

St Anthony's  
& Claddagh  
**CREDIT  
UNION**



**ANNUAL  
GENERAL  
MEETING  
2021**

**Your Credit Union, Your Community**

# Contents

2021 at a Glance.....	1
CEO Report .....	2
Partners & Projects .....	4
Donations & Sponsorships.....	6
Loan Protection & Life Savings Update.....	8
Your Account Information .....	10
Presidents Address .....	12
AGM Financials.....	13

## VIRTUAL AGM

The Annual General Meeting for 2021 will take place online.

**Wednesday, 19<sup>th</sup> January 2022  
at 7.30pm**

To view & take part in the A.G.M you must register at **[www.sacu.ie](http://www.sacu.ie)**



**21%** of our active members now receive this AGM book via email.

That saves over **286,000** sheets of paper.

Sign up to get yours by email on our website [www.sacu.ie](http://www.sacu.ie) or see page 9

Improved our online services by launching our **New Mobile App**, enabling **Funds Transfers** & setting up an **online membership form**

**45 staff** worked through all lockdowns as well as **16 volunteers**

Issued  
**1,027 Car Loans**,  
**959 Reconnect Loans**  
**479 Home Improvement Loans**  
to our community

Maintained our  
**CSEI Award**  
for customer service excellence

Added new services:  
**Home, Life & Travel Insurances**

Welcomed  
**1,585**  
New Members

Launched our brand-new  
**Current Account** with  
**Mastercard Debit card**  
& overdraft facilities

Credit Unions won the  
**Best Customer Experience CXi award**  
for the 7th consecutive year

Our **Current Account** won the coveted  
**New Credit Union Services Organisation (CUSO) of the Year award for 2021** at the NACUSO 2021 Network Conference held in Las Vegas

**We've been here for you in 2021**



# CEO Report



Good evening everybody. This is my final address to you as CEO as I am due to retire next month. St. Anthony's & Claddagh Credit Union has been a huge part of my life, I began volunteering in 1976 serving with Peadar O'hici and many of the founder members in Mill St. I joined the staff in 2001 as deputy to the original Manager, Michael Joyce, and I took up the position of CEO in 2003.

Over the years there have been many challenges. Initially, we had to convince people of the value of the Credit Union movement and encourage them to save with us. As we grew we had to take on a professional staff, introduce a computer system to manage the accounts and move premises. Following the financial crisis, we had to embrace increased regulation and capital requirements and the unprecedented challenge of negative interest rates means we have had to limit savings. These challenges would have been inconceivable to the founders I first served with in Mill St but our staff and volunteers made sure we successfully navigated our way together.

We met each challenge head on and with the support of you, the Members, we thrived and had some real achievements along the way including:

- Opening a second office in Westside, which issued more than €15.6m in loans in 2021
- Developing the Fiontarlann Enterprise Centre, which has over 40 people working there
- Launching a Community Engagement Program, which since 2014 has allocated over €335,000 to the local Community through community partners, projects, sponsorship and donations

However, none of these compare to the impact of the Credit Union on the lives of our Members. Every day we hear stories of children educated, cars bought and homes improved thanks to loans from the Credit Union. The thank you cards and the occasional cake is a testament to how the Credit Union is valued by you, the Members. We intend to ensure this remains the case as we grow and develop in the future.

At its heart, the Credit Union is a co-operative movement and we have always worked with other Credit Unions to the benefit of the Members including:

- Merging with Claddagh Credit Union in 1978 and Oughterard Credit Union in 2009
- Creating the Solution Centre as part of the Credit Union Development Association to identify and develop new services
- Developing the Current Account and Peopl.com insurance services which were introduced in 2020

It was our intention to bring a proposal to merge with St Jarlath's Credit Union to this AGM. However, following a lengthy due diligence process, it has become apparent that there are significant operational and cultural differences between the two Credit Unions. As a result, in these circumstances it would not be appropriate to proceed with the

merger at this time. We will, however, continue to collaborate with St Jarlath's on lending and member focused initiatives. While disappointing, the due diligence process has helped us to identify a number of key initiatives for the future including the development of:

- **Online facilities:** In 2021, we introduced online funds transfer and launched our new mobile app. In 2022, we intend to launch our new website
- **Name and Brand:** The name St Anthony's & Claddagh has served us well. However, it is felt that we need to refresh the name and logo as it is not the most user-friendly as we work to promote and develop the Credit Union in a digital age. Therefore, we are proposing to this AGM that the name be changed to simply **Claddagh Credit Union**. While recognising our link to Galway, the name Claddagh also represents the underlying principle of "friendship" which is at the heart of the Credit Union Movement

It is this principle of "friendship" which has been central to St. Anthony's & Claddagh Credit Union.

As I reflect over my years with St. Anthony's & Claddagh Credit Union, I remember the volunteers and staff I worked with and I am grateful for their friendship.

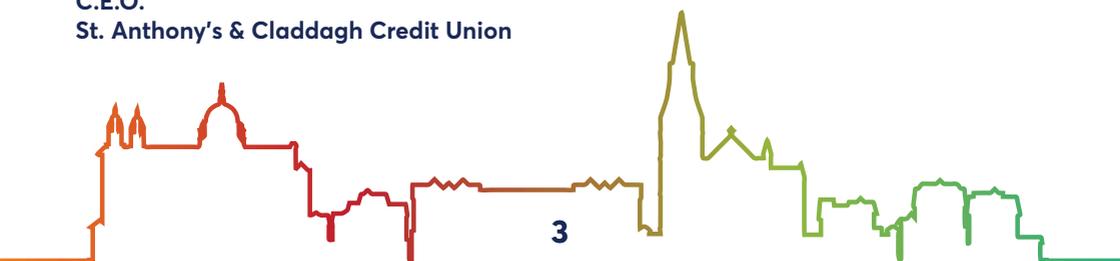
Looking to the future I have confidence in the new team; Louise Shields as CEO and Ted Coyle as Deputy CEO. I have worked alongside both for almost 15 years. Their careers in the Credit Union sector began as the financial crisis hit and they have been instrumental in developing our response to it. Louise was at the heart of the development of the Governance Function in response to changes in regulation as well as the Community Engagement Program established as a way to reward Members as dividends reduced. Ted has developed operations to ensure Member Service Excellence on a daily basis and this is demonstrated by the multiple awards and recognition we have received in recent years - our Customer Service Excellence Awards & Overall winners in the Best of Galway Awards.

Friendship and family are central to St. Anthony's & Claddagh Credit Union and I would like to thank all the volunteers, staff and Members I worked with over the years for your friendship. I would also like to acknowledge the support of my own family, especially my wife, Arlene. It is my sincere hope that when my grandchildren come of age, they will be able to avail of all the financial services on offer from the Credit Union.



**Gerry Joyce**  
C.E.O.

**St. Anthony's & Claddagh Credit Union**



To support the long-term development of our community, we have committed funding over a 5 year period to our Community Projects & Partners.

# Partners:

## Galway Simon

Thanks to the ongoing generous support of SACU Galway Simon clients continued to work on the Graveyard Project and we are delighted that all of the graves of Galway Simon clients are now marked. It is hugely meaningful in so many ways to our clients to know that these graves are now marked, and that in time, they too will be remembered. The balance of the funds received in 2021 were used towards the initiation of a new Community Integration Service. This service, to be based out of St Finbarr's Terrace, will provide a very tailored response to the cumulative impact of the isolation that Galway Simon clients experienced during the pandemic.

**Fintan Maher** | Head of Fundraising & Communications



## Westside Age Inclusion

"Looking back over the past year, we have seen a large increase on people impacted by Domestic Violence. While funding enabled us to help 10 people by providing personal alarms, the demand for this support has greatly increased due to lockdowns & restrictions. The funding we receive from St. Anthony's & Claddagh Credit Union is helping us help those most in need & we hope to help more in the coming year."



Protecting those suffering Domestic Abuse

## Cúram

"For CÚRAM, being part of the SACU Community Engagement programme has meant that we have been able to build real relationships with communities in the region.

Having the support to engage year after year means that our programme will have a lasting impact that will encourage young people to consider STEM as a possible career path and encourage older people and patients to engage with and contribute to world class research happening here in the West of Ireland."

**Claire Riordan** | Public Engagement Manager



SFI Centre for Research in Medical Devices

# Projects:

#UniCash

## Unicash

"Hi, My name is Jakub Kostanski and I'm a second year college student in AIT. When I was in 6th year I signed up for the #UniCash giveaway and I was very lucky to be 1 of the 5 winners to receive €1,500 euro. This prize helped me buy a new laptop for college and helped me get some of my fees paid early so I wouldn't have to worry about them later. I would strongly encourage every 6th year student to sign up for this giveaway."



## St. Bernadette's Paediatric Unit

"We are delighted with the ongoing support from St. Anthony's & Claddagh Credit Union over the last number of years & are excited to see what will come from next fundraising challenge. Our Staff have already seen what a huge benefit the outdoor area & playground is for our patients & their families."



**Anne Matthews** | Clinical Nurse Manager of the Paediatric Unit.



## Jersey Sponsorship

We sponsor a wide variety of clubs in our community by helping them purchase new jerseys & gear. Salthill Devon Football Club was one such club that received Jersey Sponsorship this year.

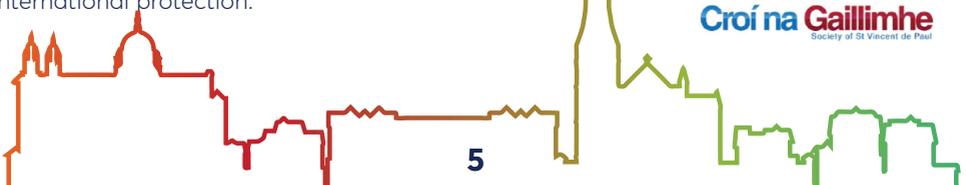
## Gaillimh Le Gaeilge

We are proud to be working with Gaillimh Le Gaeilge to promote the use of the Irish language in Galway. Ag cur Gaillimh chun chinn mar Chathair Dhátheangach/ Promoting Galway as a Bilingual City.



## Croi Na Gaillimhe

Our new partner for 2022 is Croí na Gaillimhe. They are a Resource Centre of the Society of St Vincent de Paul based in 1 Mill Street. CNG works with older people living alone, adults, asylum seekers, migrants and their children. On average 400 people from 115 nationalities per week use the centre. With our support this year they will continue to help Asylum Seekers applying for their refugee status, which includes interview preparation and help with applications for international protection.



# Donations & Sponsorships



Staff 2,000km Virtual Walking Challenge to raise funds for St. Bernadette's Children's Unit, UCHG.



Salthill Devon F.C Little Nippers Bib presentation



International Credit Union Day 2021



St. Michael's GAA Jersey sponsorship

## Upcoming Retirements

We would like to wish Patricia Lee & Geraldine Gibbons the very best with their upcoming retirements. Patricia & Geraldine have over 40 years' service with the Credit Union. Both ladies are so well known from their time working in Oughterard branch & more recently also working in our Mainguard Street branch.

Ag guí gach ádh Sláinte an bhradáin agus sonas ort lá I ndiaidh lae.



Geraldine Gibbons



Patricia Lee

# BANK WITH YOUR CREDIT UNION



- ✓ Globally accepted Debit Mastercard®
- ✓ Transparent & Low Fees
- ✓ Apply Pay, Google Pay, FitBit Pay
- ✓ Same friendly service

## Easy to sign up

Mastercard is a registered trade mark and the circles design is a trademark of Mastercard International Incorporated. This card is issued by Transact Payments Malta Limited pursuant to licence by Mastercard International.

St. Anthony's Credit Union Limited is regulated by the Central Bank of Ireland.

St Anthony's  
& Claddagh  
**CREDIT  
UNION**



091 537 200



sacu.ie



Drop into your  
local branch

# St. Anthony's & Claddagh Credit Union

## Reduction in Insurance Cover

As always, your Credit Union works hard to provide the best possible service for you, our valued Member. Every decision the Board of your Credit Union takes is done with your, and all our Members, best interests in mind. In the current challenging economic environment of increasing costs, critically low investment returns and negative interest being applied by banks to funds held by Credit Unions, it has been necessary for our Board to review a number of our products and offerings. Following a period of careful examination, the Board reluctantly took the decision to reduce Members' life insurance benefits. The Life Savings and Loan Protection cover reductions that are being implemented, are as follows:

### Loan Protection changes

From 1st February 2022, Loan Protection total and permanent disability cover will be discontinued and the Loan protection cover will reduce to a "Death Only" basis. The removal of disability cover will have a very limited impact as it only applies where a Member is, as a result of injury or illness, rendered totally and permanently disabled before age 60 and unable to carry out **any** occupation for the rest of their lives. This is a strict definition of disability and has meant that only a very small number of claims have qualified in the past for payment while this cover has been in place.

However, Members can be reassured that **loan protection death only cover will remain in place** to protect eligible members when they borrow from their Credit Union i.e. have the debt die with the debtor. This valuable cover provides protection for borrowing members in the event of their untimely death and is designed to clear any remaining loan outstanding. This is an excellent member service that can cover Members from age 16 to 84, with cover ceasing before members 85th birthday. This cover is subject to eligibility and policy terms and conditions of cover.

### Life Savings changes

From 1st February 2022, we will be reducing the maximum Life Savings (LS) cover limit from €12,700 to €3,000. This means on the death of an eligible member, the maximum life savings benefit payable cannot exceed €3,000.

Total Premiums last year amounted to €665,701. The reduction in the insurance covers mentioned above (loan disability and life savings cover) are estimated to reduce our insurance premiums next year by a further €321,000. This will mitigate the impact of the negative interest rate change.

For further information, please go to: [www.sacu.ie](http://www.sacu.ie). If you have any further queries in relation to this process, please contact us on 091537200.

Sign up Online

[www.sacu.ie](http://www.sacu.ie)

or return the below form to branch



## E-AGM Notification

We must provide every member with our AGM Notification & booklet every year. This is a legal requirement.

As you can imagine, with over 40,000 members, we must create a lot of booklets. To help us reduce the amount of paper we use, sign up here to receive your AGM information via email.

## Consent:

I consent to receive my AGM Information via email.

**Signed:** \_\_\_\_\_

**Print Name:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Account No.:** \_\_\_\_\_

**DOB:** \_\_\_\_\_

**Email address:** \_\_\_\_\_

### Please note:

To meet legal requirements, we require a personal email address and not a general email address (e.g. info@address.ie)



8/9 Mainguard St.  
Galway City  
Centre  
091 537200

Westside  
Shopping  
Centre, Galway  
091 537260

Bridge St.  
Oughterard,  
Co. Galway  
091 537280

[www.sacu.ie](http://www.sacu.ie)



[info@sacu.ie](mailto:info@sacu.ie)

# Your Account

## New Oughterard Opening Hours...

- Effective from 1st February 2022, Oughterard branch will open 9.30am- 5pm, Thursday & Friday. The branch will be closed on Saturdays.

## Things you need to know...

- **Savings Limit:** There is a maximum savings limit\* of €20,000 per Senior Member (\*Shares, Current Account and Deposit Balances). The maximum savings per Junior Member is €5,000
- **Cash Withdrawal Limits:** There is a daily limit on withdrawals in cash of €1,500 per day and €7,500 per week\*
- **Lodgement Limits:** There is a maximum limit on Lodgements of €2,500 per week\* (*\* per week means a 7-day period.*)
- **Debit Card Payments:** Payments via phone call using debit cards will only be accepted for loans as of 1st February 2022
- **Direct Debits:** From November 2021:
  - Newly set up Direct Debits will automatically cease for repayments of loans on completion of the loan
  - Regular savings must be set up with a Standing Order
- **Nomination Form:** A Nomination on your account relates to the process for the release of the funds in the event of your death. All Members should consider completing an up to date nomination form. For more information go to:  
<https://www.sacu.ie/membership/nomination-on-your-member-account/>

## Online Services...

- **Online Account:** Register online at [www.sacu.ie](http://www.sacu.ie) to access your account online.
  - Activate funds transfers online: pay bills, transfer money to & from external bank accounts, see how at [www.sacu.ie/cuonline](http://www.sacu.ie/cuonline)
  - Online Loans: calculate, apply, upload your documents, e-sign your loan forms & have your loan paid direct to your bank account.
  - View transactions & download statements
  - Secure online messaging service
  - Access your account IBAN & BIC details
- **Mobile App:** Download our new app from the GooglePlay Store or Apple Store
- **Funds Transfer online:** Activate funds transfers on your Cuonline account at <https://www.sacu.ie/cuonline/activate-funds-transfer/>. This enables you to transfer money to & from your Credit Union account.

## Keeping Your Account Active...

- If you had no active transaction on your Credit Union Account within 2 years, your account will be classed as inactive
- Inactive accounts maintain the existing balance but you cannot transact on your account until it is reactivated.
- To reactivate your account you will need to call to any branch with Photo I.D., recent proof of address & proof of your PPS number
- Our message to you, our Member, is to actively use our Credit Union services

Fair insurance  
from your  
credit union.



## Stop paying above the odds!

Now there's fair and competitive home insurance brought to you by St Anthony's and Claddagh Credit Union. You could save **hundreds of euro** on your home renewal by getting a fast and easy quote today.

- Great cover at a great price, from our panel of top rated insurers
- No automatic increase in premiums, year on year
- Built in flexibility to add the options you want
- 10% uplift in cover at Christmas and around Weddings
- Quick quote with same day cover

Call and speak to one of  
our friendly team on

**0818 293 444**

Or visit  
**sacu.ie**

**Peopl.**  
Insurance

# Presidents' Address



Good evening, everybody. It was hoped that by now we would be in a post covid world but it seems that it will be with us for some time yet. As an essential service we have been open throughout the pandemic and I would like to pay tribute to the staff and volunteers in all essential services, who worked so hard in difficult circumstances and to remember all those who suffered during this extraordinarily difficult time.

We cannot deny the challenges of 2021. Loan demand has reduced and all investments for less than 12 months now attract a negative interest rate. We were all tested but our resilience shone through. Members continued to repay their loans despite financial difficulty and for this we are grateful. This means that no allocation to bad debts is required. Though the costs associated with Regulation have increased, we have worked hard to ensure good value in every area and I am pleased to report that for 2021 there was a surplus of €741,000 bringing our Total Reserves to over €29,000,000.

While this is the highest ever reserve position of the Credit Union the inflow of savings during Covid put pressure on the capital position and so we had to reduce the savings cap to €20,000 during the year. It is the Boards intention to strengthen the capital position further and so:

- There will no distribution in the form of dividend or interest rebate this year.
- There will be significant cost reductions in 2022 and beyond through restructuring of staff and the life savings insurance cover. It is expected that this together with other identified costs savings will yield up to €500,000 per annum from 2023 on.
- We will seek to increase income through the introduction of new loan products including mortgages and the provision of other services such as the current account and insurances.

During 2021, we explored the possibility of merging with St. Jarlath's Credit Union in Tuam to develop the business model for the Credit Union. Following a lengthy due diligence process, it became apparent that there are significant operational and cultural differences between the Credit Unions and, unfortunately, it would not be appropriate to proceed with the merger.

January 2022 is a pivotal moment for the Credit Union. We intend to build on our heritage of service to Members and the Community with a new Management Team and new branding so that we can become a lifetime financial partner to all our Members. As we say goodbye to our CEO, Gerry Joyce, we reflect on the achievements of almost 60 years and remember those who helped build the Credit Union, the staff, the volunteers but most of all the Members. It is your faith and trust which has enabled the Credit Union to grow and thrive and it is your support which will ensure its future as a lifetime financial partner for the next generation.

A handwritten signature in black ink that reads "Mark Grogan". The signature is fluid and cursive.

**Mark Grogan, President**  
**St. Anthony's & Claddagh Credit Union**

# Board Oversight Committee Report

Every Credit Union must elect a Board Oversight Committee consisting of 3 or 5 Members.

The Board Oversight Committee must assess whether the Board of Directors have operated in accordance with Part IV & IV(a) of the Credit Union Act 1997, as amended, and any regulation or direction of the Registrar or Central Bank. The Board Oversight Committee of the Credit Union hold at least one meeting in every month, and meet with the Board of Directors at least 4 times in every year to facilitate carrying out the oversight role. The Board Oversight Committee submits a written report to the Board of Directors on their assessment of whether the Board of Directors has operated in accordance with the Credit Union Act 1997, as amended, and any regulation or direction of the Registrar or Central Bank.

The Board Oversight Committee has access, at all times, to the books and documents of the Credit Union to enable it to carry out its functions under the Act and Members of the Board Oversight Committee have the right to attend all meetings of the Board of Directors and all meetings of Committees of the Credit Union. The Board Oversight Committee ensures that at least one of its members attends every meeting of the Board of Directors.

The Board Oversight Committee may notify the Central Bank of any concern it has, that the Board of Directors has not complied with any of the requirements and the Board Oversight Committee shall report to the Members at the Annual General Meeting and, if it thinks fit, at a Special General Meeting, on whether the Board of Directors has operated in accordance with Credit union Act 1997, as amended, and any regulation or direction of the registrar of Central Bank.

For the year ended 30 September 2021, the Board Oversight Committee wish to report that (other than as noted in the Directors Report) no matters have come to their attention that indicates that the Directors have not complied with Part IV or IV(a) Credit Union Act 1997, as amended, and any regulation or direction of the Registrar or Central Bank.

*We extend our thanks to the Board of Directors, C.E.O. and Staff for their courtesy, assistance and co-operation during the year.*

## Statement of Board Oversight Committee's Responsibilities

The Credit Union Acts 1997, as amended, require 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 Acts 1997, as amended, and any other matter prescribed by the Central Bank in respect of which they are to have regard in relation to the Board.



Mary Donoghue, Chairperson

For and on behalf of the Board Oversight Committee  
Julie Nohilly and Joan Raleigh

Date: 19 October 2021

# Rule Amendments

## Rule Amendment 2 *Name*

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

- (1) The name of the credit union shall be

Claddagh Credit Union Limited (hereinafter referred to as ‘the credit union’).

As soon as practicable, the credit union shall cause its registered name to be painted or affixed, and to be kept painted or affixed, in a conspicuous position and in letters easily legible, on the outside of its registered office and every other office or place in which the business of the credit union is carried on, and shall have that name engraved in legible characters on its seal and set out in legible characters:

- (a) in all notices, advertisements and other official publications of the credit union;
- (b) in all business letters of the credit union;
- (c) in all bills of exchange, promissory notes, endorsements, cheques, orders for money or goods and other instruments purporting to be signed by or on behalf of the credit union; and
- (d) in all bills, invoices, receipts and letters of credit of the credit union.

## Rule Amendment 40 (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 7, 9 or 11 members, all of whom shall be members of the credit union.

## Rule Amendment 53 (1)

That this Annual General Meeting amends Rule 53(1) to read as follows:

The credit union shall have a board oversight committee which shall consist of three or five members and shall have the general duty of overseeing the performance by the directors of their functions.

## Rule Amendment 63 (4)

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.

## Order of Business

1. Acceptance of proxies (if any) by Board of Directors
2. Ascertainment that a quorum is present
3. Adoption of Standing Orders
4. Rule Amendments
5. Balloting
6. President's Address
7. C.E.O. Report
8. Report of Board Oversight Committee
9. Independent Auditors Report
10. Report of the Nomination Committee
11. Report of the Community Engagement Committee
12. Report of the Credit Committee
13. Report of the Membership Committee
14. Report of the Marketing Committee
15. Report of the Credit Control Committee
16. Report of the Audit, Compliance and Risk Committee
17. Chapter Report
18. Fiontarlann Teo Report
19. Questions & Answers
20. Any Other Business
21. Announcement of Election Results
22. Adjournment or close of meeting

## Elections

### Board of Directors

Under the Credit Union Acts the nomination to the Board of Directors is now the responsibility of the Nominations Committee.

The Nomination Committee is responsible for identifying and proposing candidates for election to the Board of Directors. In identifying candidates for any vacancies they must be mindful of the balance of skills, experience and knowledge of the current Board Members.

### Directors

The following are seeking election:

**Mark Grogan, Nigel Hugo, Joan Raleigh, Tommy Foy, Caroline Miney and Aidan McDonogh**

The Board of Directors at their first meeting, immediately following the A.G.M., will elect officers for the year.

### Auditor

DHKN are seeking election

### Board Oversight Committee

**Seamus Robinson, Tom Donnellan and Kuldar Tarum** are seeking election.

All candidates proposed by the Nomination Committee are required to be elected at the A.G.M. of the Credit Union.

## Contents

General Information	17
Directors Report and Business Review	18
Statement of Directors Responsibilities	21
Statement of Board Oversight Committee Responsibilities	22
Independent Auditors Report	23
Income and Expenditure Account	25
Balance Sheet	26
Statement of Reserves and Changes in Members Interests	27
Cash Flow Statement	28
Notes to and forming part of the Accounts	29

## General Information

### Registered Number

381CU

### Head Office Address

8/9 Mainguard Street  
Galway  
H91 YA72

### Directors

Mark Grogan  
Peadar O'hici  
Pat Commins  
Aidan McDonogh  
John Lynam  
David Hickey  
Paul Hurney

### Board Oversight Committee

Mary Donoghue  
Julie Nohilly  
Joan Raleigh

### Auditors

Duffy, Burke & Co.  
Level One  
Liosbán Business Park  
Galway  
H91 FT98

### Bankers

Allied Irish Banks, p.l.c.  
Lynch's Castle  
40 Shop Street  
Galway  
H91 W400

Danske Bank  
3 Harbourmaster Place  
International Financial Services  
Dublin 1  
D01 K8F1

Bank of Ireland  
Main Street  
Oughterard  
Co. Galway  
H91 TR60

### Solicitors

R. G. Emerson & Co.  
13 Cross Street  
Galway  
H91 R8DF

Clodagh M Gallagher Solicitors  
43 Sli Na Sruthan  
Clybaun Road  
Knocknacarra  
Galway  
H91 YT57

## Directors Report and Business Review

The Directors present their Report and Results with the Audited Financial Statements for the year ended 30 September 2021.

### Principal Activities

The principal activity of St. Anthony's and Claddagh Credit Union is the provision of Savings and Loans to Members in its Common Bond. The Credit Union manages its Members Shares, Capital and Loans to Members, so that it earns Income from the margin between Interest Receivable and Interest Payable.

### Results and Distributions to Members

The Board are not proposing any distributions in the year having consideration for the ongoing business environment and the effects of the Covid-19 pandemic.

### Credit Union Performance and Business Review

A review of 2020/21 must acknowledge the ongoing impact of Covid-19, which continues to pose an increasing risk to the Credit Union sector both locally and nationally. This risk is measured internally and externally on how the Credit Union has been affected, and is mindful of the effects on its Members, its service providers, and suppliers. The Credit Union will continue to evaluate and measure additional risk and uncertainty resulting from the pandemic and the impacts on its financial position in the following key areas:

- Reduced loan book due to falling loan demand and increased early repayments leading to reduced loan interest income.
- Member capacity to maintain their commitments to the Credit Union is uncertain if they are in receipt of state income support such as Pandemic Unemployment Payment or Temporary Wages Subsidy Scheme. This uncertainty requires the maintenance of the high level of Bad Debt Provision put in place last year.
- Increased Member saving balances, prior to implementation of savings cap, which had the effect of escalating the mismatch in Credit Unions asset and liability maturity levels, and incurring further costs in relation to negative interest rates. The cost of Negative Interest Rates in 2021 was over €175k, this accounts in the main for the increase in banking fees and charges.
- Operational interference leading to changes in the business model due to falling demand, reduced member interaction, supply chain disruptions, employee absenteeism, and the work-from-home, environment which is now more commonplace.

The overall impact is seen in the reduced operating surplus before Loan Impairments of €500k compared with €927k of 2020. There was a net recovery, after allocation to bad debts provision, of loans to members of €241k bringing the Net Surplus to €741k.

The key highlights are: the Loan to Assets Ratio reduced slightly from 30.6% to 30.4% and Reserves to Assets Ratio increased from 12.9% to 13.8%. This reflects the varying impact on cashflow of Covid 19 restrictions which saw an increase in savings and loan repayments as well as a reduction in loan demand and the savings cap the result of which was a reduction in asset size. To address this risk to the Strategic Objective of organic growth while maintaining a healthy level of Capital Reserves, the Credit Union has developed new services through collaboration such as the Current Account and Peopl.com insurance offering. This collaboration led to the proposal to merge with St Jarlath's Credit Union. Following a lengthy due diligence process, it has become apparent that there are significant operational and cultural differences between the Credit Unions and, unfortunately, it would not be appropriate to proceed with the merger.

The surplus together with the implementation of the reduced savings cap has improved the capital position of the Credit Union. Members should place great assurance that this level of capital reserves at 13.8% continues to comfortably exceed the regulator's minimum requirement.

The Board believes that the current capital levels are appropriate and stress testing scenarios confirm that we have a strong protective buffer to provide contingency against future concerns in the market. However, in these uncertain times, with Covid 19 still very much part of the landscape and the threat of climate change an increasing reality it is the Board's view that it would be prudent to further increase this buffer over the next two years.

## Directors Report and Business Review cont.

To that end no distribution is proposed this year. Furthermore, there will be significant cost reductions in 2022 and beyond through staff restructuring and changes to the life savings insurance cover. The Credit Union will also seek to increase income through the introduction of new loan products, including mortgages and the development of other services such as the Current Account and insurance products.

## Key Performance Indicators (KPI's)

The table below shows some of the KPI's over the past two years:

	2021	2020
	€	€
Total Assets	213,509,084	221,317,286
Regulatory Capital	23,506,427	23,506,427
Total Savings	182,340,179	191,823,761
Expense to Income	92%	86%
Regulatory Capital	11%	10.6%
Total Capital	13.8%	12.9%

## Financial Risk Management, Objectives and Policies

The Credit Union has a formal structure for managing risk, including procedures for identifying and measuring risks, establishing risk limits, reporting lines, mandates and other control procedures. The Board is responsible for managing and controlling the Balance Sheet exposures and the use of Financial Instruments for Risk Management purposes.

## Principal Risks and Uncertainties

The Credit Union operates within a conservative, Board approved, risk appetite. Protecting Members' interests is paramount and the Credit Union contributes to various Regulatory Levies and Compensation Schemes. The principal business risks to which the Credit Union is exposed are considered the main financial risks arising from St. Anthony's and Claddagh Credit Union's activities. 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 the Credit Union, resulting in financial loss. Credit risk also arises in the form of investment management where the issuer may default on their contractual obligations. In order to manage the risk, the Board approves the Lending and Investment Policies and all changes to them. 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 impairment on loans advanced. The Board approves the Credit Control Policy which monitors the procedures for the collection of loans in arrears and the Provisioning Policy which provide the basis for impairments on loans.

**Liquidity Risk:** St. Anthony's and Claddagh 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 objective of the 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. Members Shares and Deposits which are available on demand and those not on demand are identified as Liabilities.

**Market Risk:** St. Anthony's and Claddagh Credit Union conducts all its transactions in Euro, accordingly the Credit Union is not exposed to any currency risk or other such direct market risk. The Credit Union considers its potential exposure to overall market risk in the banking sector and seeks to minimise such risk through its Investment Policy.

**Interest Rate Risk:** St. Anthony's and Claddagh Credit Union's main Interest Rate Risk arises from differences between the interest rate exposures on loans and investments receivable, as offset by its cost of Capital, which is typically that of distributions to Members payable in the form of Dividends and Interest Rebates. St. Anthony's and Claddagh Credit Union considers rates of interest receivable when deciding on the appropriation of income and its returns to Members. The Board monitors such policy in line with the Credit Union Act 1997, as amended, and Guidance Notes issued by the Central Bank of Ireland.

**Deposit Protection Scheme:** This is the risk of higher financial levies being imposed on the Credit Union for further claims relating to the failure of other financial organisations. Costs associated with the DGS continue to represent an ongoing burden on the Credit Union. Membership of the Scheme remains compulsory for all Financial Institutions.

**Operational Risk:** This is the risk of direct or indirect loss resulting from inadequate or failed internal processes, people and systems or from external events. The Operational Risks faced by the Credit Union are assessed on a regular basis and an appropriate system of control exists to mitigate these risks. The Board, through its Committee structures, are responsible for assessing the effectiveness of the system of inspection and control. The controls are reviewed by the Credit Union's Internal Auditors on an ongoing basis.

**Regulatory Risk:** This is the risk that changing laws and the volume and complexity of Regulatory Requirements may impact the Credit Unions ability to compete and grow. This risk is regularly reviewed by the Board.

**Conduct Risk:** This is the risk that actual or potential Member detriment arises, or may arise, from the way the Credit Union conducts its business. The Board has primary responsibility for ensuring that the manner in which the Credit Union conducts dealings with its Members is fair and in their interests. This culture is embedded throughout the business and the Credit Union considers all matters that impact upon the fair treatment of our Members, including product design, terms and conditions, complaints, fees and charges and ensuring that staff are trained and suitably qualified.

**Going Concern:** The Directors are required to consider whether the Credit Union will continue as a going concern for a period of 12 months from date of approval of these Financial Statements. In making the assessment the Directors have reviewed the Credit Unions Strategic Plan and considered risks that could impact on the Credit Unions reserve position, financial position, and liquidity over that period. The Directors have also prepared forecasts which considered the effect of operating under stressed but plausible events that would impact on the Credit Union's business, financial position, capital, and liquidity.

A range of sensitivities has been considered or applied to these forecasts, including scenarios relating to Covid-19, the outlook for interest rates, growth in Members savings and loan demand. Furthermore, the Credit Union is required to regularly review its capital and liquidity positions in relation to its uncommitted or on demand savings and consider at least quarterly the various stress testing scenarios applicable against borrowers' propensity to default, interest rates and circumstances that may give rise to funding outflows.

After considering all of this information, the Directors' knowledge and experience of the Credit Union, and the markets in which it operates, the Directors are satisfied that the Credit Union, has adequate resources to continue in business for the foreseeable future and for a period of at least 12 months from the date of signing the Financial Statements.



## Directors and Board Oversight Committee

### Directors

Pat Commins
Mark Grogan
Peadar O'hici
David Hickey
Aidan McDonogh
John Lynam
Paul Hurney

### Directors seeking election / re-election

Nigel Hugo
Joan Raleigh
Tommy Foy
Caroline Miney
John Lynam
Aidan McDonogh
Mark Grogan

### Members of Board Oversight Committee

Joan Raleigh
Mary Donoghue
Julie Nohilly

### Board Oversight seeking election / re-election

Seamus Robinson
Tom Donnellan
Kuldar Tarum

### Auditors

Duffy, Burke & Co are not seeking re-election.

DHKN (being eligible) have indicated their willingness to take up office in accordance with Section 114 of the Credit Union Act 1997, as amended.

### Statement of Directors Responsibilities

For the Year Ended 30 September 2021

The Directors are responsible for preparing the Annual Report, Directors' Report and the Annual Accounts in accordance with applicable Laws and Regulations.

The Credit Union Act 1997, as amended, requires the Directors to prepare the Credit Union's Annual Accounts for each Financial Year. Under that law, they have elected to prepare the Credit Union Annual Accounts in accordance with Accounting Standards and applicable law (Irish and UK generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

The Credit Union Annual Accounts are required by law to give a true and fair view of the State of the Affairs of the Credit Union as at the end of the Financial Year and of the Income and Expenditure of the Credit Union for the Financial Year.

In preparing these Annual Accounts, the Directors are required to:

- Select suitable Accounting Policies and apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable Irish Accounting Standards have been followed, subject to any material departures disclosed and explained in the Annual Accounts; and
- Prepare the Annual Accounts on the Going Concern basis, unless it is inappropriate to presume that the Credit Union will continue in business.

In addition to the annual accounts, Statutory Instrument 1 of 2016 requires the Directors to prepare and include, for each Financial Year, additional Disclosures and Statements, each containing prescribed information relating to the business of the Credit Union.

### Directors' Responsibilities for Accounting Records and Internal Controls

The Directors are responsible for ensuring that the Credit Union:

- Keeps proper accounting records that disclose with reasonable accuracy at any time the financial position of the Credit Union, in accordance with the Act; and
- Takes reasonable care to establish, maintain, document and review such systems and controls as are appropriate to its business, in accordance with the Legislation and Guidance from the Central Bank of Ireland under the Credit Unions Acts and Statutory Instruments.

The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the Assets of the Credit Union and to prevent and detect fraud and other irregularities.

On behalf of the Board of Directors - Date: 19 October 2021



Chairperson

### Statement of Board Oversight Committee Responsibilities

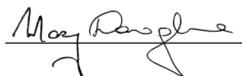
For the Year Ended 30 September 2021

The Credit Union Act 1997, as amended, requires the appointment of a Board Oversight Committee.

The Board Oversight Committee of a Credit Union shall assess whether the Board of Directors has operated in accordance with;

- Part IV of the Credit Union Act 1997, as amended, and any regulations made for the purposes of Part IV, and
- Any other matter prescribed by the Central Bank in respect of which they are to have regard to in relation to the Board of Directors.

On behalf of the Board Oversight Committee - Date: 19 October 2021



Chairperson

## Independent Auditors Report to the Members of St. Anthony's and Claddagh Credit Union Limited

### Opinion

We have Audited the Financial Statements of St. Anthony's and Claddagh Credit Union Limited for the year ended 30 September 2021, which comprise the Income and Expenditure Account, Balance Sheet, Statement of Changes in Reserves and Cash Flow Statement and notes to the Financial Statements, including the Summary of Significant Accounting Policies set out in Note 1. The Financial Reporting Framework that has been applied in their preparation is Irish Law and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

In our opinion, the Financial Statements:

- Give a true and fair view of the state of the Credit Union's affairs as at 30th September 2021 and its Income and Expenditure and Cash Flows for the year then ended;
- Have been properly prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- Have been properly prepared in accordance with the requirements of the Credit Union Act 1997, as amended.

### Basis for Opinion

We conducted our Audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland) and applicable law. Our responsibilities under those Standards are described below in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the Credit Union in accordance with ethical requirements that are relevant to our Audit of Financial Statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the Audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to Going Concern

In auditing the Financial Statements, we have concluded that the Directors' use of the 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

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report other than the Financial Statements and our Auditor's Report thereon. Our opinion on the Financial Statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our Audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the Audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the Financial Statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

### Respective Responsibilities

#### Responsibilities of Directors for the Financial Statements

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the Directors are responsible for assessing the Credit Union's ability to continue as a Going Concern, disclosing, as applicable, matters related to Going Concern and using the Going Concern basis of accounting unless Management either intends to liquidate the Credit Union or to cease operations, or has no realistic alternative but to do so.

#### Auditor's Responsibilities for the Audit of the Financial Statements

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

Further details relating to our work as Auditor is set out in the Scope of Responsibilities Statement which is located at: <http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Descriptionofauditorsresponsibilitiesforaudit.pdf>

#### The purpose of our Audit work and to whom we owe our responsibilities

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



**DUFFY BURKE & CO**  
AUDIT TAX ADVISORY

#### DBCO (Duffy Burke & Co)

Statutory Audit Firm & Certified Public Accountants  
Galway

Date: 19 October 2021

## Income and Expenditure Account for the year ended 30 September 2021

		2021 €	2020 €
Interest on Members Loans	Note 2	4,942,933	5,381,221
Interest on Investments	Note 3	1,039,449	1,050,691
Interest Payable and Similar Charges		-	-
<b>Net Interest Income</b>		<b>5,982,383</b>	<b>6,431,912</b>
Fees & Commissions Receivable	Note 4	9,742	28,912
Fees & Commissions Payable	Note 4	(825,484)	(679,166)
Other Operating Income	Note 5	120,261	3,979
<b>Total Net Income</b>		<b>5,286,901</b>	<b>5,785,637</b>
Employment Costs	Note 6	(2,534,595)	(2,488,830)
Management Expenses	Note 8	(1,955,082)	(2,010,589)
Depreciation & Amortisation	Note 11	(296,765)	(358,350)
<b>Operating surplus(Deficit) before Loan impairments and provisions</b>		<b>500,459</b>	<b>927,868</b>
Net (Impairments) Recoveries on Loans to Members	Note 10	241,008	(914,297)
Gains (Losses) on Investments		-	-
<b>(Deficit) Surplus for Year</b>		<b>741,467</b>	<b>13,571</b>
Other Comprehensive Income		-	-
<b>Total Income for Year</b>		<b>741,467</b>	<b>13,571</b>

Surplus for the Financial Year represents the Credit Union's total comprehensive income and is attributable to the Members of the Credit Union. Surplus for the year is derived from continuing operations.

The Financial Statements were approved by the Board on the 19 October 2021 signed on behalf of the Credit Union by:

C.E.O.:

Member of the Board of Directors:

Member of the Board Oversight Committee:

Balance Sheet as at 30 September 2021

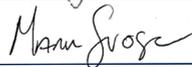
		2021 €	2020 €
<b>Assets</b>			
Cash & Cash Equivalents	Note 24	37,035,333	34,969,627
Deposits with Banks	Note 24	86,292,155	89,906,490
Debt Securities	Note 24	12,617,448	15,911,597
Central Bank	Note 24	11,029,415	11,030,068
Loans to Members	Note 9	62,393,348	64,981,023
Tangible Fixed Assets	Note 11	2,981,274	3,261,180
Fiontarlann Teoranta CLG	Note 7	77,147	105,955
Other Receivables		1,082,964	1,151,346
<b>Total Assets</b>		<b>213,509,084</b>	<b>221,317,286</b>
<b>Liabilities</b>			
Members Shares	Note 12	169,288,085	178,119,532
Members Deposits	Note 12	13,052,094	13,704,229
Members Current Accounts	Note 12	969,503	74,801
Members Car Draw	Note 12	3,618	-
Accruals & Deferred Income		730,233	684,962
Provisions for Liabilities		106,623	86,126
<b>Total Liabilities</b>		<b>184,150,156</b>	<b>192,669,650</b>
<b>Assets less Liabilities</b>		<b>29,358,927</b>	<b>28,647,636</b>
<b>Reserves</b>			
Regulatory Reserve		23,506,427	23,506,427
Other Reserves		5,852,500	5,141,209
<b>Total Reserves</b>		<b>29,358,927</b>	<b>28,647,636</b>

The Financial Statements were approved by the Board on the 19 October 2021 signed on behalf of the Credit Union by:

C.E.O.:



Member of the Board of Directors:



Member of the Board Oversight Committee:




## Statement of Reserves and Changes in Members Interests

	Regulatory Reserve €	Operational Risk Reserve €	Distributions Reserve €	General Reserve €	Community Reserve €	Retained Earnings €	Total Reserves €
Balance 30/09/2020	23,506,427	1,000,000	1,727,049	1,513,672	194,564	705,924	28,647,636
Surplus	-	-	-	-	-	741,467	741,467
Allocations	-	-	-	-	-	-	-
Distributions	-	-	(58)	-	(30,117)	-	(30,175)
30/09/2021	23,506,427	1,000,000	1,726,991	1,513,672	164,447	1,447,391	29,358,929
Balance 30/09/2019	22,086,427	1,000,000	1,969,056	2,933,672	246,286	692,353	28,927,794
Surplus	-	-	-	-	-	13,571	13,571
Allocations	1,420,000	-	-	(1,420,000)	-	-	-
Distributions	-	-	(242,007)	-	(51,722)	-	(293,729)
30/09/2020	23,506,427	1,000,000	1,727,049	1,513,672	194,564	705,924	28,647,636

**Statutory Percentages and Regulatory Capital**

The Credit Union Act 1997, as amended, and Regulations require the Credit Union to maintain Statutory Capital and Ratios in relation to its Assets and Liabilities.

	Requirement	30/09/2021
Regulatory Reserve	10% of Assets	11.01%
Operational Risk Reserve	As determined by the Board	0.47%

- I. The Credit Union Policy is to maintain sufficient Capital Resources in order to support its growth, continue its lending and exceed the Minimum Capital Requirements set by the Central Bank of Ireland. The Credit Unions related Policies on Strategy, Risk and Financial Management set out the Governance processes which are followed in order to ensure these requirements are met. There have been no reported breaches of Capital Requirements during the year and there have been no material changes to the way in which the Credit Union manages its Capital compared to the prior year.
- II. Reserves contributing to Regulatory Capital must be Realised Unrestricted and Non-Distributable. The Board must maintain Regulatory Capital at or above 10% of Assets. Regulatory Capital excludes amounts set aside for impairments.
- III. The Board determines from ongoing Risk Assessments the amount held as an Operational Risk Reserve, based on the likely cost of risk events. This must be expressed as a percentage of Assets. The Credit Union must also hold funds in Operational Risk for the purposes of its Member Personal Current Account Services (MPCAS). This amount shall be determined from time based on the present value of obligations to the Members based on percentages as advised by the Central Bank of Ireland. The current MPCAS risk reserve amount is €250,000.
- IV. Community Reserves are set aside in accordance with the provisions of S44 of the Credit Union Act 1997, as amended, funds are utilised for social, cultural and charitable purposes, allocations are approved at Annual General Meetings.

## Cash Flow Statement at 30 September 2021

	2021 €	2020 €
<b>Cash flows from Operating Activities</b>		
Surplus (Deficit) for Year	741,467	13,571
Depreciation	296,765	358,350
Loan Impairments	(305,729)	815,882
<b>Total</b>	<b>732,502</b>	<b>1,187,803</b>
<b>Changes in Operating Assets &amp; Liabilities</b>		
Net Movements in prepayments & Accrued Income	97,190	95,617
Net Movements in Accruals & other Liabilities	964,088	54,991
Movements in Net Loans to Members	2,893,404	2,714,521
Movements in Members' Shares	(8,831,447)	11,323,039
Movements in Members' Deposits	(652,135)	2,060,689
<b>Net Cash generated by Operating Activities</b>	<b>(4,796,398)</b>	<b>17,436,660</b>
<b>Cash flows from Investing Activities</b>		
Net Movement in Investments & Cash	6,909,137	(17,125,935)
Purchase of Fixed Assets	(16,859)	(26,617)
<b>Net Cash generated by Investing Activities</b>	<b>6,892,278</b>	<b>(17,152,552)</b>
<b>Cash flow from Financing Activities</b>		
Dividends and Rebates paid in year	(58)	(242,007)
Community Reserve Distributions	(30,117)	(51,722)
<b>Net Cash (used in) generated by Financing Activities</b>	<b>(30,175)</b>	<b>(293,729)</b>
Net (Decrease) Increase in Cash & Cash Equivalents	2,065,705	(9,621)
Cash & Cash Equivalents at beginning of year	34,969,627	34,979,248
<b>Cash &amp; Cash Equivalents at end of year</b>	<b>37,035,333</b>	<b>34,969,627</b>
<b>Analysis of the Balances of Cash &amp; Cash Equivalents shown in the Balance Sheet</b>		
Cash in Hand	22,491,572	20,471,809
Investments Repayable within 3 Months	14,543,761	14,497,818
<b>Total</b>	<b>37,035,333</b>	<b>34,969,627</b>

## Notes to and forming part of the Accounts for the Year Ended 30 September 2021

### 1. Principal Accounting Policies and Information

#### 1.1. General Information

The Credit Union is registered under the Credit Union Act 1997, as amended, and Regulated by the Central Bank of Ireland. The address of the Registered Office is 8/9 Mainguard Street, Galway.

#### 1.2. Statement of Compliance

The Financial Statements of the Credit Union are prepared in accordance with the Credit Union Act 1997, as amended, incorporating the Credit Union Act 1997 (Regulatory Requirements) Regulations 2016, Ireland UK applicable Accounting Standards including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" (FRS 102) updated March 2021.

#### 1.3. Accounting Convention

The Credit Union has prepared the Annual Accounts in accordance with the Credit Union Act 1997, as amended, to include Statutory Instrument 1 of 2016 and Financial Reporting Standard 102:

The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

In preparing the Annual Accounts under FRS 102, the use of certain critical account estimates and judgements has been required. The areas involving a higher degree of judgement or areas where assumptions and estimates are significant to the Annual Accounts, are set out in Note 1.15.

The Annual Accounts have been prepared under the Historical Cost Convention. The presentation currency of the Annual Accounts is Euro.

#### 1.4. Going Concern

The current economic conditions present risks and uncertainties for all businesses. The Directors have carefully considered the risks and uncertainties and the extent to which they might affect the preparation of the Financial Statements on a Going Concern basis. The Directors consider that:

- The Credit Union maintains an appropriate level of liquidity sufficient to meet the normal demands of the business and the requirements which might arise in stressed circumstances
- The availability and quality of liquid assets is such that it ensures funds are available to repay exceptional demand from its Members
- Other assets are primarily in the form of personal loans both secured and unsecured. Regular assessment of the recoverability of all loans is undertaken and provision made where appropriate, and
- Reasonable surpluses have and will be generated in order to keep Capital at a suitable level to meet Regulatory Requirements

As discussed in the Director's Report, the Directors are satisfied that the Credit Union has adequate resources to continue in business for the foreseeable future. For this reason, the Accounts are prepared on a Going Concern basis.

#### 1.5. Interest Income and Expense

Interest Income and Interest Expense for all interest bearing Financial Instruments are recognised in 'Loan or Investment Interest Receivable and Similar Income' or 'Interest Payable and Similar Charges' using the effective interest rates of the Financial Assets or Financial Liabilities to which they relate.

The effective interest rate is the rate that discounts the expected future cash flows, over the expected life of the Financial Instrument, to the net carrying amount of the Financial Asset or Liability.

There are no fees receivable or payable in relation to Members loan advances or settlements.

Interest on Impaired Financial Assets is recognised at the original effective interest rate of the Financial Asset, applied to the carrying amount as reduced by an allowance for impairment.

### 1.6. Commissions & Other Income

Commission and Other Income Receivable from the sale/transaction of third party products is recognised on fulfilment of contractual obligations, that is when products are completed.

### 1.7. Cash and Cash Equivalents

For the purpose of the Cash Flow Statement, cash comprises cash in hand and amounts with banks repayable on demand. Cash Equivalents comprise highly liquid, unrestricted Investments that are readily convertible into cash with an insignificant risk of changes in value with original maturities of less than three months. The Cash Flow Statements has been prepared using the direct method. Funds with the Central Bank are accounted for as Deposit and shown disclosed as Assets, however, the Credit Union does not have access to the funds in line with Minimum Reserve Requirements of the Bank.

### 1.8. Financial Assets

The Credit Union initially recognises Loans, Deposits and Debt Securities on the date on which they originated. All other Financial Instruments are recognised on the trade date, being the date on which the Credit Union becomes a party to the contractual provision of the Instrument.

#### a) Loan Commitments

The Credit Union's Loans and advances to Members are classified as Loan Commitments. Loans and advances are non-derivative Financial Assets with fixed or determinable payments that are not quoted in an active market.

The Credit Union measures its Loans and advances at Amortised Cost less Impairment Provisions. The amortised cost of a Financial Asset is the amount at which the Financial Asset is measured at initial recognition, minus principal repayments, plus the cumulative amortisation using the effective interest rate method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment. The initial value recognised is the amount of the contractual loan issued to the borrower.

#### b) Debt Instruments & Deposits

Debt Instruments are non-derivative assets with fixed or determinable payments and fixed maturity that the Credit Union has the positive intent and ability to hold to maturity, and which unless otherwise stated, are not designated as at fair value through the Income Statement. Debt Investments are carried at amortised cost using the effective interest rate method (see above), less any impairment losses. The Credit Union derecognises a Financial Asset when its contractual rights to a cash flow are discharged or cancelled, or expire or substantially all the risks and rewards of ownership have been transferred. In the case of Loans to Members, Loans will be derecognised usually when all amounts outstanding have been repaid. The Credit Union does not transfer loans to third parties.

### 1.9. Financial Liabilities Measured At Amortised Cost

The Credit Union classifies its Financial Liabilities, other than Financial Guarantees and Loan Commitments, as measured at amortised cost. The Credit Union derecognises a Financial Liability when its contractual obligations are discharged or cancelled, or expire. Members Shares and Deposits are measured at amortised cost and recognised when received in cash, and subsequently at amortised cost.

### 1.10. Impairment of Financial Assets

#### a) Assets carried at Amortised Cost

A Financial Asset or group of Financial Assets are impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the Asset(s) and that the loss event has an impact on the future cash flows of the Asset(s) that can be estimated reliably. Throughout the year, and at each year end, individual assessments are made of all Loans and advances and also against properties which are in possession or in arrears by three months or more and/or are subject to forbearance activities. Individual impairment provisions are made against those Loans and advances where there is objective evidence of impairment.



## 1.10. Impairment of Financial Assets (continued)

Objective evidence of impairment may include:

- Significant financial difficulty of the borrower/issuer;
- Deterioration in payment status;
- Renegotiation of the terms of an asset due to financial difficulty of the borrower or issuer, including granting a concession/forbearance to the borrower or issuer;
- Becoming probable that the borrower or issuer will enter bankruptcy or other financial reorganisation; and
- Any other information discovered during regular review suggesting that a loss is likely in the short to medium term.

The Credit Union considers evidence of impairment for Assets carried at amortised cost at both an individual asset and a collective level. Those found not to be individually impaired are then collectively assessed for any impairment that has been incurred but not yet identified by grouping together loans and advances and held to maturity investments with similar risk characteristics.

In assessing collective impairment, the Credit Union uses its historical loss experience and certain observable local data to build a risk weighted modelling of historical trends of the probability of default, the timing of recoveries and the amount of loss incurred. Default rates, loss rates and the expected timing of future recoveries are regularly benchmarked against actual outcomes to ensure that they remain appropriate.

Impairment losses on assets measured at amortised cost are calculated as the difference between the carrying amount and the present value of estimated future cash flows discounted at the Asset's original effective interest rate.

In considering expected future cash flows, account is taken of any discount which may be needed against the value of any property or guarantee at the Balance Sheet date thought necessary to achieve a sale. The Credit Union participates in an Industry wide Insurance Scheme for the recovery of certain loans on the death or disability of its Members. The costs of the Insurance is funded by the Credit Union as an Operational Expense.

Where certain emerging impairment characteristics are considered significant but not assessed as part of the Impairment Calculation, the Board may elect to apply an override to the Impairment Provision. The amount of Impairment Loss is recognised immediately through the Income Statement and a corresponding reduction in the value of the Financial Asset is recognised through the use of Provisions.

### b) Forbearance Strategies and Renegotiated Loans

A range of Forbearance options are available to support Members who are experiencing Financial difficulty. The purpose of forbearance is to support Members who have temporary financial difficulties and help them enter into payment arrangements which are mutually beneficial to the Member and the Credit Union.

The main options offered by the Credit Union include:

- Reduced Monthly Payment;
- An arrangement to clear outstanding arrears; and
- Extension of Loan Term.

Members requesting a forbearance option will need to provide information to support the request which is likely to include a budget planner, statement of assets and liabilities, bank/credit card statements, payslips etc., in order that the request can be properly assessed. If the forbearance request is granted, the account is monitored in accordance with Central Bank Requirements. The Credit Union is obligated to retain Specific Provisions against Rescheduled Loans until the maturity of the balance. At the appropriate time, the forbearance option that has been implemented is cancelled and the Member's normal contractual payment is restored, however, provisions are retained on the account.

### 1.11. Tangible Assets Property Plant and Equipment

Additions and improvements to Office Premises and Equipment, including costs directly attributable to the acquisition of the Asset, are capitalised at cost. In the Balance Sheet, the value of Property, Plant and Equipment represents the original cost, less cumulative depreciation.

The costs are depreciated over their estimated useful economic lives as follows:

- Premises - 50 years straight line
- Fixtures & Fittings - 10 years straight line
- Office Equipment - 5 years straight line and 20% written down value

Assets are reviewed for impairment at each Balance Sheet date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An Asset's carrying amount is written down immediately to its recoverable amount if the Asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the Asset's fair value less costs to sell and its value in use.

### 1.12. Retirement Benefits

The Credit Union 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 the Credit Union 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, the Credit Union 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.

### 1.13. Taxation

The Credit Union is not liable to Income Tax on its activities as a Credit Union.

### 1.14. Provisions and Contingent Liabilities

The Credit Union has an obligation to contribute to the Deposit Guarantee Scheme to enable the Central Bank to meet compensation claims from, in particular, retail depositors of failed Financial Institutions. A Provision is recognised to the extent it can be reliably estimated and when the Credit Union has an obligation in accordance with International Financial Reporting Interpretation Committee, Interpretation 21: Levies. The amount provided is based on information received from the Central Bank of Ireland and the Credit Unions covered Savings balances at its Year End. Contingent Liabilities are potential obligations from past events which shall be confirmed by future events. Contingent Liabilities are not recognised in the Balance Sheet.

### 1.15. Accounting Estimates and Judgements

The Credit Union makes estimates and judgements that affect the reported amounts of Assets and Liabilities. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. These are described below:

(a) Impairment Losses on Loans and Advances to Members

The Credit Union reviews its Loan Book at least on a quarterly basis to assess impairment.

In determining whether an impairment loss should be recorded, the Credit Union is required to exercise a degree of judgement. Impairment provisions are calculated using historical arrears experience, modelled credit risk characteristics and expected cash flows.



## 1.15. Accounting Estimates and Judgements (continued)

(b) Determination of depreciation, useful economic life and residual value of tangible fixed assets.

The annual depreciation charge depends primarily on the estimated useful economic life of each type of asset and also, estimates of residual values. The Directors review the useful lives and residual values on an annual basis 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.

c) Interest on Members Loans is accrued regularly, loans are considered impaired when past due, the Credit Union uses judgement to determine the impairment amount on loan interest.

## 1.16. Dividends and other Returns to Members

The Credit Union determines its Distributions to Members annually based on its Policy Statement which reflects that Distributions are made from Current year's Surplus or Reserves set aside for that purpose. The Board in determining the level of Distribution considers its ongoing capital requirements, budgetary needs, financial risks and Members expectations of prevailing economic conditions. It is the Policy of the Board to then propose a return to Members. The Credit Union accounts for Dividends and Rebates of Loan Interest when Members ratify such payments at the A.G.M.

No liability to pay a Distribution exists until the majority of Members vote at the A.G.M.

## 2. Interest on Members Loans

	2021 €	2020 €
Loan Interest Received in year	4,775,470	5,167,766
Accrued Interest at 30 September	167,463	213,455
	<hr/>	<hr/>
Total Interest on Members Loans	4,942,933	5,381,221
	<hr/> <hr/>	<hr/> <hr/>

Included within Loan Interest Receivable are amounts of €30,689 (2020:€58,768) in respect of Interest Income Accrued on Impaired Loans in arrears. The Credit Union impairs Loan Interest Accrued until received in cash.

## 3. Investment Income Receivable

Interest Receivable and Accrued in the Annual Accounts is due as follows at the year end. When listed, other Accrued Income refers to amounts earned but unrealised at the Balance Sheet date, not being distributable by the Credit Union and is placed to the Investment Reserves, and released to Distributable Reserves when it becomes realised.

	2021 €	2020 €
Interest Received at Balance Sheet Date	518,328	607,426
Receivable within 12 months of the Balance Sheet Date	545,270	573,759
(Premiums) /Discount Amortisation	(24,149)	(130,494)
	<hr/>	<hr/>
Total Investment Income	1,039,449	1,050,691
	<hr/> <hr/>	<hr/> <hr/>

# FINANCIAL STATEMENTS FOR YEAR ENDED 30 SEPTEMBER 2021

## 4. Fees and Commissions

	2021 €	2020 €
<b>Fees Receivable</b>		
Current Account Fees	868	(973)
Entrance Fees	1,317	1,078
Other Commissions	7,557	28,807
<b>Total Receivable</b>	<b>9,742</b>	<b>28,912</b>
<b>Fees and Commissions Payable</b>		
Banking Fees and Charges	273,977	145,388
Regulatory Fees and Levies	325,020	354,031
ILCU, CUDA & Other Association Costs	81,932	81,790
Current Account Costs	63,452	56,200
Other Commissions and Subscriptions	81,104	41,757
<b>Total Fees and Commissions Payable</b>	<b>825,484</b>	<b>679,166</b>

## 5. Other Operating Income

	2021 €	2020 €
LP/LS Rebate	117,975	-
Cash Over / (Short)	2,286	3,979
<b>Total</b>	<b>120,262</b>	<b>3,979</b>

## 6. Employees

The average number of persons employed by the Credit Union during the year was as follows:

	2021	2020
Full time Staff	29	29
Part time Staff	16	16
<b>Total</b>	<b>45</b>	<b>45</b>

	2021 €	2020 €
Salaries	1,995,515	1,973,566
Tax and Social Welfare	218,673	214,471
Pension Costs	292,148	291,946
Other Staff Costs	28,259	8,847
	<b>2,534,595</b>	<b>2,488,830</b>

## Key Management Compensation

Key Management includes the Officers (Directors and those Staff Members) with responsibility for specific aspects of the Credit Unions business on an individual or Committee basis. Under Sec 68 (1) of the Credit Union Acts, Directors are prohibited from earning any compensation directly or indirectly in the performance of their function as a Director or Member of a Principal Committee.

The section also prohibits payments to Members of the Board Oversight Committee.

The compensation paid or payable to Key Management for employee services is shown overleaf.

## 6. Employees (continued)

	2021 €	2020 €
Salaries	839,217	845,266
Pension Costs	127,901	127,462
Total Key Management Compensation	<u>967,118</u>	<u>972,728</u>

## 7. Remuneration of and Transaction with Officers and Related Parties

### Transactions with Officers

The Credit Union is prohibited from making a loan to a related party which would provide that party with more favourable terms than a loan by the Credit Union to non-related parties (including, without limitation, terms as to credit assessment, duration, interest rates, amortisation schedules, collateral requirements). Officers of the Credit Union under arm's length transactions and in the normal course of business in their capacity as Members of the Credit Union, had the following transactions and balances at the year end.

	2021 €	2020 €
Savings Balances	149,425	437,275
Loan Balances	285,124	176,357
Loans Issued	218,650	199,650
Loans outstanding as a % of Overall Loans	<u>0.44%</u>	<u>0.26%</u>

Christmas and retirement gifts presented to those who served as Directors or voluntary assistants during the year amounted to €1,000.

### Transactions with Related Parties

S.I. No. 1 of 2016, PART 8, requires the Disclosure of the total amount of Loans outstanding to Related Parties and the Loans to such persons as a percentage of the Total Loans Outstanding. According to the Credit Union Act 1997 (Regulatory Requirements) Regulations 2016 Related Parties are (a) a Member of the Board of Directors or the Management Team of a Credit Union; (b) a Member of the family of a Member of the Board of Directors or the Management Team of a Credit Union; or (c) a Business in which a Member of the Board of Directors or the Management Team of a Credit Union has a significant shareholding (10%). A family member means in relation to any person, that person's father, mother, spouse or civil partner, cohabitant, son, daughter, brother, or sister.

	2021 €	2020 €
Loans to Family Members	31,758	38,996
Loans outstanding as a % of Overall Loans	<u>0.05%</u>	<u>0.06%</u>

## 7. Remuneration of and Transaction with Officers and Related Parties (continued)

### Community Loan – Fiontarlann Teoranta

St Anthony's & Claddagh Credit Union has the authority to appoint the majority of the Board of Directors to the Company. In 2000/2001, the Credit Union advanced at arm's length a loan to the sum of €949,898 at an interest rate of 2% per annum on a reducing balance basis. The transactions between the Company and the Credit Union for the year are as follows:

	2021 €	2020 €
At 1 October	105,955	139,142
Interest Charge	192	813
Repaid in year	(29,000)	(34,000)
	<hr/>	<hr/>
at 30 September	77,147	105,955
	<hr/> <hr/>	<hr/> <hr/>

Fiontarlann Teoranta owed the Credit Union €63,392 for services rendered at 30th September 2021. Cost incurred by the Credit Union in the provision of service and expense was €13,468.

## 8. Management Expenses

	2021 €	2020 €
Rent & Rates	5,513	31,836
Light, Heat & Cleaning	80,780	79,716
Repairs & Renewals	15,230	26,279
Printing & Stationery	13,110	8,771
Postage & Telephone	76,111	73,015
Donations & Sponsorship	1,229	3,961
Promotion & Advertising	168,622	178,855
Training Costs	15,301	35,229
Convention Expenses	-	4,661
Chapter Expenses	10,935	10,581
AGM Expenses	36,978	40,276
Travel & Subsistence	6,653	20,507
Social & Entertainment	-	5,874
Audit Fees	52,376	43,415
General Insurance	81,473	86,366
Share & Loan Insurance	665,702	639,830
Legal & Professional Fees	166,130	145,958
Equipment Maintenance	143,723	141,324
Computer Equipment & Licences	315,269	306,056
Service Charges	24,489	27,750
Security Expenses	46,279	64,665
Miscellaneous Expenses	26,961	31,505
Cash Short	2,219	4,159
	<hr/>	<hr/>
Total	1,955,082	2,010,589
	<hr/> <hr/>	<hr/> <hr/>



## FINANCIAL STATEMENTS FOR YEAR ENDED 30 SEPTEMBER 2021

### 9. Loans to Members

	2021 €	2020 €
Loans Secured by First Legal Charge	263,458	364,426
Loans Fully Secured by Savings	11,269,379	12,083,011
All Other Loans	53,386,959	55,365,763
<b>Total Loans</b>	<b>64,919,796</b>	<b>67,813,200</b>
As at 1st October	67,813,200	70,527,721
Loans Advanced in Year	28,813,752	28,421,842
Repaid in Year	(31,371,427)	(30,837,313)
Written Off in Year	(335,729)	(299,050)
<b>Gross Loans Outstanding</b>	<b>64,919,796</b>	<b>67,813,200</b>
Impairments (see Note)	(2,526,448)	(2,832,177)
<b>Net Loans Outstanding</b>	<b>62,393,348</b>	<b>64,981,023</b>

The remaining contractual maturity of loans to Members from the Balance Sheet date is as follows, though this may not reflect the actual pattern of repayments as loans may be prepaid or fall into arrears.

	2021 €	2020 €
Not more than 1 year	2,469,678	2,876,337
More than 1 year, less than 3 years	14,566,446	16,490,270
More than 3 years, less than 5 years	22,285,183	22,731,573
More than 5 years, less than 10 years	21,760,748	21,358,286
More than 10 years	3,837,741	4,356,734
Less Impairments	(2,526,448)	(2,832,177)
<b>Total Loans</b>	<b>62,393,348</b>	<b>64,981,023</b>

### 10. Impairment Provisions for Loans to Members

#### Loan Provision Account for Impairment Losses

The Credit Union accounts for Impairments on Loans as outlined in Note 1. The movement in Provisions during the year is outlined as follows.

	2021 €	2020 €
<b>At 1 October</b>		
Collective Provision	2,195,402	1,343,077
Individual Provision	636,775	673,217
<b>Total</b>	<b>2,832,177</b>	<b>2,016,294</b>

## FINANCIAL STATEMENTS FOR YEAR ENDED 30 SEPTEMBER 2021

10. Impairment Provisions for Loans to Members (continued)	2021 €	2020 €
<b>Charges to Provisions</b>		
Collective Provision	(245,109)	852,325
Individual Provision	275,209	262,608
	30,100	1,114,933
<b>Release of Provisions</b>		
Collective Provision	-	-
Individual Provision	(335,829)	(299,050)
	(335,829)	(299,050)
<b>At 30 September</b>		
Collective Provision	1,950,293	2,195,402
Individual Provision	576,155	636,775
Total	2,526,448	2,832,177
<b>Net Recoveries or Losses Recognised for the Year</b>	<b>2021 €</b>	<b>2020 €</b>
Bad Debts Recovered	271,008	200,635
Net Movements in Impairments	305,729	(815,883)
Bad Debts Written Off	(335,729)	(299,050)
Net Recoveries (Losses) recognised in Year	241,008	(914,297)

## 11. Tangible Fixed Assets

	Land & Buildings €	Fixtures & Fittings €	Computer Equipment €	Total €
<b>Cost/Valuation</b>				
30/09/2020	3,044,982	810,115	1,124,117	4,979,214
Additions in year	-	3,627	18,150	21,777
On Disposal		(4,918)		(4,918)
30/09/2021	3,044,982	808,824	1,142,267	4,996,073
<b>Depreciation</b>				
30/09/2020	548,097	400,949	768,988	1,718,034
Charge for the year	60,899	76,003	159,863	296,765
30/09/2021	608,996	476,952	928,851	2,014,799
<b>Net Book Values</b>				
30/09/2021	2,435,986	331,872	213,416	2,981,274
30/09/2020	2,496,885	409,166	355,129	3,261,180

Computer Fixed Assets comprise purchased software and licenses that are an integral part of a related hardware. The Directors obtained an independent market valuation of its offices at Mainguard Street, Oughterard, and Westside Shopping Centre at September 2020. Having considered valuations the Board conclude there is no change in the carrying value of the premises at Balance Sheet date.

## 12. Members Savings

Members Savings are distinguished between those which are unconditionally repayable on demand and those which are committed or otherwise pledged to the Credit Union by virtue of loans or guarantees. The Credit Union retains rights to exercise liens over savings where a Member has an outstanding liability to the Credit Union in accordance with Section 20 of the Credit Union Act 1997, as amended.

	2021 €	2020 €
On Demand	157,159,154	164,640,448
Committed	25,181,025	27,183,313
<b>Total Savings</b>	<b>182,340,179</b>	<b>191,823,761</b>

### 12.1 Members Shares

	2021 €	2020 €
Shares at 1 October	178,119,532	166,796,493
Receipts	58,374,324	72,824,211
Withdrawals	(67,205,771)	(61,501,172)
<b>Shares at 30 September</b>	<b>169,288,085</b>	<b>178,119,532</b>

### 12.2 Members Deposits

	2021 €	2020 €
Deposits at 1 October	13,704,229	11,643,540
Receipts	16,600,161	15,859,782
Withdrawals	(17,252,296)	(13,799,092)
<b>Deposits at 30 September</b>	<b>13,052,094</b>	<b>13,704,229</b>

Interest on Deposits is declared annually by the Board, creditors contain interest payable of €0, (2020: €0).

## 13. Members Personal Current Accounts

	Number of Accounts	2021 €	2020 €
Debit Balances	16	(382)	(3,295)
Credit Balances	519	969,885	78,096
Permitted Overdrafts	8	-	-
<b>Total</b>		<b>969,503</b>	<b>74,801</b>

## 14. Creditors & Accruals

	2021 €	2020 €
Other Liabilities due within One Year comprise		
Creditors	285,291	345,348
Accruals	444,942	339,614
<b>Total</b>	<b>730,233</b>	<b>684,962</b>

## 15. Provision for Liabilities

Provision for Liabilities include the following:

### Deposit Guarantee Scheme and Levies

The Credit Union is obliged to hold Minimum Deposits with the Central Bank of Ireland in the form of Minimum Reserves and Deposits under the Deposit Guarantee Scheme. The Credit Union is liable for the charge at 0.02% of covered savings until 2024.

### Provision for Employee Benefits

Provision for Employee Benefits relate to Holiday Pay. The Holiday year runs from 1 January to 31 December each year and as at 30 September 2021 the Credit Union employees have accrued holiday entitlement which will be paid to them in the following Financial year.

	2021 €	2020 €
<b>Provision for Liabilities</b>		
Short term Payroll Accruals	50,408	50,464
Central Bank Levies	56,215	35,662
	106,623	86,126

## 16. 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.

## 17. Interest Charged on Members Loans

Interest on Members Loans is charged in accordance with the Credit Unions registered rules and the Credit Union Act 1997, as amended.

## 18. Retirement Benefits

### Retirement Benefits

The Credit Union contributed to the Industry Scheme with the Irish league of Credit Unions which is a Defined Benefit Scheme. 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 2020 using the Projected Unit valuation method. The principal actuarial assumption used in the valuation was the investment return would be 1.25% higher than the annual salary increases. The market value of the Scheme's Assets at 1 March 2020 was €250m. The actuarial valuation disclosed a past service deficit of €41.8m at 29 February 2020 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. 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. The principal employer and trustees have undertaken a review of the Scheme and are in the process of considering a Section 50A application to the Pensions Authority which delivers benefits to Scheme Members while maintaining the existing contribution rate.

There are no Provisions in respect of Contributions required at the Balance Sheet date.



### 19. Returns to Members

At the 30th of September, the Directors have not proposed a return to Members. Prior year amounts represent a Dividend on Shares of 0.00% (€Nil) and a Rebate of Loan Interest at 0% on Standard Rate Loans and 0% on Standard Rate Loans with First Legal Charge (€Nil).

### 20. Community and Charitable Distributions

The Board propose the transfer of €0 to the Community Reserve, distributions made in the year refer to amounts previously authorised by Resolution of the Majority of Members voting at the A.G.M.

### 21. Post Balance Sheet Events

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

### 22. Capital Commitments

There were no Capital Commitments either contracted for or approved by the Board at the year end.

### 23. Financial Instruments

The Credit Union is a retailer of Financial Instruments in the form of Personal loans and Savings products, and also uses Financial Instruments to invest in Liquid Assets and manage its Surplus Funds. The Credit Union does not raise funds from wholesale money markets in support of its retail operations. The Credit Union has a formal structure for managing risk, including formal risk policies, risk limits, reporting structures, mandates and other control procedures. This structure is reviewed regularly by the Board. The Credit Union does not use any Derivative Financial Instruments, nor enter into any Financial Instruments for trading or speculative purposes. The Credit Unions Assets and Liabilities are measured on an ongoing basis at amortised cost. The table overleaf analyses the Credit Unions Assets and Liabilities by category to which they are recognised and measured in accordance with Accounting Policies in Note 1.

### 23. Financial Instruments (to be continued on the following page)

23. Financial Instruments (continued)

Carrying Value by Category 30th September 2021

	Debt Instruments at Amortised Cost	Debt Instruments at Fair Value	Financial Liabilities at Amortised Cost	Other Financial Instruments at Amortised Cost	Total
	€	€	€	€	€
<b>Assets</b>					
Cash and Equivalents	37,035,333	-	-	-	37,035,333
Bank Deposits	86,292,155	-	-	-	86,292,155
Debt Securities	12,617,448	-	-	-	12,617,448
Members Loans	62,393,348	-	-	-	62,393,348
Central Bank	11,029,415	-	-	-	11,029,415
Other Loans	77,147	-	-	-	77,147
<b>Total Financial Assets</b>	<b>209,444,845</b>			<b>-</b>	<b>209,444,845</b>
<b>Non-Financial Assets</b>					<b>4,064,238</b>
<b>Total</b>					<b>213,509,083</b>
<b>Liabilities</b>					
Savings	-	-	182,340,179	-	182,340,179
Creditors and Provisions	-	-	840,474	-	840,474
Current Accounts	-	-	969,503	-	969,503
<b>Total Financial Liabilities</b>			<b>184,150,156</b>		<b>184,150,156</b>
<b>Reserves</b>					<b>29,358,927</b>
<b>Total</b>					<b>213,509,083</b>

Carrying Value by Category 30th September 2020

	Debt Instruments at Amortised Cost	Debt Instruments at Fair Value	Financial Liabilities at Amortised Cost	Other Financial Instruments at Amortised Cost	Total
	€	€	€	€	€
<b>Assets</b>					
Cash and Equivalents	34,969,627	-	-	-	34,969,627
Bank Deposits	89,906,490	-	-	-	89,906,490
Debt Securities	15,911,597	-	-	-	15,911,597
Members Loans	64,981,023	-	-	-	64,981,023
Central Bank	11,030,068	-	-	-	11,030,068
Other Loans	105,955	-	-	-	105,955
<b>Total Financial Assets</b>	<b>216,904,760</b>			<b>-</b>	<b>216,904,760</b>
<b>Non-Financial Assets</b>					<b>4,412,526</b>
<b>Total</b>					<b>221,317,286</b>
<b>Liabilities</b>					
Savings	-	-	191,823,761	-	191,823,761
Creditors and Provisions	-	-	771,088	-	771,088
Current Accounts	-	-	74,801	-	74,801
<b>Total Financial Liabilities</b>			<b>192,669,650</b>		<b>192,669,650</b>
<b>Reserves</b>					<b>28,647,636</b>
<b>Total</b>					<b>221,317,286</b>

## 23. Financial Instruments (continued)

### Liquidity Risk

Liquidity Risk is the risk that the Credit Union will encounter difficulty in meeting the obligations associated with its Financial Liabilities that are settled by delivering Cash or another Financial Asset. The Credit Union monitors liquidity requirements on a daily basis in line with specific policies in this area, approved by the Board and in line with Central Bank Requirements. The Liquidity Risk appetite is supported by qualitative and quantitative measures that are monitored by the Board on a monthly basis. The Credit Union's policy is to maintain sufficient funds in a liquid form at all times, to ensure that the Credit Union can cover all fluctuations in funding, retain public confidence in the solvency of the Credit Union and to enable the Credit Union to meet its financial obligations and regulatory ratios. The following table analyses the remaining contractual maturity of the Credit Union's Financial Assets and Liabilities. In practice, the contractual maturities are not always reflected in actual experience. For example, Loans to Members may be repaid ahead of contractual maturity or fall into arrears beyond that date. Members Savings accounts which are typically on demand can also be repaid later than on the earliest date on which repayment can be requested.

#### At the 30th September 2021

	Less than 1 year	More than 1 year, but not more than 3 years	More than 3 years but not more than 5 years	More than 5 year but not more than 10 years	More than 10 years	Total
Financial Assets	€	€	€	€	€	€
Cash & Cash Equivalents	37,035,333	-	-	-	-	37,035,333
Bank Deposits	3,632,573	7,259,175	41,500,407	33,900,000	-	86,292,155
Debt Securities	-	-	-	12,761,950	-	12,761,950
Members Loans	2,469,429	14,566,446	22,285,183	21,760,748	3,837,741	64,919,547
Other Loans	77,147	-	-	-	-	77,147
Funds at Central Bank	11,029,415	-	-	-	-	11,029,415
<b>Total Financial Assets</b>	<b>54,243,897</b>	<b>21,825,621</b>	<b>63,785,590</b>	<b>68,422,698</b>	<b>3,837,741</b>	<b>212,115,547</b>
Financial Liabilities						
Savings	158,934,522	8,209,569	9,060,021	5,520,491	615,326	182,339,929
Current Accounts	969,503	-	-	-	-	969,503
<b>Total Financial Liabilities</b>	<b>159,904,025</b>	<b>8,209,569</b>	<b>9,060,021</b>	<b>5,520,491</b>	<b>615,326</b>	<b>183,309,432</b>

At the year end, the Credit Union has Loan Commitments of €292,550 in the form of Loans Approved but undrawn/unissued pipeline.

#### At the 30th September 2020

	Less than 1 year	More than 1 year, but not more than 3 years	More than 3 years but not more than 5 years	More than 5 year but not more than 10 years	More than 10 years	Total
Financial Assets	€	€	€	€	€	€
Cash & Cash Equivalents	34,969,652	-	-	-	-	34,969,652
Bank Deposits	3,632,173	7,273,910	45,500,407	33,500,000	-	89,906,490
Debt Securities	-	-	3,274,998	12,761,950	-	16,036,948
Members Loans	2,876,337	16,490,270	22,731,573	21,358,286	4,356,734	67,813,200
Other Loans	38,813	48,000	19,142	-	-	105,955
Funds at Central Bank	11,030,068	-	-	-	-	11,030,068
<b>Total Financial Assets</b>	<b>52,547,043</b>	<b>23,812,180</b>	<b>71,526,120</b>	<b>67,620,236</b>	<b>4,356,734</b>	<b>219,862,312</b>
Financial Liabilities						
Savings	166,733,976	9,219,228	9,523,942	5,565,967	777,648	191,820,761
Current Accounts	74,801	-	-	-	-	74,801
<b>Total Financial Liabilities</b>	<b>166,808,777</b>	<b>9,219,228</b>	<b>9,523,942</b>	<b>5,565,967</b>	<b>777,648</b>	<b>191,895,562</b>

## 23. Financial Instruments (continued)

### Credit Risk

The Credit Union's Credit Risk arises from its portfolio of Loans to Members and from potential losses on Investments with other Financial Institutions that could result from the failure of Treasury Counterparties to observe the terms of the contract entered into. The Credit Union has no risk appetite for material credit losses, this is controlled through observations of Legislation and Regulations, the appointment of Committees, Credit quality rules, Underwriting standards and Counterparty limits.

All loan applications are assessed with reference to the Credit Union's Lending Policy. Changes to policy are approved by the Board and the approval of loan applications is mandated. Appropriate credit limits have been established by the Board for individual exposures and together with Central Bank Guidelines on credit exposures. Policies are continually monitored by the Board, Board Oversight Committee and Internal Audit. Credit Risk in respect of Treasury Counterparties is assessed using a number of methodologies to include rating agencies and Central Bank Regulations. For Treasury Related Counterparties, the Credit Union is limited to a maximum 20% exposure to any one Counterparty of Investments made.

The Credit Union's Maximum Credit Risk Exposure is detailed in the table below:

	2021 €	2020 €
Cash and Liquid Assets	37,035,333	34,969,652
Investments	109,939,018	116,973,506
Members Loans	65,086,978	67,919,155
Less Savings attached to Loans	(25,181,025)	(28,769,095)
Total Balance Sheet Exposure	186,880,303	191,093,218
Off Balance Sheet Loans approved but unissued	421,996	292,550
Total Exposure	187,302,299	191,385,768

### Credit Quality Analysis of Counterparties

The table below sets out information about the exposure the Credit Union has to Counterparties for Debt Securities, and Other Investments /Liquid Cash Deposits with Credit Institutions. Amounts held with Financial Institutions are analysed by their Moodys Credit rating at the year end.

Moody's Credit Rating	2021 €	2020 €
A	2,000,000	2,000,000
A1	43,902,098	42,961,893
A2	29,146,639	16,114,803
A3	26,000,000	26,000,000
Aa3	9,613,720	9,616,299
Baa1	4,943,742	4,937,231
Baa2	11,212,951	18,155,330
Baa3	2,960,000	2,991,453
Unrated		
Total Exposure	129,779,150	122,777,009

At the Balance Sheet date there are no Provisions for Impairment against any Investment made by the Credit Union.



## 23. Financial Instruments (continued)

### Credit Quality Analysis of Loans to Members

	2021 €	2020 €
Neither Past due nor Impaired	56,337,874	57,756,392
1 to 9 weeks	6,986,055	8,244,696
10 to 18 weeks	418,559	536,093
19 to 26 weeks	106,890	172,419
27 to 39 weeks	217,443	247,569
40 to 52 weeks	251,278	144,124
53 weeks plus	601,447	711,907
<b>Total</b>	<b>64,919,546</b>	<b>67,813,200</b>
<b>Impairment Allowance</b>		
Individual	612,597	673,217
Collective	1,913,851	2,158,960
<b>Total</b>	<b>2,526,448</b>	<b>2,832,177</b>

### Market Risk

Market Risk is the risk that the Fair Value of future cash flows of a Financial Instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency risk, interest rate risk and other price risk. Of these, only interest rate risk is significant for the Credit Union. The Credit Union is not directly exposed to currency risk as it deals only with products in Euro, and its products are only interest orientated so are not exposed to other pricing risks.

The Credit Union is exposed to movements in interest rates reflecting the mismatch between the dates on which interest receivable on Assets and interest payable on Liabilities are next reset to market rates or if earlier, the dates on which the instruments mature. The Credit Union manages this exposure on a regular basis, within the limits set by the Board, however, as the Credit Union only declares its Dividends at the Year End based on such market rates, the Board considers its sensitivity to such rates as marginal.

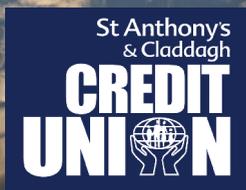
## 24. Comparative Information

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



Cover photo by **Chaosheng Zhang**.

To see more of his work see his Facebook, Instagram & Twitter accounts.



8/9 Mainguard Street  
Galway City Centre  
091 537200

Westside Shopping  
Centre, Galway  
091 537260

Bridge Street  
Oughterard, Co. Galway  
091 537280

[info@sacu.ie](mailto:info@sacu.ie)

Join us on:



[www.sacu.ie](http://www.sacu.ie)

St. Anthony's & Claddagh Credit Union is regulated by the Central Bank of Ireland.