



**Growing together
as a community**



Easy Loan Plus

We can help transfer all your loans; car, credit card, home improvements and education – into one simple monthly payment.

We also offer the added bonus of:

- Competitive interest rates
- Quick decisions on applications
(most loans are approved within 48 hours)
- Increased cashflow
- Free loan protection insurance
(terms & conditions apply)

Next time you are in your local branch, ask about Easy Loan Plus and see how we can help you with so much more.

Notice of Meeting

Notice is hereby given that the 55th Annual General Meeting of Credit Union Plus Ltd. will be held in the Ardboyne Hotel, Dublin Rd, Limekilnhill, Navan, Co. Meath on Wednesday 12th December at 8.15 p.m. sharp.

Agenda

1. Acceptance of Proxies (if any) by the Board of Directors
2. Ascertainment of Quorum
3. Adoption of Standing Orders
4. Reading and approval (or correction) of the minutes of the last Annual General Meeting
5. Report of the Board of Directors
6. Chief Executive Officer's Report
7. Report of the Auditors
8. Board Oversight Committee Report
9. Notice of Motions
 - 9.1 Dividend
 - 9.2 Loan Interest Rebate
 - 9.3 Affiliation Fees
 - 9.4 Foreign Aid
10. Report of the Audit Committee
11. Report of the Risk Committee
12. Report of the Credit Committee
13. Report of the Credit Control Committee
14. Report of the Marketing Committee
15. Report of the Membership Committee
16. Report of the Nomination Committee
17. Report of the Investment Committee
18. Report of the Non-Executive Committee
19. Appointment of Tellers
20. Election of External Auditor
21. Election to fill vacancies on the Board Oversight Committee
22. Election to fill vacancies on the Board of Directors
23. Any Other Business
24. Announcement of Election Results
25. Close of Meeting

You are earnestly requested to attend.

Signed,



James Murphy, Honorary Secretary

Elections will be held to fill three vacancies on the Board Oversight Committee, six vacancies on the Board of Directors and the position of External Auditor.

Directors' Review



Back (left to right) Paul McGlynn (BOC), Brian Crowley (BOC), James Murphy, Fergus Lynch, Jim White, Dave Mc Cabe (BOC), John Grennan
Front (left to right) Carol Cogan, Liz Gaffney, Aidan Curtis, Rosita Moyles, Paula Mc Carthy

Missing from the photo is: Brendan Kiernan and Brian Meegan. BOC = Board Oversight Committee.

It has been my privilege to act as Chair of Credit Union Plus Ltd for the last two years and to present the Directors' Review for 2018.

Strategy

The Board of Directors is tasked with the strategic management of the credit union. Throughout each year the progress of the prevailing strategy is monitored to ensure compatibility with the environment in which the credit union operates. You may recall at last year's AGM the Board of Directors signalled a number of strategic initiatives which were considered to be in the longer term interest of the members of Credit Union Plus. 2018 saw these and other strategic objectives actioned. Implemented during the year were a realignment of the Loan Protection and Life Savings Insurance, the introduction of a ceiling on the level of savings, interest rate change, Death Benefit Insurance, and extension of contact hours.

The reduction in the level of savings has facilitated a reconfiguration of the Reserves mix. This reconfiguration has provided the opportunity to establish a Strategy Reserve of €2 million which will be used to fund future projects contained in the Strategic Plan. These projects will position Credit Union Plus as a viable member-owned financial provider of preference for many more years.

During 2018 credit unions were voted Number One for Customer Experience in the 2018 CXi Ireland Customer Experience Report, thereby uniquely taking the award for the fourth year running. This is the first time, anywhere in the world, that the same organisation has taken the award for four consecutive years. While Credit Union Plus shares, with pride, association with this award, strategic work continues to take place striving for excellence in members' experience. We are currently working on speeding up the loan application process, improving on-line services and communications and developing services and systems which will enhance the Member Experience and range of products.

We expect member current accounts, debit cards and commercial loans to be available to members early next year.

Governance

Credit Unions are volunteer led and professionally run. The Directors are members themselves and are responsible for appropriate governance arrangements which will protect members' savings. The credit union is community based and relies on the efforts of local members, acting as Directors, to fulfil its mandate. The Board and related committees meet regularly to ensure correct representation, governance and oversight. Credit Union Plus is regulated by the Central Bank of Ireland and with that carries the responsibility for ensuring that the relevant regulations are being fully met. An array of

other legislation, financial and business, also needs careful attention. In this respect I would like to compliment my fellow Directors and Board Oversight Committee members for their diligence in carrying out their functions throughout this past year. You can review the various committees' respective reports in the following pages.

Financial Performance

The Total Income of Credit Union Plus for 2018 amounted to €6,199,383, which was marginally higher than 2017. However within this income figure the mix changed, reflecting the increase in the Loan Book and the continuing decline in bank deposit rates. Interest on members' loans rose by 16.6% or €616,448 to €4,336,709 while interest from investments etc. fell by 22.9% or €554,222 to €1,862,674. Bad Debts Written Off at €129,546 were €224,799 less than 2017, while Bad Debts Recovered closed at €586,179, a fall of €114,792 from 2017, both of these figures reflecting an improved underwriting regime.

Turning to the Balance Sheet, Total Reserves stand at €40,814,460 or 17.9% (15.6% 2017) of Total Assets. The Provision for Doubtful Debts at 5.7% of Gross Loans indicates a stronger loan portfolio, the result of prudent underwriting and keen debt collection. Investments decreased by 18.1% to €157,940,240, reflecting the introduction of the share cap, as mentioned above. The net result, a Surplus of €1,544,703 is €320,063 higher than 2017. This year the Board of Directors propose a dividend of 0.15% and a Loan Interest Rebate of 10%.

Looking Forward

The realignment of the Balance Sheet, although not a palatable action, frees up much needed Reserves as a step in ensuring the continuing sustainability and viability of the credit union. In order to keep competitive we need to invest in state of the art technology which will provide members, be they young or old, with the convenience, products and services to help them in their daily lives. It is our intention to keep abreast of ever-changing technology yet not lose the characteristics that sets us apart from other less personal financial institutions. We recognise that different members have different financial requirements and nowadays, due to family and personal commitments, this extends to 24 hrs a day, 7 days a week. Our ambition is to have the correct blend of on-line facilities and face to face transactions so that queuing for services is by choice and not mandatory.

Although the credit union is a community based organisation, being a regulated financial institution requires a significant degree of control, reporting and oversight. The advent of data protection regulations (GDPR), the Central Credit Register (CCR), anti money laundering regulations (AML) and other legislation makes it imperative that the most appropriate, efficient and reliable computer systems are used.

To these ends Credit Union Plus is committed, strategically, to ensuring the best in class systems are available to members for monitoring their day to day financial affairs and as an aid to compliance and good governance within the credit union itself. Furthermore, we are committed to a sharpening of our communications ensuring that members receive relevant and timely information about products, services and queries.

Appreciation

I would like to extend my gratitude to you the members who continue to support Credit Union Plus. When you borrow from the credit union these funds are generally spent in the local community. This has a significant impact. For example, in the last 10 years loans of €225 million were issued by Credit Union Plus, the funds from which would mostly have found their way into the local economy. This underlines the influence of the collective and how people getting together make a difference. I would ask you to please consider borrowing from your local credit union when the opportunity arises.

This year we lost a person who's work for the credit union and the wider area has been inspirational. I refer to the late Fr Andrew Farrell, one of our founder members, and who along with other like-minded and far-seeing individuals set the foundation for the institution which we have here today. Fr Farrell's community spirit was hugely respected and although his legacy lives on he will be greatly missed.

Finally on behalf of the Board of Directors I wish to thank our Staff and Management Team in all branches throughout our common bond for their professionalism, hard work and dedication in helping our members in 2018.

I would urge you to continue to support your credit union during the coming year. Many thanks.



Aidan Curtis
Chairperson of the Board of Directors

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 Account of the Credit Union for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently.
- make judgements and estimates that are reasonable and prudent.
- 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 to 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 for the prevention and detection of fraud and other irregularities.

On behalf of the Board of Directors:



Aidan Curtis
Chairperson of the Board of Directors



James Murphy
Member of the Board of Directors

Statement of Board Oversight Committee's Responsibilities

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

On behalf of the Board Oversight Committee.



Brian Crowley
Chairperson of the Board Oversight Committee

Board Oversight Committee Report

The function of the Board Oversight Committee is to assess whether the Board of Directors have operated in accordance with the governance requirements set out in legislation, regulations and guidance.

To date the Board Oversight Committee of Credit Union Plus Ltd. has in furtherance of its role:

- Had a presence at Board meetings.
- Met monthly as required by legislation.
- Formally met with the Board once a quarter and provided a performance report to the Board as required by legislation.
- Met with the external auditor of Credit Union Plus Ltd. Fagan Lynch Donnellan.
- Attended various committee meetings throughout the year including the Credit Union's Strategic Planning Programme.
- Organised and attended specialised Board Oversight Committee training.

The Board Oversight Committee is satisfied to report that the actions and decisions of the Board of Directors of Credit Union Plus Ltd. as reviewed have been found to be compliant with current rules and legislation. The Board Oversight Committee is satisfied that the method employed by the Board of continual reviews of the Credit Union's processes and procedures ensures that the Credit Union meets all of the requirements laid down from a legal and regulatory perspective.

We would like to extend our thanks to the Board of Directors, Chief Executive Officer and the staff of Credit Union Plus Ltd. for their assistance and support throughout the year as we fulfilled our function.



Brian Crowley
Chairperson of the Board Oversight Committee

Auditors' Report

Independent Auditors' Report to the Members of Credit Union Plus Limited.

We have audited the financial statements of Credit Union Plus Limited for the year ended 30 September 2018, which comprise the Income and Expenditure Account, Balance Sheet, Statement of Changes in Reserves, Cash Flow Statement and Notes to the Financial Statements, including the summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is Irish law, including the Credit Union Act, 1997 (as amended) and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the Credit Union's affairs as at 30 September 2018 and its income and expenditure and cash flows 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 we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 considered were necessary for the purposes of our audit.
- In our opinion proper accounting records have been kept by the Credit Union, and
- 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 set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and for such internal control as they determine is 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 management 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.

Further details relating to our work as auditor is set out in the Scope of Responsibilities Statement contained in the appendix of this report, which is to be read as an integral part of our 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.



Fagan Lynch Donnellan
Chartered Accountants and Statutory Audit Firm
Newbridge House, Athlumney, Navan, County Meath
16th November 2018

Appendix to the Independent Auditors' Report

Further information regarding the scope of our responsibilities as auditor

As part of an audit in accordance with ISAs (Ireland), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Credit Union's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Credit Union's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Credit Union to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Directors' Report

**For The Financial Year Ended
30 September 2018**

The Directors present their annual report and the audited financial statements.

Principal Activities

The principal activities of the Credit Union are the provision of financial services to its members, the acceptance of members' shares and lending to members in accordance with legislation, regulations and policies determined by the Credit Union.

Business Review

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

Results and Dividends

The surplus of income over expenditure for the year is set out in the Income and Expenditure Account on page 10.

The Directors are proposing at the AGM a dividend in respect of the year ended 30 September 2018 of €300,662 (0.15%) (2017: €309,751 (0.15%)) and a loan interest rebate of €433,659 (10%) (2017: €372,026) (10%).

Principal Risks and Uncertainties

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

- loan book growth.
- prudent investment selection to minimise loss of investment income.
- liquidity management and control of costs.
- continuous monitoring of compliance with regulatory and legislative requirements.

Statement on Relevant Audit Information

There is no relevant audit information of which the statutory auditors are unaware. The Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and they have established that the statutory auditors are aware of that information.

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 its registered office at Kennedy Road, Navan, Co. Meath.

Events since the end of year

There have been no significant events affecting the Credit Union since the year end.

Auditors

In accordance with Section 115 of the Credit Union Act, 1997 (as amended), the auditors Fagan Lynch Donnellan offer themselves for re-election.

On behalf of the Board of Directors:



Aidan Curtis
Chairperson of Board of Directors



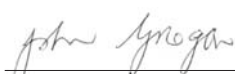
James Murphy
Member of the Board of Directors

Income and Expenditure Account

For the Financial Year Ended 30 September 2018

	Note	2018 €	2017 €
Interest on members' loans	4	4,336,709	3,720,261
Other interest income and similar income	5	1,781,072	2,328,683
Net interest income		6,117,781	6,048,944
Other Income	7	81,602	88,213
Total Income		6,199,383	6,137,157
Expenditure			
Employment costs		2,409,987	2,238,913
Depreciation	10	559,107	517,459
Other management expenses (Schedule 1)		3,356,890	3,450,654
Movement on provision for doubtful debts	12d	(1,085,125)	(593,538)
Bad debts recovered	12d	(586,179)	(700,971)
Total Expenditure		4,654,680	4,912,517
Surplus for the financial year		1,544,703	1,224,640


The financial statements were approved and authorised for issue by the Board of Directors on 30 October 2018 and signed on its behalf by:



John Grogan,
Chief Executive Officer



Aidan Curtis,
Member of the Board of Directors



Brian Crowley
Member of the Board Oversight
Committee

Balance Sheet

As at 30 September 2018

	Note	2018 €	2017 €
Assets			
Cash at bank and on hand	9	606,668	2,993,102
Tangible fixed assets	10	9,820,791	10,209,626
Intangible fixed assets	11	154,247	–
Loans to members	12	61,579,039	54,872,379
Less: provision for doubtful debts	12	(3,525,194)	(4,610,319)
Debtors, prepayments and accrued income	13	338,640	329,473
Deposits and Investments – Cash Equivalents	14	54,428,959	54,969,491
Deposits and Investments - Other	14	103,511,281	137,958,762
Total Assets		226,914,431	256,722,514
Liabilities			
Members' shares	15	185,772,877	216,335,529
Creditors and accrued expenses	16	327,094	429,291
Total Liabilities		186,099,971	216,764,820
Reserves			
Regulatory reserve		22,966,961	25,756,961
Operational risk reserve		750,000	550,000
Realised reserves		12,850,608	9,979,854
Dividend reserve - realised		2,080,000	2,080,000
Strategy reserve		2,000,000	–
Non-distributable reserves		166,891	1,590,879
Total Reserves		40,814,460	39,957,694
Total Liabilities And Reserves		226,914,431	256,722,514

The financial statements were approved and authorised for issue by the Board of Directors on 30 October 2018 and signed on its behalf by:



John Grogan,
Chief Executive Officer



Aidan Curtis,
Member of the Board of Directors



Brian Crowley
Member of the Board Oversight
Committee

Statement of Changes in Reserves

For the Financial Year Ended 30 September 2018

	Regulatory Reserve	Operational Risk Reserve	Revenue Reserve	Dividend Reserve	Strategy Reserve	Non-Distributable Reserve	Total Reserves
	€	€	€	€	€	€	€
Opening balance at 1 October 2016	24,251,299	425,000	10,262,620	2,080,000	-	1,487,981	38,506,900
Total comprehensive income for the year	-	-	1,224,640	-	-	-	1,224,640
Dividends paid during the year (Note 6)	-	-	(1,140,970)	-	-	-	(1,140,970)
Transfer of engagements	1,107,785	-	259,340	-	-	-	1,367,125
Transfer between reserves	397,877	125,000	(625,775)	-	-	102,898	-
Closing balance at 30 September 2017	25,756,961	550,000	9,979,854	2,080,000	-	1,590,879	39,957,694
Opening balance at 1 October 2017	25,756,961	550,000	9,979,854	2,080,000	-	1,590,879	39,957,694
Total comprehensive income for the year	-	-	1,544,703	-	-	-	1,544,703
Dividends paid during the year (Note 6)	-	-	(312,630)	-	-	-	(312,630)
Interest rebate paid during the year (Note 6)	-	-	(375,307)	-	-	-	(375,307)
Transfer between reserves	(2,790,000)	200,000	2,013,988	-	2,000,000	(1,423,988)	-
Closing balance at 30 September 2018	22,966,961	750,000	12,850,608	2,080,000	2,000,000	166,891	40,814,460

(1) The Regulatory Reserve of the Credit Union as a percentage of total assets as at 30 September 2018 was 10.12%.

(2) As required under S45 of the Credit Union Act, 1997 (as amended) Credit Union Plus Limited have an Operational Risk Reserve. The Board approved an additional transfer of €200,000 from the Realised Reserve to the Operational Risk Reserve, 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 at 30 September 2018 represents 0.33% (2017 0.21%) of total assets at that date.

(3) The transfer of €1,423,988 from the Non-Distributable Reserve to Realised Reserves includes the maturity of a bond during the financial year and the reversal of €300,000 previously set aside for instant access loans which are no longer being provided by Credit Union Plus Limited.

(4) Following commencement of S13 of the 2012 Act (Credit Union Co-operation with Overseas Regulators 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. The Regulatory Reserve at the year end was 10.12%, in excess of the required limit of 10% of total assets.

(5) The Board approved the creation of a Strategy Reserve. €2,000,000 has been transferred from the Regulatory Reserve to the new Strategy Reserve for future projects contained in the Strategic Plan.

Cash Flow Statement

For the Financial Year Ended 30 September 2018

	Note	2018 €	2017 €
Opening cash and cash equivalents		57,962,593	52,796,821
Cash flows from operating activities			
Loans repaid by members	12a	25,219,859	23,314,299
Loans granted to members	12a	(32,056,065)	(32,538,057)
Loan interest received	4	4,336,709	3,720,261
Investment income received	5	1,781,072	2,328,683
Other income received	7	81,602	88,213
Bad debts recovered	12d	586,179	700,971
Dividends paid	6	(312,630)	(1,140,970)
Interest rebate paid	6	(375,307)	-
Operating expenses		(5,637,331)	(5,335,221)
Decrease in accrued expenses	16	(102,197)	(242,609)
(Increase)/Decrease in prepaid expenses	13	(9,167)	397,435
Net cash flows from operating activities		(6,487,276)	(8,706,995)
Cash flows from investing activities			
Purchase of property, plant and equipment	10	(170,272)	(168,814)
Purchase of Intangible fixed assets	11	(154,247)	-
Cash and investments from transfer of engagements		-	8,624,039
Costs of acquisition on transfer of engagements		-	(112,358)
Net Cashflow from other investing activities		34,447,481	(5,069,832)
Net cash flows from investing activities		34,122,962	3,273,035
Cash flow from financing activities			
Members' shares received	15	164,019,903	157,770,573
Members' shares withdrawn	15	(194,582,555)	(147,170,841)
Net cash flows from financing activities		(30,562,652)	10,599,732
Net increase in cash and cash equivalents		(2,926,966)	5,165,772
Cash and cash equivalents at end of year	9	55,035,627	57,962,593

Notes to the Financial Statements

For the Financial Year Ended 30 September 2018

1. Legal and regulatory framework

Credit Union Plus Limited (The Credit Union) is established under the Credit Union Act, 1997 (as amended). The Credit Union is registered with the Registrar of Credit Unions and is regulated by the Central Bank of Ireland. The registered office of the Credit Union is Kennedy Road, Navan, Co Meath.

2. Accounting policies

2.1. Statement of compliance and basis of preparation

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

The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

2.2. Currency

The financial statements are prepared in euro which is the functional currency of the Credit Union. Monetary amounts in these financial statements are rounded to the nearest Euro.

2.3. Going concern

The financial statements are prepared on the going concern basis. The Directors of Credit Union Plus 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.

2.4. Income

Interest on members' loans

Interest on loans to members is recognised using the effective interest method and is calculated and accrued on a daily basis. An adjustment is made to the year-end amount receivable for any irrecoverable amounts. The Directors have made a decision to transfer accrued interest receivable on loans at the year-end to an unrealised reserve.

Investment income

The Credit Union uses the effective interest method to recognise investment income.

Other income

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

2.5. Dividends and loan interest rebate to members

Dividends on shares and loan interest rebate

Dividends and loan interest rebates are made from the current year 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 risk profile of the Credit Union particularly in its loan and investment portfolios;
- the Board's desire to maintain a stable rather than a volatile rate of dividend each year; and
- members legitimate dividend expectation.

These are all dominated by prudence and the need to sustain the long term welfare of the Credit Union. For this reason, the Board will seek to build up its reserves to absorb unexpected shocks and still remain above minimum regulatory requirements. The Credit Union accounts for dividends and rebates of loan interest when members ratify such payments at the Annual General Meeting.

2.6. Taxation

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

2.7. Cash and cash equivalents

Cash and cash equivalents comprise, operating cash on hand and cash deposited with banks with original maturity of less than or equal to three months.

2.8. 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 when the Credit Union becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements when, and only 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.

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.

2.8. Financial instruments (continued)

The specific investment products held by the Credit Union are accounted for as follows:

Held at amortised cost

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

Investments at Fair Value

Investments held which are considered non-basic financial instruments under Section 11 of FRS 102 and investment in stock market shares (i.e. non-convertible preference shares and non-puttable ordinary shares or preference shares) are included in this category. They are valued at fair value (market value) at the year-end date and all gains and losses are taken to the Income and Expenditure Account. The fair value of quoted investments is determined by reference to bid prices at the close of business on the Balance Sheet date.

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.

2.9. Financial assets – loans and advances 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.

2.10. Other receivables

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

2.11. 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.

In the case of impairment of loans to members, 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 quarterly basis. Any bad debts/impairment losses are recognised in the Income and Expenditure Account. If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in the Income and Expenditure account.

2.12. Derecognition of financial assets

Financial assets are derecognised 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 derecognised when the right to receive cash flows from the loans have expired, usually when all amounts outstanding have been repaid by the member. Credit Union Plus Limited does not transfer loans to third parties.

2.13. 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

Members' shares are redeemable and therefore are classified as financial liabilities. They are initially recognised at the amount of cash deposited and subsequently members' shares 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.

2.14. Derecognition of financial liabilities

Financial liabilities are derecognised when the obligations of the Credit Union specified in the contract are discharged, cancelled or expire.

2.15. Tangible fixed assets

Tangible fixed assets comprises items of property, fixtures & fittings and office & computer equipment, which are stated at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Depreciation is provided to write off the cost of each item of property, fixtures & fittings and office & computer equipment, less its estimated residual value over its estimated useful life. The categories of property, fixtures & fittings and office & computer equipment are depreciated as follows:

Freehold land & buildings	25 years straight line
Fixtures & fittings	10 years straight line
Office & computer equipment	5 years straight line

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 Income and Expenditure account.

2.16. Impairment of tangible fixed assets

At each reporting end date, the Credit Union reviews the carrying value of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Credit Union estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the Income and Expenditure account.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the Income and Expenditure account.

2.17. Intangible Fixed Assets

Costs incurred on development projects are recognised as intangible assets when it is probable that the project will be a success, considering its commercial and technological feasibility, and costs can be measured reliably. Pure and applied research costs are written off as incurred. Development costs are amortised on a straight-line basis over the estimated useful life of the related asset, normally 10 years. Amortisation begins when the asset is ready for use. External and internal costs are capitalised to the extent that they enhance the future economic benefit of the asset and to the extent they meet the requirements for capitalisation in Section 18 of FRS 102 which is where there is a market for the assets, the cost can be reliably measured, there is sufficient technical, financial and other resources to complete the development and where it is probable it will provide future economic benefits.

Cost includes the original purchase price of the asset and the costs directly attributable to bringing the asset to its working condition for its intended use. Intangible assets are valued at cost less accumulated amortisation.

2.18. Employee benefits

Pension Scheme

The Credit Union operates a defined contribution pension scheme for permanent employees. These assets are held separately from those of the Credit Union in an independently administered fund. Pension contributions are charged to the Income & Expenditure Account as they become payable in accordance with the rules of the scheme. Amounts not paid are reflected in accruals as a liability on the Balance Sheet.

Other Employee Benefits

The costs of short-term employee benefits, including holiday pay, are recognised as a liability and as an expense over the period they are earned.

2.19. Reserves

Regulatory Reserve

The Credit Union is required to maintain and establish a minimum Regulatory Reserve of at least 10% of the assets of the Credit Union in accordance with Credit Union Act, 1997 (Regulatory Requirements) Regulations 2016. 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

The Credit Union has established an Operational Risk Reserve which is separate, distinct and in addition to the reserves the Credit Union is required to hold in its Regulatory Reserve. Section 45(5)(a) of the Credit Union Act, 1997 (as amended) requires each credit union to maintain an additional reserve that it has assessed is required for operational risk having regard to the nature, scale and complexity of the Credit Union. Credit Unions are required to maintain a minimum Operational Risk Reserve having due regard for the sophistication of the business model. The amount held in the Operational Risk Reserve is the predicted impact of operational risk events that may have a material impact on the Credit Union's business.

Dividend Reserve

Dividend Reserves are the accumulated surpluses to date that have not been declared as dividends to members or set aside to the Regulatory or Operational Risk Reserves.

Strategy Reserve

The new Strategy Reserve has been established in the financial statements for projects included in the strategic plan.

Non-Distributable 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. Interest on loans receivable at the balance sheet date is also classified as "unrealised" and is not distributable. The fair value adjustment, where an increase arises, in connection with the transfer of engagements is included in the non-distributable reserve.

Revenue Reserve

Revenue Reserves are the accumulated surpluses to date and reserves arising on the transfer of engagements that have not been declared as dividends returnable to members or set aside to the regulatory reserve, operational risk reserves, strategy reserve or the non-distributable reserve.

2.20. Prior Year Comparatives

Prior year comparatives have been re-analysed where necessary to conform to the current year presentation.

3. Use of estimates and judgements

The preparation of financial statements requires the use of certain accounting estimates. It also requires the Directors to exercise judgement in applying the Credit Union's accounting policies. The areas requiring a higher degree of judgement or complexity and areas where assumptions or estimates are most significant to the financial statements are disclosed below:

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

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

Impairment of buildings

The carrying value of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable. In that event, an impairment loss is recognised as the difference between the carrying amount and the assets recoverable amount. 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

The Credit Union's accounting policy for impairment of loans is set out in the accounting policy in Note 2.11. The estimation of loan losses is inherently uncertain and depends upon many factors. These include 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 current provision for bad debts in the financial statements is €3,525,194 (2017:€4,610,319) representing 5.72% (2017: 8.40%) of the total gross loan book.

Operational risk reserve

The Board of Directors have considered the requirements of the Credit Union Act, 1997 (as amended) and have considered an approach to the calculation of the Operational Risk Reserve. The amount held in the Operational Risk Reserve is the predicted impact of operational risk events that may have a material impact on the Credit Union's business. This amount transferred to the Operational Risk Reserve has been influenced by the business mix and risk profile of the activities being undertaken in the Credit Union. The Board of Directors have determined that the amount transferred to the Operational Risk Reserve is appropriate having taken account of the overall level of reserves of the Credit Union and taking prudent account of the scale and complexity of the Credit Union's business, its risk profile and prevailing market conditions.

4. Interest on members' loans

	2018 €	2017 €
Closing accrued loan interest receivable	107,206	91,014
Loan interest received in the year	4,320,517	3,709,247
Opening accrued loan interest receivable	(91,014)	(80,000)
Total interest on members' loans	4,336,709	3,720,261

5. Other interest income and similar income

	2018 €	2017 €
Investment income received/receivable within 1 year	1,673,560	2,233,376
Investment income receivable after 1 year	-	91,884
Reversal of previous impairment/gain on investments	107,512	3,423
Total other interest income and similar income	1,781,072	2,328,683

6. Dividends and loan interest rebate

The dividend and any loan interest rebate are formally proposed by the Directors after the year end and are confirmed at the AGM of the members. As a result, the proposed dividend and proposed loan interest rebate for the current year does not represent a liability at the Balance Sheet date and the dividend and loan interest rebate included in the Statement of Reserves in the current year relates to dividends and loan interest rebate paid to members for the prior year.

The dividends for the current and prior year periods were as follows:

	2018 €	2017 €
Dividend paid during the year	312,630	1,140,970
Dividend rate:		
Members' shares	0.15%	0.60%
Dividend proposed, but not recognised	300,662	309,751
Dividend rate:		
Members' shares	0.15%	0.15%

The loan interest rebate for the current and prior year periods were as follows:

	2018 €	2017 €
Loan interest rebate paid during the year	375,307	-
Interest rebate rate	10.00%	-
Loan interest rebate proposed, but not recognised	433,659	372,026
Loan Interest rebate rate	10.00%	10.00%

7. Other income

	2018 €	2017 €
Commissions	81,602	88,213
Total other income	81,602	88,213

8. Key management personnel

The Directors of Credit Union Plus Limited are all unpaid volunteers. The key management personnel compensation is as follows:

	2018 €	2017 €
Short term employee benefits	809,953	664,099
Payments to defined contribution pension schemes	92,688	90,021
Total key management personnel compensation	902,641	754,120

9. Cash and cash equivalents

	2018 €	2017 €
Cash balances	606,668	2,993,102
Short term deposits with banks	54,428,959	54,969,491
Total cash and cash equivalents	55,035,627	57,962,593

Short term deposits with banks are deposits with original maturity of less than or equal to three months. All other deposits with banks are included under Investments in the Balance Sheet and disclosed in Note 14.

10. Tangible fixed assets

Tangible fixed assets are comprised of the following property, fixtures & fittings and office & computer equipment:

	Freehold land & buildings	Fixtures & Fittings	Office & computer equipment	Total
	€	€	€	€
Cost				
At 1st October 2017	13,400,417	335,077	742,939	14,478,433
Additions	19,159	72,092	79,021	170,272
At 30th September 2018	13,419,576	407,169	821,960	14,648,705
Depreciation				
At 1st October 2017	3,473,267	335,077	460,463	4,268,807
Charge for the year	456,028	3,709	99,370	559,107
At 30th September 2018	3,929,295	338,786	559,833	4,827,914
Net book value				
At 30th September 2018	9,490,281	68,383	262,127	9,820,791
At 30th September 2017	9,927,150	-	282,476	10,209,626

Under the requirements of FRS 102 Section 27, the Directors have undertaken an impairment review of the freehold premises in Credit Union Plus Limited as at 30 September 2018.

The Directors have considered the market value of the Credit Union Plus Limited's premises in line with the general property market. Accordingly the Directors have carried out a "Value in Use" calculation based on future cash flows expected to arise from the continuing use of the buildings over a 20 year period. This calculation gives a Value in Use in excess of the net book value of the buildings.

Based on this calculation and taking account of the function and ethos of the Credit Union, it is felt that the current carrying value is appropriate and that an impairment adjustment is not required.

11. Intangible Fixed Assets

	Note	2018 €	2017 €
Cost			
At 1st October		-	-
Additions -Development costs	2.17	154,247	-
At 30th September		154,247	-
Amortisation:			
At 1st October		-	-
Amortisation for the period		-	-
At 30th September		-	-
Net Book value as at 30th September		154,247	-

12. Loans to members – financial assets

12a. Loans to members

	Note	2018 €	2017 €
As at 1 st October		54,872,379	43,815,013
Loans arising on transfer of engagements		-	2,187,953
Advanced during the year		32,056,065	32,538,057
Repaid during the year		(25,219,859)	(23,314,299)
Loans written off		(129,546)	(354,345)
Gross loans to members	12b	61,579,039	54,872,379
Impairment allowances			
Individual loans		(262,550)	(379,632)
Group of loans		(2,691,127)	(2,811,962)
Other impaired loans		(571,517)	(1,418,725)
Loan provision	12c	(3,525,194)	(4,610,319)
Net loans to members as at 30th September		58,053,845	50,262,060

12b. Credit risk disclosures

Credit Union Plus Limited does not offer mortgages and as a result, the majority of loans to members are unsecured. However 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 percentage of the regulatory reserve (large exposure limit);
- 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.

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

	2018		2017	
	Amount €	Proportion %	Amount €	Proportion %
Loans not Impaired:				
Total loans not impaired	49,280,375	80.02	43,451,615	79.19
Impaired loans:				
Up to 9 weeks past due	9,886,146	16.05	8,648,015	15.76
Between 10 and 18 weeks past due	471,334	0.77	411,537	0.75
Between 19 and 26 weeks past due	228,207	0.37	135,309	0.25
Between 27 and 39 weeks past due	154,164	0.25	116,609	0.21
Between 40 and 52 weeks past due	140,444	0.23	178,105	0.32
53 or more weeks due	1,418,369	2.31	1,931,189	3.52
Gross loans impaired	12,298,664	19.98	11,420,764	20.81
Total gross loans	61,579,039	100.00	54,872,379	100.00

Factors that are considered in determining whether loans are impaired are discussed in Note 3.

12c. Loan provision account for impairment losses

	2018 €	2017 €
As at 1st October	(4,610,319)	(5,007,085)
Provision arising from transfer of engagements	-	(196,772)
Allowance for loan losses written off during the year previously provided for	129,546	314,714
Allowances reversed during the year	955,579	278,824
As at 30th September	(3,525,194)	(4,610,319)

The current provision for bad debts in the financial statements is €3,525,194 (2017: €4,610,319) representing 5.72% (2017: 8.40%) of the total loan book.

12d. Net recoveries or losses recognised for the year

	2018 €	2017 €
Bad debts recovered	586,179	700,971
Reduction in loan provisions during the year	1,085,125	593,538
	1,671,304	1,294,509
Loans written off previously provided for	(129,546)	(314,714)
Net recoveries on loans to members recognised for the year	1,541,758	979,795

12e. Analysis of gross loans outstanding

	2018 Number of Loans €	€	2017 Number of Loans €	€
Less than one year	2,214	3,716,111	2,276	4,166,735
Greater than 1 year and less than 3 years	3,037	16,715,571	2,898	15,671,102
Greater than 3 and less than 5 years	2,003	23,792,037	1,950	22,612,086
Greater than 5 years and less than 10 years	641	16,546,617	491	11,742,103
Greater than 10 years and less than 25 years	18	808,703	15	617,943
Greater than 25 years	-	-	2	62,410
	7,913	61,579,039	7,632	54,872,379

13. Debtors, prepayments and accrued income

	2018 €	2017 €
Prepayments	231,434	238,459
Accrued loan interest income	107,206	91,014
	338,640	329,473

14. Deposits and Investments

The Credit Union has the following investments:

	2018 €	2017 €
Fixed term deposits with banks	87,622,070	127,711,692
Deposit protection account	-	130,335
Corporate bonds	32,558,837	41,262,020
Government bonds	6,973,410	9,135,346
Collective investment schemes	30,785,923	14,688,860
Total deposits and investments	157,940,240	192,928,253

	2018 €	2017 €
Deposits and investments – cash equivalents	54,428,959	54,969,491
Deposits and investments – other	103,511,281	137,958,762
Total deposits and investments	157,940,240	192,928,253

The category of counterparties with whom the deposits and investments were held was as follows:

	2018 €	2017 €
Aa3	9,092,459	1,085,854
A1	10,229,212	3,511,392
A2	29,439,472	9,135,346
A3	54,202,653	48,472,084
Baa1	25,969,678	34,264,130
Baa2	-	26,762,568
Ba1	3,114,167	26,943,832
Ba2	-	42,753,047
B2	25,892,599	-
Total deposits and investments	157,940,240	192,928,253

15. Members' Shares – financial liabilities

	2018 €	2017 €
As at 1 st October	216,335,529	196,242,330
Transfer of engagement	-	9,493,467
Received during the year	164,019,903	157,770,573
Withdrawn during the year	(194,582,555)	(147,170,841)
As at 30th September	185,772,877	216,335,529

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

	2018 €	2017 €
Unattached shares	170,280,241	201,066,755
Attached shares	15,492,636	15,268,774
Total members' shares	185,772,877	216,335,529

16. Creditors and accrued expenses

	2018 €	2017 €
Pension and short term payroll accruals	99,594	94,604
Other creditors and accruals	227,500	334,687
	327,094	429,291

17. Financial instruments

Financial Assets	2018 €	2017 €
Financial assets measured at amortised cost	216,707,959	245,134,249
Financial assets measured at fair value	-	1,140,180
	216,707,959	246,274,429

Financial Assets measured at amortised cost are comprised of cash and balances at bank, deposits and investments, loans to members net of provision and debtors.

Financial Liabilities	2018 €	2017 €
Financial liabilities measured at amortised cost	186,099,971	216,764,820
	186,099,971	216,764,820

Financial Liabilities measured at amortised cost are comprised of member shares, creditors and accruals.

18. Additional financial instruments disclosures

18a. Financial risk management

Credit Union Plus Limited invests excess funds with a view to ensuring that the return from members' loans and investments is adequate to meet the overheads of the Credit Union and provide a reasonable return to members on shares. The Credit Union has a risk register in place to help the Directors manage the various risks arising from its activities to include the issuing of loans to members and investing the excess funds of the Credit Union.

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

18a. Financial risk management (continued)

Credit risk: Credit risk is the risk that a borrower will default on their contractual obligations relating to repayments to Credit Union Plus Limited resulting in financial loss to the Credit Union. In order to manage this risk, the Board approves the Credit Union's credit policy and all changes to it. All loan applications are assessed with reference to the credit policy in force at the time. Subsequently, loans are regularly reviewed for any factors that may indicate that the likelihood of repayment has changed. The credit risk on members' loans is disclosed in Note 12b.

The Credit Union's investments are also exposed to credit risk and the Credit Union mitigates the risk by only placing investments with financial institutions where the counterparties have strong credit ratings and using investment products authorised by the Central Bank. Credit Union Plus Limited have engaged independent investment advisors to assist them in managing this credit risk.

Liquidity risk: The Credit Union's policy is to maintain sufficient funds in liquid form at all times to ensure that it can meet its liabilities as they fall due. The Credit Union adheres on an ongoing basis to the minimum liquidity ratio and the minimum short term liquidity ratio as set out in the Credit Union Act, 1997 (Regulatory Requirements) Regulations 2016.

Market risk: Market risk is generally comprised of currency risk and other price risk. Credit Union Plus Limited conducts all its transactions in euro and does not deal in derivatives or commodity markets. Therefore, the Credit Union is not exposed to any form of currency risk or other price risk.

Interest rate risk: The Credit Union'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 on investments and members' loans when deciding on the dividend rate payable on shares and on any loan interest rebate.

18b. Interest rate risk disclosures

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

	2018		2017	
	Amount €	Average interest rate	Amount €	Average interest rate
Financial assets				
Gross loans to members	61,579,039	7.67%	54,872,379	7.50%

The dividend and loan interest rebate proposed are at the discretion of the Directors and are therefore not a financial liability of the Credit Union until declared and approved at the AGM.

18c. Liquidity risk disclosures

All of the financial liabilities of the Credit Union are repayable on demand except for members' shares attaching to loans. The Credit Union continuously retains liquid assets amounting to a minimum of 20% of unattached shares.

18d. 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 reserves are in excess of the minimum requirement set down by the Central Bank and stand at 10.12% of the total assets of the Credit Union at the Balance Sheet date.

19. Post Balance Sheet events

There are no material events after the Balance Sheet date to disclose.

20. Contingent liabilities

In September 2018, all credit unions received correspondence from the Central Bank on a potential matter relating to accrued interest outstanding on members' top-up loans, which may have led to a potential over-collection of interest. The Credit Union has commenced a review to ascertain whether any top-up loans to members might be impacted by these circumstances and to determine what actions may need to be taken in consultation with the Central Bank. At the time of sign off of these financial statements and given the degree of work required to quantify the possible liability, including the fact that the Central Bank instructions have yet to be issued, it is impractical to reliably measure or in fact determine whether liability arises.

21. Capital commitments

There were no capital commitments either contracted for or approved by the Board of Directors at the year end.

22. Insurance against fraud

The Credit Union has insurance against fraud in the amount of €2,500,000 (2017: €2,500,000) in compliance with Section 47 of the Credit Union Act, 1997 (as amended).

23. Related party transactions

Related parties include the directors and management team of the Credit Union and also their family members or any business in which the directors or the management team have a significant shareholding. During the year, loans in the amount of €217,104 (2017: €200,185) were advanced to related parties. The loans outstanding from related parties at 30 September 2018 were €628,433 (2017: €488,292) while the respective share balances were €240,889 (2017: €276,687). These loans amounted to 1.02 % of total gross loans due at 30 September 2018 (2017: 0.89%). There were €82,415 provisions against the loans due from related parties as at 30 September 2018 (2017: €80,902).

24. Approval of Financial Statements

The financial statements were approved and authorised for issue by the Board of Directors on 30 October 2018.

Schedule to the Financial Statements

For the Financial Year ended 30 September 2018

Schedule 1 - Other management expenses

	2018 €	2017 €
Staff Pension Scheme	255,098	241,789
Stationery & Office Expenses	157,326	179,294
Postage & Telephone	122,227	86,900
Computer Costs	453,525	408,937
Light & Heat	52,261	49,941
Repairs & Maintenance	46,087	69,040
Rates	50,540	47,903
General Insurance	118,618	116,712
Savings & Loan Insurance	614,813	667,228
Promotion & Advertising	165,131	154,228
Training Costs	42,981	48,135
Donations & Sponsorship	44,152	46,833
AGM Expenses	59,844	70,092
Convention Expenses	29,736	25,585
ATM Expenses	10,500	32,000
Audit Fees	55,350	55,350
Internal Audit & Compliance Fees	69,198	59,885
Legal & Professional Fees	248,464	171,392
Regulatory Fees	451,100	352,899
Affiliation Fees	42,391	46,212
Bank charges	69,087	103,537
Other Expenses	68,915	62,417
Bad Debts Written Off	129,546	354,345
Total Other Management Expenses	3,356,890	3,450,654



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Help ease the financial burden of bereavement
with a **fixed lump sum** to your loved ones.

- **€6,000 fixed benefit, regardless of savings**
- **Only €80 per year**

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creditunionplus.ie

Terms and Conditions apply.
Credit Union Plus Limited is regulated by the Central Bank of Ireland.

Credit Committee Report

The Credit Committee is an Operational Management Committee reporting to the Board of Directors. The Credit Committee is responsible for ensuring that loans are made in keeping with the lending policies and procedures of the Credit Union and all regulatory requirements. During the year the Credit Committee met on at least a weekly basis to consider loan applications within their lending authority and to perform quality checks on loan applications.

During 2018 New Loans Issued amounted to over €32m as depicted in the chart below which is similar to last year. The number of New Loans Issued amounted to 6,644 which was approximately 7% lower than 2017. Despite the slight decline in applications the Loan Book increased by over €6.7m to over €61.5m which was a 12% increase over last year. Home Improvements, Transport and Own Guarantee/Euro for Euro continue to be the most popular lending categories accounting for over half of the New Loans Issued between them. As and from 1st August 2018 the interest rate on all new loans and all top up loans is 8.5% (8.86% APR).

While we of course welcome the increase in the Loan Book, we are cognisant of the necessity to continuously improve its quality. In this respect, each loan application is judged on the member's ability to repay based on information available to us and verified by us. Notwithstanding this requirement most loans are approved on the same day and almost all loans are approved within 48 hours. We are conscious of the fast turnaround expectations of members and we continuously explore ways of improving our service without compromising the strength and quality of the Loan Book.

With the continuing decline in investment interest rates, the performance of the Lending Portfolio is more crucial to the success of the Credit Union. We would encourage all existing and new members to use Credit Union Plus as your first stop when seeking finance. Applications for Loans can be taken at any of our branches and you should expect to see and hear more of our competitive offerings in the coming year.

My thanks to my Credit Committee colleagues Helen Kearns and Cecilia Farrell for their support during the year.



Michele Gorman, Chairperson

New Loans Issued 2018

Loans by type	Number	% of Total No.	Value €	% of Value
Agriculture	32	0.48	416,100	1.30
Bills/Consolidation of Debts	652	9.81	3,333,532	10.40
Commercial	3	0.05	77,000	0.24
Education	196	2.96	777,343	2.42
Holidays/Leisure	429	6.46	973,076	3.03
Home Improvement	1099	16.54	7,657,842	23.88
Housing/Extensions	6	0.09	298,500	0.93
Misc./Personal/Occasional	1122	16.87	2,850,517	8.89
Own Guarantee/Euro for Euro	1962	29.53	5,267,850	16.44
Transport	1143	17.21	10,404,304	32.47
Grand Total	6644	100.00	32,056,064	100.00

Audit Committee Report

The Audit Committee is a formally constituted committee of the Board of Credit Union Plus Limited. The purpose of the committee is to oversee on behalf of the Board, and of the members the financial reporting process, the system of internal control and all audit related matters of the Credit Union.

During the year the following Directors served as members of the Audit Committee:

- Fergus Lynch, Chairperson
- Rosita Moyles, Secretary
- Paula Mc Carthy
- Aidan Curtis

The purpose of the Internal Audit function is to evaluate and improve the effectiveness of risk management, control and governance processes in the Credit Union. Internal Audit have completed the audit work programme detailed in the 2018 audit plan and met with the Audit Committee on a quarterly basis to review and discuss the findings and recommendations of these audits.

The role of internal audit is developing and will continue to act independently to ensure the continued strength of your Credit Union by adherence to regulation and promotion of continuous improvement of policies, procedures and processes

Although operating independently of each other, the Audit Committee also facilitated meetings between the Audit, Compliance and Risk functions ensuring that a more focussed and cohesive approach to risk management and governance is operating within the Credit Union.

The committee would like to thank the Chief Executive Officer and Staff for their assistance and co-operation during the year. I would also like to thank the Audit Committee members for their help and support during the year.



Fergus Lynch, Chairperson

Membership Committee Report

The Membership Committee is an Operational Management Committee reporting to the Board of Directors. The primary objective of the Membership Committee is to oversee and make recommendations on activities that will improve the membership process.

The Membership Committee would encourage all members to introduce new members to Credit Union Plus. A number of initiatives to help increase membership will be progressed in 2019, including encouraging more young people to join the Credit Union.

We would like to thank the Directors, Management and Staff for their dedication and assistance throughout the year.

Membership Application Forms are available from the website at www.creditunionplus.ie/downloads



Phil Hegarty, Chairperson

Nomination Committee Report

The Nomination Committee is a mandatory committee of the Credit Union. The duties and responsibilities of the Committee are set out in the Credit Union Act 1997, (as amended) and can be summarised as follows:

- identify and propose candidates with the necessary skills and expertise for appointment to the Board of Directors;
- ensure that there is an appropriate Succession Plan in place for the Board of Directors;
- assist the Credit Union in fulfilling its obligations under the Central Banks Fitness & Probity Standards;
- ensure that each Director receives necessary mandatory training;
- provide induction training for new Directors.

During the year the Committee members were:

- [Jim White](#) – Chairperson
- [Liz Gaffney](#) – Secretary
- [Brendan Kiernan](#)

Vacancies

Board Oversight Committee

There are three vacancies on the Board Oversight Committee. In accordance with legislation the following outgoing members of the Board Oversight Committee must stand down.

- [Brian Crowley](#)
- [Paul Mc Glynn](#)
- [David McCabe](#)

All are eligible and are seeking re-election to the Committee.

Board of Directors

There are six vacancies on the Board of Directors. In accordance with legislation the following outgoing Directors must stand down.

- [Aidan Curtis](#)
- [Liz Gaffney](#)
- [Jim White](#)
- [Brendan Kiernan](#)
- [John Grennan](#)
- [Rosita Moyles](#)

All are eligible and are seeking re-election to the Board.

Elections will be held at the AGM to fill vacancies by secret ballot on the recommendation of the Nomination Committee.

Potential New Directors


The Nomination Committee is continually seeking new Volunteers with the necessary skills and expertise to support the Board and its Committees as volunteers either on the Board of Directors or on the Board Oversight Committee.

The Committee will meet with any member who is interested in volunteering to discuss what is involved and evaluate their suitability for the role.

A Volunteer Expression of Interest Form can be had on request.

Auditor

The Nomination Committee has recommended to the Board of Directors that our current external Auditors Fagan Lynch Donnellan continue as Auditors for the coming year.



Jim White, Chairperson

Risk Management Committee Report

The Risk Management Committee of Credit Union Plus is appointed annually by the Board of Directors to oversee and advise on the current and future risk exposures of Credit Union Plus. The role of the Risk Management Committee is to promote a strong risk management awareness and culture within Credit Union Plus. Understanding the risks the Credit Union is exposed to will enable the Board of Directors to make more informed decisions and ultimately improve the level of service and security for our members.

In 2018, the Risk Management Committee members were:

- John Grennan, Chair
- Brian Meegan, Secretary
- Liz Gaffney
- John Grogan
- Olivia Smith (Risk Management Support Officer)

Risk management is now at the core of the strategic objectives of Credit Union Plus. The link between risk, strategy and growth agendas has become important to the operation of the Credit Union.

The Key Achievements of the Risk Management Committee in 2018 were as follows:

- Fully adhering to legislation, regulation and Central Bank recommendations.
- Embedding risk awareness and developing a strong risk culture in Credit Union Plus.
- Reviewing the development of the enhanced Risk Management Framework to ensure risk is adequately managed, monitored, recorded and reported in the Credit Union.
- Ensuring that the Risk Register contains all known risks and is maintained and updated on an on-going basis.
- Developing and reviewing Business Continuity Planning for the future.

Protection of members' shares is the key objective of the Credit Union Plus Board of Directors, Management Team and Staff. The Risk Management Committee will continue to work closely with the Management Team to ensure that the systems and controls which currently are being developed, are maintained to mitigate all current and future risks.



John Grennan, Chairperson

Break free from your credit card

We can help you take control of your finances, with an option to move all your loans to one place.



Pictured (L to R): **Michael** (Tara Mines), **Jennifer** (Haven Pharmacy, Navan)

Credit Control Committee Report

The Credit Control Committee is an operational Management Committee whose primary role is to ensure that members repay their loans in accordance with their credit agreements and that the Credit Control department is compliant with the policies of the Credit Union and all statutory requirements and legislation. The Committee is accountable to the Board of Directors and reports to them monthly.

Our Credit Control team monitor all loans that fall into arrears and promptly engage with members who are having difficulty with their loan repayments. The team are trained and experienced in dealing with what can be a sensitive and stressful issue. We would encourage any member experiencing difficulty to contact us as early as possible. All members are treated respectfully and in strict confidence.

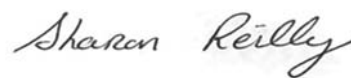
Loans in arrears declined significantly this year while our Loan Book increased. This reflects early intervention and diligent work done by the Credit Control team, a more rigorous application process and prudent assessment by the Lending Team.

Recoveries on Charged off loans this year were €586,179 with €129,546 being charged off. Charging off a loan means that the members' shares are transferred to the loan balance and they can no longer access any of the Credit Union services. It can also significantly affect their credit rating. All Charged Off accounts are actively pursued and some are referred to an external debt collection agency.

Following the introduction of the new accounting standard FRS 102, our provisioning policy was changed in 2016. The Bad Debt Provision at 30th September 2018 was €3,525,194. A quarterly review of the Loan Book is performed to verify the adequacy of the bad debt provision and to detect any possible doubtful debts.

The Credit Control Committee wishes to extend its gratitude to the members who are adhering to their loan repayments.

We would like to thank the Directors, Management and Staff for their dedication and assistance throughout the year.



Sharon Reilly, Chairperson

Marketing Committee Report

It is my pleasure to present the Marketing Committee Report for 2018. The primary objective of the Marketing Committee is to make recommendations on activities that will positively promote Credit Union Plus to both its current and potential members, and to provide input on marketing activities being planned to promote the Credit Union.

Specific duties include:

- Maintain, monitor and increase our Membership
- Actively promote the Services of Credit Union Plus
- Support our Local Communities
- Develop Strategic Marketing Objectives and Activities

Credit Union Plus now operate across three counties and provide services over the phone, online as well as in the offices and we are actively adapting to how we listen to our members. Member attraction and retention are indicators of confidence in our Credit Union and brand. Your feedback is important to Credit Union Plus and it will assist your Credit Union in designing and improving the services that are provided to you and your family.

Events held in 2018:

- Members Car Draw held each month with several bonus draws.
- Local Schools Quiz held in November 2017 with the qualifying teams going to the CUDA National final in April 2018.
- Student Bursary announced in October 2018 for four students.
- International Credit Union Day celebrated in October 2018.
- Sponsorship – Credit Union Plus continues to support community groups, clubs and activities.
- Media – Advertising and PR in local media channels.
- Promotional stands in shopping centres and Meath Enterprise Week event.
- Credit Union Plus Calendar.

Key Marketing Initiatives completed in 2018:

- Introduced a contact support centre to provide services to members seven days a week.
- Expansion of the Love My Credit Union Rewards programme to twenty three local businesses.
- Planning, developing and implementing Six Bi-Monthly Marketing Campaigns.

Marketing Initiatives underway in 2019:

Additional efforts through digital media to reach new market segments including:

- Introducing commercial lending.
- Advertising through digital media channels.
- Email marketing.
- A programme of member engagement with schools and local business.


Our commitment to improve all methods of communications with you, our members, remains our focus in 2019 and we will continue to find new ways to sharing information with you. Credit Union Plus is here to Listen. Call in for a chat, Contact us by phone, by Email or Post.

Credit Union Plus is here for you. **T** 046 9021395
E info@creditunionplus.ie www.creditunionplus.ie



Phil Hegarty, Chairperson

Monthly Car Draw



Our Member's Monthly Car Draw, now in its 10th year has been a tremendous success with 8,974 members participating in our latest draw. It costs €1 per week (€13 per quarter) to take part in the draw and this is deducted from members' shares on a quarterly basis.

Members are entitled to join the Car Draw at any time and application forms together with the rules of the draw are available in the office. All of the funds entered into the draw less some small expenses are paid out in prizes. Details of the car draw fund for the year to 30th September 2018 are shown in the table.

At the 30th September 2018 there was €82,448 in the car draw fund. Prizes of €27,000 were paid out in the special draw held annually to celebrate International Credit Union day on 18th October 2018 while prizes of 5 x €2,000 and 1 x €1,000 and a Car will be distributed in the Draw on 1st December 2018 and a further €42,000 of extra bonus draws in the run up to Christmas.

A schedule of our first prize winners for the past year is shown on the opposite page

Car Draw Fund

Balance 1 st October 2017	€53,963
Entry Fees	€466,401
Dividend received	€84
Less Prizes given out	(€438,000)
Balance at 30 th September 2018	€82,448

Giving back to members for just €1 a week.

Car Draw Winners



October

Johnathan Keating & Danielle Borez



November

Mary King



December

Patrick Carolan



January

Linda Dolan



February

Katherine O Reilly



March

Kathleen Kinsella



April

Denise Dunne



May

Sandra Lukosiunaite



June

Mark Young



July

Byron McMahon



August

Sara Forristal



September

Mary McCarthy

Navan
Kennedy Road,
Navan,
Co. Meath

Ballivor-Kildalkey
Main St,
Ballivor,
Co. Meath

Ballyjamesduff
Main St,
Ballyjamesduff,
Co. Cavan

Clonmellon
Main St,
Clonmellon, Navan,
Co. Meath

Dunshaughlin
Main St,
Dunshaughlin,
Co. Meath

Bring it all together with Easy Loan Plus

From finding new wheels to fixing old homes, a trip down the aisle or the trip of a lifetime - we're here to help.

Loan Amount	Typical Weekly Repayments	Term	Total Interest	Total Repayments
€5,000	€36.34	3 Years	€665.80	€5,665.80
€7,500	€54.50	3 Years	€998.99	€8,498.99
€10,000	€47.23	5 Years	€2,273.50	€12,273.50
€15,000	€70.83	5 Years	€3,411.43	€18,411.43
€20,000	€72.89	7 Years	€6,526.67	€26,526.67
€30,000	€99.36	8 Years	€11,325.60	€41,325.60
€40,000	€114.12	10 Years	€19,332.75	€59,332.75
€50,000	€142.6	10 Years	€24,165.83	€74,165.83
€60,000	€171.18	10 Years	€28,999.15	€88,999.15
€75,000	€213.97	10 Years	€36,250.43	€111,250.43

Terms & Conditions apply. E&OE. All loans are subject to application and approval, creditworthiness and repayment ability will be assessed. Lending Terms & Conditions apply. Variable Interest Rate is 8.5%, Typical APR is 8.86%. Minimum borrowings €100 – maximum is dependent on repayment capacity. Minimum duration is 1 month – maximum is dependent on the purpose of the loan. Loans require a minimum share balance to be retained until the loan is cleared in full. Warning: if you do not meet the repayments on your loan, your account will go into arrears. This may affect your credit rating, which may limit your ability to access credit in the future. Credit Union Plus Limited is regulated by the Central Bank of Ireland.

Call **046 90 21395**
Email **info@creditunionplus.ie**
Visit **creditunionplus.ie**