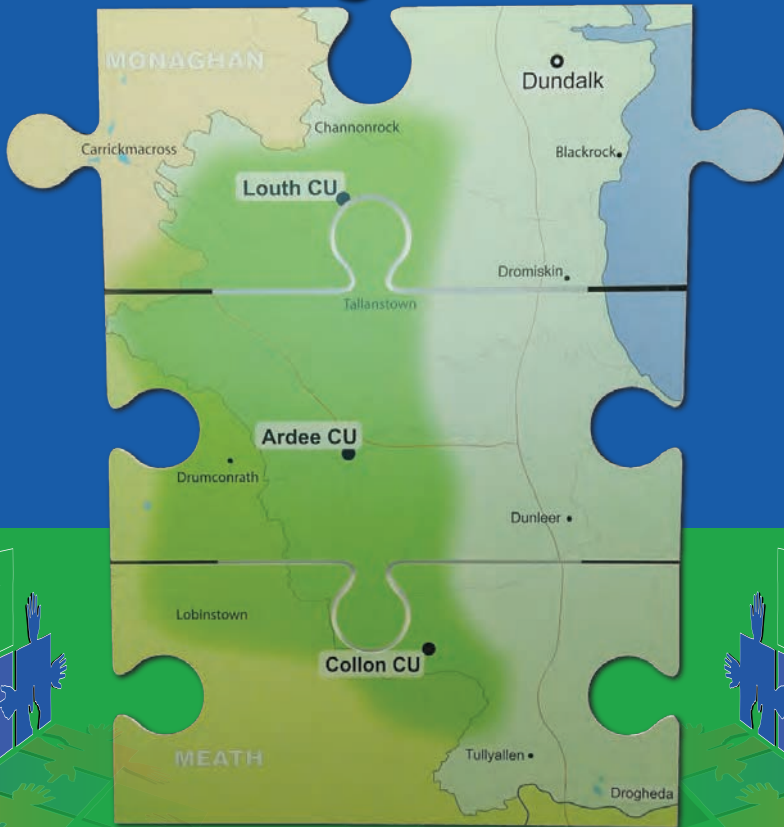




Ardee Credit Union

Annual Report 2016

stronger



together

Notice of AGM

**Monday 23rd January 2017 in the Bohemian Centre,
at 8.00pm sharp**

Notice of Annual General Meeting

The 54th Annual General Meeting of the members of Ardee Credit Union Ltd. will take place in The Bohemian Centre on Monday 23rd January 2017 at 8:00pm.

**Annual Draws for attending members.
Please bring this report with you to the AGM.**

AGENDA

- A. Credit Union Invocation
- B. The acceptance by the Board of Directors of the authorised representatives of members that are not natural persons
- C. Ascertainment that a quorum is present
- D. Adoption of Standing Orders
- E. Reading and approval (or correction) of the minutes of the last Annual General Meeting.
- F. Rule Amendments for consideration in respect of the following Rule 13(2)

That this Annual General Meeting to amend Rule 13(2) of The Standard Rules of Credit Unions (ROI) to read as follows:

A person shall be treated as having the qualification required for admission to membership of the credit union if he is a member of the same household as, and is a member of the family of, another person who is a member of the credit union and who has a direct common bond with those other members. However, a child or step-child of a member, where such child or step-child is under the age of 18 years and living outside the common bond but resident in the Republic of Ireland or the United Kingdom, shall not be precluded from membership of the Credit Union.

- G. Report of the Nomination Committee
- H. Appointment of Tellers
- I. Nominations and Balloting for Directors and Board Oversight Committee
- J. Report of the Board of Directors
- K. Report of Auditor
- L. Consideration of Accounts
- M. Declaration of Dividend and Interest Rebate
- N. Nominations and Balloting of Auditor
- O. Report of the Board Oversight Committee
- P. Report of the Credit Committee
- Q. To consider and if thought fit, to approve the following resolution:

Contribution to the ILCU International Development Fund

That the Members of Ardee Credit Union Limited, excluding Members under the age of 16 agree to contribute a maximum amount of €1.00 from their dividend to the ILCU International Development Fund Limited, subject to the provision that any member not wanting to contribute to this fund shall notify the Secretary of Ardee Credit Union in writing to this effect prior to the Annual General Meeting.

- R. Report of the Marketing Committee
- S. Car Draw
- T. New Business other than Elections
- U. Announcement of Election Results
- V. Appointment of Auditors
- W. Adjournment or close of meeting



Directors, Committees & Staff

STAFF

CEO/Manager

Niall Lambert

Assistant Manager/Compliance Officer

Rachel Quirke

Senior Loans Officer

Barry McMahon

Finance/Risk Management Officer

Eileen Fanning

Assistant Compliance and Risk Management Officer

Margaret Malone

Staff

Aine McGee	Regina Nash	Pamela McConnell
Margaret O'Keefe	Geraldine Carroll	Mary Clarke
Anna Sweeney	Tracey McEvoy	Sheila Callan
Laura Gillespie	Carmel Sheridan	Siobhain Carroll
Imelda Matthews	Rachel Kindlon	

HONOURARY PRESIDENT

Very Reverend William Murtagh P.E., A.P.

DIRECTORS – COMMITTEES

Chair Martin Whately

Secretary John Hennessy

Vice Chair Conor Thorne

Directors

Paddy Callan, Gerry Corbally, Rita Duff, John Hennessy, Tommy Kirk, David McMahon, Ray Muldoon, Tara Mullarkey, Derek Reilly, Conor Thorne, and Martin Whately.

Board Oversight Committee

Richard Duffy, Louise Carroll, Allen Reilly

Credit Committee

Paddy Callan, Michael Conoulty, Gerry Corbally, Rita Duff, Conor Thorne

Management Committee

Eileen Fanning, Niall Lambert, Margaret Malone, Barry McMahon, Rachel Quirke

Executive Committee

Rita Duff, John Hennessy, Niall Lambert, Conor Thorne, Martin Whately

Investment Committee

Rita Duff, John Hennessy, Niall Lambert, David McMahon, Martin Whately

Credit Control Committee

Noelle Douglas, Pat McMeel, Tara Mullarkey, Mary Thorne

Marketing Committee

Paddy Callan, Noelle Douglas, Barry McMahon, Ray Muldoon, Derek Reilly, Conor Thorne

Audit Committee

John Hennessy, Tara Mullarkey, Martin Whately

Nomination Committee

Paddy Callan, Gerry Corbally, John Hennessy, David McMahon

Membership Committee

Geraldine Carroll, Margaret Malone, Mary Thorne

Complaints Committee

John Hennessy, Ray Muldoon, Martin Whately

Complaints Officers

Paddy Callan, Niall Lambert, Rachel Quirke

Risk & Compliance Committee

Rita Duff, John Hennessy, Tara Mullarkey, Martin Whately

Remuneration Committee

Rita Duff, John Hennessy, Martin Whately

Insurance Officer

Barry McMahon

Training & Liaison Officer

Rachel Quirke

Chapter Delegates

Rita Duff, and Conor Thorne

Youth Officer

Aine McGee

Loan Officers

Niall Lambert, Barry McMahon, Hugh Maguire, Rachel Quirke

Nominations

Board of Directors: 2 Vacancies Tommy Kirk, Allen Reilly

Board Oversight Committee: 1 Vacancy Michael Murphy

Nominations

In accordance with the Central Bank Reform Act 2010 the Nomination Committee are required to carry out due diligence on all candidates seeking election. The Nomination Committee require sufficient time to carry out due diligence in advance of the Annual General Meeting and closing date for Nominations for AGM 2016 was 2nd January 2017. Procedures regarding Nominations can be found on our web site www.ardeecu.ie or on display in our offices. Such applications can be forwarded in writing to the Nomination Committee in the credit union office or by email to info@ardeecu.ie.

The Report of the Chair of the Board of Directors

I am pleased to present the Annual Report for the year ending 30th September 2016.

2016 review

The year has been challenging with the amalgamation with Louth Credit Union, turmoil in international deposit rates, the impact of Brexit and increased regulation. The Credit Union continues to produce good results. The business strategy decided on by the board and implemented by the management team and staff has worked well. This strategy is being reviewed on a continuous basis to ensure that it fully meets the needs of the Credit Union and its members.

Dividend

The rates of returns on deposits with banks have reduced significantly over the past number of years. The directors recommend to the AGM a dividend of 0.50%. While this is below the dividend paid last year, it is a competitive rate which is above the interest rate being paid by various banks.

Interest Rebate

The credit union has not given an interest rebate to borrowers since 2007. The interest rate charged by the credit union is very competitive. This year the directors have decided to recommend to the AGM an interest rebate of 5% of the interest paid.

Collon Credit Union

An amalgamation took place with Collon Credit Union last year. This has been a positive move for both former Collon Credit Union members and Ardee Credit Union members. A considerable number of former Collon members are now transacting their business in the Ardee office.

Louth Credit Union

The amalgamation with Louth Credit Union took place at the end of August 2016 after lengthy negotiations. The amalgamation necessitated compromise by both Credit Unions and a successful outcome was achieved. Former Louth members are benefitting from the increased service provided by the merged entity. We look forward to strengthening this relationship in future years. On behalf of all the members of Ardee Credit Union we welcome all Louth Credit Union members and look forward to many years of continued advancement. Louth Credit Union has been in existence for 45 years. Over this period, it has built up substantial reserves and has provided excellent service for its members. It has been very successful. The new model Credit Union requires enhanced risk, compliance and technology service. Economies of scale will be beneficial in order to enable us to provide this in an efficient and cost effective manner. I wish to thank the board of directors for their skills, expertise and professionalism in bringing the amalgamation to a successful conclusion, with particular mention of their diligence in looking after their members' interests.



Directors

Pat Black resigned from the board during the year. Pat served as director and chairman for many years. Rita Duff has indicated that she is not going forward for re-election. Rita has served on the board for over 30 years in various roles, director, secretary and chairperson.

On behalf of all of our members, I wish to thank both Rita and Pat for their valuable contribution to Ardee Credit Union and extend our best wishes to both highly valued board members.

The Future

Our Credit Union has amalgamated with two other Credit Unions in the last two years. Global interest rates continue to decline. We continue to take the advice from our investment advisors as to how to secure the best returns with maximum security. Compliance, regulation, risk management and other regulatory requirements have increased and will continue to increase going forward. This has had significant effect on costs but has the advantage of enhancing control and reducing risk.

The results for 2017 are expected to be lower than in 2016. In the next year we plan to streamline and enhance the services we provide. We hope to increase lending to our members. Your Credit Union continues to be a strong, healthy and robust Credit Union.

Thanks

Finally I want to thank my fellow board members, volunteers, board oversight committee, our management team and staff but most of all you, our members for your exceptional loyalty and support. I am confident that with the continued support of all, we will ensure the long term success of our Credit Union.

A handwritten signature in black ink, appearing to read 'Martin Whately'.

Martin Whately, Chairperson

Credit Control Committee Report

The Credit Control Committee's mandate is to ensure that our policy and procedures are compliant with all relevant legislation and The Standard Rules of Credit Unions.

The Credit Control Committee is appointed annually. Our role is to work with Management and Credit Control Staff to ensure members of Ardee Credit Union repay their loans in accordance with their loan agreement and that appropriate action is taken against slow and non-paying members. The committee meets monthly with management and credit control staff and prepare a monthly report to the Board.

We encourage any member having difficulty with loan repayments to contact the Credit Union at an early stage. We are committed to working with individual members to devise repayments that are affordable and sustainable. All engagement with members is confidential and non-judgemental.

Where a member fails to make the agreed repayment and/or has not made any attempt to contact the Credit Union we will seek to recover the debt. Members and guarantors, where applicable, are contacted by letters, phone calls, and visits. Where all avenues open to the Committee have been exhausted we then have to consider legal action. We do not take this step lightly but we have a duty to our membership to recover their money.



During the year under review we have written off loans totalling €77,321 and recovered €173,332 from accounts which were written off in previous years. We will continue all efforts to pursue all monies written off. As at 30th September 2016 our bad debt provision amounted to almost 11% of our loan book. This provision is monitored regularly to ensure it adequately provides for possible future impairment.

Finally we would like to thank our management, credit control officer and staff for their help and assistance throughout the year.

Noelle Douglas, Tara Mullarkey, Pat McMeel, Mary Thorne.

Sympathy

The Board, Volunteers, and Staff would like to extend their deepest sympathies to the families and friends of all our members who passed away during the past year. The holy sacrifice of mass will be offered for all our deceased members.



One-4-All Winner
Sean Myles



Tablet Winner
Elaine Scott



Car Winner
Emer Kerr

Report of the Board Oversight Committee

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

The Board Oversight Committee is responsible for ensuring that the Board of Directors carries out its statutory duties in a compliant manner and must report to the Board on a quarterly basis.

The committee held regular meetings during the past year and at least one member of this committee attended the monthly Board meetings.

We can report to members that the business of Ardee Credit Union Ltd has been conducted in a professional and ethical manner and that the Board continues to work proactively and diligently on your behalf in accordance with the Credit Union Act (as amended) and we are confident that the directors of Ardee Credit Union have the expertise, competence and commitment to ensure our Credit Union remains progressive, compliant and viable in a challenging economic environment.

Finally we wish to express our thanks to the Board of Directors, the Management Team and Staff for their cooperation and assistance during the past year.

Richard Duffy, Louise Carroll, Allen Reilly



Looking for a Business
or Farming Loan

€30,000
Business or Farming Loan

ONLY €124.40
Per week

Call 041 685 3453 for details

Amount Borrowed... €30,000	Repayment Amount.... €124.40 per week
Rate..... 8.99% (9.40%APR)	Total Interest €8,831.05
Repayment Period.... 6 years	Total Repayment..... €38,831.05

Credit Committee Report

The Credit Committee work with our Loans Officers to ensure that all loan applications are processed in accordance with the policies and procedures as set by the Board of Directors.

As at 30th September 2016, total loans outstanding to Members amounted to €18.8million. During 2015/2016 a total of 2,431 loans were granted amounting to almost €9.4 million with 94% of all loan applications being approved. Ardee Credit Union is well positioned to provide for our members borrowing requirements and the funds available are loaned on the basis of the member's ability to repay.

Ardee Credit Union Members benefit from:

- Low variable interest rate 8.99%(APR 9.4%)
- No hidden fees or charges
- Straight forward loan application procedure
- Repayment options to suit your circumstances
- Free Life Savings and Loan Protection Insurance
- No penalties for early repayment
- Fast loan approval process
- Interest charged only on the outstanding balance

Check out the representative examples in the table below for the best loan option available

Weekly loan repayment (including loan interest)*

Amount €	Repayment period	Amount per week €	Total cost of loan
1,000	12 months	20.14	1,046.55
3,000	12 months	60.38	3,139.70
5,000	24 months	52.57	5,466.98
10,000	36 months	73.17	11,415.42
20,000	60 months	95.51	24,836.75
30,000	84 months	111.03	40,420.63

*Calculations correct as at 10.12.16

Reduced Rate Loans: In addition to our Standard Variable Rate loan we also offer the following;

- **Reduced Rate Student Loans** **4.99%** (APR 5.1%),
Low cost Student loans to help with education costs.
- **Community Development Loans** **4%** (APR 4.17%),
Loans to voluntary, community based organizations

Business and agriculture loans - €1 Million to lend!!

We are now in a position to offer business and farming loans to our members subject to a maximum of €100,000 in excess of shares subject to terms and conditions as per our Lending Policy and Central Bank requirements. Members are urged to contact the office to discuss their business or farming lending needs.

For full details regarding the process and requirements of loan applications check out our Loans Calculator on line at <http://www.ardeecu.ie> or contact our office at 1-800-200-789.

Loans issued

2016

Car Related	€ 4,053,408 or 43%
House Related	€ 4,186,238 or 46%
Business and Farming	€ 106,000 or 1%
Social, Education & Comm. Dev	€ 679,360 or 7%
Misc.	€ 321,399 or 3%
Total	€ 9,346,405

The application process – what do I need?

Simply call to the office and speak to one of our loan officers.

We will need the following information prior to loan approval;

- Proof of income (up to date payslips, social welfare receipts, etc.)
- Up to date current bank statements, credit card statements etc.
- Up to date certified accounts and notice of tax assessment, if self-employed.

When assessing loan applications we carry out a full assessment of the borrowers' current financial position and their ability to repay the loan. We ask members to make a full and honest disclosure of all relevant information. Ardee Credit Union is a member of the Irish Credit Bureau. This enquiry facility allows us to verify a loan applicants' credit record and outstanding liabilities with other financial institutions enabling us to make faster and more informed decisions.

Full details regarding the process and requirements of loan applications are set out in our "Procedures for Loan Applications" leaflet that is available in our office or on line at www.ardeecu.ie.

In conclusion, we would like to express our sincere thanks and gratitude to all our Members who have borrowed from their Credit Union during the year. We also thank the Board of Directors, Board Oversight Committee, Management, Loans Officers and Staff for their assistance during the year.

**Paddy Callan, Michael Conoulty, Gerry Corbally,
Rita Duff, Conor Thorne**

Year	€ Savings	€ Loans
2006	68,097,541	31,736,617
2007	69,706,505	34,348,584
2008	68,534,664	36,465,237
2009	67,053,563	30,880,335
2010	65,594,790	25,046,385
2011	63,999,776	19,301,150
2012	60,716,093	14,904,732
2013	59,881,675	12,927,696
2014	60,212,740	12,762,316
2015	64,945,075	13,949,776
2016	72,355,745	18,795,854

**Freephone 1800-200-789, or check out our
Loan Calculator at www.ardeecu.ie**

Marketing Committee Report

The Board of Directors appoints the Marketing Committee annually to continue to develop Ardee Credit Union through sponsorship and promotions. The Committee met regularly and reported to the Board on a monthly basis.

The Donations and Sponsorship Committee provided sponsorship for many community organisations, local events, sporting clubs, and charities during the year. We are also active in promoting our loans and services using local radio, flyers, social media and in- house advertising

Mini Credit Unions

As part of our Mini Credit Union scheme Ardee Credit Union and Schools in our Common Bond work together to actively encourage our young people to save a little and often. Students in Monastery Boys, Newtown, Scoil Mhuire Na Trócaire, St. Peter & Paul Drumconrath, Tallanstown National School, St Mochtas National School and Collon National School have developed the good habit of saving each week. Our sincere thanks to the principals, teachers and staff, who help with the operation of the Mini Credit Union Scheme in their schools.

Annual Quiz

Once again our Schools Quiz – attended by the primary schools in our Common Bond was one of the highlights of our calendar year. Well done to all who took part and congratulations to the winning teams.

Section A Winners

-Under 11

Newtown National School

Zak Bourne, Pierce Cassidy,
Moirá Lynch Duff, Kelly Smyth



Section A Runners Up

-Under 11

St Peter & Pauls National School, Drumconrath

Luíseach Carolan, Aaron Crosby,
Conor Farrell, Oran Mc Mahon



Section B Winners

-Under 13

St Peter & Paul's National School

Alex Clarke, Diarmuid Jones,
Peter Griffin, Aaron Tighe



Section B Runners Up

-Under 13

Ballapousta National School

Roisin Brennan, Dylan Fitzgerald,
Rebecca Kilcoyne, Conall Mc Cague



Keep up to date.... www.ardeecu.ie

Our new Web Page has gone from strength to strength with many members using their mobile devices to access our web page. When a Member registers for on-line access they can check their account balances, check recent transactions, order some of our application forms eg CU Cash and Car Draw forms, and see the benefits of all the services we offer.

Members can now also avail of full online banking services including fund transfer and bill pay facilities. .



Our Facebook and Twitter page is updated on a daily basis and lots of pictures are added. Members can keep up to date with items of interest, notification of our Car Draws and Car Draw Winners.

So why not like our social media pages and keep up to date with what's happening!

Members Car Draw – Congratulations to all this years winners!

Our Members' Car Draw, which began in December 2005 has been a tremendous success. Almost 2,900 members have joined the draw to date and we have had 95 lucky winners of cars in addition to cash prize winners.

Over the last year there have been 10 lucky winners.



**Mary Mc Gee,
Robert Rice,
Philip Baylon,
Gerry Brennan,**

**Eamonn Kerr,
Hugh Brennan,
Clare Clarke Keane,**

**Sean Maguire,
Emer Kerr,
Evelyn Smith,**

This year in addition to our Car Draws we also had Bonus Cash Draws totalling €10,000. The winners of € 1,000 each are as follows:

**Bridie Taaffe,
Bernard Kelly,
James Mc Donnell,**

**Brian Reilly,
Mary Lyons,
Geraldine & Brendan Carolan,**

**Ann O Regan,
Peter Mc Gee,**

**Ann Freer,
Joseph Austin,**

Congratulations to all our winners

As membership of the draw grows we hope to have more cars and cash prizes available. Members can enter the draw at anytime by simply completing a Car Draw Entry Form available at the Credit Union office.

Paddy Callan, Noelle Douglas, Barry McMahon, Raymond Muldoon, Derek Reilly, Conor Thorne



**Car Draw Winner
Clare Clarke Keane**



**Car Draw Winner
Eamonn Kerr**



**Car Draw Winner
Mary McGee**

Directors' Report

In respect of the Financial Statements for the year ended September 2016

1. Statement of Directors responsibilities.

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

- select suitable accounting policies and then apply them consistently.
- make judgements and estimates that are reasonable and prudent.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Credit Union will continue in business.

The directors are responsible for keeping proper 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.



2. Ardee Credit Union

Ardee Credit Union is a strong and healthy Credit Union and we have operated at the heart of our local community for over 54 years. The financial statements as presented in our Annual Report are in a different format to previous years. This is due to the statutory requirement to adopt the presentation of accounts under the FRS 102 standard.

3. Louth Credit Union

Ardee and Louth Credit Unions amalgamated on 31st August 2016. This was completed under a Transfer of Engagements. Members of Louth Credit Union are now members of Ardee Credit Union. The net assets taken over from Louth Credit Union amounted to €959,789.

4. Results for the year 2016

This was another challenging year. In the past year almost €9.4 million was loaned to members leading to an increase in our loan book. Return on investments continue to decline but we actively manage our investment portfolio, with advice from our investment advisors Goodbody, to ensure that we get the best rate available.

Income has increased by..... €163,269 to€2,536,732
Expenditure has increased by.....€154,882 to€1,339,658
Excess of income over expenditure increased by..... € 8,387 to €1,197,074

The assets of the Credit Union have increased by	€ 9,313,096 to	€90,811,474
Total Assets 30/9/16		€90,811,474
Total Assets 30/9/06		€79,827,432
Total Assets 30/9/96		€18,832,807

Included in our assets as at 30/09/16 are assets in the amount of €7,692,842 transferred from Louth Credit Union

Dividend

The Directors are proposing a dividend of 0.5%

Proposed Dividend **€352,480**

Interest Rebate

To reward the loyalty of our borrowing members, the Directors are also proposing a Loan Interest rebate of 5% of interest paid by members in the past year

Proposed Rebate **€78,583**

5. The future

Ardee Credit Union is well capitalized, appropriately provisioned and carries reserves and liquidity levels in excess of the minimum regulatory requirements. We are aware that the coming year will again pose significant challenges. We forecast that the return on our investments will reduce but we project an increase in interest on loans due to increased demand.

6. Directors

The following are the Directors who served during the period of the accounts. Pat Black, Paddy Callan, Gerry Corbally, Rita Duff, John Hennessy, Tommy Kirk, David McMahon, Raymond Muldoon, Tara Mullarkey, Derek Reilly, Conor Thorne, and Martin Whately.

On behalf of the Board of Directors,
Signed,



Chair



Member of the Board of Directors

Auditor's Report

Independent Auditors' Report to the Members of Ardee Credit Union Limited.

We have audited the financial statements of Ardee Credit Union Limited for the year ended 30th September 2016 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Retained Earnings, 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 Acts 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 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 & 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 apparent material misstatements or inconsistencies we consider the implications for our report.

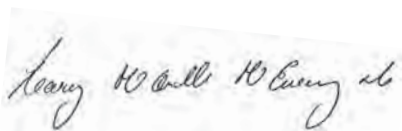
Opinion on financial statements

In our opinion the Financial Statements:

- give a true and fair view of the state of the Credit Unions' affairs as at 30th September 2016 and of its income and expenditure for the year then ended;
- have been prepared in accordance with Generally Accepted Accounting Practice in Ireland; and
- have been properly prepared so as to conform with the requirements of the Credit Union Act 1997 as amended.

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.



For and on behalf of
Kearney McArdle McEneaney & Co.
Chartered Certified Accountants
& Registered Auditors
12 Crowe Street,
Dundalk,
Co. Louth

Date 28th November 2016

Financial Statements 2016

Income and Expenditure Account as at 30.09.16

		€	€
	Schedule	2016	2015
Income			
Interest on Members' Loans		1,343,042	1,139,636
Other Interest Receivable and Similar Income	1	1,140,020	1,194,889
Net Interest Income		2,483,062	2,334,525
Other Income	2	53,670	38,938
Total Income		2,536,732	2,373,463
Expenditure			
Salaries		673,629	609,657
Other Management Expenses	3	899,828	902,728
Depreciation	Note 10	181,576	162,805
Gain on Revaluation of Investment Property	Note 10	(254,034)	
Provision for Bad and Doubtful Debts	Note 6	21,553	(376,099)
Bad Debts Recovered		(173,332)	(169,931)
Total Expenditure		1,349,220	1,129,160
Total Comprehensive Income prior to Transfer of Engagements		1,187,512	1,244,303
Costs of Transfer of Engagements		(9,562)	110,335
ReBo Rebate			(54,719)
		(9,562)	55,616
Total Comprehensive Income for the Year		1,197,074	1,188,687

On behalf of the Credit Union:


Member of the Board of Directors
Date: 28th November 2016


Member of Board Oversight Committee


CEO

Financial Statements 2016

Balance Sheet as at 30.09.16

		€	€
	Notes	2016	2015
Assets			
Cash and Balances at Bank		625,424	1,043,607
Deposits and Investments	5	68,623,678	63,867,812
Loans to Members	11	18,795,854	13,949,777
Less: Provision for Bad and Doubtful Debts	6	(2,027,937)	(1,610,371)
Tangible Fixed Assets	10	3,331,983	2,927,281
Debtors, Prepayments and Accrued Income		1,462,473	1,320,273
Total Assets		90,811,474	81,498,378
Liabilities			
Members' Shares	12	72,355,745	64,645,075
Bank Overdraft			37
Other Liabilities, Creditors, Accruals and Charges	13	506,987	421,184
Total Liabilities		72,862,732	65,066,296
Net Worth		17,948,742	16,432,082
Represented By:			
Members' Resources			
Regulatory Reserves		10,076,449	9,204,515
Operational Risk Reserve		100,950	
Other Reserves:			
Realised Reserves		7,314,103	7,069,840
Unrealised Reserves		457,240	157,727
Total Reserves		17,948,742	16,432,082

On behalf of the Credit Union:


 Member of the Board of Directors
 Date: 28th November 2016


 Member of Board Oversight Committee


 CEO

Financial Statements 2016

Movement in Reserves for the year ended 30/09/2016

	Balance at 1 October 2015 €	Arising on Transfer €	Net Movement €	Balance at 30 September 2016 €
Regulatory Reserve	9,204,515	871,934	-	10,076,449
Operational Risk Reserve	-	-	100,950	100,950
Realised Reserves				
Undistributed Surplus	3,569,519	-	237,255	3,806,774
Dividend Reserve	3,296,319	-	-	3,296,319
Transfer of Engagements Reserve	204,002	7,008	-	211,010
Total Realised Reserves	7,069,840	7,008	237,255	7,314,103
Unrealised Reserves				
Unrealised Investment Income	35,368	-	(35,368)	-
Revaluation Reserve	-	-	254,034	254,034
Transfer of Engagements Reserve	122,359	80,847	-	203,206
Total Unrealised Reserves	157,727	80,847	218,666	457,240
Total Reserves	16,432,082	959,789	556,871	17,948,742

The Regulatory Reserve represents 11.1% of the credit union's total assets (2015: 11.3%)

The Operational Risk Reserve represents 0.1% of the credit union's total assets (2015: N/A)

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Cash Flow Statement for the year ended 30.09.16

	€	€
	2016	2015
Cash flows from operating activities		
Surplus	1,197,074	1,188,687
Adjust for non cash items:		
Depreciation	181,576	162,805
Revaluation	(254,034)	
Bad debt provision	417,567	(166,099)
	345,109	(3,294)
Movements in:		
Accrued interest	1,870	(9,000)
Other receivables	(64,072)	(322,348)
Other payables	85,803	266,159
	23,601	(65,189)
Cash flows from changes in operating assets and liabilities:		
Cash inflow from members shares	34,515,930	28,739,891
Cash outflow from repaid members shares	(26,805,259)	(24,307,557)
New loans to members	(12,695,468)	(7,855,481)
Repayment of loans by members	7,849,391	6,668,020
	2,864,594	3,244,873
Net cashflows from operating activities	4,430,378	4,365,077
Cashflows from investing activities:		
Purchase of property, plant and equipment	(412,244)	(261,438)
Net cash flow from managing liquid deposits	(2,163,122)	(6,620,848)
Transfer of engagements reserve	959,789	820,661
	(1,615,577)	(6,061,625)
Cash flow from financing activities		
Dividend paid	(640,203)	(598,838)
Net decrease in cash and cash equivalents	2,174,598	(2,295,386)
Cash and cash equivalents at beginning of year	15,754,972	18,050,358
Cash and cash equivalents at end of year	17,929,570	15,754,972

Note 15

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Notes to the Financial Statements for the year ended 30.09.16

1. Legal and Regulatory Framework

Ardee Credit Union is established under the Credit Union Act 1997 (as amended). Ardee Credit Union is registered with the Registrar of Credit Unions and is regulated by the Central Bank of Ireland.

2. Significant Accounting Policies

Basis of preparation

These financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland. The Financial Statements are prepared under the historical cost basis.

First time adoption of FRS 102

These are Ardee Credit Union's first financial statements to comply with FRS 102. The date of transition to FRS 102 is 1 October 2014. The transition to FRS 102 has resulted in a small number of accounting policy changes compared to those applied previously. Note 18 to the financial statements describes the differences between the retained earnings and surplus presented previously and the amounts as restated to comply with the accounting policies selected in accordance with FRS 102 for the reporting period ended at 30 September 2015, (ie. comparative information), as well as the retained earnings presented in the opening balance sheet, (ie. at 1 October 2014). It also describes all the required changes in accounting policies made on first time adoption of FRS 102.

Income Recognition

Interest on Members' Loans

Interest on Members' Loans is recognised on an accruals basis over time irrespective of when the interest is physically received by the credit union. An adjustment is made to the year end amount receivable for any irrecoverable amounts or amounts written off for whatever reason. This is the method required by Generally Accepted Accounting Practice (GAAP) and as prescribed by Section 110(f) of the Credit Union Act 1997 as inserted by item 98 of Schedule 1 of the Credit Union and Co-Operation with Overseas Regulators Act 2012.

Investment Income

Investment income is accounted for differently depending on how the different investments are designated at the outset and based on meeting certain criteria. The credit union uses the following accounting methods:

Held at amortised cost

Investments designated on initial recognition as held at amortised cost are measured at amortised cost using the effective interest method less impairment. This means that the investment is measured at the amount paid for the investment, minus any repayments of the principal; plus or minus the cumulative amortisation using the effective interest method of any difference between the amount at initial recognition and the maturity amount; minus, in the case of a financial asset, any reduction for impairment or uncollectability. This effectively spreads out the return on such investments over time, but does take account immediately of any impairment in the value of the investment.

Held to maturity investments

Investments designated on initial recognition as held to maturity are investments that the credit union intends, and is able to, hold to maturity. These are carried at amortised cost using the effective interest method. The fair value of some investment products will change during their life, but they will have a fixed maturity value at some future date. When designated as held to maturity, any change in the fair value during the term of the investment is ignored, with the credit union only accounting for interest received. Gains and losses are recognised in income when the investments are derecognised or impaired, as well as through the amortisation process. Investments intended to be held for an undefined period are not included in this classification.

Central Bank deposits

Credit Unions are obliged to maintain certain deposits with the Central Bank. These deposits are technically assets of the credit union but to which the credit union has restricted access. The funds on deposit with the Central Bank attract nominal interest and will not ordinarily be returned to the credit union while it is a going concern. In accordance with the direction of the Central Bank the amounts are shown as current assets and are not subject to impairment reviews.

Tangible Fixed Assets and Depreciation

Tangible fixed assets comprises items of property, plant and equipment, which are stated at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Depreciation is provided to write off the cost of each item of property, plant and equipment, less its residual value, on a straight line basis over its estimated useful life. The categories of property, plant and equipment are depreciated as follows:

	<i>No. of Years</i>	<i>Rate Applied</i>
<i>Freehold Premises</i>	<i>25</i>	<i>4%</i>
<i>Fixtures and Fittings</i>	<i>8</i>	<i>12.5%</i>
<i>Computer</i>	<i>4</i>	<i>25%</i>

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Notes to the Financial Statements for the year ended 30.09.16

Investment property whose fair value can be measured reliably without undue cost or effort is measured at fair value with changes in fair value recognised in the Statement of Comprehensive Income. Revalued investment properties are not depreciated or amortised unless the fair value cannot be measured reliably or without undue cost or effort.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and loans and advances to banks, (ie. cash deposited with banks), with maturity of less than or equal to three months.

Financial assets - loans and advances to members

Loans to members are financial assets with fixed or determinable payments. Loans are recognised when cash is advanced to members and measured at amortised cost using the effective interest method.

Loans are derecognised when the right to receive cash flows from the asset have expired, usually when all amounts outstanding have been repaid by the member.

Impairment of bad debts

Ardee Credit Union, under FRS 102 assesses, at each balance sheet date, if there is objective evidence that any of its loans to members are impaired. The loans are assessed that share similar credit risk characteristics. Individually significant loans are assessed on a loan by loan basis. In addition, if, during the course of the year, there is objective evidence that any individual loan is impaired, a specific loss will be recognised.

Any bad debts or impairment losses are recognised in the Statement of Comprehensive Income as the difference between the carrying value of the loan and the net present value of the expected cash flows.

Financial liabilities members' shares and deposits

Members' shareholdings and deposits in Ardee Credit Union are redeemable and therefore classified as financial liabilities. They are initially recognised at the amount of cash deposited and subsequently measured at the nominal amount.

Employee benefits

Defined contribution plans: The amounts charged as expenditure for the defined contribution plan are the contributions payable by Ardee Credit Union for the relevant period. Other employee benefits: Other short term employee benefits, including holiday pay, are recognised as an expense over the period they are earned.

Pension Costs

Contributions to the pension scheme are charged to the Income & Expenditure Account in the period to which they relate.

Reserves

Retained earnings are the accumulated surpluses to date that have not been declared as dividends returnable to members. The retained earnings are subdivided into realised and unrealised in accordance with the Central Bank Guidance Note for Credit Unions on Matters Relating to Accounting for Investments and Distribution Policy. Investment income that has been recognised but will not be received within twelve months of the balance sheet date is classified as "unrealised" and is not distributable as a dividend in accordance with the Central Bank direction. All other income is classified as "realised". A reclassification between unrealised and realised is made as investments come to within twelve months of maturity date.

Regulatory Reserve

The Credit Union Act 1997 (Regulatory Requirements) Regulations 2016 requires credit unions to establish and maintain a minimum regulatory reserve requirement of at least ten per cent of the assets of the credit union. This reserve is to be perpetual in nature; freely available to absorb losses; realised financial reserves that are unrestricted and non-distributable. This reserve is similar in nature and replaces the Statutory Reserve which was a requirement of previous legislation.

Operational Risk Reserve

Section 45(5)(a) of the 1997 Act requires each credit union to maintain an additional reserve that it has assessed is required for operational risk having regard to the nature, scale and complexity of the credit union. Credit unions are required to maintain a minimum operational risk reserve having due regard for the sophistication of the business model. The definition of operational risk is the risk of losses stemming from inadequate or failed internal processes, people and systems or from external events. The directors have considered the requirements of the Act and have considered an approach to calculation of the operational risk reserve based on indicative guidance issued by the Central Bank. The credit union identifies individual risks and then assigns a monetary value to them by assessing each risk's monetary impact and multiplying it by the calculated percentage of the probability of its occurrence.

Transfer of Engagements

The Transfer of Engagements is accounted for using the acquisition method of accounting. This involves recognising identifiable assets and liabilities of Louth Credit Union Limited at fair value. In applying the acquisition method of accounting for this business combination, the member interests transferred by Ardee Credit Union 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 Louth Credit Union Limited, (the fair value of Louth Credit Union Limited), at the date of the transfer, and is reflected as an adjustment in "other reserves".

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Notes to the Financial Statements for the year ended 30.09.16

3. Use of estimates and judgements

The preparation of financial statements requires the use of certain accounting estimates. It also requires the Directors to exercise judgement in applying Ardee Credit Union's accounting policies. The areas requiring a higher degree of judgement, or complexity, and areas where assumptions or estimates are most significant to the financial statements are disclosed below:

Bad debts/impairment losses on loans to members

Ardee Credit Union carries out its bad debt review in accordance with FRS 102 using a combination of methodologies. First, loans are ranked by numbers of weeks in arrears and a relevant increasing percentage is applied to loans as the number of weeks in arrears rises. Secondly, a review of individual loans is carried out taking into consideration the personal circumstances of the relevant member and applying a percentage provision against each members loan based on judgement and past experience. Finally, loans are assessed that share similar credit risk characteristics. Each group of loans has a percentage applied to them to calculate a bad debt provision having due regard for historical data and the experience of the credit union as regards to historical amounts of bad debts incurred.

Impairment of buildings

Details of estimates and judgements employed in this area are set out in Note 10, Tangible Fixed Assets.

4. Transfer of Engagements

On 31 August 2016, Ardee Credit Union Limited, ("ACU"), accepted the Transfer of Engagements of Louth Credit Union Limited, ("LCU"). The Assets and Liabilities of LCU at 31 August 2016 were incorporated into the Balance Sheet of ACU at that date.

ACU did not pay any consideration in respect of the Transfer of Engagements. On the date of the transfer, the members of LCU became members of ACU and thereby became entitled to member interest associated with such membership. In applying the acquisition method of accounting for this business combination, the members interests transferred by ACU 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 LCU at the date of the transfer and is reflected as an adjustment in reserves in the Movement in Reserves on page 16.

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

	LCU prior to Transfer	Fair Value adjustments on Transfer	Fair Value acquired by ACU
	€	€	€
Tangible Fixed Assets	365,000	-	365,000
Cash and Balances at Bank	614,305	-	614,305
Deposits and Investments	3,760,488	-	3,760,488
Loans to Members	3,349,063	-	3,349,063
Provision for Bad and Doubtful Debts	(396,014)	-	(396,014)
Debtors, Prepayments and Accrued Income	-	-	-
Members Shares	(6,588,990)	-	(6,588,990)
Other Liabilities, Accruals and Charges	(144,063)	-	(144,063)
	<u>959,789</u>	-	<u>959,789</u>

No fair value adjustments arose on transfer as these were processed in Louth Credit Union prior to the date of transfer.

5. Deposits and Investments

The credit union has the following investments

	2016 €	2015 €
Irish and EMU State Securities	9,864,705	10,090,096
Accounts in Authorised Credit Institutions	31,634,168	30,452,083
Bank Bonds	26,858,276	22,499,876
Collective Investment Schemes	266,529	815,336
Other	-	10,421
Total	<u>68,623,678</u>	<u>63,867,812</u>

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Notes to the Financial Statements for the year ended 30.09.16

6. Loan Arrears and Doubtful Debts

	2016 €	2015 €
Opening provision for bad debts	1,610,371	1,776,470
Bad debt provision from Louth Credit Union Transfer of Engagements	396,014	-
Bad debt provision from Collon Credit Union Transfer of Engagements	-	210,000
Increase / (decrease) in bad debt provision	21,552	(376,099)
Total	2,027,937	1,610,371

7. Interest expense and Loan Interest Rebate

Interest expense is the dividend paid to members for the prior year. The dividend is formally proposed by the Directors after the year end and is confirmed at the following Annual General Meeting. As a result it does not represent a liability at the balance sheet date.

The rate of dividend and loan interest rebate recommended by the Board will reflect: the risk profile of the credit union; the Board's desire to maintain a stable rate of distribution each year; and members' legitimate dividend and loan interest rebate expectations. Prudence and the need to sustain the long term future of the credit union is the overriding priority.

	2016 €	2015 €
Interest paid during the year	640,203	598,838
Dividend rate on Share accounts	1%	1%
Interest proposed but not recognised	352,480	640,203
Dividend rate on Share accounts	0.5%	1%
Loan Interest Rebate proposed but not recognised	78,583	N/A
Loan Interest Rebate rate	5.0%	N/A

The above dividends refer to dividends paid out in those years from the surplus earned in previous years. The directors are proposing a dividend of 0.5% and a loan interest rebate of 5% for 2016 to be paid, subject to agreement by the membership at the AGM.

8. Key Management Remuneration

The directors of Ardee Credit Union Limited are all unpaid volunteers. The figures below represent benefits paid to the management team for Ardee Credit Union Limited.

	2016 €	2015 €
Short term employee benefits paid to key management	302,127	283,146
Payments to defined contribution pension schemes	26,199	41,914
Total	328,326	325,060

9. Credit Risk Disclosures

Ardee Credit Union Limited complies with Section 12 of the Credit Union Act 1997 (Regulatory Requirements) Regulations 2016. This Regulation:

- restricts the concentration of lending by the credit union within certain sectors or to connected persons or groups (concentration limits);
- restricts the absolute amount of lending to certain sectors to a set percentage of the regulatory reserve (large exposure limit);
- restricts the loan duration of certain loans to specified limits (maturity limits); and
- requires specified lending practices to be in place where loans are made to certain sectors such as commercial loans or community loans.

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Notes to the Financial Statements for the year ended 30.09.16

9. Credit Risk Disclosures (continued)

	2016 €	2015 €
Gross loans not impaired:		
- Neither past due not impaired	3,399,133	3,040,663
Gross loans impaired or not fully recoverable:		
- Neither past due not impaired	10,563,785	6,667,011
- Up to 9 weeks past due	3,452,679	2,961,057
- Between 10 and 18 weeks past due	341,943	190,485
- Between 19 and 26 weeks past due	95,180	156,086
- Between 27 and 39 weeks past due	56,509	83,528
- Between 40 and 52 weeks past due	99,663	46,369
- 53 or more weeks past due	786,962	804,578
Total	18,795,854	13,949,777

10. Tangible Fixed Assets

	Freehold Premises €	Investment Property €	Fixtures & Fittings €	Computer €	Total €
Cost					
As at 1 October 2015	4,705,742	-	210,873	219,651	5,136,266
Transfer from Louth Credit Union	365,000	-	-	-	365,000
Reclassification	(145,402)	145,402	-	-	-
Revaluation	-	204,598	-	-	204,598
Reclassify to Current Assets	(80,000)	-	-	-	(80,000)
Additions	-	-	22,004	25,240	47,244
As at 30 September 2016	4,845,340	350,000	232,877	244,891	5,673,108
Depreciation					
As at 1 October 2015	1,877,724	-	183,465	147,796	2,208,985
Transfer from Louth Credit Union	-	-	-	-	-
Reclassification	(49,436)	49,436	-	-	-
Revaluation	-	(49,436)	-	-	(49,436)
Charge for year	140,675	-	1,699	39,202	181,576
As at 30 September 2016	1,968,963	-	185,164	186,998	2,341,125
Net Book Value at					
As at 30 September 2016	2,876,377	350,000	47,713	57,893	3,331,983
Net Book Value at					
As at 30 September 2015	2,828,018	-	27,408	71,855	2,927,281

In view of the continued economic uncertainty in the property market, the Board has considered the appropriateness of carrying out an impairment review on land and buildings. The directors agreed that there is likely to have been some diminution in the market value of the credit union building in line with all properties in the town in general. However, the directors are also of the opinion that a reliable market valuation for bespoke credit union buildings would be impossible to obtain.

The directors have undertaken a "value in use test" of (1) the Ardee operating premises and (2) the Collon operating premises. These calculations are to determine if the value of the buildings will be obtained through its use into the future. This involves projecting forward future expected surpluses less expected future dividends for twenty years. The projected net cash to be generated over this twenty year period from the buildings has been discounted at a cost of funds of 5% which the Board considers more than prudent given current market rates for funds available to Ardee Credit Union Limited. This calculation gives a value in use in excess of the net book value of the buildings. Thus the Board have concluded that no further impairment adjustment is necessary in the current year.

As required, a valuation was carried out on the building occupied by Louth Credit Union Limited in Louth Village in April 2016. The valuation received amounted to €285,000. As required under acquisition accounting, the building has been recorded at its fair value on transfer. This adjustment was processed by Louth Credit Union prior to the date of the transfer.

As required, a valuation was carried out on the building owned by Louth Credit Union Limited in Tallanstown in April 2016. The valuation received amounted to €80,000. As required under acquisition accounting, the building has been recorded at its fair value on transfer. This adjustment was processed by Louth Credit Union prior to the date of the transfer. This building has been reclassified to debtors, prepayments and accrued income as it is the intention of the Board to dispose of this within the next year as it is surplus to requirements.

Financial Statements 2016

Notes to the Financial Statements for the year ended 30.09.16

10. Tangible Fixed Assets (continued)

During the year Ardee Credit Union entered into a lease for four years for the building held by the credit union on Church Hill. Having considered the matter carefully, the Board decided that the building would be leased to "Dee Hub" which is a community organisation with a shared interest in serving the needs of the locality. The credit union retains part of the building for storage. Resulting from this the building has been reclassified as an investment property. A valuation was carried out in June 2016 and indicated a value of €350,000. The resulting revaluation has been accounted for through the income and expenditure account.

11. Loans and advances to members

	2016 €	2015 €
As at 1 October 2015	13,949,777	12,762,316
Advanced during the year	9,346,405	7,045,066
Repaid during the year	(7,849,391)	(6,668,020)
Loans transferred from Collon Credit Union Limited	-	810,415
Loans transferred from Louth Credit Union Limited	3,349,063	-
	18,795,854	13,949,777

At 30 September 2016

12. Members' Shares

	2016 €	2015 €
Regular share accounts	6,530,275	4,239,012
Special share accounts	65,825,470	60,406,063
	72,355,745	64,645,075

13. Other Liabilities, Creditors, Accruals and Charges

	2016 €	2015 €
PAYE/PRSI	16,421	15,626
Accruals and other creditors	490,566	405,558
	506,987	421,184

14. Additional financial instruments disclosures

14a. Financial risk management

Ardee Credit Union Limited manages its members' shares and loans so that it earns income from the margin between interest receivable and interest payable. The main financial risks arising from Ardee Credit Union Limited's activities are credit risk, liquidity risk and interest rate risk. The Board reviews and agrees policies for managing each of these risks which are summarised below.

Credit risk: Credit risk is the risk that a borrower will default on their contractual obligations relating to repayments to Ardee Credit Union Limited, resulting in financial loss to the credit union. In order to manage this risk the Board approves Ardee Credit Union Limited's lending policy and all changes to it. All loan applications are assessed with reference to the lending policy in force at the time. Subsequently loans are regularly reviewed for any factors that may indicate that the likelihood of repayment has changed.

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Notes to the Financial Statements for the year ended 30.09.16

14. Additional financial instruments disclosures (continued)

Liquidity risk: Ardee Credit Union Limited's policy is to maintain sufficient funds in liquid form at all times to ensure that it can meet its liabilities as they fall due. The objective of Ardee Credit Union's liquidity policy is to smooth the mismatches between maturing assets and liabilities and to provide a degree of protection against any unexpected developments that may arise.

Market risk: Market risk is generally comprised of interest rate risk, currency risk and other price risk. Ardee Credit Union Limited conducts all its transactions in Euro and does not deal in derivatives or commodity markets. Therefore Ardee Credit Union Limited is not exposed to any form of currency risk or other price risk.

Interest rate risk: Ardee Credit Union Limited's main interest rate risk arises from differences between the interest rate exposures on the receivables and payables that form an integral part of a credit union's operations. Ardee Credit Union considers rates of interest receivable when deciding on the dividend rate payable on members' shares. Ardee Credit Union Limited does not use interest rate options to hedge its own positions. Interest rate risk is constantly monitored by the Board.

14b. Interest rate risk disclosures

The following table shows the interest rates applicable to relevant financial assets and financial liabilities

Loan type	For period	2016 Per month	2016 APR	2015 Per month	2015 APR
Standard loans	Entire year	0.74%	9.40%	0.74%	9.40%
Student loans	Entire year	0.41%	5.10%	0.41%	5.10%
Community Development loans	Entire year	0.33%	4.17%	0.33%	4.17%

The dividend payable is at the discretion of the Directors and is therefore not a financial liability of the Credit Union until declared and approved at the AGM.

15. Cash and cash equivalents

	2016 €	2015 €
Cash and Balances at Bank	625,424	1,043,607
Bank Overdraft	-	(37)
Deposits and Investments - cash equivalents < 3 months	17,304,146	14,711,402
Total cash and cash equivalents	<u>17,929,570</u>	<u>15,754,972</u>

16. Post balance sheet events

There are no material events after the balance sheet date to disclose.

17. Related Party Transactions

	No. of loans	Amount
Loans advanced to Related Parties during the year	17	€78,500
Total loans outstanding to Related Parties at 30 September 2016	28	€208,099
Total provisions for loans outstanding to Related Parties		€798

The Related Party Loans stated above comprise of loans to members of the Board, the Management Team and members of the family of a member of the Board and Management Team of Ardee Credit Union Limited. Total loans outstanding to Related Parties represent 1% of the total loans outstanding at 30 September 2016.

18. Insurance against fraud

The Credit Union has insurance against fraud in the amount of €2,600,000 in compliance with Section 47 of the Credit Union Act 1997, (as amended).

19. Transition to FRS 102

This is the first financial year that Ardee Credit Union Limited has presented financial statements complying with FRS 102. The last financial statements under Irish GAAP were for the financial year ended 30 September 2015. Ardee Credit Union Limited's date of transition to FRS 102 is 1 October 2014. Set out below are the changes in accounting policies which reconcile profit for the financial year ended 30 September 2015 and total equity as at 1 October 2014 and 30 September 2015 between Irish GAAP as previously reported and FRS 102.

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Notes to the Financial Statements for the year ended 30.09.16

19. Transition to FRS 102 (continued)

Reconciliation of surplus from previous accounting standards to FRS 102 2016

	At 30 September 2015 €	At 1 October 2014 €
Surplus as previously reported	1,137,947	1,510,052
Bad debt reserve	123,122	549,726
Accrual basis for income recognition	9,000	35,927
Investments	(81,382)	(14,357)
Short term employee benefits	-	(4,240)
Surplus in accordance with FRS 102	1,188,687	2,077,108

Reconciliation of retained earnings from previous accounting standards to FRS 102 2016

	At 30 September 2015 €	At 1 October 2014 €
Retained earnings as previously reported	15,814,286	14,454,516
Bad debt reserve	672,848	549,726
Accrual basis for income recognition	44,927	35,927
Investments	(95,739)	(14,357)
Short term employee benefits	(4,240)	(4,240)
Retained earnings in accordance with FRS 102	16,432,082	15,021,572

The adjustments are:

Bad debt reserve

FRS 102 does not allow general reserves for bad debts. FRS 102 does allow an Incurred But Not Reported (IBNR) bad debt reserve which is similar to a general reserve but calculated differently. IBNR is based on underlying evidence such as past experience of bad debts or linked to delinquency rather than a calculation based on worst case scenario and prudence.

Accrual basis for income recognition

Credit unions historically accounted for interest on a cash receipts basis. The 2012 Act introduced specific requirements and FRS 102 also requires that income be accounted for on an accruals basis. Interest earned at 30 September but not received until after that date is now accounted for as income in September. The correction is retrospective.

Investments

Investments accounted for under the old "cost model" rules have been restated to amortised cost and fair value resulting in an adjustment applied retrospectively to both the income recognised and in their carrying amount.

Employee benefits

Under Irish accounting standards, Ardee Credit Union Limited did not make a provision for holiday pay, ie. holidays earned but not taken prior to the year end. In contrast, FRS 102 requires the cost of short-term compensated absences when employees render the service that increases their entitlement. As a result an additional accrual has been made to reflect this.

20. Car Draw

A members car draw commenced in December 2005

	2016 €	2015 €
Income		
Entry fees received	170,590	162,680
Expenses		
Purchase of prizes	170,000	162,800
Income less expenses	590	(120)
Prize fund at 1 October 2015	55	175
Total	645	55

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Schedules to the Financial Statements for the year ended 30.09.16

Schedule 1 - Other Interest Receivable and Similar Income for the year ended 30 September 2016

	2016 €	2015 €
Investment Income	1,140,020	1,194,889
Total per Income and Expenditure Account	1,140,020	1,194,889
Investment income receivable as follows:		
Received by the Credit Union at the balance sheet date	397,292	271,867
Receivable within 12 months of the balance sheet date	742,728	887,654
Receivable after 12 months of the balance sheet date	-	35,368
	1,140,020	1,194,889

Schedule 2 - Other Income for the year ended 30 September 2016

	2016 €	2015 €
Entrance Fees	65	48
Commission	(1,052)	192
Foreign exchange income	10,130	10,883
ECCU Rebate	42,794	27,815
Rental income	1,733	0
Total per Income & Expenditure Account	53,670	38,938

Schedule 3 - Other Management expenses for the year ended 30 September 2016

	2016 €	2015 €
Rent and rates	24,206	16,817
Lighting, heating and cleaning	17,739	22,201
Repairs, renewals & maintenance	29,943	32,840
Security	5,327	4,630
Printing and stationery	21,938	20,464
Postage and telephone	16,711	13,750
Donations and sponsorship	7,422	8,550
Debt collection	953	1,438
Promotion and advertising	22,690	17,327
Training costs	10,383	3,797
Convention expenses	796	3,184
Chapter expenses	1,300	1,226
AGM Expenses	20,905	25,472
Travel and subsistence	6,549	4,246
Entertainment costs	3,356	1,800
Bank Charges	35,118	28,364
Audit fee	20,328	19,540
General insurance	25,191	22,200
Share and loan insurance	201,496	186,540
Pension	58,093	64,468
Legal and professional fees	64,488	70,792
Computer maintenance	79,282	68,196
Affiliation fees	69,425	67,682
Regulatory levy	8,004	8,034
ReBo Levy	3,506	4,054
Stabilisation Levy	17,789	16,460
CBOL cr institution res fund	40,815	37,786
Deposit guarantee scheme	256	(832)
Bad Debts written off	77,321	127,354
Miscellaneous expenses	8,498	4,348
Total per Income and Expenditure Account	899,828	902,728

Our Services

- Savings & Loans
- Free Life Savings Protection
- Repayment Protection Insurance
- Members Car Draw
- Health Insurance Group Scheme
- EFT's
- Mini Credit Unions
- No Fees / Service Charges
- Bureau de Change
- Reduced Rate Student Loans

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Payroll Deduction

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Web Access www.ardeecu.ie

Standing Order

CU Anywhere APP

Debit Card Payments

For details on any of our services contact us at:

Call : 041 685 3453

Email : info@ardeecu.ie Web : www.ardeecu.ie

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and still lending.....



ARDEE OPENING HOURS

Mon: 09.30am - 12.30pm
01.30pm - 05.00pm

Tue: 10.30am - 12.30pm
01.30pm - 05.00pm

Wed: 09.30am - 12.30pm
01.30pm - 05.00pm

Thur: 09.30am - 05.00pm

Fri: 09.30am - 05.00pm

Sat: 09.30am - 04.00pm



COLLON OPENING HOURS

Fri: 09.30am - 01.00pm
02.00pm - 04.30pm

Sat: 09.30am - 01.30pm



LOUTH OPENING HOURS

Fri: 12.30am - 04.00pm

Sat: 09.30am - 01.00pm



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