Other matters prescribed by the Credit Union Act 1997 (as amended)

In our opinion, based on the work undertaken in the course of the audit:

- We have obtained all the information and explanations which we considered were necessary for the purposes of our audit;
- In our opinion proper accounting records have been kept by the Credit Union; and
- The financial statements are in agreement with the accounting records.

Respective Responsibilities

Responsibilities of Directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Credit Union's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management intends to cease operations, or has no realistic alternative but to do so.

Responsibilities of Auditors for the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf. This description forms part of our auditor's report.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Credit Union's members, as a body, in accordance with Section 120 of the Credit Union Act 1997 (as amended). Our audit work has been undertaken so that we might state to the Credit Union's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Credit Union and the Credit Union's members as a body, for our audit work, for this report, or for the opinions we have formed.

Byrne Casey & Associates

Chartered Accountants, Registered Auditors, Clonminch Hi Technology Park, Tullamore, Co Offaly.

Date: 26th October 2017



Income & Expenditure Account

For the financial year ended 30th September 2017

	Notes	2017 €	2016 €
INCOME			
Interest on Loans	Schedule 1	5,222,026	5,101,563
Other Interest Income and Similar Income	Schedule 2	3,174,400	3,892,300
Net Interest Income		8,396,426	8,993,863
Other Income	Schedule 3	142,544	135,956
Other Gains	Schedule 4	14,651	202,416
TOTAL INCOME		8,553,621	9,332,235
EXPENDITURE			
Salaries		1,799,614	1,511,083
Other Management Expenses	Schedule 5	2,408,566	2,295,628
Depreciation		161,354	171,089
Other Losses	Schedule 6	134,050	150,198
Bad Debts Provision		(59,265)	(330,225)
Bad Debts Recovered		(619,916)	(591,545)
Bad Debts Written Off		450,721	550,140
TOTAL EXPENDITURE		4,275,124	3,756,368
Excess of Income over Expenditure for the year		4,278,497	5,575,867
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME		4,278,497	5,575,867

These Financial Statements were approved by the Board on: 26 October 2017.

Signed on behalf of Tullamore Credit Union Limited:

CEO: Dennis Daly
 Member of Board Oversight Committee: Ciara Flanagan
 Member of the Board of Directors: Patrick Doheny

Date: 26 October 2017.
 Date: 26 October 2017.
 Date: 26 October 2017.

The notes on pages 15-27 form part of these financial statements.



Balance Sheet

As at 30th September 2017

	Notes	2017 €	2016 €
ASSETS			
Cash and Balances at Bank	10	4,468,533	3,620,147
Deposits and Investments - Cash Equivalents	11	52,249,023	42,250,717
Deposits and Investments - Other	11	131,660,589	130,638,766
Loans	12	63,727,753	61,548,829
Less: Provision for Bad Debts	13	(7,290,308)	(7,349,573)
Tangible Fixed Assets	14	2,090,347	1,543,929
Debtors, Prepayments and Accrued Income	15	1,590,290	2,602,072
TOTAL ASSETS		248,496,227	234,854,887
LIABILITIES			
Members' Shares	16	186,112,811	176,249,158
Other Liabilities, Creditors, Accruals and Charges	17	495,528	180,237
Retirement Benefit Liability	17	61,110	16,483
TOTAL LIABILITIES		(186,669,449)	(176,445,878)
NET WORTH		61,826,778	58,409,009
Represented By:			
RESERVES			
Regulatory Reserve		28,038,725	26,538,725
Operational Risk Reserve		1,400,000	1,000,000
Other Reserves			
Realised Reserves		32,388,053	28,490,649
Unrealised Reserves		-	2,379,635
TOTAL RESERVES		61,826,778	58,409,009

These Financial Statements were approved by the Board on: 26 October 2017.

Signed on behalf of Tullamore Credit Union Limited:

CEO: Dennis Daly
 Member of Board Oversight Committee: Ciara Flanagan
 Member of the Board of Directors: Patrick Doheny

Date: 26 October 2017.
 Date: 26 October 2017.
 Date: 26 October 2017.

The notes on pages 15-27 form part of these financial statements.



Statement of Changes In Reserves

For the financial year ended 30th September 2017

	Regulatory Reserve	Operational Risk Reserve	Undistributed Surplus	Other Realised Reserves	Unrealised Reserves	Total Reserves
	€	€	€	€	€	€
Balance 1 October 2015	24,471,468	-	7,520,284	19,630,562	2,438,234	54,060,548
Surplus for the year	-	-	5,575,867	-	-	5,575,867
Payment of dividend			(1,227,406)			(1,227,406)
Transfer between reserves	2,067,257	1,000,000	(3,067,257)	58,599	(58,599)	-
Balance 1 October 2016	26,538,725	1,000,000	8,801,488	19,689,161	2,379,635	58,409,009
Surplus for the year	-	-	4,278,497	-	-	4,278,497
Payment of dividend			(860,728)			(860,728)
Transfer between reserves	1,500,000	400,000	(1,900,000)	2,379,635	(2,379,635)	-
Balance 30 September 2017	28,038,725	1,400,000	10,319,257	22,068,796	-	61,826,778

- 1 The Regulatory reserve of the Credit Union as % of total assets as at 30 September 2017 was 11.3%. (2016: 11.3%).
- 2 In accordance with S45 of the Credit Union Act 1997 (as amended) Tullamore Credit Union Limited has an Operational Risk reserve in place. The Board has transferred €400,000 from Realised Reserves to the Operational Risk reserve in the current year, 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 Board of Tullamore Credit Union Limited has transferred €1,500,000 from Realised Reserves to its Regulatory Reserves so that the reserve would stand at 11.3% at current year end, in excess of the required limit of 10%.

Signed on behalf of Tullamore Credit Union Limited:

CEO: Dennis Daly
 Member of Board Oversight Committee: Ciara Flanagan
 Member of the Board of Directors: Patrick Doheny

Date: 26 October 2017.
 Date: 26 October 2017.
 Date: 26 October 2017.



Cash Flow Statement

For the financial year ended 30th September 2017

	2017 €	2016 €
Opening Cash and Cash Equivalents	45,870,864	41,710,687
CASH FLOWS FROM OPERATING ACTIVITIES		
Loans Repaid	27,482,097	25,962,513
Loans Granted	(30,111,743)	(29,958,660)
Loan Interest Received	5,235,703	5,101,563
Investment Interest Received	4,046,763	4,121,767
Bad Debts Recovered	619,916	591,545
Dividends Paid	(569,647)	(808,881)
Taxation Paid	(291,081)	(418,525)
Other Receipts	142,544	135,956
Operating Expenses	(3,841,919)	(3,842,886)
NET CASH FLOWS FROM OPERATING ACTIVITIES	2,712,633	884,392
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed Asset Purchases/Disposals	(707,772)	(375,289)
Net Cash Flow From Managing Cash Equivalents	(1,021,823)	(4,219,925)
NET CASH FLOWS FROM INVESTING ACTIVITIES	(1,729,595)	(4,595,214)
CASH FLOWS FROM FINANCING ACTIVITIES		
Members Shares Received	206,843,136	143,578,996
Members Shares Withdrawn	(196,979,482)	(135,707,997)
NET CASH FLOWS FROM FINANCING ACTIVITIES	9,863,654	7,870,999
Net increase in cash and cash equivalents	10,846,692	(4,160,177)
CLOSING CASH AND CASH EQUIVALENTS	Note 10	56,717,556
		45,870,864

Signed on behalf of Tullamore Credit Union Limited:

CEO: Dennis Daly
 Member of Board Oversight Committee: Ciara Flanagan
 Member of the Board of Directors: Patrick Doheny

Date: 26 October 2017.

Date: 26 October 2017.

Date: 26 October 2017.



Notes to the financial statements financial year ended 30 September 2017.

1. Legal and regulatory framework

Tullamore Credit Union Limited is established under the Credit Union Act 1997 (as amended). 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. Accounting Policies

2.1. 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 Act 1997 (as amended). The financial statements are prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

2.2. 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").

2.3. 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.

2.4. 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.

2.5. 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 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.

2.6. 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 Act 1997 (as amended). 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.

2.7. TAXATION

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

2.8 TANGIBLE FIXED 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.

2.9. 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.

2.10. 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.

2.11. 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 not take account immediately of any impairment in the value of the investment.

2.12. 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.

2.13. 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.

2.14. 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.

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.

Bad and Doubtful Debts

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.

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.

2.15. 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

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 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.

Holiday pay

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Balance Sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Balance Sheet date.

2.16. 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.

2.17. 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 2017.

2.18. 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. Judgements in applying accounting policies and key source of estimation uncertainty

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:

Determination of depreciation, useful economic life and residual value of tangible assets

The annual depreciation charge depends primarily on the estimated lives of each type of asset and, in certain circumstances, estimates of residual values. The directors regularly review these useful lives and change them if necessary to reflect current conditions. In determining these useful lives, management consider technological change, patterns of consumption, physical condition and expected economic utilisation of the assets. Changes in the useful lives can have a significant impact on the depreciation charge for the financial year.

Impairment losses on loans to members

The Credit Union's accounting policy for impairment of financial assets is set out in the accounting policy in Note 2.14. 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.

Impairment of buildings

The carrying value of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable. In the event, an impairment loss is recognised as the difference between the carrying amount and the assets market value. The impairment charge, if applicable is charged to the Income and Expenditure Account in the period in which the related events or changes in circumstances occur.

Operational Risk reserve

The directors have considered the requirements of the Credit Union Act 1997 (as amended) and have considered an approach to the calculation of the Operational Risk reserve. Tullamore Credit Union Limited uses the Basic Indicator Approach as set out in the operational risk measurements techniques proposed under Basel II capital adequacy rules for banking institutions in calculating the minimum Operational Risk Reserve.

4. Staff Costs

The average number of persons employed by the Credit Union during the financial year, was as follows:

	2017 Number	2016 Number
Management and staff	43	36

The aggregate payroll costs incurred during the financial year were:

	2017 €	2016 €
Wages and salaries	1,799,614	1,511,083
Other retirement benefit costs	184,409	187,283
	1,984,023	1,698,366

5. Key Management Personnel Compensation

The directors of Tullamore Credit Union Limited are all unpaid volunteers. The remuneration of key management was as follows;

	2017 €	2016 €
Remuneration	410,313	322,431
Pension contributions	50,532	61,620
	460,845	384,051



6. 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 €184,409 (2016: €187,283). €61,110 of employer contributions remain outstanding at 30 September 2017 (2016: €16,483).

7. Dividends and Loan Interest Rebate

The Directors recommend the following distributions:

	2017		2016	
	Rate %	€	Rate %	€
Gross Dividend on Shares	0.25%	453,114	0.5%	864,887
Loan Interest Rebate	0%	-	0%	-

8. 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

9. 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%

10. Cash and cash equivalents

The directors of Tullamore Credit Union Limited are all unpaid volunteers. The remuneration of key management was as follows;

	2017 €	2016 €
Cash at bank and in hand	4,468,533	3,620,147
Pension contributions	52,249,023	42,250,717
	56,717,556	45,870,864



11. Deposits and Investments

	2017 €	2016 €
Deposits and investments - cash and cash equivalents	52,249,023	42,250,717
Deposits and investments - other	131,660,589	130,638,766
	183,909,612	172,889,483

Investments at the current and prior Balance Sheet date were all measured at amortised cost as appropriate and comprised of the following:

	2017 €	2016 €
Irish & EEA State Securities	6,794,785	6,828,886
Accounts in Authorised Credit Institutions	138,301,480	130,238,710
Bank Bonds	30,646,694	28,309,697
Collective Investment Schemes	5,381,341	4,667,493
Investments in Societies	3,809	3,809
Central Bank Deposits	1,742,627	1,802,012
Other	1,038,876	1,038,876
TOTAL PER BALANCE SHEET	183,909,612	172,889,483

The category of counterparties with whom the investments were held was as follows:

	2017 €	2016 €
A1	5,000,000	3,202,522
A2	17,742,644	19,162,690
A3	43,185,948	29,430,794
Aa2	-	2,165,316
Aa3	13,698,057	8,698,185
Ba1	33,785,544	39,250,000
Ba2	35,458,788	36,636,363
Baa1	9,668,203	23,374,510
Baa2	25,366,619	10,965,292
Non Listed	3,809	3,809
TOTAL INVESTMENTS	183,909,612	172,889,481

12. Movement in Loans During the Year

	2017 €	2016 €
Opening Loan Balance 1 October 2016	61,548,829	58,102,818
Loans Granted During the Year	30,111,743	29,958,662
Loans Repaid During the Year	(27,482,098)	(25,962,513)
Loans Written Off During the Year	(450,721)	(550,138)
CLOSING LOAN BALANCE 30 SEPTEMBER 2017	63,727,753	61,548,829



12.1. ANALYSIS OF GROSS LOANS OUTSTANDING AS AT 30 SEPTEMBER 2017

By Time Period	2017 Number of Loans	Amount €	2016 Number of Loans	Amount €
Less than 1 year	1,750	3,843,506	1,671	3,792,695
>1 year and <3 years	3,711	23,771,658	3,508	22,496,879
>3 years and <5 years	1,957	24,353,085	2,061	25,458,200
>5 years and <10 years	166	5,517,633	151	4,493,846
>10 years and <25 years	91	6,241,871	78	5,150,358
>25 years	-	-	1	156,851
TOTAL	7,675	63,727,753	7,470	61,548,829

13. Movement in Provisions During the Year

	2017 €	2016 €
Opening Provision Balance 1 October 2016	7,349,573	7,679,798
Provisions Arising from Transfer of Engagements/Amalgamations	-	-
Net Movement in Bad Debt Provision During the Year for Loans Currently Outstanding	(59,265)	(330,225)
Decrease in Bad Debt Provision as a Result of Loan Write Offs Previously Provided For	-	-
CLOSING PROVISION BALANCE 30 SEPTEMBER 2017	7,290,308	7,349,573

Breakdown of Closing Provision Balance 30 September 2017

	2017 €	2016 €
Individually Significant Loans	356,932	822,015
Collectively Assessed Loans	4,018,884	3,892,472
Other Impaired Loans	2,914,492	2,635,086
CLOSING PROVISION BALANCE 30 SEPTEMBER 2017	7,290,308	7,349,573

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14. Tangible Fixed Assets

For the year ended 30th September 2017

	Freehold Premises	Long leasehold property
COST:	€	€
At 1 October, 2016	1,145,371	39,639
Additions	328,948	-
Disposals	-	-
At 30 September, 2017	1,474,319	39,639
DEPRECIATION:		
At 1 October, 2016	40,908	-
Charge for the financial year	29,486	-
Disposals	-	-
At 30 September 2017	70,394	39,639
NET BOOK VALUE At 30 September 2017	1,403,925	-
NET BOOK VALUE At 30 September 2016	1,104,463	-

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 2017, the Credit Union carried out an impairment review of the carrying value of its freehold premises. This review indicated that the recoverable amount is more than the carrying value of the freehold premises, and therefore no impairment is recognised.

15. Debtors, Prepayments and Accrued Income

	2017 €	2016 €
Loan Interest Income Receivable	103,567	117,244
Investment Income Receivable	1,387,871	2,379,633
Other Debtors and Receivables	98,852	105,195
TOTAL PER BALANCE SHEET	1,590,290	2,602,072

16. Members Shares

	2017 €	2016 €
Regular Share Accounts	133,977,803	124,367,795
Special Share Accounts	52,115,008	51,814,363
Medium Term Share Accounts	20,000	20,000
Long Term Share Accounts	-	47,000
TOTAL PER BALANCE SHEET	186,112,811	176,249,158

Office Equipment	Fixtures & Fittings	Computer Equipment	Total
€	€	€	€
151,748	557,639	615,421	2,509,818
48,228	79,088	251,508	707,772
(29,947)	(37,004)	-	(66,951)
170,029	599,723	866,929	3,150,639
120,585	290,105	474,652	965,889
15,164	29,692	87,012	161,354
(29,947)	(37,004)	-	(66,951)
105,802	282,793	561,664	1,060,292
64,227	316,930	305,265	2,090,347
31,163	267,534	140,769	1,543,929

17. Other Liabilities, Creditors, Accruals & Charges	2017 €	2016 €
Audit Fee	19,065	14,452
Car Draw	6,201	3,158
Other accrued expenses	453,429	158,394
Pension contributions	61,110	16,483
Taxation creditors		
PAYE/PRSI	16,833	4,233
	556,638	196,720

18. Post Balance Sheet Events

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

19. 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.

20. Capital commitments

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

21. Contingent Liabilities

Tullamore Credit Union Limited had no contingent liabilities at the current or prior Balance Sheet date.



22. 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.

23. Credit Risk Disclosures

The Credit Union complies with Section 12 of the Credit Union Act, 1997 (Regulatory Requirements) Regulations 2016. This Regulation:

- restricts the concentration of lending by the Credit Union within certain sectors or to connected persons or groups (concentration limits);
- restricts the absolute amount of lending to certain sectors to a set percentages of the regulatory reserve (large exposure limit);
- restricts the loan duration of certain loans to specified limits (maturity limits);
- requires specified lending practices to be in place where loans are made to certain sectors such as commercial loans, community loans or loans to another Credit Union.

The carrying amount of the loans to members represents Tullamore Credit Union Limited 's maximum exposure to credit risk. The following provides information on the credit quality of loan repayments. Where loans are not impaired it is expected that the amounts repayable will be received in full.

	2017 €		2016 €	
	Amount	%	Amount	%
Loans Not Impaired				
Not Past Due	39,539,737	62.04%	37,433,807	60.82%
Up to 9 Weeks Past Due	12,783,956	20.06%	9,479,985	15.40%
Between 10 and 18 Weeks Past Due	71,219	0.11%	60,489	0.10%
Between 19 and 26 Weeks Past Due	34,402	0.05%	46,837	0.08%
Between 27 and 39 Weeks Past Due	7,513	0.01%	19,052	0.03%
Between 40 and 52 Weeks Past Due	12,784	0.02%	22,747	0.04%
53 or More Weeks Past Due	43,686	0.07%	39,984	0.06%
TOTAL NOT IMPAIRED LOANS	52,493,297	82.37%	47,102,901	76.53%
Impaired Loans				
Not Past Due	1,477,544	2.32%	4,235,104	6.88%
Up to 9 Weeks Past Due	5,926,986	9.30%	5,760,350	9.36%
Between 10 and 18 Weeks Past Due	1,248,602	1.96%	1,413,015	2.30%
Between 19 and 26 Weeks Past Due	384,636	0.60%	464,067	0.75%
Between 27 and 39 Weeks Past Due	403,172	0.63%	426,577	0.69%
Between 40 and 52 Weeks Past Due	331,640	0.52%	284,609	0.46%
53 or More Weeks Past Due	1,461,876	2.30%	1,862,206	3.03%
TOTAL NOT IMPAIRED LOANS	11,234,456	17.63%	14,445,928	23.47%
TOTAL LOANS	63,727,753	100.00%	61,548,829	100%



24. Related Party Disclosures

	No. of Loans €	Amount 2017 €	Amount 2016 €
Loans Advanced to Related Parties During the Year	18	99,600	155,516
Total Loans Outstanding to Related Parties at 30 September 2017	28	330,719	473,499
Total Provisions for Loans Outstanding to Related Parties at 30 September 2017	1	3,084	38,168
Total Provision Charge During the Year for Loans Outstanding to Related Parties	-	-	21,375

Related parties comprise the directors and the management team of the Credit Union, their family members or any business in which the directors or management team had a significant shareholding. Total loans to Related Parties represent 0.52% of the total loan book at 30 September 2017

25. Additional Credit Risk Disclosures

25a. 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 23.

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 of Ireland. The credit risk on investments is disclosed in Note 11.

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 (as amended). 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 Act 1997 (as amended) 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.

25b. INTEREST RATE RISK DISCLOSURES

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

	2017		2016	
	Amount €	Average Interest Rate	Amount €	Average Interest Rate
Financial assets				
Gross Loans	63,727,753	8.19%	61,548,829	8.29%
Financial liabilities				
Members' shares	186,112,811	0.25%	176,249,158	0.50%

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.

25c. LIQUIDITY RISK DISCLOSURES

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

25d. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

25e. 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 stand at 11.3% of the total assets of the Credit Union at the Balance Sheet date.

26. Approval of financial statements

The financial statements were approved, and authorised for issue by the Board of Directors on 26 October 2017.



Community Involvement

Tullamore Credit Union Ltd prides itself on its strong connections with community groups, sporting organisations, charities and schools within our common bond. During the past year, Tullamore Credit Union has continued to foster existing connections with these groups and has been directly involved, either financially or in person, by supporting events locally.

Every member would agree that education is a core principle of the Credit Union ethos and at Tullamore Credit Union Ltd, we continue to support our members in both primary and secondary schools.

One of the most popular events in the Tullamore Credit Union calendar is the annual Primary School Quiz, held in February. This year, 17 schools took part, with 165 students putting their brains to the test. Coolanarney NS were the winners of the Junior Section, followed closely by St Colman's NS Mucklagh in second place and Ballinagar NS in third. Ballinagar NS came out on top in the Senior Section, followed closely by Ballinamere NS, Durrow NS and Charleville NS. The top 3 winners represented Tullamore in the CUDA National finals, with Durrow NS taking overall 2nd place and Ballinamere NS taking 3rd prize. Well done to teachers and pupils alike!

The Transition Year Face the Phoenix initiative for budding entrepreneurs is currently underway, with a live final planned for the New Year.

Tullamore Credit Union remains active in the community in a variety of ways. The Tidy Tullamore competition continues to bring community and residential groups together, whilst, at the same time, improving the look of our local estates and neighbourhoods. The presentation night in September was well attended, awards were presented and speeches given. The overall winner was Glenfirical, with Killbrook Estate winning the Community Spirit award.

In February, local community, cultural, charity and sporting groups were invited to apply to the Community Support Fund for funding to assist with worthwhile projects locally. 69 such organisations completed applications forms – with 45 of these receiving donations at a special awards presentation night in April 2017.

The Our World Fund introduced in 2005, allocated funds to a variety of causes, both local and international, including the Killina Secondary School Immersion project to Zambia, the Gorta Water Scheme in Togo, West Africa and Medecins Sans Frontieres as well St Vincent de Paul, Tullamore.'

Both individual and sporting groups have also been supported by Tullamore Credit Union Ltd during the year. These include local boxer, Grainne Walsh, who won a gold medal for Ireland in Tenerife recently, local man Pat Bracken who picked up a bronze in the Veterans Six Nations Table-Tennis Championship in Guernsey and the Tullamore Town U12 girls soccer team who were crowned champions of the FAI Under 12 Regional blitz recently. Well done to all on your achievements and for flying the flag for Tullamore worldwide!



The following pages do not form part of the statutory Financial Statements which are the subject of the Independent Auditor's report on pages 9-10.

Schedule 1 - Interest On Loans

For the year ended 30th September 2017	2017 €	2016 €
Loan Interest Income Received	5,118,459	4,984,319
Loan Interest Income Receivable	103,567	117,244
TOTAL PER INCOME AND EXPENDITURE ACCOUNT	5,222,026	5,101,563

Schedule 2 - Other Interest Income And Similar Income

For the year ended 30th September 2017	2017 €	2016 €
Investment Income Received	2,905,266	3,680,745
Investment Income Receivable within 12 months	269,134	167,793
Other Investment Income	-	43,762
TOTAL PER INCOME AND EXPENDITURE ACCOUNT	3,174,400	3,892,300

Schedule 3 - Other Income

For the year ended 30th September 2017	2017 €	2016 €
Commission	99,087	94,098
Fees	43,457	41,858
TOTAL PER INCOME AND EXPENDITURE ACCOUNT	142,544	135,956

Schedule 4 - Other Gains

For the year ended 30th September 2017	2017 €	2016 €
Gains on Sale of Investments	14,651	202,416
TOTAL PER INCOME AND EXPENDITURE ACCOUNT	14,651	202,416

Don't forget to take part in our Quarterly CAR DRAW.
 Download an entry form on www.tullamorecu.ie or call to the office to sign up. Cost of entry is €10 per draw.

Schedule 5 - Other Management Expenses

For the year ended 30th September 2017

	2017 €	2016 €
Rent and Rates	34,984	33,834
Lighting, Heating & Cleaning	48,661	53,735
Repairs & Renewals	10,359	24,957
Security	27,182	21,041
Printing and Stationery	41,905	39,136
Postage and Telephone	85,742	85,476
Donations and Sponsorship	33,167	35,930
Promotion and Advertising	151,516	108,201
Training Costs	20,484	16,515
Convention Expenses	5,911	7,811
AGM Expenses	35,034	32,966
Travel and Subsistence	19,737	19,257
Bank Charges	96,825	91,547
Overdraft Interest	3,909	1,281
Audit Fee	34,440	30,750
General Insurance	64,497	60,084
Share and Loan Insurance (Gross)	391,395	386,554
Pension	184,409	187,283
Legal and Professional Fees	332,127	383,427
Computer Maintenance	208,052	222,229
Miscellaneous Expenses	67,013	41,819
Affiliation Fees	51,754	74,968
Regulatory Levy	206,998	86,016
Deposit Protection Account Charges & CBCIRFL	153,399	109,305
ATM and debit card Expenses	99,066	141,506
TOTAL PER INCOME AND EXPENDITURE ACCOUNT	2,408,566	2,295,628

Schedule 6 - Other Losses

	2017 €	2016 €
Losses on Investments	134,050	150,198
TOTAL PER INCOME AND EXPENDITURE ACCOUNT	134,050	150,198



Members' Car Draw Income and Expenditure

For the year ended 30th September 2017	2017 €	2016 €
Surplus Brought Forward	3,158	8,545
INCOME		
Income from Members	241,490	237,620
TOTAL	244,648	246,165
EXPENDITURE		
Car Prizes	91,440	83,000
Cash Prizes	146,000	159,000
Other Prizes	-	-
Car Draw Expenses	1,007	1,007
TOTAL	238,447	243,007
SURPLUS CARRIED FORWARD	6,201	3,158

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 2016

1st prize: Ford-Eco Sport SUV, 1.5 Diesel
Winner: Mary Galvin, Oldtown, Daingean and there were 35 prizes of €1000 cash.



March 2017

1st prize: Citroen C4
Winner: Dymphna Owens, Colemans Terrace, Tullamore and there were 40 prizes of €1000 cash.



June 2017

1st prize: Toyota Corolla Luna 1.4 Diesel
Winner: Thomas Byrne, Norbury Woods Avenue, Tullamore and there were 36 winners of €1000 cash

September 2017

1st prize: Nissan Qashqai 1.2 XE Petrol,
Winner: Edna Mannion, 16 Meadowlands, Kinnitty Road, Kilcormac and there were 34 winners of €1,000 cash

Well done to all our Car Draw Winners!!



General Data Protection Regulation (GDPR)

COMING MAY 25th 2018

The General Data Protection Regulation (GDPR) will come into force on the 25th May 2018, replacing the existing data protection framework under the EU Data Protection Directive.

The General Data Protection Regulation (GDPR) will give greater control to individuals over their personal data by setting out additional and more clearly defined rights for individuals whose personal data is collected or processed by organisations and businesses.

If you wish to find out more about your rights under the new regulation, please contact our Data Protection Officer on 057 93 51780 or email info@tullamorecu.ie.

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.

Bringing Members Home

You may have moved from Tullamore BUT you are still a valued member of our credit union and can avail of all the unique benefits of credit union membership!

Contact us by telephone on 057 93 51780 or by email info@tullamorecu.ie.

And don't forget to follow us on facebook to keep up-to-date with what is happening in the credit union and locally.





“ We, would like to thank the credit union for the good advice and financial support they provided to us, which allowed us to open our new childcare facility. The credit union backed our belief for this much needed service in our community and supported us the whole way. The childcare facility has much in common with the credit union such as providing services to all in the community who need it.”

Susan and Austin O’Brien, Durrow Childcare Services.

“ Setting up a new business is not for the faint-hearted, however, the help, advice and financial support given by Tullamore Credit Union Ltd made the process a little bit easier. Thanks to you, we have a growing business in Kilbeggan, providing employment and a play centre for the local children.”

Mags Naughton, Little Big Town, Kilbeggan.

“ On behalf of John, Imelda and myself, I wish to acknowledge the support I received from Tullamore Credit Union especially from the Team in the Loans Department. I graduated in June of this year as a Dr of Veterinary Medicine. We are so grateful for all the financial assistance and more so the financial planning received over the past 9 years. Without the professionalism & guidance received, it would not have been possible for me to further my Third Level Education.”

Dr Danielle Cusack BSc Ag MVB MRCVS, Clonaslee

“ We are always glad to enter into the Tidy Tullamore Competition because the monthly reports always guide us on how to do better for the following month. The Judges feedback is always a pleasure to read because it gives our volunteers the thanks they deserve for all their hard work. Coming silver in the Village Category this year really was special, as we are quite new to the competition and it’s the first time our group won anything, it gave us the encouragement to aim for Gold in the 2018 Tidy Tullamore Competition.”

Liam Carty, Walsh Island Development Group

“ We have been members of the credit union for many years – the level of service is always way above the normal, and beyond the call of duty! The credit union has been a lifesaver on many occasions, we don’t go anywhere else!”

M & E Wilson



Christmas Opening Hours

Monday 25th December CLOSED
 Tuesday 26th December CLOSED
 Wednesday 27th December..... CLOSED
 Thursday 28th December 10am – 5pm

Friday 29th December 10am – 7pm
 Saturday 30th December..... 10am – 5pm
 Monday 1st January..... CLOSED
 Tuesday 2nd January 10am – 5pm



Today. Tomorrow. Together.

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 |   





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- Electronic Funds Transfer
- Bill Payments
- Balances & Statements
- Loan Enquiries
- Loan Applications Via Facebook

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- Loan Facilities - Home Loans, Personal, Business & Farming
- Direct Lodgement of Salaries/Social Welfare/Pensions
- Home, Travel & Car Insurance
- Payroll Deductions
- Personal Finance Programme
- Foreign Exchange (FCEI) *Also available to order online*
- Laser Payments
- ATM Facilities

OPENING HOURS

Mon: . . . 10am - 5pm

Thu: . . . 10am - 5pm

Tue: . . . 10am - 5pm

Fri: . . . 10am - 7pm

Wed: . . . 10.30am - 5pm

Sat: . . . 10am - 5pm



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Tullamore Credit Union Ltd.

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