



# East Wall Credit Union

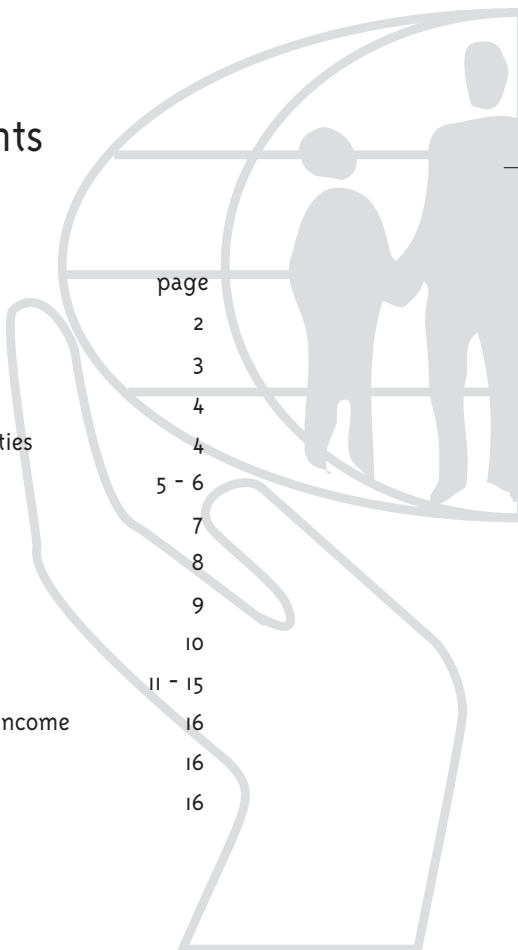
Limited

Registration Number 291CU

## Report and Financial Statements *for the year ended 30 September 2007*

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## DIRECTORS AND OTHER INFORMATION

Directors	Richard Hynes (Chairperson) Richard Sheridan (Vice-chairperson) Kathleen Brannigan (Secretary) Theo Dunne (Treasurer) Harry Leighton Edward Foley Anne Ussher Marie Whelan Liam Dunne
Supervisory Committee	Evelyn Barry (Chairperson) Rita Dorman Barry Masterson
Registered Number	291CU
Registered Office	Blythe Avenue, East Wall, Dublin 3
Auditor	FMB Chartered Accountants Longboat 56 Sir John Rogersons Quay
Bankers	Permanent TSB 1 Fairview Corner Dublin 3
Solicitors	Ivor Fitzpatrick 44-45 St Stephen's Green Dublin 2



East Wall  
Credit Union

## DIRECTORS' REPORT

*for the year ended 30 September 2007*

The directors present their report and audited financial statements for the year ended 30 September 2007.

### **PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS**

The credit union has continued its growth pattern both in terms of loans granted and shares issued during the financial year. The credit union plans to increase its market share in the forthcoming year.

### **RESULTS FOR THE YEAR AND STATE OF AFFAIRS AT 30 SEPTEMBER 2007**

The income and expenditure account and the balance sheet for the year ended 30 September 2007 are set out on pages 8 and 9.

### **DIVIDENDS**

The directors recommend payment of a dividend of €175,102.00 (2.75%) for the year, (2006 – 2.50%) and an interest rebate of €72,818.00 (17.50%) for the year. (2006 – 15.00%)

### **ACCOUNTING RECORDS**

The Directors believe that they comply with the requirements of Section 108 of the Credit Union Act, 1997 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 company's premises at Blythe Avenue, East Wall, Dublin 3

**Approved by the Board on: 17 December 2007**

**Theo Dunne**  
Treasurer

**Richard Hynes**  
Chairperson



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## STATEMENT OF DIRECTORS' RESPONSIBILITIES

*for the year ended 30 September 2007*

The Credit Union Act 1997 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. 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.

**Theo Dunne**  
Treasurer

**Richard Hynes**  
Member of the Board of Directors

## STATEMENT OF SUPERVISORY COMMITTEE'S RESPONSIBILITIES

*for the year ended 30 September 2007*

The Credit Union Act 1997 requires the appointment of a Supervisory Committee which will oversee Directors in the performance of their functions, examine books and documents of the credit union and verify a sample of members' balance.



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**Evelyn Barry**  
Member of Supervisory Committee

## INDEPENDENT AUDITOR'S REPORT

*to the members of East Wall Credit Union Limited*

We have audited the financial statements of East Wall Credit Union Limited for the year ended 30 September 2007 which comprise of the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and related notes.

These financial statements have been prepared under the accounting policies set out therein and the accounting standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practices in Ireland).

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

### **Respective responsibilities of the Directors and Auditors**

As described in the Statement of Directors' Responsibilities the credit union directors are responsible for the preparation of the financial statements in accordance with applicable law and Irish Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board in Ireland and the United Kingdom.

We report to you our opinion as to whether the financial statements give a true and fair view in accordance with Generally Accepted Accounting Practice, and are properly prepared in accordance with the Credit Union Act, 1997. We also report to you whether in our opinion, proper accounting records have been kept by the credit union and whether the information in the Directors' Report is consistent with the financial statements. In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit and whether the credit union's balance sheet and its income and expenditure are in agreement with the books of account.

We read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This information comprises only the Directors' Report and Chairman's Statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.



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## INDEPENDENT AUDITOR'S REPORT

*to the members of East Wall Credit Union Limited (continued)*

### **Basis of opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the credit union's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the credit union's affairs as at 30 September 2007 and of its income and expenditure for the year then ended and have been properly prepared in accordance with the provisions of the Credit Union Act 1997.

We have obtained all the information and explanations we consider necessary for the purposes of our audit. In our opinion proper books of account have been kept by the credit union. The financial statements are in agreement with the books of account.



East Wall  
Credit Union

**FMB**  
**Chartered Accountants**  
**Registered Auditor**

**DATE : 17 December 2007**

**Longboat**  
**56 Sir John Rogersons Quay**  
**Dublin 2**

## SIGNIFICANT ACCOUNTING POLICIES

for the year ended 30 September 2007

### 1. Historical Cost Convention

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

The credit union has consistently applied all relevant accounting standards.

### 2. Revenue Recognition

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

#### Interest on Members' Loans

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

#### Investment Income

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

### 3. Investments

Bank deposits and other short term deposits

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

#### Term deposits and fixed interest investment bonds

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

### 4. Depreciation

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

Premises	—	Straight Line over 50 years
Computer equipment	—	25% Straight Line
Fixtures & fittings	—	10% Reducing Balance

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

### 5. Bad and Doubtful Debts

Bad debts written off are included in other Management Expenses. Bad debts recovered are included in the Income and Expenditure Account. Provision for doubtful debts is made against current loan balances on the basis of the 2003 Resolution 49 of the Irish League of Credit Unions. An additional provision of €43,553 is considered prudent by the Board of Directors.

### 6. Dividends and other returns to members

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



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## INCOME AND EXPENDITURE ACCOUNT

for the year ended 30 September 2007

	Schedule	2007 €	2006 €
<b>Income</b>			
Interest on members' loans		416,104	387,693
Other interest receivable and similar income	1	<u>330,460</u>	<u>57,195</u>
Net interest income		746,564	444,888
Other income	2	<u>5,906</u>	<u>8,010</u>
<b>Total Income</b>		<u>752,470</u>	<u>452,898</u>
<b>Expenditure</b>			
Salaries		54,104	50,215
Other management expenses	3	183,689	203,204
Depreciation		8,156	9,108
Bad debts recovered		<u>(19,886)</u>	<u>(20,512)</u>
<b>Total Expenditure</b>		<u>226,063</u>	<u>242,015</u>
<b>Excess of Income over Expenditure</b>		526,407	210,883
Add: Undistributed surplus 1 October		219,344	33,080
Prior year adjustment		<u>—</u>	<u>204,459</u>
As restated		<u>219,344</u>	<u>237,539</u>
<b>Total:</b>		<u>745,751</u>	<u>448,422</u>
Less: Transfer to statutory reserve		(63,853)	(30,000)
Dividend paid		(142,059)	(162,593)
Interest rebate paid		<u>(60,132)</u>	<u>(36,485)</u>
<b>Total:</b>		<u>(266,044)</u>	<u>(229,078)</u>
Undistributed surplus 30 September 2007		<u>479,707</u>	<u>219,344</u>

On behalf of the Credit Union:-

**Theo Dunne**

*Treasurer*

**Evelyn Barry**

*Member of Supervisory  
Committee*

**Richard Hynes**

*Member of the Board  
of Directors*



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*The accompanying notes form part of these accounts*



## BALANCE SHEET

as at 30 September 2007

	Note	2007 €	2006 €
<b>Assets</b>			
Cash at bank and on hand		106,988	31,131
Deposits and investments	2	3,268,348	3,153,760
Members' loans		4,019,069	3,668,245
Less provision for bad and doubtful debts		(73,178)	(73,178)
Tangible fixed assets	4	213,194	219,288
Prepayments and accrued income		307,864	28,787
<b>Total Assets</b>		<u>7,842,285</u>	<u>7,028,033</u>
<b>Liabilities</b>			
Members' deposits		190,415	146,895
Car draw account		17,715	17,192
Other liabilities, accruals and charges	5	46,652	17,747
		<u>254,782</u>	<u>181,834</u>
<b>Members' Resources</b>			
Members' shares	15	6,402,671	5,989,934
Statutory reserve	6	685,242	621,389
Other reserves	7	499,590	234,876
		<u>7,587,503</u>	<u>6,846,199</u>
<b>Total Liabilities</b>		<u>7,842,285</u>	<u>7,028,033</u>

On behalf of the Credit Union:-

**Theo Dunne**

*Treasurer*

**Evelyn Barry**

*Member of Supervisory  
Committee*

**Richard Hynes**

*Member of the Board  
of Directors*

*The accompanying notes form part of these accounts*



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## CASH FLOW STATEMENT

for the year ended 30 September 2007

	2007	2006
	€	€
Opening cash and investments	3,184,891	2,969,290
<b>Receipts</b>		
Members' shares	1,250,726	1,199,317
Members' deposits	43,520	61,395
Members' loans repaid	2,206,654	2,197,347
Members' loan interest received	416,104	387,693
Investments interest received	330,460	57,195
Bad debts recovered	19,886	20,512
Other receipts	5,906	8,010
Decrease/(Increase) in prepayments	(279,077)	(7,796)
<b>Total</b>	<u>3,994,179</u>	<u>3,923,673</u>
<b>Disbursements</b>		
Members' shares withdrawn	833,638	928,854
Members' loans granted	2,557,478	2,344,838
Dividends paid	142,059	162,593
Interest rebate paid	60,132	36,485
Operating expenses	237,793	253,419
Fixed assets purchased	2,062	2,115
Other disbursements	—	180
(Increase)/Decrease in other liabilities	(29,428)	(20,412)
<b>Total</b>	<u>3,803,734</u>	<u>3,708,072</u>
<b>Closing cash and investments</b>	<u>3,375,336</u>	<u>3,184,891</u>



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## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2007

### 1. Employees

Number of employees

The average monthly numbers of employees during the year were:

	<b>2007</b>	<b>2006</b>
	Number	Number
Tellers	2	2
Administration	2	2
	<u>4</u>	<u>4</u>

Employment costs

	<b>2007</b>	<b>2006</b>
	€	€
Wages and salaries	54,104	50,215
Honorarium	12,916	12,849
	<u>67,020</u>	<u>63,064</u>

### 2. Investments

	<b>2007</b>	<b>2006</b>
	€	€
Central Investment Management	3,457	3,337
Anglo Irish Bank	969,177	1,043,813
Central Credit Union	68,647	59,729
Permanent TSB Deposit Account	7,594	41,956
Royal Liver Investment – with profits policy	1,132,690	992,690
Irish Life Investment	20,000	20,000
Canada Life Investment	400,000	300,000
Appian Wealth Management	666,783	692,235
	<u>3,268,348</u>	<u>3,153,760</u>

**2007**

€

These investments are classified as follows:

Cash and short term deposits	746,481
Fixed term deposits	<u>2,521,867</u>
	<u>3,268,348</u>



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## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2007 (continued)

### 3. Delinquent Accounts

Delinquent accounts, i.e. loans overdue for payment showing net unpaid balances after deduction of shares applicable are detailed below:-

Loans at 30 September 2007	Number	Net Unpaid Balances €
0 to 9 weeks	99	469,684
10 to 18 weeks	17	39,725
19 to 26 weeks	8	15,864
27 to 39 weeks	9	21,072
40 to 52 weeks	4	1,463
53 weeks and over	14	14,146

### 4. Tangible fixed assets

	Land	Premises	Computer	Fixtures & fittings	Total
Cost	€	€	€	€	€
At 1 October 2006	921	308,903	78,365	40,724	428,913
Additions	—	—	2,062	—	2,062
At 30 September 2007	921	308,903	80,427	40,724	430,975
<b>Depreciation</b>					
At 1 October 2006	—	101,450	76,779	31,396	209,625
Charge for the year	—	6,178	1,045	933	8,156
At 30 September 2007	—	107,628	77,824	32,329	217,781
<b>Net book values</b>					
At 30 September 2007	921	201,275	2,603	8,395	213,194
At 30 September 2006	921	207,453	1,586	9,328	219,288



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## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2007 (continued)

5. Other Liabilities and Charges	2007	2006
	€	€
Accruals	46,652	17,747
	<u>46,652</u>	<u>17,747</u>

6. Statutory Reserve	2007	2006
	€	€
Balance as at 1 October 2006	621,389	591,389
Transfer from Distribution Account	63,853	30,000
Balance at 30 September 2007	<u>685,242</u>	<u>621,389</u>

The balance on the statutory reserve represents 10.8% on members savings at 30 September 2006 (2006 – 10.34% on 2005 members savings)

7. Other Reserves	Balance 01/10/06	Net Movement	Balance 30/09/07
	€	€	€
Special reserve	15,532	4,351	19,883
Undistributed Surplus	219,344	260,363	479,707
	<u>234,876</u>	<u>264,714</u>	<u>499,590</u>

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.



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## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2007 (continued)

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

The directors recommend the following distributions:

	2007		2006	
	Rate %	€	Rate %	€
Dividend on shares	2.75%	175,102	2.50%	145,743
Loan interest rebate	17.50%	72,818	15.00%	58,154

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

### 9. Honorarium to Treasurer

The directors recommend that the Treasurer be paid an honorarium of €12,916 (Gross) for the year ended 30 September 2007

### 10. Related party transactions

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

#### Transactions with officers

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

	2007	2006
	€	€
Aggregate amount of shares held by officers	75,946	76,474
Aggregate amount of loans outstanding by officers	55,486	44,389

The aggregate amount of loans issued to officers during the year under Section 36(3) of the Credit Union Act, 1997 was €48,200.



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## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2007 (continued)

### 11. Insurance Against Fraud

The credit union has insurance against fraud in the amount of ?1,500,000 in compliance with Section 47 of the Credit Union Act 1997.

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

The credit union charges a rate of interest on members outstanding loan balances of 0.925% per month.

### 13. Rate of Interest Paid on Members' Deposits

The directors are proposing an interest rate of 0.75% on members' deposit accounts.

### 14. Contingent liabilities

All capital invested in 'with profits' funds is guaranteed only if held to maturity. In the unlikely event of early encashment, there may exist early settlement penalties.

### 15. Members' shares

	<b>2007</b>
	€
Regular share accounts	6,402,671
Special share accounts	—
Medium term share accounts	—
Long term share accounts	—
	<hr/>
Total per balance sheet	6,402,671

### 16. Approval of financial statements

The financial statements were approved by the Board on 17 December 2007.



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**Schedule 1. Other Interest Receivable and Similar Income**

	<b>2007</b>	<b>2006</b>
	€	€
Investment income	330,460	57,195
	<u>330,460</u>	<u>57,195</u>

**Schedule 2. Other Income**

	<b>2007</b>	<b>2006</b>
	€	€
Insurance commission	5,906	8,010
	<u>5,906</u>	<u>8,010</u>

**Schedule 3. Other Management Expenses**

	<b>2007</b>	<b>2006</b>
	€	€
Honorarium	12,916	12,849
E.C.C.U. Insurance	51,176	53,368
Death benefit insurance	12,381	13,919
Rent and rates	4,136	3,839
General insurance	8,341	8,643
Light and heat	6,120	4,644
Cleaning	164	110
Repairs and maintenance	2,082	2,947
Security	16,572	15,490
Postage, telephone and stationery	11,009	11,777
Computer costs	10,737	11,405
Convention and seminar expenses	3,128	3,803
Travelling and subsistence	1,500	1,841
Legal and professional	9,153	7,918
Audit	8,954	7,988
Bank charges	4,231	4,824
Bad debts	16,188	35,090
General expenses	4,989	2,558
Cash (over)/short	(88)	191
	<u>183,689</u>	<u>203,204</u>



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