



# **ST. MARY'S PARISH CREDIT UNION**

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## **ANNUAL REPORT & ACCOUNTS 2012/2013**



## **NOTICE OF ANNUAL GENERAL MEETING.**

Notice is hereby given that  
**THE ANNUAL GENERAL MEETING**  
of  
**ST MARY'S PARISH CREDIT UNION LTD**  
will be held at  
**8.00 pm**  
on  
**TUESDAY 10<sup>TH</sup> DECEMBER 2013**

in  
**THE ABBEY SUITE,  
ABSOLUTE HOTEL,  
SIR HARRY'S MALL,  
LIMERICK.**

**Entrance by Passbook only.**

**Anne Marie O'Reilly**  
**Secretary.**





## AGENDA FOR ANNUAL GENERAL MEETING

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A raffle will take place at the end of the meeting. Only members attending the meeting who are entitled to vote (i.e., over 16's) will be issued tickets for the raffle. No raffle tickets will be issued to any member arriving more than 15 minutes after the meeting has commenced.

Prizes will include Christmas Hampers and Cash.

Light Refreshments will be served after the meeting.



### ***Agenda Item 1 - Acceptance of Proxies***

Anyone acting as a representative of a group which is a member of the Credit Union must present written authorisation to this effect to the Board of Directors for acceptance before they can act in this capacity.

### ***Agenda Item 2 - Check presence of quorum***

In accordance with Rule 133(5) the quorum required for this Annual General Meeting to be able to proceed is thirty members. The Chairperson must be satisfied that this quorum is reached before business can commence.

### ***Agenda Item 3 - Adoption of Standing Orders***

To ensure the business of the A. G. M. is conducted in a proper fashion the Board propose the adoption of the following Standing Orders:

#### **VOTING & ELECTION PROCEDURE**

1. Each member shall be entitled to one vote, irrespective of their shareholding, in accordance with section 82(2) of the Credit Union Act 1997 (as amended).
2. Elections to the Board of Directors, to the Board Oversight Committee and the position of Auditor shall be by majority vote and by secret ballot.
3. Ballot Papers for elections to the Board of Directors, Board Oversight Committee and Auditor will be distributed at the AGM to each member present and entitled to vote.
4. Ballot papers shall be collected and counted by the tellers.

#### **MOTIONS**

5. All motions from the floor of the AGM must be proposed and seconded by members present at the AGM, and moved by the Proposer. If the Proposer is absent when the motion is called, the motion shall be deemed to have failed.
6. A Proposer of a motion may speak for such period as shall be at the discretion of the Chairman of the Meeting and shall have the right of reply before the motion is put to the meeting for a vote.
7. In exercising their right of reply, a proposer may not introduce new material.
8. The seconder of a motion shall have such time as shall be allowed by the Chairman to second the motion.
9. Members are entitled to speak on any such motion through the Chair. All speakers to any motion shall have such time as shall be at the discretion of the Chairman.



10. The Chairman shall have the absolute right to decide at any time when a motion has been sufficiently discussed and may put the motion to the meeting giving the proposer the right of reply before doing so.

### **MISCELLANEOUS**

11. The Chairman of the Board of Directors shall be the Chairman of any general meeting, except where he/she is not available, in which case it shall be the Vice-Chairman, except where he/she is not available, in which case the Board shall decide amongst themselves who shall act as Chairman of any general meeting.
12. The Chairman may, at his/her discretion, extend the privilege of the floor to any person who is not a member.
13. Matters not covered by the Agenda may be introduced under “Other Business” at the discretion of the Chairman.
14. The Chairman’s decision on any matter relating to these Standing Orders or interpretation of same shall be final.
15. The Chairman shall not have a casting vote in addition to his/her own vote.
16. Any matter to be decided upon by a vote at the AGM shall, unless otherwise expressly provided for by law or the Rules, be decided by simple majority.

### **SUSPENSION OR ALTERATION OF STANDING ORDERS**

17. Any one, or all, of these Standing Orders may be suspended on a motion to this effect receiving a two-thirds majority of those present and entitled to vote.
18. Standing Orders may be amended or altered at a general meeting only if a motion to this effect has received a 2/3 majority of those present and voting.

### **ADJOURNMENTS**

19. Adjournments of the AGM shall take place only in accordance with Rule 133.

#### ***Agenda Item 4 - Minutes of AGM 2012***

The Secretary will read the minutes of the last AGM prior to their approval (or correction) as a true and fair record of all decisions taken at that meeting.

#### ***Agenda Item 5 - Appointment of Tellers***

The Chairperson will appoint a Chief Teller and Tellers to oversee the counting of votes at the meeting.

#### ***Agenda Item 6 - Report of Nominating Committee***

A full and final report by the Nominating Committee will be presented at the meeting. Members should be aware that the role of the Nominating Committee is



to ensure that there is at least one candidate for each vacancy for which an election is held. The following information is provided to assist members in this matter.

### **DIRECTORS & BOARD OVERSIGHT COMMITTEE 2012/2013**

The Directors and Board Oversight Committee of the Credit Union are elected by the members to oversee the operation of the business. The current Directors and members of the Board Oversight Committee are as follows:

#### **Board of Directors:**

Bobby O'Halloran, Chairperson  
John Collopy, Vice-Chairperson  
Anne-Marie O'Reilly, Secretary  
John Hennessy, Treasurer  
Pat Bridgeman.  
John McNamara.  
Mairead Mullane.  
Geoff McMullen (Retired).  
Tim Donnelly.  
Louise Mulcahy.  
Patrick McNamara.

#### **Board Oversight Committee:**

Alan Brislane, Chairperson  
Paula Mackey, Secretary.  
Jerry O'Connell.

### **VACANCIES AND NOMINEES FOR BOARD OF DIRECTORS**

This year there are **FOUR** vacancies on the Board of Directors, arising as follows:

In accordance with Section 53 of the Credit Union Act 1997 (as amended) the maximum term of office of a Director is three (3) years. Therefore the following Directors have to retire at this AGM and, being eligible, offer themselves for re-election: **Bobby O'Halloran.**

The following Directors have to retire at this AGM and are not offering themselves for re-election: **Pat Bridgeman, Louise Mulcahy.**

The following Director retired during the year and was not replaced: **Geoff McMullen.**



## VACANCIES AND NOMINEES FOR BOARD OVERSIGHT COMMITTEE

This year there is **ONE** vacancy on the Board Oversight Committee, arising as follows:

In accordance with Section 58 of the Credit Union Act 1997 (as amended) the term of office of a member of the Board Oversight Committee is three (3) years. Therefore the following member of the Board Oversight Committee has to retire at this AGM and, being eligible, offers himself for re-election: **Alan Brislane**.

## VACANCY AND NOMINEES FOR AUDITOR

In accordance with Section 115 of the Credit Union Act 1997 (as amended) the Auditor has to be elected or re-elected each year at the AGM. Following a competitive tender process **Grant Thornton** are offering themselves for election as Auditor.

We would like to place on record our sincere appreciation of the work carried out on the members' behalf by our outgoing auditors, Moore Stephens Patrick McNamara, over a long number of years.

## OTHER NOMINATIONS TO BOARD OF DIRECTORS AND BOARD OVERSIGHT COMMITTEE

At the time of preparing this report no other nominations for any of the above vacancies could have been received. The Nominating Committee's function is to ensure that there is at least one nominee for each of the above vacancies and they will put forward for election any nominee for whom a valid nomination has been received in the due time and who has submitted the relevant documentation to enable the committee to confirm they meet the required Fitness and Probity Standards.

## VOTING

The Rules of the Credit Union require an election by **secret ballot** to take place for each vacancy. In accordance with Rules 139, 140 and 141, voting shall be restricted to those members over the age of 16 who are present at the Annual General Meeting, unless they are entitled to vote by proxy. Each member shall have only one vote irrespective of their shareholding in accordance with Rule 140

### *Agenda Item 7 – Balloting*

The Chairperson will request members to cast their vote for the candidates of their choice in the various elections using the ballot papers provided. The tellers will then collect the ballot papers and commence counting the votes.



### ***Agenda Item 8 - Directors' Report***

Your Directors present their Report and Audited Accounts for the year 2012/2013. It is appropriate to remind members that preparation of the accounts is the duty of the Directors, not of the Auditor. Members should read them, keeping in mind the following statement.

#### **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 year. 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.
- state whether applicable accounting standards have been followed, subject to any material departure disclosed and explained in the Financial Statements.

The Directors are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the Credit Union and 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.

**Report:** This Credit Union, like practically every other business in the country, is still feeling the impact of the recession. This is because Credit Union members have been deeply affected by unemployment and austerity measures that have put intense pressure on household budgets, which in turn has an impact on Credit Unions.

Study of our accounts, which are detailed in this report, will show that despite these difficult and challenging conditions, we have a surplus of €894,937 for the year. Further analysis will reveal that our loan book has fallen by a further €2m this year. There are a number of factors, aside from the recession, which have contributed to this – enhanced screening of loan applications, Central Bank guidelines on prudent lending and some members' desire to be debt free. However, the Credit Union exists to provide savings and loan facilities to





members and so we would encourage any member who is considering borrowing money to try the Credit Union first.

We want to assure you that we will continue to make prudent and responsible decisions on behalf of members who entrust their savings to the Credit Union and we will continue to prioritise provisioning to protect their interests.

There is much change ahead for Credit Unions, what with the introduction of new Fitness and Probity regulations in August 2013, the Personal Insolvency legislation in September 2013 and the new Credit Union legislation in October 2013. All of these changes are designed to help strengthen the governance and operations of Credit Unions, which will ultimately help to ensure their safety and soundness. They do, however, demand significant adjustments to the way in which we presently operate and it should be noted that compliance with all these matters will impose additional costs and will require a major effort over the coming months by everyone involved in this Credit Union to ensure that they are fully implemented.

In spite of this new regime that Credit Unions have to operate under, members should remember the following points:

- This Credit Union continues to be democratically owned by the members and run by their elected board.
- This Credit Union will work hard to maintain the Credit Union ethos, whilst complying with the new legal and regulatory requirements.
- We provide a safe and secure place for your savings and we provide loans to creditworthy members at reasonable rates.
- Savings continue to be protected by the Government Deposit Guarantee Scheme up to €100,000 per member.

The Directors and Management are presently developing a Strategic Plan for the next 5 years which will allow us to set out clearly what our aims are and how we will achieve these. As part of the process of developing this plan it has become evident that for our long term financial stability we have to examine ways to increase our income. One of the measures under consideration in this regard is an increase in our interest rate charged on new loans. No decision has been made on this yet but it is possible that an increase of 1%, to 11.5% (12.12% APR), with a similar increase in the secured loan rate, will be introduced. It should be noted that this increased rate would still compare favourably with the banks, which are charging rates of between 11.91% and 13.6%, APR, for unsecured personal loans (see National Consumer Association website, [www.nca.ie](http://www.nca.ie)).



Members should also be aware that we are part of the CUSOP group of Credit Unions which has recently been granted a Payment Institution Licence by the Central Bank. This will allow Credit Unions to provide electronic payment services to Credit Union members and we intend to do so within the next year. Live testing of this system has already commenced and we are scheduled to go live within the first 6 months of this being completed.

Given all of the above, we are delighted to be able to propose a dividend of 1% on savings and a rebate of 10% on interest paid on loans during the past year. We believe it is important to find a balance between achieving long term stability and rewarding those members who are making a contribution to our on-going operation.

**DECEASED MEMBERS:** We know of 45 members who died during the year between October 2012 and September 2013. We offer our sincere and utmost sympathy and support to their next of kin. Those who died were:

Anne Gallagher	Dan Campbell	Patrick Keane
Patricia Prendergast	Gerard Browne	Bridget Harte
Pauline Ganner	Gerard Long	Harry Barry
Patricia Purcell	Cyril Guerin	Madeline Daly
Catherine Hennessy	Patrick Gully	Mary O'Mahony
Christopher Cahill	Bridget McDonagh	Mary Shrieves
Michael Sheehan	John Ryan	Patrick Cross
Noel Hanley	Michael McNamara	Eileen Morning
John O'Donoghue	John Woodland	Moirra Madden
Ita Cronin	Ruth Newport	Liam Ryan
Geraldine Costello	Philomena Dillon	Nigel McGuire
Thomas Concarr	Maura Hardiman	Breda Hayes
Joseph Burke	Ita Harte	Susan Carr
Bridget Rainsford	Sean O'Sullivan	Delia Haskett
Pattie Prendergast	Maura Ryan	Joseph Healy

May they rest in peace.

On behalf of next-of-kin of deceased members a total of €229,980.31 was paid out from our Savings and Loan Insurance during the year. €143,168.97 was in respect of savings and €86,811.34 was to clear outstanding loans. In addition to this, €68,250.00 of Death Benefit Insurance was received, which was used to help meet the funeral expenses of deceased members.



The Directors of this Credit Union recognise and appreciate the loyalty and support which has always existed between you our members and the Credit Union. For this we thank you and assure you that together, and with your continued loyalty, we will continue to make a positive difference in our community. The Board of Directors also recognise the commitment and dedication of our management, staff and volunteers and we thank them for their efforts throughout the year.



***B.O'Halloran***, Chairperson.



***A.M.O'Reilly***, Secretary.



## ***Agenda Item 9 - Report of Auditor***

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS of St. Mary's Parish Credit Union Limited.**

We have audited the Financial Statements of St. Mary's Parish Credit Union Ltd. for the year ended 30<sup>th</sup> September 2013, which comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is Irish Law and accounting standards issued by the Financial Reporting Council (Generally Accepted Accounting Practices 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 Auditor:** As described in the Directors' Responsibilities Statement, 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 Annual Report to identify material inconsistencies with the audited Financial Statements. If we become aware of any



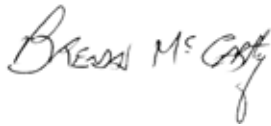
material misstatements or inconsistencies we consider the implications for our report.

**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 30th September 2013 and of its income and expenditure for the year then ended;
- have been prepared in accordance with Generally Accepted Accounting Practices in Ireland; and
- have been properly prepared so as to conform with the requirements of the Credit Union Acts 1997 to 2012.

**Other Matters Prescribed by the Credit Union Acts 1997 -2012:**

- 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.



**Brendan McCarthy FCPA**  
**Statutory Auditor**

For and on behalf of

**Moore Stephens Patrick McNamara,**  
*Chartered Certified Accountants & Registered Auditors*  
Pamdohlen House  
Dooradoyle Road.  
Limerick.

19<sup>th</sup> November 2013



### ***Agenda Item 10 - Report of the Finance and Planning Committee***

Due to changes in legislation, the role of Treasurer has been removed with effect from October 2013 and therefore, I would like to present to you our Audited Accounts for year ended 30<sup>th</sup> September 2013 as Chairman of the Finance and Planning Committee and the director appointed by the Board to do so.

I am pleased to report that there has been a modest improvement in our finances compared to last year.

The amount in loans granted this year was €5.22m, which is an increase of €0.5m on last year. However, the total amount out on loan at year end is €15.3m which is €1.98m less than last year. This has resulted in interest received of €1.58m which is down €252,950 on last year. Unfortunately, returns on investments have continued to decline resulting in a drop of €108,000 on last year's figure.

There has been a reduction of €617,603 in our expenditure compared to last year. This is mainly because: (1) it was not necessary to make any transfers to the Provision for Bad & Doubtful Debts; (2) Bad Debts Written off are €225,411 less than last year; and (3) our Bad Debts Recovered have increased by €31,750.

One other very important factor is that our reserves are well above our Regulatory requirements and this gives us great confidence that we have a solid foundation for the difficult and challenging times that lie ahead. Out of the surplus funds that are available for distribution at year end the Board is recommending a dividend of 1% and an interest rebate of 10% and these distributions are within the parameters deemed acceptable by the Regulator this year.

I will go through these accounts in greater detail at our AGM and I will try to answer any queries that you may have on the night.

In conclusion I would like to say that these set of results could not have been achieved without a huge amount of hard work and in this regard I want to thank our Manager, Pat Owens, and his staff for their dedication to the cause throughout the year.

In these challenging economic times the work of Credit Control is of vital importance and our Credit Controller, Roseanne Fitzgerald, the other members of staff on credit control work, Pat Bridgeman and the Credit Control Committee, have done trojan work in this area the fruits of which we are now beginning to see.



I would also like to thank Tim Donnelly, who has been my Assistant Treasurer during the year and all members of the Board and committees for their encouragement and dedication.

Finally could I thank you the members for your support over the years and hope we can justify your confidence in us into the future.




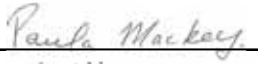
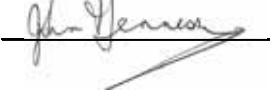
John Hennessy  
Chairman  
Finance & Planning Committee



**INCOME & EXPENDITURE ACCOUNT**  
for the year ended 30th September 2013.

	<u>2013</u>	<u>2012</u>
	€	€
<b>Income</b>		
Interest on Members' Loans	1,583,386	1,836,336
Other Interest Receivable & Similar Income		
<i>Schedule 1</i>	<u>1,078,221</u>	<u>1,186,224</u>
Net Interest Income	2,661,607	3,022,560
Other Income	<i>Schedule 2</i> 6,256	13,140
<b>Total Income</b>	<u>2,667,863</u>	<u>3,035,700</u>
<b>Expenditure</b>		
Salaries	540,632	523,484
Other Management Expenses	<i>Schedule 3</i> 1,287,853	1,444,205
Depreciation	22,794	27,639
Provision for Bad & Doubtful Debts	-	441,804
Bad Debts Recovered	(78,353)	(46,603)
<b>Total Expenditure</b>	<u>1,772,926</u>	<u>2,390,529</u>
<b>Excess of Income over Expenditure for the Year</b>	<u>894,937</u>	<u>645,171</u>
Less: Dividend Paid	(319,517)	(224,230)
Less: Loan Interest Rebate Paid	(87,284)	-
Add: Transfer from Proposed Dividend and Loan Interest Rebate Reserve	406,801	224,230
Add: Transfer from Other Reserves	<i>Note 6</i> 395,000	681,000
Add: Transfer from Premises Renovation Reserves	8,030	-
Over Provision for Dividend/Interest Rebate	-	1
<b>Total</b>	<u>1,297,967</u>	<u>1,326,172</u>
Less: Transfer to Statutory Reserve	(91,000)	(66,000)
Less: Transfer to General Reserves	<i>Note 6</i> (490,104)	(803,371)
Less: Transfer to Technology and Training Reserves	(50,000)	-
Less: Transfer to Premises Renovation Reserves	(100,000)	(50,000)
Less: Transfer to Proposed Dividend and Loan Interest Rebate Reserve	(566,863)	(406,801)
<b>Total</b>	<u>(1,297,967)</u>	<u>(1,326,172)</u>
<b>Undistributed Surplus 30th September 2013</b>	<u>-</u>	<u>-</u>

**Signed on behalf of the Credit Union**

Manager:		Date: 15/11/2013
Member of the Board Oversight Committee:		Date: 15/11/2013
Member of Board of Directors:		Date: 15/11/2013





**BALANCE SHEET as at 30th September 2013.**

		<u>2013</u> €	<u>2012</u> €
<b><u>ASSETS</u></b>			
Cash & Balances at Bank		628,448	308,779
Central Bank Deposits	<i>Note 5</i>	436,163	351,827
Deposits & Investments	<i>Note 4</i>	36,732,815	34,327,078
Loans to Members		15,028,604	17,008,928
Less: Provision for Bad & Doubtful Debts		(3,541,804)	(3,541,804)
Tangible Fixed Assets	<i>Note 3</i>	170,207	169,092
Debtors, Prepayments & Accrued Income	<i>Note 18</i>	723,420	601,143
<b>TOTAL ASSETS</b>		<u>50,177,853</u>	<u>49,225,043</u>
<b><u>LIABILITIES</u></b>			
Members' Shares	<i>Note 19</i>	42,348,204	41,884,620
Other Liabilities, Creditors, Accruals & Charges		96,746	95,656
<b>TOTAL LIABILITIES</b>		<u>42,444,950</u>	<u>41,980,276</u>
<b>NET WORTH</b>		<u>7,732,903</u>	<u>7,244,767</u>
<b><u>Represented By:</u></b>			
Statutory Reserve		5,078,834	4,987,834
Additional Regulatory Reserve		309,652	309,652
Total Regulatory Reserve		<u>5,388,486</u>	<u>5,297,486</u>
Other Reserves	<i>Note 6</i>	2,344,417	1,947,281
<b>TOTAL RESERVES</b>		<u>7,732,903</u>	<u>7,244,767</u>

**Signed on behalf of the Credit Union**

Manager:



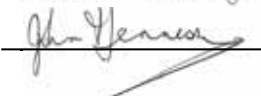
Date: 15/11/2013

Member of the Board Oversight Committee:



Date: 15/11/2013

Member of Board of Directors:



Date: 15/11/2013



## NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th September 2013

### 1. SIGNIFICANT 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.

**1.1 Basis of Accounting:** 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)(C)(i) of the Credit Union Act 1997 (as amended) (i.e., on a cash basis).

Investment Income is recognised on an accruals basis.

**1.3 Tangible Fixed Assets and Depreciation:** Tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation is calculated in order to write off the cost less residual value of Tangible Fixed Assets over their estimated useful lives using the following rates:

Freehold Premises	- 2% Straight Line
Computer Equipment	- 33% Straight Line
Fixtures and Fittings	- 20% Straight Line

**1.4 Deposits & Investments:** St. Mary's Parish Credit Union Ltd. had four classes of Deposits and Investments as at 30<sup>th</sup> September 2013, and the policy relating to each class is as follows:

*(Note: These policies should be read in conjunction with Note 4 "Deposits & Investments")*

#### 1. Cash on Ordinary or Term Deposit:

- Included in the Balance Sheet under "Deposits and Investments" is the amount deposited plus any deposit interest paid to date by the financial institution.
- Included in the Balance Sheet under "Debtors, Prepayments and Accrued Income" is the amount of accrued deposit interest at year-end.
- Included in the Income & Expenditure Account under "Investment Income" is the amount of deposit interest earned (either paid or accrued) during the year.

#### 2. Fixed Maturity Bank Bonds:

- Included in the Balance Sheet under "Deposits and Investments", this bond is stated at nominal value, with any difference between the nominal value and the cost of the nominal holding amortised/depreciated over the period to the earliest callable/redemption date.
- Included in the Balance Sheet under "Debtors, Prepayments and Accrued Income" is the amount of accrued dividend/interest at the year-end.
- Included in the Income & Expenditure Account under "Investment Income" is the amount of dividend/interest earned (either paid or accrued) during the year.



### 3. Irish Government Bonds:

- Included in the Balance Sheet under “Deposits and Investments”, each of these bonds are stated at nominal value, with any difference between the nominal value and the cost of the nominal holding amortised/depreciated over the period to the earliest callable/redemption date.

- Included in the Balance Sheet under “Debtors, Prepayments and Accrued Income” is the amount of accrued dividend/interest at the year-end.

- Included in the Income & Expenditure Account under “Investment Income” is the amount of dividend/interest earned (either paid or accrued) during the year.

### 4. Guaranteed Minimum Value Investment Bonds:

- Included in the Balance Sheet under “Deposits and Investments” is the amount which represents the historical cost plus any increase to date in the Guaranteed Minimum Value net of exit tax (if applicable) at year-end.

- Included in the Income and Expenditure Account under “Investment Income” is the amount which represents the increase in the Guaranteed Minimum Value of these investments during the year.

## **1.5 Foreign Currencies:**

The accounts are expressed in Euro (€).

**1.6 Pensions:** Some employees of the Credit Union are members of a defined benefit pension scheme operated by a major life assurance company. As this forms part of a multi-employer scheme, contributions are charged to the Income and Expenditure Account in the year in which they fall due. At the date of the signing of the Accounts the directors are unable to identify the Credit Union’s share of the underlying assets or its share of the surplus or deficit. Where retired staff are paid a pension by the Credit Union this cost is charged to the Income and Expenditure Account as incurred.

The Credit Union has complied with all necessary requirements under the PRSA scheme obligations.

**1.7 Bad and Doubtful Debts:** Bad debts written off are included in Other Management Expenses. Bad Debts recovered are included in the Income and Expenditure Account. A provision for doubtful debts is made against loan balances in arrears at 30<sup>th</sup> September 2013, based upon the number of weeks a loan is in arrears. This provision is calculated on the basis of Resolution 49 of the Irish League of Credit Unions’ BDM 2003. This amounted to €2,007,620. Following a loan book review at year end where an additional specific provision of €550,651 was identified, an additional general provision of €983,533 is considered prudent by the Board of Directors.

It is the policy of this Credit Union to continue to pursue, through the legal system if necessary, all bad debts which are written off.



**1.8 Proposed and Paid Dividend:** Financial Reporting Standard (FRS) 21, Events after the Balance Sheet Date, requires that the Credit Union only includes within the Income and Expenditure Account dividends and interest rebates paid during the year and not the dividends and interest rebates declared at the year end. The Board of Directors has decided to adopt a policy of setting aside the amount of the proposed dividend and interest rebate in a special reserve as a movement in reserves. There is no effect on undistributed surpluses.

## 2. CASH FLOW STATEMENT:

	2013	2012
	€	€
<b><u>Opening Cash &amp; Investments</u></b>		
Deposits and Investments	34,327,078	31,626,580
Central Bank Deposits	351,827	806,223
Cash and Balances at Bank	308,779	433,644
<b><i>Opening Total</i></b>	<b>34,987,684</b>	<b>32,866,447</b>
<b>Receipts</b>		
Members' Shares	17,825,315	15,566,187
Members' Loans Repaid	6,708,314	7,254,862
Members' Loan Interest Received	1,583,386	1,836,336
Investment Interest Received	952,535	1,144,459
Bad Debts Recovered	78,353	46,603
Other Receipts	6,256	14,225
<b><i>Total Receipts</i></b>	<b>27,154,159</b>	<b>25,862,672</b>
<b>Disbursements</b>		
Members' Shares Withdrawn	17,361,731	17,537,274
Members' Loans Granted	5,217,347	4,708,789
Dividends Paid	296,001	208,431
DIRT Paid	23,516	15,799
Loan Interest Rebate Paid	87,284	-
Operating Expenses	1,334,629	1,246,948
Fixed Assets Purchased	23,909	24,194
<b><i>Total Disbursements</i></b>	<b>24,344,417</b>	<b>23,741,435</b>
<b><u>Closing Cash &amp; Investments</u></b>		
Deposits and Investments	36,732,815	34,327,078
Central Bank Deposits	436,163	351,827
Cash and Balances at Bank	628,448	308,779
<b><i>Closing Total</i></b>	<b>37,797,426</b>	<b>34,987,684</b>



### 3. TANGIBLE FIXED ASSETS:

	Freehold Premises	Computer Equipment	Fixtures & Fittings	Total
<b>COST:</b>	€	€	€	€
At 1 Oct. 2012	199,412	501,104	162,869	863,385
Additions during year	-	23,332	577	23,909
<b>At 30 Sept. 2013</b>	<b>199,412</b>	<b>524,436</b>	<b>163,446</b>	<b>887,294</b>
<b>DEPRECIATION:</b>				
At 1 Oct. 2012	51,847	485,299	157,147	694,293
Charge for year	3,988	16,167	2,639	22,794
<b>At 30 Sept. 2013</b>	<b>55,835</b>	<b>501,466</b>	<b>159,786</b>	<b>717,087</b>
<b>Net Book Values:</b>				
<b>At 30<sup>th</sup> September 2013</b>	<b>143,577</b>	<b>22,970</b>	<b>3,660</b>	<b>170,207</b>
<b>At 30<sup>th</sup> September 2012</b>	<b>147,565</b>	<b>15,805</b>	<b>5,722</b>	<b>169,092</b>

In view of the current downturn in the property market, the Board has considered the appropriateness of carrying out an impairment review of Freehold Premises. The Board has obtained a current valuation which indicated that current market value is in excess of the current carrying cost included in the Financial Statements. While this valuation was higher than the current carrying cost, it is felt that no adjustment should be made in the Financial Statements.

### 4. DEPOSITS AND INVESTMENTS:

	<b><u>2013 (€)</u></b>	<b><u>2012 (€)</u></b>
Cash on Ordinary or Term Deposit	26,231,181	24,889,692
Fixed Maturity Bank Bonds	1,500,000	1,500,000
Irish Government Bonds	5,842,000	2,792,000
Guaranteed Minimum Value Investment Bonds	3,159,634	5,145,386
	<b><u>36,732,815</u></b>	<b><u>34,327,078</u></b>

The Credit Union's accounting policies relating to each of the above classes of Deposits and Investments are stated in Note 1.4.

*Explanatory Note on Nominal Value: In relation to the Fixed Maturity Bank Bonds and the Irish Government Bonds held by the Credit Union, Nominal Value refers to the amount that the issuing Financial Institution/Irish Government is contracted to repay the Credit Union when the Bond is redeemed/called by the issuing Financial Institution/Irish Government.*

The Fixed Maturity Bank Bonds at the 30<sup>th</sup> September 2013 consisted of a Senior Irish Life & Permanent plc Bank Bond with a Nominal Value of €1,500,000 (Market Value at the 30<sup>th</sup> September 2013 of €1,540,613). This Bond is guaranteed by the Irish Government under the ELG Scheme. It is included in the Balance Sheet at a nominal value of €1,500,000. The Credit Union is contracted to be repaid the Nominal Value of this Fixed Maturity Bank Bond on a specified date in the future. This repayment is subject to the Credit Union holding the Fixed Maturity Bank Bond to maturity/redemption and the issuing Financial Institution



fulfilling their obligations at maturity/redemption. At this point in time, the Board of Directors is satisfied that these conditions will be fulfilled.

The Market Value of the Irish Government Bonds at the 30<sup>th</sup> September 2013 was €6,298,676. The Irish Government Bonds are included in the Balance Sheet at a Nominal Value of €5,842,000. The Credit Union is contracted to be repaid the Nominal Value of these Irish Government Bonds on specified dates in the future. This repayment is subject to the Credit Union holding the Irish Government Bonds to maturity/redemption and the Irish Government fulfilling their obligations at maturity/redemption. At this point in time, the Board of Directors is satisfied that these conditions will be fulfilled.

The Guaranteed Minimum Value Investment Bonds are stated at a historical cost of €2,750,000 plus the increase to date in Guaranteed Minimum Value (GMV) of €409,634 net of exit tax (if applicable) at scheduled maturity date. The GMV is subject to the respective investments being held to scheduled maturity date (early encashment of these investments could result in an unquantifiable profit or loss on the values reflected herein) and the issuing Financial Institution fulfilling their obligations at maturity. At this point in time, the Board of Directors is satisfied these conditions will be fulfilled.

## 5. CENTRAL BANK DEPOSITS:

	<u>2013 (€)</u>	<u>2012 (€)</u>
Central Bank Minimum Reserve Deposit	353,957	351,827
Central Bank Deposit Protection Account	82,206	-
Total Central Bank Deposits	<u>436,163</u>	<u>351,827</u>

## 6. OTHER RESERVES:

	<b>Balance 1/10/2012 €</b>	<b>Transfer Out €</b>	<b>Transfer In €</b>	<b>Balance 30/9/2013 €</b>
General Reserve *	1,090,480	-	490,104	1,580,584
Premises Renovation Reserve *	50,000	(8,030)	100,000	141,970
Technology and Training Reserve *	-	-	50,000	50,000
Proposed Dividend & Loan Interest Rebate Reserve <i>Note 7</i>	406,801	(406,801)	566,863	566,863
	<b>1,547,281</b>	<b>(414,831)</b>	<b>1,206,967</b>	<b>2,339,417</b>
Unrealised Investment & Investment Income Reserve	400,000	(395,000)	-	5,000
<b>Total Other Reserves</b>	<b>1,947,281</b>	<b>(809,831)</b>	<b>1,206,967</b>	<b>2,344,417</b>

**\*Note re: General Reserve, Premises Renovation Reserve and Technology and Training Reserve:** The General, Premises Renovation and Technology and Training Reserves are prudent allocations of realised and distributable surpluses to separate reserves for whatever purpose the Board deem appropriate. This includes the funding of future renovations to the



Credit Union premises, all costs associated with the implementation of the Credit Union and Co-operation with Overseas Regulators Act 2012, any future necessary transfer to the Bad Debts Reserve and to cover future unforeseen eventualities including any effect that the Personal Insolvency Legislation may have on the Credit Union. The Board have determined that although they are called General, Premises Renovation and Technology and Training Reserves, in the event that they are not necessary for that purpose, that they are also being designated as available for distribution to members in future years.

**Note re: Transfer to and from Other Reserves:** An amount of €406,801 has been transferred from the Proposed Dividend and Loan Interest Rebate Reserve to the Income and Expenditure account in respect of the payment of the previous year's proposed dividend and interest rebate. An amount of €8,030 has been transferred from the Premises Renovation Reserve to the Income and Expenditure account in respect of the payment of expenses associated with the upgrade of the Credit Union premises. For the year end 30<sup>th</sup> September 2013 the Board of Directors has decided to transfer €566,863 to the Proposed Dividend and Loan Interest Rebate Reserve, €100,000 to the Premises Renovation Reserve and €50,000 to a new Technology and Training Reserve. The balance of €490,104 transferred to the General Reserve consists of a transfer from the Unrealised Investment & Investment Income Reserve of €395,000 (i.e. the amount of the unrealised reserve as at 30/9/2012 which is now realised at 30/9/2013) and the remaining surplus for the year of €95,104.

## 7. PROPOSED DIVIDENDS AND LOAN INTEREST REBATE TO MEMBERS:

The Directors recommend the following distributions:

	<u>2013</u>		<u>2012</u>	
	Rate %	€	Rate %	€
Dividend on Shares	1.00	418,641	0.75	319,517
Loan Interest Rebate	10	148,222	5	87,284

Secured loans at the lower rate of 5.5% will not be entitled to any interest rebate.

## 8. STATUTORY RESERVE AND TOTAL REGULATORY RESERVE:

In accordance with the requirements of Section 45 of the Credit Union Act 1997 (as amended), a Credit Union must transfer at least 10% of its surplus each year to its Statutory Reserve. For the year ended 30<sup>th</sup> September 2013, St. Mary's Parish Credit Union Ltd. transferred €91,000 from its surplus for the year to the Statutory Reserve in compliance with this requirement. In August 2009 the Registry of Credit Unions (Central Bank of Ireland) introduced a further requirement referred to as the Regulatory Reserve Ratio. Under this requirement Credit Unions are required to maintain a Total Regulatory Reserve Ratio of not less than 10% of Total Assets. As at the 30<sup>th</sup> September 2013, the Total Regulatory Reserve Requirement was €5,017,785 (i.e. 10% of Total Assets of €50,177,853). The Total Regulatory Reserve (i.e. the Statutory Reserve and the Additional Regulatory Reserve), in the Balance Sheet as at 30<sup>th</sup> September 2013, of €5,388,486 (10.74%) was in excess of this requirement and therefore no further transfer to the Regulatory Reserve is required.



## 9. HONORARIUM TO TREASURER:

The Board of Directors recommend that no Honorarium be paid to the Treasurer for the year ended 30<sup>th</sup> September 2013.

## 10. RELATED PARTY TRANSACTIONS:

There were a number of Share and Loan account transactions with the officers (directors, committee members, staff and volunteers) of the Credit Union during the year under review. The Credit Union advanced loans of €26,090 to officers during the year. The officers' balances are summarised as follows:

	<u>2013 (€)</u>	<u>2012 (€)</u>
Share Balance	194,571	222,720
Loan Balance	196,097	210,762

## 11. 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).

## 12. PENSION COSTS:

	<u>2013 €</u>	<u>2012 €</u>
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The cost of providing pensions to/for retired and current employees was: 135,041 132,999

Contributions paid by the employees during the year of €32,133 (2012 - €31,277) are included in the pension costs. The pension contributions have been made in accordance with actuarial advice and calculations and are held in a trust for the employees, separate from the Credit Union assets. The Credit Union participates in the Irish League of Credit Unions Republic of Ireland Pension Scheme (the pension scheme). This is a funded, multi Credit Union, defined benefit type pension scheme with assets invested in separate trustee administered funds. However, the Credit Union is unable to identify its share of the underlying assets and liabilities of the pension scheme. Consequently, the Credit Union, in accordance with the requirements of Financial Reporting Standard (FRS) 17, Retirement Benefits, is accounting for the pension contributions as if the scheme was a defined contribution scheme. Contributions payable to the pension scheme are recognised in the Income and Expenditure Account. At the year-end, contributions owing to the fund were Nil (2012 – Nil). An actuarial review of the fund is normally carried out every three years by the Scheme's independent, professionally qualified, 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 1<sup>st</sup> March 2011 using the Projected Unit Credit method. The principal actuarial assumption used in the valuation was that the investment return would be 1.75% higher than the annual salary increases. The market value of the scheme's assets at 1<sup>st</sup> March 2011 was €107.3m. The actuarial valuation disclosed a past service deficit of €28.7m on the long term funding basis at 1<sup>st</sup> March 2011. This actuarial review recommended a long term funding rate of 22.5%. The cost of risk benefits (i.e. such as death in service life assurance cover for employees) is paid in addition to this rate. The adequacy of the funding for the pension scheme will be monitored on an ongoing basis and may need to increase in the future. It should be noted that the above rate is based on the long term funding





objectives. As a separate requirement under section 56(1) of the Pensions Act 1990, the scheme actuary must carry out a separate valuation every 3 years and produce a funding certificate for submission to The Pensions Board within 9 months of the effective date of the evaluation. The purpose of this certificate is to certify whether or not the assets of the scheme at the effective date are sufficient to meet the liabilities of the scheme based on the assumption that the scheme was wound up at that date. An actuarial funding certificate, certifying the Scheme did not meet the statutory minimum funding standard was submitted to the Pensions Board with an effective date of 1<sup>st</sup> March 2009. Consequently, the Trustees submitted to the Pensions Board a new funding proposal, to address the shortfall in funding. The submitted funding proposal is designed to ensure that the scheme could reasonably be expected to satisfy the funding standard as at 1<sup>st</sup> March 2019 and provides for a retirement contribution rate of 27.7%. The cost of risk benefits is payable in addition, giving a total contribution rate of 30% of pensionable salary. This funding proposal was approved by the Pensions Board. For the scheme year ended 28<sup>th</sup> February 2013 the actuary advised that, having been directed by the Trustees and Employer, in light of the current economic outlook, that it was appropriate to revise the assumption for salary increases over the remaining term of the funding proposal from 5% p.a. to 3.25% p.a. Based on this, he was reasonably satisfied that the scheme will satisfy the funding standard as specified in Section 44 of the Pensions Act 1990, at the date of 1<sup>st</sup> March 2019 specified by the Pension Board under Section 49(2) (a) of the Act for the purpose of the existing funding proposal. The scheme's Solvency Position in accordance with the aggregate cover for total Funding Standard liabilities as at 28<sup>th</sup> February 2013 was 97.5%.

### **13.CAPITAL COMMITMENTS:**

It is the directors intention to proceed with the upgrade of the Credit Union premises. In anticipation of the costs associated with this upgrade the Board have allocated a portion of the surplus into a Premises Renovation Reserve Fund. At 30<sup>th</sup> September 2013 the balance in this Reserve was €141,970.

### **14.RATES OF INTEREST CHARGED ON MEMBERS' LOANS:**

The standard rate of interest charged on members' loans by the Credit Union during the year ended 30<sup>th</sup> September 2013 was 0.000287671232876712% per day (equivalent to an annual rate of 10.5%). In December 2010 the Credit Union introduced a new interest rate of 0.000150684931506849 per day (equivalent to an annual rate of 5.5%) on loans fully secured by savings. Secured loans at the lower rate of 5.5% will not be entitled to any interest rebate.

### **15. NON AUDIT SERVICES:**

During the year the auditor provided assistance to the Credit Union with regard to information requests and confirmations received from the Registry of Credit Unions (Central Bank of Ireland). Also the auditor provided assistance to the Credit Union with internal management reports.



## 16. POST BALANCE SHEET EVENTS:

The Directors are not aware of any material events occurring between 30<sup>th</sup> September 2013 and the date on which the Financial Statements were signed which would require an adjustment to be made to the Financial Statements.

## 17. CONTINGENCIES:

No contingent liabilities existed at 30 September 2013. The directors are not aware of any pending litigation proceedings, hearings or claim negotiations which may result in significant loss to the Credit Union.

## 18. DEBTORS, PREPAYMENTS AND ACCRUED INCOME:

	<u>2013 (€)</u>	<u>2012 (€)</u>
Investment Income Accrual	702,206	576,520
Stocks	-	1,050
Other Debtors & Prepayments	21,214	23,573
<b>Total per Balance Sheet</b>	<u>723,420</u>	<u>601,143</u>

## 19. MEMBERS' SHARES:

	<u>2013 (€)</u>	<u>2012 (€)</u>
Regular Share Accounts	31,267,344	31,058,700
Special Share Accounts	11,080,860	10,825,920
<b>Total per Balance Sheet</b>	<u>42,348,204</u>	<u>41,884,620</u>

## SCHEDULE 1 - OTHER INTEREST RECEIVABLE & SIMILAR INCOME

	<u>2013 (€)</u>	<u>2012 (€)</u>
Bank Account Interest	(146)	977
Investment Income/(Deficit)	1,078,367	1,185,247
<b>Total per Income &amp; Expenditure Account</b>	1,078,221	1,186,224

### Note A – Further Analysis of Investment Income and Gains/(Losses)

	<u>2013</u>
(i) Investment income and gains received at the balance sheet date	776,649
(ii) Investment income receivable within 12 months of the balance sheet date	299,476
(iii) Other investment income	2,096
	<u>1,078,221</u>

## SCHEDULE 2 - OTHER INCOME

	<u>2013 (€)</u>	<u>2012 (€)</u>
ECCU Claims Experience Refund	-	4,575
Entrance Fees	197	171
Commission	6,059	8,394
<b>Total per Income &amp; Expenditure Account</b>	<u>6,256</u>	<u>13,140</u>



### SCHEDULE 3 - OTHER MANAGEMENT EXPENSES

	<u>2013 (€)</u>	<u>2012 (€)</u>
Treasurers Honorarium	-	-
Rent & Rates	8,379	10,055
Lighting, Heating and Cleaning	13,125	13,872
Repairs & Renewals	6,062	295
Security	5,942	1,783
Printing & Stationary	12,827	12,756
Postage & Telephone	14,782	10,982
Donations & Sponsorship	600	315
Debt Collection	22,040	17,965
Irish Credit Bureau	3,352	3,501
Promotion & Advertising	5,738	6,892
Training Costs	9,769	5,559
Convention Expenses	360	2,162
Chapter Expenses	887	1,458
AGM Expenses	12,518	17,408
Travel & Subsistence	3,693	4,452
Bank Interest and Charges	13,461	12,143
Audit Fee	21,525	21,175
Board Oversight Committee Expenses	500	1,196
General Insurance	16,536	16,228
Share & Loan Insurance (Gross)	241,236	236,088
Death Benefit Insurance	90,485	85,554
Pension	135,041	132,999
Legal & Professional Fees	26,322	28,567
IT Costs	42,036	32,925
Bad Debts Written Off	489,398	714,809
Affiliation Fees	9,250	10,290
SPS Contributions	29,626	15,017
Regulatory Levies	11,473	8,051
Credit institution Resolution Fund Levy	25,201	-
Miscellaneous Expenses	15,689	19,708
<b>Total per Income &amp; Expenditure Account</b>	<u>1,287,853</u>	<u>1,444,205</u>



### ***Agenda Item 11 - Declaration of Dividend/Interest Rebate***

Having carefully considered the results for the year and the need to plan for the future stability of the Credit Union your Board propose the following:

- Payment of a 1.00% dividend on shares.
- Payment of a 10% rebate of interest paid.

### ***Agenda Item 12 - Approval of Honorarium***

The Board propose an honorarium of €Nil be paid to the Treasurer.

### ***Agenda Item 13 - Affiliation Fees Motion***

The Board recommend that Affiliation Fees for the Irish League of Credit Unions for the year 2013/2014 be deducted from members' savings at a rate of 0.90 cent per member over 16 years of age.

### ***Agenda Item 14 - Report of Board Oversight Committee (Supervisors)***

In presenting this report we would like to bring to your attention the following Statement of Board Oversight Committee's Responsibilities:

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

In the fulfilment of these responsibilities:

- At least one member of the Board Oversight Committee attended each Board Meeting to ensure that all actions and decisions of the directors complied with current rules and legislation and we met with the Board on two occasions during the year to review their performance.
- We undertook member balance verification by corresponding with a random sample of Credit Union members. No discrepancies were uncovered by this exercise.
- We carried out various examinations of the books and records of the Credit Union, including the Auditor's Report, to confirm that the records and accounts of the Credit Union are in order.

The outcome of this work is that we have satisfied ourselves that the Board and its various committees are complying with all relevant legislation, regulations and guidelines and decisions are made in the best interests of the overall membership.

Due to the implementation of the new Credit Union legislation the Supervisory Committee has become the Board Oversight Committee and our role will change. We believe that we still have a vital role to play in assuring members that the Credit Union is being operated in their best interests and we look forward to continuing to serve you in this revised role.

We would like to thank the Board of Directors and staff of the Credit Union for their willing help and assistance throughout the year.

*Alan Brislane, Chairperson*

*Paula Mackey*

*Jerry O'Connell*



**Agenda Item 15 - Report of Credit Committee**

The Credit Committee is appointed by the Board to consider loan applications from members. We consider each loan application on its own merits and make our decision in line with our lending policy and regulatory requirements.

This year we have seen a slight increase in the value of new loans issued to members but, due to the fact that loan repayments being made by members are greater than new loans being issued our overall loan book has fallen. We continue to have funds available to lend, so if a member has a need to borrow they should speak to us to see if we can facilitate them.

The main deciding factor for a loan application is the member’s ability to repay the loan. To help us assess this properly we need to obtain a full financial picture of the applicant, which includes all income and outgoings. We would advise members considering applying for a loan to plan ahead and submit their loan application in plenty of time to allow for all necessary checks to take place. Ultimately, we have to try to find a balance for all loan application decisions between the best interest of both the needs of the individual member and the Credit Union overall.

This year we issued a total of 2,285 new loans amounting to €5,217,347 (€4,708,789 last year), while we turned down a total of 187 applications. The breakdown of the loans issued is:

<u>Purpose</u>	<u>Number</u>	<u>Amount(€)</u>
Home Improvements	388	1,387,763
Car Purchase/Costs	217	861,673
Holiday/Recreation	133	246,162
Family Events	53	196,110
Education	37	78,609
Personal Finance	9	42,442
Medical/Health Insurance	16	31,121
Household Expenses	120	138,655
Secured Loans 5.5%	1,306	2,181,567
Miscellaneous	6	53,245
<b>Total</b>	<b>2,285</b>	<b>5,217,347</b>

We are available to meet with members, if necessary, most Friday evenings between 4.00 pm to 6.30 pm but members should be aware that a decision on their loan application will not be made until all required information is provided.

The Credit Committee would like to thank the Manager, Assistant Manager, Credit Controller and the staff for their co-operation and assistance throughout the year.

*Bobby O’Halloran, Chairperson.*  
*Mairead Mullane*  
*Catherine Halpin*



### ***Agenda Item 16 - Report of Credit Control Committee***

The Credit Control Committee is appointed by the Board of Directors annually and its purpose is to ensure that borrowers repay their loans in accordance with the conditions of their loan agreements and to take appropriate action where this is not the case. We operate in accordance with St. Mary's Parish Credit Union Ltd. written credit control policy.

During the past year our committee met at least once a month. We reviewed problem loans with the Credit Controller and decided on the most appropriate course of action to take in each case. We continued to review recent loans made to see if they were performing correctly. We submitted a written report to each Board meeting to ensure that the Board were fully aware of the situation with regard to loans in arrears. Our on-going experience is that one of the best ways to ensure that a loan will be repaid is to thoroughly examine the financial circumstances of the member at the application stage and we continue to urge the Credit Committee to make full use of all sources of information available to us in this regard.

We understand that many of our members continue to have to deal with adverse financial circumstances, with most households having to manage on reduced incomes. Despite this, the majority of our members are honouring their loan commitments in full. However some members are experiencing difficulties in repaying their loans and we strongly encourage these members to contact the Credit Control staff so we can work together to try to alleviate their problems. Where members do not engage with us or where members do not make a serious effort to meet their obligations we will issue legal proceeding as we are always mindful that we have to take whatever measures are necessary to protect our members' savings.

To date, we have not had any engagement with the Personal Insolvency Service and we believe that the up-front fees being charged by the insolvency practitioners are preventing some people from availing of this service. We would urge anyone in this situation to immediately contact us to discuss the possibility of making an agreement directly with us.

During the year we had to write off €489,398 (€714,809 last year) of loans. The term "write off" is an accounting term for the loan no longer being a live account. However, this does not mean the debt is gone and we continue to pursue these outstanding amounts to the fullest extent of the law. We recovered €78,353 (€46,603 last year) of previously written off loans this year.

We would like to acknowledge the outstanding work of the Credit Control staff, Rosanne, Fiona, Sinead and Sarah and thank them for their assistance.

*Pat Bridgeman, Chairperson*

*John Collopy, Secretary*

*Geoff McMullen*

*Pat McNamara*



### ***Agenda Item 17 - Declaration of election results***

The Chairperson will declare the results of the elections.

### ***Agenda Item 18 - Other business***

The Chairperson will invite members to raise any other business they wish to have discussed.

### ***Agenda Item 19 - Close of Meeting***

The Chairperson will formally close the meeting.



## OPENING HOURS

	<b><i>47 Athlunkard Street, Limerick</i></b>
<b>Monday</b>	10.00 am – 5.00 pm.
<b>Tuesday</b>	10.00 am – 5.00 pm.
<b>Wednesday</b>	Closed (Staff available 9.00am - 5.00pm).
<b>Thursday</b>	10.30 am – 5.00 pm.
<b>Friday</b>	10.00 am – 7.30 pm.
<b>Saturday</b>	10.00 am – 5.00 pm.

## CHRISTMAS BUSINESS HOURS 2013

<b>Monday 23<sup>rd</sup> December 2013</b>	10.00 am – 3.00 pm.
<b>Tuesday 24<sup>th</sup> December 2013</b>	Closed
<b>Wednesday 25<sup>th</sup> December 2013</b>	Closed
<b>Thursday 26<sup>th</sup> December 2013</b>	Closed
<b>Friday 27<sup>th</sup> December 2013</b>	10.00 am – 3.00 pm
<b>Saturday 28<sup>th</sup> December 2013</b>	10.00 am – 3.00 pm
<b>Monday 30<sup>th</sup> December 2013</b>	10.00 am – 3.00 pm
<b>Tuesday 31<sup>st</sup> December 2013</b>	Closed
<b>Wednesday 1<sup>st</sup> January 2014</b>	Closed
<b>Thursday 2<sup>nd</sup> January 2014</b>	Normal opening hours resume.

Please contact one of the staff if;

- you change your address,
- you wish to make or change a nomination of beneficiary,
- you require a certificate of interest,
- you want to pay by standing order,
- you have a problem you want to discuss with us.

Call to the office during opening hours or phone us at (061) 410422.

Our website address is: [www.smpcreditunion.ie](http://www.smpcreditunion.ie)

Find us on Facebook





## **Need money for Christmas (or any other purpose)?**

**Consider taking a loan secured by your savings at a great rate of 5.5%\***

**To be eligible for this great rate of interest, a loan must:**

- **Be fully secured by shares.**
- **Not exceed 90% of the shares held in the member's main account.**
- **Never be greater than the member's shares.**
- **Be repaid within 5 years.**
- **Be for an amount greater than €100 but not more than €25,000.**

**You should also note:**

- **No interest rebate will be paid in respect of these loans.**
- **The interest rate is variable and can be changed by giving one month's written notice.**
- **If the loan is topped-up above the level of shares, the whole of the outstanding loan will be liable for interest at the prevailing standard rate from the date of the top-up.**
- **In the event that the loan is not being repaid in accordance with the agreed repayment schedule the Credit Union will implement normal credit control procedures, but if these are not successful the member's shares will be offset against the full outstanding loan.**

**Advantages to you:**

- **Your savings continue to be insured and earn dividend.**
- **You have access to funds at a very attractive rate.**
- **Quick and easy loan approval.**
- **At any stage you can offset your savings against your loan if the repayments become unmanageable.**

**If you're interested in this type of loan, or any other loan, please contact any of the staff for full details and to make your application.**

**\*APR 5.63%.**



## ***Credit Union Invocation***

***Lord,***

***Make me an instrument of Thy 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.***