



Loan interest rebate **7%**  
Dividend **1%**



AGM Sunday 13 December  
Free raffle at AGM



# ANNUAL REPORT & FINANCIAL STATEMENTS

For the year ending 30 September 2015



An Post Employees'  
Credit Union Limited  
1968–2015

# NOTICE OF ANNUAL GENERAL MEETING (AGM)

Notice was posted to all members on 14 October 2015 that the 48<sup>th</sup> AGM of An Post Employees' Credit Union Limited will be held at the Teachers' Club, Parnell Square, Dublin 1 on Sunday, 13 December 2015 at 11am.

You are asked to note as follows:

- 1 The election of three members to the Board of Directors, three members to the Board Oversight Committee and an auditor will take place at the meeting. The closing date for nominations was 13 November 2015.
- 2 Motions for consideration at the AGM must be submitted in writing to the Secretary at 12–14 The Anchorage, Ringsend Road, Dublin 4 by Wednesday, 9 December 2015.
- 3 A motion has been received to increase the number of members of the Board Oversight Committee from three to five members.
- 4 Members are asked to bring identification and their membership number to the AGM.

***A prize draw will be held for those attending the AGM. Prizes this year are two mid-week breaks for two people to the Gleneagle Hotel, Killarney and four €100 cash prizes. Refreshments will be served after the meeting.***



**Colum Brennan**  
Secretary

## NOTICE TO MEMBERS LIVING OUTSIDE THE DUBLIN COMMUTER BELT

The Board of the credit union is anxious that as many members as possible would attend the AGM but, at the same time, it recognises the practical difficulties involved.

For those who might find it possible to attend the meeting, the Board have agreed to make a contribution of €70 towards the costs of travel and overnight on Saturday. Those staying overnight on Saturday, 12 Dec, must make their own arrangements.

It would be appreciated if those who intend to travel would notify the undersigned in advance so that a cheque can be prepared and available at the end of the meeting.



**Karina Malocca**  
Credit union office number: **01 660 2000**

# WELCOME

Greetings from the Board, Board Oversight Committee and staff of the credit union and welcome to the annual report for 2015. The report sets out how the credit union has performed in financial terms during the year and how the officers and staff have acted on your behalf in managing the credit union.

The AGM will be held this year at 11am on Sunday, 13 December at the Teachers' Club on Parnell Square in Dublin. As you are reminded every year, the AGM is the single most important event of the year for the credit union. It's where the Board of the credit union, the auditor and the various committees report back to the members.

Each individual credit union is owned and controlled by its members. This makes it very important for as many members as possible to attend the AGM to ask questions and find out what is happening. The attendance has grown in recent years, so much so that it was necessary to use a larger space at the Teachers Club last year. It is hoped that last year's record attendance will be beaten this year.

I look forward to seeing you at the AGM. You may even be a lucky winner in the prize draw!



**Paul Dolan**  
Chairman

## AGM AGENDA

- |  |   |
|--|---|
| <b>1</b> Introduction and welcome  | <b>11</b> Report of the Credit Control Committee ( <i>page 10</i> ) |
| <b>2</b> Determination of quorum   | <b>12</b> Report of the Membership Officer ( <i>page 11</i> )       |
| <b>3</b> Adoption of standing orders   | <b>13</b> Motions and Rule Amendments                               |
| <b>4</b> Minutes of the 47 <sup>th</sup> AGM                                 | <b>14</b> Report of the Nominations Committee                       |
| <b>5</b> Report of the Board of Directors ( <i>page 6</i> )                  | <b>15</b> Appointment of tellers                                    |
| <b>6</b> Report of the auditor ( <i>page 18</i> )                            | <b>16</b> Elections   |
| <b>7</b> Finance report and consideration of the accounts ( <i>page 16</i> ) | <b>17</b> Suspension of standing orders/open forum                  |
| <b>8</b> Declaration of dividend and loan interest rebate                    | <b>18</b> Result of elections                                       |
| <b>9</b> Report of the Board Oversight Committee ( <i>page 12</i> )          | <b>19</b> Prize draw  |
| <b>10</b> Report of the Credit Committee ( <i>page 9</i> )                   | <b>20</b> Close of meeting/refreshments                             |

# DIRECTORS AND OTHER INFORMATION

## BOARD OF DIRECTORS 2014-2015

**Chairman:** P. Dolan

**Vice Chairman:** M. Farrell

**Secretary:** C. Brennan

**Board members:** F. Hession, P. Doody, T. Harmon, M. Harrahill, T. Kerrigan, T. Kavanagh (co-opted March 2015), B. McKenna, F. O'Reilly, S. McBride (resigned March 2015).

## BOARD OVERSIGHT COMMITTEE 2014-2015

**Chairman:** D. Hoare

**Committee:** D. Joyce, S. Anderson

## STAFF

P. Ryan, K. Malocca, A. Togher, A. Whelan, S. Duffin, L. Keogh, S. Comerford.

## CENTRAL BANK REGISTRATION NUMBER

87CU

## REGISTERED OFFICE

12-14 The Anchorage, Charlotte Quay, Ringsend Road, Dublin, D04 A718

## AUDITOR

FMB, 56 Sir John Rogerson's Quay, Dublin, D02 EK20

## INTERNAL AUDITOR

Crowleys DFK, Lapps Quay, Cork, T12 RW7D

## PRINCIPAL BANKERS

Ulster Bank, 2-4 Lr. O'Connell Street, Dublin, D01 XH68

## SOLICITORS

Ferry Solicitors, 15 Upper Ormond Quay, Dublin, D07 YK6A

At Special General Meeting  
in July, Colum Brennan, Credit  
Union Secretary, and Paul Dolan,  
Credit Union Chairman



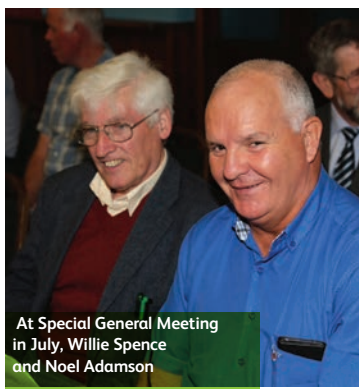
Brian McKenna (left) and  
Michael Farrell at the CWU  
Conference, April 2015



At Special General Meeting  
in July, Jimmy Doyle and  
Christy Fitzgerald



At Special General Meeting  
in July, Willie Spence  
and Noel Adamson



At Special General Meeting  
in July, Dan Joyce, Peter  
McCarthy and Noel Nagle



# DIRECTORS REPORT AND CHAIRMAN'S STATEMENT 2015

It is a pleasure to present the Directors' Report on behalf of the Board for the year ended 30 September 2015. This year has been a busy one as we continue to meet the needs of the members in relation to their personal loans and regular savings.

The highlights of the year included the following:

- A Special General Meeting (SGM) was held in July 2015, at which it was decided to widen the membership of the credit union to include all those who have made their livelihood from the postal service. This means employees, former employees and pensioners of An Post and any company in which An Post has a shareholding; Postmasters and their post office assistants; and in respect of each of these groups, their respective spouses, parents, siblings, children and grandchildren regardless of their place of residence. This is a significant change to the number of people who are eligible to join the credit union and hopefully it will assist in securing the future of the credit union at a time when employee numbers at An Post are declining.
- The credit union is preparing to introduce electronic payments in early 2016. This will allow the credit union to transfer members' loan funds and share withdrawals directly into their bank accounts. It will also allow members to transfer funds into and out of their credit union accounts online, set up direct debits into and out of the credit union, pay bills etc. The credit union will join 150 other credit unions who have moved to electronic payments and it will revolutionise the way members interact with the credit union.
- Following a request from the members at the Portlaoise Mails Centre, Christmas deposit accounts were introduced last January. These allow members to save through the payroll for Christmas into a separate account that is not used as collateral for their loan or as the basis for life insurance benefits.

As you will read in the finance report, the credit union continues to grow in financial terms, with total assets reaching €45m. The credit union remains in a very strong financial position, with reserves held of nearly 1.8 times the required level set by the Central Bank.

The Board is recommending a dividend on shares of 1.0% and a loan interest rebate of 7.0%, similar to last year. As the interest rebate is not subject to DIRT, it is a great benefit to borrowers and it reduces the effective cost of their credit union loan. A rebate is added to the member's shares, in line with a dividend payment.

Overall the economy has continued to improve and working people are finally starting to see some benefits. This can be seen in the loan book where the weak demand of previous years has started to turn. It is also evident in the reduction in bad debts and hopefully this trend will continue in future years.

At 30 September 2015, the State run Credit Union Restructuring Board (known as "ReBo") is engaged in 107 credit union merger projects, involving 191 individual credit unions and including 36 completed mergers. The number of credit unions in the Republic of Ireland is likely to reduce from 425 in 2006 to

less than 300 by late 2016. Thankfully, this restructuring and merger process has had little impact on the taxpayer and is entirely voluntary with very little office closures or redundancies. The process is likely to intensify over the next six months as small credit unions come under pressure to merge, due to falling investment returns, reduced loan books and higher compliance costs. Our own credit union continues to be viable as a stand-alone entity but the Board will continue to monitor events and do what it considers to be in the best interests of its members during the coming years. The vast majority of credit unions that have joined larger entities have assets of less than €20m, whereas our own assets are more than twice that level.

A disappointment in recent months has been the proposals of the Central Bank to restrict member savings in credit unions to €100,000. The Board believes that this will have enormous competition and reputational consequences for the credit union movement. At the same time, the Central Bank is copper-fastening very high capital requirements and restrictions on loan durations.

The car draw continues to be very popular with almost 60.0% of members participating. All the draw subscriptions go into the prize fund and that fund provides a car and ten cash prizes every two months with a bumper Christmas draw. Last Christmas, a BMW 318D was won by Peter Kavanagh of the Swords/ Malahide Delivery Office. This year's Christmas draw will include a BMW 318D, a Ford Fiesta and forty cash prizes. Best of luck to all members participating in the draw!

Very significantly for everyone, John Sunderland passed away on 28 April 2015. John was a founder member of the credit union in 1968 and was very influential in its development and progress over the years. He gave generously of his time and carried a large workload, not only at the credit union but also at the local Chapter, at Central Credit Union and at the Irish League of Credit Unions where he served as President from 1979 to 1980, a rare honour. John was a member of the credit union Board up to May 2013, when he resigned due to ill health and relocated to Cobh to live with his daughter, Mary. He is greatly missed. Ar dheis De go raibh a anam.

The annual report and the AGM provide an opportunity to recognise various people who have made a significant contribution to the credit union and who are stepping down from their roles. This year Tom Kerrigan is retiring from the Board and I would like to thank Tom on your behalf for his significant contribution over a long number of years. During the year Siobhan McBride stepped down from the Board and I would also like to thank Siobhan for her hard work, particularly on the Audit & Risk Committee.

As my first year of office draws to a close at this AGM, I reflect that it has been a very challenging and interesting year for the credit union and I am confident that the credit union will continue to be successful in meeting the needs of the members over the years ahead.

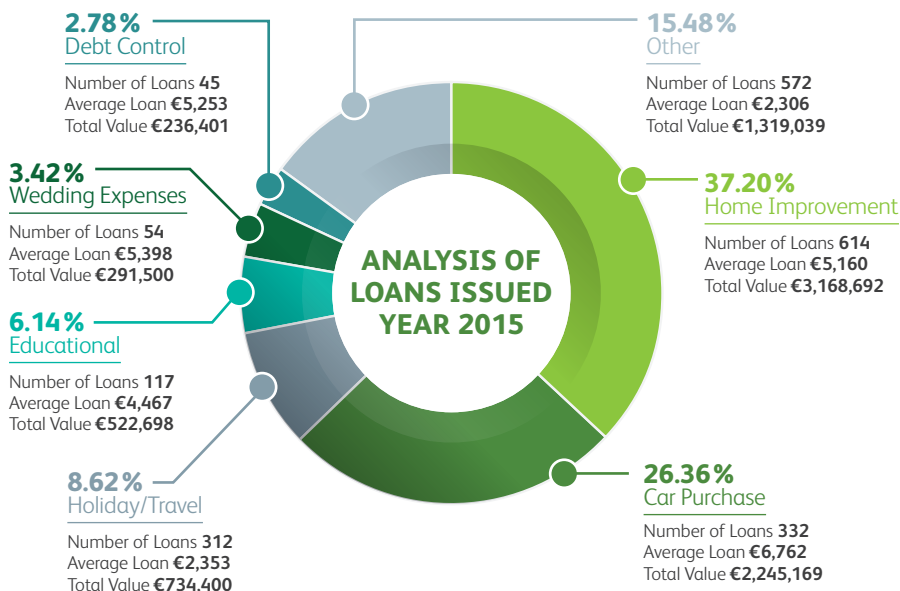
Finally, I would like to thank my colleagues on the Board, the members of the Board Oversight Committee, members of all the other committees and the volunteers for all their hard work over the year. Thanks also to Manager Paul Ryan and staff members Karina, Adrienne, Alan, Siobhan, Lorraine and Sarah for their commitment and support over the past twelve months. A special word of thanks to our representatives around the country and to my colleagues at the National Payroll Centre for their help and assistance throughout the year.

I look forward to seeing as many of you as possible at the AGM on Sunday, 13 December 2015.



**Paul Dolan** Chairman





## LOANS

Number of Loans Issued 2015	Loans Issued in 2014	Loans Issued in 2015
2,046	€7,526,931	€8,517,899

## SHARES

Shares Lodged	Shares Withdrawn	Average Shareholding
€9,787,775	€8,559,906	€6,432

## FINANCIALS

Interest from Loans	Average Loan Outstanding	Expenditure to Income Ratio
€1,664,167	€7,832	56.4%

## MEMBERS

Number of Members 2015	Increase	Average Loan Issued
5,735	↑ 93	€4,136



# REPORT OF THE CREDIT COMMITTEE 2015

Once again, it is my pleasant duty to report on the activities of the Credit Committee during the year.

Providing loans to members is perhaps the key service offered by the credit union. Arranging access to credit under fair terms and conditions is one of the main reasons why our credit union was set up by its members in 1968. It is the role of the Credit Committee to oversee the loan approvals process and to ensure that credit union lending complies with best practice and the relevant legislation and regulation.

During the year, 2,046 new loans were issued, a total amount of €8.5M. While this was a welcome increase of more than 13.0% on last year in value, the total loan book fell by over 3.0%, because of the high number of loan redemptions.

Perhaps as a legacy of the recession, members are continuing to be a little cautious, particularly those who find themselves with very high mortgages. This trend is mirrored at most credit unions and total unsecured lending in the economy is down substantially on the pre-2008 levels.


59 loans were refused, but refusals were kept to a minimum.

It is worth mentioning again that the credit union has plenty of funds for lending to members and that our loan interest rate has not increased throughout the financial crisis. Other key features of a credit union loan, such as loan protection insurance at no direct cost to the member and the ability to clear all or part of the loan without penalty, remain in place.

Although there is no shortage of credit union funds for lending, the Credit Committee must take account of the member's ability to repay the loan. This includes taking account of any arrears or over-borrowing in relation to mortgages, bank loans and credit cards.

We use the services of the Irish Credit Bureau in assessing loan applications and find it invaluable. The development of a new national credit database is underway and we watch this with interest.

Finally, I would like to thank my fellow committee members Frank O'Reilly, Paddy Doody, Peter McCarthy and Tom Kerrigan for their diligence in serving the members. I would also like to thank the staff, particularly lead loans officer Adrienne Togher.



**Frank Hession**

Chairman, Credit Committee

# REPORT OF THE CREDIT CONTROL COMMITTEE 2015

As Chairman of the Credit Control Committee, I would like to present a report of our operations for the past year.

The function of the Credit Control Committee is to monitor the loan portfolio of our credit union and, in doing so, to insure that loans are repaid in accordance with the terms of the individual credit agreements that members have signed. The committee meet every week to review any loans in arrears and to take suitable action where necessary.

Each quarter we meet with the Manager Paul Ryan to examine the loan portfolio in greater detail with a view to insuring that our accounting provisions against possible bad debts are adequate. At 30 September 2015, we have provisions against possible bad debts of €1.5M. For the fifth year in succession, the Board engaged accountants Russell Brennan Keane in September to undertake an independent and detailed review of the provisions and they reported that we are well covered.

Unfortunately, eleven loans have been charged-off this year, totalling €92,303. The amount recovered this year from previously charged-off loans was €60,161. In the previous year, €144,857 was charged-off and €78,262 recovered. The recoveries are down a little this year because last year's figure included some "one-off" large recoveries. Overall, the trend is improving.

The term "charged-off" is an accounting expression and does not mean that a loan is not recoverable. The committee will always pursue people in default by whatever means are necessary including legal action/court appearances. To this end we have recently engaged Cabot Financial as a debt collection agency to help with our recoveries.

This year a small number of members have entered personal insolvency. The committee continues to monitor these developments but we note that the numbers entering these arrangements throughout the country is much lower than expected so far.

Once again I would appeal to members who find themselves in financial difficulties to contact the credit union as soon as possible so we can help resolve matters before the situation becomes more difficult. We will always try to be understanding and to work with the member to come to a fair agreement with which they can manage according to their means.

Finally, I would like to thank my colleagues on the Credit Control Committee, namely Jimmy Doyle, Brian Mc Kenna and Noel Kinsella. Unfortunately Noel had to resign during the year due to personal reasons and we wish him all the best. My thanks as always are due to Manager Paul Ryan and all the staff for their help and co-operation during the past year.



**Christopher Fitzgerald**

Chairman, Credit Control Committee

# REPORT OF THE MEMBERSHIP OFFICER 2015

I am called upon again this year to address the members in my role as the Membership Officer of An Post Employees' Credit Union.

At 30 September 2015, the membership stands at 5,735 compared to 5,642 last year, an increase of 93. This is a very satisfactory outcome at a time when An Post is in a phase of restructuring.

As you are aware, a Special General Meeting was held in July to consider a proposal to widen the number of people who can join the credit union and this proposal was approved by the members. The people now eligible to join are those who have derived their livelihood from the postal service and their families, namely employees, former employees and pensioners of An Post and any company in which An Post has a shareholding; Postmasters and their post office assistants; and in respect of each of the foregoing, their respective spouses, parents, siblings, children and grandchildren regardless of their place of residence. This greatly widens the possible membership and helps the credit union to be as inclusive as possible.

Membership of An Post Employees' Credit Union makes more sense than ever. With payroll deductions, very competitive loans, upcoming electronic payments, access to useful savings accounts (including our new Xmas deposit account), insurance cover (at no direct cost to the member) and a car draw with extra prizes at Christmas and summer, membership of this credit union is a great benefit for those associated in any way with An Post.

The credit union is focused on members' needs and is run solely for their benefit. Credit unions were set up as mutual, "self-help" organisations and that is how they remain. There are many new changes to come to facilitate members in doing business with the credit union and nothing stands still.

As Membership Officer, I have visited a large number of offices over the past year, both in Dublin and in other parts of the country. I received a warm welcome and positive feedback at every office and this shows the great interest in the credit union. In this regard, I would like to thank Paul Emmet, Brian McKenna and Paul Ryan who gave me great assistance in these visits.

As I reach the end of my report, I wish to thank my fellow Board members, the Board Oversight Committee and all the other committees and volunteers that help with the running of An Post Employees' Credit Union. I would also like to give a great big thanks to the wonderful staff that are in the front line in dealing with the members.

A handwritten signature in black ink, appearing to read 'MF Farrell', with a stylized flourish at the end.

**Michael Farrell**  
Membership Officer

# REPORT OF THE BOARD OVERSIGHT COMMITTEE 2015

The members of the Board Oversight Committee for 2014-15 were Danny Hoare (Chairman), Dan Joyce (Secretary) and Seamus Anderson. Jean Hamilton joined us as a volunteer during the year.

The committee is pleased to submit its annual report to the members of An Post Employees' Credit Union.

At least one member of the committee attended each monthly / special meeting of the Board during the year. In accordance with the relevant legislation, we also conducted four review meetings with the Board and after each meeting we provided the Board with our assessment of its performance.

We also attended monthly meetings of the various committees i.e. Credit, Credit Control, Executive, Liquidity & Investment, Audit & Risk, Nominations, Promotion & Development, and I.T. A member of the committee also attended each of the bi monthly car draws.

The Board Oversight Committee meets once a month where we review the meetings attended and arrange for our attendance at future planned meetings of the different committees.

It is our opinion that the Board has been compliant in their legal and regulatory requirements and have acted in accordance with part IV and IVA of the Credit Union Act 1997 (as amended) and other financial services legislation.

Due to work and other commitments we have decided to recommend an increase in our membership from three to five.

Finally we would like to thank the Board, management and staff of the credit union for their co-operation and assistance throughout the year.



**Danny Hoare**

Chairman, Board Oversight Committee

# OTHER CREDIT UNION COMMITTEES 2015

## EXECUTIVE COMMITTEE

Chaired by credit union Chairman Paul Dolan, this committee acts as a communications channel to management and prepares for the monthly Board meetings to make them more effective. This committee also has responsibilities in relation to policy development, HR issues and complaints. Other members are Michael Farrell, Colum Brennan, Frank Hession and Paul Ryan. The Executive meets monthly.

## LIQUIDITY & INVESTMENTS COMMITTEE

Chaired by Martin Ryan, this committee oversees the credit union's liquidity position and its portfolio of investments, some €26.4M at year-end. Other members are Paul Dolan, Tony Cashell, Mick Phillips, Peter McCarthy and Paul Ryan. It is a busy committee and its role is very challenging, given the difficulty in achieving any returns from bank deposits and government/ bank bonds. The credit union's current investment strategy is to place some deposits over longer terms where opportunities arise, and to reduce our immediate and 90 day liquidity to levels that are closer to the regulatory minimum in order to maximise returns in this low interest rate environment. The strategy is to remain selective regarding further bond investments (as extremely low yields prevail) and to continue to expand the number of counterparties if possible to help reduce counterparty risk. The committee meets every month and is assisted by a firm of independent investment advisors, GlobalReach Securities.

## AUDIT & RISK COMMITTEE

This committee always has a busy agenda because of the weight of audit, regulatory, risk and compliance requirements on credit unions. Chaired by Mary Harrahill, the other committee members are Teresa Kavanagh and Brian McKenna with Gerry Ryan bringing his expertise and experience to the group. The Risk Officer on the staff, Alan Whelan, and Manager Paul Ryan attend the monthly meetings. The review of Board policies relating to risk/ compliance and managing the relationship with the external auditor and the internal auditor are priorities.

## NOMINATIONS COMMITTEE

Also chaired by Mary Harrahill, this committee is charged with ensuring that there are sufficient candidates for elections. Other tasks include reporting on the composition of the Board, attracting new volunteers, ensuring that new committee members receive suitable training and managing the Central Bank fitness and probity requirements. Other committee members are Tony Harmon and Brian McKenna. The Committee meets as often as necessary, normally six times a year.

## OTHER CREDIT UNION COMMITTEES 2015 **CONTD.**

### PROMOTIONS & DEVELOPMENT COMMITTEE

The P&D Committee is concerned with getting the message out to members regarding any new developments. Letting members know about the expanded membership criteria and the planning of future communications regarding electronic payments have been important this year. The committee also co-ordinates the network of representatives around the country and is involved in planning events such as the AGM. One of the most significant activities this year has been to visit almost forty An Post workplaces. The chairman is Tony Harmon and committee members are Michael Farrell, Paul Emmett, Christine Mitchell and Sharon Nannery.

### IT COMMITTEE

Chaired by Margaret Fitzpatrick, the IT Committee monitors the credit union's computer systems and, in particular, any proposed developments, IT security issues and IT contracts. This year, the updating of IT equipment and the proposals to introduce electronic payments were the two priorities. Other committee members are Kevin Doherty, Joe Bowden and Alan Whelan.

# Would you like to be a winner like Ann Lyons?



Ann Lyons, winner of a Ford Fiesta in August 2015

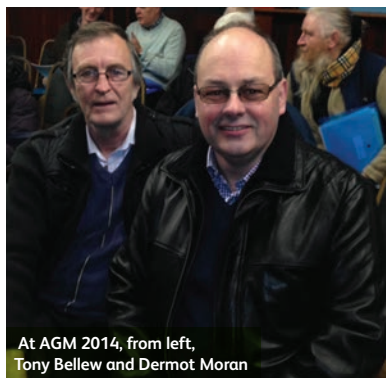
Join our **Car Draw Scheme** and you could win a car for as little as **€1.27 per week**

#### 2014/15 Winners

Celine McKeever, Anna Kennedy, Peter Kavanagh, Peter Hehir, Desmond Sherry, Ann Lyons, Geraldine Quigley, Imy Gavin

### Great prizes to be won in each draw!

1 <sup>st</sup> Prize a <b>FORD FIESTA</b> 5 door	
2 <sup>nd</sup> Prize <b>€1,000</b>	7 <sup>th</sup> Prize <b>€750</b>
3 <sup>rd</sup> Prize <b>€1,000</b>	8 <sup>th</sup> Prize <b>€500</b>
4 <sup>th</sup> Prize <b>€ 750</b>	9 <sup>th</sup> Prize <b>€500</b>
5 <sup>th</sup> Prize <b>€750</b>	10 <sup>th</sup> Prize <b>€500</b>
6 <sup>th</sup> Prize <b>€750</b>	11 <sup>th</sup> Prize <b>€500</b>



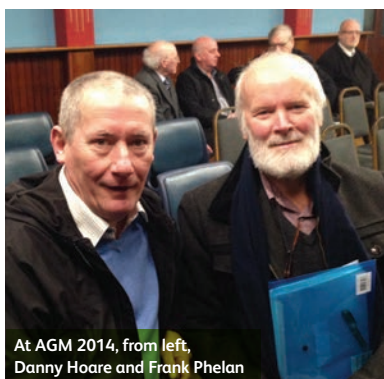
At AGM 2014, from left,  
Tony Bellew and Dermot Moran



Tadgh McEvoy and his colleagues  
at Portlaoise Mails Centre



Peter Kavanagh, left, received the keys of  
his BMW 318D at Christmas 2014 from  
Paul Dolan, Chairman of the credit union



At AGM 2014, from left,  
Danny Hoare and Frank Phelan



At AGM 2014, from left,  
Frank Hession, Paddy Doody,  
Frank O'Reilly and Noel Kinsella



# FINANCE REPORT 2015

I am pleased to present the accounts of the credit union for the year ended 30 September 2015. The full set of accounts is presented as part of the annual report booklet in the format required by the Registry of Credit Unions, which is part of the Central Bank.

Irish credit unions are experiencing three major financial challenges – reduced investment returns, members borrowing less in the aftermath of the recession and increased regulatory costs. Our credit union is not immune to these trends but, despite this, the credit union experienced a reasonably stable year in financial terms.

The income for the year at €2,134,805 has reduced by 5.6%. The main element of our income, loan interest, reduced by 7.9% to €1,664,167 because of a smaller loan book although the loan book recovered quite strongly during the middle of the year. While the credit union budgeted for a decrease in investment income this year because of exceptionally weak European interest rates, an opportunity arose to realise some unexpected gains by selling two government bonds. That disposal resulted in an increased investment income for the year, up 8.3% to €457,645.

Expenditure at €1,204,549 is down by 1.8%, year on year. This was helped by a reduction in (i) bad debts charged-off and (ii) provision for possible bad debts.

When both the income and the expenditure are taken into account, the surplus for the year has reduced by 10.1% to €930,256. This leaves the total assets of the credit union at €45.7M, a 4.0% increase on last year.

The Board is recommending a dividend on shares of 1.0% and an interest rebate of 7.0% this year, both the same as last year. The rebate reduces the cost of credit union loans and helps to even out the benefits between those who predominantly save and those with larger loans. The Board is very conscious of the high rate of DIRT tax on dividends while the loan interest rebate is not liable to DIRT.

The end of the financial year 2015 leaves the credit union with a very strong balance sheet, as outlined in the Directors' Report/Chairman's Statement. The Registrar of Credit Unions requires a credit union to have 10% of its total assets in reserves at each year-end. The reserves figure for your credit union is over 17.6% of assets, excluding the funds put aside to pay this year's dividend and rebate. This is 76% more than is strictly required. The high reserves make your savings very secure even before consideration is taken of the Government guarantee of up to €100,000 for each member's savings under the Deposit Guarantee Scheme.

I would like to thank the Board of Directors, the Audit & Risk Committee, the Board Oversight Committee and my colleagues on the staff for their assistance and co-operation. I would also like to thank the team at external auditors FMB, particularly Partner Patrick Loughnane and Audit Senior Michelle Bradley, and the staff at internal auditors Crowleys DFK, particularly Partner Tony Cooney and Director Fiona O'Sullivan.



**Paul Ryan**  
Manager

# STATEMENT OF DIRECTORS RESPONSIBILITIES 2015

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 the affairs of the credit union and of the income and expenditure of the credit union for that year. In preparing those financial statements the directors are required to:

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy 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.

Approved by the Board of the credit union on 3 November 2015.



**Paul Dolan**  
Member of the Board  
of Directors



**Mary Harrahill**  
Member of the Board  
of Directors

# STATEMENT OF BOARD OVERSIGHT COMMITTEE'S RESPONSIBILITIES 2015

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 to in relation to the board.



**Danny Hoare**  
Member of the Board Oversight Committee

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AN POST EMPLOYEES' CREDIT UNION LIMITED

We have audited the financial statements of An Post Employees' Credit Union Limited for the year ended 30 September 2015 which comprise of the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and related notes. The financial reporting framework that has been applied in their preparation is Irish Law and Accounting Standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

This report is made solely to the credit union's members, as a body, in accordance with Section 120 of the Credit Union Act, 1997 (as amended). Our audit work has been undertaken so that we might state to the credit union's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the credit union and the credit union's members as a body, for our audit work, for this report, or for the opinions we have formed.

## RESPECTIVE RESPONSIBILITIES OF THE 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 (APB's) Ethical Standards for Auditors.

## SCOPE OF THE AUDIT OF 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 audit 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 properly prepared in accordance with Generally Accepted Accounting Practice in Ireland;
- have been properly prepared in accordance 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.

### Patrick Loughnane

for and on behalf of FMB Chartered Accountants

Registered Auditors

Longboat

56 Sir John Rogersons Quay

D02 EK20

**Date:** 03 November 2015

# INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2015

	2015 €	2014 €
<b>INCOME</b>		
Interest on members' loans	1,664,167	1,807,371
Other interest receivable and similar income Schedule 1	457,645	422,379
Net interest income	2,121,812	2,229,750
Other income Schedule 2	12,993	31,663
<b>Total Income</b>	<b>2,134,805</b>	<b>2,261,413</b>
<b>EXPENDITURE</b>		
Salaries	284,172	242,068
Other management expenses Schedule 3	820,860	829,255
Depreciation	79,678	73,421
Provision for bad and doubtful debts	80,000	160,000
Bad debts recovered	(60,161)	(78,262)
<b>Total Expenditure</b>	<b>1,204,549</b>	<b>1,226,482</b>
<b>Excess of Income over Expenditure</b>	<b>930,256</b>	<b>1,034,931</b>
Add: Undistributed surplus 1 October	513,734	541,301
<b>Total:</b>	<b>1,443,990</b>	<b>1,576,232</b>
Less: Transfer to statutory reserve	(93,026)	(103,493)
Transfer to additional regulatory reserve	(100,000)	(100,000)
Transfer to general reserve	(275,000)	(420,000)
Transfer to social cultural reserve	(9,000)	(4,000)
Transfer to investment income reserve	(5,932)	86,436
Dividend paid	(354,902)	(521,441)
Interest rebate paid	(124,533)	—
<b>Total:</b>	<b>(962,393)</b>	<b>(1,062,498)</b>
<b>Undistributed surplus 30 September 2015</b>	<b>481,597</b>	<b>513,734</b>

On behalf of the Credit Union: 03 November 2015



**Paul Dolan**  
Member of Board  
of Directors



**Danny Hoare**  
Member of Board  
Oversight Committee




**Paul Ryan**  
Manager

# BALANCE SHEET

## AS AT 30 SEPTEMBER 2015

		2015	2014
	NOTE	€	€
<b>ASSETS</b>			
Cash at bank and on hand		632,470	894,197
Deposits and investments	4	26,437,298	23,535,586
Members' loans		18,717,488	19,373,291
Less provision for bad and doubtful debts		(1,474,713)	(1,394,713)
Tangible fixed assets	5	1,137,148	1,183,897
Prepayments and accrued income		203,045	321,573
<b>Total Assets</b>		<b>45,652,736</b>	<b>43,913,831</b>
<b>LIABILITIES</b>			
Members' shares	6	36,885,523	35,655,242
Members' deposits		40,319	—
Members' draw account		125,978	112,687
Other liabilities, accruals and charges	7	68,718	62,113
<b>Total Liabilities</b>		<b>37,120,538</b>	<b>35,830,042</b>
<b>REPRESENTED BY:</b>			
Statutory reserve	8	4,227,411	4,134,385
Additional regulatory reserve	8	900,000	800,000
Other reserves	9	3,404,787	3,149,404
<b>Total Reserves</b>		<b>8,532,198</b>	<b>8,083,789</b>
		<b>45,652,736</b>	<b>43,913,831</b>

On behalf of the Credit Union: 03 November 2015



**Paul Dolan**  
Member of Board  
of Directors



**Danny Hoare**  
Member of Board  
Oversight Committee




**Paul Ryan**  
Manager

*The accompanying notes form part of these accounts*

# CASH FLOW STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2015

	2015 €	2014 €
Opening cash and investments	24,429,783	20,332,858
<b>RECEIPTS</b>		
Members' shares	9,787,775	9,205,439
Members' deposits	44,419	—
Members' loans repaid	9,081,399	9,846,970
Members' loan interest received	1,664,167	1,807,371
Investments interest / gains received	457,645	422,379
Bad debts recovered	60,161	78,262
Other receipts	12,993	31,663
Decrease/(Increase) in prepayments	118,528	155,665
<b>Total</b>	<b>21,227,087</b>	<b>21,547,749</b>
<b>DISBURSEMENTS</b>		
Members' shares withdrawn	8,559,906	8,522,648
Members' deposits withdrawn	4,100	—
Members' loans granted	8,517,899	7,526,931
Dividends paid	354,902	521,441
Interest rebate paid	124,533	—
Operating expenses	1,012,729	926,736
Fixed assets purchased	32,929	10,543
(Increase)/Decrease in other liabilities	(19,896)	(57,475)
<b>Total</b>	<b>18,587,102</b>	<b>17,450,824</b>
<b>Closing cash and investments</b>	<b>27,069,768</b>	<b>24,429,783</b>

On behalf of the Credit Union: 03 November 2015



**Paul Dolan**  
Member of Board  
of Directors



**Danny Hoare**  
Member of Board  
Oversight Committee



**Paul Ryan**  
Manager

*The accompanying notes form part of these accounts*



# SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 30 SEPTEMBER 2015

The results for the year have been determined and the Balance Sheet compiled in accordance with the following accounting policies:

## 1 HISTORICAL COST CONVENTION

The financial statements are prepared in accordance with generally accepted accounting principles under the historical cost convention and comply with financial reporting standards of the Financial Reporting Council, as promulgated by the Institute of Chartered Accountants in Ireland.

The credit union has consistently applied all relevant accounting standards.

## 2 REVENUE RECOGNITION

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Credit Union and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received. The following criteria must also be met before revenue is recognised:

### **Interest on Members' Loans**

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

### **Investment Income**

Investment income is recognised when received or irrevocably receivable. Investments are recognised at cost less any permanent diminution in capital value but ignoring any increase in capital value or encashment value until realised in the form of cash or cash equivalents.

## 3 INVESTMENTS

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 and interest income is recognised in the income statement on an accruals (time) basis.

### **Term deposits and fixed interest investment bonds**

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

### **Investments with return of capital guarantee**

Investments with return of capital guarantee are valued at the lower of cost or market value but not lower than the capital guaranteed amount and dividend or other income is recognised in the income statement when it is received or irrevocably receivable.

# SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 30 SEPTEMBER 2015

## **Government & bank bonds with a fixed maturity date**

Government bonds and bank bonds are recognised in the financial statements at cost. Premiums paid to acquire bonds are amortised over the remaining term of the bond. Bonds acquired at a discount are recognised at cost. The credit union intends to hold bonds until their maturity date. Government and bank bonds pay an annual coupon which is recognised in the income and expenditure account.

## **Bonds with guaranteed capital and variable interest rates**

Interest income is recognised as received. Some bonds pay high rates of interest in early years and lower rates in later years. Paying higher amounts in early years reduces (impairs) the capital value of the bond. The capital value of the bond is tested annually for impairment and impairment losses are taken to the income statement. Impairment gains which reverse a previous impairment loss are taken to the income statement with any gains in excess of the cost of the product ignored until the bond matures.

## **4 DEPRECIATION**

Depreciation is calculated to write off the original cost of the Fixed Assets, less their expected residual value, over their estimated useful lives at the following annual rate:

Premises	Straight Line over 2.0%
Computer equipment	25.0% Straight Line
Fixtures & fittings	25.0% Straight Line
Office equipment	25.0% Straight Line

The carrying value of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.

## **5 PENSION COSTS**

The credit union participates in an industry-wide pension scheme for employees (The Irish League of Credit Unions Republic of Ireland Pension Scheme ('the Scheme')). This is a funded scheme of the defined benefit type, with assets invested in separate trustee administered funds. However, An Post Employees' Credit Union Limited is unable to appropriately identify its share of the underlying assets and liabilities. Consequently, An Post Employees' Credit Union Limited accounts for its contributions to the Scheme as if it were a defined contribution scheme. Contributions payable to the Scheme are recognised in the income and expenditure account.

An actuarial review of the Scheme is normally carried out every three years by the Scheme's independent actuary. The actuarial review looks at the past & future liabilities of the Scheme. The last completed triennial actuarial review was carried out with an effective date of 1 March 2014 using the Projected Unit Credit method. The principal actuarial assumption used in the valuation was the investment return would be 1.5 % higher than the annual salary increases. The market value of the Scheme's assets at 1 March 2014 was €157m. The actuarial valuation disclosed a past service deficit of €27.7m on the long term funding basis at this date. This actuarial review recommended that the current funding proposal contribution of 27.7 % of pensionable salary continues until the next actuarial review. The cost of risk benefits is paid in addition to this rate.

As a separate requirement under section 56(1) of the Pensions Act 1990, the Scheme's actuary must carry out a separate valuation every 3 years and produce a funding certificate for submission to The Pensions Board within 9 months of the effective date of the valuation. The purpose of the certificate is to certify whether or not the assets of the Scheme at the effective date are sufficient to meet the liabilities based on the assumption that the Scheme was wound up at that date. The most recent Actuarial Funding Certificate certified that the Scheme did not meet the statutory minimum funding standard was submitted to the Pensions Board with an effective date of 1 March 2012.

The Scheme is currently in a funding proposal which has been agreed with the Pensions Authority. The submitted funding proposal is designed to ensure that the Scheme could reasonably be expected to satisfy the funding standard as at 1 March 2019 and provides for a retirement contribution rate of 27.7 %. The cost of risk benefits is payable in addition.

The Scheme's Solvency Position in accordance with the aggregate cover for total Funding Standard liabilities as disclosed in the Actuarial Review as at 1 March 2014 was 105.0 %.

## **6 BAD AND DOUBTFUL DEBTS**

Bad debts written off are included in other Management Expenses. Bad debts recovered are included in the Income and Expenditure Account. A minimum provision for doubtful debts is made against loan balances in arrears as at 30 September 2015 based upon the number of weeks a loan is in arrears. In addition a full loan book review is carried out to identify additional specific provisions required over and above the weeks in arrears calculations and the provisions identified from this review plus risk provisions on the performing loan book total to €1,286,334 at 30 September 2015.

## **7 DIVIDENDS AND OTHER RETURNS TO MEMBERS**

Final dividends and other returns to members are accounted for as a liability after they are approved by the members in general meeting.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015

## 1 EMPLOYEES

### EMPLOYMENT COSTS

	2015	2014
	€	€
Wages and salaries	284,172	242,068
Other pension costs	38,588	37,211
	<b>322,760</b>	<b>279,279</b>

## 2 PENSION COSTS

	2015	2014
	€	€
Pension costs	38,588	37,211

## 3 ANALYSIS OF INVESTMENT INCOME

	2015	2014
	€	€
Received during the year	207,817	257,334
Receivable within 12 months	143,741	160,178
Other investment income	17,800	4,867
	<b>369,358</b>	<b>422,379</b>

## 4 INVESTMENTS

	2015	2014
	€	€
Investments are classified as follows:		
Cash and short term deposits maturing within 3 months	8,479,921	11,617,703
Fixed term deposits maturing after 3 months	15,231,521	9,780,181
Deposit Protection Account	273,926	257,232
Accounts in authorised credit institutions	162,587	712,587
Government bonds	—	917,883
Investment bonds	2,289,343	250,000
	<b>26,437,298</b>	<b>23,535,586</b>

The market valuation of the investment bonds as at 30 September 2015 amounts to €2,276,128. The directors have confirmed that they are satisfied that all fixed term investments will be held to maturity.

## 5 TANGIBLE FIXED ASSETS

	PREMISES	COMPUTER EQUIPMENT	OFFICE EQUIPMENT	FIXTURES & FITTINGS	TOTAL
<b>COST</b>	€	€	€	€	€
At 1 October 2014	1,390,684	92,206	13,000	24,510	1,520,400
Additions	—	30,248	2,681	—	32,929
Impairment	(40,000)	—	—	—	(40,000)
<b>At 30 September 2015</b>	<b>1,350,684</b>	<b>122,454</b>	<b>15,681</b>	<b>24,510</b>	<b>1,513,329</b>

### DEPRECIATION

At 1 October 2014	215,684	83,309	13,000	24,510	336,503
Charge for the year	27,814	11,194	670	—	39,678
<b>At 30 September 2015</b>	<b>243,498</b>	<b>94,503</b>	<b>13,670</b>	<b>24,510</b>	<b>376,181</b>

### NET BOOK VALUES

<b>At 30 September 2015</b>	<b>1,107,186</b>	<b>27,951</b>	<b>2,011</b>	<b>—</b>	<b>1,137,148</b>
<b>At 30 September 2014</b>	<b>1,175,000</b>	<b>8,897</b>	<b>—</b>	<b>—</b>	<b>1,183,897</b>

An independent valuation of the credit union's premises was carried out by Mr. Stephen J. Kavanagh of Ganley Walters Limited, in October 2015. In accordance with Financial Reporting Standard 11 "Impairment of Fixed Assets" the directors carried out a value in use calculation at the year end, applying a discount factor of 5.0%, and this concluded that there was no requirement to write down the carrying value of fixed assets. Notwithstanding this the Directors have recognised an impairment of €40,000 as a matter of prudence.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015

## 6 MEMBERS' SHARES

	2015 €	2014 €
Regular share accounts	4,602,643	4,443,837
Special share accounts	32,282,880	31,009,382
Medium term share accounts	—	124,201
Long term share accounts	—	77,822
<b>Total per balance sheet</b>	<b>36,885,523</b>	<b>35,655,242</b>

## 7 OTHER LIABILITIES AND CHARGES

	2015 €	2014 €
Accruals	68,718	62,113
	<b>68,718</b>	<b>62,113</b>

## 8 STATUTORY & REGULATORY RESERVE

	BALANCE 01/10/14 €	NET MOVEMENT €	BALANCE 30/09/15 €
Statutory Reserve	4,134,385	93,026	4,227,411
Additional Regulatory Reserve	800,000	100,000	900,000
<b>Total Statutory &amp; Additional Regulatory Reserve</b>	<b>4,934,385</b>	<b>193,026</b>	<b>5,127,411</b>

The Credit Union is required to maintain a Regulatory Reserve Ratio of not less than 10% in accordance with the Credit Union Act, 1997 (Section 85) Rules 2009. The balance on the combined statutory and additional regulatory reserve represents 11.23 % of total assets as at 30 September 2015.

## 9 OTHER RESERVES

	BALANCE 01/10/14	NET MOVEMENT	BALANCE 30/09/15
	€	€	€
<b>REALISED</b>			
General reserve	2,194,524	275,000	2,469,524
Undistributed surplus	513,734	(32,137)	481,597
Dividend reserve	420,000	—	420,000
Social cultural reserve	5,920	4,830	10,750
<b>Total realised reserves</b>	<b>3,134,178</b>	<b>247,693</b>	<b>3,381,871</b>
<b>UNREALISED</b>			
Investment income reserve	11,868	5,932	17,800
Special reserve	3,358	1,758	5,116
<b>Total unrealised reserves</b>	<b>15,226</b>	<b>7,690</b>	<b>22,916</b>
<b>Total other reserves</b>	<b>3,149,404</b>	<b>255,383</b>	<b>3,404,787</b>

The special reserve represents the share balances of members no longer active in the credit union. They are held in special reserve until such time as they are claimed or can be legally taken to general reserve.

The balance on the investment income reserve represents investment income not receivable within 12 months of the financial year end. This reserve is not available for distribution. When this investment income is received or becomes receivable within 12 months, the relevant amount will be transferred back within the Income and Expenditure Account and will then become available for distribution.



# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015

## 10 DIVIDENDS, LOAN INTEREST REBATE AND OTHER RETURNS TO MEMBERS

The directors recommend the following distributions:

	2015 RATE %	2015 €	2014 RATE %	2014 €
Dividend on shares	1.0%	361,885	1.0%	354,902
Loan interest rebate	7.0%	116,492	7.0%	124,533

In accordance with FRS 21 "Events after the balance sheet date", dividends and returns to members are accounted for in the financial statements after they are approved by the members in general meeting.

## 11. RELATED PARTY TRANSACTIONS

The credit union has identified the following transactions which are required to be disclosed under the terms of FRS8 'Related Party Transactions'

### TRANSACTIONS WITH OFFICERS

The following details relate to officers accounts with the credit union.

	2015 €	2014 €
Aggregate amount of shares held by officers	266,893	195,059
Aggregate amount of loans outstanding by officers	118,087	73,645

The aggregate amount of loans issued to officers during the year under Section 36(3) of the Credit Union Act, 1997 (as amended) was €60,700.

## 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. RATE OF INTEREST CHARGED ON MEMBERS' LOANS

The credit union currently charge interest on outstanding loan balances to members, as follows: **Standard Rate 8.9%**

## 14. RATE OF INTEREST PAID ON MEMBERS' DEPOSITS

The credit union pay interest on members' deposits at the rate of 0.25 % per annum, payable in November 2015.

## 15. CONTINGENT LIABILITIES

All capital invested in fixed term deposit products, accounts in authorised credit institutions and investment bonds are guaranteed only if held to maturity. In the unlikely event of early encashment there may exist early settlement penalties or capital losses. The directors have confirmed that all such products are to be held until their respective maturity dates.

The Credit Union participates in the Irish League of Credit Unions Republic of Ireland Pension Scheme (the Scheme). As detailed in the accounting policies, this is accounted for as if it were a defined contribution scheme, as the Credit Union is unable to identify its share of the underlying assets or liabilities. In the unlikely event of the Scheme closing with a shortfall in assets, the Credit Union may be required to provide additional funding.

## 16. AUTHORISATION AND APPROVAL OF FINANCIAL STATEMENTS

The board of directors authorised and approved these financial statements for issue on 03 November 2015.

# ANNUAL ACCOUNTS & FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015

## SCHEDULE 1—OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	2015	2014
	€	€
Investment income	369,358	422,379
Gain on investments	88,287	—
	<b>457,645</b>	<b>422,379</b>

## SCHEDULE 2—OTHER INCOME

	2015	2014
	€	€
Entrance fees	187	147
E.C.C.U. rebate	9,406	29,930
Car draw commission	1,500	1,500
Other income	1,900	86
	<b>12,993</b>	<b>31,663</b>

### SCHEDULE 3—OTHER MANAGEMENT EXPENSES

	2015	2014
	€	€
Staff pension costs	38,588	37,211
Training costs	12,547	3,540
E.C.C.U. Insurance	172,155	196,183
Death benefit insurance	74,337	75,732
SPS contribution	21,628	17,363
Rates	9,871	7,570
General insurance	14,719	14,162
Light, Heat & Cleaning	24,265	29,350
Repairs and maintenance	22,666	7,481
Security	3,145	1,764
Printing and stationery	40,414	36,622
Promotion and advertising	9,916	7,771
Postage and telephone	45,824	28,067
Computer costs	25,460	28,811
Amortisation of bond premiums	22,932	12,248
Convention and seminar expenses	2,390	3,825
Travelling and subsistence	14,963	11,608
Entertainment costs	5,084	5,468
AGM expenses	5,203	3,010
Legal and professional	61,259	65,161
Credit reference agencies	8,109	8,645
Audit	14,628	14,145
Bank charges	14,752	15,946
Bad debts written-off	92,303	144,587
General expenses	10,298	13,514
Affiliation fees	12,076	9,057
Regulatory levy	11,080	3,516
Central Bank Resolution Fund	29,824	21,670
Deposit Protection Fees	424	5,228
	<b>820,860</b>	<b>829,255</b>

# TAX AND YOUR CREDIT UNION SAVINGS

## DIRT AND YOUR DIVIDEND ON SHARES

From 2014, dividends on all credit union shares are subject to DIRT at the standard rate, regardless of whether they are designated as "special" shares or "regular" shares. The current rate of DIRT is 41.0%. This also applies to childrens' accounts.

## DIRT AND YOUR XMAS / DEPOSIT ACCOUNT

The XMAS savings account is a deposit account rather than a share account. No dividend is payable on these accounts but deposit interest, at a rate of .25%, is payable on 1 November each year. All deposit interest is subject to DIRT at 41.0%.

## DIRT FOR OVER 65s AND PERMANENTLY INCAPACITATED PEOPLE

If you or your spouse is aged over 65s during the year and your total income during the year does not exceed certain levels, currently €36,000 (married combined income) or €18,000 (single/ widowed), you can claim exemption from the deduction of DIRT. You must complete a declaration form (DE1) and give it to the credit union – forms are available from the credit union office or from revenue.ie.

Remember that your total income includes state pensions, work pensions, deposit interest etc. If your total income now exceeds the specified amount, you should revoke any previous declarations sent to the credit union.

Permanently incapacitated people may also claim the exemption if income does not exceed similar levels but the exemption and the forms (DE2) are handled by the local Revenue office.

## DIRT REPORTING REQUIREMENTS

Credit unions must report to the Revenue any dividend over €300 paid to a member during the previous year. This reduced reporting threshold came into effect in early 2015. Details of new accounts must also be reported.

## TAXATION OF INTEREST REBATE

There is no tax due on your loan interest rebate. In effect, this is a reduction in the loan interest charged by the credit union during the year.

## TAX ADVICE AND THE CREDIT UNION

The credit union is unable to offer tax advice to its members. The above information is for guidance and describes the tax treatment of members' savings as understood by the credit union at the date of publishing (November 2015).

# IN MEMORIAM

***Your prayers are requested for the repose of the souls  
of the following members who died during the year.***

***The Board of Directors offers its deepest sympathy  
to their families and friends.***

Patricia Byrne  
Martin Corcoran  
George Crosbie  
Bernard Cunningham  
Mary Daly  
Joseph Dillon  
Alan Duke  
Carmel Duke  
Peadar Dunne  
Patrick Fitzgerald  
John Gorman  
John Hackett

Eugene Halion  
Edward Heffernan  
Johanna Hughes  
James Hickey  
Eugene Hunt  
Lorcan Keane  
Owen Kennedy  
Alexander Kenny  
John Lennon  
Thomas Mannion  
Padraig McOistin  
Desmond McSweeney

Dermot O'Brien  
Gerard Peppard  
Noel Quirke  
Gerard Rogers  
Michael Russell  
Mary Shelley  
Bernard Stephens  
John Sunderland  
Joseph Thomas  
Noel Whelan



**The Late John Sunderland**

# Now even more people can cut the cost of loans by joining An Post Employees' Credit Union

## Membership extended!

Membership now includes An Post employees, former employees, pensioners, Postmasters and their post office assistants, employees of companies where An Post has a shareholding **and**, in all cases, their spouses, parents, siblings, children and grandchildren.

## Cut the cost of loans

Credit union loans are great value and the Loan Interest Rebate makes the cost of borrowing even less. Anybody with a credit union loan will get a rebate of some of the interest they paid during the year ended 30 September 2015. This year the loan interest rebate is 7.0%.

This rebate is added to your shares and you are very welcome to withdraw it, unless your loan is in arrears.

### How much should I receive?

A person with an average loan of €10,000 during the year stands to receive a rebate of €62. This is not subject to DIRT tax.

## We're here to help

Our team of dedicated professionals can answer your queries about membership, shares and loans.



Karina, Paul, Siobhan, Sarah, Alan and Adrienne. Missing is Lorraine.

## Contact us today

An Post Employees' Credit Union Limited, 12-14 The Anchorage, Charlotte Quay, Ringsend Road, D04 A718  
Telephone: (01) 660 2000 / 660 2277 • Fax: (01) 660 2211 • E Mail: [info@anpostcu.ie](mailto:info@anpostcu.ie)