



CORE CREDIT UNION
— STRONGER TOGETHER —

Notification of the 57th Annual General Meeting

Annual Report and Financial Statements
for the Year ending 30th September 2022

7th December, at 8pm
Royal Marine Hotel,
Dún Laoghaire



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NOTICE OF THE ANNUAL GENERAL MEETING

Dear Member,

Notice is hereby given of the 57th Annual General Meeting of Core Credit Union Ltd which will take place on Wednesday December 7th, 2022, at 8:00pm at the Royal Marine Hotel in Dun Laoghaire Co. Dublin.

We would like to invite all members to attend this meeting.

Elections for 5 Directors and 1 Board Oversight Member will take place on the night.



Edel Churchill
Secretary

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IMPORTANT INFORMATION

Minutes from AGM 2020/2021

Minutes will be available to view from our website www.corecu.ie from Monday December 1st 2022 and will be taken as read by members attending the AGM at the Royal Marine Hotel on the day.

MDBI Payment Increase January 1st 2023

As of January 1st 2023, the MDBI payment will increase from €60 per annum to **€72 per annum for the benefit of €3,000** for all existing programme members and any new members joining the programme.



Future Delivery of AGM Information

We want to play our part in reducing our carbon footprint. Each year we produce circa 30,000 AGM booklets and statements. In total this uses approximately 750,000 sheets of paper.

From 2023 it is our intention to personally deliver our AGM notice, booklets and statements securely to members email address which we hold on file. Currently we have approximately 15,000 emails which will reduce the paper and ink usage by 50%.

If you wish to continue to receive these by post, please register this request by going to www.corecu.ie/paperpost or completing the below and dropping into our office.

I

account number

wish to continue to receive my AGM notification, Booklet and Statements by post.

Signed:

Date:

ORDER OF BUSINESS

- 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 (2020/2021).
- e) Report of the Board of Directors.
- f) Consideration of accounts.
- g) Report of the auditor.
- h) Report of the Board Oversight Committee.
- i) Declaration of dividend and rebate of interest (if any).
- j) Report of the Risk, Compliance and Audit Committee.
- k) Report of the Credit Committee.
- l) Report of the Credit Control Committee.
- m) Report of the Membership Committee.
- n) Report of the Nomination Committee.
- o) Appointment of tellers.
- p) Election of auditor.
- q) Election to fill vacancy on the Board Oversight Committee.
- r) Election to fill vacancies on the Board of Directors.
- s) Members Prize Draw (November 2022) and AGM Raffle Prizes.
- t) Any other business.
- u) Announcement of election results.
- v) Adjournment or close of meeting.

NOTICE OF ELECTIONS

Elections will be held to fill the following vacancies

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

CREDIT UNION DIRECTORS AND OTHER INFORMATION

Board of Directors



Chairperson - Alan Guerins

Alan has been on the Board of Core for nearly five years, he and his family are all active long time members of the Credit Union. He has extensive experience in the Advertising industry holding various senior positions, currently he is the owner of a Digital Signage Company. Alan has a strong business and social acumen and is involved in various local community projects. In Core Credit Union he is currently Chairperson of the Board and has served on most committees.



Vice-Chairperson - Ian McDonald

Ian has been a Chartered Accountant for almost 30 years. He currently works as Chief Financial Officer for a small number of companies in the technology sector. He has also been a volunteer Board member of several organisations over the past 20 years. He is a long-standing member of Core Credit Union and joined the Board in 2022. He also sits on the Investment Committee and Nominations Committee.



Secretary - Edel Churchill

Edel Churchill worked for over a decade internationally as a community frontline healthcare worker before retraining in marketing and taking up business operational roles upon her return to Ireland. As a long-time supporter of the Credit Union movement, Edel joined the board of Core Credit Union in 2020 to share her skills and give back to her local community. She looks forward to supporting and contributing to the continued development of Core Credit Union. Edel holds qualifications in Credit Union Legislation & Regulation, Anti-Money Laundering, and a Diploma in Corporate Governance.

Directors



Director - Elaine Hughes

Elaine Hughes MSc. MA. M Inst D. has been a member of her local credit union for almost 30 years. She has extensive experience in the financial services industry where she works as a business analyst. She brings a wealth of expertise to the Board of Directors with her combination of industry knowledge and qualifications. Outside of Elaine's' career and volunteering, she and her family enjoy participating in & supporting local sports and community events.

**Director - Francois Tritz**

Francois was born in France and is 46 years old. He has more than 20 years international experience in the insurance sector occupying different senior positions. He is father of 3 teenage boys and he is living in Dun Laoghaire for more than 4 years. Taking part in community life has always been very important to Francois who has always been involved in charities and NGOs.

**Director - Stebbin Mwalilino**

Stebbin was co-opted into the Board of Directors in April 2022. He has experiences in risk management within a banking financial institution and previous management work experience in managerial positions within the retail sector. He has an Honours Bachelor Degree in Business Studies and recently completed his Master's in Project Management. He also sits on the Risk, Compliance and Audit Committee.

**Director - Elizabeth Harpur**

Elizabeth Harpur has been a Director of Core Credit Union from 2017 and has acted as Chair from December 2017 to March 2020. A former staff member of Shankill Ballybrack Credit Union, Elizabeth is an experienced director having been a member of the Board of Directors since 2012. She has held roles including Vice-Chair and Secretary as well as being a member of several committees, such as Credit Committee, Nomination Committee and Property and Remuneration. A Fellow of the Institute of Accounting Technicians of Ireland, Elizabeth also holds a Diploma in Credit Union Governance.

**Director - Siobhán Harding**

Siobhán Harding has extensive experience in IT. She has worked both in Ireland and the US for Microsoft Corporation, and later in Silicon Valley for PayPal as its Globalization Production Manager. She is a long-term supporter of credit unions, both in Ireland and the USA. She returned to Ireland for family reasons and is grateful to be able to serve her local community again. Siobhán has recently joined the Board of Directors this year from the Board Oversight Committee. She is currently on the Nominations Committee and the Risk, Audit and Compliance Committee.

**Director - Susan Bermingham**

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

Board of Director Nominees**Director Nominee - Matt McConnell**

Matt McConnell is a fully qualified accountant with over 18 years of experience across the financial services industry and utility sector. A graduate of UCD and ACCA certified, Matt currently is Head of Operations, Billing Services at Irish Water, Ireland's State Water utility, and brings a wealth of experience in the areas of investment planning, revenue control, payment services, stakeholder, and credit control management. Living in Leopardstown with his young family, Matt is involved in his local GAA and soccer clubs and has just completed his second Dublin marathon.



Director Nominee - Elizabeth O'Connor

Elizabeth O'Connor recently joined the Board of Core Credit Union. She has over 20 years' experience in financial services and over 16 years as Head of Compliance and AML in an asset management firm. Elizabeth acquired IATI certification in 2002 and has a Fellowship with the Association of Certified Chartered Accountants (ACCA).

Board Oversight Committee



Oversight Committee - Lia Downer

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



Oversight Committee - Pat McAuliffe

Pat joined the Board Oversight Committee in 2020 and brings with him many years' experiences of the Credit Union movement. Pat previously served on the Foxrock and District Credit Union Board of Directors and was serving as Chair on that Board during the transfer of engagement between Foxrock and District Credit Union and Core Credit Union. Because of working closely with Core Credit Union during that time Pat came to appreciate and value the ethos of Core Credit Union and as a result agreed to join the Board Oversight Committee. Married with two daughters, Pat lives in Cabinteely and is a keen Leinster Rugby supporter.



Oversight Committee Nominee - Eoin Massey

Eoin graduated with a Bachelor of Business and Enterprise Degree and a Bachelor of Business and Entrepreneurship Honours Degree from IADT - Dun Laoghaire. He went on to study accountancy and is a full member of Certified Public Accountants Ireland the Association of Chartered Certified Accountants. He also holds qualifications in forensic accountancy, corporate fraud investigations and certified financial planner. He currently works as a Director in Advisory and Restructuring and volunteers with other charitable organisations. He felt the credit union would be a great way to learn more, give back to the community and share his experience and knowledge.

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.

STANDING ORDERS

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

2 - 3 Election Procedure

2. Elections to the board of directors, to the board oversight committee and the position of auditor shall be by majority vote and by secret ballot.

3. When nominations are announced tellers shall be appointed by the chair and ballot papers shall be distributed. Nominations shall be in the following order:

(a) nominations for auditor;

(b) nominations for members of the board oversight committee;

(c) nominations for directors.

When voting is completed, the votes shall be taken and tallied by the tellers. Any ballot paper which contains votes for more than the number required to be elected shall be void. All elections shall be by secret ballot and by majority vote. When the votes have been counted by the tellers, the results shall be announced by the chair. In the event that all vacancies are not filled by the first ballot further ballots shall be taken as required. In the event of an equality of votes between candidates for the remaining vacancies not filled in accordance with the above procedure one further ballot shall be taken and should that ballot fail to determine the issue, the vacancies shall be filled by lot from among such candidates having an equality of votes.

4 - 9 Motions

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

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

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

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

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

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

10 - 18 Miscellaneous

10. The chair of the board of directors shall be the chair of any general meeting, except where he/she is not available, in which case it shall be the vice-chair, except where he/she is not available, in which case the board shall decide amongst themselves who shall act as chair of any general meeting.

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

12. Matters not covered by the Agenda may be introduced under "Other Business" at the discretion of the chair.

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

14. No member shall have more than one vote on each question at any general meeting of the credit union or any adjournment thereof irrespective of his/her shareholding or the number of accounts in his/her name in the credit union provided, however, that except in voting at elections, the presiding member shall have a second or casting vote in the event of equality of voting. Voting by proxy shall be allowed only when a member other than a natural person votes through a representative, who is a member of the group, duly authorised in writing for that purpose and accepted as such by the board of directors.

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

16. Suspension of Standing Orders - Any one of these Orders or all of these Standing Orders may be suspended on a motion to this effect receiving a two-thirds majority of those present and entitled to vote.

17. Alteration of Standing Orders - Standing Orders may be amended or altered at a general meeting and only if a motion to this effect has received a two-thirds majority of those present and voting.

18. Adjournments - Adjournments of the AGM shall take place only in accordance with section 81(1) of the Credit Union Act, 1997 (as amended).

MOTIONS

MOTION NO. 1 - That this Annual General Meeting approves the deduction of an affiliation fee of €1.48 per adult Member.

CHAIR'S REPORT

On behalf of the Board of Directors of Core Credit Union it is my pleasure to welcome all members to our Annual General Meeting.

I firstly must take this opportunity to sincerely thank my fellow hardworking Directors, Board Oversight Committee, our CEO Michael Byrne, and our extraordinary Management team and of course the dedicated staff who deal with our members professionally and competently throughout the year.

Our Board of volunteers ensure they are well informed, provide a wide and excellent skill set and give up their personal time and energy to help govern your Credit Union.

During the peak of covid, all meetings were held virtually, but since spring we have been fortunate to hold meetings in person which are more dynamic and progressive. I must thank everyone for their perseverance during the difficult times of Covid.

This year has again been challenging with many external factors impacting our members and therefore impacting our Credit Union. Lending growth, while positive, has been minimal in the last twelve months. It is our borrowing members that provide most of our income.

We have come through an unprecedented number of years where prevailing interest rates have been negative greatly impacting our ability to generate a surplus. While during the year we incurred negative interest on portions of our investments, the last few months have seen this beginning to reverse. This will help our results into the future.

With high inflation, increasing interest rates and the possibility of recession, the role of the credit union in our community will be as important now as it was in the early days. We are here to help our members through these difficult times and to smooth out the bumps in the road by providing loans at fair and reasonable rates of interest.

Despite our financial challenges this year I am delighted to announce a surplus of €1.5 million. However, this is primarily due to one off items; a refund from the Savings Protection Fund which Credit Unions approved to offset the impact of the ILCU pension scheme deficit and a gain on disposal of property.

Our Current accounts are now growing steadily every month. This is a fantastic product at a competitive rate to the banks and I would encourage all our members to contact any branch in person or call our members services centre to get more information. It is very easy to switch from any bank and our staff will make it effortless for any member.

Our Risk and Compliance culture in Core is excellent and we continue to manage multiple audits, internal, external, IT as well as the Central Bank. Earlier in the year Greg Allen was appointed as our new Risk, Legal and Compliance officer after the retirement of Brendan Kelly who we all wish well.

It was a difficult decision for everybody in Core when Dalkey and Foxrock closures were announced, but last December we opened our brand-new purpose-built office in Dun Laoghaire in the old Eason's building Georges Street, and we are delighted to see this is becoming one of our busiest offices which now stays open on Saturday afternoon. Our property strategy is close to completion and the smaller footprint will make a difference to our costs coming into a difficult winter with rising energy bills.

It is imperative that members use the services of our Credit Union and if you are thinking of a loan for a car, upgrading your home, holiday, a mortgage or even a family event please consider Core Credit Union.

Finally, thanks to our wonderful members for their continued support and loyalty. The most valued asset of any Credit Union is our members and our Board look forward to meeting your financial needs and expectations into the future.



Alan Guerins
Chairperson

CEO'S REPORT

The past number of years have been extremely challenging for credit unions. Long term low interest rates, COVID-19, the Russian invasion of Ukraine and increased cost of regulation are generational challenges that have come at once. Despite these challenges, Core Credit Union and our fellow Credit Unions have demonstrated our ability to adapt and overcome through high levels of embedded operational resilience.

For our members, the high levels of inflation compounded by increased central bank rates are severely impacting on the cost of living. Over the coming months, the Credit Union will become more important for many of our members who will need access to loans to overcome these short-term difficulties. As in the past, the Credit Union is here to help and understand your difficulties. Call into our offices, pick up the phone or email us. We have a great team of staff who understand your needs and will do their utmost to find solutions for you.

Property Strategy: In 2018 we had the foresight to look at reducing our overall footprint of our offices. This strategy now nears completion and in a time of significant increases in energy costs we will benefit from this reduced footprint. Our new Dún Laoghaire branch, in a prime location, is thriving. Branch transactions have increased by over 25% and this branch is the main source of new members and current accounts.


Current Accounts: Many members are now choosing their credit union for their primary current account with 999 new current accounts opened during the year bringing the total current accounts opened to 2,043. These accounts are transforming our member relationship and in September 2022 current account transactions represented 49% of the total transactions for the month.

Results for the year: Our strong surplus for the year of €1.5 million has increased our total reserves to €20.5 million giving us a reserves ratio of 13.5% which is up from 12.8% in 2021. One-off items of an SPS refund of €623,384, net gains on property of €441,527 and a defined benefit pension cost of €109,629 contributed to this figure. Loan book growth was positive for the year but subdued due to a reduction in car loans. Current Accounts balances increased by almost €2 million.

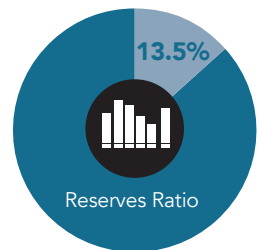
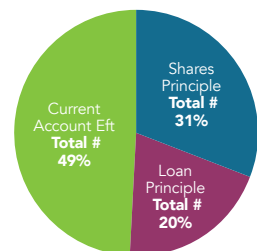
Outlook 2023: Significant costs pressures remain on the business with new additional regulatory returns and frameworks that will require investment during the year and cost inflation is likely to be a contributory factor. Recent increases in the European Central Bank rates which will negatively impact our members will have a positive impact on our income and expenses and should result in improved overall results.

Sustainable Development Goals: We are proud that our Credit Unions operating principles already closely reflect the goals the UN and world leaders adopted in 2015. The UN SDGs provide a unique framework to disclose our Credit Unions sustainability story. The future of our planet needs work by us all and in 2023 we will be reviewing what more we can and should be doing.

Core Credit Union provides a full range of financial and banking services delivered by an extremely hardworking and committed staff. Thank you for your continued support, and if you haven't visited for a while, it's time to check out all the new services and products we have introduced.



Michael Byrne
CEO



**SUSTAINABLE
DEVELOPMENT
GOALS**

BOARD OVERSIGHT COMMITTEE REPORTS

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

The Board Oversight Committee has held four meetings with the Board of Directors to assess their performance throughout 2021/2022 as required by the Act. We are satisfied that all duties and responsibilities were carried out in accordance with the Rules and Regulations as set down in the Act.

As part of our responsibilities, we attended all meetings held by the Board of Directors and we checked Policies and found them up to date as required.

We want to thank the Directors, Management and Staff for their co-operation and assistance throughout this year.

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



Pat McAuliffe

Chair Board Oversight Committee

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RISK AUDIT AND COMPLIANCE COMMITTEE

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

The Risk, Compliance & Audit Committee assists the Board 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, cyber security, energy crisis, Brexit and the War in Ukraine.
- 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. The Committee saw Paula O'Toole & Anne Marie Murtagh retire and wishes them well and welcomed Francois Tritz, Stebbin Mwalilino & Siobhan Harding.



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NOMINATIONS COMMITTEE

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 ensures that during the recruitment and tenure of Board and Board Oversight Committee members, fitness and probity is carried out and a review of each of the candidates is in line with the legal and Central Bank requirements.

The committee has seen a busy year with the resignation of Anne Marie Murtagh, Paula O'Toole, and Michael Thomas. Elaine Hughes and Susan Bermingham will also be stepping down at this AGM. We would like to say thank you to them all for their service and commitment to the Board during their time and wish them all the very best in their future endeavours.

Elections

The committee have identified and accepted the nominations of the candidates for election at this AGM. The Due diligence process has been completed for all candidates.

The Nominations Committee is further proposing the following candidates and roles for appointment to the role specified:

Candidate	Role	Term
Stebbin Mwalilino	Director	3-year term
Ian McDonald	Director	3-year term
Siobhan Harding	Director	3-year term
Liz O'Connor	Director	3-year term
Matt McConnell	Director	3-year term
Eoin Massey	Board Oversight Committee	3-year term

Committee Members

Siobhan Harding
Elizabeth Harpur
Ian McDonald.

COMMITTEE MEMBERS

Risk, Audit and Compliance Committee

Francois Tritz (Chair)
Edel Churchill (Secretary)
Stebbin Mwalilino
Siobhan Harding (Vice Chair)

Nominations Committee

Siobhan Harding
Elizabeth Harpur
Ian McDonald

Credit Control Committee

Elaine Hughes
Helen New
Michael Byrne

Credit Committee

Edel Churchill
Mark Ryan
Paul Maher
Leann McGovern

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DIRECTORS' REPORT

For the financial year ended 30 September 2022

The directors present their annual report and the audited financial statements for the financial year ended 30 September 2022.

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 directors are not proposing a dividend in respect of the financial year ended 30 September 2022 (2021: 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.

Global Macro-economic Risk

There is an economic and operational risk relating to rising inflation rates, disruption to global supply chains and a general uncertainty in the markets as a result of the pandemic and the on-going war in Eastern Europe.

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.

Global Macro-economic Risk

The board of directors and management closely monitor the developments of rising inflation rates and disruption to global supply chains and markets, 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

There have been no significant events affecting the credit union since the year end.

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:



CEO



Member of the board
oversight committee



Chairperson of the
board of directors

Date: 18/11/2022

DIRECTORS' RESPONSIBILITIES STATEMENT

For the financial year ended 30 September 2022

The directors are responsible for preparing the financial statements in accordance with applicable Irish law and regulations. The directors have elected to prepare the financial statements in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102). 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. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the credit union's website.

This report was approved by the board and signed on its behalf by:



CEO

Date: 18/11/2022



Member of the board
oversight committee



Chairperson of the
board of directors

BOARD OVERSIGHT COMMITTEE'S RESPONSIBILITIES STATEMENT

For the financial year ended 30 September 2022

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

This report was approved by the board and signed on its behalf by:



CEO

Date: 18/11/2022



Member of the board
oversight committee



Chairperson of the
board of directors

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CORE CREDIT UNION LIMITED

Opinion

We have audited the financial statements of Core Credit Union Limited, which comprise the income and expenditure account, the statement of other comprehensive income, the balance sheet, the statement of changes in reserves and the statement of cash flows for the financial year ended 30 September 2022, 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 2022 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.

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. 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 Accountant & Statutory Audit Firm

Limerick

Date: 18/11/2022

INCOME AND EXPENDITURE ACCOUNT

For the financial year ended 30 September 2022

		2022	2021
Income	Schedule	€	€
Interest on members' loans	1	3,950,392	3,897,225
Other interest income and similar income		<u>680,452</u>	<u>683,435</u>
Net interest income		4,630,844	4,580,660
Other income	2	<u>807,423</u>	<u>84,954</u>
Total income		<u>5,438,267</u>	<u>4,665,614</u>
Expenditure			
Employment costs		1,663,603	1,591,422
Other management expenses	3	2,372,710	2,543,697
Pension funding deficit		109,629	-
Depreciation		410,204	383,071
Fair value movement on investment property		(485,390)	-
Net impairment gains on loans to members (note 5)		(145,803)	(144,416)
Total expenditure		<u>3,924,953</u>	<u>4,373,774</u>
Surplus for the financial year		<u>1,513,314</u>	<u>291,840</u>

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



CEO



Member of the board
oversight committee



Chairperson of the
board of directors

Date: 18/11/2022

The notes on pages 26-43 form part of these financial statements.

STATEMENT OF OTHER COMPREHENSIVE INCOME

For the financial year ended 30 September 2022

	2022	2021
	€	€
Surplus for the financial year	1,513,314	291,840
Other comprehensive income	-	-
Total comprehensive income for the financial year	<u>1,513,314</u>	<u>291,840</u>

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



CEO



Member of the board
oversight committee



Chairperson of the
board of directors

Date: 18/11/2022

The notes on pages 26-43 form part of these financial statements.

BALANCE SHEET

For the Financial Year as at 30th September 2022

		2022	2021
Assets	Notes	€	€
Cash and balances at bank		4,572,710	2,893,576
Deposits and investments – cash equivalents	7	26,949,471	42,962,648
Deposits and investments – other	7	67,087,100	50,947,403
Loans to members	8	46,743,009	45,487,964
Provision for bad debts	9	(2,279,002)	(2,279,002)
Members' current accounts overdrawn	14	8,466	6,600
Tangible fixed assets	10	4,941,124	6,447,485
Investment property	11	2,753,370	1,350,000
Debtors, prepayments and accrued income	12	1,447,793	450,193
Total assets		152,224,041	148,266,867
Liabilities			
Members' shares	13	125,425,253	125,097,872
Members' stamps	13	2,621,082	2,775,717
Members' budget accounts	13	12,571	12,034
Members' current accounts	14	2,942,150	964,678
Other liabilities, creditors, accruals and charges	15	658,202	359,395
Other provisions	16	27,157	32,859
Total liabilities		131,686,415	129,242,555
Reserves			
Regulatory reserve	18	15,973,280	15,856,280
Operational risk reserve	18	1,582,432	1,582,432
Other reserves			
- Realised reserves	18	2,082,894	1,338,234
- Unrealised reserves	18	899,020	247,366
Total reserves		20,537,626	19,024,312
Total liabilities and reserves		152,224,041	148,266,867

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



CEO



Member of the board
oversight committee



Chairperson of the
board of directors

Date: 18/11/2022

The notes on pages 26-43 form part of these financial statements.

STATEMENT OF CHANGES IN RESERVES

For the financial year ended 30 September 2022

	Regulatory reserve	Operational risk reserve	Realised reserves	Unrealised reserves	Total
	€	€	€	€	€
As at 1 October 2020	15,856,280	1,582,432	724,138	569,622	18,732,472
Surplus for the financial year	-	-	287,110	4,730	291,840
Transfers between reserves	-	-	326,986	(326,986)	-
As at 1 October 2021	15,856,280	1,582,432	1,338,234	247,366	19,024,312
Surplus for the financial year	-	-	853,781	659,533	1,513,314
Transfers between reserves	117,000	-	(109,121)	(7,879)	-
As at 30 September 2022	15,973,280	1,582,432	2,082,894	899,020	20,537,626

- The regulatory reserve of the credit union as a percentage of total assets as at 30 September 2022 was 10.49% (2021: 10.69%).
- The operational risk reserve of the credit union as a percentage of total assets as at 30 September 2022 was 1.04% (2021: 1.07%).

The notes on pages 26-43 form part of these financial statements.



STATEMENT OF CASH FLOWS

For the financial year ended 30 September 2022

		2022	2021
Assets	Notes	€	€
Opening cash and cash equivalents		45,856,224	46,549,976
Cash flows from operating activities			
Loans repaid by members	8	21,437,340	22,365,097
Loans granted to members	8	(22,946,484)	(21,964,578)
Interest on members' loans		3,950,392	3,897,225
Other interest income and similar income		680,452	683,435
Bad debts recovered and recoveries		399,902	436,663
Other income		807,423	84,954
Members' budget accounts received	13c	192,569	190,700
Members' budget accounts withdrawn	13c	(192,032)	(196,189)
Members' current accounts lodgements	14	20,025,283	8,082,217
Members' current accounts withdrawals	14	(18,049,677)	(7,632,286)
Operating expenses		(4,145,942)	(4,135,119)
Movement in other assets and liabilities		(704,495)	(172,017)
Net cash flows from operating activities		1,454,731	1,640,102
Cash flows from investing activities			
Fixed asset disposals/(purchases)		178,177	(1,209,247)
Net cash flow from other investing activities		(16,139,697)	8,510,201
Net cash flows from investing activities		(15,961,520)	7,300,954
Cash flows from financing activities			
Members' shares received	13a	46,322,245	65,202,993
Members' shares withdrawn	13a	(45,994,864)	(74,556,353)
Members' stamps received	13b	4,060,273	4,104,625
Members' stamps withdrawn	13b	(4,214,908)	(4,386,073)
Net cash flow from financing activities		172,746	(9,634,808)
Net (decrease)/increase in cash and cash equivalents		(14,334,043)	(693,752)
Closing cash and cash equivalents	6	31,522,181	45,856,224

The notes on pages 26-43 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2022

1. Legal and regulatory framework

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

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The following principal accounting policies have been applied:

2.2 Statement of compliance

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

2.3 Going concern

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

2.4 Income

Interest on members' loans

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

Deposit and investment income

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

Other income

Other income is recognised on an accruals basis.

2.5 Cash and cash equivalents

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

2.6 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.

Investments at fair value

Investments designated on initial recognition as non basic are recognised at fair value. They are subsequently measured at fair value (market value) at the year-end date and all gains and losses are taken to the income and expenditure account.

2.7 Financial assets – loans to members

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

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

2.8 Provision for bad debts

The credit union assesses if there is objective evidence that any of its loans are impaired with due consideration of environmental factors. The loans are assessed collectively in groups that share similar credit risk characteristics. Individually significant loans are assessed on a loan by loan basis. In addition, if there is objective evidence that any individual loan is impaired, a specific loss will be recognised. Bad debt provisioning is monitored by the credit union, and the credit union assesses and approves its provisions and the adequacy of same on a regular basis.

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

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

2.9 Tangible fixed assets

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

The credit union adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide

incremental future benefits to the credit union. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the income and expenditure account during the period in which they are incurred.

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

Depreciation is provided on the following basis:

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

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other gains' or 'other losses' in the income and expenditure account.

2.10 Impairment of assets

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

2.11 Investment properties

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

2.12 Other receivables

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

2.13 Other payables

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

2.14 Financial liabilities – members' savings

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

2.15 Members' current accounts

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

2.16 Pension costs

Core Credit Union Limited participates in an industry-wide pension scheme for a former employee (The Irish League of Credit Unions Republic of Ireland Pension Scheme) (the Scheme). This is a funded defined benefit scheme with assets managed by the Scheme's trustees. The ILCU is the principal employer of the Scheme and Core Credit Union Limited is a participating employer. The Scheme is a multi-employer defined benefit scheme and there is insufficient information for the credit union to separately identify its share of the Scheme's underlying assets and liabilities. Consequently, the Scheme is currently accounted for as a defined contribution plan. If an agreement is entered into with the Scheme that determines how Core Credit Union Limited will fund a past service deficit, the credit union shall recognise a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit). Please refer to note 28 for further detail.

The credit union also operates a defined contribution pension scheme for current employees. 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. The amount payable at the year end in respect of same was €12,746 (2021: €86).

2.17 Holiday pay

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

2.18 Operating leases

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

2.19 Derecognition of financial liabilities

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

2.20 Regulatory reserve

The Credit Union Act, 1997 (Regulatory Requirements) Regulations 2016 requires credit unions to establish and maintain a minimum regulatory reserve requirement of at least 10 per cent of the assets of the credit union. This reserve is to be perpetual in nature, freely available to absorb losses, realised financial reserves that are unrestricted and non-distributable.

2.21 Operational risk reserve

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

The 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, the fair value movement on investment properties and the balance of the SPS refund receivable 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.

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 €4,941,124 (2021: €6,447,485).

Provision for bad debts

The credit union's accounting policy for impairment of loans is set out 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 (2021: €2,279,002) representing 4.88% (2021: 5.01%) 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 (2021: €1,582,432).

Pensions

Core Credit Union Limited participates in an industry-wide pension scheme for a former employee (The Irish League of Credit Unions Republic of Ireland Pension Scheme). This is a funded scheme of the defined benefit type, with assets invested in separate trustee administered funds. Judgement is required to assess whether the credit union has sufficient information to enable it to account for the Scheme as a defined benefit plan. An assessment has been performed of the information currently available and Core Credit Union Limited has determined that there is currently insufficient information available to provide an appropriate allocation of pension assets and liabilities due to the following:

- Scheme assets are not segregated or tracked by contributing employers. There is insufficient information to appropriately allocate the assets to individual employers as contributions paid are pooled in a single fund and none of the contributing employers have separately segregated asset pools.
- Orphan members are those members (including pensioners) who previously contributed to the scheme where their employer has paid an exit cost and as a result has no further liability to the scheme. A pension liability continues to exist for these individual members. There is uncertainty around where the obligation rests in respect of orphan members currently and into the future.

- The Funding Plan calculations are based on each employer's share of liabilities at a point in time. This does not infer that each employer is contributing towards its liabilities. The determination of the contribution rate is a point in time assessment and is not updated subsequently for changes in the employers' liability that may occur in the future. Subsequently, as the profile of the scheme continues to change, there will continue to be a natural cross subsidisation.

Consequently, Core Credit Union Limited continues to account for the plan as a defined contribution plan.

Adoption of going concern basis for financial statements preparation

The credit union continue to closely monitor developments within the global macro-economic environment. 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.



	2022	2021
	€	€

4. Key management personnel compensation

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

Short term employee benefits paid to key management	636,791	591,594
Payments to pension schemes	54,650	44,529
Total key management personnel compensation	691,441	636,123

5. Net impairment gains on loans to members

Bad debts recovered	(312,610)	(323,414)
Impairment of loan interest reclassified as bad debt recoveries	(87,292)	(113,249)
Movement in bad debts provision during the year	-	(3,382)
Loans written off during the year	254,099	295,629
Net impairment gains on loans to members	(145,803)	(144,416)

6. Cash and cash equivalents

Cash and balances at bank	4,572,710	2,893,576
Deposits and investments – cash equivalents (note 7)	26,949,471	42,962,648
Total cash and cash equivalents	31,522,181	45,856,224

7. Deposits and investments

Deposits and investments – cash equivalents

Accounts in authorised credit institutions (Irish and non-Irish based)	17,936,349	24,292,468
Central Bank deposits	9,013,122	18,670,180
Total deposits and investments – cash equivalents	26,949,471	42,962,648

Deposits and investments – other

Accounts in authorised credit institutions (Irish and non-Irish based)	23,287,685	32,823,935
Bank bonds	40,434,592	16,739,740
Irish and EEA state securities	307,864	309,197
Central Bank deposits	1,103,013	1,074,531
Other investments	1,953,946	-
Total deposits and investments – other	67,087,100	50,947,403
Total deposits and investments	94,036,571	93,910,051

	2022	2021
	€	€
8. Financial assets – loans to members		
As at 1 October	45,487,964	46,184,112
Loans granted during the year	22,946,484	21,964,578
Loans repaid during the year	(21,437,340)	(22,365,097)
Gross loans and advances	46,997,108	45,783,593
Bad debts		
Loans written off during the year	(254,099)	(295,629)
As at 30 September	46,743,009	45,487,964
9. Provision for bad debts		
As at 1 October	2,279,002	2,282,384
Movement in bad debts provision during the year	-	(3,382)
As at 30 September	2,279,002	2,279,002
The provision for bad debts is analysed as follows:		
Grouped assessed loans	2,279,002	2,279,002
Provision for bad debts	2,279,002	2,279,002

10. Tangible fixed assets

	Premises	Construction work in progress	Fixtures, fittings & equipment	Computer hardware & software	Motor vehicles	Total
	€	€	€	€	€	€
Cost						
1 October 2021	5,939,600	1,155,949	2,066,213	546,532	19,750	9,728,044
Additions	-	443,180	33,227	31,407	68,517	576,331
Transfer to investment property	(1,286,617)	(802,088)	-	-	-	(2,088,705)
Transfer to fixtures, fittings and equipment	-	(797,041)	797,041	-	-	-
At 30 September 2022	<u>4,652,983</u>	<u>-</u>	<u>2,896,481</u>	<u>577,939</u>	<u>88,267</u>	<u>8,215,670</u>
Depreciation						
1 October 2021	1,771,987	-	1,108,996	381,472	18,104	3,280,559
Charge for year	119,641	-	236,897	50,878	2,788	410,204
Transfer to investment property	(416,217)	-	-	-	-	(416,217)
At 30 September 2022	<u>1,475,411</u>	<u>-</u>	<u>1,345,893</u>	<u>432,350</u>	<u>20,892</u>	<u>3,274,546</u>
Net book value						
At 30 September 2022	<u>3,177,572</u>	<u>-</u>	<u>1,550,588</u>	<u>145,589</u>	<u>67,375</u>	<u>4,941,124</u>
At 30 September 2021	<u>4,167,613</u>	<u>1,155,949</u>	<u>957,217</u>	<u>165,060</u>	<u>1,646</u>	<u>6,447,485</u>

	2022	2021
	€	€

11. Investment property

Balance at 1 October	1,350,000	1,350,000
Transfer from tangible fixed assets	1,672,488	-
Fair value adjustments	485,390	-
Disposals	(754,508)	-
As at 30 September	2,753,370	1,350,000

The former Dalkey Credit Union branch property, George's Street apartments and former Monkstown Farm Credit Union branch property, were transferred to investment properties during the financial year due to the assets being put up for sale. Two George's Street apartments were sold during the financial year with one remaining at 30 September 2022. The investment properties above comprise of the transferred premises' and in the opinion of the directors, the investment properties have been stated at fair value at 30 September 2022 subject to existing conditions.

12. Debtors, prepayments and accrued income

Prepayments and other interest receivable	461,015	334,210
Loan interest receivable	108,104	115,983
Other debtors	878,674	-
As at 30 September	1,447,793	450,193

13. Members' savings

Members' savings are analysed as follows:

Members' shares	125,425,253	125,097,872
Members' stamps	2,621,082	2,775,717
Members' budget accounts	12,571	12,034
Total members' savings	128,058,906	127,885,623

13a. Members' shares

As at 1 October	125,097,872	134,451,232
Received during the year	46,322,245	65,202,993
Withdrawn during the year	(45,994,864)	(74,556,353)
As at 30 September	125,425,253	125,097,872

	2022	2021
	€	€

13b. Members' stamps

As at 1 October	2,775,717	3,057,165
Received during the year	4,060,273	4,104,625
Withdrawn during the year	(4,214,908)	(4,386,073)
As at 30 September	2,621,082	2,775,717

13c. Members' budget accounts

As at 1 October	12,034	17,523
Received during the year	192,569	190,700
Withdrawn during the year	(192,032)	(196,189)
As at 30 September	12,571	12,034

14. Members' current accounts

As at 1 October	958,078	508,147
Lodgements during the year	20,025,283	8,082,217
Withdrawals during the year	(18,049,677)	(7,632,286)
As at 30 September	2,933,684	958,078

	No. of Accounts	Balance of Accounts
Debit	145	8,466
Credit	1,687	2,942,150
Permitted overdrafts	44	37,350

15. Other liabilities, creditors, accruals and charges

Prize draw	558	714
Creditors and accruals	619,272	321,757
PAYE/PRSI	38,372	36,924
As at 30 September	658,202	359,395

16. Other provisions

Holiday pay accrual

At 1 October	32,859	21,665
Charged to the income and expenditure account	(5,702)	11,194
As at 30 September	27,157	32,859

	2022	2021
	€	€

17. Financial instruments

17a. Financial instruments – amortised cost

Financial assets

Financial assets measured at amortised cost	<u>144,285,484</u>	<u>142,298,191</u>
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Financial liabilities

Financial liabilities measured at amortised cost	<u>131,686,415</u>	<u>129,242,555</u>
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Financial assets measured at amortised cost comprise of cash and balances at bank, deposits and investments, loans, member current accounts overdrawn and other debtors.

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

17b. Financial instruments – fair value measurements

FRS 102 requires fair value measurements to be disclosed by the source of inputs, using a three level hierarchy:

- Quoted prices for identical instruments in active market (level 1);
- Prices of recent transactions for identical instruments and valuation techniques using observable market data (level 2), and
- Valuation techniques using unobservable market data (level 3).

The table below sets out fair value measurements using the fair value hierarchy:

At 30 September 2022	Total	Level 1	Level 2	Level 2
	€	€	€	€
Other investments	<u>1,953,946</u>	<u>-</u>	<u>1,953,946</u>	<u>-</u>
Total	<u>1,953,946</u>	<u>-</u>	<u>1,953,946</u>	<u>-</u>

At 30 September 2021	Total	Level 1	Level 2	Level 2
	€	€	€	€
Other investments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

There were a fair value movement recognised in the income and expenditure account for the year ended 30 September 2022 of (€31,116) (2021: €nil).

18. Reserves

	Balance 01/10/21	Appropriation of current year surplus	Transfers between reserves	Balance 30/09/22
	€	€	€	€
Regulatory reserve	15,856,280	-	117,000	15,973,280
Operational risk reserve	1,582,432	-	-	1,582,432
Other reserves				
Realised				
Undistributed surplus	1,338,234	853,781	(109,121)	2,082,894
Total realised reserves	1,338,234	853,781	(109,121)	2,082,894
Unrealised				
Interest on loans reserve	115,983	-	(7,879)	108,104
Investment income reserve	131,383	54,783	-	186,166
SPS refund	-	62,338	-	62,338
Investment property reserve	-	542,412	-	542,412
Total unrealised reserves	247,366	659,533	(7,879)	899,020
Total reserves	19,024,312	1,513,314	-	20,537,626

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.

At 30 September 2022	2022		2021	
	€	%	€	%
Loans not impaired				
Total loans not impaired, not past due	34,746,558	74.34%	33,309,168	73.23%
Impaired loans:				
Not past due	407,163	0.87%	387,987	0.85%
Up to 9 weeks past due	10,004,732	21.40%	10,166,944	22.35%
Between 10 and 18 weeks past due	413,584	0.88%	300,117	0.66%
Between 19 and 26 weeks past due	182,813	0.39%	166,528	0.37%
Between 27 and 39 weeks past due	204,828	0.44%	222,850	0.49%
Between 40 and 52 weeks past due	142,814	0.31%	105,739	0.23%
53 or more weeks past due	640,517	1.37%	828,631	1.82%
Total impaired loans	11,996,451	25.66%	12,178,796	26.77%
Total loans:	46,743,009	100.00%	45,487,964	100.00%

20. Related party transactions

20a. Loans

At 30 September 2022	2022		2021	
	No. of loans	€	No. of loans	€
Loans advanced to related parties during the year	8	30,400	6	48,400
Total loans outstanding to related parties at the year end	17	438,833	14	589,815
Total provision for loans outstanding to related parties		5,329		6,636

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 0.94% of the total loans outstanding at 30 September 2022 (2021: 1.30%).

20b. Savings

The total amount of savings held by related parties at the year end was €239,272 (2021: €233,596).

20c. Transactions with directors

Core Credit Union Limited incurred expenditure from All Vision Media Limited of €3,306 during the financial year ended 30 September 2022 (2021: €7,681) for the provision of services. Alan Guerins (Director of Core Credit Union) is a director of All Vision Media Limited.

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.

	2022		2021	
	€	Average interest rate %	€	Average interest rate %
Gross loans to members	<u>46,743,009</u>	8.86%	<u>45,487,964</u>	8.81%

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.

22. Dividends

The following distributions were made during the year:

	2022		2021	
	%	€	%	€
Dividend on shares	-	-	-	-

The directors are not proposing a dividend in respect of the financial year ended 30 September 2022 (2021: The directors did not propose a dividend).

23. Events after the end of the financial year

There were no significant events affecting the credit union since the year end.

24. Insurance against fraud

The credit union has Insurance against fraud in the amount of €5,000,000 (2021: €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 2022.

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:

	2022	2021
	€	€
Less than 1 year	46,500	46,500
1 to 5 years	27,390	73,890
As at 30 September	73,890	120,390

27. Comparative information

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

28. The Irish League of Credit Unions Republic of Ireland Pension Scheme

Core Credit Union Limited participates in an industry-wide pension scheme for a former employee (The Irish League of Credit Unions Republic of Ireland Pension Scheme). This is a funded defined benefit scheme with assets managed by the Scheme's trustees.

On 31 March 2022, the defined benefit scheme closed to future accrual. At the date of closure of the Scheme, there was a past service deficit which was allocated to each participating credit union based on the total benefits earned by staff in each credit union. Core Credit Union Limited's allocation of that past service deficit is €109,629.

This amount is included in the income and expenditure account for the financial year ended 30 September 2022 and was paid by the credit union.

As this is a pooled pension scheme, Core Credit Union Limited remains liable to cover the cost of their share of any future increase in the total cost of providing the pension payments to credit union employees who were part of the Scheme. Core Credit Union Limited could exit the Scheme and therefore never have to make a potential additional payment requirement but exiting the Scheme would incur a substantial additional cost.

If credit unions exit the Scheme, they are required to pay to the trustees the exit amount which the trustees determine is required to fund benefits in respect of their active, deferred and pensioner members on a “no risk” basis. The exiting credit union thereby settles any liability they have to contribute to the Scheme in the future.

29. Approval of financial statements

The board of directors approved these financial statements for issue on 18/11/2022.

SCHEDULES TO THE INCOME AND EXPENDITURE ACCOUNT

For the financial year ended 30 September 2022

The following schedules do not form part of the statutory financial statements which are the subject of the Independent Auditor's Report on pages 18 to 20.

Schedule 1 – Other interest income and similar income

	2022	2021
	€	€
Investment income received/receivable within 1 year	656,835	661,043
Investment income receivable outside of 1 year	54,783	22,392
Movement in unrealised gain/(loss) on investments	(31,166)	-
Total per income and expenditure account	680,452	683,435

Schedule 2 – Other income

	2022	2021
	€	€
Fees	884	853
Interest on budget accounts	1,291	1,160
Miscellaneous income	68,780	21,136
Commission	6,793	2,447
MPCAS income and fees recovered	73,674	42,019
Rental income	32,617	17,339
SPS refund	623,384	-
Total per income and expenditure account	807,423	84,954

Schedule 3 – Other management expenses

	2022	2021
	€	€
LP/LS insurance	435,549	667,732
SPS contributions and affiliation fees	14,119	11,509
Central bank and other levies	268,423	251,714
Subscriptions	66,872	60,094
HR fees	1,292	-
Audit fees	23,063	23,063
Light and heat	62,002	50,600
Rates	172,474	141,017
SGM expenses	-	36,667
Printing and stationery	18,454	16,542
Repairs and maintenance	43,424	40,216
Computer maintenance	347,134	404,884
AGM expenses	32,093	38,010
Canteen and cleaning	35,011	37,081
Telephone and postage	39,063	54,599
General insurance	75,228	73,055
Entertainment	6,124	1,399
Legal and professional fees	209,302	136,561
Travel expenses	17,617	7,498
Promotion and advertising	87,686	123,575
Donations and sponsorship	10,405	8,665
DB insurance	-	50,567
Bank charges and negative interest	159,336	153,828
Education and publicity	24,522	22,757
SEPA charges	21,131	23,316
MPCAS charges	102,817	71,555
Sundry	36,545	15,110
Research and development costs	19,161	22,083
Loss on disposal of fixed asset	43,863	-
Total per income and expenditure account	<u>2,372,710</u>	<u>2,543,697</u>

REPORT OF THE CREDIT COMMITTEE

We had a very challenging 3 years in Lending. Covid-19 had a huge impact on our lending and the type of lending we are undertaking. There was a significant fall in our occasional loans such as Christmas loans, holiday loans, wedding loans etc as all these occasions were cancelled. We also found members had a surplus of income as they were not spending and therefore did not need to borrow.

I am pleased to report this year has seen an improvement in our occasional loans, as the restrictions were lifted, our members were back borrowing for holiday, wedding loans etc. This has had an impact on our loan book which is now at €46.7m.

Our Home Improvement loans in the last 2 years have also continued to grow. With building costs increasing due to inflation people are borrowing larger amounts to cover these costs.

With the recent increase in inflation in Ireland which has risen to 9-10%, Core Credit Union are looking to protect their members with regards to their lending and to protect the Credit Union as a whole, we are therefore being cautious in our lending and have amended our loan policy to concur with the rising cost of living.

Core Credit Union's Loan book has grown by €1.26 million in the last 12 months, this is a positive growth given the uncertainty surrounding us in the current climate. As you can see, we have had a steady growth in the total value of loans issued in the last 3 years. We hope to continue this growth and are looking at every opportunity to help us achieve this.

TOTAL VALUE	Up to 30th Sept 2022	€22.9 million
OF	Up to 30th Sept 2021	€22 million
LOANS ISSUED	Up to 30th Sept 2020	€20.9 million

REPORT OF THE CREDIT CONTROL COMMITTEE

Once again, we can report another busy year in Credit Control, however the arrears position has settled after the shock of COVID 19.

The Credit Control Committee oversees the Credit Control function within Core Credit Union. We constantly monitor loan arrears, ensuring members repayments are in accordance with their agreements. We are happy to report, the vast majority of members are keeping to their agreed repayments, and the number and amounts of loans in arrears has continued to reduce again this year, to 3.39% at the end of September 2022.

The Credit Control Committee has an obligation to ensure that every effort is made to:

- Minimise the level of bad debts.
- Reduce the risk of loan delinquency.
- Make adequate provision for non-performing loans.

As a committee we ensure the credit control team engages proactively with members in arrears, particularly in the early stages of default. We would urge our members who find themselves in difficulties to contact us immediately. Core Credit Union is committed to assisting members in genuine financial difficulties. Unfortunately, where members fail to engage with us, we are left with no alternative but to refer these accounts to our Debt Collection Services. Accounts sent to collections are liable for the expenses incurred during the recovery process, and we make every effort to ensure these costs are repaid in full.

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

We would like to thank the Board of Directors, the Management Team, and Staff for their continued support throughout the past year.

MEMBERSHIP REPORT

New Members 2021/2022

This year, we opened a total of 1,366 members to Core Credit Union (2020/2021-1,119). 742 (54%) of these were under the age of 35. 2021-2022 was a strong year for membership growth. We would like to thank members for continuing to place their trust in Core Credit Union.

To help us continue to reach as many people as possible in our community we ask that you continue to ask your friends and family to join Core Credit Union.

Bereavement - Sadly, we were notified of the deaths of 205 of our members during the year. We would like to express our sincere sympathy and condolences to the families of these members.

Electronic Membership - 27% of new members joined up online (26% in 2020/2021) – members feedback shows that it is easy and quick to join up and to upload documents, wso it is proving to be a favorable system.

Current Accounts - Since launching our Current Accounts, we have seen growth in new members joining specifically to avail of our new Current Accounts. Between October 2021 and September 2022, we have opened a total of 999 Current Accounts. As we have an already established switcher process, we are in a very good position dealing with the recent bank closures, making it easier for our members to make that switch. Apple Pay, Google Pay and Fitbit Pay are part of our Features & Benefits which 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.

Total Current Accounts opened to date is 2,043. Since launching in May 2019, we have closed 211 accounts - so total accounts now is 1,832. Majority of account closures were due to members opening the Current Account but not using the facility.

Core Credit Union App - Our App (Core Credit Union), which has the same functionality as the website is performing well and is proving to be very popular.

Schools Savings Scheme - We have 16 participating primary schools involved in our Schools Savings Scheme and we are delighted to finally be back in those schools providing this service. We have had a great uptake of new membership within the schools with a lot of the parents opening the accounts online and this continues to grow. Our School Co-Ordinator does regular talks to the classes and educates them about our services & benefits – this will encourage kids to get back into the enjoyment of savings.

Going Forward - We have a member of staff who is now committed to liaising with the Secondary Schools in our Common Bond, she will be educating mostly Transition Year Students on the benefits of the Credit Union and trying to implement a 'Build a Credit Union' scheme for the Transition Year projects. This challenge would see a team of students set up and manage a Credit Union in their schools with the full support of a dedicated Core Credit Union School Co-Ordinator representative. The students will be fully involved in real hands-on participation. They will experience everything involved like setting up a Board of Directors, CEO, Treasurer and developing a business plan, branding their school Credit Union, and engaging with their customers (classmates) through creative marketing campaigns with close supervision and help from us. We feel that this will be extremely beneficial to the school, and it links directly to the Business Studies Curriculum as an excellent, practical preparation for learning about setting up and running a business. Participating students will be involved in all aspects of this such as sourcing new members, encouraging regular savings and providing ongoing customer service - everything it takes to run a successful Credit Union. Students will learn a variety of lifelong skills including interview experience, presentation skills, relationship management, financial education, and marketing techniques.

Deposit Guarantee Scheme: Depositor Information Sheet

Basic information about the protection of your eligible deposits

Eligible deposits in Core Credit Union Ltd are protected by:	the Deposit Guarantee Scheme ("DGS") ⁽¹⁾
Limit of protection:	€100,000 per depositor per credit institution ⁽²⁾
If you have more eligible deposits at the same credit institution:	All your eligible deposits at the same credit institution are 'aggregated' and the total is subject to the limit of €100,000 ⁽²⁾
If you have a joint account with other person(s):	The limit of €100,000 applies to each depositor separately ⁽³⁾
Reimbursement period in case of credit institution's failure:	15 working days ⁽⁴⁾
Currency of reimbursement:	Euro or, for branches of Irish banks operating in another member state of the EEA, the currency of that member state.
To contact Core Credit Union Ltd for enquiries relating to your account:	Core Credit Union Ltd, Clara House, 37 Glenageary Park, Glenageary, Co. Dublin, A96 XE26. Tel:01 272 5600
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:	www.depositguarantee.ie

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

(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 Website: www.depositguarantee.ie

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

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

Other important information

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

**3
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ways**

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Core Credit Union Account



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01 272 5600



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

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