

TRANSFER OF ENGAGEMENT

RINGSEND & DISTRICT CREDIT UNION LTD.

TO

ST. PATRICK'S CREDIT UNION (ESB STAFF) LTD.



St. Patrick's
Credit Union

MESSAGE FROM THE BOARD

ST. PATRICK'S CREDIT UNION (ESB STAFF) LTD.

Dear Member

St. Patrick's Credit Union (ESB Staff) Ltd. has been engaged in examining opportunities in relation to consolidation in the credit union sector to support the growth and development of our Credit Union. At the recent Annual General Meeting (AGM), the Board sought approval to make decisions in relation to the 'transfer of engagements' from Ringsend & District Credit Union Ltd to St. Patrick's Credit Union (ESB Staff) Ltd. subject to all relevant due diligence being completed and the Board being satisfied with the results of same. The AGM approved the resolution by 97% of members attending and voting.

I am now pleased to inform you that all due diligence has been completed satisfactorily and accordingly, the Board has resolved to approve the transfer.

The Board is confident that the amalgamation of the Credit Unions through the process known as a "Transfer of Engagement" will strengthen the sustainability of the Credit Union and help us continue to provide an excellent, efficient and effective service to our members.

The Credit Union will continue to be known as St. Patrick's Credit Union (ESB Staff) Ltd. with offices operating from 27/28 Herbert Place Dublin 2, 5 Irishtown Road Ringsend Dublin 4, 1 Upper Oriel Street, Dublin 1 and 22 Upper Erne Street Dublin 2. Members will see no change in the day-to-day operations of the Credit Union. Members savings and loan accounts are unaffected by the transfer.

For your information, we have enclosed the Board Resolution approving the transfer and also the statements required to be provided under Section 130 of the Credit Union Act 1997 (as amended).

The Board of St. Patrick's Credit Union (ESB Staff) Ltd. expects the legal requirements relating to the Transfer of Engagement to be completed in the coming weeks.

I would like to take this opportunity to thank you, the member, for your continued loyalty to our Credit Union.

George O'Driscoll
Chairman

MESSAGE FROM THE BOARD

RINGSEND & DISTRICT CREDIT UNION LTD.

Dear Member

The Board of Directors of Ringsend & District Credit Union Ltd has been engaged in a process of seeking a partner to ensure the sustainability of services currently provided by your credit union and to help enhance those services to members in the coming years.

We have spent most of the last few months talking to our neighbours St. Patrick's Credit Union (ESB Staff) Ltd and I am now pleased to inform you that all due diligence has been completed satisfactorily and accordingly, the Board has resolved to approve the transfer of engagement.

The Board is confident that the amalgamation, through the process known as a "Transfer of Engagement", will strengthen the sustainability of the credit union and help us continue to provide an excellent, efficient and effective service to our members from our present location, which will operate as an office of St. Patrick's Credit Union (ESB Staff) Ltd.

The enlarged credit union will be known as "St. Patrick's Credit Union (ESB Staff) Ltd." with offices operating from 5 Irishtown Road Ringsend Dublin 4, 27/28 Herbert Place Dublin 2, 1 Upper Oriel Street, Dublin 1 and 22 Upper Erne Street Dublin 2. Members will see no change in the day-to-day operations of the credit union. Members savings and loan accounts are unaffected by the transfer.

For your information, we have enclosed the Board Resolution approving the transfer and also the statements required to be provided under Section 130 of the Credit Union Act 1997 (as amended).

The Board of Ringsend & District Credit Union Ltd expects the legal requirements relating to the Transfer of Engagement to be completed in the coming weeks.

I would like to take this opportunity to thank you, the member for your continued loyalty to our credit union.

Brian McKeever
Chairperson

TRANSFER OF ENGAGEMENT

ST. PATRICK'S CREDIT UNION (ESB STAFF) LTD.

PROPOSED BOARD RESOLUTION

The Board of Directors of St. Patrick's Credit Union (ESB Staff) Ltd. resolves to undertake the Transfer of Engagement of Ringsend & District Credit Union Ltd. in accordance with the relevant provisions of the Credit Union Act 1997 (as amended)

John McSweeney
Secretary
St. Patrick's Credit Union (ESB Staff) Ltd.
Date 10 May 2016

PASSED BOARD RESOLUTION

That at the Board of Directors meeting on 10 May 2016, the Board of Directors of St. Patrick's Credit Union (ESB Staff) Ltd. resolved to undertake the Transfer of Engagement of Ringsend & District Credit Union Ltd in accordance with the relevant provisions of the Credit Union Act 1997 (as amended)

John McSweeney
Secretary
St. Patrick's Credit Union (ESB Staff) Ltd.
Date 10 May 2016

STATEMENT UNDER SECTION 130 OF THE CREDIT UNION ACT 1997 (AS AMENDED)

In accordance with Section 130 of the Credit Union Act 1997 (as amended) the following matters require to be stated:

- a. The financial position of St. Patrick's Credit Union (ESB Staff) Ltd. and Ringsend & District Credit Union Ltd is set out in the form of the unaudited Financial Statements as at 31 March 2016 and the Audited Income & Expenditure and Balance Sheet as at 30 September 2015
- b. No payment to the members of St. Patrick's Credit Union (ESB Staff) Ltd. or Ringsend & District Credit Union Ltd is proposed in connection to the Transfer of Engagement.
- c. Following the Transfer of Engagement, all new loans or amendments to existing loans of the former members of Ringsend & District Credit Union Ltd will be subject to the terms and conditions and interest rates of loans due to St. Patrick's Credit Union (ESB Staff) Ltd applicable at that time. Existing loans to former members of Ringsend & District Credit Union will remain subject to their current terms and conditions.
- d. On completion of the transfer the benefits payable by ECCU LP/LS Scheme are in accordance with the cover provided under the policies of St Patrick's Credit Union (ESB Staff) Ltd. The maximum pay-out under the Share Insurance Scheme will be €7,700 and the Loan Protection Scheme will be in place up until the age of 70 for future loans.
- e. The Staffs of St. Patrick's Credit Union (ESB Staff) Ltd. and Ringsend & District Credit Union Ltd. have been consulted regarding the Transfer of Engagement with no issues arising.

TRANSFER OF ENGAGEMENT

RINGSEND & DISTRICT CREDIT UNION LTD.

PROPOSED BOARD RESOLUTION

The Board of Directors of Ringsend & District Ltd. resolves that the credit union transfer its engagement to St. Patrick's Credit Union (ESB Staff) Ltd. in accordance with the relevant provisions of the Credit Union Act 1997 (as amended)

Donnachadha Reynolds
Secretary
Ringsend & District Credit Union Ltd.
Date 10 May 2016

PASSED BOARD RESOLUTION

That at the Board of Directors meeting on 10 May 2016, the Board of Directors of Ringsend & District Credit Union Ltd. resolved that the credit union Transfer its Engagement to St. Patrick's Credit Union (ESB Staff) Ltd. in accordance with the relevant provisions of the Credit Union Act 1997 (as amended)

Donnachadha Reynolds
Secretary
Ringsend & District Credit Union Ltd.
Date 10 May 2016

STATEMENT UNDER SECTION 130 OF THE CREDIT UNION ACT 1997 (AS AMENDED)

In accordance with Section 130 of the Credit Union Act 1997 (as amended) the following matters require to be stated:

- a. The financial position of St. Patrick's Credit Union (ESB Staff) Ltd. and Ringsend & District Credit Union Ltd. is set out in the form of the unaudited Financial Statements as at 31 March 2016 and the Audited Income & Expenditure and Balance Sheet as at 30 September 2015
- b. No Payment to the members of St. Patrick's Credit Union (ESB Staff) Ltd. or Ringsend & District Credit Union Ltd. is proposed in connection of the Transfer of Engagement.
- c. Following the Transfer of Engagement, all new loans or amendments to existing loans to the former members of Ringsend & District Credit Union Ltd. will be subject to the current terms and conditions and interest rates of loans due to St. Patrick's Credit Union (ESB Staff) Ltd. Existing loans to former members of Ringsend & District Credit Union will remain subject to their current terms and conditions.
- d. On completion of the transfer the benefits payable by ECCU LPLS Scheme are in accordance with the cover provided under the policies of St. Patrick's Credit Union (ESB Staff) Ltd. The maximum pay-out under the Share Insurance Scheme will be €7,700 and the Loan Protection Scheme will be in place up until the age of 70 for future loans.
- e. The Staffs of St. Patrick's Credit Union (ESB Staff) Ltd. and Ringsend & District Credit Union Ltd. have been consulted regarding the Transfer of Engagement with no issues arising.

UNAUDITED MANAGEMENT ACCOUNTS

MARCH 31, 2016

ST. PATRICK'S CREDIT UNION (ESB STAFF) LIMITED

INCOME & EXPENDITURE ACCOUNT

	As At 31-Mar-16 (6 Months)
Interest on Members' Loans	1,843,961
Other Interest Income and Similar	2,713,545
Net Interest Income	4,595,834
Other Income	58,283
Total Income	4,615,789
Expenditure	
Salaries & Pensions	721,147
Other Management Expenses	1,232,898
Depreciation	74,402
Provision for Bad & Doubtful Debt	302,636
Total Expenditure	2,331,083
Excess of Income over Expenditure for the Period	2,284,706

BALANCE SHEET

	As at 31-Mar-16
ASSETS	
Cash and balances at bank	4,385,812
Deposits and Investments	261,372,557
Loans to Members	49,511,850
Less: Provision for Bad and Doubtful Debts	(4,530,406)
Tangible Fixed Assets	2,748,900
Prepayments	2,519,595
TOTAL ASSETS	316,008,309
LIABILITIES	
Members' Shares	264,895,542
Other Liabilities and Charges	2,411,751
TOTAL LIABILITIES	267,307,293
NET WORTH	48,701,016
Represented by RESERVES	
Statutory Reserve	29,561,430
Additional Regulatory Reserve	4,319,884
TOTAL REGULATORY RESERVE	33,881,314
Realised Reserve	14,819,702
TOTAL RESERVES	48,701,016

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2015

ST. PATRICK'S CREDIT UNION (ESB STAFF) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the financial statements in accordance with applicable law and Generally Accepted Accounting Practice in Ireland, including the accounting standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accountants in Ireland.

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 accounting records which disclose with reasonable accuracy at any time the financial position of the Credit Union and which enables 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.

STATEMENT OF THE BOARD OVERSIGHT COMMITTEE RESPONSIBILITIES

The Credit Union Acts 1997 to 2012 require the appointment of a Board Oversight Committee which oversees the Directors in the performance of their functions and shall have access at all times, to the books and documents (including draft documents) of the Credit Union to enable to committee to carry out its functions under the Acts.

The financial statements were approved by the Board on November 3, 2015 and signed on its behalf by

CEO:

Robert Cooper

Date: 3 November 2015

Member of the Board Oversight Committee:

Dara Connolly

Date: 3 November 2015

President:

George O'Driscoll

Date: 3 November 2015

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST. PATRICK'S CREDIT UNION (ESB STAFF) LIMITED

FOR THE YEAR ENDED 30 SEPTEMBER 2015

We have audited the financial statements of St. Patrick's Credit Union (ESB Staff) Limited for the year ended 30 September 2015 which comprise the Income and Expenditure Account, the Balance Sheet, the Cashflow Statement and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is Irish Law and accounting standards issued by the Financial Reporting Council and promulgated by 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 Credit Union's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Credit Union and the Credit Union's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Statement of Directors' Responsibilities set out on page 7, the Directors are responsible for the preparation of the financial statements giving a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether

the accounting policies are appropriate to the Credit Union's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications of our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the credit union's affairs as at 30 September 2015 and of its income and expenditure for the year then ended;
- have been prepared in accordance with Generally Accepted Accounting Practice in Ireland; and
- have been properly prepared so as to conform with the requirements of the Credit Unions Act, 1997 (as amended).

OTHER MATTERS PRESCRIBED BY THE CREDIT UNION ACT, 1997 (AS AMENDED).

- 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.
- The financial statements are in agreement with the accounting records.

**Grant Thornton
Chartered Accountants
& Registered Auditors**

Date: 3 November 2015

**Mill House
Henry Street
Limerick**

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2015

ST. PATRICK'S CREDIT UNION (ESB STAFF) LIMITED

	Schedule	30 Sep 2015 €	30 Sep 2014 €
INCOME			
Interest on Members' Loans		3,316,840	3,346,194
Other Interest Income and Similar Income	1	5,017,104	5,732,698
Net Interest Income		8,333,944	9,078,892
Other Income	2	111,009	88,203
TOTAL INCOME		8,444,953	9,167,095
EXPENDITURE			
Salaries and pensions		1,273,249	996,750
Other Management Expenses	3	2,262,308	2,270,453
Depreciation		124,429	477,228
Interest on Members' Deposits		68,353	194,681
Provision for Bad and Doubtful Debts		440,796	346,044
TOTAL EXPENDITURE		4,169,135	4,285,156
EXCESS OF INCOME OVER EXPENDITURE FOR THE YEAR		4,275,818	4,881,939
Add: General Reserve Balance at 1 October		13,567,817	12,799,128
Reserves now Realisable		-	271,652
		17,843,635	17,952,719
Less: Transfer to Statutory Reserve		(427,582)	(488,194)
Transfer to Other Reserves		(980,372)	(1,500,000)
Dividend Paid		(2,902,056)	(2,396,708)
		(4,310,010)	(4,384,902)
GENERAL RESERVE AT 30 SEPTEMBER		13,533,625	13,567,817

On behalf of the Credit Union

Robert Cooper
CEO
Date: 3 November 2015

Dara Connolly
Member of the Board
Oversight Committee
Date: 3 November 2015

George O'Driscoll
President
Date: 3 November 2015

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 30 SEPTEMBER 2015

ST. PATRICK’S CREDIT UNION (ESB STAFF) LIMITED

	30 Sep 2015 €	30 Sep 2014 €
Surplus for the financial year	<u>4,275,818</u>	<u>4,881,939</u>
Total recognised gains/ (losses) relating to the year	<u>4,275,818</u>	<u>4,881,939</u>

On behalf of the Credit Union

Robert Cooper CEO Date: 3 November 2015	Dara Connolly Member of the Board Oversight Committee Date: 3 November 2015	George O'Driscoll President Date: 3 November 2015
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BALANCE SHEET

AS AT 30 SEPTEMBER 2015

ST. PATRICK'S CREDIT UNION (ESB STAFF) LIMITED

	Notes	30 Sep 2015 €	30 Sep 2014 €
ASSETS			
Cash and balances at bank		6,207,844	4,253,613
Deposits and Investments	2	255,945,219	248,761,466
Loans to Members		48,534,057	43,854,309
Less: Provision for Bad and Doubtful Debts	3	(4,270,696)	(3,696,044)
Tangible Fixed Assets	4	2,713,954	2,352,868
Prepayments		46,355	1,047
TOTAL ASSETS		309,176,733	295,527,259
LIABILITIES			
Member' Shares	5	254,752,417	240,741,318
Members' Deposits		-	2,343,533
Members' Budget Accounts		3,130,601	3,178,279
Car Draw	17	80,589	
Other Liabilities and Charges	6	1,967,671	1,400,288
TOTAL LIABILITIES		259,931,278	247,663,418
NET WORTH		49,245,455	47,863,841
Represented By:			
RESERVES			
Statutory Reserve	7	29,561,430	28,604,024
Additional Regulatory Reserve	7	4,319,884	4,192,000
TOTAL REGULATORY RESERVE		33,881,314	32,796,024
Realised Reserves	7	15,364,141	15,067,817
TOTAL RESERVES		49,245,455	47,863,841

On behalf of the Credit Union

Robert Cooper
CEO
Date: 3 November 2015

Dara Connolly
Member of the Board
Oversight Committee
Date: 3 November 2015

George O'Driscoll
President
Date: 3 November 2015

SIGNIFICANT ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 SEPTEMBER 2015

ST. PATRICK'S CREDIT UNION (ESB STAFF) LIMITED

1.1 ACCOUNTING CONVENTION

The Financial Statements are prepared under the historical cost convention.

1.2 INCOME RECOGNITION

(a) Interest on Members' Loans

Interest on Members' Loans is recognised when payment is received as specified in Section 110(1)(c) (i) of the Credit Union Act, 1997 (as amended), (i.e. on a cash basis).

(b) Investment Income

Investment income is recognised when received or irrevocably receivable.

The specific Investment products held by the Credit Union are accounted for as follows:

Bank deposits, term deposits and other short term deposits

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

Investments bonds - Government bonds

Government bonds with fixed maturity dates are valued at the cost amount plus any accrued interest. Interest income is recognised in the income statement when it is received or irrevocably receivable. Government bonds with fixed maturity dates are held with the intention of disposal at their maturity dates. Premiums paid on these bonds, will be amortised over the remaining life of the bond to maturity.

Investments bonds - Senior debt

Unsubordinated investment bonds with fixed maturity dates are valued at the cost amount plus any accrued interest.

Interest is recognised in the income statement when it is received or irrevocably receivable. Capital guaranteed unsubordinated investment bonds with fixed maturity dates are held with the intention of disposal at their maturity dates. Premiums paid on these bonds, will be amortised over the remaining life of the bond to maturity.

Investments bonds - Subordinated debt

Subordinated investment bonds with fixed maturity dates are valued at lower of cost or market value and income is recognised in the income statement when it is received or irrevocably receivable.

Unit funds

Unit funds are valued at the lower of cost or market value and income recognised in the income statement when it is received or irrevocably receivable. Increases in capital value are not recognised until the asset is sold or matures.

1.3 TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at the lower of cost or net realisable value. Depreciation is provided on a straight-line basis over the expected lives of tangible fixed assets.

Premises	2% per annum (30 September 2014: 11%)
Fixtures and Fittings	20% per annum
Office Equipment	25% per annum

The Board of Directors reviewed the useful economic life of the Premises and following their review determined that the above rate is appropriate. The effect of the change in rate from 11% to 2% per annum decreased the depreciation charge for the year by €358,751. This will be subject to annual review by the Board of Directors.

1.4 BAD AND DOUBTFUL DEBTS

Provision has been made for doubtful debts, in accordance with Resolution 49 of the Irish League of Credit Unions, the Guidance Notes of the Financial Regulator and the provisions of the Credit Union Act, 1997 (as amended). At the balance sheet date the provision includes an additional bad debts provision upon specific loans as considered prudent by the board.

SIGNIFICANT ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 SEPTEMBER 2015 (CONTINUED)

ST. PATRICK'S CREDIT UNION (ESB STAFF) LIMITED

1.5 VALUE ADDED TAX

The Credit Union is not registered for VAT, therefore all expenses include VAT where charged.

1.6 IMPAIRMENT OF FIXED ASSETS

The carrying value of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable. Under the Financial Reporting Standard 11: Impairment of Fixed Assets and Goodwill, impairment is assessed by comparing the carrying value of an asset with its recoverable value (being the higher of net realisable value and value in use). Net realisable value is defined as the amount at which an asset could be disposed of net of any direct selling costs. Value in use is defined as the present value of the future cash flows obtainable through continued use of an asset including those anticipated to be realised on its eventual disposal. No impairment charge is required.

1.7 PENSIONS

Pension benefits are funded over the employees' year 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 on employee's annual salary and the charge in the Income & Expenditure Account reflects contributions paid and payable in respect of the Year ended 30 September 2015.

1.8 DISTRIBUTION POLICY

In respect of each financial year, the Credit Union will allocate surplus funds to the statutory reserve and other reserves in accordance with the provisions of the Credit Union Act, 1997 (as amended) and regulations issued by the Financial Regulator. 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 after meeting its reserve requirements. It is the policy of the Credit Union to maintain the undistributed surplus

in a general reserve that may be used in future years for the payment of dividends.

1.9 TRANSFER OF ENGAGEMENTS

Transfer of Engagements are accounted for using the acquisition method of accounting. This involves recognising identifiable assets and liabilities of the acquired Credit Unions at fair value. In applying the acquisition method of accounting for these business combinations, the member interests transferred by St. Patrick's Credit Union (ESB Staff) Limited represents the consideration transferred for the net assets acquired. This consideration has been estimated as equivalent to the acquisition date fair value of the member interests in the Transferor Credit Unions (the fair value of the Transferor Credit Unions) at the date of the transfer, and is reflected as an adjustment in "other reserves".

1.10 COMPARATIVE FIGURES

The comparative figures have been reanalysed where necessary.

CASHFLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2015

ST. PATRICK'S CREDIT UNION (ESB STAFF) LIMITED

	30 Sep 2015 €	30 Sep 2014 €
Opening Cash and Investments	253,015,079	254,246,648
TOE St. Laurence O'Toole Credit Union	1,019,147	-
TOE Pearse Credit Union	2,699,540	-
RECEIPTS		
Members' Shares and Deposits Lodged	62,298,550	56,438,399
Members' Budget	11,587,715	10,976,932
Members' Loans Repaid	22,615,637	22,083,232
Member Loan Interest Received	3,316,840	3,346,194
Deposit and Investment Income	5,017,104	5,732,698
Bad Debts Recovered	64,491	47,496
Other Income	46,518	40,707
Decrease/(Increase) in Prepayments	(45,308)	46,938
TOTAL RECEIPTS	<u>104,901,547</u>	<u>98,712,596</u>
DISBURSEMENTS		
Members' Shares and Deposits Withdrawn	55,811,333	64,665,214
Members' Budget	11,635,393	10,678,472
Members' Loans Granted	25,134,749	18,115,725
Dividends Paid	2,902,056	2,396,708
Operating Expenses	3,603,909	3,413,677
Fixed Assets Purchased	99,595	11,684
Decrease/(Increase) in Other Liabilities and Charges	295,215	662,685
TOTAL DISBURSEMENTS	<u>99,482,250</u>	<u>99,944,165</u>
Closing Cash and Investments	<u>262,153,063</u>	<u>253,015,079</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2014

ST. PATRICK'S CREDIT UNION (ESB STAFF) LIMITED

1. Transfer of Engagements

On 22 May 2015 St. Patrick's Credit Union (ESB Staff) Limited ("SPCU") accepted the Transfer of Engagements of Pearse Credit Union Limited ("PCU") and St. Laurence O'Toole Credit Union Limited ("SLOTUCU"). The Assets and Liabilities of PCU and SLOTUCU were incorporated into the Balance Sheet of SPCU at this date.

SPCU did not pay any consideration in respect of the Transfer of Engagements. On the date of transfer, the members of the transferor credit unions became members of SPCU, and thereby became entitled to member interest associated with such membership. In applying the acquisition method of accounting for these business combinations, the members interests transferred by SPCU represents the consideration transferred for the net assets acquired. This consideration has been estimated as equivalent to the acquisition date fair value of the member interests in the transferor credit unions (the fair value of the transferor credit unions) at the date of transfer, and is reflected as an adjustment in "realised reserves" in note 7 on page 18.

The book values and fair values of the net assets acquired are detailed in the table below:

	PCU assets and liabilities prior to transfer	SLOTUCU assets and liabilities prior to transfer	Fair value of assets and liabilities acquired by SPCU
	€	€	€
Cash and Balances at Bank	162,827	213,261	376,088
Deposits and Investments	2,536,713	805,886	3,342,599
Loans to Members	1,317,679	842,957	2,160,636
Provision for Bad and Doubtful Debts	(133,856)	-	(133,856)
Tangible Fixed Assets	385,921	-	385,921
Members Shares	(3,632,121)	(1,553,224)	(5,185,345)
Other Liabilities, Creditors, Accruals and Charges	(636,218)	(306,969)	(943,187)
	<u>945</u>	<u>1,911</u>	<u>2,856</u>

No fair value adjustments arose on transfer as these were processed in the individual standalone Credit Unions prior to the date of transfer.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2015 (CONTINUED)

ST. PATRICK'S CREDIT UNION (ESB STAFF) LIMITED

2. Deposits and Investments

	30 Sep 2015 €	30 Sep 2014 €
Bank Deposits	135,042,277	158,663,845
Structured Term Deposits	-	2,000,000
Government Bonds	70,294,119	51,436,339
Investment Bonds	50,608,823	36,661,282
	<u>255,945,219</u>	<u>248,761,466</u>

Deposits and Investments are stated in line with the accounting policies as set out on page 12.

Included in the above figure at 30 September 2015 is an amount of €3,395,278 (30 September 2014: €3,721,428) relating to accrued income on the above Deposits and Investments. The indicative value of the Deposits and Investments as at 30 September 2015 including accrued income is €260,956,822 (30 September 2014: €254,341,196). The value of investments can rise and fall with market conditions.

3. Provision for Bad and Doubtful Debts

	30 Sep 2015 €	30 Sep 2014 €
Opening Balance at 1 October	3,696,044	3,350,000
Transfer from TOE	133,856	
Increase in Provision	440,796	346,044
Closing Balance	<u>4,270,696</u>	<u>3,696,044</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2015 (CONTINUED)

ST. PATRICK'S CREDIT UNION (ESB STAFF) LIMITED

4. Tangible Fixed Assets

	Premises €	Fixtures & Fittings €	Office Equipment €	Total €
COST				
At 1 October 2014	3,868,954	543,730	532,843	4,945,527
Transfer of Engagements	540,956	42,882	12,320	596,158
Additions	-	8,164	91,431	99,595
At 30 September 2015	<u>4,409,910</u>	<u>594,776</u>	<u>636,594</u>	<u>5,641,280</u>
DEPRECIATION				
At 1 October 2014	1,580,756	535,638	476,265	2,592,659
Transfer of Engagements	190,956	14,148	5,133	210,237
Charge for the year	79,713	6,735	37,982	124,430
At 30 September 2015	<u>1,851,425</u>	<u>556,521</u>	<u>519,380</u>	<u>2,927,326</u>
NET BOOK VALUE				
At 30 September 2015	<u>2,558,485</u>	<u>38,255</u>	<u>117,214</u>	<u>2,713,954</u>
At 30 September 2014	<u>2,288,198</u>	<u>8,092</u>	<u>56,578</u>	<u>2,352,868</u>

5. Member Shares

The following is an analysis of Member Shares:

	30 Sep 2015 €	30 Sep 2014 €
Special Shares Accounts	<u>254,752,417</u>	<u>240,741,318</u>
	<u>254,752,417</u>	<u>240,741,318</u>

6. Other Liabilities and Charges

	30 Sep 2015 €	30 Sep 2014 €
Trade Creditors and Accruals	855,865	403,653
Savings Protection Scheme	1,111,806	936,606
D.I.R.T	-	30,803
Deposit Interest Payable	-	29,226
	<u>1,967,671</u>	<u>1,400,288</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2015 (CONTINUED)

ST. PATRICK'S CREDIT UNION (ESB STAFF) LIMITED

7. Reserves

	Balance 01/10/2014 €	Transfer of Engagements €	Dividend Paid €	Other Transfers €	Allocation of Surplus €	Balance 30/09/2015 €
Regulatory Reserve						
Statutory Reserve	28,604,024	529,824	-	-	427,582	29,561,430
Additional Regulatory Reserve	4,192,000	127,884	-	-	-	4,319,884
Total Regulatory Reserve	32,796,024	657,708	-	-	427,582	33,881,314
Realised Reserves						
Future Dividend Reserve	1,500,000	-	-	-	-	1,500,000
TOE SLOTCU	-	(451,442)	-	451,442	-	-
TOE PCU	-	(203,410)	-	203,410	-	-
Social Fund Reserve	-	-	-	-	325,520	325,520
Dormant Account Written Off Reserve	-	-	-	4,996	-	4,996
General Reserve	13,567,817	-	(2,902,056)	(654,852)	3,522,716	13,533,625
Total Realised Reserves	15,067,817	(654,852)	(2,902,056)	4,996	3,848,236	15,364,141
Total Reserves	47,863,841	2,856	(2,902,056)	4,996	4,275,818	49,245,455

Statutory Reserve

Under the provisions of the Credit Union Act, 1997 (as amended) at least 10% of each year's surplus must be transferred to the statutory reserve. Credit unions must ensure that the statutory reserve represents at least 8% of total assets.

Regulatory Reserve

In accordance with regulations issued by the Registrar of Credit Unions under the provision of the Credit Union Act, 1997 (as amended) the amount held in total regulatory reserves of a credit union expressed as a percentage of the total assets must be at least 10%. The total regulatory reserve is comprised of the statutory reserve and where relevant any amount held in a non-distributable additional regulatory reserve account.

Future Dividend Reserve

This reserve is created in line with S.30 of the Credit Union Act, 1997 (as amended) and represents amounts available for the payment of future dividends.

General Reserve

It is the policy of the Credit Union to maintain the undistributed surplus in a general reserve that may be used in future years for the payment of dividends.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2015 (CONTINUED)

ST. PATRICK'S CREDIT UNION (ESB STAFF) LIMITED

8. Related Party Transactions

During the year ended the Credit Union advanced €23,000 (2014: €10,000) in loans to Directors and €184,150 (2014: €Nil) to other Officers. Directors' and Other Officers balances at 30 September 2015 are as follows: Savings balance €373,352 (2014: €245,325), Loan balance €231,830 (2014: €59,692).

9. Insurance against Fraud

The Credit Union has insurance against fraud in the amount of €5,200,000 in compliance with Section 47 of the Credit Union Act, 1997 (as amended).

10. Rates of Interest Charged on Members' Loans

The rates of interest charged on Members' Loans per annum on a reducing balance basis were as follows:

	30 Sep 2015
Standard Rate Loan	7.99%
One Year Loan	5.90%
Mortgage Switch Loan	4.25%
Green Loan	5.50%
Education Loan	6.50%
Consolidation Loan	8.50%
Restructure Loan	9.00%
DAS Loan	7.50%
Secured Home Loan	3.50%
Electric Vehicle Loan	5.50%

11. Post Balance Sheet Events

The Credit Union has a significant portfolio of Investments at 30 September 2015. The value of these Investments can rise and fall with market conditions. The current market conditions are volatile and it is reasonable to expect that there has been volatility in the valuations of some investments since 30 September 2015. However, it is not possible to quantify the effect of this volatility. In accordance with FRS 21 "Events After the Balance Sheet Date", any such effect on the valuation of Investments since the balance sheet date and 3 November 2015 is a non adjusting event and accordingly the financial statements do not reflect any adjustment in respect of same.

In the opinion of the Board of Directors, there are no other events after the Balance Sheet date which require disclosure or adjustment in accordance with FRS 21.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2015 (CONTINUED)

ST. PATRICK'S CREDIT UNION (ESB STAFF) LIMITED

12. Contingent Liabilities

There are no contingent liabilities in existence that would require disclosure under Financial Reporting Standard No.12.

13. Capital Commitments

There were no capital commitments in place at the year end.

14. Pension

	30 Sep 2015 €	30 Sep 2014 €
Pension Contributions	<u>102,546</u>	<u>117,620</u>

15. Proposed Dividend

	%	2015 €	%	2014 €
Gross Dividend on Shares	<u>1.00%</u>	<u>2,484,862</u>	<u>1.20%</u>	<u>2,902,056</u>

16. Interest Rebate

	%	2015 €	%	2014 €
Interest Rebate	<u>10%</u>	<u>348,583</u>	<u>0%</u>	<u>Nil</u>

17. Car Draw

	2015 €	2014 €
Car Draw	80,589	-

The Credit Union opened a Car Draw for its members. The amount of €80,589 (30 Sept 2014 €Nil) represents the excess of cash received over cost of prizes as at the balance sheet date. No gain or loss has arisen or will arise as all funds received will be used to purchase prizes.

SCHEDULES TO THE INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2015

ST. PATRICK'S CREDIT UNION (ESB STAFF) LIMITED

The following Schedules do not form part of the Statutory Financial Statements which are the subject of the Independent Auditor's Report on page 8.

SCHEDULE 1 - OTHER INTEREST INCOME AND SIMILAR INCOME

	30 Sep 2015 €	30 Sep 2014 €
Deposits and Investment Income	5,017,104	5,732,698
TOTAL PER INCOME AND EXPENDITURE ACCOUNT	<u>5,017,104</u>	<u>5,732,698</u>

Other Interest Income and Similar Income consists of interest and net gains for the year and is analysed as follows:

	30 Sep 2015 €	30 Sep 2014 €
Received at the Balance Sheet date	1,621,826	2,500,498
Received within 12 months of the Balance Sheet date	3,395,278	3,232,200
TOTAL PER INCOME AND EXPENDITURE ACCOUNT	<u>5,017,104</u>	<u>5,732,698</u>

SCHEDULE 2 - OTHER INCOME

	30 Sep 2015 €	30 Sep 2014 €
Bad debts recovered	64,491	47,496
Budget accounts service fees and other income	46,518	40,707
TOTAL PER INCOME AND EXPENDITURE ACCOUNT	<u>111,009</u>	<u>88,203</u>

SCHEDULES TO THE INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2015

ST. PATRICK'S CREDIT UNION (ESB STAFF) LIMITED

SCHEDULE 3 - OTHER MANAGEMENT EXPENSES

	30 Sep 2015 €	30 Sep 2014 €
Training	10,651	7,244
Rates	13,753	15,728
Affiliation fees	51,399	53,486
Savings protection scheme fund	175,200	175,200
Regulatory levies and DGS IBRC deduction	332,245	242,810
Share and loan insurance	399,006	410,701
Death benefit insurance	371,078	309,867
General insurance	50,288	47,985
Post and stationery	66,305	46,191
Printing	8,554	46,013
Marketing and publicity	165,621	159,513
Conference and meeting expenses	95,689	70,525
Repair and maintenance	10,792	18,107
Service to equipment and IT	150,683	126,880
Legal and professional	163,642	280,292
Audit fees	46,125	44,997
Investment costs	59,669	109,443
General & office expenses	51,604	29,904
Loans written off	4,126	48,207
Bank interest and charges	35,878	27,360
TOTAL PER INCOME AND EXPENDITURE ACCOUNT	<u>2,262,308</u>	<u>2,270,453</u>

UNAUDITED MANAGEMENT ACCOUNTS

MARCH 31, 2016

RINGSEND & DISTRICT CREDIT UNION LIMITED

INCOME & EXPENDITURE ACCOUNT

	As At 31-Mar-16 (6 Months)
Interest on Members' Loans	163,283
Other Interest Income and Similar	67,731
Net Interest Income	231,014
Other Income	7,427
Total Income	238,441
EXPENDITURE	
Salaries & Pensions	103,057
Other Management Expenses	111,676
Depreciation	-
Provision for Bad & Doubtful Debt	7,429
Total Expenditure	222,162
Excess of Income over Expenditure for the Period	16,279

BALANCE SHEET

	As at 31-Mar-15
ASSETS	
Cash and balances at bank	34,939
Deposits and Investments	11,380,221
Loans to Members	2,675,731
Less: Provision for Bad and Doubtful Debts	(320,000)
Tangible Fixed Assets	281,409
Prepayments	90,513
TOTAL ASSETS	14,142,813
LIABILITIES	
Members' Shares	11,186,647
Other Liabilities and Charges	69,107
TOTAL LIABILITIES	11,255,754
NET WORTH	2,887,059
Represented by	
RESERVES	
Statutory Reserve	1,205,889
Additional Regulatory Reserve	296,593
TOTAL REGULATORY RESERVE	1,502,482
Realised Reserve	1,384,577
TOTAL RESERVES	2,887,059

DIRECTORS' RESPONSIBILITIES STATEMENT & STATEMENT OF BOARD OVERSIGHT COMMITTEE RESPONSIBILITIES

RINGSEND & DISTRICT CREDIT UNION LIMITED

DIRECTORS, RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable Irish law and regulations.

Irish credit union law requires the directors to prepare financial statements for each financial year. Under the law, the directors have elected to prepare the financial statements in accordance with Irish Generally Accepted Accounting Practice ("Irish GAAP"). Under credit union law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the credit union as at the financial year end date and of the surplus or deficit of the credit union for the financial year and otherwise comply with the Credit Union Acts 1997 to 2012.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the credit union's financial statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- 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 ensuring that the credit union keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the credit union, enable at any time the assets, liabilities, financial position and surplus or deficit of the

credit union to be determined with reasonable accuracy, enable them to ensure that the financial statements and directors' report comply with the Credit Union Acts 1997 to 2012 and enable the financial statements to be audited. 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.

BOARD OVERSIGHT COMMITTEE'S RESPONSIBILITIES STATEMENT

The Credit Union Acts 1997 to 2012 require the appointment of a board oversight committee to assess whether the board of directors has operated in accordance with Part IV, Part IVA and any regulations made for the purposes of Part IV or Part IVA of the Credit Union Act 1997 (as amended) and any other matter prescribed by the Central Bank of Ireland in respect of which they are to have regard to in relation to the board.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

RINGSEND & DISTRICT CREDIT UNION LIMITED

I have audited the financial statements of Ringsend & District Credit Union Limited for the year ended 30 September 2015 which comprise of the Income and Expenditure Account, the Statement of Recognised Gains and Losses, the Balance Sheet, the Cash Flow Statement and the related notes on pages 26 to 35. The financial reporting framework that has been applied in their preparation is Irish Law and accounting standards issued by the Financial Reporting Council and promulgated by Chartered Accountants Ireland (Generally Accepted Accounting Practice in Ireland).

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Statement of Directors' Responsibilities set out on page 24, the directors are responsible for the preparation of the financial statements giving a true and fair view. My 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 me to comply with the Auditing Practice Board's (APB'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 company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Chairperson's Report and in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In my 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 Acts 1997 to 2012.

MATTERS ON WHICH I AM REQUIRED TO REPORT BY THE CREDIT UNION ACTS 1997 TO 2012

- I have obtained all the information and explanations which I consider necessary for the purposes of my audit.
- In my opinion proper accounting records have been kept by the credit union.
- The financial statements are in agreement with the accounting records.
- In my opinion the information given in the Chairperson's Report and in the Directors' Report is consistent with the financial statements.

MATTERS ON WHICH I AM ARE REQUIRED TO REPORT BY EXCEPTION

I have nothing to report in respect of the provisions in the Credit Union Acts 1997 to 2012 which require me to report to you if, in my opinion, the disclosures of the directors' remuneration and transactions specified by law are not made.

**2 Bath Place
Blackrock
Co. Dublin**

**Frank M. Byrne F.C.A.
for and on behalf of
Frank M. Byrne & Company
Chartered Accountants and
Statutory Audit Firm**

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2015

RINGSEND & DISTRICT CREDIT UNION LIMITED

	Note	2015 €	2014 €
INCOME			
Interest on members' loans		329,267	378,436
Interest receivable and similar income	2	<u>166,911</u>	<u>209,796</u>
NET INTEREST INCOME		496,178	588,232
Other income	3	<u>3,133</u>	<u>2,049</u>
Total Income		<u>499,311</u>	<u>590,281</u>
EXPENDITURE			
Salaries and related costs		146,450	131,150
Other management expenses	4	220,932	219,713
Depreciation		20,486	20,706
Gains on investments		-	(4,739)
Bad debts recovered		<u>(16,860)</u>	<u>(15,359)</u>
Total Expenditure		<u>371,008</u>	<u>351,471</u>
Excess of Income over Expenditure		<u>128,303</u>	<u>238,810</u>
Undistributed surplus at 01 October 2014		550,568	506,030
Dividend paid	5	(102,836)	(100,365)
Interest rebate paid	6	<u>(18,431)</u>	<u>(20,179)</u>
		<u>557,604</u>	<u>624,296</u>
Transfer to statutory reserve		12,830	23,881
Transfer to regulatory reserve		-	40,170
Transfer (from)/to other reserves -			
Realised reserve		(5,794)	54,215
Unrealised reserve		<u>32,244</u>	<u>(44,538)</u>
		<u>39,280</u>	<u>73,728</u>
Undistributed surplus at 30 September 2015		<u>518,324</u>	<u>550,568</u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

RINGSEND & DISTRICT CREDIT UNION LIMITED

	2015	2014
	€	€
Surplus for the financial year before gains on investments	128,303	234,071
Gains on investments	-	4,739
Total gains relating to the financial year	<u>128,303</u>	<u>238,810</u>

Approved by the board of directors and board oversight committee and signed on their behalf by:

Sally Clarke
Manager

Brian McKeever
Chairperson

Dermot Murphy
Board oversight
committee

Date : 09 November 2015

BALANCE SHEET

AS AT 30 SEPTEMBER 2015

RINGSEND & DISTRICT CREDIT UNION LIMITED

	Note	2015 €	2014 €
ASSETS			
Cash and bank		545,531	1,355,574
Investments		10,603,389	9,350,210
Members' loans		2,775,941	2,830,208
Less: Bad debts provision		(320,000)	(320,000)
Tangible fixed assets	7	281,409	300,050
Other assets		1,270	1,270
Prepayments and accrued income		108,640	149,222
Total Assets		<u>13,996,180</u>	<u>13,666,534</u>
LIABILITIES			
Members' shares	8	10,869,191	10,612,823
Accruals		73,248	94,394
Bank overdraft		87,388	-
Total Liabilities		<u>11,029,827</u>	<u>10,707,217</u>
NET WORTH		<u>2,966,353</u>	<u>2,959,317</u>
MEMBERS' RESOURCES			
Statutory reserve		1,205,889	1,193,059
Regulatory reserve		296,593	296,593
Total regulatory reserves		1,502,482	1,489,652
Other reserves			
Realised	9	1,418,357	1,456,395
Unrealised	9	45,514	13,270
TOTAL RESERVES		<u>2,966,353</u>	<u>2,959,317</u>

Approved by the board of directors and board oversight committee and signed on their behalf by:

Sally Clarke
Manager

Brian McKeever
Chairperson

Dermot Murphy
*Board oversight
committee*

Date : 09 November 2015

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2015

RINGSEND & DISTRICT CREDIT UNION LIMITED

	2015 €	2014 €
Opening cash and investments	<u>10,705,784</u>	<u>9,508,080</u>
Receipts		
Members' shares	2,884,599	3,108,733
Members' loans repaid	1,905,085	2,156,892
Members' loan interest received	329,267	378,436
Investment interest received	166,911	209,796
Bad debts recovered	16,860	15,359
Other receipts	3,133	2,049
Decrease in prepayments and accrued income	<u>40,582</u>	<u>160,824</u>
	<u>5,346,437</u>	<u>6,032,089</u>
Disbursements		
Members' shares withdrawn	2,628,226	2,674,872
Members' loans granted	1,855,517	1,708,745
Dividend paid	102,836	100,365
Interest rebate paid	18,431	20,179
Operating expenses	362,688	322,103
Gains on investments	-	(4,739)
Fixed assets purchased	1,845	46,564
Increase in bank overdraft, other liabilities, accruals and charges	<u>(66,242)</u>	<u>(33,704)</u>
	<u>4,903,301</u>	<u>4,834,385</u>
Closing cash and investments	<u>11,148,920</u>	<u>10,705,784</u>

These financial statements were approved by the Board on

Approved by the board of directors and board oversight committee and signed on their behalf by:

Sally Clarke
Manager

Brian McKeever
Chairperson

Dermot Murphy
*Board oversight
committee*

Date : 09 November 2015

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2015

RINGSEND & DISTRICT CREDIT UNION LIMITED

1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the credit union's financial statements.

Basis of preparation

The financial statements have been prepared on the going concern basis and in accordance with the historic cost convention. The financial reporting framework that has been applied in their preparation is the Credit Union Acts 1997 to 2012 and Accounting Standards issued by the Financial Reporting Council and promulgated by Chartered Accountants Ireland for periods commencing before 01 January 2015.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less accumulated depreciation.

Depreciation is calculated with reference to original cost or valuation to write off the tangible fixed assets over their useful lives on a straight line basis at the following annual rates :-

Freehold premises	2%
Fixtures and fittings	15%
Office furniture and equipment	15%
Computer equipment	20%

Pension costs

The credit union's annual contributions to the defined benefits pension scheme operated in respect of certain staff members are based on actuarial advice and are charged to the income and expenditure account in the year to which they relate.

Investments

All deposits and capital guaranteed products are stated at cost. The Central Treasury FRN Fund is stated at market value.

Bad and doubtful debts

Bad debts written off are included in the income and expenditure account under other management expenses. Bad debts recovered are included separately in the income and expenditure account. A provision for doubtful debts is made against loan balances in arrears at 30 September 2015.

Dividends and interest rebates

Financial Reporting Standard 21 issued by the Accounting Standards Board and published by Chartered Accountants Ireland requires that only dividends and interest rebates paid or proposed during a financial year may be included in the financial statements for that year. Accordingly these financial statements only include the dividends and interest rebates paid or proposed in the year ended 30 September 2015.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2015

RINGSEND & DISTRICT CREDIT UNION LIMITED

2. INTEREST RECEIVABLE AND SIMILAR INCOME

	2015 €	2014 €
Investment income		
Received in year	86,436	80,916
Due within one year	34,804	115,554
Due after one year	<u>45,514</u>	<u>13,270</u>
	166,754	209,740
Deposit interest	<u>157</u>	<u>56</u>
	<u>166,911</u>	<u>209,796</u>

3. OTHER INCOME

	2015 €	2014 €
ECCU – claims experience refund	2,046	22
Commission	394	1,468
Fees	75	111
Sundry	<u>618</u>	<u>448</u>
	<u>3,133</u>	<u>2,049</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2015

RINGSEND & DISTRICT CREDIT UNION LIMITED

4. OTHER MANAGEMENT EXPENSES

	2015 €	2014 €
Rates	6,132	5,496
Lighting, heating and cleaning	3,957	4,082
Repairs and renewals	1,359	4,195
Security	5,612	3,938
Printing and stationery	5,680	5,444
Postage and telephone	3,608	3,583
Donations and sponsorship	540	50
Debt collection	2,981	2,119
Promotion and advertising	2,905	2,615
Convention expenses	1,809	705
Chapter expenses	200	450
AGM expenses	5,966	5,897
Entertainment	2,136	2,794
Bank charges	3,380	2,654
Audit fee	18,450	17,208
Legal and professional fees	31,509	6,195
General insurance	7,839	7,550
Share and loan insurance	52,821	59,132
Pension contributions	14,492	15,149
Training costs	725	5,135
Computer maintenance	15,324	11,348
Bad debts written off	4,694	28,760
Miscellaneous	2,268	1,725
Affiliation fees	5,072	5,046
SPS contribution	6,903	7,460
Regulatory fees	7,460	2,779
Credit Institutions Resolution fund	6,978	6,655
Deposit Protection levy	132	1,549
	<u>220,932</u>	<u>219,713</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2015

RINGSEND & DISTRICT CREDIT UNION LIMITED

5. PROPOSED DIVIDEND

The directors recommend a dividend of 0.75% (€78,495) on shares (2014: 1% - €103,052)

6. PROPOSED INTEREST REBATE

The directors recommend a rebate of 5% (€16,370) on loan interest (2014: 5% - €18,902)

7. TANGIBLE FIXED ASSETS

	Freehold Premises €	Fixtures & fittings €	Office furniture & equipment €	Computer equipment €	Total €
Cost/valuation					
At 01/10/2014	390,422	45,293	39,812	92,628	568,155
Additions	-	-	-	1,845	1,845
At 30/09/2015	<u>390,422</u>	<u>45,293</u>	<u>39,812</u>	<u>94,473</u>	<u>570,000</u>
Depreciation					
At 01/10/2014	132,739	44,697	36,869	53,800	268,105
Charge for year	<u>7,809</u>	<u>596</u>	<u>585</u>	<u>11,496</u>	<u>20,486</u>
At 30/09/2015	<u>140,548</u>	<u>45,293</u>	<u>37,454</u>	<u>65,296</u>	<u>288,591</u>
Net book value					
At 30/09/2015	<u>249,874</u>	<u>-</u>	<u>2,358</u>	<u>29,177</u>	<u>281,409</u>
In prior financial year					
Cost/valuation					
At 01/10/2013	390,422	45,293	38,558	72,846	547,119
Additions	-	-	3,069	43,495	46,564
Disposals	-	-	(1,815)	(23,713)	(25,528)
At 30/09/2014	<u>390,422</u>	<u>45,293</u>	<u>39,812</u>	<u>92,628</u>	<u>568,155</u>
Depreciation					
At 01/10/2013	124,930	43,804	38,099	66,094	272,927
Charge for year	<u>7,809</u>	<u>893</u>	<u>585</u>	<u>11,419</u>	<u>20,706</u>
Disposals	-	-	(1,815)	(23,713)	(25,528)
At 30/09/2014	<u>132,739</u>	<u>44,697</u>	<u>36,869</u>	<u>53,800</u>	<u>268,105</u>
Net book value					
At 30/09/2014	<u>257,683</u>	<u>596</u>	<u>2,943</u>	<u>38,828</u>	<u>300,050</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2015

RINGSEND & DISTRICT CREDIT UNION LIMITED

8. MEMBERS' SHARES

	2015 €	2014 €
Regular share accounts	<u>10,869,191</u>	<u>10,612,823</u>

9. OTHER RESERVES

	2015 €	2014 €
Realised		
General reserve	518,324	550,568
Dividend reserve	<u>900,033</u>	<u>905,827</u>
	1,418,357	1,456,395
Unrealised		
General reserve	<u>45,514</u>	<u>13,270</u>
	<u>1,463,871</u>	<u>1,469,665</u>

10. RELATED PARTY TRANSACTIONS

The directors, board oversight committee members and staff who held office at 30 September 2015 had no interests other than those shown below in aggregate in the loans from and shares of the credit union.

	Aggregate of loans €
At beginning of financial year	28,995
Arising in financial year	5,890
Repaid in financial year	<u>(13,633)</u>
At end of financial year	<u>21,252</u>
	Aggregate of shares €
At beginning of financial year	<u>112,195</u>
At end of financial year	<u>114,169</u>

11. INSURANCE AGAINST FRAUD

The credit union has insurance against fraud in the amount of €1,269,738 (2014 : €1,269,738) in compliance with Section 47 of the Credit Union Act 1997.

12. PENSIONS

The credit union participates in an industry-wide pension scheme for employees (The Irish League of Credit Unions Republic of Ireland Pension Scheme ("the Scheme")). This is a funded scheme of the defined benefit type, with assets invested in separate funds administered by independent trustees. However, Ringsend & District Credit Union Limited is unable to appropriately identify its share of the

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2015

RINGSEND & DISTRICT CREDIT UNION LIMITED

underlying assets and liabilities. Consequently, Ringsend & District Credit Union Limited accounts for its contributions to the scheme as if it were a defined contribution Scheme. Contributions payable to the Scheme are recognised in the income and expenditure account.

An actuarial review of the Scheme is normally carried out every three years by the Scheme's independent actuary. The actuarial review looks at the past and future liabilities of the Scheme. The last completed triennial actuarial review was carried out with an effective date of 01 March 2014 using the projected unit credit method. The principal actuarial assumption used in the valuation was that the investment return would be 1.5% higher than the annual salary increases. The market value of the Scheme's assets as at 01 March 2014 was €157,000,000. The actuarial valuation disclosed a past service deficit of €27,700,000 on the long term funding basis at that date. The actuarial review recommended that the current funding proposal contribution of 27.7% of pensionable salary continues until the next actuarial review. The cost of risk benefits is paid in addition to this rate.

As a separate requirement under section 56 (1) of the Pensions Act 1990, the Scheme's actuary must carry out a separate valuation every three years and produce a funding certificate for submission to The Pensions Board within nine months of the effective date of the valuation. The purpose of the certificate is to certify whether or not the assets of the Scheme at the effective date are sufficient to meet the liabilities based on the assumption that the Scheme was wound up at that date.

The most recent actuarial funding certificate certified that the Scheme did not meet the statutory minimum funding standard and was submitted to The Pensions Board with an effective date of 01 March 2012.

The Scheme is currently in a funding proposal which has been agreed with The Pensions Board. The submitted funding proposal is designed to ensure that the Scheme could reasonably be expected to satisfy the funding standard as at 01 March 2019 and provides for a retirement contribution rate of 27.7%. The cost of risk benefits is payable in addition.

The Scheme's solvency position in accordance with the aggregate cover for total funding standard liabilities as disclosed in the actuarial review as at 01 March 2014 was 105%.

Amounts included on the balance sheet are as follows: -

	2015 €	2014 €
Prepayments and accrued income	<u>8,807</u>	<u>8,262</u>

13. INTEREST ON MEMBERS' LOANS

Interest is charged on members' loans at the rate of 1% per month, with an A.P.R of 12.67% (2014 : 1% per month, with an A.P.R. of 12.67%).

14. APPROVAL OF FINANCIAL STATEMENTS

The board of directors approved these financial statements and authorised them for issue on 09 November 2015.

