



CORE|CREDIT|UNION

ANNUAL REPORT 2016

Notice is hereby given of the
Annual General Meeting of Core Credit Union Ltd.

ALL MEMBERS ARE REQUESTED TO ATTEND

VENUE:	Dún Laoghaire Evangelical Church, Lower Glenageary Road, Dún Laoghaire, Co. Dublin
DATE:	Monday 30th January 2017
TIME:	8pm
PARKING:	Parking is available on the grounds
PUBLIC TRANSPORT:	45A bus & 7 bus
REFRESHMENTS:	Refreshments will be served following the meeting
CAR DRAW / RAFFLE:	The 8th Members Car Draw will be run on the night along with a free raffle for those attending



7 OFFICES OPEN FOR ALL MEMBERS



7
CORE
offices

- Glasthule/Dún Laoghaire
4 Sussex Street
T: 01 272 5606
dunlaoghaire@corecu.ie
- Carrickbrennan
Monkstown Farm
T: 01 272 5606
carrickbrennan@corecu.ie
- Dalkey
13a Castle Street
T: 01 272 5605
dalkey@corecu.ie
- Sallynoggin/Glenageary
8 Church Place
T: 01 272 5604
sallynoggin@corecu.ie
- Foxrock
Magic Retail Centre
T: 01 272 5607
foxrock@corecu.ie
- Ballybrack
33 - 34 Church Road
T: 01 272 5603
ballybrack@corecu.ie
- Shankill
Main Street
T: 01 272 5602
shankill@corecu.ie

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CREDIT UNION INVOCATION

Lord

Make Me An Instrument Of Thy Peace

Where There Is Hatred, Let Me Sow Love;

Where There Is Injury, Pardon;

Where There Is Doubt, Faith;

Where There Is Despair, Hope;

Where There Is Darkness, Light;

And Where There Is Sadness, Joy.

O Divine Master,

Grant That I May Not So Much Seek

To Be Consoled As To Console;

To Be Understood As To Understand;

To Be Loved As To Love;

For It Is In Giving That We Receive,

It Is In Pardoning That We Are Pardoned,

And It Is In Dying That We Are Born To
Eternal Life

ORDER OF BUSINESS

- 1 Invocation and 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;
- 5 Chairs Report;
- 6 Report of the Auditor;
- 7 Consideration of accounts;
- 8 Report of the Board Oversight Committee;
- 9 Declaration of dividend and rebate of Interest;
- 10 Report of the Credit Committee;
- 11 Report of the Credit Control Committee;
- 12 Report of the Membership Committee;
- 13 Report of the Insurance Officer;
- 14 Report of the Nomination Committee;
- 15 Appointment of Tellers;
- 16 Election of Auditor;
- 17 Election to fill vacancy on the Board Oversight Committee;
- 18 Election to fill vacancies on the Board of Directors;
- 19 Motions and Rule Amendments;
- 20 Attendees Cash Draw;
- 21 Members Car Draw;
- 22 Announcement of election results;
- 23 AOB;
- 24 Adjournment or close of meeting.

STANDING ORDERS

Reference: Recommendation 41 (b) of the Planning Committee;

1 VOTING.

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

2 - 3 ELECTION PROCEDURE.

2 Elections to the Board of Directors, to the Board Oversight Committee and the position of Auditor shall be by majority vote and by secret ballot. Candidates for the position of Directors and Board Oversight Committee shall serve a three year term. The Auditor shall serve a one year term.

3 When nominations are announced Tellers shall be appointed by the Chair and ballot papers shall be distributed. Nominations shall be in the following order: (a) nominations for Auditor; (b) nominations for members of the Board Oversight Committee; (c) nominations for Directors. When voting is completed, the votes shall be taken and tallied by the Tellers. Any ballot paper which contains votes for more than the number required to be elected shall be void. All elections shall be by secret ballot and by majority vote. When the votes have been counted by the Tellers, the results shall be announced by the Chair. In the event that all vacancies are not filled by the first ballot further ballots shall be taken as required. In the event of an equality of votes between candidates for the remaining vacancies not filled in accordance with the above procedure one further ballot shall be taken and should that ballot fail to determine the issue, the vacancies shall be filled by lot from among such candidates having an equality of votes.

4 - 9 MOTIONS.

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

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

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

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

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

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

10-15 MISCELLANEOUS.

- 10 The Chair of the Board of Directors shall be the Chair of any general meeting, except where he/she is not available, in which case it shall be the Vice-Chair, except where he/she is not available, in which case the Board shall decide amongst themselves who shall act as Chair of any general meeting.
- 11 The Chair may at his/her discretion, extend the privilege of the floor to any person who is not a Member.
- 12 Matters not covered by the Agenda may be introduced under "Other Business" at the discretion of the Chair.
- 13 The Chair's decision on any matter relating to these Standing Orders or interpretation of same shall be final.
- 14 No Member shall have more than one vote on each question at any general meeting of the Credit Union or any adjournment thereof irrespective of his/her shareholding or the number of accounts in his/her name in the Credit Union provided, however, that except in voting at elections, the presiding Member shall have a second or casting vote in the event of equality of voting. Voting by proxy shall be allowed only when a Member other than a natural person votes through a representative, who is a Member of the group, duly authorised in writing for that purpose and accepted as such by the Board of Directors.
- 15 Any matter to be decided upon by vote at the AGM shall, unless otherwise expressly provided for by law or the rules, be decided upon by simple majority.

16 SUSPENSION OF STANDING ORDERS.

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

17 ALTERATION OF STANDING ORDERS.

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

18 ADJOURNMENTS.

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

DIRECTORS, SUPERVISORS AND OTHER INFORMATION

Board of Directors:

Martin Whelan (Chair)

Elizabeth Harpur
(Vice-Chair)

Arthur Duignan (Secretary)

Mary Burnham

Paul Roche

Michael Crowe

John Conaty

Liam Sullivan

Stephen Shaw

Frances Donnelly (Retired)

John T Murphy (Retired)

Board Oversight Committee:

Neil Murray

Graham Kavanagh

Elizabeth Turner

Management Team:

Mark Ryan
(Interim CEO)

Clare McCann
(Credit Control Manager)

Robert Halpin
(Finance Manager)

Tracey McAreavey
(Risk & Compliance Officer)

Auditors:

Murnane & Associates
27 Longford Terrace
Monkstown
Co. Dublin

Solicitors:

Maurice O'Callaghan
O'Callaghan Kelly Solicitors
51 Mulgrave Street
Dún Laoghaire
Co. Dublin

CORE CREDIT UNION WANTS YOU...

The Credit Union relies on volunteers within the community to help run it. If you are interested in volunteering in Core Credit Union, Expressions of Interest can be submitted in writing to The Nominations Committee, Core Credit Union, 33/34 Church Road, Ballybrack, Co. Dublin.

CHAIRS REPORT

2016 was another very busy year for Core Credit Union. In May we were delighted when Foxrock and District Credit Union and Carrickbrennan Credit Union merged with Core Credit Union. I welcome all the Members from Foxrock and Carrickbrennan to Core Credit Union and hope you will enjoy the new experience. We now have an expanded common bond stretching from as far south as Old Conna near Bray, as far west as Stepside, and as far north as Blackrock. We have over 32,000 Members. Our assets have increased to above €115 million and there are now seven offices within the common bond in which to conduct your business with Core Credit Union.

It has been a good year for Core Credit Union and it is great to see that the loan book is beginning to increase again as the Irish economy slowly recovers. Lending is our principal service and I urge all our Members to consider Core Credit Union as their first choice when applying for a new loan.

There have been changes in staff and the volunteer Board of Directors throughout the year through retirement. I want to thank those who retired for their years of dedication and hard work to the Credit Union movement and for helping to make Core Credit Union what it is today.

I was very pleased with the renovation of the office in Dalkey, and the new look we gave to the Foxrock and Carrickbrennan offices.

Despite all the changes and challenges in 2016 we continue to strive to be a community Credit Union playing an active role within the local communities.

We held the Credit Union School quiz in January 2016 in St. Kevin's School, Sallynoggin. Ten schools participated with 18 teams in total. The Harold School, Glathule, were winners for the under 11s

Welcome

Welcome Foxrock & District and Carrickbrennan
Credit Union Members to Core Credit Union

age group, and St. Cronan's Boys NS, Bray were winners of the under 13s age group. Both schools progressed to the second round, and St. Cronan's progressed to represent Core Credit Union in the RDS at the National final in April. Well done to both of these schools and all the local schools who participated.

Core Credit Union sponsored the Core Credit Union dlr Community 5k, which was part of the dlr Festival of Inclusion 2016. This is our 2nd year to be the named sponsor, and our 4th year participating in the event. It was a great day in Kilbogget Park, Ballybrack, and there were over 1,200 participants. In addition, as part of the Festival of Inclusion, Core Credit Union sponsored the song booklets at the Big Sing event which was an all-inclusive event for choirs from the local community and was held in Dun Laoghaire shopping centre.

During 2016, Core Credit Union sponsored a set of jerseys for Shankill GAA under 8 boys team, a set of jerseys for Foxcab GAA ladies under 16 team, and sleeve sponsorship on the jerseys for the Seapoint Rugby Club 1st team.



The Harold School, Glashule.
Winners of the School Quiz under 11s age group



St. Cronan's Boys NS, Bray.
Winners of the School Quiz under 13s age group



FoxCab GAA Ladies U16 team proudly wearing their Core Credit Union Sponsored Jerseys



Shankill GAA U8 boys team in their new Core Credit Union sponsored jerseys

Core Credit Union celebrated International Credit Union day in October by handing out free ice-creams to Members and local school children at each of our seven offices. The theme of the day this year was 'The Authentic Difference', celebrating what makes Credit Unions truly unique. Credit Unions differ in both philosophy and structure from other financial institutions. In addition to community commitment and positive economic and social change, we put people before profit to provide all Members with affordable financial services.

I was delighted that Core Credit Union was formally recognised by the Cathaoirleach Cllr. Barry Saul in May for our contribution to the community. Core Credit Union was presented with a beautiful local landscape painting which is proudly displayed in our Dun Laoghaire office.

The car draw continues to be a success, so much so that we are increasing the number of draws from four to six in 2017. See overleaf for details of our recent winners.

2016 has been a challenging year and a year of opportunities due to the mergers, changes in the Board of Directors and changes in the senior management team and front office staff. I would like to take the opportunity to thank all our Volunteers, Board Members, Board Oversight Committee and all the Staff of Core Credit Union for their great support and let us continue to make Core Credit Union a great community Credit Union. Above all, I thank you our Members for your continued support, because after all we are – **STRONGER TOGETHER.**



New look Carrickbrennan office



Newly renovated Dalkey office



Core Credit Union Foxrock office

CAR DRAW

The Core Credit Union Members Car Draw is going from strength to strength and we are delighted to announce the draw will be increased to 6 draws in 2017. To date 7 draws have been run, with the 8th scheduled at this year's AGM along with some cash prizes. We would like to thank all Members who have signed up to the draw. This is a self-financing car draw open to all Core Credit Union Members, aged 18 years or over, for just €40 a year.

Car Draw Winners 2015 /2016:

- December 2015: Clive & Roslyn Christie
 March 2016: Mary Lockhart
 June 2016: Christopher McCann
 October 2016: Christopher & Joanne Hamilton
 December 2016: Maura Duffy.

Plus:

3 x €1,000 cash winners in the December 2015 draw at the AGM, including Michelle Carroll, who was presented with her cheque in time for Christmas shopping!



Joanne Hamilton



Michelle Carroll with Jean O'Hara,
previous Chair of Core Credit Union



Christopher Mc Cann



Clive & Roslyn Christie with Jean O'Hara



Mary Lockhart with Martin Whelan
Chair of Core Credit Union

REPORT OF THE BOARD OVERSIGHT COMMITTEE

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

As required by the Act we held four meetings with the Board of Directors to assess their performance. We are satisfied that all duties and responsibilities were carried out in accordance with the Rules and Regulations as set down in the Act. We checked Policies and found them up to date as required. We attended all meetings held by the Board of Directors. We want to thank the Directors, Management and Staff for their co-operation and assistance throughout this year.

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

I would like to thank my colleagues Graham Kavanagh and Elizabeth Turner for their hard work during the year.



Neil Murray
Chairperson

Electronic Services

Electronic Services available at Core Credit Union:

- **Online Accounts**
Register on www.corecu.ie for fast and secure access to your Core Credit Union account online. You can now make payments directly into your Core Credit Union account online using your debit card.
- **Smartphone App.**
Once you are registered on www.corecu.ie you can also use your log-in details to securely access your account via cuAnywhere our smartphone app.



- **Direct Debit Payments**
- **Phone Payment**
- **Bill Pay**
- **Credit Transfers**



For more information go to www.corecu.ie or ask a member of staff

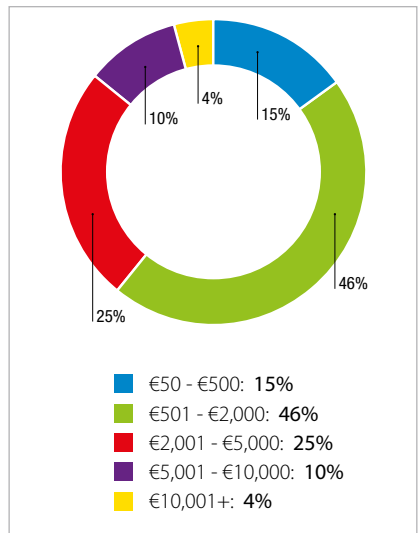
REPORT OF THE CREDIT COMMITTEE

The primary function of the Credit Union is to provide credit at fair and reasonable rates to our Members. We encourage you to contact us if you require a loan for any reason whatsoever. Loans are assessed on your ability to repay and character and will be reviewed by our professional and trained loans officers who are dedicated to providing an efficient service to all our Members.

During the year 6,707 loans were issued totalling €20,417,728 for a wide range of purposes. Over the last 8 years there has been a significant reduction in demand for loans as a result of the recession and financial crisis, with the uncertainty in the economy the priority of Members has been to reduce and pay down their existing levels of debt. Over the last six months we have seen a marked increase in the demand for larger loans as people now have the confidence to undertake significant home improvement projects or to replace their cars. We continue to fulfil our social purpose with 61% of all loans issued for amounts of €2,000 or less.

Loan Issued by Amount

Loan by Type	Year Ending 30 Sept 2016	
	Description	Number
Home Improvements	2,092	€7,832,776
Car Purchase	729	€4,585,313
Holidays	1,093	€2,032,295
Special Occasions	852	€1,023,409
Bills	951	€1,692,228
Education	316	€1,008,892
Car Running Costs	440	€568,360
Wedding	162	€776,410
Small Business	28	€258,970
Debt Consolidation	39	€177,075
First Charge	5	€462,000
GRAND TOTAL	6,707	€20,417,728



We would like to point out that Members can apply for loans in the following ways:

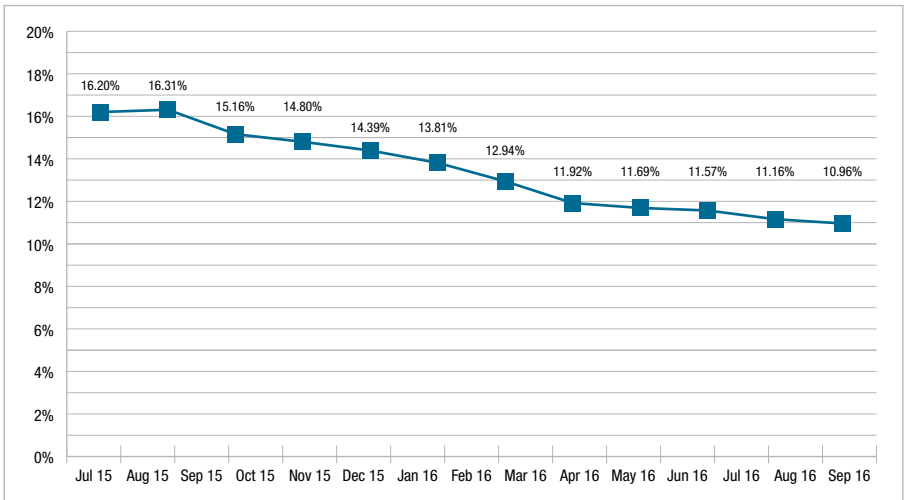
- In any of our seven offices.
- By telephone.
- By using the loan enquiry tool on www.corecu.ie.
- By using the web application on the online Members section of the website.

REPORT OF THE CREDIT CONTROL COMMITTEE

The Credit Control Committee function within the Credit Union is to ensure compliance with Credit Union Legislation, the Standard Rules of the Credit Union, as well as the internal policies of Core Credit Union in relation to all aspects of Credit Control.

During the past year we met monthly with Management and Credit Control Staff in order to monitor and review loans in arrears, take corrective measures where required and to make reports and recommendations to the Board.

Trend of Gross Loans in Arrears



We are happy to report that there has been a month on month decrease in the number and amounts of loans in arrears. However there are Members who for various reasons do not engage with the Credit Union and in these situations it may be necessary to use outside agencies such as debt collection services and in some cases legal proceedings to assist with recovery.

We would appeal to Members who are experiencing financial difficulties to contact the Credit Union immediately, we will assist in every way possible to come to a more affordable and sustainable repayment plan. Core Credit Union is committed to assisting Members in genuine financial difficulties.

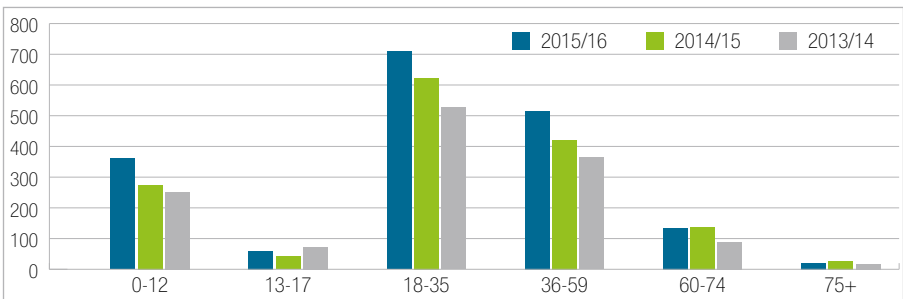
We would like to thank the Board of Directors, the Management and Staff of the Credit Union for their support and dedicated hard work throughout the past year.

REPORT OF THE MEMBERSHIP COMMITTEE

	30/09/16	30/09/15	30/09/14
Adult	30,041	22,410	16,867
Juvenile (Under 16)	2,452	2,156	1,773
Groups	79	51	46
	<u>32,572</u>	<u>24,617</u>	<u>18,686</u>

Following the addition of Carrickbrennan Credit Union Ltd. and Foxrock & District Credit Union Ltd. to Core Credit Union Ltd., we now have over 32,000 active Members, almost double the number of two years ago.

Age Profile of New Members



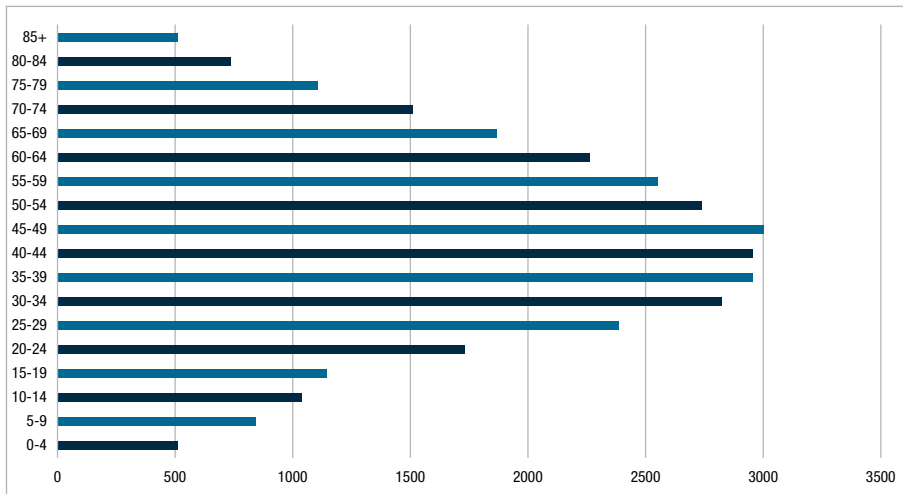
2015/16 was another very strong year for membership growth. We would like to thank Members for continuing to place their trust in their local Credit Union. The age profile of new Members for the last 3 years demonstrates strong growth particularly in young Members and the 18-35 and 36 - 59 age groups. In total 1,800 new Members joined Core Credit Union last year.

The age profile of our membership is shown in the chart overleaf and as can be seen we have a very wide spread of Members across all age categories showing that the Credit Union continues to be as vibrant and relative to the current generations as it did to our past generations. To help us continue to reach as many people in our community we ask that you continue to ask your friends and family to join your Credit Union.

M3 Update

The M3 Money Club is available to all primary schools in the common bond and encourages children to develop a savings habit. If you would like to see your children's school join the scheme, please contact either the school or Core Credit Union.

Membership Age Profile




Bereavement

Sadly we were notified of the deaths of 136 of our Members during the year. We would like to express our sincere sympathy and condolences to the families of these Members.



Checklist for Membership



- 
• **Official photographic ID**
(Passport/Driving Licence)
- 
• **Recent proof of Address**
(dated within the last 3 months, eg. utility bill)
- 
• **PPS Number**
(on official document, eg. P60, wage slip, medical card)
- 
• **Minimum of €11 to activate the account**

REPORT OF THE RISK, COMPLIANCE & AUDIT COMMITTEE

The Risk, Compliance and Audit Committee oversees the work of the Risk & Compliance Officer and Internal Auditor in managing the Credit Union's risk management, compliance and internal audit arrangements, thereby ensuring that the key risks are identified and managed and that the risk management framework and internal controls reflect the risk appetite which is adopted annually by the Board.

The specific responsibilities of the Risk & Compliance Committee are to maintain oversight of the following:

- Ensure that the Credit Union complies with laws, regulations and internal rules as well as accepted Credit Union practices, and monitor changes and potential changes to regulations affecting the Credit Union.
- Monitor the effectiveness of the risk and compliance processes in place in the Credit Union.
- Review the annual compliance plan and the compliance monitoring plan and monitor the progress made on tasks outlined in the compliance monitoring plan.
- Review and analyse the Credit Union's Risk Register.

IS YOUR NOMINATION FORM UP TO DATE?

If you want to check your Nomination or update it, call into your local office and we can check for you. A Nomination is a legally binding written instruction that tells the Credit Union what to do with your account in the event of your death.

INSURANCE REPORT

A key and important benefit for Members is the Loan Protection and Life Savings insurance. The former provides repayment of the outstanding debt in the event of the death of the Member and the latter pays a benefit relating to the value of the shares held at the date of the death. This cover is arranged with ECCU Assurance Company Limited, a subsidiary of the Irish League of Credit Unions.

Further, additional life cover is provided for Members through the Death Benefit Insurance.

These covers are provided free of charge to you, our Members, with the premiums payable to ECCU Assurance Company Limited included in the running costs of the Credit Union.

The table below shows the claims processed last year:

	No.	30/09/2016 €
Claims Received		
Loan Protection Insurance	65	262,662
Life Savings Insurance	185	392,591
Death Benefit Insurance	158	309,400
Total Claims Received		964,653
Total Premiums Paid		669,134
Excess of Claims over Premiums		295,519

IMPORTANT CHANGES

From 1st January 2017, the benefit payable under the Death Benefit Insurance is €1,300. By 31st December 2017 Members must have a minimum of €350 in their account to be eligible for this insurance, increasing to €500 by 31st December 2018.



Member Insurances

Core Credit Union offers all eligible Members Life Savings Insurance, Loan Protection Insurance and Death Benefit Insurance at no direct cost to them.

NOMINATION COMMITTEE REPORT / NOTICE OF ELECTIONS

Elections will be held to fill one vacancy on the Board Oversight Committee, four vacancies on the Board of Directors and the position of Auditor.

During the course of the year the Nominations Committee identified candidates to stand for the above positions and they have been assessed under the Fitness & Probity regime, as required by the Central Bank, with satisfactory results.

All Members are entitled to put themselves forward for nomination to the Board/Board Oversight Committee for future years. Expressions of Interest can be submitted in writing to 'The Nomination Committee, Core Credit Union, 33/34 Church Road, Ballybrack, Co Dublin'. As Board positions are Controlled Functions under the Central Bank's Fitness & Probity regulations the Nomination Committee must undertake due diligence on all applicants.

There is 1 candidate proposed by the Board of Directors standing for the vacancy of Auditor:

- Murnane & Associates, Chartered Accountants

Arthur Duignan
Nomination Committee

Mary Burnham
Nomination Committee

Join Today

Your money stays in the community



Key Products:

- Online Accounts
- Budget Accounts
- Loans
- Savings
- Direct Debits
- Free Loans & Savings Insurance
- Free Death Benefit Insurance
- Bill Pay
- Foreign Exchange

CORE CREDIT UNION LIMITED

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2016

DIRECTORS' REPORT

The Directors present their report and audited financial statements for the year ended 30 September 2016.

1. Principal Activity

The principal activities of the Credit Union involve receiving funds for Members' shares/savings and lending on these funds to Members in accordance with legislation and criteria determined by legislation, the Central Bank, the Irish League of Credit Unions and the Credit Union itself.

2. 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 of the income and expenditure of the Credit Union for that period. In preparing those financial statements the Directors are required to:

- 1 Select suitable accounting policies (as laid out on pages 25 to 28) and apply them consistently;
- 2 Make judgements and estimates that are reasonable and prudent;
- 3 Prepare the financial statements on a 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 which enables them to ensure that the financial statements comply with the Credit Union Act, 1997 (as amended).

They are also responsible for safeguarding the assets of the Credit Union and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

3. Business Review

Both the level of business and the year-end financial position were satisfactory. The Directors hope to develop and expand the Credit Union's activities and are confident in its ability to continue into the future.

4. Principal Risks and Uncertainties

The Credit Union is aware of its principal risks, monitors these constantly and does everything in its power to minimise all risks and to handle prudently those residual risks over which it has little control. The principal areas currently requiring risk management include:

- Decline in loan interest income and loan security risk
- Prudent investment selection to minimise loss of investment income
- The need to increase membership / common bond
- Continuous monitoring of compliance with regulatory and legislative requirements

On behalf of the Credit Union:

Neil Murray	Board Oversight Committee
Martin Whelan	Board of Directors
Robert Halpin	Finance Manager

INDEPENDENT AUDITORS' REPORT

To the Members of Core Credit Union Limited

We have audited the financial statements of Core Credit Union Limited for the year ended 30 September 2016 which comprise the Income and Expenditure Account, Balance Sheet, Cash Flow Statement and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out on pages 25 to 28 and the accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the Credit Union's Members, as a body, in accordance with Section 120 of the Credit Union Act, 1997 (as amended). Our audit work has been undertaken so that we might state to the 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.

Respective Responsibilities of Directors and Auditors

As described more fully in the Statement of Directors' Responsibilities on page 18 the Credit Union Directors are responsible for the preparation of the financial statements giving a true and fair view and for ensuring that they comply with the Credit Union Act, 1997 (as amended).

Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the Audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Credit Union's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by Directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information contained in the Annual Report to identify material inconsistencies with the audited financial statements. This other information comprises only the Chair's Report, Directors' Report, Credit Committee's Report, Membership Committee's Report, Risk, Compliance & Audit Committee's Report, Nomination Committee Report, Credit Control Committee Report, Insurance Report and Board Oversight Committee's Report. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. Our responsibilities do not extend to any other information.

Opinion

In our opinion the financial statements give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland of the state of the Credit Union's affairs as at 30 September 2016 and of its income and expenditure for the year then ended and have been properly prepared in accordance with the requirements of the Credit Union Act, 1997 (as amended).

Matters On Which We Are Required To Report By The Credit Union Act, 1997 (As Amended)

We have obtained all the information and explanations we consider necessary for the purposes of our audit. In our opinion, proper books of account have been kept by the Credit Union. The financial statements are in agreement with the books of account.

In our opinion, the information given in the Directors' Report on page 18 to 19 is consistent with the financial statements.

Murnane & Associates
Chartered Accountants and Registered Auditors
27 Longford Terrace
Monkstown
Co. Dublin

INCOME AND EXPENDITURE ACCOUNT

	Schedules	Year ended 30 September 2016 €	Restated year ended 30 September 2015 €	Year ended 30 September 2015 €
Income				
Interest on Members loans	Schedule 1	3,002,379	2,310,608	2,271,023
Investment income	Schedule 2	956,748	1,108,463	1,108,463
		3,959,127	3,419,071	3,379,486
Other income	Schedule 3	85,143	39,000	39,000
		4,044,270	3,458,071	3,418,486
Expenditure				
Wages and salaries		1,085,116	845,234	836,931
Other management expenses	Schedule 4	1,773,009	1,255,396	1,642,675
Depreciation		239,571	166,076	166,076
Other losses	Schedule 5	497,191	-	-
Decrease in bad debts provision		(833,009)	(362,863)	(280,000)
Bad debts recovered		(160,864)	(128,107)	(128,107)
Bad debts written off		232,864	430,547	-
		2,833,878	2,206,283	2,237,575
Surplus for the year		1,210,392	1,251,788	1,180,911
Appropriation of surplus				
Add:				
Undistributed surplus from prior year		3,767,945	3,046,320	3,018,666
Additional general reserves arising on Transfer of Engagements		437,650	-	-
Surplus for the year		1,210,392	1,251,788	1,180,911
Transfer from dividend reserve		-	521,028	521,028
Transfer from other reserves		-	115,355	115,355
Total		5,415,987	4,934,491	4,835,960
Less:				
Transfer to regulatory reserve		(640,000)	(454,873)	(454,873)
Transfer to operational risk reserve		-	(82,863)	-
Transfer to undistributable investment income reserve		(13,336)	(49,025)	(49,025)
Dividend paid		(352,294)	(579,785)	(579,785)
Loan interest rebate paid		(133,677)	-	-
Undistributed Surplus at 30 September		4,276,680	3,767,945	3,752,277

On behalf of the Credit Union:

Neil Murray Board Oversight Committee

Martin Whelan Board of Directors

Robert Halpin Finance Manager

STATEMENT OF CHANGES IN RESERVES

for the year ended 30 September 2016

	Regulatory Reserve €	Operational Risk Reserve €	General Reserve €	Undistributable Investment Income Reserves €	Total Reserves €
At 1 October 2015	9,338,189	1,132,432	3,767,945	49,025	14,287,591
Surplus for the year	-	-	1,210,392	-	1,210,392
Acquisition of Foxrock & Carrickbrennan	1,876,662	-	437,650	-	2,314,312
Total reserves before transfers	11,214,851	1,132,432	5,415,987	49,025	17,812,295
Transfer of non-distributable reserves from distributable reserves	-	-	(13,336)	13,336	-
Transfer to regulatory reserve	640,000	-	(640,000)	-	-
Transfer to additional Regulatory reserve	-	-	-	-	-
Dividend paid	-	-	(352,294)	-	(352,294)
Loan interest rebate paid	-	-	(133,677)	-	(133,677)
At 30 September 2016	<u>11,854,851</u>	<u>1,132,432</u>	<u>4,276,680</u>	<u>62,361</u>	<u>17,326,324</u>

BALANCE SHEET

	Notes	30 September 2016 €	Restated 30 September 2015 €	30 September 2015 €
Assets				
Cash and bank balances		3,836,334	1,082,004	1,082,004
Deposits and investments - cash equivalents	6	15,356,027	16,490,602	-
Deposits and investments	6	57,901,856	41,405,450	57,396,573
Central Bank minimum reserve fund		988,729	776,852	776,852
Loans to Members	7	34,595,639	27,159,332	27,159,332
Less: Provision for bad and doubtful debts	12	(1,830,429)	(2,250,597)	(3,383,030)
Tangible fixed assets	13	4,066,186	4,069,874	4,069,874
Prepayments and accrued income	14	177,895	86,296	518,537
Total Assets		115,092,237	88,819,813	87,620,142
Liabilities				
Members' shares	15	95,674,096	73,121,980	73,121,980
Members' stamps	15	1,794,410	1,202,460	1,202,460
Members' budget accounts	15	3,565	4,188	4,188
Other liabilities, accruals and charges	16	293,842	203,594	195,291
		97,765,913	74,532,222	74,523,919
Net Assets		17,326,324	14,287,591	13,096,223
Represented by:				
Regulatory Reserves				
Regulatory reserve		11,854,851	9,338,189	9,338,189
Operational risk reserve		1,132,432	1,132,432	-
Total regulatory reserves		12,987,283	10,470,621	9,338,189
Other Reserves				
General reserve		4,276,680	3,767,945	3,709,009
Undistributable investment income reserve		62,361	49,025	49,025
Total other reserves		4,339,041	3,816,970	3,758,034
Total Reserves		17,326,324	14,287,591	13,096,223

On behalf of the Credit Union:

Neil Murray Board Oversight Committee

Martin Whelan Board of Directors

Robert Halpin Finance Manager

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30th September 2016

1. Accounting Policies

1.1. Accounting convention

These Audited Financial Statements have been prepared in compliance with applicable accounting standards and FRS 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' under the historical cost convention.

1.2. Income 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:

(a) Interest on Members' loans

Interest on Members' loans is recognised when payment is receivable as specified in Section 110[1][C][i] of the Credit Union Act, 1997 (as amended) (i.e. on an accruals basis). Loans are carried at amortised cost using the effective interest method.

(b) Investment Income

Investment income is recognised when received or irrevocably receivable. Investments are recognised at amortised cost using the effective interest rate method less any permanent diminution in capital value but ignoring any increase in capital value or encashment value until realised in the form of cash or cash equivalents.

1.3. Bad and doubtful debts

Bad debts written off and bad debts recovered are included in the Income and Expenditure Account. Provision for bad debts is made against current loan balances on the basis of a Lending Analytics Software calculation considered prudent by the Directors.

1.4. Tangible fixed assets and depreciation

Trading tangible fixed assets are stated at lower of cost or revaluation less accumulated depreciation. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost less residual value of each asset systematically over its expected useful life, as follows:

Commercial premises	-	2% straight line
Fixtures, fittings and equipment	-	20%/14% straight line
Computer equipment	-	20%/33.3% straight line

Residential investment property is stated at market value and any revaluation gains/losses are posted to the Income and Expenditure account as they occur.

Residential premises	-	0% straight line
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1.5. Investments

The Credit Union's investments are both basic and complex financial instruments. Basic financial assets are initially measured at the transaction price, including transaction costs, and are subsequently carried at amortised costs using the effective interest method. Complex financial instruments are initially measured at the transaction price, including transaction costs, and are subsequently carried at fair value. The specific investment products held by the Credit Union are accounted for as follows:

Basic Financial Instruments

(i) Bank deposits and term deposits

These are valued at the deposit amount plus any accrued interest and interest income is recognised in the income statement on an accruals (time) basis.

(ii) Bank Bonds and Government Bonds

These are valued at the amortised cost using the effective interest rate less impairment. Investments which are capital guaranteed are valued at cost plus accrued income, with the exception of the following:

- Where the cost is greater than par, the excess over the par value is amortised over the life of the investment.
- Where the cost is less than par, the excess over cost is amortised over the life of the investment.

Interest income is recognised as accrued on bonds. Any bonus maturity interest is recognised over the life of the bond as the Board are satisfied that the Credit Union holds sufficient liquid reserves to ensure that these bonds will be held to maturity.

(iii) Central Bank Deposits

Credit Unions are obliged to maintain certain deposits with the Central Bank. These deposits are technically assets of the Credit Union but to which the Credit Union has restricted access. The funds on deposit with the Central Bank attract nominal interest and will not ordinarily be returned to the Credit Union while it is a going concern. The amounts are stated at the amount deposited plus accrued income and are not subject to impairment reviews.

Complex Financial Instruments**(i) Investments with no capital guarantee**

The Credit Union has one investment product with Investec Bank plc where 100% of the capital will be returned at maturity, provided there has not been a credit event affecting Investec Bank plc or the Basket of European banks including Commerzbank AG, Societe Generale SA, Credit Agricole SA, and The Royal Bank of Scotland plc.

The Credit Union also holds a Bank of Ireland European Combination Bond; €500,000 of this is a structured deposit where 100% of the capital will be returned at maturity, provided the EuroSTOXX does not fall by greater than 30%.

These investments are the only complex financial instruments held by the Credit Union and are valued at fair value i.e. current market value price. The current market value of the investments show no impairment loss at the year end.

1.6. Reserves**Regulatory Reserve**

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

Operational Risk Reserve

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

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

Other Reserves

Other reserves are the accumulated surpluses to date that have not been declared as dividend returnable to Members. The Other Reserves are subdivided into realised and unrealised. In accordance with the Central Bank Guidance Note for Credit Unions on Matters Relating to Accounting for Investments and Distribution Policy, Investment income that has been recognised but will not be received within 12 months of the balance sheet date is classified as 'unrealised' and is not distributable. A reclassification between unrealised and realised is made as investments come to within 12 months of maturity date. All other income is classified as 'realised'.

1.7. Judgements in applying accounting policies and key course of estimation uncertainty

The preparation of financial statements in compliance with FRS102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Credit Union's accounting policies. The items in the financial statements where these judgement and estimates have been made include:

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

The annual depreciation charge depends primarily on the estimated lives of each type of asset and, in certain circumstances, estimates of residual values. The Directors regularly review these useful lives and change them if necessary to reflect current conditions. In determining these useful lives management consider technological change, patterns of consumption, physical condition and expected economic utilisation of the assets. Changes in the useful lives can have a significant impact on the depreciation charge for the financial year.

Impairment of buildings

The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable. In that event, an impairment loss is recognised as the difference between the carrying amount and the asset's market value. The impairment charge, if applicable, is charged to the Income and Expenditure Account in the period in which the related events or changes in circumstances occur.

Bad debt provision

Core Credit Union Limited 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 quarterly basis.

Any bad debts / impairment losses are recognised in the Income and Expenditure Account.

Core Credit Union Limited has identified two categories for assessing impairment losses on loans. These are Top 100 Loans and All Other Loans.

Each loan in the Top 100 loans is individually assessed. Credit risk is identified, assessed and measured through an assessment of the performance of the loan and any risk factors identified including climbing loan balances, high repayments, high debt to income ratio and employment status of borrower.

Core Credit Union Limited uses Lending Analytics Software to calculate the statistical baseline for that part of its loan provision that is assessed on a collective grouped basis for loans which are not included in the Top 100 loans. The Lending Analytics Software employs a methodology that analyses the movement in arrears of all loans in each such group over the preceding 12 months. By taking into account the Credit Unions historical net recoveries on written-off loans, the Lending Analytics Software uses the results of its analysis to compute a loss given default (LGD) projection for each loan in the group. Based on each loan's percentage of completion and number of months in arrears, its projected LGD is back-allocated to calculate the degree to which it is impaired. The sum of those individual impairments is the baseline provision for that group of loans.

1.8. Pensions

The Credit Union operates a defined contribution pension scheme. The cost of pension contributions in the period were €34,430 (2015: €19,482).

1.9. Transfer of Engagements

Transfer of Engagements are accounted for using the acquisition method of accounting. This involves recognising identifiable assets and liabilities of the acquired Credit Unions at fair value. In applying the acquisition method of accounting for these business combinations, the Member interests transferred by Core Credit Union Limited represents the consideration transferred for the net assets acquired. This consideration has been estimated as equivalent to the acquisition date fair value of the Member interests in the Transferor Credit Union (the fair value of the Transferor Credit Union) at the date of the transfer, and is reflected as an adjustment in "Regulatory Reserve".

2. Transfer of Engagements

On 22 April 2016 Core Credit Union Limited (CCU) accepted the Transfer of Carrickbrennan Credit Union Limited (CB). The assets and liabilities of CB at 22 April 2016 were incorporated into the Balance Sheet of CCU at that date.

On 6 May 2016 Core Credit Union Limited (CCU) accepted the Transfer of Foxrock & District Credit Union Limited (FR). The assets and liabilities of FR at 6 May 2016 were incorporated into the Balance Sheet of CCU at that date.

CCU did not pay any consideration in respect of the above Transfers of Engagement. On the date of transfers, the Members of the transferor Credit Unions became Members of CCU, and thereby became entitled to Members' interest associated with such membership. In applying the acquisition method of accounting for this business combination, the members' interests transferred by CCU represents the consideration transferred for the net assets acquired. This consideration has been estimated as equivalent to the acquisition-date fair value of the Members' interests in the transferor Credit Union (the fair value of the transferor Credit Union) at the date of transfer, and is reflected as an adjustment in "Regulatory Reserve".

The book values and fair values of the net assets acquired are detailed in the table below:

	Fair value of CB assets & liabilities acquired by CCU	Fair value of FR assets & liabilities acquired by CCU	Total
	€	€	€
Tangible fixed assets	323,634	6,118	329,752
Cash on hand and in bank	1,688,194	763,646	2,451,840
Deposits and investments	5,647,363	4,331,962	9,979,325
Loans to Members	3,413,500	1,768,067	5,181,567
Provision for bad and doubtful debts	(257,981)	(154,860)	(412,841)
Debtors, prepayments and accrued income	13,539	33,356	46,895
Members' shares	(8,876,022)	(6,012,820)	(14,888,842)
Members' stamps	(287,582)	-	(287,582)
Other liabilities, creditors and accruals	(17,930)	(67,872)	(85,802)
	<u>1,646,715</u>	<u>667,597</u>	<u>2,314,312</u>

No fair value adjustments arose on transfer as these were processed in the standalone Credit Union prior to the date of transfer.

3. Cash Flow Statement

	Notes	Year ended 30 September 2016 €	Year ended 30 September 2015 €
Opening cash and cash equivalents		18,349,458	19,903,021
Cash and cash equivalents introduced from transfer of engagements	2	12,431,165	6,978,014
		<u>30,780,623</u>	<u>26,881,035</u>
Cash flows from operating activities			
Members' loans repaid		17,930,124	15,249,884
Members' loans granted		(20,417,728)	(15,834,158)
Members' loan interest received		3,002,379	2,271,023
Investment interest received		956,748	1,268,358
Bad debts recovered		160,864	128,107
Dividend paid		(221,602)	(359,304)
Taxation paid		(130,692)	(220,481)
Rebate paid		(133,677)	-
Operating expenses		(2,858,127)	(2,267,374)
Net cash flows from operating activities		<u>(1,711,711)</u>	<u>236,055</u>
Cash flows from investing activities			
Fixed assets purchased		(403,322)	(68,212)
Net cash flow from other investing activities		(16,496,406)	(12,144,183)
Net cash flows from investing activities		<u>(16,899,728)</u>	<u>(12,212,395)</u>
Cash flows from financing activities			
Members' shares issued		36,803,285	27,261,224
Members' shares withdrawn		(29,140,013)	(23,885,877)
Net cash flow from financing activities		<u>7,663,272</u>	<u>3,375,347</u>
Other receipts			
Other receipts		85,143	39,000
Members' stamps issued		2,865,610	2,036,836
Members' budget receipts		85,373	61,905
Increase in prepayments and accrued interest		(44,699)	(156,252)
Net other receipts		<u>2,991,427</u>	<u>1,981,489</u>
Other disbursements			
Members' stamps withdrawn		(2,561,243)	(1,696,478)
Members' budget withdrawals		(85,996)	(56,586)
Increase / (Decrease) in other liabilities and accruals		4,446	(159,009)
Net other disbursements		<u>(2,642,793)</u>	<u>(1,912,073)</u>
Closing cash and cash equivalents	8	<u>20,181,090</u>	<u>18,349,458</u>

4. Key Management Personnel Compensation

	Year ended 30 September 2016	Year ended 30 September 2015
	€	€
Short term employee benefits	312,781	243,365
Payments to pension schemes	20,712	17,435
	<u>333,493</u>	<u>260,800</u>

The above short term employee benefits for the current year include €27,000 in ex-gratia payments.

5. Proposed Dividends and Loan Interest Rebate

	Year ended 30 September 2016	Year ended 30 September 2015
	€	€
The Directors recommend the following distributions:		
Dividend on shares at 0.15% (2015: 0.5%)	137,530	352,675
Loan Interest rebate at 5% (2015: 5%)	154,051	133,593
	<u>291,581</u>	<u>486,268</u>

Under FRS102 the proposed amounts do not appear in the financial statements except by way of note.

Dividends are paid out of the distributable surplus for the year. The Dividend and the Loan Interest Rebate are set at rates calculated to provide an adequate return on savings and loan interest while retaining reserves in the Credit Union to ensure future viability.

6. Deposits and Investments

	Year ended 30 September 2016	Year ended 30 September 2015
	€	€
Deposits and Investments		
Government bonds	1,625,415	2,001,629
Bank deposits	45,836,863	39,630,041
Bank bonds	25,032,089	15,500,829
Other investments	763,516	763,553
	<u>73,257,883</u>	<u>57,896,052</u>
Categories of Investments		
Basic Financial Investments	71,994,367	56,632,499
Complex Financial Investments	1,263,516	1,263,553
	<u>73,257,883</u>	<u>57,896,052</u>
Maturity Analysis of Investments		
	€	€
On demand	3,814,182	4,390,482
1 - 7 days	-	653,506
7 - 31 days	3,654,264	2,046,942
1 - 3 months	7,887,581	9,399,672
Investments - cash and cash equivalents	<u>15,356,027</u>	<u>16,490,602</u>
3 - 12 months	2,479,472	6,265,452
12 - 60 months	31,323,880	26,221,310
Greater than 60 months	24,098,504	8,918,688
Investments - other	<u>57,901,856</u>	<u>41,405,450</u>
Total	<u>73,257,883</u>	<u>57,896,052</u>

Deposits and investments are stated in line with the accounting policies as set out in Note 1.

7. Credit Risk

Core Credit Union Limited offers Home loans however the majority of all loans to Members are unsecured, except that there are restrictions on the extent to which borrowers may withdraw their savings whilst loans are outstanding. Individual Members may borrow up to €70,000 unsecured and €200,000 secured.

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 limited);
- restricts the loan duration of certain loans to specified limits (maturity limits);
- requires specified lending practices to be in place where loans are made to certain sectors such as commercial loans, community loans or loans to another Credit Union.

7. Credit Risk (Continued)

The carrying amount of the loans to Members represents Core Credit Union Limited's maximum exposure to credit risk. The following is the relevant information on the credit quality of loan repayments. Where loans are not impaired it is expected that the amounts repayable will be received in full.

	Year ended 30 September 2016		Year ended 30 September 2015	
	€	%	€	%
Total loans not impaired	<u>25,950,182</u>	<u>75.01</u>	<u>17,202,239</u>	<u>63.34</u>
Impaired loans				
Up to 9 weeks past due	5,290,309	15.29	5,955,757	21.93
Between 10 and 18 weeks past due	705,205	2.04	938,888	3.46
Between 19 and 26 weeks past due	384,824	1.11	362,751	1.34
Between 27 and 39 weeks past due	317,279	0.92	389,539	1.43
Between 40 and 52 weeks past due	199,262	0.58	320,962	1.18
53 or more weeks past due	<u>1,748,578</u>	<u>5.05</u>	<u>1,989,196</u>	<u>7.32</u>
Total impaired loans	<u>8,645,457</u>	<u>24.99</u>	<u>9,957,093</u>	<u>36.66</u>
Total loans	<u>34,595,639</u>	<u>100</u>	<u>27,159,332</u>	<u>100</u>

8. Cash and Cash Equivalents

	Year ended 30 September 2016	Year ended 30 September 2015
	€	€
Bank balances and cash	3,836,334	1,082,004
Deposits and investments - cash equivalents	15,356,027	16,490,602
Central Bank deposits	<u>988,729</u>	<u>776,852</u>
Total cash and cash equivalents	<u>20,181,090</u>	<u>18,349,458</u>

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

9. Movement in Loans During the Year

	Year ended 30 September 2016	Year ended 30 September 2015
	€	€
Opening Loan Balance 1 October	27,159,332	22,425,929
Loans arising from Transfer of Engagements/Amalgamations	5,181,567	4,579,676
Loans granted during the year	20,417,728	15,834,158
Loans repaid during the year	(17,930,124)	(15,249,884)
Loans written off during the year	<u>(232,864)</u>	<u>(430,547)</u>
Closing loan balance 30 September	<u>34,595,639</u>	<u>27,159,332</u>

10. Analysis of Gross Loans Outstanding

By Time Period	No. of Loans	Amount €	By Amount	No. of Loans	Amount €
Less than 1 year	2,767	4,645,734	€0 to €500	730	193,424
>1 year and < 3 years	3,081	14,446,114	€501 to €2,000	1,930	2,268,502
> 3 years and < 5 years	1,405	13,160,255	€2,001 to €5,000	2,230	7,505,723
> 5 years and < 10 years	52	1,267,403	€5,001 to €10,000	1,654	11,657,109
> 10 years and < 25 years	17	1,076,133	€10,001 to €15,000	491	5,964,112
			€15,001 to €25,000	213	3,972,273
			€25,001 to €50,000	62	2,003,442
			€50,001 to €100,000	8	516,875
			€100,001 to €250,000	4	514,179
	<u>7,322</u>	<u>34,595,639</u>		<u>7,322</u>	<u>34,595,639</u>

Loans Advanced to Members During the Year

By Time Period	No. of Loans	Amount €	By Amount	No. of Loans	Amount €
Less than 1 year	2,449	2,868,970	€0 to €500	1,002	388,505
>1 year and < 3 years	2,779	7,644,021	€501 to €2,000	3,072	3,815,964
> 3 years and < 5 years	1,427	8,507,037	€2,001 to €5,000	1,687	5,996,581
> 5 years and < 10 years	42	814,700	€5,001 to €10,000	693	5,220,698
> 10 years and < 25 years	10	583,000	€10,001 to €15,000	118	1,557,150
			€15,001 to €25,000	100	1,978,830
			€25,001 to €50,000	31	1,038,000
			€50,001 to €100,000	2	120,000
			€100,001 to €250,000	2	302,000
	<u>6,707</u>	<u>20,417,728</u>		<u>6,707</u>	<u>20,417,728</u>

11. Rates of Interest Charged on Members Loans as at 30 September 2016

	Rate	APR
	%	%
General loans	10.44	11
Loans within shares	6.5	6.71
Education loans	6.5	6.71
First charge loans	5	5.12

12. Provision for Bad and Doubtful Debts

	Year ended 30 September 2016	Year ended 30 September 2015
	€	€
Opening balance 1 October	2,250,597	2,181,460
Provisions arising from Transfer of Engagements	412,841	432,000
Net movement for loans currently outstanding	(658,009)	27,137
Decrease as a result of loan write-offs previously provided for	(175,000)	(390,000)
Closing balance 30 September	1,830,429	2,250,597

Breakdown of Closing Provision Balance

	€	€
Individually significant loans	28,567	61,075
Collectively assessed loans	1,666,888	1,806,255
Other impaired loans	134,974	383,267
	1,830,429	2,250,597

13. Tangible Fixed Assets

	Premises €	Fixtures, Fittings & Equipment €	Computer Equipment €	Total €
Cost				
At 1 October 2015	5,043,890	388,439	247,426	5,679,755
Additions	-	371,639	31,683	403,322
Merger additions	307,524	1,349	20,879	329,752
Revaluation	(497,191)	-	-	(497,191)
At 30 September 2016	4,854,223	761,427	299,988	5,915,638
Depreciation				
At 1 October 2015	1,228,637	276,443	104,801	1,609,881
Charge for the year	97,794	70,579	71,198	239,571
At 30 September 2016	1,326,431	347,022	175,999	1,849,452
Net book values				
At 30 September 2016	3,527,792	414,405	123,989	4,066,186
Cost				
At 1 October 2014	3,593,890	207,632	208,034	4,009,556
Additions	-	57,753	10,459	68,212
Merger additions	1,450,000	123,054	28,933	1,601,987
At 30 September 2015	5,043,890	388,439	247,426	5,679,755
Depreciation				
At 1 October 2014	1,151,770	126,849	31,233	1,309,852
Merger depreciation	-	119,518	14,435	133,953
Charge for the year	76,867	30,076	59,133	166,076
At 30 September 2015	1,228,637	276,443	104,801	1,609,881
Net book value				
At 30 September 2015	3,815,253	111,996	142,625	4,069,874

13. Tangible Fixed Assets (Continued)

The Directors engaged QRE, Estate Agents, to value the Shankill premises. The current market value at 11 November 2016 based upon this valuation is €665,000 which resulted in a impairment of €497,191 recognised during the year.

The Directors engaged QRE, Estate Agents, to value the Ballybrack premises. The current market value at 11 November 2016 based upon this valuation is €480,000 which is in excess of the current Net Book Value.

The Directors engaged Mason Owen & Lyons, Estate Agents, to value the Dalkey premises. The current market value at 9 December 2013 based upon this valuation is €425,000 which is in excess of the current Net Book Value.

The Directors engaged Tom O'Higgins, Estate Agents, to value the Sallynoggin premises. The current market value at 17 October 2013 based upon this valuation is €380,000 which is in excess of the current Net Book Value.

The Directors engaged Lisney, Estate Agents, to value the Dun Laoghaire premises. The current market value at 5 February 2015 based upon this valuation is €1,450,000 which equates to the value the premises recognised in the financial statements at the merger date.

The Directors engaged Downey Property, Estate Agents, to value the Carrickbrennan premises. The current market value at 14 March 2016 based upon this valuation is €580,000 which is in excess of the Net Book Value at the merger date.

The Directors have agreed to leave the valuations at the current Net Book Value and not to recognise the revaluation gains.

14. Prepayments and Accrued Income

	Year ended 30 September 2016	Year ended 30 September 2015
	€	€
Loan interest receivable	85,462	67,238
Investment income receivable	481,479	499,479
Prepayments	92,433	19,058
	<u>659,374</u>	<u>585,775</u>
Disclosed as follows:		
Prepayments	177,895	86,296
Deposits and Investments	481,479	499,479
	<u>659,374</u>	<u>585,775</u>

15. Members' Shares, Stamps and Budget Accounts

	Savings Value		Number of Members	
	Amount €	%	Number	%
< €10,000	47,403,839	48.63	30,447	92.86
€10,001 to €30,000	31,728,559	32.55	1,958	5.97
€30,001 to €50,000	9,427,495	9.67	251	0.77
€50,001 to €70,000	5,465,387	5.61	93	0.28
€70,001 to €100,000	3,093,281	3.17	37	0.11
€100,001 to €200,000	353,510	0.36	3	0.01
	<u>97,472,071</u>	<u>100</u>	<u>32,789</u>	<u>100</u>

Analysis of Activity on Accounts With Savings Balance > €100,000 During Reporting Period

	Amount €	Number
New Members where total savings now > €100,000	-	-
Existing Members where total savings were < €100,000 and are now > €100,000	100,027	1
Existing Members where total savings were > €100,000 and are now < €100,000 and > €nil	70,514	2
Existing Members where total savings were > €100,000 and are now €nil	-	-

16. Other Liabilities, Accruals and Charges

	Year ended 30 September 2016	Year ended 30 September 2015
	€	€
Other creditors and accruals	293,746	203,498
DIRT	96	96
	<u>293,842</u>	<u>203,594</u>

17. Related Party Transactions

The following are the related party transactions with Directors and Officers, which require disclosure under Financial Reporting Standard 102:

	30 September 2016
	€
Loan Balances	<u>258,009</u>
Share Balances	<u>83,132</u>
Stamp Balances	<u>6,803</u>

Loans of €209,000 were granted to Directors and Officers during the year.

18. Financial Risk Management

The main financial risk arising from Core Credit Union Limited's activities are credit risk, market risk, liquidity risk and interest rate risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Credit Risk

Credit risk is the risk that a borrower will default on their contractual obligations relating to repayments to Core Credit Union Limited, resulting in financial loss to the Credit Union. In order to manage this risk the Board of Directors approves Core Credit Union Limited's Credit Policy, and all changes to it. All loans applications are assessed with reference to the Credit Policy in force at the time. Subsequent loans are regularly reviewed for any factors that may indicate that the likelihood of repayments has changed.

Market Risk

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

Liquidity Risk

Core 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 Core Credit Union Limited's financial liabilities are repayable on demand with the exception of pledged Shares. The Credit Union retains, at all times, liquid assets amounting to a minimum of 20% of unattached shares.

Interest Rate Risk

Core Credit Union Limited's main interest rate risk arises from adverse movements in interest rates receivable which would affect investment income. The Credit Union considers rates of interest receivable on investments and Members' loans when deciding on the dividend rate payable on shares and on any loan interest rebate.

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

	2016		2015	
	€	Average Interest Rate%	€	Average Interest Rate%
Loans	<u>34,595,639</u>	<u>9.80</u>	<u>27,159,332</u>	<u>9.60</u>

The dividend payable is at the discretion of the Directors and is therefore not a financial liability of the Credit Union until declared and approved at the AGM.

19. Insurance Against Fraud

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

20. Approval of Financial Statements

The financial statements were approved by the Directors on 24th November 2016.

21. Transition to FRS102

These are the first financial statements that comply with FRS102. The Credit Union transitioned to FRS102 on 1 October 2014.

Reconciliation of Equity

Note	At 1 October 2014			At 30 September 2015		
	Previously Stated €	Effect of Transition €	FRS102 (restated) €	Previously Stated €	Effect of Transition €	FRS102 (restated) €
Assets						
Deposits and investments - cash equivalents	-	18,515,966	18,515,966	-	16,490,602	16,490,602
Deposits and investments - other	47,437,649	(18,176,382)	29,261,267	57,396,573	(15,991,123)	41,405,450
Provision for bad debts	A (3,231,030)	1,049,569	(2,181,461)	(3,383,030)	1,132,433	(2,250,597)
Prepayments and accrued income	B 362,285	(311,931)	50,354	518,537	(432,241)	86,296
	44,568,904	1,077,222	45,646,126	54,532,080	1,199,671	55,731,751
Liabilities						
Other liabilities, accruals and charges	C (354,300)	-	(354,300)	(195,291)	(8,303)	(203,594)
Total liabilities	(354,300)	-	(354,300)	(195,291)	(8,303)	(203,594)
Net assets	44,214,604	1,077,222	45,291,826	54,336,789	1,191,368	55,528,157
Reserves						
Operational risk reserve	A -	1,049,569	1,049,569	-	1,132,432	1,132,432
Undistributed surplus	A 3,018,666	27,654	3,046,320	3,709,009	58,936	3,767,945
	3,018,666	1,077,223	4,095,889	3,709,009	1,191,368	4,900,377

21. Transition to FRS102 (Continued)

Reconciliation of Surplus for the Year

	Note	At 30 September 2015		
		Previously Stated €	Effect of Transition €	FRS102 (restated) €
Income				
Interest on Members loans	B	2,271,023	39,585	2,310,608
Total Income		<u>3,418,486</u>	<u>39,585</u>	<u>3,458,071</u>
Expenditure				
Wages and salaries	C	836,931	8,303	845,234
Other management expenses		1,642,675	(387,279)	1,255,396
Decrease in bad debts provision	A	(280,000)	(82,863)	(362,863)
Bad debts written off		-	430,547	430,547
Total Expenditure		<u>2,237,575</u>	<u>(31,292)</u>	<u>2,206,283</u>
Surplus for the year		<u>1,180,911</u>	<u>70,877</u>	<u>1,251,788</u>

A. Bad Debt Provision

FRS102 does not allow general provisions for bad debts, thereby resulting in the add-back of any General Bad Debt Provision at 30 September 2014 and 30 September 2015.

The add back of the bad debt provision has been allocated to the reserves as deemed appropriate by the Board of Directors.

B. Accruals Basis for Income Recognition

Credit Unions historically accounted for interest income on loans on a cash receipts basis. FRS102 requires that income be accounted for on an accruals basis. Interest earned as at 30 September but not received until after September is now accrued at 30 September. The correction is retrospective.

C. Employee Benefits

FRS102 requires the cost of short-term compensated absences to be recognised when employees render the service that increases their entitlement. Core Credit Union Limited has made an accrual for short-term employee benefits at 30 September 2015 resulting in an adjustment to the Other Reserves at 30 September 2015 and the excess of income over expenditure for the year ended 30 September 2015.

All other adjustments relate to disclosure and presentation adjustments and are included for ease of reference.

SCHEDULE TO THE INCOME AND EXPENDITURE ACCOUNT

	Year ended 30 September 2016	Restated year ended 30 September 2015
	€	€
Schedule 1 - Interest on Members' Loans		
Loan interest income received	2,916,917	2,243,370
Loan interest accrued	85,462	67,238
	<u>3,002,379</u>	<u>2,310,608</u>
Schedule 2 - Investment Income		
Investment income received	475,269	573,295
Investment income receivable with 12 months	468,143	486,143
Other investment income	13,336	49,025
	<u>956,748</u>	<u>1,108,463</u>
Schedule 3 - Other Income		
Fees	1,223	753
Interest on budget accounts	767	781
Other income	1,983	54
Commission	6,470	4,851
Charges and fees recovered	238	307
Rental income	26,335	10,425
ECCU claims experience refund	48,127	21,829
	<u>85,143</u>	<u>39,000</u>
Schedule 4 - Other Management Expenses		
LP/LS insurance	442,058	316,977
SPS contributions	9,193	55,308
Pension costs	34,430	19,482
Affiliation fees	10,816	14,671
Central Bank and other levies	88,620	57,860
Subscriptions	7,792	5,540
Audit & accountancy	19,065	23,062
Light & heat	27,429	20,186
Rates	81,872	37,393
I.L.C.U. convention	2,118	2,650
Printing & stationery	52,175	39,582
Repairs and maintenance	31,767	14,854
Computer maintenance	178,152	126,316

	Year ended 30 September 2016	Restated year ended 30 September 2015
	€	€
Board Oversight Committee expenses	1,584	1,720
AGM expenses	31,042	14,495
Canteen & cleaning	22,989	16,099
Restructuring costs	58,385	24,808
Telephone & postage	27,292	24,686
General insurance	37,134	22,324
Entertainment	3,794	1,482
Legal and professional fees	162,569	98,459
Travel expenses	7,168	4,785
Promotion and advertising	63,866	63,220
Donations & sponsorship	27,214	22,092
DBI insurance	275,203	179,856
Bank charges	17,914	16,252
Education & publicity	10,152	12,600
Sepa charges	25,629	13,287
Sundry	15,587	5,350
	<u>1,773,009</u>	<u>1,255,396</u>
Schedule 5 - Other Losses		
Impairment on freehold property	<u>497,191</u>	<u>-</u>

MOTIONS FOR ANNUAL GENERAL MEETING

Motion 1:

That this Annual General Meeting amends Rule 13 (1)(iv) to read as follows:

“An applicant shall be admitted to membership only when: He has paid for a minimum of ten shares (this minimum to be at least one and not more than ten or such larger number of shares as may be prescribed by the Minister) in the Credit Union.”

Motion 2:

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

Motion 3:

That this Annual General Meeting agrees to pay a dividend of 0.15%

Motion 4:

That this Annual General Meeting agrees to pay an interest rebate of 5%.

Motion 5:

Further to the establishment of the Section 44 fund at last year’s Annual General Meeting, that this Annual General Meeting approves a further €50,000 be transferred into this reserve.

Motion 6:

That this Annual General Meeting amends Rule 5 to include as follows:

“(viii) the provision of the following additional service(s) by the Credit Union to the Members subject to the prior approval of the Registrar of Credit Unions and any other permissions or licences that may be required by law: Member Personal Current Account Services”.

Motion 7:

That this Annual General Meeting amends Rule 13(2) to read as follows:

“A person shall be treated as having the qualification required for admission to membership of the Credit Union if he is a member of the same household as, and is a member of the family of, another person who is a member of the Credit Union and who has a direct common bond with those other member. However, a child or step-child of a member, where such child or step-child is under the age of 18 years and living outside the common bond but resident in the Republic of Ireland or the United Kingdom, shall not be precluded from membership of the Credit Union.”

DEPOSIT GUARANTEE SCHEME: DEPOSITOR INFORMATION SHEET

Basic information about the protection of your eligible deposits

Eligible deposits in Core Credit Union Ltd are protected by:	the Deposit Guarantee Scheme ("DGS") ⁽¹⁾
Limit of protection:	€100,000 per depositor per credit institution ⁽²⁾
If you have more eligible deposits at the same credit institution:	All your eligible deposits at the same credit institution are 'aggregated' and the total is subject to the limit of €100,000 ⁽²⁾
If you have a joint account with other person(s):	The limit of €100,000 applies to each depositor separately ⁽³⁾
Reimbursement period in case of credit institution's failure:	20 working days ⁽⁴⁾
Currency of reimbursement:	Euro or, for branches of Irish banks operating in another member state of the EEA, the currency of that member state.
To contact Core Credit Union Ltd for enquiries relating to your account:	Core Credit Union Ltd 33/34 Church Road Ballybrack Co. Dublin 01 - 2725615
To contact the DGS for further information on compensation:	Deposit Guarantee Scheme Central Bank of Ireland PO BOX 11517 Spencer Dock North Wall Quay Dublin 1 Tel: 1890-777777 Email: info@depositguarantee.ie
More information:	www.depositguarantee.ie
Acknowledgement of receipt by the depositor:	_____

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, PO Box 11517, Spencer Dock, North Wall Quay, Dublin 1.

Tel: 1890-777777. Email: info@depositguarantee.ie. Website: www.depositguarantee.ie.

It will repay your eligible deposits (up to €100,000) within 20 working days until 31 December 2018; within 15 working days from 1 January 2019 until 31 December 2020; within 10 working days from 1 January 2021 to 31 December 2023; and within 7 days from 1 January 2024 onwards, save where specific exceptions apply.

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

Other important information

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



CORE | CREDIT | UNION

7 OFFICES OPEN FOR ALL MEMBERS

Access to your Credit Union Account
24/7 online at www.corecu.ie



OPENING HOURS

	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Ballybrack	09:45 - 12:30 & 14:00 - 16:30	10:30 - 12:30 & 14:00 - 16:30	Closed	09:45 - 16:30	09:45 - 17:30	09:15 - 12:30
Carrickbrennan	09:15 - 12:30 & 14:00 - 16:30	10:30 - 12:30 & 14:00 - 16:30	Closed	09:15 - 12:30 & 14:00 - 16:30	09:15 - 17:30	09:15 - 12:30
Dalkey	09:15 - 12:30 & 14:00 - 16:30	10:30 - 12:30 & 14:00 - 16:30	Closed	09:15 - 12:30 & 14:00 - 16:30	09:15 - 17:30	09:15 - 12:30
Dún Laoghaire	09:45 - 12:30 & 14:00 - 17:00	10:30 - 12:30 & 14:00 - 17:00	09:45 - 12:30 & 14:00 - 17:00	09:45 - 17:00	09:45 - 17:00	09:15 - 12:30
Foxrock	Closed	10:30 - 12:30 & 14:00 - 16:30	09:15 - 12:30 & 14:00 - 16:30	12:00 - 19:00	09:15 - 12:30 & 14:00 - 16:30	09:15 - 12:30
Sallynoggin	09:15 - 12:30 & 14:00 - 16:30	10:30 - 12:30 & 14:00 - 16:30	Closed	09:15 - 16:30	09:15 - 17:30	09:15 - 12:30
Shankill	09:45 - 12:30 & 14:00 - 16:30	10:30 - 12:30 & 14:00 - 16:30	Closed	09:45 - 16:30	09:45 - 17:30	09:15 - 12:30



€59 million
available to lend



www.corecu.ie

Save regularly | Borrow wisely | Repay promptly