



**CORE CREDIT UNION**  
— STRONGER TOGETHER —

# Notification of the 56<sup>th</sup> Annual General Meeting

## Annual Report and Financial Statements For the year ending 30 September 2021



## NOTICE OF THE ANNUAL GENERAL MEETING

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Notice is hereby given of the 56<sup>th</sup> Annual General Meeting of Core Credit Union Ltd which will take place on **Thursday 20<sup>th</sup> January at 7:30pm** via Zoom© online webinar.

The Board of Directors have been monitoring the ongoing COVID-19 pandemic and given the continued public health measures in place, the Board has decided in the interests of the health and safety of members and staff to hold this year's AGM by virtual means.

Please register at [www.corecu.ie/registration](http://www.corecu.ie/registration) before 5pm on Monday 17<sup>th</sup> January 2022 to receive a secure link and pass code to attend the meeting.

- Pre-registration is required. To identify attendees, we will require your full name, email address, Core Credit Union account number and phone number. Please note only one registration per email address is permitted.
- Voting will be by Zoom poll and will take place during the AGM.
- Attendees can communicate questions and comments during the meeting through the Q&A function on the Zoom platform.
- For security purposes geographical restrictions will be put in place based on the most recent address details which we have on file for members.
- Information regarding the meeting, registration and the Zoom platform can be found on [www.corecu.ie/agm2021](http://www.corecu.ie/agm2021)



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**Edel Churchill**  
Secretary

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## 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 virtual, voting on motions and elections will be by electronic means.

When directed please click on the zoom poll to cast your vote during the AGM. Voting on each election/motion will be active for 60 seconds only.

### 2. Election Procedure

#### ELECTRONIC VOTING

When nominations are announced tellers shall be appointed by the chairman and voting procedures and instructions shall be distributed. 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.

The mechanics of the virtual voting process will be explained in more detail at the AGM by the Chair. When the votes have been counted by the tellers, the results shall be announced by the chair.

### 3 - 4 Motions

3. Members will be permitted to move motions from the floor but should give the credit union advance notice [www.corecu.ie/agm2021](http://www.corecu.ie/agm2021) in order permit a smooth and efficient management of this process as the meeting is being held remotely.

4. The Chairman's decision on any matter relating to these Standing Orders or interpretation of same shall be final.

### 5 - 9 Miscellaneous

5. The Chairperson of the credit union shall be the Chairperson 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.

6. The Chairman may at his/her discretion, extend the privilege of the floor to any person who is not a member.

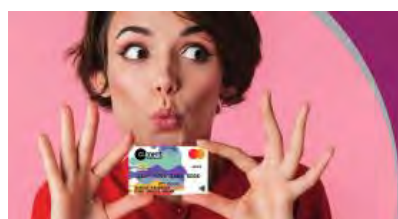
7. Matters not covered by the Agenda may be introduced under "Other Business" at the discretion of the Chairman. At a virtual AGM in the current circumstances, this may not be practical, however, the option may be invoked if required.

8. The Chairperson 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)).

9. 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.

### 10. 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) Act 2020).



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## ORDER OF BUSINESS

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- a) The acceptance by the board of directors of the authorised representatives of members that are not natural persons;
- b) Ascertainment that a quorum is present;
- c) Adoption of standing orders;
- d) Reading and approval (or correction) of the minutes of the last annual general meeting
- e) Reading and approval (or correction) of minutes of SGM of 26<sup>th</sup> April 2021;
- f) Report of the board of directors;
- g) Consideration of accounts;
- h) Report of the auditor;
- i) Report of the board oversight committee;
- j) Declaration of dividend and rebate of interest (if any);
- k) Report of the credit committee;
- l) Report of the credit control committee;
- m) Report of the membership committee;
- n) Report of the property committee;
- o) Report of the nomination committee;
- p) Appointment of tellers;
- q) Election of auditor;
- r) Election to fill vacancy on the board oversight committee;
- s) Election to fill vacancies on the board of directors;
- t) Any other business;
- u) Announcement of election results;
- v) Adjournment or close of meeting.

## NOTICE OF ELECTIONS

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Elections will be held to fill the following vacancies

- The position of Auditor
- 1 vacancy on the Board Oversight Committee
- 3 vacancies on the Board of Directors

## MOTIONS

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### MOTION NO. 1

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

### MOTION NO. 2

“That this Annual General Meeting agrees to delete Rule 63(4) of the Standard Rules for Credit Unions (Republic of Ireland) (2019) to remove the requirement for credit unions to complete and return the Return of Officers form to the Irish League of Credit Unions.”

### MOTION NO. 3

That this Annual General Meeting agrees to amend Rule 45 of the Standards Rules for Credit Unions (Republic of Ireland) in paragraph (1), by deletion of “Six directors” and the insertion of “A majority” so as to read as follows:

***A majority of the number of directors specified in the rules (inclusive of any vacancies) shall constitute a quorum for the transaction of any business at any meeting of the board of directors, but fewer than a quorum may adjourn to any date not less than two nor more than thirty days from the date of the meeting.***

# Notice

## Life Benefit Insurance - Cessation

Core Credit Union will be ceasing the free life benefit insurance with effect from 01 April 2022.

This decision has been made in the best interest of the long term viability of the Credit Union. When introduced in the late 70's savings of members were small, and borrowings were high. Today we find ourselves with low borrowings and high savings along with low and negative rates of interest on our deposits. It is therefore not possible or prudent to continue to provide these free benefits.

We regret having to make this decision and will introduce a range of member-pay options to replace the free benefits.

## CHAIRPERSONS REPORT

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I would firstly like to acknowledge that under current public health guidelines it is not possible to hold our Annual General Meeting in person. Once again, we will be having a virtual AGM. I know this may cause inconvenience to some, but our collective safety is paramount.

2021 has been a formidable year for our members, board and staff. Our loan book is now recovering after two very difficult years with COVID-19. Uncertainty around job security and restrictions across many businesses left members with little opportunity for spending and borrowing.

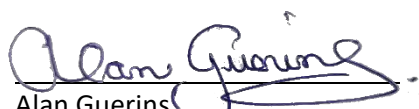
This last year has again been challenging for all Credit Unions. The business model needs restructuring, costs and levies need to be reduced. Currently, negative interest rates continue to reduce our return on Investments. Banks continue to charge Credit Unions on short term cash deposits hence the reason for our current share cap and increased monthly costs. It is important that members continue to support your Credit Union by borrowing from us.

It has been a busy year with our property strategy and the success will be seen in 2022. This December our new office in Dun Laoghaire opened in an excellent location on the main street in the old Eason's building and with the clever refurbishment of the building and intelligent planning there are now three high quality completed apartments for sale above the office which is a fantastic example of residential regeneration in a town. Our old premises in Sussex Street is sale agreed by a local businessperson. Our new office in Monkstown Farm opened in March and the previous office will be listed for sale in early 2022. Both offices in Dalkey and Foxrock have been closed permanently. Our management team produced an extensive analysis of the performance of both branches and after a comprehensive review it was unanimously agreed by Board that Core Credit Union could no longer sustain the cost of the two offices. Foxrock was on a long term lease, and we are in advance negotiations on a transfer of lease to a local business, Dalkey will be offered for sale by our selling agent in early 2022.

We have an excellent, hardworking and informed Board and I would personally like to thank all of them for all of their contributions, all busy people in their own lives who give their personal valuable time to Core Credit Union in a voluntary capacity. Also, on behalf of the Board, I would like to thank the dedicated staff and management who have all worked tirelessly throughout a challenging year.

Trusting you and your families are staying safe in these ongoing exacting times. Please, if you are considering any financial services, remember to reach out to your local Core Credit Union office, we have a full range of digital banking products including Current Accounts.

Finally, a thank you to you our members, your contribution, continued loyalty and support over the years are greatly appreciated.

  
Alan Guerins  
**Chairperson**

The resilience of Core Credit Union and all other Credit Unions during the pandemic demonstrates the importance of having a strong member focused culture supported by prudent and robust processes to ensure continuity of services for members. These times are difficult for everyone, but I would like to praise our staff for their continued commitment to look after members in what are the most difficult of times. Restricting movement between offices to prevent spread of COVID leaves our staff isolated from each other making it more difficult to train and support each other. Despite all this our staff continue to put member service to the forefront.

2021 was another challenging year with Covid-19 having a significant impact on financial performance. Another lock down in early January resulted in reduced economic activity which lowered consumer demand and fuelled a sustained increase in household savings. Despite a very challenging operating environment a surplus of €291,840 was recorded.

The loan book declined by €696,148 in the financial year, this followed a decline of €2.24m in 2020. The decline was most severe in the 3 months to February 2021 when the book fell by €1.65m. A recovery commenced in June 2021, as Covid restrictions eased, and continued for the latter part of the year. Loan demand was up on the previous year, with new loans issued €1m higher, however loan repayments remained stubbornly high. Overall, the loan book was down 1.5%.

The implementation of the lower savings cap resulted in a net reduction of €9.35m of Member Shares held. Average monthly share inflows remained high at almost €4m per month. The return of excess savings was necessary to reduce total assets and combat the continued dilution of the total reserves ratio. This ratio has increased to 12.83% from last year's 11.92%.

Total Income was down €386,866, with Loan Interest Income down 6% and Investment Income down 20%. The reduction in interest income reflects the declining loan book and highlights the importance of loan book growth to surplus generation. Cash and investments account for 65% of total assets. Investment income will continue to decline as long-term investments mature during a low interest rate environment and are rolled over at significantly lower rates.

Total Expenses reduced by €676,165 in the year, with savings from employment costs and free member benefit offerings accounting for over half of the reduction. Head count was lower due to natural attrition whilst the changes to free insurance offerings delivered significant premium reductions. Both still account for 53% of total expenses.

A significant challenge facing our financial performance on many fronts is the current monetary policies of Central Banks across the globe and our own European Central Bank. Continued quantitative easing and negative interest rates hit all aspects of the Credit Union from loans to savings and expenses. In 2021 we incurred costs due to negative interest rates of (€110,000) and historically lower returns on investments. Comparing historical average returns on investments with today's returns our income is negatively impacted by approximately €1.8m. Both these impact our ability to generate reserves and consequently contributed to the requirement to introduce a share cap.

Work continues to deliver property related savings and it is envisaged that 2022 will see us divesting of our surplus property and delivering on our property strategy that we outlined in our 2018 annual report. This will improve our cost base from 2023 onwards.

Current Account take up continues to increase monthly and with the imminent closures of Ulster Bank and KBC having a community based, not for profit current account option for members is a great option. I would like to remind members that our current account is the best value for money in the market on a like for like basis and through Mastercard, Google Pay, Apple Pay, Fitbit pay and our own App it is accessible globally 24/7. We are also part of the voluntary code of practice for switching which makes it very easy to move accounts.

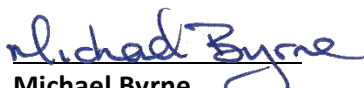
We launched Peopl insurance at the beginning of our financial year and the uptake of this has been very poor. There are several reasons for this and we continue to work with other credit unions and our providers to improve its performance.

Due to lack of demand in lending in our Foxrock and Dalkey offices and the effects of low interest rates we had to make the difficult, but necessary decision to close these branches. We will strive to keep our five remaining branches open but this is becoming more difficult the longer the low interest rate environment endures. During 2022 we will be again reviewing our options and the introduction of fees and charges will need to be considered.

While there are challenges ahead we have many things to look forward to. As a credit union our relevance to members continues to improve. Current accounts are helping to activate previously dormant members and bring in new members. Our online technology provides greater levels of functionality than banks and many new fintech entrants and our lending, though lower during the year is robust and recovering.

The question I am asking myself in 2022 is how useful are we to our members and how can we become more useful.

I began my report by thanking our staff for their hard work and dedication. I would like to finish my report thanking our Board and Board Oversight Committee who give of their time freely to steer the Credit Union in these difficult times. People who give of their time freely without wanting or expecting anything in return are of immense value to our community and country. I would also like to thank my management team who have had yet again to demonstrate great flexibility during the year to adapt to the ever changing environment we are faced with each day.

  
**Michael Byrne**  
CEO



## REPORT OF THE RISK, COMPLIANCE & AUDIT 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 of Directors in carrying out its statutory and regulatory obligations in respect of risk management, compliance, and internal audit to safeguard the funds of the members of the Credit Union.

The committee met monthly with the Risk Management Officer and the Compliance Officer and quarterly with the Internal Auditor over the past year.

The Committee:

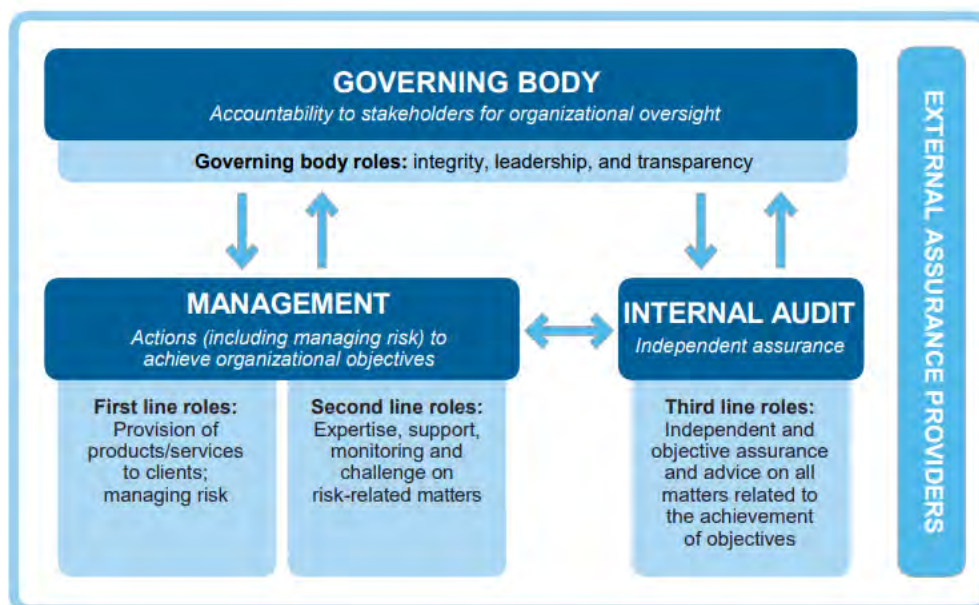
- Oversaw the implementation of the Board approved Credit Union Risk, Compliance and Internal Audit plans;
- Reviewed reports from the Risk, Compliance and Internal Audit functions;
- Oversaw the implementation of recommendations of the Risk, Compliance and Internal Audit functions;
- Reviewed the Risk Register and assessed the appropriateness of the 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 implementation of the Credit Union Business Continuity Plans from a governance and operational perspective in response to ongoing COVID-19 restrictions; and
- Reported monthly to the Board of Directors.

The Committee oversaw and monitored the implementation of improvements to controls based on recommendations of our internal auditors, Moore and our external auditors, Grant Thornton.

The 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.

### COMMITTEE MEMBERS:

Edel Churchill (Chair), Paula O'Toole and Anne Marie Murtagh.



## NOMINATION COMMITTEE REPORT

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The Nomination Committee has the responsibility to ensure that our Board has the experience, skills and knowledge to manage, direct and generally control the affairs, funds and records of our Credit Union.

The Committee is comprised of 3 members and met twelve times in the last year.

The Committee ensures that during the recruitment and tenure of Board and Board Oversight Committee members, we manage the Fitness and Probity review of each of the candidates in line with the legal and Central Bank requirements.

The Committee ensure that our succession planning, nominations, and volunteer policies remain up to date and valid and we also support the Board in the review of its operations and self-assessment of its performance. One of the functions of the Committee is to source, within our membership, people with interest and enthusiasm who are willing to make themselves available as potential Board and Board Oversight Committee members. Additionally, we recommend and help to source training during the year for Board members to continue to improve their knowledge and skills.

This has been a challenging year for the Committee and we would like to thank the members of the Board and Board Oversight Committee for their help and support throughout the year. The committee would also like to thank all of the staff at Core for maintaining such a high-quality service in these unprecedented times.

### NOTICE OF ELECTIONS

Under the Act, the terms of office of the following members has expired and are seeking re-election. The Nomination Committee proposes the below mentioned for re-election by the members at this meeting:

<b>CANDIDATE</b>	<b>ROLE</b>	<b>TERM</b>
Elizabeth Harpur	Director	3 years
Paula O'Toole	Director	3 years
Lia Downer	Board Oversight Committee Member	3 Years

The Nominations Committee is further proposing the following candidate for appointment to the role specified:

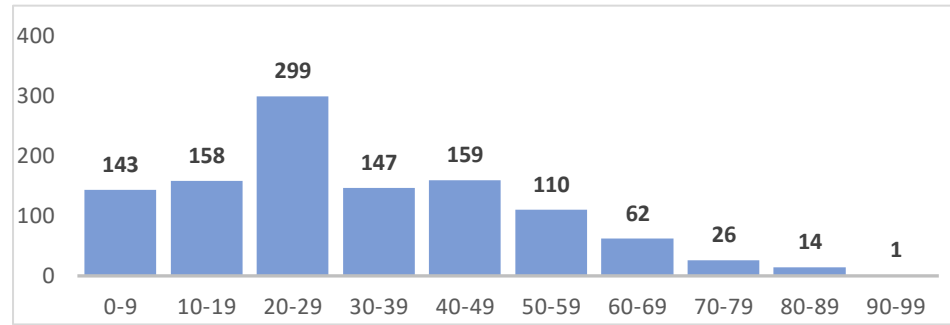
<b>CANDIDATE</b>	<b>ROLE</b>	<b>TERM</b>
Francois Tritz	Director	3 years

### COMMITTEE MEMBERS

**Susan Birmingham, Paula O'Toole & Elizabeth Harpur**

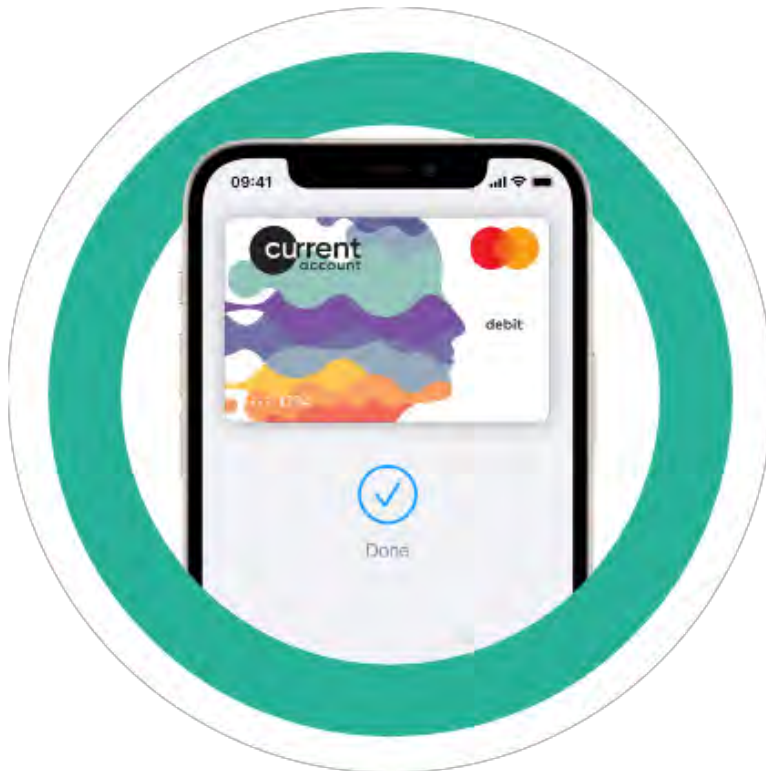
## MEMBERSHIP REPORT

This year 1,119 members opened accounts with the largest numbers being opened by people in their twenties.



26% of our members joined online through our App and website with extremely positive feedback from members joining this way.

Since launching our Current Accounts, we have seen positive growth in new members joining specifically to avail of our new Current Accounts. We welcomed our 1,000th Current Account in September and continue to see an increase in this growth. With the closure of local banks, we have introduced and implemented the Switcher Process which helps people to switch their banking over to us and we take on a lot of the process for changing Direct Debits etc., making it easier for our members to make that switch. Apple Pay, Google Pay and Fitbit Pay are part of our Features & Benefits which appeal to members across all age groups.



We have 18 participating primary schools involved in our Schools Savings Scheme and over 900 children involved. However, since March 2020 and with the presence of Covid 19 we have had to pause our interaction with schools but hope to get back as soon as we are permitted to and continue this very successful scheme. Building on from the success in our primary schools we hope to get involved with secondary schools in the coming year to work with the schools and build a transition year programme. With great value current accounts and modern fintech solutions driven by a not for profit community ethos we now have a compelling offering for our next generation of members.

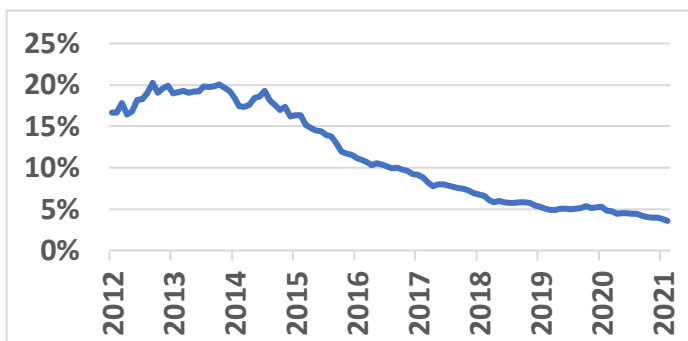
**Jennifer Bowe**  
Membership Officer

## CREDIT CONTROL COMMITTEE REPORT

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The Credit Control Committee and Credit Control function within the Credit Union is an extremely important function. The Credit Union is here for members and our community. We are needed most when members encounter financial difficulties in their lives.

Our approach is to help our members and to understand their circumstances so that we can help them through this period. While COVID-19 has been extremely disruptive to our lives it has had a positive impact on our arrears with our arrears now being at the lowest levels in memory standing at 3.57% in September 2021.



While COVID-19 has helped many with arrears due to decreased spending opportunities many of our members did experience difficulties. During COVID we have worked with 422 members who have gross loans of €5.1 million organising various forms of payment reductions and breaks.

The role of the credit control committee is to oversee the credit control function ensuring that loans are constantly monitored and ensuring arrears are dealt with in a timely manner. In cases of where are written off credit control ensures that these outstanding debts are collected. During 2021 €323,414 of bad debts were recovered.

It is important to remind members that where payments are missed, these are recorded on the Central Credit Register which may effect the ability to obtain further loans. To this end it is extremely important for members who are experiencing financial difficulties to contact us as soon as possible.

### COMMITTEE MEMBERS

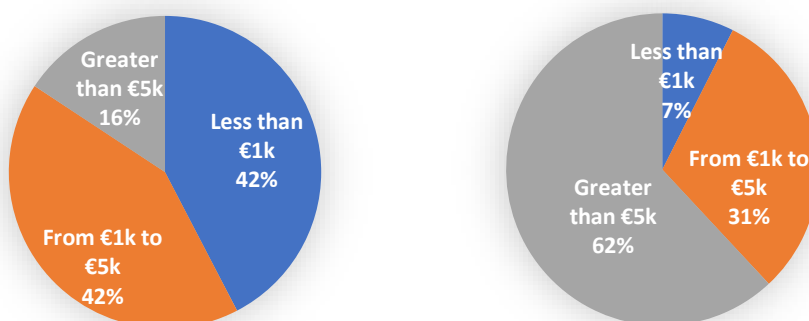
**Alan Guerins, Michael Byrne, Helen New**

## CREDIT COMMITTEE REPORT

Lending continues to be the primary purpose and the provision of loans at a fair and reasonable rate of interest is the reason why credit unions were established.

The charts below outline loans issued by number and by value. 84% of our loans issued are for amounts less than €5,000 which is significantly higher than the movement average of 71%. In keeping with the higher number of small loans the average value of our loans issued are lower than the movement average at €3,645 compared to €5,624. While this represents an operational challenge for the credit union in managing costs it demonstrates that we continue to serve the needs and every day lives of our members and community.

### Loans Issued (Number)      Loans Issued (Value)



Whilst we are successful in ensuring the provision of small value loans to our members, we are also lending very strongly in the market for larger loans with €13.6 million issued for loans greater than €5k with the largest loan issued during the year being a mortgage to the value of €250,000 which has helped us maintain our loan book with our Loan/Asset ratio at 30.7% significantly ahead of the movements ratio of 25.9%

Despite our strong position on loans 2021 was itself a very difficult year for lending due to COVID-19. During the three months from December 2020 to February 2021 when we experienced a surge in COVID cases and movement restrictions our loan book dropped by a significant €1.65 million. Thankfully demand for loans has increased subsequently and we finished the year with a decline in our loan book of €696,000.

### COMMITTEE MEMBERS

Leann McGovern, Paul Maher & Mark Ryan



## BOARD OVERSIGHT COMMITTEE REPORT 2021

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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 Part IV(A) of the Act and with any regulations made for the purpose of Part IV and Part IV(A) of the Act 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.

The Committee held monthly meetings during the year and at least one member of the committee attended every Board meeting.

The committee conducted four reviews of the performance of the Board during the year and presented its findings at meetings held with the Board.

The Board Oversight Committee is satisfied that the Board of Directors has complied with and operated in accordance with Part IV and Part IV(A) of the Act.

We wish to thank the directors, management and staff for their co-operation and assistance extended to us with our work during the year.

### COMMITTEE MEMBERS:

Pat McAuliffe (Chair), Lia Downer and Siobhán Harding

## MEMBERS BENEFITS REPORT

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Core Credit Union provides our members with free loan protection cover which clears members loans in the event of the death of the Member which provides great peace of mind when borrowing from the Credit Union. We also provide Life Benefit which pays a benefit relating to the value of shares held in the credit union at the date of death.

The table below shows the cost to the Credit Union and claims history of these benefits over the past two years.

	30/09/2020		30/09/2021	
<b>Total Premiums Paid</b>	<b>974,597</b>		<b>679,352</b>	
<b><i>Benefits Paid:</i></b>				
Loan Protection	49	173,682	39	110,172
Life Savings Benefit	143	291,197	150	239,775
Death Benefit	120	157,300	54	70,850
		<u>622,179</u>		<u>420,797</u>
<b>Excess Premiums over Benefits</b>	<b>352,418</b>	<b>(36%)</b>	<b>258,555</b>	<b>(38%)</b>

**Note:** From 01 April 2022 free life savings benefit will be discontinued and a member pay option will be introduced.

## FINANCIAL STATEMENTS

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**YEAR ENDED 30 SEPTEMBER 2021**

## CREDIT UNION DIRECTORS AND OTHER INFORMATION

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### **BOARD OF DIRECTORS:**

Alan Guerins

Elizabeth Harpur

Edel Churchill

Susan Bermingham

Elaine Hughes

Anne Marie Murtagh

John O'Reilly

Paula O'Toole

Michael Thomas

**Chairperson**

**Vice-Chairperson**

**Secretary**

### **BOARD OVERSIGHT COMMITTEE:**

Lia Downer

Siobhan Harding

Pat McAuliffe

**Chairperson**

### **REGISTERED NUMBER:**

225CU

### **REGISTERED OFFICE:**

Clara House, 37 Glenageary Park, Glenageary, Co. Dublin, A96 XE26.

### **AUDITORS:**

Grant Thornton, Chartered Accountants & Statutory Audit Firm

Mill House, Henry Street, Limerick.

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## DIRECTORS' REPORT

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### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021

The directors present their annual report and the audited financial statements for the financial year ended 30 September 2021.

#### 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 23. The directors are not proposing a dividend in respect of the financial year ended 30 September 2021 (2020: The directors did not propose a dividend).

#### 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.

##### **COVID-19 RISK**

There is an economical and operational risk relating to the uncertainty surrounding the impact of the COVID-19 pandemic.

## DIRECTORS' REPORT (CONTINUED)

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### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021

These risks and uncertainties 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.

#### **COVID-19 RISK**

The board of directors and management closely monitor the evolution of the COVID-19 pandemic and continue to take appropriate actions to mitigate any possible adverse effects on the credit union.

#### **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.

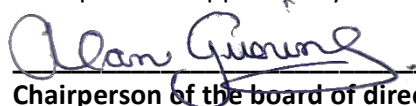
#### **EVENTS AFTER THE END OF THE FINANCIAL YEAR**

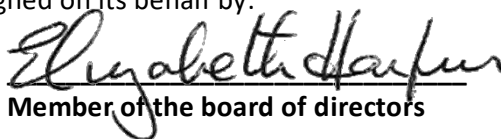
At 30 September 2021 the credit union plan to dispose of the investment property and two properties included in premises. The sale of these properties is expected to complete in the coming months.

#### **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 and signed on its behalf by:

  
Chairperson of the board of directors

  
Member of the board of directors

Date: 16 November 2021

## DIRECTORS' RESPONSIBILITIES STATEMENT

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### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021


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.

On behalf of the board:

  
Chairperson of the board of directors

  
Member of the board of directors

Date: 16 November 2021

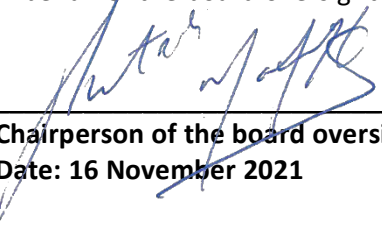
## BOARD OVERSIGHT COMMITTEE'S RESPONSIBILITIES STATEMENT

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### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021

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.

On behalf of the board oversight committee:

  
Chairperson of the board oversight committee  
Date: 16 November 2021

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CORE CREDIT UNION LIMITED

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## **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 2021, 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 2021 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, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), 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**

In auditing the financial statements, we have concluded that the director's use of going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the credit union's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## **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)

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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)

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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: 16 November 2021**

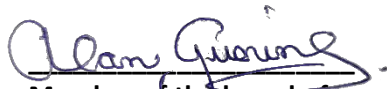


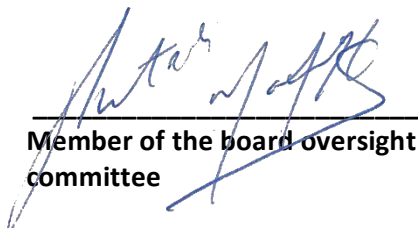
## INCOME AND EXPENDITURE ACCOUNT

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021

		2021	2020
	Schedule	€	€
<b>Income</b>			
Interest on members' loans		3,897,225	4,144,556
Other interest income and similar income	1	683,435	858,772
<b>Net interest income</b>		<b>4,580,660</b>	<b>5,003,328</b>
Other income	2	84,954	49,152
<b>Total income</b>		<b>4,665,614</b>	<b>5,052,480</b>
<b>Expenditure</b>			
Employment costs		1,591,422	1,706,829
Other management expenses	3	2,543,697	2,703,742
Depreciation		383,071	338,379
Net impairment losses/(gains) on loans to members (note 5)		(144,416)	300,989
<b>Total expenditure</b>		<b>4,373,774</b>	<b>5,049,939</b>
<b>Surplus for the financial year</b>		<b>291,840</b>	<b>2,541</b>

The financial statements were approved and authorised for issue by the board and signed on behalf of the credit union by:

  
Member of the board of directors

  
Member of the board oversight committee

  
CEO

Date: 16 November 2021

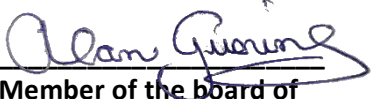
The notes on pages 28 to 42 form part of these financial statements.

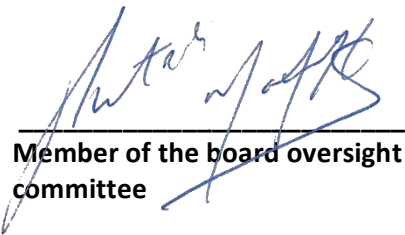
## STATEMENT OF OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021

	2021	2020
	€	€
Surplus for the financial year	291,840	2,541
Other comprehensive income	-	-
Total comprehensive income for the financial year	<u>291,840</u>	<u>2,541</u>

The financial statements were approved and authorised for issue by the board and signed on behalf of the credit union by:

  
Member of the board of directors

  
Member of the board oversight committee

  
CEO

Date: 16 November 2021

The notes on pages 28 to 42 form part of these financial statements.

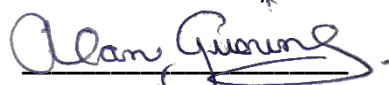


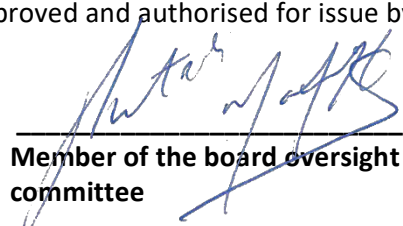
## BALANCE SHEET

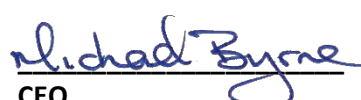
### AS AT 30 SEPTEMBER 2021

	Notes	2021 €	2020 €
<b>Assets</b>			
Cash and balances at bank		2,893,576	6,192,299
Deposits and investments – cash equivalents	7	42,962,648	40,357,677
Deposits and investments – other	7	50,947,403	59,457,604
Loans to members	8	45,487,964	46,184,112
Provision for bad debts	9	(2,279,002)	(2,282,384)
Members' current accounts overdrawn	14	6,600	5,752
Tangible fixed assets	10	6,447,485	5,621,309
Investment property	11	1,350,000	1,350,000
Prepayments and accrued income	12	450,193	318,506
<b>Total assets</b>		<b>148,266,867</b>	<b>157,204,875</b>
<b>Liabilities</b>			
Members' shares	13	125,097,872	134,451,232
Members' stamps	13	2,775,717	3,057,165
Members' budget accounts	13	12,034	17,523
Members' current accounts	14	964,678	513,899
Other liabilities, creditors, accruals and charges	15	359,395	410,919
Other provisions	16	32,859	21,665
<b>Total liabilities</b>		<b>129,242,555</b>	<b>138,472,403</b>
<b>Reserves</b>			
Regulatory reserve	18	15,856,280	15,856,280
Operational risk reserve	18	1,582,432	1,582,432
Other reserves			
- Realised reserves	18	1,338,234	724,138
- Unrealised reserves	18	247,366	569,622
<b>Total reserves</b>		<b>19,024,312</b>	<b>18,732,472</b>
<b>Total liabilities and reserves</b>		<b>148,266,867</b>	<b>157,204,875</b>

The financial statements were approved and authorised for issue by the board and signed on behalf of the credit union by:

  
**Member of the board of directors**

  
**Member of the board oversight committee**

  
**CEO**

**Date: 16 November 2021**

The notes on pages 28 to 42 form part of these financial statements.

## STATEMENT OF CHANGES IN RESERVES

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021

	Regulatory reserve €	Operational risk reserve €	Realised reserves €	Unrealised reserves €	Total €
<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 1 October 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>
Surplus for the financial year	-	-	287,110	4,730	291,840
Transfers between reserves	-	-	326,986	(326,986)	-
<b>As at 30 September 2021</b>	<b>15,856,280</b>	<b>1,582,432</b>	<b>1,338,234</b>	<b>247,366</b>	<b>19,024,312</b>

- The regulatory reserve of the credit union as a percentage of total assets as at 30 September 2021 was 10.69% (2020: 10.09%).
- The operational risk reserve of the credit union as a percentage of total assets as at 30 September 2021 was 1.07% (2020: 1.01%).

The notes on pages 28 to 42 form part of these financial statements.

## STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021

	Notes	2021 €	2020 €
<b>Opening cash and cash equivalents</b>		<b>46,549,976</b>	<b>30,817,528</b>
<b>Cash flows from operating activities</b>			
Loans repaid by members	8	22,365,097	22,739,224
Loans granted to members	8	(21,964,578)	(20,897,874)
Interest on members' loans		3,897,225	4,144,556
Other interest income and similar income		683,435	858,772
Bad debts recovered and recoveries		436,663	416,079
Other income		84,954	49,152
Members' current accounts lodgements	14	8,082,217	2,897,668
Members' current accounts withdrawals	14	(7,632,286)	(2,415,536)
Operating expenses		(4,135,119)	(4,410,571)
Movement in other assets and liabilities		(172,017)	(58,441)
<b>Net cash flows from operating activities</b>		<b>1,645,591</b>	<b>3,323,029</b>
<b>Cash flows from investing activities</b>			
Fixed asset purchases		(1,209,247)	(1,130,700)
Net cash flow from other investing activities		8,510,201	(1,736,516)
<b>Net cash flows from investing activities</b>		<b>7,300,954</b>	<b>(2,867,216)</b>
<b>Cash flows from financing activities</b>			
Members' shares received	13a	65,202,993	70,493,281
Members' shares withdrawn	13a	(74,556,353)	(55,648,651)
Members' stamps received	13b	4,104,625	4,509,993
Members' stamps withdrawn	13b	(4,386,073)	(4,078,343)
Members' budget accounts received	13c	190,700	240,677
Members' budget accounts withdrawn	13c	(196,189)	(240,322)
<b>Net cash flow from financing activities</b>		<b>(9,640,297)</b>	<b>15,276,635</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(693,752)</b>	<b>15,732,448</b>
<b>Closing cash and cash equivalents</b>	6	<b>45,856,224</b>	<b>46,549,976</b>

The notes on pages 28 to 42 form part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

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### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021

#### 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.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021

### 2. ACCOUNTING POLICIES (CONTINUED)

#### 2.6. DEPOSITS AND INVESTMENTS

##### *HELD AT AMORTISED COST*

Investments designated on initial recognition as held at amortised cost are measured at amortised cost using the effective interest method less impairment. This means that the investment is measured at the amount paid for the investment, minus any repayments of the principal; plus or minus the cumulative amortisation using the effective interest method of any difference between the amount at initial recognition and the maturity amount, minus, in the case of a financial asset, any reduction for impairment or uncollectability.

##### *CENTRAL BANK DEPOSITS*

Credit unions are obliged to maintain certain minimum deposits with the Central Bank but may also hold an excess over the regulatory minimum. The regulatory minimum deposits are technically assets of the credit union but to which the credit union has restricted access. The regulatory minimum portion will not ordinarily be returned to the credit union while it is a going concern and is separately identified in note 7, Deposits and investments - other. Funds held with the Central Bank in excess of the regulatory minimum requirements are fully available to the credit union and are therefore treated as cash equivalents and are separately identified in note 7, Deposits and investments – cash equivalents. The amounts held on deposit with the Central Bank 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.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021

#### 2. ACCOUNTING POLICIES (CONTINUED)

##### 2.8. PROVISION FOR BAD DEBTS (CONTINUED)

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.

##### **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.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021

### 2. ACCOUNTING POLICIES (CONTINUED)

#### 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).

#### 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.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021

#### 2. ACCOUNTING POLICIES (CONTINUED)

##### 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 directors have considered the requirements of the Act and have considered an approach to the calculation of the operational risk reserve. The credit union 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 the credit union 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).

##### 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 2021

#### 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 €6,447,485 (2020: €5,621,309).

##### 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 €2,279,002 (2020: €2,282,384) representing 5.01% (2020: 4.94%) 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. The credit union 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 (2020: €1,582,432).

##### ADOPTION OF GOING CONCERN BASIS FOR FINANCIAL STATEMENTS PREPARATION

The credit union continue to closely monitor the evolution of the COVID-19 pandemic. 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.

#### 4. KEY MANAGEMENT PERSONNEL COMPENSATION

The directors of the credit union are all unpaid volunteers. The key management personnel compensation is as follows.

	2021	2020
	€	€
Short term employee benefits paid to key management	591,594	599,274
Payments to pension schemes	44,529	43,944
Total key management personnel compensation	<u>636,123</u>	<u>643,218</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021

<b>5. NET IMPAIRMENT LOSSES/(GAINS) ON LOANS TO MEMBERS</b>	<b>2021</b>	<b>2020</b>
	€	€
Bad debts recovered	(323,414)	(294,975)
Impairment of loan interest reclassified as bad debt recoveries	(113,249)	(121,104)
Movement in bad debts provision during the year	(3,382)	320,000
Loans written off during the year	295,629	397,068
<b>Net impairment losses/(gains) on loans to members</b>	<b>(144,416)</b>	<b>300,989</b>

<b>6. CASH AND CASH EQUIVALENTS</b>	<b>2021</b>	<b>2020</b>
	€	€
Cash and balances at bank	2,893,576	6,192,299
Deposits and investments – cash equivalents (note 7)	42,962,648	40,357,677
<b>Total cash and cash equivalents</b>	<b>45,856,224</b>	<b>46,549,976</b>

<b>7. DEPOSITS AND INVESTMENTS</b>	<b>2021</b>	<b>2020</b>
	€	€
<b>Deposits and investments – cash equivalents</b>		
Accounts in authorised credit institutions (Irish and non-Irish based)	24,292,468	25,809,601
Central Bank deposits	18,670,180	14,532,333
Irish and EEA state securities	-	15,743
<b>Total deposits and investments – cash equivalents</b>	<b>42,962,648</b>	<b>40,357,677</b>
<b>Deposits and investments – other</b>		
Accounts in authorised credit institutions (Irish and non-Irish based)	32,823,935	35,164,446
Bank bonds	16,739,740	22,829,699
Irish and EEA state securities	309,197	310,509
Central Bank deposits	1,074,531	1,152,950
<b>Total deposits and investments – other</b>	<b>50,947,403</b>	<b>59,457,604</b>
<b>Total deposits and investments</b>	<b>93,910,051</b>	<b>99,815,281</b>

<b>8. FINANCIAL ASSETS – LOANS TO MEMBERS</b>	<b>2021</b>	<b>2020</b>
	€	€
As at 1 October	46,184,112	48,422,530
Loans granted during the year	21,964,578	20,897,874
Loans repaid during the year	(22,365,097)	(22,739,224)
<b>Gross loans and advances</b>	<b>45,783,593</b>	<b>46,581,180</b>
<b>Bad debts</b>		
Loans written off during the year	(295,629)	(397,068)
<b>As at 30 September</b>	<b>45,487,964</b>	<b>46,184,112</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021

#### 9. PROVISION FOR BAD DEBTS

	2021	2020
	€	€
As at 1 October	2,282,384	1,962,384
Movement in bad debts provision during the year	(3,382)	320,000
<b>As at 30 September</b>	<b>2,279,002</b>	<b>2,282,384</b>

The provision for bad debts is analysed as follows:

	2021	2020
	€	€
Grouped assessed loans	2,279,002	2,282,384
<b>Provision for bad debts</b>	<b>2,279,002</b>	<b>2,282,384</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 2020	5,939,600	152,909	1,969,090	437,448	19,750	8,518,797
Additions	-	1,003,040	97,123	109,084	-	1,209,247
<b>At 30 September 2021</b>	<b>5,939,600</b>	<b>1,155,949</b>	<b>2,066,213</b>	<b>546,532</b>	<b>19,750</b>	<b>9,728,044</b>
<b>Depreciation</b>						
1 October 2020	1,652,345	-	896,815	334,174	14,154	2,897,488
Charge for year	119,642	-	212,181	47,298	3,950	383,071
<b>At 30 September 2021</b>	<b>1,771,987</b>	<b>-</b>	<b>1,108,996</b>	<b>381,472</b>	<b>18,104</b>	<b>3,280,559</b>
<b>Net book value</b>						
<b>At 30 September 2021</b>	<b>4,167,613</b>	<b>1,155,949</b>	<b>957,217</b>	<b>165,060</b>	<b>1,646</b>	<b>6,447,485</b>
At 30 September 2020	4,287,255	152,909	1,072,275	103,274	5,596	5,621,309

#### 11. INVESTMENT PROPERTY

	2021	2020
	€	€
Balance at 1 October	1,350,000	475,000
Transfer from premises	-	875,000
Fair value adjustments	-	-
<b>As at 30 September</b>	<b>1,350,000</b>	<b>1,350,000</b>

Arising from the Glasthule - 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 property above comprise of the transferred premises' and in the opinion of the directors, the investment property has been stated at fair value at 30 September 2021 subject to existing conditions.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021

<b>12. PREPAYMENTS AND ACCRUED INCOME</b>	<b>2021</b>	<b>2020</b>
	€	€
Prepayments and other interest receivable	334,210	184,861
Loan interest receivable	115,983	133,645
As at 30 September	<b>450,193</b>	<b>318,506</b>

### 13. MEMBERS' SAVINGS

Members' savings are analysed as follows:

	<b>2021</b>	<b>2020</b>
	€	€
Members' shares	125,097,872	134,451,232
Members' stamps	2,775,717	3,057,165
Members' budget accounts	12,034	17,523
Total members' savings	<b>127,885,623</b>	<b>137,525,920</b>

#### 13a. Members' shares

	<b>2021</b>	<b>2020</b>
	€	€
As at 1 October	134,451,232	119,606,602
Received during the year	65,202,993	70,493,281
Withdrawn during the year	(74,556,353)	(55,648,651)
As at 30 September	<b>125,097,872</b>	<b>134,451,232</b>

#### 13b. Members' stamps

	<b>2021</b>	<b>2020</b>
	€	€
As at 1 October	3,057,165	2,625,515
Received during the year	4,104,625	4,509,993
Withdrawn during the year	(4,386,073)	(4,078,343)
As at 30 September	<b>2,775,717</b>	<b>3,057,165</b>

#### 13c. Members' budget accounts

	<b>2021</b>	<b>2020</b>
	€	€
As at 1 October	17,523	17,168
Received during the year	190,700	240,677
Withdrawn during the year	(196,189)	(240,322)
As at 30 September	<b>12,034</b>	<b>17,523</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021

#### 14. MEMBERS' CURRENT ACCOUNTS

	2021	2020
	€	€
As at 1 October	508,147	26,015
Lodgements during the year	8,082,217	2,897,668
Withdrawals during the year	(7,632,286)	(2,415,536)
As at 30 September	<b>958,078</b>	<b>508,147</b>

	No. of Accounts	Balance of Accounts €
Debit	99	6,600
Credit	958	964,678
Permitted overdrafts	15	5,398

#### 15. OTHER LIABILITIES, CREDITORS, ACCRUALS AND CHARGES

	2021	2020
	€	€
Prize draw	714	962
Creditors and accruals	358,681	409,957
As at 30 September	<b>359,395</b>	<b>410,919</b>

#### 16. OTHER PROVISIONS

	2021	2020
	€	€
Holiday pay accrual		
At 1 October	21,665	17,832
Charged to the income and expenditure account	11,194	3,833
At 30 September	<b>32,859</b>	<b>21,665</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021

### 17. FINANCIAL INSTRUMENTS

#### FINANCIAL INSTRUMENTS – AMORTISED COST

<b>Financial assets</b>	<b>2021</b>	<b>2020</b>
	€	€
Financial assets measured at amortised cost	<u>142,298,191</u>	<u>152,197,444</u>
<b>Financial liabilities</b>	<b>2021</b>	<b>2020</b>
	€	€
Financial liabilities measured at amortised cost	<u>129,242,555</u>	<u>138,472,403</u>

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

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

<b>18. RESERVES</b>	<b>Balance 01/10/20</b>	<b>Appropriation of current year surplus</b>	<b>Transfers between reserves</b>	<b>Balance 30/09/21</b>
	€	€	€	€
<b>Regulatory reserve</b>	<u>15,856,280</u>	<u>-</u>	<u>-</u>	<u>15,856,280</u>
<b>Operational risk reserve</b>	<u>1,582,432</u>	<u>-</u>	<u>-</u>	<u>1,582,432</u>
<b>Other reserves</b>				
<b>Realised</b>				
Undistributed surplus	<u>724,138</u>	<u>287,110</u>	<u>326,986</u>	<u>1,338,234</u>
<b>Total realised reserves</b>	<u>724,138</u>	<u>287,110</u>	<u>326,986</u>	<u>1,338,234</u>
<b>Unrealised</b>				
Interest on loans reserve	<u>133,645</u>	<u>(17,662)</u>	<u>-</u>	<u>115,983</u>
Investment income reserve	<u>435,977</u>	<u>22,392</u>	<u>(326,986)</u>	<u>131,383</u>
<b>Total unrealised reserves</b>	<u>569,622</u>	<u>4,730</u>	<u>(326,986)</u>	<u>247,366</u>
<b>Total reserves</b>	<u>18,732,472</u>	<u>291,840</u>	<u>-</u>	<u>19,024,312</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021

#### 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 union's 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.

	2021		2020	
	€	%	€	%
<b>Loans not impaired</b>				
Total loans not impaired, not past due	<u>33,309,168</u>	<u>73.23%</u>	<u>34,680,347</u>	<u>75.09%</u>
<b>Impaired loans:</b>				
Not past due	387,987	0.85%	178,746	0.39%
Up to 9 weeks past due	10,166,944	22.35%	9,106,419	19.71%
Between 10 and 18 weeks past due	300,117	0.66%	559,985	1.21%
Between 19 and 26 weeks past due	166,528	0.37%	293,831	0.64%
Between 27 and 39 weeks past due	222,850	0.49%	218,006	0.47%
Between 40 and 52 weeks past due	105,739	0.23%	210,830	0.46%
53 or more weeks past due	<u>828,631</u>	<u>1.82%</u>	<u>935,948</u>	<u>2.03%</u>
<b>Total impaired loans</b>	<u>12,178,796</u>	<u>26.77%</u>	<u>11,503,765</u>	<u>24.91%</u>
<b>Total loans:</b>	<u><u>45,487,964</u></u>	<u><u>100.00%</u></u>	<u><u>46,184,112</u></u>	<u><u>100.00%</u></u>

#### 20. RELATED PARTY TRANSACTIONS

##### 20A. LOANS

	2021		2020	
	No. of loans	€	No. of loans	€
Loans advanced to related parties during the year	6	48,400	8	385,800
Total loans outstanding to related parties at the year end	14	589,815	15	740,082
Total provision for loans outstanding to related parties		6,636		14,130

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 1.30% of the total loans outstanding at 30 September 2021 (2020: 1.60%).

##### 20B. SAVINGS

The total amount of savings held by related parties at the year end was €233,596 (2020: €251,209).

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021

#### 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. Credit risk mitigation may include the requirement to obtain collateral as set out in the credit union's loans policy. Where collateral or guarantees are required, they are usually taken as a secondary source of repayment in the event of the borrower's default. The credit union maintains policies which detail the acceptability of specific classes of collateral. The principal collateral types for loans are: an attachment over members' pledged shares; personal guarantees; and charges over assets. The nature and level of collateral required depends on a number of factors such as the term of the loan and the amount of exposure. 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.

	2021		2020	
	Average interest rate		Average interest rate	
	€	%	€	%
Gross loans to members	<u>45,487,964</u>	8.81%	<u>46,184,112</u>	8.93%

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 2021

#### 22. DIVIDENDS

The following distributions were made during the year:

	2021		2020	
	%	€	%	€
Dividend on shares	0.00%	-	0.00%	-

The directors are not proposing a dividend in respect of the financial year ended 30 September 2021 (2020: The directors did not propose a dividend).

#### 23. EVENTS AFTER THE END OF THE FINANCIAL YEAR

At 30 September 2021 the credit union plan to dispose of the investment property and two properties included in premises. The sale of these properties is expected to complete in the coming months.

#### 24. INSURANCE AGAINST FRAUD

The credit union has Insurance against fraud in the amount of €5,200,000 (2020: €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 2021.

#### 26. COMMITMENTS UNDER OPERATING LEASES

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

	2021	2020
	€	€
Less than 1 year	46,500	46,500
1 to 5 years	73,890	120,390
<b>As at 30 September</b>	<b>120,390</b>	<b>166,890</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021

#### 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. Following this, the credit union undertook a review 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. The credit union has concluded its review and is satisfied that no over-collection of interest has occurred.

#### 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 16 November 2021.

## INFORMATION NOT FORMING PART OF THE AUDITED FINANCIAL STATEMENTS

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### SCHEDULES TO THE INCOME AND EXPENDITURE ACCOUNT

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#### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021

The following schedules do not form part of the statutory financial statements which are the subject of the Independent Auditor's Report on pages 20 to 22.

#### SCHEDULE 1 – OTHER INTEREST INCOME AND SIMILAR INCOME

	2021	2020
	€	€
Investment income and gains received/receivable within 1 year	661,043	780,167
Investment income receivable outside of 1 year	22,392	78,605
<b>Total per income and expenditure account</b>	<b>683,435</b>	<b>858,772</b>

#### SCHEDULE 2 – OTHER INCOME

	2021	2020
	€	€
Fees	853	856
Interest on budget accounts	1,160	1,215
Miscellaneous income	21,136	4,755
Commission	2,447	10,181
MPCAS income and fees recovered	42,019	15,587
Rental income	17,339	16,558
<b>Total per income and expenditure account</b>	<b>84,954</b>	<b>49,152</b>

## SCHEDULES TO THE INCOME AND EXPENDITURE ACCOUNT (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021

### SCHEDULE 3 – OTHER MANAGEMENT EXPENSES

	2021	2020
	€	€
LP/LS insurance	667,732	722,419
SPS contributions and affiliation fees	11,509	8,289
Central bank and other levies	251,714	256,212
Subscriptions	60,094	58,874
HR fees	-	554
Audit fee	23,063	22,688
Light and heat	50,600	45,015
Rates	141,017	126,118
SGM expenses	36,667	-
Printing and stationery	16,542	16,056
Repairs and maintenance	40,216	49,857
Computer maintenance	404,884	379,507
Board oversight committee expenses	-	512
AGM expenses	38,010	33,890
Canteen and cleaning	37,081	36,274
Telephone and postage	54,599	45,177
General insurance	73,055	65,618
Entertainment	1,399	2,753
Legal and professional fees	136,561	171,740
Travel expenses	7,498	15,944
Promotion and advertising	123,575	123,758
Donations and sponsorship	8,665	16,072
DBI insurance	50,567	250,957
Bank charges and negative interest	153,828	78,217
Education and publicity	22,757	38,369
SEPA charges	23,316	29,424
MPCAS charges	71,555	43,163
Sundry	15,110	13,730
Research and development costs	22,083	52,555
<b>Total per income and expenditure account</b>	<b>2,543,697</b>	<b>2,703,742</b>

## PRIZE DRAW ACCOUNTS

	2021	2020
<b>Income</b>	<b>€</b>	<b>€</b>
Entry Fees	206,358	189,922
Refunds	(368)	(182)
<b>Total Income</b>	<b>205,990</b>	<b>189,740</b>
<b>Expenditure</b>		
Prizes – Cars	189,450	181,926
Prizes – Cash	16,000	9,000
Prize Draw Expenses	789	263
<b>Total Expenses</b>	<b>206,239</b>	<b>191,189</b>
<b>Prize Draw Deficit</b>	<b>(249)</b>	<b>(1,449)</b>
Prize Draw Account		
Opening Balance	962	2,411
Deficit for the year	(249)	(1,449)
<b>Closing Balance</b>	<b>713</b>	<b>962</b>

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5,000 MEMBERS DRAW TARGET  
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## 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>(2)</sup>
Reimbursement period in case of Core Credit Union Limited's failure:	Within 15 working days <sup>(3)</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: info@depositguarantee.ie
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.



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