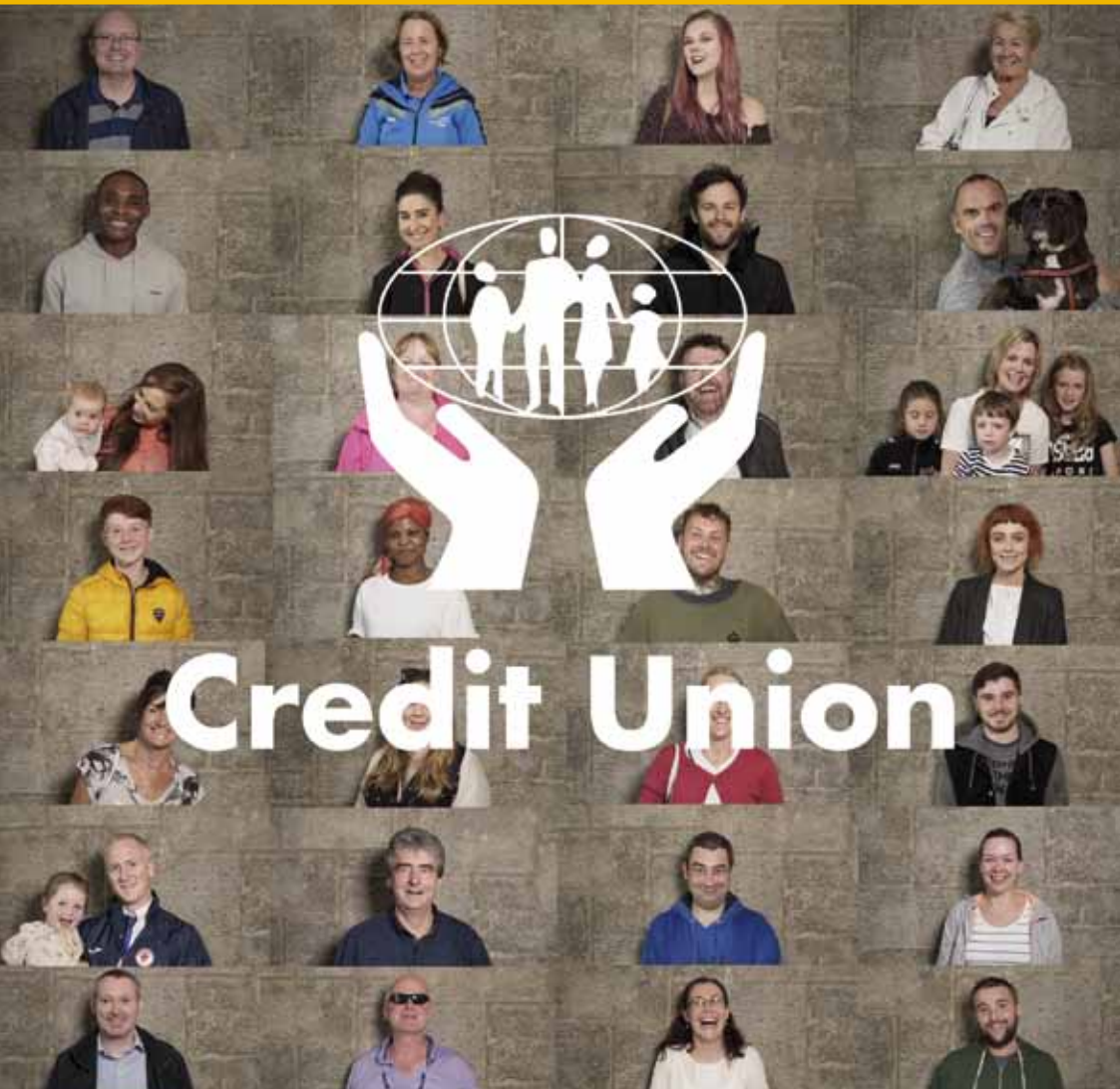




AGM Tuesday 5th December



**Credit Unions in Ireland:
Voted No. 1 for Customer Experience
for Third Year in a row!**

Your AGM 2017

Notice is hereby given that the Annual General Meeting of Sligo Credit Union will take place on Tuesday, December 5th at 8pm at the Southern Hotel, Sligo.

P. Smith.

Peter Smith
Secretary.

Notice of Elections

Elections will be held to fill 2 vacancies on the Board of Directors, 1 vacancy on the Board Oversight Committee and the position of Auditor.

P. Smith.

Peter Smith
Secretary



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Sligo Credit Union were delighted to be the main sponsor again for the 2017 Garda Youth Awards

AGM Agenda 2017

1. The acceptance by the board of directors of the authorised representatives of members that are not natural persons.
2. Ascertainment that a quorum is present.
3. Adoption of Standings Orders.
4. Reading and approval (or correction) of the minutes of the last AGM.
5. Report of Directors.
6. Consideration of accounts.
7. Report of the Auditor.
8. Report of the Board Oversight Committee.
9. Declaration of 0.25% Dividend and a 5% Rebate of Loan Interest and approval by members for deduction from Shares of:
 - a. Death Benefit Insurance (DBI) premium of €6.52
 - b. Affiliation Fee of €0.90 and
 - c. Contribution of €0.50 to International Development of Credit Unions – full details will be available to members at AGM.

It is important that members attend the AGM to vote on this or provide us with written instructions if they specifically do not wish to avail of the DBI or make a contribution to International Development.
10. Report of the Credit Committee.
11. Report of the Credit Control Committee.
12. Report of the Membership Committee.
13. Report of the Finance Committee.
14. Report of the Nominating Committee.
15. Appointment of Tellers.
16. Election of Auditor.
17. Election to fill vacancies on the Board of Directors
18. Any other business.
19. Announcement of election results
20. Adjournment or close of meeting.



Sligo Credit Union were delighted to sponsor the Skreen Dromard Community Games this summer and also sponsor. The Model Autumn Sessions Tomas Kelly (Sligo CU) Stephen Murphy (Poet and Writer), Chelsea Canavan (Artist and Model Education Staff), Cormac Cullinan (Dj and Artist) & Collette Hamilton (Sligo CU)



Sligo Credit Union were delighted to sponsor a kit for the U17 Summerhill Soccer Team



John Farrell of Sligo Credit Union presents a cheque to the Ballinacarrow Boxing Club. L-R Jason Clancy, Dean Clancy, John Farrell & Stephen Reynolds. Dean Clancy of Ballinacarrow Boxing Club in advance of the European Junior Boxing Championships.



Sligo Credit Union sponsors the Ursuline College U15 Soccer Team

Educational Bursary Awards

Since 2006, Sligo Credit Union has distributed Education Bursaries of €107,000 to our members and their children attending third level college. If you or your children are attending third level college in 2017/2018, we invite you to complete a nomination form on Page 7 and return it to us in Stephen Street before December 31st this year. We will present the awards, which are selected by an open draw, in January 2018.

Do you know that Sligo Credit Union offers Education Loans at the extremely attractive rates of 7.75%? Even if your children are attending National School, a regular savings programme now for their education is well worth while. Our estimate of cost for one year of third level education is up to €10,000 per child and sadly, this cost is increasing. At any stage, make an appointment to talk to staff in Stephen Street and we will be glad to assist you in making a start to saving for your children's education needs.



James Kelly of Sligo CU presents Cian O'Caheny his €1,000 Educational Bursary, pictured here with his Dad. Leah McGarry with her Mum receiving a €1,000 Educational Bursary, presented by Peter Smith of Sligo CU.

The conditions of entry are:

1. The nominees are confined to members or children of members of Sligo Credit Union, including officers, as at September 30th 2017. All members are therefore notified of the Bursaries through our AGM notification.
2. The nominees must provide proof of their full time third level education or proposed education for 2017/18.
3. Cash will not be given to the successful nominees – payment will be made by cheque only to the college or institution for registration or other 2017/18 fees or refunded to members on receipt of paid fees for 2017/18.
4. The successful bursaries will be drawn from all entries received in January 2018.
5. A person may only be nominated once by themselves or a parent or guardian. Multiple nominations will not be allowed.
6. The successful nominees will be notified by Sligo Credit Union and agree to be included in local press photographs.

Sligo Credit Union has given out €107,000 in Educational Bursaries over the past 11 Years!

Nomination Form for Educational Bursary

FILL OUT & RETURN TO SLIGO CREDIT UNION

Name _____

Address _____

Credit Union Number _____

Phone Number _____

I wish to nominate _____

for a Credit Union Bursary for 2017/18.

Please state your relationship to the nominee (e.g. self, father, mother, guardian...)

Please provide details of the college the nominee is attending or proposes to attend in 2017/18

Signed _____ Date _____

This nomination must be returned to Sligo Credit Union Limited, Hyde House, Stephen Street, Sligo by 31st December 2017.



Diarmuid Loftus pictured with his sister receiving his €1,000 Educational Bursary presented by Sile Uí Ghallachóir of Sligo CU and Seamus Kilgannon of Sligo CU presents Emma Griffin her Bursary cheque of €1,000

Sligo Credit Union Car & Cash Draw



Gareth McCaughey of Sligo CU presents Una Costello here winning cheque of €15,000



Seamus Kilgannon of Sligo CU presents Irene Moore Waters the key to her new car to the value of €15,000



Seamus Kilgannon of Sligo CU presents Catalina Howley the keys to her new car to the value of €15,000

Like a new car or a cash prize?

Join our Member's Car & Cash Draw and you have an excellent chance of being a lucky prize winner!

☐ Yes, I wish to be included in the Member's Draw
until I notify the Credit Union otherwise in writing.

Last year we gave away 3 top cash prizes to the value of €45,000 and 206 members shared €119,500 in smaller cash prizes.

If you would like to be included in the Member's Draw at the current cost of €60, sign the form and return to Sligo Credit Union.

All the proceeds from the draw are returned as prizes after basic costs are covered. The draw is non-profit making and is run for the benefit of the members.

I agree to be bound by the Rules of the Draw as outlined below.

Name _____

Address _____

Credit Union Account Number _____

Signature _____ Date _____

Payment Options: ☐ €60 ☐ €20 x 3 Funds to be drawn from Member's Account

Car & Cash Draw Rules for Sligo Credit Union

- The Draws will be made at dates named by the Board of Directors of Sligo Credit Union and will continue thereafter until the Board of Directors deems otherwise. If funds permit, additional prizes may be distributed in any particular draw.
- There will be two payment options:
 - An annual deduction from member's savings of €60 or (b) a deduction of €20 prior to each draw.The Board of Directors may change the annual cost of the draw in the future.
- The make and type of the car will be at the sole discretion of the Board of Directors.
- The Credit Union may, at its discretion give a cash equivalent in lieu of the car if a member wishes. It will not enter into any negotiations with or on behalf of a member who wishes to enter negotiations with the supplier of prizes. The car must be collected within 4 weeks of the draw or the member will forfeit the prize.
- Winning members must agree to take part in any promotional activities with Sligo Credit Union.
- The Credit Union, its Directors, Employees, Servants or Agents will not accept any liability for any defect mechanical or otherwise, found in the car or any prize supplied, or subsequently arising, or for any consequence thereof, however so arising.
- Participation in the draw is limited to one entry per eligible member of Sligo Credit Union (including directors, supervisors, volunteers or staff) who are aged 18 or over on the date of the draw. Only paid up members will be eligible for each draw and the Board of Directors reserve the right to decide on participants.
- All draws will be held under the supervision of a member of the Board of Directors or a person appointed by the Board of Directors.
- Where there are multiple draws for a car and additional prizes, the order of the draws will be decided in advance by the Board of Directors.
- After verification of the result, the winners will be notified by post as soon as possible, and the winners name and photograph may be used in promoting the draw.
- Financial accounts at each year-end will be audited by the Auditor appointed by the Credit Union.
- The draw will be non-profit making and any surplus funds will be disposed of by way of additional prizes. All legitimate expenses and overheads relating to the set-up and operation of the draw will be borne out of the draw fund.
- In the event that the winning member is a person who is in arrears or in default in carrying out any financial commitment/obligation to the Credit Union, the Board of Directors may make a decision to withhold the prize won by the member until the arrears have been paid or the default rectified. Such decision of the Board of Directors will be notified in writing to such member and if within seven days of the member being notified, the member fails to comply with the requirements of the Board of Directors in relation to such arrears or default, they shall be entitled to sell or otherwise dispose of the car at the best available price (which will not necessarily comprise the list or garage selling price of the car) or withhold the cash prize and pay over to the winning member the net proceeds after deducting any such arrears or paying any monies required to remedy such default.
- Only one prize per member per draw is permitted.
- The decision of the Board of Directors of Sligo Credit Union concerning the interpretation of the foregoing rules or any matter pertaining to the draw will be final and not subject to appeal.
- If a member has insufficient funds for two consecutive draws, they will be cancelled from the car draw from that date.
- In the event of the death of a member who has been notified as a finalist, the next of kin (or their representative) will be permitted in his/her place at the draw.
- If a member has had post returned and the address is unknown for two consecutive draws, they will be cancelled from the car draw from that date.
- Car & Cash Draw is audited by Gilroy Gannon Accountants.

Director's Report



It is pleasing to attach a very strong set of financial accounts which reflect the time and dedication the Officers - Directors, Volunteers, Board Oversight, Staff and Management - invest in ensuring that Sligo Credit Union has the resources and capacity it requires to continue to deliver its services to our members at a high level and in a co-operative manner.

Our Financial Accounts contain very detailed analysis of our activities for the year and includes that we have issued over 7,000 loans to the value of €18.1 million to members during the year. We mention this each year in our Director's Report as it gives some context to how valuable being a member of a Credit Union is when it is needed and, in turn, the benefit that accrues to the local economy where this €18 million is spent and from where it originated through the savings of our members – this is the way a good co-operative serves its members best and of which we are very proud.

Our Income has increased by 9% and our costs have reduced by the same amount largely due to a much improved situation in Loan Provisioning. Our Balance Sheet now stands at almost €73.5 million which presents its own challenge in maintaining a Statutory Reserve at a minimum of 10% of Assets - our Reserve stands at €8 million or 11% of Assets.

We are very pleased that we have a full on-line service available and several hundred members are now availing of this which is available to them at no cost. Once set up, there is no requirement to call into us in Stephen Street to transfer funds to a third party or to withdraw a cheque – the funds can be transferred to third parties from your phone, computer or tablet. We encourage members that would like to use this service to contact us and we will gladly arrange access.

We advised members last year that our application for the provision of a Debit Card for our members is being considered by the Central Bank and we are frustrated that this remains the position a year later. This service will be one of the most progressive ones we can provide and will give members a real alternative to where they wish to conduct their financial affairs. It will come at a cost but is one which we feel strongly is necessary to ensure our Credit Union's relevance to the next generation of members.

We also reported last year that we were hopeful of making progress in the short term on an alternative to our building in Stephen Street which has served us well but where we are at full capacity for some time now. We are still in discussions on an alternative building that we have confidence will deliver the level of service we believe our members, staff and all stakeholders deserve.

Along with all Credit Unions in Ireland we are extremely proud that, for the third year in a row, Irish Credit Unions have topped the national league table of 170 companies and brands across 10 different business sectors. The national survey evaluated over 42,000 customer experiences with Credit Unions scoring highest for integrity, empathy and for their highly committed staff, many of whom nationally, are volunteers.

I would like to thank my fellow Directors, the Board Oversight Committee and volunteers for their support and dedication in the past year. I would also like to thank our Manager, Barry O'Flynn and our Deputy Manager, Orla Lee and their staff for the excellent service they provide to our members.

Finally I would like to thank you our members for your continued support for your Credit Union.

A handwritten signature in dark ink, appearing to read 'F MacNabb'.

Fergus MacNabb,
Chairperson, Sligo Credit Union

Statement of Directors' Responsibilities

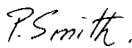
The Credit Union Act 1997, (as amended) requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Credit Union and of the income and expenditure of the Credit Union for that period. In preparing those financial statements,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

- (i) select suitable accounting policies and then apply them consistently;
- (ii) make judgements and estimates that are reasonable and prudent;
- (iii) 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 which enables them to ensure that the financial statements comply with the Credit Union Act, 1997 (as amended). They are also responsible for safeguarding the assets of the Credit Union and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



Fergus MacNabb
Chairperson



Peter Smith
Secretary

Board Oversight Committee

Michael Giblin, Jackie Duggan (resigned Sept.), Ian Duggan (Co-Opted Sept.)



As stated above, this committee has a responsibility to assess the Board of Directors in carrying out its functions in accordance with the law. The original stand-alone Credit Union Act of 1997 has been amended by the 2012 Act, resulting in the Credit Union Movement being subject to a whole set of financial regulations eg Money Laundering, Financing of Terrorism, Politically Exposed Persons, Data Protection Act, etc.

The implementation of all of the above has resulted in the need to re-organise the way Credit Unions operate.

The Board of Directors, responding to the above challenges has created special posts for staff in the area of Compliance, Risk, Credit Control, Loan Officers, with Information Technology to follow soon as we develop more IT based services.

At least one of us attend each directors meeting where Monthly/Quarterly reports are submitted by Internal Audit, Compliance, Risk, Credit Control, Finance, Manager and Membership. There is a considerable workload involved in being a Credit Union Director, especially when you consider that they are volunteers, acting on your behalf, and we have not mentioned the 90+ 'Policy Documents' to be reviewed annually.

We have been provided by the Board with every facility required to fulfil our duties, and from our observations, we conclude that the Directors of Sligo Credit Union Ltd. have generally complied with Part IV of the 1997 Act, as amended by part IVA of the 2012 Act, with no material deviation from the requirements specified by the Acts.



Michael Giblin
Chairperson, Board Oversight Committee.

Statement of Board Oversight Committee's Responsibilities

for year ended September 30th 2017

"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 IVA and any regulations made for the purposes of Part IV or Part IVA 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."

Nomination Committee

Síle Uí Ghallachoir, Bernie Conlon, Seamus Kilgannon



Another year has come to an end and the Nomination Committee were busy reviewing policies relevant to us as well as updating our Succession Planning in accordance to Legislation.

Sligo is very proud of their volunteering tradition and has been awarded this year with the prestigious award of "Volunteering Capital of Europe".

We in Sligo Credit Union depend totally on volunteers to steer committees and become members of the Board of Directors. Our Volunteers work tirelessly for the good of our membership and to enhance the services that we provide.

We encourage you as members to consider giving time to Sligo Credit Union. Your experience can help us to stay strong and work hard for the benefit of each other.

"Aí scáth a chéile a mhaireann na daoine" (We rely on each other to survive)

Please don't hesitate to get in touch with Sligo Credit Union to see where you could volunteer. Looking forward to hearing from you.

Síle Uí Ghallachoir

Síle Uí Ghallachoir
Chairperson, Nomination Committee



Membership and Marketing Committee Report 2017

Peter Smith, James Kelly, Shona Heffernan



Sligo Credit Union has been part of the fabric of our community in Sligo and the surrounding areas for over 50 years. This year alone 1,404 new members have joined Sligo and Collooney and this brings the total membership to 20,491. The main aim of your credit union is to provide you the members with a means of saving and access to credit.

Sligo Credit Union, a not-for-profit organisation, has made a real difference to the lives of its members and their families. Each month up to 600 loans are approved for in excess of €1.6 million, total lending in the past year is €18.1 million. Nearly all of this money is spent in the local economy and is only possible through members savings. Loans available to members include educational, home improvement, car purchase and personal.

Sligo Credit Union supports through sponsorship countless cultural, community, sporting and voluntary groups. We exist for one purpose only to serve our members and our community. Credit Unions are different to other financial institutions and for the 3rd year in a row were recognised as being the most trusted brand in Ireland.

This year the Membership and Marketing Committee has been very active in promoting and creating awareness of the benefits available to existing and new members.

Pop-up shops were organised in Johnsons Court, Sligo and Whiteside's SuperValu Supermarket. Ballisodare to create awareness and advertise Sligo Credit Union. Road signs were designed, purchased and erected at strategic locations in and around Sligo and county. These signs were used specifically to promote Home Improvement loans and they proved very successful in that regard.

Other platforms used included a short video by Peter Martin, an active Facebook page, CU Website, Instagram, Billboards and advertising in the local cinema in Sligo.

The committee would like to thank those members who participated in the production of the Peter Martin Video.

This committee meets monthly to plan and review activities and would like to thank the staff and directors for their help and support throughout the year.

P. Smith.

Peter Smith,
Chairperson



Sligo Credit Union are always delighted to sponsor the Lough Gill Hospice Swim, L-R Noel Mooney and Peter Smith of Sligo Credit Union, Paul McGarry event organiser, Fergus MacNabb and Seamus Kilgannon of Sligo Credit Union

Credit Committee Report

Patricia Dennison, Marie Mulligan, Barbara Dobson.



Once again, the past year has been a busy one for the Credit Committee. During the year 7,068 members were issued with new loans totalling €18.1m. This represents a growth of 11% on previous year and can be considered a positive indication of a continuing improvement in the overall economy.

The loan rates available from Sligo Credit Union offer members excellent value for money. Currently we offer a Standard loan rate of 9.5%, Car and Education loan rate at 7.75%, a Home Improvement Rate for loans in excess of €25k at 6.9% and a Secure loan rate at 6%.

Sligo Credit Union continues to implement the changes introduced in the past few years as part of the regulatory demands placed upon it. As your Credit Union, we are extremely conscious of the pressure people are under and our goal is to assist as many members as possible to educate their families, replace their car, or complete necessary home improvements etc.

We would like to again highlight to members the importance of their credit rating. A weak or impaired credit rating can affect your ability to access credit, not only today, but also in the future.

We are delighted that again this year our Board are recommending a Loan Interest Rebate of 5% to members which the Board feels goes a small way to thanking the members who have used the Credit Union as their preferred lender. A sincere thanks is due to our Committee for all their hard work this year and I would also like to thank the lending team for their continuing support and assistance to our Committee throughout the year.

Patricia Dennison

Patricia Dennison
Chairperson, Credit Committee.



Sligo Credit Union sponsors new tops for the Yeats United U16 Girls before they went to play in San Marino Cup in July of this year. Team picture with Sile Uí Ghallachóir of Sligo Credit Union.

Credit Control Committee Report

Josephine Kennoy, Helen Hamilton.



The Credit Control Committee has responsibility for monitoring loan repayments. The Committee ensures that our policies and procedures relating to loans in arrears are adhered to and reports to the Board on a monthly basis.

When loan arrears occur, arrangements to recommence repayments are explored with the borrower. Our preference is to assist members to address their liability. It is however sometimes necessary to pursue members who we believe have the means but not the intention to repay

us. During the year 1st October 2016 – 30th September 2017, we increased our Legal pursuit of such members, securing many debts through the Court systems and received judgements and bench warrants where appropriate against members for non-payment.

This year, we are pleased that Sligo Credit Union recovered €222,052 on debts written off in previous years. This is a significant addition to our income and reflects the amount of work that has gone into the recovery process by our Credit Control staff. This year loans of approximately €131k were written off compared to €301k last year.

We would encourage any member, who feels they are at risk of entering arrears, to contact the Credit Control Team in Sligo Credit Union to explore the available options to manage their account.

We would like to express our thanks to Adrienne and Tomas for all their assistance to the Committee throughout the year.

Helen Hamilton
Chairperson



Many of our staff, volunteers and hundreds of our members are regular cyclists in and around Sligo - we're delighted to support Stayin' Alive at 1.5. Slow down and give that extra passing space - it could be a fellow Credit Union member! Seamus Kilgannon, Declan Cawley and Fergus MacNabb are pictured along with cycling enthusiasts and Cllr Marie Casserly.

Finance Committee Report

Fergus MacNabb, Noel Mooney, Aidan McConnan, Barry O'Flynn



The Finance Committee is comprised of 3 Directors and the Manager of the Credit Union and is charged with overseeing any aspect of the Credit Union's finances that will affect our financial performance.

This year our Committee have again reviewed the Investments of the Credit Union to ensure we are compliant with the legislation and guidance that applies and also to ensure that we are getting the best return we can for our shareholders. The reality of current returns mean that we are facing the prospect of many institutions charging us to invest in short to medium term deposits rather than pay a dividend.

Our Committee have also examined whether we need to further limit the level of funds a member can lodge with us. Our maximum savings limit currently stands at €50,000 and we have to consider the financial affect additional savings have on us. Quite simply, every additional €1 million we attract in savings and not lent out to members, results in our overall assets increasing. Our requirement to maintain a level of reserves in line with our assets means that it currently costs us €110,000 in increased reserves whilst we will earn no more than €500 at current short term rates. Whilst this is not sustainable to any level where we have substantial increases in savings, we have recommended to the Board that we maintain the limit of €50,000 rather than reduce it in the short term as we believe it could adversely affect some members after a lifetime of saving with us.

We are also reviewing limits on the insurances we are providing to members and the financial element of our Strategy Plan that is being prepared to 2020.

A handwritten signature in black ink that reads "Aidan McConnan".

Aidan McConnan
Chairperson, Finance Committee

Independent Auditors' Report

To the Members of Sligo Credit Union Limited

We have audited the Financial Statements of Sligo Credit Union Limited for the year ended 30th September 2017 which comprise the Income and Expenditure Account, the Statement of Changes in Retained Earnings, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements giving a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Credit Union's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report for the year ended 30th September 2017 to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

Opinion on financial statements

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 2017 and of its income and expenditure for the year then ended.
- Have been prepared in accordance with Generally Accepted Accounting Practice in Ireland; and
- Have been properly prepared so as to conform with the requirements of the Credit Union Act, 1997 (as amended).

Other matters prescribed by the Credit Union Act, 1997 (as amended)

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



Gilroy Gannon
Chartered Accountants and
Statutory Audit Firm
25 Stephen Street, Sligo
Date: 1st November 2017


Income and Expenditure Account

for the financial year ended 30th September 2017

	NOTE	2017 €	2016 €
INCOME			
Interest on Members' Loans		2,263,533	2,053,233
Interest Payable and Similar Charges	4	(239,046)	(348,587)
Other Interest Receivable and Similar Income	5	513,642	549,846
Net Interest Income		2,538,129	2,254,492
Other Income	6	39,561	107,438
TOTAL INCOME		2,577,690	2,361,930
EXPENDITURE			
Salaries	7	781,776	703,801
Other Management Expenses	8	849,353	781,308
Depreciation		64,026	52,073
Bad and Doubtful Debts Recognised for the Year	9	(261,720)	40,251
TOTAL EXPENDITURE		1,433,435	1,577,433
EXCESS OF INCOME OVER EXPENDITURE FOR THE YEAR		1,144,255	784,497
Gains recognised on investments held at fair value		28,590	-
SURPLUS FOR THE YEAR		1,172,845	784,497



Barry O'Flynn
Manager



Michael Giblin
Board Oversight Committee



Fergus MacNabb
Board of Directors

Statement of Changes in Retained Earnings

for the financial year ended 30th September 2017

	2017 €	2016 €
As at 1 October 2016	1,122,877	1,020,419
Total Comprehensive Income for the year	1,172,845	784,497
Net Transfers to Other Reserves (See Below)	(1,031,443)	(682,039)
As at 30 September 2017	1,264,279	1,122,877

	Retained Earnings			Other Reserves			Members Resources
	A	B	C	(A+B+C)			
		Dividend & Interest Rebate	Reserve	Total	Regulatory Reserve	Operational Risk Reserve	Total
MOVEMENT IN RESERVES	Realised	Unrealised	Reserve	Earnings	Reserve	Reserve	Total
As at 1 October 2016	878,314	-	244,563	1,122,877	7,783,081	1,089,334	9,995,292
Surplus for year	1,144,255	28,590	-	1,172,845	-	-	1,172,845
Transfer to Regulatory Reserve	(296,919)	-	-	(296,919)	296,919	-	-
Transfer to Operational Risk Reserve	(734,524)	-	-	(734,524)	-	734,524	-
Transfer to Dividend & Interest Rebate Reserve	(15,352)	-	15,352	-	-	-	-
As at 30 September 2017	975,774	28,590	259,915	1,264,279	8,080,000	1,823,858	11,168,137

Balance Sheet


as at 30th September 2017

	NOTE	2017 €	2016 €
ASSETS			
Cash and Balances at Bank		3,188,176	1,869,737
Deposits and Investments	10	43,400,226	41,886,738
Loans to Members	11	28,120,915	25,310,872
Less: Provision for Bad and Doubtful Debts	12	(2,142,815)	(2,313,869)
Tangible Fixed Assets	13	661,302	665,293
Prepayments and Accrued Income	14	221,899	238,780
TOTAL ASSETS		<u>73,449,703</u>	<u>67,657,551</u>
MEMBERS LIABILITIES			
Members Shares	16	60,430,191	56,507,387
Budget Accounts		86,869	138,467
Current Accounts		1,615,871	805,473
OTHER LIABILITIES			
Accruals, Other Creditors and Deferred Income	17	148,635	210,932
MEMBERS RESOURCES			
Regulatory Reserve		8,080,000	7,783,081
Operational Risk Reserve		1,823,858	1,089,334
Retained Earnings:			
Realised Reserves		1,235,689	1,122,877
Unrealised Reserves		28,590	-
		<u>73,449,703</u>	<u>67,657,551</u>


On behalf of the Credit Union:



Barry O'Flynn
Manager



Michael Giblin
Board Oversight Committee



Fergus MacNabb
Board of Directors

Cash Flow Statement

for the financial year ended 30th September 2017

	NOTE	2017 €	2016 €
Cash Flows from Operating Activities			
Surplus		1,172,845	784,497
<i>Adjustments for Non-cash Items:</i>			
Depreciation		64,027	52,073
Fair Value Gain on Investments		(28,590)	-
Increase/(Decrease) in Provision for Bad and Doubtful Debts		(39,668)	40,251
		<u>1,168,614</u>	<u>876,821</u>
Movements in			
Accrued Interest		(11,333)	43,183
Other Receivables		28,214	(61,194)
Other Payables		(62,297)	50,470
		<u>(45,416)</u>	<u>32,459</u>
Cash Flows from Changes in Operating Assets and Liabilities			
Members Shares in		37,140,548	36,968,242
Members Budget Account Amounts in		504,028	570,036
Members Current Account Amounts in		11,950,105	3,842,879
Repaid Members Shares		(33,217,744)	(32,354,324)
Members Budget Account Withdrawals		(555,626)	(552,516)
Members Current Account Withdrawals		(11,139,707)	(3,249,849)
New Loans to Members		(18,148,884)	(16,288,726)
Repayment of Loans by Members		15,210,689	13,837,414
		<u>1,743,409</u>	<u>2,773,156</u>
Net Cash Flows from Operating Activities		<u>2,866,607</u>	<u>3,682,436</u>
Cash Flows from Investing Activities			
Purchase of Property Plant & Equipment		(60,035)	(81,213)
Net Cash Flow from Managing Deposits and Investments		(1,827,843)	(3,520,694)
		<u>(1,887,878)</u>	<u>(3,601,907)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents		978,729	80,529
Cash and Cash Equivalents at Beginning of Financial Year		15,932,864	15,852,335
Cash and Cash Equivalents at End of Financial Year	19	<u>16,911,593</u>	<u>15,932,864</u>

Notes to the Financial Statements

for the financial year ended 30th September 2017

1. Legal and Regulatory Framework

Sligo Credit Union Limited is established under the Credit Union Act, 1997 (as amended). Sligo Credit Union Limited is registered with the Registrar of Credit Unions and is regulated by the Central Bank of Ireland.

2. Accounting Policies

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. The financial statements are prepared on the historical cost basis.

Going Concern

The Directors of Sligo Credit Union Limited believe that it is appropriate to continue to prepare the financial statements on the Going Concern basis.

Income

Interest on Members' Loans is recognised on an accruals basis. An adjustment is made to the year-end amount receivable for any irrecoverable amounts or amounts written off for whatever reason. This is the method required by Generally Accepted Accounting Practice (GAAP) and as prescribed by Section 110(f) of the Credit Union Act, 1997 as inserted by item 98 of Schedule 1 of the Credit Union and Co-Operation with Overseas Regulators Act 2012.

Investment Income

Investment Income is accounted for differently depending on how the different investments are designated at the outset and based on meeting certain criteria. The Credit Union uses the following accounting methods:

- Investments at fair value

Investments held for trading and investment in stock market shares (i.e. non-convertible preference shares and non-puttable ordinary shares or preference shares) are included in this category. Financial assets at fair value are classified as held for trading if they are acquired for sale in the short term. They are valued at fair value (market value) at the year-end date and all gains and losses are taken to the income and expenditure account.

- Held to Maturity investments

Investments designated on initial recognition as held-to-maturity are investments that the Credit Union intends, and is able to, hold to maturity. These are carried at amortised cost using the effective interest method. The fair value of some investment products will change during their life, but they will have a fixed maturity value at some future date. When designated as held-to-maturity, any change in the fair value during the term of the investment is ignored, with the Credit Union only accounting for interest received. Gains and losses are recognised in income when the investments are derecognised or impaired, as well as through the amortisation process. Investments intended to be held for an undefined period are not included in this classification.

- 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. In accordance with the direction of the Central Bank the amounts are shown as current assets and are not subject to impairment reviews.

Notes to the Financial Statements

for the financial year ended 30th September 2017

Tangible Fixed Assets

Tangible fixed assets comprise items of freehold premises, fixtures and fittings and computers, which are stated at cost, less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Depreciation is provided to write off the cost of each item of property, plant and equipment, less its estimated residual value, on a straight line basis over its estimated useful life. The categories of property, plant and equipment are depreciated as follows:

Freehold Premises	2% per annum
Fixtures and fittings	10% per annum
Computers	50% per annum

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and loans and advances to banks (i.e. cash deposited with banks) with maturity of less than or equal to three months.

Financial assets – loans and advances to members

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

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.

Impairment of bad debts

Sligo Credit Union Limited assesses, at each balance sheet date, if there is objective evidence that any of its loans to members are impaired. The loans are assessed collectively in groups that share similar credit risk characteristics. Individually significant loans are assessed on a loan by loan basis. In addition, if, during the course of the year, there is objective evidence that any individual loan is impaired, a specific loss will be recognised.

Any bad debts/impairment losses are recognised in the income and expenditure account, as the difference between the carrying value of the loan and the value of the expected future cash flows.

Financial liabilities members' shares

Members' shareholdings in Sligo Credit Union Limited are redeemable and therefore are classified as financial liabilities. They are initially recognised at the amount of cash deposited and subsequently measured at the nominal amount.

Employee benefits

Defined contribution plans: The amounts charged as expenditure for the defined contribution plan are the contributions payable by the Credit Union for the relevant period.

Other employee benefits: Other short and long term employee benefits, including holiday pay, are recognised as an expense over the period they are earned.

Pension Costs

Contributions to the (Defined contribution) Pensions scheme are charged to the Income and Expenditure Account in the period to which they relate.

Notes to the Financial Statements

for the financial year ended 30th September 2017

Sligo 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 Sligo 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, Sligo 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.

Distributions

Sligo Credit Union Limited recognises a liability in respect of dividends and interest rebates payable to members only to the extent that they have been declared to and approved by the members at the Annual General Meeting of the Credit Union.

Reserves

Retained earnings are the accumulated surpluses to date that have not been declared as dividends returnable to members. The retained earnings are subdivided into realised and unrealised in accordance with the Central Bank Guidance Note for Credit Unions on Matters Relating to Accounting for Investments and Distribution Policy. Investment income that has been recognised but will not be received within 12 months of the balance sheet date is classified as "unrealised" and is not distributable as a dividend in accordance with the Central Bank direction. All other income is classified as "realised". A reclassification between unrealised and realised is made as investments come to within 12 months of maturity date.

Dividend & Interest Rebate Reserve

Sligo Credit Union Limited maintains a separate dividend and interest rebate reserve which is a component of retained earnings. It maintains this reserve at the level of dividend and interest rebate proposed by the Directors at the end of each financial year and to be approved by the members of the Credit Union at the Annual General Meeting.

Regulatory Reserve

The Credit Union Act 1997 (Regulatory Requirements) Regulations 2016 requires Credit Unions to establish and maintain a minimum regulatory reserve 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 and comprise realised financial reserves that are unrestricted and non-distributable. The Credit Union held an amount of €8,080,000 (2016: €7,783,081) as regulatory Reserves at 30th September 2017. This represented 11 per cent (2016: 11.5 per cent) of the assets of the Credit Union.

Operational Risk Reserve

Section 45(5)(a) of the 1997 Act 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. The definition of operational risk is the risk of losses stemming from inadequate or failed internal processes, people and systems or from external events. The directors have considered the requirements of the Act and have considered an approach to calculation of the operational risk reserve based on indicative guidance issued by the Central Bank and using the higher of 15% of the average gross income over the previous three years (based

Notes to the Financial Statements

for the financial year ended 30th September 2017

on the Basel Indicator Approach); or 2% of Assets; or 30% of Expenditure. The Credit Union held an amount of €1,823,858 (2016: €1,089,334) as an Operational Risk Reserve at 30th September 2017. This represented 2.5 per cent (2016: 1.6 per cent) of the assets of the Credit Union.

3. Use of Estimates and Judgements

The preparation of financial statements requires the use of certain accounting estimates. It also requires the Directors to exercise judgement in applying Sligo 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:

Bad debts/Impairment losses on loans to members

A provision for doubtful debts is made against loan balances in arrears at 30th September 2017. Sligo Credit Union Limited carries out a full and thorough review of its entire loan portfolio at each balance sheet date to determine if there is objective evidence that any of its loans to members are impaired. The loans are assessed collectively in groups that share similar credit risk characteristics. Individually significant loans are assessed on a loan by loan basis. In addition, if, during the course of the year, there is objective evidence that any individual loan is impaired, a specific loss will be recognised.

Impairment of buildings

The Credit Union has periodic professional valuations of its premises carried out to establish if there is any objective evidence to suggest that the carrying value of buildings in its balance sheet may be overstated.

4. Interest Expense

Interest expense is the dividends and interest rebates paid to members for the prior year. The dividend and interest rebate is formally proposed by the Directors after the year end and is confirmed at the following AGM. As a result it does not represent a liability at the balance sheet date. The directors are proposing a dividend of .25% and a loan interest rebate of 5% to members to be paid, subject to agreement by the membership at the AGM, on 5th December 2017.

	2017 €	2016 €
Interest Paid During the Year		
Dividend Paid During the Year	136,184	248,139
Dividend Rate	0.25%	0.5%
Interest Rebate Paid During the Year	102,862	100,448
Interest Rebate Rate	5%	5%
Total Interest Paid During the Year	239,046	348,587
Interest Proposed but not Recognised		
Dividend Proposed	146,738	141,139
Dividend Rate	0.25%	0.25%
Interest Rebate Proposed	113,177	103,424
Interest Rebate Rate	5%	5%
Total Interest Proposed but not Recognised	259,915	244,563

Notes to the Financial Statements

for the financial year ended 30th September 2017

5. Other Interest Income and Similar Income

	2017	2016
	€	€
Deposit Interest	151,190	212,805
Investment Income	362,452	337,041
	<u>513,642</u>	<u>549,846</u>

Included within the above is deposit interest due at the balance sheet date as follows:

	2017	2016
	€	€
Due within one year (Note 14)	48,564	54,219
Due outside of one year	-	-
	<u>48,564</u>	<u>54,219</u>

6. Other Income

	2017	2016
	€	€
ECCU Claims Experience Refund	21,238	73,321
Foreign Exchange Income	14,862	12,362
Entrance Fees	981	996
Budget Account Interest and Charges	2,453	3,225
REBO funds for restructuring	-	17,511
Sundry Income	27	23
	<u>39,561</u>	<u>107,438</u>

7. Key Management Remuneration

The Directors of Sligo Credit Union Limited are all unpaid volunteers. The key management team for Sligo Credit Union Limited would include the Credit Union manager and three (2016: two) other senior staff.

	2017	2016
	€	€
Salary	212,764	186,180
Other Short Term Employee Benefits paid to Key Management	-	2,259
Payments to Defined Contribution Pension	29,487	28,783
	<u>242,251</u>	<u>217,222</u>

Notes to the Financial Statements

for the financial year ended 30th September 2017

8. Other Management Expenses	2017	2016
	€	€
Rent and Rates	12,292	13,867
Light, Heat and Cleaning	19,832	16,860
Repairs and Renewals	5,123	5,886
Security	3,814	5,959
Stationery and Printing	22,272	29,667
Telephone and Postage	21,637	19,357
Donations and Sponsorship	11,601	10,398
Debt Collection Fees	21,125	20,771
Promotion and Advertising	17,451	30,864
Training Costs	7,339	7,132
Convention Expenses	1,488	2,356
Chapter Expenses	1,365	592
AGM Expenses	20,556	18,607
Travel and Subsistence	27,076	22,076
Bank Charges	37,561	33,107
Audit Fee	19,424	17,220
Monitoring and Supervisory Fees	508	2,269
General Insurance	23,578	19,018
Share and Loan Insurance	236,028	228,831
Staff Pensions	46,864	47,106
Professional Fees	70,082	81,768
Resolution Levy	33,433	30,244
Deposit Guarantee Scheme Fund Charge	53,515	-
Computer Maintenance & Licence Fees	75,043	53,882
Loans written off as Bad Debts	-	1,374
Educational Bursaries	10,000	12,000
Miscellaneous Expenses	20,227	12,444
Central Bank Deposit Protection Acc Deductions	1,600	66
Death Benefit Insurance	850	2,680
Affiliation Fees	11,812	6,288
Savings Protection Scheme Contribution	15,857	28,619
	849,353	781,308

9. Bad and Doubtful Debts Recognised for the Year

	2017	2016
	€	€
Impairment of Individual Loans (Note 12)	131,386	301,570
(Decrease)/Increase in Impairment During the Year	(171,054)	(41,326)
Reversal of Impairment where Debts Recovered	(222,052)	(219,993)
Total Impairment (Gains)/Losses Recognised for the Year	<u>(261,720)</u>	<u>40,251</u>

Notes to the Financial Statements

for the financial year ended 30th September 2017

10. Deposits and Investments

The Credit Union has the following investments:

	2017	2016
	€	€

Held to Maturity Investments

Irish and EMU State Securities	Approximate Yield			
	Per annum	Maturity Date		
Irish 3.4% Government Bonds	1.90%	March 2024	1,910,062	1,931,901
Irish 4.4% Government Bonds	3.22%	June 2019	5,090,741	5,134,306
			<u>7,000,803</u>	<u>7,066,207</u>

Bank Bonds	Approximate Yield			
	Per annum	Maturity Date		
BOI 1.25% Snr Bond	1.38%	April 2020	698,433	697,924
AIB 1.375% Snr Bond	1.42%	March 2020	806,110	806,022
Deutsche 1.25% Snr Bond	1.33%	September 2021	2,702,884	2,703,303
PTSB 2.375% Snr Bond	2.23%	May 2018	2,316,378	2,320,575
AIB 2.75% Snr Bond	2.29%	April 2019	979,806	984,001
BOI 2% Snr Bond			-	1,482,398
			<u>7,503,611</u>	<u>8,994,223</u>

Deposits

Investec	2,000,000	2,000,000
Ulster Bank	10,315,104	3,799,378
AIB	1,800,000	3,300,000
PTSB	6,871,259	7,190,733
Bank of Ireland	-	1,200,000
Rabo Bank	200	6,388,196
KBC	3,151,315	150,560
EBS	256,800	256,800
BCP	3,000,000	-
Central Bank	572,544	640,641
	<u>27,967,222</u>	<u>24,926,308</u>

Investments Held at Fair Value

Investments in Equities

Goodbody Protected Equity Selection 2	527,950	500,000
Goodbody Protected Euro Equity Investment 2	400,640	400,000
	<u>928,590</u>	<u>900,000</u>

Total Investments and Deposits

43,400,226	41,886,738
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Irish and EMU State Securities

These Government Bonds are centrally managed by Investec.

Bank Bonds

These Bank Bonds are centrally managed by Investec.

Notes to the Financial Statements

for the financial year ended 30th September 2017

Deposits

The majority of deposits are centrally managed by Investec with a small portion placed directly by Sligo Credit Union Limited with the various financial institutions. All deposits will mature within 8 years or less of the balance sheet date.

Goodbody's Protected Equity Investments

These funds are centrally managed by Goodbody's. The funds are stated at market value as at 30th September 2017 and the market gain has been accounted for in the Income and Expenditure Account for the year.

The basis of accounting for investments and income from investments is set out in Note 2.

11. Loans and Advances to Members – Financial Assets

	2017	2016
	€	€
As at 1st October 2016	25,310,872	23,161,130
Advanced During the Year	18,148,884	16,288,726
Repaid During the Year	(15,210,689)	(13,837,414)
Gross Loans and Advances to Members	28,249,067	25,612,442
Bad Debts Written off Against Provision During the Year (Note 12)	(128,152)	(301,570)
As at 30th September 2017	28,120,915	25,310,872

The basis of accounting for loans and advances to members is set out in Note 2.

12. Loan Arrears and Doubtful Debts/Other Impairment Losses

	2017	2016
	€	€
Bad Debts		
As at 1st October 2016	2,313,869	2,355,195
Allowance for Principal Losses Made During the Year	(128,152)	(301,570)
Allowance for Interest Written off to Provision During the Year	(3,234)	-
Bad Debts Recovered During the Year	222,052	219,993
(Decrease)/Increase in Allowances During the Year (Note 9)	(261,720)	40,251
As at 30th September 2017	2,142,815	2,313,869

Impairment on Freehold Buildings (Note 13)

	2017	2016
	€	€
As at 1st October 2016	125,416	125,416
Impairments recognised during the year	-	-
As at 30th September 2017	125,416	125,416

The current bad and doubtful debt provision in the financial statements is €2,142,815 (2016: €2,313,869) representing 7.6% (2016: 9.1%) of the total loan book.

Loans rescheduled or refinanced during the year amounted to €197,033.

The basis of calculating the provision for bad and doubtful debts is set out in Note 2.

Notes to the Financial Statements

for the financial year ended 30th September 2017

13. Tangible Fixed Assets

	Freehold Land & Buildings €	Fixtures & Fittings €	Computers €	Total €
Cost				
At 1st October 2016	929,979	292,331	446,993	1,669,303
Additions	-	12,264	47,771	60,035
Disposals	-	-	-	-
At 30th September 2017	<u>929,979</u>	<u>304,595</u>	<u>494,764</u>	<u>1,729,338</u>
Depreciation/Impairment				
At 1st October 2016	388,474	222,942	392,594	1,004,010
Charge for the year	8,494	11,819	43,713	64,026
At 30th September 2017	<u>396,968</u>	<u>234,761</u>	<u>436,307</u>	<u>1,068,036</u>
Net Book Value at 30th September 2017	533,011	69,834	58,457	661,302
Net Book Value at 30th September 2016	541,505	69,389	54,399	665,293

A valuation was carried out on the Credit Union's premises at Stephen Street, Sligo in September 2017 by the Oates Brehony Group, a professional firm of valuers and estate agents. The premises was previously valued by the same firm in September 2015 at €475,000 and consequently an impairment of €125,416 was recognised in the income and expenditure account for the financial year ended 30th September 2015 to bring the carrying value of the premises in line with this valuation. The valuers have indicated that there has been no change from the valuation placed on the property in September 2015 and consequently no alteration to the carrying value of the property was required as at 30th September 2017.

Prior to the transfer of the former Collooney Credit Union Limited to Sligo Credit Union Limited in September 2015 a valuation was carried out on the former Collooney Credit Union Limited's premises at Collooney Co. Sligo by both the Oates Brehony Group and Sherry Fitzgerald Draper, both professional firms of valuers and estate agents. The premises was valued at €75,000 and consequently an impairment of €119,000 was recognised in the accounts of Collooney Credit Union Limited to bring the carrying value of the premises in line with this valuation.

The basis of accounting for Tangible Fixed Assets is set out in Note 2.

14. Prepayments and Accrued Income

	2017 €	2016 €
Prepayments	92,437	120,651
Accrued Interest on loans outstanding by members	80,898	63,910
Accrued Deposit Interest (Note 5)	48,564	54,219
	<u>221,899</u>	<u>238,780</u>

Notes to the Financial Statements

for the financial year ended 30th September 2017

15. Credit Risk Disclosures

Sligo Credit Union Limited does not offer mortgages and as a result the majority of loans to members are unsecured, except in instances where the loan to the member has been secured against their pledged share balance at the time the loan was advanced and to this extent there are restrictions on the extent to which borrowers may withdraw their savings whilst loans are outstanding. There are a small number of secured loans within the loan portfolio of Sligo Credit Union Limited which relate to home improvement loans with the Credit Union having put in place a charge over property as security for the amounts advanced.

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 set percentages 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.

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

	2017 €	2017 %	2016 €	2016 %
Not Impaired/Fully Recoverable				
Not Yet Past Due	16,764,634	59%	10,834,884	43%
Up to 3 Months Past Due	2,697,047	10%	1,934,581	8%
Between 3 and 6 Months Past Due	-	0%	-	0%
Between 6 Months and 1 Year Past Due	-	0%	-	0%
Over 1 Year Past Due	-	0%	-	0%
Sub-Total: Loans Not Impaired/Fully Recoverable	19,461,681	69%	12,769,465	51%
Individually Impaired/Not Fully Recoverable				
Not Yet Past Due	5,018,310	18%	8,129,508	32%
Up to 3 Months Past Due	2,251,545	8%	1,702,776	7%
Between 3 and 6 Months Past Due	385,186	1%	1,783,750	7%
Between 6 Months and 1 Year Past Due	230,681	1%	310,845	1%
Over 1 Year Past Due	773,512	3%	614,528	2%
Sub-Total: Loans Individually Impaired/Not Fully Recoverable	8,659,234	31%	12,541,407	49%
Total Carrying Value	28,120,915	100%	25,310,872	100%

16. Members Shares

	2017 €	2016 €
Regular Share Accounts	58,662,787	54,804,387
Exempt Accounts	1,767,404	1,703,000
	60,430,191	56,507,387

The basis of accounting for members shares is set out in Note 2.

Notes to the Financial Statements

for the financial year ended 30th September 2017

17. Other Liabilities

	2017	2016
	€	€
Accruals	59,571	117,601
Other Creditors	25,644	33,990
Deferred Income (Note 18)	63,420	59,341
	<u>148,635</u>	<u>210,932</u>

18. Car Draw Income and Expenditure Account

	2017	2016
	€	€
Deferred Income brought forward from prior year	59,341	53,883

INCOME

Car Draw Entry Fees	168,781	154,219
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EXPENDITURE

Prizes and Costs	(164,702)	(148,761)
Surplus and deferred for future draws (Note 17)	<u>63,420</u>	<u>59,341</u>

19. Cash and Cash Equivalents

	2017	2016
	€	€
Cash at Bank and in Hand	3,188,176	1,869,737
Deposit Accounts Maturing < 3 Months	13,723,417	14,063,127
	<u>16,911,593</u>	<u>15,932,864</u>

20. Additional Financial Instruments Disclosures

20a. Financial Risk Management

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

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

Liquidity risk: Sligo 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.

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

Notes to the Financial Statements

for the financial year ended 30th September 2017

Interest rate risk: Sligo 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. The Credit Union considers rates of interest receivable when deciding on the dividend rate payable on members' shares. Sligo Credit Union Limited does not use interest rate options to hedge its own positions. The management team report to the Board of Directors who in turn monitor interest income on a monthly basis and consider the income generated in the context of past performance and projections prepared by Management. The Board also receive regular reports on the level of investment income being generated and these reports allow them to make informed decisions regarding the level of dividend and interest rebate payments to members and any proposals to increase lending rates.

20b Interest Rate Risk Disclosures

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

	30/9/2017	Average	30/9/2016	Average
	€	Interest Rate %	€	Interest Rate %
Financial Assets				
Loans to Members	28,120,915	8.6	25,310,872	8.6

The dividend payable is at the discretion of the Directors and is therefore not a financial liability of the Credit Union until declared and approved at the AGM.

20c Liquidity Risk Disclosures

All Sligo Credit Union Limited's financial liabilities are repayable on demand. The Credit Union retains, at all times, liquid assets amounting to a minimum of 20% of unattached savings.

20d Fair Value of Financial Instruments

Sligo Credit Union Limited holds the following financial instruments at fair value:

	2017	2016
	€	€
Investments in Equities (Note 10)	928,590	900,000

21. Post Balance Sheet Events

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

22. Capital Commitments

The Credit Union has no capital commitments at the balance sheet date (€NIL – 2016).

Prior to the transfer of engagements from Collooney Credit Union Limited to Sligo Credit Union Limited, the value of Freehold Premises held by Collooney Credit Union Limited was written down by an amount of €119,000 to a carrying value of €75,000 being the market value of the premises as per a professional valuation. The Irish League of Credit Unions (ILCU) have advanced €119,000 to fund this reduction in value on the provision that where the premises is disposed of at any point in the future, and the amount realised on any such disposal exceeds €75,000 then the excess must be repaid to ILCU (or to the ILCU Savings Protection Company Limited if requested by ILCU), subject to a maximum amount repayable of €119,000.

There are no other material contingencies as at 30 September 2017 (€NIL – 2016).

Notes to the Financial Statements

for the financial year ended 30th September 2017

23. Related Party Transactions

	Loans Advanced During Year	Loan Balances Outstanding 30/9/2017	Attached Share Balances 30/9/2017	Unattached Share Balances 30/9/2017
	€	€	€	€
Officers	51,316	89,947	23,211	75,319
Key Management Personnel	41,900	60,783	9,065	163,553
Parties Connected to Key Management Personnel	65,159	115,155	35,874	227,485
Total	158,375	265,885	68,150	466,357

An officer includes all paid staff of the Credit Union excluding key management personnel, all members of the Board Oversight Committee and all other unpaid volunteers.

Key management personnel includes four members of the paid staff of the Credit Union comprising the management team and all members of the Board of Directors of the Credit Union.

Parties connected to key management personnel includes any business in which a member of the Board of Directors or the management team has a significant shareholding (10% or more of the shares or voting rights in the business) and also includes a father, mother, spouse, civil partner/cohabitant, son, daughter, brother or sister of any member of the Board of Directors or the management team.

The loan balances outstanding from related parties of €265,885 at 30th September 2017 represent 1% of the overall gross loans outstanding at 30th September 2017.

24. Insurance against fraud

The Credit Union has insurance against fraud in compliance with Section 47 of the Credit Union Act, 1997 (as amended) in the amount of €5,200,000 (2016: €2,600,000).

25. The Irish League of Credit Unions Republic of Ireland Pension Scheme

Sligo 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 Sligo 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, Sligo 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. In accordance with the requirements of FRS102, Sligo Credit Union Limited has recognised a liability for its outstanding contributions payable under this funding agreement to the extent that they relate to the deficit.

Notes to the Financial Statements

for the financial year ended 30th September 2017

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 2016 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 2014, using the Projected Unit valuation method. The principal actuarial assumption used in the valuation was the investment return would be 1.5% higher than the annual salary increases. The market value of the scheme's assets at 1 March 2014 was €157m. The actuarial valuation disclosed a past service deficit of €27.7m at 1 March 2014 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.

26. Rates of Interest Charged on Members Loans

	2017	2017	2016
	PER MONTH	APR	APR
Ordinary Member Loans	0.79%	9.97%	9.97%
Special Rate Education and Car Loans	0.65%	8.07%	8.07%
Special Rate Home Improvement Loans	0.57%	7.14%	7.14%
Special Rate Home Insulation Loans	0.65%	8.07%	8.07%
Secure Loans	0.50%	6.19%	6.19%

Community Notice Board



Brendan Currid Memorial Cup winners - L-R Lisa Anderson, Neil Walton, Eammon McGinn & Elaine Lally.



Sligo CU were delighted to sponsor the Metalman Swim Series 2017, Chairman Fergus MacNabb pictured with Phelim O'Doherty



Skins Swimmers ready to hit the water in swim 2 of the Metalman Swim series which was held in Mullaghmore.

Community Notice Board



Sligo Credit Union were delighted to sponsor a Perpetual Cup for the Sligo Rowing Club 2017 Regatta - Masters Eight Race Winners



The Coolaney Gospel Choir were singing our praises for the support we gave them this year, pictured with our staff member Susan Fagan



Fergus MacNabb Chairman of Sligo CU presents Rathcormac NS new tops to take part in the Connaught Cross Country. Pictured with School Principle Frank O'Sullivan

Sligo Credit Union Supporting Our Community

Magic Mile	Parents of Cregg House	MCR Child Care
Sligo All Stars Basketball Club	Coolaney Gospel Choir	Cranmore Co Op
Sligo City Badminton Club	Cumman Peil Gael ne Mbhan	Yeats United Ladies FC
Sligo Choral Festival	Indian Assoc of Sligo	St Marys GAA
Sligo Town Branch CCE	Sligo on Ice	Sligo Orpheus Choir
Ursuline College Sligo	Summerhill College	Sligo Northside Community Centre
Coolaney Development Company	Irish Heart Foundation	Cancer Support Centre
CF Ireland	Sligo, Leitrim Junior Soccer	Corran AC
Innisfree Wheelers	Feis Shligigh	Skreen Dromard Community Games
ACA Christmas Lunch	Sligo Super Cup	Strandhill Feis
Sligo Social Services	GAA centre of excellence	Sligo Sports Partnership
Irish Kidney Association	Sligo Musical Society	Hospice Quiz
North Sligo Agricultural Show	Sligo Feis Ceoil	Tread Softly
Garda Youth Achievement Awards	Friends of Sligo Gaol	Lough Gill Hospice Swim
Sligo Rowing Club	Cos Cos	Mercy Colledge Sligo
Silver Stars Athletics Club	Sligo Lions Club	Hazelwood Haunting - FSUH
Sligo Rotary Club	St Johns GAA Club	Ballinacarrow Boxing Club
Metalman Swim Series	St Josephs National School	Iwette Higgins Marathon Fund
Merville United FC	Lilylolly Craftfest	

Important Notice to Members on Updating Identification

Please be advised that our staff will be asking our members over the coming weeks to update documentation in relation to address and identity verification. Members pre 1995 from whom we require up-to-date documentation will receive a request in writing. If you receive one of these letters, it is very important that you provide the Photo ID & Proof of Address required. Under the Criminal Justice (Money Laundering & Terrorist Financing) Acts 2010 & 2013, Sligo Credit Union is required by law to collect documentation to verify our Members' identity and their residential address. In order to comply, we are currently updating our member database and require your assistance.

You can check at the credit union next time you are in to see if we have your up to date details.

Two forms of identification are required. One form of ID from each of the sections below is required:

Evidence of Identification(must show proof of date of birth & recent photo)

Current valid Passport

Current valid Driving Licence

Evidence of Address (must show address where you currently live - dated within the last six months)

Original of recent Utility Bill

Original Recent Bank/Credit Card Statement

Government correspondence.

If you have any queries or seek any clarification in relation to this please contact us at 071-9145149

Your Annual Donation to Credit Unions in Developing Nations

'Dreams Thrive Here'

Each year we ask our members to contribute €0.50 to the ILCU Foundation. Last year we contributed €7,464 which has gone directly to assist Credit Unions in developing Countries.

Credit Union members in Sierra Leone have emulated the theme of 'Dreams Thrive Here'. Michael D. Kamanda from Moyamba District Teachers Credit Union in Sierra Leone spoke about how his Credit Union has helped him achieve his dream of building a home for his family:

"Before joining the credit union, I never saved; as a teacher each time I got salary I would spend it all thinking that it was small, without thinking about the future. But after joining Moyamba Teacher's Credit Union, my life has not been the same. I look at myself as an investor who had bought eight shares in the credit union worth €52 euros and my savings have increased to over €260. The credit union has taught me how to save and I make sure that I save monthly. We have a sense of belonging. My family is comfortably sleeping in a house that I have built using a loan from the credit union. There is peace of mind in my family, and I am using the money I was paying for rent to pay school fees for my children."

The ILCU Foundation's Sierra Leone project, is carried out in partnership with the Canadian Cooperative Association (CCA), and is co-funded by Irish Aid. The project aims to promote economic growth and inclusive development, by providing sustainable member-owned financial services to poor rural communities. This is realised by the rural communities having increased access to pro-poor financial services, improving financial literacy of women and vulnerable community members, increasing the capacity of credit union personnel, volunteers and members to manage credit unions and using the credit union movement to promote cooperative and democratic values.

In 2014, the Ebola crisis spread to Sierra Leone, resulting in the death of thousands of people, including many credit union members. Those members who survived were forced to use their savings to cope with the emergency. The ILCU Foundation's programme helps members rebuild their livelihoods and reduce vulnerability, just as Michael Kamanda has done for himself and his family. Credit unions as a member-owned financial institutions enable credit union members in Sierra Leone to thrive and achieve their dreams.



Kamanda from Moyamba District Co-operative Credit Union & International Credit Union Day celebrations in Freetown Sierra Leone.

Sligo Credit Union Board of Directors

Chairman Secretary Directors

Fergus MacNabb
Peter Smith
Bernie Conlon
Shona Heffernan
Helen Hamilton
James Kelly
Seamus Kilgannon
Aidan McConnan
Noel Mooney
Peter Tiernan
Sile Ui Ghallachoir

Angela Doohan
Louise Downes
Ursula Duignan
Susan Fagan
John Farrell
Anna Galligan
Paul Guilfoyle
Collette Hamilton
Joanne Irwin
Fiona Kelly
Sabrina Kelly
Tomas Kelly
Donna McCabe
Andrienne McCann
Gareth Mc Caughey
Breda McElroy
Fiona Mc Ternan
Emma Mullarkey
Sharon Mullen
Laura White

Board Oversight Committee

Chairman

Michael Giblin
Jackie Duggan (*Retired*)
Ian Duggan

Volunteers

Patricia Dennison
Barbara Dobson
Marie Mulligan
Josephine Kennoy

Manager

Barry O'Flynn

Deputy Manager

Orla Lee

Compliance Officer

Carmel Mullaney

Operations Officer

Angela Doohan

Staff

Brenda Brennan
Elaine Brennan
Fidelma Cassidy
Declan Cawley

Volunteers Tellers in our Collooney Office

Jim Ganley
Damien Molloy
Karen Drury
Michelle Sheridan
Kathleen Maye
Karen Weir



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