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CARRICKMACROSS CREDIT UNION **ANNUAL REPORT 2021**

Virtual Meeting 14th December, 7pm

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CONTACT

Carrickmacross Credit Union Limited

15 & 17 O'Neill Street, Carrickmacross, Co. Monaghan.

Telephone: 042 9661937

Fax: 042 9663928

Email: info@carrickmacrosscu.ie

Web: www.carrickmacrosscu.ie

NOTICE OF ELECTIONS

Elections will be held to fill the following vacancies:

- 3 vacancies on the Board of Directors
- 1 vacancy on the Board Oversight Committee

If you are interested in standing for the Board of Directors or Board Oversight Committee, please contact the Nominations Committee on nomcomm@carrickmacrosscu.ie

OFFICE HOURS

Monday..... 9.30 a.m. – 5 p.m.
 Tuesday 10.00 a.m. – 5 p.m.
 Wednesday .. 9.30 a.m. – 5 p.m.
 Thursday..... 9.30 a.m. – 5 p.m.

Friday 9.30 a.m. – 5 p.m.
 Saturday 9.30 a.m. – 4 p.m.
 Sunday CLOSED

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Members of Carrickmacross Credit Union Limited will take place virtually via ZOOM on Tuesday 14th December at 7pm.

ORDER OF BUSINESS AT ANNUAL GENERAL MEETING

- | | |
|---|--|
| (a) The acceptance by the Board of Directors of the authorised representatives of members that are not natural persons; | (j) Report of the Board Oversight Committee; |
| (b) Ascertainment that a quorum is present; | (k) Report of the Credit Committee; |
| (c) Adoption of Standing Orders; | (l) Report of the Credit Control Committee; |
| (d) Reading and approval (or correction) of the minutes of the last annual general meeting; | (m) Report of Membership Committee; |
| (e) Report of the Nomination Committee; | (n) Election of Auditor; |
| (f) Appointment of Tellers; | (o) Election to fill vacancies on the Board Oversight Committee; |
| (g) Report of the Board of Directors; | (p) Election to fill vacancies on the Board of Directors; |
| (h) Consideration of Accounts; | (q) Any other business; |
| (i) Report of the Auditor; | (r) Announcement of election results; |
| | (s) Adjournment or close of meeting. |

The Members assembled at any Annual General Meeting may suspend the order of business upon a two-thirds (2\3) vote of the Members present at the meeting.

FREE DRAW

PRIZES FOR MEMBERS ATTENDING ON THE NIGHT

THERE WILL BE A MEMBERS DRAW FOR 10 x €100 CASH PRIZES AND 10 CHRISTMAS HAMPERS FOR ALL MEMBERS IN ATTENDANCE ON THE NIGHT.

2020/2021

Chairperson	Brian Duffy
Vice Chairperson	Paul Duffy
Secretary	Peter Marquis
Board Members	Marie Brady Melissa Campbell, Dermot Conlon, Caroline Corey, Paddy Drumgoole, Brid Finlay, Emma Gilhooly, Mark McShane.
Board Oversight	Patricia Fenix Una Clarke Marie McKeown
CEO	Marian McEnaney
Auditor	Grant Thornton Chartered Accountants & Statutory Audit Firm Mill House Henry Street Limerick
Internal Audit	RBK RBK House Irishtown Athlone Co. Westmeath
Solicitors	Enda P.O'Carroll Main Street Carrickmacross Co. Monaghan
	Pierce & Fitzgibbon Market Square Listowel Co. Kerry

VIRTUAL ANNUAL GENERAL MEETING

Carrickmacross Credit Union Limited, will be using Zoom webinar as the electronic platform for the meeting.

To gain access to the meeting the member must register on our website at www.carrickmacrosscu.ie from 08:00 am on Wednesday 1st December 2021. You will be asked to provide your name, account number, email address and phone number for verification purposes. Closing date for registration will be 23:59 pm on Sunday 12th December 2021. Following the request for registration you will receive an invitation by email to join the meeting on Monday 13th December 2021. Please contact our office if you require registration assistance.

All participants will be muted and have their cameras switched off; however if you wish to ask a question, this will be facilitated through the Q & A session. Alternatively you can submit your questions in advance of the AGM by sending an email to agm@carrickmacrosscu.ie before Friday 10th December 2021 or by post to: Carrickmacross Credit Union Limited, 15 & 17 O'Neill Street, Carrickmacross, Co. Monaghan.

Elections for the position of Auditor, Board Oversight Committee and Board of Directors will take place. Voting will be conducted by way of online poll when instructed by the Chairperson. The votes will be tallied electronically, verified and recorded by the meeting Secretary.

Standing orders for the annual general meeting

1. VOTING.

Each member shall be entitled to one vote irrespective of his/her shareholding, in accordance with section 82(2) of the Credit Union Act, 1997 (as amended). Due to the fact that this year's AGM will be a virtual meeting, voting on motions and elections will be by electronic means. Each member will be given the opportunity to exercise their vote virtually during the meeting.

2. Elections

to the Board of Directors, to the Board Oversight Committee and the position of Auditor shall be by majority vote and by secret ballot. Candidates for the position of Directors and Board Oversight Committee shall serve a three-year term. The Auditor shall serve a one-year term.

3. Election Procedure

Electronic Voting - When nominations are announced tellers shall be appointed by the Chair and voting procedures and instructions shall be communicated to attendees. The mechanics of the virtual voting process (circulated to registered attendees) will be explained in more detail at the AGM by the Chair. Elections shall be in the following order:

- Election of Auditor;
 - Election for membership of the Board of Directors; and
 - Election for membership of the Board Oversight Committee.
- When the votes have been counted by the tellers, the results shall be announced by the Chair.

4 - 9 Motions

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

10-15 MISCELLANEOUS

- The Chair of the credit union shall be the Chairperson of any general meeting, except where he/she is not available, in which case it shall be the Vice-Chair, except where he/she is not available, in which case the Board shall decide amongst themselves who shall act as Chair of any general meeting



11. The Chair may at his/her discretion, extend the privilege of the floor to any person who is not a member.
12. Matters not covered by the Agenda may be introduced under "Other Business" at the discretion of the Chair.
13. The Chairman's decision on any matter relating to these Standing Orders or interpretation of same shall be final.
14. No member shall have more than one vote on each question at any general meeting of the credit union or any adjournment thereof irrespective of his/her shareholding or the number of accounts in his/her name in the credit union provided, however, that except in voting at elections, the presiding member shall have a second or casting vote in the event of equality of voting. Voting by proxy shall be allowed only when a member other than a natural person votes through a representative, who is a member of the group, duly authorised in writing for that purpose and accepted as such by the Board of Directors.
15. Any matter to be decided upon by vote at the AGM shall, unless otherwise expressly provided for by law or the rules, be decided upon by simple majority.
16. **Suspension of Standing Orders**
Any one of these Orders or all of these Standing Orders may be suspended on a motion to this effect receiving a two-thirds majority of those present and entitled to vote.
17. **Alteration of Standing Orders**
Standing Orders may be amended or altered at a general meeting and only if a motion to this effect has received a two-thirds majority of those present and voting.
18. **Adjournments**
Adjournments of the AGM shall take place only in accordance with section 81(1) of the Credit Union Act, 1997 (as amended).

19-26 Virtual Meeting Items

19. All non-presenting participants will be muted and have their cameras switched off to allow a smooth running of the meeting.
20. A member shall only address the meeting when called upon by the Chair to do so, when invited to contribute, through the Q & A session.
21. All members will be asked to utilise the functions available on Zoom webinar to participate and ask questions. The meeting Chair will outline these options at the start of the meeting.
22. All members are reminded to conduct themselves in a professional manner. Please refrain from sharing any explicit, violent or inappropriate content.
23. Provision shall be made for the protection of the Chair from vilification (personal abuse)
24. All members are requested to show respect when they are asking or replying to questions during the meeting. This includes tone and content of the words used.
25. All members are asked to keep their mobile phones silent. The vibrate setting can also cause disruptions.
26. The AGM meeting will be recorded.

Chairperson's address

On behalf of the Board of Carrickmacross Credit Union Limited, I would like to welcome you all to our 58th Annual General Meeting.

Again, this year's AGM is virtual due to Covid 19, and the risks associated with having large gatherings.

We have a very informative report which will demonstrate our work and achievements throughout the year to ensure the future security, growth, and development of Carrickmacross Credit Union Limited.

This was achieved against a backdrop of the continuing Covid 19 crisis, which is still creating challenges for all of us and a difficult economic climate for all financial institutions.

Carrickmacross Credit Union Limited can be proud of the fact that we have delivered a continuous uninterrupted level of service to our members through all the challenges. This a true reflection of what credit unions are and how integral we are to our community.

It is great to see that credit unions have been voted as the Number 1 organisation for Customer Service for the 7th consecutive year and Carrickmacross Credit Union Limited shows that to be true.

Financial Performance.

As with every year, the economic conditions are difficult with Covid 19, Brexit, current negative and low interest rate environment.

The results for the year have been positive and is indicative of the diligent efforts by all in Carrickmacross Credit Union Limited. The surplus generated for the year was €419,250.

Our loan book grew by a healthy 5.1 % (to just over € 20M), this is a strong increase compared to other financial institutions.

Savings stand at €88,442,354.

The investment portfolio had a return of €654,379 which is a reduction of €90,316 or 12.13%. The interest rate environment remains challenging because of record low interest rates and bond yields.

Negative interest rates on short term cash reserves are expected to be negative to the end of 2025, this means that we need to prudently control our cash reserves. The investment portfolio remains also fully compliant with all investment regulations under Central Bank rules.

We have reserves of €25,817,030 (21.6%) which is a positive indicator of our strength thus enabling us to remain viable during the next few turbulent years with low returns on investment incomes.

On Central Bank guidance, we must make the difficult decision not to issue a rebate or dividend for the year ended 30 September 2021. We appreciate that this is



disappointing for members, but priority has been given to building and maintaining reserves and the ongoing development program.

As part of the ongoing development of your credit union, we will use this financial gain to develop and launch new services for our members benefit. Future plans include:

- Online loan application and approval facility
- Young saver strategies
- Range of insurance products
- New loan offerings

Ongoing Education

Carrickmacross Credit Union Limited strongly promotes and supports the further education and training of our Staff and Directors. Training is a king pin for the ongoing development of your credit union.

- Dominic Lumsden: Currently working towards the CGMA Accountancy Qualification.
- Kate Crowe: Currently working towards a Professional Diploma in Graphic Design.
- Sinead O Callaghan: Currently working towards the QFA designation.
- Emma Flanagan: Currently working towards the QFA designation.

Community Fund and Sponsorships

We give back to the community in many ways including community development funding and through donations and sponsorships. This year we gave €42,839 towards schools, education initiatives, community, and sporting groups. €12,100 was given in donations and sponsorships. Also €10,500 was presented in scholarships.

Retirements

I would like to pay a very special tribute to Brid Finlay and Peter Marquis who recently retired from the Board of Directors. They both contributed greatly to the development of Carrickmacross Credit Union Limited, and I thank them on your behalf for their time and efforts all on a voluntary basis.

Conclusion

I would like to take this opportunity to remember all our members who have suffered Bereavements in the last 12 months, we extend our sincere sympathy to their families and friends.

Carrickmacross Credit Union Limited functions as a financially viable, friendly, and professional organisation which is due the work ethic of Marian and her entire team. To them we are grateful, and we have total confidence in their ability and commitment. Thank you to our Board Oversight Committee who oversee our Board of Directors and to our Auditors Grant Thornton professional help throughout the year. Thank you to my fellow Directors who all bring their time and experience to help govern and develop your credit union. Finally, my message to you all as members is to encourage and remind you to support your credit union.

We plan in 2022 to carry out a member's survey to ascertain what you our member wants from your credit union; I would ask that you respond to this as it will help us plan to meet your needs.

I wish you all a Happy Christmas and may we all have a prosperous, peaceful, and safe New Year for 2022. Thank you

Brian Duffy Chairperson

Credit committee report

Report on the activities of the Credit Committee for the year ended 30 September 2021. The provision of loans to members is a primary service of Carrickmacross Credit Union Limited. All loan applications are individually assessed and, whilst every effort is made to approve each application, the process must ensure that the loan is appropriate to the Member's needs and does not pose any undue risk to the Credit Union.

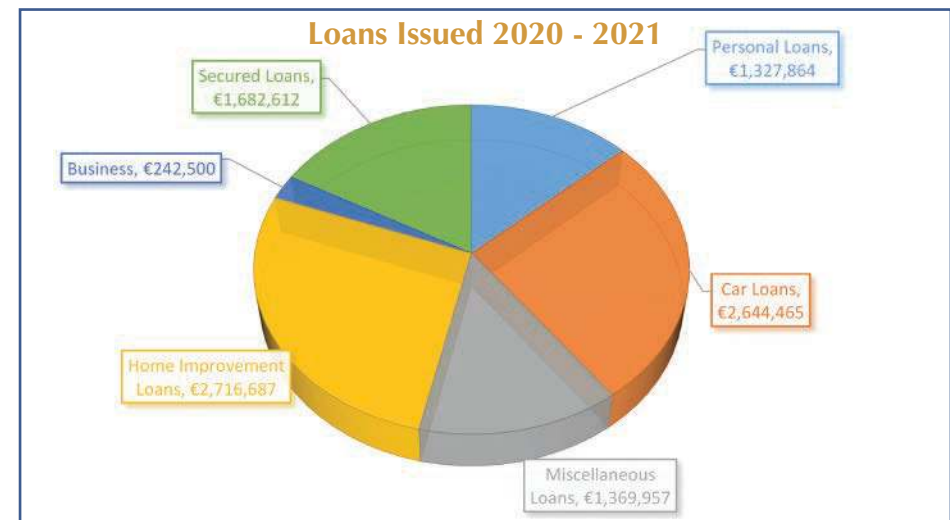
It has been another busy year for the Credit Officers and Credit Committee.

Loan activities during the past year

- The Credit Committee held 38 meetings during the year – many virtually to ensure continued uninterrupted service to our members.
- 1,537 loan applications were approved by Loans Officers and Credit Committee
- Total loans issued €9,984,084
- Average loan at 30th September €9.9k
- Loan book at 30th September €20,525,809
- 5.1% increase in the loan book for the financial year.

Carrickmacross Credit Union Limited offers five different consumer loan rates depending on the purpose of the loan. Rates start at 5.99% up to 10%. Interest on loans is charged on the decreasing value of the loan.

We also offer additional loan protection insurance (subject to terms and conditions) with no direct cost to the member.



Credit Committee:

Brian Duffy, Emma Gilhooly, Marie Brady and Marian McEnaney

The Credit Committee thanks Brid Finlay for her work on the Credit Committee during the year



Board oversight committee report

The Board Oversight Committee is an independent body that reports to you the members of Carrickmacross Credit Union Limited each year at the AGM.

The role of the Board Oversight Committee is to ensure the Board of Directors and management act in the best interest of its members. By attending the board and sub-committee meetings we assess whether the Directors are operating in accordance with all relevant legislation, best practice and good corporate governance. We provide the board with monthly reports and four appraisal reports annually, making recommendations where necessary.

The Board Oversight Committee attend training seminars during the year in order to ensure we are carrying out our role effectively.

The Board Oversight Committee is delighted to report that in our opinion the Board of Directors of Carrickmacross Credit Union are performing their duties professionally and in accordance with the Acts.

Current legislation places a significant onus on all those associated with running the Credit Union. We wish to acknowledge the hard work and dedication of the CEO, Staff and Board of Directors and commend them on the positive results achieved in a challenging year. We would also like to thank them for their support and co-operation and we wish them well in the forthcoming year.

On Behalf of the Board Oversight Committee

Patricia Fenix
Chairperson

Una Clarke
Secretary

Marie McKeown

Membership committee report

The Membership Committee is an operational management committee reporting to the Board of Directors. Its primary objective is to oversee and make recommendations on activities that will improve the membership process. During the last year Carrickmacross Credit Union Limited welcomed 268 new members. Applicants seeking membership of the credit union must be resident or employed in the common bond of the credit union or hold the common bond of Carrickmacross Credit Union by association with an existing qualifying member.

Carrickmacross Credit Union Limited must comply with all aspects of 'The Criminal Justice (Money Laundering and Terrorist Financing) (Amendment) Act 2018'. Under this legislation we are required to ascertain up to date identification and proof of residence for all our members. Proof of PPSN is also required to comply with the Revenue requirements for DIRT reporting. This also protects you as a member of Carrickmacross Credit Union Limited against fraud.

Group Accounts: A mandate is required for all group accounts, both new and existing. For all group accounts evidence of identification and proof of residence is required for the beneficial owners (ie. the signatories on the account). A listing of committee member names must also be included. For existing group accounts, it is your responsibility to ensure the account details are always up to date. Where committee members step down from a position, the Credit Union must be informed of this change, and a new mandate must be completed.

Non-Active Accounts: An account will automatically become non-active if no transactions occur within a period of 36 months. If you wish to re-activate a non-active account, you will be required to bring in proof of identification and proof of residence.

Minor Accounts: A share cap of €25,000 was introduced to all minor accounts from January 1st 2020. A member is considered to be a minor up to the age of 16, and all signatories are required during this time. When the member turns 16 a new membership form must be completed, and you will be required to bring in proof of identification and proof of residence.

Adult Accounts: A share cap of €40,000 was introduced to all adult accounts from January 1st 2020. Following our 2020 AGM in April 2021, Carrickmacross Credit Union Limited began returning shares above the share cap to existing members. A monthly share cap of €3,000 on new savings per member also applies.

As part of our customer due diligence, we continue to request updated documentation from our members regarding their accounts.

We wish to thank you in advance for your co-operation with us in complying with 'The Criminal Justice (Money Laundering and Terrorist Financing) (Amendment) Act 2018'.

Membership Committee

Audrey O'Reilly and Noeleen Byrne

Privacy statement

A copy of our Data Privacy Notice can be found on our website
www.carrickmacrosscu.ie

Credit control committee report

The role of the Credit Control Committee is to ensure that the repayment of loans by members is in accordance with their credit agreement and to review any loan reschedules. 2021 was another challenging year for our credit union due to the Covid-19 pandemic and how it impacted on some of our member's livelihoods. This resulted in some borrowers seeking temporary amended credit arrangements, all of which are now back on track.

Carrickmacross Credit Union Limited were pleased to be able to assist our members during these difficult and worrying times in a proficient, personal, and compassionate manner. The Credit Control Committee met monthly with our Credit Control Team via tele conference or social distanced meetings to review the loan book. We formally report to the Board of Directors on a monthly basis.

Funding for loans to members comes directly from the savings of the entire membership. As custodian of these savings the Credit Control Committee make every effort to ensure that repayment agreements are maintained as promised. It is most important for members to know that any problem with repayment ability should be brought to our attention without delay. Where repayment difficulties arise, our ethos is to make every reasonable effort to agree a revised repayment schedule based on the change in circumstances. A member whose loan is underwritten by a guarantor should be aware that the guarantor is obliged to maintain repayments until the member is able to resume repayments.

Carrickmacross Credit Union Limited is a member of the Central Credit Register. Data on loans issued and repayments on these loans is shared with these Credit Agencies. Missed payments are also recorded and reported accordingly and hence failure to pay loan arrears may affect your credit rating with other lenders. Our bad debt write offs this year were €9,891 compared to €2,612 in 2020. Bad debts recovered amounted to €106,455. Our bad debt provisions now stand at 10.66% of our net loan book. This provision is monitored monthly to ensure that we are adequately providing for future impairment of loans.

We would like to thank our Credit Control Staff for their excellent work in the credit control area and for their assistance throughout the year.

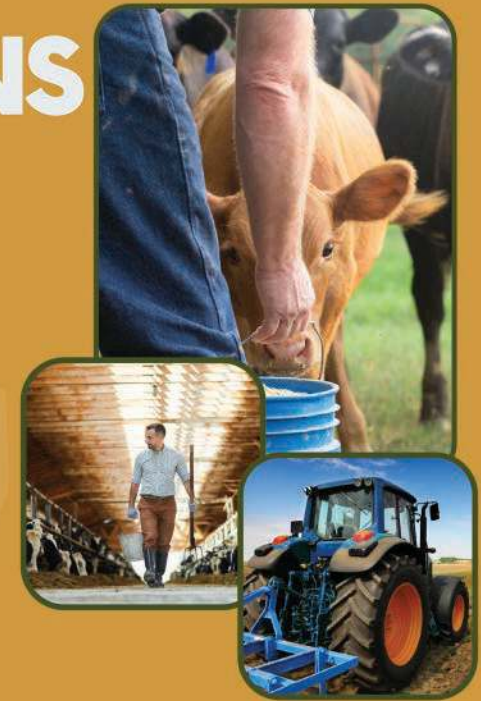
Credit Control Committee

Paul Duffy, Dermot Conlon and Peter Marquis.

AGRI LOANS

**NEED A LOAN TO HELP
YOU GROW??
WHATEVER YOUR
FARMING NEEDS, WE
HAVE THE LOAN FOR
YOU.**

TALK TO US TODAY!



Carrickmacross Credit Union Ltd. is Regulated by the Central Bank of Ireland.



CYBER SECURITY AWARENESS



OUR TEAM WILL NEVER

- Ask you to share your full login pin or password
- Request your account information through an on screen pop-up window
- Ask for your online account login details
- Send you a link directly to the login section of our online banking
- Ask you to transfer money out of your account to protect yourself from fraud

MEMBERS SHOULD NEVER

- Click on or open suspicious links and attachments
- Respond to un-solicited text messages or emails
- Provide your full credit union details in a pop-up window

**IF YOU SUSPECT YOUR CREDIT UNION ACCOUNT DETAILS HAVE BEEN COMPROMISED IN ANY WAY, CALL
US IMMEDIATELY ON 042 9661937**



Deposit guarantee scheme

Depositor Information Sheet

Basic information about the protection of your eligible deposits

Eligible deposits in Carrickmacross Credit Union are protected by:	the Deposit Guarantee Scheme ("DGS") ⁽¹⁾
Limit of protection:	€100,000 per depositor per credit institution ⁽²⁾
If you have more eligible deposits at the same credit institution:	All your eligible deposits at the same credit institution are 'aggregated' and the total is subject to the limit of €100,000 ⁽²⁾
If you have a joint account with other person(s):	The limit of €100,000 applies to each depositor separately ⁽³⁾
Reimbursement period in case of credit institution's failure:	10 working days ⁽⁴⁾
Currency of reimbursement:	Euro or, for branches of Irish banks operating in another member state of the EEA, the currency of that member state.
To contact Carrickmacross Credit Union for enquiries relating to your account:	Carrickmacross Credit Union Limited 15&17 O'Neill Street, Carrickmacross Co. Monaghan Telephone: 042 9661937 Fax: 042 9663928 Email: info@carrickmacrosscu.ie Web: www.carrickmacrosscu.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
Acknowledgement of receipt by the depositor:	

Additional information

(1) Scheme responsible for the protection of your deposit

Your deposit is covered by a statutory deposit guarantee scheme. If insolvency should occur, your eligible deposits would be repaid up to €100,000.

(2) General limit of protection

If a covered deposit is unavailable because a credit institution is unable to meet its financial obligations, depositors are repaid by the DGS. This repayment covers at maximum €100,000 per person per credit institution. This means that all eligible deposits at the same credit institution are added up in order to determine the coverage level. If, for instance, a depositor holds a savings account with €90,000 and a current account with €20,000, he or she will only be repaid €100,000.

(3) Limit of protection for joint accounts

In case of joint accounts, the limit of €100,000 applies to each depositor. However, eligible deposits in an account to which two or more persons are entitled as members of a business partnership, association or grouping of a similar nature, without legal personality, are aggregated and treated as if made by a single depositor for the purpose of calculating the limit of €100,000.

In some cases eligible deposits which are categorised as "temporary high balances" are protected above €100,000 for six months after the amount has been credited or from the moment when such eligible deposits become legally transferable. These are eligible deposits relating to certain events which include:

- (a) certain transactions relating to the purchase, sale or equity release by the depositor in relation to a private residential property;
- (b) sums paid to the depositor in respect of insurance benefits, personal injuries, disability and incapacity benefits, wrongful conviction, unfair dismissal, redundancy, and retirement benefits;
- (c) the depositor's marriage, judicial separation, dissolution of civil partnership, and divorce;
- (d) sums paid to the depositor in respect of benefits payable on death; claims for compensation in respect of a person's death or a legacy or distribution from the estate of a deceased person.

More information can be obtained at www.depositguarantee.ie

(4) Reimbursement

The responsible deposit guarantee scheme is:
Deposit Guarantee Scheme, Central Bank of Ireland, PO Box 11517,
Spencer Dock, North Wall Quay, Dublin 1. Tel: 1890-777777.
Email: info@depositguarantee.ie. Website: www.depositguarantee.ie.



It will repay your eligible deposits (up to €100,000) within 20 working days until 31 December 2018; 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.

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.

Other important information

In general, all retail depositors and businesses are covered by the Deposit Guarantee Scheme. Exceptions for certain deposits are stated on the website of the Deposit Guarantee Scheme. Your credit institution will also inform you on request whether certain products are covered or not. If deposits are eligible, the credit institution shall also confirm this on the statement of account.

Motions for annual general meeting

Motion 1

That the Rules of Carrickmacross Credit Union Limited are hereby amended in Rule 5(1) by

- the insertion of the following after number (vii):

The provision of the following additional service(s) by the credit union to the members' subject to the prior approval of the Registrar of Credit Unions and any other permissions or licences that may be required by law:

Member personal current account services

Motion 2

That this Annual General Meeting amends Rule 40 (2) to read as follows:

At the time of the adoption of these rules, the Board of Directors shall consist of 9 members, all of whom shall be members of the credit union.

Motion 3

That this Annual General Meeting amends Rule 98(2)(d) by the deletion of "and" in line 4 so as to read as follows:

(d) shall, within the relevant period, be delivered personally or by post to the Bank, to the auditor, to the Irish League of Credit Unions and to each member of the credit union and, if delivered by post to any member, shall be so delivered to the address of that member as recorded in the books of the credit union;

Motion 4

That this Annual General Meeting amends Rule 99(3)(a) of the Standard Rules for Credit Unions (Republic of Ireland) to provide for the notice requirements for an adjourned meeting (to include information with respect to an electronic meeting) so as to read as follows:

(3) Subject to paragraph (3) in rule 98:

- (a) Paragraph (2)(a), (b), (d), (e), (f) of Rule 98 shall apply to a notice under paragraph (2)(b) of this rule as they apply to a notice under paragraph (1) of that rule; and

Motion 5

That this Annual General Meeting agrees to delete Rule 63(4) of the Standard Rules for Credit Unions (Republic of Ireland) to remove the requirement for credit unions to complete and return the Return of Officers form to the Irish League of Credit Unions.

Carrickmacross Credit Union Limited continue to offer our members insurance cover as an additional benefit at no cost to the member

Death Benefit Insurance of €1,300 is payable on the account of an eligible deceased member once that member meets the required criteria. A member must have joined the credit union before age 70 in good health or while actively and regularly carrying out their normal occupation or duties and also hold a minimum of €100 share balance.

Loan Protection Insurance is payable on the death of the eligible member. Should a member with an outstanding loan balance pass away, the balance is repaid in full, subject to certain cover limits which may apply. This means that you can borrow from us, having the peace of mind that your dependants will not be obliged to repay the outstanding loan balance.

Life Savings Insurance is payable on the death of an eligible member, the amount paid out will be dependent on their savings history with the credit union over their membership term.

**As and from 1st January 2022 Carrickmacross Credit Union Limited will amend the maximum entitlement on Life Savings Insurance from €7,700 to €3,000.*



**LOANS ARE APPROVED.
ON YOUR ABILITY TO
REPAY... NOT ON YOUR
SAVINGS!**

**DID
YOU
KNOW?**



Carrickmacross Credit Union Ltd. is Regulated by the Central Bank of Ireland.

AGM Question Submission

Invitation to members to submit questions in advance of the AGM.

In order to improve the smooth running of the AGM, we are giving members the opportunity to submit questions to the Board of Directors in advance of the meeting. Please also include contact details. Questions can be sent to the credit union or emailed to agm@carrickmacrosscu.ie.

Any questions submitted that are not relevant to the business of the AGM, will be forwarded for the attention of a relevant officer to be address, as appropriate. Submitting a question in advance of the AGM does not affect your rights as a shareholder to attend and speak at the AGM. Please return your questions to us no later than 10th December 2021 by email at agm@carrickmacrosscu.ie or post to: Carrickmacross Credit Union Limited, 15 & 17 O'Neill Street, Carrickmacross, Co.Monaghan



Have you made a nomination?

Did you know that you may nominate your shares in Carrickmacross Credit Union Limited to a beneficiary of your choice, up to a maximum of €23,000.

A member aged 16 or more may make a nomination.

This nomination:

- Must be in writing and signed by the member
- Must be delivered to the credit union during his/her lifetime
- May include savings as well as the proceeds of insurance claims
- Is valid to a maximum of €23,000 only. Any surplus above this amount must be paid into the deceased's estate
- A valid nomination covers all credit union property, and that property may be assigned to one person or divided between various nominees.
- May be revoked or varied by any subsequent written instructions delivered to the credit union in his/her lifetime
- Will automatically revoke on the marriage of the nominator or where the nominee predeceases the nominator and cannot be varied by the will of the nominator

To check if your nomination is up to date, call into the credit union and we will be happy to assist.

CHRISTMAS 2021 OPENING HOURS



Thursday 23rd Dec: 9.30am - 5pm

Fri 24th - Wed 29th Dec: Closed

Thurs 30th - Fri 31st Dec: 9.30am- 5pm

Sat 1st - Mon 3rd Jan: Closed

Tuesday 4th Jan: Normal Business Hours

Resume





Directors' report

For the financial year ended 30 September 2021

The directors present their annual report and the audited financial statements for the financial year ended 30 September 2021.

Principal activity: The principal activity of the business continues to be the operation of a credit union.

Authorisation: The credit union is authorised as follows:

- Insurance, reinsurance or ancillary insurance intermediary under the European Union (Insurance Distribution) Regulations, 2018.
- Investment Intermediaries (Restricted Activity Investment Product Intermediary) pursuant to Section 26 of the Investment Intermediaries Act, 1995 (as amended).
- Entitled under the European Union (Payment Services) Regulations 2018 to provide payment services.
- To act on behalf of a payment institution in providing payment services.

Business review: The directors acknowledge the results for the year and the year-end financial position of the credit union. The directors expect to develop and expand the credit union's current activities and they are confident of its ability to continue to operate successfully in the future.

Dividends and loan interest rebates: The directors are not proposing a dividend or loan interest rebate in respect of the financial year ended 30 September 2021 (2020: The directors did not propose a dividend or loan interest rebate).

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

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

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

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

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

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

COVID-19 risk: There is an economical and operational risk relating to the uncertainty surrounding the impact of the COVID-19 pandemic.

These risks and uncertainties are managed by the Board of Directors as follows:

Credit risk: In order to manage this risk, the Board of Directors regularly reviews and approves the credit union's credit policy. All loan applications are assessed with reference to the credit policy in force at the time. Subsequently loans are regularly reviewed for any factors that may indicate that the likelihood of repayment has changed.

Lack of loan demand: The credit union provide lending products to its members and promote these products through various marketing initiatives.

Market risk: The Board of Directors regularly reviews and approves the credit union's investment policy and funds are invested in compliance with this policy and regulatory guidance.

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

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

COVID-19 risk: The Board of Directors and management closely monitor the evolution of the COVID-19 pandemic and continue to take appropriate actions to mitigate any possible adverse effects on the credit union.

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 account by employing accounting personnel with appropriate expertise and by providing adequate resources to the finance function. The books of account of the credit union are maintained at the credit union's premises at 15 & 17 O'Neill Street, Carrickmacross, Co. Monaghan.

Events after the end of the financial year: There have been no significant events affecting the credit union since the year end.

Auditors: In accordance with Section 115 of the Credit Union Act, 1997 (as amended), the auditors Grant Thornton offer themselves for re-election.

This report was approved by the board and signed on its behalf by:

Brian Duffy
Chairperson of the Board of Directors
Date: 19th November 2021

Marie Brady
Member of the Board of Directors



Directors' responsibilities statement

For the financial year ended 30 September 2021

The directors are responsible for preparing the financial statements in accordance with applicable Irish law and regulations. The directors are also responsible for preparing the other information included in the annual report. 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:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and reason for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the credit union will continue in business.

The directors are responsible for ensuring that the credit union keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the credit union, enable at any time the assets, liabilities, financial position and income and expenditure of the credit union to be determined with reasonable accuracy, enable them to ensure that the financial statements comply with the Credit Union Act 1997 (as amended) and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the credit union and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board:

Brian Duffy
Chairperson of the Board of Directors
Date: 19th November 2021

Marie Brady
Member of the Board of Directors
Date: 19th November 2021

Board oversight committee's responsibilities statement

For the financial year ended 30 September 2021

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 of Ireland in respect of which they are to have regard to in relation to the Board of Directors..

On behalf of the board oversight committee:

Patricia Fenix
Chairperson of the Board Oversight Committee
Date: 19th November 2021

Independent auditor's report

to the members of Carrickmacross Credit Union Limited

Opinion

We have audited the financial statements of Carrickmacross Credit Union Limited, which comprise the income and expenditure account, the statement of other comprehensive income, the balance sheet, the statement of changes in reserves, the statement of cash flows for the financial year ended 30 September 2021, and the related notes to the financial statements, including the summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is Irish law including the Credit Union Act, 1997 (as amended) and accounting standards issued by the Financial Reporting Council including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (Generally Accepted Accounting Practice in Ireland).

In our opinion, Carrickmacross Credit Union Limited's financial statements:

- give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland of the state of the credit union's affairs as at 30 September 2021 and of its income and expenditure and cash flows for the year then ended; and
- have been properly prepared so as to conform with the requirements of the Credit Union Act, 1997 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ('ISAs (Ireland)') and applicable law. Our responsibilities under those standards are further described in the 'responsibilities of the auditor for the audit of the financial statements' section of our report. We are independent of the credit union in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the entity. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the credit union's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by the Credit Union Act, 1997 (as amended)

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

- we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
- in our opinion proper accounting records have been kept by the credit union;
- the financial statements are in agreement with the accounting records of the credit union;
- and
- the financial statements contain all primary statements, notes and significant accounting policies required to be included in accordance with section 111(1)(c) of the Act.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the credit union's ability to continue as a going concern. If they conclude that a material uncertainty exists, they are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify their opinion. Their conclusions are based on the audit evidence obtained up to the date of the 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 a true and fair view.

The auditor communicates 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 may be identified during the audit.

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

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

Denise O'Connell FCA

for and on behalf of

Grant Thornton

Chartered Accountants

& Statutory Audit Firm

Mill House, Henry Street, Limerick

Date: 19th November 2021



Income and expenditure account

For the financial year ended 30 September 2021

INCOME	Schedule	2021 (€)	2020 (€)
Interest on members' loans		1,706,218	1,620,772
Other interest income and similar income	1	654,379	744,695
Net interest income		2,360,597	2,365,467
Other income	2	44,821	14,737
Total income		2,405,418	2,380,204

EXPENDITURE			
Employment costs		935,694	998,628
Other management expenses	3	1,033,563	984,816
Depreciation		64,362	48,333
Net impairment (gains)/losses on loans to members (note 5)		(47,451)	456,171
Total expenditure		1,986,168	2,487,948

Surplus/(deficit) for the financial year 419,250 (107,744)

The financial statements were approved and authorised for issue by the board and signed on behalf of the credit union by:

Brian Duffy
Member of the Board
of Directors

Patricia Fenix
Member of the Board
Oversight Committee

Marian McEnaney
CEO

Date: 19th November 2021

Statement of other comprehensive income

For the financial year ended 30 September 2021

	2021 (€)	2020 (€)
Surplus/(deficit) for the financial year	419,250	(107,744)
Other comprehensive income	-	-
Total comprehensive income/(loss) for the financial year	419,250	(107,744)

The financial statements were approved and authorised for issue by the board and signed on behalf of the credit union by:

Brian Duffy
Member of the Board
of Directors

Patricia Fenix
Member of the Board
Oversight Committee

Marian McEnaney
CEO

Date: 19th November 2021

The notes on pages 30 to 44 form part of these financial statements.

Balance sheet

As at 30 September 2021

Assets	Notes	2021 (€)	2020 (€)
Cash and balances at bank		1,342,578	1,013,576
Deposits and investments – cash equivalents	7	13,892,621	16,388,348
Deposits and investments – other	7	80,129,183	83,409,344
Loans to members	8	20,525,809	19,531,518
Provision for bad debts	9	(1,653,930)	(1,594,334)
Tangible fixed assets	10	474,722	514,725
Prepayments and accrued income	11	86,467	65,374
Total assets		114,797,450	119,328,551

Liabilities

Members' shares	12	88,442,354	93,376,136
Other liabilities, creditors, accruals and charges	13	498,429	525,581
Other provisions	14	39,637	29,054
Total liabilities		88,980,420	93,930,771

Reserves

Regulatory reserve	16	13,985,000	13,985,000
Operational risk reserve	16	871,000	836,000
Other reserves			
- Realised reserves	16	10,886,387	10,509,259
- Unrealised reserves	16	74,643	67,521
Total reserves		25,817,030	25,397,780

Total liabilities and reserves 114,797,450 119,328,551

The financial statements were approved and authorised for issue by the board and signed on behalf of the credit union by:

Brian Duffy
Member of the Board
of Directors

Patricia Fenix
Member of the Board
Oversight Committee

Marian McEnaney
CEO

Date: 19th November 2021

The notes on pages 30 to 44 form part of these financial statements.



Statement of changes in reserves

For the financial year ended 30 September 2021

	Regulatory reserve €	Operational risk reserve €	Realised reserves €	Unrealised reserves €	Total €
As at 1 October 2019	13,985,000	786,000	10,773,223	80,425	25,624,648
Deficit for the financial year	-	-	(124,598)	16,854	(107,744)
Transfer between reserves	-	50,000	(20,242)	(29,758)	-
Dividends and loan interest rebates paid	-	-	(119,124)	-	(119,124)
As at 1 October 2020	13,985,000	836,000	10,509,259	67,521	25,397,780
Surplus for the financial year	-	35,000	376,353	7,897	419,250
Transfer between reserves	-	-	775	(775)	-
As at 30th September 2021	13,985,000	871,000	10,886,387	74,643	25,817,030

- The regulatory reserve of the credit union as a percentage of total assets as at 30 September 2021 was 12.18% (2020: 11.72%).
- The operational risk reserve of the credit union as a percentage of total assets as at 30 September 2021 was 0.76% (2020: 0.70%).

The notes on pages 30 to 44 form part of these financial statements..

Statement of cash flows

For the financial year ended 30 September 2021

	Notes	2021 (€)	2020 (€)
Opening cash and cash equivalents		17,401,924	20,026,636
Cash flows from operating activities			
Loans repaid by members	8	8,979,903	8,272,734
Loans granted to members	8	(9,984,085)	(9,762,999)
Interest on members' loans		1,706,218	1,620,772
Other interest income and similar income		654,379	744,695
Bad debts recovered and recoveries		116,938	108,148
Other income		44,821	14,737
Dividends paid		-	(43,467)
Loan interest rebates paid		-	(75,657)
Operating expenses		(1,969,257)	(1,983,444)
Movement in other assets and liabilities		(37,662)	(24,029)
Net cash flows from operating activities		(488,745)	(1,128,510)
Cash flows from investing activities			
Fixed asset (purchases)/disposals		(24,359)	(101,138)
Net cash flow from other investing activities		3,280,161	(5,675,607)
Net cash flows from investing activities		3,255,802	(5,776,745)
Cash flows from financing activities			
Members' shares received	12	36,355,939	35,543,933
Members' shares withdrawn	12	(41,289,721)	(31,263,390)
Net cash flow from financing activities		(4,933,782)	4,280,543
Net (decrease)/increase in cash and cash equivalents		(2,166,725)	(2,624,712)
Closing cash and cash equivalents	6	15,235,199	17,401,924

The notes on pages 30 to 44 form part of these financial statements.



Notes to the financial statements

For the financial year ended 30 September 2021

1. Legal and regulatory framework

Carrickmacross Credit Union Limited is registered with the Registry of Credit Unions and is regulated by the Central Bank of Ireland. The registered office of the credit union is located at 15 & 17 O'Neill Street, Carrickmacross, Co. Monaghan.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The financial statements are presented in Euro (€) which is also the functional currency of the credit union.

The following principal accounting policies have been applied:

2.2 Statement of compliance

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

2.3 Going concern

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

2.4 Income

Interest on members' loans

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

Deposit and investment income

Deposit and investment income is recognised on an accruals basis using the effective interest method.

Other income

Other income is recognised on an accruals basis.

2.5 Cash and cash equivalents

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

2.6 Deposits and investments

Held at amortised cost

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

Central Bank deposits

Credit unions are obliged to maintain certain minimum deposits with the Central Bank but may also hold an excess over the regulatory minimum. The regulatory minimum deposits are technically assets of the credit union but to which the credit union has restricted access. The regulatory minimum portion will not ordinarily be returned to the credit union while it is a going concern and is separately identified in note 7, Deposits and investments - other. Funds held with the Central Bank in excess of the regulatory minimum requirements are fully available to the credit union and are therefore treated as cash equivalents and are separately identified in note 7, Deposits and investments - cash equivalents. The amounts held on deposit with the Central Bank are not subject to impairment reviews.

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.

The fair value of quoted investments is determined by reference to bid prices at the close of business on the balance sheet date. Where there is no active market these assets will be carried at cost less impairment.

2.7 Financial assets - loans to members

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

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



2.8 Provision for bad debts

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

Any bad debts/impairment losses are recognised in the income and expenditure account.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in the income and expenditure account.

2.9 Tangible fixed assets

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

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

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

Depreciation is provided on the following basis:

Freehold premises	2% straight line per annum
Fixtures and fittings	20% straight line per annum
Computer software and hardware	25% straight line per annum

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other gains' or 'other losses' in the income and expenditure account.

2.10 Impairment of assets

At each reporting date assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the income and expenditure account. If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the income and expenditure account.

2.11 Other receivables

Other receivables such as prepayments are initially measured at transaction price including transaction costs and are subsequently measured at amortised cost using the effective interest method.

2.12 Financial liabilities – members' shares

Members' shares are redeemable and therefore are classified as financial liabilities. They are initially recognised at the amount of cash deposited and subsequently measured at amortised cost.

2.13 Other payables

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

2.14 Pension costs

The credit union operates a defined contribution pension scheme. The assets of this scheme are held separately from those of the credit union in independently administered funds. Employer contributions to the pension scheme are charged to the income and expenditure account in the period to which they relate.



2.15 Holiday pay

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

2.16 Derecognition of financial liabilities

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

2.17 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.

2.18 Operational risk reserve

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

The directors have considered the requirements of the Act and have calculated the operational risk reserve requirement by reference to the predicted impact of operational risk events that may have a material impact on the credit union's business.

2.19 Other reserves

Other reserves are the accumulated surpluses to date that have not been declared as dividends returnable to members. The other reserves are subdivided into realised and unrealised. In accordance with the Central Bank guidance note for credit 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. A reclassification between unrealised and realised is made as investments come to within 12 months of maturity date. The directors have deemed it appropriate that interest on loans receivable at the balance sheet date is also classified as "unrealised" and is not distributable. All other income is classified as "realised".

2.20 Distribution policy

Dividends and loan interest rebates are made from the current year's surplus or reserves set aside for that purpose. The board's proposed dividends and loan interest rebates to members each year is based on the distribution policy of the credit union.

The rate of dividends and loan interest rebates recommended by the board will reflect:

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

2.21 Taxation

The credit union is not subject to income tax or corporation tax on its activities.

3. Judgements in applying accounting policies and key source of estimation uncertainty

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

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

The annual depreciation charge depends primarily on the estimated lives of each type of asset and, in certain circumstances, estimates of residual values. The directors regularly review these useful lives and change them if necessary to reflect current conditions. In determining these useful lives management consider technological change, patterns of consumption, physical condition and expected economic utilisation of the assets. Changes in the useful lives can have a significant impact on the depreciation charge for the financial year. The net book value of tangible fixed assets subject to depreciation at the year end was €474,722 (2020: €514,725).



Provision for bad debts

The credit union's accounting policy for impairment of loans is set out in the accounting policy in note 2.8. 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. The provision for bad debts in the financial statements at the year end was €1,653,930 (2020: €1,594,334) representing 8.06% (2020: 8.16%) of the total gross loan book.

Operational risk reserve

The directors have considered the requirements of the Credit Union Act, 1997 (as amended) and have developed an approach to the calculation of the operational risk reserve. The operational risk reserve of the credit union at the year end was €871,000 (2020: €836,000).

Adoption of going concern basis for financial statements preparation

The credit union continue to closely monitor the evolution of the COVID-19 pandemic. The directors have prepared projections and cash flows for a period of at least twelve months from the date of the approval of the financial statements which demonstrate that there is no material uncertainty regarding the credit union's ability to meet its liabilities as they fall due, and to continue as a going concern. On this basis the directors consider it appropriate to prepare the financial statements on a going concern basis. Accordingly, these financial statements do not include any adjustments to the carrying amounts and classification of assets and liabilities that may arise if the credit union was unable to continue as a going concern.

4. Key management personnel compensation

The directors of the credit union are all unpaid volunteers. The key management personnel compensation is as follows.

	2021 (€)	2020 (€)
Short term employee benefits paid to key management	314,318	320,362
Payments to pension schemes	33,607	34,152
Total key management personnel compensation	347,925	354,514

5. Net impairment (gains)/losses on loans to members	2021 (€)	2020 (€)
Bad debts recovered	(106,455)	(94,038)
Impairment of loan interest reclassified as bad debt recoveries	(10,483)	(14,110)
Movement in bad debts provision during the year	59,596	561,707
Loans written off during the year	9,891	2,612
Net impairment (gains)/losses on loans to members	(47,451)	456,171

6. Cash and cash equivalents	2021 (€)	2020 (€)
Cash and balances at bank	1,342,578	1,013,576
Deposits and investments – cash equivalents (note 7)	13,892,621	16,388,348
Total cash and cash equivalents	15,235,199	17,401,924

7. Deposits and investments	2021 (€)	2020 (€)
Deposits and investments – cash equivalents		
Accounts in authorised credit institutions (Irish and non-Irish based)	9,187,701	13,394,777
Central Bank deposits	4,704,920	2,993,571
Total deposits and investments – cash equivalents	13,892,621	16,388,348

Deposits and investments – other

Accounts in authorised credit institutions (Irish and non-Irish based)	53,439,321	57,577,151
Irish and EEA state securities	9,114,571	7,180,702
Bank bonds	14,815,129	15,840,854
Central Bank deposits	737,719	782,843
Other investments	2,022,443	2,027,794
Total deposits and investments – other	80,129,183	83,409,344
Total deposits and investments	94,021,804	99,797,692

8. Financial assets – loans to members	2021 (€)	2020 (€)
As at 1 October	19,531,518	18,043,865
Loans granted during the year	9,984,085	9,762,999
Loans repaid during the year	(8,979,903)	(8,272,734)
Gross loans and advances	20,535,700	19,534,130

Bad debts

Loans written off during the year	(9,891)	(2,612)
As at 30 September	20,525,809	19,531,518



9. Provision for bad debts	2021 (€)	2020 (€)
As at 1st October	1,594,334	1,032,627
Movement in bad debts provision during the year	59,596	561,707
As at 30th September	1,653,930	1,594,334

The provision for bad debts is analysed as follows:

	2021 (€)	2020 (€)
Grouped assessed loans	1,653,930	1,594,334
Provision for bad debts	1,653,930	1,594,334

10. Tangible fixed assets

	Freehold premises €	Fixtures and fittings €	Computer software & hardware €	Total €
Cost				
1 October 2020	400,000	252,381	618,195	1,270,576
Additions	-	3,783	20,576	24,359
At 30 September 2021	400,000	256,164	638,771	1,294,935

Depreciation

1 October 2020	64,000	187,553	504,298	755,851
Charge for year	8,000	18,684	37,678	64,362
At 30 September 2021	72,000	206,237	541,976	820,213

Net book value

At 30 September 2021	328,000	49,927	96,795	474,722
At 30 September 2020	336,000	64,828	113,897	514,725

11. Prepayments and accrued income	2021 (€)	2020 (€)
Prepayments	42,259	20,391
Accrued loan interest income	44,208	44,983
As at 30 September	86,467	65,374

12. Members' shares	2021 (€)	2020 (€)
As at 1 October	93,376,136	89,095,593
Received during the year	36,355,939	35,543,933
Withdrawn during the year	(41,289,721)	(31,263,390)
As at 30 September	88,442,354	93,376,136

13. Other liabilities, creditors, accruals and charges	2021 (€)	2020 (€)
Other liabilities, creditors, accruals and charges	479,839	501,889
PAYE/PRSI	18,590	23,692
As at 30 September	498,429	525,581

14. Other provisions	2021 (€)	2020 (€)
Holiday pay accrual		
At 1 October	29,054	30,175
Charged to the income and expenditure account	10,583	(1,121)
At 30 September	39,637	29,054

15. Financial instruments

15a. Financial instruments

– measured at amortised cost

Financial assets	2021 (€)	2020 (€)
Financial assets measured at amortised cost	88,819,454	96,284,917
Financial liabilities	2021 (€)	2020 (€)
Financial liabilities measured at amortised cost	88,980,420	93,930,771

Financial assets measured at amortised cost comprise of cash and balances at bank, deposits and investments and loans.

Financial liabilities measured at amortised cost comprise of members' shares, other liabilities, creditors and accruals and other provisions.

15b. Financial instruments – fair value measurements

FRS 102 requires fair value measurements to be disclosed by the source of inputs, using a three level hierarchy:

- Quoted prices for identical instruments in active market (level 1);
- Prices of recent transactions for identical instruments and valuation techniques using observable market data (level 2), and
- Valuation techniques using unobservable market data (level 3).

The table below sets out fair value measurements using the fair value hierarchy:

At 30 September 2021	Total (€)	Level 1 (€)	Level 2 (€)	Level 3 (€)
Accounts in authorised credit institution	17,055,003	-	17,055,003	-
Bank bonds	10,015,734	-	10,015,734	-
Total	27,070,737	-	27,070,737	-

At 30 September 2020	Total (€)	Level 1 (€)	Level 2 (€)	Level 3 (€)
Accounts in authorised credit institution	13,039,440	-	13,039,440	-
Bank bonds	11,018,429	-	11,018,429	-
Total	24,057,869	-	24,057,869	-

There were no fair value adjustments recognised in the income and expenditure account for the year ended 30 September 2021 (2020: € nil).



16. Reserves

	Balance 01/10/20 €	Appropriation of current year surplus €	Transfers between reserves €	Balance 30/09/21 €
Regulatory reserve	13,985,000	-	-	13,985,000
Operational risk reserve	836,000	35,000	-	871,000

Other reserves

Realised

General reserve	10,509,259	376,353	775	10,886,387
Total realised reserves	10,509,259	376,353	775	10,886,387

Unrealised

Interest on loans reserve	44,983	-	(775)	44,208
Investment income reserve	22,538	7,897	-	30,435
Total unrealised reserves	67,521	7,897	(775)	74,643

Total reserves	25,397,780	419,250	-	25,817,030
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17. Credit risk disclosures

In line with regulatory requirements, the credit union:

- 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 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 business loans, community loans or loans to another credit union.

The carrying amount of the loans to members represents the credit union's maximum exposure to credit risk. The following 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.

	2021		2020	
	€	%	€	%
Loans not impaired				
Total loans not impaired, not past due	17,331,687	84.44%	16,025,587	82.05%

Impaired loans:

Not past due	175,128	0.85%	552,840	2.83%
Up to 9 weeks past due	2,863,242	13.95%	2,735,823	14.01%
Between 10 and 18 weeks past due	51,880	0.25%	16,814	0.09%
Between 19 and 26 weeks past due	15,084	0.07%	36,045	0.18%
Between 27 and 39 weeks past due	-	-%	13,630	0.07%
Between 40 and 52 weeks past due	40,648	0.20%	53,287	0.27%
53 or more weeks past due	48,140	0.24%	97,492	0.50%
Total impaired loans	3,194,122	15.56%	3,505,931	17.95%

Total loans	20,525,809	100.00%	19,531,518	100.00%
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18. Related party transactions

18a. Loans

	2021		2020	
	No. of loans	€	No. of loans	€
Loans advanced to related parties during the year	13	81,197	21	139,860
Total loans outstanding to related parties at the year end	27	178,873	27	203,627
Total provision for loans outstanding to related parties		13,477		13,615

The related party loans stated above comprise of loans outstanding to directors and the management team (to include their family members or any business in which the directors or management team had a significant shareholding).

Total loans outstanding to related parties represents 0.87% of the total loans outstanding at 30 September 2021 (2020: 1.04%).

18b. Shares

The total amount of shares held by related parties at the year end was €989,783 (2020: €1,131,834).



19. Additional financial instruments disclosures

19a. Financial risk management

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

Credit risk: Credit risk is the risk that a borrower will default on their contractual obligations relating to repayments to the credit union, resulting in financial loss. In order to manage this risk the Board of Directors regularly reviews and approves the credit union's credit policy. Credit risk mitigation may include the requirement to obtain collateral as set out in the credit union's lending policy. Where collateral or guarantees are required, they are usually taken as a secondary source of repayment in the event of the borrower's default. The credit union maintains policies which detail the acceptability of specific classes of collateral. The principal collateral types for loans are: an attachment over members' pledged shares; personal guarantees; and charges over assets. The nature and level of collateral required depends on a number of factors such as the term of the loan and the amount of exposure. All loan applications are assessed with reference to the credit policy in force at the time. Subsequently loans are regularly reviewed for any factors that may indicate that the likelihood of repayment has changed.

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

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

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

19b. Liquidity risk disclosures

The credit union's policy is to maintain sufficient funds in liquid form at all times to ensure that it can meet its liabilities as they fall due. The credit union adheres on an ongoing basis to the minimum liquidity ratio and minimum short term liquidity ratio as set out in regulatory requirements.

19c. Interest rate risk disclosures

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

	2021		2020	
	€	Average interest rate %	€	Average interest rate %
Gross loans to members	20,525,809	8.67%	19,531,518	8.69%

Any 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.

20. Dividends and loan interest rebates

The following distributions were paid during the year:

	2021		2020	
	%	€	%	€
Dividend on shares	0.00%	-	0.05%	43,467
Loan interest rebate	0.00%	-	5.00%	75,657

The directors are not proposing a dividend or loan interest rebate in respect of the financial year ended 30 September 2021 (2020: The directors did not propose a dividend or loan interest rebate).

21. Events after the end of the financial year

There have been no significant events affecting the credit union since the year end.

22. Insurance against fraud

The credit union has Insurance against fraud in the amount of €5,200,000 (2020: €5,200,000) in compliance with Section 47 of the Credit Union Act, 1997 (as amended).

23. Capital commitments

There were no capital commitments at 30 September 2021.



24. Contingent liabilities

In September 2018, the Registry of Credit Unions advised all credit unions of a potential matter in relation to accrued interest outstanding on certain top-up loans which may have led to a potential over-collection of interest. Following this, the credit union undertook a review to ascertain whether any top-up loans made to members might be impacted by these circumstances, and if so, to determine what actions may need to be taken. The credit union has concluded its review and is satisfied that no over-collection of interest has occurred.

25. Comparative information

Comparative information has been reclassified where necessary to conform to current year presentation.

26. Approval of financial statements

The Board of Directors approved these financial statements for issue on 19th November 2021.

Schedules to the income and expenditure account

For the financial year ended 30 September 2021

The following schedules do not form part of the statutory financial statements which are the subject of the Independent Auditor's Report on pages 23 to 25.

Schedule 1

– Other interest income and similar income

	2021 (€)	2020 (€)
Investment income received/receivable within 1 year	646,482	738,671
Investment income receivable outside of 1 year	7,897	6,024
Total per income and expenditure account	654,379	744,695

Schedule 2

– Other income

	2021 (€)	2020 (€)
Commissions	9,740	13,201
ECCU refund	33,044	-
Cash over	1,912	1,404
Entrance fees	125	132
Total per income and expenditure account	44,821	14,737

Schedule 3

– Other management expenses

	2021 (€)	2020 (€)
Light, heat and cleaning	22,763	22,103
Rent and rates	720	8,585
Repairs and maintenance	7,795	7,221
Printing and stationery	24,084	15,697
Postage and telephone	10,387	13,626
Promotion and advertising	49,705	48,871
Training costs	21,478	13,951
Chapter expenses	400	1,589
Entertainment	-	3,022
Miscellaneous expenses	5,850	6,205
Regulatory levies and charges	146,613	144,538
Computer maintenance	161,054	132,061
Travel and subsistence	516	5,835
Security	6,365	5,110
Audit fee	24,292	24,293
AGM expenses	25,553	25,634
Bank interest and charges	50,103	52,023
General insurance	38,531	34,862
Legal and professional	94,733	111,803
Share and loan insurance	206,986	189,148
Death benefit insurance	78,534	71,941
Cash short	1,927	1,291
Affiliation fees	24,457	15,427
SPS contribution	8,117	9,018
Donations and sponsorships	12,100	10,962
Scholarships	10,500	10,000
Community initiative scheme – payments	42,839	11,000
Community initiative scheme – release of accrual	(42,839)	(11,000)
Total per income and expenditure account	1,033,563	984,816



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