

AYRFIELD CREDIT UNION ANNUAL REPORT 2015

Serving the Community for over 30 years

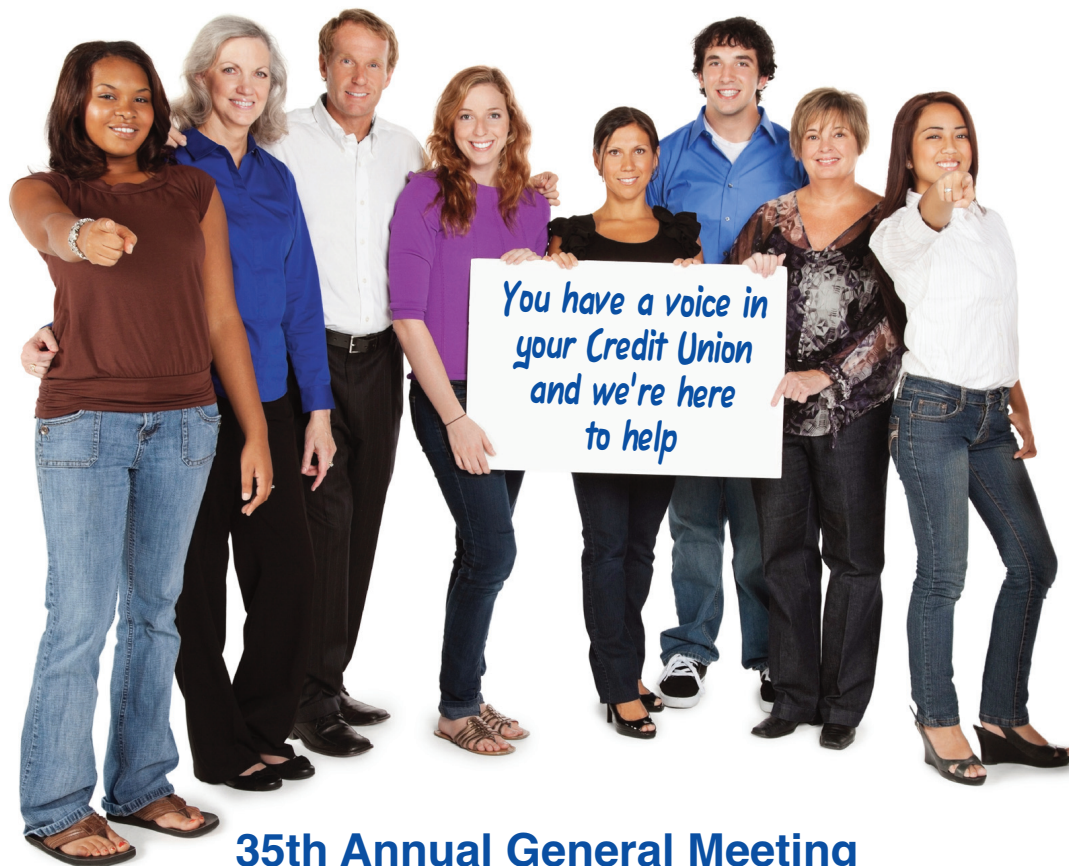


Blunden Drive, Ayrfield, Dublin 13, D13 C825

Telephone: 867 0509 • Fax: 867 2251

Email: info@ayrfieldcreditunion.ie

Website: www.ayrfieldcreditunion.ie



35th Annual General Meeting
Tuesday 15th December 2015 at 8.00 pm

At the Credit Union Office
Light Refreshments Served after the Meeting
+ FREE DRAW for those in attendance

Loans...



AVAILABLE NOW!

AYRFIELD CREDIT UNION

Report and Financial Statements 2015

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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*

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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 2014
5. Report of Board of Directors
6. Report of the Auditor
7. Report of Board Oversight Committee
8. Declaration of Dividend and Rebate of interest (If any)
9. Report of the Insurance Officer
10. Report of Credit Committee
11. Report of Credit Control Committee
12. Report of the Membership Committee
13. Approval of Rule Amendments
14. Appointment of Tellers
15. Report of the Nomination Committee
16. Elections:
 - a. Auditor for 2015-2016
 - b. Fill vacancies on the Board Oversight Committee
 - c. Fill vacancies on the Board of Directors
17. I.L.C.U. Foundation Contribution
18. Any other business
19. Announcement of Election Results
20. Adjournment or close of meeting.

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NOMINATION COMMITTEE REPORT

Under section 56b of the Central Bank reform act 2010 the Board of Directors elected a Nomination Committee to serve from the 2014 AGM to 2015 AGM.

In accordance with the requirements of the Credit Union Act 1997 as amended the Nomination Committee will be responsible for carrying out a review, at least once a year, of the composition of the existing Board of Directors and for identifying any gaps or deficiencies in the skillsets of the Board. The Nomination Committee will then need to use the results of this review to guide it in determining the type of skills required of potential nominees and approach suitable candidates as appropriate.

The Nomination Committee are expected to play a key role in enhancing and developing the governance structures in Credit Unions by ensuring that the makeup of the Board and the individuals appointed to positions in the Credit Union meet the standards as set down in the legislation and Central Bank guidance.

Key functions of the Nomination Committee are:

- Identity suitable candidates for nominations for positions within the Credit Union
- Conduct a fitness and probity assesment on each candidate in line with regulation
- Proposing Candidates for election
- Ensuring each new Board member has a suitable induction and ongoing training

The following candidates have been nominated to serve on this year's Board of Directors. Each Nominee has completed the due diligence process successfully.

Graham Kelch
Patricia O'Doherty
Eileen Desmond

Nominations for the Board Oversight Committee

Jennifer Burke
Tony Ryan

Members of the Credit Union are entitled to put themselves forward for nomination. Those wishing to go forward at next year's AGM should contact the Nomination Committee who will be elected at the first Board of Directors meeting after this AGM (2015).

Having reviewed tenders from five Audit firms the following Auditor is proposed for the financial year 2015-2016

Murnane & Associates

Under the Credit Union Act 1997 as amended – Nominations from the floor at AGM may no longer be accepted for appointment to positions in the Credit Union

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DIRECTORS AND OTHER INFORMATION

Ayrfield Credit Union

Blunden Drive, Ayrfield, Dublin 13, D13 C825

Telephone: 867 0509 • Fax: 867 2251

Website: www.ayrfieldcreditunion.ie

email: info@ayrfieldcreditunion.ie

NEW OFFICE OPENING HOURS

From Tuesday 5th January 2016

Tuesday 10.00am to 12.00 Noon

Wednesday 10.00am to 12.00 Noon

Thursday 10.00am to 12.00 Noon

Friday 10.00am till 7.00pm

Saturday 10.00am to 12.00 Noon

DIRECTORS

William Galgey – *Chairman*

Joe Phelan – *Vice-Chairperson (Retired)*

Michelle Herron – *Secretary*

Kathleen Dunne, Joe Phelan, Tony Ryan, Ann Hickey, Vivian Pigott,

Angela Smullen (Retired), Pat O'Doherty (Co-opted)

Beatrice Murphy – *Manager*

Patricia O'Brien – *Assistant Manager*

Staff

Carol Timmons

Lisa Matthews

Catherine McAuliffe

Lynn Kelly

Celine Dowling

Board Oversight Committee

Eileen Desmond

Jim Cosgrave

Credit Control

Rowena Higgins

Emer Hickey

Compliance and Risk Management

Laura Gallagher

STANDING ORDERS:

Copies of Standing Orders are available at the AGM

AYRFIELD CREDIT UNION

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CHAIRMAN'S ADDRESS

On behalf of the Board of Directors I am very pleased to present for your information, the 35th Annual Report of Ayrfield Credit Union for the year ended the 30th of September 2015.

At the outset I am glad to be able to report that we continue to be a strong and viable financial institution. This is indicated by the trust you, our members place in us as shown by the increase in shares from €16.1m at year end 2014 to €16.66m this year. Unfortunately, the economic situation has impacted on some of our members to such a degree that our loan arrears position continues to be a problem. This year we have written off €282,192 (less €24,444 recovered) resulting in a reduction in our loan portfolio from €7,580,870 to €7,282,263. Nevertheless loans advanced this year amounted to €3,948,810 an increase of €96,162 on last years' figure €3,852,648. We have been and continue to work steadily to reduce our loan arrears. We wish to acknowledge the efforts being made by those members in difficulty to resolve their problems, recognising inevitably the ability of some members to repay their loans remains for them a heavy burden.

Members will no doubt be glad to learn that our surplus for the year was €331,612 which allows us to propose payment of a dividend on shares of 0.75% and a loan interest rebate of 15%.

As you may be aware, under the aegis of ECCU Assurance Company we operate a Loan Protection Insurance policy which is provided free of charge on the lives of borrowing members. In addition, our free Life Savings Insurance policy provides cover on a pro rata basis for members' shares subject to a limit of €20,000 per member.

We also operate a Death Benefit Insurance scheme which is subject to payment of an annual subscription per member. At present the annual subscription is €10.

At year end 30/09/2012 the balance in the fund was €95,620.56

At year end 30/09/2013 the balance in the fund was €96,305.59

At year end 30/09/2014 the balance in the fund was €84,693.84

At year end 30/09/2015 the balance is €68,335.72

As the number of Death Benefit claims has increased over the last two years, the Board of Directors feel it would be prudent going forward to increase the Subscription by €5 to €15 per annum and to be eligible for the scheme each member should hold at least €200 in shares. If agreed, these changes will be implemented as and from the 30th of June 2016 which is the anniversary of the date the Scheme was introduced.

Earlier this year we implemented the Credit Union new electronic payment system - CUSOP- which is operated through DANSKE Bank and is proving to be very successful.

During the year one member of the Board Angela Smullen resigned for personal reasons. She was replaced by Patricia O'Doherty who resigned her position on the Board Oversight Committee to fill the vacancy. I thank them both for their contributions.

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On the Staff side, Gloria Kennedy, founder member, former Director and long-time employee, retired and two other members of Staff Sheena Cassidy and Deirdre Clarke left us for pastures new. We wish all three well in their new spheres of life. We also said goodbye to Carol Keogh who resigned as a voluntary member of the Credit Committee. Carol is also a founder member of this Credit Union and has given dedicated service in many different capacities for 35 years. Thank you Carol for your long and dedicated service.

I would ask this meeting to remember all those members who passed away during the year and those members who suffered family bereavements. We extend our deepest sympathies to all concerned.

I wish all our members a very happy and peaceful Christmas and good health and prosperity for the New Year.

William Galgey

Chairman

DECEASED MEMBERS

Bridget Lynch
Frank Brown
Stuart Butler
John Reilly
Margaret Hayes
Charlotte O'Connor
Brendan Byrne
Ann Farrelly
Kathleen Bermingham

Catherine Ardiff
Frank Shoebridge
Phyllis O'Reilly
Ann Loughney
Noel Maher
Mary Hoverty
George Glancy
Eileen Branagan

Ellen Burke
Nga Van Thai
John Plant
Brenda Farrelly
Michael Brennan
Margaret McAuliffe
Thomas Teeling
Stephen Byrne

CREDIT CONTROL REPORT

We understand that many of our members have been deeply affected by unemployment and austerity measures that have put intense pressure on household budgets and in turn had an impact on Ayrfield Credit Union. If you find yourself unable to meet your agreed repayments, it is essential that you make contact with the Credit Union at the earliest possible opportunity so that we can discuss an acceptable agreement.

We are here to help and the quicker you contact us in regard to financial difficulty the quicker we can devise an agreement that suits you the Member and The Credit Union.

A total of €282,192 has been charged to the Income & Expenditure Account as Bad Debts.

A total of €24,444 has been recovered on Bad Debts.

Rowena Higgins – Credit Control Officer

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STATEMENT OF BOARD OVERSIGHT COMMITTEE'S RESPONSIBILITIES

For the year ended 30th september 2015

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

Eileen Desmond

On behalf of the Board Oversight Committee 13/11/2015

BOARD OVERSIGHT COMMITTEE REPORT

For the year ended 30th september 2015

The Board oversight Committee is pleased to submit its annual report in accordance with section 76O (7) of the credit Union Act 1997 as amended, to you the members of Ayrfield Credit Union. We are elected by the members at the AGM and basically are your watchdog in the Credit Union.

A member of the Board Oversight Committee was in attendance at all monthly meetings of the Board of Directors as well as attending various monthly committee meetings throughout the past year.

We met with the Board of Directors each quarter and raised some issues which needed to be addressed. We are satisfied that issues raised have been dealt with or are in-hand and that the Board functions effectively and in the interests of the members. We acknowledge the commitment of the Board members and encourage them to continue with appropriate ongoing training to become more familiar with their role and responsibilities.

We are concerned at the poor response to volunteer recruitment and would call on any member with suitable skills to consider giving of their time and taking the opportunity to train with a view to nomination for appointment to the Board of Directors in the future.

The committee would like to pay tribute to Pat O'Doherty who stepped down as secretary of Board Oversight to be co-opted onto Board of Directors in August 2015.

Finally we would like to state that we received full co-operation and assistance from the Board, Management, Staff and Volunteers and take this opportunity on your behalf to thank them for their diligent and steadfast hard work.

Eileen Desmond

Jim Cosgrave

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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.

When you save in our Credit Union for every euro you save

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

Over the past 12 months we had 25 deceased members in respect of whom Insurance Claims totalling €101,721.28 were paid out by ECCU Assurance Company. The amount of loans repaid was €47,004.57. Savings were increased by €54,716.71. Twenty two of the deceased members qualified for Death Benefit Insurance resulting in additional payment of €44,000.

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 €2,000 cover, the cost per annum is at present €10 (adult) and €2 (child) which is deducted from shares on an annual basis. We strongly recommend that those of you who are not covered by this scheme should favourably consider investing the small sum required to help defray funeral expenses.

The balance in the D.B.I. fund at 30/09/2014 was:	€84,693.84
Subscriptions for the year ended 30/09/2015 amounted to:	€27,238.00
Plus interest received:	€403.88
Total of:	€27,641.88
Making a grand total of:	€112,335.72
Claims were paid out in respect of 22 deceased members in the sum of:	€44,000.00
Leaving a balance in the fund at year end of:	€68,335.72

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CREDIT COMMITTEE REPORT

The Members of the Credit Committee are: Kathleen Dunne, Joseph Phelan and Carol Keogh (Retired). Officers co-opted to complete the financial year 2014-2015 were Vivian Pigott (Director) and Evelyn Connor (Volunteer).

The Committee meets on a weekly basis to adjudicate on Loan Applications. The Total number of Loans Granted for the year was 1,960 amounting to €3,948,810. The average loan amounted to €2,015 – Largest Loan was in the sum of €30,000 the smallest €50. Loans for Christmas Home Improvements and Holidays accounted for 54.50% of the total Loans paid out.

LOAN PURPOSE ANALYSIS 2015

Year ended 30th September 2015

Purpose	Quantity	Value	Percentage
Back to School Expenses	13	8,550	0.22%
Bills	57	46,144	1.17%
Business Loan	7	48,300	1.22%
Car Purchase	190	974,300	24.67%
Car Repairs	99	90,627	2.30%
Car Tax/Insurance	74	66,045	1.67%
Celebrations	65	48,130	1.22%
Christmas Expenses	290	267,080	6.76%
Clear Bank-Personal Loan	3	3,750	0.09%
Clear Credit Card Debt	9	34,552	0.88%
Clear Mortgage	1	1,000	0.03%
College Fees	26	39,200	0.99%
Communion/Confirmation	18	17,300	0.44%
DepMobileHome	2	23,500	0.60%
DepRentedAcc	6	6,050	0.15%
Education	32	43,170	1.09%
Emergency	14	9,850	0.25%
Equipment for Work	15	13,200	0.33%
Funeral Expenses	26	34,270	0.87%
Holidays	411	600,467	15.21%
Home Improvements	462	1,280,785	32.43%
House-Premises Insurance	4	27,600	0.70%
Legal Fees	5	15,900	0.40%
Medical/DentalExps	44	70,285	1.78%
Miscellaneous-Personal	22	19,207	0.49%
Moped/Motorbike	1	400	0.01%
Personal Difficulties	7	6,400	0.16%
Secured Loan	1	100	0.00%
Transfer-CU Loan	4	12,248	0.31%
Trip Family Trauma	4	10,700	0.27%
Weddings	48	129,700	3.28%
Total	1,960	3,948,810	100.00%

We would like to take this opportunity to thank our colleague and friend Carol Keogh for her many years of service and commitment to this Credit Union. Carol was a volunteer from the beginning over 34 years ago and could always be counted upon when assistance was required. We are very sorry to lose her and we wish her all the best in her retirement.

AYRFIELD CREDIT UNION

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TRAINING OFFICER'S REPORT 2015

Ayrfield Credit Union strives to encourage training and upskilling of all Volunteers and Staff and places a huge emphasis on the continuous development of all our officers. Under the Credit Union Act 1997 as amended all officers must be trained and qualified to hold their positions within their Credit Union.

During the last financial year 2014-2015 a total of 4 officers undertook the following courses:

- 2 Officers undertook the Pathways Certificate in Credit Union Studies (Governance) UCC.
- 1 Officer undertook and successfully completed the Pathways Diploma in Credit Union Studies (Governance) UCC.
- 1 Officer successfully completed a Diploma in Compliance & Risk Management NCI.

Continuous training ensures a more effective and compliant regime, enabling all officers to effectively carry out their duties in the Credit Union. With the necessary skills and knowledge the benefit to our members will be highlighted in the following ways:

- A more efficient, secure and reliable service.
- Members are made aware of our Services and what to expect from the Credit Union.
- Less cause for complaint when all officers have the full knowledge of their duties and can carry them out effectively and know how best to serve you the Member.

Some other courses which have been undertaken during the year include, Anti-Money Laundering and Counter Terrorist Financing, ECCU Share & Loan Insurance, Data Protection, Lending in the Current Environment, Credit Control and Health & Safety.

Beatrice Murphy
Training Officer



Laura Gallagher Diploma in Compliance & Risk Management (NCI)



Eileen Desmond Diploma in Credit Union Studies (Governance) UCC

AYRFIELD CREDIT UNION

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PROPOSED AMENDMENTS TO RULES

Rule 11

Extension of Common Bond, category of membership, to include “employment”

In line two after residence to insert “and/or employment”.

Rule 40 sub-section 2

Reducing number of directors from 9 to 7, amended rule to read

- (2) At the time of the adoption of these rules, the board of directors shall consist of 7 members, all of whom shall be members of the Credit Union.

SERVICES OFFERED BY AYRFIELD CREDIT UNION

- Savings Accounts
- Loan Accounts
- Bill Payment facilities through PayPoint
- Loan Protection Insurance
- Savings Protection Insurance
- Death Benefit Grant
- Payment by Laser/Debit Card
- Payment by Standing Order
- Payment through Banking on Line
- Extended Banking Facilities

LOAN COMPARISONS – LOAN VALUE €500 FOR A PERIOD OF 1 YEAR

Other Financial Institution

€15.00 Per Week

52 Weeks

187.2% APR

Total Cost: €780

Ayrfield Credit Union

€10.11 Per Week

52 Weeks

10.4% APR

Total Cost: €525.49

AYRFIELD CREDIT UNION

Report and Financial Statements 2015

DIRECTORS' REPORT

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

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 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. Results for the year and state of affairs at 30 September 2015

The surplus for the year is €331,612 which, along with last year's undistributed surplus of €808,640, and after the dividend paid to members amounting to €117,807 and loan interest rebate of €71,487 refunded to members, €33,161 is to be transferred to the Statutory Reserve, and having transferred €1,432 to the Undistributable Investment Income Reserve, €916,365 is left as an Undistributed Surplus out of which a proposed dividend of 0.75% may be provided for of €122,313 together with a proposed loan interest rebate of 15%, amounting to €113,050.

The balance sheet on page 17 shows reserves of €3,486,717 at 30 September 2015.

On behalf of the Credit Union:

Member of the Board of Directors:
Member of the Board Oversight Committee:
Manager:

William Galgey Chairman
Eileen Desmond
Beatrice Murphy

AYRFIELD CREDIT UNION

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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 2015 which comprise the Income and Expenditure Account, Balance Sheet, Cash Flow Statement and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out on page 18 and the accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

This report is made solely to the Credit Union's members, as a body, in accordance with Section 120 of the Credit Union Act, 1997 (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

As described more fully in the Statement of Directors' Responsibilities on page 14 the Credit Union directors are responsible for the preparation of the financial statements giving a true and fair view and for ensuring that they comply with the Credit Union Act, 1997 (as amended).

Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the Audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Credit Union's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information contained in the Annual Report to identify material inconsistencies with the audited financial statements. This other information comprises only the Chairman's Address, Nomination Committee's Report, Directors' Report, Credit Committee's Report, Credit Control Report, Insurance Report and Board Oversight Committee Report. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. Our responsibilities do not extend to any other information.

Opinion

In our opinion the financial statements give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland of the state of the Credit Union's affairs as at 30 September 2015 and of its income and expenditure for the year then ended and have been properly prepared in accordance with the requirements of the Credit Union Act, 1997 (as amended).

Matters on Which We are Required to Report by 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 page 14 is consistent with the financial statements.

MURNANE & ASSOCIATES

Chartered Accountants and Registered Auditors
27 Longford Terrace, Monkstown, Co. Dublin
Date: 27 November 2015

AYRFIELD CREDIT UNION

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INCOME AND EXPENDITURE ACCOUNT

For the Year Ended 30th September 2015

	Schedule/ Notes	2015 €	2014 €
INCOME			
Interest on members loans		753,669	731,209
Other interest receivable and similar income	Schedule 1	143,375	227,120
		897,044	958,329
Other income	Schedule 2	487	211
		897,531	958,540
OVERHEADS			
Wages and salaries		232,932	243,014
Other management expenses	Schedule 3	324,947	319,385
Depreciation		20,292	17,933
Decrease in bad debts provision		(270,000)	–
Bad debts written off		282,192	105,655
Bad debts recovered		(24,444)	(19,611)
		565,919	666,376
Surplus for the year		331,612	292,164
APPROPRIATION OF SURPLUS			
Add:			
Undistributed surplus from prior year		808,640	585,057
Surplus for the year		331,612	292,164
Total		1,140,252	877,221
Less:			
Transfer to Statutory Reserve		(33,161)	(29,216)
Transfer (to)/ from Undistributable Investment			
Income Reserve		(1,432)	68,050
Transfer from Dividend Reserve		–	87,500
Dividend paid		(117,807)	(117,421)
Loan interest rebate		(71,487)	(77,494)
		(223,887)	(68,581)
Undistributed Surplus		916,365	808,640

On behalf of the Credit Union:

Member of the Board of Directors:
Member of the Board Oversight Committee:
Manager:

William Galgey
Eileen Desmond
Beatrice Murphy

AYRFIELD CREDIT UNION

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BALANCE SHEET

For the Year Ended 30th September 2015

	Notes	2015 €	2014 €
ASSETS			
Bank balances and cash		2,108,198	664,547
Deposits and investments		11,417,911	12,197,469
Loans to members		7,282,263	7,580,870
Less: Provision for bad and doubtful debts		(980,000)	(1,250,000)
Tangible fixed assets	3	298,604	283,999
Prepayments		43,221	28,928
TOTAL ASSETS		<u>20,170,197</u>	<u>19,505,813</u>
LIABILITIES			
Other liabilities, accruals and charges	5	23,583	42,579
Members' Resources			
Members' shares		16,659,897	16,102,477
Undistributable investment income reserve	7	1,432	–
Statutory reserve	7	2,186,863	1,832,333
Dividend reserve	7	87,500	87,500
General reserve	7	226,221	226,221
Additional regulatory reserve	7	–	321,369
DBI reserve	7	68,336	84,694
Undistributed surplus	7	916,365	808,640
TOTAL LIABILITIES		<u>20,170,197</u>	<u>19,505,813</u>

On behalf of the Credit Union:

Member of the Board of Directors:

Member of the Board Oversight Committee:

Manager:

William Galgey

Eileen Desmond

Beatrice Murphy

AYRFIELD CREDIT UNION

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NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30th September 2015

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.

2 Cash Flow Statement

	2015 €	2014 €
OPENING CASH AND INVESTMENTS	12,862,016	12,477,505
Receipts		
Members' shares	3,203,541	2,821,345
Members' loans repaid	3,675,444	3,939,431
Members' loan interest received	753,669	731,209
Investment interest received	143,375	227,120
Bad debts recovered	24,444	19,611
Other receipts	487	211
Increase in prepayments	(14,294)	(8,221)
	<u>7,786,666</u>	<u>7,730,706</u>

AYRFIELD CREDIT UNION

Report and Financial Statements 2015

NOTES TO THE FINANCIAL STATEMENTS (contd.)

For the Year Ended 30th September 2015

2 Cash Flow Statement (contd.)

Disbursements

	2015 €	2014 €
Members' shares withdrawn	2,561,994	2,936,820
Members' loans granted	3,948,810	3,852,648
Operating expenses	557,876	562,399
Fixed assets purchased	34,897	9,945
Decrease / (Increase) in other liabilities and accruals	18,996	(15,617)
	<u>7,122,573</u>	<u>7,346,195</u>

CLOSING CASH AND INVESTMENTS

	<u>13,526,109</u>	<u>12,862,016</u>
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3 Tangible Fixed Assets

	Premises €	Furniture & Equipment €	Computer Equipment €	Total €
Cost				
At 1 October 2014	447,971	186,463	212,424	846,858
Additions	—	—	34,897	34,897
At 30 September 2015	<u>447,971</u>	<u>186,463</u>	<u>247,321</u>	<u>881,755</u>
Depreciation				
At 1 October 2014	177,436	183,865	201,558	562,859
Charge for the year	8,960	1,065	10,267	20,292
At 30 September 2015	<u>186,396</u>	<u>184,930</u>	<u>211,825</u>	<u>583,151</u>
Net book values				
At 30 September 2014	<u>270,535</u>	<u>2,598</u>	<u>10,866</u>	<u>283,999</u>
At 30 September 2015	<u>261,575</u>	<u>1,533</u>	<u>35,496</u>	<u>298,604</u>

Premises valuation

The directors employed Lloyd Daly & Associates, estate agents, to value the premises at open market in August 2015; their valuation was €390,000 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.

AYRFIELD CREDIT UNION

Report and Financial Statements 2015

NOTES TO THE FINANCIAL STATEMENTS (contd.)

For the Year Ended 30th September 2015

4 Proposed Dividend and Loan Interest Rebate

The Directors recommend the following distributions:

Dividends on shares at 0.75% (2014 : 0.75%)

Loan Interest Rebate @ 15% (2014 : 10%)

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

2015	2014
€	€
122,313	121,187
113,050	73,121
<u>235,363</u>	<u>194,308</u>

5 Other Liabilities, Accruals and Charges

PAYE/PRSI

Audit & accountancy

Other creditors and accruals

2015	2014
€	€
6,698	23,048
6,027	7,688
10,858	11,843
<u>23,583</u>	<u>42,579</u>

6 Related Party Transactions

The following are the related party transactions with directors and officers, which require disclosure under Financial Reporting Standard No. 8:-

Loan Balances

Share Balances

2015	2014
€	€
<u>59,910</u>	<u>42,117</u>
<u>164,128</u>	<u>188,215</u>

Loans of €41,150 (2014: €17,200) were granted to directors and officers during the year.

AYRFIELD CREDIT UNION

Report and Financial Statements 2015

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30th September 2015

7. Reserves

	Statutory Reserve	Additional Regulatory Reserve	Dividend Reserve	Retained Earnings	General Reserve	DBI Reserve	Investment Income Reserve	Total Reserves
	€	€	€	€	€	€	€	€
At 1 October 2014	1,832,333	321,369	87,500	808,640	226,221	84,694	-	3,360,757
Surplus for the year	-	-	-	331,612	-	-	-	331,612
Net contributions	-	-	-	-	-	(16,358)	-	(16,358)
Total reserves before transfers	1,832,333	321,369	87,500	1,140,252	226,221	68,336	-	3,676,011
Transfer of non distributable reserves from distributable reserves	-	-	-	(1,432)	-	-	1,432	-
Transfer to statutory reserve	33,161	-	-	(33,161)	-	-	-	-
Other transfers	321,369	(321,369)	-	-	-	-	-	-
Dividend paid	-	-	-	(117,807)	-	-	-	(117,807)
Loan interest rebate paid	-	-	-	(71,487)	-	-	-	(71,487)
At 30 September 2015	2,186,863	-	87,500	916,365	226,221	68,336	1,432	3,486,717

AYRFIELD CREDIT UNION

Report and Financial Statements 2015

NOTES TO THE FINANCIAL STATEMENTS (contd.)

For the Year Ended 30th September 2015

8 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).

9. Rates of Interest Charged on Members Loans

The following distributions were made during the period:

	2015	2014
	%	%
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.

10. Approval of financial statements

The financial statements were approved by the directors on 27/11/2015.

AYRFIELD CREDIT UNION

Report and Financial Statements 2015

SCHEDULE 1 – OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	2015 €	2014 €
Investment income received	95,594	183,802
Investment income receivable within 12 months	46,349	43,318
Other investment income	1,432	–
	<u>143,375</u>	<u>227,120</u>

SCHEDULE 2 – OTHER INCOME

	2015 €	2014 €
Commission	261	–
Fees	226	211
	<u>487</u>	<u>211</u>

SCHEDULE 3 – OTHER MANAGEMENT EXPENSES

	2015 €	2014 €
LP/LS insurance	101,305	91,143
Audit and accountancy	10,024	12,055
Affiliation fees	13,674	19,064
Rent, rates, light and heat	26,876	22,491
I.L.C.U. convention	1,742	1,637
Postage and stationery	8,952	12,271
Service contracts	25,461	19,987
Repairs and maintenance	5,700	5,035
Annual dinner	2,197	3,327
AGM expenses	6,766	6,776
Board Oversight Committee expenses	1,687	1,110
General insurance	12,398	9,249
Telephone	4,651	5,327
Travelling	1,709	1,546
Professional fees	41,699	45,296
Bank charges	14,429	12,830
Security	8,182	5,778
Education, training and publicity	9,929	12,539
Staff training	8,952	11,560
Miscellaneous	540	1,372
Financial Regulator	15,529	15,492
Donations	2,545	3,500
	<u>324,947</u>	<u>319,385</u>

Who is your Beneficiary?

In the event of your death who will benefit from the funds in your account? Do you have someone you would like to leave your money to?

We advise that all Members sign a form of nomination and in the event of their Death the monies in their account can be paid directly to the person they have nominated.

We have found that having a Nomination Form signed, alleviates any further hardship on the deceased Members family.

We can only implement your wishes through written instrument. If you don't complete a form we are unable to carry out your wishes.

Your Nomination Form can be changed at any time should your circumstances change. Just contact the Office and check if a new form is required. A form completed when you were younger may not be valid now. Please check with a Member of Staff if your nomination is accurate and up to date.

DIRT – THE FINANCE ACT 2007

Are you 65 or over Should you be paying DIRT?

The Finance Act 2007 introduced new arrangements for the deduction of DIRT on dividend earned on all monies lodged as Shares in the Credit Union. At the end of the year some account holders, provided they meet certain conditions, are not liable for DIRT.

Persons over the age of 65 Years or those permanently and totally incapacitated may qualify for exemption but must be below the relevant annual limits. Leaflets setting out the qualifying conditions of the scheme are available from the office. DIRT will be deducted from earnings on all other accounts.

For those who qualify forms must be completed and returned to the Credit Union Office where they are retained they are not forwarded to the Tax Office. The form must contain your Name and Address Your PPSN Your account number with the Credit Union and your signature.

The form for those over 65 years is a DE1 and for those permanently and totally incapacitated is a DE2.

Should you require any help filling out this form please do not hesitate to contact the office.

Deposit Guarantee Scheme

Depositors Information Sheet

Basic information about the protection of eligible deposits

***Eligible deposits in Ayrfield Credit Union are protected by
The Deposit Guarantee Scheme (“DGS”)***

Limit of protection:	€100,000 per depositor per credit institution
If you have more eligible deposits in Ayrfield Credit Union	All your eligible deposits in Ayrfield Credit Union are ‘aggregated’ and the total is subject to the limit of €100,000
If you have a joint account with other person(s):	The limit of €100,000 applies to each depositor separately but includes any other account you may have with Ayrfield Credit Union
Reimbursement period in case of Ayrfield Credit Union’s failure:	20 working days
Currency of reimbursement:	Euro
To contact Ayrfield Credit Union Ltd for enquiries relating to your account:	Ayrfield Credit Union Ltd Blunden Drive, Dublin 13, D13 C825 Tel: 01 8670509 Fax: 01 8672251 Email: info@ayrfieldcreditunion.ie
To contact the DGS for further information on compensation:	Deposit Guarantee Scheme Central Bank of Ireland PO BOX 11517 Spencer Dock North Wall Quay Dublin 1
More information:	www.depositguarantee.ie

Acknowledgement of receipt by the Depositor:

Signature _____

Deposit Guarantee Scheme Depositors Information Sheet/Continued

Additional Information *(all or some of the below)*

(1) Scheme responsible for the protection of your deposit

Your deposit is covered by a statutory Deposit Guarantee Scheme. If insolvency of your bank, building society or Credit Union should occur, your eligible deposits would be repaid up to €100,000 by the Deposit Guarantee Scheme..

(2) General limit of protection

If a covered deposit is unavailable because a bank, building society or Credit Union is unable to meet its financial obligations, depositors are repaid by a Deposit Guarantee Scheme. This repayment covers at maximum €100,000 per bank, building society or Credit Union. This means that all eligible deposits at the same bank, building society or Credit Union are added up in order to determine the coverage level. If, for instance a depositor holds a savings account with €80,000 and a current account with €25,000, he or she will only be repaid €100,000.

This method will also be applied if a bank, building society or Credit Union operates under different trading names. This means that all deposits with one or more of these trading names are in total covered up to €100,000.

In some cases eligible deposits which are categorised as “temporary high balances” are protected above €100,000 for six months after the amount has been credited or from the moment when such deposits become legally transferable. These are eligible deposits connected with certain events including:

- (a) certain transactions relating to the depositor's current or prospective only or main residence or dwelling;
- (b) a death, or the depositor's marriage or civil partnership, divorce, retirement, dismissal, redundancy or invalidity;
- (c) the payment to the depositor of insurance benefits or compensation for criminal injuries

(3) Limit of protection for joint accounts

In the case of joint accounts, the limit of €100,000 applies to each depositor.

However, eligible deposits in an account to which two or more persons are entitled as members of a business partnership, association or grouping of a similar nature, without legal personality, are aggregated and treated as if made by a single depositor for the purpose of calculating the limit of €100,000.

(4) Reimbursement

The Deposit Guarantee Scheme is administered by The Central Bank of Ireland. It will repay your eligible deposits (up to €100,000) within 20 working days until 31 December 2018; within 15 working days from 1 January 2019 until 31 December 2020; within 10 working days from 1 January 2021 to 31 December 2023; and within 7 working days from 1 January 2024 onwards, save where specific exceptions apply.

We say goodbye to the old and welcome the new

We would like to take this opportunity to say farewell to old friends who have served this Credit Union for many years. They have moved on to pastures new and are greatly missed.

During 2015 Gloria Kennedy who was one of the founder Members of the Credit Union retired in February. Gloria, with her great sense of humour, kept us going through good times and bad and is really missed in the office.

Gloria has been back with us during the year to run with the assistance of another old friend and ex colleague Alice O'Brien two very successful fundraisers. Of course this venture would have been fruitless without the support of you the Member. The funds raised went to the Alzheimers Association and Temple Street Children's Hospital. Where would we be without the old reliables?

Sadly we also lost two other staff members, one who had been with us for many years, Deirdre Clarke and the second Sheena Cassidy. We wish them both well in their new careers.

We would also like to welcome on board our new staff members who along with the old familiar faces will look after you through the coming year, Lisa, Celine and Lynn.

Ayrfield Credit Union Limited

CHRISTMAS AND HOLIDAY ARRANGEMENTS

Tuesday	22nd December 2015	9.00 am to 12 Noon
Wednesday	23rd December 2015	10.00 am to 12 Noon
Thursday	24th December 2015	Closed
Friday	25th December 2015	Closed
Saturday	26th December 2015	Closed
Tuesday	29th December 2015	9.00 am to 12 Noon
Wednesday	30th December 2015	10.00 am to 12 Noon 4.00 pm to 8.00 pm
Thursday	31st December 2015	Closed
Friday	1st January 2016	Closed
Saturday	2nd January 2016	Closed

**Our New Office Hours of business will commence
from Tuesday 5th January 2016**

See inside for details

*The Board of Directors
of Ayrfield Credit Union
Wish all our Members
A Very Happy Christmas*

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 | |