



**Crosshaven Carrigaline
Credit Union Limited**

Notice of AGM *2018*

Notice is hereby given that
the Annual General Meeting of Members
of Crosshaven/Carrigaline Credit Union Limited
will be held in the Carrigaline Court Hotel, Carrigaline.
on 28th January 2019 at 8.00pm.

Crosshaven Office
Point Road,
Crosshaven, Co. Cork



Carrigaline Office
Old Waterpark,
Carrigaline, Co. Cork

Tel. (021) 483 1441

Email: info@croscarcu.ie Website: www.croscarcu.ie

Crosshaven Carrigaline Credit Union Limited is regulated by the Central Bank of Ireland

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AGENDA

- 1 The acceptance by the board of directors of the authorised representatives of members that are not natural persons.
- 2 Ascertainment that a quorum is present.
- 3 Adoption of Standing Orders.
- 4 Reading and approval (or correction) of the minutes of the last annual general meeting, and any intervening special general meeting.
- 5 Report of the Board of Directors (Chairmans Report).
- 6 Report of the Auditor and consideration of accounts.
- 7 Report of the Board Oversight Committee.
- 8 Report of the Credit Committee.
- 9 Report of the Credit Control Committee.
- 10 Report of the Marketing Committee.
- 11 Report of the Membership Committee.
- 12 Resolutions.
- 13 Appointment of Tellers.
- 14 Election of Auditor.
- 15 Election to fill vacancy on the Board Oversight Committee.
- 16 Election to fill vacancies on the Board of Directors.
- 17 Notice of Motion (Amendment to Rules)
- 18 Any other business.
- 19 Announcement of election results.
- 20 Close of Meeting.

NOTICE OF ELECTIONS

Elections will be held to fill the following vacancies:

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

AMENDMENTS TO STANDARD RULES ARISING FROM LEAGUE AGM 2018

That this Annual General Meeting amends the Standard Rules for Credit Unions (Republic of Ireland) by the deletion of Rule 109(8) (see below).

Rule 109(8)

Subject to the Act and any regulations made thereunder, the forms used by the credit union shall contain as a minimum the information as set out in the forms contained in the Appendices to these rules which forms may be amended from time to time by the Irish League of Credit Unions.

OFFICERS AND COMMITTEES

BOARD OF DIRECTORS

Chairperson	Sean Roberts
Vice Chairperson	Michael Coniry
Secretary	Michael Desmond
Directors	Fred Vickery Mary Robinson Michael Coffey Helen De Puis David Mulcahy Donal Hurley

BOARD OVERSIGHT COMMITTEE

Anne Marie McGoldrick
John Buckley
Barry Jenkins

BUSINESS ADDRESS

Point Road
Crosshaven
Co. Cork

AUDITOR

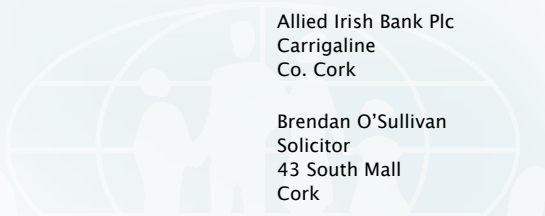
Crowley & McCarthy
Charlotte House
7 Fr. Matthew Quay
Cork

BANKERS

Allied Irish Bank Plc
Carrigaline
Co. Cork

SOLICITORS

Brendan O'Sullivan
Solicitor
43 South Mall
Cork



DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2018

The directors present their report for the financial year ended 30 September 2018.

Principal Activities

The principal activity of Crosshaven/Carrigaline Credit Union Limited is the provision of savings and loans to members in its common bond. The Credit Union manages its members' shares, capital and loans to members so that it earns income from the margin between interest receivable and interest payable.

Authorisations

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)
- Service Providers holding appointments from IIA product producers, including intermediaries that may issue appointments, appearing in the register maintained under Section 31 of the Investment Intermediaries Act, 1995 (as amended)
- Entitled under Regulation 9(1)(b) of the European Community (Payment Services) Regulations 2009 to provide payment services.
- To act on behalf of a payment institution in providing payment services.

Business review

The directors are satisfied with the performance and the financial position of the Credit Union. The amount issued in loans increased by 15% in comparison to lending activity in the prior year. The overall loan book was 12% higher at year end in comparison to the previous year end. Total investment income increased by 4%.

Principal Risks and Uncertainties

The main financial risks arising from the activities of Crosshaven/Carrigaline Credit Union Limited are credit risk, liquidity risk, interest rate risk and continuous compliance with regulatory and legislative requirements. The Board reviews and agrees policies for managing each of these risks which are summarised at note 18.

Results and Dividends

The results for the year are set out in detail on page 10. The surplus for the financial year amounted to €132,245 (2017: €189,806).

The Directors do not recommend payment of a dividend or a loan interest rebate for the year ended 30th September 2018.

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 financial function. The books of account of the Credit Union are maintained at the Credit Union's premises at Point Road, Crosshaven, Co. Cork.

Post Balance Sheet Events

There have been no significant events affecting the credit union since the balance sheet date.

DIRECTORS' REPORT CONTINUED

FOR THE YEAR ENDED 30 SEPTEMBER 2018

Auditor

In accordance with the Credit Union Act 1997, as amended, the auditors offer themselves for re-election.

Approved by the board of directors and signed on its behalf by:

Sean Roberts
Director

Michael Coniry
Director

23 November 2018



STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Credit Union Act 1997, as amended requires the directors to prepare financial statements for each financial year which give a true and fair view of the State of Affairs of the Credit Union and the Income and Expenditure Account of the Credit Union for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies for the credit union financial statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the credit union will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Credit Union and enable them to ensure that the financial statements are prepared in accordance with applicable Irish law and Generally Accepted Accounting Practice in Ireland, including the standards issued by the Financial Reporting Council, and in particular FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". They are responsible for safeguarding the assets of the Credit Union and hence for taking reasonable steps in the prevention and detection of fraud and other irregularities.

On behalf of the board

Sean Roberts
Chairman



Michael Coffey
Director



23 November 2018

STATEMENT OF BOARD OVERSIGHT COMMITTEE RESPONSIBILITIES

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 IVA and any regulations made for the purposes of Part IV or Part IVA of the Credit Union Act 1997, as amended, and any other matter prescribed by the Central Bank in respect of which they are to have regard in relation to the board.

On behalf of the Board Oversight Committee

Anne Marie McGoldrick
Chairperson



23 November 2018



Crosshaven Carrigaline
Credit Union Limited

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CROSSHAVEN/CARRIGALINE CREDIT UNION LIMITED

Opinion on Financial Statements

We have audited the financial statements of Crosshaven/Carrigaline Credit Union Limited for the year ended 30 September 2018 which comprise the Income And Expenditure Account, the Balance Sheet, the Statement of Changes in Reserves, the Cash Flow Statement and the notes to the financial statements, including the summary of significant accounting policies. The relevant financial reporting framework that has been applied in their preparation is Irish law and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council.

In our opinion the financial statements:

- give a true and fair view of the state of the assets, liabilities and financial position of the credit union as at 30 September 2018 and of its income and expenditure and cashflows for the year then ended;
- have been properly prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been properly prepared in accordance with the requirements of the Credit Union Act 1997, as amended.

Basis 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 described below in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Credit Union in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and the provisions available to small entities, in the circumstances set out in Note 26 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions Relating to Going Concern

We have nothing to report in respect of the following matters in relation to which ISAs (Ireland) require us to report to you where:

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information 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, 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.

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF CROSSHAVEN/CARRIGALINE CREDIT UNION LIMITED

Opinions on Other Matters Prescribed by the Credit Union Act 1997, as amended

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

- We have obtained all the information and explanations which we consider 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.

Respective Responsibilities

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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: [http://www.iaasa.ie/Publications/Auditing-standards/International-Standards-on-Auditing-for-use-in-Ire/International-Standards-on-Auditing-\(Ireland\)/ISA-700-\(Ireland\)](http://www.iaasa.ie/Publications/Auditing-standards/International-Standards-on-Auditing-for-use-in-Ire/International-Standards-on-Auditing-(Ireland)/ISA-700-(Ireland)). This description forms part of our auditor's report.

The Purpose of Our Audit Work and to Whom We Owe Our Responsibilities

Our 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.

Crowley & McCarthy

Chartered Accountants and Statutory Audit Firm

Charlotte House
7 Fr. Matthew Quay
Cork

23 November 2018

INCOME & EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2018

	Schedule	2018 €	2017 €
Interest on Members' Loans		763,211	750,085
Other Interest Receivable and Similar Income	1	<u>395,758</u>	<u>381,750</u>
Net Interest Income		1,158,969	1,131,835
Other Income	2	<u>15,131</u>	<u>17,532</u>
Total Income		1,174,100	1,149,367
Expenditure			
Employment Costs		296,380	277,191
Other Management Expenses	3	691,723	700,542
Depreciation		32,448	26,107
Net Recoveries on Loans to Members		<u>21,304</u>	<u>(44,279)</u>
Total Expenditure		<u>1,041,855</u>	<u>959,561</u>
Surplus for the Year		<u>132,245</u>	<u>189,806</u>

There is no other comprehensive income, other than that passing through the income and expenditure account.

The financial statements were approved, and authorised for issue, by the Board on 23 November 2018 and signed on its behalf by:

Sean Roberts

Sean Roberts
Chairperson

Anne Marie McGoldrick

Anne Marie McGoldrick
Board Oversight Committee

Sean O'Brien

Sean O'Brien
Manager



Notice of AGM and Financial Statements 2018

BALANCE SHEET

AS AT 30 SEPTEMBER 2018

	Notes	2018 €	2017 €
Assets			
Cash and Balances at Bank		1,760,112	1,344,852
Deposits and Investments – Cash Equivalents	8	8,267,891	8,826,166
Deposits and Investments – Other	8	32,368,728	31,286,591
Loans to Members	9	9,177,888	8,214,439
Less: Provision for Bad and Doubtful Debts	10	(560,060)	(507,084)
Tangible Assets	11	709,928	688,940
Prepayments and Accrued Income		<u>159,416</u>	<u>132,755</u>
Total Assets		51,883,903	49,986,659
Liabilities			
Members' Shares	14	44,258,549	42,483,120
Other Liabilities, Creditors, Accruals and Charges	15	<u>41,212</u>	<u>51,642</u>
Total Liabilities		44,299,761	42,534,762
Assets Less Liabilities		<u>7,584,142</u>	<u>7,451,897</u>
Reserves			
Regulatory Reserves		5,378,690	5,099,727
Operational Risk Reserve		242,388	242,388
Other Reserve		22,593	21,666
Retained Earnings		<u>1,940,471</u>	<u>2,088,116</u>
Total reserves		<u>7,584,142</u>	<u>7,451,897</u>

The financial statements were approved, and authorised for issue, by the Board on 23 November 2018 and signed on its behalf by:



Sean Roberts
Chairperson



Anne Marie McGoldrick
Board Oversight Committee



Sean O'Brien
Manager



STATEMENT OF CHANGES IN RESERVES

FOR THE YEAR ENDED 30 SEPTEMBER 2018

	Retained Earnings €	Regulatory Reserve €	Other Reserve €	Operational Risk Reserve €	Total €
Balance at 1 October 2016	2,083,831	4,914,206	21,666	242,388	7,262,091
Year ended 30 September 2017:					
Surplus and Total Comprehensive Income for the year	189,806	-	-	-	189,806
Transfers to Regulatory Reserve	(185,521)	185,521	-	-	-
Balance at 30 September 2017	2,088,116	5,099,727	21,666	242,388	7,451,897
Balance at 1 October 2017	2,088,116	5,099,727	21,666	242,388	7,451,897
Year ended 30 September 2018:					
Surplus and Total Comprehensive income for the year	132,245	-	-	-	132,245
Transfers to Regulatory Reserve	(278,963)	278,963	-	-	-
Transfer to Dormont Reserve	(927)	-	927	-	-
Balance at 30 September 2018	1,940,471	5,378,690	22,593	242,388	7,584,142

Note

- (1) The Regulatory reserve of the Credit Union as a percentage of total assets as at 30th September 2018 was 10.37% (2017: 10.20%).
- (2) In accordance with S45 of the Credit Union Act 1997 (as amended) Crosshaven/Carrigaline Credit Union Limited put in place an Operational Risk reserve during the comparative period. The Board has not transferred additional funds to the Operational Risk reserve in the current period, following the completion of an internal process of assessing the level of the reserve required to cover the operational risk within the Credit Union. The Operational Risk reserve as a % of the total assets as at 30th September 2018 was 0.47%. (2017: 0.48%).
- (3) Following commencement of S13 of the 2012 Act, the requirement for Credit Unions to transfer 10% of their annual surplus to their statutory reserve (now known as the Regulatory reserve) each year has been removed. Notwithstanding this the Board of Crosshaven/Carrigaline Credit Union Limited has transferred €278,963 (2017: €185,521) of its retained earnings to its Regulatory reserve so that the reserve would stand at 10.37% at current year end, in excess of the required limit of 10%.

CASH FLOW STATEMENT

For the year ended 30th September 2018

	2018 €	2018 €	2017 €	2017 €
Cash flows from operating activities				
Members' Loans Repaid		5,945,124		5,647,537
Members' Loans Granted		(6,946,068)		(6,059,965)
Members' Loan Interest Received		763,215		750,084
Investment Interest Received		395,758		381,750
Bad Debts Recovered		69,167		46,328
Operating Expenses		(988,103)		(977,733)
Other Receipts		15,131		17,532
Decrease in Prepayments		(26,661)		(10,624)
Increase in Other Liabilities, Accruals and Charges		<u>(10,431)</u>		<u>6,331</u>
Net cash flows from operating activities		(782,868)		(198,760)
Cashflows from Investing Activities				
Purchase of Tangible Fixed Assets	(53,439)		(12,457)	
Net Cash Outflow From Managing Liquid Deposits	<u>(1,082,137)</u>		<u>(3,002,152)</u>	
Net Cash Used in Investing Activities		(1,135,576)		(3,014,609)
Financing Activities				
Members' Shares Received	19,505,712		19,652,325	
Members' Shares Withdrawn	<u>(17,730,283)</u>		<u>(18,030,011)</u>	
Net Cash Generated from Financing Activities		<u>1,775,429</u>		<u>1,622,314</u>
Net Decrease in Cash and Cash Equivalents		(143,015)		(1,591,055)
Cash and Cash Equivalents at Beginning of Year		<u>10,171,018</u>		<u>11,762,073</u>
Cash and Cash Equivalents at End of Year		<u><u>10,028,003</u></u>		<u><u>10,171,018</u></u>
Relating to:				
Cash and Balances at Bank		1,760,112		1,344,852
Deposits and Investments With Original Maturity Within Three Months		<u>8,267,891</u>		<u>8,826,166</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30th September 2018

1 Legal and Regulatory Framework

Crosshaven/Carrigaline Credit Union Limited is established under the Credit Union Act 1997, as amended. Crosshaven/Carrigaline Credit Union Limited is registered with the Registrar of Credit Unions and is regulated by the Central Bank of Ireland. The principal place of business of the credit union is Point Road, Crosshaven Co. Cork.

2 Accounting Convention and Basis of Preparation

Statement of Compliance and Basis of Preparation

The financial statements have been prepared on the going concern basis and in accordance with the historical cost convention. They have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102").

Currency

The financial statements are prepared in euros, which is the functional currency of the credit union.

Going Concern

The financial statements are prepared on the going concern basis. The directors of Crosshaven/Carrigaline Credit Union Limited believe this is appropriate as the Credit Union:

- Is generating annual surpluses;
- Maintains an appropriate level of liquidity; and
- Has reserves that are currently above the minimum requirements of the Central Bank.

3 Accounting Policies

3.1 Income

Interest on Members' Loans

Interest on loans to members is recognised using the effective interest method, and is calculated and accrued on a daily basis. An approximation of the effective interest rate method is calculated by taking the interest accrual at the reporting period adjusted for any accrual relating to impaired loans.

Investment Income

The Credit Union currently only has investments that are valued at amortised cost, and use the effective interest method to recognise investment income.

The Credit Union is obliged to maintain certain deposits with the Central Bank to which the credit union has restricted access. The funds on deposit with the Central Bank attract nominal interest. The deposits will not ordinarily be returned to the credit union while it is a going concern. The balances stated are at amounts deposited plus nominal interest earned and are not subject to impairment reviews.

Other Income

Other income such as commissions receivable on insurance products and foreign exchange services arises in connection to specific transactions. Income relating to individual transactions is recognised when the transaction is completed.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30th September 2018

3.2 Tangible Fixed Assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold Premises	2% Reducing Balance
Office equipment	25% Reducing Balance
Fixtures and fittings	25% Reducing Balance
Computer Equipment	33% Reducing Balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of comprehensive income.

3.3 Impairment of Fixed Assets

Where there is objective evidence that the recoverable amount of an asset is less than its carrying value the carrying amount of the asset is reduced to its recoverable amount resulting in an impairment loss. Impairment losses are recognised immediately in the income and expenditure account, with the exception of losses on previously revalued tangible fixed assets, which are recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in reserves, in respect of that asset.

Where the circumstances causing an impairment of an asset no longer apply, then the impairment is reversed through the income and expenditure account, except for impairments on previously revalued tangible assets, which are treated as revaluation increases to the extent that the revaluation was recognised in equity.

The recoverable amount of tangible fixed assets is the higher of the fair value less cost to sell of the asset and its value in use. The value in use of these assets is the present value of the cash flows expected to be derived from those assets. This is determined by reference to the present value of the future cash flows of the credit union which is considered by the directors to be a single cash generating unit

3.4 Cash and Cash Equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

3.5 Financial Instruments

The credit union has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the credit union's statement of financial position when the credit union becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30th September 2018

3.5 Financial Instruments (continued)

Financial assets and liabilities are classified according to the substance of the contractual arrangements entered into.

3.6 Basic financial assets

Basic financial assets are initially measured at the transaction price, including transaction costs, and are subsequently carried at amortised cost using the effective interest method. Basic financial instruments include the following:

Loans to Members

Loans to members 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.

Investments Held at Amortised Cost

Investments 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 un-collectability. This effectively spreads out the return on such investments over time, but does take account immediately of any impairment in the value of the investment.

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.

3.7 Impairment of Financial Assets

Financial assets, other than those held at fair value, are assessed for indicators of impairment at each reporting end date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the expected cash flows discounted at the asset's original effective interest rate.

Any 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.

Bad and Doubtful 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30th September 2018

3.7 Impairment of Financial Assets

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

3.8 Derecognition of Financial Assets

Financial assets are de-recognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Credit Union transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

In the case of loans to members, loans are de-recognised when the right to receive cash flows from the loans have expired, usually when all amounts outstanding have been repaid by the member. Crosshaven/Carrigaline Credit Union Limited does not transfer loans to third parties.

3.9 Basic Financial Liabilities

Basic financial liabilities are initially recognised at the transaction price, including transaction costs, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities are subsequently carried at amortised cost using the effective interest method.

Financial Liabilities – Members' Shares and Deposits

Members' shares, money management accounts and deposits are redeemable and therefore are classified as financial liabilities. They are initially recognised at the amount of cash deposited and subsequently members' deposits are measured at amortised cost.

Other Payables

Other payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Other payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

3.10 Derecognition of Financial Liabilities

Financial liabilities are derecognised when, and only when, the credit union's obligations are discharged, cancelled, or they expire.

3.11 Taxation

The Credit Union is not subject to income tax or corporation tax on its activities as a Credit Union.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30th September 2018

3.12 Employee Benefits

Defined Benefit Retirement Plan: Crosshaven/Carrigaline Credit Union Limited participates in an industry-wide pension scheme for employees (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. The scheme is a multi-employer Scheme and due to the nature of the Scheme, it is not possible for Crosshaven/Carrigaline Credit Union Limited to separately identify its share of the Scheme's underlying assets and liabilities. Consequently, it accounts for the Scheme as a defined contribution plan. There is an agreed funding plan in respect of the Pension Scheme as a result of a Minimum Funding Standard deficit certified by the Scheme's Actuary in 2009. Consequently, Crosshaven/Carrigaline Credit Union Limited recognises a liability at each balance sheet date for its outstanding contributions payable under the agreed funding plan to the extent that they relate to committed funding in respect of the deficit to which the funding plan relates.

Other Employee Benefits: Other short and long term employee benefits, including holiday pay, are recognised as an expense over the period they are earned.

Termination benefits are recognised immediately as an expense when the Credit Union is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

3.13 Reserves

Retained earnings are the accumulated surpluses to date that have not been declared as dividends returnable to members. The retained earnings 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 as a dividend in accordance with the Central Bank direction. All other income is classified as "realised". A reclassification between unrealised and realised is made as investments come to within 12 months of maturity date.

Regulatory Reserve

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

Operational Risk Reserve

Section 45(5)(a) of the 1997 Act requires each credit union to maintain an additional reserve that it has assessed is required for operational risk having regard to the nature, scale and complexity of the credit union. Credit Unions are required to maintain a minimum operational risk reserve having due regard for the sophistication of the business model. The definition of operational risk is the risk of losses stemming from inadequate or failed internal processes, people and systems or from external events. The directors have considered the requirements of the Act and have considered an approach to calculation of the operational risk reserve based on indicative guidance issued by the Central Bank.

Non-Distributable Investment Income reserve

Investment income that has been recognised in the financial statements but will not be received within 12 months of the Balance Sheet date is classified as "non-distributable" and is not distributable as a dividend in accordance with Section 31 of the Credit Union Act 1997 (Regulatory Requirements) Regulations 2016. A reclassification between non-distributable and distributable is made as investments come to within 12 months of maturity date.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30th September 2018

3.14 Interest on Members' Deposits and Dividends to Members

Interest on members' deposits

Interest on members' deposits is recognised using the effective interest method.

Dividends on shares and loan interest rebates

Dividends are made from current year's surplus or the dividend reserves set aside for that purpose. The Board's proposed distribution to members each year is based on the dividend and loan interest rebate policy of the Credit Union.

The rate of dividend and loan interest rebate recommended by the Board will reflect:

- The requirements as set out in the credit union's Liquidity Management Policy;
- Legal and regulatory requirements and guidance, including those relating to liquidity, lending, savings, borrowings and investments;
- The credit union's strategic plan taking account of the funding strategy proposed to support the projected balance sheet structure;
- The current economic climate and business operating environment;
- The nature, scale and complexity of the credit union;
- The risk profile of the credit union including the level of credit and market risk;
- The risk tolerance of the credit union as decided by the directors and set out in the risk management policy; and
- The credit union's policy in relation to the type, maturity and limits for lending, borrowing, savings and investments and pricing strategies for lending and saving.

4 Judgements and Key Sources of Estimation Uncertainty

In the application of the credit union's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods. The following are the credit union's key sources of estimation uncertainty:

Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the credit union has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Impairment of members loans

The Credit Union's accounting policy for impairment of financial assets is set out in accounting policy in Note 3.8. 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 total amount of members loans and the impairment charge at financial year end is disclosed in notes 9 and 10.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30th September 2018

Determination of depreciation, useful economic life and residual value of tangible assets

Tangible fixed assets represent a significant portion of total 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 review these useful lives and change them if necessary to reflect current conditions. In determining these useful lives, the directors 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 financial year end is disclosed in note 11.

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 operational risk reserve of the credit union at 30 September 2018 was €242,388 (2017: €242,388).

5 Interest on Members' Loans

	2018	2017
	€	€
Closing Accrued Loan Interest Receivable	27,669	13,408
Loan interest Received in the Year	748,950	748,623
Opening Accrued Loan Interest Receivable	<u>(13,408)</u>	<u>(11,946)</u>
	<u>763,211</u>	<u>750,085</u>

6 Employees

The average monthly number of persons employed by the credit union during the year was:

	2018	2017
	Number	Number
Full Time Employees	3	3
Part Time Employees	<u>8</u>	<u>8</u>
	<u>11</u>	<u>11</u>

Their aggregate remuneration comprised:

	2018	2017
	€	€
Wages and Salaries	278,416	258,194
Pension Costs	<u>17,964</u>	<u>18,997</u>
	<u>296,380</u>	<u>277,191</u>

7 Dividend and Interest Rebate

The Directors do not recommend payment of a dividend or loan interest rebate for the year ended 30th September 2018.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30th September 2018

8 Deposits and Investments

The Credit Union holds investments with the following:

	2018	2017
	€	€
Allied Irish Bank PLC	1,220,679	1,220,737
Allied Irish Bank (Bonds)	4,077,323	4,022,338
EBS DAC	-	54,565
Bank of Ireland PLC	3,040,918	3,040,928
Ulster Bank Ireland DAC	2,000,250	-
Central Bank	301,149	310,745
KBC Bank Ireland PLC	2,705,027	2,703,925
Permanent TSB PLC	1,549,838	7,056,425
BCP Asset Management DAC	7,041,448	9,056,037
Investec Bank PLC	5,112,553	5,112,327
Goldman Sachs International Bank	3,033,400	2,012,056
Davys Private Clients	-	84
Blackbee Investments	1,505,733	-
Santander UK PLC	1,022,210	1,010,954
Close Brothers Limited	1,000,833	-
Clydesdale Bank PLC	3,004,626	3,002,880
BNP Paribas	1,002,953	-
Cantor Fitzgerald Ireland Limited	2,016,343	1,508,756
Norddeutsche Landesbank Girozentrale	1,001,336	-
	<u>40,636,619</u>	<u>40,112,757</u>

Investments held with BCP Asset Management DAC are underwritten as follows:

	€
Deutsche Bank	2,518,632
Bank of Ireland PLC	4,020,514
Investec Bank PLC	502,302

Deposits and investments comprise of the following:

	2018	2017
	€	€
Cash Equivalents (Original Maturity within 3 months)		
Fixed Term Deposits with Banks	8,267,891	8,826,166
Total Cash Equivalents	<u>8,267,891</u>	<u>8,826,166</u>
Other (Original Maturity after 3 months)		
Fixed Term Deposits with Banks	24,458,275	25,942,554
Bank Bonds	7,609,304	5,033,292
Central Bank Minimum Deposits	301,149	310,745
	<u>32,368,728</u>	<u>31,286,591</u>

9 Loans to Members

	2018	2017
	€	€
At 1 October	8,214,439	7,824,057
Advanced During the Year	6,946,068	6,059,965
Repaid During the Year	(5,945,124)	(5,647,537)
Loans Reclassified/Impaired During the Year	(37,495)	(22,046)
	<u>9,177,888</u>	<u>8,214,439</u>
At 30 September		

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30th September 2018

10 Provision for Doubtful Debts

	2018 €	2017 €
Opening Provision for Doubtful Debts	507,084	527,081
Increase/(Decrease) in Provision in the Year	<u>52,976</u>	<u>(19,997)</u>
Closing Provision for Doubtful Debts	<u>560,060</u>	<u>507,084</u>

11 Tangible Fixed Assets

	Freehold buildings €	Office equipment €	Fixtures & fittings €	Computer €	Total €
Cost					
At 1 October 2017	954,188	16,882	113,207	353,887	1,438,164
Additions	<u>5,289</u>	<u>4,669</u>	<u>19,400</u>	<u>24,081</u>	<u>53,439</u>
At 30 September 2018	<u>959,477</u>	<u>21,551</u>	<u>132,607</u>	<u>377,968</u>	<u>1,491,603</u>
At 1 October 2017	296,826	14,904	110,499	326,997	749,226
Depreciation Charged in the Year	<u>13,255</u>	<u>825</u>	<u>3,350</u>	<u>15,019</u>	<u>32,449</u>
At 30 September 2018	<u>310,081</u>	<u>15,729</u>	<u>113,849</u>	<u>342,016</u>	<u>781,675</u>
Carrying Amount					
At 30 September 2018	<u>649,396</u>	<u>5,822</u>	<u>18,758</u>	<u>35,952</u>	<u>709,928</u>
At 30 September 2017	<u>657,362</u>	<u>1,977</u>	<u>2,708</u>	<u>26,893</u>	<u>688,940</u>

12 Credit risk disclosures

Crosshaven/Carrigaline Credit Union Limited does not offer mortgages. There are restrictions on the extent to which borrowers may withdraw their savings whilst loans are outstanding.

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

- restricts the concentration of lending by the credit union within certain sectors or to connected persons or groups (concentration limits);
- restricts the absolute amount of lending to certain sectors to a set percentages of the regulatory reserve (large exposure limit)
- require 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.
- restricts the loan duration of certain loans to specified limits (maturity limits)

The carrying amount of the loans to members represents Crosshaven/Carrigaline Credit Union Limited's maximum exposure to credit risk. The following table provides information on the credit quality of loan repayments. Where loans are not impaired/bad it is expected that the amounts repayable will be received in full.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30th September 2018

12 Credit risk disclosures (continued)

	2018 Amount €	2018 Proportion %	2017 Amount €	2017 Proportion %
Not impaired / fully recoverable:				
Total Loans not Impaired	7,680,004	83.68%	6,409,751	78.03%
Individually Impaired				
Not Yet Past Due but Impaired	702,939	7.66%	930,740	11.33%
Up to 3 Months Past Due	211,577	2.31%	383,115	4.66%
Between 3 and 6 Months Past Due	272,818	2.97%	148,359	1.81%
Between 6 Months and 1 Year Past Due	90,981	0.99%	83,905	1.02%
Over 1 Year Past Due	<u>219,568</u>	<u>2.39%</u>	<u>258,568</u>	<u>3.15%</u>
Total Loans	9,177,887	100.00%	8,214,438	100.00%
Bad Debt Provision	<u>(560,060)</u>		<u>(507,084)</u>	
Total Carrying Value	<u><u>8,617,827</u></u>		<u><u>7,707,354</u></u>	

13 Net Recoveries on Loans to Members

	2018 €	2017 €
Bad Debts Recovered (Increase)/Reduction in Loan Provisions During the Year	69,167 <u>(52,976)</u>	46,328 <u>19,997</u>
Loans Written Off/Reclassified	<u>16,191</u> <u>(37,495)</u>	<u>66,325</u> <u>(22,046)</u>
Net Recoveries on Loans to Members Recognised for the Year	<u><u>(21,304)</u></u>	<u><u>44,279</u></u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30th September 2018

14 Members' Shares

	2018	2017
	€	€
At 1 October	42,483,120	40,860,806
Received During the Year	19,505,712	19,652,325
Repaid During the Year	<u>(17,730,283)</u>	<u>(18,030,011)</u>
At 30 September	<u>44,258,549</u>	<u>42,483,120</u>

Members' shares are repayable on demand except for shares attached to loans. The breakdown of the shares between attached and unattached is as follows:

	2018	2017
	€	€
Unattached Shares	40,423,142	38,744,991
Attached Shares	<u>3,835,407</u>	<u>3,738,129</u>
	<u>44,258,549</u>	<u>42,483,120</u>

15 Other Liabilities, Creditors, Accruals and Charges

	2018	2017
	€	€
PAYE/PRSI	4,347	4,008
Pension and Other Payroll Accruals	6,093	14,328
Creditors and Other Accruals	<u>30,772</u>	<u>33,306</u>
	<u>41,212</u>	<u>51,642</u>

16 Cash and Cash Equivalents

	2018	2017
	€	€
Cash and Current Account Balances	1,760,112	1,344,852
Deposits with Banks and Other Investments	40,636,619	40,112,757
Less: Amounts Invested Originally Maturing After Three Months	<u>(32,368,728)</u>	<u>(31,286,591)</u>
	<u>10,028,003</u>	<u>10,171,018</u>

17 Financial instruments

	2018	2017
	€	€
Financial assets		
Measured at amortised cost:		
Cash at Bank and in Hand	1,760,112	1,344,852
Deposits and Investments	40,636,619	40,636,619
Loans to Members (Net of Bad Debts Provision)	8,617,828	7,707,355
Prepayments and Accrued Income	<u>159,416</u>	<u>132,755</u>
Total measured at amortised cost	<u>51,173,975</u>	<u>49,821,581</u>
Financial liabilities		
Measured at amortised cost:		
Members' Shares	44,258,549	42,483,120
Other Liabilities, Creditors, Accruals and Charges	<u>41,212</u>	<u>51,642</u>
Total measured at amortised cost	<u>44,299,761</u>	<u>42,534,762</u>

The Credit Union does not hold any financial instruments at fair value.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30th September 2018

18 Additional Financial Instruments Disclosures

Financial Risk Management

Crosshaven/Carrigaline Credit Union Limited manages its members' shares and loans to members so that it earns income from the margin between interest receivable and dividends payable. The main financial risks arising from Crosshaven/Carrigaline Credit Union Limited's activities are credit risk, liquidity risk and interest rate risk. The Board 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 Crosshaven/Carrigaline Credit Union Limited, resulting in financial loss to the Credit Union.

In order to manage this risk, the Board approves Crosshaven/Carrigaline Credit Union Limited's lending policy, and all changes to it. All loan applications are assessed with reference to the lending policy in force at the time. Subsequently loans are regularly reviewed for any factors that may indicate that the likelihood of repayment has changed.

Liquidity Risk:

Crosshaven/Carrigaline Credit Union Limited's policy is to maintain sufficient funds in liquid form at all times to ensure that it can meet its liabilities as they fall due. The objective of the Credit Union's liquidity policy is to smooth the mismatches between maturing assets and liabilities and to provide a degree of protection against any unexpected developments that may arise.

All of Crosshaven/Carrigaline Credit Union Limited's financial liabilities are repayable on demand except for some members' shares attached to loans. The Credit Union retains, at all times, liquid assets amounting to a minimum of 20% of unattached savings.

Market Risk:

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

Interest Rate Risk:

Crosshaven/Carrigaline Credit Union Limited's main interest rate risk arises from differences between the interest rate exposures on the receivables and payables that form an integral part of a credit union's operations. The Credit Union considers rates of interest receivable when deciding on the dividend rate payable on members' shares. Crosshaven/Carrigaline Credit Union Limited does not use interest rate options to hedge its own positions.

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

	2018 Amount €	2018 Average interest rate %	2017 Amount €	2017 Proportion %
Financial Assets				
Loans to members	9,177,888	8.78%	8,214,439	9.35%

Capital

The Credit Union maintains sufficient reserves to buffer the Credit Union against any losses on its members' loans and also its investments. The current Regulatory reserve is in excess of the minimum requirement set down by the Central Bank and stand at 10.37% of the total assets of the Credit Union at the Balance Sheet date.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30th September 2018

19 Retirement Benefit Schemes

Crosshaven/Carrigaline Credit Union Limited} participates in an industry-wide pension scheme for employees (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.

The scheme is a multi-employer Scheme and due to the nature of the Scheme it is not possible for Crosshaven/Carrigaline Credit Union Limited to separately identify its share of the Scheme's underlying assets and liabilities. Consequently, it accounts for the Scheme as a defined contribution plan, in accordance with FRS 102.

The Pension's Act requires the trustees of the Scheme to assess whether it could meet a certain prescribed standard, known as the Minimum Funding Standard. This assesses whether, if the scheme was wound up on a specified theoretical valuation date, it could satisfy the Funding Standard at that date. Following the Scheme's actuary certifying a Minimum Funding Standard deficit in the Scheme in 2009, Crosshaven/Carrigaline Credit Union Limited, the ILCU Group and the other credit unions participating in the Scheme entered into a funding agreement with the Scheme that was designed to ensure that, the Scheme could be reasonably expected to satisfy the Minimum Funding Standard by a specified future date (1 March 2019). This funding plan runs up until 2019 and was approved by the Pensions Authority Crosshaven/Carrigaline Credit Union Limited has paid the contributions payable under this funding agreement.

As part of the above solvency assessment process, the Scheme actuary must carry out a separate valuation under the Minimum Funding Standard every 3 years and produce a funding certificate for submission to the Pensions Authority within 9 months of the effective date of the valuation. The purpose of the certificate is to certify whether or not the assets of the scheme at the effective date are sufficient to meet the liabilities of the scheme based on the assumption that the scheme was wound up at that date. The most recent Actuarial Funding Certificate was effective as at 1 March 2018 and it certified that the Scheme satisfied the funding standard. Further, the Actuary was reasonably satisfied that as at 28 February 2018 the scheme can be expected to satisfy the funding standard as specified in Section 44 of the Pensions Act, 1990, at 1 March 2019, being the date specified by the Pensions Authority under Section 49(2) (a) of the Act for the purpose of the existing funding proposal.

An actuarial review of the fund is normally carried out every three years by the Scheme's independent, professionally qualified actuary. The actuarial review considers the past and future liabilities of the scheme. The last completed triennial actuarial review was carried out with an effective date of 1 March 2017 using the Projected Unit valuation method. The principal actuarial assumption used in the valuation was the investment return would be 1.75% higher than the annual salary increases. The market value of the scheme's assets at 1 March 2017 was €216m. The actuarial valuation disclosed a past service deficit of €6.4m at 1 March 2017 calculated under the Ongoing Actuarial Valuation method. This valuation method assumes that the Scheme will continue in existence for the foreseeable future. The assumptions used in the actuarial review to determine the past service deficit differ from the assumptions that would be used to determine the liabilities for defined benefit obligations under FRS102. This actuarial review recommended that the rate agreed under the funding proposal, 27.5% of pensionable salary, continues to be paid. The cost of risk benefits is paid in addition to this rate giving a total contribution rate of 30% of Pensionable Salary.

FRS 102 requires a provision to be recognised where an agreement has been entered into with a multi-employer plan that determines how the deficit will be funded. The provision was measured based on the contributions payable that arose from the agreement with the multi-employer pension plan to the extent that they relate to the deficit. Crosshaven/Carrigaline Credit Union Limited has paid the contributions payable under this funding agreement. The credit union has recognised a liability for its outstanding contributions payable under the funding agreement to the extent that they relate to the deficit on the ILCU Pension Scheme of €2,450 (2017: €14,207) which is included in other liabilities and charges.

The total pension contributions payable by the Credit Union in the year relating to the accounting period amounted to €17,964 (2017: €18,997). Contributions totalling €11,379 (2017: €13,243) were prepaid at the year end and are included in prepayments.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30th September 2018

20 Financial commitments, guarantees and contingent liabilities

On 17 September 2018, the Registry of Credit Unions wrote to all credit unions in the Republic of Ireland notifying that it had become aware of a potential issue that may affect certain credit unions in relation to accrued interest outstanding on loans in circumstances where additional credit is extended to a member by way of a top-up-loan, which could lead to the potential over-collection of interest. The Registry of Credit Unions sought information from credit unions in this regard to enable the potential impact of this matter to be assessed. A process is ongoing to enable the potential impact, if any, of this matter on Crosshaven/Carrigaline Credit Union to be assessed. As this process is not yet complete, the existence of any liability and any reliable estimate amount of any liability associated with this matter, while possible, remains uncertain, along with the timing of same. As such no provision has been made in the financial statements to 30th September 2018 for any amount that may become payable by Crosshaven/Carrigaline Credit Union.

21 Rates of interest charged on Members' Loans (before loan interest rebate)

	Per month	APR
Standard Loan Rate	0.91%	11.46%
Loans Within Shares(Secured)	0.50%	6.16%
Student Loans	0.50%	6.16%
One Year Loans	0.67%	8.30%
Community Loans	0.42%	5.13%
Car Loans	0.67%	8.30%
Home Renovation Loans	0.67%	8.30%
50th Anniversary Loans	0.42%	5.13%

22 Capital commitments

The board has authorised capital expenditure on the credit union premises of €250,000.

23 Insurance Against Fraud

Crosshaven/Carrigaline Credit Union Limited has insurance against fraud in the amount of €2.6 million in compliance with Section 47 of the Credit Union Act, 1997 (as amended).

24 Related Party Transactions

During the year loans amounting to €120,300 (2017: €90,951) were approved for officers/ related parties of the Credit Union. These loans were in accordance with Standard Credit Union Rules. The aggregate amount of loans owed by officers/related parties at 30 September 2018 was €207,693 (2017: €201,818). The aggregate amount of shares held by officers/related parties at 30 September 2018 was €154,782 (2017: €340,176).

Remuneration of Key Management Personnel

Executive Directors and certain senior employees who have authority and responsibility for planning, directing and controlling activities of the credit union are considered to be key management personnel. Total remuneration in respect of these individuals in the year was €96,518 (2017 – €100,010). The Directors of Crosshaven/Carrigaline Credit Union Limited are all unpaid volunteers.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30th September 2018

25 Post Balance Sheet Events

There have been no significant events affecting the credit union since the balance sheet date.

26 Non-audit services provided by auditor

As a small entity, under the provisions of the ISA (Ireland) Ethical Standards we engage our auditor to provide assistance with financial statements preparation.

27 Approval of Financial Statements

The directors approved the financial statements on the 23 November 2018



SCHEDULES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2018

I. Other Interest Receivable and Similar Income

	2018 €	2017 €
Income Received at the Balance Sheet Date	236,629	252,558
Income Receivable Within Twelve Months of the Balance Sheet Date	<u>159,129</u>	<u>129,192</u>
Total per Income and Expenditure Account	<u><u>395,758</u></u>	<u><u>381,750</u></u>

2. Other Income

	2018 €	2017 €
Commission	6,321	7,539
ECCU Rebate	2,987	1,052
Sundry Income	<u>5,823</u>	<u>8,941</u>
Total per Income and Expenditure Account	<u><u>15,131</u></u>	<u><u>17,532</u></u>



SCHEDULES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2018

3. Other Management Expenses

	2018 €	2017 €
Staff Training	10,069	6,754
Rates	9,758	11,464
Share and Loan Insurance	124,680	147,951
Savings Protection Fund	7,236	9,363
General Insurance	14,844	11,965
Death Benefit Insurance	138,242	133,864
Security Costs	20,402	18,727
Power, Light and Heat	7,205	7,969
Repairs and Renewals	8,436	8,267
Computer Running Costs	50,217	59,015
Travelling and Subsistence	2,103	3,524
Chapter Expenses	1,335	1,652
AGM Expenses	13,260	9,146
Affiliation Fees	19,339	17,401
Regulatory Fees	41,627	44,049
Deposit Guarantee Scheme	30,803	36,763
Legal and Professional Fees	103,261	83,881
Audit Fees	14,329	13,592
Bank Charges	16,930	15,654
Postage and Stationery	22,135	22,035
Promotion and Advertising	24,360	24,088
Telephone	4,382	5,090
Sundry Expenses	6,770	8,328
Total per Income and Expenditure Account	691,723	700,542





Crosshaven Carrigaline Credit Union Limited

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Crosshaven Carrigaline Credit Union Limited is regulated by the Central Bank of Ireland.

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