



AGENDA

1. The acceptance by the board of directors of the authorised representatives of Members that are not natural persons;
2. Ascertainment that a quorum is present;
3. Adoption of Standing Orders;
4. Reading and approval (or correction) of the Minutes of the 2017 AGM ;
5. Report of the Board of Directors;
6. Financial Report and consideration of accounts;
7. Report of the Auditor;
8. Board Oversight Committee Report;
9. Declaration of dividend & Interest Rebate;
10. Loans Committee Report;
11. Credit Control Committee Report;
12. Membership Committee Report;
13. Nomination Committee Report;
14. Appointment of Tellers;
15. Election of Auditor;
16. Election to fill vacancies on the Board of Directors;
17. Any other business;
18. Announcement of Election Results;
19. Close of meeting.

Refreshments will be served///Attendance Prizes to be won

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Blackrock Credit Union Limited DIRECTORS' ANNUAL REPORT

for the year ended 30 September 2018

Directors

Grainne Misteil (Chairperson)
Gerry Brennan (Secretary)
Francesca Briody
Paul Broderick
Ken Browne
Kevin Fitzgerald
Aisling O'Connor
Niall O'Callaghan
Mary Sharp

Board Oversight Committee

Joan McCudden (Chairperson)
Des Powell
Loreto Dalton

Registered Office & Business Address

1 Carysfort Avenue
Blackrock
Co. Dublin

Credit Union Number

306CU

Staff

Conn Collins (Manager)
Dionne Baker
Therese Brennan
Sharon Daly
Orla Ennis
Mary Rose Kennedy
Naomi Steen
June Whyte

Auditors

Keveny Monahan & Co.
Chartered Accountants and Statutory Audit Firm
Herbert House
18 - 22 Pembroke Road
Dublin 4

Bankers

Bank of Ireland
Blackrock
Co. Dublin

Ulster Bank
Blackrock
Co. Dublin

Blackrock Credit Union Limited
DIRECTORS' ANNUAL REPORT

for the year ended 30 September 2018

The directors present their Annual Report and the audited financial statements for the year ended 30 September 2018.

Principal activities, review and future developments

The principal activity of the Blackrock Credit Union is the provision of savings and loans to members in its common bond. The Credit Union manages its members' savings and loans so that it earns income from the margin between interest receivable and interest payable. 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 for the year is set out in the Income and Expenditure Account on page 8. The Directors recommend a dividend in respect of the year ended 30 September 2018 of €14,900 (0.1%) (2017: €13,870 (0.1%)) and an interest rebate of €16,800 (3%) (2017:€15,100 (3%)).

Principal risks and uncertainties

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

- Decline in loan interest income.
- Prudent investment selection to maximise investment income.
- The need to increase membership.
- Liquidity management and control of costs.
- Compliance with regulatory and legislative requirements.

Accounting records

The Directors believe that they comply with the requirements of Section 108 of the Credit Union Act 1997, as amended, with regard to books of account by employing accounting personnel with appropriate expertise and by providing adequate resources to the financial function. The books of account of the Credit Union are maintained at the Credit Union's premises at 1 Carysfort Avenue, Blackrock, Co. Dublin.

Events since the end of the 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 Keveny Monahan offer themselves for re-election.

Blackrock Credit Union Limited
DIRECTORS' ANNUAL REPORT

for the year ended 30 September 2018

Directors responsibilities statement

The Credit Union Act 1997, as amended requires the directors to prepare the 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 these 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 the going concern basis unless it is inappropriate to presume that the Credit Union will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Credit Union and enable them to ensure that the financial statements are prepared in accordance with applicable Irish law and Generally Accepted Accounting Practice in Ireland, including the standards issued by the Financial Reporting Council, and in particular FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". They are responsible for safeguarding the assets of the Credit Union and hence for taking reasonable steps in the prevention and detection of fraud and other irregularities.

On behalf of the Directors:

Grainne Misteil
Chairperson of the Board of Directors

Gerry Brennan
Member of the Board of Directors

Date:

Blackrock Credit Union Limited
STATEMENT OF BOARD OVERSIGHT COMMITTEE'S
RESPONSIBILITIES

for the year ended 30 September 2018

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

On behalf of the Board Oversight Committee

Joan McCudden
Board Oversight Committee **Date:**

INDEPENDENT AUDITOR'S REPORT

to the Members of Blackrock Credit Union Limited

Opinion

We have audited the financial statements of Blackrock Credit Union Limited for the year ended 30th September 2018, which comprise the Income and Expenditure Account, The Statement of Other Comprehensive Income, the Balance Sheet, the Statement of Changes in Reserves, the Statement of Cash flows, and the related notes. 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 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 assets, liabilities and financial position of the Credit Union as at 30 September 2018 and of its surplus 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, issued by the Financial Reporting Council; and
- have been properly prepared in accordance with the requirements of the Credit Union Act, 1997 (as amended) and the Credit Union Act 1997 (Regulatory Requirements) Regulations 2016

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.
- The financial statements contain all primary statements, notes and significant accounting policies required to be included in accordance with Section 111(1)(c) of the Act.

INDEPENDENT AUDITOR'S REPORT

to the Members of Blackrock Credit Union Limited

Date: 18th December 2018

Philip Monahan
for and on behalf of
KEVENY MONAHAN & CO.
Chartered Accountants and Statutory Audit Firm
Herbert House
18 - 22 Pembroke Road
Dublin 4

Blackrock Credit Union Limited
INCOME AND EXPENDITURE ACCOUNT

for the year ended 30 September 2018

		Total	Total
	Sch.	2018	2017
		€	€
INCOME			
Interest on members' loans		557,917	507,431
Other interest income and similar income	1	165,924	141,310
Interest payable on members' deposits		(3,135)	(2,662)
Net interest income		720,706	646,079
Other income	2	20,409	14,732
TOTAL INCOME		741,115	660,811
EXPENDITURE			
Employment costs		178,823	170,403
Other management expenses	3	268,111	253,192
Depreciation		14,780	14,980
Bad debts provision – specific loans prone to impairment		-	(41,000)
Bad debts recovered – recovery of past impairments		(28,362)	(29,289)
Bad debts written off – specific loans impaired		14,705	27,037
TOTAL EXPENDITURE		448,057	395,323
SURPLUS FOR THE YEAR		293,058	265,488
Other comprehensive income		-	-
Total comprehensive Income for the year		293,058	265,488

These financial statements were approved and authorised for issue by the board on the 18th December 2018.

On behalf of the Credit Union

Conn Collins
Manager

Grainne Misteil
Chairperson of the Board of Directors

Joan McCudden
Member of Board Oversight Committee

Blackrock Credit Union Limited
BALANCE SHEET

as at 30 September 2018

	Notes	2018	2017
		€	€
ASSETS			
Tangible fixed assets	7	140,276	151,280
Cash and balances at bank	8	214,068	235,574
Deposits and investments - cash equivalents	8	3,670,440	5,980,352
Deposits and investments - other	9	12,626,620	9,229,328
Loans to members	10	6,244,134	5,836,384
Less: Provision for impaired loans	11	(250,000)	(250,000)
Debtors, prepayments and accrued income	12	44,491	39,567
TOTAL ASSETS		22,690,029	21,222,485
LIABILITIES			
Member's shares	13	15,488,264	14,700,421
Member's deposits	13	3,481,714	3,069,716
Other payables	14	48,149	44,534
TOTAL LIABILITIES		19,018,127	17,814,671
ASSETS LESS LIABILITIES		3,671,902	3,407,814
RESERVES			
Regulatory reserve	15	2,300,000	2,170,000
Operational risk reserve	15	80,000	80,000
Other reserves			
- Distribution reserve	15	1,291,902	1,157,814
TOTAL RESERVES		3,671,902	3,407,814

These financial statements were approved and authorised for issue by the board on the 18th December 2018.

On behalf of the Credit Union

Conn Collins
Manager

Grainne Misteil
Chairperson of the Board of Directors

Joan McCudden
Member of Board Oversight Committee

Blackrock Credit Union Limited
STATEMENT OF CHANGES IN RESERVES

for the year ended 30 September 2018

	Distribution reserve	Regulatory reserve	Operational risk reserve	Total
	€	€	€	€
As at 30 September 2016	1,124,848	1,970,000	80,000	3,174,848
Excess of Income over Expenditure	265,488	-	-	265,488
Dividend paid	(32,522)	-	-	(32,522)
Transfer to Operational Risk Reserve	-	-	-	-
Transfer to Regulatory Reserve	(200,000)	200,000	-	-
As at 30 September 2017	1,157,814	2,170,000	80,000	3,407,814
Excess of Income over Expenditure	293,058	-	-	293,058
Dividend & interest rebate paid	(28,970)	-	-	(28,970)
Transfer to Regulatory Reserve	(130,000)	130,000	-	-
As at 30 September 2018	1,291,902	2,300,000	80,000	3,671,902

(1) The Regulatory reserve of the Credit Union as % of total assets as at 30th September 2018 was 10.14%. (2017: 10.23%).

(2) In accordance with S45 of the Credit Union Act 1997 (as amended) Blackrock Credit Union Ltd. have created an operational risk reserve of €80,000 in 2016. The Board following the completion of an internal process of assessing the level of the reserve required to cover the operational risk within the Credit Union. Based on the Board's assessment it was deemed appropriate to hold a minimum of 20% of average general operating expenses as an Operational Risk reserve.

The Operational Risk reserve represents .35% of total assets.

(3) Following commencement of S13 of the 2012 Act, the requirement for Credit Unions to transfer 10% of their annual surplus to their statutory reserve (now known as the Regulatory reserve) each year has been removed. Notwithstanding this the Board of Blackrock Credit Union Ltd. has transferred €130,000 of its current year surplus to its Regulatory reserve so that the reserve would stand at 10.14% of total assets at current year end which is in excess of the required limit of 10%.

Blackrock Credit Union Limited
STATEMENT OF CASH FLOWS

for the year ended 30 September 2018

	Notes	2018 €	2017 €
Cash and cash equivalents at 1 October		6,215,926	5,521,090
Cash flows from operating activities			
Loans repaid by members		3,815,694	3,432,817
Loans granted to members		(4,238,149)	(3,451,255)
Loan interest received		557,917	507,431
Interest paid on members' deposits		(3,135)	(2,662)
Investment income received		165,924	141,310
Bad debts recovered		28,362	29,289
Dividends & interest rebate paid		(28,970)	(32,522)
Operating expenses		(446,934)	(423,595)
Other income received		20,409	14,732
Movements in other assets and liabilities		(1,309)	(5,476)
Net cash flows from operating activities		(130,191)	210,069
Cash flows from investing activities			
Fixed assets purchases/disposals		(3,776)	-
Increase in investments		(3,397,292)	(849,748)
Net cash consumed by investing activities		(3,401,068)	(849,748)
Cash flow from financing activities			
Members' savings received		6,107,993	5,863,352
Members' savings withdrawn		(4,908,152)	(4,528,837)
Net cash flows from financing activities		1,199,841	1,334,515
Net movement in cash and cash equivalents		(2,331,418)	694,836
Cash and cash equivalents at 30 September		3,884,508	6,215,926

Blackrock Credit Union Limited
NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2018

1. Legal and regulatory framework

Blackrock Credit Union Limited 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 principal place of business is 1 Carysfort Avenue, Blackrock, Co. Dublin.

2. ACCOUNTING POLICIES

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 Republic of Ireland", (FRS 102")

The financial statements have been prepared on the historical cost basis.

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.

GOING CONCERN

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

- is generating annual surpluses;
- maintains an appropriate level of liquidity; and
- has reserves that are currently above the minimum requirements of the Central Bank.

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.

Investment income

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

Other income

Other income such as entrance fees and ECCU claims experience refunds arise in connection to specific transactions. Income relating to individual transactions is recognised when the transaction is completed.

INTEREST ON MEMBERS' DEPOSITS AND DIVIDENDS TO MEMBERS

Interest on members' deposits

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

Dividends on shares and Loan Interest Rebate

Dividends are made from the distribution reserves set aside for that purpose. The Board's proposed distribution to members each year is based on the dividend 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 expectations.

all dominated by prudence and also 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 loan interest rebates when members ratify such payments at the Annual General Meeting.

TAXATION

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

Blackrock Credit Union Limited
NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2018

continued

CASH AND CASH EQUIVALENTS

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

BASIC FINANCIAL ASSETS

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

Loans to members

Loans to members are financial assets with fixed or determinable payments. Loans are recognised when cash is advanced to members and measured at amortised cost using the effective interest method.

Investments held at amortised cost

Investments held at amortised cost are measured at amortised cost using the effective interest method less impairment. This means that the investment is measured at the amount paid for the investment, minus any repayments of the principal; plus or minus the cumulative amortisation using the effective interest method of any difference between the amount at initial recognition and the maturity amount; minus, in the case of a financial asset, any reduction for impairment or un-collectability. This effectively spreads out the return on such investments over time, but does take account immediately of any impairment in the value of the investment.

Other receivables

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

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 loans are assessed collectively in groups that share similar credit risk characteristics except for individually significant loans which are assessed on a loan by loan basis for impairment. Any impairment losses are recognised in the Income and Expenditure account.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in the Income and Expenditure account.

DE-RECOGNITION 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. Blackrock Credit Union Limited does not transfer loans to third parties.

BASIC FINANCIAL LIABILITIES

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

Financial liabilities members' shares and deposits

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

Blackrock Credit Union Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2018

continued

4. RATE OF INTEREST CHARGED ON LOANS

The rate of interest charged on loans per annum were as follow:

	%	APR %
Standard loans	9.90	10.34
Loans fully secured by savings	6.00	6.15
Home and Education Loans	8.20	8.49
	<u> </u>	<u> </u>

5. RATE OF INTEREST PAID ON MEMBERS DEPOSITS

The rates of interest paid on members' deposits were as follows:

	2018 %	2017 %
On demand deposit accounts	0.1	0.1
	<u> </u>	<u> </u>

6. KEY MANAGEMENT PERSONNEL

The remuneration of key management personnel was as follows

	2018 €	2017 €
Short term employee benefits	171,623	163,203
Payments to defined contribution pension scheme	7,200	7,200
	<u> </u>	<u> </u>
	178,823	170,403
	<u> </u>	<u> </u>

Short-term employee benefits include, salaries, social security contributions and paid annual leave.

7. TANGIBLE FIXED ASSETS

	Freehold property €	Fixtures, fittings & office equipment €	Total €
Cost			
At 1 October 2017	229,227	182,473	411,700
Additions	-	3,776	3,776
	<u> </u>	<u> </u>	<u> </u>
At 30 September 2018	229,227	186,249	415,476
Depreciation			
At 1 October 2017	95,400	165,020	260,420
Charge for year	4,580	10,200	14,780
	<u> </u>	<u> </u>	<u> </u>
At 30 September 2018	99,980	175,220	275,200
Net book value			
At 30 September 2017	133,827	17,453	151,280
	<u> </u>	<u> </u>	<u> </u>
At 30 September 2018	129,247	11,029	140,276
	<u> </u>	<u> </u>	<u> </u>

Blackrock Credit Union Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2018

continued

8. Cash and Balances at Bank

	2018 €	2017 €
Cash and cash equivalents	214,068	235,574
Deposits and investments (note 9)	3,670,440	5,980,352
	<u> </u>	<u> </u>
Total	3,884,508	6,215,926
	<u> </u>	<u> </u>

Deposits and investments categorised under cash and cash equivalents above are those with maturity of less than or equal to three months.

9. DEPOSITS AND INVESTMENTS

Cash Equivalents (Original maturity within 3 months)

	2018 €	2017 €
Fixed term deposits with banks	3,670,440	5,980,352
	<u> </u>	<u> </u>

Other (Original maturity after 3 months)

Fixed term deposits with banks	9,816,503	6,310,595
Irish government stock	2,741,510	2,851,960
Central bank minimum deposits	68,607	66,773
	<u> </u>	<u> </u>

Total other

12,626,620	9,229,328
<u> </u>	<u> </u>

10. FINANCIAL ASSETS – LOANS

	€	€
As at 1 October	5,836,384	5,844,983
Loans granted during the year	4,238,149	3,451,255
Loans repaid during the year	(3,815,694)	(3,432,817)
	<u> </u>	<u> </u>
Gross loans and advances to members	6,258,839	5,863,421
Loans written off in year	(14,705)	(27,037)
	<u> </u>	<u> </u>
As at 30 September	6,244,134	5,836,384
	<u> </u>	<u> </u>

11. MOVEMENT IN PROVISION FOR DOUBTFUL DEBTS

	2018 €	2017 €
As at 1 October	250,000	291,000
Net movement in doubtful debt provision	-	(41,000)
	<u> </u>	<u> </u>
As at 30 September	250,000	250,000
	<u> </u>	<u> </u>

12. DEBTORS, PREPAYMENTS AND ACCRUED INCOME

	2018 €	2017 €
Loan interest receivable	24,313	20,351
Prepayments	20,178	19,216
	<u> </u>	<u> </u>
	44,491	39,567
	<u> </u>	<u> </u>

	2018 €	2017 €		
13. MEMBER SHARES AND DEPOSITS				
Member shares	15,488,264	14,700,421		
Member deposits	3,481,714	3,069,716		
	<u>18,969,978</u>	<u>17,770,137</u>		
14. OTHER LIABILITIES, CREDITORS, ACCRUALS AND CHARGES	2018 €	2017 €		
Revenue – PAYE/PRSI	3,782	3,893		
Other creditors and accruals	44,367	40,641		
	<u>48,149</u>	<u>44,534</u>		
15. RESERVES				
	Balance 01/10/17	Payment of dividend & Interest rebate	Net Movement	Balance 30/09/18
	€	€	€	€
Regulatory reserve	2,170,000		130,000	2,300,000
Operational risk reserve	80,000		-	80,000
Other reserves				
Distribution reserve	1,157,814	(28,970)	163,058	1,291,902
TOTAL RESERVES	<u>3,407,814</u>	<u>(28,970)</u>	<u>293,058</u>	<u>3,671,902</u>

16. CREDIT RISK DISCLOSURES

Blackrock Credit Union Limited offers loans to members the majority of which are unsecured. The loans to members are secured to the extent where members savings are pledged for such loans. Individual members may borrow up to €88,700 provided they have savings of €38,700.

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

	2018 €	2018 %	2017 €	2017 %
LOANS NOT IMPAIRED				
Not past due	4,851,582	77.7%	4,322,000	74.1%
IMPAIRED LOANS				
Not past due	0	0	0	0
Up to 9 weeks past due	896,319	14.3%	1,034,911	17.7%
Between 10 and 18 weeks past due	188,981	3.0%	149,526	2.6%
Between 19 and 26 weeks past due	35,268	0.5%	52,521	0.9%
Between 27 and 39 weeks past due	104,693	2.0%	101,097	1.7%
Between 40 and 52 weeks past due	8,204	0.1%	32,366	0.5%
53 or more weeks past due	159,087	2.4%	143,963	2.5%
TOTAL IMPAIRED LOANS	<u>1,392,552</u>	<u>22.3%</u>	<u>1,514,384</u>	<u>25.9%</u>
TOTAL LOANS	<u>6,244,134</u>	<u>100%</u>	<u>5,836,384</u>	<u>100%</u>

17. RELATED PARTY TRANSACTIONS

	No. of Loans	2018 €
Loans advanced to related parties	8	104,000
Total loans outstanding to related parties at the year end	13	193,062
Total provisions for loans outstanding to related parties		Nil
Total savings due to related parties at the year end		179,926

The related party loans comprise loans to members of the board of directors and the management team and family members of the board of directors and the management team of Blackrock Credit Union Limited.

Total loans outstanding to related parties represents 3.09% of the total loans outstanding at year end.

BLACKROCK CREDIT UNION LIMITED

SUPPLEMENTARY INFORMATION

RELATING TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

NOT SUBJECT TO THE REPORT OF THE AUDITORS

18. DIVIDENDS and INTEREST REBATE

A dividend payment on members' shares of €13,870 (0.1%). (2017: €32,522 (0.25%)) and an interest rebate of €15,100 (3%). (2017: €0) of loan interest were paid during the year.

The Directors are proposing a dividend on members' shares of €14,900 (0.1%) and an interest rebate of €16,800 (3.0%) of loan interest paid for approval by the members at the AGM.

19. POST BALANCE SHEET EVENTS

There are no material events after the balance sheet date to closure.

20. INSURANCE AGAINST FRAUD

The Credit Union has insurance against fraud in the amount of €1,300,000 in compliance with Section 47 of the Credit Union Act, 1997 (as amended).

21. CAPITAL COMMITMENTS

Blackrock Credit Union Ltd had no capital commitments at the current or prior balance sheet date.

22. CONTINGENT LIABILITIES

Blackrock Credit Union Ltd had no contingent liabilities at the current or prior balance sheet date.

23. ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURES

Financial risk management

Blackrock Credit Union manages its member's shares and loans to members so that it earns income from the margin between interest receivable and interest payable. The main financial risks arising from Blackrock Credit Union's activities are credit risk, liquidity risk and interest rate risk. The Board reviews and agrees policies for managing each of these risks, which are summarised below.

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

Liquidity risk: Blackrock 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 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 interest rate risk, currency risk and other price risk. Blackrock Credit Union conducts all its transactions in Euro and does not deal in derivatives or commodity markets. Therefore Blackrock Credit Union is not exposed to any form of currency risk or other price risk. Interest rate risk: Blackrock 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 when deciding on the dividend rate payable on members' shares. Blackrock Credit Union does not use interest rate options to hedge its own positions.

Blackrock Credit Union Limited
SUPPLEMENTARY INFORMATION RELATING TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2018

	2018	2017
	€	€
Schedule 1 – Investment Income		
Investment income received/receivable within 1 year	<u>165,924</u>	<u>141,310</u>
Schedule 2 – Other income		
ECCU claims experience refund	20,159	14,483
Entrance fees	250	249
	<u>20,409</u>	<u>14,732</u>
Schedule 3 – Other management expenses		
Rates	6,151	6,043
Lighting, heating and cleaning	5,511	4,371
Repairs and renewals	6,186	3,981
Printing and stationery	4,480	8,287
Postage and telephone	5,360	6,407
Debt collection	2,389	1,429
Promotion and advertising	35,952	29,495
Education and training	840	570
Convention/Chapter expenses	539	742
General meeting expenses	7,358	7,431
Bank charges	8,238	8,412
Audit fee	7,575	6,450
General insurance	8,498	7,877
Share and loan insurance	94,970	92,977
Maintenance contracts	15,687	13,600
Miscellaneous expenses	564	859
SPS contribution	1,779	5,027
Affiliation fees	7,195	6,365
Regulatory levies and expenses	48,839	42,869
	<u>268,111</u>	<u>253,192</u>

BOARD OVERSIGHT COMMITTEE - 2018

The role of the Board Oversight Committee is defined in Part IVA of the Credit Union and Co-operation with Overseas Regulators Act 2012.

The Board Oversight Committee met regularly during the year, at least one member of the Committee attends at each Board meeting. We reported to the Board quarterly and to date have found no significant matters on non-compliance.

We are satisfied the Board has discharged their duties as defined in Part IV of the Credit Union and Co-operation with Overseas Regulators Act 2012.

We want to thank the Directors, Management and Staff for their co-operation and assistance throughout this year.

Joan McCudden

Board Oversight Committee

LOANS COMMITTEE REPORT

The Loans Committee meet on a weekly basis and implement credit lending policy and assess all loan applications up to a limit of €35,000. Loans above this value require Board approval.

During the year 1,058 (2017: 1,020) loans to a value of €4,238,149 (2016: €3,451,255) were advanced to members.

The Committee wish to remind members that Loans are offered for a wide variety of purposes and repayment terms are in accordance with the ability of the member to repay. Secured loans are offered to members at a reduced interest rate of 6% so that members may preserve their savings and attached insurance benefits.

Loans are protected by insurance up to the age of 80 at no extra cost to the members. No fees, no hidden charges and no early settlement charges. Competitive rates and payment terms are offered.

Carmel Brennan, Anne Whyte & Paul Broderick.

CREDIT CONTROL COMMITTEE REPORT

The Credit Control Committee reviews loans which are in arrears. We would like to thank the staff again for the excellent effort they put into this unpleasant task. Clearly no loans should go into arrears. Anyone taking out a loan must be clear on the repayments necessary and the need to keep them up to date. Standing order details must fully meet the requirements of the loan. If a payment is missed, or if payments have been less than required, the loss must be made up as well as the payments resumed ensuring that the loan keeps up to date.

We send reminder letters where arrears arise, and unfortunately, sometimes we have to invoke legal action. Members, who received reminder letters regarding previous loans, may have difficulty getting authorisation for subsequent loans.

We do all we can to help people who have difficulty in meeting their repayment schedules and urge anyone with difficulties to contact the Credit Union as early as possible. Where members experience problems in repayments we are open to reviewing the loan and renegotiation where necessary.

The loans written off this year amounted to €14,705 (2017: €27,037) and we are working

continuously to reduce this figure. Where loans are written off we continue to try to recover the debts. We recovered €28,362 in the year (2017: €29,289).

We would like to acknowledge the majority of members who deal with their accounts in a responsible way and never come to the attention of the Credit Control Committee.

Sharon Daly, Gerry Brennan

MEMBERSHIP COMMITTEE REPORT

Membership changes during the year brought the total active membership to 4,600 members at 30th September 2018. Applicants seeking membership of the Credit Union must be living or working within the common bond of the credit union. Credit Unions have a duty to seek identification and conformation of personal details to support all applications for membership.

Kevin Fitzgerald

INSURANCE REPORT

During the past year we were notified of the deaths of 24 members of Blackrock Credit Union, and we extend our sincere condolences to their families.

€4,969 in Loan Protection Insurance was received to clear deceased member's loans and €27,376 was received and paid to member's nominees in respect of savings insurance. Blackrock Credit Union paid loan protection and life savings premiums of €94,970 as an operating expense. A brochure explaining the insurance is available in the office.

Careful consideration should be under taken as withdrawals from shares after age 55 can affect the life assurance payable on death. We would remind our members to keep their Nominations Forms up to date. The Staff would be very pleased to assist you if you have any problems.

Conn Collins



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