

**THINK SARSFIELD
FIRST FOR LOANS**



ACCOUNTS & NOTICE of 57TH AGM, 2019



Notice is hereby given that the Annual General Meeting of Sarsfield Credit Union Ltd. will be held in The Clayton Hotel, Limerick on the 15th January 2020 at 7pm

www.sarsfieldcu.ie

Loans | Savings | Insurance | Personal Service

Credit Union Prayer

Lord

Make me an instrument of thy peace
Where there is hatred, let me sow love
Where there is injury, pardon
Where there is doubt, faith
Where there is despair, hope
Where there is darkness, light
And where there is sadness, joy.

O Divine Master

Grant that I may not so much seek
To be consoled as to console
To be understood as to understand
To be loved as to love
For it is in giving, that we receive
It is in pardoning, that we are pardoned
And it is in dying, that we are born to eternal life.

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AGM 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 last Annual General Meeting, and any intervening special general meeting.
- 5 Report of the Board of Directors.
- 6 Consideration of accounts and related matters.
- 7 Report of the Auditor.
- 8 Report of Board Oversight Committee.
- 9 Declaration of dividend and rebate of interest.
- 11 Report of Credit Control Committee.
- 10 Report of Credit Committee.
- 12 Report of the Membership & Marketing Committee.
- 13 Report of the Nominating Committee.
- 14 Appointment of Tellers.
- 15 Election of Auditor.
- 16 Election to fill vacancies on the Board Oversight Committee.
- 17 Election to fill vacancies on the Board of Directors.
- 18 Announcement of election results.
- 19 Any other appropriate business.
- 20 Adjournment or close of meeting.



Deceased Members Mass
Wednesday 29th January 2020
at 7.15pm



Come and
Talk to us
in Glentworth St.

Need an upgrade?
or want to clear your **PCP** finance?

€10,000 Car Loan
For Only **€46.12** Weekly
Over 5 Years

- Own Your Car
- No Hidden Fees
- No Early Repayment Penalties
- No Balloon Repayments



A typical €10,000 five year car loan will have weekly repayments of €46.12 interest rate of 7.5% (7.8% APR). Fixed cost of interest €1,991.80 - Total amount repayable €11,991.80. Loans are subject to approval, terms and conditions apply. Sarsfield Credit Union is regulated by the Central Bank of Ireland.

www.sarsfieldcu.ie

Chairman's Report

For the Financial Year Ended 30 September 2019

It is my pleasure to present this year's Chairman's Report and to my fellow members I welcome you all to this our 57th Annual General Meeting.

It's been a very positive year and I am very pleased to report that lending demand in the year under review was strong with total loans increasing by 11% in the year from €11.4m at 30 Sept 2018 to €12.66m at the 30 Sept 2019. The increase in Loan Interest Income from €765,384 in 2018 to €914,827 in 2019 reflects the increased demand for loans from members. Our loan book income now represents 58% of total income versus 53% last year. Lending has increased 92% since the arrival of the new management team in 2015 and demonstrates the hard work being done by the Management team and all staff in promoting our credit union as a lender of first choice to its members.

Our credit control performance remains the best in our peer group nationwide with our Pearls A1 ratio (loans greater than 10 weeks in arrears) at 0.62% which demonstrates the strong credit control procedures that have been put in place by Management and Staff to manage a growing loan book. The Board is aware of the credit risks associated with lending. Reviews/recommendations from the CEO and Auditors are monitored and discussed regularly at Board level who are satisfied the loan book is well provided for. Income from investments continues to fall and it is proving more difficult to get a return on funds invested. Investment income for the year was €640,380 down from €669,611 at 30 Sept 2018 which is a result of higher yielding maturing investments being re-invested at lower market rates and also the low interest rate environment that all credit unions and depositors are facing currently. Investment Income has fallen by 13.23% from €771k at the 30 Sept 2015. All credit unions are impacted by this, as a result they must continue to grow their loan books to generate sufficient income to fund costs in order to maintain the member services going forward. Sarsfield has the funds to lend to its members and as our Interest rates are amongst the most competitive in Limerick, we strongly encourage our members to speak to us first about their future borrowing requirements.

The credit union movement continues to encounter a much greater level of regulation and oversight. Your Board supports these measures, to provide long term protection to the sector and our members. Such oversight however brings additional cost and we will continue to monitor these costs. Our options of cost reductions are limited but one such necessary step taken by the Board in 2019 to manage costs was the introduction of the share cap on member savings which was positively received by our members. The credit union will continue to monitor all costs closely.

Brexit is a matter which is discussed and reviewed at Board level with the CEO in order to have oversight and to minimise the risk to the Credit Union.

Electronic transactions continue to increase with over 70% of all transactions in the past 12 months being done electronically which facilitates ease of access to our members in transacting with the credit union.

Your Board is proposing a Dividend of 0.05% at a cost of €19,966 and a Loan Interest Rebate of 3.5% at a cost of €32,185. The Dividend Rate is above on demand deposit rates currently available on the market. The Loan Interest Rebate is important in order to encourage Members to continue to take out Loans with our Credit Union. I wish to thank my fellow Directors and Board Oversight Committee for their voluntary commitment to your Credit Union. Thanks also to all our dedicated management team and professional staff for their excellent work and service to our members during 2019.

Last but not least my thanks go to our Members for their continuing support over the years and we look forward to enjoying that support into the future. I believe that you can look forward to 2020 with the confidence that the funds you have entrusted in Sarsfield Credit Union are safe and secure and that your Credit Union will "Stay Strong and Grow" as per our Strategic Plan and that we will look at all potential business and merger opportunities should they arise.

Pat Woods

Chairman

Sarsfield Credit Union Ltd.



Report of the CEO

For the Financial Year Ended 30 September 2019

I am happy to present the CEO report for our Financial Year Ended the 30th Sept 2019. It has been a strong year for our Credit Union with many positives that demonstrate the progress we have made during 2019 delivering a surplus for the year of €283,216 versus €261,490 in 2018.

Loan growth:

We issued new loans totalling €7.128m to members during the year (versus €7.137m in 2018), however loan repayments in the year were €5.82m versus €4.9m in 2018 and this had an impact on loan growth for the year. The loan book at the 30 Sept 2019 stood at €12.66m versus €11.4m in 2018 equating to growth in our loan book of 11% for the year which is ahead of the average loan growth across the credit union sector. This is a strong performance and suggests economic confidence amongst our members and in the local economy. Positively most of the loans advanced to members was spent locally on car purchases, home improvements, weddings, education, business expansion etc. and such spending promotes increased employment in our local economy. As Members, you can see that our loan rates are very competitive and transparent with no hidden fees. We have continued to enhance our Underwriting, Due Diligence and Decision Making processes over the last 12 months to ensure timely loan decisions for members. I am confident that this level of growth can be repeated in 2020 with the support of you the Members. A strong performing loan book means a strong future for our Credit Union. I would encourage all members to consider "YOUR" Credit Union first when looking for a loan and to recommend new members to Sarsfield Credit Union. To reward members for taking loans from our Credit Union the Board is recommending a Loan Interest Rebate of

3.5% on all performing member loans at the 30 Sept 2019 for approval.

Credit control:

Our Loan Book is in good shape with low levels of arrears reflecting the quality of our Underwriting, Due Diligence and Approval process. Underwriting and Credit Control are key functions of our business model, particularly as we endeavor to grow our loan book from an historically low base. Our credit control performance remains the best in our peer group nationwide with our Pearls A1 ratio (loans greater than 10 weeks in arrears) at 0.62%. Total Loan Provisions equate to 4.83% of the Gross Loan Book which we believe is satisfactory based on our underwriting and strong credit control procedures and history. This is a testament to the quality and integrity of the members of Sarsfield Credit Union. Our Credit Control Function is also focused on recovering any loan bad debts that have been written off over the years and procedures have been stepped up in 2019 to facilitate the recovery of these bad debts. Members in difficulty with loan repayments continue to respond well and engage with our Credit Control staff. I would encourage any member experiencing cashflow difficulties, either temporary or of a longer term nature, which could result in loan repayment difficulties to contact the Credit Union as soon as possible to discuss their circumstances.

Investment Returns:

The low interest rate policy being pursued by the European Central Bank continues to impact on our investment income as it does all Credit Unions. The running yield on our Investment Book at year end was 1.65%. At 30 Sept 2019 71% of our investment book is invested greater than 12 months which provides a stable hedge against further falls in rates. Approximately

70% of our total assets are investments. Future reductions in investment income places more pressure on our loan book to grow in order to provide the income necessary to pay a dividend, loan interest rebates, cover costs and continue to provide member services.

Strategic Plan:

In August, the Board and Management Team met to review the credit unions performance and agree our Strategic Plan for the period to 2023 that will guide our development over the coming years. The plan will see managed growth, focused marketing of the Credit Union, investment in services for our members such as an online loan application process and developments in technology to attract younger members.

Membership:

Membership is open to all who reside or work within our community or common bond. We urge all members to promote and recommend membership of our Credit Union to family and friends.

Nomination:

Our nomination service is unique to credit unions. An eligible member may nominate a person or persons to receive up to €23,000 of their property in the Credit Union at the time of his or her death. Terms and conditions apply. No charge is levied for this very valuable service. We would encourage all members to ensure they have an up to date nomination of their accounts in the event of their demise.

Online Banking:

We introduced Online Banking to members in 2017 and up take from members has been steady since. I would encourage all members to sign up and register for this service, it's a simple straight forward process and staff are happy to help with any questions members may have. The service allows members to access their accounts 24 / 7, electronically transfer funds between their bank and Credit

Union, view their accounts, print statements and certificates of interest, pay bills etc. We can also now send loan advances directly to your bank account avoiding the need to have to lodge a loan cheque in your bank and having to queue to lodge money etc.

Regulation & Compliance:

The range of legislative and statutory instruments to be complied with is significant and onerous. We continue to strive to ensure compliance with all of these requirements, while continuing to deliver a quality service at the same time.

Finally, I would like to thank the Board of Directors, Board Oversight Committee, my Management Team and Staff for their commitment and hard work during the year and to you our Members for your continued support and co-operation and ask that you promote YOUR credit union whenever you can and to keep it in mind for all your loan requirements.



David Costelloe

CEO

Sarsfield Credit Union Ltd

Directors' Report

The directors present their report and the financial statements for the financial year ended 30 September 2019

Results for the year and business review

The surplus for the year amounted to €283,216 (2018 : €261,490).

Members' shares decreased from €40,344,492 (at 30 September 2018) to €38,795,532 (at 30 September 2019).

Members' loans increased from €11,404,157 (at 30 September 2018) to €12,660,634 (at 30 September 2019).

The Registrar of Credit Unions requires that all credit unions maintain a regulatory reserve of not less than 10% of total assets on an ongoing basis. The Directors approved a transfer of €Nil (30 September 2018 : €Nil) to the regulatory reserve as this reserve currently stands at 10.95% (2018: 10.65%) of total assets and exceeds the percentage requirement at year end. The operational risk reserve amounts to 0.43% of total assets (2018: 0.40%).

The Directors propose the payment of a final dividend of 0.05% amounting to €19,966 in respect of the year ended 30 September 2019. In addition to this, the Directors propose an interest rebate of 3.5% subject to agreement by the membership at the AGM. The Board of Directors continues to adopt a policy of setting aside the amount of the proposed dividend and interest rebate in a special reserve as a movement in reserves. This will not affect the undistributed surplus. The amounts have been transferred to the special reserve at year end. This reserve is classified under realised reserves on the Balance Sheet. The Directors have not decided to transfer an amount to the dividend reserve in the current year (30 September 2018 : €Nil) as they believe that adequate reserves exist therein for future requirements.

The surplus for the year and the appropriation thereof are set out in the income and expenditure account and statement of reserves and changes in members' interests.

Principal risks and uncertainties

The principal risks and uncertainties faced by the credit union are:

Credit risk

Credit risk is the risk that a borrower will default on their contractual obligations relating to repayments to the credit union, resulting in financial loss.

Lack of loan demand

Lending is the principal activity of the credit union and the credit union is reliant on it for generating income to cover costs and generate a surplus.

Market risk

Market risk is the risk that the value of an investment will decrease. This risk can arise from fluctuations in values of, or income from, assets or changes in interest rates.

Liquidity risk

Liquidity risk is the risk that the credit union will not have sufficient cash resources to meet day to day running costs and repay members' savings when demanded.

Operational risk

Operational risk is the risk of loss resulting from inadequate or failed processes or systems of the credit union, any failure by persons connected with the credit union or from external events.

These risks are managed by the board of directors as follows:

Credit risk

In order to manage this risk, the board of directors regularly reviews and approves the credit union's lending policy. 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.

Lack of Loan demand

The credit union provide lending products to its members and promote these products through various marketing initiatives.

Market Risk

The board of directors regularly reviews and approves that the credit union's investment funds are invested in compliance with its investment policy and regulatory guidance.

Liquidity Risk

The credit union's policy is to maintain sufficient funds in liquid form at all times to ensure that it can meet its liabilities as they fall due.

Operational Risk

The operational risk of the credit union is managed through the employment of suitably qualified staff to ensure appropriate processes, procedures and systems are implemented and are further supported with a robust reporting structure.

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 accounting records by employing accounting personnel with appropriate expertise and by providing adequate resources to the financial function. The accounting records are maintained at the Credit Union's premises at Glentworth Street, Limerick.

Auditors

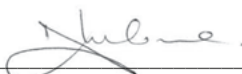
BDO have expressed their willingness to be reappointed in accordance with Section 115 of the Credit Union Act 1997 (as amended).

On behalf of the board:



Chairperson of the Board of Directors

Date: 6/11/2019



Member of the Board of Directors

Date: 6/11/2019

Loan Applications

For a fast approval of your loan please provide:

- **Proof of Income** - (3 most recent payslips or social welfare receipts).
- **3 Months Bank Statements**
- **3 Months Credit Card Statements**
- **Proof of PPSN**

For first time loans we require:

- **Proof of Income** - (3 most recent payslips or social welfare receipts).
- **6 Months Bank Statements**
- **6 Months Credit Card Statements**
- **Proof of PPSN**

Membership Applications

To open an account, please bring with you the following to the Credit Union office:

- **Photographic ID:** a current driving licence or passport.
- **Proof of Address:** dated within the last 6 months - a utility bill, government letter or bank statement.
- **Proof of PPSN:** a P60/P45, Medical /Drug Payments Scheme Card/ Payslip or correspondence from the tax office.
- **If not living in the area,** proof of working in the area.



Statement of Directors Responsibilities

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council and published by the Institute of Chartered Accountants in Ireland.

The Credit Union Act 1997 (as amended) require the Directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the Credit Union and of the income and expenditure of the Credit Union for that year. In preparing those financial statements the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any

material departure from those standards; and
- 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 comply with the Credit Union Act 1997 (as amended). They are also responsible for safeguarding the assets of the Credit Union and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the Board

Date: 6/11/2019



Chairperson

Statement of Board Oversight Committee Responsibilities

The Credit Union Act 1997 (as amended) requires the appointment of a Board Oversight Committee. The Board Oversight Committee of a credit union shall assess whether the board of directors has operated in accordance with-

- Part VI of the Credit Union Act 1997 (as amended) and any regulations made for the purposes of Part VI and
- Any other matter prescribed by the Bank in respect of which they are to have regard to in relation to the board of directors.

On behalf of the Board Oversight Committee

Date: 6/11/2019



Chairperson of the Board Oversight Committee

Independent Auditors' Report

to the members of Sarsfield Credit Union Limited

Opinion

We have audited the financial statements of Sarsfield Credit Union Limited for the year ended 30 September 2019 on pages 12 to 26 which comprise of the income and expenditure account, the balance sheet, the statement of reserves and changes in members' interests, the statement of cash flows and the related notes, including the summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements 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 in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" of the state of the Credit Union's affairs as at 30 September 2019 and of its income and expenditure and cash flows for the year then ended; and
- have been properly prepared in accordance with the requirements of the Credit Union Act 1997 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISA's (Ireland)) and applicable law. We are independent of the Credit Union in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, namely the Irish Auditing and Accounting Supervisory Authority (IAASA) Ethical Standard concerning the integrity, objectivity and independence of the auditor, and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the

circumstances for the entity. 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 ISA's (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

Other information comprises information included in the annual report, other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. 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 on the other information that we obtained prior to the date of this auditor's report, 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.

Matters on which we are required to report 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, to the best of our knowledge and belief, were 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 of the Credit Union;
- 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.

Respective responsibilities of directors and auditors

As explained in the statement of directors' responsibilities, the Credit Union's directors are responsible for the preparation of the financial statements which give a true and fair view in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and for such internal control as they determine necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the credit union's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intends to liquidate the credit union or to cease operations, or has no realistic alternative to do so.

Responsibilities of auditor for the audit of the financial statements

Our objectives, as auditors, is 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 auditors' 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 ISA's (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. A further description of our responsibilities for the audit of the financial statements is located on IAASA's website at:

http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf

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

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

BDO

103/104 O'Connell Street

Limerick

Registered Auditors (AI No: 223876)

Date: **6/11/2019**

Income and Expenditure Account for the year ended 30 September 2019

Income	Notes	2019 €	2018 €
Interest on loans	4	914,827	765,384
Other interest receivable	5	640,380	669,611
Net interest income		1,555,207	1,434,995
Other income		6,014	11,423
Total income		1,561,221	1,446,418
Expenditure			
Employment costs	6	(495,068)	(486,467)
Other management expenses (see schedule 1)		(641,491)	(599,365)
Depreciation	9	(79,929)	(75,858)
DGS contributory fund charge		(38,212)	(42,149)
Net (losses)/recoveries on loans to members	10 d	(23,305)	18,911
Total expenditure		(1,278,005)	(1,184,928)
Surplus for the year		283,216	261,490
Other comprehensive income		-	-
Total comprehensive income for the year		283,216	261,490


On behalf of Sarsfield Credit Union Limited

Member of the Board of Directors




Date: 6/11/19

CEO



Date: 6/11/19

Member of Board Oversight Committee



Date: 6/11/19

Balance sheet

for the year ended 30 September 2019

	Notes	2019 €	2018 €
Assets			
Cash and cash equivalents	7	7,752,173	7,070,114
Deposits and investments	8	25,548,556	28,786,404
Tangible fixed assets	9	1,249,639	1,258,904
Loans	10	12,660,634	11,404,157
Less: Provision for bad debts	10c	(611,319)	(606,372)
Debtors and prepayments	11	481,554	504,920
Total assets		47,081,237	48,418,127
Liabilities			
Members' shares	13	38,795,532	40,344,492
Other liabilities, creditors, accruals and charges	14	351,446	345,917
		39,146,978	40,690,409
Net assets		7,934,259	7,727,718
Reserves			
Regulatory reserve		5,159,429	5,159,429
Realised reserves		2,535,819	2,339,748
Unrealised reserves		36,988	35,119
Operational risk reserve		202,023	193,422
Total reserves		7,934,259	7,727,718

On behalf of Sarsfield Credit Union Limited

Member of the Board of Directors



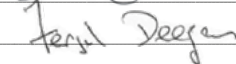
Date: 6/11/19

CEO



Date: 6/11/19

Member of Board Oversight Committee



Date: 6/11/19

Statement of reserves and changes in members interests

FOR THE YEAR ENDED 30 SEPTEMBER 2019	REGULATORY RESERVE	OPERATIONAL RISK RESERVE	UNREALISED RESERVES	REALISED RESERVES	TOTAL RESERVES
	€	€	€	€	€
Balance at 1 October 2017	5,159,429	211,690	33,677	2,131,204	7,536,000
Surplus for the year	-	-	12,715	248,775	261,490
Dividend & loan interest rebate paid	-	-	-	(69,772)	(69,772)
Transfer to operational risk reserve	-	-	-	-	-
Transfer between reserves	-	(18,268)	(11,273)	29,541	-
Closing balance at 30 September 2018	5,159,429	193,422	35,119	2,339,748	7,727,718
	REGULATORY RESERVE	OPERATIONAL RISK RESERVE	UNREALISED RESERVES	REALISED RESERVES	TOTAL RESERVES
	€	€	€	€	€
Balance at 1 October 2018	5,159,429	193,422	35,119	2,339,748	7,727,718
Surplus for the year	-	-	12,835	270,381	283,216
Dividends and interest rebate paid -	-	-	-	(76,675)	(76,675)
Transfer to operational risk reserve	-	-	-	-	-
Transfer between reserves	-	8,601	(10,966)	2,365	-
Closing balance at 30 September 2019	5,159,429	202,023	36,988	2,535,819	7,934,259

Statement of cash flows for the year ended 30 September 2019

Cash flows from the operating activities	Notes	2019 €	2018 €
Loans repaid by members	10	5,826,242	4,906,480
Loans advanced to members	10	(7,128,519)	(7,137,585)
Loan interest received	4	913,081	762,608
Investment interest received		678,903	629,377
Other income received		6,014	11,423
Bad debts recovered	10d	27,442	16,997
Dividends and loan interest rebate paid	12	(76,675)	(69,772)
(Increase)/decrease in debtors		23,366	(36,658)
Increase in creditors		5,529	111,059
Operating expenses		(1,179,718)	(1,127,981)
Net cash flow from operating activities		(904,335)	(1,934,052)
Cash flows from investing activities			
Fixed assets purchases	9	(70,664)	(16,420)
Net cash flow from managing investments		3,206,018	(475,035)
Net cash flow from investing activities		3,135,354	(491,455)
Cash flows from financing activities			
Members shares received	13	10,930,160	12,682,867
Members shares withdrawn	13	(12,479,120)	(12,417,866)
Net cash flow from financing activities		(1,548,960)	265,001
Net increase/(decrease) in cash and cash equivalents		682,059	(2,160,506)
Cash and cash equivalents at the beginning of the year		7,070,114	9,230,620
Cash and cash equivalents at the end of the year		7,752,173	7,070,114
Cash and cash equivalents at the end of the year comprise:			
Cash and cash equivalents	7	7,752,173	7,070,114

Notes to the Financial Statements

For the Financial Year Ended 30 September 2019

1. LEGAL AND REGULATORY FRAMEWORK

Sarsfield Credit Union is registered under the Credit Union Act 1997 (as amended).

The Credit Union is registered with the Registrar of Credit Unions and is regulated by the Central Bank of Ireland. The registered office of the credit union is located at Glentworth Street, Limerick.

2. ACCOUNTING POLICIES

2.1. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and Irish statute comprising of the Credit Union Act 1997 (as amended). The financial statements have been prepared on the historical cost basis.

The financial statements are present in Euro (€) which is also the functional currency of the Credit Union.

Going concern

After reviewing the credit union's projections, the directors have reasonable expectation that the credit union has adequate resources to continue in operational existence for the foreseeable future. The credit union therefore continues to adopt the going concern basis in preparing its financial statements.

2.2. INCOME

Interest on members' loans

Interest on loans to members is recognised on an accruals basis using the effective interest method.

Investment income

Investment income is recognised on an accruals basis using the effective interest method.

Other income

Other income is recognised on an accruals basis.

2.3. INVESTMENTS

The specific investment products held by the credit union are accounted for as follows:

Investments held at amortised cost

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

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.

Investments held at fair value

Investments held for trading and investment in stock market shares (i.e. non-convertible preference shares and non-puttable ordinary shares or preference shares) are included in this category. Financial assets at fair value are classified as held for trading if they are acquired for sale in the short term. They are valued at fair value (market value) at the year-end date and all gains and losses are taken to the income and expenditure account. The fair value of quoted investments is determined by reference to bid prices at the close of business on the balance sheet date. Where there is no active market these assets will be carried at cost less impairment.

2.4. TANGIBLE FIXED ASSETS & DEPRECIATION

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Credit Union adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Credit Union. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the income and expenditure account during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Premises	- 2% Straight line
Computer equipment	- 20% Straight line
Office equipment	- 10% Straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other gains' or 'other losses' in the income and expenditure account.

2.5. IMPAIRMENT OF TANGIBLE FIXED ASSETS

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss.

If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount

is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the income and expenditure account. If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years.

A reversal of an impairment loss is recognised immediately in the income and expenditure account.

2.6. TAXATION

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

2.7. CASH AND CASH EQUIVALENTS

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

2.8. FINANCIAL ASSETS - LOANS TO MEMBERS

Loans 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.

Loans are derecognised when the right to receive cash flows from the asset has expired, usually when all amounts outstanding have been repaid by the member.

2.9. IMPAIRMENT OF FINANCIAL ASSETS

Financial assets, other than those held at fair value, are assessed for indicators 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 effected. 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.

2.10. 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.

2.11. FINANCIAL LIABILITIES - MEMBERS SHARES

Members' shares in Sarsfield Credit Union Limited are redeemable and therefore are classified as financial liabilities. They are recognised at the amount of cash deposited.

2.12. HOLIDAY PAY

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

2.13. PENSION COSTS

The Credit Union operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Credit Union pays fixed contributions into a separate entity. Once the contributions have been paid the Credit Union has no further payments obligations. The contributions are recognised as an expense in the income and expenditure

account when they fall due. Amounts not paid are shown in accruals as a liability on the balance sheet. The assets of the plan are held separately from the Credit Union in independently administered funds.

2.14. OTHER PAYABLES

Short term other liabilities, creditors, accruals and charges are measured at the transaction price.

2.15. DERECOGNITION OF FINANCIAL LIABILITIES

Financial liabilities are derecognised when the obligations of the credit union specified in the contract are discharged, cancelled or expired.

2.16. DISTRIBUTION POLICY

Dividends and loan interest rebates are made from the current year's surplus or reserves set aside for that purpose. The board's proposed dividend and loan interest rebate to members each year is based on the distribution 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 investments 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 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 rebate when members ratify such payments at the Annual General Meeting.

2.17. REGULATORY RESERVE

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

2.18. OPERATIONAL RISK RESERVE

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

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

For any year in which there was a deficit, this will be excluded from the calculation.

2.19. OTHER RESERVES

Other reserves are the accumulated surpluses to date that have not been declared as dividends returnable to members. The other reserves are subdivided into realised and unrealised. In accordance with the Central Bank guidance note for Credit Union's on matters relating to accounting for investments and distribution policy, investment income that has been recognised but will not be received within 12

months of the balance sheet date is classified as "unrealised" and is not distributable. A reclassification between unrealised and realised is made as investments come to within 12 months of maturity date. The directors have deemed it appropriate that interest on loans receivable at the balance sheet date is also classified as "unrealised" and is not distributable. All other income is classified as "realised".

3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Preparation of the financial statements requires the directors to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

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

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

The net book value of tangible fixed assets subject to depreciation at the financial year end was €1,249,639 (2018: €1,258,904).

Impairment losses on loans to members

The Credit Union's accounting policy for impairment of financial assets is set out in accounting policy in Note 2.9. The estimation of loan losses is inherently uncertain and depends upon many 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. Credit risk is identified, assessed and measured through the use of rating and

scoring tools with emphasis on weeks in arrears and other observable credit risk metrics. The ratings influence the management of individual loans. The credit rating triggers the impairment assessment and if relevant the raising of specific provisions on individual loans where there is doubt about their recoverability. Loan loss provisioning is monitored by the Credit Union and the Credit Union assesses and approves its provisions and provision adequacy on a quarterly basis. Key assumptions underpinning the Credit Union's estimates of collective provisions for loans with similar credit risk characteristics, and, Incurred But Not Reported provisions ("IBNR") are based on the historical experiences of the Credit Union's allied to the Credit Union's judgement of relevant conditions in the wider technological, market, economic or legal environment in which the Credit Union operates. If a loan is impaired, the impairment loss is the difference between the carrying amount of the loan and the present value of the expected cash flows discounted at the asset's original effective interest rate, taking account of pledged shares and other security as appropriate. After a period of time, when it is concluded that there is no real prospect of recovery of loans/part of loans which have been subjected to a specific provision, the Credit Union writes off that amount of the loan deemed irrecoverable against the specific provision held against the loan.

Operational risk reserve

The directors have considered the requirements of the Credit Union Act, 1997 (as amended) and have developed an approach to the calculation of the operational risk reserve.

Sarsfield Credit Union Limited uses the basic indicator approach as set out in the operational risk measurements techniques proposed under Basel II capital adequacy rules for banking institutions in calculating the minimum operational risk reserve. The operational risk reserve of the credit union at 30 September 2019 was €202,023 (2018: €193,422).

Adoption of going concern basis for financial statements preparation

The directors have prepared projections and cash flows for a period of at least twelve months from the date of the approval of the financial statements which demonstrate that there is no material uncertainty regarding the Credit Union's ability to meet its liabilities as they fall due, and to continue as a going concern. On this basis the directors consider it appropriate to prepare the financial statements on a going concern basis. Accordingly, these financial statements do not include any adjustments to the carrying amounts and classification of assets and liabilities that may arise if the Credit Union was unable to continue as a going concern.

4. INTEREST ON MEMBERS' LOANS

	2019 €	2018 €
The interest on members loans recognised for the year is analysed as follows:		
Closing accrued loan interest receivable	24,150	22,404
Loan interest received in year	913,081	762,608
Opening accrued loan interest receivable	(22,404)	(19,628)
Total interest on members' loans	914,827	765,384
Interest on performing loans	908,322	761,102
Interest on non-performing loans	6,505	4,282
Total interest on members' loans	914.827	765,384

5. INVESTMENT INCOME

The investment income recognised for the year is analysed as follows:

	2019 €	2018 €
Received during the year	217,486	210,479
Receivable in less than 1 year	410,056	446,417
Receivable greater than 1 year	12,838	12,715
Total investment income	640,380	669,611

6. EMPLOYEES

Number of employees

The average monthly numbers of employees during the year were:

	2019 No.	2018 No.
Management	3	3
Staff	7	7
	10	10

Employment costs

	2019 €	2018 €
Wages and salaries	495,068	486,467

Key management personnel

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

	2019 €	2018 €
Short term employee benefits paid to key management	218,294	224,620
Payment to pension schemes	16,791	20,215
Total key management personnel compensation	235,085	244,835

7. CASH AND CASH EQUIVALENTS

	2019 €	2018 €
Cash at bank and in hand	164,244	349,344
Short term deposits with banking institutions	7,587,929	6,720,770
	7,752,173	7,070,114

Short term deposits with banks are deposited with original maturity of less than or equal to three months. All other deposits with banks are included under investments in the balance sheet and disclosed in Note 8.

8. INVESTMENTS

Investments at the year ended 30 September 2019 consists of deposits with and funds managed by the following institutions:

	2019 €	2018 €
Accounts in authorised credit institutions (Irish and non-Irish based)	14,049,302	16,805,785
Irish and EEA state securities	8,485,487	8,969,895
Bank bonds	2,744,000	2,744,000
Central Bank deposits	269,767	266,724
	25,548,556	28,786,404

The category of counterparties (including cash equivalents excluding Central Bank deposits) with whom investments were held was as follows:

	2019 €	2018 €
A1	5,799,302	7,349,321
A2	-	4,985,000
A3	3,000,000	2,000,000
Ba2	4,695,600	4,092,234
Ba3	-	-
Baa1	11,185,487	14,069,895
Baa2	5,442,329	-
Baa3	2,744,000	2,744,000
	32,866,718	35,240,450

9. TANGIBLE ASSETS

Cost

At 1 October 2018	2,477,375	236,520	331,154	3,045,049
Additions	6,765	3,112	60,787	70,664
At 30 September 2019	2,484,140	239,632	391,941	3,115,713

Depreciation

At 1 October 2018	1,265,798	226,840	293,507	1,786,145
Charge for the year	49,547	5,130	25,252	79,929
At 30 September 2019	1,315,345	231,970	318,759	1,866,074

Net book values

At 30 September 2019	1,168,795	7,662	73,182	1,249,639
At 30 September 2018	1,211,577	9,680	37,647	1,258,904

10. LOANS TO MEMBERS

	2019 €	2018 €
As at 1 October	11,404,157	9,181,115
Advanced during the year	7,128,519	7,137,585
Repaid during the year	(5,826,242)	(4,906,480)
Loans written off in the year	(45,800)	(8,063)
As at 30 September	12,660,634	11,404,157

10b CREDIT RISK DISCLOSURES

	2019		2018	
	Amount €	Proportion %	Amount €	Proportion %
Loans not impaired				
Total loans not impaired	9,276,290	73.27%	7,806,828	68.46%
Impaired loans				
Not past due	2,518,246	19.89%	2,700,541	23.68%
Up to 9 weeks past due	775,176	6.12%	822,968	7.21%
Between 10 and 18 weeks past due	9,883	0.08%	23,896	0.21%
Between 19 and 26 weeks past due	16,354	0.13%	20,495	0.18%
Between 27 and 39 weeks past due	47,754	0.38%	15,527	0.14%
Between 40 and 52 weeks past due	4,926	0.04%	4,794	0.04%
53 weeks or more past due	12,005	0.09%	9,108	0.08%
Total impaired loans	3,384,344	31.54%	3,597,329	34.51%
Total Loans	12,660,634	100%	11,404,157	100%

10c LOAN ARREARS AND DOUBTFUL DEBTS

	2019 €	2018 €
Opening provision for bad debts	606,372	616,349
Increase/(decrease) in bad debt provision	4,947	(9,977)
Closing provision for bad debts	611,319	606,372

The current provision in the financial statements is €611,319 (2018: €606,372) representing 4.83% (2018: 5.31%) of the total loan book. The provision included above represents provisions allocated to individual loan balances at year end. The provision for bad debts is analysed as follows:

	2019 €	2018 €
Individually significant loans	459,859	289,010
Grouped assessed loans	151,460	317,362
	611,319	606,372

10d NET (LOSSES)/ RECOVERIES ON LOANS TO MEMBERS

	2019 €	2018 €
Bad debts recovered	(27,442)	(16,997)
Movement in loan provision for the year	4,947	(9,977)
Loans written off in the year	45,800	8,063
Net recoveries or losses on loans to members	23,305	(18,911)

11. DEBTORS

	2019 €	2018 €
Accrued loan interest	24,150	22,404
Accrued investment income	422,894	459,132
Prepayments	34,510	23,384
	481,554	504,920

12. DIVIDENDS & LOAN INTEREST REBATES

	Rate	2019 €	Rate	2018 €
Dividends on shares paid	0.10%	39,718	0.10%	39,436
Loan interest rebate paid	5%	36,957	2.50%	30,336

The directors are proposing a dividend in respect of the year ended 30 September 2019 of €19,966 (0.05%) and a loan interest rebate of €32,185 (3.5%) subject to agreement by the membership at the AGM.

13. ANALYSIS OF MEMBER SHARES

	2019 €	2018 €
As at 1 October	40,344,492	40,079,491
Received during the year	10,930,160	12,682,867
Withdrawn during the year	(12,479,120)	(12,417,866)
	38,795,532	40,344,492

Members shares are repayable on demand except for shares attached to loans.

The breakdown of the shares between attached and unattached is as follows:

	2019 €	2018 €
Unattached shares	34,450,207	35,012,559
Attached shares	4,345,325	5,331,933
Total member shares	38,795,532	40,344,492

14. ANALYSIS OF OTHER LIABILITIES, CREDITORS, ACCRUALS AND CHARGES

	2019 €	2018 €
Accruals	171,553	169,381
Trade creditors	17,229	13,751
Dormant member funds	151,692	151,692
Other creditors	10,972	11,093
	351,446	345,917

15. RELATED PARTY TRANSACTIONS

	No. of loans	2019 €	No. of loans	2018 €
Loans advanced to related parties during the year	2	15,000	4	8,700
Total loans outstanding to related parties at the year end	6	44,275	7	44,358

The related party loans stated above comprise of loans to members of the board of directors, the management team and members of the family of a member of the board of directors and the management team of Sarsfield Credit Union Limited.

Total loans outstanding to related parties represents 0.35% of the total loans outstanding at 30 September 2019 (2018: 0.38%).

16. INSURANCE AGAINST FRAUD

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

17. CAPITAL COMMITMENTS

There were no capital commitments at 30 September 2019 (30 September 2018 : €Nil).

18. POST BALANCE SHEET EVENTS

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

19. CONTINGENT LIABILITIES

On 17 September 2018 the Central Bank of Ireland informed all credit unions in the Republic of Ireland that it had become aware of a potential issue that may affect certain credit unions in relation to accrued interest outstanding on loans in circumstances where additional credit is extended to a member by way of top-up loan. Sarsfield Credit Union is currently investigating this issue to determine the potential impact, if any, on the credit union.

20. ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURES

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

Credit risk

Credit risk is the risk that a borrower will default on their contractual obligations relating to repayments to the Credit Union, resulting in financial loss. In order to manage this risk the board of directors regularly reviews and approves Sarsfield Credit Union Limited's lending policy. 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

Liquidity risk is the risk that the Credit Union will not have sufficient cash resources to meet day to day running costs and repay members' savings when demanded. The Credit Union's policy is to maintain sufficient funds in liquid form at all times to ensure that it can meet its liabilities as they fall due.

Market risk

Market risk is the risk that the value of an investment will decrease. This risk can arise from fluctuations in values of, or income from, assets or changes in interest rates. The board of directors regularly reviews and approves the Credit Union's investment policy and funds are invested in compliance with this policy and regulatory guidance.

Interest rate risk

Sarsfield Credit Union Limited's main interest rate risk arises from adverse movements in interest rates receivable which would affect investment income. Sarsfield Credit Union Limited reviews any potential new investment product carefully to ensure that minimum funds are locked in low yielding long term investments yet at the same time maximising investment income receivable.

20b. INTEREST RATE RISK DISCLOSURES

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

	2019 €	Average interest rate	2018 €	Average interest rate
Financial assets				
Gross loans to members	12,660,634	7.73%	11,404,157	7.78%
Financial liabilities				
Members shares	38,795,532	0.10%	40,344,492	0.10%

20C LIQUIDITY RISK DISCLOSURES

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

21. COMPARATIVE AMOUNTS

Comparative amounts have been regrouped/restated, where necessary, on the same basis as those for the current year.

22. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved, and authorised for issue, by the Board on 6/11/2019.

Schedules to the financial statements for the year ended 30 September 2019

	2019 €	2018 €
Schedule 1 - other management expenses		
Staff costs, training and recruitment	30,744	18,168
Pension	35,767	40,948
Security	9,763	9,216
Rates	7,806	8,857
Light and heat	10,585	10,244
Repairs, maintenance and cleaning	25,291	17,043
Printing and stationery	9,661	7,537
Postage and telephone	8,580	9,925
Donations and sponsorship	4,170	2,950
Promotion and advertising	41,428	37,579
Chapter expenses	850	1,005
A.G.M. expenses	10,967	10,842
Travel and subsistence	2,076	1,344
Bank charges	18,023	11,152
Audit fee	15,375	15,368
General insurance	20,028	17,993
Share/loan insurance	148,569	142,736
Death benefit insurance	51,755	47,380
Legal and professional	37,562	40,299
Debt collection	20,952	16,542
Computer maintenance	67,341	53,408
Miscellaneous expenses	2,950	2,430
Affiliation fees and SPS contributions	8,011	11,482
GDPR costs	-	18,858
Regulatory levies and charges	53,237	49,705
Profit on disposal of investment	-	(3,646)
Total per income and expenditure account	641,491	599,365

Standing Orders

1. VOTING

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

2 - 3 ELECTION PROCEDURE

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

4 - 9 MOTIONS

4. All motions from the floor of the AGM must be proposed and seconded by members present at the AGM and moved by the proposer. If the proposer is absent when the motion is made, the motion shall be deemed to have failed.
5. A proposer of a motion may speak for such period as shall be at the discretion of the chair of the meeting and shall have the right of reply before the motion is put to the meeting for a vote.
6. In exercising his/her right of reply, a proposer may not introduce new material.
7. The seconder of a motion shall have such time as shall be allowed by the chair to second the motion.
8. Members are entitled to speak on any such motion and must do so through the chair. All speakers to any motion shall have such time as shall be at the discretion of the chair.
9. The chair shall have the absolute right to decide at any time when a motion has been sufficiently discussed and may put the motion to the meeting giving the proposer the right of reply before doing so.

10 - 15 MISCELLANEOUS

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

16. SUSPENSION OF STANDING ORDERS

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

17. ALTERATION OF STANDING ORDERS

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

18. ADJOURNMENTS

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

SWITCH & **SAVE**



Come and
Talk to us
in Glentworth St.

One Loan. One Repayment. One Solution.

**CONSOLIDATE YOUR DEBT
WITH A SWITCH & SAVE LOAN**



Sarsfield
Credit Union Ltd.

Terms & Conditions Apply. Loans Subject to Approval.
Sarsfield Credit Union Ltd. is regulated by the Central Bank of Ireland.

www.sarsfieldcu.ie

Notice of Elections

Elections will be held to fill 4 vacancies on the Board of Directors, 1 vacancy on the Board Oversight Committee and the position of Auditor. Notice of the above vacancies were advertised within the credit union office and on our website

www.sarsfieldcu.ie. If you are interested in becoming a volunteer within Sarsfield Credit Union please inform us of same in writing no later than 6th January 2020.



Insurance

Unique to Credit Unions designed to give you peace of mind.

» Loan Protection Insurance

Sarsfield CU takes out cover on the lives of eligible members who have loans with us. This means that should a member with an outstanding loan die, the balance is repaid in full. (terms & conditions apply)

» Life Savings Insurance

Sarsfield CU pays out an additional amount in the event of a member's death. The amount paid out to an eligible member is in direct proportion to the savings and the age of a member. Subject to the maximum benefit of €5,000, every euro you save before the age of 55 provides €1 euro of insurance. (terms and conditions apply)

» Death Benefit Insurance

Your savings attract €1,000 towards funeral expenses in the event of your death. The benefit is payable to the deceased members family. (terms and conditions apply)

You are eligible for Death Benefit Insurance cover of €1,000 provided you:

- Joined Sarsfield Credit Union before the age of 70
- Remain a member of the Credit Union
- Maintain a minimum share balance of €200 in your account

Requirement for Proof of Identity

Sarsfield Credit Union Ltd., in common with all other financial institutions, is required to establish Proof of Identity and Proof of Residential Address for all members in accordance with Anti Money Laundering provisions contained in the Criminal Justice (Money Laundering and

Terrorist Financing) Act 2010 as amended. To help us meet our obligations we may from time to time ask you to provide updated documents and we thank you in advance for your co-operation and understanding.

CRS Notice



Sarsfield Credit Union Ltd., in common with other financial institutions is required to verify your tax residency for the purposes of the Common Reporting Standard (CRS). The CRS is provided for by Section 891F of the Taxes

Consolidation Act 1997 and was established to enable an automatic exchange of financial account information between countries. Since January 1st 2017 new Members of the Credit Union have been required to self-certify their country of tax residence and we are now requesting existing Members who are no longer resident in Ireland to notify us.

Amendment to Standard Rules

There were four amendments to the Standard Rules for Credit Unions (Republic of Ireland) arising from League AGM 2019.

Rule 1

That this Annual General Meeting agrees to amend Rule 1(a) of the Standard Rules for Credit Unions (Republic of Ireland) by the insertion of "*membership officer*", to read as follows:

Rule 1: Interpretation

'officer' includes:

- (a) the chair, the secretary or any other member of the board of directors, a member of a principal committee, a member of the board oversight committee, risk management officer, compliance officer, credit officer, *membership officer* or credit control officer of the credit union,
- (b) an employee of the credit union to whom paragraph (a) does not apply, and
- (c) a voluntary assistant of the credit union, but does not include an auditor appointed by the credit union in accordance with the requirements of the Act;

Rule 13

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

Rule 13. Qualifications for membership

- (1) An applicant shall be admitted to membership only when:
 - (i) it shall have been determined that he is eligible for membership in accordance with rule 11; and
 - (ii) his application for membership shall have been approved by the affirmative vote of

a majority of the board of directors or by a duly appointed and authorised membership committee present at a meeting at which the application is considered, *or by a duly appointed and authorised Membership Officer*;

Rule 83

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

Rule 83. Duties of membership committee and/or membership officer

Subject to these rules and the Act, the membership committee and/or *membership officer* shall:

Rule 84A

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

Rule 84A. Membership Officer

(1) *The board of directors may approve the appointment of a person by the manager as a membership officer to assist the membership committee and work under its supervision and control.*

(2) *A record of each application for membership which has or has not been approved shall be furnished by the membership officer to the membership committee no later than seven days of receipt of the application.*

DIRT NOTICE



IMPORTANT DIRT NOTICE

From 1st January 2014, Deposit Interest Retention Tax (DIRT) must be deducted from all dividend or interest paid to credit union members.

This brings credit unions into line with other financial institutions. Members who can be exempt from DIRT are those who:

- Are aged over 65 (or whose spouse or civil partner is aged over 65), And
- Whose total income is below the relevant limit (currently €18,000 for a single person or €36,000 for a married couple or a couple in a civil partnership) In certain circumstances, members who are permanently incapacitated may also be entitled to an exemption from DIRT. To avail of this exemption, you must complete a self-declaration form. Please contact a member of staff for more information.



MEMBER NOTICE

CENTRAL CREDIT REGISTER

The Central Credit Register is a national database that will, on request, provide:

- a borrower with an individual credit report detailing their credit agreements;
- a lender with comprehensive information to help with credit assessments; and
- the Central Bank with better insights into national trends in the provision of credit.

The Credit Reporting Act 2013 requires us to process your personal and credit information for the Central Credit Register. From 30 June 2018, we will submit personal information to the Central Credit Register that we may already have about you, like: your name, address, date of birth & your PPSN

The Central Credit Register needs this information to make sure it accurately matches your loans, including loans that you may have with other lenders. Producing a full and accurate credit

report is one of the main aims of the Central Credit Register. We will also submit credit information each month about your loans, if the loan is for €500 or more.

LENDERS MAY ONLY ACCESS YOUR CREDIT REPORT: when considering an application for a new loan, If you ask to change the terms of a loan or if they are reviewing a loan in arrears.

We invite you to read the Central Credit Register factsheet at:

If you have any other question about any of your loans with us, you can contact us at (061) 317910

<https://www.centralcreditregister.ie/media/1083/a-consumer-guide-to-the-central-credit-register.pdf>



MINOR ACCOUNTS



OPERATING MINORS ACCOUNTS

Only a Parent / Legal Guardian can open an account for a Minor.

Only the Parent / Legal Guardian who opened the account is authorized to operate the account with the Minor.

Up to Age 7 any withdrawals on a Minor's account require the signature of the Parent / Legal Guardian authorized to operate the account.

From Age 7 to Age 16 any withdrawals on a Minor's account require the signature of the Minor and the Parent / Legal Guardian authorized to operate the account.

At Age 16 the account transitions to a Full Membership and only the account holder can access the funds / information on the account.

Any withdrawals from a Minor's account must be applied for the sole benefit of the Member and the Parent / Legal Guardian will be required to sign a declaration to this effect.



DID YOU KNOW?



Instead of Sarsfield Credit Union posting your annual statement and AGM Notice you can download your e-statement and have your AGM Notice emailed to you.

By switching to eStatements and eAGM Notices you:

- Have instant access
- Help reduce our carbon footprint
- Contribute to Sarsfield saving on print and postage costs

To switch to eStatements and eAGM Notices log onto your Online Banking, click on Personal Settings and tick Statements & AGM Notifications.

For those members not registered for Online Banking, please log onto: www.sarsfieldcu.ie and Register for Online Banking



The screenshot shows the Sarsfield Credit Union online banking interface. At the top, there's a navigation bar with the Sarsfield logo and a 'Personal Settings' link. Below the navigation bar, there's a message about upcoming changes related to the Payment Services Directive 2 (PSD2). The main content area is divided into two sections: 'Account Balances' and 'Obligatory Communications'. The 'Account Balances' section shows a table with columns for 'Amount', 'IBAN', 'Balance', and 'Available Balance'. The 'Obligatory Communications' section has a heading 'Regulatory Communications Preferences' and two checkboxes: 'Statements' and 'AGM Notifications', both of which are checked.

PLANNING AHEAD



Is your Nomination up to date?

Credit unions have a unique nomination facility whereby if you are a Member over 16 years of age you can nominate a person or persons to receive up to €23,000 of your property in the Credit Union at the time of your death. Having a nomination means that your property left in the credit union (up to a maximum of €23,000 in Republic of Ireland) will not have to pass through the sometimes timely probate or intestacy process. Any amount in excess of €23,000 will form part of your estate. If one person is nominated then they can receive the full €23,000 but where more than one person is nominated then the €23,000 is shared evenly between the nominees. Next time you are in the Credit Union check that your Nomination is up to date.



Authorised Signatories

We are aware that there may be occasions when Members are not in a position to get to the Credit Union to transact on their accounts. You may decide to give another person authority to transact on your account. If you wish to investigate putting this in place on your account please speak to a Member of Staff.



What happens if one day you are unable to make decisions for yourself?



CHY 6830
Registered Charity Number 20013554

If you are suddenly taken ill, have an accident or lose your ability to think clearly or independently?

Do your family and friends know your wishes?

Download your free copy from:
www.thinkahead.ie.

For printed copies please contact
thinkahead@hospicefoundation.ie or 016793188

Think Ahead is an initiative of the Forum on End of Life in Ireland and the Irish Hospice Foundation



The gift of peace of mind...

Have you done it yet?



PSD2 (PAYMENT SERVICES DIRECTIVE)

The Payment Services Directive (PSD2) is a new law within the European Union that was introduced in January 2018 designed to benefit customers by enhancing transparency, giving you greater control over your data and will further protect your banking and purchases online. Sarsfield Credit Union has introduced some improvements to your Online Banking experience.

These changes were in preparation for compliance with European banking regulations - Payment Services Directive 2 (PSD2) - which came into force on September 14th 2019. These regulations bring additional safety and security to your online banking.

These changes are to protect consumers from increased instances of online fraud. This additional security is known as Strong Customer Authentication (SCA) and has been introduced in our browser-based services.

Strong Customer Authentication (SCA)

The following actions require SCA from 14th September 2019:

1. Logging in to your Online Banking
2. Setting up new payees
3. Viewing transactions older than 90 days
4. Viewing e-Statements
5. Viewing Documents older than 90 days

How will my experience change?

As part of these improved security measures you will logon as normal but you may be required to provide additional authentication via your phone.

So, what do I need to do?

It is imperative that the mobile phone number that we have registered for your account is correct.

To view the number registered to you, click the Personal Settings option in Online Banking. If any details are incorrect please contact the Credit Union.

How to reactivate forgotten log in details

If you cannot remember your PIN, click on Log In and Click on 'Lost Your PIN' on the left hand side. The 'PIN REMINDER FORM' will appear (see below)

Lost your Pin?

Please enter your details in the form below so that we may verify your identity. Your PIN will be sent to the address we have on file for you.

Please complete all your details in the form below, and click submit when you have finished.

PIN REMINDER FORM

* Required Fields

Please contact me with a reminder of my PIN. My details are as follows: (please enter your details exactly as when you first registered for your PIN, so that we can verify your identity)

Member Number:	*
Date of Birth (dd/mm/yyyy):	*
Address:	*
E-mail Address:	*

SUBMIT FORM

Quick link: <https://www.sarsfieldcu.ie/Lost-Your-PIN>

Security Advice

When we communicate with you we will never ask you for your PIN and we will never advise you to transfer money out of your account. Should you encounter any of the above requests you should report it to Sarsfield Credit Union immediately.

Anyone can be the target of financial fraud and scams, and at any time. Your best defence is to stay informed, alert, and secure.

Check out the website» www.fraudsmart.ie

where there are very useful short video clips and other valuable information to help protect you.

Want to apply for your loan online?

Introducing a new quick and convenient way to apply for your loan

From the convenience of your tablet, smartphone or PC, you can apply for one of our great value loans online. It only takes a few minutes.

Fill out the online loan application and we'll take it from there.

In most cases we will contact you within one working day to complete your loan application.

***To Apply for your Loan Online you must Register for Online Banking**



Sarsfield
Credit Union Ltd.

 **061 317 910**
 **happytohelp@sarsfieldcu.ie**
www.sarsfieldcu.ie