



Crosshaven Carrigaline

CREDIT UNION LIMITED

Serving the community for over 50 years

Financial Statements 2022



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SERVICE



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IMPROVEMENT



CAR
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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



IMPORTANT NOTICE

DUE TO THE CURRENT COVID 19 PANDEMIC AND THE RESTRICTIONS IN PLACE IN RELATION TO THE NUMBER OF PEOPLE WHO CAN MEET IN INDOOR LOCATIONS, AND IN THE BEST INTEREST OF THE HEALTH & SAFETY OF ALL OUR MEMBERS, VOLUNTEERS AND STAFF, CROSSHAVEN/ CARRIGALINE CREDIT UNION LIMITED WILL NOT BE ABLE TO HOLD A PHYSICAL AGM THIS YEAR.

WE WILL HOWEVER, HOLD A VIRTUAL AGM ONLINE ON THURSDAY 27TH JANUARY 2022

TO REGISTER YOUR INTEREST IN ATTENDING THE VIRTUAL AGM, IT IS IMPORTANT THAT YOU CONTACT CROSSHAVEN/CARRIGALINE CREDIT UNION ON 0214831441 OR BY EMAIL carrig@croscarcu.ie BY CLOSE OF BUSINESS ON MONDAY 24TH JANUARY 2022.

Voting will take place during the virtual AGM using the Zoom platform – please attend the virtual AGM to vote.

WE THANK YOU IN ADVANCE FOR YOUR CO-OPERATION AND APOLOGISE FOR ANY INCONVENIENCE CAUSED.



Crosshaven Carrigaline

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Standing Orders for Credit Unions for Virtual - Annual General Meeting (ROI)

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).

Since this year's AGM will be a virtual meeting, voting on motions and elections will be by electronic means. Each member will be given the opportunity to exercise their vote electronically before the meeting.

2. Election Procedure – Electronic Voting

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. Due to the fact that this year's AGM will be a virtual meeting, voting on motions and elections will be by electronic means. Voting will take place via electronic means before the virtual AGM. Members must attend the webinar for their vote to be counted. The results will be reviewed by the Tellers and announced by the Chairman.

3 – 4 Motions

3. Due to the specific difficulties we are facing in holding an Annual General Meeting this year due to COVID-19, the purpose of this year's AGM is to deal with the essential business of the credit union. This includes reporting to members on the financial status of the credit union, declare a dividend / interest rebate, and elect officers. While all items in the usual Order of Business will be referenced, there will be less interaction than in person. Members will be welcome to submit questions to the board in advance of the AGM. Questions can also be put forward via the "Q&A" function of Zoom during the AGM. The board will address these during the AGM, and same will be included in the minutes of the AGM.

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

5 – 9 Miscellaneous

5. The Chairperson of the credit union shall be the Chairperson of any general meeting, except where he/she is not available, in which case it shall be the Vice-Chair, except where he/she is not available, in which case the Board shall decide amongst themselves who shall act as Chair of any general meeting.

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

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

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

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

10. Adjournments

Adjournments of the AGM shall take place only in accordance with sections 81(1) and 80A of the Credit Union Act, 1997 (as amended).

11. We wish to inform you that this meeting is being recorded.

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 Chairperson's Report.
- 6 Report of the Board of Directors.
- 7 Declaration of Dividend and Interest Rebate (if any)
- 8 Report of the Auditor and consideration of accounts.
- 9 Report of the Board Oversight Committee.
- 10 Report of the Credit Committee.
- 11 Report of the Credit Control Committee.
- 12 Report of the Marketing Committee.
- 13 Report of the Membership Committee.
- 14 Report of the Nomination Committee.
- 15 Resolutions.
- 16 Appointment of Tellers.
- 17 Election of Auditor.
- 18 Elections to fill vacancies on the Board of Directors.
- 19 Elections to fill vacancy on the Board Oversight Committee.
- 20 Notice of Motion (Amendment to Rules).
- 21 Any other business.
- 22 Announcement of election results.
- 23 Close of Meeting.

NOTICE OF ELECTIONS

Elections will be held to fill the following vacancies:

- The Position of Auditor.
- 3 positions on the Board of Directors
- 1 position on the Board Oversight Committee

RULE AMENDMENT

Rule 63(4)

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

You will note that this rule amendment facilitates the deletion of Rule 63 (4) of the Standard Rules pertinent to completing and returning the Return of Officers form to the ILCU. The Standard Rules for Credit Unions (Republic of Ireland) (2022) have been updated to reflect this change.



OFFICERS AND COMMITTEES

BOARD OF DIRECTORS

Chairperson	John Buckley
Vice Chairperson	Sean Roberts
Secretary	Jackie O'Herlihy
Directors	Michael Coniry Helen De Puis Michael Coffey Ronan Kenny Mary Robinson Conor Middleton

BOARD OVERSIGHT COMMITTEE

Barry Jenkins
Paul Drummond
Gabi Keller

BUSINESS ADDRESS

Point Road
Crosshaven
Co. Cork

AUDITOR

Crowley & McCarthy
6th Floor
26/27 South Mall
Cork

BANKERS

Allied Irish Bank Plc
Carrigaline
Co. Cork

SOLICITORS

Brendan O'Sullivan
Solicitor
43 South Mall
Cork

CHAIRPERSON'S REPORT

For the year ended 30th September 2022

I am delighted to welcome you to our AGM and to present you, the members, the Chair's report for the year ended September 2022. I am sorry we have been unable to meet in person due to covid. I was very proud to be elected Chair of your Credit Union last March. This is a historic business of great tradition dating back to 1968. I want to pay tribute to Sean Roberts who was Chair for the previous 4 years. During that challenging time, he steered the ship safely home to shore.

You will see in our balance sheet that your Credit Union continues to be in a strong position. We have once again produced a small surplus, and our reserves are strong. That said, we continue to have significant challenges in the investment area where returns are historically low. Some very good investment contracts will soon be due for renewal. The new rates we will be offered are likely to be close to zero. That will mean that we will be entirely dependent on growing the loan book to replace this source of income.

We have some good news though despite the downsides of investments and covid. Our Manager, Sean O'Brien and his team launched new loan initiatives in early summertime. This has been a big help to the business, and we supported it with a strong marketing campaign. Over the 12 months ending 30th September 2022, the loan book grew by 5.35%. This is an excellent achievement by our staff who were working through the most difficult of times most of us have ever been faced with.

As to the future it is difficult to make predictions. One year ago, many commentators were of the view that once most people had been vaccinated, the covid impact would dissipate. It hasn't worked out like that. Because of this the board will be vigilant. We will monitor the situation very carefully and if necessary, we will take action to protect members' interests.





CHAIRPERSON'S REPORT

A lot of our work in early 2022 will centre around creating a new strategic plan for the next 4 years. More and more business will be transacted online. We will have to take this into account and respond accordingly. Once the plan is completed, we will monitor it by means of key performance indicators.

The board wish to take this opportunity to congratulate Sean O'Brien and our excellent staff in coping with the covid situation throughout the year. They managed to continuously provide full service to our members by their dedication and flexibility and indeed managed to improve our online services as well.

It would be remiss of me not to mention our volunteers. They give freely of their time with a community spirit that is the hallmark of the credit union movement. I must mention our excellent Secretary, Jackie O'Herlihy. She has worked tirelessly for us, all voluntary work, and she has made a huge impact right throughout the business.

Succession Planning is a challenge for us. We need more volunteers with IT, Marketing and Financial skills. Please, don't be shy, we are waiting to hear from you.

This year the Board are once again not proposing a dividend or rebate. Instead, we are again increasing our reserves as the financial climate continues to be uncertain. This decision will help ensure that your Credit Union will remain in a secure position.

The Carrigaline branch has been closed on Mondays but will continue to open on Saturdays. This means that Crosshaven Carrigaline Credit Union Ltd has branches open five and a half days a week. Services are also available online and by phone.

I would like to say thank you to our very diligent and hardworking Risk Officer, Keith Winters, our Compliance Officer, Owen Barrett, and our Board Oversight Committee, whose advice and recommendations are very much appreciated and help us in so many ways to carry out our duties. The road ahead will be a challenging one. You have my assurance that the Board, Management, and Staff, will continue to be prudent in handling the affairs of the Credit Union, as has been done down through the years. Protecting members' interests will always be at the forefront of our decision making.

We wish all our members the best in the coming year. On behalf of the Board, I wish to extend our sympathies to the families and friends of members who died during the year.

Thank you,

John Buckley
Chair

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2022

The directors present their report for the financial year ended 30 September 2022.

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:

- Entitled under the European Union (Payment Services) Regulations 2018 to provide payment services.

Business review

The directors are satisfied with the performance and the financial position of the Credit Union. Total investment income increased by 0.9%. The overall loan book increased by 5% at year end in comparison to the previous year end. The Covid 19 pandemic has had a significant effect on the operations of the Credit Union. There has been a build up of savings together with a low interest rate environment on investments.

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 19.

Results and Dividends

The results for the year are set out in detail on page 13. The surplus for the financial year amounted to €180,320 (2021: €65,193).

The Directors do not recommend payment of a dividend or a loan interest rebate for the year ended 30th September 2022.

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.

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:

John Buckley
Director



Sean Roberts
Director



16/12/2022



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

John Buckley
Chairman

Sean Roberts
Director

16/12/2022

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

Barry Jenkins
Chairperson

16/12/2022



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 2022 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 2022 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 24 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

In auditing the financial statements, we have concluded that the directors' use of the 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

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). 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

6th Floor
26/27 South Mall
Cork

16/12/2022

INCOME & EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Schedule	2022 €	2021 €
Interest on Members' Loans		864,710	913,294
Other Interest Receivable and Similar Income	1	<u>339,554</u>	<u>336,520</u>
Net Interest Income		1,204,264	1,249,814
Other Income	2	<u>49,552</u>	<u>20,616</u>
Total Income		1,253,816	1,270,430
Expenditure			
Employment Costs		331,970	328,827
Other Management Expenses	3	676,875	710,285
Depreciation		45,636	51,675
Net Recoveries on Loans to Members		<u>19,015</u>	<u>114,450</u>
Total Expenditure		<u>1,073,496</u>	<u>1,205,237</u>
Surplus for the Year		<u>180,320</u>	<u>65,193</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 16/12/2022 and signed on its behalf by:



John Buckley
Chairperson



Barry Jenkins
Board Oversight Committee



Sean O'Brien
Manager

**BALANCE SHEET****AS AT 30 SEPTEMBER 2022**

	Notes	2022 €	2021 €
Assets			
Cash and Balances at Bank		2,335,362	1,311,937
Deposits and Investments – Cash			
Equivalents	8	4,903,448	8,150,150
Deposits and Investments – Other	8	37,156,467	34,257,034
Loans to Members	10	10,691,069	10,148,059
Less: Provision for Bad and Doubtful Debts	11	(728,778)	(659,433)
Tangible Assets	9	836,363	873,337
Prepayments and Accrued Income		138,522	172,786
Total Assets		55,332,453	54,253,870
Liabilities			
Members' Shares	14	47,263,976	46,349,942
Other Liabilities, Creditors, Accruals and Charges	15	28,672	44,443
Total Liabilities		47,292,648	46,394,385
Assets Less Liabilities		8,039,805	7,859,485
Reserves			
Regulatory Reserves		5,752,992	5,626,148
Operational Risk Reserve		242,388	242,388
Other Reserve		22,676	22,669
Retained Earnings		2,021,749	1,968,280
Total reserves		8,039,805	7,859,485

The financial statements were approved, and authorised for issue, by the Board on 16/12/2022 and signed on its behalf by:

John Buckley
Chairperson

Barry Jenkins
Board Oversight Committee

Sean O'Brien
Manager

STATEMENT OF CHANGES IN RESERVES

FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Retained Earnings €	Regulatory Reserve €	Other Reserve €	Operational Risk Reserve €	Total €
Balance at 1 October 2019	1,990,545	5,538,690	22,669	242,388	7,794,292
Year ended 30 September 2021:					
Surplus and Total Comprehensive Income for the year	65,193	–	–	–	65,193
Transfers to Regulatory Reserve	(87,458)	87,458	–	–	–
Balance at 30 September 2021	1,968,280	5,626,148	22,669	242,388	7,859,485
Balance at 1 October 2021	1,968,280	5,626,148	22,669	242,388	7,859,485
Year ended 30 September 2022:					
Surplus and Total Comprehensive income for the year	180,320	–	–	–	180,320
Transfers to Regulatory Reserve	(126,844)	126,844	–	–	–
Transfer to Dormant Reserve	(7)	–	7	–	–
Balance at 30 September 2022	2,021,749	5,752,992	22,676	242,388	8,039,805

Note

- (1) The Regulatory reserve of the Credit Union as a percentage of total assets as at 30th September 2022 was 10.4% (2021: 10.37%).
- (2) In accordance with S45 of the Credit Union Act 1997 (as amended) Crosshaven/Carrigaline Credit Union Limited. has put in place an Operational Risk reserve. 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 2022 was 0.44%. (2021: 0.45%).
- (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 €126,844 (2021: €87,458) of its retained earnings to its Regulatory reserve so that the reserve would stand at 10.4% at current year end, in excess of the required limit of 10%.



CASH FLOW STATEMENT

For the year ended 30th September 2022

	2022 €	2022 €	2021 €	2021 €
Cash flows from operating activities				
Members' Loans Repaid		5,590,290		5,676,907
Members' Loans Granted		(6,156,955)		(5,443,773)
Members' Loan Interest Received		864,710		913,294
Investment Interest Received		339,554		336,520
Bad Debts Recovered		73,986		62,290
Operating Expenses		(1,008,843)		(1,039,112)
Other Receipts		49,552		20,615
Increase/(Decrease) in Prepayments		34,264		(8,706)
Increase/(Decrease) in Other Liabilities, Accruals and Charges		<u>(15,772)</u>		<u>(27,190)</u>
Net cash flows from operating activities		(229,214)		490,845
Cashflows from Investing Activities				
Purchase of Tangible Fixed Assets	(8,663)		(30,079)	
Net Cash Outflow From Managing Liquid Deposits	<u>(2,899,433)</u>		<u>(2,266,254)</u>	
Net Cash Used in Investing Activities		(2,908,096)		(2,296,333)
Financing Activities				
Members' Shares Received	18,474,279		18,513,247	
Members' Shares Withdrawn	<u>(17,560,246)</u>		<u>(17,707,880)</u>	
Net Cash Generated from Financing Activities		<u>914,033</u>		<u>805,367</u>
Net Decrease in Cash and Cash Equivalents		(2,223,277)		(1,000,121)
Cash and Cash Equivalents at Beginning of Year		<u>9,462,087</u>		<u>10,462,208</u>
Cash and Cash Equivalents at End of Year		<u><u>7,238,810</u></u>		<u><u>9,462,087</u></u>
Relating to:				
Cash and Balances at Bank		2,335,362		1,311,937
Deposits and Investments With Original Maturity Within Three Months		<u><u>4,903,448</u></u>		<u><u>8,150,150</u></u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30th September 2022

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

Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Credit Union and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received. The following criteria must also be met before revenue is recognised.

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 2022

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.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30th September 2022

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.

3.7 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.

3.8 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.

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



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30th September 2022

3.9 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.

3.10 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.

3.11 Derecognition of Financial Liabilities

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

3.12 Taxation

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

3.13 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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30th September 2022

3.14 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.

Unrealised 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 2022

3.15 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 10 and 11.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30th September 2022

4 Judgements and Key Sources of Estimation Uncertainty (continued)**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 9.

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 2022 was €242,388 (2021: €242,388).

5 Interest on Members' Loans

	2022 €	2021 €
Closing Accrued Loan Interest Receivable	24,720	26,378
Loan interest Received in the Year	866,368	913,185
Opening Accrued Loan Interest Receivable	(26,378)	(26,268)
	<u>864,710</u>	<u>913,295</u>

6 Employees

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

	2022 Number	2021 Number
Full Time Employees	3	3
Part Time Employees	8	9
	<u>11</u>	<u>12</u>

Their aggregate remuneration comprised:

	2022 €	2021 €
Wages and Salaries	306,630	300,750
Pension Costs	25,340	28,077
	<u>331,970</u>	<u>328,827</u>

7 Dividend and Interest Rebate

The Directors do not recommend payment of a dividend or a loan interest rebate for the year ended 30th September 2022.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 30th September 2022

8 Deposits and Investments

The Credit Union holds investments with the following underlying counterparties:

	Credit Rating	2022 €	2021 €
Bank Bonds			
Santander UK PLC	A2	2,010,859	2,010,854
Societe Generale	Baa2	1,001,293	1,001,297
Rabo Bank	Aa2	969,887	983,216
BNP Paribas	A1	996,981	999,824
Intesa Sanpaolo S.p.a	Aa3	1,505,495	1,515,453
Crédit Agricole	Aa3	1,002,349	1,001,599
Nationwide Building Society	A1	499,583	500,602
Investec Bank PLC	A1	1,001,012	-
Groupe BPCE	A1	1,940,777	-
Banco Santander	A2	987,395	-
		<u>11,915,631</u>	<u>8,012,845</u>
Deposits			
Allied Irish Bank PLC	Baa1	20,283	20,283
Ulster Bank Ireland DAC	Baa1	1,245	3,003,929
Permanent TSB PLC	Baa2	24,907	3,548,329
Investec Bank PLC	A1	500,000	1,507,468
Goldman Sachs International Bank	A1	5,037,102	5,038,631
Deutsche Bank	A2	2,517,496	2,517,912
Royal Bank of Scotland PLC	A1	1,004,677	1,004,673
Close Brothers Limited	Aa3	-	1,000,680
BNP Paribas	A1	1,002,941	1,002,945
BBVA S.A.	A3	2,023,471	2,019,738
Norddeutsche Landesbank Girozentrale	Aa1	1,000,993	1,001,100
Natwest	Baa2	2,510,325	2,510,592
Barclays PLC	Baa2	7,277,161	7,293,297
Intesa Sanpaolo S.p.a	Baa1	2,005,659	1,000,001
		<u>24,926,260</u>	<u>32,469,578</u>
Central Bank		<u>5,218,024</u>	<u>1,924,761</u>
Total Deposits and Investments		<u>42,059,915</u>	<u>42,407,184</u>
Deposits and investments comprise of the following:			
Cash Equivalents (Original Maturity within 3 months)			
Fixed Term Deposits with Banks		<u>4,903,448</u>	<u>8,150,150</u>
Total Cash Equivalents		<u>4,903,448</u>	<u>8,150,150</u>
Other (Original Maturity after 3 months)			
Bank Bonds		11,915,631	8,012,845
Fixed Term Deposits with Banks		24,902,216	25,919,428
Central Bank Minimum Deposits		338,620	324,761
		<u>37,156,467</u>	<u>34,257,034</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30th September 2022

9 Tangible Fixed Assets

	Freehold buildings €	Office equipment €	Fixtures & fittings €	Computer €	Total €
Cost					
At 1 October 2021	1,118,607	25,956	148,861	452,207	1,745,631
Additions	–	105	792	7,766	8,663
At 30 September 2022	1,118,607	26,061	149,653	459,973	1,754,294
At 1 October 2021	340,538	19,236	126,209	386,311	872,294
Depreciation Charged in the Year	15,561	1,702	5,828	22,546	45,637
At 30 September 2022	356,099	20,938	132,037	408,857	917,931
Carrying Amount					
At 30 September 2022	762,508	5,123	17,616	51,116	836,363
At 30 September 2021	778,069	6,720	22,652	65,896	873,337

10 Loans to Members

	2022 €	2021 €
At 1 October	10,148,059	10,458,471
Advanced During the Year	6,156,955	5,443,773
Repaid During the Year	(5,590,289)	(5,676,907)
Loans Reclassified/Impaired During the Year	(23,656)	(77,278)
At 30 September	10,691,068	10,148,059

11 Provision for Doubtful Debts

	2022 €	2021 €
Opening Provision for Doubtful Debts	659,433	559,971
Increase/(Decrease) in Provision in the Year	69,345	99,462
Closing Provision for Doubtful Debts	728,778	659,433

**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.

	2022 Amount €	2022 Proportion %	2021 Amount €	2021 Proportion %
Not impaired / fully recoverable:				
Total Loans not Impaired	8,364,976	78.24%	8,121,218	80.03%
Individually Impaired				
Not Past Due	1,457,772	13.64%	786,495	7.75%
Up to 9 Weeks Past Due	544,369	5.09%	832,781	8.21%
Between 10 and 18 Weeks Past Due	88,722	0.83%	122,586	1.21%
Between 19 and 26 Weeks Past Due	19,238	0.18%	68,336	0.67%
Between 27 and 39 Weeks Past Due	74,985	0.70%	52,372	0.52%
Between 40 and 52 Weeks Past Due	17,663	0.17%	61,955	0.61%
53 or more weeks past due	123,344	1.15%	102,316	1.01%
Total Loans	10,691,069	100.00%	10,148,059	100.00%
Bad Debt Provision	(728,778)		(659,433)	
Total Carrying Value	9,962,291		9,488,626	

13 Net Recoveries on Loans to Members

	2022 €	2021 €
Bad Debts Recovered	73,986	62,290
(Increase)/Reduction in Loan Provisions		
During the Year	(69,345)	(99,462)
Loans Written Off/Reclassified	4,641 (23,656)	(37,172) (77,278)
Net Recoveries on Loans to Members		
Recognised for the Year	(19,015)	(114,450)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30th September 2022

14 Members' Shares

	2022 €	2021 €
At 1 October	46,349,942	45,544,575
Received During the Year	18,474,280	18,513,247
Repaid During the Year	(17,560,246)	(17,707,880)
At 30 September	<u>47,263,976</u>	<u>46,349,942</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:

	2022 €	2021 €
Unattached Shares	43,861,618	42,734,710
Attached Shares	<u>3,402,358</u>	<u>3,615,232</u>
	<u>47,263,976</u>	<u>46,349,942</u>

15 Other Liabilities, Creditors, Accruals and Charges

	2022 €	2021 €
PAYE/PRSI	-	5,450
Creditors and Other Accruals	<u>28,672</u>	<u>38,993</u>
	<u>28,672</u>	<u>44,443</u>

16 Cash and Cash Equivalents

	2022 €	2021 €
Cash and Current Account Balances	2,335,362	1,311,937
Deposits with Banks and Other Investments	42,059,915	42,407,184
Less: Amounts Invested Originally Maturing After Three Months	<u>(37,156,467)</u>	<u>(34,257,034)</u>
	<u>7,238,810</u>	<u>9,462,087</u>

17 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.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 30th September 2022

17 Retirement Benefit Schemes (continued)

As part of the 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 2021 and it certified that the scheme satisfied the funding standard.

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 29 February 2021. The principal actuarial assumption used in the valuation was the investment return in the years before members retire would be 1.25% higher than the annual salary increases. The market value of the scheme's assets at 29 February 2021 was €250m. The actuarial valuation disclosed a past service deficit of €41.8m at 29 February 2021 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. Following the actuarial review, the same contribution as applied previously – 27.5% for pension plus 2.5% for risk benefits – was invoiced in February 2022. The principal employer and trustees have undertaken a review of the scheme and are in the process of considering a Section 50a application to the Pensions Authority which delivers benefits to scheme members while maintaining the existing contribution rate.

The total pension contributions payable by the Credit Union in the year relating to the accounting period amounted to €25,340 (2021: €28,077). Contributions totaling €9,667 (2021: €11,106) were prepaid at the year end and are included in prepayments.

18 Financial instruments

	2022 €	2021 €
Financial assets		
Measured at amortised cost:		
Cash at Bank and in Hand	2,335,362	1,311,937
Deposits and Investments	42,059,915	42,407,184
Loans to Members (Net of Bad Debts Provision)	9,962,291	9,488,626
Prepayments and Accrued Income	138,522	172,786
Total measured at amortised cost	54,496,090	53,380,533
Financial liabilities		
Measured at amortised cost:		
Members' Shares	47,263,976	46,349,942
Other Liabilities, Creditors, Accruals and Charges	28,672	44,443
Total measured at amortised cost	47,292,648	46,394,385

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30th September 2022

19 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

	2022 Amount €	2022 Average interest rate %	2021 Amount €	2021 Proportion %
Financial Assets				
Loans to members	10,691,069	8.30%	10,148,059	8.86%

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 stands at 10.4% 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 2022

20 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%
First Time Borrowers Loan	0.58%	7.22%
Community Loans	0.42%	5.13%
Car Loans	0.67%	8.30%
Home Energy Loan	0.58%	7.22%
Home Renovations up to €40K	0.67%	8.30%
Home Renovations between €40k & €50K	0.58%	7.22%
Home Renovations between €50k & €60K	0.50%	6.16%
Home Renovations between €60k & €75K	0.42%	5.20%

21 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.

22 Post Balance Sheet Events

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

23 Related Party Transactions

During the year loans amounting to €189,790 (2021: €149,700) 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 2022 was €320,335 (2021: €281,960). The aggregate amount of shares held by officers/related parties at 30 September 2022 was €609,080 (2021: €595,753).

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 €88,314 (2021 – €87,021). The Directors of Crosshaven/Carrigaline Credit Union Limited are all unpaid volunteers.

24 Non-audit services provided by auditor

Under the provisions of the ISA (Ireland) Ethical Standards we engage our auditor to provide assistance with financial statements preparation.

25 Approval of Financial Statements

The directors approved the financial statements on the 16/12/2022.

SCHEDULES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2022

1. Other Interest Receivable and Similar Income

	2022 €	2021 €
Income Received at the Balance Sheet Date	325,189	179,101
Income Receivable Within Twelve Months of the Balance Sheet Date	14,365	157,419
Total per Income and Expenditure Account	339,554	336,520

2. Other Income

	2022 €	2021 €
Foreign Exchange Commission	2,933	7,814
ECCU Rebate	43,773	-
Other Income	2,846	12,802
Total per Income and Expenditure Account	49,552	20,616





SCHEDULES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2022

3. Other Management Expenses

	2022 €	2021 €
Staff Training	6,710	5,272
Rates	6,241	6,948
Share and Loan Insurance	140,468	149,993
Savings Protection Fund	3,748	4,860
General Insurance	19,364	17,559
Death Benefit Insurance	120,478	149,709
Security Costs	11,334	19,376
Power, Light and Heat	4,863	3,041
Repairs and Renewals	4,472	7,367
Computer Running Costs	73,353	65,266
Travelling and Subsistence	238	1,867
Chapter Expenses	796	440
AGM Expenses	8,531	9,704
Affiliation Fees	18,541	18,945
Regulatory Fees	16,398	32,809
Deposit Guarantee Scheme	53,947	50,000
Legal and Professional Fees	93,777	71,277
Audit Fees	14,917	13,516
Bank Charges	33,675	23,507
Postage and Stationery	17,110	25,013
Promotion and Advertising	18,683	17,335
Telephone	5,772	5,016
Sundry Expenses	3,459	11,465
Total per Income and Expenditure Account	676,875	710,285

REPORT OF THE BOARD OVERSIGHT COMMITTEE

In accordance with the Credit Union Act 2012 the Board Oversight Committee (BOC) are obliged to carry out a review of the Board of Directors (BOD) and report to the Board on their findings at least four times per year and annually to the members at the Annual General Meeting (AGM).

To undertake this reporting the BOC must meet at least once a month, and the BOC must meet the BOD at least 4 times per year to present their report. The BOC may meet more times with the BOD if it wishes. The BOC also ensures that at least one of its members attends every normal meeting of the BOD as an observer. The BOC is also entitled to attend all meetings of Committees within the Credit Union.

Due to Covid 19 restrictions, all meetings of the BOC with the BOD have taken place via Zoom.

A BOC shall have 3 or 5 members and works on a voluntary basis. We have 3 BOC members. Associate members and non-voting are also permitted within our terms of reference so as to allow for succession. Very early in the year our associate member, Paul Drummond replaced John Buckley as a full member and secretary of the BOC when John took up the role of Chairman of the BOD. Throughout the year we attended a number of training workshops. We also worked closely with the Compliance and Risk Management functions and we attended all board meetings as well as a number of subcommittee meetings.

According to the Act, the BOC shall have access, at all times, to the books and documents of the Credit Union. We confirm that the BOD has agreed to all requests by us to access documents.

The BOC may notify the Central Bank of any concern it has that the BOD has not complied with any requirements of the BOC.

For the year ended 30 September 2022, the BOC wish to report that no matters have come to our attention that indicates the BOD have not complied with the Act, or any regulation or direction of the Registrar or Central Bank.

We extend our thanks to the BOD, Management team, Compliance and Risk Management functions and all the staff for their courtesy, assistance and co-operation during the year.

BOARD OVERSIGHT COMMITTEE MEMBERS:

CHAIRPERSON: Barry Jenkins

SECRETARY: Paul Drummond

MEMBER: Gabi Keller

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

Barry Jenkins
Chairperson



REPORT OF THE CREDIT COMMITTEE

We the Credit Committee wish to report work undertaken by us for the past year ending September 2022. A total of 1,129 loans were passed totalling €6,171,227.10 and this represents an increase of €746,554.39 on the previous year.

As a Credit Committee we work closely with the Senior Loans Officer and the Manager, and we follow the regulatory requirements in relation to the approval of loans as defined by the Central Bank. We assess and approve loans as appropriate, whilst adhering to our Lending Policy. On a monthly basis, we prepare and present a report to the Board of Directors which gives a comprehensive and comparative overview of the performance of the lending function of our Credit Union.

It is very reassuring to see members borrowing as the future of our Credit Union depends on the continued support of its members. With the introduction of our new Home Improvement Loans, with tiered interest rates, members can now borrow up to €75,000 unsecured. This is a welcome addition to the various types of loans available to our members.

Details of loan rates and loan calculators are available on our website www.croscarcu.ie and staff are only too happy to answer any queries you may have.

As a result of the excellent work of our Senior Loans Officer, Avril Dowling, and everyone on the team, our overall loan book has grown by 5.35%. This is a very positive result during these difficult times.

We are looking forward to the coming year and we ask you our members to choose your Credit Union for all your borrowing needs and help us as we strive to sustainably grow your Credit Union.

CREDIT COMMITTEE MEMBERS

CHAIRPERSON: Helen De Puis

SECRETARY: Jackie O'Herlihy

MEMBER: Michael Desmond

REPORT OF THE CREDIT CONTROL COMMITTEE

The Credit Control Committee of Crosshaven Carrigaline Credit Union monitors the loans in arrears in the Credit Union and ensures that all steps are taken to reduce the amount overdue on these loans.

We meet on a monthly basis to discuss these loans. Due to Covid, we continue to meet virtually. Our credit controller joins us for these meetings and provides us with a detailed report for the previous month. We discuss loans in arrears and how to best manage them. It is a team effort and we are pleased to advise that we have had great success this year, both in reducing the number of members in arrears and in our Bad Debt figure.

We encourage anyone with problems meeting their repayments to contact our credit controller as soon as possible. She will assist them in every way she can. When all else fails, the Credit Union will have no option but to use legal proceedings. Members should note that all loans are reported monthly to the Central Credit Register (CCR) and arrears and missed payments will appear on this report. This could affect your credit rating in the future.

The number of members in arrears reduced from 227 in Sept 20 to 176 in Sept 21, a reduction of 22%. This is attributed to prudent underwriting and to our credit control team. Our Bad Debt Recovered figure for the year was €81,303. This is broken down into Bad Debt Recovered €73,986 and Bad Debt Recovered Interest €7,317. The bad debt write offs for the year were €23,656. We thank all involved for this excellent result.

CREDIT CONTROL COMMITTEE MEMBERS

CHAIRPERSON: Mary Robinson

SECRETARY: Helena Burke

MEMBER: Michael Coniry

REPORT OF THE MARKETING COMMITTEE

We the Marketing Committee meet once a month with our Marketing Officer to discuss how to promote this Credit Union and also how to support local community events and clubs by sponsorships and donations.

Our Facebook and Instagram activity continues to grow with online competitions running throughout the year to create awareness.

Our Christmas 2021 Shop Local Winners:

Hamper Winners: John Cronin & Johanna Sternberg

Voucher Winners: Patsy Byrne, Angela Clarke, Katie Kelly Noonan, Deirdre O' Mahony, Niamh Clancy, Barry O'Sullivan, Padraig O'Connor, Rebecca McGovern, Louise O'Connor, Patricia Cambridge and Becca Angland.

Easter Virtual Treasure Hunt Winners:

Cork Penny Dinners €100

Eggs won by Vivien Kearney, Gavin C, Grace Chambers, Debbie Forbes, Evelyn Crowley, Emma Frawley, Linda Murphy, Orla Kavanagh and Gemma Brown.

Return to School Competition Winner:

Fiona Cauty Geary: School Bag with Accessories

Education Loan Competition Winner:

Rebecca Fitzpatrick won a new laptop with accessories

Tracy Marie Doyle won €100 Overdraught Voucher

Halloween Hamper Winners:

Theresa Keohane and Breffni Murphy

We have had various signs put up in Carrigaline, Crosshaven and Tracton, advertising our 75K Monster Home Renovation while also advertising outside both offices.

As a Credit Union member, you too can also help in marketing your Credit Union. If you received a loan from us and were happy with the service, please recommend us to your family and friends. Word of mouth can sometimes be the best form of marketing.

A special thank you to our Marketing Officer Dave Mulcahy for all his hard work throughout the year.

MARKETING COMMITTEE MEMBERS:

CHAIRPERSON: Sean O'Brien

SECRETARY: Avril Dowling

MEMBERS: Noreen Linehan, Sean Roberts, Michael Coffey & Donal Hurley



REPORT OF THE MEMBERSHIP COMMITTEE

Every Credit Union depends on members for its success and it is most important that its numbers should grow consistently. All applications for membership were examined to ensure that applications were eligible for membership. A person must be resident or employed within the Common Bond to join the Crosshaven Carrigaline Credit Union.

We are continuing to accept Membership applications online only and this is still proving to be quite successful.

We welcomed 392 new members to our Credit Union this year which brings our total membership at 30th September 2022 to 15336.

Credit Unions are owned by their members. We are a 'not for profit' financial co-operative and any surplus income is returned to our Members as a dividend or interest rebate.

We would like to express our appreciation to all Staff and fellow Directors during the past year.

MEMBERSHIP COMMITTEE MEMBERS

CHAIRPERSON: Mary Robinson

SECRETARY: Rita Croghan

MEMBERS: Donna Pace, Sean O'Brien & Majella Moorland



REPORT OF THE NOMINATION COMMITTEE

The Nomination Committee is established by the Board of Directors (BOD) on an annual basis.

The key roles of the committee are

- ▶ Identifying suitable candidates to be nominated for appointment to the BOD and informing them of the required time commitment.
- ▶ Accepting Nominations of candidates proposed to be appointed to the BOD.
- ▶ Proposing candidates for Election by a General Election to be members of the Board.
- ▶ Ensuring that all newly appointed Directors receive adequate induction training within six months of appointment.
- ▶ Ensuring that there is an appropriate succession plan in place for the BOD.

The Nominations Committee would like to thank the Board members who have worked under difficult circumstances in the past twelve months, as the Covid 19 pandemic continues to be a challenge.

It is important to remind all members that all Directors on the Board (BOD) and Board Oversight Committee (BOC) are Volunteers.

Your three Board members proposed by the Nominations Committee for the years 2022,2023,2024 are Jackie O Herlihy, Helen Depuis, and Michael Coniry.

John Buckley is our current Chair.

On behalf of the Nominations Committee, we would like to thank John for his work through the past year in what has been a challenging time.

The Board Oversight Committee whose main function is to ensure the BOD are performing their duties, have the following member going forward. Paul Drummond for the years 2022,2023,2024.

The Nominations Committee would like to thank all our volunteers past and present and we look forward to welcoming future volunteers as they are crucial in ensuring the survival of your Credit Union.

(If you are interested in becoming a volunteer within your Credit Union please Email nominations@croscarcu.ie)

NOMINATION COMMITTEE MEMBERS

CHAIRPERSON: Michael Coffey.

SECRETARY: Conor Middleton

MEMBER: Helen De Puis.



DEPOSIT GUARANTEE SCHEME DEPOSITOR INFORMATION SHEET

Basic information about the protection of your eligible deposits.

Eligible deposits in Crosshaven Carrigaline Credit Union Limited are protected by:	the Deposit Guarantee Scheme {"DGS"}. ⁽¹⁾
Limit of protection:	Eligible deposits up to €100,000 per depositor per institution. ⁽²⁾
If you have more eligible deposits at the Crosshaven Carrigaline Credit Union Limited:	All your eligible deposits at Crosshaven Carrigaline Credit Union Limited 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 Crosshaven Carrigaline Credit Union Limited's failure:	Within 10 working days ⁽⁴⁾
Currency of reimbursement:	Euro
To contact Crosshaven Carrigaline Credit Union Limited for enquiries relating to your account:	Crosshaven Carrigaline Credit Union Limited 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
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: 0818 681 681 Email: info@depositguarantee.ie
More information:	www.depositguarantee.ie

DEPOSIT GUARANTEE SCHEME 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: 0818 681 681. 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.

WE ARE CURRENTLY LOOKING FOR VOLUNTEERS

Why Volunteer?

Becoming a volunteer means you can:

- gain skills and experience with a professional financial service provider
- **personal development**
- work with fellow members, members of your community and expand your network
- **give something back to your community**
- be part of something that works for the good of our Members and the community at large

For further information, please call into either Crosshaven or Carrigaline offices. You can also make contact with us by calling us at 021 - 4831441 or by emailing us at info@croscarcu.ie. A Volunteer application form can also be found on our website www.croscarcu.ie.



LET'S GO GREEN!!



GO GREEN, GO PAPERLESS & HELP US REDUCE OUR CARBON FOOTPRINT!!

To help Crosshaven Carrigaline Credit Union reduce its Carbon Footprint, we are currently asking members to provide us with their email address, so that we can send obligatory, non-marketing communications (e.g. AGM Notifications) via email.

You can provide your email at either our Crosshaven or Carrigaline office or by logging onto your account and selecting the option to allow you receive statements and EAGM notifications via email.

Further information is available on our website (www.croscarcu.ie)



Crosshaven Carrigaline

CREDIT UNION LIMITED

Serving the community for over 50 years

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.

Alun Systems Print Tel. 022 50377