



Annual Report 2019

Your Credit Union, Your Community





This year we issued over
€35 million
worth of loans

1336
Holidays
booked



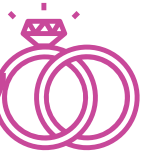
1837
Homes improved



1476
Cars
bought



858
Students
educated

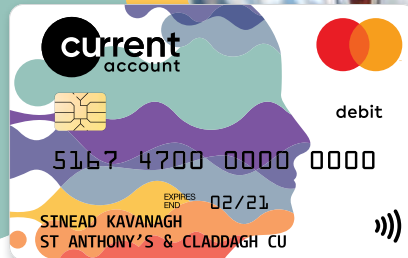


357
Weddings &
Celebrations

current
account
from your credit union

Finally,
a real choice

Current Account from
St. Anthony's & Claddagh Credit Union
gives you transparent fees, friendly
service and instant access to your money.



Coming in March 2020

Contact us



091 537 200



sacu.ie



Drop into your local branch

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St Anthony's
& Claddagh
CREDIT
UNION

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CONNECT WITH US...

Notice of

Annual General Meeting

ALL MEMBERS WELCOME

2019

7.30pm, Wednesday 4th of December, 2019

St. Patricks School, O'Brien's Bridge, Galway

(Proof of membership will be required on entry to A.G.M.)

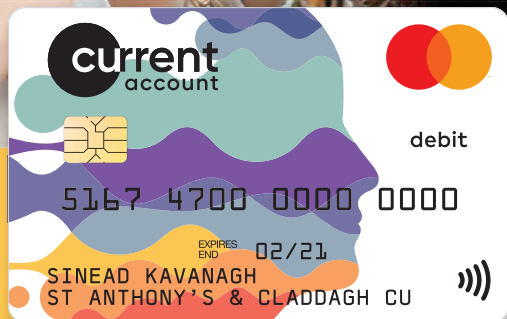
Finally, a real choice



Current Account from St. Anthony's & Claddagh Credit Union gives you low and transparent fees, friendly service and instant access to your money.



**Ask a staff member
for more details.**



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W381AE 07/19



Coming in March 2020

Current Account, provided by St. Anthony's & Claddagh Credit Union, gives you a real choice for your day-to-day financial needs.

With instant access to your money through a Mastercard® Debit Card, online portal, and mobile functionality, you can pay your bills, withdraw cash and pay at point of sale, anywhere in the world.

Current Account is a full service current account, brought to you by your credit union. With low and transparent fees, it's more of what you would expect from your local credit union.

Features & Benefits

- ✓ Same friendly service
- ✓ Globally accepted Mastercard Debit Card
- ✓ Use in-store, online or at ATMs
- ✓ Cashback available at participating retailers
- ✓ Contactless payments
- ✓ Transparent Fees
- ✓ Overdraft for unexpected expenses
- ✓ No surcharge interest on overdrafts
- ✓ Automate regular payments using Standing Orders & Direct Debits
- ✓ Stay in control with eStatements and eFee Advises
- ✓ Secure online shopping
- ✓ 24/7 support for lost/stolen debit cards

Important Information

In order for you to receive a Current Account, debit card or overdraft, you must be one of our members and resident in the Republic of Ireland. If you are 16 or 17 years of age, we require the consent of your parent or guardian for you to open an account. Terms and conditions apply. Overdrafts are available to Current Account holders aged 18 years or older. Lending criteria, terms and conditions apply.

Ask a staff member for more details today.

Connecting with our Community . . .



CUSTOMER SERVICE EXCELLENCE AWARD - 3 YEARS IN A ROW



HOME RENOVATION EVENT AT THE G HOTEL



SEPTEMBER CAR DRAW WINNER 2019





OVERALL WINNER 'BEST OF GALWAY AWARDS 2019'



PROENERGY HOMES EVENT



#UNICASH GIVEAWAY WINNERS



GAELTACHT €1,000 GIVEAWAY

To support the long term development of our Community we have committed funding to these Community Projects & Partners.

5 Projects / 5 Thogra

	<p>We are proud to be working with Gaillimh le Gaeilge as a project partner on promoting the use of the Irish language in Galway.</p>  <p>Ag cur Gaillimh chun cinn mar Chathair Dhátheangach / Promoting Galway as a Bilingual City</p>	
		<p>'Proud to aid the funding of the conservation management plan for St. Nicholas' Collegiate Church'</p> 
<p>FIONTARLANN ENTERPRISE CENTRE</p>	<p>JERSEY SPONSORSHIP</p>	<p>ST. NICHOLAS' COLLEGIATE CHURCH RESTORATION</p>

5 Partners / 5 Chomhpháirtí

 <p>Westside Age Inclusion</p> <p>Protecting those suffering Domestic Abuse</p>	 <p>Druid</p> <p>Developing Artists</p>	 <p>Galway Simon Community</p> <p>Building Confidence</p>
 <p>ILCU FOUNDATION</p> <p>Setting up Credit Unions in Developing Countries</p>	 <p>cúrom</p> <p>SFI Centre for Research in Medical Devices</p> <p>Inspiring Medical Research</p>	

St. Nicholas' Conservation Management Plan

'St Nicholas' Collegiate Church is delighted that St Anthony's & Claddagh Credit Union has offered its' support to the ongoing conservation works on the medieval building.'

Next year's 700th Anniversary celebrations will include the launch of its Conservation Management Plan which will outline all that is necessary over the next 5-10 years, ensuring that St Nicholas' can continue to be a centre for community, worship and the arts in Galway City.'

Heather Pope, Treasurer of St. Nicholas' Collegiate Church

We in St. Anthony's & Claddagh Credit Union are delighted to support the conservation of such a well-known Galway landmark such as St. Nicholas' Collegiate Church and look forward to seeing what celebrations are ahead for the 700th anniversary year.'



Lisa Stewart, SACU; Cannon Lynda Peilow, St Nicholas' Collegiate Church and Peadar O'h'ici, SACU

Staff Fundraising for Galway Simon Community



Deirdre Treacy, Fundraising & Communications Manager talks about the incredible support Galway Simon has received from staff and Members since the organisation started participating in the Sleep Out in 2016:

'We are extremely grateful to the staff and Members of St. Anthony's & Claddagh Credit Union for their fantastic support and continued goodwill. This is the third year that staff are swapping their beds for sleeping bags and stepping up in solidarity with those facing homelessness right here in Galway.'

Over the past three years alone, by holding fundraising events like this table quiz and through other initiatives, they have raised an incredible €24,492 which has been critical in helping Galway Simon to maintain their services through a very difficult period.'

Donations can be made at any time on their website www.galwaysimon.ie

'Our Members ...'



OUGHTERARD FC JERSEY SPONSORSHIP



DOMINICAN COLLEGE
SWIM TEAM



MOYCULLEN HANDBALL TEAM
JERSEY SPONSORSHIP



SALTHILL DEVON
GEAR SPONSORSHIP



OUR 2 FRIENDSHIP BENCH WINNERS, CUAN NA GAILLIMHE & SCOIL NAOMH SHEOSAIMH





MOYCULLEN BASKETBALL TEAM



CONNECT FOR COFFEE
WORLD MENTAL HEALTH DAY



COLÁISTE ÉINDE GIRLS BASKETBALL TEAM



ST. MICHAELS GAA JERSEY SPONSORSHIP



SALTHILL KNOCKNACARRA U14
FEILE SPONSORSHIP



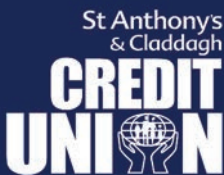
GALWAY WOMENS FC
MATCH SPONSORSHIP

We are delighted to have over
145 businesses now offering our
Members a discount when you show
your **CONNECT CARD**



FULL LIST OF DISCOUNTS AVAILABLE AT:
www.connectcard.ie

Brought to you by



**GALWAY'S
WESTEND**



The Heart of Galway
GALWAY CITY BUSINESS ASSOCIATION



Wood Quay Galway
another side to the city

Terms & Conditions apply. The Connect card is available to St. Anthony's & Claddagh Credit Union
& St Jarlath's Credit Union members only.

St. Anthony's & Claddagh Credit Union and St. Jarlath's Credit Union are regulated by the Central Bank of Ireland

Your Account

Things you need to know . . .

- **Rate changes** that will take effect from 1st February 2020:
 - Standard Rate 10.5% (11.02% APR*)
 - Home Improvement 8% (8.29% APR*) for amounts from €5,000 - €20,000.Terms & Conditions Apply
*APR = Annual Percentage Rate
- **Savings Limit:** There is a maximum savings limit of €30,000 per Senior Member (excluding Current Accounts).
The maximum savings limit: per Junior Member is €5,000
- **Funds Transfer:** We now offer funds transfer on CuOnline. Please update your photo I.D., proof of address (dated within the last 3 months) & proof of PPSN in branch to activate this new service
- **Life Savings Insurance:** the amount of insurance benefit* which an eligible Member is entitled to is in direct proportion to the Savings and age of the Member. Withdrawals may affect the amount payable.
Terms & Conditions Apply.
*Subject to maximum benefit.
For further information please see www.sacu.ie
- **Central Credit Register (CCR):** please note that information on loans of € 500 or more, including loans covered by savings, are submitted to the CCR



Keeping Your Account Active . . .

- If you had no active transaction on your Credit Union Account within 2 years, your account will be classed as Inactive
- Inactive accounts maintain the existing balance
- To reactivate your account please call to any branch with Photo I.D., recent proof of address (dated within the last 3 months) and proof of your PPS number
- Our message to you, our Member, is to actively use our Credit Union services

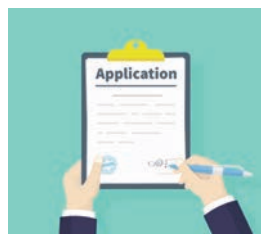


How to Apply for a Loan . . .

- You can apply for a loan in branch, online or Freephone 1800 28 56 26

WHAT YOU NEED...

- Photo identification: Passport or Driving Licence
- Proof of Income: Recent Wage Slip, Social Welfare Payment or Business Accounts
- Bank Statements: Last 3 month's bank statements. These can be printed in our branches from your online banking



President's Address



Pat Commins, President

Good evening Ladies and Gentlemen and welcome to the Annual General Meeting of your Credit Union.

Reflecting on last year we must acknowledge the challenges faced, the unprecedented low interest rate environment continues to impact on our investment income and also the increased competition from other Financial Institutions in particular the PCP scheme and home improvement loans.

However, despite this we have grown our loan book to €70m by issuing €35m worth of loans last year. This was achieved by the ongoing efforts of our staff through direct marketing and excellent customer service. This level of service was recognised in May when we won the overall Best of Galway Award and again in August when we achieved our Customer Service Excellence Ireland Award for the third year in a row.

St Jarlath's Credit Union is one of our key partnerships and this year in association with them, we expanded the Connect Card to the County. Collaboration, cooperation and volunteerism is what distinguishes Credit Unions from others in the financial sector. I would like to take this opportunity to acknowledge my fellow volunteers in particular those leaving us this year from the Board Oversight Committee; **Bernie Durrane, Fergal Walsh and Padraic Brennan** and from the Board; **Dermot O'Neill, Fiona Lydon and Noel McGuire**. I would like to thank them all for their valuable contribution and support.

Following on from my speech last year when I advised you that we have been granted approval by the Central Bank to develop a current account service, I am delighted to say that this will be launched in March 2020. This will be a full service current account with a debit card supported worldwide by Mastercard. Furthermore, in response to demand from our Members in February we will launch a special home improvement loan for amounts between €5,000 and €20,000.

This is my final A.G.M. as Chair; in my time I sought to strengthen the Governance of the Credit Union and I hope that I have done so. I have enjoyed seeing the development of the business model in the last 3 years in particular the development of the current account. It is my view that this is crucial to the next part of the Credit Union story.

I would like to take this opportunity to acknowledge the commitment of all the staff of the Credit Union, I want to thank, **Gerry Joyce, Louise Shields and Ted Coyle** for their tremendous support and assistance to me as Chair over the last 3 years. I would also like to thank my fellow Board Members who as volunteers work tirelessly to protect your interest, as Members. I wish my successor, **Mark Grogan**, well and I look forward to working with my colleagues on the Board to continue to build on the strengths of our Credit Union.

A handwritten signature in black ink, appearing to read 'Pat Commins'.

Pat Commins, President,
St. Anthony's & Claddagh Credit Union



Board Oversight Committee Report

Every Credit Union must elect a Board Oversight Committee consisting of 3 or 5 Members.

The Board Oversight Committee must assess whether the Board of Directors have operated in accordance with Part IV & IV (a) of the Credit Union Act 1997, as amended, and any regulation or direction of the Registrar or Central Bank. The Board Oversight Committee of the Credit Union hold at least one meeting in every month, and meet with the Board of Directors at least 4 times in every year to facilitate carrying out the oversight role. The Board Oversight Committee submits a written report to the Board of Directors on their assessment of whether the Board of Directors has operated in accordance with the Credit Union Act 1997, as amended, and any regulation or direction of the Registrar or Central Bank.

The Board Oversight Committee has access, at all times, to the books and documents of the Credit Union to enable it to carry out its functions under the Act and Members of the Board Oversight Committee have the right to attend all meetings of the Board of Directors and all meetings of Committees of the Credit Union. The Board Oversight Committee ensures that at least one of its members attends every meeting of the Board of Directors.

The Board Oversight Committee may notify the Central Bank of any concern it has, that the Board of Directors has not complied with any of the requirements and the Board Oversight Committee shall report to the Members at the Annual General Meeting and, if it thinks fit, at a Special General Meeting, on whether the Board of Directors has operated in accordance with Credit Union Act 1997, as amended, and any regulation or direction of the registrar or Central Bank.

For the year ended 30 September 2019, the Board Oversight Committee wish to report that (other than as noted in the Directors Report) no matters have come to their attention that indicates that the Directors have not complied with Part IV or IV (a) Credit Union Act 1997, as amended, and any regulation or direction of the Registrar or Central Bank.

We extend our thanks to the Board of Directors, C.E.O. and Staff for their courtesy, assistance and co-operation during the year.

Statement of Board oversight Committee's Responsibilities

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



Maureen Hornibrook, Chairperson

For and on behalf of the Board Oversight Committee
Mary Caulfield, Padraic Brennan, Fergal Walsh,
Maureen Hornibrook and Joan Raleigh

Rule Amendments

Rule 1

That this Annual General Meeting agrees to amend Rule 1(a) of the Standard Rules for Credit Unions (Republic of Ireland) by the insertion of 'Membership Officer' to read as follows:

Rule 1 Interpretation

'Officer' includes:

- (a) the Chair, the Secretary or any other Member of the Board of Directors, a Member of a Principal Committee, a Member of the Board Oversight Committee, Risk Management Officer, Compliance Officer, Credit Officer, Membership Officer or Credit Control Officer of the Credit Union,
- (b) an Employee of the Credit Union to whom paragraph (a) does not apply, and
- (c) a Voluntary Assistant of the Credit Union, but does not include an Auditor appointed by the Credit Union in accordance with the requirements of the Act:

Rule 13

That this Annual General Meeting agrees to amend Rule 13(1)(ii) of the Standard Rules for Credit Unions (Republic of Ireland) by the insertion of 'or by a duly appointed and authorised Membership Officer' to read as follows:

Rule 13 Qualifications for Membership

- (1) An applicant shall be admitted to Membership only when:
 - (i) it shall have been determined that he is eligible for Membership in accordance with rule 11; and
 - (ii) his Application for Membership shall have been approved by the affirmative vote of a majority of the Board of Directors or by a duly appointed and authorised Membership Committee present at a meeting at which the application is considered, or by a duly appointed and authorised Membership Officer; and;

Rule 83

That this Annual General Meeting agrees to amend Rule 83 of the Standard Rules for Credit Unions (Republic of Ireland) by the insertion of 'and/or Membership officer', to read as follows:

Rule 83. Duties of Membership Committee and/or Membership Officer

Subject to these rules and the Act, the Membership Committee and/or Membership Officer shall:

Rule 84A

That this Annual General Meeting agrees to insert a new 84A into the Standard Rules for Credit Unions (Republic of Ireland), to read as follows:

Rule 84A. Membership Officer

- (1) The Board of Directors may approve the appointment of a person by the Manager as a Membership Officer to assist the Membership Committee and work under its supervision and control.
- (2) A record of each application for Membership which has or has not been approved shall be furnished by the Membership Officer to the Membership Committee no later than seven days of receipt of the Application.

Rule 40 (2)

That this Annual General Meeting amends Rule 40 (2) to read as follows:

At the time of the adoption of these rules, the Board of Directors shall consist of 7 Members, all of whom shall be Members of the Credit Union.



Order of Business

- 1 Acceptance of proxies (if any) by Board of Directors.
- 2 Ascertainment that a quorum is present.
- 3 Adoption of Standing Orders.
- 4 Rule Amendments.
- 5 Report of the Nomination Committee.
- 6 Appointment of Tellers.
- 7 Balloting.
- 8 Reading and approval (or correction) of the minutes of the 2018 A.G.M.
- 9 President's Address to the A.G.M.
- 10 Report of the Board Oversight Committee.
- 11 Independent Auditors Report.
- 12 Report of the Community Engagement Committee.
- 13 Report of the Credit Committee.
- 14 Report of the Membership Committee.
- 15 Report of the Marketing Committee.
- 16 Report of the Credit Control Committee.
- 17 Report of the Audit, Compliance and Risk Committee
- 18 Chapter Report.
- 19 Fiontarlann Teo Report.
- 20 Questions & Answers.
- 21 Any other Business.
- 22 Announcement of Election Results.
- 23 Adjournment or close of meeting.

Elections

Board of Directors

Under the Credit Union Acts the nomination to the Board of Directors is now the responsibility of the Nominations Committee.

The Nomination Committee is responsible for identifying and proposing candidates for election to the Board of Directors. In identifying candidates for any vacancies they must be mindful of the balance of skills, experience and knowledge of the current Board Members.

Directors

The following Directors retires from the Board:

Fiona Lydon, Noel McGuire and Dermot O'Neill and are not seeking re-election.

Paul Hurney is seeking election.

The Board of Directors at their first meeting, immediately following the A.G.M., will elect officers for the year.

Auditor

Duffy Burke & Co. are seeking election.

Board Oversight Committee

The following Members of the Board Oversight Committee retires: **Fergal Walsh and Padraic Brennan** are not seeking re-election.

Mary Caulfield retires from the Board Oversight Committee and is seeking re-election.

Bernie Dirrane retired from the Board Oversight Committee during the year and **Joan Raleigh** was co-opted on to the Board Oversight Committee. **Joan Raleigh** is seeking election.

All candidates proposed by the Nomination Committee are required to be elected at the A.G.M. of the Credit Union.

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General Information

Registered Number

381CU

Head Office Address

8/9 Mainguard Street
Galway
H91 YA72

Directors

Peadar O'hici
Pat Commins
Aidan McDonogh
Fiona Lydon
Mark Grogan
Dermot O'Neill
John Lynam
David Hickey
Noel McGuire

Board Oversight Committee

Mary Caulfied
Bernie Dirrane (retired in 2019)
Maureen Hornibrook
Fergal Walsh
Padraic Brennan
Joan Raleigh (co-opted in 2019)

Auditors

Duffy, Burke & Co.
Level One
Liosbán Business Park
Galway
H91 FT98

Bankers

Allied Irish Banks, p.l.c.
Lynch's Castle
40 Shop Street
Galway
H91 W400

BNP Paribas Ireland
20 Merrion Road
Ballsbridge
Dublin 4
D04 C9E2

Bank of Ireland
Main Street
Oughterard
Co. Galway
H91 TR60

Solicitors

R. G. Emerson & Co.
13 Cross Street
Galway
H91 R8DF

Clodagh M Gallagher Solicitors
43 Sli Na Sruthan
Clybaun Road
Knocknacarra
Galway
H91 YT57

Directors Report and Business Review

The Directors present their Report and Results with the Audited Financial Statements for the year ended 30 September 2019.

Principal Activities

The principal activity of St. Anthony's and Claddagh Credit Union Credit Union is the provision of Savings and Loans to Members in its Common Bond. The Credit Union manages its Members Shares, Capital and Loans to Members, so that it earns Income from the margin between Interest Receivable and Interest Payable.

Results and Distributions to Members

The Board are proposing distributions to Members of 0.05% Dividend and 5% Rebate of Interest paid in the year on Standard Rate Loans and 30% on Standard Rate Loans with First Legal Charge.

Credit Union Performance and Business Review

We are pleased to report that the performance of the Credit Union in 2019 is in line with our expectations, reporting a Surplus of €947k. The Net impairment (recoveries) on loans to Members of €575k includes an additional Bad Debt Provision allocation to take account of the risk of a downturn in the economy because of Brexit. After accounting for this provision, the Net Surplus was €372k. The key highlights are: an increase in Loan to Assets Ratio from 30.7% to 32.9% and in the Reserves to Assets Ratio from 13.4% to 13.8%. This represents progress in furthering the Board's primary strategic aim of increasing the loan book through organic growth while maintaining a healthy level of Capital Reserves. The secondary strategic objective of developing new services through collaboration is reflected in the Fees and Commissions Costs. The testing of the new current account commenced on 1st September 2019 and these are accounted for separately in these accounts. The Board is conscious of the increasing costs in particular staff costs and this year's accounts include the cost of restructuring which will provide benefits going forward as staff numbers have reduced to forty five since year end.

The surplus delivered in 2019 added to the Credit Union's Capital strength and provide a robust position in response to the increased focus on Capital and Liquidity levels being driven by the Central Bank of Ireland. The distributions of surplus and market returns to Members has ensured Capital Reserves remain strong at €28.9m resulting in a healthy Regulatory Ratio of 10.61% (2018: 10.32%). Members should place great assurance that this level of Capital Reserves continues to comfortably exceed the Regulator's minimum requirement. The Board believes that the current Capital Levels are appropriate and stress testing scenarios confirm that we have a strong protective buffer to provide contingency against future concerns in the market.

Key Performance Indicators (KPI's)

The table below shows some of the KPI's over the past two years:

	2019	2018
	€	€
Total Assets	208,158,724	214,096,816
Regulatory Capital	22,086,427	22,086,427
Total Savings	178,440,032	184,162,089
Expense to Income	86%	84%
Regulatory Capital	10.61%	10.32%

Various KPI's are used to measure and monitor periodic progress and some of these are shown in the table above. As well as showing the movement in business volumes they also include performance measures, which are explained more fully below:

- Expense to Income measures the Credit Unions' efficiency and the increase this year reflects the additional spend on staff, training and systems, representing an investment that the Credit Union is making in the future sustainability of the business, this investment includes coordination costs to develop new services including member personal current account services (MPCAS).
- Regulatory Capital is the Reserve expressed as a percentage of Total Assets. It is an indication of the Credit Unions' Financial Strength, which has improved over the last year.



Going Concern

The Board prepare the Accounts on the going concern basis having consideration for its risks and uncertainties and its capacity to actively manage those risks through appropriate policy, procedure and professional advice.

Financial Risk Management, Objectives and Policies

The Credit Union has a formal structure for managing risk, including procedures for identifying and measuring risks, establishing risk limits, reporting lines, mandates and other control procedures. The Board is responsible for managing and controlling the Balance Sheet exposures and the use of Financial Instruments for Risk Management purposes.

Principal Risks and Uncertainties

The Credit Union operates within a conservative Board approved risk appetite. Protecting Members' interests is paramount and the Credit Union contributes to various Regulatory Levies and Compensation Schemes. The principal business risks to which the Credit Union is exposed are considered the main financial risks arising from St. Anthony's and Claddagh Credit Union's activities. The Board reviews and agrees Policies for managing each of these risks, which are summarised below:

Credit Risk: Credit Risk is the risk that a borrower will default on their contractual obligations relating to repayments to the Credit Union, resulting in financial loss. Credit risk also arises in the form of investment where the issuer may default on their contractual obligations. In order to manage the risk, the Board approves the Credit Unions Lending and Investment policies and all changes to them. All Loan Applications are assessed with reference to the Lending Policy in force at the time. Subsequently, loans are regularly reviewed for any factors that may indicate impairment on loans advanced. The Board approves the Credit Unions Credit Control policy which monitors the procedures for the collection of loans in arrears and the provisioning policy which provides the basis for impairment on loans.

Liquidity Risk: St. Anthony's and Claddagh 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 objective of the 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. Members Shares and Deposits which are available on demand and those not on demand are identified as liabilities.

Market Risk: St. Anthony's and Claddagh Credit Union conducts all its transactions in Euro, accordingly the Credit Union is not exposed to any currency risk or other such direct market risk. The Credit Union considers its potential exposure to overall market risk in the banking sector and seeks to minimise such risk through its Investment Policy.

Interest Rate Risk: St. Anthony's and Claddagh Credit Union's main Interest Rate Risk arises from differences between the interest rate exposures on loans and investments receivable, as offset by its cost of Capital, which is typically that of distributions to Members payable in the form of Dividends and Interest Rebates. St. Anthony's and Claddagh Credit Union considers rates of interest receivable when deciding on the appropriation of income and its returns to Members. The Board monitors such policy in line with the Credit Union Act 1997, as amended, and Guidance notes issued by the Central Bank of Ireland.

Deposit Guarantee Scheme: This is the risk of higher financial levies being imposed on the Credit Union for further claims relating to the failure of other financial organisations. Costs associated with the DGS continue to represent an ongoing burden on the Credit Union. Membership of the Scheme remains compulsory for all Financial Institutions.

Operational Risk: This is the risk of direct or indirect loss resulting from inadequate or failed internal processes, people and systems or from external events. The Operational Risks faced by the Credit Union are assessed on a regular basis and an appropriate system of control exists to mitigate these risks. The Board, through its Committee structures are responsible for assessing the effectiveness of the system of inspection and control. The controls are reviewed by the Credit Unions Internal Auditors on an ongoing basis.

Regulatory Risk: This is the risk that changing laws and the volume and complexity of Regulatory Requirements may impact the Credit Unions ability to compete and grow. This risk is regularly reviewed by the Board.

Conduct Risk: This is the risk that actual or potential Member detriment arises, or may arise, from the way the Credit Union conducts its business. The Board has primary responsibility for ensuring that the manner in which the Credit Union conducts dealings with its Members is fair and in their interests. This culture is embedded throughout the business and the Credit Union considers all matters that impact upon the fair treatment of our Members, including product design, terms and conditions, complaints, fees and charges and ensuring that staff are trained and suitably qualified.

Directors and Board Oversight Committee

The Directors and Board Oversight Committee of the Credit Union at 30 September 2019 are listed on the General Information Page. In accordance with the Credit Union Act 1997, as amended, the election details are detailed on page 15.

Auditors

Duffy Burke & Co have (being eligible) indicated their willingness to continue in office in accordance with section 115 of the Credit Union Act 1997, as amended.

Statement of Directors Responsibilities

For the Year Ended 30 September 2019

The Directors are responsible for preparing the Annual Report, Directors' Report and the Annual Accounts in accordance with applicable Laws and Regulations.

The Credit Union Act 1997, as amended, requires the Directors to prepare the Credit Union Annual Accounts for each Financial Year. Under that law, they have elected to prepare the Credit Union Annual Accounts in accordance with Accounting Standards and applicable law (Irish and UK generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

The Credit Union Annual Accounts are required by law to give a true and fair view of the State of the Affairs of the Credit Union as at the end of the Financial Year and of the Income and Expenditure of the Credit Union for the Financial Year.

In preparing these Annual Accounts, the Directors are required to:

- Select suitable Accounting Policies and apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable Irish Accounting Standards have been followed, subject to any material departures disclosed and explained in the Annual Accounts; and
- Prepare the Annual Accounts on the Going Concern basis, unless it is inappropriate to presume that the Credit Union will continue in business.



Statement of Directors Responsibilities (continued)

In addition to the Annual Accounts, Statutory Instrument 1 of 2016 requires the Directors to prepare and include, for each Financial Year, additional Disclosures and Statements, each containing prescribed information relating to the business of the Credit Union.

Directors' Responsibilities for Accounting Records and Internal Controls

The Directors are responsible for ensuring that the Credit Union:

- Keeps proper accounting records that disclose with reasonable accuracy at any time the financial position of the Credit Union, in accordance with the Act; and
- Takes reasonable care to establish, maintain, document and review such systems and controls as are appropriate to its business, in accordance with the Legislation and Guidance from the Central Bank of Ireland under the Credit Unions Acts and Statutory Instruments.

The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the Assets of the Credit Union and to prevent and detect fraud and other irregularities.

On behalf of the Board of Directors

 _____ Chairperson

Date: 22 October 2019

Statement of Board Oversight Committee Responsibilities

For the Year Ended 30 September 2019

The Credit Union Act 1997, as amended, requires the appointment of a Board Oversight Committee. The Board Oversight Committee of a Credit Union shall assess whether the Board of Directors has operated in accordance with;

- Part IV of the Credit Union Act 1997, as amended, and any regulations made for the purposes of Part IV, 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.

On behalf of the Board Oversight Committee

 _____ Chairperson

Date: 22 October 2019

Independent Auditors Report to the Members of St. Anthony's and Claddagh Credit Union Limited

Opinion

We have Audited the Financial Statements of St. Anthony's and Claddagh Credit Union Limited for the year ended 30 September 2019, which comprise the Income and Expenditure Account, Balance Sheet, Statement of Changes in Reserves and Cash Flow Statement and notes to the Financial Statements, including the Summary of Significant Accounting Policies set out in Note 1. The Financial Reporting Framework that has been applied in their preparation is Irish Law and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 2019 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 consider 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, 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 which is located at: <http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Descriptionofauditorsresponsibilitiesforaudit.pdf>

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.

DBCO (Duffy Burke & Co)

Statutory Audit Firm & Certified Public Accountants
Galway



Date: 22 October 2019

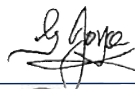
Income and Expenditure Account for the year ended 30 September 2019

	Note	2019 €	2018 €
Interest on Members Loans	2	5,393,479	5,099,769
Interest on Investments	3	1,090,847	1,160,006
Interest Payable and Similar Charges		(3,266)	(12,224)
Net Interest Income		6,481,060	6,247,551
Fess & Commissions Receivable	4	55,343	62,770
Fees & Commissions Payable	4	(673,140)	(563,148)
Other Operating Income	5	136,629	92,940
Total Net Income		5,999,892	5,840,113
Employment Costs	6	(2,711,370)	(2,551,156)
Management Expenses	8	(1,982,074)	(1,954,833)
Depreciation & Amortisation	11	(359,016)	(292,516)
Operating surplus(Deficit) before Loan impairments and provisions		947,432	1,041,608
Net Impairments/Recoveries on Loans to Members	10	(575,622)	(165,779)
Gains (Losses) on Investments		-	-
(Deficit) Surplus for Year		371,810	875,829
Other Comprehensive Income		-	-
Total Income for Year		371,810	875,829

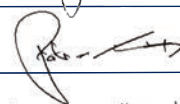
Surplus for the Financial Year represents the Credit Union's total comprehensive income and is attributable to the Members of the Credit Union. Surplus for the year is derived from continuing operations.

The Financial Statements were approved by the Board on the 22 October 2019 signed on behalf of the Credit Union by:

C.E.O.:



Member of the Board of Directors:



Member of the Board Oversight Committee:



Balance Sheet as at 30 September 2019

	Note	2019 €	2018 €
Assets			
Cash & Cash Equivalents	24	34,979,248	35,946,478
Deposits with Banks	24	62,376,667	69,679,195
Debt Securities	24	35,769,369	35,902,943
Central Bank	24	1,576,182	1,576,634
Loans to Members	9/10	68,511,426	65,909,775
Tangible Fixed Assets	11	3,592,914	3,598,988
Other Receivables		1,213,776	1,296,378
Loan to Fiontarlann Teoranta	7	139,142	186,425
Total Assets		208,158,724	214,096,816
Liabilities			
Members Shares	12	166,796,493	172,309,448
Members Deposits	12	11,643,540	11,852,641
Members Current Accounts	13	(25)	-
Accruals & Deferred Income	14	564,472	819,653
Provisions for Liabilities	15	226,451	249,237
Total Liabilities		179,230,931	185,230,979
Assets less Liabilities		28,927,793	28,865,837
Reserves			
Regulatory Reserve		22,086,427	22,086,427
Other Reserves		6,841,367	6,779,410
Total Reserves		28,927,794	28,865,837

The Financial Statements were approved by the Board on the 22 October 2019 signed on behalf of the Credit Union by:

C.E.O.:



Member of the Board of Directors:



Member of the Board Oversight Committee:



Statement of Reserves and Changes in Members Interests

	Regulatory Reserve €	Operational Risk Reserve €	Distributions Reserve €	Non Distributable Income €	General Reserve €	Community Reserve €	Retained Earnings €	Total Reserves €
Balance 30/09/2018	22,086,427	1,000,000	2,216,353	-	2,933,672	258,842	370,543	28,865,837
Surplus	-	-	-	-	-	-	371,810	371,810
Allocations				-		50,000	(50,000)	-
Distributions	-	-	(247,297)	-	-	(62,556)	-	(309,853)
30/09/2019	22,086,427	1,000,000	1,969,056	-	2,933,672	246,286	692,353	28,927,794

Balance 30/09/2017	21,086,427	750,000	2,564,243	219,026	3,433,672	288,357	242,499	28,584,224
Surplus	-	-	-	-	-	-	875,829	875,829
Allocations	1,000,000	250,000	246,326	(219,026)	(500,000)	(29,515)	(747,785)	-
Distributions	-	-	(594,216)	-	-	-	-	(594,216)
30/09/2018	22,086,427	1,000,000	2,216,353	-	2,933,672	258,842	370,543	28,865,837

Statutory Percentages and Regulatory Capital

The Credit Union Act 1997, as amended, and Regulations require the Credit Union to maintain Statutory Capital and Ratios in relation to its Assets and Liabilities.

	Requirement	30/09/2019
Regulatory Reserve	10% of Assets	10.61%
Operational Risk Reserve	As determined by the Board	0.48%

- I. The Credit Union Policy is to maintain sufficient Capital Resources in order to support its growth, continue its lending and exceed the Minimum Capital Requirements set by the Central Bank of Ireland. The Credit Unions related Policies on Strategy, Risk and Financial Management set out the Governance processes which are followed in order to ensure these requirements are met. There have been no reported breaches of Capital Requirements during the year and there have been no material changes to the way in which the Credit Union manages its Capital compared to the prior year.
- II. Reserves contributing to Regulatory Capital must be Realised Unrestricted and Non-Distributable. The Board must maintain Regulatory Capital at or above 10% of Assets. Regulatory Capital excludes amounts set aside for impairments.
- III. The Board determines from ongoing Risk Assessments the amount held as an Operational Risk Reserve, based on the likely cost of risk events. This must be expressed as a percentage of Assets. The Credit Union must also hold funds in operational risk for the purposes of its Member Personal Current Account Services (MPCAS). This amount shall be determined from time based on the present value of obligations to the Members based on percentages as advised by the Central Bank of Ireland. The current MPCAS risk amount is €200,000.
- IV. Community Reserves are set aside in accordance with the provisions of S 44 of the Credit Union Act 1997, as amended, funds are utilised for social, cultural and charitable purposes, allocations are approved at Annual General Meetings.

Cash Flow as at 30 September 2019

	2019 €	2018 €
Cash flows from Operating Activities		
Loans repaid by Members	32,146,261	30,636,272
Loans granted to Members	(35,295,724)	(36,938,512)
Loan Interest Received	5,393,479	5,099,769
Investment Income Received	1,090,847	1,160,006
Other Income Received	191,972	155,710
Bad Debts Recovered	249,235	185,754
Bad Debts Written Off	(277,045)	(422,931)
Dividends and Distributions	(309,853)	(594,216)
Deposit Interest Paid	(3,266)	(12,224)
Movements in Receivables	129,884	738,103
Movements in Creditors and Liabilities	(277,992)	204,439
Operating Expenses Paid to include Employment Costs	(5,366,584)	(5,069,137)
Net Cash Flows from Operating Activities	(2,328,786)	(4,856,967)
Purchase of Property, Plant and Equipment	(352,941)	(324,327)
Net (Purchase) and Sale of Investments	7,436,554	(12,428,282)
Net Cash Flows from Investing Activities	7,083,613	(12,752,609)
Cash Flow from Financing Activities		
Net Movement in Shares	(5,512,955)	7,544,187
Net Movement in Deposits	(209,102)	1,513,771
Net Cash Generated by from Financing Activities	(5,722,057)	9,057,958
Net (Decrease) Increase in Cash & Cash Equivalents	(967,230)	(8,551,618)
Cash & Cash Equivalents at beginning of year	35,946,478	44,498,096
Cash & Cash Equivalents at end of year	34,979,248	35,946,478
Analysis of the Balances of Cash & Cash Equivalents shown in the Balance Sheet		
Cash in Hand	8,260,395	4,754,234
Investments Repayable within 3 Months	26,718,853	31,192,244
Total	34,979,248	35,946,478

Notes to and forming part of the Accounts for the Year Ended 30 September 2019

1. Principal Accounting Policies and Information

1.1. General Information

The Credit Union is registered under the Credit Union Act 1997, as amended, and Regulated by the Central Bank of Ireland. The address of the Registered Office is 8/9 Mainguard Street, Galway.

1.2. Statement of Compliance

The Financial Statements of the Credit Union are prepared in accordance with the Credit Union Act 1997, as amended, incorporating the Credit Union Act 1997 (Regulatory Requirements) Regulations 2016, Ireland UK applicable Accounting Standards including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" (FRS 102) updated.

1.3. Accounting Convention

The Credit Union has prepared the Annual Accounts in accordance with the Credit Union Act 1997, as amended, to include Statutory Instrument 1 of 2016 and Financial Reporting Standard 102. The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). In preparing the Annual Accounts under FRS 102, the use of certain critical account estimates and judgements has been required. The areas involving a higher degree of judgement or areas where assumptions and estimates are significant to the Annual Accounts, are set out in note 1.15. The Annual Accounts have been prepared under the Historical Cost Convention. The presentation currency of the Annual Accounts is Euro.

1.4. Going Concern

The current economic conditions present risks and uncertainties for all businesses. The Directors have carefully considered the risks and uncertainties and the extent to which they might affect the preparation of the Financial Statements on a Going Concern basis. The Directors consider that:

- The Credit Union maintains an appropriate level of liquidity sufficient to meet the normal demands of the business and the requirements which might arise in stressed circumstances
- The availability and quality of liquid assets is such that it ensures funds are available to repay exceptional demand from its Members
- Other Assets are primarily in the form of personal loans both secured and unsecured. Regular assessment of the recoverability of all loans is undertaken and provision made where appropriate, and
- Reasonable surpluses have and will be generated in order to keep capital at a suitable level to meet Regulatory Requirements

As discussed in the Director's Report, the Directors are satisfied that the Credit Union has adequate resources to continue in business for the foreseeable future. For this reason, the Accounts are prepared on a Going Concern basis.

1.5. Interest Income and Expense

Interest Income and Interest Expense for all interest bearing Financial Instruments are recognised in 'Loan or Investment Interest Receivable and Similar Income' or 'Interest Payable and Similar Charges' using the effective interest rates of the Financial Assets or Financial Liabilities to which they relate. The effective interest rate is the rate that discounts the expected future cash flows, over the expected life of the Financial Instrument, to the net carrying amount of the Financial Asset or Liability. There are no fees receivable or payable in relation to Members loan advances or settlements. Interest on Impaired Financial Assets is recognised at the original effective interest rate of the Financial Asset, applied to the carrying amount as reduced by an allowance for impairment.



1.6. Commissions & Other Income

Commission and Other Income Receivable from the sale/transaction of third party products is recognised on fulfilment of contractual obligations, that is when products are completed.

1.7. Cash and Cash Equivalents

For the purpose of the Cash Flow Statement, cash comprises cash in hand and amounts with banks repayable on demand. Cash Equivalents comprise highly liquid, unrestricted Investments that are readily convertible into cash with an insignificant risk of changes in value with original maturities of less than three months. The Cash Flow Statements has been prepared using the direct method. Funds with the Central Bank are accounted for as Deposit and shown disclosed as Assets, however, the Credit Union does not have access to the funds in line with Minimum Reserve Requirements of the Bank.

1.8. Financial Assets

The Credit Union initially recognises Loans, Deposits and Debt Securities on the date on which they originated. All other Financial Instruments are recognised on the trade date, being the date on which the Credit Union becomes a party to the contractual provision of the Instrument.

a) Loan Commitments

The Credit Union's Loans and advances to Members are classified as Loan Commitments. Loans and advances are non-derivative Financial Assets with fixed or determinable payments that are not quoted in an active market.

The Credit Union measures its Loans and advances at Amortised Cost less Impairment Provisions. The amortised cost of a Financial Asset is the amount at which the Financial Asset is measured at initial recognition, minus principal repayments, plus the cumulative amortisation using the effective interest rate method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment. The initial value recognised is the amount of the contractual loan issued to the borrower.

b) Debt Instruments & Deposits

Debt Instruments are non-derivative assets with fixed or determinable payments and fixed maturity that the Credit Union has the positive intent and ability to hold to maturity, and which unless otherwise stated, are not designated as at fair value through the Income Statement. Debt Investments are carried at amortised cost using the effective interest rate method (see above), less any impairment losses. The Credit Union derecognises a Financial Asset when its contractual rights to a cash flow are discharged or cancelled, or expire or substantially all the risks and rewards of ownership have been transferred. In the case of Loans to Members, Loans will be derecognised usually when all amounts outstanding have been repaid. The Credit Union does not transfer loans to third parties.

1.9. Financial Liabilities Measured At Amortised Cost

The Credit Union classifies its Financial Liabilities, other than Financial Guarantees and Loan Commitments, as measured at amortised cost. The Credit Union derecognises a Financial Liability when its contractual obligations are discharged or cancelled, or expire. Members Shares and Deposits are measured at amortised cost and recognised when received in cash, and subsequently at amortised cost.

1.10. Impairment of Financial Assets

a) Assets carried at Amortised Cost

A Financial Asset or group of Financial Assets are impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the Asset(s) and that the loss event has an impact on the future cash flows of the Asset(s) that can be estimated reliably. Throughout the year and at each year end, individual assessments are made of all Loans and advances and also against properties which are in possession or in arrears by three months or more and/or are subject to forbearance activities. Individual impairment provisions are made against those Loans and advances where there is objective evidence of impairment.

1.10. Impairment of Financial Assets (continued)

Objective evidence of impairment may include:

- Significant financial difficulty of the borrower/issuer;
- Deterioration in payment status;
- Renegotiation of the terms of an asset due to financial difficulty of the borrower or issuer, including granting a concession/forbearance to the borrower or issuer;
- Becoming probable that the borrower or issuer will enter bankruptcy or other financial reorganisation; and
- Any other information discovered during regular review suggesting that a loss is likely in the short to medium term.

The Credit Union considers evidence of impairment for Assets carried at amortised cost at both an individual asset and a collective level. Those found not to be individually impaired are then collectively assessed for any impairment that has been incurred but not yet identified by grouping together loans and advances and held to maturity investments with similar risk characteristics.

In assessing collective impairment, the Credit Union uses its historical loss experience and certain observable local data to build a risk weighted modelling of historical trends of the probability of default, the timing of recoveries and the amount of loss incurred. Default rates, loss rates and the expected timing of future recoveries are regularly benchmarked against actual outcomes to ensure that they remain appropriate.

Impairment losses on assets measured at amortised cost are calculated as the difference between the carrying amount and the present value of estimated future cash flows discounted at the Asset's original effective interest rate.

In considering expected future cash flows, account is taken of any discount which may be needed against the value of any property or guarantee at the Balance Sheet date thought necessary to achieve a sale. The Credit Union participates in an Industry wide Insurance Scheme for the recovery of certain loans on the death or disability of its Members. The costs of the Insurance is funded by the Credit Union as an Operational Expense.

Where certain emerging impairment characteristics are considered significant but not assessed as part of the Impairment Calculation, the Board may elect to apply an override to the Impairment Provision. The amount of Impairment Loss is recognised immediately through the Income Statement and a corresponding reduction in the value of the Financial Asset is recognised through the use of Provisions.

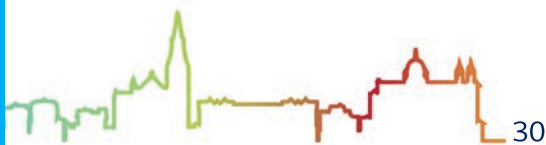
b) Forbearance Strategies and Renegotiated Loans

A range of Forbearance options are available to support Members who are experiencing Financial difficulty. The purpose of forbearance is to support Members who have temporary financial difficulties and help them enter into payment arrangements which are mutually beneficial to the Member and the Credit Union.

The main options offered by the Credit Union include:

- Reduced Monthly Payment;
- An arrangement to clear outstanding arrears; and
- Extension of Loan Term.

Members requesting a forbearance option will need to provide information to support the request which is likely to include a budget planner, statement of assets and liabilities, bank/credit card statements, payslips etc., in order that the request can be properly assessed. If the forbearance request is granted, the account is monitored in accordance with Central Bank Requirements. The Credit Union is obligated to retain Specific Provisions against Rescheduled Loans until the maturity of the balance. At the appropriate time, the forbearance option that has been implemented is cancelled and the Member's normal contractual payment is restored, however, provisions are retained on the account.



1.11. Tangible Assets Property Plant and Equipment

Additions and improvements to Office Premises and Equipment, including costs directly attributable to the acquisition of the Asset, are capitalised at cost. In the Balance Sheet, the value of Property, Plant and Equipment represents the original cost, less cumulative depreciation.

The costs are depreciated over their estimated useful economic lives as follows:

- Premises - 50 years straight line
- Fixtures & Fittings - 10 years straight line
- Office Equipment - 5 years straight line and 20% written down value

Assets are reviewed for impairment at each Balance Sheet date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An Asset's carrying amount is written down immediately to its recoverable amount if the Asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the Asset's fair value less costs to sell and its value in use.

1.12. Retirement Benefits

The Credit Union participates in an Industry-wide Pension Scheme for Employees (The Irish League of Credit Unions Republic of Ireland Pension Scheme). This is a funded defined Benefit Scheme with Assets managed by the Scheme's Trustees. The Scheme is a Multi-Employer Scheme and due to the nature of the Scheme, it is not possible for the Credit Union to separately identify its share of the Scheme's underlying Assets and Liabilities. Consequently, it accounts for the Scheme as a Defined Contribution Plan. There is an agreed funding plan in respect of the Pension Scheme as a result of a Minimum Funding Standard Deficit certified by the Scheme's Actuary in 2009. Consequently, the Credit Union recognises a Liability at each Balance Sheet date for its outstanding contributions payable under the agreed funding plan to the extent that they relate to committed funding in respect of the deficit to which the funding plan relates.

1.13. Taxation

The Credit Union is not liable to Income Tax on its activities as a Credit Union.

1.14. Provisions and Contingent Liabilities

The Credit Union has an obligation to contribute to the Deposit Guarantee Scheme to enable the Central Bank to meet compensation claims from, in particular, retail depositors of failed Financial Institutions. A Provision is recognised to the extent it can be reliably estimated and when the Credit Union has an obligation in accordance with International Financial Reporting Interpretation Committee, Interpretation 21: Levies. The amount provided is based on information received from the Central Bank of Ireland and the Credit Unions covered Share balances at its Year End. Contingent Liabilities are potential obligations from past events which shall be confirmed by future events. Contingent Liabilities are not recognised in the Balance Sheet.

1.15. Accounting Estimates and Judgements

The Credit Union makes estimates and judgements that affect the reported amounts of Assets and Liabilities. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. These are described below:

Impairment Losses on Loans and Advances to Members

The Credit Union reviews its Loan Book at least on a quarterly basis to assess impairment.

In determining whether an impairment loss should be recorded, the Credit Union is required to exercise a degree of judgement. Impairment provisions are calculated using historical arrears experience, modelled credit risk characteristics and expected cash flows.

1.16. Dividends and other Returns to Members

The Credit Union determines its Distributions to Members annually based on its Policy Statement which reflects that Distributions are made from Current year's Surplus or Reserves set aside for that purpose. The Board in determining the level of Distribution considers its ongoing capital requirements, budgetary needs, financial risks and Members expectations of prevailing economic conditions. It is the Policy of the Board to then propose a return to Members. The Credit Union accounts for Dividends and Rebates of Loan Interest when Members ratify such payments at the A.G.M.

No liability to pay a Distribution exists until the majority of Members vote at the A.G.M.

2. Interest on Members Loans

	2019 €	2018 €
Accrued Interest at 1 October	(227,193)	(219,026)
Loan Interest Received in year	5,408,869	5,091,602
Accrued Interest at 30 September	211,803	227,193
Total Interest on Members Loans	5,393,479	5,099,769

Included within Loan Interest Receivable are amounts of €66,500 (2018:€58,492) in respect of Interest Income Accrued on Impaired Loans in arrears. The Credit Union impairs Loan Interest Accrued until received in cash.

3. Investment Income Receivable

Interest Receivable and Accrued in the Annual Accounts is due as follows at the year end. When listed, other Accrued Income refers to amounts earned but unrealised at the Balance Sheet date, not being distributable by the Credit Union and is placed to the Investment Reserves, and released to Distributable Reserves when it becomes realised.

	2019 €	2018 €
Interest Received at Balance Sheet Date	593,576	627,339
Receivable within 12 months of the Balance Sheet Date	630,845	701,291
(Premiums) /Discount Amortisation	(133,574)	(168,624)
Total Investment Income	1,090,847	1,160,006

4. Fees and Commissions

	2019 €	2018 €
Fees Receivable		
Current Account Fees	25	-
Entrance Fees	1,720	1,614
Other Commissions	53,598	61,156
Total Receivable	55,343	62,770



4. Fees and Commissions (continued)

	2019 €	2018 €
Fees and Commissions Payable		
Banking Fees and Charges	(113,257)	(92,403)
Regulatory Fees and Levies	(372,255)	(324,307)
ILCU, CUDA & Other Association Costs	(105,904)	(87,675)
Current Account Costs	(27,500)	-
Other Commissions and Subscriptions	(54,224)	(58,763)
Total Fees and Commissions Payable	(673,140)	(563,148)

5. Other Operating Income

	2019 €	2018 €
LP/LS Rebate	134,368	87,048
Cash Over	2,261	5,892
Total	136,629	92,940

6. Employees

The average number of persons employed by the Credit Union during the year was as follows:

	2019	2018
Full time Staff	35	33
Part time Staff	14	14
Total	49	47

	2019 €	2018 €
Salaries	(2,161,578)	(2,103,426)
Pension Costs	(299,256)	(216,471)
Tax and Social Welfare	(230,770)	(221,837)
Other Staff Costs	(19,766)	(9,422)
Total	(2,711,370)	(2,551,156)

Key Management Compensation

Key Management includes the Officers (Directors and those Staff Members) with responsibility for specific aspects of the Credit Unions business on an individual or Committee basis. Under Sec 68 (1) of the Credit Union Acts, Directors are prohibited from earning any compensation directly or indirectly in the performance of their function as a Director or Member of a Principal Committee. The section also prohibits payments to Members of the Board Oversight Committee. The compensation paid or payable to Key Management for employee services is shown overleaf.

6. Employees (continued)

	2019 €	2018 €
Salaries	917,209	790,352
Pension Costs	73,498	126,999
Total	990,707	917,351

7. Remuneration of and Transaction with Officers and Related Parties

Transactions with Officers

The Credit Union is prohibited from making a loan to a Related Party which would provide that party with more favourable terms than a loan by the Credit Union to Non-Related Parties (including, without limitation, terms as to credit assessment, duration, interest rates, amortisation schedules, collateral requirements). Officers of the Credit Union under arm's length transactions and in the normal course of business in their capacity as Members of the Credit Union, had the following transactions and balances at the year end:

	2019 €	2018 €
Savings Balances	474,811	457,128
Loan Balances	172,784	176,032
Loans Issued	90,040	75,550
Loans outstanding as a % of Overall Loans	0.24%	0.26%

Transactions with Related Parties

S.I. No. 1 of 2016, PART 8, requires the Disclosure of the total amount of Loans outstanding to Related Parties and the Loans to such persons as a percentage of the Total Loans Outstanding. According to the Credit Union Act 1997 (Regulatory Requirements) Regulations 2016 Related Parties are (a) a Member of the Board of Directors or the Management Team of a Credit Union; (b) a Member of the Family of a Member of the Board of Directors or the Management Team of a Credit Union; or (c) a Business in which a Member of the Board of Directors or the Management Team of a Credit Union has a significant shareholding (10%). A family member means in relation to any person, that person's father, mother, spouse or civil partner, cohabitant, son, daughter, brother, or sister.

	2019 €	2018 €
Loans to Family Members	179,844	125,671
Loan to Directors and Management Team	94,674	81,778
Total	274,518	207,449
As a % of Total Loans	0.38%	0.30%



Community Loan — Fiontarlann Teoranta

St Anthony's & Claddagh Credit Union has the authority to appoint the majority of the Board of Directors to the Company. In 2000/2001, the Credit Union advanced at arm's length a loan to the sum of €949,898 at an interest rate of 2% per annum on a reducing balance basis. The transactions between the Company and the Credit Union for the year are as follows:

	2019 €	2018 €
At 1 October	186,425	237,754
Interest Charge	1,717	2,671
Repaid in year	(49,000)	(54,000)
at 30 September	139,142	186,425

Fiontarlann Teoranta owed the Credit Union €60,031 for services rendered at 30th September 2019. (2018: €80,717)

8. Management Expenses

	2019 €	2018 €
Rent & Rates	(27,543)	(27,737)
Light, Heat & Cleaning	(58,215)	(42,700)
Repairs & Renewals	(10,827)	(8,161)
Printing & Stationary	(46,300)	(42,324)
Postage & Telephone	(94,721)	(68,520)
Donations & Sponsorship	(4,380)	(94,923)
Promotion & Advertising	(217,416)	(247,200)
Training Costs	(37,602)	(74,749)
Convention Expenses	(18,214)	(31,584)
Chapter Expenses	(9,459)	(9,205)
AGM Expenses	(41,594)	(34,460)
Travel & Subsistence	(36,338)	(36,561)
Social & Entertainment	(13,818)	(11,653)
Audit Fees	(49,450)	(49,450)
General Insurance	(70,606)	(68,890)
Share & Loan Insurance	(645,261)	(617,208)
Legal & Professional Fees	(123,899)	(92,231)
Equipment Maintenance	(202,312)	(134,399)
Computer Equipment & Licences	(205,321)	(187,270)
Service Charges	(27,578)	(28,010)
Security Expenses	(39,245)	(41,050)
Cash Short	(1,975)	(6,548)
Total	(1,982,074)	(1,954,833)

9. Loans to Members

	2019 €	2018 €
Loans Secured by First Legal Charge	645,612	657,314
Loans Fully Secured by Savings	12,526,604	13,305,934
All Other Loans	57,355,504	53,415,009
Total Loans	70,527,720	67,378,257
As at 1st October	67,378,257	61,076,017
Loans Advanced in Year	35,295,724	36,938,512
Repaid in Year	(31,869,216)	(30,213,341)
Written Off in Year	(277,045)	(422,931)
Gross Loans Outstanding	70,527,720	67,378,257
Impairments (see Note)	(2,016,294)	(1,468,482)
Net Loans Outstanding	68,511,426	65,909,775

The remaining contractual maturity of loans to Members from the Balance Sheet date is as follows, though this may not reflect the actual pattern of repayments as loans may be prepaid or fall into arrears.

	2019 €	2018 €
Not more than 1 year	3,137,184	3,113,907
More than 1 year, less than 3 years	17,466,573	17,690,684
More than 3 years, less than 5 years	25,990,750	25,768,950
More than 5 years, less than 10 years	20,072,272	17,209,678
More than 10 years	3,860,942	3,595,039
Less Impairments	(2,016,294)	(1,468,482)
Total Loans	68,511,427	65,909,776

10. Impairment Provisions for Loans to Members

Loan Provision Account for Impairment Losses

The Credit Union accounts for Impairments on Loans as outlined in Note 1. The movement in Provisions during the year is outlined as follows.

	2019 €	2018 €
At 1 October		
Collective Provision	1,424,920	1,492,043
Individual Provision	43,562	47,838
Total	1,468,482	1,539,881



FINANCIAL STATEMENTS FOR YEAR ENDED 30 SEPTEMBER 2019

10. Impairment Provisions for Loans to Members (continued)	2019	2018
	€	€
Charges to Provisions		
Collective Provision	824,857	481,423
Individual Provision	906,700	-
	<u>1,731,557</u>	<u>481,423</u>
Release of Provisions		
Collective Provision	(906,700)	(548,546)
Individual Provision	(277,045)	(4,276)
	<u>(1,183,745)</u>	<u>(552,822)</u>
At 30 September		
Collective Provision	1,343,077	1,424,920
Individual Provision	673,217	43,562
	<u>2,016,294</u>	<u>1,468,482</u>
Net Recoveries or Losses Recognised for the Year	2019	2018
	€	€
Bad Debts Recovered	249,235	185,754
Net Movements in Impairments	(547,812)	71,398
Bad Debts Written Off	(277,045)	(422,931)
	<u>(575,622)</u>	<u>(165,779)</u>

11. Tangible Fixed Assets

	Land & Buildings	Computers	Fixtures & Fittings	Total
	€	€	€	€
Cost/Valuation				
01/10/2018	3,044,982	816,742	737,933	4,599,657
Additions in year	-	290,854	62,087	352,941
Disposals in year	-	-	-	-
30/09/2019	<u>3,044,982</u>	<u>1,107,596</u>	<u>800,020</u>	<u>4,952,598</u>
Depreciation				
01/10/2018	426,299	329,073	245,297	1,000,669
Charge for the year	60,899	220,933	77,183	359,015
Disposals in year	-	-	-	-
30/09/2019	<u>487,198</u>	<u>550,006</u>	<u>322,480</u>	<u>1,359,684</u>
Net Book Values				
30/09/2019	<u>2,557,784</u>	<u>557,590</u>	<u>477,540</u>	<u>3,592,914</u>
30/09/2018	<u>2,618,683</u>	<u>487,669</u>	<u>492,636</u>	<u>3,598,988</u>

Computer Fixed Assets comprise purchased software and licenses that are an integral part of a related hardware. The Directors obtained an independent market valuation of its offices at Mainguard Street, Oughterard, and Westside Shopping Centre at September 2019. Having considered valuations the Board conclude there is no change in the carrying value of the premises at Balance Sheet date.

12. Members Savings

Members Savings are distinguished between those which are unconditionally repayable on demand and those which are committed or otherwise pledged to the Credit Union by virtue of loans or guarantees. The Credit Union retains rights to exercise liens over savings where a Member has an outstanding liability to the Credit Union in accordance with Section 20 of the Credit Union Act 1997, as amended.

	2019 €	2018 €
On Demand	149,670,938	154,665,499
Committed	28,769,095	29,496,590
Total Savings	178,440,033	184,162,089

12.1 Members Shares

	2019 €	2018 €
Shares at 1 October	172,309,448	164,765,261
Receipts	53,861,689	56,762,159
Withdrawals	(59,374,644)	(49,217,972)
Shares at 30 September	166,796,493	172,309,448

12.2 Members Deposits

	2019 €	2018 €
Deposits at 1 October	11,852,641	10,338,870
Receipts	18,037,602	18,338,084
Withdrawals	(18,246,702)	(16,824,313)
Deposits at 30 September	11,643,541	11,852,641

13. Members Personal Current Accounts

The Credit Union is currently in the test phase of the introduction and roll out of Current Accounts for its Members. The Credit Union is committed to offering the Current Accounts to the General Membership in early 2020. At the year end the following Accounts were in issue on the Pilot Scheme.

	Number of Accounts	2019 €	2018 €
Debit Balances	1	(25)	-
Credit Balances	-	-	-
Permitted Overdrafts	1	(25)	-

14. Creditors & Accruals

	2019 €	2018 €
Other Liabilities due within One Year comprise		
Creditors	562,967	769,082
Car Draw	1,505	50,571
Total	564,472	819,653

Liabilities under the Car Draw Account refer to Draw Members only.



15. Provision for Liabilities

Provision for Liabilities include the following:

Deposit Guarantee Scheme and Levies

The Credit Union is obliged to hold Minimum Deposits with the Central Bank of Ireland in the form of Minimum Reserves and Deposits under the Deposit Guarantee Scheme. The Credit Union is liable for the charge at 0.02% of covered savings until 2024.

Provision for Employee Benefits

Provision for Employee Benefits relate to Holiday Pay. The Holiday year runs from 1 January to 31 December each year and as at 30 September 2019 the Credit Union employees have accrued holiday entitlement which will be paid to them in the following Financial year.

	2019 €	2018 €
Provision for Liabilities		
Short term Payroll Accruals	51,696	111,440
Central Bank Levies	174,755	137,797
	<u>226,451</u>	<u>249,237</u>

16. Insurance against Fraud

The Credit Union has insurance against fraud in the amount of €5,200,000 (2018: €5,200,000) in compliance with Section 47 of the Credit Union Act 1997, as amended.

17. Interest Charged on Members Loans

Interest on Members Loans is charged in accordance with the Credit Unions registered rules and the Credit Union Act 1997, as amended.

18. Retirement Benefits

Retirement Benefits

The Credit Union contributed to the Industry Scheme with the Irish league of Credit Unions which is a Defined Benefit Scheme. An Actuarial Review of the fund is normally carried out every three years by the Scheme's independent, Professionally Qualified Actuary. The actuarial review considers the past and future liabilities of the Scheme. The last completed triennial actuarial review was carried out with an effective date of 1 March 2018 using the Projected Unit valuation method. The principal actuarial assumption used in the valuation was the investment return would be 1.75% higher than the annual salary increases. The market value of the Scheme's Assets at 1 March 2018 was €216m. The actuarial valuation disclosed a past service deficit of €6.4m at 1 March 2018 calculated under the Ongoing Actuarial Valuation method. This valuation method assumes that the Scheme will continue in existence for the foreseeable future. The assumptions used in the actuarial review to determine the past service deficit differ from the assumptions that would be used to determine the liabilities for defined benefit obligations under FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. This actuarial review recommended that the rate agreed under the funding proposal, 27.5% of pensionable salary, continues to be paid. The cost of risk benefits is paid in addition to this rate giving a total contribution rate of 30% of Pensionable Salary. The most recent Actuarial Funding Certificate was effective as at 1 March 2019 and it certified that the Scheme satisfied the funding standard.

There are no Provisions in respect of Contributions required at the Balance Sheet date.

19. Returns to Members

At the 30th of September the Directors have identified €242,145 in the Dividend Reserves of the Credit Union which they propose to return to Members. The amounts are in respect of Dividends and a Rebate of Loan Interest which may be paid by Resolution of the Majority of Members voting at the Annual General Meeting. The amounts represent a Dividend on Shares of 0.05% (€84,314) and a Rebate of Loan Interest at 5% on Standard Rate Loans and 30% on Standard Rate Loans with First Legal Charge (€157,831). (2018 equivalents: 0.05% Dividend and 5% Rebate of Loan Interest, and 30% on Standard Loans with First Legal Charge).

20. Community and Charitable Distributions

The Board propose the transfer of €50,000 to the Community Reserve, distributions made in the year refer to amounts previously authorised by Resolution of the Majority of Members voting at the A.G.M.

21. Post Balance Sheet Events

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

22. Contingent Liabilities

On 17 September 2018, the Central Bank raised queries with Credit Unions in relation to accrued interest outstanding on loans, in circumstances where additional credit is extended to a Member by way of a top-up loan. A potential issue may arise where the Credit Union has not collected all outstanding interest due before the extension of additional credit. The Credit Union is satisfied that interest is calculated, collected and explained correctly to the Member at the time of drawdown. The Credit Union is engaged with its IT System provider to investigate if matters raised with Credit Unions are applicable to its IT System. At the Year End, the Credit Union had not completed its findings. Given the uncertainty of the above and the outcomes it is impractical for the Credit Union to estimate the impact (if any) of any findings which may arise.

23. Capital Commitments

There were no Capital Commitments either contracted for or approved by the Board at the year end.

24. Financial Instruments

The Credit Union is a retailer of Financial Instruments in the form of Personal loans and Savings products, and also uses Financial Instruments to invest in Liquid Assets and manage its Surplus Funds. The Credit Union does not raise funds from wholesale money markets in support of its retail operations. The Credit Union has a formal structure for managing risk, including formal risk policies, risk limits, reporting structures, mandates and other control procedures. This structure is reviewed regularly by the Board. The Credit Union does not use any Derivative Financial Instruments, nor enter into any Financial Instruments for trading or speculative purposes. The Credit Unions Assets and Liabilities are measured on an ongoing basis at amortised cost. The table overleaf analyses the Credit Unions Assets and Liabilities by category to which they are recognised and measured in accordance with Accounting Policies in Note 1.



24. Financial Instruments (continued)

Carrying Value by Category 30th September 2019

	Debt Instruments at Amortised Cost	Debt Instruments at Fair Value	Financial Liabilities at Amortised Cost	Other Financial Instruments at Amortised Cost	Total
Assets	€	€	€	€	€
Cash and Equivalents	26,718,853	-	-	8,260,395	34,979,248
Bank Deposits	62,376,667	-	-	-	62,376,667
Debt Securities	35,769,369	-	-	-	35,769,369
Members Loans	68,511,426	-	-	-	68,511,426
Other Loan	139,142	-	-	-	139,142
Central Bank	-	-	-	1,576,182	1,576,182
Total Financial Assets	193,515,457			9,836,577	203,352,034
Non-Financial Assets					4,806,690
Total					208,158,724
Liabilities					
Savings	-	-	178,440,032	-	178,440,032
Creditors and Provisions	-	-	790,898	-	790,898
Total Financial Liabilities			179,230,930		179,230,930
Reserves					28,927,794
Total					208,158,724

Carrying Value by Category 30th September 2018

	Debt Instruments at Amortised Cost	Debt Instruments at Fair Value	Financial Liabilities at Amortised Cost	Other Financial Instruments at Amortised Cost	Total
Assets	€	€	€	€	€
Cash and Equivalents	31,192,244	-	-	4,754,234	35,946,478
Bank Deposits	69,679,195	-	-	-	69,679,195
Debt Securities	35,902,943	-	-	-	35,902,943
Members Loans	65,909,775	-	-	-	65,909,775
Other Loan	186,425	-	-	-	186,425
Central Bank	-	-	-	1,576,634	1,576,634
Total Financial Assets	202,870,582			6,330,868	209,201,450
Non-Financial Assets					4,895,366
Total					214,096,816
Liabilities					
Savings	-	-	184,162,089	-	184,162,089
Creditors and Provisions	-	-	1,068,890	-	1,068,890
Total Financial Liabilities			185,230,979		185,230,979
Reserves					28,865,837
Total					214,096,816

24. Financial Instruments (continued)

Liquidity Risk

Liquidity Risk is the risk that the Credit Union will encounter difficulty in meeting the obligations associated with its Financial Liabilities that are settled by delivering Cash or another Financial Asset. The Credit Union monitors liquidity requirements on a daily basis in line with specific policies in this area, approved by the Board and in line with Central Bank Requirements. The Liquidity Risk appetite is supported by qualitative and quantitative measures that are monitored by the Board on a daily basis. The Credit Union's policy is to maintain sufficient funds in a liquid form at all times to ensure that the Credit Union can cover all fluctuations in funding, retain public confidence in the solvency of the Credit Union and to enable the Credit Union to meet its financial obligations and regulatory ratios. The following table analyses the remaining contractual maturity of the Credit Union's Financial Assets and Liabilities. In practice the contractual maturities are not always reflected in actual experience. For example Loans to Members may be repaid ahead of contractual maturity or fall into arrears beyond that date. Members Savings accounts which are typically on demand can also be repaid later than on the earliest date on which repayment can be requested.

At the 30th September 2019

	Less than 1 year	More than 1 year, but not more than 3 years	More than 3 years but not more than 5 years	More than 5 year but not more than 10 years	More than 10 years	Total
Financial Assets	€	€	€	€	€	€
Cash	34,979,273	-	-	-	-	34,979,273
Debt Securities	-	-	29,663,883	6,105,486	-	35,769,369
Bank Deposits	3,600,000	3,276,260	47,500,407	8,000,000	-	62,376,667
Members Loans	3,137,184	17,466,573	25,990,750	20,072,272	3,860,942	70,527,720
Other Loan	24,000	48,000	48,000	19,142	-	139,142
Investments	1,576,182	-	-	-	-	1,576,182
Total Financial Assets	43,316,639	20,790,833	103,203,040	34,196,900	3,860,942	205,368,353
Financial Liabilities						
Savings	151,906,956	9,816,865	10,589,713	5,401,945	724,554	178,440,033
Current Accounts	(25)	-	-	-	-	(25)
Total Financial Liabilities	151,906,931	9,816,865	10,589,713	5,401,945	724,554	178,440,008

At the year end, the Credit Union has Loan Commitments of €932,212 in the form of Loans Approved but undrawn/unissued pipeline.

At the 30th September 2018

	Less than 1 year	More than 1 year, but not more than 3 years	More than 3 years but not more than 5 years	More than 5 year but not more than 10 years	More than 10 years	Total
Financial Assets	€	€	€	€	€	€
Cash	4,754,234	-	-	-	-	4,754,234
Debt Securities	-	29,775,688	-	6,127,255	-	35,902,943
Bank Deposits	48,871,032	17,500,000	14,500,407	20,000,000	-	100,871,439
Members Loans	3,113,907	17,690,684	25,768,950	17,209,678	3,595,039	67,378,258
Other Loan	24,000	48,000	48,000	66,425	-	186,425
Investments	1,576,634	-	-	-	-	1,576,634
Total Financial Assets	58,339,807	65,014,372	40,317,357	43,403,358	3,595,039	210,669,933
Financial Liabilities						
Savings	157,048,055	10,221,782	11,259,164	4,999,709	633,378	184,162,088
Total Financial Liabilities	157,048,055	10,221,782	11,259,164	4,999,709	633,378	184,162,088



24. Financial Instruments (continued)

Credit Risk

The Credit Union's Credit Risk arises from its portfolio of Loans to Members and from potential losses on Investments with other Financial Institutions that could result from the failure of Treasury Counterparties to observe the terms of the contract entered into. The Credit Union has no risk appetite for material credit losses, this is controlled through observations of Legislation and Regulations, the appointment of Committees, Credit quality rules, Underwriting standards and Counterparty limits.

All loan applications are assessed with reference to the Credit Union's Lending Policy. Changes to policy are approved by the Board and the approval of loan applications is mandated. Appropriate credit limits have been established by the Board for individual exposures and together with Central Bank Guidelines on credit exposures. Policies are continually monitored by the Board, Board Oversight Committee and Internal Audit. Credit Risk in respect of Treasury Counterparties is assessed using a number of methodologies to include rating agencies and Central Bank Regulations. For Treasury Related Counterparties, the Credit Union is limited to a maximum 20% exposure to any one Counterparty of Investments made.

The Credit Union's Maximum Credit Risk Exposure is detailed in the table below:

	2019 €	2018 €
Cash and Liquid Assets	34,979,273	35,946,478
Investments	98,146,036	107,158,772
Members Loans	70,527,720	67,378,257
Less Savings attached to Loans	(28,769,095)	(29,496,590)
Total Balance Sheet Exposure	174,883,933	180,986,916
Off Balance Sheet- Loans approved but unissued	932,212	586,500
Total Exposure	175,816,415	181,573,416

Credit Quality Analysis of Counterparties

The table below sets out information about the exposure the Credit Union has to Counterparties for Debt Securities, and Other Investments /Liquid Cash Deposits with Credit Institutions. Amounts held with Financial Institutions are analysed by their Moody's Credit rating at the year end.

Moody's Credit Rating	2019 €	2018 €
A1	27,980,850	15,000,000
A2	32,407,693	15,183,335
A3	-	21,887,991
Aa3	11,519,792	8,100,000
B1	22,062,241	-
Ba1	21,717,484	25,714,009
Ba2	-	11,023,219
Baa1	7,924,181	20,939,859
Baa2	-	20,502,603
Baa3	11,089,250	-
	134,701,491	138,351,016

At the Balance Sheet date there are no Provisions for Impairment against any Investment made by the Credit Union.

24. Financial Instruments (continued)

Credit Quality Analysis of Loans to Members

	2019 €	2018 €
Neither Past due nor Impaired	59,811,667	52,738,440
1 to 9 weeks	8,911,806	11,961,107
10 to 18 weeks	347,668	688,218
19 to 26 weeks	295,484	195,391
27 to 39 weeks	224,713	272,239
40 to 52 weeks	112,285	137,692
53 weeks plus	824,096	1,385,170
Total	70,527,719	67,378,257
Impairment Allowance		
Individual	673,217	43,562
Collective	1,343,077	1,424,920
Total	2,016,294	1,468,482

Market Risk

Market Risk is the risk that the Fair Value of future cash flows of a Financial Instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency risk, interest rate risk and other price risk. Of these, only interest rate risk is significant for the Credit Union. The Credit Union is not directly exposed to currency risk as it deals only with products in Euro, and its products are only interest orientated so are not exposed to other pricing risks.

The Credit Union is exposed to movements in interest rates reflecting the mismatch between the dates on which interest receivable on Assets and interest payable on Liabilities are next reset to market rates or if earlier, the dates on which the instruments mature. The Credit Union manages this exposure on a regular basis, within the limits set by the Board, however, as the Credit Union only declares its Dividends at the Year End based on such market rates, the Board considers its sensitivity to such rates as marginal.

25. Changes in presentation not affecting Financial Performance or Members Equity

The following adjustments have arisen which have had no material effect on Net Assets or the Income and Expenditure Account, but which have affected the presentation of the Community Reserve Distribution items in the Financial Statements. The Credit Union has previously reported its Community Reserve Distributions by way of a net movement in the appropriate Reserve and a corresponding gross donation figure in the Income Statement, the current years surplus is unaffected and distributions are now made directly from the Reserve, there is no effect on the Reserve position of the Credit Union as a result of this change in presentation.

The change is not considered material to the Financial Statements; accordingly, no prior year adjustment has been made.



Wishing you All a Merry Christmas & Prosperous New Year

Ba mhaith le linn Nollaig Shona agus
Beannachtaí na hAthbhliana a ghuí oraibh

As you are making your Christmas Shopping List . . .
Check it twice and see where you can save in Galway
this Christmas with



BUSINESS HOURS

Mainguard St & Westside

Monday	9.30am - 5.00pm
Tuesday	9.30am - 5.00pm
Wednesday	9.30am - 5.00pm
Thursday	10.30am - 5.00pm
Friday	9.30am - 5.00pm
Saturday	9.30am - 5.00pm

Oughterard

Friday	9.30am - 5.00pm
Saturday	9.30am - 5.00pm

CHRISTMAS & NEW YEAR OPENING DATES

Mainguard St & Westside

OPEN

December 23rd, 28th & 30th
January 2nd

Oughterard

OPEN

December 28th
January 3rd & 4th



Overall Winner 2019

Thank you to everyone
that voted for us!



Cover photo by **Nathan Wynne**, local photographer originally from Newcastle, Galway.
See Galway City Photographs for more of his work.



8/9 Mainguard Street
Galway City Centre
091 537200

Westside Shopping
Centre, Galway
091 537260

Bridge Street
Oughterard, Co. Galway
091 537280

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Join us on:



www.sacu.ie

St. Anthony's & Claddagh Credit Union is regulated by the Central Bank of Ireland.