

moving
forward...

...together

2021 AGM

Including presentation of
Annual Report & Accounts

your support for
the times that matter

Thursday,
22nd September 2022
at 8.00pm

 Together We're Stronger
Ashbourne
Credit Union 

GENERAL INFORMATION



BOARD OF DIRECTORS

Chairperson - William Hoare

Vice Chairperson - Eimear O'Sullivan

Secretary - Donal Foley

Assistant Secretaries - Hubert Collins, Bernard Clarke, Donal Doyle, Tommy Flanagan, Fiona Cullivan, Dominic Herity, Tom Smith



BOARD OVERSIGHT COMMITTEE

Chris Roach, Therese Foster, Pat Moroney



STAFF

Elaine Kavanagh, Deirdre Brady, Ger Bird, Diane Maher, Sharon Johnston, Susan Daly, Chloe Lee Carr



MANAGEMENT TEAM

CEO - Michael Cunningham

Operations Manager - Niamh McNamara

Senior Lending Officer - Maria Muldowney

Marketing Officer - Caroline Francis



AUDITORS

Sean P. Muldoon & Company
Chartered Accountants



NOTICE OF ANNUAL GENERAL MEETING (AGM)

Notice is hereby given that the 2021 Annual General Meeting of St. Declan's Ashbourne Credit Union will be held virtually at
8.00pm on Thursday 22nd September 2022

Due to the ongoing risks posed by COVID-19, in the interest of the health and safety of our members the Board of Directors are holding our 2021 AGM by virtual means. Our AGM will be facilitated again this year on Zoom. Please note the following in relation to this virtual AGM:

- The "Zoom" platform will be used to allow this virtual AGM - each member will be provided with their own **unique access link** - do not share this with others to allow you to be identified at the Virtual AGM;
- Members can email AGM@ashbournecu.ie to receive a registration link - if possible, use the email you have registered with Ashbourne Credit Union for this. **Members should register by 18:00pm on Wednesday 21st of September 2022.**
- You may have to provide proof of your identity/membership of the credit union including your membership number;
- Any voting will take place before the Virtual AGM - again this will be via a **unique link** that is not to be shared - **voting should be completed by 12:00pm (noon) on Thursday 22nd of September 2022**; and,
- Preferably any questions and comments should be submitted before the meeting, but members will also be able to put these forth during the meeting via the Zoom Platform.

USING ZOOM

Zoom has a very simple user interface and has become very familiar to the public during the recent COVID-19 event.

Zoom ensures security as each registered member will be sent an individual link and settings will ensure each person can only access from one device. A passcode will also be assigned for the meeting. Video tutorial for all features of Zoom can be accessed at:

<https://support.zoom.us/hc/en-us/articles/206618765-Zoom-VideoTutorials>



ONLINE VOTING

To allow time for collation and counting, voting will take place before the Virtual AGM.

Again each registered member will be sent a unique and secure online link to allow them to vote. This will ensure a secure and accurate election result.

Voting must be completed by 12:00pm (noon) on Thursday 22nd September 2022.



CREDIT UNION INVOCATION



Lord, make me an instrument of thy peace
Where there is hatred, let me show love
Where there is injury, pardon

Where there is doubt, faith
Where there is despair, hope
Where there is darkness, light
And where there is sadness, joy

O Divine Master, grant that I may not so
much seek to be consoled, as to console
To be understood as to understand
To be loved, as to love
For it is in giving, that we receive
It is in pardoning, that we are pardoned
And It is in dying, that we are born to eternal life

We would like to offer our condolences to the families of deceased members who passed away in 2021-2022.

OPENING HOURS

Monday	9.30am - 4.30pm
Tuesday	9.30am - 4.30pm
Wednesday	9.30am - 4.30pm
Thursday	9.30am - 4.30pm
Friday	9.30am - 4.30pm
Saturday	9.30am - 4.30pm
Bank Holiday Saturday & Monday	Closed



NOTICE OF MEETING & ORDER OF BUSINESS

In accordance with Standard Rule 96 (4) the business of the Annual General Meeting of the members shall be:

1. The acceptance by the Board of Directors of the authorised representatives of members that are not natural persons
2. Ascertainment that a quorum is present
3. Adoption of Standing Orders
4. Reading and approval (or correction) of the minutes of the last Annual General Meeting
5. Report of the Board of Directors
6. Consideration of Accounts
7. Report of the Auditor
8. Report of the Board Oversight Committee
9. Report of the Nomination Committee
10. Report of the Credit Committee
11. Report of the Credit Control Committee
12. Appointment of Tellers
13. Election of Auditor
14. Election to fill vacancies on the Board Oversight Committee
15. Election to fill vacancies on the Board of Directors
16. Motions
17. Any other Business
18. Announcement of Election Results
19. Adjournment or close of meeting

APPOINTMENT OF AUDITORS

In accordance with section 117 of the credit union Act 1997 (as amended) (resolutions relating to the appointment and removal of auditors) the Board of Directors are proposing to change the auditor of St. Declan's Ashbourne Credit Union at the forthcoming Annual General Meeting. The Board of Directors are nominating Grant Thornton as the new auditors to St. Declan's Ashbourne Credit Union.



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In accordance with section 53 (6) of the Credit Union Act 1997 (as amended), any Director or Board OVERSIGHT Committee member that is due for re-election at this time must now have prior Board of Director approval. NO NOMINATIONS MAY BE ACCEPTED FROM THE FLOOR OF THE AGM.



MINUTES OF VIRTUAL ANNUAL GENERAL MEETING

THURSDAY, 13TH MAY 2021

DIRECTORS PRESENT

Jim O'Rourke (Chairman), Bill Hoare (Vice Chairman), Donal Foley, (Secretary), Hubert Collins, (Assistant Secretary), Donal Doyle, Dominic Herity, Bernard Clarke, Fiona Cullivan, Tommy Flanagan, Eimear O'Sullivan, Tom Smith.

BOARD OVERSIGHT COMMITTEE PRESENT

Pat Moroney, Chris Roach, Therese Foster.

MANAGEMENT PRESENT

CEO Michael Cunningham, Brian Daly, Interim Manager/Finance Officer.
Welcome by Chairman Jim O'Rourke.

Chairman offered condolences to the families of deceased members who had passed away during the year and read out the prayer.

The acceptance by the Board of Directors of the authorised representatives of members that are not natural persons.

Ascertainment of quorum by Chairman.

ADOPTION OF STANDING ORDERS ON PAGE 4-5 OF A.G.M. BOOKLET

Proposed: Chris Roach

Seconded: Niamh McNamara

MINUTES OF LAST ANNUAL GENERAL MEETING

Donal Foley (Secretary) referred to following two corrections to the minutes, as they appeared in the booklet:

Election to fill vacancies on the Board Oversight Committee: Delete 'The following were nominated for re-election and were duly elected: Bill Hoare, Donal Doyle & Pat Moroney.' Should read 'John Kelly was nominated for re-election and was duly elected to the Committee.'

Following paragraph was omitted from minutes in booklet: Election to fill vacancies on the Board of Directors. The following were nominated for re-election and were duly elected: Bill Hoare, Donal Doyle & Pat Moroney.

There were no questions from the floor.

AMENDMENTS

Proposed: Bernard Clarke

Seconded: Bill Hoare



MINUTES

Proposed: Elaine Kavanagh

Seconded: Dominic Herity

CHAIRPERSONS REPORT

Chairman Jim O'Rourke read out report. There were no questions from the floor.

Proposed: Niamh McNamara

Seconded: Tom Smith

REPORT OF THE BOARD OVERSIGHT COMMITTEE

There were no questions from the floor.

Proposed: Hubert Collins

Seconded: Donal Foley

REPORT OF THE CREDIT CONTROL COMMITTEE

There were no questions from the floor.

Proposed: Eimear O'Sullivan

Seconded: Tom Smith

REPORT OF THE NOMINATING COMMITTEE

There were no questions from the floor.

Proposed: Therese Foster

Seconded: Mary Prior

REPORT OF THE CREDIT COMMITTEE

There were no questions from the floor.

Proposed: Donal Doyle

Seconded: Bernard Clarke

ANTI MONEY LAUNDERING REPORT

There were no questions from the floor.

Proposed: Caroline Francis

Seconded: Bernard Clarke

REPORT OF THE AUDITOR

Brendan Muldoon read out paragraph 1 which outlined the Independent Auditors' opinion as to the financial statements. There were no questions from the floor. Brendan thanked the Board and staff and congratulated us on our 50th anniversary.

Proposed: Dominic Herity

Seconded: Tommy Flanagan

DECLARATION OF DIVIDEND, LOAN INTEREST REBATE & DEPOSIT INTEREST

No Dividend, Loan Interest Rebate or Deposit Interest declared.

There were no questions from the floor.

Proposed: Elaine Kavanagh

Seconded: Chris Roach

APPOINTMENT OF TELLER

Brian Daly, Interim Manager, was appointed as teller.

Proposed: Jim O'Rourke

Seconded: Fiona Cullivan



APPOINTMENT OF AUDITORS

Sean P. Muldoon & Co., Chartered Accountants & Registered Auditors, Bective Square, Kells, Co. Meath, were appointed.

ELECTION TO FILL VACANCIES ON THE BOARD OVERSIGHT COMMITTEE

Chris Roach, Therese Foster and Pat Moroney were duly elected.

ELECTION TO FILL VACANCIES ON THE BOARD OF DIRECTORS

The following were nominated for re-election and were duly elected: Tommy Flanagan, Jim O'Rourke, Bernard Clarke, Tom Smith and Hubert Collins.

ADOPTION OF AMENDMENTS TO RULES

Four motions were read out. All motions passed.

Proposed: Bernard Clarke

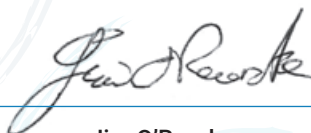
Seconded: Tommy Flanagan

There was no Other Business. Meeting concluded.

Signed:



Donal Foley
Secretary



Jim O'Rourke
Chairman

Proposed:

Seconded:



CHAIRPERSON'S REVIEW OF THE YEAR

FOR THE YEAR ENDED 30TH SEPTEMBER 2021

INTRODUCTION

I am delighted to present to you the Annual Report of St. Declan's Ashbourne Credit Union for the year ended 30th September 2021. Due to the pandemic and other issues, we have been delayed in holding our Annual General Meeting and we are once again holding a virtual meeting online. 2021 was another challenging year for us all as we continued to grapple with the impact of Covid-19. While some restrictions remained in place to ensure the ongoing health, safety and wellbeing of our members and staff, the credit union remained open and accessible to members. Putting our members at the front and centre of everything we do is essential to our ongoing success, and we will continue to review the ways in which we do business to ensure it is the most efficient way possible. While our doors remain open, more and more members are now choosing to conduct their business online via our website or the CU Mobile App. We will continue to welcome members into our offices, our range of online services gives members the flexibility to conduct their business 365 days of the year.

Following an extensive and rigorous selection process Michael Cunningham was appointed as our new CEO and commenced in the role in May 2021. Michael is a qualified accountant and brings a wealth of business experience to our credit union and has extensive knowledge and understanding of credit union business having previously been employed by two large credit unions.

It is with sadness that we remember our founding members and volunteers who passed away during the year and would also like to acknowledge all our members who also passed away and offer our condolences to all their families.

FINANCIAL REVIEW

Following his appointment as CEO Michael undertook a review of the credit union operations. This review has resulted in two adjustments to the financial statements. A prior year adjustment of €76,357 was required due to an overstatement of accrued investment income for the year ended 30th September 2020, while the financial statements for the year ended 30th September 2021 include an exceptional item of €135,559 related to the treatment of some historic costs which were not recognised in previous years financial statements. External consultants were engaged to conduct the review and the costs associated with it have also been included in the exceptional item. As part of the review and as a matter of good governance the Internal Audit function conducted a circularisation of all our members to confirm all member share and loan balances.

SHARES

Following on from the Board of Directors decision to introduce a cap on members shares of €15,000, members shares and deposits reduced from €33,247,317 to €30,100,2013, a



decrease of 9.46% during the year. The share cap was introduced to manage the level of reserves which the credit union is required to maintain to protect members shares. We will continue to monitor the situation closely at both local and movement wide level to assess the continued appropriateness of our existing share cap of €15,000.

LOANS

One of the main business objectives of the credit union is providing affordable loans to members. Your credit union issued loans of €5,002,410 during the year which is an increase of 6.77% on last year's figure of €4,685,299. Despite this our Loan Book decreased by 2.3% to €10,315,413 as members continued to repay their loans. While the increase in new loans issued signals a recovery of sorts, there is still work to be done to sustain and build on this growth in the coming years as our economy continues to recover. It is also yet another reminder that your credit union can meet your lending needs now and into the future, and with the automation of our loan application and draw down processes, borrowing from your credit union has never been easier or more convenient.

ASSETS

As a result of the share cap and the reduction in members shares the assets of the credit union have reduced to €34,780,932 from €37,968,567 decrease of €3,187,635 or 8.4%. Credit unions are legally required to hold a minimum of 10% of its total assets in its regulatory reserves. At the year end the regulatory reserve was €3,952,492 or 11.4% of total assets. In addition to our regulatory reserve the credit union also had other reserves of €491,147 resulting in total reserves of 12.77% of total assets. The Board of Directors are conscious of the need to maintain strong reserves to ensure the long-term viability and soundness of the credit union. We have taken the decision not to propose a dividend or interest rebate again this year. This is in line with the expectation of the Central Bank that priority is given to the maintenance and building of reserves over the payment of any distributions to members and that dividends or loan interest rebates would not feature again for the 2021 financial year.

LOOKING FORWARD - STRATEGY 2022-2025

The Board of Directors have completed a review of the previous strategic plan and are in the process of developing a new strategic plan covering the period to 2025. We will work with and support the CEO and staff to put in place the policies and processes required to implement the various elements of that strategy. The Covid 19 pandemic continues to cause some disruption to our lives and has also impacted our local and national economy while the war in Ukraine has seen large increases in fuel and energy costs which have contributed to the rate of inflation increasing over the past months to levels not seen in the last few decades. As a result of this the main areas of concern nationally are the lack of consumer spending and consequent increase in savings, together with a decrease in consumer borrowing. The main thrust of the new strategic plan is to grow the membership, increase the loan book and connect and support the communities that form part of our common bond.

A further aim of the strategic plan is to maximise technology to make it easier and less costly



for you, our members to engage with the credit union. In the near future, we will introduce our online member onboarding process making it easier for new members to join the credit union and further enhance our end-to-end loan process which we expect will lead to quicker lending decisions.

The Board of Directors and the management team and staff will work together to achieve the challenging targets and objectives set, however ultimately the success of the plan will reside with the members using the credit union and its facilities. Responsible borrowing and moving money from savings and share's out into the local economy to upgrade a car or insulate a home, will improve the life of the borrower, however it will also 'heat up' the local economy, get businesses thriving again and create local jobs. It benefits everybody in our community.

STAFF AND DIRECTORS

Our employees continue to be recognised by our members for their service, dedication and commitment. We are enormously proud of the personal and professional service that our staff deliver to our members. On behalf of my fellow Directors, I wish to thank the management and staff for the excellent and courteous service provided by them to the Members and Directors over the last year.

The credit union is governed and managed by a voluntary Board of Directors from the local community. These volunteers give freely of their time and are required to undertake annual training to give them the knowledge to run this ever-expanding community enterprise. I would like to acknowledge the contribution each volunteer has made over the last few years. On your behalf, I would also like to thank the Board of Directors for their time and work throughout the year and especially acknowledge their flexibility in how meetings were conducted in virtual environments. The Board works extremely hard and diligently on your behalf and, while each year seems to bring new regulations with further challenges, they continue to work in the interest of all members.

CONCLUSION

Whilst so much has changed in such a short time, it is important to remember that Ashbourne Credit Union is a strong, safe and secure credit union. Credit union services and our attitude to our members will never change. We do things differently. We are not banks. We are not-for-profit financial co-operatives. Our number one priority is our members and everything we do is guided in safeguarding their best interests at all times in the current challenging environment that also requires providing for their physical safety while attending our offices. I wish to thank you, our members for your continued loyalty and support throughout the year, working together we will continue to grow and prosper. The credit union is owned by you the members and I encourage you to make full use of its services in a safe way.

Bill Hoare
Chairperson



DIRECTORS' REPORT

FOR THE YEAR ENDED 30TH SEPTEMBER 2021

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

PRINCIPAL ACTIVITIES

The company is principally engaged in the operation of a Credit Union in providing financial services to members.

Review of the business and future developments

Both the level of business and the year-end financial position were as expected by the Directors who continue to develop current activities while monitoring costs. The Directors are not expecting to make any significant changes in the nature of the business in the near future.

RESULTS FOR THE PERIOD AND STATE OF AFFAIRS

The deficit for the year end is set out in the Income and Expenditure Account on page 21. The Balance Sheet as at 30th September 2021 is set out on page 22.

PRIOR YEAR ADJUSTMENT - MATERIAL ERROR

The comparative figures for the year ended 30th September 2020 have been restated as a result of a material error in the original financial statements issued for that year. The error was discovered following the appointment of the new Chief Executive Officer. Details of the error and the effect of the restatement on the results for the year ended 30th September 2020 are set out in note 18 to these financial statements.

DIRECTORS

The Directors who held office during the year and up to date of signature of the financial statements were as follows:

Bill Hoare
 Eimear O'Sullivan
 Donal Foley
 Jim O'Rourke
 Tommy Flanagan
 Bernard Clarke
 Hubert Collins
 Donal Doyle
 Tom Smith
 Fiona Cullivan
 Dominic Herity



PRINCIPAL RISKS AND UNCERTAINTIES

The credit union, as with many other financial institutions, faces uncertainties arising from the general economic environment. The Board of Directors are actively monitoring the effects of these conditions on the operations of the credit union.

The principal areas currently requiring risk management include:

- Loan approval and guarding against subsequent default
- Investment selection policy, guarantee of capital and monitoring of performance
- Liquidity management and control of costs.

AUDITOR

Sean P. Muldoon & Co. shall not be offering themselves for re-election as auditors to the credit union for the coming year.

On behalf of the board:



William Hoare

Member of the Board of Directors
28th July 2022



Donal Foley

Member of the Board of Directors
28th July 2022

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 30TH SEPTEMBER 2021

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Credit Union will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Credit Union and which enables them to ensure that the financial statements are prepared in accordance with applicable Irish law and Generally Accepted Accounting Practice in Ireland, including the standards



issued by the Financial Reporting Council, and in particular FRS102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland”. They are responsible for safeguarding the assets of the Credit Union and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board:



William Hoare
Member of the Board of Directors
28th July 2022



Donal Foley
Member of the Board of Directors
28th July 2022

STATEMENT OF THE BOARD OVERSIGHT COMMITTEE'S RESPONSIBILITIES

FOR THE YEAR ENDED 30TH SEPTEMBER 2021

The Credit Union Act 1997, as amended requires the appointment of a Board Oversight Committee to assess whether the Board of Directors has operated in accordance with Part IV, Part IV(a) and any regulations made for the purposes of Part IV or Part IV(a) of the Credit Union Act 1997, as amended and any other matter prescribed by the Central Bank in respect of which they are to have regard in relation to the Board.

On behalf of the Board Oversight Committee:



Chris Roach
Chairperson of the Board Oversight Committee
28th July 2022



BOARD OVERSIGHT COMMITTEE'S REPORT

FOR THE YEAR ENDED 30TH SEPTEMBER 2021

The Board Oversight Committee are pleased to submit its Annual Report in accordance with the Credit Union Acts 1997 as amended, to you, the members of St. Declan's Credit Union. As you are aware the Board Oversight Committee are mandated to oversee on your behalf, the performance of the Board of Directors in carrying out their functions.

During the year ended September 2021 the Committee met regularly and attended all monthly and additional meetings of the Board of Directors. Having reviewed the proceedings of these meetings, the Committee is satisfied that the actions and decisions of the Board of Directors were compliant with current rules and legislation. Whenever it was deemed appropriate, the Board of Directors were advised of its obligations regarding the Credit Union Act.

During the year, the Committee presented several reports to the Board of Directors in which various aspects of their duties and functions were examined. We thank the Board of Directors for their attendance at these meetings and their acceptance of our recommendations. Members of the Committee have attended training workshops throughout the year.

We wish to acknowledge the co-operation of all those involved in the Credit Union, particularly the Chairperson, Bill Hoare and Secretary, Donal Foley and all other Directors. We very much appreciate the commitment and dedication of the Board of Directors who give of their time so freely. We particularly appreciate that difficult circumstances presented by the pandemic, and the Board of Directors response in meeting and overcoming those challenges.

We would like to thank the CEO, the management team and staff for all their hard work throughout the year and for their continued help and support to us as a committee.

BOARD OVERSIGHT COMMITTEE

Chris Roach (*Chairperson*)

Therese Foster (*Secretary*)

Pat Moroney



CREDIT COMMITTEE'S REPORT 2021

Our Credit Committee is established by the Board of Directors as set out in Section 67(1)(a) of the Credit Union Act 1997 (as amended).

During the 12-month period ending 30th September 2021 Ashbourne Credit Union issued 942 loans with a total value of €5,002,410 (Sept 2020 €4,685,299). In the same period a total of 1,188 loan applications were processed by Credit Union Staff, of which 1005 (85%) were approved. Our most popular loan products were Personal Loan (36%), Home Improvement (27%), Car (21%), Holiday (7%) Others 9%. At the end of September 2021 our gross outstanding loan book totalled €10,315,144, (Sept 2020 €10,558,236).

Decisions on approval or otherwise are always made in line with our objectives as set out in our Lending Policy and Procedures. The principal consideration with each application is the members capacity to repay the loan. We thank all our members, old and new, who continue to support our Credit Union by taking out loans and availing of our very competitive lending rates.

The continued implications from Covid 19 and the economic uncertainty throughout the world has had a major impact on our Loan Book. But our Credit Union is financially sound and vibrant and will come through these difficult times stronger than ever. Our CEO, the management team and the Board of Directors regularly review our loan products on an ongoing basis to ensure that the best lending rates are made available to our members. Our staff at Ashbourne Credit Union continue to provide excellent financial advice to all our members by providing them with a loan option most suitable to their specific requirement.

The Credit Committee meet weekly and because of Covid our activities have been mostly confined to virtual meetings for the past year. I would like to thank my Credit Committee colleagues Eimear O'Sullivan and Fiona Cullivan for their unselfish support during the year. On behalf of the Credit Committee, we wish to thank the Credit Union management and staff for their assistance, dedication, and professionalism during the year.

Hubert Collins, Eimear O'Sullivan, Fiona Cullivan
Credit Committee

CREDIT CONTROL COMMITTEE'S REPORT 2021

The Credit Control Committee is responsible for ensuring that member of the Credit Union repay their loans in accordance with the terms of their loan agreement. To this end the Committee together with the Credit Control Officer, Niamh McNamara and her team work diligently to minimise the number of members defaulting on their loans.

This year, due to the Covid 19 pandemic the loan book has significantly reduced, however our debt to loan ratio remains one of the lowest in the country at 1.45%. This is in no small part



due to the dedicated efforts of our Lending and Credit Control Teams.

The value of charged off loans this year was, €21,269. All charged off loans are actively pursued for full payment and this year has resulted in bad debts recovered to the value of €62,303.

The Committee would like to remind members that it is imperative that any member facing difficulties in meeting their loan obligations get in touch with the Credit Control team as soon as possible to avoid experiencing a bad credit rating in the future.

We would like to thank our CEO, management team and all the staff for their help and assistance throughout the year.

Donal Doyle

Credit Control Committee

NOMINATIONS COMMITTEE'S REPORT 2021

The function of the Nominations Committee which is established under the Credit Union Act, is to progress a succession plan for the Credit Union. To this end the committee is responsible for actively canvassing members of the Board of Directors to progress to positions such as Chair Person, Vice Chair Person and Secretary.

The Committee is also responsible for interviewing and recruiting new volunteers for the various committees within the Credit Union. Unfortunately, this year the committee was unable to recruit any new volunteers. Volunteers are the backbone of the Credit Union as they provide valuable expertise and experience to the various committees and are potential future members of the Board of Directors.

There are vacancies for four Director positions on the Board of Directors this year. The following Directors are retiring and offer themselves for re-election.

Eimear O'Sullivan

Fiona Cullivan

Dominic Herity

Donal Foley

There are no changes to the membership of the Board Oversight Committee this year.

Ongoing training courses are organized by the Committee for both new volunteers and existing members of the board. Training is conducted to enable the board to keep abreast of current legislation, management trends and developments in the Credit Union Organization.

The committee would like to thank our Chairperson Bill Hoare and the members of the board for their encouragement and support. We would also like to thank our CEO Michael and all of our staff, for all their help and co-operation throughout the year.

Bernard Clarke

Nomination Committee



INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ST. DECLAN'S ASHBOURNE CREDIT UNION LIMITED FOR THE YEAR ENDED 30TH SEPTEMBER 2021

OPINION

We have audited the financial statements of St. Declan's Ashbourne Credit Union Limited for the year ended 30 September 2021 which comprise the Income and Expenditure Account, Balance Sheet, Statement of Changes in Reserves and the Cash Flow Statement and the related notes, including the summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is Irish law and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland issued in the United Kingdom by the Financial Reporting Council.

In our opinion the financial statements:

- give a true and fair view of the state of the Credit Union's affairs as at 30th September 2021 and its income and expenditure and cash flows for the year then ended;
- have been properly prepared in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been properly prepared in accordance with the requirements of the Credit Union Act 1997, as amended.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

In auditing these financial statements, we have concluded that the Credit Unions use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work that we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Credit Unions ability to continue as a going concern for a period of at least 12 months from the date when the financial statements are authorised for issue.

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



OTHER INFORMATION

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE CREDIT UNION ACT 1997, AS AMENDED

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

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

RESPECTIVE RESPONSIBILITIES RESPONSIBILITIES OF DIRECTORS FOR THE FINANCIAL STATEMENTS

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an



auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (Ireland), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Credit Union's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Credit Union's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Credit Union to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.



Sean P. Muldoon & Co.

Chartered Accountants & Registered Auditors

Bective Square,

Kells,

Co. Meath

28th July 2022



INCOME & EXPENDITURE ACCOUNT

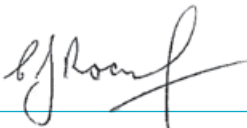
FOR THE YEAR ENDED 30TH SEPTEMBER 2021

	SCHEDULE	2021 €	2020 (as restated) €
INCOME			
Interest on members' loans		874,482	958,866
Interest payable on members' deposits		-	(138)
Other interest receivable and similar income	1	140,879	111,224
Net interest income		1,015,361	1,069,952
Other income	2	13,998	18,964
TOTAL INCOME		1,029,359	1,088,916
EXPENDITURE			
Employment costs		412,573	419,164
Depreciation		41,332	38,539
Other management expenses	3	583,303	628,790
Exceptional item (note 5)		135,559	-
Net recoveries on loans to members (note 10)		(35,062)	(33,900)
TOTAL EXPENDITURE		1,137,705	1,052,593
(DEFICIT) / SURPLUS FOR THE YEAR		(108,346)	36,323
SURPLUS FOR THE FINANCIAL YEAR BEFORE EXCEPTIONAL ITEM		27,213	36,323
Exceptional item (Note 5)		(135,559)	-
(DEFICIT) / SURPLUS FOR THE FINANCIAL YEAR AFTER EXCEPTIONAL ITEM		(108,346)	36,323

The financial statements were approved, and authorised for issue, by the Board on 28th July 2022 and signed on its behalf:



Michael Cunningham
Chief Executive Officer



Chris Roach
Member of Board
Oversight Committee



William Hoare
Member of Board of Directors



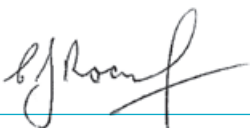
BALANCE SHEETFOR THE YEAR ENDED 30TH SEPTEMBER 2021

	NOTES	2021 €	2020 (as restated) €
ASSETS			
Cash and cash equivalents	7	4,948,060	9,484,598
Deposits and investments - cash equivalents	3	1,475,102	173,823
Deposits and investments other	3	17,126,968	16,821,742
Loans to members	10	10,074,849	10,323,914
Tangible fixed assets	8	1,007,063	989,567
Prepayments and accrued income		148,890	174,923
TOTAL ASSETS		<u>34,780,932</u>	<u>37,968,567</u>
MEMBERS LIABILITIES			
Members' share accounts	9	29,561,641	32,303,420
Members' deposit accounts	9	538,572	943,897
OTHER LIABILITIES			
Trade creditors and accruals		237,080	169,265
TOTAL LIABILITIES		<u>30,337,293</u>	<u>33,416,582</u>
ASSETS LESS LIABILITIES		<u>4,443,639</u>	<u>4,551,985</u>
RESERVES			
Regulatory reserves		3,952,492	3,804,492
Operational risk reserve		130,000	130,000
Development fund reserve		120,000	120,000
Budget account reserve		30,000	30,000
Retained earnings		211,147	467,493
		<u>4,443,639</u>	<u>4,551,985</u>

The financial statements were approved, and authorised for issue, by the Board on 28th July 2022 and signed on its behalf:



Michael Cunningham
Chief Executive Officer



Chris Roach
Member of Board
Oversight Committee



William Hoare
Member of Board of Directors



STATEMENT OF CHANGES IN RESERVES

FOR THE YEAR ENDED 30TH SEPTEMBER 2021

	UNDISTRIB- UTED SURPLUS	REGU- LATORY RESERVE	OPERAT- IONAL RISK RESERVE	DEVELOP- MENT FUND RESERVE	BUDGET ACCOUNT RESERVE	TOTAL RESERVES
As at 1 October 2019	746,731	3,513,674	130,000	120,000	30,000	4,540,405
Surplus for year	112,680	-	-	-	-	112,680
Less: Dividend paid	(2,598)	-	-	-	-	(2,598)
Less: Loan interest rebate paid	(22,145)	-	-	-	-	(22,145)
Transfer to regulatory reserve	(290,818)	290,818	-	-	-	-
Prior year adjustment - Material error (Note 18)	(76,357)	-	-	-	-	(76,357)
AS AT 30 SEPT. 2020	467,493	3,804,492	130,000	120,000	30,000	4,551,985
AS RESTATED						
As at 1 October 2020 as restated	467,493	3,804,492	130,000	120,000	30,000	4,551,985
(Deficit) for year	(108,346)	-	-	-	-	(108,346)
Less: Dividend paid	-	-	-	-	-	-
Less: Loan interest rebate paid	-	-	-	-	-	-
Transfer to Regulatory reserve	(148,000)	148,000	-	-	-	-
Transfer between reserves	-	-	-	-	-	-
AS AT 30 SEPT. 2021	211,147	3,952,492	130,000	120,000	30,000	4,443,639

- 1) The Regulatory reserve of the Credit Union as % of total assets as at 30th September 2021 was 11.4%. (2020: 10%).
- 2) In accordance with S45 of the Credit Union Act 1997 (as amended) the Credit Union put in place an Operational Risk Reserve. The Operational Risk reserve as a % of the total assets as at 30th September 2021 was 0.04%.
- 3) Following commencement of S13 of the 2012 Act, the requirement for Credit Unions to transfer 10% of their annual surplus to their Regulatory reserve each year has been removed. The Credit Union has transferred an amount of €148,000 from undistributed surplus to regulatory reserve. This increases the regulatory reserve to 11.4% of total assets.



CASH FLOW STATEMENT**FOR THE YEAR ENDED 30TH SEPTEMBER 2021**

	NOTES	2021 €	2020 (as restated) €
CASH FLOWS FROM OPERATING ACTIVITIES			
Loans repaid by members	10	5,224,234	5,733,711
Loans granted to members	10	(5,002,410)	(4,685,299)
Loan interest received		874,482	958,866
Interest paid and similar charge		-	(138)
Interest income received		140,879	111,224
Other income received		13,998	18,964
Bad debts recovered	10	62,303	71,323
Dividend paid		-	(2,598)
Loan interest rebate paid		-	(22,145)
Operating expenses		(1,042,813)	(941,210)
NET CASH FLOWS FROM OPERATING ACTIVITIES		270,673	1,242,698
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets	8	(58,828)	(16,165)
Proceeds from sale of investments		4,700,000	767,000
Purchase of investments		(5,000,000)	(2,000,000)
NET CASH FLOWS FROM INVESTING ACTIVITIES		(358,828)	(1,249,165)
CASH FLOW FROM FINANCING ACTIVITIES			
Members savings received		16,467,566	16,920,070
Members savings withdrawn		(19,614,670)	(12,522,053)
NET CASH FLOWS FROM FINANCING ACTIVITIES		(3,147,104)	4,398,017
NET (DECREASE)/INCREASE IN CASH & CASH EQUIVALENTS		(3,235,259)	4,391,550
Cash and cash equivalents at beginning of year		9,658,421	5,266,871
CASH AND CASH EQUIVALENTS AT END OF YEAR		6,423,162	9,658,421



NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2021

1 LEGAL AND REGULATORY FRAMEWORK

St. Declan's Ashbourne Credit Union Limited is registered with the Registrar of Credit Unions and is regulated by the Central Bank of Ireland. The registered office of the Credit Union is Killelland, Main St., Ashbourne, Co. Meath.

2 ACCOUNTING POLICIES BASIS OF PREPARATION

These financial statements have been prepared in accordance with FRS 102. The Financial Reporting Standard applicable in the UK and Republic of Ireland. The financial statements are prepared on the historical cost basis.

CURRENCY

The financial statements are prepared in euro (€), which is the functional currency of the Credit Union. Monetary amounts in these financial statements are rounded to the nearest euro.

GOING CONCERN

The financial statements are prepared on the going concern basis. The Directors of the Credit Union believe this is appropriate as the Credit Union:

- is generating annual surpluses;
- maintains an appropriate level of liquidity; and
- has reserves that are currently above the minimum requirements of the Central Bank.

The Directors have prepared budgets and cashflows for a period of at least 12 months from the date of the approval of the financial statements based on the best available information which demonstrate that there is no material uncertainty regarding the Credit Unions ability to meet its liabilities as they fall due and to continue as a going concern. On this basis, at the time of approving these financial statements, the Directors have a reasonable expectation that the Credit Union has adequate resources to continue in operational existence for the foreseeable future. Thus the Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

INCOME

Interest on members' loans is recognised using the effective interest method and is calculated and accrued on a daily basis.

INVESTMENT INCOME

Investment income is accounted for differently depending on how the various investments



are designated at the outset and based on meeting certain criteria. The credit union uses the following accounting methods:

Held at amortised cost using the effective interest method

Investments designated on initial recognition as held at amortised cost are measured at amortised cost using the effective interest method less impairment. All amounts invested by the Credit Union are capital guaranteed.

Central Bank Deposits

Credit Unions are obliged to maintain minimum reserve deposits with the Central Bank. These deposits are technically assets of the credit union but to which the credit union has restricted access. The Credit Union may at times have excess funds in these accounts. These excess funds may be accessed by the Credit Union at any time. The funds on deposit with the Central Bank attract nominal interest and will not ordinarily be returned to the credit union while it is a going concern. In accordance with the direction of the Central Bank the amounts are shown as current assets and are not subject to impairment reviews.

Other income

Other income such as foreign exchange services arises in connection to specific transactions. Income relating to individual transactions is recognised when the transaction is completed.

DIVIDENDS TO MEMBERS AND INTEREST ON MEMBERS' DEPOSITS

Interest on members' deposits

Interest on members' deposits is recognised on an accruals basis.

Dividends on shares

Dividends are made from current year's surplus. The Board of Directors proposed distribution to members each year is based on the dividend policy of the Credit Union.

The rate of dividend recommended by the Board of Directors will reflect:

- the risk profile of the Credit Union, particularly in its loan and investment portfolios;
- the Board of Directors desire to maintain a stable rather than a volatile rate of dividend each year; and
- members' legitimate dividend expectation;

all dominated by prudence and the long term viability of the Credit Union.

For this reason, the Board of Directors will seek to build up its reserves to absorb unexpected shocks and still remain above minimum regulatory requirements.

The Credit Union accounts for dividends when members ratify such payments at the Annual General Meeting.

TAXATION

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



CASH AND CASH EQUIVALENTS

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

FINANCIAL INSTRUMENTS

The Credit Union has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised when the Credit Union becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when, and only when, there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets and liabilities are classified according to the substance of the contractual arrangements entered into.

BASIC FINANCIAL ASSETS

Basic financial assets are initially measured at the transaction price, including transaction costs, and are subsequently carried at amortised cost using the effective interest method. Basic financial instruments include the following:

Loans to members

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

Investments held at amortised cost

Investments held at amortised cost are measured at amortised cost using the effective interest method less impairment. This means that the investment is measured at the amount paid for the investment, minus any repayments of the principal; plus or minus the cumulative amortisation using the effective interest method of any difference between the amount at initial recognition and the maturity amount; minus, in the case of a financial asset, any reduction for impairment or un-collectability. This effectively spreads out the return on such investments over time, but does take account immediately of any impairment in the value of the investment.

Other receivables

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

IMPAIRMENT OF FINANCIAL ASSETS

Financial assets, other than those held at fair value, are assessed for indicators of impairment at each reporting end date.



Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the expected cash flows discounted at the asset's original effective interest rate.

In the case of impairment of loans to members, the loans are assessed collectively in groups that share similar credit risk characteristics except for individually significant loans which are assessed on a loan by loan basis for impairment. Any impairment losses are recognised in the Income and Expenditure account.

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

DE-RECOGNITION OF FINANCIAL ASSETS

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Credit Union transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

In the case of loans to members, loans are derecognised, when the right to receive cash flows from the loans has expired, usually when all amounts outstanding have been repaid by the member. St. Declan's Ashbourne Credit Union Limited does not transfer loans to third parties.

BASIC FINANCIAL LIABILITIES

Basic financial liabilities are initially recognised at the transaction price, including transaction costs, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities are subsequently carried at amortised cost using the effective interest method.

Financial liabilities members' shares and deposits

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

Other payables

Other payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Other payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.



DE-RECOGNITION OF FINANCIAL LIABILITIES

Financial liabilities are derecognised when the obligations of the Credit Union specified in the contract are discharged, cancelled or expire.

IMPAIRMENT OF BAD DEBTS

St. Declan's Ashbourne Credit Union Limited assesses, at each balance sheet date, if there is objective evidence that any of its loans to members are impaired.

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

TANGIBLE FIXED ASSETS

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

Depreciation is provided to write off the cost of each item of property, fixtures and fittings and computers less its estimated residual value, over its estimated useful life. The categories of property, fixtures and fittings and computers are depreciated as follows:

Property	2% straight line
Fixtures and fittings	12.5% reducing balance
Computers	20% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is recognised in the Income and Expenditure account.

IMPAIRMENT OF TANGIBLE FIXED ASSETS

At each reporting end date, the Credit Union reviews the carrying value of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Credit Union estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the Income and Expenditure account.



Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the Income and Expenditure account.

EMPLOYEE BENEFITS

Defined contribution plans

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

Other employee benefits

Other short and long term employee benefits, including holiday pay, are recognised as an expense over the period they are earned. Termination benefits are recognised immediately as an expense when the Credit Union is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

EXCEPTIONAL ITEM

Exceptional items are those items that are required to be separately disclosed by virtue of their size or incidence to enable a full understanding of the Credit Union's financial performance. The Board of Directors believe that this presentation provides a more informative analysis as it highlights one off items. Such items may include, but are not limited to: restructuring events like a voluntary redundancy programme, impairments of assets, litigation settlements, legislative changes and once off material items that may require separate explanation. The Credit Union has adopted an income statement format that seeks to highlight significant items within the Credit Union results for the year.

RESERVES

Regulatory reserve

The Credit Union is required to maintain and establish a minimum Regulatory Reserve of at least 10% of the assets of the Credit Union in accordance with Credit Union Act 1997 (Regulatory Requirements) (Amendment) Regulations 2019.

Operational Risk reserve

The Credit Union has established an Operational Risk Reserve which is separate, distinct and in addition to the reserves the Credit Union is required to hold in its Regulatory Reserve. The amount held in the Operational Risk Reserve is the predicted impact of operational risk events that may have a material impact on the Credit Union's business.

Non-distributable Investment Income reserve

Investment income that has been recognised in the financial statements but will not be received within 12 months of the Balance Sheet date is classified as "non-distributable"



and is not distributable as a dividend in accordance with Section 31 of the Credit Union Act 1997 (Regulatory Requirements) (Amendment) Regulations 2019. A reclassification between non-distributable and distributable is made as investments come to within 12 months of maturity date.

PRIOR YEAR COMPARATIVES

Prior year comparatives have been re-analysed where necessary to conform to the current year presentation.

USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of certain accounting estimates. It also requires the Directors to exercise judgement in applying St. Declan's Ashbourne Credit Union Limited accounting policies. The areas requiring a higher degree of judgement, or complexity, and areas where assumptions or estimates are most significant to the financial statements are disclosed below:

The Credit Union's accounting policy for impairment of financial assets is set out in the accounting policy. The estimation of loan losses is inherently uncertain and depends upon many factors, including loan loss trends, credit risk characteristics in loan classes, local and international economic climates, conditions in various sectors of the economy to which the Credit Union is exposed, and, other external factors such as legal and regulatory requirements. Credit risk is identified, assessed and measured through the use of rating and scoring tools with emphasis on weeks in arrears and other observable credit risk metrics. The ratings influence the management of individual loans. The credit rating triggers the impairment assessment and if relevant the raising of specific provisions on individual loans where there is doubt about their recoverability. Loan loss provisioning is monitored by the Credit Union, and the Credit Union assesses and approves its provisions and provision adequacy regularly. Key assumptions underpinning the Credit Union's estimates of collective provisions for loans with similar credit risk characteristics, and, Incurred But Not Reported provisions ("IBNR") are based on the historical experiences of the Credit Union's allied to the Credit Union's judgement of relevant conditions in the wider technological, market, economic or legal environment in which the Credit Union operates. If a loan is impaired, the impairment loss is the difference between the carrying amount of the loan and the present value of the expected cash flows discounted at the asset's original effective interest rate taking account of pledged shares and other security as appropriate. Assumptions are back tested with the benefit of experience. After a period of time, when it is concluded that there is no real prospect of recovery of loans/part of loans which have been subjected to a specific provision, the Credit Union charges off that amount of the loan deemed irrecoverable against the specific provision held against the loan.

Establishing useful economic lives for depreciation purposes of property, fixtures and fittings and computers

Long-lived assets, consist primarily of land and buildings, fixtures and fittings and computers and form part of the total assets of the Credit Union. The annual depreciation charge depends



primarily on the estimated useful economic lives of each type of asset and estimates of residual values. The Directors regularly review these asset useful economic lives and change them as necessary to reflect current thinking on remaining lives in light of prospective economic utilisation and physical condition of the assets concerned. Changes in asset useful lives can have a significant impact on depreciation and amortisation charges for the period. Detail of the useful economic lives is included in the accounting policies.

3 DEPOSITS AND INVESTMENTS

Deposits and investments at the current and prior Balance Sheet date were all measured at amortised cost as appropriate and comprised of the following:

CASH EQUIVALENT (original maturity within 3 months)

	2021 €	2020 €
Fixed term deposits with banks	1,475,102	173,823

OTHER (original maturity after 3 months):

	2021 €	2020 €
Fixed term deposits with banks	10,726,968	8,209,966
Bank bonds	6,400,000	8,611,776
	<u>17,126,968</u>	<u>16,821,742</u>

4 PROPOSED DIVIDEND, INTEREST REBATE AND DEPOSIT INTEREST

The dividend and loan interest rebate are formally proposed by the Directors after the year end and are ratified at an AGM of the members. As a result, the proposed dividend for the current year does not represent a liability at the Balance Sheet date and the dividend included in the Statement of Reserves in the current year relates to dividends paid to members for the prior year.

The Directors recommended the following distributions:

	RATE	2021 €	RATE	2020 €
Dividend on shares	0.00%	0	0.00%	0
Loan interest rebate	0.00%	0	0.00%	0

Interest on members' deposits is recognised using the effective interest method and is treated as an expense item.

Interest payable for the year	0.00%	0	0.00%	0
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5 EXCEPTIONAL ITEM

Following on from the appointment of a new Chief Executive Officer the Credit Union undertook an extensive review of the accounting treatment of some historic transactions. The review identified historic operational expenses which were not recognised in previous years financial statements. These historic operational expenses must now be charged off against the income and expenditure account of the Credit Union. Additionally, the costs incurred in undertaking all of the elements of the review have also been included in the exceptional item, as these costs specifically related to the review. The total amount charged off is €135,559. The impact of the exceptional item on the income & expenditure account of the Credit Union is as follows:

	2021	2020
Surplus for the financial year before exceptional item	27,213	36,323
Exceptional item	(135,559)	-
(DEFICIT) / SURPLUS FOR THE FINANCIAL YEAR AFTER EXCEPTIONAL ITEM	<u>(108,346)</u>	<u>36,323</u>

6 EMPLOYEES AND EMPLOYMENT COSTS

NUMBER OF EMPLOYEES

The average monthly number of employees during the year was:

	2021	2020
CEO	1	1
Other staff	12	13
TOTAL	<u>13</u>	<u>14</u>

EMPLOYMENT COSTS

	2021	2020
	€	€
Wages and salaries	412,573	419,164

KEY MANAGEMENT PERSONNEL

The Directors of St. Declan's Ashbourne Credit Union Limited are all unpaid volunteers. The key management team for St. Declan's Ashbourne Credit Union Limited earned a combined remuneration for the financial year amounting to €161,643 (2020: €183,666). These amounts are included in the wages and salaries charge above.

7 CASH AND CASH EQUIVALENTS

	2021	2020
	€	€
Cash & bank balances	4,948,060	9,484,598
Short term deposits with banks	1,475,102	73,823
TOTAL CASH AND CASH EQUIVALENTS	<u>6,423,162</u>	<u>9,658,421</u>

Deposits and investments categorised under cash and cash equivalents above are those with maturity of less than or equal to three months.



8 TANGIBLE FIXED ASSETS

	LAND & BUILDINGS FREEHOLD	COMPUTERS	FIXTURES & FITTINGS	TOTAL
	€	€	€	€
COST OR VALUATION				
At 1 October 2020	1,253,710	363,970	240,807	1,858,487
Additions	-	56,554	2,274	58,828
Disposals	-	-	-	-
At 30 September 2021	<u>1,253,710</u>	<u>420,524</u>	<u>243,081</u>	<u>1,917,315</u>
DEPRECIATION				
At 1 October 2020	334,904	329,602	204,414	868,920
Charge for the year	25,074	11,610	4,648	41,332
Eliminated on disposals	-	-	-	-
At 30 September 2021	<u>359,978</u>	<u>341,212</u>	<u>209,062</u>	<u>910,252</u>
NET BOOK VALUE				
At 30 September 2021	<u>893,732</u>	<u>79,312</u>	<u>34,019</u>	<u>1,007,063</u>
At 30 September 2020	<u>918,806</u>	<u>34,368</u>	<u>36,393</u>	<u>989,567</u>

9 MEMBERS SHARES, DEPOSITS & CURRENT ACCOUNTS - FINANCIAL LIABILITIES

	2021 €	2020 €
Regular share accounts	29,561,641	32,303,420
Deposit accounts	538,572	943,897
TOTAL MEMBERS SHARES AND DEPOSITS	<u>30,100,213</u>	<u>33,247,317</u>

10 LOANS TO MEMBERS

	2021 €	2020 €
As at 1 October	10,558,236	11,644,071
Advanced during the year	5,002,410	4,685,299
Repaid during the year	(5,224,234)	(5,733,711)
Loans written off	(21,269)	(37,423)
GROSS LOANS TO MEMBERS	<u>10,315,143</u>	<u>10,558,236</u>
IMPAIRMENT ALLOWANCE		
Individual assessed loans	(70,090)	(69,469)
Collectively assessed loans	(170,204)	(164,853)



LOAN PROVISION	(240,294)	(234,322)
AS AT 30 SEPTEMBER	10,074,849	10,323,914

LOAN PROVISION ACCOUNT FOR IMPAIRMENT LOSSES

As at 1 October	234,322	234,322
Loan provision increase during year	5,972	-
AS AT 30 SEPTEMBER	240,294	234,322

NET RECOVERIES OR LOSSES RECOGNISED FOR THE YEAR

Bad debts recovered	62,303	71,323
(Increase) in loan provisions during the year	(5,972)	-
	56,331	71,323
Loans written off	(21,269)	(37,423)
NET RECOVERIES ON LOANS TO MEMBERS RECOGNISED FOR THE YEAR	35,062	33,900

ANALYSIS OF GROSS LOANS OUTSTANDING

	NO. OF LOANS	2021	NO. OF LOANS	2020
		€		€
Less than 1 year	342	511,134	399	568,121
1 Year to 3 Years	614	3,782,667	609	3,411,912
3 years to 5 years	324	3,851,480	403	4,665,653
5 years to 10 years	63	1,955,840	51	1,628,833
>10 years	5	214,022	8	283,717
AS AT 30 SEPTEMBER	1,348	10,315,143	1,470	10,558,236

ANALYSIS OF NEW LOANS ADVANCED

	NO. OF LOANS	2021	NO. OF LOANS	2020
		€		€
Less than 1 year	273	351,826	309	431,517
1 Year to 3 Years	367	1,487,878	350	1,275,152
3 years to 5 years	259	2,224,806	296	2,375,982
AS AT 30 SEPTEMBER	942	5,002,410	976	4,685,299



11 CREDIT RISK DISCLOSURES

The majority of loans issued by St. Declan's Ashbourne Credit Union Limited to members are unsecured, except that there are restrictions on the extent to which borrowers may withdraw their savings whilst loans are outstanding.

The Credit Union Complies with Section 12 of the Credit Union Act, 1997 (Regulatory Requirements) Regulations 2016. This Regulation:

- Restricts the concentration of lending by the Credit Union within certain sectors or to connected persons or groups (concentration limits):
- Restricts the absolute amount of lending to certain sectors to a set percentage of the regulatory reserve (large exposure limit):
- Restricts the loan duration of certain loans to specified limits (maturity limits):
- Requires specified lending practices to be in place where loans are made to certain sectors such as commercial loans, community loans or loans to another Credit Union.

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

	2021		2020	
	AMOUNT	PROPORTION	AMOUNT	PROPORTION
	€	%	€	%
GROSS LOANS NOT IMPAIRED	9,869,736	95.68	9,936,356	94.11
GROSS LOANS IMPAIRED:				
1-9 weeks	327,385	3.17	451,188	4.27
10-18 weeks	20,053	0.19	38,053	0.36
19-26 weeks	9,853	0.10	41,781	0.40
27-39 weeks	21,503	0.21	3,744	0.04
40-52 weeks	16,017	0.16	14,934	0.14
53+ weeks	50,596	0.49	72,180	0.68
TOTAL LOANS	10,315,143		10,558,236	
IMPAIRMENT ALLOWANCE:				
Individual assessed loans	(70,090)		(69,469)	
Collectively assessed loans	(170,204)		(164,853)	
TOTAL CARRYING VALUE	10,074,849		10,323,914	



12 ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURES

FINANCIAL RISK MANAGEMENT

The Credit Union is a provider of loans and savings products to its members. The Credit Union invests excess funds with a view to ensuring that the return from members' loans and investments is adequate to meet the overheads of the Credit Union and provide a reasonable return to members on shares and deposits. The Credit Union has a risk register in place to help the Directors manage the various risks arising from its activities to include the issuing of loans to members and investing the excess funds of the Credit Union.

The main financial risks arising from St. Declan's Ashbourne Credit Union's activities are credit risk, liquidity risk and interest rate risk. The Board reviews and agrees policies for managing each of these risks, which are summarised as follows:

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

The Credit Union's investments are also exposed to credit risk and the Credit Union mitigates the risk by only placing investments with financial institutions where the counterparties have strong credit ratings and using investment products authorised by the Central Bank.

Liquidity risk: The Credit Union's policy is to maintain sufficient funds in liquid form at all times to ensure that it can meet its liabilities as they fall due. The Credit Union adheres on an ongoing basis to the minimum liquidity ratio and minimum short term liquidity ratio as set out in the Credit Union Act 1997 (Regulatory Requirements) (Amendment) Regulations 2019.

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

Interest rate risk: The Credit Union's main interest rate risk arises from differences between the interest rate exposures on the receivables and payables that form an integral part of a Credit Union's operations. The Credit Union considers rates of interest receivable on investments and members' loans when deciding on the dividend rate payable on shares and on any deposit interest payable.

LIQUIDITY RISK DISCLOSURES

All of the financial liabilities of the Credit Union are repayable on demand except for some members' shares attached to loans and members' deposits which have a fixed maturity date.



FAIR VALUE OF FINANCIAL INSTRUMENTS

The Credit Union does not hold any financial instruments at fair value.

CAPITAL

The Credit Union maintains sufficient reserves to buffer the Credit Union against any losses on its members' loans and also its investments. The current regulatory reserves are in excess of the minimum requirement set down by the Central Bank and stand at 11.4% (2020: 10.0%) of the total assets of the Credit Union at the balance sheet date.

13 POST BALANCE SHEET EVENTS

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

14 INSURANCE AGAINST FRAUD

The Credit Union has Insurance against fraud in the amount of €2,600,000 in compliance with Section 47 of the Credit Union Act 1997.

15 CONTINGENT LIABILITIES

In September 2018, the Registry of Credit Unions advised all Credit Unions of a potential matter in relation to accrued interest outstanding on certain top-up loans which may have led to a potential over-collection of interest. Whilst the credit union is not aware that any members have been affected by this, the Board of Directors intend to further undertake a review to ascertain whether any top-up loans made to members might be impacted by these circumstances. If any top-up loans are identified as impacted, the review will determine what actions may need to be taken to bring this matter to a conclusion. Consequently, no provision has been made in the financial statements to 30th September 2021 for any amount that may become payable by St. Declan's Ashbourne Credit Union Limited.

16 CAPITAL COMMITMENTS

There were no capital commitments either contracted for or approved by the Board at the current or prior year ends.

17 RELATED PARTY TRANSACTIONS

During the year loans were advanced to Directors and the management team of the Credit Union (to include their family members or any business in which the Directors or management team had a significant shareholding) for the amount of €27,600 (2020: €52,000). These loans were approved in accordance with the Standard Credit Union rules and the Credit Union Act 1997 (Regulatory Requirements) Regulations 2016. The loans outstanding from these parties at 30th September 2021 were €75,314 (2020: €74,294). These loans amounted to 0.73% of total gross loans due at 30th September 2021 (2020: 0.7%).

There were no provisions against the loans due from the Directors and the management team at the current or prior balance sheet date.



The Directors and management team share account balances stood at €46,653 at 30th September 2021 (2020: €47,088).

18 PRIOR YEAR ADJUSTMENT - MATERIAL ERROR

These financial statements contain a prior year adjustment due to an overstatement of accrued investment income earned by the Credit Union in the year ended 30th September 2020. This overstatement of income amounted to €76,357. The error was discovered following the appointment of the new Chief Executive Officer of the Credit Union. The financial statements for the year ended 30th September 2020 are restated to correct this error.

The prior year adjustment resulted in a decrease in other interest receivable and similar income previously reported from €187,581 to €111,224, a decrease in the surplus for the year previously reported from €112,680 to €36,323, a decrease in prepayments and accrued income from €251,280 to €174,923, a decrease in assets less liabilities from €4,628,342 to €4,551,985 and a corresponding decrease in reserves. The effect of the restatement on each financial statement line item affected is shown hereunder:

	AS PREVIOUSLY STATED 30 SEPT. 2020 €	AMOUNT OF OVERSTATEMENT €	AS RESTATEMENT 30 SEPT. 2020 €
Other Interest Receivable and Similar Income	187,581	(76,357)	111,224
Surplus for the Year	112,680	(76,357)	36,323
Prepayments and Accrued Income	251,280	(76,357)	174,923
Assets less Liabilities	4,628,342	(76,357)	4,551,985
Undistributed Surplus	543,850	(76,357)	467,493
Reserves	4,628,342	(76,357)	4,551,985

19 APPROVAL OF FINANCIAL STATEMENTS

The Board of Directors approved the financial statements for issue on 28th July 2022.



SCHEDULES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2021

	2021 €	2020 (as restated) €
SCHEDULE 1 - OTHER INTEREST RECEIVABLE AND SIMILAR INCOME		
Investment Income received during the year	123,726	121,132
Investment Income receivable	17,153	66,449
Prior year adjustment - Material error	-	(76,357)
TOTAL	<u>140,879</u>	<u>111,224</u>
SCHEDULE 2 - OTHER INCOME		
Commissions	2,870	6,281
Fees	10,264	11,580
Other commission and sundry income	864	1,103
TOTAL	<u>13,998</u>	<u>18,964</u>
SCHEDULE 3 - OTHER MANAGEMENT EXPENSES		
Rates	2,225	8,249
Lighting, heating and cleaning	13,285	9,803
Repairs and renewals	12,572	25,824
Security	5,384	9,542
Printing and stationery	10,547	11,417
Postage and telecommunications	14,927	14,620
Donations and sponsorship	2,059	11,315
Legal and professional fees	93,504	44,810
Debt collection	789	1,873
Promotion and advertising	26,674	24,365
Training costs	4,114	4,792
AGM expenses	12,226	12,734
Travel and subsistence	135	2,996
Bank charges	69,448	51,399
Merchant services	5,641	5,430
Member credit checks	7,032	8,342
Audit fee: internal	12,275	15,785
Audit fee: external	11,991	14,760
General insurance	17,571	17,290
Pension	15,361	39,978
Share and loan insurance	64,198	111,495
Computer maintenance	87,005	89,628
Miscellaneous expenses	12,509	17,250
Affiliation fees	13,764	2,333
IFSRA fee and levy	68,067	72,760
TOTAL	<u>583,303</u>	<u>628,790</u>

NOMINATION

WHO'S YOUR NOMINATION?

Nominate a person to receive the property of your Credit Union Accounts in the event of your death.

This is a unique facility for credit union members. Credit unions have a nomination facility whereby if you are over 16 years of age, you can nominate someone to receive the property of your credit union accounts upon your death. This is of benefit if the member dies without leaving a will as the property left in the credit union will not have to pass through the sometimes-timely intestacy process.

You may nominate a person(s) of choice to receive your property presently up to a maximum value of €23,000. Any amount more than €23,000 will form part of your estate.

You may change the details of your nomination as often as you like. A completed nomination must be signed and witnessed. Ask in the office and a staff member will help you complete the relevant form and witness your signature. The most recent nomination is the valid nomination.

1. A nomination is not revocable or variable by the terms of your will or by a codicil to your will.
2. The nominated property does not form part of a deceased person's estate.
3. **A nomination is automatically revoked when your nominee dies before you. In this case, you should consider completing a new nomination. If you do not, your property in the credit union may form part of your estate.**
4. Where your personal circumstances change (e.g. marriage, divorce or separation) you should review your nomination at that time.
6. A nomination is automatically revoked by your subsequent marriage.

Members can call into our office to review and update their nomination.

WHERE DO I GET A NOMINATION FORM?

You can obtain a nomination form in our office.



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 IRL **222 NEW CAR**

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**NEW CAR
LOAN**

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RATES ON OFFER

Home Improvement Promotional Rate - under €60,000*
7.99% (8.29%APR)

Home Improvement Promotional Rate - over €60,000*
6.75 % (6.96% APR)

* Promotional rates are subject to change

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STEP 1

APPLY



STEP 2

UPLOAD



STEP 3

ANALYSE



STEP 4

SIGN



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MARKETING CONSENT

ASHBOURNE CREDIT UNION LIMITED MARKETING CONSENT FORM

From time to time we would like to send you information that we think will be useful or interesting to you, including notices about new products and services or a reminder about existing ones, and announcements about competitions, open days or promotional offers. Sometimes these are supported by external companies, but we select our partners carefully and we won't send you third party information unless you specifically consent, as set out below.

Please fill in the box to let us know what you want and - just to be clear - if you say no, we will stop sending you this kind of information right away.

You can send me marketing information from the credit union. Yes No

You can send me marketing information from partner companies. Yes No

I prefer to receive this: by post

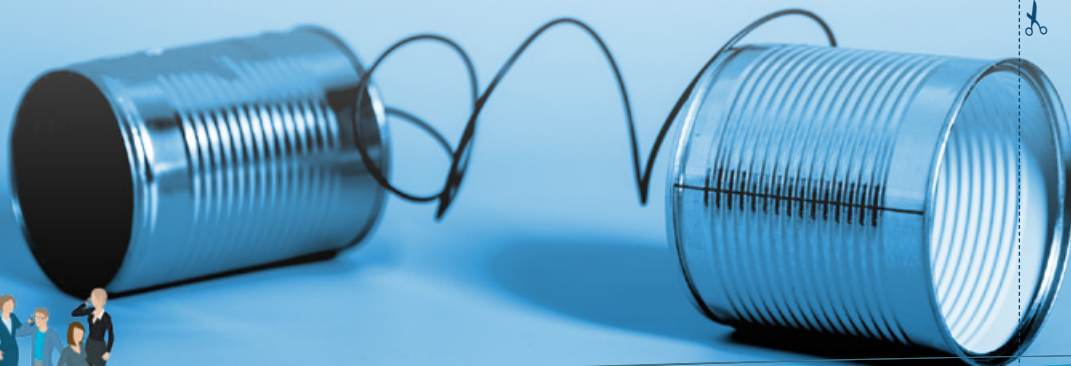
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Name:

A/C No: Date:





PERSONAL LOANS

STUDENT LOANS

HOME IMPROVEMENT LOANS

WEDDING LOANS

CAR LOANS

BACK TO SCHOOL LOANS

HOLIDAY LOANS

FARM LOANS

Together We're Stronger
Ashbourne
 Credit Union
 1970 - 2022

Local and Lending
 Supporting Our Members and
 Community for Over Half a Century

Ashbourne Credit Union is regulated by the Central Bank of Ireland.



St. Declan's Ashbourne Credit Union Limited,
Main Street, Ashbourne, Co. Meath

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