



AYRFIELD CREDIT UNION LTD

Serving the Community for over 30 Years

**33rd Annual General Meeting
Tuesday 17th December 2013 at 8.00 pm**

Blunden Drive, Ayrfield, Dublin 13
Telephone: 867 0509 • Fax: 867 2251
www.ayrfieldcreditunion.ie

**Light Refreshments Served
after the Meeting
+
FREE DRAW for those in attendance**

AYRFIELD CREDIT UNION LIMITED

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Credit Union Invocation

*Lord, make me an instrument of your PEACE
Where there is hatred, let me sow LOVE. Where there is injury, PARDON
Where there is doubt, FAITH. Where there is despair, HOPE
Where there is darkness, LIGHT. And where there is sadness, JOY*

*O Divine Master,
Grant that I may not so much seek to be consoled as to CONSOLE
To be understood as to UNDERSTAND. To be loved as to LOVE
For it is in GIVING that we receive
It is in PARDONING that we are pardoned
And it is in DYING that we are born to
ETERNAL LIFE*

AYRFIELD CREDIT UNION LIMITED



NOTICE OF ELECTIONS

Elections will be held to fill three vacancies on the Board of Directors, one vacancy on the Board Oversight Committee and the position of Auditor.

Nominations must be in writing and signed by a proposer and seconder (who must be members of the credit union) and also by the person nominated so as to indicate his/her consent. A nomination form is printed below and extra copies are available from the office, Ayrfield Credit Union, Blunden Drive, Dublin 13.

All nominations must be returned to the Nomination Committee no later than 5.00 p.m. on Friday 13th December, 2013. Candidates will be contacted by the nominating committee in advance of the Annual General Meeting.

All those nominated (other than for the position of Auditor) must be members of the credit union and have reached age 18.

For 2014 Elections – Nominations should be forwarded to the Nomination Committee by 1st August, 2014 to allow ample time for due diligence to be carried out by Nomination Committee



NOMINATION FORM

Nomination for the positions of Directors and Supervisors should be made in writing and should reach the Secretary at this office on or before Friday 13th December 2013.

I am willing to stand for election to the Board of Directors/The Board Oversight Committee of Ayrfield Credit Union.

Signed:

Account No: Date:

Proposed by:

Seconded by:



AYRFIELD CREDIT UNION LIMITED

AGENDA

1. Acceptance by the Board of Directors of the authorized representatives of members that are not natural persons
2. Ascertain that a quorum is present
3. Adoption of Standing Orders
4. Reading and Approval (or correction) of Minutes of AGM 2012
5. Report of Board of Directors
6. Report of the Treasurer, consideration of accounts and approval of the Treasurers Honorarium
7. Report of the Auditor
8. Report of Supervisory Committee
9. Declaration of Dividend and Rebate of interest (If any)
10. Report of the Insurance Officer
11. Report of Credit Committee
12. Report of Credit Control Committee
13. Report of the Membership Committee
14. Report of the Education Committee
15. Approval of Rule Amendments
16. Appointment of Tellers
17. Report of the Nominating Committee
18. Elections:
 - a. Auditor for 2013-2014
 - b. Fill vacancies on the Supervisory Committee
 - c. Fill vacancies on the Board of Directors
19. I.L.C.U. Foundation Contribution
20. Any other business
21. Announcement of Election Results
22. Adjournment or close of meeting.

AYRFIELD CREDIT UNION LIMITED

Blunden Drive, Ayrfield, Dublin 13
Telephone: 867 0509 • Fax: 867 2251
www.ayrfieldcreditunion.ie
email: ayrfieldcu@iol.ie

OFFICE OPENING HOURS

Tuesday and Wednesday 10.00am – 12.00pm
Thursday 4.00pm – 8.00pm
Friday 10.00am – 12.00pm and 4.00pm – 8.00pm

DIRECTORS

Martin Cosgrave – *Chairperson*
Michelle Herron – *Secretary*
William Galgey – *Treasurer*
Thomas Crudden, Kathleen Dunne*, Anthony Ryan*,
Charles Brennan (retiring), Joseph Phelan, Angela Mlsek*

Beatrice Murphy – *Office Administrator*
Patricia O'Brien – *Assistant Administrator*

Staff

Alice O'Brien (retiring)
Deirdre Clarke
Gloria Kennedy
Carol Timmons
Sheena Cassidy
Brenda Lowry

Supervisory

Laura Gallagher*/Retiring
Vivian Pigott
Eileen Desmond

Credit Control

Rowena Higgins
Emer Hickey

*Due for election

STANDING ORDERS

Copies of Standing Orders are available at the AGM





AYRFIELD CREDIT UNION REPORT AND FINANCIAL STATEMENTS

CHAIRMAN'S ADDRESS 2013

On behalf of the Board of Directors, I would like to extend a warm welcome to you to this our 33rd Annual General Meeting.

I would ask this meeting to remember all those members who passed away during the year and those members who suffered family bereavements. Our thoughts are with them. I would ask the meeting to observe a minutes silence as a mark of respect.

The 2013 financial year was another busy, challenging and rewarding year for Ayrfield Credit Union.

Despite the instability that characterises the financial services marketplace, Ayrfield Credit Union remains a strong, secure, financial co-operative which continues to use the funds from member savings in a co-operative manner in the best interests of all members. We continue to be well positioned to provide for members financial needs in a safe and secure way that is professional, compassionate and confidential. The year ending 30th September 2013 has again proved to be a very successful year for Ayrfield Credit Union despite the difficult economic circumstances. Member's savings remain safe and protected under the Government's Deposit Guarantee Scheme of up to €100,000 per depositor and also the Irish League of Credit Unions Savings Protection Scheme.

In the current difficult environment our priority remains the safety, security and financial wellbeing of our members. The elected Officers and Staff of Ayrfield remain dedicated to maintaining the trust of our members through the value and service we provide

Reflecting the economy at large some of our members are having difficulties in meeting their loan repayments. We would ask these members to contact the credit union office as soon as possible so that we may assist them through this period.

The Credit Union Bill 2012 was signed into law during the year and this means changes in Prudential and Governance requirements as well as restructuring and stabilisation. The new legislation will change the way credit unions operate. Some of the changes include:

- A clear demarcation between the role of the board and the role of the manager
- New regulations on who can serve on Boards and Oversight Committees.
- Changes to the size of Boards (maximum number of 11)
- New risk management and internal audit requirements
- The placing of each credit union into one of three tiers (Ayrfield is in the middle tier)
- The setting up of a special board (REBO) to oversee mergers where requested between credit unions

This increased regulation has resulted in an increased requirement for staff and directors in meeting minimum competency requirements (MCRs). I am delighted to report that once again this year a large number of staff and directors are undertaking or have completed Certificate and Diploma Courses under the control of University College Cork and organised by the ILCU. Ayrfield Credit union is committed to facilitating the training and development of all staff and directors.

We recognise as an institution that change is inevitable. We realise that we will have to change and adapt to cater for an increased regulatory environment. We hope to embrace the challenges of this new regulatory framework and come out a stronger more viable credit union as a result of this.

AYRFIELD CREDIT UNION

REPORT AND FINANCIAL STATEMENTS

CHAIRMAN'S ADDRESS (contd.)

As a consequence of the new regulations and the retirement of 2 members of staff, the following changes to staff have been approved by the Board of Directors.

Beatrice Murphy is appointed Manager and Patricia O'Brien is appointed Assistant Manager.

Laura Gallagher is appointed as Compliance and Risk Management Officer, Rowena Higgins is appointed Credit Control Officer and we have employed two new members of staff Brenda Lowry and Sheena Cassidy.

During September 2013 the credit union was visited by the Central Bank as part of their PRISM engagements. They spent the day interviewing and discussing the business of the credit union with the Chairman, Manager and Treasurer, Supervisory Committee and our external Auditors. After this visit the credit union was presented with a plan by the Central Bank which the Board of Directors has accepted and are currently working on.

Ayrfield Credit Union will continue to make prudent and responsible decisions on behalf of our members and will continue to protect their interest. The key objective for Ayrfield Credit Union is to ensure its strength for the future.

The Board of Directors are delighted in proposing to distribute to the members a dividend of 0.75% and an interest rebate of 10%. These returns to members represent excellent value for money and ensure that the Credit Union remains a competitive environment for both savers and borrowers. The figures presented to you today show that Ayrfield Credit Union is in a very healthy and strong financial position.

Acknowledgements

I would like to make special mention of and deep appreciation to a number of members. Brendan Robinson and Alice O'Brien who both retired this year, after long and dedicated service. We thank you for your dedication, your great energy and your excellent service to the members of Ayrfield Credit Union. We wish you both well in your retirement. I would like to say a special word of thanks to Bill Galgey who has been Treasurer/Manager for more years than I care to remember. Because of the new legislation this position no longer exists. On behalf of the current and past directors, staff and all our members I would like to offer our sincere gratitude to Bill for carrying the huge burden of responsibility associated with this position so well and for so long. I am delighted to say that Bill is remaining on the Board as a director.

I wish on my own behalf and on yours to acknowledge and thank sincerely my fellow Directors, Supervisors, Volunteers, Management and Staff for all their hard work and commitment throughout the past year.

I wish all our members a very happy and peaceful Christmas and prosperous New Year

Martin Cosgrave, Chairman

DECEASED MEMBERS

John Kiely
Anthony O'Neill
Joan Byrne
Marie Newman
Michelle Carroll
Thomas Eivers
William Somers
Gina Bridgeman
Eric Hannigan

Christopher Brennan
Sheila Davis (Nee McMahon)
Anthony Walsh
Margaret McDermott
Thi Tho Lien
William Farrell
Mary Conroy
Thomas Windrum
Jim Kynes

Helen Green
Patrick Doonan
Laura Richardson
William Tate
Thomas Augustine Lewis
Harriet Richardson
James Kane
Eileen McArdle





AIRFIELD CREDIT UNION LIMITED

TREASURER'S REPORT

The details of the Audited Accounts of Ayrfield Credit Union Limited are contained in this Annual Report which is the last financial report I will be submitting to the membership. As you are no doubt aware the position of Treasurer is now defunct and henceforth the financial report will be one of the duties to be exercised by the Manager, Beatrice Murphy. I wish her every success in her new role.

Over the last few years we have experienced some financial difficulties but I am glad to be able to report that our shares have increased by €0.4 million from €15.6 million to €16 million which is an indication of the trust and belief members hold in our credit union. On the downside our loan portfolio has decreased by €0.68 million from €8.45 million to €7.77 million with a resultant drop in interest income from €0.87 million to €0.80 million. Similarly investment income has dropped from €0.39 million to €0.28 million. However our overheads have decreased from €0.857 million to €0.703 million leaving us with a surplus of €0.378 million. This enables us to propose a dividend of 0.75% and a loan interest rebate of 10%.

I have come to the end of my tenure as Treasurer and I would like to avail of this opportunity to acknowledge the hard work and professionalism of our management and staff in dealing with demands made on them during the last twelve months. I have no doubt they will continue to serve the members in an effective and efficient manner.

Finally I wish to thank my fellow Directors and Board Oversight Committee for their support and encouragement over a long number of years.

William Galgey
Treasurer

AIRFIELD CREDIT UNION LIMITED



SUPERVISORY COMMITTEE REPORT

The role of the Supervisory Committee as elected by the members at the 2012 AGM is to ensure that the Credit Union is properly managed and complies with all of the legislative and regulatory requirements of the Credit Union Act 1997 (as amended) and that the members' savings are sound and secure. The Committee also evaluate the performance of the Board of Directors to determine that adequate policies and plans are in place and that accounting records are prepared promptly and accurately.

The Committee consists of Laura Gallagher (Chair), Vivian Pigott (Secretary) and Eileen Desmond. We attended all Board meetings throughout the year.

The Committee performed the following duties during the year;

Checked Share Withdrawals and Member Loan Applications, monitored Loan Arrears and Dormant Accounts, checked Ledger Postings and Bank Lodgements, verified 10% sample of Members' Statements of Account, reconciled Bank Accounts, conducted Teller Spot-Checks, checked Management and Operational Expenses and reviewed Investments.

The Committee made some recommendations to the Board but overall are satisfied that the Board continues to act in the members' best interest and we applaud the commitment of directors, management, staff and volunteers.

Under the Credit Union and Co-operation with Overseas Regulators Act, 2012 which amended the Credit Union Act, 1997, as of 1st October 2013 the Supervisory Committee ceased to exist and was replaced by the Board Oversight Committee whose main function is to oversee and monitor the performance of the Board of Directors.

Laura Gallagher, our Chair, has recently resigned from the Committee to take up the new position of Compliance and Risk Management Officer of Ayrfield Credit Union. We thank Laura for her guidance and support and wish her well in her new role.

Finally, we wish all our members and everybody associated with Ayrfield Credit Union a very happy and peaceful Christmas and a prosperous New Year.

Laura Gallagher
Vivian Pigott
Eileen Desmond



AYRFIELD CREDIT UNION

INSURANCE REPORT

The insurance cover organised by the Credit Union is a key benefit for members in that members get free life insurance cover on savings and loans. The Life Savings Insurance cover limit is now €20,000.00.

When you save in our Credit Union every euro you save

Before 55 years of age	provides you with €1 of insurance
From age 55 to age 60	provision is 75c
From age 60 to age 65	provision is 50c
From age 65 to age 70	provision is 25c

Over the past 12 months we had 23 deceased members in respect of whom Insurance Claims totalling €72,411.19 were paid out by E.C.C.U. Assurance Company. The amount of loans repaid was €14,086.34. Savings were increased by €58,324.85. Thirteen of the deceased members qualified for Death Benefit Insurance resulting in additional payment of €26,000.00.

Automatic Loan Cover Limit – Death Cover:

All members between the ages of 16 and 85 are automatically insured for loan balances up to €8,000 regardless of the member's state of health. Members under 16 are only insurable up to €2,000.

Automatic Share Cover:

All members' shares up to a limit of €8,000 are insured regardless of the member's state of health.

DEATH BENEFIT INSURANCE

In addition to Loan Protection/Life Savings Insurance we are offering a special Death Benefit Insurance which is designed to give you and your family added security and relief from financial worry at the time of bereavement. For €2000 cover, the cost per annum is €10.00 per adult and €2.00 for children under 16.

We strongly recommend that those of you who are not covered by this scheme would favourably consider investing the small annual sum required to help to defray funeral expenses. The appropriate premium of €10.00 (adult) or €2.00 (child) is deducted from shares on an annual basis.

The balance in the D.B.I. fund at 30/09/2012 was €95,620.56. Subscriptions for the year ended 30/09/2013 amounted to €25,754.00, plus interest received €931.03, a total of €26,685.03, making a grand total of €122,305.59.

Claims were paid out in respect of 13 deceased members in the sum of €26,000 leaving a balance of €96,305.59 in the fund at year end.

AYRFIELD CREDIT UNION



CREDIT COMMITTEE REPORT

The members of the committee are: Kathleen Dunne, Joseph Phelan and Carol Keogh.

The committee meets on a weekly basis to adjudicate on loan applications. The total number of loans granted was 2,095 amounting to €3,728,111. Loans for car purchase, house improvements, holidays and Christmas expenses accounted for over 60% of the total.

ANALYSIS OF LOANS GRANTED

Year ended 30th September 2013

DESCRIPTION	No	Value
Back to School Expenses	25	14,315
Bills	65	65,580
Business Loans	10	55,265
Car/Motor bike purchase	146	635,185
Car repairs	129	102,541
Car tax/insurance	76	65,387
Celebrations	77	41,740
Christmas expenses	341	297,530
Clear other loans	19	87,151
College fees	16	29,430
Communion/confirmation expenses	18	13,730
Deposits for housing	13	81,500
Education	50	84,154
Equipment for work	5	3,620
Funeral expenses	41	51,290
Holidays	373	532,750
Home Improvements	496	1,169,668
House/Premises insurance	3	20,238
Legal Fees	3	7,000
Medical/Dental expenses	41	53,280
Miscellaneous	82	93,107
Weddings	66	223,650
	<u>2,095</u>	<u>3,728,111</u>



AYRFIELD CREDIT UNION

REPORT AND FINANCIAL STATEMENTS

DIRECTORS' REPORT

The directors present their report and audited financial statements for the year ended 30 September 2013.

1. Principal Activity

The principal activities of the Credit Union involve the taking of members' shares/savings and lending on these funds to members in accordance with legislation and criteria determined by the Central Bank, the Irish League of Credit Unions and the Credit Union itself.

2. Statement of Directors' Responsibilities

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

1. Select suitable accounting policies (as laid out on page 17) and apply them consistently;
2. Make judgements and estimates that are reasonable and prudent;
3. Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Credit Union will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Credit Union and which 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.

3. Statement of Supervisory Committee's Responsibilities

The Credit Union Act, 1997 (as amended) requires the appointment of a Supervisory Committee which will oversee Directors in the performance of their functions, examine books and documents of the Credit Union and verify a sample of members' balances.

(Sections 59 - 62 of the Credit Union Act, 1997)

4. Results for the year and state of affairs at 30 September 2013

The surplus for the year is €378,456 of which along with last years undistributed surplus of €437,299, is dealt with as follows: dividend paid to members amounting to €201,114, leaving €37,846 to transfer to Statutory Reserve, €54,423 to transfer to the Additional Regulatory Reserve, €25,593 to transfer to the General Reserve, and having transferred €88,278 from the Undistributable Investment Income Reserve, leaving €585,057 as an Undistributed Surplus out of which a proposed dividend of 0.75% may be provided for of €120,086, together with a proposed loan interest rebate of 10% €79,977.

The balance sheet on page 16 shows reserves of €2,690,063 at 30th September 2013.

AYRFIELD CREDIT UNION

REPORT AND FINANCIAL STATEMENTS



INDEPENDENT AUDITORS' REPORT

To the members of AYRFIELD CREDIT UNION LIMITED

We have audited the financial statements of Ayrfield Credit Union Limited for the year ended 30 September 2013 which comprise the Income and Expenditure Account, Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out on page 7 and the accounting standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accountants in Ireland.

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

Respective Responsibilities of Directors and Auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and Irish Accounting Standards are set out in the Directors' Report (Item 2 - Statement of Directors' Responsibilities).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board in Ireland and the United Kingdom.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Credit Union Act, 1997 (as amended). We also report to you whether in our opinion proper accounting records have been kept by the Credit Union, and whether the information given in the Directors' Report is consistent with the financial statements. In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit and whether the Credit Union's Balance Sheet and its Income and Expenditure account are in agreement with the books of account.

We read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the Chairmans Report, Directors' Report, Credit Committee's Report, Report of the Treasurer, Credit Control Committee's Report, Insurance Report and Supervisory Committee Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Credit Union's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give us reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularities or error. In forming our opinion we have also evaluated the overall adequacy of the presentation of information in the financial statements.



AYRFIELD CREDIT UNION

REPORT AND FINANCIAL STATEMENTS

Opinion

In our opinion the financial statements give a true and fair view of the state of the Credit Union's affairs at 30 September 2013 and of its income and expenditure for the year then ended and have been properly prepared in accordance with the Credit Union Act, 1997 (as amended).

We have obtained all the information and explanations we consider necessary for the purposes of our audit. In our opinion, proper books of account have been kept by the Credit Union. The financial statements are in agreement with the books of account.

In our opinion, the information given in the Directors' Report on pages 12 and 13 is consistent with the financial statements.

MURNANE & ASSOCIATES

Chartered Accountants and Registered Auditors
27 Longford Terrace
Monkstown
Co. Dublin

15 November 2013

AYRFIELD CREDIT UNION

REPORT AND FINANCIAL STATEMENTS



INCOME AND EXPENDITURE ACCOUNT

For the Year Ended 30th September 2013

	Schedule/ Notes	2013 €	2012 €
INCOME			
Interest on members loans		799,764	872,668
Other interest receivable and similar income	Schedule 1	281,983	392,905
		<u>1,081,747</u>	<u>1,265,573</u>
Other income	Schedule 2	235	179
		<u>1,081,982</u>	<u>1,265,752</u>
OVERHEADS			
Wages and salaries		182,313	177,914
Other management expenses	Schedule 3	286,586	247,597
Depreciation		18,690	28,864
Increase in bad debts provision		–	130,000
Bad debts written off		249,354	286,290
Bad debts recovered		(33,417)	(13,359)
		<u>703,526</u>	<u>857,306</u>
Surplus for the year		<u><u>378,456</u></u>	<u><u>408,446</u></u>
APPROPRIATION OF SURPLUS			
Add:			
Undistributed surplus from prior year		437,299	247,069
Surplus for the year		378,456	408,446
Dividend and loan interest rebate paid		(201,114)	(161,691)
Total		<u><u>614,641</u></u>	<u><u>493,824</u></u>
Less:			
Transfer to statutory reserve		(37,846)	(40,845)
Transfer to additional regulatory reserve		(54,423)	–
Transfer to general reserve		(25,593)	–
Transfer from/(to) undistributable investment income reserve		88,278	(15,680)
		<u>(29,584)</u>	<u>(56,525)</u>
Undistributed Surplus		<u><u>585,057</u></u>	<u><u>437,299</u></u>

On behalf of the Credit Union:

Member of the Board of Directors:

Member of the Board Oversight Committee:

Manager:

Martin Cosgrave

Laura Gallagher

Beatrice Murphy



AYRFIELD CREDIT UNION

REPORT AND FINANCIAL STATEMENTS

BALANCE SHEET

For the Year Ended 30th September 2013

	Notes	2013 €	2012 €
ASSETS			
Cash and bank balances		1,367,821	788,388
Deposits and investments		11,109,684	10,489,306
Loans to members		7,773,309	8,453,273
Less: Provision for bad and doubtful debts		(1,250,000)	(1,250,000)
Tangible fixed assets	3	291,988	292,433
Prepayments		20,706	17,062
TOTAL ASSETS		19,313,508	18,790,462
LIABILITIES			
Other liabilities, accruals and charges	5	26,962	25,173
Members' Resources			
Members' shares	6	16,011,426	15,668,196
Undistributable investment income reserve	8	68,050	156,328
Statutory reserve	8	1,803,117	1,765,271
Dividend reserve	8	175,000	175,000
General reserve	8	226,221	200,628
Additional regulatory reserve	8	321,369	266,946
DBI reserve	8	96,306	95,621
Undistributed surplus		585,057	437,299
TOTAL LIABILITIES		19,313,508	18,790,462

On behalf of the Credit Union:
 Member of the Board of Directors:
 Member of the Board Oversight Committee:
 Manager:

Martin Cosgrave
 Laura Gallagher
 Beatrice Murphy

AYRFIELD CREDIT UNION

REPORT AND FINANCIAL STATEMENTS



NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30th September 2013

1 Accounting Policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention.

1.2. Income recognition

Interest on members' loans is recognised when payment is received as specified in Section 110 (1)(I) of the Credit Union Act, 1997 (as amended). Deposit income is recognised on an accruals basis.

1.3. Tangible fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation. Depreciation is calculated in order to write off the cost of fixed assets over their estimated expected useful lives by equal annual instalments.

The useful lives of fixed assets, by reference to which depreciation is calculated, is as follows:-

Premises	– 50 years
Furniture & equipment	– 8 years
Computer equipment	– 5 years

1.4. Investments

Investments are stated at one of the following valuation methods:

- Accrued value where the guaranteed maturity value exceeds the accrued value.
- Cost where market value is lower than cost but cost is guaranteed.
- Net realisable value where lower than cost and cost is not guaranteed.



AYRFIELD CREDIT UNION

REPORT AND FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS (contd.)

For the Year Ended 30th September 2013

2 Cash Flow Statement

	2013 €	2012 €
OPENING CASH AND INVESTMENTS	11,277,694	9,656,449
Receipts		
Members' shares	3,112,109	3,300,577
Members' loans repaid	4,158,980	4,478,167
Members' loan interest received	799,764	872,668
Investment interest received	281,983	392,905
Bad debts recovered	33,417	13,359
Other receipts	235	179
(Increase)/decrease in prepayments	(3,644)	6,339
	<u>8,382,844</u>	<u>9,064,194</u>
Disbursements		
Members' shares withdrawn	2,969,306	3,402,267
Members' loans granted	3,728,362	3,604,972
Operating expenses	468,910	425,513
Fixed assets purchased	18,245	3,625
(Increase)/decrease in other liabilities and accruals	(1,790)	6,572
	<u>7,183,033</u>	<u>7,442,949</u>
CLOSING CASH AND INVESTMENTS	<u>12,477,505</u>	<u>11,277,694</u>

AYRFIELD CREDIT UNION

REPORT AND FINANCIAL STATEMENTS



NOTES TO THE FINANCIAL STATEMENTS (contd.)

For the Year Ended 30th September 2013

3 Tangible Fixed Assets

	Premises €	Furniture & Equipment €	Computer Equipment €	Total €
Cost				
At 1 October 2012	431,958	186,463	200,248	818,669
Additions	16,013	—	2,232	18,245
At 30 September 2013	447,971	186,463	202,480	836,914
Depreciation				
At 1 October 2012	153,752	177,599	194,885	526,236
Charge for the year	11,842	3,464	3,384	18,690
At 30 September 2013	165,594	181,063	198,269	544,926
Net book values				
At 30 September 2012	278,206	8,864	5,363	292,433
At 30 September 2013	282,377	5,400	4,211	291,988

Premises valuation

The directors employed Lloyd Daly & Associates estate agents to value the premises, at open market in October 2011, their valuation was €425,000 which is in excess of the current Net Book Value. The directors have agreed to leave the valuation at the current Net Book Value and not to recognise the revaluation gain.

4 Proposed Dividend and Loan Interest Rebate

The Directors recommend the following distributions:

	2013 €	2012 €
Dividends on shares at .75% (2012 : 1%)	120,086	157,638
Loan Interest Rebate @ 10% (2012: 5%)	79,977	43,633
	200,063	201,271

Under FRS21 the proposed amounts do not appear in the financial statements except by way of note.



AYRFIELD CREDIT UNION

REPORT AND FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS (contd.)

For the Year Ended 30th September 2013

5 Other liabilities, accruals and charges

	2013	2012
	€	€
PAYE/PRSI	7,142	10,163
Audit & accountancy	7,503	7,320
Other creditors and accruals	12,317	7,690
	<u>26,962</u>	<u>25,173</u>

6 Members' Shares

	€	€
Regular share accounts	3,037,619	2,645,976
Special share accounts	12,973,807	13,022,220
	<u>16,011,426</u>	<u>15,668,196</u>

7 Related Party Transactions

The following are the related party transactions with directors and officers, which require disclosure under Financial Reporting Standard No.24:-

	€	€
Loan Balances	<u>48,599</u>	<u>50,722</u>

	€	€
Share Balances	<u>240,537</u>	<u>252,494</u>

Loans of €19,500 were granted to directors and officers during the year.

The following balances relate to the relatives of directors and officers:

	€	€
Loan Balances	<u>31,015</u>	<u>44,528</u>

	€	€
Share Balances	<u>133,916</u>	<u>147,677</u>

Loans of €6,300 were granted to the relatives of directors and officers during the year.

AYRFIELD CREDIT UNION

REPORT AND FINANCIAL STATEMENTS



NOTES TO THE FINANCIAL STATEMENTS (contd.)

For the Year Ended 30th September 2013

8 Reserves	2013	2012
	€	€
Undistributable Investment Income Reserve		
Balance at 1 October 2012	156,328	140,648
Transfer (to)/from Income and Expenditure Account	(88,278)	15,680
Balance at 30 September 2013	<u>68,050</u>	<u>156,328</u>
Statutory Reserve		
Balance at 1 October 2012	1,765,271	1,724,426
Transfer from Income and Expenditure Account	37,846	40,845
Balance at 30 September 2013	<u>1,803,117</u>	<u>1,765,271</u>
Dividend reserve		
Balance at 1 October 2012 and 30 September 2013	<u>175,000</u>	<u>175,000</u>
General Reserve		
Balance at 1 October 2012 and 30 September 2013	200,628	200,628
Transfer from Income & Expenditure Account	25,593	—
	<u>226,221</u>	<u>200,628</u>
Additional Regulatory Reserve		
Balance at 1 October 2012 and 30 September 2013	266,946	266,946
Transfer from Income & Expenditure Account	54,423	—
	<u>321,369</u>	<u>266,946</u>
Death Benefit Insurance Reserve		
Balance at 1 October 2012	95,621	93,028
Net contributions	685	2,593
Balance at 30 September 2013	<u>96,306</u>	<u>95,621</u>
Total Reserves	<u><u>2,690,063</u></u>	<u><u>2,659,794</u></u>

9 Insurance Against Fraud

The Credit Union has insurance against fraud in the amount of €1,900,000 in compliance with Section 47 of the Credit Union Act, 1997 (as amended).



AYRFIELD CREDIT UNION

REPORT AND FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS (contd.)

For the Year Ended 30th September 2013

10. Rates of Interest Charged on Members Loans

The following distributions were made during the period:

	2013	2012
	%	%
Monthly	<u>.825</u>	<u>.825</u>
Annually	<u>9.90</u>	<u>9.90</u>
APR	<u>10.40</u>	<u>10.40</u>

The APR as stated above is the gross APR i.e. before adjustment for any loan interest rebate.

11. Approval of financial statements

The financial statements were approved by the directors on 15 November 2013.

AYRFIELD CREDIT UNION

REPORT AND FINANCIAL STATEMENTS



SCHEDULE 1

OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	2013 €	2012 €
Investment income received	228,220	259,670
Investment income receivable within 12 months	16,073	86,355
Other investment income	37,690	46,880
	<u>281,983</u>	<u>392,905</u>

SCHEDULE 2

OTHER INCOME

	2013 €	2012 €
Fees	<u>235</u>	<u>179</u>

SCHEDULE 3

OTHER MANAGEMENT EXPENSES

	2013 €	2012 €
LP/LS insurance	96,332	81,044
Audit and accountancy	12,146	12,064
Affiliation fees	10,370	15,671
Treasurer's honorarium	2,317	4,221
Rent, rates, light and heat	25,009	24,099
I.L.C.U. convention	1,740	2,296
Postage, stationery and diskettes	12,478	11,330
Service contracts	13,511	19,340
Repairs and maintenance	4,053	5,936
Annual dinner	3,808	1,578
AGM expenses	4,423	2,871
Supervisors expenses	1,200	648
General insurance	8,467	8,590
Telephone	5,338	4,739
Travelling	1,062	2,802
Professional fees	38,850	19,650
Bank charges	7,335	6,780
Security	9,182	7,628
Education, training and publicity	6,566	4,870
Staff training	10,440	—
Miscellaneous	4,563	5,254
Donations	7,396	6,186
	<u>286,586</u>	<u>247,597</u>

Ayrfield Credit Union Limited

CHRISTMAS AND HOLIDAY ARRANGEMENTS

Monday 23rd December 2013
Closed

Tuesday 24th December 2013
Closed

Wednesday 25th December 2013
Closed

Thursday 26th December 2013
Closed

Friday 27th December 2013
Closed

Monday 30th December 2013
Closed

Tuesday 31st December 2013
Open 10.00am – 12.00 noon

Wednesday 1st January 2014
Closed

Thursday 2nd January 2014
Open 4.00pm – 8.00 pm

Friday 3rd January 2014
Open 10.00am – 12.00 noon
and 4.00pm – 8.00pm

Normal hours of business will be resumed on Tuesday 7th January 2014

OTHER SERVICES

The following services are available to all our members

- | | |
|--------------------------------|--|
| 1. Saving Accounts | 6. V.H.I. and Laya Healthcare discount |
| 2. Loan Accounts | 7. Website with Login facilities to your account |
| 3. Standing Order Repayments | 8. PayPoint (Bill Pay Facilities) |
| 4. Laser/Debit Card Repayments | 9. Phone-a-Loan |
| 5. Share & Loan Insurance | |