



*Health Services Staffs*  
**Credit Union**

**SAFE SOUND SECURE**



# Annual Report 2014

## Annual General Meeting

Arrol Suite, Guinness Storehouse, St. James's Gate, Dublin 8,  
on Wednesday 3rd December 2014 commencing at 6.30pm.



## Contents

Notice of Annual General Meeting	1
Christmas Opening Hours	2
Notice of Elections	3
Agenda	4
Standing Orders	5 - 6
Rule Changes	7
Report of the Board of Directors	8 - 9
Finance Report	10
Directors' Report	11 - 12
Independent Auditor's Report	13 - 27
Income and Expenditure Account	15
Statement of Total Recognised Gains and Losses	16
Balance Sheet	17
Significant Accounting Policies	18 - 19
Cashflow Statement	20
Notes to the Financial Statements	21 - 25
Schedules to the Income and Expenditure Account	26 - 27
Report of the Board Oversight Committee	28
Report of the Credit Committee	29 - 30
Report of the Credit Control Committee	31 - 32
Report of the Membership Committee	32
Report of the Education, Planning & Development Committee	33 - 34
Committees 2014	35
Attendance	36
Deceased Members	37



## Notice of Annual General Meeting

Notice is hereby given that the 44th Annual General Meeting of Health Services Staffs Credit Union Limited will be held in the **Arrol Suite, Guinness Storehouse, St. James' Gate, Dublin 8, on Wednesday 3rd December 2014, commencing at 6.30pm.**

- Parking:** Facilities provided free of charge on Crane St, next to Storehouse.
- Dublin Bus:** 123 from O'Connell St. or Dame St.
- Transport:** Transport will be available from 4-6pm to pick up members from HSSCU office, returning 8-9pm.
- Tours:** All HSSCU members can avail of a free tour of the Guinness Storehouse before 4pm. Tours are self-guided and last approximately 1 hour.
- Refreshments:** Will be served from 5.30pm.

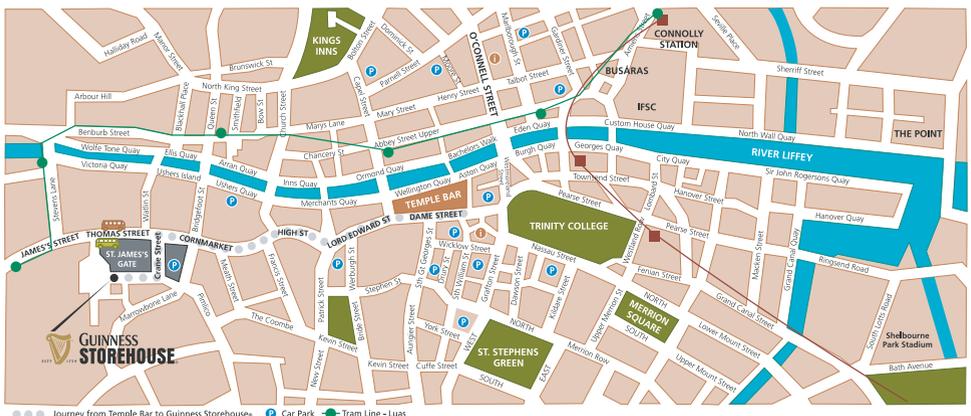
## WIN cash prizes on the night!!!!

*Dave O'Brien*

**Dave O'Brien**  
Secretary



Health Services Staffs  
Credit Union



*Health Services Staffs Credit Union  
wish all of our members peace and happiness for  
Christmas & the New Year.*



### ★ Christmas Opening Hours

★	Wednesday, 24th December	09.00-12.30	★
★	Thursday, 25th December	Closed	★
★	Friday, 26th December	Closed	★
★	Monday, 29th December	Closed	★
★	Tuesday, 30th December	09.00-17.00 (James's St. office closed)	★
★	Wednesday, 31st December	09.00-12.30 (James's St. office closed)	★
★	Thursday, 1st January	Closed	★
★	Friday, 2nd January	09.00-17.00 (James's St. office closed)	★

★ Normal opening hours resume on Monday, 5th January. ★



## Notice of Elections

Elections will be held to fill 11 vacancies on the Board of Directors, 3 vacancies on the Board Oversight Committee (formerly known as the Supervisory Committee) and the position of Auditor.

During the course of the year the Nominations Committee identified candidates to stand for the above positions and they have been assessed under the fitness & probity regime, as required by the Central Bank, with satisfactory results.

There are 14 candidates standing for the 11 vacancies on the Board of Directors, they are as follows:

- Amanda Buggle, Payroll, St. John of Gods.
- Tom Carroll, Retired, Health Service Executive.
- Patricia Carter, Retired Clinical Specialist, St Luke's Hospital.
- Brendan Fagan, Information Technology, AMNCH, Tallaght.
- Geraldine Higgins, Finance, Mater Hospital.
- Jane Joyce, Secretary, St. James's Hospital.
- Pascal Keeve, Clerical Officer, Letterkenny Hospital.
- Marie McBryan, Medical Scientist, St Michael's Hospital.
- Damien O'Brien, Senior Community Welfare Officer, Dept. of Social Protection.
- David O'Brien, Senior Environment Health Officer, Health Service Executive.
- Sarah O'Leary, Retired, Health Service Executive.
- Dolores O'Neill, Family Support Manager, Ballyfermot.
- Pat O'Neill, Psychiatric Nurse, Central Mental Hospital.
- Emer Walsh, Retired, Health Service Executive.

There are 3 candidates standing for the 3 vacancies on the Board Oversight Committee, they are as follows:

- Anthony Hoey, Ambulance Driver, Central Remedial Clinic.
- John Keppel, Administration, Health Service Executive.
- Anton Mullen, Environment Health Officer, Health Service Executive.

There is 1 candidate proposed by the Board of Directors standing for the vacancy of Auditor:

- Grant Thornton, Chartered Accountants.

**Brendan Fagan**  
**Nominations Committee**

**Shay Torsney**  
**Nominations Committee**

**Jane Joyce**  
**Nominations Committee**

## Agenda

- (a) The acceptance by the Board of Directors of the authorised representatives of members that are not natural persons;
- (b) Ascertainment that a quorum is present;
- (c) Adoption of Standing Orders;
- (d) Reading and approval (or correction) of the minutes of the last annual general meeting, and any intervening special general meeting;
- (e) Report of the Board of Directors;
- (f) Report of the Nominating Committee;
- (g) Appointment of Tellers;
- (h) Election of Auditor;
- (i) Election to fill vacancies on the Board Oversight Committee;
- (j) Election to fill vacancies on the Board of Directors;
- (k) Finance Report;
- (l) Report of the Auditor;
- (m) Report of the Board Oversight Committee;
- (n) Declaration of dividend;
- (o) Report of the Credit Committee;
- (p) Report of the Credit Control Committee;
- (q) Report of the Membership Committee;
- (r) Report of the Education, Planning and Development Committee;
- (s) Any other business;
- (t) Announcement of election results;
- (u) Adjournment or close of meeting.



## Standing Orders

Reference: Recommendation 41 (b) of the Planning Committee;

### 1. VOTING.

Each member shall be entitled to one vote irrespective of his/her shareholding, in accordance with section 82(2) of the Credit Union Act, 1997 (as amended)

### 2 - 3 ELECTION PROCEDURE

2. Elections to the board of directors, to the board oversight committee and the position of auditor shall be by majority vote and by secret ballot. The 4 highest polling candidates shall serve a three year term, the next 4 highest polling candidates will serve a two year term and the next 3 highest polling candidates will serve a one year term

3. When nominations are announced tellers shall be appointed by the chair and ballot papers shall be distributed. Nominations shall be in the following order: (a) nominations for auditor; (b) nominations for members of the board oversight committee; (c) nominations for directors. When voting is completed, the votes shall be taken and tallied by the tellers. Any ballot paper which contains votes for more than the number required to be elected shall be void. All elections shall be by secret ballot and by majority vote. When the votes have been counted by the tellers, the results shall be announced by the chair. In the event that all vacancies are not filled by the first ballot further ballots shall be taken as required. In the event of an equality of votes between candidates for the remaining vacancies not filled in accordance with the above procedure one further ballot shall be taken and should that ballot fail to determine the issue, the vacancies shall be filled by lot from among such candidates having an equality of votes.

### 4 - 9 MOTIONS.

4. All motions from the floor of the AGM must be proposed and seconded by members present at the AGM and moved by the proposer. If the proposer is absent when the motion is called, the motion shall be deemed to have failed.

5. A proposer of a motion may speak for such period as shall be at the discretion of the chair 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 a motion shall have such time as shall be allowed by the chair 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 chair.

9. The chair 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.

## Standing Orders (Continued)

### 10 - 15 MISCELLANEOUS.

10. The chair of the board of directors shall be the chair of any general meeting, except where he/she is not available, in which case it shall be the vice-chair, except where he/she is not available, in which case the board shall decide amongst themselves who shall act as chair of any general meeting.
11. The chair 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 chair.
13. The chairman's decision on any matter relating to these Standing Orders or interpretation of same shall be final.
14. 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.
15. Any matter to be decided upon by vote at the AGM shall, unless otherwise expressly provided for by law or the rules, be decided upon by simple majority.

### 16. SUSPENSION OF STANDING ORDERS.

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.

### 17. ALTERATION OF STANDING ORDERS.

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.

### 18. ADJOURNMENTS.

Adjournments of the AGM shall take place only in accordance with section 81(1) of the Credit Union Act, 1997 (as amended).

Issued by ILCU August 2014



## Rule Changes

### Amendments to Standard Rules Arising from ILCU AGM 2014

Resolution No. 4 carried at ILCU AGM 2014 comprised a complete amendment to the Standard Rules for Credit Unions (Republic of Ireland) ("the Standard Rules") to take account of the amendments to the Credit Union Act, 1997 brought about by the 2012 Act. In addition, the Standard Rules were also revised to provide that, insofar as possible, only matters were included in the Standard Rules which are required to be in the rules by virtue of the First Schedule of the Credit Union Act, 1997 and additional matters which are currently contained in the rules but on which the Act is silent e.g. joint accounts. This minimal approach was adopted to avoid unnecessary and lengthy duplication with the Act which is highly prescriptive in its own right. This also will reduce the occasions whereby it will be necessary to amend the rules to reflect an amendment to the Act.

The 2012 Act is being commenced on a phased basis. The Department of Finance Implementation Schedule for the 2012 Act had envisaged that all sections of the 2012 Act would be commenced by Q2 2014. However, the commencement of certain provisions of the Act have now been delayed in particular section 8 (Savings), section 10 (Borrowing), section 11 (Lending), section 12 (Investments), section 13 (Reserves) and section 30 (Liquidity and stress testing). Until such time as these provisions are commenced the existing provisions in the 1997 Act will apply. As a result of this delay, it has been necessary to make a change to Rule 29 (Savings) of the Standard Rules which were passed at ILCU AGM 2014. This provision has been amended to revert to the position pre the 2012 Act. In addition, as section 11 (Lending) has not yet commenced, the statutory 10% limit on loans to non-qualifying members has not yet been removed. As such credit unions are recommended to continue to fix this limit at 10% [in rule 34(4)] unless prior approval of the Central Bank has been obtained to fix this limit at a higher percentage.

Hard copies of the proposed rules are available for reference at the credit union. If you would like to obtain an electronic copy of the credit union rules by e-mail please request one at [info@hsscu.ie](mailto:info@hsscu.ie). An electronic copy of the credit union rules is available at [www.hsscu.ie/downloads](http://www.hsscu.ie/downloads)

## Report of the Board of Directors

It is a great honour for me as your President to report to you at this our 44th Annual General Meeting. Once again I can inform you that our credit union has had a very successful year both financially and operationally. Our auditors, Grant Thornton, will present the financial accounts to you later which will show that our credit union has performed strongly and will once again pay a dividend of 1.25%. Your board takes great pride in the fact that our credit union has never failed to pay an annual dividend.

The past year has been a very busy one for our credit union as the many changes introduced in The Credit Union and Co-operation with Overseas Regulators Act 2012 were put into practice. A full Risk and Compliance Framework had to be developed and all of our policies and procedures had to be reviewed and amended accordingly. New governance requirements introduced in March put in place a number of new committees and reduced our Board of Directors from fifteen members to eleven. This unfortunately meant that four of our Directors had to step aside. The four are: John Kane, Geraldine Higgins, Sarah O'Leary and Amanda Buggle. I would like, on your behalf, to express our sincere thanks for their commitment and hard work.

All Directors, senior staff and volunteers now have to undergo a fitness and probity assessment. I am delighted to report that, following diligent work, all incumbents have successfully passed the assessment. Our credit union underwent a Full Risk Assessment by the Central Bank of Ireland in January 2014. I am happy to report that no major issues arose in this assessment. Our credit union has a healthy compliance culture and we believe that by working closely with our regulators we ensure that our credit union is governed and managed in a fully compliant manner.

During the year your board has continued the implementation of our Strategic Plan "Embracing Change". In line with that plan, we continue to grow and to position our credit union to ensure a bright and viable future at the forefront of the Irish credit union movement. Our credit union remains one of the few credit unions that continues to grow. Once again this financial year has seen increases in our assets, and our membership, and we propose to pay a dividend of 1.25%. Our reserves and provisioning are well ahead of the industry standard, leaving our credit union among the safest and securest in the country.

The transfers of engagements which were effected last year have been very successful and our branch office in James's Street is very popular with members. We are confident that the transfers of St. Gabriel's Credit Union, Castle Credit Union, and CIE (Cork) Credit Union will be completed by January 2015. We continue our engagement with other industrial credit unions to assess how we might co-operate in the future; a feasibility study for this group is underway and due to be completed by the end of the year. I am delighted to announce that following some initial problems we now hope to launch our fully functional debit card early in 2015.



## Report of the Board of Directors (Continued)

Your Board of Directors held a strategy review day in High Street in June at which we reviewed our overall strategy as well as the Risk and Compliance frameworks which were discussed and agreed. Our credit union was represented at the Irish League of Credit Unions' monthly Chapter meetings, AGM, Chapter Officers' Forum, and the World Council of Credit Unions convention in Gold Coast, Australia.

Your Board of Directors is delighted to report on another very successful year. HSSCU continues to pay social dividends through our Betty Noone Memorial Bursary, Death Benefit Insurance and our involvement with charitable and voluntary organisations. It makes us all very proud that our credit union works for you, our members, and through our focus on members we continue to grow and thrive.

I wish to conclude by wishing all our members, directors, volunteers, management and staff a happy and a peaceful Christmas and what we hope will be a more prosperous New Year.

**Mary Cullen**  
**President**

## Finance Report

2014 has once again been a very successful financial year for our credit union. The finer details of our financial performance shall be dealt with in our Auditor's report, but the main points are as follows:

### Income

- Total Income increased by 3.67% to €9.8m.
- Loan Interest increased to €8.2m; an increase of €226,356.
- Interest Income from our investments increased by 1.94%
- Other Income decreased by 6.87% to €107,829.

### Expenditure

- Total Expenditure decreased by 14% to €6.78m, due in part to a decrease in the amount required for bad debt provision and the one-off cost of the write-down in our building last year.
- Salaries increased by €219,136 as staff from the merged credit unions joined our staff.
- Bad Debts Recovered increased by almost €59k.
- Our Surplus for the year amounts to €3,042,350; almost double that of last year.
- Proposed Dividend to members is 1.25%.

### Balance Sheet

- Our total assets have grown by €9.2m.
- In line with the growth in savings there has been a corresponding €9.7m increase in our Investments.
- Loans have decreased marginally in the year by 0.25%

I would like to thank you, our members, for your continuing loyalty. I wish to acknowledge the hard work of my colleagues on the Board of Directors. Finally, I would like to place on record my thanks to Ms. Mary Peters, Assistant Operations Manager, the whole management team, and all our staff for their assistance during the year.

### ***The Board of Directors***



## Health Services Staffs Credit Union Limited Directors' Report For the year ended 30 September 2014

### Principal Activity

The principal activities of the credit union involves the acceptance of members' shares/savings and lending to members in accordance with legislation and criteria determined by the Irish League of Credit Unions and the Credit Union itself.

### Review of Business and Future Developments

Both the level of business and the year-end financial position were satisfactory. The directors expect to develop and expand the credit union's current activities and they are confident of its ability to operate successfully in the future.

### Authorisation

The credit union is authorised to conduct investment business (arrange insurance products for members) and undertake foreign exchange transactions for members. It is regulated by the Central Bank of Ireland for these activities.

### Risk Assessment

The purpose of our credit union is to allow members save together and lend to each other at a fair and reasonable rate of interest.

The principal risks and challenges facing this credit union are loan default; not lending a sufficient proportion of funds so that too much of the credit union's resources are tied up in investment products; poor performance of investments; the risk that we will not have sufficient cash resources to meet day to day running costs and repay members savings when demanded (liquidity risk). These risks are managed by the credit union board so as to achieve an acceptable balance of growth and security for members' resources.

### Accounting Records

The Directors believe that they comply with the requirements of Section 108 of the Credit Union Act, 1997 (as amended) with regard to books of account by employing accounting personnel with appropriate expertise and by providing adequate resources to the financial function. The books of account of the credit union are maintained at the credit union's premises at 5 High St, Christchurch, Dublin 8.

### Statement of Directors' Responsibilities

The Directors are responsible for preparing the financial statements in accordance with applicable law and Generally Accepted Accounting Practice in Ireland, including the accounting standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accountants in Ireland.

In preparing those financial statements the Directors are required to:

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

## Health Services Staffs Credit Union Limited Directors' Report (Continued)

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

### Results

The surplus for the year and appropriation thereof are set out in the Income and Expenditure Account on page 15.

### Dividends

The directors recommend a dividend in respect of the year ended 30 September 2014 of €1,645,826 (1.25%) 2013: €1,542,884 (1.25%).

### Auditors

In accordance with Section 115 of the Credit Union Act, 1997 (as amended) the auditors Grant Thornton offer themselves for re-election.

### Signed On behalf of the Credit Union



**Sean Hosford**  
CEO



**Anton Mullen**  
Member of the Board  
Oversight Committee



**Pat O'Neill**  
Member of the  
Board of Directors

Date: 20 October 2014

Date: 20 October 2014

Date: 20 October 2014



## **Independent Auditor's Report to the Members of Health Services Staffs Credit Union Limited For the year ended 30 September 2014**

We have audited the financial statements of Health Services Staffs Credit Union Limited for the year ended 30 September 2014 which comprise the Income and Expenditure Account, the Balance Sheet, the Cashflow Statement and the related notes 1 to 17. 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 Directors and Auditors**

As explained more fully in the Statement of Directors' Responsibilities set out on pages 11 and 12, the Directors are responsible for the preparation of the financial statements giving a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

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

## **Independent Auditor's Report to the Members of Health Services Staffs Credit Union Limited (Continued) For the year ended 30 September 2014**

### **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 2014 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 Unions 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.

**Grant Thornton  
Chartered Accountants  
& Registered Auditors**

**Mill House  
Henry Street  
Limerick**

**20 October 2014**



## Income and Expenditure Account For the year ended 30 September 2014

	Schedule	2014 €	2013 €
<b>INCOME</b>			
Interest on Members' Loans		8,174,445	7,948,089
Members' Deposit and Other Interest, Expense and Similar Charges		(246,351)	(341,386)
Other Interest Income and Similar Income	1	<u>1,788,262</u>	<u>1,754,236</u>
<b>Net Interest Income</b>		9,716,356	9,360,939
Other Income	2	<u>107,829</u>	<u>115,789</u>
<b>TOTAL INCOME</b>		<b><u>9,824,185</u></b>	<b><u>9,476,728</u></b>
<b>EXPENDITURE</b>			
Salaries		1,963,244	1,744,108
Other Management Expenses	3	4,540,639	4,875,370
Depreciation		137,365	67,327
Provision for Bad and Doubtful Debts		500,000	1,500,000
Bad Debts Recovered		<u>(359,413)</u>	<u>(300,547)</u>
<b>TOTAL EXPENDITURE</b>		<b><u>6,781,835</u></b>	<b><u>7,886,258</u></b>
<b>EXCESS OF INCOME OVER EXPENDITURE FOR THE YEAR</b>		<b>3,042,350</b>	<b>1,590,470</b>
Add: Surplus for the period 1 October 2012 to 16 September 2013 - James' Street Credit Union Limited ("JSCU")		-	105,269
Surplus for the period 1 October 2012 to 16 September 2013 - Texaco Employees' Credit Union Limited ("TECU")		<u>-</u>	<u>70,524</u>
<b>TOTAL EXCESS OF INCOME OVER EXPENDITURE FOR THE YEAR</b>		<b>3,042,350</b>	<b>1,766,263</b>
Add: Undistributed Surplus at 1 October		80,421	52,233
Undistributed Surplus at 16 September 2013 - JSCU		-	181,435
Transfer from Special Reserve		1,542,884	1,103,914
Reserves No Longer Required		-	352,212
Less: Dividend Paid		<u>(1,542,886)</u>	<u>(1,103,914)</u>
<b>TOTAL</b>		<b><u>3,122,769</u></b>	<b><u>2,352,143</u></b>
Less: Transfer to Statutory Reserve		(573,610)	(376,626)
Transfer to Additional Regulatory Reserve		-	(152,212)
Transfer to Other Reserves		-	-
Special Reserve		(1,645,826)	(1,542,884)
Other Realised Reserves		<u>(822,914)</u>	<u>(200,000)</u>
<b>UNDISTRIBUTED SURPLUS AT 30 SEPTEMBER</b>		<b><u>80,419</u></b>	<b><u>80,421</u></b>

### Signed On behalf of the Credit Union

CEO:

**Sean Hosford**

Date: 20 October 2014

Member of the Board Oversight Committee:

**Anton Mullen**

Date: 20 October 2014

Member of the Board of Directors:

**Pat O'Neill**

Date: 20 October 2014

## Statement of Total Recognised Gains and Losses For the year ended 30 September 2014

	2014	2013
	€	€
Surplus for the financial year	3,042,350	1,766,263
<b>Total recognised gains relating to the year</b>	<b><u>3,042,350</u></b>	<b><u>1,766,263</u></b>

### Signed On behalf of the Credit Union

CEO:	<b>Sean Hosford</b>		Date: 20 October 2014
Member of the Board Oversight Committee:	<b>Anton Mullen</b>		Date: 20 October 2014
Member of the Board of Directors:	<b>Pat O'Neill</b>		Date: 20 October 2014



## Balance Sheet As at 30 September 2014

	Notes	2014 €	2013 €
<b>ASSETS</b>			
Cash on Hand and at Bank		4,066,297	3,629,811
Deposits and Investments	12	72,852,286	63,143,045
Loans to Members	15	101,679,230	101,932,629
Less: Provision for Bad and Doubtful Debts		(9,301,307)	(8,801,307)
Tangible Fixed Assets	1	2,012,871	1,968,400
Debtors, Prepayments & Accrued Income		2,563,315	2,798,153
<b>TOTAL ASSETS</b>		<b><u>173,872,692</u></b>	<b><u>164,670,731</u></b>
<b>LIABILITIES</b>			
Members' Shares	17	135,596,938	127,050,805
Members' Deposit Accounts		12,139,551	13,315,570
Members' Deposit Interest (net of DIRT)		17,856	48,793
Members' Budget Accounts		932,253	889,451
Other Liabilities, Creditors, Accruals and Charges	13	744,831	499,205
Car Draw	14	484,020	409,128
<b>TOTAL LIABILITIES</b>		<b><u>149,915,449</u></b>	<b><u>142,212,952</u></b>
<b>NET WORTH</b>		<b><u>23,957,243</u></b>	<b><u>22,457,779</u></b>
<b>Represented by:</b>			
<b>RESERVES</b>			
Statutory Reserve	2	13,909,815	13,336,205
Additional Regulatory Reserve	2	4,018,114	4,018,114
<b>TOTAL REGULATORY RESERVE</b>		<b><u>17,927,929</u></b>	<b><u>17,354,319</u></b>
Other Reserves			
Realised Reserves	2	6,029,314	5,103,460
<b>TOTAL RESERVES</b>		<b><u>23,957,243</u></b>	<b><u>22,457,779</u></b>

*Signed On behalf of the Credit Union*

CEO:

**Sean Hosford**

Date: 20 October 2014

Member of the Board Oversight Committee:

**Anton Mullen**

Date: 20 October 2014

Member of the Board of Directors:

**Pat O'Neill**

Date: 20 October 2014

The notes and accounting policies on pages 18 to 25 form part of these Financial Statements

## Significant Accounting Policies For the year ended 30 September 2014

### 1.1 Accounting Convention

The Financial Statements have been prepared under the historical cost convention as modified for the revaluation of the premises.

### 1.2 Tangible Fixed Assets

Depreciation is provided over the expected lives of tangible fixed assets.

Freehold Premises	3.7% SL per annum
Furniture and Fittings	20% RB per annum
Computer & Office Equipment	20% RB per annum
Software	25% RB per annum
Motor Vehicles	25% SL per annum

### 1.3 (a) 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).

### (b) Investment Income

Investment income is recognised when received or 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.

*The specific Investment products held by the Credit Union are accounted for as follows:*

#### Bank deposits, term deposits and other short term deposits

These are valued at the deposit amount plus any accrued interest at the balance sheet date. The interest income is recognised in the Income and Expenditure Account on an accruals basis. The accrued interest at the balance sheet date is included in Debtors, Prepayments and Accrued Income.

#### Investments with guaranteed returns

These are valued at cost plus guaranteed returns at the balance sheet date proportionally spread out over the life of the investment. These investments and any gains which are guaranteed under the terms of the investment/policy are only guaranteed if held to maturity. The relevant guaranteed amount for these investments each year, where no encashment is anticipated prior to maturity, is recorded in the Income and Expenditure Account. The cumulative guaranteed amount at the balance sheet date is included in Debtors, Prepayments and Accrued Income. Investments are only capital guaranteed if held to maturity and if the Institutions fulfill their obligations. The Board of Directors is currently satisfied that these conditions will be met.

#### Investments with return of capital guaranteed

These are valued at the lower of cost and market value at the balance sheet date but not lower than the capital guaranteed amount. Dividend or other income is recognised in the Income and Expenditure Account when it is received or receivable. Investments are only capital guaranteed if held to maturity and if the Institutions fulfill their obligations. The Board of Directors is currently satisfied that these conditions will be met.



## Significant Accounting Policies (Continued) For the year ended 30 September 2014

### 1.3 (b) Investment Income (continued)

#### **Perpetual Bonds, Bank Bonds and Government Bonds**

These are valued at the lower of cost and market value at the balance sheet date but not lower than the capital guaranteed amount. Interest income is recognised in the Income and Expenditure Account when it is received or receivable. Decreases in the capital value of the bond are included in the Income and Expenditure Account. Increases which reverse a previous decrease in the value of the bond are included in the Income and Expenditure Account. All other increases in excess of the cost of the bond are ignored until the bond is sold/matures. Perpetual Bonds have no fixed maturity date. Bank and Government Bonds which are capital guaranteed are valued at cost, except where the cost is greater than par they are valued at the lower of cost and par value. Bank Bonds and Government bonds are only capital guaranteed if held to maturity and if the Institutions fulfill their obligations. The Board of Directors is currently satisfied that these conditions will be met.

#### **Central Treasury FRN Fund**

This is valued at the lower of cost and market value at the balance sheet date. Dividend or other income is recognised in the Income and Expenditure Account when it is received or receivable. The accrued interest at the balance sheet date is included in Debtors, Prepayments and Accrued Income.

### 1.4 Pensions

The Credit Union operates a defined contribution pension scheme for employees. The annual contributions are charged to the Income and Expenditure Account in the period to which they relate, net of employees' contributions.

### 1.5 Bad and Doubtful Debts

Bad debts written off are included in Other Management Expenses. Bad Debts Recovered are included in the Income and Expenditure Account. A provision for doubtful debts is made against loan balances in arrears on the basis of Resolution 49 of the Irish League of Credit Unions. An additional provision is considered prudent by the Board to the amount of €4,992,840.

## Cashflow Statement For the year ended 30 September 2014

	2014 €	2013 €
<b>Opening Cash and Investments</b>	<b>66,772,856</b>	<b>52,533,558</b>
James' Street Credit Union Limited - Cash and Investments introduced at 16 September 2013	-	2,742,118
Texaco Staff Credit Union Limited - Cash and Investments introduced at 16 September 2013	-	2,314,365
<b>RECEIPTS</b>		
Members' Shares	48,562,828	48,587,448
Members' Deposits	17,117,572	20,821,266
Members' Loans Repaid	49,919,559	45,834,610
Member Loan Interest Received	8,174,445	7,948,089
Deposit and Investment Income	1,788,262	1,754,236
Bad Debts Recovered	359,413	300,547
Other Receipts	107,829	115,789
Decrease/(Increase) in Debtors, Prepayments and Accrued Income	234,838	(252,402)
<b>TOTAL RECEIPTS</b>	<b><u>126,264,746</u></b>	<b><u>125,109,583</u></b>
<b>DISBURSEMENTS</b>		
Members' Shares Withdrawn	40,016,695	40,870,356
Members' Deposits	18,293,591	20,240,647
Members' Loans Granted	49,666,160	48,725,824
Interest Paid	246,351	341,386
Dividends Paid	1,542,886	1,103,914
Operating Expenses	6,501,135	4,296,824
Fixed Assets Purchased	184,584	271,902
(Increase)/Decrease in Other Liabilities, Creditors, Accruals & Charges	(332,383)	75,915
<b>TOTAL DISBURSEMENTS</b>	<b><u>116,119,019</u></b>	<b><u>115,926,768</u></b>
<b>Closing Cash and Investments</b>	<b><u>76,918,583</u></b>	<b><u>66,772,856</u></b>



## Notes to the Financial Statements for the year ended 30 September 2014

### 1. Tangible Fixed Assets

	Freehold Construction Premises in Progress		Furniture & Fittings	Computer & Office Equipment	Software	Motor Vehicles	Total
	€	€	€	€	€	€	€
<b>COST/ VALUATION</b>							
At 1 October 2013	3,051,697	50,000	191,306	288,179	128,378	24,500	3,734,060
Additions	-	-	31,508	138,198	14,878	-	184,584
Disposals	-	-	-	(13,800)	-	-	(13,800)
Transfer	50,000	(50,000)	-	-	-	-	-
<b>At 30 September 2014</b>	<b><u>3,101,697</u></b>	<b><u>-</u></b>	<b><u>222,814</u></b>	<b><u>412,577</u></b>	<b><u>143,256</u></b>	<b><u>24,500</u></b>	<b><u>3,904,844</u></b>
<b>DEPRECIATION</b>							
At 1 October 2013	1,446,697	-	79,951	121,154	105,608	12,250	1,765,660
Charge for the year	61,235	-	26,164	37,778	6,063	6,125	137,365
Depreciation on Disposal	-	-	-	(11,052)	-	-	(11,052)
<b>At 30 September 2014</b>	<b><u>1,507,932</u></b>	<b><u>-</u></b>	<b><u>106,115</u></b>	<b><u>147,880</u></b>	<b><u>111,671</u></b>	<b><u>18,375</u></b>	<b><u>1,891,973</u></b>
<b>NET BOOK VALUE</b>							
<b>At 30 September 2014</b>	<b><u>1,593,765</u></b>	<b><u>-</u></b>	<b><u>116,699</u></b>	<b><u>264,697</u></b>	<b><u>31,585</u></b>	<b><u>6,125</u></b>	<b><u>2,012,871</u></b>
At 30 September 2013	<u>1,605,000</u>	<u>50,000</u>	<u>111,355</u>	<u>167,025</u>	<u>22,770</u>	<u>12,250</u>	<u>1,968,400</u>

### 2. Reserves

	Balance 1/10/2013 €	Net Movement €	Balance 30/9/2014 €
<b>Regulatory Reserve</b>			
Statutory Reserve	13,336,205	573,610	13,909,815
Additional Regulatory Reserve	4,018,114	-	4,018,114
<b>Total Regulatory Reserve</b>	<b><u>17,354,319</u></b>	<b><u>573,610</u></b>	<b><u>17,927,929</u></b>
<b>Other Realised Reserves</b>			
Undistributed Surplus	80,421	(2)	80,419
Special Reserve – Proposed Dividend (Note 18)	1,542,884	102,942	1,645,826
General Reserve	3,480,155	822,914	4,303,069
<b>Total Other Reserves – Realised</b>	<b><u>5,103,460</u></b>	<b><u>925,854</u></b>	<b><u>6,029,314</u></b>

The Undistributed Surplus and General Reserve are in place for the future growth of the Credit Union, for movements on Investments, for bad debts and includes future dividend payments where deemed appropriate by the Board.

## Notes to the Financial Statements for the year ended 30 September 2014 (Continued)

### 3. Proposed Dividend

The Directors recommend the following distributions:

	2014		2013	
	Rate %	€	Rate %	€
Gross Dividend on Shares	<u>1.25%</u>	<u>1,645,826</u>	<u>1.25%</u>	<u>1,542,884</u>

### 4. Related Party Transactions

During the year the Credit Union advanced €14,000 (2013: €30,950) in loans to directors. Directors' balances at 30 September 2014 are as follows: Share balance €173,493 (2013: €295,606), Loan balance €93,644 (2013: €180,099).

During the year the Credit Union advanced €166,800 (2013: €113,710) in loans to other Officers (comprising of staff and members of the Board Oversight Committee). Other Officers' balances at 30 September 2014 are as follows: Share balance €177,897 (2013: €327,995), Loan balance €443,608 (2013: €577,542).

### 5. Insurance against Fraud

The Credit Union has insurance against fraud in the amount of €5,200,000 in compliance with Section 47 of the Credit Union Act, 1997 (as amended).

### 6. Pensions

	2014	2013
	€	€
Pension Contributions	<u>169,754</u>	<u>132,697</u>

### 7. Capital Commitments

There were no capital commitments at 30 September 2014.

### 8. Rates of Interest Charged on Members' Loans

The rates of interest charged on Members' Loans per annum on a reducing balance basis were as follows:

	Per Month	APR
	%	%
Standard Rate Loans	0.74%	8.9%
Special Rate Car Loans	0.60%	7.2%
Education Loan	0.51%	6.1%
Green Loan	0.60%	7.2%
Secured Loan	0.43%	5.1%



## 9. Rates of Interest paid on Members' Deposits

Interest has been paid on Members' deposits during the year as follows:

	<b>Per Month</b>	<b>AER</b>	<b>Bonus</b>
	<b>%</b>	<b>%</b>	<b>%</b>
Regular Deposit Account	0.08%	1%	-
0.75% + 0.75% 2yr Bonus	0.06%	0.75%	0.75%
12 month Deposit Account	0.125%	1.5%	-
Christmas Deposit	0.08%	1%	-

## 10. Contingent Liabilities

There were no contingent liabilities in existence at 30 September 2014 that would impact on the financial statements.

## 11. Post Balance Sheet Events

The Credit Union has a significant portfolio of Investments at 30 September 2014. The value of these investments can rise and fall with market conditions. The current market conditions are volatile and it is reasonable to expect that there has been volatility in the valuations of some investments since 30 September 2014. However, it is not possible to quantify the effect of this volatility. In accordance with FRS 21 "Events After the Balance Sheet Date", any such effect on the valuation of Investments since the balance sheet date and 20 October 2014 is a non-adjusting event and accordingly the financial statements do not reflect any adjustment in respect of same.

In the opinion of the Board of Directors, there are no other events after the balance sheet date which requires disclosure or adjustment in accordance with FRS 21.

## Notes to the Financial Statements for the year ended 30 September 2014 (Continued)

### 12. Deposits and Investments

These consist of deposits with and funds managed by the following institutions:

	2014	2013
	€	€
Prize Bonds	254	253
Deposit Protection Account	241,213	246,826
Allied Irish Bank	14,898,558	4,628,000
Ulster Bank	1,040,000	1,000,000
Irish Government	-	302,840
Bank of Ireland	9,816,287	14,597,578
BNP Paribas	320,938	320,000
Central Bank MRR	1,035,388	914,156
KBC	13,510,347	7,901,340
Central Treasury FRN Fund	372,200	364,767
Central Treasury Managed Fund	10,900,811	13,097,510
Educational Building Society	-	1,742,132
Rabo Bank	4,966,290	4,074,221
Permanent TSB	15,750,000	13,891,422
Pohjola	-	62,000
<b>Total</b>	<b><u>72,852,286</u></b>	<b><u>63,143,045</u></b>

Deposits and Investments are stated in line with the accounting policies as set out on pages 18 to 19. Included in Debtors, Prepayments and Accrued Income at 30 September 2014 is an amount of €842,579 (2013: €1,651,129) relating to accrued income and guaranteed returns on the above Deposits and Investments.

The market value of Deposits and Investments (including accrued income and guaranteed returns) as at 30 September 2014 is €73,710,865 (2013: €64,827,473). The value of investments can rise and fall with market conditions.

### 13. Other Liabilities, Creditors, Accruals and Charges (Incl. DIRT)

	2014	2013
	€	€
DIRT	35,564	31,590
Other Creditors and Accruals	<u>709,267</u>	<u>467,615</u>
	<b><u>744,831</u></b>	<b><u>499,205</u></b>



#### 14. Car Draw

	<b>2014</b>	<b>2013</b>
	€	€
Car Draw	<u>484,020</u>	<u>409,128</u>

The Credit Union operates a car draw for its members. The amount of €484,020 (2013: €409,128) represents the excess of cash received over cost of prizes as at the balance sheet date. No gain or loss has arisen or will arise, as all funds received will be used to purchase prizes.

#### 15. Loans to Members

The following is an analysis of Member Loans at 30 September 2014, as required by Section 35 of the Credit Union Act, 1997 (as amended):

	<b>2014</b>	<b>2013</b>
	€	€
0 to five years	94,383,366	93,781,669
Five to ten years	6,459,316	7,272,874
Ten years or more	836,548	878,086
	<u><b>101,679,230</b></u>	<u><b>101,932,629</b></u>

#### 16. Special Reserve

The directors decided to adopt a policy of setting aside the amount of the proposed dividend for the current year in a special reserve. This is reflected as a movement in reserves as set out in note 2.

#### 17. Member Shares

The following is an analysis of Member Shares:

	<b>2014</b>	<b>2013</b>
	€	€
Regular Shares	-	8,704,407
Special Shares	135,412,011	118,100,471
Term Shares	184,927	245,927
	<u><b>135,596,938</b></u>	<u><b>127,050,805</b></u>

## Schedules to the Income and Expenditure Account For the year ended 30 September 2014

The following Schedules do not form part of the Statutory Financial Statements which are the subject of the Independent Auditor's Report on pages 13 to 14.

### SCHEDULE 1 – OTHER INTEREST INCOME AND SIMILAR INCOME

	2014	2013
	€	€
Deposit and Investment Income	1,781,951	1,741,530
Bank Interest	6,311	12,706
<b>TOTAL PER INCOME AND EXPENDITURE ACCOUNT</b>	<b><u>1,788,262</u></b>	<b><u>1,754,236</u></b>

Other interest income and similar income consists of interest and net gains and is analysed as follows:

	2014	2013
	€	€
Received at the Balance Sheet date	945,683	912,673
Received within 12 months of the Balance Sheet date	842,579	841,563
Other	-	-
<b>TOTAL</b>	<b><u>1,788,262</u></b>	<b><u>1,754,236</u></b>

### SCHEDULE 2 – OTHER INCOME

	2014	2013
	€	€
ECCU refund	9,399	20,601
Commissions	61,717	57,099
Fees	36,713	38,089
<b>TOTAL PER INCOME AND EXPENDITURE ACCOUNT</b>	<b><u>107,829</u></b>	<b><u>115,789</u></b>



## Schedules to the Income and Expenditure Account (Continued) For the year ended 30 September 2014

Schedules to the Income and Expenditure Account For the year ended 30 September 2014

### SCHEDULE 3 – OTHER MANAGEMENT EXPENSES

	<b>2014</b>	<b>2013</b>
	<b>€</b>	<b>€</b>
Print and Stationery	94,366	100,235
Office Expenses	173,763	140,070
Leasing	27,642	27,779
National Recruitment Drive	2,646	14,200
Postage and Telephone	138,513	131,920
Light and Heat	41,437	34,121
Cleaning	22,662	17,192
Security	18,380	19,646
Travel and Subsistence	32,509	28,133
Chapter Fees	1,577	1,372
Share and Loan Insurance (Gross)	706,500	621,775
Convention, Training & Annual Conference	79,492	72,948
Treasurers Honorarium (Gross)	-	10,714
Repairs and Maintenance	25,962	26,489
General Insurance	36,584	33,997
Bad Debts Written Off	1,648,552	1,489,521
Audit Fees	23,985	23,985
Pensions	169,754	132,697
Supervisory/Board Oversight Committee	12,300	11,715
Machinery Maintenance	1,430	9,890
Computer and Software Maintenance	88,951	96,011
Annual General Meeting Expenses	44,287	32,447
Central Bank Resolution Fund	80,055	75,712
Affiliation Fees	45,652	40,766
Transfer of Engagements Costs	30,001	79,870
Debit Card Expense	34,244	20,862
Savings Protection Scheme Fund Contribution	82,734	78,014
Rates	40,751	48,918
Registrar Filing Fee	17,210	15,153
Consultants Fees	108,573	71,542
Debt Collection	26,486	41,552
Marketing and Advertising	78,005	57,560
Premises Impairment	-	833,133
Building Maintenance	85,812	-
Loss on disposal of fixed assets	2,748	-
Staff Uniforms	28,409	9,294
IT Strategy/ National Advertising	17,831	12,637
Death Benefit Insurance	223,082	202,298
Donations and Sponsorship	63,765	49,330
Bursary Expenses	164,265	152,218
Deposit Protection Charge	19,724	9,654
<b>TOTAL PER INCOME AND EXPENDITURE ACCOUNT</b>	<b><u>4,540,639</u></b>	<b><u>4,875,370</u></b>

## Report of the Board Oversight Committee

Membership of the Board Oversight Committee for 2014 consisted of Mr. John Keppel (Chairman), Mr. Tom Mernagh (Secretary) and Mr. Anton Mullen.

The Committee met on 12 occasions during year ended 30th September 2014.

The Committee was represented at each meeting of the HSCU Board of Directors and in reviewing the proceedings of those meetings, the Committee is satisfied that the Board at all times acted in accordance with current rules and legislation.

In accordance with section 59 of the Credit Union Act 1997 and rule 85(1)(b) of the Standard Rules for Credit Unions, the Board Oversight Committee met with the Board of Directors on 4 separate occasions during the year, specifically to review their performance.

The Committee wishes to thank the Directors and staff of the credit union for their courtesy and co-operation throughout the year.



John Keppel



Anton Mullen



Tom Mernagh



## Report of the Credit Committee

Fellow members,

The past year has been another busy one for the Credit Committee and Loans Officers. A total of **16,044** loan applications were received, with a total value of **€52,435,467.03**. As with last year, the credit union has been affected by the overall economic climate, which is evidenced by the reduction in the number of loan applications received and approved during the year.

Your Credit Committee and Board of Directors introduced a new loan assessment structure during the year under review. This has allowed the Credit Committee and Loans Officers to give the necessary time required to assess loan applications, and at the same time continue to ensure that we can meet the needs of our members, and maintain a prudent lending policy.

### Debt Counselling and Budgeting

We have a number of qualified Financial Advisors on our staff, and we urge any member experiencing difficulty with debt or budgeting to contact the credit union office for advice.

### Loans Policy

As previously outlined, our Loans Policy is reviewed at least annually; our last review was in August of this year. We assess and make recommendations to the Board of Directors on possible amendments or improvements to our Loans Policy. The main aim of our policy is to assist our members, without over-extending them, or indeed the credit union itself.

Unfortunately, we sometimes have to refuse a loan; this is only done in rare circumstances. As you can see from the figures provided, our refusal rate as a percentage of the total number of loan applications received, has reduced since last year. The most common reasons for loan refusals are: a member's overall indebtedness, performance of overall debt, or their inability to repay. If a member has been refused a loan and feels there are additional factors/information/explanations which were not available at the time of application, they should provide such information and make an appeal to the Board of Directors.

The Credit Committee and Loans Officers consider loan applications several times during an average week, however if you have a particular borrowing requirement and require a decision by a specific time we would advise that you make the loan application as soon as possible. While we strive to provide a speedy turnaround time for loan applications, some applications will require more timely consideration and/or additional paperwork.

### Rescheduling Loans

An application to reschedule loan payments requires the same assessment procedure as the reviewing of a loan application, with members being asked to provide supporting documentation for their request. A loan reschedule has always been a factor considered in any subsequent loan applications of a member. However, Central Bank rules require that all accounts with loans rescheduled on or after 1st October 2013 have borrowing restrictions placed on them. Unfortunately, neither the Credit Committee nor Board have any discretion with these rules. We advise members to consider these implications before applying for a reschedule. Credit union staff will ensure that members are made aware of the implications an approved reschedule will have on their future borrowing capacity.

## Report of the Credit Committee (Continued)

The following served on the Credit Committee in 2014/13:

*Pat O'Neill, Chairman,  
Sean Hosford, Secretary,  
Brendan Fagan, Director,  
Emer Walsh, Director,  
Sarah O'Leary, Volunteer.*

Please find below comparative statistics for this year and last year, showing loan approval and refusal details.

	<b>2014/13</b>	<b>2013/12</b>
No. of loan applications received	16,044	17,486
No. of loans approved by Credit Committee	372	1,056
No. of loans approved by Loans Officers	15,179	15,749
<b>Total value of loans approved in year</b>	<b>€49,781,991.10</b>	<b>€51,560,746.63</b>
No. of refusals during year	493	681
% Refusals of total applications received	3%	4%

### Breakdown of loan purposes

<b>Housing</b>	<b>2014/13</b>	<b>2013/12</b>
<i>Home improvements, deposits, furnishing.</i>	€12,161,030.73	€13,275,981.56
<b>Motoring</b>		
<i>Car purchase, repair, insurance, mobile home, motorbike.</i>	€10,973,379.27	€10,205,542.72
<b>Personal Finance</b>		
Household bills, debt consolidation etc.	€3,658,952.60	€4,489,732.55
<b>Health &amp; Leisure</b>		
Holidays, Christmas, Weddings, Communion, Confirmation etc.	€14,789,332.50	€16,469,301.68
<b>Miscellaneous</b>		
All other purposes & all secured loans.	€8,199,296.00	€7,120,188.12

In 2014/13 the average loan approved was **€3,201.20**. The average loan approved for 2013/12 was **€3,068.00**.

I would like to thank my fellow Committee members for their hard work and attendance during the year, our Loans Officers, and all our staff for their work during the year.



**Pat O'Neill**  
**Chairman Credit Committee**



## Report of the Credit Control Committee

While it is acknowledged that the economic climate is improving somewhat, some of our members continue to experience financial difficulties. We continue to liaise with the staff of the Money Advice and Budgeting Service and the newly formed Insolvency Service of Ireland who work with members in financial difficulty. We very much appreciate the service being provided by those organisations to our members.

The HSSCU Board of Directors wishes to stress to members in financial difficulties that it is in their best interest to contact this office at the earliest opportunity for assistance in dealing with your finances. All members are assured that their situation will receive immediate attention and they will be treated with absolute confidentiality.

### Written-off Accounts

The annual accounts for 2014 confirm that the total loans outstanding was €101,679,230 with 12,890 active loans. The Directors recognise that unfortunately some members no longer have the capacity to continue to meet their current repayments and their loans are no longer considered viable loans. The total value of the accounts written-off this year increased to €1,648,552 which represents 1.6% of the total loans outstanding.

The number of accounts written-off this year increased to 177. A total of 70 of these account holders are now making some payments and have already repaid in excess of €38,000 since they were written-off. On a positive note, the total amount of income from bad debts received increased by almost €59,000 to €359,413 with over 350 accounts making some payment during the year.

### Provisioning

#### *Provisioning Reschedules*

The Financial Regulator introduced new guidelines regarding provisions for bad debts and rescheduling loan repayments in 2013. These guidelines also contain restrictions with regard to providing additional credit facilities to members who have rescheduled their loan repayments. This has led to a reduction in the number of members seeking to reschedule their loan repayments.

#### *All Provisioning*

The current method of providing reserves for bad debts in credit unions is based on a percentage of the net loan balance and the number of weeks in arrears. The following are the details of our accounts in arrears and the provisions required for our accounts at year end 30th September 2014.

Accounts in Arrears	% Required	No of Loans	Net Loan (€)	Provision (€)
10 to 18 Weeks	10%	184	€1,059,311	€105,931
19 to 26 Weeks	20%	95	€643,281	€128,656
27 to 39 Weeks	40%	80	€429,981	€171,992
40 to 52 Weeks	60 %	39	€328,593	€197,156
53 to 99 Weeks	100 %	183	€972,559	€972,559
Rescheduled Loans				€2,732,173
<b>Total Accounts</b>		<b>581</b>	<b>Total Resolution 49</b>	<b>€ 4,308,467</b>

## Report of the Credit Control Committee (Continued)

There is a further requirement by the Central Bank of Ireland to provide for loans which have been rescheduled. This amount can range from 20% to 100% of the outstanding loan balance depending on the number of times an account has been rescheduled. The total amount provided for in these cases is €2,732,173. This method of provisioning requires the credit union to have a total provision of €4,308,467.

The Central Bank of Ireland requires that our provisions for bad debts are reviewed regularly. A full loan book review was undertaken during the year. In consultation with our Auditor, the Board of Directors has deemed it appropriate to increase the current provision for bad debts during the coming year by €500,000 to a total of €9,301,307.

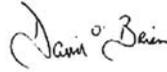
The Committee would like to thank the staff in the Credit Control Department for their assistance during the year.



Tom Carroll



Marie Mc Bryan



Dave O'Brien

## Report of the Membership Committee

	2014/13	2013/12
New Members Accepted	1,907	1,653
Accounts Closed	380	146
Accounts Re-opened	49	62

During the financial year 2014/2013 your credit union accepted 1,907 new members. The number of members with a shareholding of €6.35 or more at 30th September 2013 stood at 28,394.

Our member recruitment visits took us to Donegal, Sligo, Cork, Kerry, Meath, Westmeath, Kildare, Wicklow and Dublin.

Our junior membership (0-15) increased by 220 in 2014. As of 30th September, 2013, we had 1,403 junior members.

We would like to thank the manager and all his staff for their assistance during the year.

Best Wishes to all our members for the coming year.



Sarah O'Leary



Orla O'Mahony



Anna Byrne



## Report of the Education, Planning & Development Committee

### Membership of the committee:

Damien O' Brien (Chairperson), Emer Walsh, Amanda Buggle, Dave O'Brien, Pat O'Neill, Geraldine Higgins. Recording Secretary: Orla O'Mahony.

### Member Communications:

#### eZine

Over 5,000 members have signed up for our eZine which includes updates on products, services, competitions, kids' pages and more. If you have an email account and would like to subscribe for regular updates through our eZine, you can sign up today on [www.hsscu.ie/e-zine-sign-up/](http://www.hsscu.ie/e-zine-sign-up/)

#### Kredit

For members who prefer to receive their statement and newsletter by post, this newsletter was produced 4 times this year. It included relevant financial information, news on HSSCU events, competition winners, and up-to-date bulletins on developments in HSSCU products and services.

#### Facebook & Twitter

We hope you've been enjoying our updates. Like/follow us on Facebook & Twitter and you will know what's happening with your credit union as soon as it happens. All of our followers will be entered into a draw on **5th December for a chance to WIN a €100 One 4 All Voucher in time for Christmas.**

[www.facebook.com/health-services-staffs-credit-union](http://www.facebook.com/health-services-staffs-credit-union)

#### Monthly Car Draw

HSSCU raffled 13 cars this year (1 each month with 2 in December)! There were also 60 Holiday Prizes of €1,000 (5 winners each month), 12 Cassidy's Travel vouchers worth €1,000 each + €500 spending money per winner, as well as 500 prizes of €500 in our Christmas Draw and our 'Pay Your Bills for 1 Year' prize!!

*Congratulations to all of this year's Car Draw winners!*

#### Betty Noone Memorial Bursary

We received over 600 valid applications for this educational bursary this year! Grants were issued to all successful applicants. In total HSSCU gave back over €164,000 to members to aid them with the costs of their educational pursuits. For more information on our bursary go to [www.hsscu.ie/educational-bursary](http://www.hsscu.ie/educational-bursary)

#### Join a Friend

Our Join a Friend (JAF) incentive proved more popular this year than any other. All members who joined a friend (working within the health services) or family member (living at their address) and completed a JAF form were entered into quarterly draws to win €100. We will continue this incentive into 2014.

## Report of the Education, Planning & Development Committee (Continued)

### Training

As always the HSSCU Board of Directors continues to encourage all directors, supervisors and staff to participate in on-going development and training. Currently 2 staff members are studying for their Masters in Social and Co-Operative Studies and 6 staff, 1 director and 1 volunteer will commence the Pathways certificate in January.

3 volunteers, 2 directors and 3 staff have completed the Pathways certificate. 1 staff member completed the Pathways diploma. 1 staff member attained the CUG and CUC designations. 1 staff member attained the QFA designation. A number of directors, supervisors and members of the management team attended relevant workshops throughout the year. All those previously qualified in their studies continue to partake in the relevant continuous professional development programmes associated with maintaining their qualifications. This committee would like to congratulate all those who completed courses during the year, and wish every success to those continuing or about to embark on further education/training.

### Sponsorship

As one of Ireland's leading credit unions, where people helping people is a core value, we are delighted to be in a position to donate much needed funds to charity. Each year we sponsor a number of charities; local, national and international. We donate directly to charities, and by sponsoring our members in their many varied fundraising efforts; marathons, sponsored walks, sponsored head-shaves, cake sales, raffles and more. In 2014 we donated over €60,000 on behalf of our members to more than 60 charities.

I would like to thank my fellow committee members, Orla O'Mahony, the staff and management team for all of their efforts in contributing to another very successful year for this credit union.



**Damien O'Brien,**  
**Chairperson,**  
**Education, Planning & Development Committee**



## Committees 2014

### Executive Committee

**President** – Mary Cullen

**Vice President** – Pat O’Neill

**Secretary** – Dave O’Brien

### Audit & Compliance Committee

Gerry Lynch

Marie McBryan

Emer Walsh

### Risk Committee

Damien O’Brien

Shay Torsney      Secretary

Mary Cullen      Chairperson

### Remuneration Committee

Pat O’Neill

Brendan Fagan

Damien O’Brien

### Credit Committee

Emer Walsh

Pat O’Neill      Chairperson

Sarah O’Leary

Brendan Fagan

Sean Hosford

### Credit Control Committee

Tom Carroll      Chairman

Marie McBryan

David O’Brien

### Membership Committee

Sarah O’Leary

Orla O’Mahony

Anna Byrne

### Training Liaison Officer

Catherine Byrne

### Risk Officer

Catherine Byrne

### Compliance Officer

Mary Peters

### Complaints Officer

Deirdre Downey

### Credit Control Officer

Stephen Cosgrave

### Money Laundering Reporting Officer

A money laundering officer was elected.

### Education Planning & Development Committee

Geraldine Higgins

Dave O’Brien

Pat O’Neill

Damien O’Brien

Amanda Buggle

Emer Walsh

### Nominations Committee

Brendan Fagan      Chairperson

Shay Torsney      Secretary

Jane Joyce

### Chapter Delegate

Shay Torsney

### Youth Officer

Orla O’Mahony

### Investment Committee

Marie Mc Bryan

Gerry Lynch

Jane Joyce

### Information Technology Committee

Brendan Fagan

Mary Cullen

Catherine Byrne      Chairperson

Mary Peters      Secretary

Orla O’Mahony

### Board Oversight Committee

Anton Mullen

Tom Mernagh

John Keppel

## Board Attendance October 2013 to September 2014

Directors	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun Risk and Compliance Day	Jun	Jul	Aug	Sep	Total
Marie McBryan	1	1	1	1	1	1	1	1	1	1	1	1	1	13
John Kane	E	1	1	E	E	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2
Tom Carroll	E	1	1	1	1	1	1	E	1	1	1	1	1	11
Shay Torsney	1	1	1	E	1	1	1	1	1	1	1	E	E	10
Emer Walsh	1	1	1	1	1	1	1	1	1	1	1	1	E	12
Brendan Fagan	1	1	1	1	1	1	1	1	1	1	1	1	1	13
Jane Joyce	E	1	1	1	1	1	1	E	1	1	1	1	1	11
Mary Cullen	1	1	1	1	1	1	1	1	1	1	1	E	E	11
David O'Brien	1	1	1	1	1	1	1	1	1	1	1	1	1	13
Amanda Buggle	1	1	1	1	1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	5
Sarah O'Leary	1	1	1	1	1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	5
Gerry Lynch	1	1	1	1	E	1	E	1	1	1	1	E	1	10
Pat O'Neill	1	1	1	1	1	1	1	1	1	1	1	1	1	13
Geraldine Higgins	1	1	1	1	1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	5
Damien O'Brien	1	E	1	1	1	1	1	1	1	1	1	E	1	11

E Excused

N/A Not Applicable



## Deceased members of Health Services Staffs Credit Union October 2013- September 2014

Frances Mc Allorum  
John Anthony Conway  
Lina Trofeo  
Martin Cahill  
John Conroy  
John Cullinan  
Dolores Kennedy  
William Doyle  
Michael Roban  
Thomas Lewis  
William Hill  
Eric Francis Geary  
Michael Hyland  
Catherina Long  
Carmel Clarke  
Elizabeth Shelley  
Imelda Brennan  
Kenneth F X Mc Cartney  
Elizabeth Murphy  
Hilary Kerrigan  
Tommy Whelan  
Mary Somers  
Lucy O'Connell  
Maire Bowes  
Rosa Hanrahan  
Dr Angela Mohan  
Colette Eglington  
William Rooney  
Brenda Maria Woods  
William Sullivan  
Margaret Hannan  
Ann Kelly  
Eleanor Caulfield  
Michael Keegan  
Bernadette Mc Donnell  
Marie Norton  
Denise Noonan

Mary Mc Laughlin  
Mary Mc Carthy  
Mary Smith  
John Fitzpatrick  
Bridget Therese Macken  
John Heffernan  
Padraig Kearney  
Francis Gillespie  
Frances Brennan  
Patty Walker  
Mary Ann Siababa  
Margaret Devitt  
Julie Payosalan  
Karen Byrne  
Lorraine Argue  
Margaret O'Shea  
Margaret Deegan  
Pieter J Verhoeff  
Eddie Duffy  
David Fitzgerald  
Christina Cumberton  
Sheila Hart  
Fionnuala Nugent  
William Brennan  
Patrick Butler  
Patrick Brien  
Dermot Horgan  
Patrick Buckley  
Michael Murphy  
Maureen Harwood  
Mary Langsford  
Ellen Cullen  
Ellen Kelly  
Brigid Lennon  
Frank Burgess  
Stella Mullaney

*The Board of Directors would like to extend their sincerest sympathy to the families of members who died during the year. May they rest in peace.*



*Health Services Staffs*  
**Credit Union**

**SAFE SOUND SECURE**

**Health Services Staffs Credit Union Ltd.**

5 High Street, Dublin 8, also Phoenix View, 144-150 James's Street, Dublin 8.

**Tel:** 01 677 8648 or **Lo Call:** 1890 677864 (from outside 01 area)

**Fax:** 01 677 8664 **E-mail:** [info@hsscu.ie](mailto:info@hsscu.ie) **Web:** [www.hsscu.ie](http://www.hsscu.ie)

Health Services Staffs Credit Union is regulated by the Central Bank of Ireland