



Accounts, Notice & Agenda for AGM

2015



FINANCIAL STATEMENTS for the year ended 30 September 2015

Progressive Credit Union Ltd.

Registered Office: Harper House, 43-45 Dublin Street, Balbriggan, Co. Dublin

Tel: 01-841 1348 Fax: 01-841 3865 email: info@progressivecu.ie Web: www.progressivecu.ie

NOTICE OF MEETING

Dear Member

Notice is hereby given that the Annual General Meeting of Progressive Credit Union will take place on Tuesday 17 November 2015 at 8.00pm in the Carlton Dublin Airport Hotel, Old Airport Road, Cloghran, Co. Dublin.

Elections will be held to fill two vacancies on the Board Oversight Committee, three vacancies on the Board of Directors and the position of Auditor.

GEORGE SHEILS, Secretary

All members who attend the meeting will be included in a free draw. One prize of €500 and 10 prizes of €100 will be given out on the night.

ORDER OF BUSINESS AT ANNUAL GENERAL MEETING

- Ascertainment that a quorum is present
- Adoption of Standing Orders
- Reading and Approval (or correction) of Minutes of 2014 Annual General Meeting
- Report of the Board of Directors
- Presentation of Financial Statements
- Report of the Auditor
- Declaration of Dividend
- Special Motion Regarding Transfer of Engagements of RiverValley & Rathingle Credit Union
- Other motions
- Appointment of Tellers
- Report of the Nominations Committee
- Balloting
- Report of the Board Oversight Committee
- Report of the Risk Committee
- Report of the Audit Committee
- Other Committee Reports
- Prize Draw and Car Draw
- Announcement of Election Results
- Any other business
- Adjournment of meeting

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DIRECTORS, COMMITTEE MEMBERS, STAFF AND OTHER INFORMATION

BRANCHES

Balbriggan Office:	Harper House, 43-45 Dublin Street, Balbriggan, Co Dublin
Donabate Office:	Ballisk House, Portrane Road, Donabate, Co. Dublin
Howth Sutton Office:	1 Main Street, Howth, Co. Dublin.
Skerries Office:	26 Thomas Hand Street, Skerries, Co. Dublin.
The Victory Glasnevin Office:	171 Ballymun Road, Glasnevin, Dublin 9

DIRECTORS

Francis Ryan, Chair
Jill Kiernan, Vice Chair
George Sheils, Secretary
Gabrielle Beggs, Geraldine Dowling, Pat Doyle, Harry Keegan, Finian Kilty, Denise Lundy, Ciaran McLoughlin, Joe O'Flaherty

BOARD OVERSIGHT COMMITTEE

Pat Garvan
Miriam Kinane
Terry Redmond

MANAGEMENT TEAM

Sean Staunton, CEO
Niamh Dowling, Lending and Administration Manager
Elaine Garvey, Compliance Officer
Liza Goucher, Operations Manager
Moira Kelly, Finance Manager and Risk Management Officer
Pamela Richardson, Credit Controller

OTHER STAFF

Kim Atkinson	Linda Deegan	Caroline McDonnell
Amy Bentley	Kieron Dowling	Eimear McDonnell
Ciara Branagan	Caroline Finnegan	Angela McElroy
Trevor Branagan	Maureen Fitzpatrick	Vincent McGrady
Carolyn Buckley	Angela Hoey	Anne McHugh
Aaron Burns	Christine Hogan	Margaret Moore
Linda Byrne	Brian Howard	Sinead Morgan
Paula Carthy	Mary Hughes	Jude O'Sullivan
Cora Coffey	Brenda Levins	Anne Tully
Leeanne Crean	Stephen Mallon	Niamh Tully

REPORT OF THE BOARD OF DIRECTORS

It gives us great pleasure to welcome you to our Annual General Meeting for 2015

FINANCIAL PERFORMANCE

2015 has seen another strong financial performance for Progressive Credit Union as is reflected in the Financial Statements. Our prudent approach over the years has allowed us to manage the impact of a combined reducing loan book, falling returns from our investments and additional regulatory requirements and levies in a measured and consistent manner, while at the same time increasing our reserves. We are beginning to see signs of recovery and our loan arrears have dramatically reduced over the past twelve months.

Our surplus for the year was €1m and total assets now stand at €94.3m. Our total reserves stand at €13.2m which is well in excess of the minimum regulatory requirement. Your credit union remains a safe place to save, is financially strong and well positioned to meet any challenges that lay ahead.

We are recommending a 0.25% dividend on Shares for the approval of members at our Annual General Meeting.

TOGETHER WE'RE BETTER

During the year The Victory Credit Union transferred successfully to Progressive Credit Union. This now brings the number of branches to five.

Progressive Credit Union is a strong, safe and secure credit union. To ensure that we remain this way we believe that we need to achieve top tier status and that organic growth together with transfer of engagements and mergers are the best way of realising this at this point in time.

Rivervalley and Rathingle Credit Union approached Progressive Credit Union to assess the possibility of a transfer of engagements. We have made significant progress with our discussions and we believe that the proposed transfer of engagements will create a stronger more resilient credit union and this is supported by the financial projections.

We feel the benefits to you our members will be as follows:-

- Sustainability of credit union services in local area
- Choice of six branches with extensive opening hours
- Loans at an affordable interest rate
- Reasonable dividend on savings
- Extended range of services
- Continued contribution in our communities

We are recommending that our members vote in favour of the proposed special motion to accept the transfer of engagements of Rivervalley and Rathingle Credit Union.

COMMUNITY AND SOCIAL RESPONSIBILITY

Last year we transferred €100,000 to a Community and Social Responsibility Reserve to fund sponsorship applications for social, cultural, educational and charitable purposes from members of the credit union. As nearly all of these funds were utilised within the community during the year we propose to transfer a further €100,000 this year.

NEW LEGISLATION AND REGULATIONS

Regulations on the remaining sections of the Credit Union 2012 Act are due to commence on 31 December 2015. The areas affected relate to Reserves, Liquidity, Related Party Lending, Investments, Savings, System Controls and Reporting Arrangements and Additional Services. The Registrar of Credit Unions is in the process of updating the Credit Union Handbook to reflect the new regulations. Progressive Credit Union remains committed to keep you updated on transitional arrangements that may affect you.

I would like to thank my fellow directors, members of the various committees and staff for their dedication and hard work over the past twelve months. Finally we wish to thank you our loyal members for your support and trust throughout the year.

FRANCIS RYAN
CHAIRMAN

DIRECTORS' REPORT

For the year ended 30 September 2015

PRINCIPAL ACTIVITY

The principal activities of the credit union involves the acceptance of member' share/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 life insurance 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 Harper House, 43-45 Dublin Street, Balbriggan, Co. Dublin.

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 Financial Reporting Council 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.

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 6.

DIVIDENDS

The directors recommend a dividend in respect of the year ended 30 September 2015 of €180,145 (0.25%) (2014: €151,964 (0.25%)).

AUDITORS

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

On behalf of the Credit Union

CEO: *Sean Staunton* Date: **16 Oct 2015**

Member of the Board Oversight Committee: *Pat Garvan* Date: **16 Oct 2015**

Member of the Board of Directors: *Francis Ryan* Date: **16 Oct 2015**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PROGRESSIVE CREDIT UNION LIMITED FOR THE YEAR ENDED 30 SEPTEMBER 2015

We have audited the financial statements of Progressive Credit Union Limited for the year ended 30 September 2015 which comprise the Income and Expenditure Account, the Balance Sheet, the Cashflow Statement and the related notes 1 to 18. 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 page 4, 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.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the credit union's affairs as at 30 September 2015 and of its income and expenditure for the year then ended;
- have been prepared in accordance with Generally Accepted Accounting Practice in Ireland; and
- have been properly prepared so as to conform with the requirements of the Credit 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
Date: 16 October 2015

Mill House
Henry Street
Limerick

INCOME AND EXPENDITURE ACCOUNT

For the year ended 30 September 2015

	Schedules and Notes	2015 €	2014 €
INCOME			
Interest on Members' Loans		1,946,480	1,864,976
Members' Deposit and Other Interest, Expenses and Similar Charges		(27,908)	(51,044)
Investment Income	1	1,641,731	1,455,368
Net Interest Income		3,560,303	3,269,300
Other Income	2	78,614	155,039
TOTAL INCOME		3,638,917	3,424,339
EXPENDITURE			
Staff Costs		1,286,811	1,102,662
Other Management Expenses	3	1,473,708	1,114,756
Depreciation		179,541	338,052
Provision for Bad and Doubtful Debts		(200,000)	125,447
Bad Debts Recovered		(369,004)	(260,887)
TOTAL EXPENDITURE		2,371,056	2,420,030
EXCESS OF INCOME OVER EXPENDITURE FOR THE YEAR – Before Impairment, financial incentive and restructuring and rationalisation costs		1,267,861	1,004,309
Impairment of the Premises		(168,000)	-
Financial Incentive		-	2,151,797
Restructuring and rationalisation costs		(81,551)	(455,169)
EXCESS OF INCOME OVER EXPENDITURE FOR THE YEAR – After Impairment, financial incentive and restructuring and rationalisation costs		1,018,310	2,700,937
Add: Undistributed surplus at 1 October		2,479,529	311,976
Transfer from Special Reserve		151,964	79,920
Less: Dividend Paid		(152,551)	(80,857)
TOTAL		3,497,252	3,011,976
Less: Transfer to Statutory Reserve		(105,000)	(270,094)
Transfer to the Additional Regulatory Reserve		(395,000)	-
Transfer to Special Reserve		(180,145)	(151,964)
Transfer to Other Reserves		(117,241)	(110,389)
		(797,386)	(532,447)
UNDISTRIBUTED SURPLUS AT 30 SEPTEMBER		2,699,866	2,479,529

On behalf of the Credit Union 16 Oct 2015

Sean Staunton
CEO

Pat Garvan
Member of the
Board Oversight
Committee

Francis Ryan
Member of the
Board of
Directors

STATEMENT OF TOTAL RECOGNISED GAINS & LOSSES

For the year ended 30 September 2015

	2015 €	2014 €
Surplus for the financial year	1,018,310	2,700,937
Total recognised gains/(losses) relating to the year	1,018,310	2,700,937

On behalf of the Credit Union 16 Oct 2015

Sean Staunton
CEO

Pat Garvan
Member of the
Board Oversight
Committee

Francis Ryan
Member of the
Board of
Directors

BALANCE SHEET

As at 30 September 2015

	Notes	2015 €	2014 €
ASSETS			
Cash on hand and at Bank		1,022,372	720,381
Deposits and Investments	11	71,948,608	56,947,004
Loans to Members		21,438,641	20,151,371
Less: Provision for Bad and Doubtful Debts	18	(2,966,833)	(3,214,737)
Tangible Fixed Assets	2	2,797,058	2,875,602
Debtors and Prepayments		71,876	49,197
TOTAL ASSETS		94,311,722	77,528,818
LIABILITIES			
Member Shares	14	76,194,943	61,844,335
Member Deposits		4,583,992	4,584,373
Car Draw	15	46,029	38,855
Other Liabilities, Creditors, Accruals and Charges	13	314,927	341,021
TOTAL LIABILITIES		81,139,891	66,808,584
NET WORTH		13,171,831	10,720,234
Represented By: RESERVES			
Statutory Reserve	3	10,084,306	8,490,727
Additional Regulatory Reserve	3	701,571	306,571
TOTAL REGULATORY RESERVE		10,785,877	8,797,298
Other Reserves			
– Realised	3	2,351,527	1,905,750
– Unrealised	3	34,427	17,186
TOTAL RESERVES		13,171,831	10,720,234

On behalf of the Credit Union 16 Oct 2015

Sean Staunton
CEO

Pat Garvan
Member of the
Board Oversight
Committee

Francis Ryan
Member of the
Board of
Directors

SIGNIFICANT ACCOUNTING POLICIES

For the year ended 30 September 2015

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 INCOME RECOGNITION

(a) Interest on Members' Loans

Interest on Members' Loans is realised 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 realised 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, short term deposits and term deposits

These are valued at the deposit amount plus any accrued interest at the balance sheet date. Interest income is recognised in the Income and Expenditure Account on an accruals basis.

Investments with guaranteed returns

These are valued at cost plus guaranteed returns proportionally spread out over the life of the investment. The relevant guaranteed amount each year is recorded in the Income and Expenditure Account. 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 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.

Bank Bonds and Government Bonds

These are valued at the lower of cost and market value at the balance sheet date. Investments which are capital guaranteed are valued at cost plus accrued income, with the exception of the following:

- Where the cost is greater than par, the excess over the par value is amortised over the life of the Investment.
- Where the cost is less than par, the excess over cost is amortised over the life of the investment.

Bank Bonds and Government Bonds (continued)

Interest income is recognised in the Income and Expenditure Account when it is received or receivable. Increases which reverse a previous decrease in the value of the bond/investment are included in the Income and Expenditure Account. All other increases in excess of the cost of the bond/investment are ignored until the bond/investment is sold/matures. 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.

1.3 DEPRECIATION

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

Land and Buildings Freehold	2% SL per annum
Fixtures, Fittings & Equipment	20% SL per annum
Computer Equipment	33.33% SL per annum

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 €1,430,708.

1.6 VALUE ADDED TAX

The Credit Union is not registered for VAT, therefore all expenses include VAT where charged.

1.7 TRANSFER OF ENGAGEMENTS

Transfer of Engagements are accounted for using the acquisition method of accounting. This involves recognising identifiable assets and liabilities of the acquired Credit Unions at fair value. In applying the acquisition method of accounting for these business combinations, the member interests transferred by Progressive Credit Union Limited represents the consideration transferred for the net assets acquired. This consideration has been estimated as equivalent to the acquisition date fair value of the member interests in the Transferor Credit Union (the fair value of the Transferor Credit Union) at the date of the transfer, and is reflected as an adjustment in "other reserves".

CASH FLOW STATEMENT

for the year ended 30 September 2015

	2015 €	2014 €
Opening Cash and Investments	57,667,385	27,291,338
Skerries Credit Union Limited – Cash and Investments introduced at 14 December 2013	–	12,470,746
Donabate & District Credit Union Limited – Cash and Investments introduced at 14 December 2013	–	8,835,313
Howth Sutton Credit Union Limited – Cash and Investments introduced at 8 March 2014	–	2,584,423
The Victory Credit Union Limited – Cash and Investments introduced at 6 March 2015	11,364,262	–
RECEIPTS		
Members' Shares & Deposits Lodged	38,678,639	32,053,089
Members' Loans Repaid	12,644,918	12,151,145
Member Loan Interest Received	1,946,480	1,864,976
Bad Debts Recovered	369,004	260,887
Investment Income	1,641,731	1,455,368
Financial Income	–	2,151,797
Other Income	<u>78,614</u>	<u>155,039</u>
TOTAL RECEIPTS	<u>55,359,386</u>	<u>50,092,301</u>
DISBURSEMENTS		
Members' Shares & Deposits Withdrawn	35,660,192	31,371,642
Members' Loans Granted	12,199,961	9,617,337
Dividends Paid	152,551	80,857
Other Expenses	3,254,551	2,290,515
Fixed Assets Purchased	<u>152,798</u>	<u>246,385</u>
TOTAL DISBURSEMENTS	<u>51,420,053</u>	<u>43,606,736</u>
Closing Cash and Investments	<u>72,970,980</u>	<u>57,667,385</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2015

1. TRANSFER OF ENGAGEMENTS

On 6 March 2015 Progressive Credit Union Limited (“PCU”) accepted the Transfer of The Victory Credit Union Limited (“TVCU”). The Assets and Liabilities of TVCU at 6 March 2015 were incorporated into the Balance Sheet of PCU at that date.

PCU did not pay any consideration in respect of the Transfer of Engagement. On the date of transfer, the members of the transferor credit union became members of PCU, and thereby became entitled to member interest associated with such membership. In applying the acquisition method of accounting for this business combination, the members interests transferred by PCU represents the consideration transferred for the net assets acquired. This consideration has been estimated as equivalent to the acquisition-date fair value of the member interests in the transferor credit union (the fair value of the transferor credit union) at the date of transfer, and is reflected as an adjustment in “other reserves” in note 3 on page 9.

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. TRANSFER OF ENGAGEMENTS (continued)

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

	Fair value of TVCU assets and liabilities acquired by PCU €
Tangible Fixed Assets	116,199
Cash on hand and at bank	886,394
Deposits and Investment	10,477,868
Loans to Members	2,068,754
Provision for Bad & Doubtful Debts	(288,623)
Debtors, Prepayments and Accrued Income	9,008
Member Shares	(10,674,840)
Member Deposits	(656,940)
Other Liabilities, Creditors, Accruals and Charges	(245,134)
	<u>1,692,686</u>

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

2. TANGIBLE FIXED ASSETS

	Land and Buildings freehold €	Fixtures, Fittings & Equipment €	Computer Equipment €	Total €
COST/VALUATION				
At 1 October 2014	4,812,544	529,836	221,106	5,563,486
Transfers from TVCU	291,071	6,015	30,571	327,657
Additions	–	94,902	57,896	152,798
Impairment	(168,000)	–	–	(168,000)
Disposals	–	(379,000)	(7,311)	(386,311)
At 30 September 2015	<u>4,935,615</u>	<u>251,753</u>	<u>302,262</u>	<u>5,489,630</u>

DEPRECIATION

At 1 October 2014	2,185,856	417,581	84,447	2,687,884
Transfers from TVCU	191,072	1,763	18,623	211,458
Disposals	–	(379,000)	(7,311)	(386,311)
Charge for the year	<u>59,385</u>	<u>43,723</u>	<u>76,433</u>	<u>179,541</u>
At 30 September 2015	<u>2,436,313</u>	<u>84,067</u>	<u>172,192</u>	<u>2,692,572</u>

NET BOOK VALUE

At 30 September 2015	<u>2,499,302</u>	<u>167,686</u>	<u>130,070</u>	<u>2,797,058</u>
At 30 September 2014	<u>2,626,688</u>	<u>112,255</u>	<u>136,659</u>	<u>2,875,602</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. RESERVES

	Balance 01/10/2014	Arising on Transfer of Engagements	Payment from Reserves	Appropriation of Current Year Surplus	Balance 30/9/2015
	€	€	€	€	€
Regulatory Reserve					
Statutory Reserve	8,490,727	1,488,579	–	105,000	10,084,306
Additional Regulatory Reserve	306,571	–	–	395,000	701,571
Total Regulatory Reserve	8,797,298	1,488,579	–	500,000	10,785,877
Other Reserves					
Realised					
Undistributed Surplus	2,479,529	–	(587)	220,924	2,699,866
Reserves arising on the Transfer of Engagements - HSCU	(2,568,508)	–	–	–	(2,568,508)
Reserves arising on the Transfer of Engagements - DDCU	918,152	–	–	–	918,152
Reserves arising on the Transfer of Engagements - SCU	816,103	–	–	–	816,103
Reserves arising on the Transfer of Engagements - TVCU	–	204,107	–	–	204,107
Special Reserve:					
Proposed Dividend	151,964	–	(151,964)	180,145	180,145
Community and Social Responsibility Reserve	108,510	–	(106,848)	100,000	101,662
Total Realised Reserves	1,905,750	204,107	(259,399)	501,069	2,351,527
Unrealised					
Non-Distributable Reserve	17,186	–	–	17,241	34,427
Total Unrealised Reserves	17,186	–	–	17,241	34,427
Total Reserves	10,720,234	1,692,686	(259,399)	1,018,310	13,171,831

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

4. PROPOSED DIVIDEND

The Directors recommend the following distributions:

	2015		2014	
	Rate%	€	Rate%	€
Gross Dividend on Shares	0.25%	180,145	0.25%	151,964

5. RELATED PARTY TRANSACTIONS

During the year the Credit Union advanced €37,000 (2014: €13,000) in loans to Directors. Directors balances at 30 September 2015 are as follows: Share balance €59,853 (2014: €63,542), Loan balance €36,566 (2014: €15,941).

During the year the Credit Union advanced €70,445 (2014: €88,500) in loans to other officers (comprising of staff and members of the Board Oversight Committee). Other officers balances at 30 September 2015 are as follows: Share balance €272,243 (2014: €209,495), Loan balance €184,488 (2014: €172,141).

6. 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).

7. PENSIONS

	2015	2014
	€	€
Pension Contributions	82,983	68,423

NOTES TO THE FINANCIAL STATEMENTS (continued)

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:

	Annual	APR	Monthly
Standard Rate Loans	12.00%	12.75%	1.0625%
Green Loans	9.75%	10.40%	0.8667%
1 Year Loan	9.75%	10.24%	0.8533%
Motor Loans	7.75%	8.06%	0.6717%
Loans Within Shares	5.00%	5.12%	0.4267%
PCU>30k	9.75%	10.24%	0.8542%

9. CAPITAL COMMITMENTS

There were no material capital commitments at 30 September 2015.

10. CONTINGENT LIABILITIES

There is a Contingent Liability included in the Letter of Authority held by Bank of Ireland with regard to a VISA Business Card 12/2008 in the sum of €22,500 and Electronic Funds Transfer in the sum of €20,000.

11. DEPOSITS AND INVESTMENTS

These consist of deposits with and funds held with the following financial institutions:

	2015	2014
	€	€
AIB/EBS	10,741,745	12,665,739
BNP Paribas	100,000	100,000
Central Bank	788,484	639,316
Bank of Ireland/ICS	8,249,841	8,281,381
Permanent TSB	17,434,417	11,744,048
RaboDirect	5,830,378	1,167,414
Investec	2,915,790	–
Ulster Bank	2,287,403	5,820,608
Irish Government Bonds	14,799,901	14,886,111
Prize Bonds	100,000	100,000
KBC Bank	8,700,649	1,542,387
	71,948,608	56,947,004

Deposits and Investments are stated in line with the accounting policies as set out on page 7 and include accrued income in the amount of €882,318 at 30 September 2015 (2014: €891,140).

The market value of Deposits and Investments as at 30 September 2015 was €74,835,901 (2014: €59,720,415). The value of Deposits and Investments can rise and fall with market conditions.

12. POST BALANCE SHEET EVENTS

The Credit Union has a significant portfolio of Investments at 30 September 2015. 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 2015. 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 16 October 2015 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 require disclosure or adjustment in accordance with FRS 21.

NOTES TO THE FINANCIAL STATEMENTS (continued) SCHEDULES TO THE INCOME & EXPENDITURE ACCOUNT

13. OTHER LIABILITIES, CREDITORS, ACCRUALS AND CHARGES

	2015	2014
	€	€
D.I.R.T.	5,058	6,983
Sundry creditors and accrued charges	309,869	334,038
	<u>314,927</u>	<u>341,021</u>

14. MEMBER SHARES

	2015	2014
	€	€
Special Shares	76,194,943	61,844,335

15. CAR DRAW

	2015	2014
	€	€
Car Draw	46,029	38,855

The Credit Union operates a car draw for its members. The amount of €46,029 (2014: €38,855) represents the excess of cash received over the 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.

16. RATES OF INTEREST PAID ON MEMBERS' DEPOSITS

Interest has been paid on Members' deposits at a rate of 0.25% per annum, 0.02% per month (2014: 1.00%).

17. 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 in reserve as set out in note 3.

18. ANALYSIS OF MOVEMENT ON PROVISION FOR BAD AND DOUBTFUL DEBTS

	2015	2014
	€	€
At 1 October	3,214,737	2,266,698
Provided for in the year	(200,000)	125,446
Provision arising on Transfers	288,623	1,476,255
Utilisation of Provision	(336,527)	(653,662)
At 30 September	<u>2,966,833</u>	<u>3,214,737</u>

SCHEDULES TO THE INCOME AND EXPENDITURE ACCOUNT

For the year ended 30 September 2015

The Schedules hereunder (Schedules 1 to 3 inclusive this page) do not form part of the Statutory Financial Statements which are the subject of the Independent Auditor's Report on page 5.

SCHEDULE 1 – INVESTMENT INCOME

	2015	2014
	€	€
Investment Income	1,641,731	1,455,368
TOTAL PER INCOME AND EXPENDITURE ACCOUNT	<u>1,641,731</u>	<u>1,455,368</u>

SCHEDULE 1 – INVESTMENT INCOME (continued)

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

	2015	2014
	€	€
Received at the Balance Sheet date	742,172	720,057
Received within 12 months of the Balance Sheet date	882,318	724,922
Other (Greater than 12 months)	17,241	10,389
TOTAL	<u>1,641,731</u>	<u>1,455,368</u>

SCHEDULE 2 – OTHER INCOME

	2015	2014
	€	€
Fees & Commissions	33,364	103,320
ReBo Rebate	45,250	51,719
TOTAL	<u>78,614</u>	<u>155,039</u>

SCHEDULE 3 – OTHER MANAGEMENT EXPENSES

	2015	2014
	€	€
Affiliation Fees	43,480	54,090
Education & Training	27,954	19,736
Rates	49,617	32,817
General Insurance	35,503	7,700
LPLS Insurance	286,425	224,958
AGM & Convention Fees	31,189	35,737
Light & Heat	32,927	31,555
Risk, internal audit & compliance	35,363	32,534
Office Cleaning	24,228	18,564
Repairs & Maintenance	64,048	60,916
Printing & Stationery	40,582	37,235
Advertising & Marketing	65,720	47,863
Postage	14,637	15,130
Telephone	21,587	17,429
Computer Maintenance	139,752	94,140
Legal & Professional Fees	246,707	157,553
Audit Fees	54,025	43,050
Bank Charges	58,452	53,418
General Expenses	80,544	80,497
Bad debts written off	336,527	653,662
Utilisation of Provision for Bad and Doubtful Debts	(336,527)	(653,662)
Resolution Levy	120,968	49,834

TOTAL PER INCOME AND EXPENDITURE ACCOUNT

	<u>1,473,708</u>	<u>1,114,756</u>
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IMPORTANT NOTICE TO MEMBERS

As you may be aware, Progressive Credit Union is required to keep up to date photo ID and proof of address on file for all members. By ensuring your account documentation is kept up to date, the credit union will be able to facilitate the continued provision of services, including over the counter transactions, loan applications and online banking services.

The following documents may be accepted:

FORMS OF PHOTO ID:

- Current Valid Passport
- Current Valid Irish; UK or European Drivers Licence
- EU national identity card
- Birth certificate (for minor accounts)

FORMS OF PROOF OF ADDRESS (must be dated within the last 3 months):

- Bank statement
- Utility bill
- Official correspondence from government department
- Household, health or motor insurance documentation.

If you have not updated your account documentation during 2015 or your ID has recently expired, please call to any of our offices at your earliest convenience to update your account identification and proof of address.

Please note; failure to provide the requested documentation may prohibit members from carrying out transactions on their account. Should you have any queries regarding this, please do not hesitate to contact Progressive Credit Union.

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Progressive Credit Union Ltd. is regulated by the Central Bank of Ireland

CHRISTMAS OPENING HOURS

Thursday 24th

Friday 25th

Saturday 26th

Monday 28th

ALL OFFICES CLOSED

Tuesday 29th

Balbriggan, Skerries, Donabate, Howth Sutton open
Victory-Glasnevin Closed.

Wednesday 30th

Balbriggan, Skerries, Donabate, Howth Sutton & Victory Glasnevin
OPEN AS NORMAL

Thursday 31st & Friday 1st

ALL OFFICES CLOSED.

Saturday

All offices return to normal hours
Balbriggan, Skerries, Donabate, Howth Sutton open as Normal
Victory-Glasnevin Closed. (Every Saturday)

Find full opening hours on www.progressivecu.ie

