

2017/2018 ANNUAL REPORT

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*"To build life long relationships,
One member at a time"*



McDermott Street, Gorey, Co. Wexford.
Main St. Carnew, Co. Wicklow.
Main St. Avoca, Co. Wicklow.
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Ashtown, Roundwood, Co Wicklow.
Telephone: 053 / 94 88700
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Loch Garman Arms Hotel.
Wednesday 12th December, 2018 at 7.30p.m.

ORDER OF BUSINESS

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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
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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 five vacancies for the position of Directors, one 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 €7.00 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 2017/2018 AND OTHER INFORMATION

EXECUTIVE DIRECTORS:	<i>President:</i>	Andrew Cullen	
	<i>Vice President:</i>	Jim Kavanagh	
	<i>Secretary:</i>	Joseph Kinsella	
	<i>Asst. Secretary:</i>	Mary Hearne	
DIRECTORS:	Enda O'Connor	Fiona Byrne (Co-opted)	
	Seamus Halvey	Michael Kelly (Co-opted)	
	Tom Finn (Co-opted)	Thomas Fitzpatrick (Resigned)	
		Peter Finn R.I.P	
OVERSIGHT COMMITTEE:	Anne Fitzgerald	Lorraine Walsh	
	Imelda Purcell		
<i>STAFF During 2017/18:</i>			
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	
 <i>STAFF:</i>			
<i>During year 2017/18:</i>			
	Dina Allegrini	Linda Hempenstall	Aishling O'Brien
	Susan Baldwin	Joan Hughes	Lisa O'Connor
	Margaret Brennan	Geraldine Kelly	Nicola O'Leary
	Mary Butler	Maria Kelly	Vivienne O'Leary
	Edel Byrne	Kerrie Kenny	Margaret O'Reilly
	Maureen Creevy	Bernadette Kennedy	Roseanna O'Sullivan
	Noeleen Cullen	Jenny Kirwan	Miriam Osborne
	Joan Dixon	Aidan Mackey	Gemma Purdy
	Fionnuala Doyle	Mary Mackey	Michelle Roche
	Anne Forsyth	Tina McClure	Lisa Ryan
	Valentina Farris	Roisin Monaghan	Kerry Ann Seymour
	Emma Gibney	Emma McLoughlin	Anne Sheridan
	Breda Goland	Bernadette McCarthy	Liz Sheridan
	Mary Halford	Alex Maguire	Jenny Swords
	Catherine Hatton	Denise Murray	Marguerite Townsend
			Lisa Travers
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 & Registered Auditors.		

On behalf of the Board of Directors, I would like to welcome you, the members to the 52nd AGM of Altura Credit Union Ltd and to especially welcome those attending our AGM for the first time, be it as new members or as former members of both Avonmore & Carnew Credit Unions.

2018 has proven to be another challenging year for the Credit Union movement- not so much related to the financial crisis of a few years back, but more so the fact it is becoming 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. I am pleased to report that this Credit Union, thanks to prudent lending and management, aligned with adherence to governance and allied with excellent support from our membership, has come through the year stronger than ever.

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 look forward to the opening of our new Rathdrum premises in early 2019, further showing our commitment to the Branch Office network and are delighted to welcome the former Carnew Credit Union and its' members to Altura Credit Union.

As with the former Avonmore Credit Union, great credit must be given to the former Board & Management of Carnew Credit Union for their endeavour and commitment over the years and we know their former membership will enjoy the many benefits that this merger will bring to all concerned.

Our Membership as of 30/09/18 stands at **32,005**. Members' savings total **€128,094,054** (including stamps) while total Loans issued to members amounts to **€59,274,598**. The financial performance of Altura Credit Union is top class with a Loans to Assets ratio of over **40%**, as compared to the national average of just **27%**. This is something we are proud of and work tirelessly to improve, thereby safeguarding the future of Altura Credit Union Limited.

When you, as members, want to know and ensure that your Credit Union is safe and secure, there are a few key questions that you might ask:

- [Does your Credit Union hold an AGM?](#)
- [Does your Credit Union pay a dividend and / or interest rebate?](#)
- [Are there any CBI restrictions?](#)

Altura Credit Union Ltd has year on year always held its' AGM and has always declared a dividend and most usually an interest rebate as well.

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.

All of this is detailed in the relevant committee reports.

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 01st January 2016 imposes a €100,000 maximum savings limit on an individual member in a Credit Union. Eligible deposits are protected by the 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 **0.25%** and a loan interest rebate of **10.00%** on the standard rate loan. This in effect equates to a net standard loan rate of just 8.33% once the proposed rebate is factored in. We believe this distribution, 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. 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 an operational expense so there is no cost to our Members. From 01st January 2019, the option will exist for you to increase your DBI cover by an extra €2000 as a member pay option.

General Manager, Barry Monaghan, will, later in his update report, refer to 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.

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 evenings AGM continuing in similar vein in 2019.

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.

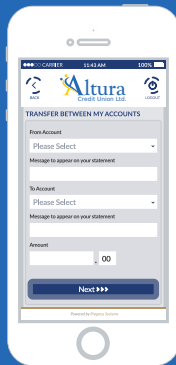
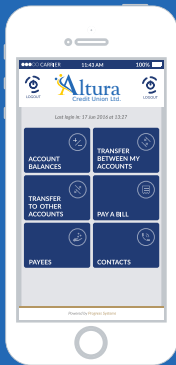
At this point, I would ask you to think of Peter Finn, who sadly passed away last December, as a sitting Director. Peter gave over 39 years -service to this Credit Union and he will always be fondly remembered and greatly missed.

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.
20th November, 2018

Your Credit Union *in the palm of your hand*

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always
been local,



now
we're
mobile.

Check balances,
move money,
and pay bills
wherever you
may be

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

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

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RESULTS DIVIDEND AND APPROPRIATION OF SURPLUS

The income and expenditure account as set out on page 13 shows a surplus for the year of €1,082,355 compared with a surplus of €1,373,272 in the previous year.

The directors are recommending a dividend of 0.25% costing €296,603 and they are also proposing a rebate of 10% on interest paid on members' loans, amounting to €297,755.

The directors have transferred €1,583,761 to the Regulatory Reserve and €110,000 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's activities are set out in note 15 of the attached accounts.

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.

STATEMENT OF DIRECTORS RESPONSIBILITIES AND BOARD OVERSIGHT COMMITTEE'S RESPONSIBILITIES

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

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

McDermott Street, Gorey, Co. Wexford.

President: Andrew Cullen

Secretary: Joseph Kinsella

Date: 20th November 2018

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.

On behalf of the Board of Directors

Member of the Board of Directors: Jim Kavanagh

Member of the Board of Directors: Enda O'Connor

Date: 20th November 2018

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: 20th November 2018

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 2018, 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 2018 and its income and expenditure and cash flows for the year then ended;
- have been properly prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been properly prepared in accordance with the requirements of the Credit Union Act 1997, (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described below in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Credit Union in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (Ireland) require us to report to you where:

- (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, and
- The financial statements are in agreement with the accounting records.

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set on page 10, 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 & Registered Auditors

Sinnottstown Business Park,
Drinagh,
Co. Wexford.

Date: 20th November 2018

Appendix to the Independent Auditors' 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 director's 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 2018

	Note	2018 €	2017 €
Interest on members' loans	4	4,253,254	4,034,071
Other interest income and similar income	5	851,512	630,768
Interest payable on members' deposits	18	<u>(19,753)</u>	<u>(24,578)</u>
Net interest income		5,085,013	4,640,261
Other income (Schedule 1)		249,801	253,782
Employment costs	8	(1,872,968)	(1,668,388)
Depreciation charge on fixed assets	13	(324,492)	(255,484)
Other management expenses (Schedule 2)		(2,506,982)	(1,936,638)
Net recoveries or losses on loans to members	6	<u>451,983</u>	<u>339,739</u>
Surplus for the financial year		1,082,355	1,373,272
Other comprehensive income		<u>-----</u>	<u>-----</u>
Total comprehensive income		<u>1,082,355</u>	<u>1,373,272</u>

The financial statements were approved, and authorised for issue, by the Board on 20th November 2018 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 when you next visit the Credit Union.

	Note	2018 €	2017 €
ASSETS			
Cash and balance at bank	9	5,222,519	2,413,837
Deposits and investments - cash equivalents	9	22,374,719	25,451,745
Deposits and investments - other	10	58,986,155	39,110,294
Loans to members	11	55,064,246	48,714,102
Tangible fixed assets	13.1	5,275,354	4,466,621
In-tangible fixed assets	13.2	124,610	
Stock of stationery		13,757	21,064
Prepayments and accrued income	14	310,071	337,290
Total assets		<u>147,371,431</u>	<u>120,514,953</u>
Liabilities			
Members' shares	12.1	124,187,098	99,677,282
Members' deposits	12.2	3,839,723	4,120,395
Members' savings stamps		67,233	1,045,586
Accruals and other payables	15	622,422	285,571
Total liabilities		<u>128,716,476</u>	<u>105,128,834</u>
ASSETS LESS LIABILITIES		<u>18,654,955</u>	<u>15,386,119</u>
RESERVES			
Regulatory reserve		15,963,935	12,756,909
Operational Risk reserve		400,000	250,000
Non-distributable investment income reserve		32,028	489,638
Distribution reserve		1,858,992	1,489,572
Dividend reserve		400,000	400,000
Total Reserves		<u>18,654,955</u>	<u>15,386,119</u>

The financial statements were approved, and authorised for issue, by the Board on 20th November 2018 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

STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 30TH SEPTEMBER 2018

	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 2016	12,356,909	125,000	410,188	1,193,728	400,000	-	14,485,825
Distribution in year	-	-	-	(472,978)	-	-	(472,978)
Transfer between reserves	400,000	125,000	-	(525,000)	-	-	-
Unrealised reserves	-	-	79,450	(79,450)	-	-	-
Comprehensive income	-	-	-	1,373,272	-	-	1,373,272
As at 30th September 2017	12,756,909	250,000	489,638	1,489,572	400,000	-	15,386,119

	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
Distribution in year	-	-	-	(504,453)	-	-	(504,453)
Transfer between reserves	1,583,761	110,000	-	(666,092)	-	(1,027,669)	-
Unrealised reserve	-	-	(457,610)	457,610	-	-	-
Transfer of Engagement	1,623,265	40,000	-	-	-	1,027,669	2,690,934
Comprehensive income	-	-	-	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

The Regulatory Reserve of the Credit Union as a percentage of the total assets as at 30th September 2018 was 10.83% (2017: 10.59%).

In accordance with section 45 of the Credit Union Act 1997 (as amended) Altura Credit Union Limited put in place an Operational Risk Reserve. During the current period, following the completion of an internal process of assessing the level of the reserve required to cover the operational risk within the Credit Union, the Board approved a further transfer of €110,000 from current year surplus to the Operational Risk Reserve. The Operational Risk reserve as a % of the total assets as at 30th September 2018 was 0.27%. (2017: 0.21%).

Following the Transfer of Engagement during the year, the Regulatory reserve increased by €1,623,265 & the Operational Risk reserve increased by €40,000, to reflect the Regulatory reserve and Operational Risk reserve of the transferor credit union at the date of Transfer of Engagement.

Following the commencement of Section 13 of the 2012 Act, the requirement for Credit Unions to transfer 10% of their annual surplus to their Statutory Reserve (now known as the Regulatory Reserve) each year, has been removed. The Board of Altura Credit Union Limited has transferred €556,092 from the Distribution Reserve together with €1,027,669 from the Reserve arising on the Transfer of Engagement, to its Regulatory Reserve.

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH SEPTEMBER 2018**

	Note	2018 €	2017 €
Opening cash and cash equivalents	9	27,865,582	27,646,244
Cash and cash equivalents introduced from Transfer of Engagement		3,770,276	----
Cash flow from operating activities			
Loans repaid by members	11	23,941,901	22,808,149
Loans granted to members	11	(27,051,679)	(27,467,564)
Loan interest received	4	4,253,254	4,034,071
Interest paid on members' deposits		(24,316)	(29,794)
Investment income received	5	851,512	630,768
Other income received (see Schedule 1)		249,801	253,782
Bad debts recovered	6	311,965	379,588
Dividends paid	18	(234,189)	(212,163)
Loan interest rebate paid	18	(270,264)	(260,815)
Operating expenses		(4,379,950)	(3,605,026)
Movement in other assets		40,430	(47,788)
Movement in other liabilities		306,006	(269,844)
Net cash from operating activities		(2,005,529)	(3,786,636)
Cash flows from investing activities			
Purchase of tangible fixed assets	13.1	(848,225)	(303,404)
Development expenditure	13.2	(124,610)	----
Net cash flow from other investing activities		(10,957,587)	(4,299,223)
Net cash from investing activities		(11,930,422)	(4,602,627)
Cash flow from financing activities			
Members' shares received	12.1	82,495,984	78,677,425
Members' deposits received	12.2	1,318,545	6,497,614
Members' shares withdrawn	12.1	(71,339,628)	(68,340,133)
Members' deposits withdrawn	12.2	(1,599,217)	(8,396,298)
Movement on members' savings stamps		(978,353)	169,993
Net cash generated from financial activities		9,897,331	8,608,601
Net (decrease) / increase in cash and cash equivalents		(268,344)	219,338
Cash and cash equivalents at end of financial year	9	27,597,238	27,865,582

1. LEGAL AND REGULATORY FRAMEWORK

Altura Credit Union Ltd. is established under the Credit Union Act 1997, (as amended). The Credit Union is registered with the Registrar of Credit Unions and is regulated by the Central Bank of Ireland. The principal place of business is 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 Gorey 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.

Cash and Cash Equivalents

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

Investments

Fixed-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.

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.

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.

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

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.

Intangible fixed assets

Development costs are amortised once income is received and reviewed annually for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable

Reserves

Regulatory reserve

The Credit Union Act, 1997 (Regulatory Requirements) Regulations 2016 requires Credit Unions to establish and maintain a minimum Regulatory Reserve requirement of at least 10 per cent of the assets of the Credit Union. This Reserve is to be perpetual in nature, freely available to absorb losses, realised financial reserves that are unrestricted and non-distributable.

Operational risk reserve

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

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 (as amended) (Regulatory Requirements) Regulations 2016. A reclassification between non-distributable and distributable is made as investments come to within 12 months of maturity date.

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.

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 & deposits

Members' shares, Money Management Accounts 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.

Employee Benefits

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

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.

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. There is an agreed funding plan in respect of the Pension Scheme as a result of a Minimum Funding Standard deficit certified by the Scheme's Actuary in 2009. Consequently, Altura Credit Union Limited recognises a liability at each balance sheet date for its outstanding contributions payable under the agreed funding plan to the extent that they relate to committed funding in respect of the deficit to which the funding plan relates.

Taxation

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

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.

Dividends 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.

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:

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 monthly. 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	2018	2017
	€	€
Closing accrued loan interest receivable	86,455	70,426
Loan interest received in year	4,242,083	4,023,645
Loan interest accrual arising from Transfer of Engagement	(4,858)	----
Opening accrued loan interest receivable	(70,426)	(60,000)
Total interest on members' loans	4,253,254	4,034,071
5. OTHER INTEREST INCOME AND SIMILAR INCOME	2018	2017
	€	€
Investment income and gains received by the Balance Sheet date	515,007	326,010
Receivable within 12 months of Balance Sheet date	325,442	225,308
Other investment income and gains	11,063	79,450
Total investment income	851,512	630,768
6. BAD AND DOUBTFUL DEBTS	2018	2017
	€	€
(Decrease) / Increase in provision for bad and doubtful debts	(167,123)	22,354
Loans written off	27,105	17,495
Bad debts recovered	(311,965)	(379,588)
Net recoveries on loans to members recognised for year	(451,983)	(339,739)
7. KEY MANAGEMENT PERSONNEL		
The management personnel compensation is as follows:	2018	2017
	€	€
Short term employee benefits	580,923	482,255
Payments to defined contribution pension scheme	82,946	57,542
Total key management personnel compensation	663,869	539,797

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

8. EMPLOYEES AND REMUNERATION

The average monthly number of employees during the year was

	2018	2017
	Number	Number
Management	10	9
Other staff	41	39
	<u>51</u>	<u>48</u>

The staff costs comprise:

	2018	2017
	€	€
Wages and salaries	1,520,633	1,346,132
Social security costs	166,542	146,011
Payments to defined contribution person scheme	185,793	176,245
	<u>1,872,968</u>	<u>1,668,388</u>

9. 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.

	2018	2017
	€	€
Cash and bank balance	5,222,519	2,413,837
Deposits and investments	22,374,719	25,451,745
	<u>27,597,238</u>	<u>27,865,582</u>

10. INVESTMENTS

	2018	2017
	€	€
Central treasury management fund	1,964,246	-----
Fixed-term deposits (maturity within 3 months)	20,410,473	25,451,745
Fixed-term deposits (maturity after 3 months)	33,059,021	17,089,106
Minimum reserve & deposit protection accounts	941,584	866,625
Guaranteed investment bonds	24,985,550	21,154,563
	<u>81,360,874</u>	<u>64,562,039</u>

11. MEMBERS' LOANS

	2018 €	2017 €
Loans to members	59,274,598	53,228,423
Provision for bad and doubtful debts	(4,210,352)	(4,514,321)
	<u>55,064,246</u>	<u>48,714,102</u>

Movement in members' loans

	2018 €	2017 €
Opening balance	53,228,423	48,771,037
Loans arising from Transfer of Engagements	3,212,535	-----
Loans advanced	27,051,679	27,467,564
Loans repaid	(23,941,901)	(22,808,149)
Loans written off against provision	(249,033)	(184,534)
Loans written off	(27,105)	(17,495)
	<u>59,274,598</u>	<u>53,228,423</u>

Movement in provision for doubtful debts

	2018 €	2017 €
Opening provision	4,514,321	4,676,501
Provisions arising from Transfer of Engagement	112,187	-----
Movement in year	(167,123)	22,354
Loans written off against provision	(249,033)	(184,534)
	<u>4,210,352</u>	<u>4,514,321</u>

The provision for bad debts is analysed as follows:

	2018 €	2017 €
Individually significant loans	(447,402)	(519,841)
Collectively assessed loans	(3,762,950)	(3,994,480)
	<u>(4,210,352)</u>	<u>(4,514,321)</u>



12. MEMBERS' SHARES & DEPOSITS - FINANCIAL LIABILITIES

	2018 €	2017 €
12.1 Members' Shares		
Regular	54,206,092	40,852,539
Special	69,884,941	58,718,678
Medium term	64,011	74,011
Long term	32,054	32,054
<i>As at 30th September 2018</i>	<u>124,187,098</u>	<u>99,677,282</u>
As at 1st October 2017	99,677,282	89,339,990
Transfer of Engagement	13,353,460	
Received during the year	82,495,984	78,677,425
Repaid during the year	(71,339,628)	(68,340,133)
<i>As at 30th September 2018</i>	<u>124,187,098</u>	<u>99,677,282</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:

	2018 €	2017 €
Unattached shares	107,758,928	84,941,795
Attached shares	16,428,170	14,735,487
<i>As at 30th September 2018</i>	<u>124,187,098</u>	<u>99,677,282</u>

	2018 €	2017 €
12.2 Members' Deposits		
As at 1st October 2017	4,120,395	6,019,079
Received during the year	1,318,545	6,497,614
Repaid during the year	(1,599,217)	(8,396,298)
<i>As at 30th September 2018</i>	<u>3,839,723</u>	<u>4,120,395</u>

13. FIXED ASSETS - TANGIBLE & INTANGIBLE ASSETS

13.1 TANGIBLE FIXED ASSETS

	Land & Premises €	Furniture & Equipment €	Fixtures & Fittings €	Motor Vehicle €	Total €
Costs					
At 1st October 2017	7,594,046	1,162,203	483,356	16,170	9,255,775
Transfer of Engagement	285,000	-----	-----	-----	285,000
Additions	453,007	313,651	81,567	-----	848,225
At 30th September 2018	8,332,053	1,475,854	564,923	16,170	10,389,000
Depreciation					
At 1st October 2017	3,315,723	1,066,239	403,958	3,234	4,789,154
Charge for the year	166,938	134,681	19,639	3,234	324,492
At 30th September 2018	3,482,661	1,200,920	423,597	6,468	5,113,646
Net book value					
At 30th September 2018	4,849,392	274,934	141,326	9,702	5,275,354
At 30th September 2017	4,278,323	95,964	79,398	12,936	4,466,621

13.2 INTANGIBLE FIXED ASSETS

	Development Costs €	Total €
Cost		
At 1st October 2017	-----	-----
Additions	124,610	124,610
At 30 September 2018	124,610	124,610
Net book value At 30th September 2018	124,610	124,610
At 30th September 2017	-----	-----

14. DEBTORS, PREPAYMENTS & ACCRUED INCOME

	2018 €	2017 €
Prepayments & sundry debtors	223,616	266,864
Accrued loan interest income	86,455	70,426
	310,071	337,290

15. ACCRUALS & OTHER PAYABLES

Creditors & other accruals	288,234	172,909
Strategic development	184,500	-----
Regulatory levies	106,213	-----
Pensions and short-term payroll accruals	43,475	112,662
	622,422	285,571

16. 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) Regulations 2016.

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.

17. CREDIT RISK DISCLOSURE

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 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 1997 (Regulatory Requirements) (Amendment) Regulation 2018 and Section 35 of the Regulatory Requirements for Credit Unions.

The carrying amount of the loans to members represents Altura Credit Union Limited 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.

NOTES ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER 2018

	2018 €	2018 %	2017 €	2017 %
Loans not impaired				
Not past due	51,376,786	86.68	45,454,720	85,40
Impaired loans				
Up to 9 weeks past due	4,499,072	7.59	4,312,533	8.10
Between 10 & 18 weeks past due	792,091	1.34	704,115	1.32
Between 19 & 26 weeks past due	562,174	0.95	422,933	0.79
Between 27 & 39 weeks past due	396,960	0.67	418,837	0.79
Between 40 & 52 weeks past due	228,792	0.39	262,606	0.49
53 or more weeks past due	1,418,723	2.39	1,652,679	3.11
Total impaired loans	7,897,812	13.32	7,773,703	14.60
Total loans	59,274,598	100.00	53,228,423	100.00
Impairment allowance				
Individually significant loans	(447,402)	10.63	(519,841)	11.52
Collectively assessed loans	(3,762,950)	89.37	(3,994,480)	88.48
Total impairment allowance	(4,210,352)	100.00	(4,514,321)	100.00

18. INTEREST PAYABLE AND DIVIDEND

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

	2017 €	2017 €
Interest payable for the year	19,753	24,578
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 period year periods were as follows:

	2018 %	2018 €	2017 %	2017 €
Dividends on shares	0.25	234,189	0.25	212,163
Loan interest rebate	10.00	270,264	10.00	260,815
		504,453		472,978

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

19. PROPOSED DIVIDENDS & LOAN INTEREST REBATE

The proposed distribution is as follows:

	2018 %	2018 €	2017 %	2017 €
Dividends on shares	0.25	296,603	0.25	235,421
Loan interest rebate	10.00	297,755	10.00	272,420
		<u>594,358</u>		<u>507,841</u>

20. 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 runs up until 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 2015 and it certified that the Scheme satisfied the funding standard. Further, the Actuary was reasonably satisfied that as at 28 February 2017 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.

FRS 102 requires a provision to be recognised where an agreement has been entered into with a multi-employer plan that determines how the deficit will be funded. The provision is measured based on the contributions payable that arise from the agreement with the multi-employer pension plan to the extent that they relate to the deficit.

21. 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 2018 for any amount that may become payable, although unlikely, by Altura Credit Union in this regard.

22. INSURANCE AGAINST FRAUD

The Credit Union has insurance against fraud in the amount of €5.2 million (2017 €5.2m), This is in compliance with section 47 of the Credit Union Act 1997 (as amended)

23. 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 0.52% of total gross loans due at 30th September 2018 (2017: 0.67%)

	No. of Loans	2018 €
Loans advanced to Related Parties during the year	17	<u>73,151</u>
Total loans outstanding to Related Parties at the year end	28	<u>307,114</u>
Share balance held by Related Parties at year end	107	<u>347,618</u>

During the year, the following payments were made to one of the directors in respect of services provided; 2018 €

AGM & Transfer of Engagement booklets	24,650
Printing and Stationery	12,953
Signage	44,965

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

24. CAPITAL COMMITMENT

Altura Credit Union Limited has the following capital commitments at the year-ended 30th September 2018 in relation to the new building in Rathdrum, Co. Wicklow

	2018 €
Contracted for	155,746
Authorised, but not yet contracted for	167,947

25. POST-BALANCE SHEET EVENTS

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

APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 20th November 2018

SCHEDULE TO THE INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30TH SEPTEMBER 2018

Schedule 1 - Other Income	2018	2017
	€	€
Other Income		
Entrance fees	1,336	1,397
Commissions received	248,465	252,385
	<u>249,801</u>	<u>253,782</u>

Schedule 2	2018	2017
Other Management Expenses	€	€
Other Management Expenses		
Training and seminars	31,966	35,422
Rates	41,835	39,707
Board oversight committee expenses	5,471	7,865
General insurance	49,678	45,076
Share and loan insurance	487,859	456,415
Death benefit insurance	226,735	133,686
Security	6,045	2,788
Light, heat and cleaning	46,626	43,755
Repair and renewals	23,087	21,947
Computer and other contracts	265,188	239,150
Printing and stationary	76,768	42,857
Promotion and advertising	126,209	102,716
Telephone and postage	83,029	67,502
AGM expenses	31,331	27,961
Convention expenses	1,869	1,809
Travelling and subsistence	22,927	26,542
Entertainment costs	10,934	13,140
Legal and professional	404,566	149,750
Audit fees	33,825	33,825
Debt collection	39,523	34,581
Deposit guarantee scheme	227,331	71,626
Bank interest and charges	63,741	63,503
Miscellaneous expenses	42,291	85,002
Cash short	359	106
Subscriptions and donations	5,838	10,593
Affiliation fees	23,556	14,877
Savings protection scheme	----	67,186
Regulatory levy	128,395	97,251
	<u>2,506,982</u>	<u>1,936,638</u>

That as required by the ILCU Standard Rule No. 9 the meeting of the board of directors of Altura Credit Union Limited held on 16th October, 2018 hereby approves the following motions to change three Credit Union rules as presented below at this year's AGM.

Rule 11 Membership – Bond Area - (expand the Carnew radius from 7 to 10 miles therefrom);

Rule 13 (1) (iii) & (iv) Qualifications for membership – reduces from €1.27 to €1.00 and from €7.00 to €5.00 and

Rule 19 – Dormant accounts – increase the no member-initiated activity from three to six years.

Change 1

Rule 11. *Membership*

Membership shall be limited to and consist of the signatories to the application to register the credit union and such other persons having the following common bond: Gorey and ten-mile radius therefrom, Kilmuckridge and ten-mile radius therefrom, Avoca and ten-mile radius therefrom, Rathdrum and ten-mile radius therefrom, Roundwood and ten-mile radius therefrom, Laragh and ten-mile radius therefrom, Carnew and ten-mile radius therefrom.

as have been duly admitted members of the credit union in accordance with these rules and comply with such of the rules as relate to membership and including, if otherwise qualified, such other persons as were members of the unincorporated body known as

.....Altura Credit Limited.....

immediately before the date on which such body secured registration as

.....Altura Credit Union Limited.

Change 2

Rule 13. *Qualifications for membership*

- (1) An applicant shall be admitted to membership only when:
 - (iii) he has paid an entrance fee of €1.00 (not more than €1.27); and
 - (iv) he has paid for a minimum of €5.00 share(s) (this minimum to be at least one and not more than ten or such larger number of shares as may be prescribed by the Minister) in the credit union; and

Change 3

Rule 19. *Dormant accounts*

The credit union may deal with shares and deposit accounts as hereinafter provided when there has been no member-initiated transaction on the account for a period of six years and when no reply has been received within thirty days from the member to a notice sent, by ordinary post, to him at his last known address, of intent by the credit union to close the account(s).

Board of Directors, Altura Credit Union Ltd.

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**

The past year has been historic for Altura Credit Union Ltd. – a new Name, another branch and an information centre have all come to pass. I would like to welcome all members of the former Carnew Credit Union Ltd to this AGM. The previous year has been positive, and the accounts, membership and lending figures support this. However, this does not happen without a cohesive management team, a robust strategic plan and key performance indicators to keep track of the progress. The mission & vision statements, as displayed in this booklet, always keep the member at the heart of Altura Credit Union Ltd.

With new opportunities, come new challenges. We welcome both. The development of the business, and the marketing of our array of products and services comes under my remit. In previous years I have reported on technological, regulatory and cultural changes. These continue to happen, and we are always mindful of such changes. My colleagues will present many facts & figures this evening, however I want to give a more holistic view of the development of our business.

We have spent considerable time enhancing our digital channels for membership and used these to market our products and services. In addition to this 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 also an invaluable way of finding out what new products and services you would like from us. Please do let us know if you would like us to attend any events in your area.

A debit card & current account has been a long time coming, as we work with The Central Bank, our software providers and others. It will however come, at last, in 2019. This will help us to attract younger members and become more relevant to them as they begin their journey into adulthood. Contactless payments, Apple & Google pay are the future. We want to be able to offer these services, and more, while maintaining our face to face transaction options that are still incredibly popular today.

Lending to our members is how we continue to thrive. We do this at competitive rates, and with friendly local faces. There are no algorithms making these decisions. Qualified credit union officers will take all your information, your history and any information you give them into consideration. We make this as easy as we can – while adhering to policies and regulatory requirements.

Our car draw continues to grow in popularity. This is not just a PR tool for us. It gives 9 lucky people (currently) a brand-new car a year. We have bought 87 cars in the common-bond areas over 11 years. This money is going back into the local communities, supporting local jobs.

Finally, I would like to share the secret to our success- you! The membership supporting your credit union for 52 years, and your credit union supporting you in return. With more new members come more lifelong relationships. Altura Credit Union Ltd has changed its Name, its locations and much more besides, 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.

IT'S MY CAR NOW LOAN PCP REDEMPTION

7.5%

7.8% Apr.

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

or apply online @ www.alturacu.ie

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.

Lending Criteria, Terms & Conditions Apply

The Credit committee comprises of five members who meet each Monday evening to assess loan applications for our members. We regularly go on training sessions and with regulations ever increasing in borrowing and procedures, we take great care and consideration in assessing each and every one of the loan applications.

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 granted this year ending September 2018: **6,558** amounting to **€27,051,679** These figures are excluding Carnew Credit Union's loans.

TOP 10 LOAN PURPOSES YEAR ENDING 2017

YEAR ENDING SEPTEMBER 2018			YEAR ENDING SEPTEMBER 2017		
Loan Purpose	Number	Amount	Loan Purpose	Number	Amount
Car/Van/Motorbike	1307	10,143,506.00	Car/Van/Motorbike	1269	9,569,317.00
Home Improve	1042	4,995,724.00	Home Improve	1072	5,214,413.00
Secured By Shares	1009	2,725,266.00	Secured By Shares	1092	2,840,849.00
Home/Property	47	1,720,970.00	Home/Property	46	1,739,012.00
Educational	425	1,182,937.00	Educational	498	1,440,110.00
Holidays	591	1,109,614.00	Holidays	731	1,121,543.00
Car Ins/Tax/Repairs	504	698,717.00	Debts/Finance/Credit Card	192	780,290.00
Business/Farming	51	647,717.00	Car Ins/Tax/Repairs	576	715,807.00
Weddings	128	616,473.00	Business/Farming	81	632,484.00
Debts/Finance/Credit Card	176	583,749.00	Household Goods/Furniture	368	583,595.00

We, the Credit Committee would like to thank our Loans Manager Gina Kenny, Assistant Loans Manager Maria Kelly and loans 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, Management and all the Staff for their help and co-operation.

Finally, we wish to thank you, the members of Altura Credit Union, who 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

Committee members during the year:

Chairperson: Sean Lacey,
Enda O'Connor,
Jim Kavanagh,
Patrick Flood,
Tom Fleming.

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

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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 **€276,138** 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 €27,105.**

The amount recovered during the year in respect of loans previously written-off amounted to **€311,965**. 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 excellent work of the Credit Control Manager Caroline Kavanagh, Assistant Credit Control Manager Roisin Monaghan and all the credit control team for their hard work, and support not only to us, but also to 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 2017/2018. In that time, our membership has increased by **4,063**, bringing the total membership of Altura Credit Union Ltd at year end to **32,005**. This includes members brought over during our successful Transfer of Engagement with Carnew Credit Union Ltd. 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, western union, Fexco bureau de change, our ATM Cards, Christmas saving options to name but a few. 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 €7 held in your Share account (This to be reduced to €5, subject to rule change brought to AGM this evening). 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. You will note an additional €2000 death benefit insurance coverage will be available to members from 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 2019 in our premises on McDermott Street Gorey, Rathdrum, Roundwood, Avoca and now Carnew or through our ever-developing website www.alturacu.ie and our app for your devices.

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 is 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 Board Oversight Committee meets on a monthly basis to discuss and review the Boards duties and requirements. It is the opinion of the Board Oversight Committee that the Board of Directors have complied with all legal and regulatory requirements, and have acted in accordance with the Act. The Board Oversight Committee has also attended various committee meeting throughout the year which forms part of the Board's assessment.

In accordance with relevant legislation, at least one member of the Board Oversight Committee is required to attend the Board of Directors' monthly meetings and this Committee is pleased to report that this requirement is still being fulfilled. Another requirement is to conduct four review meetings per year with the Board of Directors and provide an assessment of their performance; this Committee is satisfied that this has been complied with.

The Board Oversight Committee has been proactive in attending training seminars, conferences and courses over the past year. Two members of the Committee have also completed exams in LIA's Financial Advisors course and are working towards their QFA qualification.

We are pleased to confirm that the Strategic Plan continues to be implemented throughout Altura Credit Union; the risk management and compliance systems are functioning to a high standard and meet the necessary requirements.

In conclusion, the Board Oversight 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, Roundwood and Carnew during the past year.

[Committee members during the year:](#)
Lorraine Walsh (Chairperson)
Imelda Purcell (Secretary)
Anne Fitzgerald

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

As members of Altura Credit Union you will already be aware of the progressive yet prudent management of the credit union by the Board of Directors and the Management Team over many years. Altura Credit Union continues to demonstrate its ability to carefully identify its risk appetite and invest strategically to facilitate growth and sustainability.

Using PRISM (The Probability Risk and Impact System) to categorise our risks we have identified the inherent risks associated with the running of a credit union. Based on this information we have identified the controls that are required to mitigate these risks. This means that Altura Credit Union can manage and target resources to the risks that pose the biggest threat to our credit union.

A few years ago, we might have thought that the economy and the financial fallout was our biggest threat, but nowadays with a growing economy and the developments within the financial sector (FinTech) we now look at ICT and Cyber risk as our biggest challenge. In our case, these particular risks have been minimised to come within our risk tolerance appetite and as you can see from our expenditure to date, the Board of Directors are committed to the continued resourcing, strengthening and monitoring of this particular residual principle risks. By investing in ICT the Board of Directors are ensuring that we continue to mitigate this risk.

This allows the Board to ensure that Altura Credit Union is in a position to continue to achieve its Strategic Objectives so as to meet members needs and wants.

Being a regulated financial institution means our Credit Union must work within a Legal framework. Having an established Compliance Programme means that we have a planned programme of work that identifies, reviews and tests our compliance with this legal framework. In an enlarged Credit Union this ensures that the Compliance Function is constantly improving and monitoring the credit union's governance, people, systems and processes on your behalf.

We look forward to a new year that will allow us develop further and re enforce the work completed to date. Wishing all members, a Merry Christmas and a Happy and 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 - 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



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, four branch-offices and an information centre. Information and Communications Technology (ICT) is pervasive in every part of our credit union business, therefore its 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 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. This can be a power supply in a device, a router or even a server.
- **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 but we also must have a strong SLA in the event of there being issues. We also need to have a backup service that will failover automatically if required. We have a project ongoing which will significantly strengthen this part of our infrastructure and hope to have it in place by the end of the year.
- **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.

The growth of online services for ACU has been strong. For example, in the past year we introduced a fully integrated online loan application process. This will be followed in due course by the ability to sign documents digitally and to upload documents. The importance of our online banking portal & mobile app cannot be understated, and this means that our business is effectively 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.

Finally, we plan to introduce a new current account and debit card by June 2019. This will be a new service for you, our members, and it requires strength and resilience in terms of our ICT infrastructure. I am pleased to say that we will have the required infrastructure in place to provide this exciting new service in the coming year.

Pat Kavanagh
ICT Manager

The regulatory environment for Credit Unions has been changing rapidly in recent times and the business model of yesteryear needs major transformation if Credit Unions are to remain relevant and viable. It is imperative that Credit Unions continue to embrace all that entails, along with looking at alternative ways of doing our business-to include providing our membership with relevant products and services and make them available through whatever the desired channels are, be it" face to face "at our counters in both the Head & Branch Offices or on line or through mobile app technology now so widely used. To this end, we continue to look at extra services for membership convenience, to eventually become the 'one stop financial shop' that we have always alluded to.

There is no doubt that Altura Credit Union Limited is on the right track.

Three years ago, we completed a Transfer of Engagements between the former Avonmore Credit Union and the then Gorey Credit Union Ltd which gave us a larger asset size and membership base to build on and the new entity continues to prosper. Three years later we are delighted to conclude a very successful merger with Carnew Credit Union Limited, which further strengthens your Credit Union in what is a very competitive market environment.

For us to be able to compete, we must continually consider and engage in suitable collaborations with other Credit Unions and relevant third parties that will give us the scale and strength necessary to do just that. You will note in this year's accounts, we have accrued an amount under the heading 'strategic development'-this being the proposed investment in a joint venture Company – Metamo-with a hugely successful Fintech Company that we plan will create bespoke products and services for the sector and which will add value to your Credit Union membership. One such remit of this new Company will be the creation of Credit Union products and services that will attempt to break in to markets that Credit Unions currently may be only partake in, on an agency basis. It is also hoped that this venture will allow us streamline our processes and make life even easier for our members. As an aside, it should be noted Credit Unions in the USA make over 27% of their surplus from 'other income', therefore not totally reliable on the core income earners of loan interest and investment income.

It is imperative that Altura Credit Union continues 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. MPCAS is one such initiative, which is about to come to fruition.

With regard to MPCAS:

Altura Credit Union has been approved by the Central Bank of Ireland to introduce a Member Personal Account Service (MPCAS), which will allow us introduce a debit card offering as part of this current account service. Our target date for roll out is now Quarter 2 2019 and this will more than likely necessitate a revision of the current terms and conditions attached to our Choice account in order to facilitate the Member Personal Account which will be advised at the time of introduction. This service will allow members avail of every aspect of a current account through Altura Credit Union and will encompass incoming and outgoing direct debits, electronic fund transfers, a debit card, online banking and the availability of overdraft facilities.

(Training & Development)

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 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 2019.

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 5 Offices will operate normal opening hours up to
& including Saturday 22nd December 2018.

All offices closed from Monday 24th until
Thursday 27th December 2018 inclusive.

All branches re-opening as normal from
Friday 28th December.

Offices closed Tuesday 1st January 2019

Re-open as usual on Wednesday 2nd January 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.

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