

# Gorey Credit Union Limited

*"To build life long relationships, One member at a time"*

## 2015 / 2016 ANNUAL REPORT



McDermott Street, Gorey, Co. Wexford.  
Main St. Avoca, Co. Wicklow.  
10 Gilbert's Row, Rathdrum, Co. Wicklow.  
Ashtown, Roundwood, Co Wicklow.

Telephone: 053 / 94 88700 Fax: 053 / 94 20938

Web: [www.goreycreditunion.com](http://www.goreycreditunion.com) / E-mail: [info@goreycreditunion.com](mailto:info@goreycreditunion.com)

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# WELCOME TO THE ANNUAL GENERAL MEETING OF

## *Gorey Credit Union Ltd.* *Loch Garman Arms Hotel.* *Wednesday 21st December, 2016 at 7.30p.m.*

### **ORDER OF BUSINESS**

1. Acceptance of Proxies (if any) by Board of Directors.
2. Ascertainment that a Quorum is present.
3. Adoption of Standing Orders.
4. Minutes of Last AGM and any SGM.
5. Presidents Address.
6. Report of Directors.
7. Financial Report including Auditor's Report & consideration of accounts.
8. Declaration of Dividend and Rebate of Interest.
9. Motion / Rule Changes.
10. Marketing & Business Development Officer Report.
11. Credit Committee Report.
12. Credit Control Committee Report.
13. Membership Committee Report.
14. Board Oversight Committee Report.
15. Risk & Compliance Officer Report.
16. Nominating Committee Report.
17. Appointment of Tellers.
18. Election of Auditor.
19. Election to fill vacancies on Board Oversight Committee.
20. Election to fill vacancies on the Board of Directors.
21. Any Other Business
22. Announcement of Election Results.
23. Member's Draw.
24. Close / Adjournment of Meeting.

*Jim Kavanagh*  
*Honorary Secretary.*

### **Standing Orders**

1. The proposer of a resolution or of an amendment thereto, may speak for five minutes, but no longer.
2. Any member speaking to a resolution or any amendment shall not exceed three minutes.
3. The proposer of a resolution or an amendment may speak a second time for five minutes before a vote is taken, but no other member can speak a second time to the same resolution or amendment.
4. The President shall at any time she/he considers a matter has been sufficiently discussed, call on the proposer to reply, and when that has been given, a vote must be taken.

**Nominations:** There are four vacancies for the position of Directors, two vacancies on the Board Oversight Committee and one vacancy for Auditor.

Nomination Packs are available on an ongoing basis at the Credit Union Counter

Due to legislative changes, nominations can not be accepted from the floor of the AGM.

Each member holding one fully paid-up share of €7.00 and aged 16 years of age or over shall have one vote. Members are asked to bring their pass-cards as means of identification for voting purposes.

## DIRECTORS DURING PERIOD 2015/2016 AND OTHER INFORMATION

### EXECUTIVE DIRECTORS:

*President:* Thomas Fitzpatrick  
*Vice President:* Peter Finn  
*Secretary:* Jim Kavanagh  
*Asst. Secretary:* Joseph Kinsella

### DIRECTORS:

Enda O'Connor  
 Mary Hearne  
 Seamus Halvey  
 Tom Fortune (Retired)  
 Pat Kavanagh  
 Andrew Cullen  
 Michael Ryan (Retired)

### OVERSIGHT COMMITTEE:

Kevin Molloy / Imelda Purcell / Lorraine Walsh / Roseanna Carroll (Resigned)

### STAFF During 2015/16:

#### GENERAL MANAGER:

Barry Monaghan

#### Admin & Finance MANAGER:

Helen Brady

#### CREDIT CONTROLLER:

Caroline Kavanagh

#### LOANS MANAGER:

Gina Kenny

#### Risk & Compliance OFFICER:

Geraldine Sheehan

#### IN HOUSE SOLICITOR:

Yvonne O'Neill

#### Acting In House SOLICITOR:

Emma J Murphy

### STAFF:

#### During year 2015/16:

Ailish Lacey	Betty Moorehouse	Maureen Creevy
Ann Forsyth	Liz Sheridan	Lisa O'Connor
Bernadette Kennedy	Mary Mackey	Bernadette McCarthy
Mary Halford	Jenny Swords	Michelle Roche
Celine O'Brien	Tina McClure	Nicola O'Leary
Edel Byrne	Denise Murray	Valentina Farris
Tom Brennan	Lisa Travers	Susan Baldwin
Maria Kelly	Fionnuala Doyle	Kerrie Carr
Noeleen Cullen	Breda Goland	Joan Dixon
Roisin Monaghan	Gemma Purdy	Roseanna Carroll
Geraldine Kelly	Liz Fitzgerald	Margaret Brennan
Donal O'Connor	Jenny Kerwin	Marguerite Townsend
Emma Gibney	Joan Hughes	Lisa Ryan

#### BANKERS:

BNP Paribas,  
 5 George's Dock,  
 IFSC, Dublin 1.

Ulster Bank Ltd.  
 Main Street, Gorey.

Bank of Ireland.  
 Main Street,  
 Rathdrum,  
 Co. Wicklow.

#### AUDITORS:

Sheil Kinnear  
 Chartered Accountants  
 & Registered Auditors.

## PRESIDENTS ADDRESS

On behalf of the Board of Directors, I would like to welcome you, the members to the 50th AGM of Gorey Credit Union Ltd and to especially welcome those attending our AGM for the first time.

2016 has proven to be another challenging year both nationally and globally. It must be emphasised that each Credit Union is its' own standalone entity owned by you the members and operated on your behalf by the Board of Directors to ensure that your savings remain safe and secure. I am pleased to report that this Credit Union, thanks to prudent lending and management, aligned with adherence to governance and allied with excellent support from our membership, has come through the year stronger than ever.

Our Membership as of 30/09/16 stands at 27292. Members' savings total €95,359,069 while total Loans issued to members amounts to €48,771,037, an excellent performance overall.

You will have noted recent media coverage that detailed key questions that members should ask to ensure that your Credit Union is safe and secure and included topics such as holding of AGM, dividends paid, loan book increase- loan arrears decrease, bad debt provisioning etc- to summarise on GCU's behalf:

Gorey Credit Union Ltd has year on year always held its' AGM and has always declared a dividend and most usually an interest rebate as well.

Our Loan Book is consistently growing while our loans arrears are continually falling and the level of provisioning relating is prudently monitored. You will have noticed in the financial statements the impact in this regard of the accounting standard FRS 102.

All of this is detailed in the relevant committee reports.

The main objective as always is to ensure the safety of our member's shares and deposits.

Gorey Credit Union Ltd is a member of the Deposit Guarantee Scheme, details of which you will find at the bottom of page 15 in this booklet. Further new legislation "Credit Union Act 1997 (Regulatory Requirements) Regulations 2016" came in to effect on 01st January 2016 and imposes a €100,000 maximum savings limit on an individual member in a Credit Union. Eligible deposits are protected by the DGS.

Your Credit Union is safe, secure, going from strength to strength and a hugely viable alternative for all your financial needs.

The Board of Directors ensure utmost prudence in running the Credit Union on your behalf, whilst ensuring compliance with ever changing regulation and legislation with increased focus on strategic planning, compliance and risk mitigation.

Director Pat Kavanagh, on behalf of the Board, will present the full Financial Report later tonight, but as President, I am pleased to announce that our Board of Directors having fulfilled our duty to keep statutory reserves at the required levels, are recommending a dividend return of **0.25%** and a loan interest rebate of **10.00%** on the standard rate loan. This in effect equates to a net standard loan rate of just 8.33% once the proposed rebate is factored in. We believe this distribution, combined with low loan interest rates available all year round is a fair and balanced means of rewarding both our savers and borrowers over the past year.

By keeping our proposed dividend and interest rebate realistic it enables us adequately meet all our regulatory requirements. It also enables us to invest in the development and delivery of existing and additional services. The Board of Directors are committed to maintaining this proactive approach, to safeguard your Credit Union.

## PRESIDENTS ADDRESS (continued)

In addition to this, our Loan Protection and Life Savings (LP&LS) & Death Benefit Insurance (D.B.I.) are paid as an operational expense so there is no cost to our Members.

I would like to acknowledge and thank both the Management Team & Staff for all their hard work, commitment and dedication during the year.

I would also like to place on record my appreciation to our Auditors Sheil Kinnear.

I would also like to thank my fellow Director's & Board Oversight Committee members for their support and assistance.

In conclusion, I would like to extend my condolences to the families of members who have passed away this year and to various members of our Board, Staff & Board Oversight Committee who themselves have suffered from such losses, yet continue to work for the overall good of Gorey Credit Union.

Please remember that this is your credit union, so use it. By supporting your Credit Union, you will in turn help your Credit Union support you.

Thomas Fitzpatrick.  
President.  
25th November, 2016

## RISK & COMPLIANCE REPORT 2016

Gorey Credit Union's Risk Management Policy is approved by the Board at least annually. The Risk Management Officer meets with and reports to both the Risk Committee and the Board of Directors on a monthly basis. The Risk Management System in Gorey Credit Union allows the Board to identify and assesses risks that may impact upon a Credit Union's business e.g. cyber security and data protection . Gorey Credit Union uses the Central Bank PRISM risk categorisation. The Risk Appetite is reviewed and approved annually by the Board of Directors. The Risk Committee oversees the implementation of Gorey Credit Union's risk appetite and when risks have been identified they are actively managed and mitigated by the Management Team and the Board.

Gorey Credit Union is prudent in its attitude to risk and will continue to ensure that the Credit Union maintains an appropriate capital level through this growth period. At this point in the economic cycle, Gorey Credit Union is well positioned to continue to provide services to its members.

The Compliance Function runs alongside the Risk Management System and the Board of Gorey Credit Union, on behalf of you the member, can now satisfy itself that Risk & Compliance is at the heart of all our decisions. Gorey Credit Union is constantly striving to improve its services to members all the while being aware of the ever increasing need of resources to record, verify and monitor our systems and processes for your benefit. Our Internal Auditors have assessed the Compliance Function and found it to be robust, and our aim will be to continue to improve our Risk & Compliance functions in all areas during the coming year.

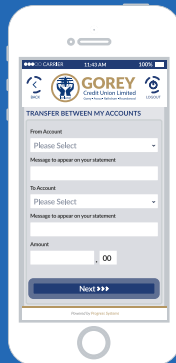
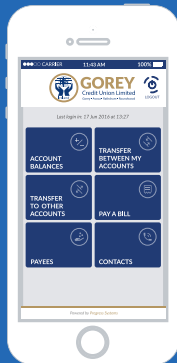
Geraldine Sheehan.  
Risk & Compliance Officer.

*Committee members during the year:*  
(Chairperson) Enda O'Connor,  
(Secretary) Joseph Kinsella,  
Peter Finn, Thomas Fitzpatrick.

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## TAXATION OF DIVIDEND

The recently published Finance Bill contains a provision that dividends paid into credit union *Regular Share* accounts will be subject to DIRT from 1<sup>st</sup> January 2014. When coupled with the removal of the tax-free limits on Special Term accounts, this means that **all** credit union share dividend and deposit interest paid to members (*including children*) will be subject to DIRT from that date, *with the exception of dividend or interest paid to members who are exempt from DIRT*.

The only members who can be exempt are:

- Members **aged over 65** whose total income is less than the relevant limit, currently €18,000 for an individual and €36,000 for a married couple. For married couples, only one of the spouses needs to be over 65. **To avail of this exemption, you must sign a self-declaration form DE1**. This form is available in your credit union and is a declaration that you (or your spouse) are aged over 65 and that your total income is less than the relevant limit.
- Members who are **permanently incapacitated**. Such members should either contact their local Revenue Commissioners office directly or contact a service body such as the Irish Wheelchair Association. Credit unions have no role in approving the exemption in these cases.

If you do not complete the self-declaration form, the credit union will be obliged to deduct DIRT from your dividend or interest. You will then have to apply directly to the Revenue Commissioners for a refund of this DIRT (if you are eligible).

### **Re: Special Term Accounts**

In addition to the above, the tax free limits applicable to share dividend and deposit interest in Special Term Accounts have been removed and will not apply to Special Term Accounts opened after 16<sup>th</sup> October 2013. Existing Special Term Accounts can continue to avail of the tax free amount for the remainder of their term.

## MOTION FOR AGM 2016

### **1st Motion for AGM = Additional Services MPCAS**

Take notice that the following resolution is proposed to the annual general meeting of Gorey Credit Union Limited: "That as required by Section 48 of the Credit Union Act, 1997 the annual general meeting of Gorey Credit Union Limited held on 21st December 2016 hereby approves the provision of the following additional service by the credit union to members subject to the prior approval of the Registrar of Credit Unions and any other permissions or licences that may be required by law:

Member Personal Current Account Services

The business will not be subsidised by Gorey Credit Union Limited funds and there is no financial risk to members' funds."

This motion must be approved by not less than two thirds of the members present and voting at the Annual General Meeting of Gorey Credit Union Limited to be held on 21st December 2016.

### **2nd Motion for AGM = Common Bond Expansion**

Proposed Motion to amend Rule 11 at the Annual General Meeting 2016

That this Annual General Meeting amends Rule 11 to read as follows:

Membership shall be limited to and consist of the signatories to the application to register the credit union and such other persons having the following common bond:

**Gorey and ten mile radius therefrom - no change / Kilmuckridge and ten mile radius therefrom - was three miles  
Avoca and a ten mile radius therefrom - was five miles / Rathdrum and a ten mile radius therefrom - was five miles  
Roundwood and a ten mile radius therefrom - was five miles / Laragh and ten mile radius therefrom - was five miles**

as have been duly admitted members of the credit union in accordance with these rules and comply with such of the rules as relate to membership and including, if otherwise qualified, such other persons as were members of the unincorporated body known as Gorey Credit Union Limited immediately before the date on which such body secured registration a Gorey Credit Union Limited.

### **3rd Motion for AGM = Name Change**

The Board recognise that members of a Credit Union have an emotional and proprietary attachment to the name of their Credit Union. To facilitate the smooth transition of members to Gorey Credit Union in the future, should the opportunity arise, the Board of Directors propose a motion to amend Rule 2 (1). (The name of the Credit Union). This rule change can only be invoked (i) should the opportunity for further mergers or transfers arise, (ii) the Board deems it appropriate, (iii) and after approval from the Central Bank.

This motion must be approved by not less than two thirds of the members present and voting at the Annual General Meeting of Gorey Credit Union Limited to be held on 21st December 2016.

Board of Directors, Gorey Credit Union Ltd.

# Gorey Credit Union Limited.

Gorey, Avoca, Rathdrum & Roundwood

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- ✘ Reduced Rate Wills
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- ✘ Member Personal Account Service (Coming Soon)

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# Gorey Credit Union Limited

*“To build life long relationships, One member at a time”*

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# DIRECTORS' REPORT

## FOR THE YEAR ENDED 30<sup>TH</sup> SEPTEMBER 2016

### RESULTS DIVIDEND AND APPROPRIATION OF SURPLUS

The income and expenditure accounts as set out on page 15 shows a surplus for the year of €1,489,565 compared with a restated surplus of €1,424,480 in the previous year.

The directors are recommending a dividend of 0.25% costing €214,525 and they are also proposing a rebate of 10% on interest paid on members' loans, amounting to €263,494.

The directors have transferred €1,007,791 to Regulatory reserve as set out in the Statement of Changes in Reserves on page 17.

### PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks arising from Gorey Credit Union's activities are set out in note 18 of the attached accounts.

### HEALTH & SAFETY

The wellbeing of the Credit Union's staff is safeguarded through adherence to health and safety standards and we are satisfied that these have been improved and continued to operate satisfactorily during the year.

In accordance with the Safety, Health & Welfare at Work Act, the Credit Union's policy and procedures have been reviewed and a comprehensive safety statement has been prepared.

### STATEMENT OF DIRECTORS RESPONSIBILITIES AND BOARD OVERSIGHT COMMITTEE'S RESPONSIBILITIES

The statement of directors' responsibilities and board oversight committee's responsibilities are set out on page 13.

### POST BALANCE SHEET EVENTS

There have been no significant events since the year end.

### ON BEHALF OF THE BOARD

**President:** Thomas Fitzpatrick

**Secretary:** Jim Kavanagh

Date: 25th November 2016

McDermott Street, Gorey, Co. Wexford.

# STATEMENT OF DIRECTORS' AND BOARD OVERSIGHT COMMITTEE'S RESPONSIBILITIES

FOR THE YEAR ENDED 30<sup>TH</sup> SEPTEMBER 2016

## Statement of Directors' Responsibilities

The Credit Union Acts 1997 - 2012 require 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 the Income and Expenditure Account 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 a going concern basis unless it is inappropriate to presume that the Credit Union will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Credit Union and to enable them to ensure that the financial statements are prepared in accordance with applicable Irish law and Generally Accepted Accounting Practice in Ireland, including the standards issued by the Financial Reporting Council, and in particular FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". They are 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.

On behalf of the Board of Directors

Member of the Board of Directors: Thomas Fitzpatrick

Member of the Board of Directors: Jim Kavanagh

Date: 25th November 2016

## Statement of Board Oversight Committee's Responsibilities

The Credit Union Acts 1997 - 2012 require the appointment of a Board Oversight Committee to assess whether the Board of Directors has operated in accordance with Part IV, Part IV (a) and any regulations made for the purposes of Part IV or Part IV (a) of the Credit Union Acts 1997 - 2012 and any other matter prescribed by the Central Bank in respect of which they are to have regard in relation to the Board.

Chairperson of the Board Oversight Committee: Kevin Molloy

Date: 25th November 2016

# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF GOREY CREDIT UNION LIMITED

We have audited the financial statements of Gorey Credit Union Limited for the year ended 30th September 2016, which comprise the Income and Expenditure Account, the Balance Sheet, the Statement of Changes in Reserves, the Cash Flow Statement and the related notes to the financial statements.

The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

This report is made solely to the Credit Union's members, as a body, in accordance with Section 120 of the Credit Union Acts 1997 – 2012. 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 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 (APB's) Ethical Standards for Auditors.

### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Credit Union's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report, the Board Oversight Committee Report and the Credit Committee Report to identify material inconsistencies with the audited financial statements, and to identify any information that is materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 assets, liabilities, and financial position of the Credit Union as at 30th September 2016 and of its surplus for the year then ended;
- have been properly prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, issued by the Financial Reporting Council; and
- have been properly prepared so as to conform with the requirements of the Credit Union Acts 1997 – 2012 and the Credit Union Act 1997 (Regulatory Requirements) Regulations 2016.

### 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.

Thomas Brazil  
for and on behalf of  
Sheil Kinnear Limited  
Chartered Accountants & Registered Auditors

Sinnottstown Business Park,  
Drinagh,  
Co. Wexford.

Date: 25th November 2016

# INCOME & EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30<sup>TH</sup> SEPTEMBER 2016

	Note	2016 €	2015 €
Interest on members' loans	4	3,684,586	3,035,713
Other interest income and similar income	5	952,940	692,402
Interest payable on members' deposits	6	(29,794)	(26,029)
<b>Net interest income</b>		<b>4,607,732</b>	<b>3,702,086</b>
Other income	7	345,893	130,430
Employment costs	9b	(1,765,504)	(1,331,784)
Depreciation	11	(263,097)	(237,931)
Other management expenses (Schedule 1)		(1,946,873)	(1,505,561)
Net recoveries or losses on loans to members	12d	511,414	667,240
<b>Surplus for the financial year</b>		<b>1,489,565</b>	<b>1,424,480</b>
Other comprehensive income		-	-
<b>Total comprehensive income</b>		<b>1,489,565</b>	<b>1,424,480</b>

The financial statements were approved, and authorised for issue, by the Board on 25th November 2016 and signed on its behalf by:

Manager: Barry Monaghan

Member of the Board of Directors: Thomas Fitzpatrick

Member of the Board Oversight Committee: Imelda Purcell

## The Deposit Guarantee Scheme

Eligible deposits in Gorey Credit Union are protected by: The Deposit Guarantee Scheme ("DGS"). The limit of this protection is EUR 100 000 per depositor per credit institution. If you have more than one eligible deposit with us all your eligible deposits at the same credit union are 'aggregated' and the total is subject to the limit of EUR 100 000. If you have a joint account with another person(s) the limit of EUR 100 000 applies to each depositor separately. The reimbursement period in the case of the credit unions failure is 20 working days. Currency of reimbursement: Euro.

For enquiries relating to your account please contact our Member Service Officers (MSO's), Gorey Credit Union Ltd, McDermott St., Gorey, Co. Wexford. 053 9488700. Email: [info@goreycreditunion.com](mailto:info@goreycreditunion.com).

To contact the DGS for further information on compensation: Deposit Guarantee Scheme, Central Bank of Ireland, PO BOX 11517, Spencer Dock, North Wall Quay, Dublin 1. Tel: 1890-777777. Email: [info@depositguarantee.ie](mailto:info@depositguarantee.ie) More information: [www.depositguarantee.ie](http://www.depositguarantee.ie)



# BALANCE SHEET

FOR THE YEAR ENDED 30<sup>TH</sup> SEPTEMBER 2016

	Note	2016 €	2015 €
<b>ASSETS</b>			
Cash and cash equivalents	10	27,646,244	39,149,325
Tangible fixed assets	11	4,418,700	4,545,586
Loans to members	12	44,094,536	38,706,000
Prepayments and accrued income	13	310,567	338,911
Investments	14	<u>34,811,070</u>	<u>20,594,960</u>
<b>Total assets</b>		<u><b>111,281,117</b></u>	<u><b>103,334,782</b></u>
Members' shares	15	89,339,990	82,700,587
Members' deposits	16	6,019,079	5,781,577
Members' savings stamps		875,592	733,471
Other payables	17	560,631	466,973
<b>Total liabilities</b>		<u><b>96,795,292</b></u>	<u><b>89,682,608</b></u>
<b>ASSETS LESS LIABILITIES</b>		<u><b>14,485,825</b></u>	<u><b>13,652,174</b></u>
<b>RESERVES</b>			
Regulatory reserve		12,356,909	11,349,118
Operational Risk reserve		125,000	-
Dividend reserve		1,593,728	1,964,503
Non-distributable investment income reserve		410,188	338,553
<b>Total reserves</b>		<u><b>14,485,825</b></u>	<u><b>13,652,174</b></u>

The financial statements were approved, and authorised for issue, by the Board on 25th November 2016 and signed on its behalf by:

Manager: Barry Monaghan

Member of the Board of Directors: Thomas Fitzpatrick

Member of the Board Oversight Committee: Imelda Purcell

# STATEMENT OF CHANGES IN RESERVES

FOR THE YEAR ENDED 30<sup>TH</sup> SEPTEMBER 2016

	Regulatory reserve €	Operational risk reserve €	Dividend reserve €	Non- distributable investment income reserve €	Total reserves €
Opening balance at 1st October 2014	8,826,809	-	1,569,051	291,182	10,687,042
Total comprehensive income for the year	-	-	1,424,480	-	1,424,480
Dividends paid during the year (Note 6)	-	-	(421,984)	-	(421,984)
Transfer between reserves	559,673	-	(607,044)	47,371	-
Transfer of engagement	1,962,636	-	-	-	1,962,636
Closing balance at 30th September 2015	11,349,118	-	1,964,503	338,553	13,652,174
Opening balance at 1st October 2015	11,349,118	-	1,964,503	338,553	13,652,174
Total comprehensive income for the year	-	-	1,489,565	-	1,489,565
Dividends paid during the year (Note 6)	-	-	(655,914)	-	(655,914)
Transfer between reserves	1,007,791	125,000	(1,204,426)	71,635	-
Closing balance at 30th September 2016	12,356,909	125,000	1,593,728	410,188	14,485,825

- (1) The Regulatory reserve of the Credit Union as % of total assets as at 30th September 2016 was 11.1%. (2015: 10.98%).
- (2) In accordance with S45 of the Credit Union Act 1997 (as amended) Gorey Credit Union Limited put in place an Operational Risk reserve during the current period. The Board approved a transfer of €125,000 from the Dividend reserve to the new Operational Risk reserve, following the completion of an internal process of assessing the level of the reserve required to cover the operational risk within the Credit Union.
- (3) The transfer of €87,313 to the Regulatory reserve in the previous year represented 10% of the surplus of the Credit Union in the amount of €873,132, as stated under previous Irish GAAP. No adjustment has been made to this transfer to reflect the fact that the restated surplus for the previous year under FRS 102 now stands at €1,424,480, nor has any adjustment been made for the reduction in the reserves of the Credit Union as at 1st October 2014 of €269,414 on transition to FRS 102 (see Note 24).
- (4) Following commencement of S13 of the 2012 Act, the requirement for Credit Unions to transfer 10% of their annual surplus to their statutory reserve (now known as the Regulatory reserve) each year has been removed. Notwithstanding this the Board of Gorey Credit Union Limited has transferred €630,000 of its current year surplus to its Regulatory reserve together with €377,791 from dividend reserve. In 2015 the Board has transferred an additional €472,360 from bad debt provision to regulatory reserve so that the reserve would stand at 11.1% at current year end, more than the required limit of 10%.

# CASH FLOW STATEMENT

FOR THE YEAR ENDED 30<sup>TH</sup> SEPTEMBER 2016

	Note	2016 €	2015 €
<b>Cash flow from operating activities</b>			
Loans repaid by members	12a	21,749,578	17,033,988
Loans granted to members	12a	(26,828,239)	(18,702,983)
Loan interest received	4	3,684,586	3,035,713
Interest paid on members' deposits	6	(26,358)	(21,123)
Investment income received		952,940	692,402
Other income received		345,893	130,430
Bad debts recovered	12d	430,355	208,774
Dividends paid	6	(400,848)	(310,596)
Loan interest rebate paid		(255,066)	(111,388)
Operating expenses paid to include employment costs		(3,680,506)	(3,288,272)
		<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
<b>Net cash flows from operating activities</b>		<b>(4,027,665)</b>	<b>(1,333,055)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	11	(136,211)	(96,808)
Proceeds and sale of investments	14	(14,216,110)	13,932,686
		<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
<b>Net cash flows from investing activities</b>		<b>(14,352,321)</b>	<b>13,835,878</b>
<b>Cash flow from financing activities</b>			
Cash inflow from members' deposit accounts	16	9,722,708	10,203,816
Cash outflow from members' deposit accounts	16	(9,485,206)	(9,307,736)
Members' shares received	15	70,155,564	51,971,491
Members' shares withdrawn	15	(63,516,161)	(48,829,868)
		<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
<b>Net cash flows from financing activities</b>		<b>6,876,905</b>	<b>4,037,703</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>			
<b>Cash &amp; cash equivalents at beginning of year</b>		<hr style="border-top: 1px solid black;"/> <b>39,149,325</b>	<hr style="border-top: 1px solid black;"/> <b>22,608,799</b>
<b>Cash &amp; cash equivalents at end of year</b>	10	<hr style="border-top: 1px solid black;"/> <b>27,646,244</b>	<hr style="border-top: 1px solid black;"/> <b>39,149,325</b>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30<sup>TH</sup> SEPTEMBER 2016

### 1. Legal and regulatory framework

Gorey Credit Union Limited is established under the Credit Union Acts 1997 to 2012. The Credit Union is registered with the Registrar of Credit Unions and is regulated by the Central Bank of Ireland. The principal place of business is McDermott Street, Gorey, Co. Wexford.

### 2. Accounting policies

#### 2.1. Statement of compliance and 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" ("FRS 102").

The financial statements have been prepared on the historical cost basis.

#### 2.2. First-time adoption of FRS 102

These are Gorey Credit Union's first financial statements to comply with FRS 102. The date of transition to FRS 102 is 1st October 2014.

The transition to FRS 102 has resulted in a number of accounting policy changes compared to those applied previously. Note 24 to the financial statements describes the differences between the reserves 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 30th September 2015 (i.e. comparative information), as well as the retained reserves presented in the opening Balance Sheet (i.e. at 1st October 2014). It also describes all the required changes in accounting policies made on first-time adoption of FRS 102.

#### 2.3. Currency

The financial statements are prepared in Euro, which is the functional currency of the Credit Union. Monetary amounts in these financial statements are rounded to the nearest Euro.

#### 2.4. Going concern

The financial statements are prepared on the going concern basis. The directors of Gorey Credit Union Limited. Believe this is appropriate as the Credit Union:

- Is generating annual surpluses;
- Maintains an appropriate level of liquidity; and
- Has reserves that are currently above the minimum requirements of the Central Bank.

#### 2.5. Income

Interest on members' loans

Interest on loans to members is recognised using the effective interest method, and is calculated and accrued on a daily basis.

##### *Investment income*

The Credit Union currently only has investments that are valued at amortised cost, and use the effective interest method to recognise investment income.

Investment income from bank term deposits is recognised when received or receivable.

##### *Other income*

Other income which includes commission's receivable on insurance products and foreign exchange services arises in connection to specific transactions. Income relating to individual transactions is recognised when the transaction is completed.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30<sup>TH</sup> SEPTEMBER 2016

### 2.6. Dividends to Members and Interest on Members' Deposits

#### **Interest on members' deposits**

Interest on members' deposits is recognised using the effective interest method.

#### **Dividends on shares and loan interest rebates**

Dividends are made from current year's surplus and the dividend reserves set aside for that purpose. The Board's proposed distribution to members each year is based on the dividend and loan interest rebate policy of the Credit Union.

The rate of dividend and loan interest rebate recommended by the Board will reflect:

- the risk profile of the Credit Union, particularly in its loan and investment portfolios;
- the Board's desire to maintain a stable rather than a volatile rate of dividend each year; and
- members' legitimate dividend and loan interest rebate expectations;

all dominated by prudence and the need to sustain the long-term welfare of the Credit Union.

For this reason, the Board will seek to build up its reserves to absorb unexpected shocks and still remain above minimum regulatory requirements.

The Credit Union accounts for dividends and rebates of loan interest when members ratify such payments at the Annual General Meeting.

### 2.7. Taxation

The Credit Union is not subject to income tax or corporation tax on its activities as a Credit Union.

### 2.8. Cash and cash equivalents

Cash and cash equivalents comprise operating cash on hand and cash deposited with banks with original maturity of less than or equal to three months.

### 2.9. Financial instruments

The Credit Union has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all its financial instruments. Financial instruments are recognised when the Credit Union becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when, and only when, there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets and liabilities are classified according to the substance of the contractual arrangements entered into.

### 2.10. Basic financial assets

Basic financial assets are initially measured at the transaction price, including transaction costs, and are subsequently carried at amortised cost using the effective interest method. Basic financial instruments include the following:

#### **Loans 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.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30<sup>TH</sup> SEPTEMBER 2016

### ***Investments held at amortised cost***

Investments 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.

### **2.11. Other receivables**

Other receivables such as prepayments are initially measured at transaction price including transaction costs and are subsequently measured at amortised cost using the effective interest method.

### **2.12. Impairment of financial assets**

Financial assets, other than those held at fair value, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the expected cash flows discounted at the asset's original effective interest rate.

In the case of impairment of loans to members, the loans are assessed collectively in groups that share similar credit risk characteristics except for individually significant loans which are assessed on a loan by loan basis for impairment.

Any impairment losses are recognised in the Income and Expenditure account.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in the Income and Expenditure account.

### **2.13. De-recognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Credit Union transfers to another party substantially all the risks and rewards of ownership of the financial asset, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

In the case of loans to members, loans are derecognised, when the right to receive cash flows from the loans have expired, usually when all amounts outstanding have been repaid by the member. Gorey Credit Union Limited does not transfer loans to third parties.

### **2.14. Basic financial liabilities**

Basic financial liabilities are initially recognised at the transaction price, including transaction costs, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities are subsequently carried at amortised cost using the effective interest method.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30<sup>TH</sup> SEPTEMBER 2016

### *Financial liabilities members' shares and deposits*

Members' shares, Money Management Accounts and Deposits are redeemable and therefore are classified as financial liabilities. They are initially recognised at the amount of cash deposited and subsequently members' deposits are measured at amortised cost.

### *Other payables*

Other payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Other payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

## **2.15. De-recognition of financial liabilities**

Financial liabilities are derecognised when the obligations of the Credit Union specified in the contract are discharged, cancelled or expire.

## **2.16. Tangible fixed assets**

Tangible fixed assets comprise 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 estimated residual value over its estimated useful life. The categories of property, plant and equipment are depreciated as follows:

Freehold land	Nil
Freehold buildings	40 years straight line
Furniture & equipment	3 to 5 years straight line
Fixtures & fittings	10 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the Income and Expenditure account.

## **2.17. Impairment of tangible fixed assets**

At each reporting end date, the Credit Union reviews the carrying value of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Credit Union estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the Income and Expenditure account.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the Income and Expenditure account.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30<sup>TH</sup> SEPTEMBER 2016

### 2.18. Employee benefits

#### *Pension Scheme*

Gorey Credit Union Limited participates in an industry-wide pension scheme for employees (The Irish League of Credit Unions Republic of Ireland Pension Scheme). This is a funded defined benefit scheme with assets managed by the scheme's trustees.

The scheme is a multi-employer scheme and due to the nature of the scheme, it is not possible for the Credit Union to separately identify its share of the scheme's underlying assets and liabilities. Consequently, the Credit Union accounts for the scheme as a defined contribution plan.

However, there is an agreed funding plan in respect of the pension scheme as a result of a Minimum Funding Standard deficit certified by the scheme's actuary in 2009. Consequently, Gorey Credit Union Limited recognises a liability at each Balance Sheet date for its outstanding contributions payable under the agreed funding plan to the extent that they relate to committed funding in respect of the deficit to which the funding plan relates.

#### *Other Employee Benefits*

The costs of short-term employee benefits, including holiday pay, are recognised as a liability and as an expense.

#### *Termination*

Termination benefits are recognised immediately as an expense when the Credit Union is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

### 2.19. Reserves

#### **Regulatory reserve**

The Credit Union is required to maintain and establish a minimum Regulatory reserve of at least 10% of the assets of the Credit Union in accordance with Credit Union Act 1997 (Regulatory Requirements) Regulations 2016.

#### **Operational Risk reserve**

The Credit Union has established an Operational Risk reserve which is separate, distinct and in addition to the reserves the Credit Union is required to hold in its Regulatory reserve. The amount held in the Operational Risk reserve is the predicted impact of operational risk events that may have a material impact on the Credit Union's business.

#### **Dividend reserve**

Dividend reserves are the accumulated surpluses to date that have not been declared as dividends or loan interest rebate returnable to members or set aside to the Regulatory or Operational Risk reserves.

#### **Non-Distributable Investment Income reserve**

Investment income that has been recognised in the financial statements but will not be received within 12 months of the Balance Sheet date is classified as "non-distributable" and is not distributable as a dividend in accordance with Section 31 of the Credit Union Act 1997 (Regulatory Requirements) Regulations 2016. A reclassification between non-distributable and distributable is made as investments come to within 12 months of maturity date.



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30<sup>TH</sup> SEPTEMBER 2016

### 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 Gorey Credit Union Limited'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:

#### **Impairment losses on loans to members**

The Credit Union's accounting policy for impairment of financial assets is set out in accounting policy in Note 2.12. The estimation of loan losses is inherently uncertain and depends upon many factors, including loan loss trends, credit risk characteristics in loan classes, local and international economic climates, conditions in various sectors of the economy to which the Credit Union is exposed, and, other external factors such as legal and regulatory requirements. Credit risk is identified, assessed and measured through the use of rating and scoring tools with emphasis on weeks in arrears and other observable credit risk metrics. The ratings influence the management of individual loans. The credit rating triggers the impairment assessment and if relevant the raising of specific provisions on individual loans where there is doubt about their recoverability. Loan loss provisioning is monitored by the Credit Union, and the Credit Union assesses and approves its provisions and provision adequacy on a quarterly basis. Key assumptions underpinning the Credit Union's estimates of collective provisions for loans with similar credit risk characteristics, and, Incurred But Not Reported provisions ("IBNR") are based on the historical experiences of the Credit Union's allied to the Credit Union's judgement of relevant conditions in the wider technological, market, economic or legal environment in which the Credit Union operates. If a loan is impaired, the impairment loss is the difference between the carrying amount of the loan and the present value of the expected cash flows discounted at the asset's original effective interest rate taking account of pledged shares and other security as appropriate. Assumptions are back tested with the benefit of experience. After a period of time, when it is concluded that there is no real prospect of recovery of loans/part of loans which have been subjected to a specific provision, the Credit Union writes off that amount of the loan deemed irrecoverable against the specific provision held against the loan.

4. Interest on members' loans	2016	2015
	€	€
Closing accrued loan interest receivable	60,000	60,000
Loan interest received in year	3,684,586	3,035,713
Opening accrued loan interest receivable	(60,000)	(60,000)
	3,684,586	3,035,713
<b>Total interest on members' loans</b>	<b>3,684,586</b>	<b>3,035,713</b>

### 5. Other interest income and similar income

Investment income and gains received by the Balance Sheet date	705,257	297,766
Receivable within 12 months of Balance Sheet date	176,048	330,048
Other investment income and gains	71,635	64,588
	952,940	692,402
<b>Total investment income</b>	<b>952,940</b>	<b>692,402</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30<sup>TH</sup> SEPTEMBER 2016

## 6. Interest payable and dividends

The interest expense for the Credit Union comprises of interest payable on deposits, and was as follows for the current and prior year:

	2016	2015
	€	€
Interest payable for the year	29,794	26,358
Interest rate:	0.50%	0.50%
Members' deposits		

The dividend and any loan interest rebate are formally proposed by the directors after the year end and are confirmed at an AGM of the members. As a result, the proposed dividend for the current year does not represent a liability at the Balance Sheet date and the dividend included in the Statement of Reserves in the current year relates to dividends paid to members for the prior year.

The dividends and loan interest rebate for the current and prior year periods were as follows:

	2016	2015
	€	€
Dividend paid during the year	400,848	310,596
Dividend rate members' shares	0.50%	0.50%
Dividend proposed, but not recognised	214,525	403,933
Dividend rate members' shares	0.25%	0.50%
Loan interest rebate paid during the year	255,066	111,388
Loan interest rebate rate	10.00%	5.00%
Loan interest rebate proposed but not recognised	263,494	259,544
Loan interest rebate rate	10.00%	10.00%

## 7. Other income

	2016	2015
	€	€
Miscellaneous income	1,160	826
Other commissions	344,733	129,604
Total other income	345,893	130,430

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30<sup>TH</sup> SEPTEMBER 2016

<b>8. Expenses</b>		2016	2015
	Note	€	€
Employment costs	9b	1,765,504	1,331,784
Depreciation	11	263,097	237,931
Other management expenses (Schedule 1)		1,946,873	1,505,561
		<u>3,975,474</u>	<u>3,075,276</u>

## 9. Employees and employment costs

### 9a. Number of employees

The average monthly number of employees during the year was:

Management	7	7
Other staff	40	37
<b>Total</b>	<u>47</u>	<u>44</u>

### 9b. Employment costs

	2016	2015
	€	€
Wages and salaries	1,427,522	1,002,193
Social security costs	145,978	115,997
Payments to defined contribution pension schemes	192,004	213,594
<b>Total employment costs</b>	<u>1,765,504</u>	<u>1,331,784</u>

### 9c. Key management personnel

The remuneration of key management personnel was as follows:

	2016	2015
	€	€
Short term employee benefits	433,327	436,773
Payments to defined contribution pension schemes	69,589	66,663
<b>Total key management personnel compensation</b>	<u>502,916</u>	<u>503,436</u>

Short-term employee benefits include wages, salaries, social security contributions and paid annual leave in respect of the entire management team.

## 10. Cash and cash equivalents

Short term deposits with banks are deposits with original maturity of less than or equal to three months. All other deposits with banks are included under Investments in the Balance Sheet and disclosed in Note 14.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30<sup>TH</sup> SEPTEMBER 2016

## 11. Tangible fixed assets

Tangible fixed assets comprise the following property, plant and equipment:

	Freehold land and buildings €	Furniture & equipment €	Fixtures & fittings €	Total €
At 1st October 2015	7,361,008	1,018,820	436,331	8,816,159
Additions	19,917	81,068	35,226	136,211
<b>At 30th September 2016</b>	<b>7,380,925</b>	<b>1,099,888</b>	<b>471,557</b>	<b>8,952,370</b>
Depreciation				
At 1st October 2015	2,982,306	955,375	332,892	4,270,573
Charge for the year	166,615	56,410	40,072	263,097
<b>At 30th September 2016</b>	<b>3,148,921</b>	<b>1,011,785</b>	<b>372,964</b>	<b>4,533,670</b>
Net book value				
<b>At 30th September 2016</b>	<b>4,232,004</b>	<b>88,103</b>	<b>98,593</b>	<b>4,418,700</b>
At 30th September 2015	4,378,702	63,445	103,439	4,545,586

## 12. Loans to members - financial assets

### 12a. Loans to members

	Note	2016 €	2015 €
As at 1st October		43,692,376	37,597,379
Advanced during the year		26,828,239	18,702,983
Transfer of engagement		-	4,426,002
Repaid during the year		(21,744,181)	(17,020,093)
Loans written off		(5,397)	(13,895)
<b>Gross loans to members</b>	<b>12b</b>	<b>48,771,037</b>	<b>43,692,376</b>
Impairment allowances			
Individual loans		(843,794)	(348,300)
Groups of loans		(3,832,707)	(4,638,076)
<b>Loan provision</b>	<b>12c</b>	<b>(4,676,501)</b>	<b>(4,986,376)</b>
<b>As at 30th September</b>	<b>12b</b>	<b>44,094,536</b>	<b>38,706,000</b>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30<sup>TH</sup> SEPTEMBER 2016

### 12b. Credit risk disclosures

Gorey Credit Union Limited does offer mortgages and these loans are secured. All other loans to members are unsecured, except that there are restrictions on the extent to which borrowers may withdraw their savings whilst loans are outstanding. Lending limits are set in accordance with the Credit Union 1997 (Regulatory Requirements) Regulation 2016 and Section 35 of the Regulatory Requirements for Credit Unions.

The carrying amount of the loans to members represents Gorey Credit Union Limited's maximum exposure to credit risk. The following table provides information on the credit quality of loan repayments. Where loans are not impaired it is expected that the amounts repayable will be received in full.

	2016		2015	
	Amount €	Proportion %	Amount €	Proportion %
<b>Not impaired</b>	40,007,220	82.03	35,898,740	82.16
<b>Impaired</b>	-	-	-	-
Up to 9 weeks past due	4,811,116	9.87	3,031,493	6.94
Between 10 and 18 weeks past due	826,135	1.69	755,511	1.73
Between 19 and 26 weeks past due	311,898	0.64	329,452	0.75
Between 27 and 39 weeks past due	495,525	1.02	642,796	1.47
Between 40 and 52 weeks past due	244,431	0.50	353,616	0.81
53 or more weeks due	2,074,712	4.25	2,680,768	6.14
<b>Total gross loans</b>	<b>48,771,037</b>		<b>43,692,376</b>	

### Impairment allowance

Individual loans	(843,794)	(348,300)
Groups of loans	(3,832,707)	(4,638,076)
<b>Total carrying value</b>	<b>44,094,536</b>	<b>38,706,000</b>

Factors that are considered in determining whether loans are impaired are discussed in Note 3, dealing with estimates.

	2016 €	2015 €
<b>12c. Loan provision account for impairment losses</b>		
As at 1st October	4,986,376	4,656,427
Transfer of engagement	-	1,084,053
Movement during the year	(86,456)	(472,360)
Decrease in loan provisions during the year	(223,419)	(281,744)
<b>As at 30th September</b>	<b>4,676,501</b>	<b>4,986,376</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30<sup>TH</sup> SEPTEMBER 2016

12d. Net recoveries or losses recognised for the year	2016 €	2015 €
Bad debts recovered	430,355	208,774
Reduction in loan provisions during the year	86,456	472,361
Loans written off	(5,397)	(13,895)
Net recoveries on loans to members recognised for the year	511,414	667,240

13. Prepayments and accrued income	2016 €	2015 €
Prepayments	250,567	278,911
Accrued loan interest income	60,000	60,000
	310,567	338,911

## 14. Investments

Investments at the current and prior Balance Sheet date were all measured at amortised cost as appropriate and comprised of the following:

	2016 €	2015 €
Securities	-	12,807
Fixed term deposits with banks	11,060,609	2,505,694
Guaranteed investment bonds	23,019,160	8,731,318
Central treasury managed funds	-	8,759,772
Central Bank Minimum deposits	731,301	585,369
Total investments at amortised cost	34,811,070	20,594,960

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30<sup>TH</sup> SEPTEMBER 2016

## 15. Members' Shares - financial liabilities

	2016 €	2015 €
As at 1st October	82,700,587	63,652,754
Transfer of engagement	-	16,048,504
Received during the year	70,155,564	51,971,491
Repaid during the year	(63,516,161)	(48,829,868)
Savings stamps	-	(142,294)
<b>As at 30th September</b>	<b>89,339,990</b>	<b>82,700,587</b>

Members' shares are repayable on demand except for shares attached to loans. The breakdown of the shares between attached and unattached is as follows:

	2016 €	2015 €
Unattached shares	75,274,508	75,548,854
Attached shares	14,065,482	7,151,733
<b>Total members' shares</b>	<b>89,339,990</b>	<b>82,700,587</b>

## 16. Members' Deposits - financial liabilities

	2016 €	2015 €
As at 1st October	5,781,577	4,902,333
Received during the year	9,722,708	10,203,816
Savings stamps	-	(16,836)
Repaid during the year	(9,485,206)	(9,307,736)
<b>As at 30th September</b>	<b>6,019,079</b>	<b>5,781,577</b>

## 17. Other payables

	2016 €	2015 €
Pension and short term payroll accruals	127,870	188,303
Creditors and other accruals	432,761	278,670
	<b>560,631</b>	<b>466,973</b>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30<sup>TH</sup> SEPTEMBER 2016

### 18. Financial risk management

Gorey Credit Union Limited is a provider of personal and business loans and also provides savings products to its members. The Credit Union invests excess funds with a view to ensuring that the return from members' loans and investments is adequate to meet the overheads of the Credit Union and provide a reasonable return to members on shares and deposits. The Credit Union has a risk register in place to help the directors manage the various risks arising from its activities to include the issuing of loans to members and investing the excess funds of the Credit Union.

The main financial risks arising from Gorey Credit Union'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 Gorey Credit Union Limited., resulting in financial loss to the Credit Union. In order to manage this risk the Board approves the Credit Union's credit policy, and all changes to it. All loan applications are assessed with reference to the credit policy in force at the time. Subsequently loans are regularly reviewed for any factors that may indicate that the likelihood of repayment has changed. The credit risk on members' loans is disclosed in Note 12b.

The Credit Union's investments are also exposed to credit risk and the Credit Union mitigates the risk by only placing investments with financial institutions where the counterparties have strong credit ratings and using investment products authorised by the Central Bank. The credit ratings of the financial institutions where investments are held are disclosed in Note 14.

**Liquidity risk:** The Credit Union'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 Credit Union adheres on an ongoing basis to the minimum liquidity ratio and minimum short term liquidity ratio as set out in the Credit Union Act 1997 (Regulatory Requirements) Regulations 2016.

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

**Interest rate risk:** The Credit Union'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. The Credit Union considers rates of interest receivable on investments and members' loans when deciding on the dividend rate payable on shares and on any loan interest rebate.



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30<sup>TH</sup> SEPTEMBER 2016

### 18b. Interest rate risk disclosures

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

Financial assets	2016		2015	
	Amount €	Average interest rate	Amount €	Average interest rate
Loans to members	44,094,536	8.37%	38,706,000	7.90%
	-			
<b>Financial liabilities</b>				
Members' shares	89,339,990	0.25%	82,700,587	0.50%
Members' deposits	6,019,079	0.50%	5,781,577	0.50%
	<u>95,359,069</u>		<u>88,482,164</u>	

The interest rates applicable to loans to members are fixed and range from 4.7% to 9.25%. The dividend on shares and interest on deposits is determined on the basis of income less administrative expenses and, as can be seen above, a consistent margin is maintained between interest receivable and dividend on shares and interest payable on deposits. As a result, the surplus for the year is not particularly sensitive to interest rate risk and no sensitivity analysis is presented.

### 18c. Liquidity risk disclosures

All the financial liabilities of the Credit Union are repayable on demand except for some members' shares attached to loans and members' deposits which have a fixed maturity date.

### 18d. Fair value of financial instruments

Gorey Credit Union Limited does not hold any financial instruments at fair value.

### 18e. Capital

The Credit Union maintains sufficient reserves to buffer the Credit Union against any losses on its members' loans and its investments. The current Regulatory reserves are more than the minimum requirement set down by the Central Bank, and stand at 11.1% of the total assets of the Credit Union at the Balance Sheet date.

### 19. Post Balance Sheet events

There are no material events after the Balance Sheet date to disclose.

### 20. Contingent liabilities

Gorey Credit Union Limited had no contingent liabilities at the current or prior Balance Sheet date.

### 21. Capital commitments

There were no capital commitments either contracted for or approved by the Board at the year end.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30<sup>TH</sup> SEPTEMBER 2016

### 22. Insurance against fraud

The Credit Union has insurance against fraud in the amount of €2,600,000 (2015: €2,600,000) in compliance with Section 47 of the Credit Union Acts 1997 to 2012.

### 23. Related party transactions

During the year loans were advanced to directors and the management team of the Credit Union (to include their family members or any business in which the directors or management team had a significant shareholding) in the amount of €168,603. These loans were approved in accordance with the Standard Credit Union rules and the Credit Union Act 1997 (Regulatory Requirements) Regulations 2016. The loans outstanding from these parties at 30th September 2016 were €450,949 in respect of 42 loans. These loans amounted to 0.92% of total gross loans due at 30th September 2016.

The directors and management team share balances stood at €608,236 at 30th September 2016.

### 24. Transition to FRS 102

Gorey Credit Union Limited has adopted FRS 102 for the first time in these financial statements for the year ended 30th September 2016. The reconciliations below highlight the key impacts on both the surplus for the financial year and the reserves of the Credit Union.

#### Reconciliation of surplus from previous Irish accounting standards to FRS 102

		30th Sept 2015
	Note	€
Surplus as previously reported		873,132
General loan provision not allowed under FRS 102	24a	472,360
Interest on members' loans using effective interest method	24b	-
Employment costs	24c	78,988
<b>Surplus in accordance with FRS 102</b>		<b>1,424,480</b>

#### Reconciliation of Credit Union's reserves from previous Irish accounting standards to FRS 102

		30th Sept 2016 €	30th Sept 2015 €
	Note		
Opening reserves as previously stated		1,252,638	936,174
General loan provision not allowed under FRS 102	24a	472,360	-
Transfer to regulatory reserve		(472,360)	-
Interest on members' loans using effective interest method	24b	60,000	60,000
Employment costs	24c	(250,926)	(329,914)
<b>Opening reserves in accordance with FRS 102</b>		<b>1,061,712</b>	<b>666,260</b>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30<sup>TH</sup> SEPTEMBER 2016

The adjustments are:

### 24a. General loan provision

Gorey Credit Union Limited carried general loan provisions of €1,187,752 at 30th September 2015 in its previous Irish GAAP financial statements. €472,360 of the General loan provision at 30th September 2015 and on review do not satisfy the criteria as set down in Section 11 of FRS 102 in relation to objective evidence of impairment and as such that element of the General provision has not being recognised for the FRS 102 financial statements of the Credit Union.

### 24b. Interest on members' loans

Under previous Irish accounting standards, Gorey Credit Union Limited accounted for its loan interest from members' loans on a cash basis. Section 11 of FRS 102 requires the use of the effective interest method for recognising loan interest income, which effectively means recognising interest on members' loans on an accruals basis, with appropriate allowance made for recognising interest on any impaired loans. The amount of the accrued interest after allowance for interest on impaired loans was €60,000 at 30th September 2014 and €60,000 at 30th September 2015.

### 24c. Employment costs

Under previous Irish accounting standards, Gorey Credit Union Limited did not make a provision for holiday pay, i.e. holidays earned but not taken prior to the year end. In contrast, FRS 102 requires the cost of short-term compensated absences to be recognised when employees render the service that increases their entitlement. As a result, an additional accrual has been made to reflect this. This had the impact of decreasing total reserves by €83,607 upon transition on 1st October 2014 and increasing the surplus by €20,984 for the year ended 30th September 2015.

Under previous Irish GAAP, Gorey Credit Union Limited had availed of the exemption outlined in paragraph 9(b) of FRS 17, in relation to the ILCU multi-employer pension scheme. However, FRS 102 requires a provision to be recognised where an agreement has been entered into with a multi-employer plan that determines how the deficit will be funded. The provision is measured based on the contributions payable that arise from the agreement with the multi-employer pension plan to the extent that they relate to the deficit. This had the impact of decreasing total reserves by €246,307 upon transition on 1st October 2014 and increasing the surplus by €58,004 for the year ended 30th September 2015.

The combined effect of the accrual for holiday pay and the provision in respect of the contributions to fund the deficit on the multi-employer pension scheme was to decrease total reserves by €329,914 upon transition on 1st October 2014 and increase the surplus by €78,988 for the year ended 30th September 2015.

### 25. Approval of Financial Statements

The financial statements were approved, and authorised for issue, by the Board on 25th November 2016.

# SCHEDULE TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30<sup>TH</sup> SEPTEMBER 2016

## Schedule 1 - Other management expenses

	2016	2015
	€	€
Rates	41,959	38,009
Light & heat	44,773	41,885
Repairs & maintenance	35,504	32,800
Security expenses	8,385	6,221
Printing & stationery	51,186	48,991
Postage & telephone	75,172	50,423
Donations and sponsorship	9,956	9,955
Debt collection	50,947	35,261
Promotion and advertising	100,912	61,930
Training & education	20,801	19,085
AGM/Convention expenses	23,449	17,196
Travel & subsistence	37,402	18,788
Entertainment costs	33,479	9,297
Bank charges	51,161	42,642
Audit fees	35,000	33,081
Board oversight committee expenses	4,251	4,746
General insurance	35,186	30,139
Share and loan insurance	444,949	370,957
Legal and professional	209,630	183,764
Computer costs	273,086	151,551
Miscellaneous	97,955	49,339
Death benefit costs	141,305	120,066
Affiliation fees	21,539	18,426
SPS contribution	8,489	41,197
Regulatory and other levies	89,617	68,615
Other expenses	780	1,197
<b>Total other management expenses</b>	<b>1,946,873</b>	<b>1,505,561</b>

# STAY TRUE TO YOUR ROOTS!

**NO FEES ON LOANS**

**NO HIDDEN CHARGES**

**NO PENALTIES FOR  
EARLY REPAYMENT**

WE LOOK AT  
THINGS  
DIFFERENTLY



**G O R E Y**  
**Credit Union Ltd.**  
**Gorey, Avoca, Rathdrum & Roundwood**



McDermott Street, Gorey, Co. Wexford.

Tel: 053 / 94 88700 Fax: 053 / 94 20938

Web: [www.goreycreditunion.com](http://www.goreycreditunion.com) E-mail: [info@goreycreditunion.com](mailto:info@goreycreditunion.com)

Gorey Credit Union Limited is regulated by The Central Bank of Ireland

# REPORT OF THE CREDIT COMMITTEE

The Credit committee comprises of 5 members who meet each Monday evening to assess loan applications for our members. We regularly go on training sessions and with regulations ever increasing in borrowing and procedures, we take great care and consideration in assessing each and every one of the loan applications.

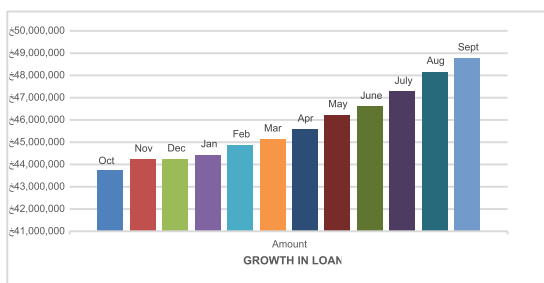
During the last year which has proved to be both challenging and difficult for many credit unions, we have continued to lend to our members at very competitive rates.

To avail of these various rates we urge members to establish regular savings and loan repayments, therefore increasing your borrowing power.

## TOP 10 LOAN PURPOSES YEAR ENDING 2016

YEAR ENDING SEPTEMBER 2016			YEAR ENDING SEPTEMBER 2015		
Loan Purpose	Number	Amount	Loan Purpose	Number	Amount
Car/Van/Motorbike	1421	9,982,808.00	Car/Van/Motorbike	908	6,716,216.00
Home Improve	1064	4,742,481.00	Home Improve.	762	3,366,492.00
Secured By Shares	1056	2,975,126.00	Secured by Shares	820	2,246,075.00
Home/Property	25	1,535,865.00	Education	320	1,168,474.00
Educational	488	1,313,997.00	Weddings	161	641,211.00
Business/Farming	115	985,464.00	Home/Property	25	573,078.00
Holidays	513	930,873.00	Holidays	353	563,502.00
Debts/Finance/Credit Cards	215	736,508.00	Car Ins/Tax/Repairs	494	552,664.00
Car Ins/Tax/Repairs	602	748,370.00	Debts/Finance/Credit Cards	137	462,357.00
Household Goods/Furniture	422	624,146.00	Household Goods/Furniture	377	347,833.00

Below is the trend of loan demand last year month on month. It is reflective of the increasing confidence members have as their incomes and circumstances have improved. We hope this will continue into the coming year although we will not be relaxing our loan assessment criteria.



We, the Credit Committee would like to thank our Loan Officers for their dedication, hard work, and support not only to us, but also to the members during the year. We would also like to thank the Board of Directors, Board Oversight Committee, Management and all the Staff for their help and co-operation throughout the year.

Finally we wish to thank you, the members of Gorey Credit Union, who by your prompt repayments of loans and increased savings, continue to make Gorey Credit Union the success it is today.

**Committee members during the year:** Chairperson: Enda O'Connor  
Sean Lacey, Jim Kavanagh, Patrick Flood, Tom Fleming.



# Surfing For The Best Loan Rate ?

Look at This !

# 9.25%

9.7% Apr



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Take  
advantage  
of some  
of the  
Best  
Rates  
& Terms



Loans available from

# 4.9% to 9.25%

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*"To build life long relationships, One member at a time"*

CALL OUR LOAN LINE ON

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Gorey, Avoca, Rathdrum & Roundwood

or apply online @

[www.goreycreditunion.com](http://www.goreycreditunion.com)

## 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 IV (a) and any regulations made for the purposes of Part IV or Part IV (a) of the Credit Union Act, 1997 (as amended); and any other matter prescribed by the Bank in respect of which, they are to have regard to in relation to the Board.

Basically what this means is that the role of the Board Oversight Committee is to oversee the operation of the Board to ensure that it complies with the requirements of the Credit Union Act, 1997 (as amended).

The Board Oversight Committee meets on a monthly basis to discuss and review the Boards duties and requirements. It is the opinion of the Board Oversight Committee that the Board of Directors have complied with all legal and regulatory requirements and have acted in accordance with Part IV and Part IV (a) of the Credit Union Act, 1997 (as amended) and any other financial services regulations. The Board Oversight Committee have also attended various committee meeting which all form part of the Board's assessment.

In accordance with relevant legislation, at least one member of the Board Oversight Committee is required to attend the Board of Director's monthly meetings and this Committee is pleased to report that this requirement is still being fulfilled. Another Board Oversight Committee requirement is to conduct four review meetings with the Board of Directors and after each of these meetings we provide the Board of Directors with an assessment of its performance; this Committee is satisfied that this has been complied with.

In accordance with Central Bank Regulations we underwent a PRISM visit in October 2016, the results of same will be published early 2017.

As per our address to you, the members, in 2015, the Board Oversight Committee was reduced from five members to three, which included Kevin Molloy as Chairman, Roseanna Carroll as Secretary and Imelda Purcell. In February 2016, Roseanna Carroll ceased to be a member of the Board Oversight Committee. Due to this, there was a restructuring of the Committee; Kevin Molloy remains as Chairman and Imelda Purcell became Secretary. In accordance with Section 76N(2)(a)&(b) Lorraine Walsh took up the casual vacancy within one month and has held this position until tonight's AGM, where she is now up for nomination to become a fully inaugurated member of the Board Oversight Committee.

The Board Oversight Committee has been very proactive in attending numerous training seminars, conferences and courses over the past year; the National Supervisors Forum seminar in February and the National Supervisors Forum AGM Conference in November, to name but a few.

We are pleased to announce that the Strategic Plan has now been drawn up and currently is being implemented throughout Gorey Credit Union Ltd. The risk management and compliance systems have been developed, and function according to all requirements. An internal audit function has been established and the policy documentations have been reviewed and amended in accordance with legislation set forth by the Central Bank.

This year we celebrated the Credit Union's 50th anniversary; all events organised to celebrate this monumental period in our history were a resounding success.

In conclusion, the Board Oversight Committee wish to acknowledge the immense volume of work, commitment, time and outstanding dedication of the Board of Directors, management and staff in the Gorey, Avoca, Rathdrum and Roundwood credit unions during the past year.

Finally, we do look forward to a prosperous and successful 2017.

#### Committee members during the year:

Kevin Molloy (Chairman)  
Imelda Purcell (Secretary)  
Lorraine Walsh  
Roseanna Carroll (Resigned)



# THIRD LEVEL EDUCATION

Loan Rate  
of

# 4.9%

Qualifying Applicants  
will be entered  
into our education  
Loan Draws Totalling

# €5,000



If it's  
broken...  
**FIX IT**



**6.9%** 7.1% APR

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**Home Improvement Loan**

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*"To build life long relationships, One member at a time"*

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CALL OUR LOAN LINE ON

**1850 345 925**

Loans are subject to approval. Terms and Conditions apply  
Gorey Credit Union Limited is regulated by the Central Bank of Ireland

# REPORT OF THE CREDIT CONTROL COMMITTEE

The main focus of the Committee is to ensure that our members repay their loans in accordance with their signed credit agreements in order to protect our member's savings.

This year we have seen a considerable improvement for Credit Control accounts thanks to a more progressive economy, aligned with proactive interaction with our members in arrears by the Credit Control team.

The Committee meet regularly with our Credit Controller to review all accounts causing concern. We continue to place a strong focus on a policy of early intervention, which has proven very successful as reflected in our figures below.

The vast majority of cases are resolved following initial contact from our Credit Control Team. The Committee are aware that there are members who find themselves in very difficult circumstances. Our staff are highly trained and experienced in dealing with such cases and we encourage any member in difficulty to contact us. It is important for members to protect their good credit record, as arrears on an existing loan can cause problems when applying for credit in the future.

As with all loans there are a small number of members who refuse to communicate and work with us in finding a solution that allows them to meet their loan obligations. In these cases, where all other options have been exhausted, we will not hesitate to initiate legal proceedings in order to recover the money owed to our members.

Members are also encouraged to avail of the free and confidential Money Advice & Budgeting Service (M.A.B.S) that is in operation under the auspices of the Department of Social Protection. They have an office in Arlow and a weekly outreach office in the Gorey Family Resource centre. Further information on M.A.B.S. may be had from the Credit Union office.

During the year the Committee recommended loans to the value of €228,816 be written-off in accordance with the standard rules for Credit Unions. Prudent provisioning against these loans resulted in a nett cost in our Income & Expenditure account of €5,397.

The amount recovered during the year in respect of loans previously written-off amounted to €430,355. This confirms that even though an account is written-off, every effort is still made to recover the debt, up to and including legal action.

I formally propose this report on behalf of the Board of Directors.

*Committee members during the year:*  
(Chairperson) Barry Monaghan,  
(Secretary) Fionnuala Doyle,  
Noeleen Cullen,  
Helen Brady.

## RULE AMENDMENTS 2016

That this Annual General Meeting agrees to amend **Rule 13 (2)**- Qualifications for membership of the Standard Rules for Credit Unions (Republic of Ireland) so as 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***".

# REPORT OF THE MEMBERSHIP OFFICER

Our Membership Committee is pleased to report the continuous growth in our membership figures during our financial year 2015/2016. In that time, our membership has increased by 794, bringing the total membership of Gorey Credit Union Ltd at year end to 27,292. This is very satisfactory but naturally we would like to see it further progress in the coming year, so as all qualifying prospective new members can avail of the advantages of Credit Union membership.

This Committee is responsible for verifying eligibility of new members wishing to join Gorey Credit Union and for ensuring compliance with legal requirements, in respect of obtaining the required documentation for those applying for membership and reactivating their accounts.

Please note, under Money Laundering Legislation the following documentation is required to open an account with Gorey Credit Union:

- ❖ Photo I.D.
- ❖ P.P.S. Number on official document/ card.
- ❖ Household Utility bill (proof of current address)

Each new member receives a New Member pack, containing information on the various services offered by us -bill payments, western union, money transfers via Corporate payments, Fexco bureau de change, our ATM Cards, Kiosk digital savings cards to name but a few. We are continually striving to identify new products and services to aid and be of benefit to you.

Please remember that to retain your membership of Gorey Credit Union, you must have a minimum of €7 held in your Share account. To ensure qualification for our Free Death Benefit Insurance, you must retain a minimum of €50 in your share account. Your Credit Union membership offers you many distinct advantages, none more so than the free Insurances currently available on savings, loans and death benefit insurance (terms & conditions do apply), all currently paid for as an operational expense.

If you change your address or employment upon joining this Credit Union you may no longer hold the common bond. Under the standard rules and the Credit Union Act 1997 (as amended) certain additional lending restrictions may apply. If you think you may be affected by this, please contact our office immediately.

For any enquires the friendly staff in the Credit Union will be more than happy to assist you.

## ***How can you aid the progression of your Credit Union?***

Encourage anyone you know who is not a member to join. Membership is growing nationwide and Credit Unions are a transparent and viable alternative to other financial institutions.

Please see our 'Join a friend' promotion currently advertised.

We look forward to serving you, our loyal members, in 2017 in our premises on McDermott Street Gorey, Rathdrum, Roundwood and Avoca or through our new Phone App and/or our on-line facility at [www.goreycreditunion.com](http://www.goreycreditunion.com).

I formally propose this report on behalf of the Board of Directors.

Membership Committee  
Gorey Credit Union Ltd

## MARKETING, IT & BUSINESS DEVELOPMENT OFFICER'S REPORT.

Credit Unions all over the country are now starting to take marketing seriously to develop their business. We are ahead of the curve on this, as we started to do this just over a year ago. As technology develops, and people's time is more precious than ever, it makes sense that IT also be included in my remit. In the past year we have invested in the development of a mobile app and re-vamped our website.

Marketing is an all-encompassing area, advertising and promotion being the part most of you may associate with it. However, we conducted some surveys in 2016- and indeed have one live now so please do give your feedback at [www.goreycreditunion.com/survey](http://www.goreycreditunion.com/survey), or you can also complete a copy here tonight and hand it to a credit union officer before you leave. This feedback confirmed that there is an appetite for the mobile app and more services to be available online. This can be especially useful to those in the Avoca & Roundwood areas where the branches are open three days a week. Indeed our Click & Collect foreign currency service has proved a big hit in Rathdrum. The Board of Directors are committed to always giving our membership the option of transacting their business face to face, unlike many of the banks. We intend to continually develop our app and online services and strive to provide the products and services our membership require. By completing the surveys you are helping us to help you.

Our website ([www.goreycreditunion.com](http://www.goreycreditunion.com)) has had a dramatic transformation. It is now mobile friendly, and more user friendly and we have the app has been a tremendous add on to facilitate this. To ensure it is easily understood, we have asked The National Adult Literacy Agency (NALA) to review it. This will ensure that while having the latest information available, and meeting regulatory requirements, the information is in plain English, and easily understood. Once registered, Members can check their account balances, apply for a loan and process transactions online. Soon you will have the option to securely upload documents from your smartphone via the app. This will make the loan application process much easier. You may only have to call in to your local branch once to sign the necessary paperwork at drawdown stage. Social media continues to grow, we are now on Facebook, twitter, Instagram, Pinterest and snapchat! We receive several queries via these channels on a regular basis. These are also a great way to grow our brand awareness, and promote our products and services.

We are told the recession is over! This is not the case for everyone, it remains our priority to ensure we have relevant and cost effective products and services to our members. Our loan rates (from 4.9% (5.1% APR) to 9.25% (9.69% APR)) are testament to that. We continue pay Dividends and Loan Interest Rebates, and we provide life savings /loan protection & death benefit insurance as an operational expense to our members (Terms & Conditions apply). The aforementioned insurances can be of great comfort to people in the difficult event of a bereavement.

2016 saw a significant milestone for Gorey Credit Union Ltd., We celebrated 50 years serving the communities in the Gorey area. To celebrate this, a 50th anniversary committee was set up. The committee oversaw many events including the surviving founder-members being grand marshals in the St. Patrick's Day parade. Also the sponsorship of the family fun day in Gorey town park, presentation of commemorative vases to directors, staff and committee members, an inter-faith service of thanksgiving and much more. I would like to place my thanks on the record for the hard work of these volunteers, who made this a year to remember.

Our member's car draw participation has grown again, this year we will give away a record-breaking four cars in December. Who knows, maybe I will be calling you with some good news this Month! We have had over 70 winners to date!

Every year we conduct a member's monster Christmas raffle with a prize fund of €10,000, we give away over 100 prizes. Do we have your up to date contact details? If not please let us know. Maybe you will get a nice surprise, as we may not have been able to get in touch.

## MARKETING, IT & BUSINESS DEVELOPMENT OFFICER'S REPORT. (Continued)

We are over a year post transfer of engagements with the former Avonmore Credit Union now. We plan to continue to grow and enhance our presence in both North Wexford and East Wicklow. Members of the former ACU now have access to our online and in-branch products and services, and improved opening hours. The Wicklow offices are now open through lunch daily, and until 3pm on Saturdays.

I would encourage everyone to use your Credit Union, and ask that you encourage others to do so as well. In doing this, it will ensure the viability for your local branch for generations to come. Also with our Join a Friend scheme, you and your friend could win €50 each! Gorey Credit Union, in 4 locations and online is open for business now, more than ever.

Summer of 2016, saw us meeting members and prospective members at many events. We attended The Gorey Show, The Tinahely Show, The Roundwood Street Festival, and our sponsored fun day in the park. We find having a presence at these events is a great informal way for the public to come and chat with us. Often we will have queries and comments at events like this that we don't usually receive in our branches. We will continue to attend as many events like this as we can, as we enjoy getting out in the communities to answer queries and promote the awareness of Gorey Credit Union Ltd. and the products and services available. If you are holding an event and would like us to take part, do get in touch.

This year's Art competition, the theme was "Dreams are made of this." Congratulations to the winners at credit union level, a lot of time and effort goes into their art work as you can see, - the winners are on display here, and we would like to thank everyone who took part.

Our School Quiz this year had entrants from Avoca, Roundwood & Rathdrum. This was the first time they had the opportunity to participate, and I thank them for travelling down to join us.

We continued our sponsorship of Gorey Community School's GAA teams Jerseys, with over 400 students taking part in GAA sports, we were only too happy to help out. We also Helped Roundwood GAA with the extension of their clubhouse along with many other local causes. We are committed to helping our communities, where possible, with such projects.

Our iPad assist loans at just 4.9% (Apr 5.1%) continue to help parents spread the cost of an up-front lump-sum payment required at the outset for second level education in Creagh College and Colaiste Bhríde, Carnew.

We also continue to offer 3rd level educational loans at just 4.9% (Apr 5.1%) for qualifying students continuing on to further studies. All those who take out a 3rd level education loan are entered into a draw with a prize-draw fund of €5,000 annually to assist their studies. As with all loans with Gorey Credit Union terms & conditions apply.

We welcome transition year students from the local schools to sell their products in our offices, as part of their mini company module in the run up to Christmas. These Students are showing great initiative, and we wish them well in their endeavours.

As marketing and IT continue to evolve and grow, I look forward to another year of exciting times ahead. I thank the Board of Directors for their continued support, without this help & support we would not be such a progressive, successful credit union.

I propose this report on behalf of the Board of Directors.

Tom Brennan  
Marketing, IT & Business Development Officer.

# CREDIT UNION UPDATE 2016

The regulatory environment for Credit Unions has been changing rapidly in recent years and to this end, you will have noted a new presentation of our Financial Statements at this AGM in compliance with accounting standard FRS 102.

As you are all aware, during the year ended 30th September 2015 we successfully completed a Transfer of Engagements between the former Avonmore Credit Union and Gorey Credit Union which has now bedded in and will be extremely beneficial in strengthening our Credit Union going forward.

The Credit Union sector continues to radically change and the movement has seen a decrease in its number from over 419 in 2008 to 292 active Credit Unions in October 2016. It is imperative that Gorey Credit Union continues to be recognised as a progressive and compliant Credit Union to further ensure our sustainability and viability and that benefits are derived from the ongoing sectoral restructuring that includes mergers, transfers of engagements and shared services opportunities.

## **(Training & Development)**

Gorey Credit Union also resources the upskilling and training of all our Officers and has in place a minimum competency requirement that surpasses current regulatory guidelines so as to ensure we continue to impart valid and accurate information from a professional and highly trained staff to our membership.

At all levels people are continuing to successfully achieve their exams and upskill in relation to the various roles they hold within the organisation.

## **Online Access to Accounts & Services**

As our Marketing & Business Development Officer has already outlined, we continue to introduce and upgrade our online facilities as well as keeping pace with the mobile app technology now so widely utilised. We will continue to further enhance all aspects of our products and services for the ongoing benefit of our membership all the while mindful of our commitment to ensure continued availability of "face to face" transactions in each of our departments and offices.

## **MPCAS**

Gorey Credit Union will be in the next tranche of applications being made to Central Bank for the introduction of a Member Personal Account Service (MPCAS), which will allow us, once approved by CBI, to introduce a debit card offering as part of this overall service. This may necessitate a revision of the current terms and conditions attached to our Choice account in order to facilitate the Member Personal Account which will be advised at the time of introduction.

## **Direct Debits**

You may recall that from 2014, as part of the Single European Payments Area (SEPA) all member account types were issued with a BIC & IBAN in place of a sort code and account number to facilitate government payments such as pensions, disability or grants directly to member accounts and to facilitate acceptance of other 3rd party payments and receipts within the SEPA area. This also enabled electronic transfers of loan pay-outs and share withdrawals directly to members' Irish bank accounts. What we will be introducing early in 2017 is the facility for our members to set up outgoing direct debits from their Choice account which is the next phase in the process for us.

In conclusion, I would like to take this opportunity to thank the Board of Directors, Board Oversight Committee & volunteers, on your behalf in particular for their continued commitment of time and talent on a voluntary basis to our Credit Union and also acknowledge the hard work and dedication of the Management team and staff in Gorey Credit Union's Head and Branch Offices.

Most of all we thank our members for your continued loyalty. Our goal is as always, to provide the broadest range of products and services in a speedy, efficient and cost effective manner so as to enable us to meet your needs both now and into the future, eventually making your Credit Union your one stop financial shop.

Finally, I would like to take this opportunity to wish everyone a very Happy Christmas and a prosperous 2017.

Barry Monaghan  
General Manager

# Credit Union Prayer

*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.*

*Amen*

## Christmas Opening Hours

All 4 Offices will operate normal opening hours up to & including Friday 23rd Dec .  
Offices Closed Christmas Eve 24th to Thur 29th Dec  
and reopening on Friday 30th & Sat 31st December  
at 9.30am. Offices closed Mon 1st Jan 2017  
Re-open as usual on Tuesday 3rd January

The Board of Directors, Board Oversight Committee,  
Management & Staff of Gorey Credit Union Limited.

**Would like to wish all our members a**

**Happy Christmas  
& A Prosperous New Year**

# €750 IN DOOR PRIZES

MEMBERS ATTENDING THE A.G.M WILL  
PARTICIPATE IN A DRAW FOR €750

**NO TICKETS FOR THE DRAW WILL BE  
ISSUED AFTER 8.00P.M.**

**FIRST PRIZE €150  
2nd, 3rd & 4th PRIZES €100  
6 RUNNER-UP PRIZES of €50**

**ONLY MEMBERS 16 YEARS OF AGE AND OVER  
ARE ELIGIBLE FOR INCLUSION IN THE DRAW.**

**EACH MEMBER IS EARNESTLY  
REQUESTED TO ATTEND**

*Credit Union is owned equally  
by all its members*

**Please Attend The**

**ANNUAL GENERAL  
MEETING**