

# **ANNUAL REPORT & NOTICE OF A.G.M. 2019**

# Members of the Board of Directors and Board Oversight Committee 2019



*Back Row L-R JJ Walsh, Austin Stewart, Paul Roche (CEO) Pat Conway, Michael Craig, Tony Germaine, Michael Daly*  
*Front Row L-R Padraic Gallagher, Tina Reddin, Frank McGinn (Chairperson), Geraldine Noonan*

## Notice of Annual General Meeting

The 52nd Annual General Meeting of the  
Teachers' Union of Ireland Credit Union Ltd

will take place

*on:* Wednesday 4th December 2019

*at:* 7.00p.m.

*in:* Clayton Hotel, Liffey Valley, Dublin 22



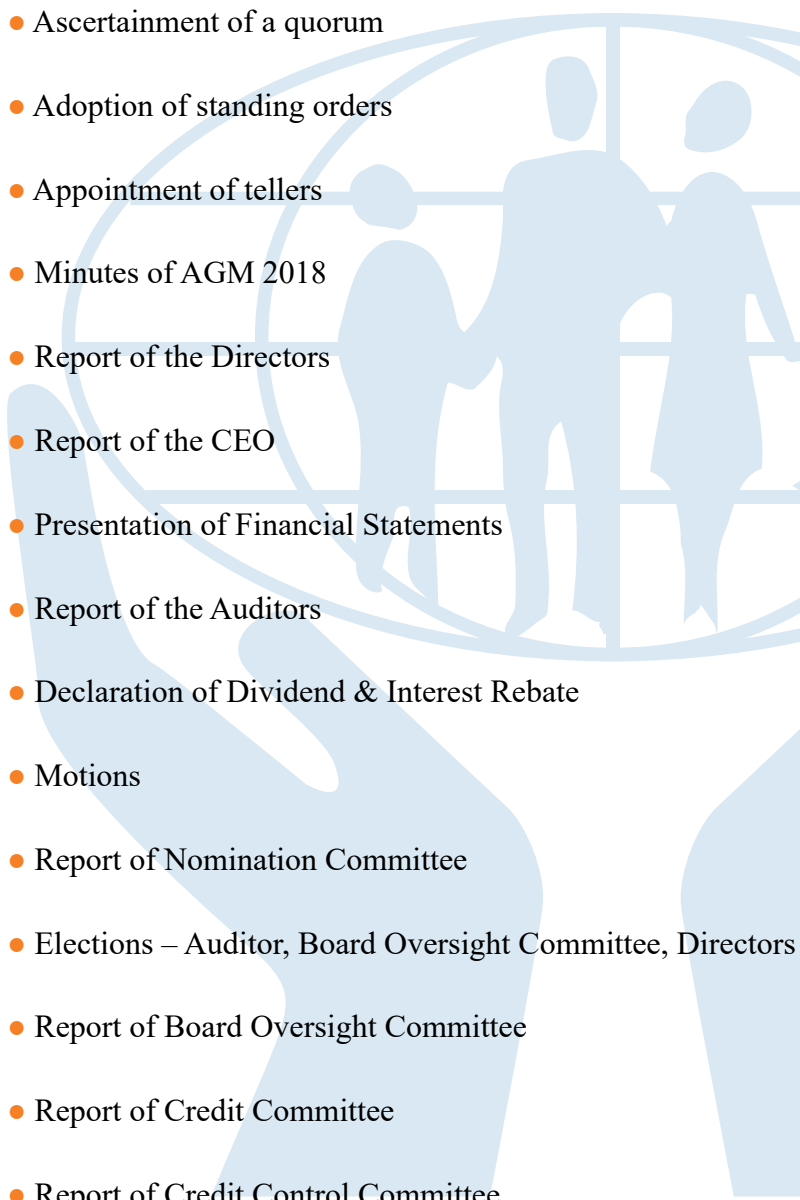
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# Agenda

The acceptance by the Board of Directors of the authorised representatives of members that are not natural persons.

- 
- Ascertainment of a quorum
  - Adoption of standing orders
  - Appointment of tellers
  - Minutes of AGM 2018
  - Report of the Directors
  - Report of the CEO
  - Presentation of Financial Statements
  - Report of the Auditors
  - Declaration of Dividend & Interest Rebate
  - Motions
  - Report of Nomination Committee
  - Elections – Auditor, Board Oversight Committee, Directors
  - Report of Board Oversight Committee
  - Report of Credit Committee
  - Report of Credit Control Committee
  - Report of Membership Committee
  - Election results
  - Other business
  - Close of meeting





# Standing Orders

## 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.

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.

## 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).



# Company Information

## *Directors*

*Frank Mc Ginn (Chairperson)*  
*Martina Reddin (Vice-chairperson)*  
*Austin Stewart (Secretary)*  
*Michael Craig*  
*Patrick Conway*  
*Padraic Gallagher*  
*Brendan Greene*  
*Michael Daly*  
*Geraldine Noonan*

## *Board Oversight Committee*

*Tony Barnett (Chairperson)*  
*JJ Walsh (Secretary)*  
*Tony Germaine*

## *Chief Executive Officer*

*Paul Roche*

## *Operations Manager*

*Shirley Mulpeter*

## *Internal Auditor*

*Moore*  
*Ulysses House*  
*Foley Street*  
*Dublin 1*

## *Registered Number*

*64CU*

## *Registered Office*

*No 8 The Exchange*  
*Calmount Park*  
*Ballymount*  
*Dublin 12*

## *Independent Auditor*

*FMB Advisory Limited*  
*4 Ormond Quay Upper*  
*Dublin 7*

## *Bankers*

*Allied Irish Bank Plc*  
*7 - 12 Dame Street*  
*Dublin 2*

## *Solicitors*

*Taylor & Buchalter*  
*Green Side House*  
*45 - 47 Cuffe Street*  
*Dublin 2*



# MEMBERSHIP HAS ITS PRIVILEGES



Mobile App, Online Account, Electronic Money Transfer



Competitive Loan & Savings Rates



Payroll Deduction & Standing Order facilities available



Budget & Cash Account



Online DocuSign for fast efficient loan processing



ID Pal App enables you to send supporting membership documents electronically



Monthly Members Draw



Eligibility to enter Annual Gaeltacht & Education Scholarships



Family membership



Life savings



Loan protection

JOIN TODAY & BORROW TODAY  
NO WAITING PERIOD

EXPLORE YOUR FINANCIAL FUTURE  
WITH US



[www.tuicu.ie](http://www.tuicu.ie)



# Report of the Chairperson

*Is le bród agus le h-áthas a chuirim Tuarascáil Bhliantúil 2019 ós bhur gcomhair.*

It is my pleasure on behalf of the Board of Directors of the Teachers' Union of Ireland Credit Union to present the Annual Report for the year ending 30th September 2019, our 52nd year of operation.

As a co-operative not for profit financial services organisation your credit union has performed exceptionally well over the past year and continues to serve our members with a broad range of loan products using the very latest IT delivery channels.

In financial terms it was a challenging year for TUI Credit Union with the shadow of Brexit ever present and deposit rates on investments continuing to decline, with a number of banks charging for deposits. But with prudent management of resources and an increase in our loan portfolio, we managed a surplus of €576,208 this year. This is up €115k on last year.

Our assets have increased this year to €44m and our reserves increased to €7.4m. Loans have shown record growth and stand at €23.3m, which is up 18.03%, this averaged out at €1m per month loaned to members, over the course of the year. One of the key performance ratios for judging credit unions is the loans to assets ratio. I am pleased to report TUICU stands at 52.9%, putting us in the top ten in the country. It also indicates that over half of members' shares have been loaned out to our members. Members helping members!

Our investment portfolio has remained similar to last year, with the increase in shares of €3.75m being used, I'm glad to say, to service the increased loan demand. However, due to the extremely low return on investments, the Board has, in common with most other credit unions, reluctantly introduced a cap of €50k on savings, in order to better manage the portfolio. This affected a very small number of our members.

During the year we commissioned a professional survey of our membership to ascertain what new financial products TUICU could offer and to see what the perception and member satisfaction rate was of our services. An overview of the results appears in this annual report.

The members of the Board were also engaged in revising and updating our Strategic Plan for the next three years. New KPI's were set and new financial projections were decided. Our suite of TUICU policies has been revised and updated during the year, in compliance with good corporate governance, to meet the legislation and Central Bank of Ireland regulatory requirements.

The Board of Directors is responsible for the general control, strategic direction and oversight of the credit union and is committed to upholding the highest standards of corporate governance to ensure the safe keeping of members shares. All members of the Board and Board Oversight Committee are required to satisfy Fitness & Probity Standards for Credit Unions and continue to avail of ongoing professional development throughout the year.

## Acknowledgements

The Board of Directors thanks you, our members for your loyalty and support. The Board recognises the on-going commitment and high work ethic of our CEO Paul Roche who leads and manages the staff of your credit union. Our thanks are also extended to all our dedicated and efficient members of staff.

It is appropriate at this AGM to single out one important member of staff, who you all know. Madeleine Tilley is retiring having loyally served our credit union for 35 years. She has seen TUICU grow from its small humble, pen and paper operation in a single room in TUI Headquarters in Orwell Road, to the high-tech member centred organisation it is now. For many years, and to so many members, she was the voice of TUICU. Madeleine thank you for your marvellous contribution and we wish you many happy years of retirement.

On behalf of the Board of Directors, I extend our sincere appreciation to all members of the Board of Directors, members of the Board Oversight Committee and Volunteers who give of their time generously in a dedicated and committed manner.

Finally, it would be remiss of me not to mention two of our Directors who have served this credit union for many years at the highest level and are now stepping down from the Board. Padraic Gallagher and Austin Stewart, both past Chairs and Secretaries who have given trojan service over the years and have contributed their knowledge and expertise to help make this TUI Credit Union the success it is today. Mile Buiochas!

Frank Mc Ginn  
Chairperson TUI Credit Union





# Report of the Chief Executive Officer

It is my honour to present to you some of the events from the financial year 2019. Once again the TUI Credit Union has performed admirably well considering the increased levels of competition within the financial services sector not withstanding the challenging regulatory environment.

## Financial Performance

Total Assets at the end of the Financial year grew to €44m from €40m on the previous year. Record low investment yields continue to operate thus putting further pressure on the Credit Union's income stream. This investment environment emphasises the need for credit unions to grow their loan book and I am delighted to report €12.1m was issued to members in new loans this year 20% higher than the previous year resulting in our loan book now standing at €23.3m representing an increase of 18.03% on the previous year. The Credit Union now possess a solid loan to asset ratio of 52.9% with the Credit Union movement average only at 27.3%. This increase loan demand has resulted in our income increasing by 18% however, for the same period our expenses increased by 15% highlighting the continued cost of conducting business.

## Savings Cap

The board took the difficult decision during the year to introduce a savings cap of €50,000 to address the influx of large volume of shares being attracted into the Credit Union which was putting downward pressure on our reserve position. This decision was not taken lightly and we are very grateful to our members for understanding the need for this course of action to be taken.

## Dividend and Interest Rebate

The Board are once again proposing a very attractive dividend rate of 0.25% given the current investment rate environment. To mark the continued growth in loan demand from our members the board are once again recommending an Interest Rebate of 10% to record its appreciation to its members for their continued loyalty in choosing the credit union for its borrowing needs. TUI Credit Union is the **only educational sector credit union** that rewards its borrowing members in this way.

## Services to Members

The credit union movement retained the number one position for best customer service experience in Ireland for a fifth year consecutive year. TUI Credit Union prides itself on offering a first-class service to its members whether it be through investment in key digital channels to meet our members busy schedule or having a staff member at the end of the phone to talk through any queries. As the credit union continues on its upward growth curve, we are determined to ensure service quality is maintained. To address this I am delighted to announce the appointment of additional staff members Katarzyna, Jack, Ivana and Mary to the organisation. These appointments will provide the credit union with the necessary resources to position us as one of the leading and innovating credit unions in the country.

As referenced in my report last year, the credit union remains focused in adapting our services to reflect new technology advancements to meet the needs of our members who wish to engage with us through smartphones, tablets or other devices. Currently over 85% of all loan applications are now processed online end-to-end and 28% of share withdrawal transactions are completed on the credit unions mobile app platform. This credit union remains a leader in the credit union movement today for its innovation and we are pleased to announce that we intend to launch our fully integrated online membership application process in early 2020.

The recent launch of a new current account facility by a number of credit unions is to be welcomed as a major initiative for the movement. The Central Bank continues to insist that credit unions with total assets in excess of €75m may apply to offer this service. TUI Credit Union is of the opinion that a credit union's ability to service its members needs should not be wholly reliant on the credit union's asset size. The introduction of a current account facility remains a strategic goal for the credit union and it is hoped the €75m limit will be reduced in due course.

Thank you

As I approach the end of my report, I would like to acknowledge the significant contribution that Madeleine Tilley "who is due to retire in December" has made to the credit union. Madeleine has been with the credit union for 35 years and in that period oversaw substantial change and has been an integral part of the success of the credit union over the years.









I wish Madeleine all the best in her retirement,

I would like to thank members of the board, members of the board oversight committee, the volunteers for their continued support during this last year and to thank the staff Shirley, Sandie, Madeleine, Maria, Ann-Marie and Valerie for ensuring our members receive a first class service.

Finally, I wish to thank you our loyal members for your support and trust throughout the year.

Paul Roche  
Chief Executive Officer

# STRONG PERFORMANCE IN 2019

<b>Total Assets</b>  <b>9.5%</b>	<b>2019</b>	<b>€43.9m</b>	Continued healthy asset growth experienced. Growth in savings matched by loan growth.
	<b>2018</b>	<b>€40.2m</b>	
	<b>2017</b>	<b>€36.9m</b>	
<b>Loan Book Growth</b>  <b>18.03%</b>	<b>2019</b>	<b>€23.3m</b>	Positive loan growth experienced for fifth straight year.
	<b>2018</b>	<b>€19.7m</b>	
	<b>2017</b>	<b>€16.4m</b>	
<b>Loans to Assets</b>  <b>52.9%</b>	<b>2019</b>	<b>52.90%</b>	52.9% compared with the Credit Union Movement average 24.74%.
	<b>2018</b>	<b>49.10%</b>	
	<b>2017</b>	<b>44.50%</b>	
<b>Loans Issued</b>  <b>20%</b>	<b>2019</b>	<b>€12.10m</b>	Further growth experienced highlighting members loyalty
	<b>2018</b>	<b>€10.08m</b>	
	<b>2017</b>	<b>€9.7m</b>	
<b>Online Transactions</b>  <b>17.3%</b>	<b>2019</b>	<b>6,483</b>	83% of all account withdrawals are automated.
	<b>2018</b>	<b>5,512</b>	
	<b>2017</b>	<b>4,354</b>	
<b>Mobile App Transactions</b>  <b>48.5%</b>	<b>2019</b>	<b>2,192</b>	28% of all transactions now performed on TUICU Mobile App.
	<b>2018</b>	<b>1,475</b>	
	<b>2017</b>	<b>1,026</b>	
<b>Web Members</b>  <b>13.5%</b>	<b>2019</b>	<b>3,018</b>	Further growth in members with online account access. 51% of total membership.
	<b>2018</b>	<b>2,658</b>	
	<b>2017</b>	<b>2,038</b>	
<b>New Members</b>  <b>601</b>	<b>Female</b>	<b>387</b>	<b>Total Membership 5,952</b>
	<b>Male</b>	<b>214</b>	<b>Female 55%</b>
			<b>Male 45%</b>



# Report of the Board of Directors

The directors present their report and audited financial statements for the year ended 30 September 2019.

## Principal Activity and Review of Business

On review of the credit union's financial results the following key performance indicators were identified:

	2019	2018
Members Savings movement	+10.84%	+9.44%
Gross Loan movement %	+18.03%	+19.97%
Regulatory Reserve % of total assets	11.00%	11.50%

The credit union continued to attract additional members' savings during the financial year with member shares having increased from the prior year. Lending activity is continuing to increase strongly with growth of 18.03% in the gross loan book in the financial year indicative of strong loan demand. The credit union continues to maintain regulatory reserves in excess of the regulatory minimum of 10%.

## Results for the year and State of Affairs at 30 September 2019

The income and expenditure account and the balance sheet for the year ended 30 September 2019 are set out on pages 20 and 21.

## Principal Risks and Uncertainties

The credit union, as with many other financial institutions, continues to face uncertainties arising from the general economic conditions. The board are actively monitoring the effects of these conditions on the daily operations of the credit union.

The principal areas currently requiring risk management include:

- Credit risk: The risk of financial loss arising from a borrower, issuer, guarantor or counterparty that may fail to meet its obligations in accordance with agreed terms. In order to manage this risk the Board approves the credit union's lending policy and all changes to it. All loan applications are assessed with reference to the lending policy in force at the time. Subsequently, loans are regularly reviewed for any factors that may indicate impairment. The Board approves the credit union's Credit Control and Provisioning policies which monitor the procedures for the collection of loans in arrears and also the basis for impairment on loans.
- Liquidity risk: The risk that a credit union will not be able to fund its current and future expected and unexpected cash outflows as they fall due without incurring significant losses. This may occur even where the credit union is solvent. The credit union's policy is to maintain sufficient funds in liquid form at all times to ensure that it can meet its obligations as they fall due. The objective of the liquidity policy is to smooth the timing between maturing assets and liabilities and to provide a degree of protection against any unexpected developments that may arise.
- Capital risk: Capital is required to act as a cushion to absorb losses arising from business operations and to allow a credit union to remain solvent under challenging conditions. Capital risk arises mainly as a result of the quality or quantity of capital available, the sensitivity of the credit union exposures to external shocks, the level of capital planning and the capital management process. Capital risk could potentially impair a credit union's ability to meet its obligations in an adverse situation. The board manage this risk by ensuring that sufficient reserves are set aside each year to absorb any potential losses.
- Operational risk: The risk of loss (financial or otherwise) resulting from inadequate or failed internal processes or systems of the credit union; any failure by persons connected with the credit union; legal risk (including exposure to fines, penalties or damages as well as associated legal costs); or external events; but does not include reputational risk. Examples of operational risks include hardware or software failures, cyber risk, inadequate business continuity plans, misuse of confidential information, data entry errors and natural disasters.
- Interest rate risk: The interest rate risk arises from differences between the interest rate exposures on loans and investments receivable, as offset by the cost of capital, which is typically that of distributions to members' payable in the form of dividends and interest rebates. The credit union considers rates of interest receivable when deciding on the appropriation of income and its returns to members. The Board monitors such policy in line with the Credit Union Act, 1997 (as amended) and guidance notes issued by the Central Bank of Ireland.
- Strategy/business model risk: This refers to the risk which credit unions face if they cannot compete effectively or operate a viable business model. Strategy/business model risk also includes the inherent risk in the credit union's strategy. The board have developed and approved a detailed strategic plan to formulate the short term direction of the credit union operations.



# Report of the Board of Directors *cont'd*

## Dividends

The directors recommend payment of a dividend of €85,145.00 (0.25%) for the year, (2018 - 0.30%) and an interest rebate of €150,570.00 (10.00%) for the year. (2018 - 10.00%)

## Internal Audit Function

In accordance with Section 76K of the Credit Union Act, 1997 (as amended) the board have appointed an internal audit function to provide for independent internal oversight and to evaluate and improve the effectiveness of the credit union's risk management, internal controls and governance process.

## 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 No 8 The Exchange, Calmount Park, Ballymount, Dublin 12.

Approved by the Board on : 4 / 11 / 2019

**Frank Mc Ginn**

Member of the Board of Directors

**Martina Reddin**

Member of the Board of Directors

## Statement of Directors' Responsibilities for the year ended 30 September 2019

The Credit Union Act, 1997 (as amended) requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the credit union and of the income and expenditure of the credit union for that year. In preparing those financial statements the directors are required to:

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

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

In so far as the directors are aware:

- there is no relevant audit information (information needed by the credit union's auditor in connection with preparing the auditor's report) of which the credit union's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the credit union's auditor is aware of that information.

On behalf of the credit union : 4 / 11 / 2019

**Frank Mc Ginn**

Member of the Board of Directors

**Martina Reddin**

Member of the Board of Directors

## Statement of Board Oversight Committee's Responsibilities for the year ended 30 September 2019

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

**Tony Barnett**

Member of Board Oversight Committee





# Independent Auditor's Report to the members of Teachers' Union of Ireland Credit Union Limited

## *Opinion*

We have audited the Financial Statements of Teachers' Union of Ireland Credit Union Limited for the year ended 30 September 2019 which comprise the Income and Expenditure Account, the Balance Sheet, the Statement of Changes in Reserves, the Cash Flow Statement and notes to the financial statements, including the summary of significant accounting policies set out on pages 14 - 18. The financial reporting framework that has been applied in their preparation is Irish Law and FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the credit union as at 30 September 2019 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been properly prepared in accordance with the requirements of the Credit Union Act, 1997 (as amended).

## *Basis for Opinion*

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described below in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Credit Union in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## *Conclusions relating to going concern*

We have nothing to report in respect of the following matters in relation to which ISAs (Ireland) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the credit union's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## *Other information*

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



# Independent Auditor's Report to the members of Teachers' Union of Ireland Credit Union Limited

*Opinion on other matters prescribed by the Credit Union Act 1997, (as amended).*

Based solely on the work undertaken in the course of the audit, we report that:

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

## **Respective responsibilities**

### *Responsibilities of directors for the financial statements*

As explained more fully in the directors' responsibilities statement set on page 11, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the credit union's ability to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the credit union or to cease operations, or has no realistic alternative but to do so.

### *Auditor's responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at

[http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description\\_of\\_auditors\\_responsibilities\\_for\\_audit.pdf](http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf). This description forms part of our auditor's report.

### *The purpose of our audit work and to whom we owe our responsibilities*

Our 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.

FMB Advisory Limited  
4 Ormond Quay Upper  
Dublin 7  
Chartered Accountants  
Statutory Audit Firm

Date: 14/11/2019



# Accounting Policies

For the Year Ended 30 September 2019

## Statement of Compliance

The financial statements of the credit union for the year ended 30 September 2019 have been prepared on the going concern basis and in accordance with generally accepted accounting principles in Ireland and Irish statute comprising the Credit Union Act 1997 (as amended) and in accordance with the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS 102) issued by the Financial Reporting Council.

## Basis of Preparation

The financial statements have been prepared under the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the credit union's financial statements.

### 1. Going Concern

The financial statements are prepared on the going concern basis. The directors believe this is appropriate as the credit union:

- is consistently generating annual surpluses;
- is maintaining appropriate levels of liquidity in excess of minimum legislative requirements; and
- has reserve levels which are significantly above the minimum requirements of the Central Bank.

### 2. Income Recognition

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

#### *Interest on Members' Loans*

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

#### *Investment Income*

The credit union uses the effective interest method to recognise investment income.

#### *Other Income*

Other income such as insurance rebates and entrance fees arise in connection to specific transactions. Income relating to individual transactions is recognised when the transaction is completed.



## Accounting Policies *cont'd*

### 3. Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and loans and advances to banks (i.e. cash deposited with banks) with maturity of less than or equal to three months.

### 4. Basic Financial Assets

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

#### ***Loans to Members***

Loans to members are financial assets with fixed or determinable payments. Loans are recognised when cash is advanced to members and measured at amortised cost using the effective interest method.

Loans are derecognised when the right to receive cash flows from the asset have expired, usually when all amounts outstanding have been repaid by the member.

#### ***Investments held at Amortised Cost***

Investments designated on initial recognition as held at amortised cost are measured at amortised cost using the effective interest method less impairment. This means that the investment is measured at the amount paid for the investment, minus any repayments of the principal; plus or minus the cumulative amortisation using the effective interest method of any difference between the amount at initial recognition and the maturity amount; minus, in the case of a financial asset, any reduction for impairment or uncollectability. This effectively spreads out the return on such investments over time, but does take account immediately of any impairment in the value of the investment.

#### ***Held to Maturity Investments***

Investments designated on initial recognition as held-to-maturity are investments that the credit union intends, and is able to, hold to maturity. These are carried at amortised cost using the effective interest method. The fair value of some investment products will change during their life, but they will have a fixed maturity value at some future date. When designated as held-to-maturity, any change in the fair value during the term of the investment is ignored, with the credit union only accounting for interest received. Gains and losses are recognised in income when the investments are derecognised or impaired, as well as through the amortisation process. Investments intended to be held for an undefined period are not included in this classification.

#### ***Central Bank Deposits***

Credit unions are obliged to maintain certain deposits with the Central Bank. These deposits are technically assets of the credit union but to which the credit union has restricted access. The funds on deposit with the Central Bank attract nominal interest and will not ordinarily be returned to the credit union while it is a going concern. In accordance with the direction of the Central Bank the amounts are shown as current assets and are not subject to impairment reviews.





## Accounting Policies *cont'd*

### 5. De-recognition of Financial Assets

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

In the case of loans to members, loans are derecognised when the right to receive cash flows from the loans have expired, usually when all amounts outstanding have been repaid by the member.

### 6. Other Receivables

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

### 7. Other Payables

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

### 8. Tangible Fixed Assets

Tangible fixed assets comprises items of property, plant and equipment, which are stated at cost, less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Depreciation is provided to write off the cost of each item of property, plant and equipment, less its estimated residual value, on a straight line basis over its estimated useful life. The categories of property, plant and equipment are depreciated as follows:

Premises	-	4% Straight Line
Computer equipment	-	25% Straight Line
Fixtures & fittings	-	25% Straight Line
Office equipment	-	25% Straight Line

Gains or losses arising on the disposal of an asset are determined as the difference between the sale proceeds and the carrying value of the asset, and are recognised in the Income and Expenditure account.

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

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

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



## Accounting Policies *cont'd*

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

### **9. Employee Benefits**

#### ***Pension Costs***

The credit union operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the credit union in an independently administered fund. The pension charge represents contributions payable by the credit union to the scheme.

#### ***Other Employee Benefits***

The costs of short-term employee benefits, including holiday pay, are recognised as a liability and as an expense (unless those costs are required to be recognised as part of the cost of fixed assets) over the period they are earned.

### **10. Impairment of Members Loans**

The credit union assesses, at each balance sheet date, if there is objective evidence that any of its loans to members are impaired. The loans are assessed collectively in groups that share similar credit risk characteristics. Individually significant loans are assessed on a loan by loan basis. In addition, if, during the course of the year, there is objective evidence that any individual loan is impaired, a specific loss will be recognised.

Bad debts/impairment losses are recognised in the Income and Expenditure Account, as the difference between the carrying value of the loan and the net present value of the expected cash flows.

### **11. Financial Liabilities - Members' Shares and Deposits**

Members' shareholdings and deposits are redeemable and therefore are classified as financial liabilities. They are initially recognised at the amount of cash deposited and subsequently measured at the nominal amount.

### **12. De-recognition of Financial Liabilities**

Financial liabilities are derecognised only when the obligations of the credit union specified in the contract are discharged, cancelled or expired.

### **13. Dividends and Other Returns to Members**

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

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

- the risk profile of the credit union, particularly in its loan and investment portfolios;
  - the Board's desire to maintain a stable rather than a volatile rate of dividend each year; and
  - members' legitimate dividend and loan interest rebate expectations;
- all dominated by prudence and the need to sustain the long-term welfare of the credit union.

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

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



## Accounting Policies *cont'd*

### 14. Taxation

The credit union is not subject to income tax or corporation tax on its activities as a credit union.

### 15. Reserves

Retained earnings are the accumulated surpluses to date that have not been declared as dividends returnable to members. The retained earnings are subdivided into realised and unrealised. In accordance with the Central Bank Guidance Note for Credit Unions on Matters Relating to Accounting for Investments and Distribution Policy.

#### ***Regulatory Reserve***

The Credit Union Act 1997 (Regulatory Requirements) Regulations 2016 requires credit unions to establish and maintain a minimum regulatory reserve requirement of at least 10% of the assets of the credit union. This reserve is to be perpetual in nature; freely available to absorb losses; realised financial reserves that are unrestricted and non-distributable. This reserve is similar in nature and replaces the Statutory Reserve which was a requirement of previous legislation.

#### ***Operational Risk Reserve***

Section 45(5)(a) of the 1997 Act requires each credit union to maintain an additional reserve that it has assessed is required for operational risk having regard to the nature, scale and complexity of the credit union. Credit unions are required to maintain a minimum operational risk reserve having due regard for the sophistication of the business model.

The definition of operational risk is the risk of losses stemming from inadequate or failed internal processes, people and systems or from external events. The directors have considered the requirements of the Act and have considered an approach to calculation of the operational risk reserve based on indicative guidance issued by the Central Bank.

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# Income and Expenditure Account

For the Financial Year Ended 30 September 2019

	Schedule	2019 €	2018 €
<b>INCOME</b>			
Interest on loans	1	1,498,494	1,258,108
Other interest income and similar income	2	180,356	180,878
<b>Net Interest Income</b>		1,678,850	1,438,986
Other income	3	8,182	412
Other gains	4	49,199	30,333
<b>TOTAL INCOME</b>		1,736,231	1,469,731
<b>EXPENDITURE</b>			
Salaries		285,388	268,862
Other management expenses	5	729,561	623,390
Depreciation		89,079	101,027
Other losses	6	-	9,762
Bad debts provision		44,701	(7,815)
Bad debts recovered		(53,358)	(50,008)
Bad debts written off		64,652	63,115
<b>TOTAL EXPENDITURE</b>		1,160,023	1,008,333
<b>EXCESS OF INCOME OVER EXPENDITURE FOR THE YEAR</b>		576,208	461,398
Other comprehensive income		-	-
<b>TOTAL COMPREHENSIVE INCOME</b>		576,208	461,398

4th November 2019

**Frank McGinn**  
Member of Board  
of Directors Board

**JJ Walsh**  
Member of the  
Oversight Committee

**Paul Roche**  
Chief Executive Officer

*The accompanying notes form part of these financial statements*



# Balance Sheet

For the Financial Year Ended 30 September 2019

	Note	2019 €	2018 €
<b>ASSETS</b>			
Cash and cash equivalents	6	4,376,697	3,174,313
Investments	7	15,651,553	16,491,643
Loans	8	23,258,036	19,704,880
Less provision for bad debts	11	(423,768)	(379,067)
Tangible fixed assets	12	917,446	995,997
Debtors, prepayments and accrued income	13	178,168	156,705
<b>TOTAL ASSETS</b>		<b>43,958,132</b>	<b>40,144,471</b>
<b>LIABILITIES</b>			
Members' shares	14	36,116,782	32,585,090
Members' cash accounts	15	216,380	159,991
Members' draw account		23,923	11,451
Other liabilities, creditors, accruals and charges	16	164,598	311,030
<b>TOTAL LIABILITIES</b>		<b>36,521,683</b>	<b>33,067,562</b>
<b>RESERVES</b>			
Regulatory reserve	18	4,835,395	4,616,615
Operational risk reserve	18	305,306	270,000
Other reserves			
- Realised reserves	18	2,289,624	2,184,170
- Unrealised reserves	18	6,124	6,124
<b>TOTAL RESERVES</b>		<b>7,436,449</b>	<b>7,076,909</b>
		<b>43,958,132</b>	<b>40,144,471</b>

4th November 2019

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**JJ Walsh**  
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Oversight Committee

**Paul Roche**  
Chief Executive Officer

*The accompanying notes form part of these financial statements*



# Statement of Changes in Retained Earnings

For the Financial Year Ended 30 September 2019

## Opening balance at 1 October 2017

Total comprehensive income  
Dividend paid  
Interest rebate paid  
Transfer between reserves

## Closing balance at 30 September 2018

Total comprehensive income  
Dividend paid  
Interest rebate paid  
Transfer between reserves

## Closing balance at 30 September 2019

The balance on the regulatory reserve represents 11.00% of total assets as at 30 September 2019 (11.50% as at 30 September 2018).

4th November 2019

*Frank McGinn*

**Frank McGinn**  
Member of Board  
of Directors Board

*JJ Walsh*

**JJ Walsh**  
Member of the  
Oversight Committee

*Paul Roche*

**Paul Roche**  
Chief Executive Officer

	Regulatory Reserve	Operational Risk Reserve	Undistributed Surplus	General Reserve	Dividend Reserve	Special Reserve	Total Reserves
	€	€	€	€	€	€	€
Opening balance at 1 October 2017	4,240,934	314,000	1,202,366	646,709	450,000	6,124	6,860,133
Total comprehensive income			461,398				461,398
Dividend paid			(138,095)				(138,095)
Interest rebate paid			(106,527)				(106,527)
Transfer between reserves	375,681	(44,000)	(265,809)	(65,872)	-	-	-
Closing balance at 30 September 2018	4,616,615	270,000	1,153,333	580,837	450,000	6,124	7,076,909
Total comprehensive income			576,208				576,208
Dividend paid			(91,746)				(91,746)
Interest rebate paid			(124,922)				(124,922)
Transfer between reserves	218,780	35,306	(203,215)	(50,871)	-	-	-
Closing balance at 30 September 2019	4,835,395	305,306	1,309,658	529,966	450,000	6,124	7,436,449

The accompanying notes form part of these financial statements



## Cashflow Statement

For the Financial Year Ended 30 September 2019

	Note	2019 €	2018 €
Opening cash and cash equivalents		3,174,313	7,414,629
<b>Cash flows from operating activities</b>			
Loans repaid		8,485,384	6,742,857
Loans granted		(12,103,192)	(10,085,870)
Loan interest received		1,505,702	1,253,844
Investments interest received		175,208	180,705
Bad debts recovered		53,358	50,008
Dividends paid		(91,746)	(138,095)
Interest rebate paid		(124,922)	(106,527)
Operating expenses		(1,014,949)	(902,014)
Net cash flows from operating activities		(3,115,157)	(3,005,092)
<b>Cash flows from investing activities</b>			
Fixed assets purchased		(10,528)	(56,891)
Net cash flow from investments		840,090	(4,254,607)
Other gains		49,199	30,333
Net cash flows from investing activities		878,761	(4,281,165)
<b>Cash flows from financing activities</b>			
Members' shares received		12,456,251	11,013,094
Members' cash account paid in		1,040,244	826,257
Members' shares withdrawn		(8,924,559)	(8,203,321)
Members' cash account withdrawn		(983,855)	(732,099)
Net cash flows from financing activities		3,588,081	2,903,931
<b>Other</b>			
Other receipts		8,182	412
Decrease/(Increase) in prepayments		(23,523)	(4,482)
(Increase)/Decrease in other liabilities		(133,960)	146,080
		(149,301)	142,010
<b>Closing cash and cash equivalents</b>	<b>6</b>	<b>4,376,697</b>	<b>3,174,313</b>

4th November 2019

**Frank McGinn**  
Member of Board  
of Directors Board

**JJ Walsh**  
Member of the  
Oversight Committee

**Paul Roche**  
Chief Executive Officer

The accompanying notes form part of these financial statements





## Notes to the Financial Statements

### 1. General Information

Teachers' Union of Ireland Credit Union Limited is a credit union incorporated under the Credit Union Act 1997 (as amended) in the Republic of Ireland. Teachers' Union of Ireland Credit Union Limited is registered with the Registrar of Credit Unions and is regulated by the Central Bank of Ireland. The financial statements have been presented in Euro (€) which is also the functional currency of the credit union.

### 2. Use of Estimates and Judgements

The preparation of financial statements requires the use of certain accounting estimates. It also requires the Directors to exercise judgement in applying the credit union's accounting policies. The areas requiring a higher degree of judgement, or complexity, and areas where assumptions or estimates are most significant to the financial statements are disclosed below:

#### ***Bad debts/Impairment losses on loans to members***

The Credit Union's accounting policy for impairment of financial assets is set out in accounting policies on pages 14-18 of the financial statements. The estimation of loan losses is inherently uncertain and depends upon many factors, including loan loss trends, credit risk characteristics in loan classes, local and international economic climates, conditions in various sectors of the economy to which the Credit Union is exposed, and, other external factors such as legal and regulatory requirements. Credit risk is identified, assessed and measured through the use of rating and scoring tools with emphasis on weeks in arrears and other observable credit risk metrics as identified by the credit union. The ratings influence the management of individual loans. The credit rating triggers the impairment assessment and if relevant the raising of specific provisions on individual loans where there is doubt about their recoverability.

Loan loss provisioning is monitored by the Credit Union, and the Credit Union assesses and approves its provisions and provision adequacy on a quarterly basis. Key assumptions underpinning the Credit Union's estimates of collective provisions for loans with similar credit risk characteristics, and, Incurred But Not Reported provisions ("IBNR") are based on the historical experiences of the Credit Union allied to the Credit Union's judgement of relevant conditions in the wider technological, market, economic or legal environment in which the Credit Union currently operates which impact on current lending activity and loan underwriting. If a loan is impaired, the impairment loss is the difference between the carrying amount of the loan and the present value of the expected cash flows discounted at the asset's original effective interest rate taking account of pledged shares and other security as appropriate. Assumptions are back tested with the benefit of experience. After a period of time, when it is concluded that there is no real prospect of recovery of loans/part of loans which have been subjected to a specific provision, the Credit Union writes off that amount of the loan deemed irrecoverable against the specific provision held against the loan.

#### ***Impairment of buildings***

The Credit Union's accounting policy on tangible fixed assets is set out in accounting policies on pages 14-18 of the financial statements. As described in the accounting policy the Credit Union is required to assess at each reporting date whether there is any indication that an asset may be impaired. If an impairment is identified, the Credit Union is required to estimate the recoverable amount of the asset. If there is no indication of impairment, it is not necessary to estimate the recoverable amount.

The recoverable amount of an asset is the higher of its fair value less costs associated with sale and its value in use. In assessing whether the Credit Union's property is impaired, its current market valuation is considered as being equivalent to its fair value. Where the property's market valuation is identified as being below its carrying value, this amounts to a key indicator of the existence of impairment and the Credit Union is therefore required to undertake a value in use calculation on its property assets. Value in use is the present value of the future cash flows expected to be derived from the Credit Union's property. This present value calculation involves the undertaking of the following steps:

- a) Estimating the future cash inflows and outflows to be derived from continuing use of property and from its ultimate disposal, where appropriate; and
- (b) Applying the appropriate discount factor to those future cashflows.

The future cash inflows and outflows required for the value in use calculation are taken from financial projections prepared by management and approved by the board of directors. The discount factor applied in the value in use calculation is an assessment of the time value of money applicable to the Credit Union and will take account of previous guidance received from the Central Bank.

### 3. Employees

#### *Number of employees*

The average monthly numbers of employees during the year were:

	2019 Number	2018 Number
Administration	7	6
	<u>7</u>	<u>6</u>

#### *Employment costs*

	2019 €	2018 €
Wages and salaries	285,388	268,862
Pension costs	27,577	21,283
	<u>312,965</u>	<u>290,145</u>

#### 3.1. Key Management Personnel Compensation

The Directors of Teachers' Union of Ireland Credit Union Limited are all unpaid volunteers. The key management team for Teachers' Union of Ireland Credit Union Limited would include the directors, the credit union manager and other senior staff members. The number of key management for the financial year to 30 September 2019 amount to 11 (2018 - 11).

	2019 €	2018 €
Short term employee benefits paid to key management	133,664	128,550
Payments to defined contribution pension schemes	15,588	14,308
	<u>149,252</u>	<u>142,858</u>

### 4. Pension Costs

Pension costs amounted to €27,577 (2018 - €21,283).

### 5. Analysis of Investment Income

	2019 €	2018 €
Received during the year	101,807	107,377
Receivable within 12 months	78,549	73,501
Other investment income	-	-
	<u>180,356</u>	<u>180,878</u>

### 6. Cash & Cash Equivalents

	2019 €	2018 €
Cash and bank balances	707,582	1,019,688
Short term deposits	3,669,115	2,154,625
	<u>4,376,697</u>	<u>3,174,313</u>

Short term deposits are deposits with maturity of less than or equal to three months. All other deposits are included in Investments in the Balance sheet and disclosed in note 7.

<b>7. Investments</b>	<b>2019</b>	<b>2018</b>
	<b>€</b>	<b>€</b>
Investments are classified as follows:		
Fixed term deposits maturing after 3 months	10,550,000	12,451,582
Minimum reserve account	226,204	185,643
Government bonds	4,376,158	3,854,418
Investment bonds	499,191	-
	<u>15,651,553</u>	<u>16,491,643</u>

The market valuation of government and investment bonds as at 30 September 2019 amounts to €5,432,591. The directors have confirmed that they are satisfied that all fixed term investments will be held to maturity and therefore the recognition of an impairment is not required.

Under the heading "Deposits and accounts in authorised credit institutions", the credit union holds investments in credit linked note products amounting to €1 million at 30 September 2019 (€2.5 million at 30 September 2018). The credit union's investment advisors have confirmed that these investments products are not listed or traded on an active market and therefore they are recognised at original cost less impairment in the financial statements in accordance with the credit union's accounting policy. No credit events or defaults have been identified on these products in the current or previous financial period which require the recognition of an impairment. Additional information with respect to these investment products is included in Note 22 to the financial statements.

The categories of counterparties with whom the investments are held is as follows: -

<b>Institutional ratings</b>	<b>2019</b>	<b>2018</b>
	<b>€</b>	<b>€</b>
Aa3	700,000	700,000
A1	2,600,000	2,100,000
A2	2,841,917	700,709
A3	3,149,191	2,000,000
Baa1	4,103,913	5,804,381
Baa2	500,000	3,884,971
Baa3	1,756,532	1,301,582
	<u>15,651,553</u>	<u>16,491,643</u>

<b>8. Loans to Members</b>	<b>2019</b>	<b>2018</b>
	<b>€</b>	<b>€</b>
Opening Balance at 1 October	19,704,880	16,424,982
Loans granted	12,103,192	10,085,870
Loans repaid	(8,485,384)	(6,742,857)
Loans written off	(64,652)	(63,115)
Gross Loan Balance at 30 September	<u>23,258,036</u>	<u>19,704,880</u>
<i>Impairment allowances</i>		
Individual loans	(282,890)	(272,578)
Groups of loans	(140,878)	(106,489)
Loan provision	<u>(423,768)</u>	<u>(379,067)</u>
Net loans as at 30 September	<u>22,834,268</u>	<u>19,325,813</u>

## 9. Analysis of Gross Loans Outstanding

	2019		2018	
	No.	€	No.	€
Less than one year	329	613,542	295	495,395
Greater than 1 year and less than 3 years	751	4,841,391	651	4,397,423
Greater than 3 years and less than 5 years	811	11,817,393	719	10,178,814
Greater than 5 years and less than 10 years	126	4,873,283	101	3,803,104
Greater than 10 years and less than 25 years	12	1,112,427	11	830,144
Greater than 25 years	-	-	-	-
<b>Total Gross Loans</b>	<b>2,029</b>	<b>23,258,036</b>	<b>1,777</b>	<b>19,704,880</b>

## 10. Credit Risk Disclosures

At 30 September 2019, the credit union had 25 mortgage loans outstanding from members on which first charges on properties were held. All remaining loans to members are unsecured, except that there are restrictions on the extent to which borrowers may withdraw their savings whilst loans are outstanding. There are maximum amounts set down under legislation in terms of what amount a member can borrow from a credit union.

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

	2019		2018	
	€	%	€	%
<b>Gross Loans Not Impaired</b>	<b>21,113,676</b>	<b>90.78%</b>	<b>17,330,218</b>	<b>87.95%</b>
<b>Gross Loans Impaired</b>				
Up to 9 weeks past due	1,828,964	7.86%	2,062,429	10.47%
Between 10 and 18 weeks past due	164,655	0.71%	175,005	0.89%
Between 19 and 26 weeks past due	57,688	0.25%	44,023	0.22%
Between 27 and 39 weeks past due	71,589	0.31%	47,536	0.24%
Between 40 and 52 weeks past due	11,456	0.05%	42,221	0.21%
53 or more weeks past due	10,008	0.04%	3,448	0.02%
	<b>2,144,360</b>	<b>9.22%</b>	<b>2,374,662</b>	<b>12.05%</b>
<b>Total Gross Loans</b>	<b>23,258,036</b>	<b>100.00%</b>	<b>19,704,880</b>	<b>100.00%</b>
<b>Impairment Allowance</b>				
Individual loans	(282,890)		(272,578)	
Collectively assessed loans	(140,878)		(106,489)	
Loan provision	(423,768)		(379,067)	
<b>Net loans as at 30 September</b>	<b>22,834,268</b>		<b>19,325,813</b>	

Factors that are considered in determining whether loans are impaired are discussed in Note 2, dealing with estimates.

<b>11. Loan Provision Account for Impairment Losses</b>	<b>2019</b>	<b>2018</b>
	<b>€</b>	<b>€</b>
Opening balance 1 October	379,067	386,882
Net movement during the year	109,353	55,300
Decrease as a result of loan write offs previously provided for	(64,652)	(63,115)
Closing provision balance 30 September	<u>423,768</u>	<u>379,067</u>

**12. Tangible Fixed Assets**

	<b>Premises</b>	<b>Computer equipment</b>	<b>Office equipment</b>	<b>Fixtures &amp; fittings</b>	<b>Total</b>
	<b>€</b>	<b>€</b>	<b>€</b>	<b>€</b>	<b>€</b>
<b>Cost</b>					
At 1 October 2018	1,271,789	231,002	80,163	102,078	1,685,032
Additions	-	3,493	7,035	-	10,528
Disposals	-	(130,542)	(46,061)	(60,779)	(237,382)
At 30 September 2019	<u>1,271,789</u>	<u>103,953</u>	<u>41,137</u>	<u>41,299</u>	<u>1,458,178</u>
<b>Depreciation</b>					
At 1 October 2018	355,952	175,689	68,567	88,827	689,035
On disposals	-	(130,542)	(46,061)	(60,779)	(237,382)
Charge for the year	50,871	24,758	7,053	6,397	89,079
At 30 September 2019	<u>406,823</u>	<u>69,905</u>	<u>29,559</u>	<u>34,445</u>	<u>540,732</u>
<b>Net book values</b>					
At 30 September 2019	<u>864,966</u>	<u>34,048</u>	<u>11,578</u>	<u>6,854</u>	<u>917,446</u>
At 30 September 2018	<u>915,837</u>	<u>55,313</u>	<u>11,596</u>	<u>13,251</u>	<u>995,997</u>

An independent valuation of the credit union's premises was carried out by Broe Auctioneers on 15 October 2019. In accordance with Financial Reporting Standard 102 "Impairment of Assets" the directors carried out a value in use calculation at the year end, applying a discount factor of 4.25%, and this concluded that no write down of the carrying value of fixed assets is required in the financial statements.

**13. Prepayments and Accrued Income**

	<b>2019</b>	<b>2018</b>
	<b>€</b>	<b>€</b>
Prepayments	57,781	34,258
Accrued income	78,649	73,501
Member Loan interest receivable	41,738	48,946
	<u>178,168</u>	<u>156,705</u>



<b>14. Members' Shares</b>	<b>2019</b>	<b>2018</b>
	€	€
Opening Balance at 1 October	32,585,090	29,775,317
Shares paid in	12,456,251	11,013,094
Shares withdrawn	(8,924,559)	(8,203,321)
Closing Balance at 30 September	<u>36,116,782</u>	<u>32,585,090</u>

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

	€	€
Unattached Shares	31,177,156	27,616,382
Attached Shares	<u>4,939,626</u>	<u>4,968,708</u>
	<u>36,116,782</u>	<u>32,585,090</u>

<b>15. Members' Cash Accounts</b>	<b>2019</b>	<b>2018</b>
	€	€
Opening balance 1 October	159,991	65,833
Received during the year	1,040,244	826,257
Paid out during the year	(983,855)	(732,099)
Closing balance 30 September	<u>216,380</u>	<u>159,991</u>

Cash accounts are repayable on demand.

<b>16. Other Liabilities and Charges</b>	<b>2019</b>	<b>2018</b>
	€	€
PAYE/PRSI control account	6,191	6,003
Accruals	<u>158,407</u>	<u>305,027</u>
	<u>164,598</u>	<u>311,030</u>

## 17. Additional Financial Instruments Disclosures

### 1. Financial risk management

Teachers' Union of Ireland Credit Union Limited manages its members' shares and loans to members so that it earns income from the margin between interest receivable and interest payable. The main financial risks arising from the credit union's activities are credit risk, liquidity risk and interest rate risk. The Board reviews and agrees policies for managing each of these risks, which are summarised below.

**Credit risk:** Credit risk is the risk that a borrower will default on their contractual obligations relating to repayments to Teachers' Union of Ireland Credit Union Limited, resulting in financial loss to the credit union. In order to manage this risk the Board approves the credit union's lending policy, and all changes to it. All loan applications are assessed with reference to the lending policy in force at the time. Subsequently loans are regularly reviewed for any factors that may indicate that the likelihood of repayment has changed.

**Liquidity risk:** The credit union's policy is to maintain sufficient funds in liquid form at all times to ensure that it can meet its liabilities as they fall due. The credit union adheres on an ongoing basis to the minimum liquidity ratio and minimum short term liquidity ratio as set out in the Credit Union Act 1997 (Regulatory Requirements) Regulations 2016.

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

**Interest rate risk:** The credit union's main interest rate risk arises from differences between the interest rate exposures on the receivables and payables that form an integral part of a credit union's operations. The credit union considers rates of interest receivable on investments and members' loans when deciding on the dividend rate payable on shares and on any loan interest rebate.

**Capital Risk -** The credit union maintains sufficient reserves to buffer against losses on members' loan and investments. The current regulatory reserve is in excess of the minimum level set down by the Central Bank of Ireland, and stands at 11.00% of the total assets of the credit union at the balance sheet date.

### 2. Interest rate risk disclosures

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

	2019	2019	2018	2018
	Amount	Average Interest Rate	Amount	Average Interest Rate
<u>Financial Assets</u>	€	Rate	€	Rate
Loans to members	23,258,036	7.33%	19,704,880	7.29%

The dividend payable is at the discretion of the Directors and is therefore not a financial liability of the credit union until declared and approved at the AGM.

### 3. Liquidity risk disclosures

All of the financial liabilities of the credit union are repayable on demand except for some members' shares attached to loans.

### 4. Fair value of financial instruments

Teachers' Union of Ireland Credit Union Limited does not hold any financial instruments at fair value.

## 18. Total Reserves

	Balance 01/10/18 €	Dividend and loan interest rebate paid €	Appropriation of current year surplus €	Transfers between reserves €	Balance 30/09/19 €
Total Regulatory Reserve	4,616,615		-	218,780	4,835,395
Operational Risk Reserve	270,000		35,306	-	305,306
<b><u>Other Realised Reserves</u></b>					
Undistributed Surplus	1,153,333	(216,668)	372,993	-	1,309,658
General reserve	580,837		(50,871)	-	529,966
Dividend reserve	450,000		-	-	450,000
<b>Total realised reserves</b>	<b>7,070,785</b>	<b>(216,668)</b>	<b>357,428</b>	<b>218,780</b>	<b>7,430,325</b>
<b><u>Unrealised Reserves</u></b>					
Special reserve	6,124		-	-	6,124
<b>Total unrealised reserves</b>	<b>6,124</b>		<b>-</b>	<b>-</b>	<b>6,124</b>
<b>Total reserves</b>	<b>7,076,909</b>	<b>(216,668)</b>	<b>357,428</b>	<b>218,780</b>	<b>7,436,449</b>

The credit union is required to maintain a regulatory reserve that support the credit union's operations, provide a base for future growth and protect against the risk of unforeseen losses. The credit union needs to maintain sufficient reserves to ensure continuity and to protect members' savings. The Central Bank expects that credit unions whose total regulatory reserves are currently in excess of 10 per cent of total assets will continue to maintain reserves at existing levels on the basis that these continue to reflect the board of directors' assessment of the appropriate level of reserves for the credit union.

The balance on the regulatory reserve represents 11.00% of total assets as at 30 September 2019 (11.50% as at 30 September 2018).

The board of directors and the management team have undertaken a review of the credit union's risk register and risk management procedures in order to determine the adequacy of the operational risk reserve. This review consisted of a consideration of each operational risk area, the various control procedures, outsourcing agreements and insurances in place to mitigate risk and the resultant remaining residual risk. An estimated costing to the credit union has been attached to each identified area of residual risk in computing the required operational risk reserve.

The balance on the operational risk reserve represents 0.69% of total assets as at 30 September 2019.

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

The board of directors have continued to maintain a general reserve to offset any potential impairment in the carrying value of the credit union's premises.

## 19. Dividends, Loan Interest Rebate and Other Returns to Members

The directors recommend the following distributions:

	2019		2018	
	Rate %	€	Rate %	€
Dividend on shares	0.25%	85,145	0.30%	93,173
Loan interest rebate	10.00%	150,570	10.00%	125,384

In accordance with FRS102 "Events after the End of the Reporting Period", dividends and returns to members are accounted for in the financial statements after they are approved by the members in general meeting.

The returns to members paid in the current and prior year periods were as follows:

	2019	2018
	€	€
Dividend paid during the year	91,746	138,095
Dividend rate	0.30%	0.50%
Loan interest rebate paid during the year	124,922	106,527
Loan interest rebate rate	10.00%	10.00%

## 20. Rate of Interest Charged on Members' Loans

The credit union currently charge interest on outstanding loan balances to members, as follows:

Secured Loan - APR rate of	4.90%
Green eCar Loan - APR rate of	5.50%
Educational Loan - APR rate of	5.99%
Car Loan - APR rate of	7.50%
Personal loan - APR rate of	8.59%
Home Loan - APR rate of	3.90%
Christmas loan - APR rate of	5.00%
Large Home Improvement Loan - APR rate of	5.15%

## 21. Post Balance Sheet Events

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

## 22. Contingent Liabilities

Interest earned and accrued to date on term deposit accounts, bank bonds and other accounts in authorised institutions is guaranteed only if the account is held to maturity and no default events occur. In the unlikely event of early encashment or of a default event, there may exist early settlement penalties, loss of capital and loss of interest. The board of directors have confirmed that these investments are intended to be held until their maturity dates and that they are not aware of any default event occurring.

As stated in Note 7 to the financial statements, the credit union holds investments in Credit Linked Note type investments. Investments in Credit Linked Note type investments have a conditional capital protection at maturity. The initial amount invested will be received on maturity providing there has not been a credit event in any of the banking institutions and no default in certain indices that are party to the individual products. In the unlikely event that such credit events or defaults were to occur, the credit union could be subject to reductions in the level of return or a potential loss of capital invested. At the year end the directors are not aware of any credit events or default in any of the bank institutions or indices party to these products and no impairments have been recognised in the financial statements.

The Registry of Credit Unions informed credit unions in the Republic of Ireland on 17 September 2018 that it had become aware of a potential matter that may impact certain credit unions in respect of accrued interest outstanding on loans where additional credit is extended to a member by way of a top-up-loan. The Registry of Credit Unions has requested information from credit unions in this context to assess the potential impact of this matter. A process to establish the potential impact, if any of this matter on Teachers' Union of Ireland Credit Union Limited is on-going. This process is not yet complete and therefore, the existence of any liability and any reliable estimate amount of any liability associated with this matter, while possible, remains uncertain along with the timing of same. Consequently, no provision has been made in the financial statements to 30th September 2019 for any amount that may become payable by Teachers' Union of Ireland Credit Union Limited.

**23. Capital Commitments**

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

**24. 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).

**25. Related Party Transactions**

The Credit Union has identified the following transactions which are required to be disclosed under the terms of FRS102 'Related Party Disclosures'.

The following details relate to officers and related party accounts with the credit union. Related parties include the board of directors and the management team of the Credit Union, their family members or any business in which the director or management team had a significant shareholding.

	No. of loans	2019 €	2018 €
Total savings held by related parties		366,136	266,912
Total loans outstanding by related parties	9	82,121	96,033
% of gross loan book		0.35%	0.49%
Loans advanced to related parties during the year	5	24,450	47,180
Total provisions for loan outstanding to related parties at year end		-	-
Total provision charge during the year for loans outstanding to related parties		-	-

**26. Authorisation and Approval of Financial Statements**

The board of directors authorised and approved these financial statements for issue on 04/11/2019.





# Schedules

## Schedule 1. Interest on Loans

	2019 €	2018 €
Loan interest received	1,505,702	1,253,844
Loan interest receivable	(7,208)	4,264
Total per Income and Expenditure Account	<u>1,498,494</u>	<u>1,258,108</u>

## Schedule 2. Other Interest Income and Similar Income

	2019 €	2018 €
Investment income	180,356	180,878
Total per Income and Expenditure Account	<u>180,356</u>	<u>180,878</u>

## Schedule 3. Other Income

	2019 €	2018 €
Entrance fees	461	412
E.C.C.U. rebate	7,721	-
Total per Income and Expenditure Account	<u>8,182</u>	<u>412</u>

## Schedule 4. Other Gains

	2019 €	2018 €
Gains on Investments	49,199	30,333
Total per Income and Expenditure Account	<u>49,199</u>	<u>30,333</u>



# Schedules

## Schedule 5. Other Management Expenses

	2019 €	2018 €
Staff pension costs	27,577	21,283
Training costs	13,654	19,602
E.C.C.U. Insurance	159,135	139,850
Death grants	24,000	28,500
Rates	6,931	6,526
General insurance	16,499	14,620
Light, heat and cleaning	8,889	9,122
Repairs and maintenance	7,355	16,073
Advertising and promotions	76,326	56,577
Donations and bursary awards	14,800	15,000
Postage and printing	27,331	39,945
Computer costs	50,790	45,379
Telephone	6,998	6,196
Convention fees	8,474	18,837
A.G.M expenses	12,462	11,135
Director expenses	19,842	11,794
Board Oversight Committee expenses	2,308	1,284
Staff expenses	5,336	3,526
Volunteer expenses	3,605	4,307
Legal Costs	11,559	13,732
Other Professional Fees	64,250	(5,573)
Risk, internal audit & compliance	42,815	38,036
Audit	16,554	16,452
Bank interest and charges	2,145	5,240
Sepa bank charges	17,101	10,691
General expenses	9,437	8,688
Affiliation fees	3,969	5,626
SPS Fund contribution	3,072	3,072
Regulatory levy	66,347	57,870
Total per Income and Expenditure Account	<u>729,561</u>	<u>623,390</u>

## Schedule 6. Other Losses

	2019 €	2018 €
Gain/Losses on investments	-	9,762
Total per Income and Expenditure Account	<u>-</u>	<u>9,762</u>



## Motions

The following motions are proposed by the Board of directors for consideration at the Annual General Meeting of TUI credit union limited.

1. Pay a dividend to Members equal to 0.25% of a Member's average shares during the year ended 30 September 2019, at a total cost of €85,145
2. Pay a loan interest rebate of 10% of the loan interest paid by a Member during the year ended 30 September 2019, at a total cost of €150,570
3. Rule 1

That this Annual General Meeting agrees to amend Rule 1(a) of the Standard Rules for Credit Unions (Republic of Ireland) by the insertion of "membership officer", to read as follows:

### Rule 1. Interpretation

'officer' includes:

- (a) the chair, the secretary or any other member of the board of directors, a member of a principal committee, a member of the board oversight committee, risk management officer, compliance officer, credit officer, membership officer or credit control officer of the credit union,
- (b) an employee of the credit union to whom paragraph (a) does not apply, and
- (c) a voluntary assistant of the credit union,

but does not include an auditor appointed by the credit union in accordance with the requirements of the Act;

### 4. Rule 13

That this Annual General Meeting agrees to amend Rule 13(1)(ii) of the Standard Rules for Credit Unions (Republic of Ireland) by the insertion of "or by a duly appointed and authorised Membership Officer", to read as follows:

### Rule 13. Qualifications for membership

(1) An applicant shall be admitted to membership only when:

- (i) it shall have been determined that he is eligible for membership in accordance with rule 11; and
- (ii) his application for membership shall have been approved by the affirmative vote of a majority of the board of directors or by a duly appointed and authorised membership committee present at a meeting at which the application is considered, or by a duly appointed and authorised Membership Officer; and

### 5. Rule 83

That this Annual General Meeting agrees to amend Rule 83 of the Standard Rules for Credit Unions (Republic of Ireland) by the insertion of "and/or membership officer", to read as follows:

### Rule 83. Duties of membership committee and/or membership officer

Subject to these rules and the Act, the membership committee and/or membership officer shall: .....

### 6. Rule 84A

That this Annual General Meeting agrees to insert a new 84A into the Standard Rules for Credit Unions (Republic of Ireland), to read as follows:

### Rule 84A. Membership Officer

- (1) The board of directors may approve the appointment of a person by the manager as a membership officer to assist the membership committee and work under its supervision and control.
- (2) A record of each application for membership which has or has not been approved shall be furnished by the membership officer to the membership committee no later than seven days of receipt of the application.



# Board Oversight Committee Report

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

The function of the Board Oversight Committee is to assess whether the board of directors has operated in accordance with Part IV and Part IV(A) of the Credit Union Act 1997, as amended, and any other matter prescribed by the Central Bank regarding the board of directors.

In accordance with the Act, the Board Oversight Committee held monthly committee meetings, observed each board meeting and various sub-committee meetings and conducted four appraisals of the Board of Directors throughout the year.

This year all members of the B.O.C completed Continuous Professional Development at the National Supervisors Forum. In addition, B.O.C. officers have completed CPD in the areas of ethics, anti-money laundering, data protection, compliance, risk management and GDPR legislation.

The Board Oversight Committee is pleased to report that the Board of Directors has operated in accordance with Part IV, Part IVA and all other related matters prescribed by the Central Bank.

We would like to thank the chairperson of the board, the directors, as well as the management, risk and compliance officer and staff for their assistance in enabling the Board Oversight Committee to carry out its duties.

Tony Germaine, JJ Walsh (Secretary), Tony Barnett.

December 2019



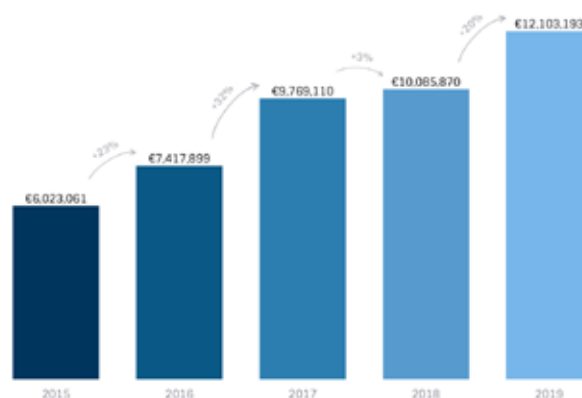
# Credit Committee Report

I am pleased to present the report on behalf of the Credit Committee for the financial year ended 30th September 2019. During 2019 we issued 1,470 loans with a total value of €12.1m which is an increase of €2m or 20% on 2018.

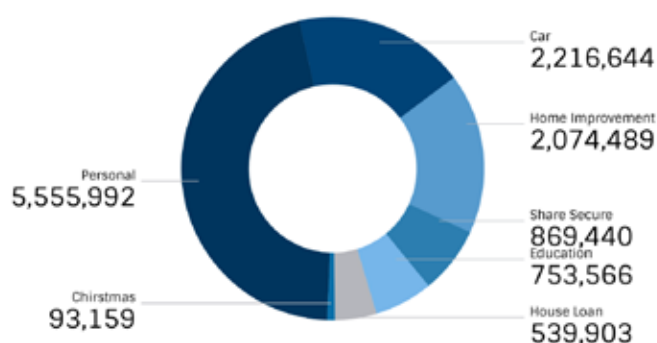
## Benefits of a TUICU Loan

- Members can apply online for a loan
- All necessary documentation i.e. Loan Application and Credit Agreement may be electronically signed
- All loan applications are dealt with on a fair, efficient, compliant and a timely manner
- Once a member has been admitted into membership of TUI Credit Union they are free to apply for a loan
- Members are not confined to a ratio of their shares prior to applying for their first loan
- Free loan protection insurance on eligible loans
- Funds can be transferred to member's designated Bank Account at no additional cost to member
- No need to have an outstanding loan repaid prior to applying for another loan
- Members may avail of multiple loans facility allowing members different interest rates and repayment period
- Low interest rates charged on members' daily loan balance
- Lump sum repayments allowed without penalties
- TUI Credit Union have approved 99% of all loan applications in 2019

## Loans Issued by Year



## Value of Loans Issued



## Interest Rebate

This year once again, the Board will be recommending an Interest Rebate of 10%. This has been a factor of TUICU lending for the past 5 years, where the Credit Union shares its success with you the members who have supported us by borrowing during the year.

Examples of some of our loan rates are set out below:

Interest Rate	APR*	Rate	Loan Type
4.79%	4.90%	Variable	Loan within shares
4.89%	5.00%	Variable	Christmas Loan
5.84%	5.99%	Variable	Education Loan
7.25%	7.50%	Variable	Car Loan
8.27%	8.59%	Variable	Personal Loan
5.03%	5.15%	Variable	Special Home Improvement Loan

The Credit Committee wish to thank Mr. Paul Roche CEO and all the staff for the invaluable support during the year.

Michael Craig (Chairperson), Martina Kennedy (Secretary), Andy Whelan, Paddy McDermott and Michael Daly.





# Credit Control Committee Report

The function of the Credit Control Committee is to monitor the loan portfolio and to ensure that loans to members are repaid in accordance with the terms of the credit agreements entered into and signed by them. Failure to adhere to the credit agreement will result in arrears building up and possible damage to the member's credit rating with the credit union and with the Irish Credit Bureau and Central Credit Register resulting in difficulties obtaining credit in the future.

The committee meets monthly with the manager and credit control officer to review loan arrears, take corrective measures where required and make recommendations to the board of directors. Some members of the TUI credit union experience financial difficulties. Such members are encouraged to contact the credit union as soon as difficulties arise as early communication will facilitate a mutually satisfactory agreement being reached.

When a problem arises with repayments or when arrears occur the board policy is:-

- All arrears are monitored and reviewed weekly
- Members are contacted promptly by letter, email, phone
- Monthly reports are presented to the board
- The necessary remedial action is taken to regulate the account. This action may include a referral to the credit union's solicitor.

## **Charged off accounts**

Five loans have been charged-off this year, a total of €64,652. These amounts will be pursued by all means at our disposal including the use of legal action and/ or debt collection agents where necessary. This year, recoveries of previously charged-off loans amounted to €53,358. By way of comparison, loans charged-off during the previous year amounted to €63,115 while recoveries amounted to €50,008.

## **Rescheduled loans**

We are pleased to announce this year that there have been no rescheduled loans. As in previous years we would continue to advise all members to contact the office immediately if they are experiencing any financial difficulties. They can be assured that they will be treated in a dignified, compassionate and confidential manner.

Finally, the committee wish to thank the manager and staff for their assistance and co-operation especially Ann-Marie, who has particular responsibility in this area and carries it out with efficiency and courtesy.

Committee members: Padraic Gallagher, Joan Kavanagh, Marie Humphries, Ed Mullarkey, Austin Stewart and Pat Conway.



# Membership Committee Report

The Membership Committee is an operational committee reporting to the board of directors. Its primary objective is to review applications for membership and oversee and make recommendations on activities that will improve the membership process. During the year the Membership Committee focused on facilitating and co-ordinating efforts to develop innovative approaches for communicating the advantages and opportunities that membership of TUI Credit Union offers.

2019 was a busy year for the Membership Team where we accepted 601 new members. At 30th September 2019, the membership stands at 5,952. We have had continuous growth in family members who joined us throughout the year. Many thanks to credit union members who have introduced family members and we ask you all to continue to encourage family members and work colleagues to join TUI Credit Union.

## Workplace visitations

During the year we continued our very successful workplace visitation program ably assisted by our Area Volunteers. Feedback received from these visits has been very positive and it was great to meet our current members and also welcome new members who joined during these visits. If you would like to arrange a workplace visit, please contact our office on 01-4266060.

The ongoing support and commitment of our Area Representatives is invaluable when it comes to reaching out and communicating with members throughout the country. Their on-going dedication helps us in maintaining member loyalty and growing membership numbers so once again a sincere thanks to our Area Representatives for their help throughout the year.

## Bursaries

TUI Credit Union proudly supports its members' educational pursuits and once again the Scholarship Awards and the Gaeltacht Sponsorships proved very popular with the sum of €6,250 being dispersed to the successful applicants this year.

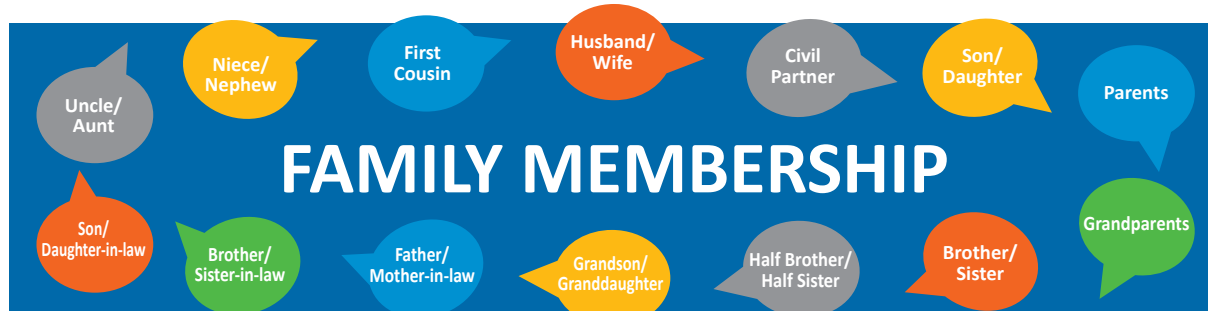
## Members Draw

This year TUI Credit Union paid out a total prize fund of €87,223 to 39 lucky winners. To be included in all draws costs just €5 per month and is completely self-funded by members' subscriptions. Applications for inclusion in the draw can be found on our website, through the member online area or by contacting the office. Best of luck to you all.

## All welcome to join TUI Credit Union

To qualify for membership, the applicant must satisfy the criteria as set out in our common bond below:

- Members and retired members of the Teachers' Union of Ireland
- Members and retired members of the Irish Federation of University Teachers (IFUT)
- Non-teaching staff of second/third level colleges/schools (Special Needs Assistants etc.)
- Administration staff of the sixteen Education Training Boards
- Employees of the Teachers' Union of Ireland
- Family members of all of the above



New members can enjoy the many benefits of the TUI Credit Union membership complemented by a professional, personal and friendly service from our dedicated staff.

Committee members: Shirley Mulpeter, Maria Byas, Valerie Donnelly



# Nomination Committee Report

The responsibilities of TUI credit union nomination committee includes:

- Identifying suitable candidates to be nominated for appointment to the board and board committees of the credit union who direct, oversee and monitor the activities of our credit union.
- Ensure that during the recruitment process we manage the Fitness and Probity review of each of the candidates in line with the current legal and Central Bank requirements.
- Ensuring that our succession planning, nominations and volunteer policies are in place, up to date and valid.
- Complete a skills gap analysis and recommend training programmes during the year for directors and volunteers to continue to improve their knowledge and skills (including anti-money laundering, ethics and data protection (GDPR)).
- TUI credit union have a requirement that members of the board of directors complete 15 hours CPD (continuous professional development) each year.

During the year to comply with the Credit Union Acts and CBI requirements the following documentation was completed by officers holding control functions (CF):

- Nomination Committee Individual Volunteer Due Diligence Checklist.
- Individual IQ questionnaire
- Volunteer Fitness & Probity Declaration 2019
- Fitness & Probity Due Diligence Confirmation Statement.
- Volunteer Satisfaction Survey Questionnaire.

There are five directors standing down this year

1. Pat Conway
2. Michael Daly
3. Padraic Gallagher
4. Frank McGinn
5. Austin Stewart

Three directors are putting themselves forward for re-election and we have two new candidates putting themselves forward. All the required due diligence checks have been carried out on the following:

1. Pat Conway
2. Michael Daly
3. Donal Dignan
4. Frank McGinn
5. Marie Humphries

There is 1 vacancy on the Board Oversight Committee (BOC) and the following is nominated for election:

- Tony Germaine

## **Volunteers:**

This year, once again our volunteers have made a significant contribution to the on-going success of our credit union and on behalf of the board, I would like to thank them for their time, dedication and commitment. Members wishing to volunteer can apply in writing, see our website for further information.

Finally, the nomination committee would like to thank out going directors Austin Stewart and Padraic Gallagher for their dedication and commitment to TUI credit union.

Tina Reddin – Chairperson of the Nomination Committee.

Members of the committee – Brendan Greene and Geraldine Noonan



# MONTHLY MEMBERS DRAW WINNERS CORNER

Month 2018-2019	Car	1st Prize	2nd Prize	3rd Prize
Sep-19	Ruth Morrissey	Adrienne O'Rourke	Rena O'Donnell	Proinsias O'Tuama
Aug-19		Donnchadh Clancy	Eamonn Donnelly	Olive Cornelia
Jul-19		Sarah Lucas	Barry Tiernan	Antoinette Wilkinson
Jun-19		Helen Prendergast	Lorraine Finnegan	Martin Ridge
May-19		Donagh Ryan	Michael McNulty	Marie Kelly
Apr-19	Scatha Ní Fhearghail	Mary O'Sullivan	Elaine Hewitt	Paula Faller
Mar-19		Patricia McLaughlin	Helen Kenny Murphy	Susan Lakes Kirby
Feb-19		Paul McMullen	Paul Quinn	Brid Nevin
Jan-19		Eamonn Mealy	Nancy Whelan	Martin Murray
Dec-18	Mervyn Griffin	Thomas O'Brien	Patricia Cullen	Bernard Doherty
Nov-18		Thomas Ronayne	Robert Power	Elizabeth Whorlskey
Oct-18		Margaret King	Grainne Wall	Denis Scully



Teachers' Union of Ireland  
Credit Union

## MONTHLY MEMBERS DRAW

# WIN A CAR

**3 CAR DRAWS**  
PER YEAR

**3 CASH PRIZES**  
MONTHLY

#MonthlyMembersDraw

New Members Prize Draw 2018/2019	
Sept-19	Una Killoran
Aug-19	Michaela Bruton
Jul-19	Mary Young
Jun-19	Paul Carter
May-19	Mary McCourt
Apr-19	Eamonn Cushnahan
Mar-19	Claire McTernan
Feb-19	Emma Carroll
Jan-19	Osien Lane
Dec-18	Niamh O'Sullivan
Nov-18	Kieran Kinsella
Oct-18	Jason Boyle



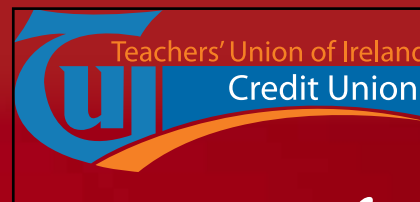
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# Christmas

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TUI Credit  
Union Loan**

Rates as low as  
4.89% variable (5% APR)  
for 11 months

Maximum Loan €2,000  
Closing date 20th December 2019

Apply online at  
**[www.tuicu.ie](http://www.tuicu.ie)**

**APPLY  
ONLINE  
TODAY!**

## Season's Greetings

The Board of Directors, Board Oversight Committee and Staff would like to take this opportunity to wish you and your family a very Happy Christmas and to extend our best wishes for 2020 to you.

### CHRISTMAS OPENING HOURS

Monday	December 23rd	9.00 – 15.00	Monday	December 30th	10.00 – 14.00
Tuesday	December 24th	Closed	Tuesday	December 31st	Closed
Wednesday	December 25th	Closed	Wednesday	January 1st	Closed
Thursday	December 26th	Closed	Thursday	January 2nd	9.00- 17.00
Friday	December 27th	Closed			

\*Warning: if you do not meet the repayments on your loan, your account will go into arrears. This may affect your credit rating which may limit your ability to access credit in the future. The cost of your monthly repayments may increase. Loans are subject to approval. Terms and conditions apply.

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