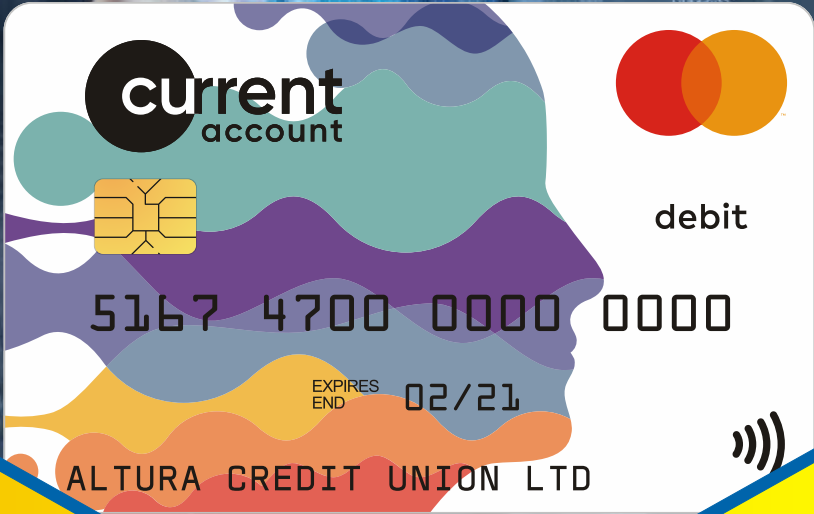


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2018/2019 ANNUAL REPORT



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Loch Garman Arms Hotel.
Wednesday 11th December, 2019 at 7.30p.m.

ORDER OF BUSINESS

	Page
1. Acceptance of Proxies (if any) by Board of Directors.	.
2. Ascertainment that a Quorum is present.	.
3. Adoption of Standing Orders.	.
4. Minutes of Last AGM and any SGM.	.
5. Presidents Address.	4-5
6. Report of Directors.	9
7. Financial Report including Auditor's Report & consideration of accounts.	11-31
8. Declaration of Dividend and Rebate of Interest.	.
9. Motion / Rule Changes.	32
10. Report of the Business Development & Marketing Manager.	34
11. Credit Committee Report.	36
12. Credit Control Committee Report.	38
13. Membership Committee Report.	39
14. Board Oversight Committee Report.	40
15. Risk & Compliance Manager Report.	42
16. Nominating Committee Report.	.
17. Appointment of Tellers.	.
18. Election of Auditor.	.
19. Election to fill vacancies on Board Oversight Committee.	.
20. Election to fill vacancies on the Board of Directors.	.
21. Other Reports / ICT, CU Update etc.	44-45
22. Any Other Business	.
23. Announcement of Election Results.	.
24. Member's Draw.	.
25. Close / Adjournment of Meeting.	.

Joseph Kinsella
Honorary Secretary.

Standing Orders

1. The proposer of a resolution or of an amendment thereto, may speak for five minutes, but no longer.
2. Any member speaking to a resolution or any amendment shall not exceed three minutes.
3. The proposer of a resolution or an amendment may speak a second time for five minutes before a vote is taken, but no other member can speak a second time to the same resolution or amendment.
4. The President shall at any time she/he considers a matter has been sufficiently discussed, call on the proposer to reply, and when that has been given, a vote must be taken.

Nominations: There are four vacancies for the position of Directors, three vacancy on the Board Oversight Committee and one vacancy for Auditor.

Nomination Packs are available on an ongoing basis at the Credit Union Counter.

Due to legislative changes, nominations can not be accepted from the floor of the AGM.

Each member holding one fully paid-up share of €5.00 and aged 16 years of age or over shall have one vote. Members are asked to bring their pass-cards as means of identification for voting purposes.

DIRECTORS DURING PERIOD 2018/2019 AND OTHER INFORMATION

EXECUTIVE DIRECTORS:	<i>President:</i>	Andrew Cullen
	<i>Vice President:</i>	Tom Finn
	<i>Secretary:</i>	Joseph Kinsella
	<i>Asst. Secretary:</i>	Mary Hearne
DIRECTORS:	Enda O'Connor	Jim Kavanagh
	Imelda Purcell (Co-opted)	Fiona Byrne (Resigned)
	Seamus Halvey	Michael Kelly (Resigned)
OVERSIGHT COMMITTEE:	Padraig O'Brien (Co-opted)	Lorraine Walsh
	Anne Fitzgerald (Resigned)	Mary Quinn (Co-opted)
	Imelda Purcell (Resigned)	

STAFF During 2017/18:

GENERAL MANAGER:	Barry Monaghan
FINANCE MANAGER:	Anne Roche
CREDIT CONTROL MANAGER:	Caroline Kavanagh
LOANS MANAGER:	Gina Kenny
RISK & COMPLIANCE MANAGER:	Geraldine Sheehan
IN HOUSE SOLICITOR:	Yvonne O'Neill
DATA PROTECTION OFFICER:	Donal O'Connor
ICT MANAGER:	Pat Kavanagh
FACILITIES MANAGER:	Tom Fortune
MARKETING & BUSINESS DEVELOPMENT MANAGER:	Tom Brennan

STAFF:

During year 2017/18:

Dina Allegrini	Anne Forsyth	Aidan Mackey	Roseanna O'Sullivan
Susan Baldwin	Valentina Farris	Mary Mackey	Miriam Osborne
Edel Bethel	Emma Gibney	Tina McClure	Gemma Purdy
Margaret Brennan	Breda Goland	Roisin Monaghan	Michelle Roche
Mary Butler	Mary Halford	Emma McLoughlin	Lisa Ryan
Edel Byrne	Catherine Hatton	Bernadette McCarthy	Anita Schonken
Noeleen Cullen	Linda Hempenstall	Alex Maguire	Kerry Ann Seymour
Nicola Clune	Joan Hughes	Denise Murray	Anne Sheridan
Joan Dixon	Geraldine Kelly	Aisling O'Brien	Liz Sheridan
Rebecca Donnelly	Maria Kelly	Edel O'Brien	Jenny Swords
Fionnuala Doyle	Kerrie Kenny	Lisa O'Connor	Marguerite Townsend
Adam Ellard	Bernadette Kennedy	Vivienne O'Leary	Lisa Travers
Anne Fitzgerald	Jenny Kirwan	Margaret O'Reilly	Fiona Vickers

BANKERS:	BNP Paribas, 5 George's Dock, IFSC, Dublin 1.	Ulster Bank Ltd. Main Street, Gorey, Co. Wexford.	Bank of Ireland. Main Street, Carnew & Rathdrum, Co. Wicklow.	Allied Irish Bank. Main Street, Gorey, Co. Wexford.
AUDITORS:	Sheil Kinnear Ltd. Chartered Accountants & Statutory Auditors.			

On behalf of the Board of Directors, I would like to welcome you, the members, to the 53rd AGM of Altura Credit Union Ltd.

2019 has proven to be another challenging year for the Credit Union movement, as the more proactive of Credit Unions move towards business model transformation and all that entails. It is becoming increasingly obvious that Credit Unions must revisit how we conduct our business to remain relevant and viable in the years ahead. The Board of Directors of Altura Credit Union Limited continually discuss the way forward, through our Strategic vision. It must be emphasised that each Credit Union is its' own standalone entity owned by you the members and operated on your behalf by the Board of Directors, with the priority being to ensure that your savings remain safe and secure.

The board of this credit union effectively leverages the support functions provided for of Compliance Officer, the Risk Management function and Internal Auditor, to assist in discharging our oversight roles in this regard.

We continue to invest in both our Organisational Structure and our Information & Communications Technology, along with upgrading our Head and Branch Offices as necessary.

We have applied for planning permission for a new facility on Market Square in Gorey, which will further enhance the member experience at Head Office and have received planning permission for a branch office in Ferrybank, further showing our commitment to our Branch Office network and the communities they serve.

As will be alluded to on a few occasions throughout the evening, I am delighted that this Credit union is one of the first nationally (and the only one currently in county Wexford) to introduce the Credit Union current account and the ancillary services attached. This has been on our agenda for about a decade and to finally bring it to fruition, by collaboration of some larger Credit Unions, facilitated by Payac, is a major achievement and a wonderful addition to the portfolio of products and services we already provide.

Our Membership as of 30/09/19 stands at **33,122**. Members' savings total **€139,927,715** while total Loans outstanding from members amounts to **€62,566,200**. The financial performance of Altura Credit Union is most satisfactory with a Loans to Assets ratio of over 39% particularly when compared to the national average. This is something we are proud of and work tirelessly to improve, thereby safeguarding the future of Altura Credit Union Limited.

Our Loan Book is consistently growing while our loans arrears are continually falling percentage wise and the level of provisioning relating is prudently monitored on an ongoing basis.

With regard to member's shares and deposits, Altura Credit Union Ltd is a member of the Deposit Guarantee Scheme, details of which you will find at the bottom of page 42 in this booklet. The "Credit Union Act 1997 (Regulatory Requirements) Regulations 2016", which came in to effect on 1st. January 2016 imposes a €100,000 maximum savings limit on an individual member of a Credit Union.

As our General Manager will mention later, this is one area the Board of Directors may need to consider addressing in 2020.

Eligible deposits are protected by the Deposit Guarantee Scheme ("DGS").

Your Credit Union is safe and secure, going from strength to strength and a viable solution for all your financial needs.

The Board of Directors ensure utmost prudence in running the Credit Union on your behalf, whilst ensuring compliance with ever changing regulation and legislation with increased focus on strategic planning, compliance and risk mitigation.

Director Tom Finn, on behalf of the Board, will present the full Financial Report later tonight, but as President, I am pleased to announce that our Board of Directors, having fulfilled our duty to keep regulatory reserves at the required levels, are recommending a dividend of **0.10%** and a loan interest rebate of **5.00%** on the standard rate loan. This in effect equates to a net standard loan rate of just 8.79% once the proposed rebate is factored in. We believe this distribution, based on current returns accessible elsewhere and combined with low loan interest rates available all year round is a fair and balanced means of rewarding both our savers and borrowers over the past year.

By keeping our proposed dividend and interest rebate realistic it enables us to adequately meet all our regulatory requirements and strengthen reserves. It also enables us to invest in the development and delivery of existing and additional services. The Board of Directors are committed to maintaining this proactive approach.

In addition to this, our Loan Protection and Life Savings (LP&LS) & Death Benefit Insurance (D.B.I.) of €1,300 are paid as a nett operational expense (€783,755) so there is no cost to our Members. In addition, since January 2019, an option exists for you to increase your DBI cover by an extra €2,000 by member pay.

General Manager, Barry Monaghan, will, later in his update report, refer other initiatives that the Board of Directors has carefully considered and feel are in the best interests of this Credit Union and its' membership and will go a long way to giving you a major alternative to the main stream financial institutions for the products, services and communication channels that people require in this day and age, all the while maintaining our ethos and the face to face interaction that we consider so important.

I would therefore like to acknowledge and thank both the Management Team & Staff for all their hard work, commitment and dedication during the year.

I would also like to place on record my appreciation to our Auditors Sheil Kinnear.

I would also like to thank my fellow Directors & Board Oversight Committee members for their support and assistance and we look forward to the newly elected Board at this evening's AGM continuing in similar vein in 2020.

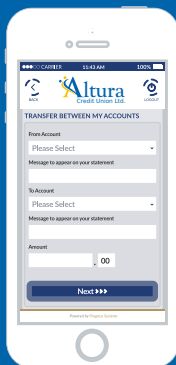
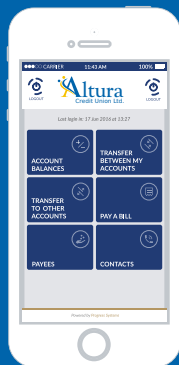
In conclusion, I would like to extend my condolences to the families of members who have passed away this year and to various members of our Board, Staff & Board Oversight Committee who themselves have suffered from such losses yet continue to work for the overall good of Altura Credit Union.

Please remember that this is your credit union, so use it. By supporting your Credit Union, you will in turn help your Credit Union support you.

Andrew Cullen
President.
14th November, 2019

Your Credit Union *in the palm of your hand*

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always
been local,



now
we're
mobile.

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move money,
and pay bills
wherever you
may be

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your account will go into arrears.
This may limit your ability to access credit in the future.

Lending Criteria, Terms & Conditions Apply



“To build life long relationships, One member at a time”

Contents	Page
Directors' Report	9
Statement of Directors' and Board Oversight Committee's Responsibilities	10
Independent Auditor's Report to the Members of Altura Credit Union Limited	11 & 12
Income and Expenditure Account	13
Balance Sheet	14
Statement of Changes in Reserves	15
Cash Flow Statement	16
Notes on the Financial Statements	17 to 30
Schedule to the Income & Expenditure Account	31

RESULTS, DIVIDEND AND APPROPRIATION OF SURPLUS

The income and expenditure account as set out on page 13 shows a surplus for the year of €751,896 compared with a surplus in the previous year of €1,082,355.

The directors are recommending a dividend of 0.10% costing €129,210 and they are also proposing a rebate of 5% on interest paid on members' loans, amounting to €150,906.

The directors have transferred €296,065 to the Regulatory Reserve and €200,000 to the Operational Risk Reserve as set out in the Statement of Changes in Reserves on page 15 of the accounts.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks arising from Altura Credit Union Limited activities are set out in note 21 of the attached accounts.

STATEMENT OF DIRECTORS' AND BOARD OVERSIGHT COMMITTEE'S RESPONSIBILITIES

The statement of directors' responsibilities and board oversight committee's responsibilities are set out on page 10.

ACCOUNTING RECORDS

The directors believe that they comply with the requirements of section 108 of the Credit Union Act, 1997 as amended with regard to books of 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 McDermott Street, Gorey, Wexford.

HEALTH & SAFETY

The wellbeing of the Credit Union's staff is safeguarded through adherence to health and safety standards and we are satisfied that these have been improved and continued to operate satisfactorily during the year.

In accordance with the Safety, Health & Welfare at Work Act, the Credit Union's policy and procedures have been reviewed and a comprehensive safety statement has been prepared.

POST BALANCE SHEET EVENTS

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

AUDITORS

The auditors, Sheil Kinnear Limited, have indicated their willingness to continue in office in accordance with Section 115 of the Credit Union Act 1997, as amended.

ON BEHALF OF THE BOARD

President: Andrew Cullen
Secretary: Joseph Kinsella

Date: 14th November 2019

Statement of Directors' Responsibilities.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Credit Union will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Credit Union and to enable them to ensure that the financial statements are prepared in accordance with applicable Irish law and Generally Accepted Accounting Practice in Ireland, including the standards issued by the Financial Reporting Council, and in particular FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". They are responsible for safeguarding the assets of the Credit Union and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Member of the Board of Directors: Andrew Cullen

Member of the Board of Directors: Jim Kavanagh

Date: 14th November 2019

Statement of Board Oversight Committee's Responsibilities

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

On behalf of the Board Oversight Committee:

Chairperson of the Board Oversight Committee: Lorraine Walsh

Date: 14th November 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALTURA CREDIT UNION LIMITED

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Altura Credit Union Limited for the year ended 30th September 2019, which comprise the Income and Expenditure Account, Balance Sheet, Statement of Changes in Reserves and Cash flow Statement and notes to the financial statements, including the summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is Irish Law and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

In our opinion the financial statements:

- give a true and fair view of the state of the Credit Union's affairs as at 30th September 2019 and its income and expenditure and cash flows for the year then ended;
- have been properly prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been properly prepared in accordance with the requirements of the Credit Union Act 1997, as amended.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are 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 IAASA require us to report to you where:

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Credit Union Act 1997, as amended.

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

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion proper accounting records have been kept by the Credit Union.
- The financial statements are in agreement with the accounting records.
- The financial statements contain all primary statements, notes and significant accounting policies required to be included in accordance with section 111(1)(c) of the Act.

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the directors' 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 the going concern basis of accounting unless management either intends to liquidate the Credit Union or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Our report is made solely to the Credit Union's members, as a body, in accordance with section 120 of the Credit Union Act 1997, as amended. Our audit work has been undertaken so that we might state to the Credit Union's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Credit Union and the Credit Union's members, as a body, for our audit work, for this report, or for the opinions we have formed.

David O'Connor
for and on behalf of
Sheil Kinnear Limited
Chartered Accountants & Statutory Auditors

Sinnottstown Business Park,
Drinagh,
Co. Wexford.

Date: 14th November 2019

Appendix to the Independent Auditor's Report

Further information regarding the scope of our responsibilities as auditor

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

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

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

**INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30TH SEPTEMBER 2019**

Income	Note	2019 €	2018 €
Interest on members' loans	4	4,727,862	4,253,254
Other interest income and similar income	5	616,796	851,512
Interest payable on members' deposits	6	<u>(19,750)</u>	<u>(19,753)</u>
Net interest income		5,324,908	5,085,013
Other income	7	249,934	249,801
Employment costs	8	(2,371,852)	(1,872,968)
Other management expenses (Schedule 1)		(2,435,491)	(2,506,982)
Depreciation		(401,789)	(324,492)
Net recoveries or losses on loans to members	14.3	<u>386,186</u>	<u>451,983</u>
Surplus of expenditure over income		751,896	1,082,355
Other comprehensive income		<u>-----</u>	<u>-----</u>
Total comprehensive income		<u>751,896</u>	<u>1,082,355</u>

The financial statements were approved, and authorised for issue, by the Board on 14th November 2019 and signed on its behalf by:

Manager:	Barry Monaghan
Member of the Board of Directors:	Andrew Cullen
Member of the Board Oversight Committee:	Lorraine Walsh

NOTICE TO MEMBERS

Keeping your details up to date

For the Credit Union to remain compliant under the Criminal Justice Act 2010, Section 33 and Sectorial Guidelines 2013, we would like members to note that if you have not already done so, you must provide proof of your Identity i.e. Passport or Driving Licence and recent proof of address i.e. Utility Bill.

You are also expected to update the Credit Union with your TIN if your tax residency changes.

Please also note that if your PPSN is not already on file, you will be requested to provide it as part of a loan application.

	Note	2019 €	2018 €
ASSETS			
Cash and cash equivalents	10	8,048,171	5,222,519
Intangible assets	11	139,987	124,610
Investment in associate	12	265,000	----
Tangible fixed assets	13	5,364,344	5,275,354
Loans to members	14	58,565,467	55,064,246
Members' current accounts	15	90	----
Stock of consumables		19,624	13,757
Prepayments and other debtors	16	380,068	310,071
Deposits and investments - cash equivalents	10	24,931,473	22,374,719
Deposits and investments - other	17	61,641,097	58,986,155
Total assets		<u>159,355,321</u>	<u>147,371,431</u>
Liabilities			
Members' shares	18	135,806,680	124,187,098
Members' deposits	19	4,012,134	3,839,723
Members' current accounts	15	108,991	----
Members' savings stamps		----	67,233
Accruals and other payables	20	609,932	622,422
Total liabilities		<u>140,537,737</u>	<u>128,716,476</u>
ASSETS LESS LIABILITIES		<u>18,817,584</u>	<u>18,654,955</u>
RESERVES			
Regulatory reserve		16,260,000	15,963,935
Operational risk reserve		600,000	400,000
Non-distributable investment income reserve		43,093	32,028
Distribution reserve		1,514,491	1,858,992
Dividend reserve		400,000	400,000
Total Reserves		<u>18,817,584</u>	<u>18,654,955</u>

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

Manager:	Barry Monaghan
Member of the Board of Directors:	Andrew Cullen
Member of the Board Oversight Committee:	Lorraine Walsh
Date: 14th November 2019	

STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 30TH SEPTEMBER 2019

	Regulatory reserve €	Operational risk reserve €	Non- distributable investment income reserve €	Distribution reserve €	Dividend reserve €	Reserve arising on Transfer of Engagement €	Total reserves €
As at 1st October 2017	12,756,909	250,000	489,638	1,489,572	400,000	-	15,386,119
Dividends paid during the year	-	-	-	(234,189)	-	-	(234,189)
Loan interest rebate paid during year	-	-	-	(270,264)	-	-	(270,264)
Transfer of Engagement	1,623,265	40,000	-	-	-	1,027,669	2,690,934
Transfer between reserves	1,583,761	110,000	-	(666,092)	-	(1,027,669)	-
Unrealised reserves	-	-	(457,610)	457,610	-	-	-
Total comprehensive income for the year	-	-	-	1,082,355	-	-	1,082,355
As at 30th September 2018	15,963,935	400,000	32,028	1,858,992	400,000	-	18,654,955
As at 1st October 2018	15,963,935	400,000	32,028	1,858,992	400,000	-	18,654,955
Dividends paid during the year	-	-	-	(294,588)	-	-	(294,588)
Loan interest rebate paid during year	-	-	-	(294,679)	-	-	(294,679)
Transfer between reserves	296,065	200,000	-	(496,065)	-	-	-
Unrealised reserves	-	-	11,065	(11,065)	-	-	-
Total comprehensive income for the year	-	-	-	751,896	-	-	751,896
As at 30th September 2019	16,260,000	600,000	43,093	1,514,491	400,000	-	18,817,584

The Regulatory reserve of the Credit Union as % of total assets as at 30th September 2019 was 10.20% (2018: 10.83%).

Following commencement of S13 of the 2012 Act, the requirement for Credit Unions to transfer 10% of their annual surplus to their statutory reserve (now known as the Regulatory reserve) each year has been removed. Notwithstanding this the Board of Altura Credit Union Limited has transferred €296,065 (2018: €1,583,761, of which €1,027,669 arose due to a transfer of engagement) to its Regulatory reserve so that the reserve would stand at 10.20% at current year end, in excess of the required limit of 10%.

In accordance with S45 of the Credit Union Act 1997, as amended Altura Credit Union Limited have put in place an Operational Risk reserve. The Board approved a transfer of €200,000 (2018: €110,000) from the Distribution reserve to the Operational Risk reserve, following the completion of an internal process of assessing the level of the reserve required to cover the operational risk within the Credit Union arising from the introduction of MPCAS. The Operational Risk reserve as a % of the total assets as at 30th September 2019 was 0.38% (2018: 0.27%).

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH SEPTEMBER 2019**

	Note	2019 €	2018 €
Opening cash and cash equivalents		27,597,238	27,865,582
Cash and cash equivalents intruduced from Transfer of Engagement		-----	3,770,276
Cash flow from operating activities			
Loans repaid by members		26,803,372	23,941,901
Loans granted to members		(30,283,542)	(27,051,679)
Loan interest income received		4,723,045	4,253,254
Interest paid on members' deposits		(19,750)	(24,316)
Investment income		616,796	851,512
Other income received		249,934	249,801
Bad debts recovered		365,135	311,965
Dividends paid		(294,588)	(234,189)
Loan interest rebate paid		(294,679)	(270,264)
Operating expenses		(4,807,343)	(4,379,950)
Member current account lodgements/withdrawals		108,901	-----
Movement in other assets		(71,047)	40,430
Movement in other liabilities		(12,490)	306,006
Net cash from operating activities		(2,916,256)	(2,005,529)
Cash flows from investing activities			
Development expenditure		(15,377)	(124,610)
Investment in associate		(265,000)	-----
Purchase of tangible fixed assets		(490,779)	(848,225)
Net cash flow from other investing activities		(2,654,942)	(10,957,587)
Net cash from investing activities		(3,426,098)	(11,930,422)
Cash flow from financing activities			
Members' shares received		98,772,123	82,495,984
Members' deposits received		1,273,396	1,318,545
Members' shares withdrawn		(87,152,541)	(71,339,628)
Members' deposits withdrawn		(1,100,985)	(1,599,217)
Movement on members' savings stamps		(67,233)	(978,353)
Net cash generated from financial activities		11,724,760	9,897,331
Net increase/ (decrease) in cash and cash equivalents		5,382,406	(268,344)
Cash and cash equivalents at end of financial year	10	32,979,644	27,597,238

1. LEGAL AND REGULATORY FRAMEWORK

Altura Credit Union Ltd. is established under the Credit Union Act 1997, as amended. Altura Credit Union Ltd is registered with the Registry of Credit Unions and is regulated by the Central Bank of Ireland. The registered office and principal place of business of the Credit Union is Mc Dermott Street, Gorey, Co. Wexford.

2. ACCOUNTING POLICIES

Statement of compliance and basis of preparation

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

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

Currency

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

Going concern

The financial statements are prepared on the going concern basis. The directors of Altura 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

(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 use the effective interest method to recognise investment income.

Investment income from bank term deposits is recognised when received or receivable.

(iii) Other income

Other income which includes commission's receivable on insurance products and foreign exchange services arises in connection to specific transactions. Income relating to individual transactions is recognised when the transaction is completed.

Interest on Members' Deposits, Dividends to Members & Loan Interest Rebates

Interest on members' deposits

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

Dividend on shares and loan interest rebates

Dividends are made from current year's surplus and the dividend reserves set aside for that purpose. The Board's proposed distribution to members each year is based on the dividend and loan interest rebate policy of the Credit Union.

The rate of dividend and loan interest rebate recommended by the Board will reflect:

- the risk profile of the Credit Union, particularly in its loan and investment portfolios;
 - the Board's desire to maintain a stable rather than a volatile rate of dividend each year; and
 - members' legitimate dividend and loan interest rebate 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 rebates of loan interest when members ratify such payments at the Annual General Meeting.

Investments

Cash and short term deposits (Maturity within 3 months)

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 (Maturity after 3 months)

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.

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 in associates

Investments in associates are accounted for at cost less impairment.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or at valuation, less accumulated depreciation. The charge to depreciation is calculated to write off the original cost or valuation of tangible fixed assets, less their estimated residual value, over their expected useful lives as follows:

● Land & Premises	2.5% Straight line (Land 0%)
● Furniture & Equipment	20%/33.33% Straight line
● Fixtures & Fittings	10% Straight line
● Motor Vehicles	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 comprise cash on hand and deposits and investments with a maturity of less than or equal to three months.

Taxation

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

Financial instruments

The Credit Union has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised when the Credit Union becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements when, and only when, there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets and liabilities are classified according to the substance of the contractual arrangements entered into.

Basic financial assets

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

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

Prepayments and 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.

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 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. Altura Credit Union Limited does not transfer loans to third parties.

Impairment of financial assets

Financial assets, other than those held at fair value, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the expected cash flows discounted at the asset's original effective interest rate.

In the case of impairment of loans to members, the loans are assessed collectively in groups that share similar credit risk characteristics except for individually significant loans which are assessed on a loan by loan basis for impairment.

Impairment of financial assets (contd.)

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.

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, Savings Stamps 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 payables

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

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

Altura Credit Union Limited participates in an industry-wide pension scheme for employees (The Irish League of Credit Unions Republic of Ireland Pension Scheme). This is a funded defined benefit scheme with assets managed by the Scheme's trustees.

The scheme is a multi-employer Scheme and due to the nature of the Scheme, it is not possible for Altura Credit Union Limited to separately identify its share of the Scheme's underlying assets and liabilities.

Consequently, it accounts for the Scheme as a defined contribution plan.

Employee Benefits

The costs of short-term employee benefits, including holiday pay, are recognised as a liability and as an expense. (unless those costs are required to be recognised as part of the cost of fixed assets) over the period they are earned.

Transfer of Engagements

Altura Credit Union limited applies the acquisition method of accounting in relation to Transfer of Engagements. The Income and expenditure account represents the full year trading of Altura Credit Union Limited and only the transactions of the transferor credit union from the date of the Transfer of Engagement. All assets and liabilities in existence at the date of the Transfer of Engagement are added together under the balance sheet categories once the assets and liabilities of the transferor credit union have been amended for fair value adjustments.

Reserves

Regulatory reserve

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

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.

Dividend reserve

Dividend reserves are the accumulated surpluses to date that have not been declared as dividends or loan interest rebate returnable to members or set aside to the Regulatory or Operational Risk reserves.

Non-Distributable Investment Income reserve

Investment income that has been recognised in the financial statements but will not be received within 12 months of the Balance Sheet date is classified as "non-distributable" and is not distributable as a dividend in accordance with Section 31 of the Credit Union Act 1997 (Regulatory Requirements) Regulations 2016. A reclassification between non-distributable and distributable is made as investments come to within 12 months of maturity date.

3. CRITICAL ACCOUNTING JUDGEMENT AND ESTIMATES

The preparation of financial statements requires the use of certain accounting estimates. It also requires the Directors to exercise judgement in applying Altura Credit Union Limited'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:

Investments in associates

The investments in associates represents Altura Credit Union Limited's investment in Metacu Management Designated Activity Company. This investment was made for operational purposes. The credit union holds 6.25% Redeemable A Ordinary shares in the company and through the terms of the shareholders agreement agreed between each of the participating credit unions, Altura Credit Union Limited is deemed to have influence over the operations of this company. Therefore the investment has been accounted for as an investment in an associate.

Impairment losses on loans to members

The Credit Union's accounting policy for impairment of financial assets is set out in accounting policies. 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 Monthly 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. Assumptions are back tested with the benefit of experience. 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.

4. INTEREST ON MEMBERS' LOANS

	2019	2018
	€	€
Closing accrued loan interest receivable	91,272	86,455
Loan interest received in year	4,723,045	4,242,083
Loan interest accrual arising from Transfer of Engagement	----	(4,858)
Opening accrued loan interest receivable	(86,455)	(70,426)
Total interest on members' loans	4,727,862	4,253,254

5. OTHER INTEREST INCOME AND SIMILAR INCOME	2019	2018
	€	€
Investment income and gains received by the Balance Sheet date	344,958	515,007
Receivable within 12 months of Balance Sheet date	260,773	325,442
Other investment income and gains	11,065	11,063
	<hr/>	<hr/>
Total investment income	616,796	851,512
	<hr/>	<hr/>

6. INTEREST PAYABLE AND DIVIDENDS

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

	2019	2018
	€	€
Interest payable for the year	19,750	19,753
	<hr/>	<hr/>
Interest rate on members' deposits	0.50%	0.50%

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

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

Dividends and loan interest rebate paid	2019	2019	2018	2018
	%	€	%	€
Dividends on shares	0.25	294,588	0.25	234,189
Loan interest rebate	10.00	294,679	10.00	270,264
		<hr/>		<hr/>
		589,267		504,453
		<hr/>		<hr/>

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

Dividends and loan interest rebate proposed	2019	2019	2018	2018
	%	€	%	€
Dividends on shares	0.10	129,210	0.25	296,603
Loan interest rebate	5.00	150,906	10.00	297,755
		<hr/>		<hr/>
		280,116		594,358
		<hr/>		<hr/>

7. OTHER INCOME

	2019	2018
	€	€
Entrance fees	1,205	1,336
Commissions and other fees received	248,729	248,465
	<hr/>	<hr/>
	249,934	249,801
	<hr/>	<hr/>

8. EMPLOYEES AND REMUNERATION

The average monthly number of employees during the year was:	2019	2018
	Number	Number
Management	10	10
Other staff	52	41
	<u>62</u>	<u>51</u>

The staff costs comprise:

	2019	2018
	€	€
Wages and salaries	1,897,979	1,520,633
Social security costs	203,583	166,542
Pension costs	270,290	185,793
	<u>2,371,852</u>	<u>1,872,968</u>

9. KEY MANAGEMENT PERSONNEL

The management personnel compensation is as follows:	2019	2018
	€	€
Short term employee benefits	641,876	580,923
Payments to defined contribution pension scheme	91,411	82,946
	<u>733,287</u>	<u>663,869</u>

Short term employee benefits include wages, salaries, social security contributions and paid annual leave in respect of the entire management team.

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.

	2019	2018
	€	€
Cash and bank balances	8,048,171	5,222,519
Deposits and investments	24,931,473	22,374,719
	<u>32,979,644</u>	<u>27,597,238</u>

11. INTANGIBLE FIXED ASSETS

	Development Costs	Total
	€	€
Cost		
At 1 October 2018	124,610	124,610
Additions	15,377	15,377
	<u>139,987</u>	<u>139,987</u>
At 30 September 2019		
	<u>139,987</u>	<u>139,987</u>
Net Book Value		
At 30 September 2019		
	<u>139,987</u>	<u>139,987</u>
At 30 September 2018		
	<u>124,610</u>	<u>124,610</u>

12. INVESTMENT IN ASSOCIATE

The credit union has interest in the following associate

Associate	Type of Share held	Proportion held %	Net Assets €	Profit or Loss €
Metacu Management Designated Activity Company	Redeemable A Ordinary	6.25%	----	----

The effect of including the investment as if had been accounted for using the equity method would be as follows:

	Share of net assets €
At 1 October 2018	----
Investment during the year	265,000
Share of profit/(Loss) for the financial year after tax	----
Share of other comprehensive income	----
At 30 September 2019	265,000

*Metacu Management Designated Activity Company commenced trading during 2019 and has not yet prepared its first year financial statements. Consequently the net assets or profit/loss of the company is not yet available.

13. TANGIBLE FIXED ASSETS

	Land & Premises €	Furniture & Equipment €	Fixtures & Fittings €	Motor Vehicle €	Total €
Costs					
At 1st October 2018	8,332,053	1,475,854	564,923	16,170	10,389,000
Additions	237,488	162,005	90,191	1,095	490,779
At 30th September 2019	8,569,541	1,637,859	655,114	17,265	10,879,779
Depreciation					
At 1st October 2018	3,482,661	1,200,920	423,597	6,468	5,113,646
Charge for the year	191,029	178,891	28,416	3,453	401,789
At 30th September 2019	3,673,690	1,379,811	452,013	9,921	5,515,435
Net book value					
At 30th September 2019	4,895,851	258,048	203,101	7,344	5,364,344
At 30th September 2018	4,849,392	274,934	141,326	9,702	5,275,354

14. LOANS TO MEMBERS - FINANCIAL ASSETS

		2019 €	2018 €
Loans to members	14.1	62,566,200	59,274,598
Provision for bad debts	14.2	(4,000,733)	(4,210,352)
		58,565,467	55,064,246

NOTES ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER 2019

14.1 LOANS TO MEMBERS	2019	2018
	€	€
As at 1 October	59,274,598	53,228,423
Loans arising from Transfer of Engagement	-----	3,212,535
Advanced during the year	30,283,542	27,051,679
Repaid during the year	(26,803,372)	(23,941,901)
Loans written off against provision	(162,316)	(249,033)
Loans written off	(26,252)	(27,105)
Gross loans to members	62,566,200	59,274,598
14.2 LOAN PROVISION ACCOUNT FOR IMPAIRMENT LOSSES	2019	2018
	€	€
As at 1 October	4,210,352	4,514,321
Provisions arising from Transfer of Engagement	-----	112,187
Loans written off against provision	(162,316)	(249,033)
Allowances reversed during the year	(47,303)	(167,123)
Decrease in loan provision during the year	(209,619)	(303,969)
As at 30 September	4,000,733	4,210,352
14.3 LOAN RECOVERIES OR LOSSES RECOGNISED FOR THE YEAR	2019	2018
	€	€
Bad debts recovered	(365,135)	(311,965)
Reduction in loan provisions during the year	(47,303)	(167,123)
Loans written off	26,252	27,105
Net (recoveries)/losses on loans to members recognised for the year	(386,186)	(451,983)

14.4 CREDIT RISK DISCLOSURES

The Credit Union complies with Section 12 of the Credit Union Act 1997, (Regulatory Requirements) Regulations 2016. This Regulation:

- restricts the concentration of lending by the Credit Union within certain sectors or to connected persons or groups (concentration limits);
- restricts the absolute amount of lending to certain sectors to a set percentage of the regulatory reserve (large exposure limit);
- restricts the loan duration of certain loans to specified limits (maturity limits); and
- requires specified lending practices to be in place where loans are made to certain sectors such as commercial loans, community loans or loans to another Credit Union.

Altura Credit Union Limited does offer mortgages and these loans along with some other larger loans are secured. All other loans to members are unsecured, except that there are restrictions on the extent to which borrowers may withdraw their savings whilst loans are outstanding. Lending limits are set in accordance with the Credit Union Act 1997 (Regulatory Requirements) Regulation 2016 and Section 35 of the Regulatory Requirements for Credit Unions.

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

14.4 CREDIT RISK DISCLOSURES (contd.)

	2019		2018	
	Amount €	Proportion %	Amount €	Proportion %
Gross loans not impaired				
Not past due	55,551,919	88.79	51,376,786	86.68
Gross loans collectively impaired				
Up to 9 weeks past due	3,750,417	5.99	4,499,072	7.59
Between 10 and 18 weeks past due	717,269	1.15	792,091	1.34
Between 19 and 26 weeks past due	585,612	0.94	562,174	0.95
Between 27 and 39 weeks past due	401,748	0.64	396,960	0.67
Between 40 and 52 weeks past due	284,699	0.46	228,792	0.39
53 or more weeks past due	1,274,536	2.04	1,418,723	2.39
Gross loans collectively impaired	7,014,281	11.21	7,897,812	13.32
Total Loans	62,566,200	100	59,274,598	100
Impairment allowance				
Individually significant loans	(482,908)	12.07	(447,402)	11.52
Collectively assessed loans	(3,517,825)	87.93	(3,762,950)	88.48
Total impairment allowance	(4,000,733)	100	(4,210,352)	100

15. MEMBERS CURRENT ACCOUNTS

	2019		2018	
	No. of Accounts	Balance of Accounts €	No. of Accounts	Balance of Accounts €
Payment Accounts				
Credit	193	108,991	----	----
Debit	2	90	----	----
Permitted overdrafts	3	1,400	----	----

16. DEBTORS, PREPAYMENTS & ACCRUED INCOME

	2019	2018
	€	€
Prepayments & sundry debtors	288,796	223,616
Accrued loan interest income	91,272	86,455
	380,068	310,071

17. DEPOSITS AND INVESTMENTS

Deposits and investments at the current and prior Balance Sheet date were all measured at amortised cost as appropriate and comprised of the following:

	2019	2018
	€	€
Cash and Equivalents (Original Maturity within 3 months)		
Central treasury management fund	----	1,964,246
Fixed-term deposits (Maturity within 3 months)	24,931,473	20,410,473
	24,931,473	22,374,719

17. DEPOSITS AND INVESTMENTS (contd.)	2019	2018
	€	€
<i>Other (Original Maturity after 3 months)</i>		
Fixed-term deposits (Maturity after 3 months)	34,329,235	33,059,021
Minimum reserve	1,140,838	941,584
Guaranteed investment bonds	26,171,024	24,985,550
	<u>61,641,097</u>	<u>58,986,155</u>

18. MEMBERS' SHARES-FINANCIAL LIABILITIES	2019	2018
	€	€
As at 1 October	124,187,098	99,677,282
Transfer of Engagement	-----	13,353,460
Received during the year	98,772,123	82,495,984
Repaid during the year	(87,152,541)	(71,339,628)
	<u>135,806,680</u>	<u>124,187,098</u>

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 share	119,102,556	107,758,928
Attached shares	16,704,124	16,428,170
Total members' shares	<u>135,806,680</u>	<u>124,187,098</u>

19. MEMBERS' DEPOSITS-FINANCIAL LIABILITIES	2019	2018
	€	€
As at 1 October	3,839,723	4,120,395
Received during the year	1,273,396	1,318,545
Repaid during the year	(1,100,985)	(1,599,217)
	<u>4,012,134</u>	<u>3,839,723</u>

20. ACCRUALS AND OTHER PAYABLES	2019	2018
	€	€
Creditors & other accruals	262,479	288,234
Strategic developments	184,500	184,500
Regulatory levies	123,346	106,213
Pension and short-term payroll accruals	39,607	43,475
	<u>609,932</u>	<u>622,422</u>

21. FINANCIAL RISK MANAGEMENT

Altura Credit Union Limited is a provider of personal and business loans and also provides savings products to its members. The Credit Union invests excess funds with a view to ensuring that the return from members' loans and investments is adequate to meet the overheads of the Credit Union and provide a reasonable return to members on shares and deposits. The Credit Union has a risk register in place to help the directors manage the various risks arising from its activities to include the issuing of loans to members and investing the excess funds of the Credit Union.

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

Credit Risk:

Credit risk is the risk that a borrower will default on their contractual obligations relating to repayments to Altura Credit Union Limited, resulting in financial loss to the Credit Union. In order to manage this risk, the Board of Directors approves Altura Credit Union Limited'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.

The Credit Union's investments are also exposed to credit risk and the Credit Union mitigates the risk by only placing investments with financial institutions where the counterparties have strong credit ratings and using investment products authorised by the Central Bank.

Liquidity Risk:

Altura Credit Union Limited's policy is to maintain sufficient funds in liquid form at all times to ensure that it can meet its liabilities as they fall due. The objective of the Credit Union's liquidity policy is to smooth the mismatches between maturing assets and liabilities and to provide a degree of protection against any unexpected developments that may arise. 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) (Amendment) Regulations 2018.

Market Risk:

Market risk is generally comprised of interest rate risk, currency risk and other price risks. Altura Credit Union Limited conducts all its transactions in Euro and does not deal in derivatives or commodity markets. Therefore, Altura Credit Union Limited is not exposed to any form of currency risk or other price risk.

Interest Rate Risk:

Altura Credit Union Limited'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. Altura Credit Union Limited considers rates of interest receivable on investments and members' loans when deciding on the dividend rate payable on shares and on any loan interest rebate.

21.1 LIQUIDITY RISK DISCLOSURE

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

21.2 CAPITAL

The Credit Union maintains sufficient reserves to buffer the Credit Union against any losses on its members' loans and also its investments. The current Regulatory reserve is in excess of the minimum requirement set down by the Central Bank and stands at 10.2% of the total assets of the Credit Union at the Balance Sheet date.

22. INSURANCE AGAINST FRAUD

The Credit Union has insurance against fraud in the amount of €5.2 million (2018 €5.2m), This is in compliance with section 47 of the Credit Union Act 1997, as amended.

23. PENSION SCHEME

Altura Credit Union Limited participates in an industry-wide pension scheme for employees (The Irish League of Credit Unions Republic of Ireland Pension Scheme). This is a funded defined benefit scheme with assets managed by the Scheme's trustees.

The scheme is a multi-employer Scheme and due to the nature of the Scheme it is not possible for Altura Credit Union Limited to separately identify its share of the Scheme's underlying assets and liabilities. Consequently, it accounts for the Scheme as a defined contribution plan, in accordance with FRS 102.

The Pension's Act requires the trustees of the Scheme to assess whether it could meet a certain prescribed standard, known as the Minimum Funding Standard. This assesses whether, if the scheme was wound up on a specified theoretical valuation date, it could satisfy the Funding Standard at that date. Following the Scheme's actuary certifying a Minimum Funding Standard deficit in the Scheme in 2009, Altura Credit Union Limited, the ILCU Group and the other credit unions participating in the Scheme entered into a funding agreement with the Scheme that was designed to ensure that, the Scheme could be reasonably expected to satisfy the Minimum Funding Standard by a specified future date (1 March 2019). This funding plan ran up until 1 March 2019 and was approved by the Pensions Authority. Altura Credit Union Limited has paid the contributions payable under this funding agreement.

As part of the above solvency assessment process, the Scheme actuary must carry out a separate valuation under the Minimum Funding Standard every 3 years and produce a funding certificate for submission to the Pensions Authority within 9 months of the effective date of the valuation. The purpose of the certificate is to certify whether or not the assets of the scheme at the effective date are sufficient to meet the liabilities of the scheme based on the assumption that the scheme was wound up at that date. The most recent Actuarial Funding Certificate was effective as at 1 March 2018 and it certified that the Scheme satisfied the funding standard. Further, the Actuary was reasonably satisfied that as at 28 February 2018 the scheme can be expected to satisfy the funding standard as specified in Section 44 of the Pensions Act, 1990, at 1 March 2019, being the date specified by the Pensions Authority under Section 49(2) (a) of the Act for the purpose of the existing funding proposal.

An actuarial review of the fund is normally carried out every three years by the Scheme's independent, professionally qualified actuary. The actuarial review considers the past and future liabilities of the scheme. The last completed triennial actuarial review was carried out with an effective date of 1 March 2017 using the Projected Unit valuation method. The principal actuarial assumption used in the valuation was the investment return would be 1.75% higher than the annual salary increases. The market value of the scheme's assets at 1 March 2017 was €216m. The actuarial valuation disclosed a past service deficit of €6.4m at 1 March 2017 calculated under the Ongoing Actuarial Valuation method. This valuation method assumes that the Scheme will continue in existence for the foreseeable future. The assumptions used in the actuarial review to determine the past service deficit differ from the assumptions that would be used to determine the liabilities for defined benefit obligations under FRS102. This actuarial review recommended that the rate agreed under the funding proposal, 27.5% of pensionable salary, continues to be paid. The cost of risk benefits is paid in addition to this rate giving a total contribution rate of 30% of Pensionable Salary.

24. CONTINGENT LIABILITY

On 17 September 2018, the Registry of Credit Unions wrote to all credit unions in the Republic of Ireland notifying 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 a top-up-loan, which could lead to the potential over-collection of interest. The Registry of Credit Unions sought information from credit unions in this regard to enable the potential impact, if any, of this matter to be assessed. No provision has been made in the financial statements to 30th September 2019 for any amount that may become payable, although unlikely, by Altura Credit Union in this regard.

25. CAPITAL COMMITMENTS

The Credit Union had no material capital commitments at the year-ended 30 September 2019.

26. RELATED PARTY TRANSACTIONS

During the year loans were advanced to directors and the management team of the Credit Union (to include their family members or any business in which the directors or management team had a significant shareholding). These loans were approved in accordance with the Standard Credit Union rules and the Credit Union Act 1997 (Regulatory Requirements) Regulations 2016.

Total related party loans amounted to 0.43% of total gross loans due at 30th September 2019 (2018: 0.52%).

	No. of	2019	No. of	2018
	Loans	€	Loans	€
Loans advanced to Related Parties during the year	15	50,200	17	73,151
Total loans outstanding to Related Parties at the year end	26	269,121	28	307,114
Share balance held by Related Parties at year end	117	382,557	107	347,618

During the year, the following payments were made to one of the directors in respect of services provided;

	2019	2018
	€	€
AGM & Transfer of Engagement booklets	14,000	24,650
Printing and Stationery	31,673	12,953
Signage & Equipment	21,760	44,965
	<u>67,433</u>	<u>82,568</u>

Related Parties are members & family members of the board & senior management team.

27. POST-BALANCE SHEET EVENTS

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

28. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 14th November 2019.

**SCHEDULE TO THE INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30TH SEPTEMBER 2019**

Schedule 1 - Other Management Expenses

	2019 €	2018 €
Other Management Expenses		
Training and seminars	38,004	31,966
Rent & rates	55,316	41,835
Board oversight	7,294	5,471
General insurance	55,461	49,678
Share and loan insurance	557,253	487,859
Death benefit insurance	226,502	226,735
Security	17,187	6,045
Light, heat & cleaning	58,251	46,626
Repair and renewals	28,305	23,087
Computer and other contracts	283,912	265,188
Printing and stationary	70,344	76,768
Promotion and advertising	149,546	126,209
Telephone and postage	87,872	83,029
AGM expenses	32,275	31,331
Convention expenses	1,938	1,869
Travelling and subsistence	25,642	22,927
Entertainment costs	14,039	10,934
Legal and professional	174,715	404,566
Audit fees	33,825	33,825
Debt collection	47,887	39,523
Deposit guarantee scheme	157,720	227,331
Bank interest and charges	89,379	63,741
Miscellaneous expenses	38,633	28,348
Cash short	412	359
Subscriptions and donations	16,190	5,838
Affiliation fees	16,742	23,556
Membership fees	18,957	13,943
Savings protection scheme	11,772	----
Regulatory levy	120,118	128,395
	2,435,491	2,506,982

Returned Post

If your AGM notification or any other post addressed to you as per your information on file with us is returned to the Credit Union as undeliverable and we have your email address on file, we will switch your AGM notification preference to eAGM on our system.

However, you are required to furnish us with an up to date proof of address (within last 6 months) at your earliest convenience and at that stage you can opt once again to continue to receive your AGM information by post.

You may also take this opportunity to update your identity validation document by bringing in a passport or driving licence, if applicable.

AMENDMENTS TO THE STANDARD RULES

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

AMENDMENT 1

Resolution 21 from League AGM 2019 provided that:

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 Year End 2019

- (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

AMENDMENT 2

Resolution 22 from League AGM 2019 provided that:

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

Rule 13. Qualifications for membership

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

AMENDMENT 3

Resolution 23 from League AGM 2019 provided that:

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:.....

AMENDMENT 4

Resolution 24 from League AGM 2019 provided that:

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;

Credit unions are advised to register this rule amendment with the Registry for Credit Unions once a resolution for same has been passed at the credit union's annual general

Board of Directors, Altura Credit Union Ltd.

TAXATION OF DIVIDEND

From the 1st January 2014 Credit Unions must deduct DIRT from dividend and interest paid to members on **All** accounts unless the member is exempt.

The only members who can be exempt are:

- Members **aged over 65** whose total income is less than the relevant limit, currently €18,000 for an individual and €36,000 for a married couple or civil partnership. For married couples, only one of the spouses needs to be over 65. **To avail of this exemption, you must sign a self-declaration form DE1.** This form is available in your credit union and is a declaration that you (or your spouse) are aged over 65 and that your total income is less than the relevant limit.
- Members who are **permanently incapacitated**. Such members should either contact their local Revenue Commissioners office directly or contact a service body such as the Irish Wheelchair Association. Credit unions have no role in approving the exemption in these cases.

If you do not complete the self-declaration form, the credit union will be obliged to deduct DIRT from your dividend or interest. You will then have to apply directly to the Revenue Commissioners for a refund of this DIRT (if you are eligible).

Re: Special Term Accounts

In addition to the above, the tax free limits applicable to share dividend and deposit interest in Special Term Accounts have been removed and will not apply to Special Term Accounts opened after 16th October 2013. Existing Special Term Accounts can continue to avail of the tax free amount for the remainder of their term.

€750 IN DOOR PRIZES

MEMBERS ATTENDING THE A.G.M WILL
PARTICIPATE IN A DRAW FOR €750

**NO TICKETS FOR THE DRAW WILL BE
ISSUED AFTER 8.00P.M.**

**FIRST PRIZE €150
2nd, 3rd & 4th PRIZES €100
6 RUNNER-UP PRIZES of €50**

**ONLY MEMBERS 16 YEARS OF AGE AND OVER
ARE ELIGIBLE FOR INCLUSION IN THE DRAW.**

**EACH MEMBER IS EARNESTLY
REQUESTED TO ATTEND**

*Credit Union is owned equally
by all its members*

Please Attend The

**ANNUAL GENERAL
MEETING**

Altura Credit Union Ltd. continues to succeed in business by continuously developing new products, services and delivery channels, for example, the new current account and debit card. Years of planning and preparation have gone into this. We welcome both the challenges and opportunities that come with such a beneficial service to our membership. The development of the business, and the marketing of our array of products and services comes under my remit. My colleagues this evening will present facts and figures, but I want to give you an overview of your credit union.

For a business to succeed a cohesive management team, competent and friendly staff and strategic planning are needed. Altura Credit Union has worked to achieve this while keeping the member at the heart of everything we do. Our vision statement is 'To build lifelong relationships, one member at a time' - striving to be there at every stage of your life.

We continue to enhance our digital channels to provide and market our products and services. Many members want 24/7 access to their credit union. With our responsive website, app for your device and social media, we are more accessible than ever. All the while maintaining our face to face transaction options that are still incredibly popular today.

As promised last year we, now have a current account & debit card available. We offer free concessions to Students in full-time education up to age 25, and members aged 66 or over. Salaries/Pensions can be paid into your current account. Likewise, standing orders and direct debits can be deducted from it.

Credit Unions have won the CXi (Customer Experience) award for 5 years running. No other institution/company has ever achieved this globally. We are delighted with this endorsement and will strive to maintain this member sentiment.

Lending to our members is how we continue to thrive. We do this at competitive rates, and with friendly local faces. By maintaining low lending rates, we reward the membership throughout the year, not just in the form of a rebate/dividend in December. Qualified lending officers will take all your circumstance into consideration when assessing a loan application. We make borrowing as easy as we can - while adhering to policies and regulatory requirements.

Our car draw continues to grow in popularity. We will give away the 100th Car in December. If you haven't signed up, you can't win. For just €5 per Month, you could be driving a brand-new car!

As I said last year, the secret to our success is you! We continue to go to meet and greet events wherever and whenever possible. We love getting to know our members and hearing how they think we are doing. This is an opportunity see what new products and services you would like from us, or how we can improve. Please do let us know if you would like us to attend any events in your area. Altura Credit Union Ltd. has evolved and grown. However, we will never change our focus which has always been our members.

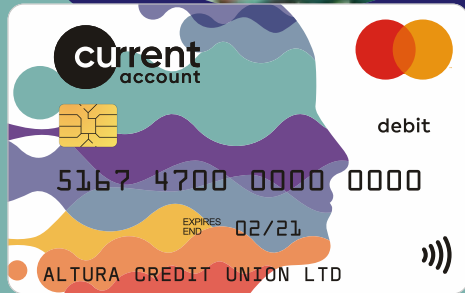
I propose this report on behalf of the Board of Directors.

Tom Brennan
Business Development and Marketing Manager



Introducing Current Account from Altura Credit Union


- ✓ Same Friendly Service
- ✓ Easy to Sign Up
- ✓ Globally Accepted Debit Card
- ✓ Transparent, Low Fees




OUR NEW
ATM
ACCEPTED MOST MAJOR DEBIT CARDS



Contact us

 053 948 8700

 alturacu.ie

 Drop into your local branch



Mastercard is a registered trade mark and the circles design is a trademark of Mastercard International Incorporated. This card is issued by Transact Payments Limited pursuant to licence by Mastercard International. Altura Credit Union Limited is regulated by the Central Bank of Ireland.

The Credit committee comprises of 5 members who meet each week to assess loan applications for our members. To comply with Fitness and Probity, we continue to complete our CPD hours (Continuing Professional Development) which are compulsory. With regulations ever increasing with regards to lending, our policies and procedures are continually updated to ensure full compliance and I can assure you that we take great care and consideration in assessing each and every one of the loan applications we receive, each on its own merit.

During the last year which has proved to be both challenging and difficult for many credit unions, we have continued to lend to our members at very competitive rates.

To avail of these various rates, we urge members to establish regular savings and loan repayments, therefore increasing your borrowing power.

Total loans issued this year, ending September 2019: **7,066** amounting to **€30,283,542**

TOP 10 LOAN PURPOSES

YEAR ENDING SEPTEMBER 2019			YEAR ENDING SEPTEMBER 2018		
Loan Purpose	Number	Amount	Loan Purpose	Number	Amount
Car/Van/Motorbike	1349	10,825,745.00	Car/Van/Motorbike	1307	10,143,506.00
Home Improve	1173	6,237,881.00	Home Improve	1042	4,995,724.00
Secured By Shares	1075	3,361,557.00	Secured By Shares	1009	2,725,266.00
Home/Property	35	1,684,325.00	Home/Property	47	1,720,970.00
Educational	429	1,343,242.00	Educational	425	1,182,937.00
Holidays	703	1,301,323.00	Holidays	591	1,109,614.00
Debts/Finance/Credit Card	211	905,631.00	Car Ins/Tax/Repairs	504	698,834.00
Car Ins/Tax/Repairs	300	680,849.00	Business/Farming	51	647,717.00
Weddings	153	635,070.00	Weddings	128	616,473.00
Household/Goods/Furniture	324	518,296.00	Debts/Finance/Credit Card	176	583,595.00

We, the Credit Committee would like to thank our Loan Officers for their dedication, hard work, and support not only to us, but also to the members during the year. We would also like to thank the Board of Directors, Board Oversight Committee, Appellate Committee, Management and all the Staff for their help and co-operation throughout the year.

Finally, we wish to thank you, the members of Altura Credit Union, by using our services, by your prompt repayments of loans and increased savings, continue to make Altura Credit Union the success it is today.

I formally propose this report on behalf of the Board of Directors

Jim Kavanagh
 Tom Fleming
 Enda O' Connor
 Sean Lacey
 Pat Flood.

Committee members during the year:
 Chairperson: Pat Kavanagh
 Tom Fortune
 Gemma Purdy
 Noeleen Cullen
 Aidan Mackey

THE DISCOVER OUR POTENTIAL LOAN

4.9%

5% Apr.

Third Level Education

Qualifying Applicants will be entered into our education Loan Draw Fund

€5,000

call our loan line on

1850 345 925

Example

A loan of €5,000 over 5 Years has
60 Monthly repayments of €94.14
Total Interest Payable: €648.20
Total Amount Repayable €5,648.20

WARNING

If you do not meet the repayments on your loan,
your account will go into arrears.
This may limit your ability to access credit in the future.

or apply online @ www.alturacu.ie

Lending Criteria, Terms & Conditions Apply



The main focus of the Committee is to ensure that our members repay their loans in accordance with their signed credit agreements in order to protect our member's savings.

The Committee meet regularly with our Credit Control Manager to review all accounts in arrears. We continue to place a strong focus on a policy of early intervention, which has proven very successful as reflected in our figures below. The vast majority of cases are resolved following initial contact from the Credit Control Team.

The Committee are aware that there are members who find themselves in very difficult circumstances. Our staff are highly trained and experienced in dealing with such cases and we encourage any member in difficulty to contact us. It is important for members to protect their good credit record, as arrears on an existing loan can cause problems when applying for loans in the future. We are members of the Irish Credit Bureau and Central Credit Register.

As with all loans there are a small number of members who refuse to communicate and work with us in finding a solution that allows them to meet their loan obligations. In these cases, where all other options have been exhausted, we will not hesitate to initiate legal proceedings in order to recover the money owed to our members.

During the year the Committee recommended loans to the value of €188,568 are written-off in accordance with the standard rules for Credit Unions. Prudent provisioning against these loans resulted in a net cost to our Income & Expenditure account of €26,252.

The amount recovered during the year in respect of loans previously written-off amounted to **€365,135**. This confirms that even though an account is written-off, every effort is still made to recover the debt, up to and including legal action.

The committee would like to acknowledge the Credit Control Manager Caroline Kavanagh, the Assistant Credit Control Manager Roisin Monaghan and the Credit Control team for their excellent work and support, not only to us, but also the members during the year.

I formally propose this report on behalf of the Board of Directors.

Committee members during the year:

(Chairperson) Barry Monaghan,
(Secretary) Fionnuala Doyle,

(Committee Member) Anne Roche.

Mission Statement:

“Altura Credit Union is a member owned and controlled financial services co-operative. Our mission is to meet members' financial needs through quality service at the best value while maintaining financial stability”

Our Membership Committee is pleased to report the continuous growth in our membership figures during our financial year 2018/2019. In that time, our membership has increased by 1,127, bringing the total membership of Altura Credit Union Ltd at year end to 33,122. This is extremely positive, with good membership growth occurring across all branches. Naturally we would like to see it further progress in the coming year, so as all qualifying prospective new members can avail of the advantages of Credit Union membership.

This Committee is responsible for verifying eligibility of new members wishing to join Altura Credit Union and for ensuring compliance with legal requirements, in respect of obtaining the required documentation for those applying for membership and reactivating their accounts.

Please note, under Money Laundering Legislation the following documentation is required to open an account with Altura Credit Union:

- ❖ Photo I.D.
- ❖ P.P.S. Number on official document/ card.
- ❖ Household Utility bill (proof of current address)

Each new member receives a New Member pack, containing information on the various services offered by us -competitively priced loans, bill payments, Fexco bureau de change, Christmas saving options to name but a few. In addition to our range of services as mentioned we are one of 30 Credit Unions in Ireland and the only one currently in Co. Wexford to offer a competitively priced Current Account to our members. Our Current Account, Debit Card and Overdraft facility where applicable provide convenient methods of making and receiving day to day payments. We are continually striving to identify new products and services to aid and be of benefit to you.

Please remember that to retain your membership of Altura Credit Union, you currently must have a minimum of €5 held in your Share account and to ensure qualification for our Free Death Benefit Insurance, you must retain a minimum of €50 in your share account. Your Credit Union membership offers you many distinct advantages, none more so than the free Insurances currently available on savings, loans and death benefit insurance (terms & conditions do apply), all currently paid for as an operational expense. An additional €2,000 death benefit insurance coverage has been available to members since January 2019, as a member pay option (T's & C's apply).

If you change your address or employment upon joining this Credit Union you may no longer hold the common bond. Under the standard rules and the Credit Union Act 1997 (as amended) certain additional lending restrictions may apply. If you think you may be affected by this, please contact our office immediately.

For any enquires the friendly staff in the Credit Union will be more than happy to assist you.

How can you aid the progression of your Credit Union?

Encourage anyone you know who is not a member to join. Membership is growing nationwide and Credit Unions are a transparent and viable alternative to other financial institutions.

Please see our ongoing 'Join a friend' promotion to see if you could refer a friend, for Credit Union membership.

We look forward to serving you, our loyal and valued members, in 2020 in our premises on McDermott Street Gorey, Rathdrum, Roundwood, Avoca, Carnew and Ferrybank or through our ever-developing website www.Alturacreditunion.ie and app for your device.

I formally propose this report on behalf of the Board of Directors.

Membership Committee
Altura Credit Union Ltd.

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 purposes of Part IV or Part IV(a) of the Credit Union Act, 1997 (as amended); and any other matter prescribed by the Bank in respect of which, they are to have regard to in relation to the Board.

This means that the role of the Board Oversight Committee is to oversee the operation of the Board to ensure that it complies with the requirements of the Act.

The Oversight Committee meets on a monthly basis to discuss and review the Boards duties and requirements. It is the opinion of the Oversight Committee that the Board of Directors have complied with all legal and regulatory requirements, and have acted in accordance with the Act. The Oversight Committee has also attended various committee meetings throughout the year which forms part of the Board's assessments. In accordance with relevant legislation the Oversight Committee has conducted four review meetings with the Board of Directors and provided an assessment of their performance in each instance; this Committee is satisfied that this has been complied with.

In January and May respectfully Anne Fitzgerald and Imelda Purcell ceased to be members of the Committee. In accordance with Section 76N(2)(a)&(b) Pdraig O'Brien and Mary Quinn took up the casual vacancies within one month of them being vacated, and have held these positions until tonight's AGM, where they are now both up for nomination to become fully inaugurated members of the Board Oversight Committee.

The Board Oversight Committee has been proactive in attending necessary training seminars, conferences and courses over the past year; Anti-Money Laundering training, GDPR training, and the National Supervisors Forum AGM Conference in November, to name but a few.

In conclusion, the Committee wish to acknowledge the immense volume of work, commitment, time and outstanding dedication of the Board of Directors, management and staff in Gorey, Avoca, Rathdrum, Ferrybank, Roundwood and Carnew offices during the past year.

Finally, we look forward to a prosperous and successful 2020.

Committee members during the year:
Lorraine Walsh (Chairperson)
Pdraig O'Brien (Secretary)
Mary Quinn



CONTINGENT LIABILITY

On 17 September 2018, the Registry of Credit Unions wrote to all credit unions in the Republic of Ireland notifying 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 a top-up-loan, which could lead to the potential over-collection of interest. The Registry of Credit Unions sought information from credit unions in this regard to enable the potential impact, if any, of this matter to be assessed.

As this process is not yet complete, the existence of any liability and any reliable estimate of the amount of any net liability associated with this matter, while possible, remains uncertain, together with the timing of same. As such no provision has been made in the financial statements to 30th September 2019 for any amount that may become payable, although unlikely, by Altura Credit Union, in this regard.

THE IMPROVE

without
the

MOVE LOAN

Special Home
Improvement Loan

Example

A loan of €25,000 over 5 Years has
60 Monthly repayments of €493.94
Total Interest Payable: €4,635.22
Total Amount Repayable €29,635.22

6.9%

7.1% Apr.

call our loan line on

1850 345 925

WARNING

If you do not meet the repayments on your loan,
your account will go into arrears.
This may limit your ability to access credit in the future.

or apply online @ www.alturacu.ie

Lending Criteria, Terms & Conditions Apply

Altura Credit Union, as regulated credit institution must ensure it complies with many various regulatory and guidance requirements. To achieve compliance with legislation the Board of Directors have put in place Risk & Compliance Programmes that allows them to identify in a timely manner risks to our Credit Union.

It has always been, and will continue to be, the objective of the Board of Directors of Altura Credit Union to aim for best practice across all our work systems so as to minimise the risk of non-compliance. As members you will be aware of the strict environment in which we conduct our business, and I'm sure you expect your credit union to be governed to the highest standard.

We have in place, work systems that allow the Board of Directors to monitor the management of both the Risk & Compliance Functions within the Credit Union and the Board of Directors have invested further resources across both disciplines.

This year we are engaging a new Internal Auditor (Moore) whom the Board of Directors expect will bring a new vision and add value to our business though the method of Integrated Assurance, using a coordinated approach across Management, Risk, Compliance, Legal, Internal & External Audits. We would expect to see a streamlining of approaches and reporting of key performance indicators against monitoring and audit plans.

By taking this proactive approach to how the Credit Union manages its Risk & Compliance Functions we are looking forward and building strong foundations for our future.

Wishing all members, a Merry Christmas and a Happy & Prosperous New Year.

Geraldine Sheehan,
Risk & Compliance Manager.

Committee members during the year:

(Chairperson) Tom Finn,
(Secretary) Joseph Kinsella,
(Committee Member) Andrew Cullen.

DEPOSIT GUARANTEE SCHEME

Deposit Guarantee Scheme - Basic information about the protection of your eligible deposits

Eligible deposits in Altura Credit Union are protected by: The Deposit Guarantee Scheme ("DGS"), the limit of this protection is €100,000 per depositor, per credit institution. If you have more than one eligible deposit with Altura Credit Union, then all your eligible deposits at this credit union are 'aggregated' and the total is subject to the limit of €100,000. If you have a joint account with another person(s) the limit of €100,000 applies to each depositor separately.

The reimbursement period in the case of the credit unions failure is 20 working days; within 15 working days from 1 January 2019 until 31 December 2020; within 10 working days from 1 January 2021 to 31 December 2023; and within 7 days from 1 January 2024 onwards, save where specific exceptions apply. Currency of reimbursement: Euro.

Where the repayable amount cannot be made available within seven working days depositors will be given access to an appropriate amount of their covered deposits to cover the cost of living within five working days of a request. Access to the appropriate amount will only be made on the basis of data provided by the credit institution. If you have not been repaid within these deadlines, you should contact the deposit guarantee scheme.

For enquiries relating to your account: MSO's, Altura Credit Union, McDermott St., Gorey, Co. Wexford. 053 9488700. Email: info@alturacu.ie More information: www.alturacu.ie

To contact the DGS for further information on compensation: Deposit Guarantee Scheme, Central Bank of Ireland, PO BOX 11517, Spencer Dock, North Wall Quay, Dublin 1. Tel: 1890-777777. Email: info@depositguarantee.ie More information: www.depositguarantee.ie



DREAM BIGGER
WITH A LOW INTEREST
SECURED
LOAN

(Loans must be secured by shares)

4.9%

5% Apr.

MAKE YOUR DREAM
A REALITY WITH

 **ACU**

Example

A loan of €5,000 over 5 Years has
60 Monthly repayments of €94.14
Total Interest Payable: €648.20
Total Amount Repayable €5,648.20

call our loan line on

1850 345 925

WARNING

If you do not meet the repayments on your loan,
your account will go into arrears.
This may limit your ability to access credit in the future.

or apply online @ www.alturacu.ie

Lending Criteria, Terms & Conditions Apply

Altura Credit Union (ACU) has grown from having a single office in 2015 to currently having a Head Office and five branch offices. Information and Communications Technology (ICT) is pervasive in every part of our credit union business, therefore it's importance cannot be overstated.

The growth of ACU in recent years requires a different approach in terms of ICT. The approach now must focus on the availability and resilience of our systems along with strong Risk Management. There are several fronts to this approach:

- **Cybersecurity:** The security of our Members' data is top priority 24/7 and we can never become complacent in this regard. We hear and read with alarming frequency about Cyber attacks and the consequences. We are working tirelessly to implement best in class products and services, taking on board the best advice available. ACU's approach is to have layers of security to reduce the dependency on a single product and therefore reduce risk. New and intelligent products are being developed all the time in this area and we regularly review these new products to assess their suitability or otherwise for our infrastructure.
- **Training:** All our staff, Board & Board Oversight members must now complete an annual course on IT Security so as to help raise awareness of threats and to reinforce good practices in the workplace.
- **Single points of failure:** Within our structures we have identified areas where single points of failure existed. We have implemented systems of failover where possible, so that if one physical item of equipment fails, another can take over the process.
- **Disaster Recovery:** Our data is being backed up continuously and as frequently as is practically possible. We have a number of backup servers in locations other than our main building. At least annually, we restore the backups and verify the data present.
- **Outsourced Service Providers (OSPs):** We have a small number of key outsourced service providers (our banking software for example). We are obliged to have robust Service Level Agreements (SLAs) in place with these providers and to monitor the OSP's performance.
- **Comms:** The availability of good broadband is imperative for ACU and we also have a strong SLA in the event of there being issues. We also have a backup service that will failover automatically if required.
- **The ICT landscape is continually changing, and the pace of that change only increases.** We continually research new products and services and do extensive testing in conjunction with our ISO27001 accredited OSPs, to ensure that these products behave as required and are fully compatible with our current product portfolio.

2019 has been a landmark year with the introduction of the current account, the culmination of three year's work with Payac. We also now have an independent ATM which accepts ALL cards worldwide, including our own new Debit Card.

We also have a document upload facility for our online members. This allows members to submit documentation securely into our banking platform and is available both on the web and the mobile app. We will follow this in due course with the ability to sign documents digitally. This will give members a fully paperless loan application process, straight through from application to electronic payment.

We have other exciting projects on the burner such as Robotic Process Automation (RPA) for example. RPA is a software 'robot' that can sit in a company's IT environment and perform 'robotic' tasks. RPA mimics or maps tasks performed by a person in various systems and data sources into a repeatable activity to be run by the bot.

Finally, the importance of our online banking portal & mobile app cannot be understated, and this means that our business runs 24/7/365. We do however have to maintain, update and replace equipment and software, so we ask for understanding and patience when we must take services offline. I can assure you that any such downtime will always be kept to the minimum.

Pat Kavanagh
ICT Manager

The Board of Directors and Management team at ACU Limited have long since understood the need for business model transformation within the sector to ensure continuing sustainability and viability and this Credit Union has embraced the ongoing necessary changes wholeheartedly and in a proactive manner.

We continue to strive to make this Credit Union a one stop financial shop for our current and prospective membership and a realistic alternative to the main stream banking institutions, all the while maintaining our ethos and our competitive advantage of excellent member service.

We recognise that as a stand-alone Credit Union, it is not feasible to challenge some of our competitors without collaboration in an extremely aggressively marketed industry with major consumer choice, hence our successful participation in joint ventures and pooling of resources with other Credit Unions to enable such projects as MPCAS through PAYAC and Metamo, the 50/50 joint venture between Metacu (an amalgamation of Credit Unions) & the fintech company Fexco.

In the pipeline for almost a decade, the launch of the Credit Union current account (MPCAS) is seen as a major landmark on the road to the aforementioned transformation. Competitively and transparently priced, with free banking to students and members over the age of 66, it fills a gap that has been a barrier to progression in the past.

The debit card associated with it can be used worldwide at all point of sale outlets and through any ATM.

Our online banking services and mobile phone app give our membership access to their full suite of accounts 24/7, allowing them to transact their business at a time that suits them.

We have also upgraded our own external ATM machine at McDermott Street, so as it will accept all major cards, irrespective of who the issuing bank is. Our internal ATM continues to accept our Eurcard, allowing you an alternative in-house. I encourage you to use both.

With the ongoing poor return on investments, with some establishments actually charging a negative interest rate, it is imperative that Credit Unions seek alternative revenue streams, hence our shareholder participation in Metamo.

As well as identifying appropriate products and services to add to the Credit Union portfolio, it will also establish standardisation, streamlined processes, best practice, best returns and collaborative procurement propositions.

As an aside, it should be noted Credit Unions in the USA make over 27% of their income from 'other income', therefore not totally reliable on the core income earners of loan interest and investment income.

As per the Registrar of Credit Unions, 'forward-looking credit unions today, of which we are one, are focused on developing their business models to serve their members' future needs. They distinguish themselves from peers by embracing a risk mind-set and recognising minimum regulatory standards to be what they are – the minimum of what is expected, not a target. The revisions under the 2012 Act¹³ strengthened the governance framework and embedding related changes has seen a focus since. The boards of these credit unions effectively leverage the support functions provided for of Compliance Officer, Risk Management function and Internal Auditor, to assist in discharging their oversight roles.'

Altura Credit Union remains hugely proactive in this regard, mindful of the need to ensure your Credit Union is safe, secure and an attractive viable alternative.

It is imperative that we continue to be recognised as a progressive and compliant Credit Union to further ensure our sustainability and viability and that benefits are derived from the ongoing sectoral restructuring that continues to include mergers, transfers of engagements and shared services opportunities. To that end, the Board of Directors will continue to look at strategic opportunities should they present themselves, all the while mindful at all times of the benefits to be derived for our membership.

You will note from our accounts the huge influx of savings over the past financial year which contributes to our total asset growth. While we are delighted that we are the institution of choice in this regard, as part of our reserve policy, ACU will, at a minimum, hold 10.20% of total assets in its Regulatory Reserve and this prudent requirement may lead to a Board consideration to introduce a savings cap per member- a decision that won't be taken lightly, but has been prevalent in other Credit Unions over the past few years.

Adequate reserves support a credit union's operations, provide a base for future growth and protect against the risk of unforeseen losses. Credit unions need to maintain sufficient reserves to ensure continuity and to protect members' savings.

Altura Credit Union also resources the upskilling and training of all our Officers and has in place a minimum competency requirement that surpasses current regulatory guidelines to ensure we continue to impart valid and accurate information from a professional and highly trained staff to our membership.

At all levels people are continuing to successfully achieve their exams and upskill in relation to the various roles they hold within the organisation. This enables us strengthen our organisational structure as the need arises.

This will continue in parallel to the scale and complexity of this Credit Union.

In conclusion, I would like to take this opportunity to thank the Board of Directors, Board Oversight Committee & volunteers, on your behalf in particular, for their continued commitment of time and talent on a voluntary basis to our Credit Union. Their forward strategic thinking plays a huge part in this Credit Unions success.

I would also like to acknowledge the hard work and dedication of the Management team and staff in Altura Credit Union's Head and Branch Offices.

Most of all we thank our members for your continued loyalty. Our goal is as always, to provide the broadest range of products and services in a speedy, efficient and cost-effective manner all year round, giving excellent value for money, to enable us to meet your needs both now and into the future.

Finally, I would like to take this opportunity to wish everyone a very Happy Christmas and a prosperous 2020.

Barry Monaghan
General Manager

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.*

Amen

Christmas Opening Hours

All Offices will open as normal on Monday
23rd December 2019 and until 1pm on Tuesday 24th.

(Offices closed 25th - 29th December 2019 inclusive
and Wednesday 1st January 2020)

All offices will operate normal opening hours
from week beginning Monday 30th December 2019.

The Board of Directors, Board Oversight Committee,
Management & Staff of Altura Credit Union Limited.

Would like to wish all our members a

**Happy Christmas
& A Prosperous New Year**

OFFICE LOCATIONS and current opening hours:

Head Office

Mc Dermott, Street,
Gorey, Co. Wexford.

Monday to Saturday 9.30am to 4pm.

Ferrybank

Arklow,
Co. Wicklow.

Monday, Thurs, Friday 9.30am to 4pm.
Tuesday & Wednesday Closed.
Saturday 9.30am to 3pm.

Avoca Office

Main Street,
Avoca, Co. Wicklow.

Thursday & Friday 9.30am to 4pm.
Saturday 9.30am to 3pm.

Carnew Office

Main Street,
Carnew, Co. Wicklow.

Monday & Tuesday 9.30am to 4pm.
Wednesday Closed.
Thursday & Friday 9.30am to 4pm.
Saturday 9.30am to 3pm.

Rathdrum Office

Gilbert's Row,
Rathdrum,
Co. Wicklow.

Monday to Friday 9.30am to 4pm.
Saturday 9.30am to 3pm.

Roundwood Office

Ashtown,
Roundwood,
Co. Wicklow.

Thursday & Friday 9.30am to 4pm.
Saturday 9.30am to 3pm.



Reaching New Heights

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