



# Annual Report and Financial Statements

for the year ended 30 September 2020



Notice of Remote Annual General Meeting  
Monday 19th April 2021 at 8pm  
Details on how to register overleaf

Credit Union No: 306CU

# CONTENTS

Information Re Joining the Virtual Credit Union AGM	2
Directors, Staff and Other Information	3
Directors' Report	4
Report of the Board Oversight Committee	8
Report of the Loans Committee	9
Report of the Credit Control Committee	10
Insurance Report	11
Report of the Membership Committee	11
Independent Auditor's Report	12
Income & Expenditure Account	16
Balance Sheet	17
Statement of Changes in Reserves	18
Cash Flow Statement	19
Notes to the Financial Statements	20
<i>Schedule to the Income &amp; Expenditure Account</i>	
Analysis of Other Management Expenses	34
Amendments	36

# 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 2019 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 (managed digitally)
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.

**You are invited to our Annual General Meeting  
to be held on:**

**April 19th 2021 at 8pm  
(via MyWebinar.ie)**

This year due to the lockdown we will have a VIRTUAL AGM and we encourage as many as possible to join us.

**TO REGISTER YOUR INTEREST IN ATTENDING:**

please email **hello@blackrockcu.ie** before Thursday 15th April.

Each member has to register individually in respect of multiple members in the one household (and/or joint-accounts if applicable).

Instructions on attending the meeting are on the following page.

Remember we are here to serve you the members. We have attractive loan rates to suit all, no matter what the size of the loan. Come in or contact our staff by phone and will advise you on your best options. You can also contact us by email at [info@blackrockcu.ie](mailto:info@blackrockcu.ie)

Yours sincerely,

**The Board of Directors**

# INFORMATION RE JOINING THE VIRTUAL CREDIT UNION AGM

- 1) **PLATFORM:** The platform used will be *ZOOM Webinar Professional (Licenced)* and is facilitated by **MyWebinar.ie**. When registering, you might be asked to download the ZOOM app. If so, please do so. This should only take a few minutes depending on your connection.
- 2) **NOTIFICATION TIME-LIMITS:** Please let us know of your intention to join the meeting by emailing [hello@blackrockcu.ie](mailto:hello@blackrockcu.ie) no later than Thursday 15th April at 5.00 pm.
- 3) **ACCESS:** Access to the AGM will be granted through a manual registration process, requiring the following information: **Full name, Date of Birth, email address and membership number**. Once granted, an access link to the meeting will then be sent to you. Within a *ZOOM Webinar event*, attending members are called **ATTENDEES**. One device can be used per email address.  
  
In a household where there might be a number of members joining, each member granted access will need to attend the meeting on their own device using their own email address. **This is important** when it comes to **voting**. We will cover this later in this notification.
- 4) **IDENTIFICATION:** Identification requirements and safeguards are built into the registration process, and involve a number of steps within both *ZOOM Webinar Professional* and the Credit Union's own screening processes.
- 5) **QNA:** When an ATTENDEE wishes to communicate questions and comments during the meeting, he or she shall "raise a hand" to indicate a desire to speak or shall submit a question in writing. ATTENDEES' cameras and microphones are **turned off** by default, and only the facilitators can change these settings during the meeting.
- 6) **VOTING:** ATTENDEES - and PANELLISTS in attendance who have voting rights - will be afforded an opportunity to participate in all polls on an electronic basis by voting in favour or against. Polls are presented in the form of a balloting form with checkboxes beside the choices given. When this balloting form appears on screen you then can vote. The chair decides when each ballot is to close, and the result is then published on screen for all to see.
- 7) **DROPPED CONECTION DURING MEETING:** If, for some reason, your connection drops out during the meeting then once re-connection is established you should be automatically re-admitted into the meeting. If not, then simply click ONCE on the admission link you were originally sent by your branch. If your WIFI fails completely, we recommend using your mobile phone as a WIFI 'hotspot' to reconnect to the internet.

## DIRECTORS, STAFF AND OTHER INFORMATION

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<b>Directors</b>	Mary Sharp (Chairperson) Kevin Fitzgerald (Secretary) Paul Broderick Ken Browne Gerry Brennan Shane O'Brien Niall O'Callaghan George Wijntjes (Co-opted 1 March 2020) Francesca Briody (Resigned 1 March 2020) Aisling O'Connor (Resigned 27 January 2020)
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<b>Board Oversight Committee Members</b>	Des Powell (Chairperson) Padriag O'Cearbhaill (Appointed 27 January 2020) Loreto Dalton Joan McCudden (Resigned 27 January 2020)
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<b>Credit Union Number</b>	306CU
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<b>Registered Office and Business Address</b>	1 Carysfort Avenue Blackrock, Co. Dublin
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<b>Staff</b>	Ken Gleeson (Manager) Therese Brennan Sharon Daly Gillian Darcy Marie Clare deChaumont Orla Ennis Joanne Kavanagh
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<b>Auditors</b>	Keveny Monahan Limited Chartered Accountants and Statutory Audit Firm Herbert House, 18 - 22 Pembroke Road, Dublin 4
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<b>Bankers</b>	Bank of Ireland Blackrock, Co. Dublin	Ulster Bank Blackrock, Co. Dublin
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# DIRECTORS' REPORT

for the financial year ended 30 September 2020

The directors present their report and the audited financial statements for the financial year ended 30 September 2020.

## Objects

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.

## 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.

## Covid-19

The initial impact of Covid-19 has been severe and has resulted in a significant worldwide slowdown in economic activity. In Ireland, the economic impact of this pandemic has been characterised by the temporary closure of many businesses in non-essential areas to ensure that people's movements are restricted to slow down the spread of the virus. The effect of Covid-19 presents many risks for the Credit Union,

the effects of which cannot be fully quantified at the time of approving the financial statements. As a result, the directors consider the implications of the Covid-19 pandemic to be an uncertainty at the time of approving the financial statements.

## **Brexit**

The long term impact of Brexit remains unclear with ongoing uncertainty as to the outcome of trade negotiations between the UK and the EU. It is possible that there may be greater restrictions and regulatory complexities on imports and exports between the UK and the EU. These changes may adversely affect the Irish economy and impact on financial results. The Board continues to monitor the risks as Brexit progresses and it incorporates the latest information available into its decision making.

## **Business Review**

Both the level of business and the year-end financial position were satisfactory in light of the ongoing pandemic. The impact on the credit union of Covid-19 has initially been a lower than expected level of lending activity as a result of the restrictions. Whilst the directors believe that the effect will be negative on the credit union, the directors are confident that the credit union's financial position will improve as the restrictions are eased. 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.

## **Directors and Board Oversight Committee Members**

The current directors and board oversight committee members are as set out on page 3.

## **Accounting Records**

The directors believe that they comply with the requirements of section 108 of the Credit Union Acts 1997 to 2018 with regard to books of accounts 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.

## Post Balance Sheet Events

Since the year end, the Covid-19 virus has continued to spread worldwide. In common with many other countries, the Irish government issued guidance and restrictions on the movement of people designed to slow the spread of this virus forcing many businesses to close temporarily. The impact on the credit union has initially been a lower than expected level of lending activity as a result of the restrictions. Whilst the directors believe that the effect will be negative on the credit union and the full effect of the events since the balance sheet are difficult to determine, the directors are confident that the credit union's financial position will improve as the restrictions are eased.

## Auditors

The auditors, Keveny Monahan Limited, have indicated their willingness to continue in office in accordance with Section 115 of the Credit Union Acts 1997 to 2018.

## Results and dividends

The surplus for the year is set out in the Income and Expenditure Account on page 16.

In line with guidance from the Central Bank of Ireland and with the full financial impacts of Covid-19 still unknown, the Directors will not be recommending a dividend in respect of the year ended 30 September 2020.

## Statement of Directors' Responsibilities

The Credit Union Acts 1997 to 2018 requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Credit Union and of the income and expenditure of the Credit Union for that financial year. In preparing these financial statements the directors are required to:

- select suitable accounting policies and 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 to enable them to ensure that the financial statements are prepared in accordance with applicable Irish law and Generally Accepted Accounting Practice in Ireland, including the standards issued by the Financial Reporting Council, and in particular FRS102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland”. They are responsible for safeguarding the assets of the Credit Union and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

- there is no relevant audit information (information needed by the Credit Union’s auditor in connection with preparing the auditor’s report) of which the Credit Union’s auditor is unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Credit Union’s auditor is aware of that information.

**Approved by the Board of Directors and signed on its behalf by:**

**Mary Sharp**

CHAIRPERSON OF THE  
BOARD OF DIRECTORS

**Kevin Fitzgerald**

MEMBER OF THE  
BOARD OF DIRECTORS

DATE: 31/3/2021

# REPORT OF THE BOARD OVERSIGHT COMMITTEE

for the financial year ended 30 September 2020

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.

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.

## **Des Powell (Chairperson)**

CHAIRPERSON OF THE BOARD OVERSIGHT COMMITTEE

DATE: 31/3/2021

# REPORT OF THE LOANS COMMITTEE

for the financial year ended 30 September 2020

The Loans Committee meet on a weekly basis pre-Covid (October '19 to March '20) and implement credit lending policy and assess all loan applications up to a limit of €35,000 above shares. Loans above this value require Board approval.

During the year 660 (2019: 1,032) loans to a value of €4,006,667 (2019: €4,870,693) 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.

**Paul Broderik, Carmel Brennan and Anne Whyte**

# REPORT OF THE CREDIT CONTROL COMMITTEE

for the financial year ended 30 September 2020

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 €26,992 (2019: €16,863) and we are working continuously to reduce this figure. Where loans are written off we continue to try to recover the debts. We recovered €13,338 in the year (2019: €22,835).

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.

**Marie - Clare de Chaumont and Gerry Brennan**

## INSURANCE REPORT

for the financial year ended 30 September 2020

During the past year we were notified of the deaths of 23 members of Blackrock Credit Union, and we extend our sincere condolences to their families.

€54,189 (2019: €3,749) in Loan Protection Insurance was received to clear deceased member's loans and €47,928 (2019: €41,334) was received and paid to member's nominees in respect of savings insurance. Blackrock Credit Union paid loan protection and life savings premiums of €103,126 (2019: €98,388) as an operating expense. Based on claims history a refund of prior years' premiums of € 0\* (2019: €24,124) were received during the year. The net cost to the Credit Union is €103,126 (2019: €74,264). 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.

\*This year due to covid-19 the Central Bank requested ECCU not to make any dividend / refunds pending the full outcome of covid-19 and any financial implications there may be, ECCU have indicated this year's refund may be paid at a future date.

**Ken Gleeson**

## REPORT OF THE MEMBERSHIP COMMITTEE

for the financial year ended 30 September 2020

Membership changes during the year brought the total active membership to 4,728 members at 30th September 2020. 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. We would like to take this opportunity to remind members of the need to keep up to date ID on their accounts. Please call into the credit union to update your ID if required.

**Kevin Fitzgerald**

# INDEPENDENT AUDITOR'S REPORT

to the Members of Blackrock Credit Union Limited

## Report on the audit of the financial statements

### Opinion

We have audited the financial statements of Blackrock Credit Union Limited for the financial year ended 30 September 2020 which comprise the Income & Expenditure Account, the Balance Sheet, the Statement of Changes in Reserves, the Cash Flow Statement and notes to the financial statements, including the summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is Irish law including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Credit Union Acts 1997 to 2018.

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 2020 and of its surplus for the financial 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 Acts 1997 to 2018.

### 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 further described 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 Acts 1997 to 2018

Based solely on the work undertaken in the course of the audit, we report that:

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

## Respective responsibilities

### Responsibilities of directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, 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 going concern basis of accounting unless the directors either intend 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: [www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description of auditors responsibilities for audit.pdf](http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf). The description forms part of our Auditor's Report.

## The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Credit Union's members, as a body, in accordance with section 120 of the Credit Union Acts 1997 to 2018. 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.

**Philip Monahan**  
**for and on behalf of**  
**KEVENY MONAHAN LIMITED**

Chartered Accountants and Statutory Audit Firm  
Herbert House  
18 - 22 Pembroke Road  
Dublin 4

DATE: 31/3/2021

# INCOME & EXPENDITURE ACCOUNT

for the financial year ended 30 September 2020

	Notes	2020 €	2019 €
<b>Income</b>			
Interest on members' loans	4	642,165	600,774
Other interest income and similar income	5	77,920	129,091
Interest payable on members' deposits	6	<u>(3,600)</u>	<u>(3,646)</u>
<b>Net interest income</b>		<b>716,485</b>	726,219
Other income	7	<u>177</u>	<u>24,361</u>
<b>Total income</b>		<b><u>716,662</u></b>	<b><u>750,580</u></b>
<b>Expenditure</b>			
Employment costs	8	221,684	178,119
Other management expenses (Schedule 1)		308,199	266,601
Depreciation		7,230	11,400
Net (recoveries) or losses on loans to members	12.4	<u>61,904</u>	<u>21,828</u>
<b>Total expenditure</b>		<b><u>599,017</u></b>	<b><u>477,948</u></b>
<b>Surplus of income over expenditure</b>		<b>117,645</b>	272,632
Other comprehensive income		-	-
<b>Total comprehensive income</b>		<b><u>117,645</u></b>	<b><u>272,632</u></b>

The financial statements were approved and authorised for issue by the Board of Directors on 31/3/2021 and signed on its behalf by;

**Mary Sharp**

CHAIRPERSON OF THE  
BOARD OF DIRECTORS

**Kevin Fitzgerald**

MEMBER OF THE BOARD  
OF DIRECTORS

DATE: 31/3/2021

The notes on pages 20 to 33 form part of the financial statements

# BALANCE SHEET

as at 30 September 2020

	Notes	2020 €	2019 €
<b>Assets</b>			
Cash and cash equivalents	10	1,688,838	205,315
Property, plant and equipment	11	124,487	128,876
Loans to members	12	7,331,749	7,124,570
Provision for bad debts	12	(326,050)	(277,800)
Prepayments and other debtors	13	28,767	21,777
Accrued income	13	38,836	27,002
Deposits and investments		17,285,395	17,239,425
<b>Total Assets</b>		<b>26,172,022</b>	<b>24,469,165</b>
<b>Liabilities</b>			
Members' shares	14	17,568,191	16,363,783
Members' deposits	15	4,532,711	4,134,028
Trade creditors and accruals	16	44,392	42,518
Other creditors	16	15,675	15,663
<b>Total Liabilities</b>		<b>22,160,969</b>	<b>20,555,992</b>
<b>Net Assets</b>		<b>4,011,053</b>	<b>3,913,173</b>
<b>Members' Resources</b>			
Statutory reserve	17	2,650,000	2,500,000
Distribution reserve	17	1,261,053	1,333,173
Operational risk reserve	17	100,000	80,000
<b>Total Members' Resources</b>		<b>4,011,053</b>	<b>3,913,173</b>

Approved by the Board of Directors and signed on its behalf by:

**Mary Sharp**

CHAIRPERSON OF THE  
BOARD OF DIRECTORS

**Kevin Fitzgerald**

MEMBER OF THE BOARD  
OF DIRECTORS

DATE: 31/3/2021

The notes on pages 20 to 33 form part of the financial statements

# STATEMENT OF CHANGES IN RESERVES

for the financial year ended 30 September 2020

	Statutory reserve €	Distribution reserve €	Operational risk reserve €	Total €
At 1 October 2018	2,300,000	1,291,902	80,000	3,671,902
Dividends paid during the financial year	-	(31,361)	-	(31,361)
Surplus allocation in financial year	-	272,632	-	272,632
Other movement in reserves	200,000	(200,000)	-	-
<b>At 30 September 2019</b>	<b><u>2,500,000</u></b>	<b><u>1,333,173</u></b>	<b><u>80,000</u></b>	<b><u>3,913,173</u></b>
At 1 October 2019	2,500,000	1,333,173	80,000	3,913,173
Dividends paid during the financial year	-	(19,765)	-	(19,765)
Surplus allocation in financial year	-	117,645	-	117,645
Other movement in reserves	150,000	(170,000)	20,000	-
<b>At 30 September 2020</b>	<b><u>2,650,000</u></b>	<b><u>1,261,053</u></b>	<b><u>100,000</u></b>	<b><u>4,011,053</u></b>

The Regulatory Reserve of the Credit Union as a % of the total assets as at 30th September 2020 was 10.13% which is greater than the Credit Union's Regulatory Reserve requirement of 10%.

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 0.38% of total assets.

Following the commencement of Section 13 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 financial year has been removed. Notwithstanding this the Board of Blackrock Credit Union Limited has transferred €150,000 of its current financial year surplus to its regulatory reserve.

## Approved by the Board of Directors and signed on its behalf by:

**Mary Sharp**

CHAIRPERSON OF THE  
BOARD OF DIRECTORS

DATE: 31/3/2021

**Kevin Fitzgerald**

MEMBER OF THE BOARD  
OF DIRECTORS

The notes on pages 20 to 33 form part of the financial statements

# CASH FLOW STATEMENT

for the financial year ended 30 September 2020

	Notes	2020 €	2019 €
<b>Opening cash and cash equivalents</b>		<b>4,837,961</b>	3,884,508
<b>Cash flows from operating activities</b>			
Loans repaid		<b>3,772,496</b>	3,973,393
Loans granted		<b>(4,006,667)</b>	(4,870,692)
Loan interest income		<b>642,165</b>	600,774
Interest paid on members' deposits		<b>(3,600)</b>	(3,646)
Investment income		<b>77,920</b>	129,091
Other income received		<b>177</b>	24,361
Bad debts recovered		<b>13,338</b>	22,835
Dividends paid		<b>(19,765)</b>	(31,361)
Operating expenses		<b>(529,883)</b>	(444,720)
Movement in other assets		<b>(18,824)</b>	(4,288)
Movement in other liabilities		<b>1,886</b>	10,032
Net cash used in operating activities		<b>(70,757)</b>	(594,221)
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		<b>(2,841)</b>	-
Net cash flow from other investing activities		<b>(1,996,350)</b>	19,841
Net cash (used in)/generated from investing activities		<b>(1,999,191)</b>	19,841
<b>Cash flow from financing activities</b>			
Members' shares received		<b>1,204,408</b>	875,519
Members' deposits received		<b>398,683</b>	652,314
Net cash generated from financing activities		<b>1,603,091</b>	1,527,833
<b>Net (decrease)/increase in cash &amp; cash equivalents</b>		<b>(466,857)</b>	953,453
<b>Cash and cash equivalents at end of financial year</b>	<b>10</b>	<b>4,371,104</b>	4,837,961

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 September 2020

## 1. LEGAL AND REGULATORY FRAMEWORK

Blackrock Credit Union Limited is established under the Credit Union Acts 1997 to 2018. 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

The following principal accounting policies have been applied;

### Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with applicable Irish accounting standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102) and Irish statute comprising of the Credit Union Acts 1997 to 2018. 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 recognition

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

#### (i) 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.

#### (ii) 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.

### **(iii) 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.

### **Taxation**

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

### **Investments**

Investment income is recognised on an accrual basis.

#### **Cash and short-term deposits**

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

#### **Fixed-term deposit accounts**

Term deposits and fixed interest investment bonds with fixed maturity dates are valued at the lower of cost or encashment value and interest is recognised in the income statement when it is received or irrevocably receivable.

#### **Investment bonds with profit**

With profit bonds with capital guaranteed are valued at cost. Declared bonuses are recognised in the income statement when irrevocably receivable or earlier if the bond becomes realisable in the form of cash or cash equivalents in a secondary market. Terminal bonuses are recognised in the income statement when the Credit Union becomes irrevocably entitled to receive them.

#### **Central Bank deposits**

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

### **Property, plant and equipment and depreciation**

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

Land and buildings freehold	2% Straight line
Fixtures, fittings and equipment	20% Straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is recognised in the Income and Expenditure account.

## **Impairment of tangible fixed assets**

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

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the Income and Expenditure account.

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

## **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.

### **Other Debtors**

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.

## **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.

## **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.

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.

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.

## **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.

### **Members' shares**

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

### **Other creditors**

Other payables are classified as current liabilities if payment is due within one year. If not, they are presented as non-current liabilities. Other payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

### **De-recognition of financial liability**

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

## **Pensions**

Blackrock Credit Union Limited operates a defined contribution pension scheme, the assets of which are held separately from those of the Credit Union in independently administered funds. Contributions to the scheme are paid to approved funds held with Zurich Life Assurance plc. Contributions are charged to the income and expenditure account in the year in which they fall due.

## **Employee benefits**

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

## **Reserves**

### **Regulatory reserve**

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

### **Operational risk reserve**

The Credit Union has established an Operational Risk reserve which is separate, distinct and in addition to the reserves the Credit Union is required to hold in its Regulatory reserve. The amount held in the Operational Risk reserve is the predicted impact of operational risk events that may have a material impact on the Credit Union's business.

### **Other reserves**

Other reserves are the accumulated surpluses to date that have not been declared as dividends.

## **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.

## **3. CRITICAL ACCOUNTING JUDGEMENT AND ESTIMATES**

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Credit Union's accounting policies. The areas requiring a higher degree of judgement, or complexity, and areas where assumptions or estimates are most significant to the financial statements are disclosed below:

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

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

### **Impairment of buildings**

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

## Bad debt provision - impairment of loans to members

Blackrock Credit Union Limited assess if there is objective evidence that any of its loans are impaired with due consideration of environmental factors. The loans are assessed collectively in groups that share similar credit risk characteristics. Individually significant loans are assessed on a loan by loan basis. In addition, if there is objective evidence that any individual loan is impaired, a specific loss will be recognised. Bad debt provisioning is monitored by the Credit Union, and the Credit Union assesses and approves its provisions and the adequacy of same on a quarterly basis.

The estimation of loan losses is inherently uncertain and depends upon factors, including loan loss trends, credit risk characteristics in loan classes, local and international economic climates, conditions in various sectors of the economy to which the Credit Union is exposed, and, other external factors such as legal and regulatory requirements.

## Operational risk reserve

The directors have considered the requirements of the Credit Union Act 1997, as amended and have considered an approach to the calculation of the Operational Risk reserve. Blackrock Credit Union Limited deems appropriate to hold a minimum of 20% of average general operating expenses as an Operational Risk reserve.

<b>4. INTEREST ON MEMBERS' LOANS</b>	<b>2020</b>	2019
	€	€
Loan interest received in financial year	<b>642,165</b>	600,774

### 4.1 RATE OF INTEREST CHARGED ON MEMBERS' LOANS

The rate of interest charged on loans per annum were as follows:		APR
	%	%
Standard loans	<b>9.90</b>	10.34
Loans fully secured by savings	<b>6.00</b>	6.15
Home/Education and Medical Loans	<b>8.20</b>	8.49
First Time Loans	<b>6.00</b>	6.15

<b>5. OTHER INTEREST INCOME AND SIMILAR INCOME</b>	<b>2020</b>	2019
	€	€
Investment income received	<b>77,920</b>	129,091

### 6. INTEREST PAYABLE AND DIVIDENDS

The interest expense for the Credit Union comprises of interest payable on deposits, and was as follows for the current and prior financial year:

	<b>2020</b>	2019
	€	€
<b>Interest payable for the financial year</b>	<b>3,600</b>	3,646

## RATE OF INTEREST PAID ON MEMBERS DEPOSITS

The rates of interest paid on members' deposits were as follows:	2020	2019
	%	%
On demand deposit accounts	<u>0.1</u>	<u>0.1</u>

## Dividends

The following distributions were made during the financial year:

	<b>2020</b>	<b>20209</b>	2019	2019
	%	€	€	€%
Dividends on shares	<b>1.57</b>	<b><u>19,765</u></b>	2.35	<u>31,361</u>

The above dividends refer to those paid out in those financial years from the surplus earned in previous financial years.

At the financial year-end the directors have allocated the amount of €1,261,053 to the Distribution Reserve which may be returned to the members by way of dividend and a loan interest rebate by way of resolution by a majority of the members at the annual general meeting.

## 7. OTHER INCOME

	<b>2020</b>	2019
	€	€
Miscellaneous income	<u>177</u>	<u>24,361</u>
	<b><u>177</u></b>	<b><u>24,361</u></b>

## 8. EMPLOYEES AND REMUNERATION

The staff costs comprise:	<b>2020</b>	2019
	€	€
Wages and salaries	<b>215,122</b>	170,919
Pension costs	<b><u>6,562</u></b>	<u>7,200</u>
	<b><u>221,684</u></b>	<b><u>178,119</u></b>

## 9. KEY MANAGEMENT PERSONNEL

The directors of Blackrock Credit Union Limited are all unpaid volunteers. The management personnel compensation is as follows:

	<b>2020</b>	2019
	€	€
Short term employee benefits	<b>215,122</b>	170,919
Payments to pension scheme	<b><u>6,562</u></b>	<u>7,200</u>
Total key management personnel compensation	<b><u>221,684</u></b>	<b><u>178,119</u></b>

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

## 10. CASH AND CASH EQUIVALENTS

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

	<b>2020</b>	2019
	€	€
Cash and bank balances	<b>1,688,838</b>	205,315
Deposits and investments	<b>2,682,266</b>	4,632,646
	<b><u>4,371,104</u></b>	<u>4,837,961</u>

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

## 11. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings freehold	Fixtures, fittings and equipment	Total
	€	€	€
<b>Cost</b>			
At 1 October 2019	229,227	186,249	415,476
Additions	-	2,841	2,841
At 30 September 2020	<u>229,227</u>	<u>189,090</u>	<u>418,317</u>
<b>Depreciation</b>			
At 1 October 2019	104,420	182,180	286,600
Charge for the financial year	4,440	2,790	7,230
At 30 September 2020	<u>108,860</u>	<u>184,970</u>	<u>293,830</u>
<b>Net book value</b>			
At 30 September 2020	<b><u>120,367</u></b>	<b><u>4,120</u></b>	<b><u>124,487</u></b>
At 30 September 2019	<u>124,807</u>	<u>4,069</u>	<u>128,876</u>

## 12. LOANS TO MEMBERS - FINANCIAL ASSETS

### 12.1 LOANS TO MEMBERS

	<b>2020</b>	2019
	€	€
As at 1 October	<b>7,124,570</b>	6,244,134
Advanced during the financial year	<b>4,006,667</b>	4,870,692
Repaid during the financial year	<b>(3,772,496)</b>	(3,973,393)
Loans written off	<b>(26,992)</b>	(16,863)
<b>Gross loans to members</b>	<b>12.2 <u>7,331,749</u></b>	<u>7,124,570</u>

## 12.2 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 member's savings are pledged for such loans. Individual members may borrow up to €120,000.

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.

	2020	2020	2019	2019
	€	%	€	%
<b>Gross loans not impaired</b>				
Not past due	<u>5,195,089</u>	<u>70.90</u>	<u>5,485,208</u>	<u>77.00</u>
<b>Gross loans individually impaired</b>				
Up to 9 weeks past due	<b>1,373,673</b>	<b>18.70</b>	1,066,333	15.00
Between 10 and 18 weeks past due	<b>228,302</b>	<b>3.10</b>	185,486	2.60
Between 19 and 26 weeks past due	<b>137,345</b>	<b>1.90</b>	46,816	0.70
Between 27 and 39 weeks past due	<b>157,334</b>	<b>2.10</b>	66,427	0.90
Between 40 and 52 weeks past due	<b>41,889</b>	<b>0.60</b>	71,708	1.00
53 or more weeks past due	<u>198,117</u>	<u>2.70</u>	<u>202,592</u>	<u>2.80</u>
Total	<u>2,136,660</u>	<u>29.10</u>	<u>1,639,362</u>	<u>23.00</u>
<b>Total gross loans</b>	<u>7,331,749</u>	<u>100.00</u>	<u>7,124,570</u>	<u>100.00</u>
<b>Impairment allowance</b>				
<b>Total carrying value</b>	<u>7,331,749</u>		<u>7,124,570</u>	

## 12.3 LOAN PROVISION ACCOUNT FOR IMPAIRMENT LOSSES

	2020	2019
	€	€
As at 1 October	<u>277,800</u>	<u>250,000</u>
Allowances reversed during the financial year	<u>48,250</u>	<u>27,800</u>
Increase in loan provision during the financial year	<u>48,250</u>	<u>27,800</u>
As at 30 September	<u>326,050</u>	<u>277,800</u>

## 12.4 NET RECOVERIES OR LOSSES RECOGNISED FOR THE FINANCIAL YEAR

	2020	2019
	€	€
Bad debts recovered	<b>(13,338)</b>	(22,835)
Reduction	<b>48,250</b>	27,800
	<b>34,912</b>	4,965
Loans written off	<b>26,992</b>	16,863
Net (recoveries)/losses on loans to members recognised for the financial year	<b>61,904</b>	21,828

## 13. DEBTORS, PREPAYMENTS AND ACCRUED INCOME

	2020	2019
	€	€
Prepayments	<b>28,767</b>	21,777
Accrued income	<b>38,836</b>	27,002
	<b>67,603</b>	48,779

## 14. MEMBERS' SHARES - FINANCIAL LIABILITIES

	2020	2019
	€	€
As at 1 October	<b>16,363,783</b>	15,488,264
Received during the financial year	<b>1,204,408</b>	875,519
As at 30 September	<b>17,568,191</b>	16,363,783

## 15. MEMBERS' DEPOSITS - FINANCIAL LIABILITIES

	2020	2019
	€	€
As at 1 October	<b>4,134,028</b>	3,481,714
Received during the financial year	<b>398,683</b>	652,314
As at 30 September	<b>4,532,711</b>	4,134,028

## 16. OTHER CREDITORS AND ACCRUALS

	2020	2019
	€	€
PAYE/PRSI	<b>3,252</b>	3,388
Accruals	<b>44,392</b>	42,518
Other creditors	<b>12,423</b>	12,275
	<b>60,067</b>	58,181

## 17. CREDIT UNION RESERVES

	<b>Statutory reserve</b>	<b>Distribution reserve</b>	<b>Operational risk reserve</b>	<b>Total</b>
	<b>€</b>	<b>€</b>	<b>€</b>	<b>€</b>
At 1 October 2019	2,500,000	1,333,173	80,000	3,913,173
Distribution in financial year	-	(19,765)	-	(19,765)
Surplus allocation in financial year	-	117,645	-	117,645
Other movement in reserves	150,000	(170,000)	20,000	-
At 30 September 2020	<b><u>2,650,000</u></b>	<b><u>1,261,053</u></b>	<b><u>100,000</u></b>	<b><u>4,011,053</u></b>

## 18. LIQUIDITY RISK DISCLOSURE

All of the financial liabilities of the Credit Union are repayable on demand except for some members' shares attached to loans.

## 19. RELATED PARTY TRANSACTIONS

Directors, supervisors and staff (i.e. officers) of the Credit Union during the financial year ended 30 September 2020 operated share and loan accounts with the Credit Union. All loans advanced to directors, supervisors and staff are approved in accordance with Section 36(4) Credit Union Acts 1997 to 2018. The following transactions and balances existed with members who were officers during the financial year ended 30 September 2020:

	<b>No. of loans</b>	<b>2020 €</b>
As at 1 October	3	<b>35,000</b>
As at 30 September	5	<b><u>79,600</u></b>

Total loans outstanding to related parties represents 0.3% of the total loans outstanding at year end.

## 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

The Credit Union had no material capital commitments at the financial year-ended 30 September 2020.

## **22. POST-BALANCE SHEET EVENTS**

Since the year end, the Covid-19 virus has continued to spread worldwide. In common with many other countries, the Irish government issued guidance and restrictions on the movement of people designed to slow the spread of this virus forcing many businesses to close temporarily. The impact on the credit union has initially been a lower than expected level of lending activity as a result of the restrictions. Whilst the directors believe that the effect will be negative on the credit union and the full effect of the events since the balance sheet are difficult to determine, the directors are confident that the credit union's financial position will improve as the restrictions are eased.

## **23. CONTINGENT LIABILITIES**

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

## **24. DIVIDENDS AND INTEREST REBATE**

A dividend payment on members' shares of €7,794 (0.05%) (2019: €14,758 (0.1%)) and an interest rebate of €11,865 (2%) (2019: €16,603 (3%)) of loan interest were paid during the year.

## **25. 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.

## **26. APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were approved, and authorised for issue, by the Board of Directors on 31/3/2021.

# SUPPLEMENTARY INFORMATION RELATING TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2020

**NOT SUBJECT TO THE REPORT OF THE AUDITORS**

# SUPPLEMENTARY INFORMATION RELATING TO THE FINANCIAL STATEMENTS

for the financial year ended 2020

<b>Schedule 1 - Investment Income</b>	<b>2020</b>	2019
<b>Investment Income</b>	€	€
Investment income received/receivable within 1 year	<b>77,920</b>	129,091
	<b>77,920</b>	129,091

<b>Schedule 2 - Other income</b>	<b>2020</b>	2019
<b>Other Income</b>	€	€
ECCU claims experience refund	-	24,124
Entrance	<b>177</b>	237
	<b>177</b>	24,361

<b>Schedule 3 - Other Management Expenses</b>	<b>2020</b>	2019
<b>Other Management Expenses</b>	€	€
Training and seminars	-	390
Rent and rates payable	<b>2,918</b>	6,097
General insurance	<b>9,762</b>	8,978
Share and loan insurance	<b>103,126</b>	98,388
Light and heat	<b>2,490</b>	2,387
Cleaning and hygiene	<b>1,917</b>	838
Repairs and renewals	<b>4,710</b>	4,693
Computer and equipment maintenance	<b>17,186</b>	15,307
Printing and stationery	<b>4,297</b>	5,246
Promotion and education	<b>48,612</b>	34,656
Telephone and postage	<b>5,221</b>	4,606
AGM expenses	<b>8,480</b>	7,944
Chapter expenses	<b>58</b>	250
Travelling and subsistence	<b>62</b>	63
Legal and debt recovery fees	-	(682)
Audit fees	<b>7,788</b>	7,500
Bank interest and charges	<b>17,139</b>	10,074
Risk & Compliance	<b>22,614</b>	-
Cash short	<b>(50)</b>	148
Saving protection scheme	<b>2,122</b>	1,864
Regulation levy	<b>48,015</b>	54,598
General expenses	<b>341</b>	448
Donations	-	500
Bad Debt Collection Fees	<b>1,391</b>	2,308
	<b>308,199</b>	266,601

## AMENDMENT TO ANNUAL CHARGE

That this Annual General Meeting agrees to the introduction of a new annual charge of €1 per member to cover the ILCU Affiliation Fee. The Irish League of Credit Unions (ILCU) was set up by a small group of credit unions in 1960 to represent & service affiliated credit unions on the island of Ireland. The ILCU now represents the interests of hundreds of credit unions in Ireland.

## AMENDMENTS TO STANDING RULES

### **Motion 1**

That this Annual General Meeting amends the Standard Rules for Credit Unions (Republic of Ireland) by the insertion of a new Rule 1A as follows: Any reference in these rules to a member present and voting at a general meeting shall be construed as including a reference to a member in attendance and voting at a general meeting conducted wholly or partly by the use of electronic communications technology.

### **Motion 2**

That this Annual General Meeting amends Rule 96 of the Standard Rules for Credit Unions (Republic of Ireland) in paragraph (1), by the substitution of “at a time, at a place in the State (where applicable) and in the manner (where applicable)” for “in the State at such date, time and place”, And by the insertion of a new 96A as follows: 96A (1) The credit union need not hold a general meeting at a physical venue but may conduct the meeting wholly or partly by the use of electronic communications technology as long as all attendees have a reasonable opportunity to participate in the meeting in accordance with this Rule.

- (2) (a) The credit union may provide for participation in a general meeting by providing or facilitating, for that purpose, the use of electronic communications technology, including a mechanism for casting votes by a member, whether before or during the meeting.  
  
(b) The mechanism referred to in paragraph (a) shall not require the member to be physically present at the general meeting.
- (3) The use of electronic communications technology pursuant to paragraph (2) may be made subject only to such requirements or restrictions put in place by the credit union as are necessary to ensure the identification of attendees and the security of the electronic communications technology, to the extent that such requirements or restrictions are proportionate to the achievement of those objectives.

- (4) The credit union shall inform attendees, before the general meeting concerned, of any requirements or restrictions which it has put in place pursuant to paragraph (3).
- (5) The credit union that provides for the use of electronic communications technology for participation in a general meeting by an attendee shall endeavour to ensure, as far as practicable, that—
  - (a) such technology:
    - (i) provides for the security of any electronic communications by the attendee,
    - (ii) minimises the risk of data corruption and unauthorised access, and
    - (iii) provides certainty as to the source of the electronic communications.
  - (b) in the case of any failure or disruption of such technology, that failure or disruption is remedied as soon as practicable, and
  - (c) such technology enables the attendee to:
    - (i) hear what is said by the chair of the meeting and any person introduced by the chair, and
    - (ii) speak and submit questions and comments during the meeting to the chair to the extent that the attendee is entitled to do so under the rules of the credit union.
- (6) Any temporary failure or disruption of electronic communications technology shall not invalidate the general meeting or any proceedings relating to the meeting.
- (7) Unless such failure or disruption is attributable to any wilful act of the credit union, the credit union shall not be liable in respect of any failure or disruption relating to the equipment used by an attendee to access a general meeting by electronic communications technology that occurs and which failure or disruption prevents or interferes with the attendee's participation, by the use of such technology, in the meeting.
- (8) Where, in the opinion of the board of directors, it is deemed necessary, due to exceptional and unexpected circumstances, the board of directors may, by resolution, cancel a general meeting at any time prior to the holding of the meeting.

### **Motion 3**

That this Annual General Meeting amends Rule 98 of the Standard Rules for Credit Unions (Republic of Ireland)

(a) In paragraph (2):

- by the substitution of the following paragraph for paragraph (a):  
“(a) shall state the date, time, place (where applicable) and manner of holding (where applicable) of the general meeting;”,
- in paragraph (c), by the substitution of “;” for “; and”,
- in paragraph (e), by the insertion of “and”,
- by the insertion of the following paragraph after paragraph (e):

“(f) shall, in the case of a general meeting proposed to be held wholly or partly by the use of electronic communications technology, state

- the electronic platform to be used for the meeting,
- details for access to the electronic platform,
- where required by a credit union, the time and manner by which an attendee must confirm his or her intention to attend the meeting,
- any requirements or restrictions which the credit union has put in place in order to identify attendees who intend to attend the meeting,
- the procedure for attendees to communicate questions and comments during the meeting, and
- the procedure to be adopted for voting on resolutions proposed to be passed at the meeting.”

(b) In paragraph (4), by the insertion of “and containing such information” after “in such form”.

### **And**

by the insertion of a new Rule 98A as follows:

98 A (1) Notwithstanding Rule 98 but subject to paragraph (2), notice for the purposes of Rule 96A(8) shall be given in the same manner as the notice for the general meeting referred to in Rule 98 but where, in the opinion of the board of directors, giving such notice in that manner is not reasonably practicable, notice shall be given

- (a) where the credit union has a website, on that website,
  - (b) by email to every member for whom the credit union has an email address, and
  - (c) in at least one national newspaper published in the State and circulating in the area in which the registered office of the credit union is situated, in a local paper and on local radio.
- (2) Paragraph (1) shall not apply where all members agree in writing to the cancellation, change of venue or change of means of holding the general meeting concerned, or to dispensing with notice for the general meeting.”.

#### **Motion 4**

That this Annual General Meeting amends Rule 99(3)(a) of the Standard Rules for Credit Unions (Republic of Ireland) by the substitution of “paragraphs (a), (b), (d) (e) of paragraph (2)” for “paragraphs (a), (b), (d), (e), (f) of paragraph (2)”.







**GREAT  
LOW RATE**

**6%**  
(6.15% APR)



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**PLUS**

Some figures  
to get you  
thinking!



- ▶ **No transaction fees** or admin charges
- ▶ **No penalty** for early repayment of loan balance
- ▶ **Free** loan protection insurance

Loan Amount	Monthly Repayment	Cost of Credit	Total Amount Repayable
€5,000	€ 96.66	€799.84	€5,799.84
€10,000	€193.33	€1,599.68	€11,599.68
€20,000	€386.66	€3,199.36	€23,199.36

First time borrower rate 6% (6.15% APR) 5 year term