



Ballincollig
CREDIT UNION LIMITED
Pure financial freedom

2015

Annual Report
And Accounts



AGM MEETING

Ballincollig GAA Club
on Wednesday 29th June 2016
at 8.00pm

Notice to Members:

Don't forget your Credit Union Book
when attending the AGM

Agenda for Annual General Meeting

1. Credit Union Invocation
2. The acceptance by the Board of Directors of the authorised representatives of members that are not natural persons
3. Ascertainment that a quorum is present
4. Adoption of Standing Orders
5. Reading and approval (or correction) of the minutes of the 2014 AGM
6. Report of the Board of Directors
7. Declaration of dividend and rebate of interest
8. Operations Report
9. Report of the Board Oversight Committee
10. Report of the Auditor
11. Report from the Nominating Committee
12. Report from Membership Committee
13. Report from Credit Control Committee
14. Report from Credit Committee
15. Report from Finance/Investment Committee
16. Report from Marketing and Sponsorship Committee
17. Appointment of Tellers
18. Election to fill vacancies on the Board of Directors (6), Board Oversight Committee (1) and the Auditor
19. Approval of International Development Foundation Fund contribution
20. Any other business
21. Announcement of election results
22. Adjournment or close of meeting



Notice of Annual General Meeting



Notice is hereby given that the Annual General Meeting of Ballincollig Credit Union Ltd. will take place in Ballincollig GAA Club on Wednesday 29th June 2016 at 8.00pm



Gary O' Brien
Secretary

Payment Services Notice:

Please note that a copy of the Regulation 53 Framework contract, which governs your relationship with Ballincollig Credit Union Limited as a Payment Service Provider, can be downloaded at www.bcu.ie

CREDIT UNION INVOCATION

Lord, make me an instrument of Thy peace

Where there is hatred, let me sow love;

where there is injury, pardon;

where there is doubt, faith;

where there is 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

Company Information

Board of Directors

1. Nicola O Connell
2. John Curtin
3. Gary O' Brien
4. Stella McVeigh
5. Breda Callanan
6. Paul Healy
7. Sheila Maguire
8. Catherine Greene
9. David Kagari
10. Irene Byrne
11. Sheila Somers (Resigned)

Secretary: Gary O' Brien

Company Number:
347CU

Registered Office

Credit Union House,
Harrington Street,
Ballincollig,
Co. Cork

Auditors

Crowleys DFK
Chartered Accountants
5 Lapps Quay
Cork

Business Address

Credit Union House,
Harrington Street,
Ballincollig,
Co. Cork

Bankers

Allied Irish Banks,
Main Street,
Ballincollig,
Co. Cork

Solicitors

O'Donnell, Breen-Walsh, O'Donoghue
Trinity House,
8 George's Quay,
Cork

Credit Committee

Bob O'Hea, Breda Callanan,
Mary Coleman

Credit Control Committee

John Curtin, Larry Finnegan, Martin
Sisk, Derry Canty, Sheila Somers,

Nominations Committee

Stella McVeigh, Gary O'Brien,
John Curtin

Marketing, Education, Promotion & Sponsorship

Nicola O'Connell, Gary O'Brien,
Catherine Greene, Cormac Manning,
Niamh Buckley

Membership Committee

Elizabeth Walsh, Donal O'Regan,
Stella McVeigh,

Finance/Investment Committee

Paddy McCarthy, Martin Walsh,
Martin Sisk, David Kagari,
Tim Hennessey

Board Oversight Committee

Michael Sealy (resigned),
Tom O'Brien (resigned),
Phil Murphy (resigned)
John Jeffers,
Sheila Somers,
Cormac Manning

Management & Staff

Mary Browne
Niamh Buckley
Phil Callan
Ann-Marie Cosgrove
Helen Deasy
Simon Foley
Peg Hayes
Mark Horgan
Sarah Kidney
Maria Kierse
Alison Murphy
Edel Murphy
Bridget O'Donoghue
Noelle Kierse
Deirdre O'Leary
Vicky O'Leary
Karen O'Shea
Ann Quinn
Nicola Quinn
Linda Walsh O'Neill
Sinead Leavey
Frances Dorgan

Standing Orders

Voting

1. Each member shall be entitled to one vote irrespective of his/her shareholding, in accordance with Standard Rule 139.

Election Procedure

2. A ballot paper for the election of the Board and the Board Oversight Committee, where applicable, will be distributed to each member at the A.G.M. as per the Credit Union Act (Amended 2012).
3. Election to the Board of Directors, to the Board Oversight Committee, and the position of Auditor shall be by a majority vote and by secret ballot.

Motions

4. All motions from the floor of the A.G.M. must be proposed and seconded by members present at the A.G.M. and moved by the proposer. If the proposer is absent when the motion is called, the motion shall be deemed to have failed.
5. A proposer of a motion may speak for such period as shall be at the discretion of the Chairperson of the meeting and shall have the right of reply before the motion is put to the meeting for a vote.
6. In exercising his/her right of reply, a proposer may not introduce new material.
7. The seconder of the motion shall have such time as shall be allowed by the Chairperson to second the motion.
8. Members are entitled to speak on any such motion and must do so through the Chair. All speakers to any motion shall have such time as shall be at the discretion of the Chairperson.
9. The Chairperson shall have the absolute right to decide at any time when a motion has been sufficiently discussed and may put the motion to the meeting giving the proposer the right of reply before doing so.

Miscellaneous

10. The Chairperson of the Board of Directors shall be the Chairperson of any general meeting, except where he/she is not available, and then it shall be the Vice-Chairperson, except where he/she is not available, in which case the Board shall decide amongst themselves who shall act as Chairperson of any general meeting.

11. The Chairperson may at his/her discretion, extend the privilege of the floor to any person who is not a member.
12. Matters not covered by the Agenda may be introduced under "Other Business" at the Discretion of the Chairperson.
13. The Chairperson's decision on any matter relating to these Standing Orders or Interpretation of the same shall be final.
14. In accordance with Standard Rule 132 (1) no member shall have more than one vote on each question at any general meeting of the Credit Union or any adjournment thereof irrespective of his/her shareholding, or the number of accounts in his/her name in the Credit Union provided, however, that except in voting at elections, the presiding member shall have a second or casting vote in the event of equality of voting. Voting by proxy shall be allowed only when a member other than a natural person votes through a representative, who is a member of the group, duly authorised in writing for that purpose and accepted as such by the Board of Directors. Refer to Standard Rule 138 also re-election procedure.
15. Any matter to be decided upon by vote at the A.G.M. shall, unless otherwise expressly provided for by the law or the rules, be decided upon by simple majority.

Suspension of Standing Orders

16. Any one of these Orders or all of these Standing Orders may be suspended on a motion to this effect receiving a two-thirds majority of those present and entitled to vote.

Alteration of Standing Orders

17. Standing Orders may be amended or altered at a general meeting and only if a motion to this effect has received a two-thirds majority of those present and voting.

Adjournments

18. Adjournments of the AGM shall take place only in accordance with Standard Rule 132.



Minutes of AGM 2014

Mrs. Catherine Greene welcomed everyone and invited all to recite the Credit Union invocation. As there was a quorum the meeting proceeded. Standing Orders were adopted. There is one correction to the standing orders. Section 15 of the 2012 Act says that you can elect somebody from the floor for election, which in fact has been changed as of last year. **Proposed by: Gus Nagle Seconded by: Pat Moore.** A copy of the minutes for the AGM 2014 meeting was enclosed with the Booklet. It was proposed that we take the minutes as read and adopt the standing orders.

Minutes of 2013 were proposed by John O'Brien and Seconded by Sean Dineen.

Chairperson Address:

It is my privilege to present this our 43rd annual report on behalf of the Board of Directors of Ballincollig Credit Union Ltd. for the year ending the 30th September 2014. The strategic plan has been reviewed and some alterations have been made to it to keep abreast of the changes. **Our goal would be to obviously increase loans, reduce arrears and to improve service to members.** BCU is governed by the Central Bank as are all financial institutions. We have had a lot of legislation and regulation over the past year, and to date we had had a very good relationship with the Central Bank. During the year again Ballincollig Credit Union is in a healthy position, and in comparison to a lot of other credit unions we are in a position to pay a dividend this year. So I would like to propose a dividend of 0.25% and an interest rebate of 7.5%. **(Proposed by Joe Sullivan and Seconded by: Anne McCarthy.)** We have reviewed the business during 2014, our borrowers have increased to 3,402, this is equal to 3.44% of our members. It's very positive and a good step going forward. On behalf of the Board of Directors, Mrs. Greene thanked our Manager Sarah and her staff for all their hard work and professionalism during the year. Also Catherine thanked her fellow directors, Board oversight committee and volunteers for their time and dedication to the Credit Union.

Excerpt from Auditors Report:

In our opinion the Financial Statements, Give a true and fair view of the state of the Credit Union's affairs as at 30th September 2014; they have been prepared in accordance with generally accepted Accounting Practice in Ireland.

Have been properly prepared so as to conform to the requirements of the Credit Union Acts 1997 to 2012 and other matters prescribed by the Credit Union Acts 1997 to 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.

Proposed by Rena O Connor and Seconded by John O Brien

Credit Committee Report:

The Credit committee are obliged to meet 12 times a year but we have had a busy year and have met 32 times. The main categories for the loans during 2013/2014 were vehicles, home improvements, holidays, secured loans and student loans. 3399 loans were paid out during the year.

Proposed by: Marian Dineen Seconded by: Reena O Connor

Credit Control Report:

This year we introduced a new credit control system and a new set of procedures for controlling arrears. We increased our bad debt recovery and we have achieved a significant reduction in arrears.

Proposed by Owen O Doherty and Seconded by Niamh Buckley.

Marketing Report:

BCU sponsored the following groups/initiatives in the past year – Ballincollig GAA, Ballincollig Camogie Club, Scoil Eoin, Westgate Foundation, Ballincollig Community School, Colaiste Colm, the Rugby Club, the Vintage Club, the Resource Centre, Inniscarra Agricultural Show, Ballincollig Basketball Club, Lakewood Pitch & Putt, Men's Shed, Pike Theatre Group, Dripsey Community Association and Ballincollig Festival Lights.

Minutes of AGM 2014 continued

Proposed by Margaret Nagle Seconded by Martin Casey.

Membership Committee Report The membership of Ballincollig Credit Union is continuing to grow and opened 556 accounts this year. This brings our total membership to 16,174. Mrs. Byrne also confirmed that you need €200 in your shares to be able to get the death benefit of €1300 towards funeral expenses. Thanked everyone for their assistance during the year. **Proposed by: Phil Cullen Seconded by: Greg McCarthy.**

Board Oversight Committee Report: Stated that the move back to Harrington Street was a major undertaking, and thanks all those involved. They also mentioned that the 2012 Act had brought with it an immense amount of change which the Board and staff had to implement in the running of BCU. Mr Sealy thanked the members for their attention. **Proposer Phil Cullen and Seconded by Eleanor Hosford.**

Nomination Committee

Report the Nominating Committee has the responsibility to ensure that the necessary skills and knowledge required for BCU are represented on the Board of Directors and committees. The new fitness and probity regime was introduced in 2013 by the Central Bank of Ireland. We have 11 vacancies on the Board and three vacancies on the Board of the Oversight Committee. After a discussion took place from the floor in relation to the role/responsibilities of the Nomination Committee. **A motion was proposed by Ted Murphy and seconded by Pat O Connor** "That Ballincollig Credit Union should write to the league pointing out the difficulties, the personal difficulties involved in the Nomination Committee reviewing their fellow directors and themselves and he felt it was a legal responsibility that's one too far". It was agreed by the meeting that all reports would be inserted into the AGM booklet prior to the AGM, **this was proposed by Gerry Byrne and Seconded by Bob O'Hea.** Sheila Maguire would like to thank his fellow committee, board, management and staff, for all their help during the year.

Proposer Pat Moore and Seconded by Phil Cullen

Finance/Investment Committee Report: The Function of the Investment Committee is to oversee the entire investment portfolio for the Credit Union which is nearly €38.5 million this year, date they have had 11 meetings of the committee. The committee reviewed BCU's policy on investment and also got approval for policies on liquidity management and asset liability management. Over the past 12 months interest rates have continued to decrease and the forecasts are telling us that they will not move in the short to the medium term. As outlined above our investment income continues to decline as a number of our long term deposits are maturing during 2015. Some of our investments at the moment are yielding 4.4% to 4.5% and the current rate on offer at the moment is less than 1%. So that's going to continue to decline. So therefore our investment income is going down. At present BCU has unattached shares of €41.5m approximately, and the focus of the board and the management is to try to increase the loan book and develop products and markets by which we can achieve the object. Paddy McCarthy would like to thank his fellow committee, board, management and staff, for all their help during the year.

Proposer Gary O' Brien and Seconded by Niamh Buckley

Pascal Cullen queried the Minutes of 2013 in relation to payments to directors. The chairperson stated that the payments in the 2014 accounts should have been reflected in the 2013 accounts.

All the directors and oversight committee member's going forward for election stood up and made a speech regarding themselves. The Chairperson asked the members to fill out the ballot papers for the 11 vacancies on the board and 3 on the Board Oversight. The tellers were, Gerry Byrne, Roland Haussmann, Craig Mc Carthy and Joe Sheehan.

Minutes of AGM 2014 *continued*

Results

Board Oversight Committee: Michael Sealy, Tom O'Brien and Phil Murphy were elected

Board of Directors

- David Kagari (3 years)
- Stella McVeigh (3 years)
- Gary O'Brien (3 years)
- Sheila Somers (3 years)
- John Curtin (2 years)
- Breda Callanan (2 years)
- Nicola O Connell (2 years)
- Paul Healy (2 years)
- Catherine Greene (1 year)
- Sheila Maguire (1 year)
- Irene Byrne (1 year)

Members draw

Jerry Mullane	€10,000
Mary Barry-Murphy	€500
Margaret O Gorman	€250
Paul Hitz	€100
Declan O Keffe	€100
Kieran O Shea	€100
Hannah Kearney	€100
Vicky Allen	€100
Ann-Marie Horgan	€100
Mona Bohan	€100
Pat Kelly	€100
Rowena Fisher	€100
Michael Lyne	€50
Ger Keogh	€50
Niall Hayes	€50

Mrs Catherine Greene, on behalf of the Directors, Manager and Staff, wished everyone a very Merry Christmas and a very Happy New Year. All board members were asked to stay behind.

Chairperson's Address

My fellow Members,

On behalf of the board of directors of Ballincollig Credit Union Ltd. it is both an honour and a privilege to welcome you to our Annual General Meeting and to present our Annual Report for 2015. This is our 44th AGM and my first year as Chairperson.

Overview:

Thankfully, our Credit Union remains strong, with the majority of our borrowing members repaying their loans on time and in full. Our loan book although not having increased this year is showing signs of recovery. Our arrears year on year is consistently reducing which is also positive to see.

In such a climate the benefits of co-operativism become clear; through self-help and mutuality, Credit Union members have always continued to provide access to loans when other financial institutions did not.

Looking after our members has always been the top priority for Ballincollig Credit Union and we are constantly seeking ways to improve our service to you. This year has seen a further improvement in terms, with more staff available at busy times in our office of shorter queues and less waiting time. Our online and CUApp is proving to be a very attractive service to our members. We know that members are interested in new services such as Debit Cards and we continue towards bringing these to you.

While we have from year to year broadened the range of our services, the core values and principles upon which they were established remain unchanged and we continue to emphasise value for money, friendly service and the unique Credit Union philosophy which sets us apart from other financial institutions.

During 2015 we continued to support a range of local and community organisations and good causes; an example of our support is the School Credit Union. I would like to thank the principals and teachers for facilitating the Credit Union to bring our ethos to the children, as they are its future and will benefit from the co-operative ideal.

Dividend:

The board is pleased to recommend a loan interest rebate of 10% and a share dividend of 0.25% and we are very proud to be in a position to do so.

Financial Results:

Some of the year-end financial results are summarised below

- Total Income: €2,552,027
- Year- end surplus: €1,642,052
- Strong Balance Sheet and reserves position. Total Assets now stand at €62.6m and total reserves at 12.7%
- Well diversified loan book with strong provisions for doubtful debts
- A strong investment portfolio with good liquidity profile
- 459 new members joined BCU in 2015



Chairperson's Address *continued*

Loan Book Performance:

In 2015 the BCU issued loans totalling €10,635,478 and we are working to increase this figure in the coming year with the introduction of a number of new products at attractive interest rates. We would encourage all members who may be considering taking out a loan to make BCU their preferred lender.



Regulation:

The CU movement is undergoing significant change with many restructuring mergers taking place. In an ever changing technological environment managing a modern CU requires greater resources, skills and competence. It is the responsibility of the Board to respond to these changes and to provide a first class service to the members and compete successfully with other financial institutions that are already providing these services. The protection of member's savings along with providing a reasonable return on investments is foremost in all Board considerations and the development of a larger sustainable viable CU is necessary to ensure that this vision can be achieved for the long term. As part of our ongoing strategic planning process the Board have had discussions with a number of neighbouring CU's who would be culturally aligned with BCU and who would be interested in transfers of engagements or mergers with BCU. The Board is hopeful that we can make progress with one of these CU's and will be reporting on a regular basis to all stakeholders over the coming months.

We as a Board of Directors will continue to work diligently on behalf of the members and we will take all the necessary steps to be ready to face the challenges that lie ahead. On behalf of all the officers of the CU I wish to thank the members for their loyalty to Ballincollig CU. I also wish to acknowledge and pay tribute to the officers, Board of Directors, Board Oversight Committee, Volunteers, Management and Staff for their hard work and dedication during the past year.

As I reflect on the past years, I am very proud to be a member of this organisation and to have had the honour of serving as its Chairperson. I have no doubt as to the benefits Credit Union brings to us as members and to the community at large. I thank you the members for your support to me as Chairperson – it has been my privilege to serve.

Nicola O'Connell

Nicola O'Connell
Chairperson of the Board of Directors



Operations Report

Ballincollig Credit Union continues to grow in the current economic climate and has a major role in the community's financial sector. Our membership currently stands at 17,153 and continues to increase each year. Our income at €2.5 million has declined and this has mainly been attributed to lower rates of interest on funds deposited/Invested with other financial institutions.

As with previous years, we are guided on our Investment Portfolio by our professional advisors Cygnus. Unfortunately, there has been a dramatic reduction in interest rates in recent years - currently some rates quoted are actually less than 0.5%. In the year to September 2015 we achieved a return of 1.67% on our investments compared to 2.43% in 2014. This is in line with what we had forecast and we expect these rates to remain low over the next couple of years. We have invested in some longer term deposits to try and improve the rate of return on our investments.

The Central Bank requires that we hold at least 20% of our unattached shares in short term deposits. I am happy to report that we have liquidity of 25.6%, well in excess of regulatory requirement.

During the year we granted 2938 loans totalling €10.6 Million.

I would like to take this opportunity to thank those members who borrowed from Ballincollig Credit Union. We continue to be the most competitive on the market for loans, so if you are thinking of taking out a loan, please call in to our office or visit www.bcu.ie.

The level of arrears, stand at €2,227,952 (11.07%) which is down 3.45% on last year. The Bad Debt charged off for the year was €284,589. When a debt is charged off, our Credit Control team continue where possible to recover funds on these debts, and this year collected €279,246 from charged off loans which is an increase of €45,553 on 2014.

This has been a year of progress and development by your credit union. We have continued our involvement with the schools in our common bond and the schools have always supported the Credit Union saving scheme by encouraging the children to participate. We thank the principals and teachers in all our schools for allowing us the opportunity of bringing "Credit Union" to the children, as these children are our future. It is very important that children learn the value of developing a savings habit at an early age as this is a skill which will stand them in good stead throughout their lives.

Once again, Ballincollig Credit Union is actively involved in all aspects of the community within our common bond and throughout the past year we supported primary and secondary schools, sports clubs, senior citizens, tidy towns association, charitable and cultural events.



Operations Report *continued*

Ballincollig Credit Union had a staff retirement during the year. Maria Kierse retired in June. Maria has given many years of service to your credit union and I know that you will all join with me in wishing Maria and her family many years of happy retirement.

Ballincollig Credit Union Limited remains in a safe, strong and secure financial position. We have strong regulatory reserves, in excess of 10% and total reserves of 12.7%. Our priority is to protect our members savings and despite Bad Debt charge offs we have achieved this.

We are confident that with the support of our members and the determination of the Board of Directors and staff we will be well positioned to move forward and continue to be the first choice provider of financial services in our community.

I would like to thank the Board of Directors, our Board Oversight Committee, and the voluntary members of all the committees for their continued support, professionalism and courtesy at all times.

I would especially like to thank all of the hard working and dedicated staff that I have the pleasure in working with.



Sarah Kidney
Manager



Board Oversight Committee Report

On behalf of the Board Oversight Committee, I would like to thank the staff of Ballincollig Credit Union for all their hard work and professionalism during the past year. This was a year in which so many legislative and policy changes were/are still being put in place, constantly reviewed and updated. I also wish to thank the Board of Directors, my fellow supervisors and volunteers for their time and dedication to you the Credit Union members, during the past year.

This is the second full year that the Board Oversight Committee (BOC) has been in existence in its new format set out in accordance with the Credit Union Act 1997 (Regularity Requirements) Regulations 2016. (S.I. No. 1 of 2016). New governance and prudential requirements for credit unions inserted into the Credit Union Act, 1997 ("the 1997 Act") by the Credit Union and Co-operation with Overseas Regulators Act 2012 ("the 2012 Act").

Meetings of the Committee have been held at least once a month and the BOC have provided representation at all meetings of the Board of Directors (BOD) of Ballincollig Credit Union. We the BOC are also required to hold a meeting with the BOD four times a year (This has been complied with).

In common with many other Credit Unions, the Board and Staff of the Ballincollig CU have been hugely exercised in coming to terms with and conforming to the many changes imposed by the Acts. In addition, there have been some staff changes and retirements and changes in operational requirements in the new environment. In spite of all this, the Staff of BCU have responded very well and have again produced a great result for the year in a very difficult external environment.

Challenges remain for 2016/2017 and we feel that the principal matter for the new Board to deal with, once it has settled down, is to continue to find innovative ways to get a reasonable return for you its members from the considerable amount of funds available for investment. Our Loan Book is showing a moderate increase but there remains great potential for other vehicles and investment which would benefit you the community and possibly lead to a further increase in our membership.

In conclusion the fact that the Board of Directors are volunteers who are elected by you, act on your behalf, and given the ever increasing work load. The members of the Board Oversight Committee believe that in as far as is reasonably practicable, they the working Board of Directors are compliant in respect of the Credit Union Acts.

Board Oversight Committee

John M Jeffers	Chairperson
Cormac Manning	Secretary
Sheila Sommers	Member

Information Note

The Board wish to announce the intention to merge with another credit union in the coming year in a process known as a transfer of engagements. The decision comes after careful deliberation and extensive review. Having considered the option of our Credit Union remaining standalone or to proceed with a transfer of engagements, the Board is fully satisfied that it is in the best interests of Ballincollig Credit Union Limited and our Members to merge with another credit union.

The restructuring of credit unions has become common place in recent years and the Board have concluded that a merger is necessary to ensure the long term viability of the credit union, and to create the opportunities allowing us to provide new additional services and products to existing level of service that our Members expect and deserve.

The new merged entity would carry a new name to reflect the expanded geographical and common bond area that would now be covered. However the name Ballincollig Credit Union will be retained on our Office. The merger will have minimal impact on our Members day to day interactions with the Credit Union, with many of the changes affecting only the back office operations.

The members will be kept informed on the progress of merger.



Nominations Committee Report

It is our privilege to present the report on behalf of the Nomination Committee. The members of this committee are Gary O'Brien, John Curtin and Stella McVeigh. The Nomination Committee has the responsibility to ensure that the necessary skills and knowledge required of Ballincollig Credit Union are represented on the Board of Directors and Committees. The new Fitness & Probity and Financial soundness regime has been in operation since 2013 as per directions by the Central Bank of Ireland and we are compliant with this.

The Credit Union and Co-operation with Overseas Regulators Act 2012, Section 56(b) (5) states: "Every candidate to be nominated for appointment as a member of the board of directors of a credit union shall be proposed through the nomination committee of the credit union. No person shall otherwise be put forward for election or seek election at an annual general meeting or special general meeting of the credit union at which an election is held for members of the board of directors".

We encourage members to put themselves forward for election as either a Director or member of the Board Oversight Committee or one of our many committees who have expertise and experience in areas such as Governance, Risk, Marketing, Finance and Legal. We would especially welcome members who have relevant expertise and experience in the aforementioned areas to act as Volunteers. All of these roles are very rewarding from a personal development and growth perspective and it is through the vision and dedication of our Directors, Supervisors and Volunteers that we continue to be one of the safest, strongest and most secure financial institutions in the country.

Volunteers continue to make a huge impact on the success of our Credit Unions.

May we take this opportunity to thank all those who came forward and worked with us throughout the year. Their contribution was much appreciated. We would also like to thank the Management, staff and all the volunteers for their continued support and commitment to Ballincollig Credit Union.

Stella McVeigh, Gary O'Brien and John Curtin

Membership Committee Report

This committee is pleased to report the continuing growth in our members. Over the past year the membership increased by 459 bringing the total membership of BCU at year end to 17,153. This is quite satisfactory and we would like to see it continue in the coming years.

The Membership Committee is responsible for verifying eligibility of new members wishing to join BCU & for ensuring compliance with legal requirements in respect of obtaining proof of identity & address as well as P.P.S. numbers for those applying for membership.

Changes

This year the Committee updated the membership policy and made some changes.

The Common Bond was reviewed. There were areas included that required updating, while other areas especially new developments were not mentioned and some areas have been assigned new codes.

Minor Accounts were also looked at and now minors between the ages of 7 and 16 can open joint accounts or on their own with consent from a parent or guardian. Also minors up to the age of 7 can now open joint accounts with a parent or guardian. School accounts will continue with some changes.

Some benefits to becoming a member of Ballincollig Credit Union:

- 1 First, there is Loan Protection insurance available to our members; this cover will pay off your loan up to the age of 85 (subject to certain limits & conditions) should you die during the term of the loan.
- 2 Ballincollig Credit Union takes out Death Benefit insurance on each member who joins before their 70th Birthday. You need €200 in shares to be able to get the benefit of €1,300 towards funeral expenses.
- 3 Life Savings insurance is automatically available to members who join before the age of 70 years.
- 4 All these insurances are currently provided at no direct cost to our members.

When a member joins BCU, they have the option of completing a nomination form. This enables the beneficiary, in the event of the death of the person making the nomination to receive up to €23,000 without having to take out probate. We urge all our members to take advantage of this benefit by nominating a beneficiary & also to review this nomination regularly.

Our sincere condolences go to the families & friends of the members who died this past year. There is a mass said for the deceased members each year. This year the mass took place in February.

Ar Dheis Dé Go Raibh A Anam Dilis. May they rest in peace.

Finally this committee would like to thank the staff of the Credit Union, the Management team, the Board and all our members for their help and assistance throughout the year.

Liz Walsh, Donal O'Regan, Stella McVeigh

Credit Control Committee Report

The Credit Control Committee consists of directors and other volunteers who meet on a monthly basis with the Manager and Credit Control Officer.

The main function of the Credit Control Committee is to ensure that members repay their loans in accordance with their agreements. Our goal is to protect all of our members' savings.

I would like to begin by thanking our members for helping the Committee to achieve another successful year. Our number of borrowers has increased over the past year, while the number of loans in arrears has decreased significantly. In addition, our bad debt recovery figure has grown again.

The Committee works closely with the credit control team and loans are monitored from the moment they are granted. We understand that some members encounter genuine difficulties in meeting their repayments and we encourage them to contact us without delay if this is the case. Our staff are experienced in dealing with sensitive issues and we make excellent member service our top priority.

On the other hand, if a member simply refuses to repay their loan and fails to respond to attempts to contact them, they will be pursued through the legal system until the debt is recovered in full. Members are reminded that if they borrow money from Ballincollig Credit Union, they will have to pay it back.

We continue to operate under strict regulatory guidelines, but we still strive to provide the best possible service for our members. We acknowledge and are thankful that the vast majority of our members recognise the value of the service we provide and continue to prioritise their repayments to us, even when encountering financial difficulty.

The Committee would like to thank the credit control staff for all their hard work, as well as the other staff and management and all the volunteers on the Board and the Board Oversight Committee.

John Curtin
Chairman

Committee Members:
Sheila Somers, Derry Canty, Larry Finnegan, Martin Sisk

Key Figures:

	2015	2014	
Resolution 49 Arrears	€644,952	€833,416	Reduction of €188,464 achieved
Resolution 49 Bad Debt Provision	€1,541,598	€1,998,448	Reduction of €456,850 achieved
Pearls AI Ratio	11.07%	14.52%	Reduction of 3.45% achieved
Bad Debt Recovery	€279,246	€233,693	Increase of €45,553 achieved

Credit Committee Report

The main categories of loans granted during 2014/2015 were as follows:

Category	No. of Loans	Amount
Vehicles	397	€2,375,906
First Time Borrowers (6.99%) (7.23%APR)	272	€2,232,330
Secure Loans (5.4%) (5.54%APR)	586	€1,795,723
Home Improvements	375	€1,656,268
Holidays	295	€ 478,400
Engagements/Weddings	83	€ 423,350
Special Student Rate (6.99%) (7.23%APR)	65	€ 205,455

During the year under review 2938 loans were paid out amounting to a total of €10,635,478. This is proof positive that our Membership continues to have confidence in the services provided by your Credit Union. The credit committee met on 23 occasions during the year, and we as a committee implement the Policy of the Board of Directors of the Credit Union in assessing and approving loans. All loan applications are considered fairly and in the strictest confidence. We take into account the purpose of the loan and the ability of the borrower to repay. In the past year we felt it necessary to reduce or refuse a number of loans. While we regret having to do so, we have a responsibility to protect members' savings, while at the same time assisting members to borrow in a prudent manner. The main reasons for taking such decisions are:

- Arrears on Current Loan.
- Insufficient income to meet the required payments.
- Too frequent borrowing.
- A poor repayment record in the past.

You can Borrow from your Credit Union -

- at a very reasonable Interest Rate – Currently 9.98% (10.4% APR)
- No administration or transaction charges.
- Retain your shares in order to earn a dividend
- Potential Interest Rebate to all Borrowing Members
- Customised Repayments to meet personal circumstances
- No penalty for repaying your loan earlier.
- Free Insurance Cover on Loans and Savings,
Provided At No Cost to the Member – (terms & conditions apply).

The Committee would like once again to remind all borrowing members to make every effort to honour their 'repayment commitments' as arrears on your account is likely to affect your credit worthiness for future loans. We appeal to members who find they are having difficulty in meeting their repayments to contact the office immediately, we are here to help.

A very special thank you to all our members who borrowed during the past year, and if you didn't borrow from us in the recent past, maybe you will in the near future. We would like you to make BCU your first port of call for Loans – We have a fast, efficient and friendly service on offer to all our members.

We would like to thank our Board of Directors, Board Oversight Committee, our Manager, Credit Officers and Staff for their co-operation and assistance during the year.

Bob O'Hea, Breda Callanan, Mary Coleman

Finance and Investment Committee Report

The current F&I Committee were appointed in January 2015 and to date there have been 10 meetings of the Committee.

The Committee in conjunction with Cyngus Investment Advisers oversee the total investment portfolio and make recommendations to the Board on investment and reinvestment of new and maturing deposits.

The total of our deposits and investments at 30th of September 2015 was €43m (€38.4m at 30th September 2014) an increase of €4.6 Million. A listing of investments and deposits is shown in the AGM booklet.

Investment income for year ended Sept 2015 was €718,889 (€932,739 for 2014). Interest rates have fallen significantly over the last number of years and are currently at record lows – with no indication that they will rise in the immediate future. Based on the current rates we are forecasting Investment Income of €580K approx. for year 2016.

At present we have unattached shares of €45.5m and ideally we would wish to see a large chunk of these deposits in the form of loans to members. The Board and Management would encourage members, who may be considering a loan, to talk to BCU and to weigh up the advantages of a Credit Union loan.

Our liquidity at 30th September 2015 was 25.6% - statutory requirement 20%. In our Investment policy we have set a target of 25% liquidity.

The challenges that we face in managing the Investment Portfolio are (a) to achieve a reasonable return within the limits of our agreed risk appetite and (b) to ensure the safety of the member's deposits.

On behalf of the Committee I wish to acknowledge the help and support provided by the Board, Management and Staff during the year.

Paddy McCarthy
Chair of Finance and Investment Committee

Committee Members:
Martin Walsh, Martin Sisk, David Kagari and Tim Hennessey



Marketing/Youth Development Committee Report

Ballincollig Credit Union is committed to the improvement of the economic and social wellbeing of our community and as always we are proud to sponsor and support individuals, groups & community initiatives that make the quality of life of our members better in many small ways

- We put people before profit
- Our members are our owners
- Our surplus is used to improve products & services

We're Strong, Stable and we're open for business

Highlights of 2015 include:

- Credit Union Schools Quiz
- School Poster Competition

Were it not for the time and work these voluntary groups give, Ballincollig and many other areas would not be as attractive a place to live and work in. We try to make a small difference by supporting as many of them as possible. One of the objectives of every Credit Union is the improvement of the well-being and spirit of the member's community. To achieve this goal we have gladly supported the following Youth, Community and Sporting groups in the past year:

- Ballincollig Tidy Towns
- Ballincollig GAA
- Ballincollig Scout Group
- Muskerry GAA
- Ballincollig Camogie Club
- Westgate Foundation
- Fleadh Cheoil
- Bru Columbanus
- Eire Og Ladies Football
- Scoil Eoin
- Ballincollig Boxing Club
- Ballincollig Community Forum
- Ballincollig Community School
- Lakewood Pitch & Putt
- Ballincollig AFC
- Irish Guide Dogs
- Ballincollig Summer Scheme
- Breakthrough Cancer Research
- The Ranges Pitch & Putt
- Scoil Barra Bikeathon
- Canovee GAA
- Ballincollig Lit Writs
- Support After Crime Services
- Inniscarra Agricultural Show
- Coachford Autumn Festival
- Cuan Mhuire
- Pyke Theatre Group
- Ovens National School Parents Association
- Ballincollig Rugby Club

May I take this opportunity to thank all the committee members Niamh Buckley, Gary O'Brien, Catherine Greene and Cormac Manning and the entire staff of Ballincollig Credit Union who give their time and knowledge to attend to the members interest and committee business.

Finally and most importantly may I thank you, the members, for your continued and ongoing support for Ballincollig Credit Union.

Nicola O'Connell
Chair of the Marketing/Youth Development Committee

Committee Members:
Gary O' Brien, Catherine Greene, Cormac Manning, Niamh Buckley

Statement Of Directors' Responsibilities and Board Oversight Committee Responsibilities For The Year Ended 30 September 2015

Statement of Directors' Responsibilities

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

The Credit Union Act, 1997 (as amended) requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the credit union and of the income and expenditure of the credit union for that year. Under that law the directors have prepared the financial statements in accordance with Irish Generally Accepted Accounting Practice (accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland and Irish law).

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 books of account which disclose with reasonable accuracy at any time the financial position of the credit union and which enables them to ensure that the financial statements comply with the Credit Union Act, 1997 (as amended). They are also responsible for safeguarding the assets of the credit union and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



Nicola O'Connell
CHAIRPERSON



Gary O'Brien
SECRETARY

Statement of Board Oversight Committee's Responsibilities

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



John Jeffers
BOARD OVERSIGHT COMMITTEE

Independent Auditor's Report To The Members Of Ballincollig Credit Union Limited Year Ended 30 September 2015

We have audited the financial statements of Ballincollig Credit Union Limited for the year ended 30 September 2015 which comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement, and the related notes and accounting policies. 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).

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements giving a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors, including "APB Ethical Standard - Provisions Available for Small Entities (Revised)", in the circumstances set out in note 20 to the financial statements.

This report is made solely to the credit union's members, as a body, in accordance with Section 120 of the Credit Union Act, 1997 (as amended). Our audit work has been undertaken so that we might state to the credit union's members those matters that 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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the credit union's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently 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.

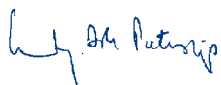
Opinion on financial statements

In our opinion the financial statements:

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

Other matters prescribed by the Credit Union Act, 1997 (as amended)

- We have obtained all the information and explanations which we considered were necessary for the purposes of our audit.
- In our opinion proper accounting records have been kept by the credit union.
- The financial statements are in agreement with the accounting records.



Crowleys DFK Partnership

Chartered Accountants and Registered Auditors
5 Lapp's Quay
Cork


Date: 30 May 2016

Income and Expenditure Account

For The Year Ended 30 September 2015

		2015	Continuing operations 2014 Restated	2014 As previously stated
		€	€	€
INCOME				
Interest on members loans		1,814,742	1,868,871	1,868,871
Other interest receivable and similar income	1	718,889	932,739	932,739
Profit on Disposal of Investments		-	6,000	6,000
Net Interest Income		2,533,631	2,807,610	2,807,610
Other income	2	18,396	15,523	15,523
Total income		2,552,027	2,823,133	2,823,133
EXPENDITURE				
Salaries		640,674	691,678	691,678
Other management expenses	3	974,243	904,376	1,040,054
Depreciation		48,152	363,003	363,003
Provision for bad and doubtful debts		(758,437)	231,709	231,709
Bad debts written off		284,589	262,187	262,187
Bad debts recovered		(279,246)	(233,693)	(233,693)
Total Expenditure		909,975	2,219,260	2,354,938
EXCESS OF INCOME OVER EXPENDITURE FOR THE YEAR		1,642,052	603,873	468,195
Less:				
Dividends paid		(117,820)	(98,758)	(98,758)
Loan interest rebate paid		(141,196)	(99,918)	(99,918)
		1,383,036	405,197	269,519
Add : Undistributed surplus 30 September 2014		135,678	-	-
		1,518,714	405,197	269,519
Less:				
Transfer to statutory reserve	9	(966,911)	(46,820)	(46,820)
Transfer to dividend reserve	9	-	(214,696)	(214,696)
Transfer to non-distributable investment income reserve	9	(2,492)	(8,003)	(8,003)
UNDISTRIBUTED SURPLUS CARRIED FORWARD		549,311	135,678	-
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES				
Surplus for the year		1,642,052	603,873	468,195
Prior year adjustment		(1,789,555)	-	-
Total recognised surplus / (deficit) since last report		(147,503)	603,873	468,195

On behalf of the Credit Union


Sarah Kidney
MANAGER


Nicola O'Connell
CHAIRPERSON


John Jeffers
BOARD OVERSIGHT COMMITTEE

Balance Sheet As At 30 September 2015

	2015	2014	2014
		Restated	As
Notes	€	€	previously stated €
ASSETS			
Cash and balances at bank	728,938	760,019	516,699
Deposits and investments	5 43,029,186	38,376,168	38,376,168
Loans to members	20,132,613	20,263,022	20,263,022
Less: Provision for bad and doubtful debts	(2,500,000)	(3,258,437)	(3,258,437)
Tangible fixed assets	7 823,222	857,160	857,160
Prepayments and accrued income	393,011	382,676	382,676
Total assets	62,606,970	57,380,608	57,137,288
LIABILITIES			
Members shares	17 51,690,443	47,894,402	47,894,402
Members deposits	36,750	62,168	62,168
Members current account	354,022	243,320	-
Money management accounts	583	941	941
Other liabilities, accruals and charges	8 2,016,215	2,053,856	264,301
	<u>54,098,013</u>	<u>50,254,687</u>	<u>48,221,812</u>
ASSETS LESS LIABILITIES	8,508,957	7,125,921	8,915,476
MEMBERS RESOURCES			
Statutory reserve	9 6,175,698	5,208,787	5,208,787
Non-distributable additional regulatory reserve	9 534,999	534,999	534,999
General reserve	9 -	-	808,490
Dividend reserve	9 1,238,454	1,238,454	2,355,197
Non-distributable investment income reserve	9 10,495	8,003	8,003
Undistributed surplus	9 549,311	135,678	-
TOTAL MEMBERS' RESOURCES	8,508,957	7,125,921	8,915,476

On behalf of the Credit Union



Sarah Kidney
MANAGER



Nicola O'Connell
CHAIRPERSON



John Jeffers
BOARD OVERSIGHT COMMITTEE

Cash Flow Statement For The Year Ended 30 September 2015

	2015	2014
	€	€
Opening cash and investments	39,136,187	36,725,079
Receipts		
Members' shares	34,770,999	33,010,789
Members' deposits	1,143	-
Members current account	5,359,826	4,135,011
Members' loans repaid	10,481,298	10,384,326
Members loan interest received	1,814,742	1,868,871
Investment interest received	718,889	932,739
Bad debts recovered	279,246	233,693
Money Management accounts	152,731	4,160
Profit on disposals of investments	-	6,000
Other receipts	18,396	15,523
Decrease/(increase) in prepayments	(10,335)	529,805
Total	53,586,935	51,120,917
Disbursements		
Members' shares withdrawn	30,974,958	31,348,796
Members' deposits withdrawn	26,561	-
Members current account	5,249,124	3,983,845
Members' loans granted	10,635,478	11,414,515
Dividends paid	117,820	98,758
Loan interest rebate paid	141,196	99,918
Operating expenses	1,614,916	1,596,054
Fixed assets purchased	14,215	75,506
Money Management accounts	153,089	4,002
(Increase)/decrease in accruals	37,641	88,415
Total	(48,964,998)	(48,709,809)
Closing cash and investments	<u>43,758,124</u>	<u>39,136,187</u>

Notes To The Financial Statements For The Year Ended 30 September 2015

I. Accounting Policies

1.1. Basis of preparation and the historical cost convention

The financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with accounting standards generally accepted in Ireland and Irish statute comprising the Credit Union Act, 1997 (as amended). Accounting standards generally accepted in Ireland in preparing financial statements giving a true and fair view are those issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland.

1.2. Tangible fixed assets and depreciation

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and provision for impairment.

Depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Buildings & Improvements	-	2% straight line
Fixtures and fittings	-	20% Straight Line
Computer Equipment	-	33.33% Straight Line
Office Equipment	-	20% Straight Line

1.3. Impairment of fixed assets

The carrying values of tangible fixed assets are reviewed for impairment if events or changes in the circumstances indicate that the carrying value may not be recoverable. Under Financial Reporting Standard 11: Impairment of Fixed Assets and Goodwill, impairment is assessed by comparing the carrying value of an asset with its recoverable value (being the higher of net realisable value and value in use). Net realisable value is defined as the amount at which an asset could be disposed of net of any direct selling costs. Value in use is defined as the present value of the future cashflows obtainable through continued use of an asset including those anticipated to be realised on its eventual disposal.

1.4. Investments

Investment income is recognised when received or irrevocably receivable.

The specific investment products held by the credit union are accounted for as follows:

Bank deposits and other short term deposits

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

Government and bank bonds with a fixed maturity date

Government and bank bonds with a fixed maturity date are recognised in the financial statements at cost. Where the cost is greater than or less than par, the difference between the cost value and the par value is amortised over the life of the investment.

The Credit Union intends to hold these bonds until their maturity date.

Collective investment schemes

Collective investment schemes are valued at net realisable value.

1.5. Pension costs

Contributions to the defined contribution scheme for employees are charged to the Income and Expenditure account in the period to which they relate.

Notes To The Financial Statements For The Year Ended 30 September 2015 *continued*

1.6. Provision for bad debts

Bad debts written off, bad debts recovered and provisions for bad debts are included separately in the Income and Expenditure Account. Provision for bad debts is made against loan balances in arrears at 30 September 2015 on the basis of the 2003 Resolution No. 49 of the Irish League of Credit Unions and the results of regular loan book reviews. The specific provision required by Resolution 49 is €1,218,973 and the additional specific 'override' provision required on foot of regular loan book reviews is €1,012,527. An additional general provision of €268,500 is considered prudent by the Board of Directors resulting in a total provision of €2,500,000 at 30 September 2015.

1.7. Income recognition

Interest on members' loans is recognised when payment is received as specified in section 110(1)(c)(i) of the Credit Union Act, 1997, (i.e. on a cash basis). Investment income is recognised on an accruals basis.

1.8. Dividend and loan interest rebate

The amount of any dividend and loan interest rebate is determined by the directors at the end of the year. Dividend and loan interest rebates to the Credit Unions members are recognised as a liability of the credit union when approved by the members at the annual general meeting.

2. Prior Year Adjustment

During 2005 the Credit Union entered into a 25 year lease in respect of a premises at Ballincollig Shopping Centre. During Summer 2012 the Board decided to vacate the shopping centre branch and to operate solely from its premises at Harrington Street. The Credit Union ceased to operate from the shopping Centre branch during June 2013.

Despite the cost of future obligations under the lease exceeding the economic benefits to be derived from the lease after vacating the premises in June 2013 no provision was included in the financial statements years ended 30 September 2013 or 30 September 2014.

Consequently, opening reserves at the 1 October 2013 were overstated by €1,925,233 and other Liabilities, Accruals and Charges were understated by the same amount. In addition Other Management Expenses and Surplus for the year ended 30 September 2014 were overstated by €135,678.

The opening reserves at 1 October 2013, income and expenditure account for the year ended 30 September 2014 and balance sheet at that date have been restated in these financial statements. The effects of the restatements on the figures previously reported at 30 September 2014 are as follows:

	As Previously Stated at 30/09/2014	Prior Year Adjustment 30/09/2014	As Restated
	€	€	€
Income and expenditure account			
Other management expenses	<u>(1,040,054)</u>	<u>135,678</u>	<u>(904,376)</u>
Excess of income over expenditure for the year	<u>468,195</u>	<u>135,678</u>	<u>603,873</u>
Balance sheet			
Creditors: Other liabilities, accruals and charges	<u>264,301</u>	<u>1,789,555</u>	<u>2,053,856</u>
Reserves: General reserve	<u>808,490</u>	<u>(808,490)</u>	<u>-</u>
Reserves: Dividend reserve	<u>2,355,197</u>	<u>(1,116,743)</u>	<u>1,238,454</u>

Notes To The Financial Statements For The Year Ended 30 September 2015 *continued*

3. Employees

Number of employees
The average monthly numbers of employees during the year were:

2015	2014
Number	Number
18	18

Employment costs

2015	2014
€	€
640,674	692,769

Wages and salaries

640,674	692,769
---------	---------

4. Pension costs

The Credit Union operates a defined contribution pension scheme for its employees. The assets of the scheme are held separately from those of the Credit Union in an independently administered fund. Contributions are charged to the income and expenditure account in the year in which they fall due.

The pension charge represents contributions payable by the Credit Union to the fund and amounted to €46,783 (2014: €47,812).

5. Deposits and investments

	2015	2014
	€	€
Deposits		
Allied Irish Banks	1,144,698	364,424
EBS Building Society	1,538,069	1,508,339
KBC	4,622,227	2,941,910
BNP Paribas	100,000	100,000
Rabo Bank	5,453,444	7,416,734
Central Bank Minimum Reserve	393,217	393,083
Investec	3,500,000	3,000,000
Goodbody	4,127,577	3,100,000
Permanent TSB	1,748,366	1,690,064
Central Bank Deposit Protection	94,637	84,834
Bank of Ireland	6,758,461	2,727,008
Ulster Bank	4,213,268	7,610,818
Lloyds	1,000,000	-
	<u>34,693,964</u>	<u>30,937,214</u>
Bonds		
Irish Government Bond	3,721,478	3,768,902
French Government Bond	605,050	616,029
Societe Generale Bond	1,031,793	1,056,058
EBS Bond	-	497,470
BOI Bond	2,976,901	500,000
AIB Bond	-	1,000,495
	<u>8,335,222</u>	<u>7,438,954</u>
Total Deposits and Investments	<u>43,029,186</u>	<u>38,376,168</u>
Investment maturity analysis		
	2015	2014
	€	€
Maturing within one year	15,811,156	21,127,541
Maturing after one year	27,218,030	17,248,627
	<u>43,029,186</u>	<u>38,376,168</u>

Notes To The Financial Statements For The Year Ended 30 September 2015 *continued*

6. Investment income

Investment income and gains included in income and expenditure account year ended 30 September 2015 amount to €718,889. This is made up of the following:

	2015	2014
	€	€
Investment income and gains received in the year	495,099	590,166
Investment income and gains receivable within 12 months	294,202	334,273
Investment income and gains receivable after 12 months	10,495	8,300
Amortisation of government and bank bonds	<u>(80,907)</u>	<u>-</u>
	<u>718,889</u>	<u>932,739</u>

7. Tangible fixed assets

	Buildings	leasehold property	Computer equipment	Fixtures and fittings	Office equipment	Total
	€	€	€	€	€	€
Cost						
At 1 October 2014	965,813	1,037,152	685,709	265,518	167,059	3,121,251
Additions	-	-	14,100	-	115	14,215
Other movements	-	(1,037,152)	(551,801)	(247,357)	(144,507)	(1,980,817)
At 30 September 2015	<u>965,813</u>	<u>-</u>	<u>148,008</u>	<u>18,161</u>	<u>22,667</u>	<u>1,154,649</u>
Depreciation						
At 1 October 2014	165,513	1,037,152	655,488	254,328	151,610	2,264,091
Other movements	-	(1,037,152)	(551,801)	(247,357)	(144,507)	(1,980,817)
Charge for the year	19,316	-	20,641	3,662	4,533	48,152
At 30 September 2015	<u>184,829</u>	<u>-</u>	<u>124,328</u>	<u>10,633</u>	<u>11,636</u>	<u>331,426</u>
Net book values						
At 30 September 2015	<u>780,984</u>	<u>-</u>	<u>23,680</u>	<u>7,528</u>	<u>11,031</u>	<u>823,223</u>
At 30 September 2014	<u>800,300</u>	<u>-</u>	<u>30,221</u>	<u>11,190</u>	<u>15,449</u>	<u>857,160</u>

In December 2015 the Board of Directors reviewed, for impairment, the carrying value of the Credit Union's building at Harrington Street, Ballincollig. The impairment review was carried out in accordance with the requirements of Financial Reporting Standard 11: Impairment of Fixed Assets and Goodwill. Following completion of the review, the Board of Directors determined that the recoverable amount of the building exceeded its carrying value in the financial statements and that the building was not impaired. On this basis, no adjustment has been made to the carrying value of the building in these financial statements.

Notes To The Financial Statements For The Year Ended 30 September 2015 *continued*

8. Other liabilities, accruals and charges	Restated 2015	2014 (Note 2)
	€	€
PAYE/PRSI	12,073	12,165
Other creditors	183,539	151,636
Accruals	167,067	100,500
Provision for lease obligation	<u>1,653,536</u>	<u>1,789,555</u>
	<u>2,016,215</u>	<u>2,053,856</u>

8.1 Provision for lease obligation

Included within other liabilities, accruals and charges is a provision of €1,653,536 (2014: €1,789,555) relating to lease obligations payable over the remaining term of the lease on the premises at Ballincollig Shopping Centre. As at 30 September 2015 the remaining life of the lease is 15 years. The provision movements in the year are analysed as follows:

	2015	Restated 2014
	€	€
Opening balance	1,789,555	1,925,233
Charged during the year	-	-
Utilised during the year	<u>(136,019)</u>	<u>(135,678)</u>
Closing balance	<u>1,653,536</u>	<u>1,789,555</u>
	2015	Restated 2014
	€	€
Falling due within one year	132,378	136,019
Falling due within one to five years	495,019	508,632
Falling due after five years	<u>1,026,139</u>	<u>1,144,904</u>
	<u>1,653,536</u>	<u>1,789,555</u>

Notes To The Financial Statements For The Year Ended 30 September 2015 *continued*

9. Reserves	Restated Balance at 1 October 2014 (Note 2) €	Movement in the year 30 September 2015 €	Balance at 30 September 2015 €
Regulatory Reserves			
Statutory Reserve	5,208,787	966,911	6,175,698
Non- Distributable Additional Regulatory Reserve	<u>534,999</u>	-	<u>534,999</u>
Total Regulatory Reserve	<u>5,743,786</u>	<u>966,911</u>	<u>6,710,697</u>
Other Reserves			
General Reserve	-	-	-
Dividend Reserve	1,238,454	-	1,238,454
Non- Distributable Investment Income Reserve	8,003	2,492	10,495
Undistributed Surplus/(Deficit)	<u>135,678</u>	<u>413,633</u>	<u>549,311</u>
Total Other Reserves	<u>1,382,135</u>	<u>416,125</u>	<u>1,798,260</u>
Total Reserves	<u>7,125,921</u>	<u>1,383,036</u>	<u>8,508,957</u>

Statutory Reserve

In accordance with the provisions of the Credit Union Act, 1997 (as amended), at least 10% of each year's surplus must be transferred to the statutory reserve.

Statutory Reserve

Under the provision of the Credit Union Act, 1997 (as amended) the Credit Union is also required to maintain a regulatory reserve ratio of not less than 10% from 30 September 2009. This is the total of the regulatory reserve (i.e. the statutory reserve plus any additional regulatory reserve) expressed as a % of the total assets of the Credit Union. The Credit Union's regulatory reserve ratio at 30 September 2015 is 10.72% (30 September 2014 as restated: 10.00%).

Dividend Reserve

The dividend reserve is a reserve specifically set aside to provide for future dividend and loan interest rebate payments.

Non-Distributable Investment Income Reserve

The amounts included in the non-distributable investment income reserve are not available for distribution at the 30 September 2015.

10. Related party transactions

During the year loans amounting to €97,767.29 were approved for officers of the Credit Union. These loans were in accordance with Standard Credit Union Rules. The aggregate amount of loans owed by officers at 30th September 2015 was €218,842. The aggregate amount of shares held by officers at 30th September 2015 was €352,740. No amounts were written off officer loans during the year.

No payments were made to parties connected with the Board of Directors for goods or services provided to the Credit Union during the year.

There were no other material related party transactions during the year which would require disclosure under Financial Reporting Standard No. 8 (Related Party Disclosures).

Notes To The Financial Statements For The Year Ended 30 September 2015 *continued*

11. Dividends, loan interest rebate and other returns to members

The Board of Directors recommend the following be paid to members out of the year end surplus:

	Rate %	Recommended 2015 €	Rate %	Paid 2014 €
Dividend on shares	0.25	129,392	0.25	117,820
Loan interest rebate	10.00	181,474	7.50	141,196

12 Insurance against fraud

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

13. Capital commitments

The Credit Union had no material capital commitments at the year end.

14. Post Balance Sheet events

There are no material adjusting post balance sheet events to disclose at year ended 30 September 2015.

15. Contingent liabilities

There are no contingent liabilities to disclose at year ended 30 September 2015.

16. Bank and other loans

The Credit Union did not have any bank loans during the year ended 30 September 2015.

17. Members' shares

	2015 €	2014 €
Regular share accounts	51,690,443	47,894,402
Fixed term deposit	36,750	62,168
	<u>51,690,443</u>	<u>47,894,402</u>

18. Rates of interest charged on members' loans

	Per year	APR
General Rate	9.98%	10.4%
Student loan rate	6.99%	7.23%
First time borrowers	5.80%	5.95%
Secured Loan rate	5.40%	5.6%

Notes To The Financial Statements For The Year Ended 30 September 2015 *continued*

19. Comparatives


Comparative information has been reclassified where necessary to conform to current year presentation.

20. APB Ethical Standards - Provisions available to small entities

In common with many other entities of our size and nature our auditors provide us with advisory, consulting, loan book, investment and fixed asset reviews.

21. Approval of financial statements

The financial statements were approved by the Board on 25 May 2016 and signed on its behalf by


Sarah Kidney
MANAGER


Nicola O'Connell
CHAIRPERSON


John Jeffers
BOARD OVERSIGHT COMMITTEE

Schedule 1

- Other Interest Receivable And Similar Income

	2015 €	2014 €
Investment income	799,796	932,739
Amortisation of government and bank bonds	(80,907)	-
Total per income and expenditure account	718,889	932,739

Schedule 2 - Other Income

	2015 €	2014 €
Fees	15,564	9,745
Commission	2,832	5,778
Total per income and expenditure account	18,396	15,523

Schedule 3 - Other Management Expenses

	2015 €	Restated 2014 €
Pension	46,783	47,812
Board Oversight Committee expenses	-	1,091
ICB enquiries	9,876	8,968
Central bank deposit protection account charges	4,793	4,347
Credit institutions resolution fund levy	50,891	28,081
Internal audit	9,880	7,872
General insurance	23,345	22,189
Rent and rates	34,794	34,605
ECCU insurance	210,915	171,651
League, chapter, registrar filing fees and SPS costs	58,221	66,841
Death benefit insurance	67,411	47,844
Light and heat	17,427	20,614
Computer maintenance and licence fees	95,206	70,122
Repairs and maintenance	20,526	8,689
Cleaning	11,357	10,882
Security	2,538	2,663
Training	16,676	18,814
General expenses	17,175	12,843
Stationery and office expenses	12,904	9,182
Advertising and marketing	61,376	52,455
Postage and telephone	20,436	19,525
Travel and subsistence	5,342	17,567
AGM and convention expenses	21,491	26,681
Legal and professional fees	28,585	52,939
Consultancy fees	60,821	61,132
Audit fee	18,450	22,165
Bank interest and charges	23,855	30,602
Harrington street project	-	6,601
Donations and sponsorship	23,169	19,599
Total per income and expenditure account	974,243	904,376



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Pure financial freedom

Tel: 021 4872305
Fax: 021 4876364
Email: admin@bcu.ie
Website: www.bcu.ie

Opening Hours

Monday:	9:30	-	5:00
Tuesday:	9:30	-	5:00
Wednesday:	9:30	-	4:00
Thursday:	9:30	-	5:00
Friday:	9:30	-	7:00
Saturday	9:30	-	1:00