



Tullamore
Credit Union Ltd.

AnnualReport

2018



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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 3rd December 2018 at 8pm. All members are welcome to attend.

Tullamore Credit Union Ltd - Board Of Directors:

Patrick Doheny (Chairperson)
Fra Mollen (Vice Chairperson)
Eileen Brophy (Hon Secretary)
Breda Flynn
Declan Mc Donnell
Martina Martin
Liam O'Callaghan
Brian Gunning
Tony Flanagan
Alice Campbell
Niall Walsh

Tullamore Credit Union Ltd - Board Oversight Committee:

Ciara Flanagan (Chairperson)
Ray Spain (Secretary)
Stephen Malone

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 2018. While the results are set out in detail in the Financial Report, overall this year's outcome has been strong and has surpassed expectations in a number of areas, with savings, investments and surplus all coming in ahead of budget. This year Tullamore Credit Union achieved a major milestone when our assets surpassed a quarter of a Billion Euro.

In an improving economic climate both our savings and lending portfolios performed well. However, due to continued low interest rates globally over the last number of years 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 significant 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 our members. I am pleased to report that in recent months our new Tullamore Credit Union website went live and in September we introduced a new farm-lending product called Cultivate in conjunction with 6 other midland based credit unions. Our Member Personal Current Account Services (MPCAS) is planned to come into operation in quarter two of 2019.

Over recent years restructuring within the credit union movement has resulted in the number of active credit unions decreasing from 399 to 268. The Board holds the view that we would not actively seek out any amalgamations, but would engage openly with any credit union that approaches us, strictly on the basis that any move in this regard must be in the best interest of 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 2 years.

The success of Tullamore Credit Union is built on the efforts of our members volunteering their time freely. Have you ever considered volunteering? If you would like to learn more about participating in the running of our credit union, please contact our CEO - Dennis Daly, or any member of the Board of Directors and we will provide additional information.

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, the Board Oversight Committee and Volunteers of Tullamore Credit Union 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 Breda Flynn, Martina Martin and Niall Walsh who are stepping down from the Board this year.

I would like to wish each and every Tullamore Credit Union member a happy and peaceful Christmas and best wishes for the New Year. Please remember that Tullamore Credit Union is your Credit Union and I encourage all members to make full use of our financial services

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 2018, from a financial perspective, exceeded expectations and was extremely strong. Overall, the excess of income over expenditure for the year amounted to €4.7 million, which, while up on last year's figure of €4.3 million was significantly boosted by a "one off" investment gain of €1.9 million. Without this "one off" gain, our income and surplus figures would have reduced significantly on 2017, primarily as a result of reduced investment income of €1.9 million, down from €3.2 million last year. This was caused by the ongoing low interest rate environment in the Eurozone, which makes it extremely difficult to obtain reasonable returns in a low risk portfolio. We anticipate that this low interest rate environment will remain in place for a number of years.

Strong growth in Members' Savings was again a feature in 2018. This continues the trend of recent years, with savings growing by €11.2 million to €197.3 million in total.

This year our Loan Portfolio has remained almost static, finishing the year at €63.6 million from an opening position of €63.7 million. One reason for this is the fact that our long-term lending reached the statutory limit of 10%, driven by significant growth in our ASSET Loan for House Purchase. This resulted in reduced lending in this area in the past year. I am delighted to announce that we are now back lending to members to finance house purchase or renovation and will be happy to discuss requirements in this regard with any member.

The investment portfolio generated income of €3.2m in the financial year ending 30 September 2018. This represented a solid return against the backdrop of an increasingly adverse investment environment. Our investment portfolio of €201.1 million is well diversified and comprises mainly Bank Deposits and Bonds, almost all of which are fully capital guaranteed. At this time our investment strategy is to strike a balance between supporting our liquidity position and income in the short term, and ensuring that we are well positioned to benefit from rate increases in time. This strategy will help minimise reinvestment risk over the coming years. The portfolio is fully compliant with all investment limits specified under regulations in the Credit Union Act 1997 (Regulatory Requirements) Regulations 2016.

As a result of the surplus generated, our Reserves, which are a real measure of the strength of the credit union, have increased from €61.8 million to €66.1 million at year end. In addition, Members' Savings, Loans Issued, and Total Assets have all shown good growth in the year.

One particular milestone of note is the fact that our Total Assets at €263.6 million have now passed the quarter of a billion mark! This is indeed a great tribute to all our members and to the many Directors, Volunteers and Staff who have worked so hard over the years to make our credit union such a strong, vibrant organisation.

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

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



CEO Report



Management of the Operational Side of our credit Union is part of my responsibility as CEO, which also includes implementation of the Credit Union Strategy, as decided by the Board of Directors. This involves a focus not only on the current processes, products and services available to our members, but also the development of improved processes, products and services for the future. So, in this report, I will not only outline some of the operational highlights of the year, but I will also provide an update on some of the exciting projects that we are working on to improve our service to you, our members.

Membership	1,376 new members joined
Loans Issued	€28,483,814
EFT / Online Transactions	246,155
Savings Lodged / Withdrawn	€426,203,035

More and more members are using our services, and more frequently than ever before! We believe that this reflects the quality of service that we provide to members, and of the trust that our members place in our credit union.

As credit union members I ask you to spread the word to family, neighbours and friends that our credit union has money to lend at favourable rates for all purposes, and we are working to make borrowing even faster and simpler.

MAKING OUR LENDING PROCESSES MORE USER FRIENDLY

In the past year we have done a lot of work on improving our lending processes. We have tried to ensure that the process of applying for and receiving approval for a loan is as quick and as user friendly as possible. We are working to reduce paperwork, where possible, and to improve our response times. We would hope that all standard personal loans, including car loans, will get a same day decision, where the application is received before 12 noon, with a next day response for applications received after 12 noon.

We have also been working on making it easier for members to make online applications either through our website or Facebook on a 24/7 basis. To facilitate this, we relaunched our upgraded website during the year. One click can now get a member started on a loan application. This new facility also includes a loan calculator, which allows the member understand how much they can afford to borrow, before the application process begins.

We have also introduced a new queueing system in our loans area, and members have expressed delight at how much this has sped up the process, and improved the entire experience for members.

As a member owned community organisation our aim is to support all sections of the community. With this in mind, we have expanded our range of loan products for business, with the launch of CULTIVATE, a farm finance package providing loans of up to €50,000 for local farmers. We are happy to report that the level of uptake and interest from farmers has been very positive.

We continue to look at new ways to improve our service to members. From November our operating times for our loans department have been extended on a trial basis. In addition to our normal opening hours, members can now make a loan application, or simply discuss their borrowing requirements, from 8am to 8 pm on Thursdays and Fridays. This can be done in person or over the phone, and complements our 24/7 online loan application system.



NEW AND IMPROVED MEMBER SERVICE

Looking forward to the coming year, we are, after several years of development, set to launch our Member Personal Current Account Service in 2019. This will be a fully functional current account including overdraft, online and debit card facilities and will provide our members with added convenience and greater access to their funds.

We are also looking at embracing modern technology to provide extended opening hours for members who want to carry out day to day transactions with our credit union. Tullamore Credit Union has been providing ATM services to members since 1996. We are currently engaged in discussions with regard to sourcing teller machines that can support an expanded range of services such as savings lodgments, loan payments, savings withdrawals, statement printing etc., all on a 24/7 basis. This development, if successful, would provide members with an additional option to do business with our credit union outside of current opening hours. I can reassure members that it will complement, not replace our face to face counter service that members appreciate so much.

When we speak of technology, there is no doubt that the financial services industry, including the credit union sector, has become increasingly reliant on modern technology to support its operations and provide service to members. It is also clear that the pace of change in the IT marketplace is becoming ever faster. It is vital for our credit union that we understand our IT requirements going forward, and develop a strategy to deliver on same. This year we have, in common with a group of larger credit unions, initiated a project to define our future requirements and review all our options in meeting same. This project will take some time, but we expect to have identified the best options by the end of our next financial year.

INCREASED OPTIONS FOR SAVERS

As you will note from the financial accounts, there have been significant inflows of new member savings into our credit union. We note particularly a large growth in members' savings with a balance between €50,000 and €100,000. While we appreciate this vote of confidence from new and existing members, it is not without its consequences. The business model of any credit union, including ours, is a simple one. In short, we accept savings from members to lend out to other members. Any funds not successfully lent out are placed into investments. The inflow of funds in recent years has been such that we have not been able to grow our loan book to match. This has led to a significant growth in the value of our investments, at a time when international interest rates are at an all time low. As a result, the rate of return that our credit union has been able to achieve on our investments has been reducing, and will continue to reduce for the foreseeable future.

This has implications for the return that we can provide to our members on their savings. We are satisfied that the current dividend rate is a fair rate comparable to anything available in the marketplace at present. However, we are aware that this rate is serving to attract the savings inflows outlined above and that this needs to be addressed. In addition, we are looking at a mechanism to increase the return to members in a manner that does not serve to make this situation worse. As a result, we are actively examining the introduction of a range of new savings products for members. These will focus on providing an improved return for smaller savers, while providing a range of savings options for members with greater levels of savings, at competitive market rates. This may well involve setting a lower limit on the amount of shares that a member might hold with our credit union, while creating a range of new demand and term deposit options to meet varying member needs. We are also looking at the possibilities with respect to longer term savings and investment products to provide more options for members. We hope to unveil some of these changes in the coming year.

I hope that this report has given our members an insight into the work that is going on behind the scenes at all times to improve member service. I believe that you will begin to experience the benefits over the coming year.

Dennis Daly, CEO



Jim Doody - 44 Years Continuous Service with Tullamore Credit Union



Jim Doody was associated with Tullamore Credit Union for 44 years. Jim served as a volunteer, a member of the management team and he was elected to the Board of Directors for two different periods.

Jim who was employed as a manager in Tullamore's largest employer Salts, initially became a volunteer with Tullamore Credit Union in 1966. Jim was first elected to the Board in 1973 where he served as Honorary Secretary for four years. In 1976, Jim joined the Credit Union management team following his appointment as Credit Controller and Deputy Manager.

In 1982 following the retirement of the Credit Union's first manager Des Smyth, Jim was appointed Manager of Tullamore Credit Union. Jim was Manager for thirteen years from 1982 to 1995. During this golden period in the development of Tullamore Credit Union he oversaw the opening of the new Patrick Street offices, increases in loans, savings and increasing number of members availing of enhanced services.

In 1995 Jim retired as manager and was succeeded by our present CEO Dennis Daly. Following his retirement, he was re-elected to the Board for his second period of service and served continuously for another fifteen years. In 2010, Jim stepped down from the Board of Tullamore Credit Union.

Jim passed away on Monday 12th March 2018. On the following Friday morning Credit Union staff formed a guard of honour during Jim's removal from his family home on Convent Road. The Credit Union offices were closed during Jim's funeral ceremony and staff, Board members past and present provided a guard of honour on his final journey to Clonminch Cemetery. Our sincere and deepest sympathies to Jim's wife Mary and their extended families.

Jim Doody, throughout his continuous 44 years of service with Tullamore Credit Union has made a significant contribution to the economic and social development of Tullamore and the surrounding areas.

Seamus Gleeson - Founding Director

Seamus Gleeson passed away on the 1st of June this year. On the 2nd of April 1963 - following months of regular meetings and the preparation of a feasibility study - Seamus (Jim) Gleeson was elected onto the inaugural Board of Tullamore Credit Union. Seamus was a founding Director and the last surviving member from the first Tullamore Credit Union Board. Our sincere and deepest sympathies to the Gleeson family.

The Board of Tullamore Credit Union extend our sympathies to all families of members who have been bereaved over the last year.

Ar dheis Dé go raibh a anam

Patrick Doheny, Chairperson



Directors' Report

The directors present their report and the audited financial statements for the financial year ended 30 September 2018.

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 year's 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, BCA Chartered Accountants, 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 25 October 2018 and signed on its behalf by:

Patrick Doheny
Director

Eileen Brophy
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 on 25 October 2018,

Patrick Doheny
Director

Eileen Brophy
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, on 25 October 2018.



Report of the Board Oversight Committee

The Board Oversight Committee (BOC) has the responsibility of overseeing members of the Board of Directors of our Credit Union and reporting to the membership at the AGM.

The committee may have three or five members and historically the Board Oversight Committee of Tullamore Credit Union (prior to the new Credit Union Act 2012 known as the supervisory committee), has had three members. During the year, Eileen Brophy resigned from the committee and was replaced by Stephen Malone. The BOC would like to thank Eileen sincerely for her valuable contribution during her time on our committee.

As per regulatory requirements, a member of the Board Oversight Committee has attended every meeting held by the Directors of Tullamore Credit Union. In accordance with Sections IV and IV(a) of the 1997 Act (as amended) the Directors are observed and assessed by the BOC to ensure their actions and decisions are at all times in compliance with regulatory and legislative requirements and the rules of Tullamore Credit Union Ltd. The Board Oversight Committee is satisfied that all Directors have acted in accordance with these requirements at all times.

The BOC has attended all mandatory (Ethics, Data Protection and Anti Money Laundering) as well as a number of other relevant training courses during the year.

The Board Oversight Committee would like to extend thanks to the Board of Directors, the CEO and all staff at Tullamore Credit Union for their assistance to the BOC during the financial year 2017/2018.

Ciara Flanagan, Ray Spain, Stephen Malone.

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 2018 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 2018 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.

BCA

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

Date: 25th October 2018



Income & Expenditure Account

For the financial year ended 30th September 2018

	Notes	2018 €	2017 €
INCOME			
Interest on Loans	Schedule 1	5,176,462	5,222,026
Other Interest Income and Similar Income	Schedule 2	1,882,083	3,174,400
Net Interest Income		7,058,545	8,396,426
Other Income	Schedule 3	156,014	142,544
Other Gains	Schedule 4	1,970,496	14,651
TOTAL INCOME		9,185,055	8,553,621
EXPENDITURE			
Salaries		1,799,990	1,799,614
Other Management Expenses	Schedule 5	2,581,878	2,408,566
Depreciation		287,900	161,354
Other Losses	Schedule 6	166,149	134,050
Bad Debts Provision		(270,484)	(59,265)
Bad Debts Recovered		(504,035)	(619,916)
Bad Debts Written Off		356,123	450,721
TOTAL EXPENDITURE		4,417,521	4,275,124
Excess of Income over Expenditure for the year		4,767,534	4,278,497
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME		4,767,534	4,278,497

These Financial Statements were approved by the Board on: 25 October 2018.

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: 25 October 2018.
 Date: 25 October 2018.
 Date: 25 October 2018.

The notes on pages 11-27 form part of these financial statements.

Balance Sheet

As at 30th September 2018

	Notes	2018 €	2017 €
ASSETS			
Cash and Balances at Bank	10	2,498,372	4,468,533
Deposits and Investments - Cash Equivalents	11	33,738,465	52,249,023
Deposits and Investments - Other	11	167,396,532	131,660,589
Loans	12	63,594,222	63,727,753
Less: Provision for Bad Debts	13	(7,019,824)	(7,290,308)
Tangible Fixed Assets	14	2,185,783	2,090,347
Debtors, Prepayments and Accrued Income	15	1,281,686	1,590,290
TOTAL ASSETS		263,675,236	248,496,227
LIABILITIES			
Members' Shares	16	197,287,217	186,112,811
Other Liabilities, Creditors, Accruals and Charges	17	180,054	495,528
Retirement Benefit Liability	17	63,616	61,110
TOTAL LIABILITIES		(197,530,887)	(186,669,449)
NET WORTH		66,144,349	61,826,778
RESERVES			
Regulatory Reserve		29,788,725	28,038,725
Operational Risk Reserve		1,400,000	1,400,000
Other Reserves			
Realised Reserves		34,955,624	32,388,053
Unrealised Reserves		-	-
TOTAL RESERVES		66,144,349	61,826,778

These Financial Statements were approved by the Board on: 25 October 2018.

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: 25 October 2018.
 Date: 25 October 2018.
 Date: 25 October 2018.

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



Statement of Changes In Reserves

For the financial year ended 30th September 2018

	Operational			Other		Total Reserves
	Regulatory Reserve	Risk Reserve	Undistributed Surplus	Realised Reserves	Unrealised Reserves	
	€	€	€	€	€	€
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 1 October 2017	28,038,725	1,400,000	10,319,257	22,068,796	-	61,826,778
Surplus for the year	-	-	4,767,534	-	-	4,767,534
Payment of dividend			(449,963)			(449,963)
Transfer between reserves	1,750,000	-	(1,750,000)	-	-	-
Balance 30 September 2018	29,788,725	1,400,000	12,886,828	22,068,796	-	66,144,349

1 The Regulatory reserve of the Credit Union as % of total assets as at 30 September 2018 was 11.3%. (2017: 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 not transferred additional funds 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 €1,750,000 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: 25 October 2018.
 Date: 25 October 2018.
 Date: 25 October 2018.



Cash Flow Statement

For the financial year ended 30th September 2018

	2018 €	2017 €
Opening Cash and Cash Equivalents	56,717,556	45,870,864
CASH FLOWS FROM OPERATING ACTIVITIES		
Loans Repaid	28,261,222	27,482,097
Loans Granted	(28,483,814)	(30,111,743)
Loan Interest Received	5,167,377	5,235,703
Investment Interest Received	4,082,723	4,046,763
Bad Debts Recovered	504,035	619,916
Dividends Paid	(302,506)	(569,647)
Taxation Paid	(147,457)	(291,081)
Other Receipts	156,014	142,544
Operating Expenses	(4,773,439)	(3,841,919)
NET CASH FLOWS FROM OPERATING ACTIVITIES	4,464,155	2,712,633
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed Asset Purchases/Disposals	(383,336)	(707,772)
Net Cash Flow From Managing Cash Equivalents	(35,735,943)	(1,021,823)
NET CASH FLOWS FROM INVESTING ACTIVITIES	(36,119,279)	(1,729,595)
CASH FLOWS FROM FINANCING ACTIVITIES		
Members Shares Received	218,691,987	206,843,136
Members Shares Withdrawn	(207,511,048)	(196,979,482)
NET CASH FLOWS FROM FINANCING ACTIVITIES	11,180,939	9,863,654
Net (decrease)/increase in cash and cash equivalents	(20,474,185)	10,846,692
CLOSING CASH AND CASH EQUIVALENTS Note 10	36,243,371	56,717,556

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: 25 October 2018.
 Date: 25 October 2018.
 Date: 25 October 2018.



Notes to the financial statements financial year ended 30 September 2018.

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 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 2018.

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 2018. 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:

	2018 Number	2017 Number
Management and staff	48	43

The aggregate payroll costs incurred during the financial year were:

	2018 €	2017 €
Wages and salaries	1,799,990	1,799,614
Other retirement benefit costs	185,006	184,409
	1,984,996	1,984,023

5. Key Management Personnel Compensation

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

	2018 €	2017 €
Remuneration	435,103	410,313
Pension contributions	58,642	50,532
	493,745	460,845

6. Pensions

Defined contribution plans

Contributions to the Irish Life Assurance Company PLC and Zurich Group Life pension schemes 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 €185,006 (2017: €184,409). €63,616 of contributions remain outstanding at 30 September 2018 (2017: €61,110).

7. Dividends and Loan Interest Rebate

The Directors recommend the following distributions:

	2018		2017	
	Rate %	€	Rate %	€
Gross Dividend on Shares	0.25%	479,557	0.25%	453,114
Loan Interest Rebate	0.00%	-	0.00%	-

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%
Business Pay Loan Rate 7.50% per annum	0.625%	7.76%
Unsecured Business Loan Rate 7.00% per annum	0.583%	7.23%
Unsecured Community Loan Rate 7.00% per annum	0.583%	7.23%
Special Car Loan Rate 6.99% per annum	0.583%	7.22%
Cultivate Loan Rate 6.75% per annum	0.563%	6.97%
Student Loan Rate 6.50% per annum	0.542%	6.70%
Asset Loan Rate 6.50% per annum	0.542%	6.70%
Home Improvement Loan Rate 6.50% per annum	0.542%	6.70%
SME Loan Rate 6.50% per annum	0.542%	6.70%
Secured Business Loan Rate 6.00% per annum	0.500%	6.17%
Secured Community 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%
Secured Tenant Purchase Loan Rate 4.00% per annum	0.333%	4.08%

10. Cash and cash equivalents

	2018 €	2017 €
Cash at bank and in hand	2,498,372	4,468,533
Short term deposits	33,738,465	52,249,023
	36,236,837	56,717,556

11. Deposits and Investments

	2018 €	2017 €
Deposits and investments - cash and cash equivalents	33,738,465	52,249,023
Deposits and investments - other	167,396,532	131,660,589
	201,134,997	183,909,612

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

	2018 €	2017 €
Irish & EEA State Securities	9,851,061	6,794,785
Accounts in Authorised Credit Institutions	155,461,571	138,301,480
Bank Bonds	27,592,402	30,646,694
Collective Investment Schemes	29,395	5,381,341
Investments in Societies	3,809	3,809
Central Bank Deposits	1,688,116	1,742,627
Other*	6,508,643	1,038,876
TOTAL PER BALANCE SHEET	201,134,997	183,909,612

**Investments classified above as Other include investments that are currently outside the authorised list of investment categories following the introduction of Credit Union Act 1997 (Regulatory Requirements) Regulations 2018 on 1 March 2018. The above investments were authorised under regulation pertaining at the time of purchase.*

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

	2018 €	2017 €
A1	24,021,965	5,000,000
A2	31,429,691	17,742,644
A3	35,207,560	43,185,948
Aa3	21,455,612	13,698,057
Ba1	27,753,943	33,785,544
Ba2	22,006,237	35,458,788
Baa1	39,256,180	9,668,203
Baa2	-	25,366,619
Non Listed	3,809	3,809
TOTAL INVESTMENTS	201,134,997	183,909,612

12. Movement in Loans During the Year

	2018 €	2017 €
Opening Loan Balance 1 October 2017	63,727,753	61,548,829
Loans Granted During the Year	28,483,814	30,111,743
Loans Repaid During the Year	(28,261,222)	(27,482,098)
Loans Written Off During the Year	(356,123)	(450,721)
CLOSING LOAN BALANCE 30 SEPTEMBER 2018	63,594,222	63,727,753

12.1. ANALYSIS OF GROSS LOANS OUTSTANDING AS AT 30 SEPTEMBER 2018

By Time Period	2018 Number of Loans	Amount €	2017 Number of Loans	Amount €
Less than 1 year	1,895	4,070,902	1,750	3,843,506
>1 year and <3 years	3,669	23,999,710	3,711	23,771,658
>3 years and <5 years	1,812	23,513,457	1,957	24,353,085
>5 years and <10 years	211	6,788,883	166	5,517,633
>10 years and <25 years	73	5,221,270	91	6,241,871
TOTAL	7,660	63,594,222	7,675	63,727,753

13. Movement in Bad Debt Provisions During the Year

	2018 €	2017 €
Opening Provision Balance 1 October 2017	7,290,308	7,349,573
Net Movement in Bad Debt Provision During the Year for Loans Currently Outstanding	(270,484)	59,265
CLOSING PROVISION BALANCE 30 SEPTEMBER 2018	7,019,824	7,290,308

Breakdown of Closing Provision Balance 30 September 2018

	2018 €	2017 €
Individually Significant Loans	366,458	356,932
Collectively Assessed Loans	3,864,377	4,018,884
Other Impaired Loans	2,788,989	2,914,492
CLOSING PROVISION BALANCE 30 SEPTEMBER 2018	7,019,824	7,290,308

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14. Tangible Fixed Assets

For the year ended 30th September 2018

	Freehold Premises	Long leasehold property
COST:	€	€
At 1 October, 2017	1,474,319	39,639
Additions	2,719	-
Disposals	-	-
At 30 September, 2018	1,477,038	39,639
DEPRECIATION:		
At 1 October, 2017	70,394	39,639
Charge for the financial year	29,541	-
Disposals	-	-
At 30 September 2018	99,935	39,639
NET BOOK VALUE At 30 September 2018	1,377,103	-
NET BOOK VALUE At 30 September 2017	1,403,925	-

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 2018, 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

	2018 €	2017 €
Loan Interest Income Receivable	112,652	103,567
Investment Income Receivable	991,578	1,387,871
Other Debtors and Receivables	177,456	98,852
TOTAL PER BALANCE SHEET	1,281,686	1,590,290

16. Members' Shares

	2018 €	2017 €
Regular Share Accounts	144,654,925	133,977,803
Special Share Accounts	52,632,292	52,115,008
Medium Term Share Accounts	-	20,000
TOTAL PER BALANCE SHEET	197,287,217	186,112,811

Office Equipment	Fixtures & Fittings	Computer Equipment	Total
€	€	€	€
170,029	599,723	866,929	3,150,639
9,627	14,326	356,664	383,336
(36,191)	(42,662)	-	(78,853)
143,465	571,387	1,223,593	3,455,122
105,802	282,793	561,664	1,060,292
19,552	37,823	200,984	287,900
(36,191)	(42,662)	-	(78,853)
89,163	277,954	762,648	1,269,339
54,302	293,433	460,945	2,185,783
64,227	316,930	305,265	2,090,347

17. Other Liabilities, Creditors, Accruals & Charges

	2018 €	2017 €
Audit Fee	19,065	19,065
Members' Quarterly Prize Draw	6,533	6,201
Other accrued expenses	140,932	453,429
Pension contributions	63,616	61,110

Taxation creditors

PAYE/PRSI	13,524	16,833
TOTAL PER BALANCE SHEET	243,670	556,638

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.

	2018 €		2017 €	
	Amount	%	Amount	%
Loans Not Impaired				
Not Past Due	38,689,372	60.84%	39,539,737	62.04%
Up to 9 Weeks Past Due	14,032,810	22.07%	12,783,956	20.06%
Between 10 and 18 Weeks Past Due	110,771	0.17%	71,219	0.11%
Between 19 and 26 Weeks Past Due	20,410	0.03%	34,402	0.05%
Between 27 and 39 Weeks Past Due	26,908	0.04%	7,513	0.01%
Between 40 and 52 Weeks Past Due	12,819	0.02%	12,784	0.02%
53 or More Weeks Past Due	45,448	0.07%	43,686	0.07%
TOTAL LOANS NOT IMPAIRED	52,938,538	83.24%	52,493,297	82.37%

Impaired Loans

Not Past Due	1,630,785	2.56%	1,477,544	2.32%
Up to 9 Weeks Past Due	5,539,817	8.71%	5,926,986	9.30%
Between 10 and 18 Weeks Past Due	880,426	1.38%	1,248,602	1.96%
Between 19 and 26 Weeks Past Due	308,763	0.49%	384,636	0.60%
Between 27 and 39 Weeks Past Due	677,779	1.07%	403,172	0.63%
Between 40 and 52 Weeks Past Due	224,972	0.35%	331,640	0.52%
53 or More Weeks Past Due	1,393,142	2.20%	1,461,876	2.29%
TOTAL IMPAIRED LOANS	10,655,684	16.76%	11,234,456	17.63%
TOTAL LOANS	63,594,222	100.00%	63,727,753	100.00%

24. Related Party Disclosures

	No. of Loans	Amount 2018 €	No. of Loans	Amount 2017 €
Loans Advanced to Related Parties During the Year	14	120,354	18	99,600
Total Loans Outstanding to Related Parties at 30 September 2018	26	347,172	28	330,719
Total Provisions For Loans Outstanding to Related Parties at 30 September 2018	-	-	1	3,084
Total Provision Charge During the Year for Loans Outstanding to Related Parties	1	(3,084)	-	-

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 0.55% (2017 - 0.52%) of the total loan book at 30 September 2018

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 2018.

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.

	2018		2017	
	Amount €	Average Interest Rate	Amount €	Average Interest Rate
Financial assets				
Gross Loans	63,594,222	8.14%	63,727,753	8.19%
Financial liabilities				
Members' shares	197,287,217	0.25%	186,112,811	0.25%

The interest rates applicable to loans to members are fixed at a range from 4% 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 25 October 2018.

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 2018	2018 €	2017 €
Loan Interest Income Received	5,063,810	5,118,459
Loan Interest Income Receivable	112,652	103,567
TOTAL PER INCOME AND EXPENDITURE ACCOUNT	5,176,462	5,222,026

Schedule 2 - Other Interest Income And Similar Income

For the year ended 30th September 2018	2018 €	2017 €
Investment Income Received	1,597,756	2,905,266
Investment Income Receivable within 12 months	284,327	269,134
TOTAL PER INCOME AND EXPENDITURE ACCOUNT	1,882,083	3,174,400

Schedule 3 - Other Income

For the year ended 30th September 2018	2018 €	2017 €
Commission	97,277	99,087
Fees	37,590	43,457
Other Income	21,147	-
TOTAL PER INCOME AND EXPENDITURE ACCOUNT	156,014	142,544

Schedule 4 - Other Gains

For the year ended 30th September 2018	2018 €	2017 €
Gains on Maturity of Investments	1,970,496	14,651
TOTAL PER INCOME AND EXPENDITURE ACCOUNT	1,970,496	14,651

***Don't forget to take part in our
Quarterly Prize 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 2018

	2018 €	2017 €
Rent and Rates	40,433	34,984
Lighting, Heating & Cleaning	56,318	48,661
Repairs & Renewals	7,562	10,359
Security	36,847	27,182
Printing and Stationery	30,492	41,905
Postage and Telephone	88,319	85,742
Donations and Sponsorship	44,569	33,167
Promotion and Advertising	158,333	151,516
Training Costs	31,420	20,484
Convention Expenses	6,880	5,911
AGM Expenses	37,337	35,034
Travel and Subsistence	20,227	19,737
Bank Charges	102,211	96,825
Overdraft Interest	1,859	3,909
Audit Fee	34,440	34,440
General Insurance	69,823	64,497
Share and Loan Insurance (Gross)	413,614	391,395
Pension	185,006	184,409
Legal and Professional Fees	274,260	332,127
Computer Maintenance	275,004	208,052
Miscellaneous Expenses	65,984	67,013
Affiliation Fees	49,288	51,754
Regulatory Levy	202,577	206,998
Deposit Protection Account Charges & CBCIRFL	144,869	153,399
ATM and debit card Expenses	204,206	99,066
TOTAL PER INCOME AND EXPENDITURE ACCOUNT	2,581,878	2,408,566

Schedule 6 - Other Losses

	2018 €	2017 €
Losses on Investments	166,149	134,050
TOTAL PER INCOME AND EXPENDITURE ACCOUNT	166,149	134,050



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, the 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.

Financial 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 credit union calendar is the annual Primary School Quiz, held in February. This year, 20 schools took part, with 189 students putting their brains to the test. Ballinagar NS were the winners of the Junior Section, followed closely by Ballinamere NS in second place and Scoil Eoin Phóil in third. Ballinagar NS came out on top in the Senior Section also, followed closely by Geashill NS, Charleville NS, and Durrow NS. The top 3 winners represented Tullamore in the CUDA National finals, with Charleville National School placing 4th overall. 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. Last year's winners were "Eli and I" from Killina Presentation Secondary School.

Tullamore Credit Union Ltd remains active in the community in a variety of ways. The Tidy Tullamore competition continues to bring community and residents 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. Eugene Kelly's Bar won gold in the Business Awards, Whitehall won gold in the Large Estate, Thornsberry in the Medium Estate and Glenfircal in the Small Estate. Well done to all who participated.

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. 87 such organisations completed applications forms - with 63 of these receiving donations at a special awards presentation night in April 2018.

The Our World Fund introduced in 2005, allocated funds to a variety of causes, both local and international, including Colaiste Choilm India Immersion Fund, Touch Ireland Kandongo Community School, Self Help Africa, and Power 4 Good. 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 in the Irish Elite Finals in March 2018 and Stuart Grehan who won a Maiden Professional in Portugal this year. Well done to all on your achievements and for flying the flag for Tullamore worldwide!

We continue to focus on providing support for local businesses in our town and surrounding areas. We now have a wide range of loan products, at attractive rates, for businesses and farmers alike.



Members' Quarterly Prize Draw Income and Expenditure

For the year ended 30th September 2018	2018 €	2017 €
Surplus Brought Forward	6,201	3,158
INCOME		
Income from Members	243,100	241,490
TOTAL	249,301	244,648
EXPENDITURE		
Car Prizes	91,995	91,440
Cash Prizes	149,000	146,000
Car Draw Expenses	1,773	1,007
TOTAL	242,768	238,447
SURPLUS TO BE CARRIED FORWARD	6,533	6,201

Members' Quarterly Prize Draw Winners

Our quarterly Members' Prize 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 2017

1st prize: Hyundai Kona 1.0 Litre Turbo.

Winner: Damien Lynam, Castletowngeoghegan.

There were 34 winners of €1000.00

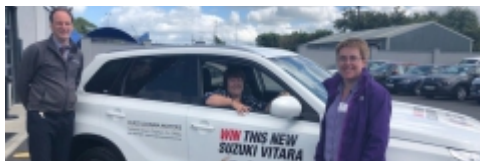


March 2018

1st prize: Ford Eco Sport 1.0 Litre petrol.

Winner: Collette Murphy, Ballinagar.

There were 40 winners of €1000.00



June 2018

1st prize: Suzuki Vitara Diesel GL 1.6

Winner: Anne Crombie, Rahugh, Kilbeggan.

There were 40 winners of €1000.00



September 2018

1st prize: Ford Eco Sport 1.0lt Petrol

Winner: Deirdre Conway, Knock, Daingean.

There were 35 winners of €1000.00

Don't forget to sign up for our Members' Quarterly Prize Draw

Touch ID

Tullamore Credit Union Ltd introduces 'Touch ID' using your mobile phone. Touch ID is a new feature for a secure way to check your balances, view statements, transfer funds and pay bills from anywhere. It is available on our cu Anywhere app, which can be downloaded/updated from Google play store or the App store. No more trying to remember your PIN - Easy, Secure, Free of Charge.



Loans Made Easy

Did you know that Tullamore Credit Union Ltd offers 'Loans Made Easy'? You can apply for a loan any time of the day and any day of the week from our website www.tullamorecu.ie, Facebook or through our cu Anywhere app. You can email an application to loans@tullamorecu.ie or you can call the office on Freephone 1800-56-55-55 during office hours, our loans department is open from 8am to 8pm every Thursday and Friday (by appointment only) for your convenience!

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.





“On behalf of the hundreds of thousands of families in Africa with whom we work, can I express my sincere ‘thank you’ for your support in 2018 and indeed over the past number of years where Tullamore Credit Union have been so helpful in supporting our work in various parts of Africa such as water projects in Togo and Kenya and food provision and drought programmes in Ethiopia and East Africa and many more over the years. I am celebrating 25 years working in the developing world this year and part of next year and I have always received such great life giving and life saving support from everyone in Tullamore Credit Union and I am so grateful to you all for that over the years.

Thanks to your support and all the members of Tullamore Credit Union we have been able to help small-scale farming households across the continent and especially in the countries mentioned above to grow a wide variety of new, better quality crops on their land and also to implement many water and sanitation and building programmers and poverty alleviation programmers in some of the poorest countries in our world.”

Yours sincerely,

Ronan Scully, Representative of Gorta Self Help Africa.

“Tullamore Credit Union have always helped me to finance my studies. Their friendly and helpful staff make the application process quick and easy.”

Paula Rosney, 3rd year degree student.

“Tullamore Credit Union Ltd was very helpful in assisting me when I decided to start my own business, they offered me advice when needed and the application process was easy to understand. I would recommend anybody considering starting their own business to make Tullamore Credit Union their first place to go.”

Emer Cunningham, Self-employed.

Christmas Holidays Opening Hours

Monday 24th December.....10am - 2pm

Tuesday 25th December.....CLOSED

Wednesday 26th December.....CLOSED

Thursday 27th December.....CLOSED

Friday 28th December.....10am - 7pm

Saturday 29th December.....10am - 5pm

Sunday 30th December.....CLOSED

Monday 31st December.....10am - 5pm

Tuesday 1st January.....CLOSED

Wednesday 2nd January.....10am - 5pm



Tullamore
Credit Union Ltd.



www.tullamorecu.ie

telephone: 057 93 51780
freephone teleloan: 1800 56 55 55
fax: 057 93 51280
email: loans@tullamorecu.ie



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Do all of your Credit Union business on your smartphone.



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- Home, Travel & Car Insurance
- Payroll Deductions
- Personal Finance Programme
- Foreign Exchange (FCEI) Also available to order online
- Laser Payments
- ATM Facilities

ONLINE SERVICES

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

visit: www.tullamorecu.ie

OPENING HOURS

Monday	10am - 5pm
Tuesday	10am - 5pm
Wednesday	10.30am - 5pm
Thursday	10am - 5pm
Friday	10am - 7pm
Saturday	10am - 5pm



Credit Union House, Patrick Street, Tullamore, Co. Offaly. 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.

Tullamore
Credit Union Ltd.

