

A photograph of a harbor scene at sunset. A large sailboat is in the foreground, its mast and rigging silhouetted against the colorful sky. The water reflects the boat and the sky. In the background, there are buildings and other boats. The overall mood is peaceful and scenic.

# **ANNUAL GENERAL MEETING 2020**

**Your Credit Union, Your Community**

## OUR SERVICES FOR YOU...

- **Loans**



- **New! Current accounts**



- **New! People Insurance**  
home, life & travel



## ONLINE

**New! LOANS:** apply online & have the loan paid into your bank account if approved

**New! FUNDS TRANSFER:** transfer money in & out of your Credit Union account

**KEEP TRACK:** view your account online with statements & live balances.

**CONNECT CARD:**  
Save as you spend,  
Support Local.



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## Virtual AGM



The Annual General Meeting for 2020 will take place online.

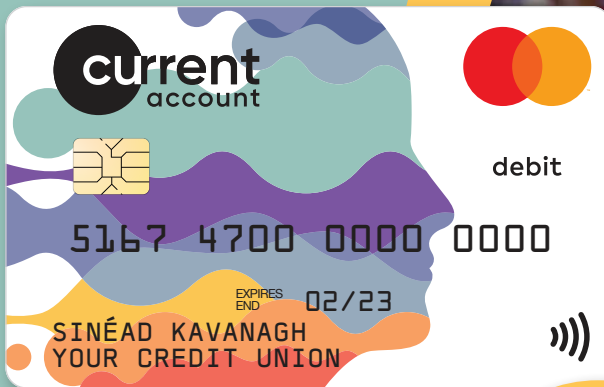
Date: **Wednesday, 21<sup>st</sup> April 2021**

Time: **7.30pm**

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

# Introducing Current Account from your Credit Union

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



## Finally, a real choice

Call in to a participating Credit Union  
or visit [currentaccount.ie](https://currentaccount.ie) to find out more.



# Available Now

**Current Account, provided by St. Anthony's & Claddagh Credit Union, gives you a real choice for your day-to-day financial needs.**

With instant access to your money through a Mastercard® Debit Card, online portal, and mobile functionality, you can pay your bills, withdraw cash and pay at point of sale, anywhere in the world.

Current Account is a full service current account, brought to you by your credit union. With low and transparent fees, it's more of what you would expect from your local credit union.

## Features & Benefits

- ✓ Same friendly service
- ✓ Globally accepted Mastercard Debit Card
- ✓ Use in-store, online or at ATMs
- ✓ Cashback available at participating retailers
- ✓ Contactless payments
- ✓ Transparent Fees
- ✓ Overdraft for unexpected expenses
- ✓ No surcharge interest on overdrafts
- ✓ Automate regular payments using Standing Orders & Direct Debits
- ✓ Stay in control with eStatements and eFee Advices
- ✓ Secure online shopping
- ✓ 24/7 support for lost/stolen debit cards
- ✓ **NEW, Google Pay™ & Fitbit Pay™ now available to make contactless payments wherever you see the contactless payment mark.**

## Important Information

In order for you to receive a Current Account, debit card or overdraft, you must be one of our members and resident in the Republic of Ireland. If you are 16 or 17 years of age, we require the consent of your parent or guardian for you to open an account. Terms and conditions apply. Overdrafts are available to Current Account holders aged 18 years or older. Lending criteria, terms and conditions apply.

**Ask a staff member for more details today.**

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

## 5 Projects / 5 Thogra



## 3 Partners / 3 Chomhpháirtí



Protecting those  
suffering  
Domestic Abuse



Inspiring  
Medical Research



Building  
Confidence



# Supporting your Mental Health during Lockdown 3.0

2021 has brought lockdown 3.0 to our lives, and just because the restrictions are familiar, it doesn't mean it's getting easier to cope. We need to stay apart, but in isolation, some become disconnected. Many of us can't be at work, but the uncertainty around our income, increases financial stresses. We need to stay home, but home doesn't feel like a safe haven for all. We need media to follow guidelines to protect each other, but too much news fills us with anxiety and fear.

If restrictions are curtailing the strategies you usually have to look after your mental health, here are some ideas from Let's Get Talking that may help:

## Get Talking

Over the past year, even the most tech-phobic among us are using WhatsApp, Facetime and Zoom to stay connected to family and friends. In times of crisis, humans are driven towards solidarity and togetherness. We can help ourselves and each other by giving each other time to vent how we are

## Have a Self-Care Routine

Now there is an opportunity to be creative and try new experiences to support your emotional wellness. If a yoga class usually helps you manage day-to-day stresses, find an online class or test out the hundreds of yoga instructor videos on YouTube. Try Mindfulness to manage stress and anxiety – there are plenty of great apps, like Headspace and Calm, available for free. Set-up scheduled Zoom Dates with family and friends – having something in your schedule to look forward to which brings meaning to day-to-day life. Set yourself a weekly “one new thing” challenge – try out baking, gardening, knitting, calligraphy, drawing, crafting, writing poetry, vlogging – all those things which you never had time for before – you may discover joy and meaning in a new activity which you can hold onto when we return to our busy everyday lives.

## Don't Bottle Up Emotions

We can't ignore the impact of this “new normal” on our emotions – it's normal to feel afraid, anxious, angry, sad and frustrated – and it's important not to bottle those feelings up. If we acknowledge them, we can address them.

## Consider Limiting Media Exposure

If you notice that stress and exhaustion is a consequence of consuming excess news and social media at present, try limiting your exposure. Yes, it's important to be well-informed to protect ourselves and others but stick to trusted public-health and media sources and take control of your exposure – try muting your social media notifications for a time and set a 30 minute daily limit on consuming coronavirus news.

## Cover the Basics

While the routine of commuting and full days in college and work on hold, it can be easy to allow your usual sleep pattern slip and forget about preparing nourishing meals. It can also be more difficult to sleep if your head is full of worries. Having a self-care routine to fill your day can help with preparing your body to rest at night.



**Let's get talking**

Counseling and Psychotherapy

Charities like Let's Get Talking are here for you when you need to talk, if you would like to book an appointment call 1890 714 001 or visit [www.letsgettalking.ie](http://www.letsgettalking.ie)

# Connecting with your Community



Renovate360 Home Event participants



Virtual Sleep out for Simon 2020, €5,315 raised



UniCash Winners 2020



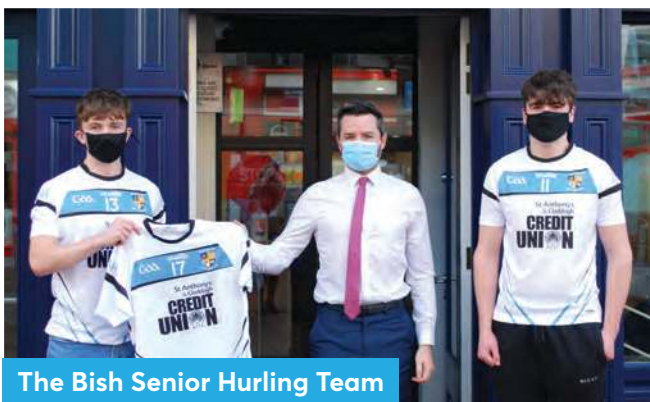
# Jersey Sponsorships 2020



Salthill Knocknacarra GAA U12 Team



Oughterard Rugby



The Bish Senior Hurling Team



Rahoon Newcastle GAA U8 Team

St Anthony's  
and Claddagh  
**Peopl.**



# Fair Insurance

Great cover, great price,  
from the people you trust.

## □ Fair Home Insurance

- We guarantee to work every year to get you the lowest offer from our panel of insurance providers, ensuring the cost of your home cover doesn't automatically rise, every year.

## ■ Fair Life Insurance

- Excellent cover at a fantastic price, for Term Life, your Mortgage or Serious Illness cover.
- We offer the longest terms available, up to 51 years, and can provide cover up to the age of 91.

## ■ Fair Travel Insurance

- No matter what your age, we will always insure you – ageless cover for people that matter.
- Select the cover you'd like across our Gold and Platinum options.

sacu.ie

**0818 293 444**



# RENOVATE 360°

**€35,000**

**€91.50 PER WEEK**

AMOUNT BORROWED: **€35,000**  
VARIABLE RATE: **6.5%**  
REPRESENTATIVE: **6.72% APR\***  
REPAYMENT PERIOD: **10 YEARS**  
REPAYMENT AMOUNT: **€91.50 PER WEEK**  
TOTAL INTEREST: **€12,594.31**  
TOTAL REPAYMENT: **€47,594.31**  
\*APR = ANNUAL PERCENTAGE RATE

*Other loan amounts available. Loans are subject to approval. Terms & Conditions apply.*

**FREEPHONE 1800 601 601**



**www.renovate360.ie**

**WARNING:** IF YOU DO NOT MEET THE REPAYMENTS ON YOUR LOAN, YOUR ACCOUNT WILL GO INTO ARREARS. THIS MAY AFFECT YOUR CREDIT RATING, WHICH MAY LIMIT YOUR ABILITY TO ACCESS CREDIT IN THE FUTURE.

**Working together for the benefit of our Members**

www.renovate360.ie   

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

# Your Account

## Things you need to know...

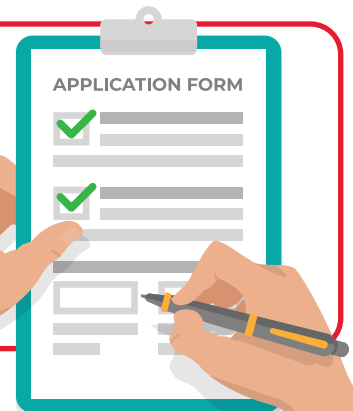
- **Savings Limit:** There is a maximum savings limit\* of €30,000 per Senior Member (\*Shares and Deposit Balances). The maximum savings limit per Junior Member is €5,000.
- **Life Savings Insurance:** the amount of insurance benefit\* which an eligible Member is entitled to is in direct proportion to the savings and age of the member. Withdrawals may affect the amount payable. Terms & Conditions apply. \*Subject to maximum benefit. For details go to [www.sacu.ie/life-savings/](http://www.sacu.ie/life-savings/)
- **Central Credit Register(CCR):** please note that information on loans of €500 or more, including loans covered by savings, are submitted to the CCR.
- **Online Services:** 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
- **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 [www.sacu.ie/membership/nomination-on-your-member-account/](http://www.sacu.ie/membership/nomination-on-your-member-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
- To reactivate your account please call to any branch with Photo I.D., recent proof of address (dated within the last 6 months) and proof of your PPS number
- Our message to you, our Member, is to actively use our Credit Union services

## How to Apply for a Loan

- You can apply for a loan in branch, online or **Freephone 1800 28 56 26**  
**WHAT YOU NEED.....**
- **Photo Identification:** Passport or Driving Licence
- **Proof of Income:** Recent Wage Slip, Social Welfare Payment or Business Accounts
- **Bank Statements:** Last 3 month's bank statements. These can be printed in our branches from your online banking





# Presidents' Address

## Good evening everybody.

2020 was my first year as Chair of St Anthony's & Claddagh Credit Union and it cannot be denied how challenging it was. The Covid-19 global pandemic has affected us all. We remember those who died and acknowledge those who are still suffering be it physically, mentally or economically. As an essential service, we remained open throughout the pandemic. We developed our online and telephone services and reorganised the offices to enable our Members to transact in a lower risk environment.



Mark Grogan, President

The challenges of the Credit Union business model were exacerbated as loan demand reduced and arrears increased. The result was a breakeven position at year end. Furthermore, there was an increase in savings and these savings, which are now invested at negative interest rates, resulted in an erosion of the Total Reserve Ratio. In such circumstances, the Board of Directors cannot recommend any distribution in the form of dividend or interest rebate.

In response to the challenges of the business model, we have been working in collaboration with St Jarlath's Credit Union in Tuam to develop new services e.g. Renovate 360 and the connect card. This collaboration has now developed into a proposal to merge both Credit Unions. This merger, which will be formally brought to you, the Members, later this year, will create the scale necessary for the next stage of development of the Credit Union business model. This development, will enable the Credit Union to provide full financial services; including mortgages, insurances and advice.

The Credit Union movement was built on such collaboration. The Covid-19 pandemic has reminded us all of the importance of cooperation. As we, as a society, start to rebuild our lives be assured that the Credit Union will be there to support our Members.

In conclusion, I would like to thank all frontline workers, specifically our own staff and management. On a daily basis, they risked their health and wellbeing to ensure that key services could continue. I want to acknowledge the work of all volunteers, in particular those of the Credit Union; including the Board of Directors and the Board Oversight Committee, who continued to give of their time throughout what was a very difficult year.

I look forward to the coming year with optimism, our vision for the merged Credit Union is one that will not only meet all of our financial needs but a co-operative built on the principles of equality, equity and mutuality. A Credit Union where the Member comes first and which we will all feel proud and privileged to be a part of.

A handwritten signature in black ink that reads "Mark Grogan". The signature is written in a cursive, flowing style. Below the signature is a horizontal line.

Mark Grogan, President

St. Anthony's & Claddagh  
Credit Union

# Chief Executive Officer's Report



Gerry Joyce, C.E.O.

***Good evening everybody. I would like to give you an overview of our activities for the past year, which has probably been the most difficult year in our history.***

In order to ensure our Members were not adversely affected during Covid-19, we extended our services to include longer opening hours and an enhanced online offering. Members can now transfer funds to & from their Credit Union account, and complete the full loan application process online.

From the financial perspective, we have reported a break position for the financial year after allocating almost €1 Million to our Bad Debts Provision due to the economic impact of Covid-19.

2020 has seen a reduction in loan demand and an increase in Member's savings. These additional savings attract a negative interest rate of 0.75% when deposited with our bank. This puts additional pressure on our ability to generate a healthy surplus and adversely effects our capital requirements. 10% of all new savings has to be transferred from surplus to our Regulatory Reserve.

In 2020, we introduced a range of new services for our Members. We recently launched our new Current Account service with the globally accepted Mastercard Debit Card. Our current account offers all of the services you would expect with very competitive rates. Key features of our current account include Google Pay & Fitbit Pay, use instore, online or at ATMs, Contactless payments, Overdraft facility, 24/7 support for lost/stolen cards & transparent fees.

We also introduced Home, Life & Travel Insurances through the Credit Union owned Peopl. Insurance, which was set up by a group of Ireland's leading Credit Unions to provide fair insurance to Members. Our insurance products offer price match guarantees, as well as a guarantee every year to get you the lowest offer from our panel of insurance providers, ensuring the cost of your home cover does not automatically rise every year.

We announced last June our intention to merge with our colleagues in St. Jarlath's Credit Union, Tuam. There is a strong relationship between the 2 Credit Union's and over the last number of years we have had extensive collaboration on a range of initiatives — Renovate 360, Educate 360, and Connect Card. Work on the merger process is ongoing and we hope to bring a proposal to Members towards end of 2021.

The proposed merger will create a strong, secure and value driven co-operative, supporting local communities with greater resources to both safeguard the present and shape the future.

The combined Credit Union will be in a position to further expand the products and services available to Members across an expanded branch network. It will be a modern digitally enabled multi-service provider of relevant financial services to meet all our Members financial needs. It will continue to support local communities and will give increased opportunities for staff. It also ensures the long-term provision of Credit Union services and Members will be proud to be part of a co-operative where the Member comes first.

In conclusion, I would like to acknowledge the loyalty of you, the Membership, the time and dedication of our volunteer Board of Directors and Committees and the commitment and hard work of all our Staff in these difficult times.

A handwritten signature in black ink, appearing to read 'G. Joyce'.

Gerry Joyce, C.E.O.

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.

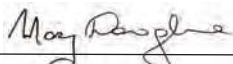
The Board Oversight Committee may notify the Central Bank of any concern it has, that the Board of Directors has not complied with any of the requirements and the Board Oversight Committee shall report to the Members at the Annual General Meeting and, if it thinks fit, at a Special General Meeting, on 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 2020, 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

# Rule Amendments

## Rule Amendment (No.1)

That this AGM proposes to amend [Rule 1] of the Credit Union Rules by inserting the following:

[Rule 1 Interpretation]

Where the words “present and voting” appears in relation to a general meeting it is to be construed as including reference to a member who is physically present and voting, or, a member in attendance and voting by the use of electronic communications technology.

## Rule Amendment (No.2)

That this AGM proposes to amend [Rule 1] of the Credit Union Rules by inserting the following:

[Rule 1 Interpretation]

“Electronic communications technology” in relation to a general meeting means technology that enables real time transmission and real time two-way audio-visual or audio communication enabling attendees as a whole with a reasonable opportunity to participate in the meeting using such technology from a remote location.

## Rule Amendment (No.3)

That this AGM proposes to amend [Rule 1] of the Credit Union Rules by inserting the following:

[Rule 1 Interpretation]

“Electronic platform” in relation to a general meeting, means an electronic system for the delivery of audio-visual or audio communication, including websites, access software and access telephone details or any other electronic technology that delivers such communication.

## Rule Amendment (No.4)

That this AGM proposes to amend [Rule 1] of the Credit Union Rules to read as follows:

[Rule 1 Interpretation]

“special resolution” means a resolution which is passed by a majority of not less than three quarters of such members of a credit union for the time being entitled under the rules to vote as may have voted in person, and/or in attendance and voting by the use of electronic communications technology, at any general meeting of which notice, specifying the intention to propose the resolution, has been duly given according to the rules;

## Rule Amendment (No.5)

That this AGM proposes to amend [Rule 96] of the Credit Union Rules to read as follows:

[Rule 96 The Annual General Meeting]

(1) In respect of each financial year, a meeting (to be known as the “annual general meeting”) of the members of the credit union shall be held in the State at such ~~date, time and place~~ date, and time, at a place (where applicable) and in the manner (where applicable) as the board of directors may, by resolution, determine. For the purposes of these rules, the first annual general meeting of the credit union shall be the one held in October, November, December or January next after the organisation meeting.

## Rule Amendment (No.5) continued

(4) Items (a), (b), (c) and (d) must be the first four items on the agenda and (u) must be the last item on the agenda. The positions on the agenda of the remaining elements to the agenda are positioned at the discretion of the board of directors but must be communicated to the members in the notice of the general meeting.

The members assembled at any annual general meeting may suspend the order of business upon a two-thirds vote of the members present (whether physically present or in attendance by the use of electronic communications technology) at the meeting.

## Rule Amendment (No.6)

That this AGM proposes to amend [Rule 98] of the Credit Union Rules to read as follows:

[Rule 98 Notice of general meeting]

- (2) Subject to paragraph (4), the notice required by paragraph (1):
- (a) shall state the date, time and place (where applicable) and/or manner (where applicable) of the general meeting;
  - (b) shall be accompanied by the agenda for the meeting;
  - (c) shall in the case of a general meeting proposed to be held wholly or partly by the use of electronic communications technology state:
    - (i) the electronic platform to be used for the meeting,
    - (ii) details for access to the electronic platform,
    - (iii) where required by the credit union, the time and manner by which an attendee must confirm his or her intention to attend the meeting,
    - (iv) any requirements or restrictions which the credit union has put in place in order to identify attendees who intend to attend the meeting,
    - (v) the procedure for attendees to communicate questions and comments during the meeting, and
    - (vi) the procedure to be adopted for voting on resolutions proposed to be passed at the meeting.

## Rule Amendment (No.7)

That this AGM proposes to amend [Rule 100(5)] of the Credit Union Rules to read as follows:

[Rule 100(5) Supplementing provisions as to general meetings]

- (a) A poll may be demanded at a general meeting (or an adjourned meeting) of the credit union:
- (i) by the chair of the meeting (or the adjourned meeting) or
  - (ii) by at least ten members present (whether physically present or in attendance by the use of electronic communications technology) having the right to vote at the meeting (or the adjourned meeting) on any question, other than the election of the chair of the meeting (or the adjourned meeting).
- (b) A poll shall be taken in such manner as the chair directs and he may appoint scrutineers (who need not be members) and fix a time and place (where applicable) and/or manner (where applicable) for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.



## 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 Directors are seeking election:  
**John Lynam, Pat Commins and Peadar O'hici**

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

### Auditor

Duffy Burke & Co. are seeking election

### Board Oversight Committee

The following Members of the Board Oversight Committee retired: **Maureen Hornibrook and Mary Caulfield.** **Julie Nohilly** was co-opted.

**Mary Donoghue, Joan Raleigh and Julie Nohilly** are seeking re-election.

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

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## 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

BNP Paribas Ireland  
20 Merrion Road  
Ballsbridge  
Dublin 4  
D04 C9E2

Danske Bank  
3 Harbourmaster Place  
Internation 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 2020.

### 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 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:

- 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.
- Increased Member saving balances, the escalating mismatch in Credit Union asset and liability maturity levels, and the impact of negative interest rates.
- Member capacity to maintain their commitments to the Credit Union and the forbearance options it may offer to minimise loan losses. Increased stress testing of borrowers in non-essential service environments, and reduced cash flow in general of many Members.
- Downward asset valuations, such as investment returns and those of the Credit Union's property and equipment, and the Credit Union's use of judgement and estimates in its financial reporting.

In 2020, the operating surplus before Loan Impairments of €929k is in line with that of 2019 despite a difficult year trading. The Net impairment (recoveries) on loans to Members of €914k, includes an additional Bad Debt Provision allocation to take account of the downturn in the economy due to Covid-19 and Brexit restrictions. After accounting for this provision, the Net Surplus was €13k.

The key highlights for the year are:

A reduction in Loan to Assets Ratio from 32.6% to 30.6% and in the Reserves to Assets Ratio from 13.8% to 12.94%. This reflects the impact on cashflow of Covid-19 restrictions, which saw an increase in savings and loan repayments and a reduction in loan demand. This had a direct impact on the Strategic Objective of organic growth, while maintaining a healthy level of Capital Reserves.

To mitigate this, the Credit Union has over the last year established the second Strategic Objective of developing new services through collaboration. A current account service and insurance offering through Peopl.ie, are available to Members. This focus on collaboration has led to the proposal to merge with St Jarlath's Credit Union. We are currently working with the Central Bank on this proposal and hope to bring it to a conclusion within the next year. This proposal will facilitate the scale necessary to further develop new services.

In line with Central Bank Guidance, the Credit Union will not be making a distribution to Members this year. Rather, the focus has been on strengthening our Bad Debt Provision and Reserves.

Members should place great assurance that this level of Capital Reserves continues to comfortably exceed the Central Bank's minimum requirement. The Board believes that the current Capital and Bad Debt provisioning levels are appropriate and stress testing scenarios confirm that we have a strong protective buffer to provide contingency against future concerns in the market.





## Key Performance Indicators (KPI's)

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

	2020	2019
	€	€
Total Assets	221,317,286	208,158,724
Regulatory Capital	23,506,427	22,086,427
Total Savings	191,823,761	178,440,032
Expense to Income	86%	86%
Regulatory Capital	10.62%	10.61%
Total Capital	12.94%	13.90%

## Going Concern

The Board prepare the Accounts on the going concern basis having consideration for its risks and uncertainties and its capacity to actively manage those risks through appropriate policy, procedure and professional advice.

## 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 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.

## FINANCIAL STATEMENTS FOR YEAR ENDED 30 SEPTEMBER 2020

**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.

### Directors and Board Oversight Committee

#### Directors

Pat Commins	
Mark Grogan	
Peadar O'hici	
Dermot O'Neill	Retired
Fiona Lydon	Retired
David Hickey	
Aidan McDonogh	
John Lynam	
Noel McGuire	Retired
Paul Hurney	

#### Directors seeking election / re-election

John Lynam	
Pat Commins	
Peadar O'hici	

#### Members of Board Oversight Committee

Maureen Hornibrook	Retired
Mary Caulfield	Retired
Joan Raleigh	
Fergal Walsh	Retired
Padraic Brennan	Retired
Mary Donoghue	
Julie Nohilly	

#### Board Oversight seeking election / re-election

Joan Raleigh	
Mary Donoghue	
Julie Nohilly	

#### Auditors

Duffy Burke & Co have (being eligible) indicated their willingness to continue in office in accordance with section 115 of the Credit Union Act 1997, as amended.

### Statement of Directors Responsibilities

For the Year Ended 30 September 2020

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 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.

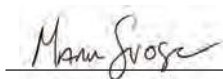
### Directors' Responsibilities for Accounting Records and Internal Controls

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: 20 October 2020



Chairperson

### Statement of Board Oversight Committee Responsibilities

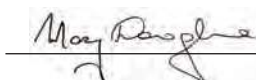
For the Year Ended 30 September 2020

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: 20 October 2020



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 2020, 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 2020 and its Income and Expenditure and Cash Flows for the year then ended;
- Have been properly prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- Have been properly prepared in accordance with the requirements of the Credit Union Act 1997, as amended.

#### Basis for Opinion

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

#### Conclusions relating to Going Concern

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

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

#### Other information

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

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

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

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

### Respective Responsibilities

#### Responsibilities of Directors for the Financial Statements

As explained more fully in the Directors' Responsibilities Statement, 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.

#### DBCO (Duffy Burke & Co)

Statutory Audit Firm & Certified Public Accountants  
Galway



Date: 20 October 2020



## Income and Expenditure Account for the year ended 30 September 2020

	2020 €	2019 €
Interest on Members Loans	5,381,221	5,393,479
Interest on Investments	1,050,691	1,090,847
Interest Payable and Similar Charges	-	(3,266)
<b>Net Interest Income</b>	<b>6,431,912</b>	<b>6,481,060</b>
Fees & Commissions Receivable	28,912	55,343
Fees & Commissions Payable	(679,166)	(673,140)
Other Operating Income	3,979	136,629
<b>Total Net Income</b>	<b>5,785,637</b>	<b>5,999,892</b>
Employment Costs	(2,488,830)	(2,711,370)
Management Expenses	(2,010,589)	(1,982,074)
Depreciation & Amortisation	(358,350)	(359,016)
<b>Operating surplus(Deficit) before Loan impairments and provisions</b>	<b>927,868</b>	<b>947,432</b>
Net Impairments/Recoveries on Loans to Members	(914,297)	(575,622)
Gains (Losses) on Investments	-	-
<b>(Deficit) Surplus for Year</b>	<b>13,571</b>	<b>371,810</b>
Other Comprehensive Income	-	-
<b>Total Income for Year</b>	<b>13,571</b>	<b>371,810</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 20 October 2020 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 2020

	2020 €	2019 €
<b>Assets</b>		
Cash & Cash Equivalents	34,969,627	34,979,248
Deposits with Banks	89,906,490	62,376,667
Debt Securities	15,911,597	35,769,369
Central Bank	11,030,068	1,576,182
Loans to Members	64,981,023	68,511,426
Tangible Fixed Assets	3,261,180	3,592,914
Fiontarlann Teoranta CLG	105,955	139,142
Other Receivables	1,151,346	1,213,776
<b>Total Assets</b>	<b>221,317,286</b>	<b>208,158,724</b>
<b>Liabilities</b>		
Members Shares	178,119,532	166,796,493
Members Deposits	13,704,229	11,643,540
Members Current Accounts	74,801	(25)
Members Car Draw	-	1,505
Accruals & Deferred Income	684,962	562,967
Provisions for Liabilities	86,126	226,451
<b>Total Liabilities</b>	<b>192,669,650</b>	<b>179,230,931</b>
<b>Assets less Liabilities</b>	<b>28,647,636</b>	<b>28,927,793</b>
<b>Reserves</b>		
Regulatory Reserve	23,506,427	22,086,427
Other Reserves	5,141,209	6,841,367
<b>Total Reserves</b>	<b>28,647,636</b>	<b>28,927,794</b>

The Financial Statements were approved by the Board on the 20 October 2020 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 €	Non Distributable Income €	General Reserve €	Community Reserve €	Retained Earnings €	Total Reserves €
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

Balance 30/09/2018	22,086,427	1,000,000	2,216,353	-	2,933,672	258,842	370,543	28,865,837
Surplus	-	-	-	-	-	-	371,810	371,810
Allocations	-	-	-	-	-	50,000	(50,000)	-
Distributions	-	-	(247,297)	-	-	(62,556)	-	(309,853)
30/09/2019	22,086,427	1,000,000	1,969,056	-	2,933,672	246,286	692,353	28,927,794

## 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	30/09/2020
Regulatory Reserve	10% of Assets	10.62%
Operational Risk Reserve	As determined by the Board	0.45%

- 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 amount is €200,000.
- IV. Community Reserves are set aside in accordance with the provisions of S 44 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 as at 30 September 2020

	2020 €	2019 €
<b>Cash flows from Operating Activities</b>		
Loans repaid by Members	31,136,363	32,146,261
Loans granted to Members	(28,421,842)	(35,295,724)
Loan Interest Received	5,381,221	5,393,479
Investment Income Received	1,050,691	1,090,847
Other Income Received	32,891	191,972
Bad Debts Recovered	200,635	249,235
Bad Debts Written Off	(299,050)	(277,045)
Dividends and Distributions	(293,729)	(309,853)
Deposit Interest Paid	-	(3,266)
Movements in Receivables	95,617	129,884
Movements in Creditors and Liabilities	54,991	(277,992)
Operating Expenses Paid to include Employment Costs	(5,178,585)	(5,366,584)
<b>Net Cash Flows from Operating Activities</b>	<b>3,759,203</b>	<b>(2,328,786)</b>
Purchase of Property, Plant and Equipment	(26,617)	(352,941)
Net (Purchase) and Sale of Investments	(17,125,935)	7,436,554
<b>Net Cash Flows from Investing Activities</b>	<b>(17,152,552)</b>	<b>7,083,613</b>
<b>Cash Flow from Financing Activities</b>		
Net Movement in Shares	11,323,039	(5,512,955)
Net Movement in Deposits	2,060,689	(209,102)
<b>Net Cash Generated by from Financing Activities</b>	<b>13,383,728</b>	<b>(5,722,057)</b>
Net (Decrease) Increase in Cash & Cash Equivalents	(9,620)	(967,230)
Cash & Cash Equivalents at beginning of year	34,979,248	35,946,478
<b>Cash &amp; Cash Equivalents at end of year</b>	<b>34,969,628</b>	<b>34,979,248</b>
<b>Analysis of the Balances of Cash &amp; Cash Equivalents shown in the Balance Sheet</b>		
Cash in Hand	20,471,809	8,260,394
Investments Repayable within 3 Months	14,497,819	26,718,854
<b>Total</b>	<b>34,969,628</b>	<b>34,979,248</b>

## Notes to and forming part of the Accounts for the Year Ended 30 September 2020

### 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 2020.

#### 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 Share 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

	2020 €	2019 €
Loan Interest Received in year	5,167,766	5,181,676
Accrued Interest at 30 September	213,455	211,803
Total Interest on Members Loans	5,381,221	5,393,479

Included within Loan Interest Receivable are amounts of €58,768 (2019:€66,500) 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.

	2020 €	2019 €
Interest Received at Balance Sheet Date	607,426	593,576
Receivable within 12 months of the Balance Sheet Date	573,759	630,845
(Premiums) /Discount Amortisation	(130,494)	(133,574)
Total Investment Income	1,050,691	1,090,847

## 4. Fees and Commissions

	2020 €	2019 €
<b>Fees Receivable</b>		
Current Account Fees	(973)	25
Entrance Fees	1,078	1,720
Other Commissions	28,807	53,598
<b>Total Receivable</b>	<b>28,912</b>	<b>55,343</b>
<b>Fees and Commissions Payable</b>		
Banking Fees and Charges	(145,388)	(113,257)
Regulatory Fees and Levies	(354,031)	(372,255)
ILCU, CUDA & Other Association Costs	(81,790)	(105,904)
Current Account Costs	(56,200)	(27,500)
Other Commissions and Subscriptions	(41,757)	(54,224)
<b>Total Fees and Commissions Payable</b>	<b>(679,166)</b>	<b>(673,140)</b>

## 5. Other Operating Income

	2020 €	2019 €
LP/LS Rebate	-	134,368
Cash Over / (Short)	3,979	2,261
<b>Total</b>	<b>3,979</b>	<b>136,629</b>

## 6. Employees

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

	2020	2019
Full time Staff	29	35
Part time Staff	16	14
<b>Total</b>	<b>45</b>	<b>49</b>

	2020 €	2019 €
Salaries	(1,977,108)	(2,165,096)
Tax and Social Welfare	(214,471)	(230,770)
Pension Costs	(291,946)	(299,256)
Other Staff Costs	(5,305)	(16,248)
	<b>(2,488,830)</b>	<b>(2,711,370)</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)

	2020 €	2019 €
Salaries	(845,266)	(917,209)
Pension Costs	(127,462)	(133,055)
Total	(972,728)	(1,050,264)

## 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:

	2020 €	2019 €
Savings Balances	437,275	474,811
Loan Balances	176,357	172,784
Loans Issued	199,650	90,040
Loans outstanding as a % of Overall Loans	0.26%	0.24%

A Director received €3,900 during the year for the delivery of training to the Credit Union. Christmas and retirement gifts presented to those who served as Directors or voluntary assistants during the year amounted to €3,400.

### 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.

	2020 €	2019 €
Loans to Family Members	38,996	179,844
Loans outstanding as a % of Overall Loans	0.06%	0.39%



## 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:

	2020 €	2019 €
At 1 October	139,142	186,425
Interest Charge	813	1,717
Repaid in year	(34,000)	(49,000)
at 30 September	105,955	139,142

Fiontarlann Teoranta owed the Credit Union €76,945 for services rendered at 30th September 2020. Cost incurred by the Credit Union in the provision of service and expense was €16,914.

## 8. Management Expenses

	2020 €	2019 €
Rent & Rates	(31,836)	(27,543)
Light, Heat & Cleaning	(79,716)	(58,215)
Repairs & Renewals	(26,279)	(10,827)
Printing & Stationary	(8,771)	(24,375)
Postage & Telephone	(73,015)	(94,721)
Donations & Sponsorship	(3,961)	(4,380)
Promotion & Advertising	(178,855)	(217,416)
Training Costs	(35,229)	(37,602)
Convention Expenses	(4,661)	(18,214)
Chapter Expenses	(10,581)	(9,459)
AGM Expenses	(40,276)	(41,594)
Travel & Subsistence	(20,507)	(36,338)
Social & Entertainment	(5,874)	(13,818)
Audit Fees	(43,415)	(49,450)
General Insurance	(86,366)	(70,606)
Share & Loan Insurance	(639,830)	(645,261)
Legal & Professional Fees	(145,958)	(123,899)
Equipment Maintenance	(141,324)	(202,312)
Computer Equipment & Licences	(306,056)	(205,321)
Service Charges	(27,750)	(27,578)
Security Expenses	(64,665)	(39,245)
Miscellaneous Expenses	(31,505)	(21,926)
Cash Short	(4,159)	(1,975)
Total	(2,010,589)	(1,982,075)

## 9. Loans to Members

	2020 €	2019 €
Loans Secured by First Legal Charge	364,426	645,612
Loans Fully Secured by Savings	12,083,011	12,526,604
All Other Loans	55,365,763	57,355,504
<b>Total Loans</b>	<b>67,813,200</b>	<b>70,527,720</b>
As at 1st October	70,527,721	67,378,257
Loans Advanced in Year	28,421,842	35,295,724
Repaid in Year	(30,837,313)	(31,869,216)
Written Off in Year	(299,050)	(277,045)
<b>Gross Loans Outstanding</b>	<b>67,813,200</b>	<b>70,527,720</b>
Impairments (see Note)	(2,832,177)	(2,016,294)
<b>Net Loans Outstanding</b>	<b>64,981,023</b>	<b>68,511,426</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.

	2020 €	2019 €
Not more than 1 year	2,876,337	3,137,184
More than 1 year, less than 3 years	16,490,270	17,466,573
More than 3 years, less than 5 years	22,731,573	25,990,750
More than 5 years, less than 10 years	21,358,286	20,072,272
More than 10 years	4,356,734	3,860,942
Less Impairments	(2,832,177)	(2,016,294)
<b>Total Loans</b>	<b>64,981,023</b>	<b>68,511,427</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.

	2020 €	2019 €
<b>At 1 October</b>		
Collective Provision	1,343,077	1,424,920
Individual Provision	673,217	43,562
<b>Total</b>	<b>2,016,294</b>	<b>1,468,482</b>

## FINANCIAL STATEMENTS FOR YEAR ENDED 30 SEPTEMBER 2020

<b>10. Impairment Provisions for Loans to Members (continued)</b>	<b>2020</b>	<b>2019</b>
	€	€
<b>Charges to Provisions</b>		
Collective Provision	852,325	(81,843)
Individual Provision	262,608	906,700
	<u>1,114,933</u>	<u>824,857</u>
<b>Release of Provisions</b>		
Collective Provision	-	-
Individual Provision	(299,050)	(277,045)
	<u>(299,050)</u>	<u>(277,045)</u>
<b>At 30 September</b>		
Collective Provision	2,195,402	1,343,077
Individual Provision	636,775	673,217
	<u>2,832,177</u>	<u>2,016,294</u>
<b>Net Recoveries or Losses Recognised for the Year</b>	<b>2020</b>	<b>2019</b>
	€	€
Bad Debts Recovered	200,635	249,235
Net Movements in Impairments	(815,883)	(547,812)
Bad Debts Written Off	(299,050)	(277,045)
	<u>(914,297)</u>	<u>(575,622)</u>

## 11. Tangible Fixed Assets

	<b>Land &amp; Buildings</b>	<b>Fixtures &amp; Fittings</b>	<b>Computer Equipment</b>	<b>Total</b>
	€	€	€	€
<b>Cost/Valuation</b>				
30/09/2019	3,044,982	800,019	1,107,596	4,952,597
Additions in year	-	10,096	16,521	26,617
	<u>3,044,982</u>	<u>810,115</u>	<u>1,124,117</u>	<u>4,979,214</u>
<b>Depreciation</b>				
30/09/2019	487,198	322,480	550,006	1,359,684
Charge for the year	60,899	78,469	218,982	358,350
	<u>548,097</u>	<u>400,949</u>	<u>768,988</u>	<u>1,718,034</u>
<b>Net Book Values</b>				
30/09/2020	2,496,885	409,166	355,129	3,261,180
	<u>2,496,885</u>	<u>409,166</u>	<u>355,129</u>	<u>3,261,180</u>
30/09/2019	2,557,784	477,539	557,590	3,592,913
	<u>2,557,784</u>	<u>477,539</u>	<u>557,590</u>	<u>3,592,913</u>

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 2019. 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.

	2020 €	2019 €
On Demand	164,640,448	149,670,938
Committed	27,183,313	28,769,095
Total Savings	191,823,761	178,440,033

### 12.1 Members Shares

	2020 €	2019 €
Shares at 1 October	166,796,493	172,309,448
Receipts	72,824,211	53,861,689
Withdrawals	(61,501,172)	(59,374,644)
Shares at 30 September	178,119,532	166,796,493

### 12.2 Members Deposits

	2020 €	2019 €
Deposits at 1 October	11,643,540	11,852,641
Receipts	15,859,782	18,037,602
Withdrawals	(13,799,092)	(18,246,702)
Deposits at 30 September	13,704,229	11,643,540

Interest on Deposits is declared annually by the Board, creditors contain interest payable of €0, (2019: €3,266).

## 13. Members Personal Current Accounts

	Number of Accounts	2020 €	2019 €
Debit Balances	99	78,096	-
Credit Balances	6	(3,295)	(25)
Permitted Overdrafts	4	-	-
Total		74,801	(25)

## 14. Creditors & Accruals

	2020 €	2019 €
Other Liabilities due within One Year comprise		
Creditors	345,348	389,490
Accruals	339,614	173,477
Total	684,962	562,967

## 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 2020 the Credit Union employees have accrued holiday entitlement which will be paid to them in the following Financial year.

	2020 €	2019 €
Provision for Liabilities		
Short term Payroll Accruals	50,464	51,696
Central Bank Levies	35,662	174,755
	<u>86,126</u>	<u>226,451</u>

## 16. Insurance against Fraud

The Credit Union has insurance against fraud in the amount of €5,200,000 (2019: €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 2019 using the Projected Unit valuation method. The principal actuarial assumption used in the valuation was the investment return would be 1.75% higher than the annual salary increases. The market value of the Scheme's Assets at 1 March 2019 was €216m. The actuarial valuation disclosed a past service deficit of €6.4m at 1 March 2019 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 most recent Actuarial Funding Certificate was effective as at 1 March 2020 and it certified that the Scheme satisfied the funding standard.

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 0.05% (€84,314) and a Rebate of Loan Interest at 5% on Standard Rate Loans and 30% on Standard Rate Loans with First Legal Charge (€157,831).

### 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. Contingent Liabilities

On 17 September 2018, the Central Bank raised queries with Credit Unions in relation to accrued interest outstanding on loans, in circumstances where additional credit is extended to a Member by way of a top-up loan. A potential issue may arise where the Credit Union has not collected all outstanding interest due before the extension of additional credit. The Credit Union is satisfied that interest is calculated, collected and explained correctly to the Member at the time of drawdown. The Credit Union is engaged with its IT System provider to investigate if matters raised with Credit Unions are applicable to its IT System. At the Year End, the Credit Union had not completed its findings. Given the uncertainty of the above and the outcomes it is impractical for the Credit Union to estimate the impact (if any) of any findings which may arise.

### 23. Capital Commitments

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

### 24. 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.



## 24. Financial Instruments (continued)

### 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
Assets	€	€	€	€	€
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
Total Financial Assets	216,904,760			-	216,904,760
Non-Financial Assets					4,412,526
Total					221,317,286
<b>Liabilities</b>					
Savings	-	-	191,823,761	-	191,823,761
Creditors and Provisions	-	-	771,088	-	771,088
Current Accounts	-	-	74,801	-	74,801
Total Financial Liabilities			192,669,650		192,669,650
Reserves					28,647,636
Total					221,317,286

### Carrying Value by Category 30th September 2019

	Debt Instruments at Amortised Cost	Debt Instruments at Fair Value	Financial Liabilities at Amortised Cost	Other Financial Instruments at Amortised Cost	Total
Assets	€	€	€	€	€
Cash and Equivalents	34,979,248	-	-	-	34,979,248
Bank Deposits	62,376,667	-	-	-	62,376,667
Debt Securities	35,769,369	-	-	-	35,769,369
Members Loans	68,511,427	-	-	-	68,511,427
Central Bank	1,576,182	-	-	-	1,576,182
Other Loans	139,142	-	-	-	139,142
Total Financial Assets	203,352,035			-	203,352,035
Non-Financial Assets					4,806,690
Total					208,158,725
<b>Liabilities</b>					
Savings	-	-	178,440,033	-	178,440,033
Creditors and Provisions	-	-	790,923	-	790,923
Current Accounts	-	-	(25)	-	(25)
Total Financial Liabilities			179,230,931		179,230,931
Reserves					28,927,794
Total					208,158,725

## 24. 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 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 years but not more than 10 years	More than 10 years	Total
Financial Assets	€	€	€	€	€	€
Cash & Cash Equivalents	34,969,627	-	-	-	-	34,969,627
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>52,547,018</b>	<b>23,812,180</b>	<b>71,526,120</b>	<b>67,620,236</b>	<b>4,356,734</b>	<b>219,862,288</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>

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 2019

	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 years but not more than 10 years	More than 10 years	Total
Financial Assets	€	€	€	€	€	€
Cash & Cash Equivalents	34,979,273	-	-	-	-	34,979,273
Bank Deposits	3,600,000	3,276,260	47,500,407	8,000,000	-	62,376,667
Debt Securities	-	-	29,663,883	6,105,486	-	35,769,369
Members Loans	3,137,184	17,466,573	25,990,750	20,072,272	3,860,942	70,527,721
Other Loans	24,000	48,000	48,000	19,142	-	139,142
Funds at Central Bank	1,576,182	-	-	-	-	1,576,182
<b>Total Financial Assets</b>	<b>43,316,639</b>	<b>20,790,833</b>	<b>103,203,040</b>	<b>34,196,900</b>	<b>3,860,942</b>	<b>205,368,353</b>
Financial Liabilities						
Savings	151,906,956	9,816,865	10,589,713	5,401,945	724,554	178,440,033
Current Accounts	(25)	-	-	-	-	(25)
<b>Total Financial Liabilities</b>	<b>151,906,931</b>	<b>9,816,865</b>	<b>10,589,713</b>	<b>5,401,945</b>	<b>724,554</b>	<b>178,440,008</b>

## 24. 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:

	2020 €	2019 €
Cash and Liquid Assets	34,969,627	34,979,248
Investments	116,848,155	99,722,218
Members Loans	68,650,569	70,666,863
Less Savings attached to Loans	(27,183,313)	(28,769,095)
Total Balance Sheet Exposure	193,285,038	176,599,234
Off Balance Sheet Loans approved but unissued	292,550	932,212
Total Exposure	193,577,588	177,531,446

### 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	2020 €	2019 €
A	2,000,000	-
A1	42,961,893	27,980,850
A2	16,114,803	32,407,693
A3	26,000,000	-
Aa3	9,616,299	11,519,792
B1	-	22,062,241
Ba1	-	21,717,484
Ba2	4,937,231	-
Baa1	18,155,330	7,924,181
Baa2	2,991,453	-
Baa3	-	11,089,250
	122,777,009	134,701,491

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

## 24. Financial Instruments (continued)

### Credit Quality Analysis of Loans to Members

	2020 €	2019 €
Neither Past due nor Impaired	57,756,392	59,811,667
1 to 9 weeks	8,244,696	8,911,806
10 to 18 weeks	536,093	347,668
19 to 26 weeks	172,419	295,484
27 to 39 weeks	247,569	224,713
40 to 52 weeks	144,124	112,285
53 weeks plus	711,907	824,096
Total	67,813,200	70,527,719
Impairment Allowance		
Individual	636,775	673,217
Collective	2,195,402	1,343,077
Total	2,832,177	2,016,294

### 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.

## 25. Comparative Information

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





# 2021 Car Loans

## €20,000 CAR LOAN

AMOUNT BORROWED: **€20,000**  
VARIABLE RATE: **6.5%**  
REPRESENTATIVE: **6.7% APR\***  
REPAYMENT PERIOD: **8 YEARS**  
NO. OF REPAYMENTS: **416**  
REPAYMENT AMOUNT: **€61.65 PER WEEK**  
TOTAL INTEREST: **€5,638.16**  
TOTAL REPAYMENT: **€25,638.16**

### €61.65 PER WEEK

**Available for purchase  
of electric & hybrid cars**

**SAME  
DAY  
APPROVAL\*\***

**DAY 1  
YOU OWN  
THE VEHICLE**

No Hire Purchase, No PCP,  
No Fees. No Balloon Payment,  
No Mileage Restrictions,  
No Penalty if you Repay Early.  
No large deposit required.  
(T&C's apply)

**Our special rate car loan covers petrol/diesel cars, vans, pick-ups,  
jeeps, tractors, trucks, motorbikes, mopeds/scooters, camper vans.**

*Loans are subject to approval. Terms & Conditions apply*

**WARNING:** IF YOU DO NOT MEET THE REPAYMENTS ON YOUR LOAN, YOUR ACCOUNT WILL GO INTO ARREARS.  
THIS MAY AFFECT YOUR CREDIT RATING, WHICH MAY LIMIT YOUR ABILITY TO ACCESS CREDIT IN THE FUTURE.

8/9 Mainguard Street  
Galway City Centre  
091 537200

Westside Shopping Centre  
Galway  
091 537260

Bridge Street  
Oughterard, Co. Galway  
091 537280

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



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