

# Annual Report 2020



CORE | CREDIT | UNION  
— STRONGER TOGETHER —

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### Auditors:

**Grant Thornton,**  
Mill House, Henry Street, Limerick.

### Solicitors:

Maurice O'Callaghan,  
O'Callaghan Legal, Mounttown House, 62-63 Mounttown Road Lower,  
Dún 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, and any intervening special general meeting.
5. Chairperson's Report.
6. Report of the CEO, including the
  - Report of the Credit Committee
  - Report of the Credit Control Committee
  - Report of the Membership Committee
7. Report of the auditor.
8. Consideration of accounts.
9. Report of the Board Oversight Committee
10. Declaration of dividend and interest rebate (if any).
11. Report of the Risk, Audit & Compliance Committee.
12. Report of the Insurance Officer.
13. Report of the Nomination Committee
14. Appointment of Tellers.
15. Election of Auditor.
16. Election to fill vacancies on the Board Oversight Committee.
17. Election to fill vacancies on the Board of Directors.
18. Motions (Rule Change)
19. Attendees prize draw
20. Announcement of election results
21. AOB
22. Adjournment or close of meeting

**Please note all voting will be carried out online during the course of the meeting.**

## Notice of Elections

**Elections will be held to fill the following vacancies:**

- The Position of Auditor
- 2 vacancies on the Board Oversight Committee
- 7 vacancies on the Board of Directors

# Standing Orders

## 1. Voting

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

Due to the fact that this year's AGM will be a virtual meeting, voting on motions and elections will be by electronic means.

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. Election Procedure

### ELECTRONIC VOTING

When nominations are announced tellers shall be appointed by the Chair and voting procedures and instructions shall be communicated to attendees. The mechanics of the virtual voting process (circulated to registered attendees) will be explained in detail at the AGM by the Chair. Elections shall be in the following order:

- (a) Election of auditor;
- (b) Election for membership of the board of directors; and
- (c) Election for membership of the board oversight committee.

When the votes have been counted by the tellers, the results shall be announced by the Chair.

## 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, the 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 the motion and must do so through the Chair. All speakers to the motion shall have such time as shall be at the discretion of the Chair.

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

10. The Chair of the Credit Union 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. The Chair shall have a second or casting vote in addition to his/her own vote on matters other than voting at elections where there is an equality of votes (Standard Rule 99(1)).

15. Any matter to be decided upon by a vote at the AGM shall, unless otherwise expressly provided for by law or the rules be decided upon by majority vote.

## 16. Suspension of Standing Orders

Any one of these 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) and the provisions concerning notice, voting and quorum are also set out in section 81 and the new section 80A inserted by the Finance (Miscellaneous Provisions) Bill 2020).

## Board of Directors



### Elizabeth Harpur (Chair)

Elizabeth Harpur has been Chair of Core Credit Union since December 2017 and will retire from this position at the next AGM. A former staff member of Shankill Ballybrack Credit Union, Elizabeth is an experienced director having been a member of the Board of Directors since 2012. She has held roles including Vice-Chair and Secretary as well as being a member of several committees, such as Credit, Property and Remuneration. A Fellow of the Institute of Accounting Technicians of Ireland, Elizabeth also holds a Diploma in Credit Union Governance. Her personal interests include painting, travel and Formula 1.



### Elaine Hughes (Vice-Chair)

Elaine Hughes MSc. MA., has been a member of her local credit union for 20+ years. Over the last 4 years Elaine has brought her extensive experience of successful project management across a wide spectrum of disciplines to the board room and committees of Core Credit Union. Elaine has recently been awarded a Certificate in Company Direction further equipping her with invaluable business acumen. In her spare time, Elaine enjoys participating in local initiatives supported by Core, in particular family events which appeal to her two young sons.



### John O'Reilly (Secretary)

John brings a wealth of experience in the Credit Union movement to the Board. He has previously volunteered at Army Naval Service Air Corps Credit Union (ANSAC); holding positions of Membership Officer, Insurance Officer, Chair of Internal Audit, Chair of Risk and Compliance Committees, Chairperson of the Board. He has a degree in Credit Union Business from University College Cork. John is the owner operator of Flying Monty Solutions.



### Alan Guerins

Alan has been on the Board of Core Credit Union for nearly three years, he and his family are all active long time members of the Credit Union. He has extensive experience in the Advertising industry holding various senior positions, currently he is the owner of a Digital Display Company. Alan has a strong business and social acumen and is involved in various local community projects. In Core Credit Union he is the Chairperson of the Nomination Committee and is also a member of the Investment and Property Committees.



### Mary O'Riordan

Mary enjoyed her time working in the restaurant business but took time out to retrain as an Accountant. She began working as an accounts payable clerk for a local business in 2010 and since that period she has advanced to Management Accountant. Mary has been a long-time credit union member, she has a keen eye for detail and is a great addition to the team of volunteers on the board at Core Credit Union.



### Oliver Whelan

Oliver Whelan has been a long time Member of the Credit Union and was co-opted on to the Board of Core Credit Union during the year. He is currently a Senior Lecturer at the National College of Art and Design. Oliver is an experienced Lecturer with a demonstrated history of working in the design industry.

## Board of Directors (Continued)



### Michael Thomas

Michael Thomas is originally from Sallynoggin and has been a long-standing Member of the Credit Union for over 30 years.



### Paula O'Toole

Paula has been a Member of the Credit Union for over 20 years. After acquiring her BA Hons Business Degree Paula went travelling and, on her return, she entered her family business, Country Bake. Running the business alongside her mother for the last number of years Paula has gained valuable experience in management. Their customer-centred approach has generated a strong customer loyalty in return. Country Bake has been a huge part of the community in Dalkey for the past 33 years.



### Edel Churchill

Edel Churchill worked for over a decade internationally as a community frontline healthcare worker before retraining in marketing and taking up business operational roles upon her return to Ireland. As a long-time supporter of the Credit Union movement, Edel joined the board of Core Credit Union to share her skills and give back to her local community. She looks forward to supporting and contributing to the continued development of Core Credit Union. Edel holds qualifications in Credit Union Legislation & Regulation and Anti-Money Laundering.



### Anne Marie Murtagh

Anne Marie has over 20 years' experience in the Banking & Motor Industry sectors. Her banking career has spanned IT, International payments and day to day Branch Operations. She is currently involved with the Society of The Motor Industry, working with the Independent sector. She has vast experience working with dispute resolution. She is passionate about issues that affect her local community. Anne Marie balances a busy work & home life with her 6 children.



### Susan Birmingham

Susan has been a Member of her local Credit Union for nearly 35 years and was co-opted onto the Board of Core Credit Union in the summer of 2020. Susan has extensive banking experience and over the past 30 years has worked with Bank of Scotland (formerly ICC Bank) and Bank of Ireland. Susan is a Qualified Financial Advisor.

# Board Oversight Committee



## Lia Downer

Lia and her family are long standing members of the Credit Union. She joined the Board Oversight Committee in summer 2020. A project management professional with a degree in Business and Law, Lia has worked in a variety of industries including media, publishing, and software. Having recently returned home to Shankill after living in Canada, Lia wanted to use her skills to contribute to the community in a meaningful way. She is a strong believer in the importance of offering financial services to everyone in the community, and Core Credit Unions continued growth to best serve its Members.



## Pat McAuliffe

Pat joined the Board Oversight Committee earlier this year and brings with him many years' experience of the Credit Union movement. Pat previously served on the Foxrock and District Credit Union Board of Directors and was serving as Chair on that Board during the transfer of engagement between Foxrock and District Credit Union and Core Credit Union. As a consequence of working closely with Core Credit Union during that time Pat came to appreciate and value the ethos of Core Credit Union and as a result agreed to join the Board Oversight Committee. Married with two daughters, Pat lives in Cabinteely and is a keen Leinster Rugby supporter.



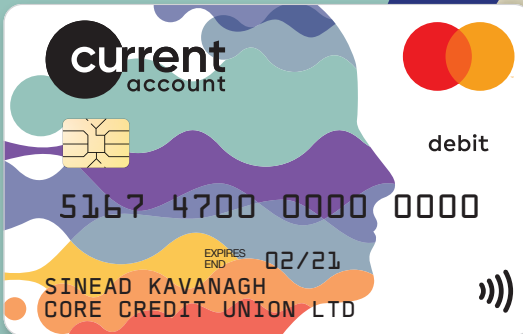
## Siobhán Harding (appointed 19/01/2021)

Siobhán Harding has extensive experience in IT. She has worked both in Ireland and the US for Microsoft Corporation, and later in Silicon Valley for PayPal as its Globalization Production Manager. She is a long-term supporter of credit unions, both in Ireland and the USA. She returned to Ireland for family reasons and is grateful to be able to serve her local community again.



# Introducing Current Account from Core Credit Union

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- ✓ Easy to Sign Up
- ✓ Globally Accepted Debit Card
- ✓ Transparent, Low Fees



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## Chairperson's Report

It is my pleasure to present the 55th Annual Report of Core Credit Union. This has been without doubt the most difficult year we have all faced. I would like to begin by offering our sincere condolences to the families and friends who have lost loved ones during this pandemic. Also, to our Members who have battled and maybe still battling the virus. We wish you a full and speedy recovery. Earlier this year, Core Credit Union initiated a service to provide funds to vulnerable cocooning Members with the support of local Gardaí. We also provided payment breaks and financial advice assistance to Members directly impacted by Covid-19. I am proud to say that we have a committed team of people led by our CEO Michael Byrne; and management who have worked hard to keep our services available to our Members. We sometimes have to make difficult decisions which are necessary to ensure the viability and continued growth of the Credit Union.



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## Coronavirus COVID-19

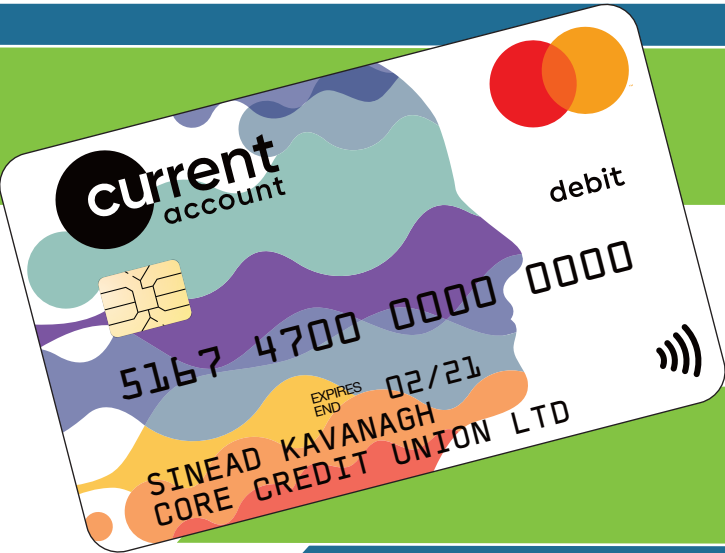


Coronavirus  
**COVID-19**  
Public Health  
Advice

Regrettably, there remains a negative side to the trust and faith you our Members continue to show in Core Credit Union. What do I mean by that? The ongoing growth in Members deposits generates unwarranted penalties. All excess funds need to be invested at very low or negative interest rates. As a consequence, your Credit Union is being levied for having these funds on deposit, thereby increasing our costs and reducing our surplus. For this reason, the Board has been compelled to make two financially prudent decisions to preserve our reserves and ensure continuation of required safeguards to protect our Members funds. Therefore, to further reduce the Savings Cap to €20,000 per member and again, regrettably, not to declare a dividend.

# Chairperson's Report (continued)

For the 6th time Credit Unions have been recognised as the most highly reputable organisation in Ireland, serving over 3.6 million Members nationwide. Credit Unions are owned and governed by our Members, for our Members. We would like to thank you for your loyalty and support during this most challenging year.



The response of our Members to our new current account option continues to be very encouraging. Your Core Credit Union Mastercard debit card which comes with your current account offers a range of useful benefits. Such as, accessing your account online or in person, arranging overdrafts, standing orders and direct debits.



## Chairperson's Report (continued)

In July, we held a socially distanced public meeting in Fitzpatrick's Castle Hotel to inform Members of our new insurance products which we have since launched. Our new range of member insurances includes Loan Protection, Life Savings and Member Death Benefit Indemnity, all of which will replace our existing insurance schemes. Current accounts and member insurance products are designed to give our Members real choice and real value and reward Member loyalty as we enter the next decade.

With the continued support of you our Members, Core Credit Union continues to provide our community with affordable loans, insurance policies and current accounts. We are contactable online, by phone and in person. Our dedicated staff are on-hand to help and advise you and your family and friends.

It has been an honour and a privilege to chair the Credit Union for the past three years. I will be stepping down as Chair at our AGM. I wish to pay tribute to my fellow directors for their hard work and support, particularly to our Vice-Chair Elaine Hughes who took the helm during my recent illness. I also wish to thank Board Oversight Committee Members, Members, volunteers, management and staff for their continued support and commitment throughout this most difficult year. Together, we are the Credit Union.

Thank you.

**Elizabeth Harpur**  
Chairperson

# mDBI



## Report of the CEO

2020 has been an intensely challenging year for everybody with heroic efforts performed by people across all walks of life. I want to express my sincere gratitude to our employees who, as dedicated and committed essential workers, have maintained credit union services for the benefit of our members during the COVID-19 pandemic.

The importance of people, the importance of community, and need to be present for one another has come back into focus. In a world where we are all too often on a giant treadmill, suddenly we saw the importance and value of human kindness and care for members of our community.

As an integral part of the community, our focus is on maintaining services to the highest possible standard during pandemic waves. We responded quickly and early in the initial phase. Thankfully, our people, systems and technology allowed us to continue to service members as they migrated to online and phone access.

Our members' and employees' safety is paramount, as is the safety of our employees' families and the community generally. Tough decisions were required where there was potential contact with the virus. These decisions included temporary closure of branches and a reduction of opening hours. Thankfully having multiple branches and a member support centre allowed us to maintain uninterrupted member services throughout the pandemic to date. Our service for cocooning members ensured that members who were cocooning still had access to their Credit Union in a safe and secure manner.

“Digital onboarding,” i.e. members joining online now represents one-in-four of new members joining the Credit Union. This service has been a crucial way for members to join during the pandemic. The use of our digital services has increased significantly this year. As a credit union, our focus is to help our members in whichever way suits them. Without the decisions to merge in 2014, none of our branches individually would have been able to adapt as dynamically to the pandemic situation as we have collectively. Our motto of stronger together has materialised in a positive way for us.

The pandemic and associated economic lockdowns have had a significant negative impact on Credit Union business. During the initial lockdown, members almost ceased withdrawing money and borrowing, resulting in ever greater pressure on our reserves ratios. Increased savings and reduced loan interest income are compounding an already challenging environment of negative European Central Bank interest rates.



## Report of the CEO (continued)



During the year, changes to our free benefit programs were introduced. Considerable deliberation was given to all options available. Over a two-year period, we developed a fair and equitable free benefit program that rewards member participation and delivers the critical cost savings necessary to ensure our credit union's continued viability. We are very grateful to our members for the overwhelmingly positive response we have received to these changes.

Financially, 2020 has been a challenging year for the credit union as forecast from the outset notwithstanding COVID-19. Fortunately, we have been working towards reducing our office space to ensure continued viability and growth into the future. Previously communicated plans around our branch space's rightsizing are well on their way. Efficiencies through digitisation have accelerated because of COVID-19. Current accounts launched last year have provided members with a means of accessing their credit union 24/7, avoiding the need to use cash by using online and contactless payments.

Our financial results for the year demonstrate the crucial importance of delivering insurance and property related savings. With a surplus of just €2,541, not only are these savings necessary, but they are also just the beginning of the journey ahead. Since year-end, we have reduced our staffing levels from 47 to 39, which will reduce wages costs by approximately 12%. Thankfully, most employee savings were by natural attrition. With the pandemic's worst economic effects yet to be experienced and recovery levels in loans post-pandemic not yet possible to predict, we cannot rule out further cuts. Further cuts, if required, will impact services. We cannot rule out more cuts to free insurance benefits and the likelihood of closing branches.

The pandemic has exacerbated the fall in income. As a Credit Union, we have long forecast the direction we are heading and have taken many steps to address the lack of diversity in our income. Core Credit Union now provides a range of value for money services including current accounts, life insurance, home insurance and travel insurance. Each of these services generates income for the Credit Union and represent excellent value for money. The Credit Union needs members to use these services so we implore you to do so, in order that Core Credit Union can continue to serve present and future members of the community in years to come.

**Michael Byrne**  
CEO  
Core Credit Union Limited

# Core Peopl.



## Fair Home Insurance

- Great cover at very competitive prices from our range of top-rated insurers.
- We guarantee to work every year to get you the lowest offer from our panel of insurance providers, ensuring the cost of your home cover doesn't automatically rise, every year.
- Easy, quick and friendly quote, available online 24/7, or talk to one of our friendly team, to get immediate protection for all your needs.

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Core Credit Union Ltd. is regulated by the Central Bank of Ireland. Reg No. 225CU  
CUIS Financial Services DAC, t/a Peopl is regulated by the Central Bank of Ireland. Ref No.C182485

## 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.

**Pat McAuliffe**  
**Chairperson**

## Report of the Risk, Audit & Compliance Committee

The Board of Directors has overall responsibility for ensuring that Core Credit Union has appropriate and prudent policies, procedures and controls in place to manage risk and ensure compliance with statutory requirements.

The Risk, Compliance & Audit Committee assists the Board in carrying out its statutory and regulatory obligations in respect of risk management, compliance and internal audit in order to safeguard the funds of the members of the Credit Union.

The committee meets monthly with the Risk Management Officer and the Compliance Officer and quarterly with the Internal Auditor.

In the past year the Committee:

- Oversaw the implementation of the Credit Union Risk, Compliance and Internal Audit plans;
- Reviewed reports from risk, compliance and internal audit functions and oversaw the implementation of recommendations therein;
- Reviewed the Risk Register and Risk Management system;
- Reviewed the performance and effectiveness of the risk and compliance functions;
- Reviewed the performance and effectiveness of the Internal Audit function;
- Monitored and reviewed the impact of external factors on the Credit Union such as COVID-19 and Brexit; and
- Monitored and reviewed the implementation of the Credit Union Business Continuity Plans from a governance and operational perspective in response to COVID-19 restrictions.

Over the past year the Risk, Compliance and Audit Committee has continued the improvement of controls based on recommendations of the Central Bank of Ireland, our internal auditors Moore and our external auditors Grant Thornton.

The Risk, Compliance and Audit Committee wishes to express its sincere thanks and appreciation to the staff and management of the Credit Union for their assistance and support in carrying out its function during the year.

**Elaine Hughes**  
**Chairperson**



# Report of the Nominations Committee / Notice of Elections

The Nominations Committee has had a challenging year and has been extremely busy working on a recruitment drive for new Directors. We had some resignations during the year and the Nominations Committee would genuinely like to thank those Board members for their hard work and contributions during their tenure.

Nominations had a volunteer recruitment drive in July, this was advertised on our website, social media and in all branches, after interviewing all candidates, we were successful and managed to recruit new Board members who have excellent skill and expertise and will be a great addition to the Board.

Individuals seeking election to the Board are Anne Marie Murtagh, Janie Lazar, Edel Churchill, Susan Bermingham, Michael Thomas and Paula O'Toole, each of who are at present co-opted to the Board of Directors. In addition, Alan Guerins is seeking re-election to the Board.

**Alan Guerins**  
Chairperson

## Board Oversight Committee Nominees



### Pat McAuliffe

Pat joined the Board Oversight Committee earlier this year and brings with him many years' experience of the Credit Union movement. Pat previously served on the Foxrock and District Credit Union Board of Directors and was serving as Chair on that Board during the transfer of engagement between Foxrock and District Credit Union and Core Credit Union.



### Siobhán Harding

Siobhán Harding has extensive experience in IT. She has worked both in Ireland and the US for Microsoft Corporation, and later in Silicon Valley for PayPal as its Globalization Production Manager. She is a long-term supporter of credit unions, both in Ireland and the USA. She returned to Ireland for family reasons and is grateful to be able to serve her local community again.

## Candidates for Election

### Board of Directors Nominees



### Janie Lazar

Janie Lazar is an accredited Executive Business Coach, TEDx Speaker and Experienced Trainer. Janie has worked with CEOs and teams in larger organisations, as well individual business owners and private individuals on a one to one basis. Opening an account with Core Credit Union was one of the first things Janie did when she moved to Dalkey and Glashule. Being part of a local community matters to Janie, as is making a real contribution through collaborative endeavours.



**Core Credit Union** seeks volunteers to join its Board of Directors. If you want to give back to your community and pick up some great skills along the way, we would love to hear from you!

To register your interest,  
e-mail us at [volunteer@corecu.ie](mailto:volunteer@corecu.ie)



## Candidates for Election

### Board of Directors Nominees



#### Anne Marie Murtagh

Anne Marie has over 20 years' experience in the Banking & Motor Industry sectors. Her banking career has spanned IT, International payments and day to day Branch Operations. She has vast experience working with dispute resolution. She is passionate about issues that affect her local community.



#### Edel Churchill

Edel Churchill worked for over a decade internationally as a community frontline healthcare worker before retraining in marketing and taking up business operational roles upon her return to Ireland. As a long-time supporter of the Credit Union movement, Edel joined the board of Core Credit Union to share her skills and give back to her local community. Edel holds qualifications in Credit Union Legislation & Regulation and Anti-Money Laundering.



#### Susan Bermingham

Susan has been a Member of her local Credit Union for nearly 35 years and was co-opted onto the Board of Core Credit Union in the summer of 2020. Susan has extensive banking experience and over the past 30 years has worked with Bank of Scotland (formerly ICC Bank) and Bank of Ireland. Susan is a Qualified Financial Advisor.



#### Michael Thomas

Michael Thomas is originally from Sallynoggin and has been a long-standing Member of the Credit Union for over 30 years.



#### Paula O'Toole

Paula has been a Member of the Credit Union for over 20 years. After acquiring her BA Hons Business Degree Paula went travelling and, on her return, she entered her family business, Country Bake. Running the business alongside her mother for the last number of years Paula has gained valuable experience in management. Their customer-centred approach has generated a strong customer loyalty in return. Country Bake has been a huge part of the community in Dalkey for the past 33 years.



#### Alan Guerins

Alan has been on the Board of Core Credit Union for nearly three years, he and his family are all active long time members of the Credit Union. He has extensive experience in the Advertising industry holding various senior positions, currently he is the owner of a Digital Display Company. Alan has a strong business and social acumen and is involved in various local community projects. In Core Credit Union he is the Chairperson of the Nomination Committee and is also a member of the Investment and Property Committees.

# Core Credit Union Ltd.

## AUDITED FINANCIAL STATEMENTS

### for the year ended 30 September 2020

## Directors' Report

For the financial year ended 30 September 2020

The directors present their annual report and the audited financial statements for the financial year ended 30 September 2020.

### Principal activity

The principal activity of the business continues to be the operation of a credit union.

### Authorisation

The credit union is authorised as follows:

- Investment Intermediaries (Restricted Activity Investment Product Intermediary) pursuant to Section 26 of the Investment Intermediaries Act, 1995 (as amended).
- Entitled under the European Union (Payment Services) Regulations 2018 to provide payment services.

### Business review

The directors acknowledge the results for the year and the year-end financial position of the credit union. The directors expect to develop and expand the credit union's current activities and they are confident of its ability to continue to operate successfully in the future.

### Dividends

The surplus for the financial year is set out in the income and expenditure account on page 24. The Directors are not proposing a dividend in respect of the year ended 30 September 2020 (2019: €nil (0.00%)).

### Principal risks and uncertainties

The principal risks and uncertainties faced by the credit union are:

#### **Credit risk**

Credit risk is the risk that a borrower will default on their contractual obligations relating to repayments to the credit union, resulting in financial loss.

#### **Lack of loan demand**

Lending is the principal activity of the credit union and the credit union is reliant on it for generating income to cover costs and generate a surplus.

#### **Market risk**

Market risk is the risk that the value of an investment will decrease. This risk can arise from fluctuations in values of, or income from, assets or changes in interest rates.

#### **Liquidity risk**

Liquidity risk is the risk that the credit union will not have sufficient cash resources to meet day to day running costs and repay members' savings when demanded.

#### **Operational risk**

Operational risk is the risk of loss resulting from inadequate or failed processes or systems of the credit union, any failure by persons connected with the credit union or from external events.

# Directors' Report (continued)

For the financial year ended 30 September 2020

These risks are managed by the board of directors as follows:

## **Credit risk**

In order to manage this risk, the board of directors regularly reviews and approves the credit union's loans policy. All loan applications are assessed with reference to the loans policy in force at the time. Subsequently loans are regularly reviewed for any factors that may indicate that the likelihood of repayment has changed.

## **Lack of loan demand**

The credit union provide lending products to its members and promote these products through various marketing initiatives.

## **Market risk**

The board of directors regularly reviews and approves the credit union's investment policy and funds are invested in compliance with this policy and regulatory guidance.

## **Liquidity risk**

The credit union's policy is to maintain sufficient funds in liquid form at all times to ensure that it can meet its liabilities as they fall due.

## **Operational risk**

The operational risk of the credit union is managed through the employment of suitably qualified staff to ensure appropriate processes, procedures and systems are implemented and are further supported with a robust reporting structure.

## Accounting records

The directors believe that they comply with the requirements of Section 108 of the Credit Union Act, 1997 (as amended) with regard to books of account by employing accounting personnel with appropriate expertise and by providing adequate resources to the finance function. The books of account of the credit union are maintained at the credit union's premises at Clara House, 37 Glenageary Park, Glenageary, Co. Dublin.

## Events after the end of the financial year

Since the year end the COVID-19 pandemic has continued to have a direct effect on the credit union, the economy and the general population. The directors and management are closely monitoring the evolution of the pandemic, and while there is no clear indication as to when the impact will be curtailed or eliminated, they will continue to take appropriate actions to mitigate any possible adverse effects on the credit union, on its officers and on its members.

## Auditors

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

This report was approved by the board on 22/10/2020 and signed on its behalf by:

**Elizabeth Harpur** - Chairperson of the Board of Directors

**Elaine Hughes** - Member of the Board of Directors

Date: 22/10/2020

## Directors' Responsibilities Statement

For the financial year ended 30 September 2020

The directors are responsible for preparing the financial statements in accordance with applicable Irish law and regulations. The directors are also responsible for preparing the other information included in the annual report. 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:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and reason for any material departure from those standards; and
- 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 ensuring that the credit union keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the credit union, enable at any time the assets, liabilities, financial position and income and expenditure of the credit union to be determined with reasonable accuracy, enable them to ensure that the financial statements comply with the Credit Union Act, 1997 (as amended) and enable the financial statements to be audited. 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.

This statement was approved by the board on 22/10/2020 and signed on its behalf by:

**Elizabeth Harpur** - Chairperson of the Board of Directors

**Elaine Hughes** - Member of the Board of Directors

Date: 22/10/2020

## Board Oversight Committee's Responsibilities Statement

For the financial year ended 30 September 2020

The Credit Union Act, 1997 (as amended) requires the appointment of a board oversight committee to assess whether the board of directors has operated in accordance with part iv, part iv(a) and any regulations made for the purposes of part iv or part iv(a) of the Credit Union Act, 1997 (as amended) and any other matter prescribed by the Central Bank of Ireland in respect of which they are to have regard to in relation to the board of directors.

This statement was approved by the board oversight committee on 22/10/2020 and signed on its behalf by:

**Pat McAuliffe** - Chairperson of the board oversight committee

Date: 22/10/2020

# Independent Auditor's Report to the Members of Core Credit Union Limited

## Opinion

We have audited the financial statements of Core Credit Union Limited, which comprise the income and expenditure account, the statement of other comprehensive income, the balance sheet, the statement of changes in reserves and the statement of cash flows for the financial year ended 30 September 2020, and the related notes to the financial statements, including the summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is Irish law including the Credit Union Act, 1997 (as amended) and accounting standards issued by the Financial Reporting Council including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (Generally Accepted Accounting Practice in Ireland).

In our opinion, Core Credit Union Limited's financial statements:

- give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland of the state of the credit union's affairs as at 30 September 2020 and of its income and expenditure and cash flows for the year then ended; and
- have been properly prepared so as to conform with the requirements of the Credit Union Act, 1997 (as amended).

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ('ISAs (Ireland)') and applicable law. Our responsibilities under those standards are further described in the 'responsibilities of the auditor for the audit of the financial statements' section of our report. We are independent of the credit union in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, namely the Irish Auditing and Accounting Supervisory Authority (IAASA) Ethical Standard concerning the integrity, objectivity and independence of the auditor, and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the entity. 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 the ISAs (Ireland) require us to report to you where:

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

## Other information

Other information comprises information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

# Independent Auditor's Report to the Members of Core Credit Union Limited (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Matters on which we are required to report by the Credit Union Act, 1997 (as amended)

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

- we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
- in our opinion proper accounting records have been kept by the credit union;
- the financial statements are in agreement with the accounting records of the credit union; and
- the financial statements contain all primary statements, notes and significant accounting policies required to be included in accordance with section 111(1)(c) of the Act.

## Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements which give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland, including FRS 102, and for such internal control as they determine 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 related to going concern and using the going concern basis of accounting unless the directors either intends to liquidate the credit union or to cease operations, or has no realistic alternative but to do so.

## Responsibilities of the auditor for the audit of the financial statements

The auditor's 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 their 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.

# Independent Auditor's Report to the Members of Core Credit Union Limited (continued)

As part of an audit in accordance with ISAs (Ireland), the auditor will exercise professional judgement and maintain professional scepticism throughout the audit. The auditor will 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 their 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 the 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 directors' 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 the credit union's ability to continue as a going concern. If they conclude that a material uncertainty exists, they are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify their opinion. Their conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the credit union to cease to continue as a 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 a true and fair view.

The auditor communicates 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 may be identified during the 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 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.

Denise O'Connell FCA  
for and on behalf of  
**Grant Thornton**  
Chartered Accountants  
& Statutory Audit Firm  
Mill House, Henry Street, Limerick

Date: 22/10/2020

# Income and Expenditure Account

For the financial year ended 30 September 2020

		2020 €	2019 €
<b>Income</b>	<b>Schedule</b>		
Interest on members' loans		4,144,556	4,105,832
Other interest income and similar income	1	858,772	739,429
<b>Net interest income</b>		<b>5,003,328</b>	<b>4,845,261</b>
Other income	2	49,152	136,116
<b>Total income</b>		<b>5,052,480</b>	<b>4,981,377</b>
<b>Expenditure</b>			
Employment costs		1,706,829	1,560,837
Other management expenses	3	2,703,742	2,629,892
Depreciation		338,379	292,188
Net impairment losses/(gains) on loans to members (note 5)		300,989	(93,150)
<b>Total expenditure</b>		<b>5,049,939</b>	<b>4,389,767</b>
<b>Surplus for the financial year</b>		<b>2,541</b>	<b>591,610</b>

The Financial Statements were approved and authorised for issue by the board on 22/10/2020 and signed on behalf of the credit union by:

**Elizabeth Harpur** - Chairperson of the Board of Directors

**Pat McAuliffe** - Chairperson of the Board Oversight Committee

**Michael Byrne** - CEO

Date: 22/10/2020

The notes on pages 28 to 43 form part of these financial statements.

## Statement of Other Comprehensive Income

For the financial year ended 30 September 2020

	2020 €	2019 €
Surplus for the financial year	2,541	591,610
Other comprehensive income	-	-
<b>Total comprehensive income for the financial year</b>	<b>2,541</b>	<b>591,610</b>

The Financial Statements were approved and authorised for issue by the board on 22/10/2020 and signed on behalf of the credit union by:

**Elizabeth Harpur** - Chairperson of the Board of Directors

**Pat McAuliffe** - Chairperson of the Board Oversight Committee

**Michael Byrne** - CEO

Date: 22/10/2020

The notes on pages 28 to 43 form part of these financial statements.



# Balance Sheet

As at 30 September 2020

	Notes	2020 €	2019 €
<b>Assets</b>			
Cash and balances at bank	6	6,192,299	2,857,025
Deposits and investments – cash equivalents	7	25,825,344	27,960,503
Deposits and investments – other	7	73,989,937	57,721,088
Loans to members	8	46,184,112	48,422,530
Provision for bad debts	9	(2,282,384)	(1,962,384)
Members' current accounts	14	5,752	197
Tangible fixed assets	10	5,621,309	5,703,988
Investment property	11	1,350,000	475,000
Prepayments and accrued income	12	318,506	239,991
<b>Total assets</b>		<b>157,204,875</b>	<b>141,417,938</b>
<b>Liabilities</b>			
Members' shares	13	134,416,146	119,571,516
Members' stamps	13	3,057,165	2,625,515
Members' budget accounts	13	17,523	17,168
Members' current accounts	14	513,899	26,212
Other liabilities, creditors, accruals and charges	15	446,005	429,764
Other provisions	16	21,665	17,832
<b>Total liabilities</b>		<b>138,472,403</b>	<b>122,688,007</b>
<b>Reserves</b>			
Regulatory reserve	18	15,856,280	14,708,280
Operational risk reserve	18	1,582,432	1,582,432
Other reserves			
- Realised reserves	18	724,138	1,962,679
- Unrealised reserves	18	569,622	476,540
<b>Total reserves</b>		<b>18,732,472</b>	<b>18,729,931</b>
<b>Total liabilities and reserves</b>		<b>157,204,875</b>	<b>141,417,938</b>

The Financial Statements were approved and authorised for issue by the board on 22/10/2020 and signed on behalf of the credit union by:

**Elizabeth Harpur** - Chairperson of the Board of Directors

**Pat McAuliffe** - Chairperson of the Board Oversight Committee

**Michael Byrne** - CEO

Date: 22/10/2020

The notes on pages 28 to 43 form part of these financial statements.

# Statement of Changes in Reserves

For the financial year ended 30 September 2020

	Regulatory reserve €	Operational risk reserve €	Realised reserves €	Unrealised reserves €	Total €
<b>As at 1 October 2018</b>	<b>14,145,280</b>	<b>1,132,432</b>	<b>2,504,044</b>	<b>467,479</b>	<b>18,249,235</b>
Surplus for the financial year	-	450,000	62,974	78,636	591,610
Dividends paid	-	-	(110,914)	-	(110,914)
Transfers between reserves	563,000	-	(493,425)	(69,575)	-
<b>As at 1 October 2019</b>	<b>14,708,280</b>	<b>1,582,432</b>	<b>1,962,679</b>	<b>476,540</b>	<b>18,729,931</b>
Surplus for the financial year	-	-	(90,541)	93,082	2,541
Transfers between reserves	1,148,000	-	(1,148,000)	-	-
<b>As at 30 September 2020</b>	<b>15,856,280</b>	<b>1,582,432</b>	<b>724,138</b>	<b>569,622</b>	<b>18,732,472</b>

- The regulatory reserve of the credit union as a percentage of total assets as at 30 September 2020 was 10.09% (2019: 10.40%).
- The operational risk reserve of the credit union as a percentage of total assets as at 30 September 2020 was 1.01% (2019: 1.12%).

The notes on pages 28 to 43 form part of these financial statements.

# Statement of Cash Flows

For the financial year ended 30 September 2020

	Notes	2020 €	2019 €
Opening cash and cash equivalents		30,817,528	18,682,831
Cash flows from operating activities			
Loans repaid by members	8	22,739,224	23,931,496
Loans granted to members	8	(20,897,874)	(27,581,671)
Interest on members' loans		4,144,556	4,105,832
Other interest income and similar income		858,772	739,429
Other income		49,152	136,116
Bad debts recovered and recoveries		416,079	485,093
Dividends paid		-	(110,914)
Members' current accounts lodgements	14	2,897,668	87,233
Members' current accounts withdrawals	14	(2,415,536)	(61,218)
Operating expenses		(4,410,571)	(4,190,729)
Movement in other assets and liabilities		(58,441)	121,215
<b>Net cash flows from operating activities</b>		<b>3,323,029</b>	<b>(2,338,118)</b>
Cash flows from investing activities			
Fixed asset purchases		(1,130,700)	(2,375,437)
Net cash flow from other investing activities		(16,268,849)	12,819,472
<b>Net cash flows from investing activities</b>		<b>(17,399,549)</b>	<b>10,444,035</b>
Cash flows from financing activities			
Members' shares received	13a	70,493,281	52,849,333
Members' shares withdrawn	13a	(55,648,651)	(49,017,910)
Members' stamps received	13b	4,509,993	5,042,705
Members' stamps withdrawn	13b	(4,078,343)	(4,850,213)
Members' budget accounts received	13c	240,677	216,187
Members' budget accounts withdrawn	13c	(240,322)	(211,322)
<b>Net cash flow from financing activities</b>		<b>15,276,635</b>	<b>4,028,780</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>1,200,115</b>	<b>12,134,697</b>
Closing cash and cash equivalents	6	<b>32,017,643</b>	<b>30,817,528</b>

# Notes to the Financial Statements

For the financial year ended 30 September 2020

## 1. Legal and Regulatory Framework

Core Credit Union Limited is registered with the Registry of Credit Unions and is regulated by the Central Bank of Ireland. The registered office of the credit union is located at Clara House, 37 Glenageary Park, Glenageary, Co. Dublin.

## 2. Accounting policies

### 2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with applicable Irish accounting standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and Irish statute comprising of the Credit Union Act, 1997 (as amended). The financial statements have been prepared on the historical cost basis except for the valuation of the investment property as specified in the accounting policies below.

The financial statements are presented in Euro (€) which is also the functional currency of the credit union.

The following principal accounting policies have been applied:

### 2.2 Statement of compliance

The financial statements have been prepared in accordance with FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (FRS 102).

### 2.3 Going concern

After reviewing the credit union’s projections, the directors have reasonable expectation that the credit union has adequate resources to continue in operational existence for the foreseeable future. The credit union therefore continues to adopt the going concern basis in preparing its financial statements.

### 2.4 Income

#### Interest on members’ loans

Interest on members’ loans is recognised on an accruals basis using the effective interest method.

#### Deposit and investment income

Deposits and investment income is recognised on an accruals basis using the effective interest method.

#### Other income

Other income is recognised on an accruals basis.

### 2.5 Cash and cash equivalents

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

### 2.6 Investments

The specific investment products held by the credit union are accounted for as follows:

#### Held at amortised cost

Investments designated on initial recognition as held at amortised cost are measured at amortised cost using the effective interest method less impairment. This means that the investment is measured at the amount paid for the investment, minus any repayments of the principal; plus or minus the

# Notes to the Financial Statements (continued)

For the financial year ended 30 September 2020

## 2. Accounting policies (continued)

cumulative amortisation using the effective interest method of any difference between the amount at initial recognition and the maturity amount, minus, in the case of a financial asset, any reduction for impairment or uncollectability.

### 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.

### 2.7 Financial assets – loans to members

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

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

### 2.8 Provision for bad debts

The credit union 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 regular basis.

Any bad debts/impairment losses are recognised in the income and expenditure account.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in the income and expenditure account.

### 2.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The credit union adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the credit union. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the income and expenditure account during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

# Notes to the Financial Statements (continued)

For the financial year ended 30 September 2020

## 2. Accounting policies (continued)

Depreciation is provided on the following basis:

Premises	2% straight line per annum
Construction work in progress	0% as asset is not in use
Fixtures, fittings and equipment	20%/14% straight line per annum
Computer hardware and software	20%/33.33% straight line per annum
Motor vehicles	20% straight line per annum

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other gains' or 'other losses' in the income and expenditure account.

### 2.10 Impairment of assets

At each reporting date assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the income and expenditure account. If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the income and expenditure account.

### 2.11 Investment properties

Investment properties for which fair value can be measured reliably without undue cost or effort are measured at fair value at each reporting date with changes in fair value recognised in the income and expenditure account. No depreciation is provided.

### 2.12 Other receivables

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

### 2.13 Other payables

Short term other liabilities, creditors, accruals and charges are measured at the transaction price.

### 2.14 Financial liabilities – members' savings

Members' savings are redeemable and therefore are classified as financial liabilities. They are initially recognised at the amount of cash deposited and subsequently measured at amortised cost.

### 2.15 Members' current accounts

The credit union provides Member Personal Current Account Services in accordance with Section 49(3) of the Credit Union Act, 1997 (as amended).

# Notes to the Financial Statements (continued)

For the financial year ended 30 September 2020

## 2. Accounting policies (continued)

### 2.16 Pension costs

The credit union operates a defined contribution pension scheme. The assets of this scheme are held separately from those of the credit union in independently administered funds. Employer contributions to the scheme are charged to the income and expenditure account in the period to which they relate.

### 2.17 Holiday pay

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

### 2.18 Operating leases

Rentals payable under operating leases are charged to the income and expenditure account on a straight line basis over the lease term.

### 2.19 Derecognition of financial liabilities

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

### 2.20 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, realised financial reserves that are unrestricted and non-distributable.

### 2.21 Operational risk reserve

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

The definition of operational risk is the risk of losses stemming from inadequate or failed internal processes, people and systems or from external events. The Directors have considered the requirements of the Act and have considered an approach to the calculation of the operational risk reserve. Core Credit Union Limited uses the Basic Indicator Approach as set out in the operational risk measurements techniques proposed under Basel II capital adequacy rules for banking institutions in calculating the operational risk reserve. Therefore, Core Credit Union Limited will hold an operational risk reserve which will at a minimum equal 15% of the average positive gross income for the previous three years. For any year in which there was a deficit, this will be excluded from the calculation.

In addition, the credit union has included in its operational risk reserve a Member Personal Current Account Service operational risk reserve, in accordance with Section 49(3) of the Credit Union Act 1997 (as amended).

# Notes to the Financial Statements (continued)

For the financial year ended 30 September 2020

## 2.22 Other reserves

Other reserves are the accumulated surpluses to date that have not been declared as dividends 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. The directors have deemed it appropriate that interest on loans receivable at the balance sheet date is also classified as “unrealised” and is not distributable. All other income is classified as “realised”.

## 2.23 Distribution policy

Dividends are made from the current year’s surplus or reserves set aside for that purpose. The board’s proposed dividend to members each year is based on the distribution policy of the credit union.

The rate of dividend recommended by the board will reflect:

- the risk profile of the credit union, particularly in its loan and investments portfolios;
- the board’s desire to maintain a stable rather than a volatile rate of dividend each year; and
- members’ legitimate dividend expectations;

all dominated by prudence and the need to sustain the long-term welfare of the credit union.

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

The credit union accounts for dividends when members ratify such payments at the Annual General Meeting.

## 2.24 Taxation

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



# Notes to the Financial Statements (continued)

For the financial year ended 30 September 2020

## 3. Judgements in applying accounting policies and key source of estimation uncertainty

Preparation of the financial statements requires the directors to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

### **Determination of depreciation, useful economic life and residual value of tangible 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. The net book value of tangible fixed assets subject to depreciation at the year end was €5,621,309 (2019: €5,703,988).

### **Provision for bad debts**

The credit union's accounting policy for impairment of loans is set out in the accounting policy in note 2.8. The estimation of loan losses is inherently uncertain and depends upon many factors, including loan loss trends, credit risk characteristics in loan classes, local and international economic climates, conditions in various sectors of the economy to which the credit union is exposed, and, other external factors such as legal and regulatory requirements. The provision for bad debts in the financial statements at the year end was €2,282,384 (2019: €1,962,384) representing 4.94% (2019: 4.05%) of the total gross loan book.

### **Operational risk reserve**

The directors have considered the requirements of the Credit Union Act, 1997 (as amended) and have developed 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 measurements techniques proposed under Basel II capital adequacy rules for banking institutions in calculating the minimum operational risk reserve. In addition, the credit union has included in its operational risk reserve a Member Personal Current Account Service operational risk reserve, in accordance with Section 49(3) of the Credit Union Act 1997 (as amended). The operational risk reserve of the credit union at the year end was €1,582,432 (2019: €1,582,432).

### **Adoption of going concern basis for financial statements preparation**

The directors have prepared projections and cash flows for a period of at least twelve months from the date of the approval of the financial statements which demonstrate that there is no material uncertainty regarding the credit union's ability to meet its liabilities as they fall due, and to continue as a going concern. On this basis the directors consider it appropriate to prepare the financial statements on a going concern basis. Accordingly, these financial statements do not include any adjustments to the carrying amounts and classification of assets and liabilities that may arise if the credit union was unable to continue as a going concern.

# Notes to the Financial Statements (continued)

For the financial year ended 30 September 2020

## 4. Key management personnel compensation

The directors of Core Credit Union Limited are all unpaid volunteers. The key management personnel compensation is as follows.

	2020 €	2019 €
Short term employee benefits paid to key management	599,274	512,928
Payments to pension schemes	43,944	35,738
<b>Total key management personnel compensation</b>	<b>643,218</b>	<b>548,666</b>

## 5. Net impairment losses/(gains) on loans to members

	2020 €	2019 €
Bad debts recovered	(294,975)	(320,400)
Impairment of loan interest reclassified as bad debt recoveries	(121,104)	(164,693)
Movement in bad debts provision during the year	320,000	60,000
Loans written off during the year	397,068	331,943
<b>Net impairment losses/(gains) on loans to members</b>	<b>300,989</b>	<b>(93,150)</b>

## 6. Cash and cash equivalents

	2020 €	2019 €
Cash and balances at bank	6,192,299	2,857,025
Deposits and investments (note 7)	99,815,281	85,681,591
Less: Deposit and investment amounts maturing after three months	(73,989,937)	(57,721,088)
<b>Total cash and cash equivalents</b>	<b>32,017,643</b>	<b>30,817,528</b>

## 7. Deposits and investments

	2020 €	2019 €
<b>Deposits and investments – cash equivalents</b>		
Accounts in authorised credit institutions (Irish and non-Irish based)	25,809,601	27,960,503
Irish and EEA state securities	15,743	-
<b>Total deposits and investments – cash equivalents</b>	<b>25,825,344</b>	<b>27,960,503</b>
<b>Deposits and investments – other</b>		
Accounts in authorised credit institutions (Irish and non-Irish based)	35,164,446	33,643,083
Bank bonds	22,829,699	22,704,546
Irish and EEA state securities	310,509	328,115
Central Bank deposits	15,685,283	1,045,344
<b>Total deposits and investments – other</b>	<b>73,989,937</b>	<b>57,721,088</b>
<b>Total deposits and investments</b>	<b>99,815,281</b>	<b>85,681,591</b>

# Notes to the Financial Statements (continued)

For the financial year ended 30 September 2020

## 8. Financial assets – loans to members

	2020 €	2019 €
As at 1 October	48,422,530	45,104,298
Loans granted during the year	20,897,874	27,581,671
Loans repaid during the year	<u>(22,739,224)</u>	<u>(23,931,496)</u>
<b>Gross loans and advances</b>	<b>46,581,180</b>	<b>48,754,473</b>
<b>Bad debts</b>		
Loans written off during the year	<u>(397,068)</u>	<u>(331,943)</u>
<b>As at 30 September</b>	<b><u>46,184,112</u></b>	<b><u>48,422,530</u></b>

## 9. Provision for bad debts

	2020 €	2019 €
As at 1 October	1,962,384	1,902,384
Movement in bad debts provision during the year	<u>320,000</u>	<u>60,000</u>
<b>As at 30 September</b>	<b><u>2,282,384</u></b>	<b><u>1,962,384</u></b>

The provision for bad debts is analysed as follows:

	2020 €	2019 €
Grouped assessed loans	<u>2,282,384</u>	<u>1,962,384</u>
<b>Provision for bad debts</b>	<b><u>2,282,384</u></b>	<b><u>1,962,384</u></b>

## 10. Tangible fixed assets

	Premises €	Construction work in progress €	Fixtures, fittings and equipment €	Computer hardware and software €	Motor vehicles €	Total €
<b>Cost</b>						
1 October 2019	6,685,736	-	1,287,178	370,433	19,750	8,363,097
Additions	228,864	152,909	681,912	67,015	-	1,130,700
Reclassified to investment properties	<u>(975,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(975,000)</u>
<b>At 30 September 2020</b>	<b><u>5,939,600</u></b>	<b><u>152,909</u></b>	<b><u>1,969,090</u></b>	<b><u>437,448</u></b>	<b><u>19,750</u></b>	<b><u>8,518,797</u></b>
<b>Depreciation</b>						
1 October 2019	1,617,053	-	728,277	303,575	10,204	2,659,109
Charge for year	135,292	-	168,538	30,599	3,950	338,379
Reclassified to investment properties	<u>(100,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(100,000)</u>
<b>At 30 September 2020</b>	<b><u>1,652,345</u></b>	<b><u>-</u></b>	<b><u>896,815</u></b>	<b><u>334,174</u></b>	<b><u>14,154</u></b>	<b><u>2,897,488</u></b>
<b>Net book value</b>						
<b>30 September 2020</b>	<b><u>4,287,255</u></b>	<b><u>152,909</u></b>	<b><u>1,072,275</u></b>	<b><u>103,274</u></b>	<b><u>5,596</u></b>	<b><u>5,621,309</u></b>
30 September 2019	<u>5,068,683</u>	<u>-</u>	<u>558,901</u>	<u>66,858</u>	<u>9,546</u>	<u>5,703,988</u>

Premises' on the open market for sale at 30 September 2020 have been reclassified to Investment Properties and are presented in note 11.

# Notes to the Financial Statements (continued)

For the financial year ended 30 September 2020

## 11. Investment property

	2020 €	2019 €
Balance at 1 October	475,000	475,000
Transfer from premises	875,000	-
Fair value adjustments	-	-
<b>As at 30 September</b>	<b>1,350,000</b>	<b>475,000</b>

Arising from the Glashule - Dún Laoghaire District Credit Union Limited voluntary transfer of engagement on 22 July 2015, the credit union entered into a Transfer of Rights Agreement with the Irish League of Credit Unions ("ILCU") in relation to the transferred premises'. Material benefits accrue to the ILCU on any sale of the transferred premises' where the sale proceeds exceed the transferred values. The investment properties above comprise of the transferred premises' and in the opinion of the directors, the investment properties have been stated at fair value at 30 September 2020 subject to existing conditions.

## 12. Prepayments and accrued income

	2020 €	2019 €
Prepayments	184,861	120,823
Loan interest receivable	133,645	119,168
	<b>318,506</b>	<b>239,991</b>

## 13. Members' savings

Members' savings are analysed as follows:

	2020 €	2019 €
Members' shares	134,416,146	119,571,516
Members' stamps	3,057,165	2,625,515
Members' budget accounts	17,523	17,168
<b>Total members' savings</b>	<b>137,490,834</b>	<b>122,214,199</b>

### 13a. Members' shares

	2020 €	2019 €
As at 1 October	119,571,516	115,740,093
Received during the year	70,493,281	52,849,333
Withdrawn during the year	(55,648,651)	(49,017,910)
<b>As at 30 September</b>	<b>134,416,146</b>	<b>119,571,516</b>

### 13b. Members' stamps

	2020 €	2019 €
As at 1 October	2,625,515	2,433,023
Received during the year	4,509,993	5,042,705
Withdrawn during the year	(4,078,343)	(4,850,213)
<b>As at 30 September</b>	<b>3,057,165</b>	<b>2,625,515</b>

# Notes to the Financial Statements (continued)

For the financial year ended 30 September 2020

## 13c. Members' budget accounts

	2020 €	2019 €
As at 1 October	17,168	12,303
Received during the year	240,677	216,187
Withdrawn during the year	(240,322)	(211,322)
<b>As at 30 September</b>	<b>17,523</b>	<b>17,168</b>

## 14. Members' current accounts

	2020 €	2019 €
As at 1 October	26,015	-
Lodgements during the year	2,897,668	87,233
Withdrawals during the year	(2,415,536)	(61,218)
<b>As at 30 September</b>	<b>508,147</b>	<b>26,015</b>

	No. of Accounts	Balance of Accounts €
Debit	74	5,752
Credit	469	513,899
Permitted overdrafts	13	5,842

## 15. Other liabilities, creditors, accruals and charges

	2020 €	2019 €
Prize draw	962	2,411
Creditors and accruals	445,043	427,353
<b>As at 30 September</b>	<b>446,005</b>	<b>429,764</b>

## 16. Other provisions

	2020 €	2019 €
Holiday pay accrual		
At 1 October	17,832	14,546
Charged to the income and expenditure account	3,833	3,286
<b>At 30 September</b>	<b>21,665</b>	<b>17,832</b>

# Notes to the Financial Statements (continued)

For the financial year ended 30 September 2020

## 17. Financial instruments

### 17a. Financial instruments – measured at amortised cost

<b>Financial assets</b>	<b>2020</b>	<b>2019</b>
	€	€
Financial assets measured at amortised cost	<u>152,197,444</u>	<u>136,961,343</u>
<b>Financial liabilities</b>	<b>2020</b>	<b>2019</b>
	€	€
Financial liabilities measured at amortised cost	<u>138,472,403</u>	<u>122,688,007</u>

Financial assets measured at amortised cost comprise of cash and balances at bank, deposits and investments, loans and members' current accounts.

Financial liabilities measured at amortised cost comprise of members' savings, members' current accounts, other liabilities, creditors, accruals and charges and other provisions.

## 18. Reserves

	Balance 01/10/19 €	Appropriation of current year surplus €	Transfers between reserves €	Balance 30/09/20 €
<b>Regulatory reserve</b>	<u>14,708,280</u>	-	<u>1,148,000</u>	<u>15,856,280</u>
<b>Operational risk reserve</b>	<u>1,582,432</u>	-	-	<u>1,582,432</u>
<b>Other reserves</b>				
<b>Realised</b>				
Undistributed surplus	1,862,679	(90,541)	(1,048,000)	724,138
Future dividend reserve	<u>100,000</u>	-	<u>(100,000)</u>	-
<b>Total realised reserves</b>	<u>1,962,679</u>	<u>(90,541)</u>	<u>(1,148,000)</u>	<u>724,138</u>
<b>Unrealised</b>				
Interest on loans reserve	119,168	14,477	-	133,645
Investment income reserve	<u>357,372</u>	<u>78,605</u>	-	<u>435,977</u>
<b>Total unrealised reserves</b>	<u>476,540</u>	<u>93,082</u>	-	<u>569,622</u>
<b>Total reserves</b>	<u>18,729,931</u>	<u>2,541</u>	-	<u>18,732,472</u>

# Notes to the Financial Statements (continued)

For the financial year ended 30 September 2020

## 19. Credit risk disclosures

In line with regulatory requirements the credit union:

- 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 a set percentages of the regulatory reserve (large exposure limit);
- restricts the loan duration of certain loans to specified limits (maturity limits); and
- 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 the credit unions maximum exposure to credit risk. The following provides information on the credit quality of loan repayments. Where loans are not impaired it is expected that the amounts repayable will be received in full.

	2020 €	%	2019 €	%
<b>Loans not impaired</b>				
Total loans not impaired, not past due	<u>34,680,347</u>	<u>75.09%</u>	<u>35,685,459</u>	<u>73.70%</u>
<b>Impaired loans:</b>				
Not past due	178,746	0.39%	62,388	0.13%
Up to 9 weeks past due	9,106,419	19.72%	10,234,869	21.14%
Between 10 and 18 weeks past due	559,985	1.21%	492,241	1.02%
Between 19 and 26 weeks past due	293,831	0.64%	195,658	0.40%
Between 27 and 39 weeks past due	218,006	0.47%	345,296	0.71%
Between 40 and 52 weeks past due	210,830	0.46%	116,989	0.24%
53 or more weeks past due	<u>935,948</u>	<u>2.03%</u>	<u>1,289,630</u>	<u>2.66%</u>
<b>Total impaired loans</b>	<u>11,503,765</u>	<u>24.91%</u>	<u>12,737,071</u>	<u>26.30%</u>
<b>Total loans:</b>	<u><u>46,184,112</u></u>	<u><u>100.00%</u></u>	<u><u>48,422,530</u></u>	<u><u>100.00%</u></u>

# Notes to the Financial Statements (continued)

For the financial year ended 30 September 2020

## 20. Related party transactions

### 20a. Loans

	2020		2019	
	No. of loans	€	No. of loans	€
Loans advanced to related parties during the year	8	385,800	11	42,450
Total loans outstanding to related parties at the year end	15	740,082	11	202,933
Total provision for loans outstanding to related parties		14,130		6,429

The related party loans stated above comprise of loans outstanding to directors and the management team (to include their family members or any business in which the directors or management team had a significant shareholding). Total loans outstanding to related parties represents 1.60% of the total loans outstanding at 30 September 2020 (2019: 0.42%).

### 20b. Savings

The total amount of savings held by related parties at the year end was €251,209 (2019: €186,839).



# Notes to the Financial Statements (continued)

For the financial year ended 30 September 2020

## 21. Additional financial instruments disclosures

### 21a. Financial risk management

The credit union manages its members' shares and loans so that it earns income from the margin between interest receivable and interest payable. The main financial risks arising from the credit union's activities are credit risk, 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 the credit union, resulting in financial loss. In order to manage this risk the board of directors regularly reviews and approves the credit union's loans policy. All loan applications are assessed with reference to the loans policy in force at the time. Subsequently loans are regularly reviewed for any factors that may indicate that the likelihood of repayment has changed.

**Market risk:** Market risk is the risk that the value of an investment will decrease. This risk can arise from fluctuations in values of, or income from, assets or changes in interest rates. The board of directors regularly reviews and approves the credit union's investment policy and funds are invested in compliance with this policy and regulatory guidance.

**Liquidity risk:** Liquidity risk is the risk that the credit union will not have sufficient cash resources to meet day to day running costs and repay members' savings when demanded. The credit union's policy is to maintain sufficient funds in liquid form at all times to ensure that it can meet its liabilities as they fall due.

**Interest rate risk:** The credit union's main interest rate risk arises from adverse movements in interest rates receivable which would affect investment income. The credit union reviews any potential new investment product carefully to ensure that minimum funds are locked in low yielding long term investments yet at the same time maximising investment income receivable.

### 21b. Liquidity risk disclosures

The credit union's policy is to maintain sufficient funds in liquid form at all times to ensure that it can meet its liabilities as they fall due. The credit union adheres on an ongoing basis to the minimum liquidity ratio and minimum short term liquidity ratio as set out in regulatory requirements.

### 21c. Interest rate risk disclosures

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

	€	2020 Average interest rate %	€	2019 Average interest rate %
Gross loans to members	<u>46,184,112</u>	<u>8.93%</u>	<u>48,422,530</u>	<u>9.12%</u>

Any 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.

# Notes to the Financial Statements (continued)

For the financial year ended 30 September 2020

## 22. Dividends

The following distributions were made during the year:

	2020 %	€	2019 %	€
Dividend on shares	0.00%	-	0.10%	110,914

The directors propose the following distributions for the year:

	2020 %	€	2019 %	€
Dividend on shares	0.00%	-	0.00%	-

## 23. Events after the end of the financial year

Since the year end the COVID-19 pandemic has continued to have a direct effect on the credit union, the economy and the general population. The directors and management are closely monitoring the evolution of the pandemic, and while there is no clear indication as to when the impact will be curtailed or eliminated, they will continue to take appropriate actions to mitigate any possible adverse effects on the credit union, on its officers and on its members.

## 24. Insurance against fraud

The credit union has Insurance against fraud in the amount of €5,200,000 (2019: €5,200,000) in compliance with Section 47 of the Credit Union Act, 1997 (as amended).

## 25. Capital commitments

There were no capital commitments at 30 September 2020.

## 26. Commitments under operating leases

The credit union entered into a 20 year lease on 1 May 2004. At 30 September 2020 the credit union had future minimum lease payments under a non-cancellable operating lease as follows:

	2020 €	2019 €
Less than 1 year	46,500	46,500
1 to 5 years	120,390	166,890
<b>As at 30 September</b>	<b>166,890</b>	<b>213,390</b>

# Notes to the Financial Statements (continued)

For the financial year ended 30 September 2020

## 27. Contingent liabilities

In September 2018, the Registry of Credit Unions advised all credit unions of a potential matter in relation to accrued interest outstanding on certain top-up loans which may have led to a potential over-collection of interest. The credit union is progressing a review of this matter to ascertain whether any top-up loans made to members might be impacted by these circumstances, and if so, to determine what actions may need to be taken. It is expected that the credit union will finalise its review over the coming months. Consequently, it is impracticable at this time to estimate the impact, financial or otherwise, if any, of this matter and whether any net amounts will become payable or not in the future.

## 28. Comparative information

Comparative information has been reclassified where necessary to conform to current year presentation.

## 29. Approval of financial statements

The board of directors approved these financial statements for issue on 22/10/20.

# Schedules to the Income and Expenditure Account

For the financial year ended 30 September 2020

The following schedules do not form part of the statutory financial statements which are the subject of the Independent Auditor's Report on pages 21 to 23.

## Schedule 1 – Other interest income and similar income

	2020 €	2019 €
Investment income and gains received/receivable within 1 year	780,167	661,095
Investment income receivable outside of 1 year	78,605	78,334
<b>Total per income and expenditure account</b>	<b>858,772</b>	<b>739,429</b>

## Schedule 2 – Other income

	2020 €	2019 €
Fees	856	1,238
Interest on budget accounts	1,215	1,061
Miscellaneous income	4,755	30,398
Commission	10,181	8,065
Charges and fees recovered	15,587	731
Rental Income	16,558	19,277
ECCU refund	-	75,346
<b>Total per income and expenditure account</b>	<b>49,152</b>	<b>136,116</b>

## Schedule 3 – Other management expenses

	2020 €	2019 €
LP/LS insurance	722,419	711,135
SPS contributions and affiliation fees	8,289	17,681
Central bank and other levies	256,212	294,528
Subscriptions	58,874	50,523
HR fees	554	2,811
Audit fee	22,688	23,063
Light and heat	45,015	43,536
Rates	126,118	122,293
ILCU convention	-	300
Printing and stationery	16,056	30,683
Repairs and maintenance	49,857	36,153
Computer maintenance	379,507	320,554
Board oversight committee expenses	512	500
AGM expenses	33,890	43,108
Canteen and cleaning	36,274	31,996
Telephone and postage	45,177	40,068
General insurance	65,618	57,127
Entertainment	2,753	5,035
Legal and professional fees	171,740	134,111
Travel expenses	15,944	29,212
Promotion and advertising	123,758	135,367
Donations and sponsorship	16,072	39,840
DBI insurance	250,957	232,427
Bank charges	78,217	41,731
Education and publicity	38,369	32,516
SEPA charges	29,424	31,945
MPCAS charges	43,163	20,720
Sundry	13,730	18,800
Research and development costs	52,555	82,129
<b>Total per income and expenditure account</b>	<b>2,703,742</b>	<b>2,629,892</b>

## PRIZE DRAW Income & Expenditure

for Year Ended 30 September 2020

	2020 €	2019 €
<b>Income</b>		
Entry Fees	189,922	171,853
Refunds	(182)	(467)
<b>Total Income</b>	<b>189,740</b>	<b>171,386</b>
<b>Expenditure</b>		
Prizes - Car	181,926	179,757
Prizes- Cash	9,000	-
Promotion & Advertising		138
Prize Draw Expenses	263	1,765
<b>Total Expenditure</b>	<b>191,189</b>	<b>181,660</b>
<b>Surplus / (Deficit)</b>	<b>(1,449)</b>	<b>(10,274)</b>
<b>Prize Draw Account</b>		
Opening Balance	2,411	12,685
Surplus / (Deficit)	(1,449)	(10,274)
<b>Closing Balance</b>	<b>962</b>	<b>2,411</b>

## 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:

That this Annual General Meeting amends Rule 64(2) to read as follows:

“At the time of the adoption of these rules, the board of directors shall consist of nine members, all of whom shall be members of the credit union.”

# Deposit Guarantee Scheme

## Depositor Information Sheet

Basic information about the protection of your eligible deposits.

Eligible deposits in Core Credit Union Limited are protected by:	the Deposit Guarantee Scheme {"DGS"}. <sup>(1)</sup>
Limit of protection:	Eligible deposits up to €100,000 per depositor per institution. <sup>(2)</sup>
If you have more eligible deposits at the Core Credit Union Limited:	All your eligible deposits at Core Credit Union Limited are 'aggregated' and the total is subject to the limit of €100,000. <sup>(2)</sup>
If you have a joint account with other person(s):	The limit of €100,000 applies to each depositor separately. <sup>(3)</sup>
Reimbursement period in case of Core Credit Union Limited's failure:	Within 15 working days <sup>(4)</sup>
Currency of reimbursement:	Euro
To contact Core Credit Union Limited for enquiries relating to your account:	Core Credit Union Ltd., Clara House, 37 Glenageary Park, Glenageary, Co. Dublin A96 XE26
To contact the DGS for further information on compensation:	Deposit Guarantee Scheme, Central Bank of Ireland, New Wapping Street, North Wall Quay, Dublin 1.  Tel: 1890-777777 Email: <a href="mailto:info@depositguarantee.ie">info@depositguarantee.ie</a>
More information:	<a href="http://www.depositguarantee.ie">www.depositguarantee.ie</a>

## Additional Information

### (1) Scheme responsible for the protection of your deposit

Your deposit is covered by a statutory deposit guarantee scheme. If insolvency should occur, your eligible deposits would be repaid up to €100,000.

### (2) General limit of protection

If a covered deposit is unavailable because a credit institution is unable to meet its financial obligations, depositors are repaid by the DGS. This repayment covers at maximum €100,000 per person per credit institution. This means that all eligible deposits at the same credit institution are added up in order to determine the coverage level. If, for instance, a depositor holds a savings account with €90,000 and a current account with €20,000, he or she will only be repaid €100,000.

### (3) Limit of protection for joint accounts

In case of joint accounts, the limit of €100,000 applies to each depositor. However, eligible deposits in an account to which two or more persons are entitled as members of a business partnership, association or grouping of a similar nature, without legal personality, are aggregated and treated as if made by a single depositor for the purpose of calculating the limit of €100,000.

In some cases eligible deposits which are categorised as “temporary high balances” are protected above €100,000 for six months after the amount has been credited or from the moment when such eligible deposits become legally transferable. These are eligible deposits relating to certain events which include:

- (a) certain transactions relating to the purchase, sale or equity release by the depositor in relation to a private residential property;
- (b) sums paid to the depositor in respect of insurance benefits, personal injuries, disability and incapacity benefits, wrongful conviction, unfair dismissal, redundancy, and retirement benefits;
- (c) the depositor's marriage, judicial separation, dissolution of civil partnership, and divorce;
- (d) sums paid to the depositor in respect of benefits payable on death; claims for compensation in respect of a person's death or a legacy or distribution from the estate of a deceased person.

More information can be obtained at [www.depositguarantee.ie](http://www.depositguarantee.ie)

### (4) Reimbursement

The responsible deposit guarantee scheme is:

Deposit Guarantee Scheme, Central Bank of Ireland, New Wapping Street, North Wall Quay, Dublin 1. Tel: 1890-777777. Email: [info@depositguarantee.ie](mailto:info@depositguarantee.ie). Website: [www.depositguarantee.ie](http://www.depositguarantee.ie).

It will repay your eligible deposits (up to €100,000) within 15 working days from 1 January 2020 until 31 December 2020; within 10 working days from 1 January 2021 to 31 December 2023; and within 7 days from 1 January 2024 onwards, save where specific exceptions apply.

Where the repayable amount cannot be made available within seven working days depositors will be given access to an appropriate amount of their covered deposits to cover the cost of living within five working days of a request. Access to the appropriate amount will only be made on the basis of data provided by the credit institution. If you have not been repaid within these deadlines, you should contact the deposit guarantee scheme.

### Other important information

In general, all retail depositors and businesses are covered by the Deposit Guarantee Scheme. Exceptions for certain deposits are stated on the website of the Deposit Guarantee Scheme. Your credit institution will also inform you on request whether certain products are covered or not. If deposits are eligible, the credit institution shall also confirm this on the statement of account.

**3  
easy  
ways**

to access your  
Core  
Credit Union Account



**Call**

**01 272 5600**



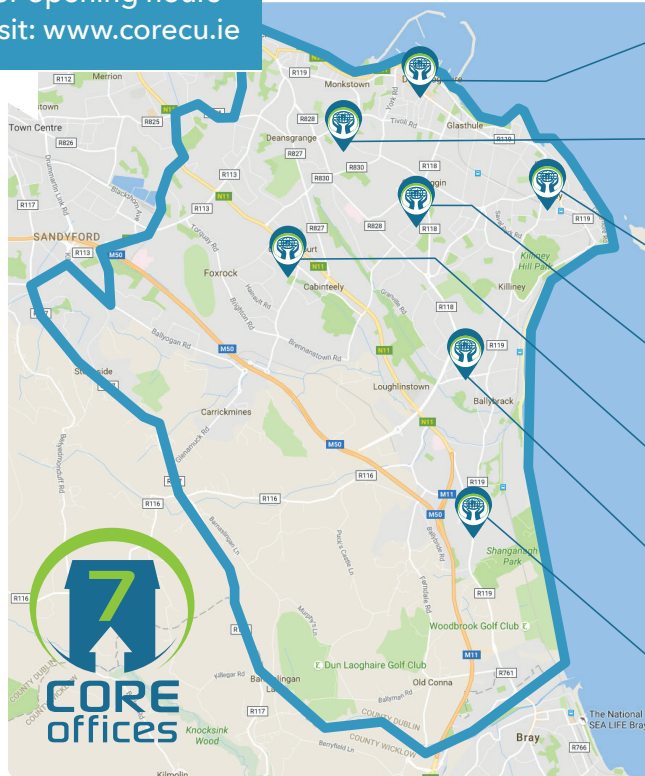
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**Come in**

For opening hours  
visit: [www.corecu.ie](http://www.corecu.ie)



Glasthule/Dún Laoghaire  
4 Sussex Street  
T: 01 272 5606  
[dunlaoghaire@corecu.ie](mailto:dunlaoghaire@corecu.ie)

Carrickbrennan  
Unit 2 Castlegate,  
Oliver Plunkett Road  
T: 01 272 5608  
[carrickbrennan@corecu.ie](mailto:carrickbrennan@corecu.ie)

Dalkey  
13a Castle Street  
T: 01 272 5605  
[dalkey@corecu.ie](mailto:dalkey@corecu.ie)

Sallynoggin/Glenageary  
8 Church Place  
T: 01 272 5604  
[sallynoggin@corecu.ie](mailto:sallynoggin@corecu.ie)

Foxrock  
Magic Retail Centre  
T: 01 272 5607  
[foxrock@corecu.ie](mailto:foxrock@corecu.ie)

Ballybrack  
33 - 34 Church Road  
T: 01 272 5603  
[ballybrack@corecu.ie](mailto:ballybrack@corecu.ie)

Shankill  
Main Street  
T: 01 272 5602  
[shankill@corecu.ie](mailto:shankill@corecu.ie)



**7 offices open 6 days  
a week for all Members**

LOANS | CURRENT ACCOUNTS | SAVINGS

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

Registered Office: Core Credit Union Ltd. Clara House, 37 Glenageary Park, Glenageary, Co. Dublin A96 XE26  
Reg no. 225CU E&OE