



CORE CREDIT UNION
— STRONGER TOGETHER —

Notice of AGM 2017

DATE: Tuesday 5th December

TIME: 7.30pm

VENUE: Dún Laoghaire, Evangelical Church





Dear Member,

Notice is hereby given that the 52nd Annual General Meeting of Core Credit Union Ltd will take place in Dún Laoghaire Evangelical Church on Tuesday 5th December 2017 at 7.30pm.

All members are invited to attend.

Address: Dún Laoghaire Evangelical,
Lower Glenageary Road, Dún Laoghaire,
Co Dublin. A96 F6T0

Parking: Parking is available on the grounds and surrounding areas

Dublin Bus: Buses 7, 7A and 45A stop near the church

Refreshments: Will be served following the meeting



Arthur Duignan
Secretary

- ▶ **Ballybrack**
01 272 5603
- ▶ **Carrickbrennan**
01 272 5608
- ▶ **Dalkey**
01 272 5605
- ▶ **Foxrock**
01 272 5607
- ▶ **Glasthule / Dún Laoghaire**
01 272 5606
- ▶ **Sallynoggin / Glenageary**
01 272 5604
- ▶ **Shankill**
01 272 5602

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Auditors:

ACM&A, Chartered Accountants
and Business Advisors
Windsor House
15 Windsor Terrace
Dun Laoghaire
Co. Dublin
A96 A065

Solicitors:

Maurice O'Callaghan
O'Callaghan Kelly Solicitors
Mounttown House,
62-63 Lower Mounttown Road,
Dun Laoghaire
Co Dublin

Order of Business

1. The acceptance by the Board of Directors of the authorised representatives of Members that are not natural persons;
2. Ascertainment that a quorum is present;
3. Adoption of standing orders;
4. Reading and Approval (or correction) of the minutes of the last annual general meeting;
5. Chairsperson's Report;
6. Report of the CEO
7. Report of the Board Oversight Committee
8. Report of the Credit Control Committee
9. Report of the Membership Committee
10. Report of the Risk, Compliance & Audit Committee
11. Insurance Report
12. Nomination Committee Report/Notice of Elections
13. Motions for Annual General Meeting
14. Report of the Auditor;
15. Consideration of accounts;
16. Appointment of Tellers;
17. Election of Auditor;
18. Election to fill vacancy on the Board Oversight Committee;
19. Election to fill vacancies on the Board of Directors;
20. Motions;
21. Attendees Cash Draw & Members Car Draw
22. Announcement of election results;
23. AOB;
24. Adjournment or close of meeting.

Notice of Elections

Elections will be held to fill the following vacancies:

- 1 vacancy on the Board Oversight Committee
- 4 vacancies on the Board of Directors
- The Position of Auditor

STANDING ORDERS

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

1 VOTING.

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

2- 3 ELECTION PROCEDURE.

2 Elections to the Board of Directors, to the Board Oversight Committee and the position of Auditor shall be by majority vote and by secret ballot. Candidates for the position of Directors and Board Oversight Committee shall serve a three year term. The Auditor shall serve a one year term.

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

4 - 9 MOTIONS.

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

5 A proposer of a motion may speak for such period as shall be at the discretion of the Chair of the meeting and shall have the right of reply before the motion is put to the meeting for a vote.

6 In exercising his/her right of reply, a proposer may not introduce new material.

7 The seconder of a motion shall have such time as shall be allowed by the Chair to second the motion.

8 Members are entitled to speak on any such motion and must do so through the Chair. All speakers to any motion shall have such time as shall be at the discretion of the Chair.

9 The Chair shall have the absolute right to decide at any time when a motion has been sufficiently discussed and may put the motion to the meeting giving the proposer the right of reply before doing so.

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 Chair'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).

BOARD OF DIRECTORS



Martin Whelan (Chair)

Martin Whelan is a lifelong member of the credit union and was elected onto the board of Sallynoggin/Glenageary Credit Union in 2012. As chairperson, Martin played a hands-on role with the successful merge to CORE Credit Union and he is currently our chairperson on the board of directors. He works in an information, data and measurement company though with two teenage daughters, he is better known as the family chauffeur.



Elizabeth Harpur (Vice-Chair)

Elizabeth Harpur has been a volunteer for many years though she was initially a member of staff with Shankill/Ballybrack Credit Union. She was duly elected onto the board, has served on various committees and is currently Vice Chair of the CORE Board. She has a diploma in Credit Union Governance, and is a Fellow of the Institute of Accounting Technicians of Ireland. Elizabeth enjoys painting and travelling and is a dedicated and enthusiastic member of the board.



Arthur Duignan (Secretary)

Arthur joined the board of Shankill Ballybrack in 2010 and has served terms as Treasurer, Honorary Secretary and on various committees and work groups. He works in a national arts organisation, Create, with responsibility for finance and governance. As a volunteer, he has been on the boards of other social economy and arts organisations and was a member of the government Taskforce for Active Citizenship.



Mary Burnham

As a director on the board Mary Burnham has been involved with the credit union for over fourteen years and is passionate about providing a first class service to members. 'I always think of my own mother who would have benefited hugely from a credit union, especially when she had mouths to feed on a limited income'. Mary is setting up a dedicated book club for Core to cater for staff, members, and volunteers starting in January 2018.



Cillian Doyle

Director Cillian Doyle is a lifelong supporter of the Credit Union movement and its role as a provider of co-operative finance. He is a graduate of UCD and Trinity College Dublin and currently works in the Irish University sector. As well as serving on the board and various committees, he is currently carrying out research in Trinity College's School of Business.



Siobhán Hackett

Siobhán has been a member of her local credit union since 2008 and sat on the Oversight Committee in 2014. Earlier this year, Siobhán was co-opted onto the board and is going up for election at the AGM. Education and service are the two guiding principles that drive her in both a work and volunteering capacity such that having gained experience as a health care assistant, Siobhán has gone on to open her own home care company with a strong emphasis on care in the community.

Board of Directors (continued)



Elaine Hughes

Elaine Hughes has been an active member and credit union supporter since she opened her account over 20 years ago. Elaine graduated from Trinity College Dublin with a Masters in French and Sociology, later completing a Masters in Management of Information Systems. In addition to her role on the board Elaine works as a business analyst for a large multinational insurance company. Elaine was co-opted onto the board during the year and will be going up for election at the AGM.



Deirdre Keane

The Keane family are all credit union members and they, like Deirdre, value its community ethos of availability to all members of society. Deirdre feels a responsibility to support the growth of CORE and for the financial well-being of its members. Deirdre runs her own leadership development business, has a degree in Business and Languages, with further qualifications in coaching, mentoring and managing business networks. Deirdre was co-opted onto the board during the year and will be going up for election at the AGM.



Paul Roche

Paul Roach has volunteered with the credit union for over twenty years taking on various roles including that of Treasurer in Shankill/Ballybrack and brings with him an in-depth knowledge that serves him well on the board. Paul gets great pleasure, he says, from watching the credit union grow and change and seeing how it actually works for members. Walking and meeting up with friends are among Paul's many interests but he also thoroughly enjoys reading board reports and policies, and generally keeping himself very well informed.



Liam Sullivan

When Liam Sullivan was invited onto the board of directors he brought a wealth of experience to the role: he was initially a volunteer teller in St Kevin's School on Sunday mornings, then served on the board for a short term before becoming manager of Sallynoggin/Glenageary in 1972, a role in which he served until his retirement in 2007. Since then he has enjoyed theatre, keeping fit, and continues to work towards developing member focused products and services.



Michael Crowe

Michael Crowe has strong roots with the credit union since 1981, eventually joining the board and serving on various committees. He contributed to the planning and formation of the now significantly enlarged Core Credit Union and is delighted to see Core go from strength to strength. Michael's career is in private industry but he relishes the time spent serving the community.

BOARD OVERSIGHT COMMITTEE



Graham Kavanagh

Graham Kavanagh is secretary to the Board Oversight Committee. He is a qualified financial advisor working in the banking sector and has volunteered with the credit union for the last eight years. He was involved originally with Dalkey Credit Union where he completed the Advanced Certificate in Credit Union Practice. Graham takes an active role in his community and is also a scout leader in the 17th Dalkey Scout Troop.



Elizabeth Turner

Liz Turner remembers when Sallynoggin Credit Union started over fifty years ago giving locals an alternative to the plague of moneylenders who preyed on those in need and she has been an enthusiastic supporter ever since. She says that 'we need new people to get involved, younger people who are our future'. Liz is on the board Oversight Committee and has been involved in a volunteering capacity for the last eight years.



Neill Murray

Neill Murray first became involved with the credit union when it operated out of Ivy Cottage, travelling to the school in Ballybrack to cater for members in that area. While busy working in the Insurance Industry, Neil served on the Board Oversight Committee for over seven years and took a great interest in the development of Core Credit Union, a process, he said, that was handled with great care in both planning and implementation.

Chairperson's Report 2017

Dear Members,

I am delighted to address you as Chair of Core Credit Union for our 52nd Annual General Meeting. I am happy to inform you that our Credit Union has had a busy and successful year in 2017 both financially and operationally.

At the last AGM I stated that there were four areas that the board needed to focus on:-

- Increase our loan book
- Total review of our costs
- Continue to improve our governance
- New services and products for our members

It is heartening to see that our loan book has grown by 9% when compared with 2016. Lending is now at €38 million, up from €34.6 million in 2016.

Costs were €210,000 higher than projected. This was driven by increases in regulatory levies, insurance costs and bad debt provisions. The priority for this coming year will be to review the main drivers of our costs and implement a plan to reduce them.

There has been continued improvement in Governance and Risk Management. In May next year, the General Data Protection Regulation will be implemented. Core Credit Union is well prepared for this and will be in compliance with this European directive whilst trying to minimise the effect it will have on members.

We introduced new loan products such as large home improvement loan with competitive rates which have proven to be very successful. We have launched a pilot scheme for commercial lending to local small business. We continue to work towards introducing a current account service which we expect to be available in quarter 4, 2018.

The Board, along with the CEO and the management team, is reviewing our strategic plan 2012-2017 'Stronger together' and implementing a new strategic plan for the next five years with the vision of being the 'Financial services provider of Choice for members'. We want to continue to build on our success from the last 5 years.



To mark Sallynoggin/ Glenageary Credit Union's 50th anniversary an exhibition of photos was displayed; a proud moment for our heritage. Pictured (L-R), Liam Sullivan (board member), Colette Reid (past manager), Matt Whelan (founder member/ ex director), Pauline Wolfe (ex chair) and John Oliver O'Toole (founder member/ ex board member).

Chairperson's Report 2017 (continued)

I would like to congratulate the Sallynoggin/ Glenageary office on the recent celebration of their 50th anniversary. This is a great milestone and a marvellous tribute to the original founders and volunteers of this office. An open day was held on the 19th October and members were offered tea, coffee and light refreshments and an opportunity to reminisce on old times.

As a community credit union, we continue to support local charities and voluntary organisations. One great initiative this year was to contribute to Cross Care outreach Centre in Dun Laoghaire who provide invaluable services in our community.

As part of Dún Laoghaire/Rathdown Festival of Inclusion, we continued to sponsor the DLR 5k fun run in Kilbogget Park, held on the 7th October, and the Big Sing in Dun Laoghaire shopping centre.

As always, I want to thank the board, board oversight committee, volunteers, CEO, management team and all the staff for their continued commitment and dedication to Core Credit Union. I also want to thank Neil Murray (Board oversight Committee), Michael Crowe (Board) and Stephen Shaw (Board) who retired from their positions this year for their hard work. I would like to take the opportunity to welcome our new board members, Cillian Doyle, Elaine Hughes, Deirdre Keane and Siobhan Hackett who have made a very positive impact to date.

Above all, I want to thank you our members and to wish you a peaceful Christmas and prosperous 2018.

Yours sincerely,

Martin Whelan
Chairperson



REPORT OF THE CEO

Reviewing our achievements over the last few years, 2017 has proven to be the year of transition as you can see from our results. The last of the five mergers were completed in March 2016, and we now have 7 offices, 42 staff and over 30,000 members which the Core team are continuously striving to deliver a high quality of service to all our Members. Financial Performance.



Whilst this has been a challenging year financially, we have laid strong foundations for our future. Our surplus for the year is €457,000 compared to €1.2million in 2016. The main drivers of the change in the year are (a) a decrease in bad debt provisions of €833,000 in 2016; (b) an increase of €220,000 in Central Bank and other levies; (c) Loan & Savings Insurance increase of €130,000. There are other significant changes in some areas which are outlined in Schedule 4 of the accounts, pg 41.

Financial Highlights		Member Services Highlights	
Assets €124.8m	↑ 8.4%	Loans Issued	7,822
Income €4.4m	↑ 9.7%	New Members	1,793
Expenses €4m	↑ 40%	Counter Transactions	213,710
Loan Book €37.8m	↑ 9.2%	Car Draw	2,600

As we are aware, savings and deposit interest rates are at all-time low and look to remain at these levels for some time which reduces our income from investments. Over the last 20 years, we have been overly-reliant on investment income. We are now focusing on increasing the size our loan book which will strengthen our balance sheet and increase our viability. During the last 3 months of the financial year, our loan book increased by €2.2million, which is a step in the right direction. Interest earned on our loans has increased by 15% which in a full year will increase our income by €480,000.

Member Research

During April & May 2017 we conducted extensive member research which resulted in a number of significant findings:

- 98% of members either satisfied or very satisfied with the friendliness and helpfulness of staff
- We received a Net Promoter Score of 76% which is very high for any sector in particular financial services
- 20% of members surveyed took out a loan from another financial institution in the last 3 years with an extrapolated value of €46million. 83% of these members did not consider the Credit Union.

We found this research very helpful as it shows the excellence of service provided to Members who drop in to see us. Unfortunately, we also found that we are not the number 1 choice for Members who wish to do their business online or on the phone.

Improved Member Service

We will be launching our Member's Service Centre in the coming weeks. The purpose of this is to deal more efficiently with phone calls, emails, and online enquiries. Privacy has been identified as a concern for a majority of our Members. We are in the process of modernising the design of our offices. Over the coming 18 months, we will be refurbishing a number of offices which will be designed around providing a more private member experience. We will also use this opportunity of refurbishing offices to better utilise space in order to reduce overheads.

We are currently working with a number of Credit Unions to provide current accounts and debit cards. This project (approved by Central Bank in 2016) is on target and we are confident that current accounts will be available from Quarter 4 2018.

REPORT OF THE CEO (continued)

Post-Merger Performance

I believe that we are beginning to see the true benefits of our mergers at the moment and these benefits will begin to materialise in better financial performance from 2018. Whilst performance varies by office some notable performances are:

- Sallynoggin/Glenageary loan book has increased 46%
- Foxrock loan book has increased by 35%
- Shankill/Ballybrack loan book has increased by 22%
- Dalkey loan book has decreased by 16%

Future Challenges

Our market research highlights the significant challenges we are facing. There is stiff competition with the banks and we will need to continue to invest in technology and services to remain relevant.

We are aware of the challenges and have a number of existing and evolving strategies in place to overcome these. With assets of €125million, we also have the scale to invest and ensure that we have a vibrant future serving our members and providing a range of member focussed products and services.

Finally, I'd like to thank all Members for their continuing support and loyalty to the Credit Union. I'd like to thank the board for all the work that they put in and the support that they give to myself and the management team. Finally I like to enormously thank the staff for all the hard work and great service they provide every day.

Michael Byrne, CEO
Core Credit Union



January 2017 Car Draw Winner



August 2017 Car Draw Winner



October 2017 Car Draw Winner

REPORT OF THE BOARD OVERSIGHT COMMITTEE

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.

As required by the Act we held four meetings with the Board of Directors to assess their performance. We are satisfied that all duties and responsibilities were carried out in accordance with the Rules and Regulations as set down in the Act. We checked Policies and found them up to date as required. We attended all meetings held by the Board of Directors. We want to thank the Directors, Management and Staff for their co-operation and assistance throughout this year.

Under the Credit Union Act 1997(as amended) we are required to provide an annual Compliance Statement to our Members at the AGM each year. We are satisfied that the Board of Directors has complied with and operated in accordance with Part IV and Part IV (A) of the Act.

Graham Kavanagh

Chairperson

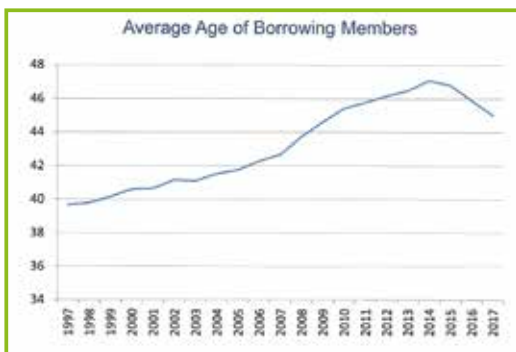
REPORT OF THE CREDIT COMMITTEE

I am pleased to report that this year and in particular the last quarter, we have seen a considerable increase in loans issued to members. Up until 30th September 2017 we issued 7,921 loans with a value of €24,102,177.

Total Value of Loans Issued	Up to 30th Sept 2017	€24m
	Up to 30th Sept 2016	€22m
	Up to 30th Sept 2015	€18m

What are members borrowing for?

With the improvement of the economy we have seen a marked increase in the demand for larger loans as people now have the confidence to undertake significant home improvement projects or to replace their cars, with this in mind we increased our unsecured loan to €75k and also introduced a new promotional rate of 7.9% for car loans €15k plus and Home Improvement loans €25k plus. This has proven a great success and has increased our loan book significantly. We have also noticed a significant number of younger people becoming members, young couples who have returned to Ireland from the UK and Australia who have advised us they rather build up a credit history with the credit union rather than the Banks.



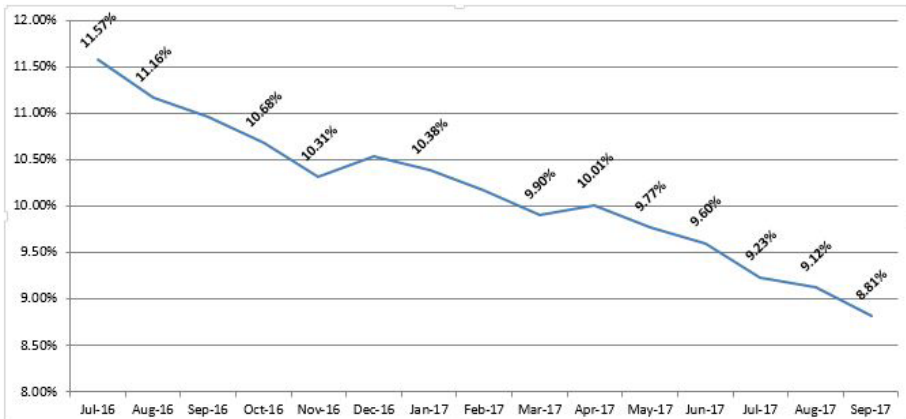
Secured Lending

We offer our member more than personal loans. We also lend for house purchase/extension, with a maximum loan to value of 70% (subject to terms & conditions). To balance the larger loan amount, our Secured Loan offers an extended payment term of up to 25 years.

REPORT OF THE CREDIT CONTROL COMMITTEE

The Credit Control Committee oversees the Credit Control function within the Credit Union. We constantly monitor loan arrears, ensuring members repayments are in compliance with their Credit Agreements. We are pleased to report that the vast majority of members are keeping to their agreed repayments, and that the month on month decrease in the number and amounts of loans in arrears has continued throughout the year.

Trend of Gross Loans in Arrears



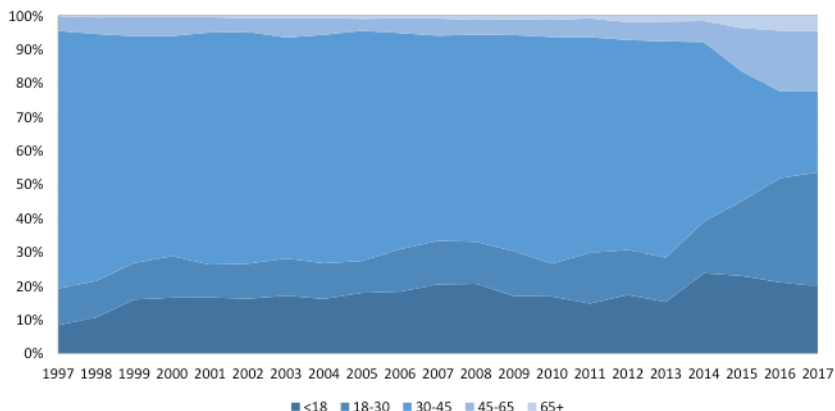
Once again we are appealing to members who find themselves in financial difficulties to contact the office immediately. Core Credit Union is committed to assisting members in genuine financial difficulties. The Credit Control Committee meet monthly during the year. In addition to monitoring loan accounts, monthly reports and recommendations were made to the Board of Directors. Recommendations were made in relation to accounts where debt collection agencies and legal advisors were required in order to recover outstanding debts.

With the introduction of the Central Credit Register this year, we would like to remind members that the Register will process data on loans existing on 30th June 2017 and new loans issued after that date, this information will be updated monthly to maintain an accurate and up to date credit report for each borrower. Missed repayments can affect your Credit Rating and therefore your ability to access credit in the future from all Financial Institutions.

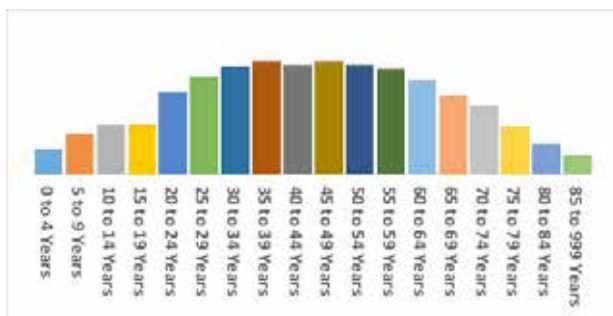
We would like to thank the Board of Directors, the Management Team and Staff for their support and dedicated hard work over the past year.

REPORT OF THE MEMBERSHIP COMMITTEE

Membership of Core Credit Union continues to grow with 1,778 members joining this year which is comparable to 2016 when 1,795 joined.



The graph above illustrates the profile of new joiners over the past 20 years. Over the past four years we have seen a remarkable shift in the age profile of members joining which will strengthen us into the future. As we transition and develop Core Credit Union's services, we hope we'll attract people who previously felt the credit union was not as relevant to them. We are confident that as we continue to grow our services this trend will continue.



Overall, the membership of Core Credit Union is continuing to look extremely healthy. The bar graph above outlines the split of our overall membership by age.

Membership Breakdown

	30/09/17	30/09/16
Adult	30,591	30,041
Juvenile (Under 16)	2,665	2,452
Groups	61	79
	33,317	32,662

M3 Money Club

We are delighted to announce that the M3 Money Club continues to grow in popularity. The scheme encourages primary school children to develop a savings habit and is available to all schools within the common bond. If you would like to see your child's school provide the scheme, please contact Core Credit Union.

INSURANCE REPORT

A key and important benefit for Members is Loan Protection and Life Savings insurance. The former provides repayment of the outstanding debt in the event of the death of the Member and the latter pays a benefit relating to the value of the shares held at the date of the death. This cover is arranged with ECCU Assurance Company Limited, a subsidiary of the Irish League of Credit Unions.

Further, additional life cover is provided for Members through the Death Benefit Insurance.

These covers are provided free of charge to you, our Members, with the premiums payable to ECCU Assurance Company Limited included in the running costs of the Credit Union.

The table below shows the claims history processed last year: 30/09/2017

	No.	€
Claims Received		
Loan Protection Insurance	41	109,243
Life Savings Insurance	153	290,482
Death Benefit Insurance	147	<u>240,500</u>
Total Claims Received		640,225
Total Premiums Paid		<u>864,122</u>
Excess of Premiums over Claims		223,897

IMPORTANT CHANGES

The benefit payable under the Death Benefit Insurance is €1,300. By 31st December 2017 Members must have a minimum of €350 in their account to be eligible for this insurance, increasing to €500 by 31st December 2018.

REPORT OF THE RISK, COMPLIANCE & AUDIT COMMITTEE

The role of the Risk Compliance and Audit committee is to assist the board in carrying out its statutory and regulatory obligations through its Risk Management, Compliance and Internal Audit Function.

Risk and Compliance

The Risk and Compliance Officer has responsibility for the day to day management of Risk and Compliance. We have upgraded our Risk Management system and this will help the Board to identify Risks as they occur and ensure there are controls in place to mitigate those risks. Each and every year the board agrees a compliance plan and is required to submit an Annual Compliance Statement to the Central Bank.

Internal Audit

Core Credit Union appointed an external firm of auditors Grant Thornton for 2017 to complete the internal audit. They worked to a board approved plan which included 4 reviews a year, they responded their findings directly to the board after each review. The Risk, Compliance and Audit Committee is satisfied that Grant Thornton carried out their audits with complete independence.

The committee wish to express thanks to the staff and Management of Core Credit Union in assisting the committee in carrying out its function.

I also wish to thank all the members of the committee for their hard work and dedication during the year.

Deirdre Keane
Chairperson

NOMINATION COMMITTEE REPORT/NOTICE OF ELECTIONS

It has been a busy year for the Nominating Committee but also a successful one as can be seen by the current directors and members of the Oversight Committee.

Three directors have resigned due to work commitments during the year, as has one member of the Oversight Committee. These vacancies have been filled by new volunteers, sourced by this committee, who were co-opted by the board and are now up for election at this AGM: Deirdre Keane, Elaine Hughes, and Cillian Doyle for the board and for the Oversight Committee.

There is a broad range of skills that make for a dynamic group of people around the table from areas such as finance, business, human resource, and plenty of common sense so with an eye to future vacancies, we would be delighted to hear from you during the coming year.

Mary Burnham - Chairperson

Arthur Deignan – Secretary

Deirdre Keane

CANDIDATES FOR ELECTION

BOARD OVERSIGHT COMMITTEE NOMINEE



Arthur Duignan

Arthur joined the board of Shankill Ballybrack in 2010 and has served terms as Treasurer, Honorary Secretary and on various committees and work groups. He works in a national arts organisation, Create, with responsibility for finance and governance. As a volunteer, he has been on the boards of other social economy and arts organisations and was a member of the government Taskforce for Active Citizenship.

BOARD OF DIRECTORS NOMINEES



Cormac Becton

Cormac Becton comes originally from Sallynoggin, but moved to Shankill to raise a family of six children with his wife, Pat. He has dedicated his time and energy to community works, be it Meals on Wheels, the Irish Wheelchair Association or as a member of the Irish United Nations Veterans Association. Cormac is very much looking forward to volunteering with Core Credit Union Ltd and will be up for election to the board at the AGM.



Alan Guerins

Alan is married to Laura and has lived in Cabinteely for 33 years. A father of 3 grown up children, Alan is a very active squash player - as often as time permits. He is Chairperson of a large Residents Association and has a great personal interest in local planning matters. He has a busy career involved in the advertising marketing industry. He manages a digital media company working with a variety of private, semi-private and Government Agencies.



Siobhán Hackett

Siobhán has been a member of her local credit union since 2008 and sat on the Oversight Committee in 2014. Earlier this year, Siobhán was co-opted onto the board and is going up for election at the AGM. Education and service are the two guiding principles that drive her in both a work and volunteering capacity such that having gained experience as a health care assistant, Siobhán has gone on to open her own home care company with a strong emphasis on care in the community.



Tony Kirwan

Tony Kirwan, originally from Dalkey, has had a rich and varied career and for the last number of years has run a global network of mid-sized corporate law firms. Tony regards himself as a connector for putting people and projects together and would be delighted to put his skills to good use on behalf of CORE Credit Union. Tony will be going up for election at the AGM for the role of director, and is very much looking forward to using his skills to the benefit of the community.



Siofra Oliver

Siofra Oliver is a HR and Quality Manager for a local engineering company. As a working mother of two she has always been a keen saver and says that 'being part of Core Credit Union would be a fantastic opportunity to immerse myself in the community that I grew up in.' Siofra will be going up for election as a director at the AGM to fill a vacancy and is very much looking forward to the challenge.

MOTIONS FOR ANNUAL GENERAL MEETING

MOTION 1

That this Annual General Meeting approves the deduction of an affiliation fee of €1.48 per adult member.

MOTION 2

From 2018 onwards, Core Credit Union sends the following communications to Members electronically, where an individual Member has consented to receiving communications electronically;

- Notice of the Annual General Meeting and the Annual Report;
- Notice of a Special General Meeting;
- Statements for Members pursuant to Section 130 of the Credit Union Act 1997 (as amended);
- Any such other Notice, Statement, Documentation or Communication where the Board of Directors believe electronic delivery to be expedient.



CORE | CREDIT | UNION
 — STRONGER TOGETHER —

CORE CREDIT UNION LTD

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

Directors' Report

The directors present their report and audited financial statements for the year ended 30 September 2017.

1. Principal Activity

The principal activities of the Credit Union involve receiving funds for members' shares/savings and lending on these funds to members in accordance with legislation and criteria determined by legislation, the Central Bank, the Irish League of Credit Unions and Core Credit Union itself.

2. Statement of Directors' Responsibilities

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 affairs of the Credit Union and of the income and expenditure of the Credit Union for that period. In preparing those financial statements the directors are required to:

1. Select suitable accounting policies (as laid out on pages 27 to 30) and apply them consistently;
2. Make judgements and estimates that are reasonable and prudent;
3. Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Credit Union will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Credit Union and which enables them to ensure that the financial statements comply with the Credit Union Act, 1997 (as amended).

They are also responsible for safeguarding the assets of the Credit Union and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

3. Business Review

Both the level of business and the year-end financial position were satisfactory. The Directors hope to develop and expand the credit union's activities and are confident in its ability to continue into the future.

4. Principal risks and uncertainties

The Credit Union is aware of its principal risks, monitors these constantly and does everything in its power to minimise all risks and to handle prudently those residual risks over which it has little control. The principal areas currently requiring risk management include:

- Decline in loan interest income and loan security risk
- Prudent investment selection to minimise loss of investment income
- The need to increase membership / common bond
- Continuous monitoring of compliance with regulatory and legislative requirements

On behalf of Core Credit Union:

Graham Kavanagh

Martin Whelan

Michael Byrne

Board Oversight Committee

Board of Directors

CEO

Independent Auditor's Report

To the members of Core Credit Union Ltd

Opinion

We have audited the financial statements of Core Credit Union Ltd for the year ended 30 September 2017 which comprise the Income and Expenditure Account, Balance Sheet and the related notes including the Cash Flow Statement. These financial statements have been prepared under the historical cost convention and the accounting policies set out on pages 27 to 30 and the accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland including FRS102 "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 2017 and of its surplus for the year then ended;
- have been properly prepared in accordance with FRS102 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 of 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. We are independent of Core Credit Union in accordance with ethical requirements that are relevant to our audit of the 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 Core 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 which comprises only the Chairperson's Report, Report of the CEO, Directors' Report, Credit Committee's Report, Membership Committee's Report, Risk, Compliance & Audit Committee's Report, Nomination Committee Report, Credit Control Committee Report, Insurance Report and Board Oversight Committee's Report, 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 this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report (continued)

To the members of Core Credit Union Ltd

Opinions 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 we consider necessary for the purposes of our audit. In our opinion, proper books of account have been kept by Core Credit Union. The financial statements are in agreement with the books of account.

In our opinion, the information given in the Directors' Report on page 20 is consistent with the financial statements.

Respective responsibilities

Responsibilities of directors for the financial statements

As described more fully in the Statement of Directors' Responsibilities on page 18 the Credit Union 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 a going concern, disclosing, as applicable, matters relating 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.

As part of an audit in accordance with ISAs (Ireland), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Core Credit Union's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Core Credit Union's ability to continue as going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to

Independent Auditor's Report (continued)

To the members of Core Credit Union Ltd

the date of our auditor's report. However, future events or conditions may cause the Credit Union to cease to continue as going concern.

- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

This report is made solely to the credit union's members, as a body, in accordance with Section 120 of the Credit Union Act, 1997 (as amended). Our audit work has been undertaken so that we might state to the 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.

ACM & A

Chartered Accountants and Registered Auditors

Windsor House

15 Windsor Terrace

Dun Laoghaire

Co. Dublin

Income and Expenditure Account

		year ended 30 September 2017	year ended 30 September 2016
Income	Schedule	€	€
Interest on members loans	Schedule 1	3,473,794	3,002,379
Investment income	Schedule 2	925,163	956,748
		<hr/>	<hr/>
		4,398,957	3,959,127
Other income	Schedule 3	38,630	85,143
		<hr/>	<hr/>
		4,437,587	4,044,270
		<hr/>	<hr/>
Expenditure			
Wages and salaries		1,275,172	1,085,116
Other management expenses	Schedule 4	2,294,533	1,773,009
Depreciation		276,758	239,571
Other losses	Schedule 5	-	497,191
Increase / (decrease) in bad debts provision		161,220	(833,009)
Bad debts recovered		(253,102)	(160,864)
Bad debts written off		225,394	232,864
		<hr/>	<hr/>
		3,979,975	2,833,878
		<hr/>	<hr/>
Surplus for the year		457,612	1,210,392
		<hr/>	<hr/>
Appropriation of surplus			
Add:			
Undistributed surplus from prior year		4,276,680	3,767,945
Additional general reserves arising on transfer of engagements		-	437,650
		<hr/>	<hr/>
Surplus for the year		457,612	1,210,392
		<hr/>	<hr/>
Total		4,734,292	5,415,987
Less:			
Transfer to regulatory reserve		(1,247,149)	(640,000)
Transfer to undistributable investment income reserve		(158,144)	(13,336)
Dividend paid		(137,067)	(352,294)
Loan interest rebate paid		(165,366)	(133,677)
		<hr/>	<hr/>
Undistributed Surplus at 30 September		3,026,566	4,276,680
		<hr/>	<hr/>

On behalf of Core Credit Union:

Graham Kavanagh
Martin Whelan
Michael Byrne

Board Oversight Committee
Board of Directors
CEO

Statement of changes in reserves

For the Financial Year Ended 30 September 2017

	Regulatory reserve €	Operational risk reserve €	General reserve €	Undistributable Investment Income reserves €	Total reserves €
At 1 October 2016	11,854,851	1,132,432	4,276,680	62,361	17,326,324
Surplus for the year	-	-	457,612	-	457,612
Total reserves before transfers	11,854,851	1,132,432	4,734,292	62,361	17,783,936
Transfer of non - distributable reserves from distributable reserves	-	-	(158,144)	158,144	-
Transfer to regulatory reserve	1,247,149	-	(1,247,149)	-	-
Dividend paid	-	-	(137,067)	-	(137,067)
Loan interest rebate paid	-	-	(165,366)	-	(165,366)
At 30 September 2017	13,102,000	1,132,432	3,026,566	220,505	17,481,503

Balance Sheet

As at 30 September 2017

	Notes	30 September 2017	30 September 2016
Assets		€	€
Cash and bank balances		2,867,391	3,836,334
Deposits and investments - cash equivalents	5	19,842,729	15,356,027
Deposits and investments	5	61,232,579	57,901,856
Central Bank minimum reserve fund		862,101	988,729
Loans to members	6	37,802,072	34,595,639
Less: Provision for bad and doubtful debts	11	(1,991,649)	(1,830,429)
Tangible fixed assets	12	3,844,726	4,066,186
Prepayments and accrued income	13	327,502	177,895
Total Assets		124,787,451	115,092,237
Liabilities			
Members' shares	14	105,042,812	95,674,096
Members' stamps	14	2,004,890	1,794,410
Members' budget accounts	14	6,267	3,565
Other liabilities, accruals and charges	15	251,979	293,842
		107,305,948	97,765,913
Net Assets		17,481,503	17,326,324
Represented by:			
Regulatory Reserves			
Regulatory reserve		13,102,000	11,854,851
Operational risk reserve		1,132,432	1,132,432
Total regulatory reserves		14,234,432	12,987,283
Other Reserves			
General reserve		3,026,566	4,276,680
Undistributable investment income reserve		220,505	62,361
Total other reserves		3,247,071	4,339,041
Total reserves		17,481,503	17,326,324

On behalf of Core Credit Union:

Graham Kavanagh

Martin Whelan

Michael Byrne

Board Oversight Committee

Board of Directors

CEO

Notes to the Financial Statements

For the Financial Year Ended 30 September 2017

1. Legal and regulatory framework

These Audited Financial Statements have been prepared in compliance with applicable accounting standards and FRS 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' under the historical cost convention.

1.2. Income 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:

(a) Interest on members' loans

Interest on members' loans is recognised when payment is receivable as specified in Section 110[1] [C][i] of the Credit Union Act, 1997 (as amended) (i.e. on an accruals basis). Loans are carried at amortised cost using the effective interest method.

(b) Investment Income

Investment income is recognised when received or irrevocably receivable. Investments are recognised at amortised cost using the effective interest rate method 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.

1.3. Bad and doubtful debts

Bad debts written off and bad debts recovered are included in the Income and Expenditure Account. Provision for bad debts is made against current loan balances on the basis of a Lending Analytics Software calculation considered prudent by the directors.

1.4. Tangible fixed assets and depreciation

Trading tangible fixed assets are stated at lower of cost or revaluation less accumulated depreciation. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost less residual value of each asset systematically over its expected useful life, as follows:

Commercial premises	-	2% straight line
Fixtures, fittings and equipment	-	20% / 14% straight line
Computer equipment	-	20% / 33.3% straight line

Residential investment property is stated at market value and any revaluation gains/losses are posted to the Income and Expenditure account as they occur.

Residential premises	-	0% straight line
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1.5. Investments

The Credit Union's investments are both basic and complex financial instruments. Basic financial assets are initially measured at the transaction price, including transaction costs, and are subsequently carried at amortised costs using the effective interest method. Complex financial instruments are initially measured at the transaction price, including transaction costs, and are subsequently carried at fair value. The specific investment products held by the Credit Union are accounted for as follows:

Basic Financial Instruments

(i) Bank deposits and 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.

Notes to the Financial Statements (continued)

For the Financial Year Ended 30 September 2017

(ii) Bank Bonds and Government Bonds

These are valued at the amortised cost using the effective interest rate less impairment. Investments which are capital guaranteed are valued at cost plus accrued income, with the exception of the following:

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

Interest income is recognised as accrued on bonds. Any bonus maturity interest is recognised over the life of the bond as the Board are satisfied that the Credit Union holds sufficient liquid reserves to ensure that these bonds will be held to maturity.

(iii) 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. The amounts are stated at the amount deposited plus accrued income and are not subject to impairment reviews.

1.6. Investments (continued)

Complex Financial Instruments

(i) Investments with no capital guarantee

The Credit Union has one investment product with Investec Bank plc where 100% of the capital will be returned at maturity, provided there has not been a credit event affecting Investec Bank plc or the Basket of European banks including Commerzbank AG, Societe Generale SA, Credit Agricole SA, and The Royal Bank of Scotland plc.

The Credit Union also holds a Bank of Ireland European Combination Bond; €500,000 of this is a structured deposit where 100% of the capital will be returned at maturity, provided the EuroSTOXX does not fall by greater than 30%.

These investments are the only complex financial instruments held by the Credit Union and are valued at fair value i.e. current market value price. The current market value of the investments show no impairment loss at the year end.

1.7. Reserves

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 per cent of the assets of the credit union. This Reserve is to be perpetual in nature, freely available to absorb losses, and made up of realised retained earnings that are unrestricted and non-distributable.

Operational Risk Reserve

Section 45(5)(a) of the Credit Union Act, 1997 (as amended) requires each credit union to maintain an additional reserve 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

Notes to the Financial Statements (continued)

For the Financial Year Ended 30 September 2017

requirements of the Act and have considered an approach to the calculation of the operational risk reserve. Core Credit Union Limited uses the Basic Indicator Approach as set out in the operational risk measurement techniques proposed under Basel II capital adequacy rules for banking institutions in calculating the Operational Risk Reserve. Therefore Core Credit Union Ltd will hold an Operational Risk Reserve which will at a minimum, equal 15% of the average gross income for the previous three years.

Other Reserves

Other reserves are the accumulated surpluses to date that have not been declared as dividend returnable to members. The Other Reserves 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, Investment income that has been recognised but will not be received within 12 months of the balance sheet date is classified as 'unrealised' and is not distributable. A reclassification between unrealised and realised is made as investments come to within 12 months of maturity date. All other income is classified as 'realised'.

1.8. Judgements in applying accounting policies and key course of estimation uncertainty

The preparation of financial statements in compliance with FRS102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Credit Union's accounting policies. The items in the financial statements where these judgement and estimates have been made include:

Determination of depreciation, useful economic life and residual value of tangible fixed assets
The annual depreciation charge depends primarily on the estimated lives of each type of asset and, in certain circumstances, estimates of residual values. The directors regularly review these useful lives and change them if necessary to reflect current conditions. In determining these useful lives management consider technological change, patterns of consumption, physical condition and expected economic utilisation of the assets. Changes in the useful lives can have a significant impact on the depreciation charge for the financial year.

Impairment of buildings

The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable. In that event, an impairment loss is recognised as the difference between the carrying amount and the asset's market value. The impairment charge, if applicable, is charged to the Income and Expenditure Account in the period in which the related events or changes in circumstances occur.

Bad debt provision

Core Credit Union Ltd assesses if there is objective evidence that any of its loans are impaired with due consideration of environmental factors. 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 there is objective evidence that any individual loan is impaired, a specific loss will be recognised. Bad debt provisioning is monitored by the Credit Union, and the Credit Union assesses and approves its provisions and the adequacy of same on a quarterly basis.

Any bad debts / impairment losses are recognised in the Income and Expenditure Account.

Notes to the Financial Statements (continued)

For the Financial Year Ended 30 September 2017

1.9. Judgements in applying accounting policies and key course of estimation uncertainty (continued..)

Core Credit Union Ltd has identified two categories for assessing impairment losses on loans. These are Top 100 Loans and All Other Loans.

Each loan in the Top 100 loans is individually assessed. Credit risk is identified, assessed and measured through an assessment of the performance of the loan and any risk factors identified including climbing loan balances, high repayments, high debt to income ratio and employment status of borrower.

Core Credit Union Ltd uses Lending Analytics Software to calculate the statistical baseline for that part of its loan provision that is assessed on a collective grouped basis for loans which are not included in the Top 100 loans. The Lending Analytics Software employs a methodology that analyses the movement in arrears of all loans in each such group over the preceding 12 months. By taking into account the Credit Unions historical net recoveries on written-off loans, the Lending Analytics Software uses the results of its analysis to compute a Loss Given Default (LGD) projection for each loan in the group. Based on each loans' percentage of completion and number of months in arrears, its projected LGD is back-allocated to calculate the degree to which it is impaired. The sum of those individual impairments is the baseline provision for that group of loans.

1.10. Pensions

The Credit Union operates a defined contribution pension scheme. The cost of pension contributions in the period were €35,560 (2016: €34,430)

Notes to the Financial Statements (continued)

For the Financial Year Ended 30 September 2017

Cashflow Statement

	Notes	year ended 30 September 2017	year ended 30 September 2016
Opening cash and cash equivalents		20,181,090	18,349,458
Cash and cash equivalents introduced from transfer of engagements	7	-	12,431,165
		<u>20,181,090</u>	<u>30,780,623</u>
Cash flows from operating activities			
Members' loans repaid		20,670,351	17,930,124
Members' loans granted		(24,102,176)	(20,417,728)
Members' loan interest received		3,473,794	3,002,379
Investment interest received		925,163	956,748
Bad debts recovered		253,102	160,864
Dividend paid		(88,982)	(221,602)
Taxation paid		(48,085)	(130,692)
Rebate paid		(165,366)	(133,677)
Operating expenses		<u>(3,569,706)</u>	<u>(2,858,127)</u>
Net cash flows from operating activities		<u>(2,651,905)</u>	<u>(1,711,711)</u>
Cash flows from investing activities			
Fixed assets purchased		(55,298)	(403,322)
Net cash flow from other investing activities		<u>(3,330,723)</u>	<u>(16,496,406)</u>
Net cash flows from investing activities		<u>(3,386,021)</u>	<u>(16,899,728)</u>
Cash flows from financing activities			
Members' shares issued		44,033,332	36,803,285
Members' shares withdrawn		<u>(34,664,616)</u>	<u>(29,140,013)</u>
Net cash flow from financing activities		<u>9,368,716</u>	<u>7,663,272</u>
Other receipts			
Other receipts		38,630	85,143
Members' stamps issued		4,089,294	2,865,610
Members' budget receipts		94,918	85,373
Increase in prepayments and accrued interest		<u>(149,607)</u>	<u>(44,699)</u>
Net other receipts		<u>4,073,235</u>	<u>2,991,427</u>
Other disbursements			
Members' stamps withdrawn		(3,878,814)	(2,561,243)
Members' budget withdrawals		(92,216)	(85,996)
Increase / (Decrease) in other liabilities and accruals		<u>(41,864)</u>	<u>4,446</u>
Net other disbursements		<u>(4,012,894)</u>	<u>(2,642,793)</u>
Closing cash and cash equivalents	7	<u>23,572,221</u>	<u>20,181,090</u>

Notes to the Financial Statements (continued)

For the Financial Year Ended 30 September 2017

3. Key Management Personnel Compensation

	year ended 30 September 2017	year ended 30 September 2016
Short term employee benefits	371,377	312,781
Payments to pension schemes	<u>23,953</u>	<u>20,712</u>
	<u>395,330</u>	<u>333,493</u>

4. Proposed Dividends and Loan Interest Rebate

	30 September 2017 €	30 September 2016 €
The Directors recommend the following distributions:		
Dividend on shares at 0.15% (2016: 0.15%)	150,930	137,530
Loan Interest rebate at 0% (2016: 5%)	<u>-</u>	<u>154,051</u>
	<u>150,930</u>	<u>291,581</u>

Under FRS102 the proposed amounts do not appear in the financial statements except by way of note.

Dividends are paid out of the distributable surplus for the year. The Dividend and the Loan Interest Rebate are set at rates calculated to provide an adequate return on savings and loan interest while retaining reserves in the credit union to ensure future viability.

Notes to the Financial Statements (continued)

For the Financial Year Ended 30 September 2017

5. Deposits and Investments

	30 September 2017	30 September 2016
	€	€
Government bonds	1,039,999	1,625,415
Bank deposits	52,382,061	45,836,863
Bank bonds	26,889,695	25,032,089
Other investments	763,553	763,516
	<u>81,075,308</u>	<u>73,257,883</u>
Categories of Investments		
Basic Financial Investments	79,811,755	71,994,367
Complex Financial Investments	1,263,553	1,263,516
	<u>81,075,308</u>	<u>73,257,883</u>
Maturity Analysis of Investments		
	€	€
On demand	8,023,103	3,814,182
1 - 7 days	3,000,102	-
7 - 31 days	2,256,910	3,654,264
1 - 3 months	6,562,614	7,887,581
	<u>19,842,729</u>	<u>15,356,027</u>
Investments - cash and cash equivalents		
3 - 12 months	8,008,535	2,479,472
12 - 60 months	30,209,524	31,323,880
Greater than 60 months	23,014,520	24,098,504
	<u>61,232,579</u>	<u>57,901,856</u>
Investments - other		
Total	<u>81,075,308</u>	<u>73,257,883</u>

Deposits and investments are stated in line with the accounting policies as set out in Note 1.

6. Credit Risk

Core Credit Union Ltd offers Home loans. However the majority of all loans to members are unsecured, except that there are restrictions on the extent to which borrowers may withdraw their savings whilst loans are outstanding. Individual members may borrow up to €75,000 unsecured and €200,000 secured.

The Credit Union complies with Section 12 of the Credit Union Act, 1997 (Regulatory Requirements) Regulations 2016. This Regulation:

- restricts the concentration of lending by the Credit Union within certain sectors or to connected persons or groups (concentration limits);
- restricts the absolute amount of lending to certain sectors to set percentages of the regulatory reserve (large exposure limited);
- restricts the loan duration of certain loans to specified limits (maturity limits);
- requires specified lending practices to be in place where loans are made to certain sectors such as commercial loans, community loans or loans to another Credit Union.

The carrying amount of the loans to members represents Core Credit Union Ltd's maximum exposure to credit risk. The following is the relevant 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.

Notes to the Financial Statements (continued)

For the Financial Year Ended 30 September 2017

6. Credit Risk (continued)

	30 September 2017		30 September 2016	
	€	%	€	%
Total loans not impaired	<u>28,357,736</u>	75.01	<u>25,950,182</u>	75.01
Impaired loans				
Up to 9 weeks past due	6,451,637	17.07	5,290,309	15.29
Between 10 and 18 weeks past due	657,913	1.74	705,205	2.04
Between 19 and 26 weeks past due	223,054	0.59	384,824	1.11
Between 27 and 39 weeks past due	385,114	1.02	317,279	0.92
Between 40 and 52 weeks past due	264,900	0.70	199,262	0.58
53 or more weeks past due	<u>1,461,718</u>	3.87	<u>1,748,578</u>	5.05
Total impaired loans	<u>9,444,336</u>	24.99	<u>8,645,457</u>	24.99
Total loans	<u>37,802,072</u>	100	<u>34,595,639</u>	100

7. Cash and cash equivalents

	30 September 2017	30 September 2016
	€	€
Bank balances and cash	2,867,391	3,836,334
Deposits and investments - cash equivalents	19,842,729	15,356,027
Central Bank deposits	<u>862,101</u>	<u>988,729</u>
Total cash and cash equivalents	<u>23,572,221</u>	<u>20,181,090</u>

Cash and cash equivalents comprise cash on hand and Deposits and Investments with a maturity of less than or equal to three months.

8. Movement in loans during the year

	30 September 2017	30 September 2016
	€	€
Opening Loan Balance 1 October	34,595,639	27,159,332
Loans arising from transfer of engagements/amalgamations	-	5,181,567
Loans granted during the year	24,102,178	20,417,728
Loans repaid during the year	(20,670,351)	(17,932,124)
Loans written off during the year	<u>(225,394)</u>	<u>(232,864)</u>
Closing loan balance 30 September	<u>37,802,072</u>	<u>34,595,639</u>

Notes to the Financial Statements (continued)

For the Financial Year Ended 30 September 2017

9. Analysis of gross loans outstanding

By Time Period	No. of loans	Amount €	By Amount	No. of loans	Amount €
Less than 1 year	3,208	4,555,379	€0 to €500	1,142	314,959
>1 year and < 3 years	3,101	14,699,697	€501 to €2,000	2,004	2,362,473
> 3 years and < 5 years	1,479	14,344,920	€2,001 to €5,000	2,268	7,651,265
> 5 years and < 10 years	108	2,748,773	€5,001 to €10,000	1,576	11,231,636
> 10 years and < 25 years	23	1,453,303	€10,001 to €15,000	533	6,443,853
			€15,001 to €25,000	298	5,448,573
			€25,001 to €50,000	74	2,499,419
			€50,001 to €100,000	19	1,199,717
			€100,001 to €250,000	5	650,177
	<u>7,919</u>	<u>37,802,072</u>		<u>7,919</u>	<u>37,802,072</u>

Loans advanced to members during the year

By Time Period	No. of loans	Amount €	By Amount	No. of loans	Amount €
Less than 1 year	3,097	3,257,770	€0 to €500	1,224	472,552
>1 year and < 3 years	3,033	8,465,238	€501 to €2,000	3,630	4,247,420
> 3 years and < 5 years	1,560	9,728,584	€2,001 to €5,000	1,841	6,487,891
> 5 years and < 10 years	114	1,913,584	€5,001 to €10,000	768	5,949,477
> 10 years and < 25 years	12	737,000	€10,001 to €15,000	188	2,466,065
			€15,001 to €25,000	119	2,344,135
			€25,001 to €50,000	35	1,247,500
			€50,001 to €100,000	9	617,136
			€100,001 to €250,000	2	270,000
	<u>7,816</u>	<u>24,102,176</u>		<u>7,816</u>	<u>24,102,176</u>

10. Rates of Interest Charged on Members Loans as at 30 September 2017

	Rate %	APR %
General loans	10.44	11
Promotional loans	7.9	8.2
Loans within shares	6.5	6.71
Education loans	6.5	6.71
First charge loans	5	5.12

Notes to the Financial Statements (continued)

For the Financial Year Ended 30 September 2017

11. Provision for bad and doubtful debts

	30 September 2017 €	30 September 2016 €
Opening balance 1 October	1,830,429	2,250,596
Provisions arising from transfer of engagements	-	412,842
Net movement for loans currently outstanding	386,614	(658,009)
Decrease as a result of loan write-offs previously provided for	(225,394)	(175,000)
Closing balance 30 September	1,991,649	1,830,429
Breakdown of closing provision balance		
	€	€
Individually significant loans	105,978	28,567
Collectively assessed loans	1,885,671	1,666,888
Other impaired loans	-	134,974
	1,991,649	1,830,429

12. Tangible fixed assets

	Premises €	Fixtures, Fittings & Fittings €	Computer Equipment €	Total €
COST				
At 1 October 2016	4,854,223	761,427	299,988	5,915,638
Additions	-	45,744	9,554	55,298
At 30 September 2017	4,854,223	807,171	309,542	5,970,936
Depreciation				
At 1 October 2016	1,326,431	347,022	175,999	1,849,452
Charge for the year	91,934	112,102	72,722	276,758
At 30 September 2017	1,418,365	459,124	248,721	2,126,210
Net book values				
At 30 September 2016	3,527,792	414,405	123,989	4,066,186
At 30 September 2017	3,435,858	348,047	60,821	3,844,726

The directors engaged QRE, Estate Agents, to value the Shankill premises. The current market value at 11 November 2016 based upon this valuation is €665,000.

The directors engaged QRE, Estate Agents, to value the Ballybrack premises. The current market value at 11 November 2016 based upon this valuation is €480,000 which is in excess of the current Net Book Value.

The directors engaged Mason Owen & Lyons, Estate Agents, to value the Dalkey premises. The current market value at 9 December 2013 based upon this valuation is €425,000 which is in excess of the current Net Book Value.

Notes to the Financial Statements (continued)

For the Financial Year Ended 30 September 2017

12. Tangible fixed assets (continued)

The directors engaged Tom O'Higgins, Estate Agents, to value the Sallynoggin premises. The current market value at 17 October 2013 based upon this valuation is €380,000 which is in excess of the current Net Book Value.

The directors engaged Lisney, Estate Agents, to value the Dun Laoghaire premises. The current market value at 5 February 2015 based upon this valuation is €1,450,000 which equates to the value the premises recognised in the financial statements at the merger date.

The directors engaged Downey Property, Estate Agents, to value the Carrickbrennan premises. The current market value at 14 March 2016 based upon this valuation is €580,000 which is in excess of the Net Book Value at the merger date.

The directors have agreed to leave the valuations at the current Net Book Value and not to recognise the revaluation gains.

13. Prepayments and accrued income

	30 September 2017	30 September 2016
	€	€
Loan interest receivable	95,359	85,462
Investment income receivable	684,825	481,479
Prepayments	232,143	92,433
	<u>1,012,327</u>	<u>659,374</u>
Disclosed as follows:		
Prepayments	327,502	177,895
Deposits and Investments	684,825	481,479
	<u>1,012,327</u>	<u>659,374</u>

14. Members' shares, stamps and budget accounts

	Savings value		Number of members	
	Amount €	%	Number	%
< €10,000	48,967,277	45.74	30,650	92.03
€10,001 to €30,000	34,874,372	32.58	2,178	6.54
€30,001 to €50,000	11,819,027	11.04	311	0.93
€50,001 to €70,000	5,965,029	5.57	102	0.31
€70,001 to €100,000	5,428,264	5.07	63	0.19
	<u>107,053,969</u>	<u>100</u>	<u>33,304</u>	<u>100</u>

Notes to the Financial Statements (continued)

For the Financial Year Ended 30 September 2017

15 Other liabilities, accruals and charges

	30 September 2017	30 September 2016
	€	€
Other creditors and accruals	251,883	293,746
DIRT	96	96
	<u>251,979</u>	<u>293,842</u>

16. Related party transactions

The following are the related party transactions with directors and officers, which require disclosure under Financial Reporting Standard 102:-

	30 September 2017
	€
Loan Balances	<u>411,513</u>
Share Balances	<u>427,276</u>
Stamp Balances	<u>36,532</u>

Loans of €156,690 were granted to directors and officers during the year.

The following balances relate to the relatives of directors and officers (same household only) :

Loan Balances	<u>22,598</u>
Share Balances	<u>23,897</u>

Loans of €4,300 were granted to the relatives of directors and officers during the year.

17. Financial Risk Management

The main financial risk arising from Core Credit Union Ltd's activities are credit risk, market risk, liquidity risk and interest rate risk. The Board of Directors 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 Core Credit Union Ltd, resulting in financial loss to the Credit Union. In order to manage this risk the Board of Directors approves Core Credit Union Ltd's Credit Policy, and all changes to it. All loan applications are assessed with reference to the Credit Policy in force at the time. Subsequent loans are regularly reviewed for any factors that may indicate that the likelihood of repayments has changed.

Market Risk

Market risk generally comprises interest rate risk, currency risk and other price risk. Core Credit Union Ltd conducts all its transactions in Euro and does not deal in derivatives or commodity markets. Therefore Core Credit Union Ltd is not exposed to any form of currency risk or other price risk.

Notes to the Financial Statements (continued)

For the Financial Year Ended 30 September 2017

17. Financial Risk Management (continued.)

Liquidity Risk

Core Credit Union Ltd'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 objective of the Credit Union's Liquidity Policy is to smooth the mismatches between maturing assets and liabilities and to provide a degree of protection against any unexpected developments that may arise.

All Core Credit Union Ltd's financial liabilities are repayable on demand with the exception of pledged Shares. The Credit Union retains, at all times, liquid assets amounting to a minimum of 20% of unattached shares.

Interest Rate Risk

Core Credit Union Ltd's main interest rate risk arises from adverse movements in interest rates receivable which would affect investment income. 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.

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

	€	2017 Average Interest Rate %	€	2016 Average Interest Rate %
Loans	37,802,072	9.80	34,595,639	9.80

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.

18. Insurance against fraud

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

19. Approval of Financial Statements

The Financial Statements were approved by the directors on 24/10/2017.

Schedules to the Income and Expenditure Account

For the Financial Year Ended 30 September 2017

Schedule 1 – Interest on Members' Loans

	year ended 30 September 2017 €	year ended 30 September 2016 €
Loan interest income received	3,378,435	2,916,917
Loan interest accrued	95,359	85,462
	<u>3,473,794</u>	<u>3,002,379</u>

Schedule 2 – Investment Income

	year ended 30 September 2017 €	year ended 30 September 2016 €
Investment income		
Investment income received	240,338	475,269
Investment income receivable with 12 months	526,681	468,143
Other investment income	158,144	13,336
	<u>925,163</u>	<u>956,748</u>

Schedule 3 – Other Income

	year ended 30 September 2017 €	year ended 30 September 2016 €
Fees	1,435	1,223
Interest on budget accounts	873	767
Other income	9,895	1,983
Commission	7,267	6,470
Charges and fees recovered	290	238
Rental income	18,870	26,335
ECCU claims experience refund	-	48,127
	<u>38,630</u>	<u>85,143</u>

Schedules to the Income and Expenditure Account

For the Financial Year Ended 30 September 2017

Schedule 4 – Other Management Expenses

	year ended 30 September 2017 €	year ended 30 September 2016 €
LP/LS insurance	574,244	442,058
SPS contributions	43,810	9,193
Pension costs	35,560	34,430
Affiliation fees	4,822	10,816
Central Bank and other levies	308,561	88,620
Subscriptions	17,200	7,792
HR fees	985	-
Audit & accountancy	17,528	19,065
Light & heat	35,715	27,429
Rates	120,530	81,872
I.L.C.U. convention	1,051	2,118
Printing & stationery	45,347	52,175
Repairs and maintenance	60,368	31,767
Computer maintenance	250,705	178,152
Board Oversight Committee expenses	1,263	1,584
AGM expenses	33,341	31,042
Canteen & cleaning	25,736	22,989
Restructuring costs	-	58,385
Telephone & postage	44,052	27,292
General insurance	46,701	37,134
Entertainment	4,847	3,794
Legal and professional fees	192,529	162,569
Travel expenses	7,766	7,168
Promotion and advertising	69,662	63,866
Donations & sponsorship	9,549	27,214
DBI insurance	266,330	275,203
Bank charges	20,192	17,914
Education & publicity	14,118	10,152
Sepa charges	30,881	25,629
Sundry	11,140	15,587
	<u>2,294,533</u>	<u>1,773,009</u>

Schedule 5 – Other Losses

	year ended 30 September 2017 €	year ended 30 September 2016 €
Impairment on freehold property	-	497,191

Notes

CHRISTMAS OPENING HOURS



CORE CREDIT UNION
—STRONGER TOGETHER—



CHRISTMAS OPENING HOURS

OFFICE	Wednesday 27th Dec '17	Thursday 28th Dec '17	Friday 29th Dec '17	Saturday 30th Dec '17
BALLYBRACK	CLOSED	Open	Open	Open
CARRICKBRENNAN	CLOSED	Open	Open	Open
DALKEY	CLOSED	CLOSED	CLOSED	Open
DUN LAOGHAIRE	CLOSED	Open	Open	Open
FOXROCK	CLOSED	CLOSED	CLOSED	Open
SALLYNOGGIN	CLOSED	Open	Open	Open
SHANKILL	CLOSED	Open	Open	Open



Terms and Conditions apply. Loans are subject to approval.

Core Credit Union Ltd. is regulated by the Central Bank of Ireland. Reg. No. 225CU. E&OE.

Why choose Core Credit Union

LOCAL

- Largest Office Network in Dún Laoghaire
- €500 Million lent to Members in the past 20 years
- Opening hours tailored to suit your needs in 7 Offices
- Full range of Online Services

SUSTAINABLE

- Ethically based financial co-operative
- No cost to the Tax Payer
- Donations to 250 local societies and charities in the last 5 years
- All profits reinvested in our community

OWNERSHIP

- Owned and Controlled by the Members
- Serving the community for 50 years
- Committed to personal service and building relationships
- Improving lives of our community



CORE | CREDIT | UNION
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