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The 2020 Annual General Meeting of the members of Limerick & District Credit Union Limited will take place via Zoom Webinar On 9<sup>th</sup> February 2021 at 6.00 p.m.

Members wishing to attend the Virtual AGM need to apply via email to agm2020@lcu.ie and include the following information on your email.

- Name
- Member Number
- Member address

# The request for attendance must be received by close of business on 5<sup>th</sup> February 2021.

A link to the AGM Zoom Webinar will be forwarded to your email address in time for the meeting.

### The following information is pertinent to this notice.

- Limerick & District Credit Union will be using Zoom Webinar as the electronic platform for the meeting.
- To gain access to the meeting a member must request an invitation to the virtual meeting by emailing agm2020@lcu.ie. This request must be received by close of business on 5th February 2021. Following the request for invitation the member will receive an invitation by email to join the meeting on 9th February at 6 p.m.
- The information required to request an invitation is your name, member number and address. The Credit Union will be verifying members details prior to issuing invitations.
- All non-presenting participants will be muted and have their cameras switched off to allow the smooth running of the meeting. However, you can type a question to the host by clicking on the "chat" button on the bottom of the screen.
- Elections for the position of Auditor, Board Oversight Committee and Board of Directors will take place. Voting will be conducted by way of online poll and each member will be asked to vote Yes/ No electronically for each candidate when instructed by the Chairperson. The votes will be tallied electronically, verified by the Internal Auditor, and recorded by the meeting Secretary.
- The AGM meeting will be recorded for minute taking purposes.

### **Notice of Elections**

Elections will be held to fill four vacancies on the Board of Directors and one vacancy on the Board Oversight Committee. In accordance with Fitness and Probity requirements per the Central Bank Reform Act 2010 nominations for position of Director or member of Board Oversight Committee must have been received by the Nomination Committee before December  $4^{\rm th}$ , 2020 in order for due diligence to be carried out on the candidates. Please note that due to these requirements no nominations may be accepted from the floor.



# Standing Orders for Credit Unions for Virtual - Annual General Meeting (Republic of Ireland)

#### 1. VOTING

 Each member shall be entitled to one vote irrespective of his/her shareholding, in accordance with section 82(2) of the Credit Union Act, 1997 (as amended).

Since this year's AGM will be a virtual meeting, voting on motions and elections will be by electronic means. Each member will be given the opportunity to exercise their vote virtually during the meeting.

#### 2. Election Procedure - Electronic Voting

- 2. Following the announcement of nominations attendees will be given the opportunity to vote electronically "Yes" or "No" for each candidate. Those in attendance will be given 30 seconds to record their vote. The mechanics of the virtual voting process will be explained in more detail at the AGM by the Chairperson. Elections shall be in the following order:
  - a) election for auditor
  - b) election for member of the board oversight committee
  - elections for directors.

The votes will be tallied electronically and verified by our Internal Auditor. When all elections have been completed and results become available the Chairperson will announce the results.

#### 3-4 Motions

Due to the specific difficulties we are facing in holding an Annual General Meeting this year due to Covid-19, the purpose of this year's AGM is to deal with the essential business of the credit union.

This includes reporting to members on the financial status of the credit union, declare a dividend/interest rebate, and elect officers. Any other non-urgent matters will be dealt with at next year's AGM.

As such, there will be no motions from the floor due to the difficulties in managing same remotely.

Members will be invited to submit questions to the board via the 'Chat' button on the toolbar in Zoom Webinar and the board will address these during the AGM.

 The Chairperson's decision on any matter relating to these Standing Orders or interpretation of same shall be final.

#### 5 - 10 Miscellaneous

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

- The Chairperson may at his/her discretion, extend the privilege of the floor to any person who is not a member.
- Matters not covered by the Agenda may be introduced under "Other Business" at the discretion of the Chairperson. At a virtual AGM in the current circumstances, this may not be practical. However, the option may be invoked, if required.
- The Chairperson shall have a second or casting vote in addition to his/her own vote on matters other than voting at elections where there is an equality of votes (Standard Rule 99(1)).
- Any matter to be decided upon by a vote at the AGM shall, unless otherwise expressly provided for by law or the rules be decided upon by majority vote.

#### 10. Adjournments

Adjournments of the AGM shall take place only in accordance with section 81(1) and the provisions concerning notice, voting and quorum are also set out in section 81.

#### 11-18 Virtual Meeting Items

- **11.** All non-presenting participants will be muted and have their cameras switched off to allow the smooth running of the meeting.
- 12. A member shall only address the meeting when called upon by the Chairperson to do so, when invited to contribute.
- All members are asked to utilise the 'Chat' button on the bottom of the toolbar in Zoom Webinar to ask questions.
- **14.** All members are reminded to conduct themselves in a professional manner. Please refrain from sharing any explicit, violent or inappropriate content.
- **15.** Provision shall be made for the protection of the Chairperson from vilification (personal abuse).
- 16. All members are requested to show respect when they are asking or replying to questions during the meeting. This includes tone and content of the words used.
- 17. All members are asked to keep their mobile phone silent. The vibrate setting can also cause disruptions.
- 18. The AGM meeting will be recorded.



### **MEMBERS' INFORMATION**

# NOTICE REGARDING THE VERIFICATION OF MEMBERS' CREDIT UNION ACCOUNT TRANSACTIONS BY PHONE

As part of their annual fraud prevention and detection work programmes, the Internal Auditor, the Compliance Officer and the Risk Management Officer in Limerick & District Credit Union Ltd., are required to phone a sample of members during the year, to confirm the authenticity of transactions on their credit union account. During any such phone conversation, the member will only ever be requested to answer a question as "yes or no" and the member will not be requested to provide any specific personal or account details. If you receive any such phone call from a person claiming to be the Internal Auditor, the Compliance Officer or the Risk Management Officer from Limerick & District Credit Union Ltd. and the caller requests you to provide specific personal or account details, then please do not provide the caller with any such personal or account details and instead contact the credit union on (061) 455831.



2019

2020

### PRIZE DRAW - INCOME AND EXPENDITURE ACCOUNT

	€	€
Opening balance as at 1st October	-	-
Member Money Received*	7,727.50	18,810
Member money Paid out in Prizes	(7,727.50)	(18,810)
Closing Balance as at 30 <sup>th</sup> September	<u> </u>	-

<sup>\*</sup> Last draw February 2020 due to Covid-19 restrictions.

#### IMPORTANT INFORMATION RE ACCOUNT STATEMENTS

You should have received a statement for the period ended December 31st, 2020 for your Credit Union Accounts with this AGM notification. If you have any questions on your statement, please initially call Limerick & District Credit Union Limited on 061 455831. If after speaking directly to the Credit Union your query is not satisfactorily resolved, please contact the Credit Union's Internal Audit function MOET Accountants at 061 335574.



### Credit Union Invocation

Lord make me an instrument of thy peace, where there is hatred, let me sow 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, iou. 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 duing that we are born to eternal life.

# Got a Question?

If you have a question arising from the content of the 2020 Annual Report, or a general Credit Union question, we would be delighted to discuss same with you in any of our 3 offices.

If you have a question you intend asking at the A.G.M., it would be preferable for you to provide us with the question in advance of the A.G.M. in order for us to have the information to hand to enable us provide you with the fullest answer possible.

The latest date for receipt of questions in writing will be Friday the 5th February 2021. Please email your question to c.long@lcu.ie.

# QUESTIONS?

# **Important Notice**

Please be advised that as part of Limerick & District Credit Union Limited's affiliation with the Irish League of Credit Unions (ILCU), an annual affiliation fee must be paid to the ILCU. Up to now, Limerick & District Credit Union absorbed this cost. However, a decision has been made to cover the cost of the fee by way of equal deduction from each adult member's share account.

Accordingly, the deduction from each adult member's share account will equate to €1.39.

Please note that this deduction is permitted by way of the terms of your membership (Standard Rules for Credit Unions in the Republic of Ireland).



# Report of the Chairperson

#### Dear Members,

On behalf of the Board of Directors, I would like to welcome all of you to the 45th Annual General Meeting of Limerick & District Credit Union Limited and present our Annual Report and Financial statements for the year ended 30th September 2020.

The past year has been like no other in the history of our Credit Union. The Coronavirus / Covid-19 pandemic has had a major impact on all our lives. At this time, we think of our members and their families – those that have contracted the virus, those in hospital and care homes and those who are recovering. Our thoughts are with members whose livelihoods, and whose working lives have been adversely impacted, and as a result, have suffered financial hardship due to the pandemic. We think especially of those who have lost loved ones to this terrible disease.

We deeply regret the loss of our members who died during the year and we extend our deepest sympathy to their families and friends.

We acknowledge and recognise all frontline workers, particularly those working in the healthcare sector who care for our most vulnerable members of society. To all of you, on behalf of our membership, we say a heartfelt thank you for your kindness and care.

All through the period of Covid-19 your Credit Union has remained open for business. Credit Unions are categorized as an essential service and as such have remained open and continue to serve members' financial needs. I want to pay very special tribute to our staff team who have diligently continued to keep our Credit Union operational during this very difficult time.

During the past year, there was a material increase in the number of members registering for online services and transacting online. This increase was partially due to Covid-19. It was also triggered by the improvements to the Credit Union's online functionality which included a loan application and loan draw down facility and enabled electronic funds transfers. We will shortly be launching an upgraded Mobile Phone App. This will enhance members ability to use this medium to carry out their financial transactions with the Credit Union. We are delighted to continue to service our member's financial requirements whether online or in one of our branch offices.

2020 has been a very challenging year for our Credit Union. Our primary sources of income are from loan interest and investment income. This year, primarily, because of the impact of Covid-19, the demand for loans has greatly reduced. In normal times, our members would borrow for occasional purposes:

confirmations most of which were either deferred or cancelled during the year. Other borrowing purposes, like the purchase of a new car were deferred as members became cautious about borrowing due to uncertainty about the future. There were, however, some very positive signs of growth in other areas of lending. Demand for mortgages increased and is very welcomed. Many members spent more time in their homes this year. It appears that this has driven an increase in loan applications for home improvements, renovations and extensions. At year end, the loan book increased to exceed €25 million, representing a 1.2% increase in lending. This represents an excellent performance in a very challenging year.

weddings, holidays, birthdays, communions, and





# Report of the Chairperson (continued)

The Credit Union's other major income source is Investment Income. This year, as a result of Covid-19, members have substantially increased the level of savings in the Credit Union. Any increase in the level of savings has a direct impact on the Balance Sheet of the Credit Union. For every €100 of savings, the Credit Union must set aside 10% or €10 in capital. In addition to the capital cost Credit Unions are now investing increasing levels of surplus savings with the banks at negative interest rates and this also is a cost to the Credit Union. During the year, your Board took the decision to reduce the limit on shares from €30,000 to €20,000 per member and €10,000 for new members to mitigate the increase in savings and associated costs as outlined above.

The surplus for the financial year was €37,957. This surplus is stated after your Board prudently took the decision to substantially increase the amount held as a provision for future loan losses. This is due in the main to uncertainty about the economic impact of Covid-19. In addition, Brexit and the likely negative impact on the economy also looms large. The Board are proposing that no dividend will be paid this year.

The full financial statements are set out in the Annual Report and will be discussed in detail at the AGM.

In March, the Board reluctantly made the decision to close our Moyross and South Hill offices. It had become increasingly difficult to safely operate these offices. One of the main reasons for the closures was health and safety concerns for both members and staff resulting from Covid-19. Following these closures our staff team contacted our members who regularly used these offices to ensure they continue to use the Credit Union services at another office or online.

Your Credit Union continues to be involved in strategic alliances. Most notable of these alliances is Metamo. This is a joint venture approach between FEXCO and 16 Credit Unions. The objective is to enhance the business model through the development of new products, shared services and greater cost efficiencies. During the year the Credit Union benefitted from many cost savings initiatives. These included lower cost utilities as a result of bulk buying through this group. We will continue to keep you updated as this strategic alliance develops.

As a financially strong, Limerick based Credit Union, we remain open to working with other local Credit Unions in a spirit of collaborative co-operation. Any decisions made in this regard will seek to optimise the service offering to the benefit of our members.

I wish to thank my fellow Directors, Board Oversight Committee and other volunteers for their tireless work and commitment to the Credit Union. I also wish to thank our CEO, Caroline Long and her staff for their excellent work and service to our members during 2020.

Finally, and most importantly, I wish to thank you, our members, for your continued loyalty and support. You are the reason that our Credit Union remains strong.

Mary Larkin

Chairperson of the Board of Directors

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# Report of the Board Oversight Committee

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 to in relation to the Board of Directors.

In general the functions of the Board Oversight Committee relate to the assessment, evaluation and reporting on whether the Board of Directors has operated in accordance with part iv and iv(a) of the Credit Union Act 1997. The Board Oversight Committee is not directly involved in the operation of the Credit Union.

The members of the Board Oversight Committee in 2020 were Brendan Healy (chair), Teresa Dundon (secretary), and Brendan Kelly.

#### **BOARD OF DIRECTORS AND COMMITTEES**

We attend every meeting of the board of Directors. We review the various reports submitted by the committees to the Board of Directors and we have quarterly meetings with the Board of Directors. We also attend committee meetings on an ad-hoc basis.

#### **COURSES AND SEMINARS**

The Board Oversight Committee attended various seminars and courses. These included courses on Anti-Money Laundering, Data Protection, Anti-Fraud, Ethics and the Role of Board Oversight Committee. We also participated in training courses with the National Supervisors Forum.

#### **COMPLIANCE. RISK AND INTERNAL AUDIT**

We had quarterly meetings with the Internal Auditor James Mounsey of MOET Accountants (Internal Auditors) and we also met with the Risk Management Officer and the Compliance Officer during the year. We reviewed the reports of these officers which were submitted to meetings of the Board of Directors. These reports and our own review work completed confirmed that high standards of governance are in place and we are satisfied that your Credit Union is being run in a very satisfactory manner and that the Board of Directors has operated in accordance with part iv and iv(a) of the 1997 Act.

#### **CEO AND STAFF**

We would like to thank the Board of Directors, the CEO Caroline Long and all her staff for their co-operation and assistance during this very difficult year due to the Covid-19 pandemic.

**Brendan Healy** 

Chair of the Board Oversight Committee



# Financial Statements

For the Financial Year Ended 30 September 2020

### **Directors' Report**

For the Financial Year Ended 30 September 2020

The directors present their annual report and the audited financial statements for the financial year ended 30 September 2020.

#### Principal activity

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

#### **Authorisation**

The credit union is authorised as follows:

- Insurance/reinsurance or ancillary insurance intermediary under the European Communities (Insurance Mediation) Regulations, 2018.
- Investment Intermediaries (Restricted Activity Investment Product Intermediary) pursuant to Section 26 of the Investment Intermediaries Act, 1995 (as amended).
- Entitled under the European Union (Payment Services) Regulations 2018 to provide payment services.

#### **Business review**

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

#### **Dividends**

The directors are not proposing a dividend in respect of the year ended 30 September 2020 (2019: €21,734 (0.025%)).

#### Principal risks and uncertainties

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

#### Credit risk

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

#### Lack of loan demand

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

#### Market risk

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

#### Liquidity risk

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

#### **Operational risk**

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



### Directors' report (continued)

For the Financial Year ended 30 September 2020

These risks are managed by the board of directors as follows:

#### Credit risk

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

#### Lack of loan demand

The credit union provide lending products to its members and promote these products through various marketing initiatives.

#### Market risk

The board of directors regularly reviews and approves the credit union's investment policy and funds are invested in compliance with this policy and regulatory guidance.

#### Liquidity risk

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

#### Operational risk

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

#### **Accounting records**

The directors believe that they comply with the requirements of Section 108 of the Credit Union Act, 1997 (as amended) with regard to books of account by employing accounting personnel with appropriate expertise and by providing adequate resources to the finance function. The books of account of the credit union are maintained at the credit union's premises at

Credit Union House, Redgate, Limerick.

# Events after the end of the financial year

Since the year end the COVID-19 pandemic has continued to have a direct effect on the credit union, the economy and the general population. The directors and management are closely monitoring the evolution of the pandemic, and while there is no clear indication as to when the impact will be curtailed or eliminated, they will continue to take appropriate actions to mitigate any possible adverse effects on the credit union, on its officers and on its members.

#### **Auditors**

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

This report was approved by the board on 23<sup>rd</sup>October 2020 and signed on its behalf by:

On behalf of the Credit Union:

Mary Larkin

Chairperson of the Board of Directors:

Pearin

Date: 23rd October 2020

Carmel Cronin

Member of the Board of Directors:

Date: 23rd October 2020

### **Directors' Responsibility Statement**

For the Financial Year Ended 30 September 2020

The directors are responsible for preparing the financial statements in accordance with applicable Irish law and regulations. The directors are also responsible for preparing the other information included in the annual report. The Credit Union Act, 1997 (as amended) requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the credit union and of the income and expenditure of the credit union for that period.

In preparing those financial statements the directors are required to:

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

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

This statement was approved by the board on 23rd October 2020 and signed on its behalf by:

On behalf of the Credit Union:

Mary Larkin
Chairperson of the Board of Directors
Date: 23<sup>rd</sup> October 2020

Carmel Cronin
Member of the Board of Directors
Date: 23<sup>rd</sup> October 2020

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# Board oversight committee's responsibilities statement

For the Financial Year Ended 30 September 2020

The Credit Union Act, 1997 (as amended) requires the appointment of a board oversight committee to assess whether the board of directors has operated in accordance with part iv, part iv(a) and any regulations made for the purposes of part iv or part iv(a) of the Credit Union Act, 1997 (as amended) and any other matter prescribed by the Central Bank of Ireland in respect of which they are to have regard to in relation to the board of directors.

This statement was approved by the board oversight committee on 23<sup>rd</sup> October 2020 and signed on its behalf by:

Brendan Healy
Chairperson of the Board Oversight Committee
Date: 23rd October 2020



### Independent Auditor's Report

to the members of Limerick & District Credit Union Limited

#### **Opinion**

We have audited the financial statements of Limerick & District Credit Union Limited, which comprise the income and expenditure account, the statement of other comprehensive income, the balance sheet, the statement of changes in reserves and the statement of cash flows for the financial year ended 30 September 2020, and the related notes to the financial statements, including the summary of significant accounting policies.

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

In our opinion, Limerick & District Credit Union Limited's financial statements:

- give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland of the state of the credit union's affairs as at 30 September 2020 and of its income and expenditure and cash flows for the year then ended; and
- have been properly prepared so as to conform with the requirements of the Credit Union Act, 1997 (as amended).

#### **Basis for opinion**

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

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the 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

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

### Independent Auditor's Report (continued)

to the members of Limerick & District Credit Union Limited

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

# Matters on which we are required to report by the Credit Union Act, 1997 (as amended) Based solely on the work undertaken in the course of the audit, we report that:

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

#### 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 which give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland, including FRS 102, and for such internal control as they determine 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 the directors either intend to liquidate the credit union or to cease operations, or has no realistic alternative but to do so.



# Responsibilities of the auditor for the audit of the financial statements

The auditor's 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 their 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.

### Independent Auditor's Report (continued)

to the members of Limerick & District Credit Union Limited

As part of an audit in accordance with ISAs (Ireland), the auditor will exercise professional judgment and maintain professional scepticism throughout the audit. The auditor will 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 their 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 directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the credit union's ability to continue as a going concern. If they conclude that a material uncertainty exists, they are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify their opinion. Their conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the credit union to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the
  disclosures, and whether the financial statements represent the underlying transactions and events
  in a manner that achieves a true and fair view.

The auditor communicates with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that may be identified during the audit.

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

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

Denise O'Connell FCA for and on behalf of **Grant Thornton** Chartered Accountants & Statutory Audit Firm Mill House, Henry Street, Limerick

Date: 23rd October 2020



# **Income and Expenditure Account**

For the Financial Year Ended 30 September 2020

		2020	2019
Income	Schedule	€	€
Interest on members' loans		2,269,824	2,212,678
Other interest income and similar income	1	1,377,347	1,044,242
Net interest income		3,647,171	3,256,920
Other income	2	10,153	13,414
Total income		3,657,324	3,270,334
Expenditure			
Employment costs		897,956	946,858
Other management expenses	3	1,980,710	2,035,336
Depreciation		200,383	191,897
Net impairment losses/(gains) on loans to member	ers (note 5)	540,318	(239,491)
Total expenditure		3,619,367	2,934,600
Surplus for the financial year		37,957	335,734

The financial statements were approved and authorised for issue by the board on 23<sup>rd</sup> October 2020 and signed on behalf of the credit union by:

Member of the Board Oversight Committee: Brendan Healy

Date: 23rd October 2020

Member of the Board of Directors: Mary Larkin

Date: 23rd October 2020

**Chief Executive Officer: Caroline Long** 

Date: 23rd October 2020

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### Statement of Other Comprehensive Income

For the Financial Year Ended 30 September 2020

Surplus for the financial year Other comprehensive income

Total comprehensive income for the financial year

2020
€
37,957
-

<b>2019</b> € 335,734
335.734

The financial statements were approved and authorised for issue by the board on 23<sup>rd</sup> October 2020 and signed on behalf of the credit union by:

**Member of the Board Oversight Committee: Brendan Healy** 

Date: 23rd October 2020

Member of the Board of Directors: Mary Larkin

Date: 23rd October 2020

**Chief Executive Officer: Caroline Long** 

Date: 23rd October 2020







### **Balance Sheet**

As at 30 September 2020

	Notes	2020	2019
Assets		€	€
Cash and balances at bank		2,429,395	2,422,334
Deposits and investments – cash equivalents	7	12,099,830	13,479,436
Deposits and investments – other	7	77,444,245	72,513,561
Loans to members	8	25,091,042	24,764,463
Provision for bad debts	9	(2,563,634)	(1,852,424)
Tangible fixed assets	10	1,268,355	1,373,062
Investments in associates	11	265,000	265,000
Prepayments and accrued income	12	131,428	131,219
Total assets		116,165,661	113,096,651
Liabilities			
Members' shares	13	92,306,017	89,217,265
Other liabilities, creditors, accruals and charges	14	690,744	721,896
Other provisions	15	3,572	8,397
Total liabilities		93,000,333	89,947,558
Reserves			
Regulatory reserve	17	12,521,147	12,471,147
Operational risk reserve	17	669,352	619,352
Other reserves		,	,
- Realised reserves	17	9,892,148	9,994,702
- Unrealised reserves	17	82,681	63,892
Total reserves		23,165,328	23,149,093
Total liabilities and reserves		116,165,661	113,096,651

The financial statements were approved and authorised for issue by the board on 23<sup>rd</sup> October 2020 and signed on behalf of the credit union by:

Member of the Board Oversight Committee: Brendan Healy

Date: 23rd October 2020

Member of the Board of Directors: Mary Larkin

Date: 23rd October 2020

**Chief Executive Officer: Caroline Long** 

Date: 23rd October 2020

# Statement of Changes in Reserves For the Financial Year Ended 30 September 2020

	Regulatory reserve	Operational risk reserve	Realised reserves	Unrealised reserves	Total
	€	€	€	€	€
As at 1 October 2018 Surplus for the	12,471,147	519,352	9,810,791	95,523	22,896,813
financial year	-	100,000	235,304	430	335,734
Dividends paid	-	-	(83,454)	-	(83,454)
Transfers between reserves		<del>-</del>	32,061	(32,061)	
As at 1 October 2019 Surplus for the	12,471,147	619,352	9,994,702	63,892	23,149,093
financial year	-	-	17,489	20,468	37,957
Dividends paid	-	-	(21,722)	, -	(21,722)
Transfers between reserves	50,000	50,000	(98,321)	(1,679)	
As at 30 September 2020	12,521,147	669,352	9,892,148	82,681	23,165,328

- The regulatory reserve of the credit union as a percentage of total assets as at 30 September 2020 was 10.78% (2019: 11.03%).
- The operational risk reserve of the credit union as a percentage of total assets as at 30 September 2020 was 0.58% (2019: 0.55%).



# Statement of Cash Flows For the Financial Year Ended 30 September 2020

Opening cash and cash equivalents	Notes	2020 € 15,901,770	2019 € 9,443,991
Cash flows from operating activities Loans repaid by members	8	12.111.389	12.005.017
Loans granted to members Interest on members' loans	8	(12,593,416) 2,269,824	(13,447,536) 2,212,678
Other interest income and similar income Bad debts recovered and recoveries		1,377,347 326,340	1,044,242 355,110
Other income Dividends paid		10,153 (21,722)	13,414 (83,454)
Operating expenses Movement in other assets and liabilities		(2,878,664)	(2,982,194) 37,341
Net cash flows from operating activities		565,063	(845,382)
Cash flows from investing activities Fixed asset (purchases)/disposals Net cash flow from other investing activities		(95,676) (4,930,684)	(61,606) 3,494,432
Investments in associates		<u>-</u>	(265,000)
Net cash flows from investing activities		(5,026,360)	3,167,826
Cash flows from financing activities Members' shares received	13	141,787,155	133,680,122
Members' shares withdrawn	13	(138,698,403)	(129,544,787)
Net cash flow from financing activities		3,088,752	4,135,335
Net (decrease)/increase in cash and cash equivalents		(1,372,545)	6,457,779
Closing cash and cash equivalents	6	14,529,225	15,901,770



### Notes to the Financial Statements

For the Financial Year Ended 30 September 2020

#### I. Legal and regulatory framework

Limerick & District Credit Union Limited is registered with the Registry of Credit Unions and is regulated by the Central Bank of Ireland. The registered office of the credit union is located at Credit Union House, Redgate, Limerick.

#### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

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

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

The following principal accounting policies have been applied:

#### 2.2 Statement of compliance

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

#### 2.3 Going concern

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

#### 2.4 Income

#### Interest on members' loans

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

#### Deposit and investment income

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

#### Other income

Other income is recognised on an accruals basis.

#### 2.5 Cash and cash equivalents

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

#### 2.6 Investments

The specific investment products held by the credit union are accounted for as follows:

#### Held at amortised cost

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

#### **Central Bank deposits**

Credit unions are obliged to maintain certain deposits with the Central Bank. These deposits are technically assets of the credit union but to which the credit union has restricted access. The funds on deposit with the Central Bank attract nominal interest and will not ordinarily be returned to the credit union while it is a going concern. The amounts are stated at the amount deposited plus accrued income and are not subject to impairment reviews.

#### Investments at fair value

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

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



### Notes to the Financial Statements (continued)

For the Financial Year Ended 30 September 2020

#### 2. Accounting policies (continued)

#### 2.7 Financial assets - loans to members

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

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

#### 2.8 Provision for bad debts

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

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

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

#### 2.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and

condition necessary for it to be capable of operating in the manner intended by management.

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

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

Depreciation is provided on the following basis:

Freehold Premises 2% straight line per annum

Leasehold improvements
Over the lesser of the useful economic life and
the remaining term of the lease

Fixtures and fittings 20% straight line per annum

Office equipment 33.33% straight line per annum

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other gains' or 'other losses' in the income and expenditure account.

#### 2.10 Investments in associates

Investments in associates are accounted for at cost less impairment.



### Notes to the Financial Statements (continued)

For the Financial Year Ended 30 September 2020

#### 2. Accounting policies (continued)

#### 2.11 Impairment of assets

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

#### 2.12 Other receivables

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

#### 2.13 Financial liabilities - members' shares

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

#### 2.14 Other payables

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

#### 2.15 Pension costs

Limerick & District Credit Union Limited participates in an industry-wide pension scheme for employees (The Irish League of Credit Unions Republic of Ireland Pension Scheme). This is a funded defined benefit scheme with assets managed by the Scheme's trustees.

The scheme is a multi-employer Scheme and due to the nature of the Scheme it is not possible for Limerick & District Credit Union Limited to separately identify its share of the Scheme's underlying assets and liabilities. Consequently, it accounts for the Scheme as a defined contribution plan.

The credit union also operates a defined contribution plan for certain employees. A defined contribution plan is a pension plan under which the credit union pays fixed contributions into a separate entity. Once the contributions have been paid the credit union has no further payments obligations.

The contributions are recognised as an expense in the income and expenditure account when they fall due. Amounts not paid are shown in accruals as a liability on the balance sheet. The assets of the plan are held separately from the credit union in independently administered funds.

#### 2.16 Holiday pay

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

#### 2.17 Derecognition of financial liabilities

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

#### 2.18 Regulatory reserve

The Credit Union Act, 1997 (Regulatory Requirements) Regulations 2016 requires credit unions to establish and maintain a minimum regulatory reserve requirement of at least 10 per cent of the assets of the credit union. This reserve is to be perpetual in nature, freely available to absorb losses, realised financial reserves that are unrestricted and non-distributable



### Notes to the Financial Statements (continued)

For the Financial Year Ended 30 September 2020

#### 2. Accounting policies (continued)

#### 2.19 Operational risk reserve

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

The directors have considered requirements of the Act and have considered an approach to the calculation of the operational risk reserve. The credit union uses the Basic Indicator Approach as set out in the operational risk measurements techniques proposed under Basel II capital adequacy rules for banking institutions in calculating the operational risk reserve. Therefore the credit union will hold an operational risk reserve which will at a minimum equal 15% of the average positive gross income for the previous three years. For any year in which there was a deficit, this will be excluded from the calculation.

#### 2.20 Other reserves

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

#### 2.21 Distribution policy

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

The rate of dividends recommended by the board will reflect:

- the risk profile of the credit union, particularly in its loan and investments portfolios;
- the board's desire to maintain a stable rather than a volatile rate of dividend each year; and
- members' legitimate dividend expectations;

all dominated by prudence and the need to sustain the long-term welfare of the credit union.

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

The credit union accounts for dividends when members ratify such payments at the Annual General Meeting.

#### 2.22 Taxation

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



### Notes to the Financial Statements (continued)

For the Financial Year Ended 30 September 2020

#### Judgements in applying accounting policies and key source of estimation uncertainty

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

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

The annual depreciation charge depends primarily on the estimated lives of each type of asset and, in certain circumstances, estimates of residual values. The directors regularly review these useful lives and change them if necessary to reflect current conditions. In determining these useful lives management consider technological change, patterns of consumption, physical condition and expected economic utilisation of the assets. Changes in the useful lives can have a significant impact on the depreciation charge for the financial year. The net book value of tangible fixed assets subject to depreciation at the year end was €1,268,355 (2019: €1,373,062).

#### **Provision for bad debts**

The credit union's accounting policy for impairment of loans is set out in the accounting policy in note 2.8. The estimation of loan losses is inherently uncertain and depends upon many factors, including loan loss trends, credit risk characteristics in loan classes, local and international economic climates, conditions in various sectors of the economy to which the credit union is exposed, and, other external factors such as legal and regulatory requirements. The provision for bad debts in the financial statements at the year end was €2,563,634 (2019: €1,852,424) representing 10.22% (2019: 7.48%) of the total gross loan book.

#### Investments in associates

The investments in associates represents Limerick & District Credit Union Limited's investment in Metacu Management Company. Designated Activity investment was made for operational purposes. The credit union holds 6.25% Redeemable A Ordinary shares in the company and through the terms of the shareholders agreement agreed between each of the participating credit unions, Limerick & District Credit Union Limited is deemed to have influence over the operations of this company. Therefore the investment has been accounted for as an investment in an associate.

#### Operational risk reserve

The directors have considered the requirements of the Credit Union Act, 1997 (as amended) and have considered an approach to the calculation of the operational risk reserve. The credit union uses the basic indicator approach as set out in the operational risk measurements techniques proposed under Basel II capital adequacy rules for banking institutions in calculating the minimum operational risk reserve. The operational risk reserve of the credit union at the year end was €669,352 (2019: €619,352).

# Adoption of going concern basis for financial statements preparation

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



### Notes to the Financial Statements (continued)

For the Financial Year Ended 30 September 2020

4. Key management per	sonnel compensation
-----------------------	---------------------

Total deposits and investments	89,544,075	85,992,997
Total deposits and investments – other	77,444,245	72,513,561
Central Bank deposits	2,978,747	808,780
Irish and EEA state securities	-	4,592,090
Bank bonds	41,063,860	29,632,552
(Irish and non-Irish based)	33,401,638	37,480,139
Accounts in authorised credit institutions		
Deposits and investments – other		
Total deposits and investments – cash equivalents	12,099,830	13,479,436
(Irish and non-Irish based)	12,099,830	13,479,436
Deposits and investments – cash equivalents Accounts in authorised credit institutions		
Deposits and investments, each equivalents	€	€
	2020	2019
7. Deposits and investments		
Total cash and cash equivalents	14,529,225	15,901,770
Less: Deposit and investment amounts maturing after three months	(77,444,245)	(72,513,561)
Deposits and investments (note 7)	89,544,075	85,992,997
Cash and balances at bank	2,429,395	2,422,334
o. Casii aliu Casii eyulvaleiits	2020 €	2019 €
6. Cash and cash equivalents		
Net impairment losses/(gains) on loans to members	540,318	(239,491)
Loans written off during the year	155,448	111,231
Movement in bad debts provision during the year	711,210	4,388
Impairment of loan interest reclassed as bad debt recoveries	(98,437)	(102,120)
Bad debts recovered	(227,903)	(252,990)
	€	€
5. Net impairment losses/ (gains) on loans to members	2020	2019
Total key management personnel compensation	354,291	359,463
Payments to pension schemes	48,851	47,623
Short term employee benefits paid to key management	305,440	311,840
personner compensation is as follows.	€	€
The directors of Limerick & District Credit Union Limited are all unpaid personnel compensation is as follows.	d volunteers. The k	key management <b>2019</b>
T. Key management personner compensation		



### Notes to the Financial Statements (continued)

For the Financial Year Ended 30 September 2020

#### 8. Financial assets - loans to members

	2020 €	2019 €
As at 1 October	24.764.463	23,433,175
Loans granted during the year	12.593.416	13,447,536
	,,	
Loans repaid during the year	(12,111,389)	(12,005,017)
Gross loans and advances	25,246,490	24,875,694
Bad debts		
Loans written off during the year	(155,448)	(111,231)
As at 20 Santombay	25 001 042	24 764 462
As at 30 September	25,091,042	24,764,463
9. Provision for bad debts		
	2020	2019
	€	€
As at 1 October	1,852,424	1,848,036
Movement in bad debts provision during the year	711,210	4,388
As at 30 September	2,563,634	1,852,424
	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	,
The provision for bad debts is analysed as follows:		
	2020	2019
	€	€
Grouped assessed loans	2,563,634	1,852,424
Provision for bad debts	2,563,634	1,852,424

10. Tangible fixed assets

-	Freehold premises €	Leasehold improvements €	Fixtures and fittings €	Office equipment €	Total €
COST					
1 October 2019	888,850	721,511	753,300	892,880	3,256,541
Additions	-	-	85,001	10,675	95,676
At 30 September 2020	888,850	721,511	838,301	903,555	3,352,217
DEPRECIATION					
1 October 2019	259,343	176,666	710,467	737,003	1,883,479
Charge for year	17,777	65,118	24,299	93,189	200,383
At 30 September 2020	277,120	241,784	734,766	830,192	2,083,862
Net book value 30 September 2020	611,730	479,727	103,535	73,363	1,268,355
30 September 2019	629,507	544,845	42,833	155,877	1,373,062



€

(111,036)

### Notes to the Financial Statements (continued)

For the Financial Year Ended 30 September 2020

#### II. Investments in associates

Metacu Management

**Designated Activity Company** 

Cost At 1 October 2019 and 30 September 2020						
Accumulated impairment At 1 October 2019 and 30 September 2020						
Net book value At 30 September 2020						
At 30 September 2019						
Interests in associate The credit union has interests in the following associate:						
Associate	Type of shares held	Proportion held (%)	Net Assets €	Profit or (loss) €		

The effect of including this investment as if it had been accounted for using the equity method would be as follows:

6.25%

4,128,964

Redeemable

**A Ordinary** 

	net assets
	€
At 1 October 2019	265,000
Share of other comprehensive income/(loss)	(6,940)
At 30 September 2020	258,060

The above financial information in respect of Metacu Management Designated Activity Company was extracted from the audited financial statements for the period ended 31 December 2019.



### Notes to the Financial Statements (continued)

For the Financial Year Ended 30 September 2020

### 12. Prepayments and accrued income

	2020	2019
	€	€
Loan interest receivable	63,239	62,213
Prepayments	68,189	69,006
As at 30 September	131,428	131,219
13. Members' shares		
	2020	2019
	€	€
As at 1 October	89,217,265	85,081,930
Received during the year	141,787,155	133,680,122
Withdrawn during the year	(138,698,403)	(129,544,787)
As at 30 September	92,306,017	89,217,265
14. Other liabilities, creditors, accruals and charges		
<b>33</b>	2020	2019
	€	€
Accruals	690,744	712,344
PAYE/PRSI		9,552
As at 30 September	690,744	721,896
15. Other provisions		
	2020	2019
Holiday Pay Accrual	€	€
At 1 October	8,397	4,887
Charged to the income and expenditure account	(4,825)	3,510
As at 30 September	3,572	

### Notes to the Financial Statements (continued)

For the Financial Year Ended 30 September 2020

#### 16. Financial instruments

#### 16a. Financial instruments - measured at amortised cost

Financial assets	2020	2019
	€	€
Financial assets measured at amortised cost	102,282,535	105,402,304
Financial liabilities	2020	2019
	€	€
Financial liabilities measured at amortised cost	93,000,333	89,947,558

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

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

#### 16b. Financial instruments - fair value measurements

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

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

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

At 30 September 2020	Total €	Level 1 €	Level 2 €	Level 3 €
Accounts in authorised				
credit institutions	7,042,605	-	7,042,605	-
Bank bonds	8,004,372	<del>-</del>	8,004,372	
Total	15,046,977	<u>·</u>	15,046,977	<u> </u>
At 30 September 2019	Total	Level 1	Level 2	Level 3
	€	€	€	€
Accounts in authorised				
credit institutions	7,042,490	-	7,042,490	-
Bank bonds	1,000,000	-	1,000,000	-
Total	8,042,490		8,042,490	-

There were no fair value adjustments recognised in the income and expenditure account for the year ended 30 September 2020 (2019: €nil).



# Notes to the Financial Statements (continued)

For the Financial Year Ended 30 September 2020

#### 17. Reserves

I7. Reserves					
	Balance 01/10/19 €	Payment of dividends €	Appropriation of current year surplus €	Transfers between reserves €	Balance 30/09/20 €
Regulatory reserve	12,471,147	-	-	50,000	12,521,147
Operational risk reserve	619,352		<u>-</u>	50,000	669,352
Other reserves					
Realised					
General reserve	9,872,968	-	17,489	1,691	9,892,148
Future dividend reserve	100,000	-	-	(100,000)	-
Special reserve: proposed					
dividends	21,734	(21,722)	-	(12)	-
Total realised reserves	9,994,702	(21,722)	17,489	(98,321)	9,892,148
Unrealised					
Interest on loans reserve	62,213	-	1,026	-	63,239
Investment income reserve	1,679		19,442	(1,679)	19,442
Total unrealised reserves	63,892		20,468	(1,679)	82,681
Total reserves	23,149,093	(21,722)	37,957		23,165,328

### Notes to the Financial Statements (continued)

For the Financial Year Ended 30 September 2020

#### 18. Credit risk disclosures

In line with regulatory requirements, the credit union:

- restricts the concentration of lending by the credit union within certain sectors or to connected persons or groups (concentration limits);
- restricts the absolute amount of lending to certain sectors to a set 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 business loans, community loans or loans to another credit union.

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

	2020		2019	
	€	%	€	%
Loans not impaired				
Total loans not impaired, not past due	20,994,156	83.67%	20,367,662	82.25%
Impaired loans:				
Not past due	758,898	3.02%	161,308	0.65%
Up to 9 weeks past due	2,199,587	8.77%	2,946,777	11.90%
Between 10 and 18 weeks past due	159,686	0.63%	252,818	1.02%
Between 19 and 26 weeks past due	109,697	0.44%	99,592	0.40%
Between 27 and 39 weeks past due	111,935	0.45%	146,228	0.59%
Between 40 and 52 weeks past due	98,050	0.39%	100,799	0.41%
53 or more weeks past due	659,033	2.63%	689,279	2.78%
Total impaired loans	4,096,886	16.33%	4,396,801	17.75%
Total loans	25,091,042	100.00%	24,764,463	100.00%

#### 19. Related party transactions

#### 19a. Loans

Loans advanced to related parties during the year Total loans outstanding to related parties at the year end Total provision for loans outstanding to related parties

2020			2019
No. of		No. of	
Loans	€	Loans	€
2	23,000	2	13,500
4	55,324	4	50,996
	3,071		2,016

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

Total loans outstanding to related parties represents 0.22% of the total loans outstanding at 30 September 2020 (2019: 0.21%).



### Notes to the Financial Statements (continued)

For the Financial Year Ended 30 September 2020

#### 19b. Shares

The total amount of shares held by related parties at the year end was €161,968 (2019: €168,808).

#### 20. Additional financial instruments disclosures

#### 20a. Financial risk management

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

**Credit risk:** Credit risk is the risk that a borrower will default on their contractual obligations relating to repayments to the credit union, resulting in financial loss. In order to manage this risk the board of directors regularly reviews and approves the credit union's credit policy. All loan applications are assessed with reference to the credit policy in force at the time. Subsequently loans are regularly reviewed for any factors that may indicate that the likelihood of repayment has changed.

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

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

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

#### 20b. Liquidity risk disclosures

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

#### 20c. Interest rate risk disclosures

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

liabilities.

	2020	
	Average	
	interest rate	
€	%	€
24,764,463	9.38%	25,091,042
	_	Average interest rate % €

Gross loans to members

The dividend payable is at the discretion of the directors and is therefore not a financial liability of the credit union until declared and approved at the AGM.

### Notes to the Financial Statements (continued)

For the Financial Year Ended 30 September 2020

#### 21. Dividends

The following distributions were paid during the year:

		2020		2019
	%	€	%	€
Dividend on shares	0.025%	21,722	0.10%	83,454
The directors propose the following of	distributions in respec	ct of the year:		
		2020		2019
	%	€	%	€
Dividend on shares	0.00%	-	0.025%	21,734

#### 22. Events after the end of the financial year

Since the year end the COVID-19 pandemic has continued to have a direct effect on the credit union, the economy and the general population. The directors and management are closely monitoring the evolution of the pandemic, and while there is no clear indication as to when the impact will be curtailed or eliminated, they will continue to take appropriate actions to mitigate any possible adverse effects on the credit union, on its officers and on its members.

#### 23. 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).

#### 24. Capital commitments

There were no capital commitments at 30 September 2020.

#### 25. Commitments under operating leases

The credit union entered into a 10 year lease on 21 August 2017 which has a break clause after 5 years. At 30 September 2020 the credit union had future minimum lease payments under a non-cancellable operating lease as follows:

Less than 1 year 1 to 5 years

At 30 September

2020	2019
€	€
100,000	100,000
91,667	191,667
191,667	291,667

#### 26. 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. The credit union is progressing a review of this matter to ascertain whether any top-up loans made to members might be impacted by these circumstances, and if so, to determine what actions may need to be taken. It is expected that the credit union will finalise its review over the coming months. Consequently it is impracticable at this time to estimate the impact, financial or otherwise, if any, of this matter and whether any net amounts will become payable or not in the future.

#### 27. Comparative information

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



### Notes to the Financial Statements (continued)

For the Financial Year Ended 30 September 2020

#### 28. The Irish League of Credit Unions Republic of Ireland Pension Scheme

Limerick & District Credit Union Limited participates in an industry-wide pension scheme for employees (The Irish League of Credit Unions Republic of Ireland Pension Scheme). This is a funded defined benefit scheme with assets managed by the Scheme's trustees.

The scheme is a multi-employer Scheme and due to the nature of the Scheme it is not possible for Limerick & District Credit Union Limited to separately identify its share of the Scheme's underlying assets and liabilities. Consequently, it accounts for the Scheme as a defined contribution plan, in accordance with FRS 102.

The Pension's Act requires the trustees of the Scheme to assess whether it could meet a certain prescribed standard, known as the Minimum Funding Standard. This assesses whether, if the scheme was wound up on a specified theoretical valuation date, it could satisfy the Funding Standard at that date. Following the Scheme's actuary certifying a Minimum Funding Standard deficit in the Scheme in 2009, Limerick & District Credit Union Limited, the ILCU Group and the other credit unions participating in the Scheme entered into a funding agreement with the Scheme that was designed to ensure that, the Scheme could be reasonably expected to satisfy the Minimum Funding Standard by a specified future date (1 March 2019). This funding plan was approved by the Pensions Authority. The Scheme exited the funding plan as scheduled on 1 March 2019 meeting its statutory funding obligations on that date.

As part of the solvency assessment process, the Scheme actuary must carry out a separate valuation under the Minimum Funding Standard every 3 years and produce a funding certificate for submission to the Pensions Authority within 9 months of the effective date of the valuation. The purpose of the certificate is to certify whether or not the assets of the scheme at the effective date are sufficient to meet the liabilities of the scheme based on the assumption that the scheme was wound up at that date. The most recent Actuarial Funding Certificate was effective as at 1 March 2018 and it certified that the Scheme satisfied the funding standard.

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 2017 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 2017 was €216m. The actuarial valuation disclosed a past service deficit of €6.4m at 1 March 2017 calculated under the Ongoing Actuarial Valuation method. This valuation method assumes that the Scheme will continue in existence for the foreseeable future. The assumptions used in the actuarial review to determine the past service deficit differ from the assumptions that would be used to determine the liabilities for defined benefit obligations under FRS102. This actuarial review recommended that the rate agreed under the funding proposal, 27.5% of pensionable salary, continues to be paid. The cost of risk benefits is paid in addition to this rate giving a total contribution rate of 30% of Pensionable Salary. The 2020 actuarial review is underway and is expected to be concluded by 30 November 2020.

#### 29. Approval of financial statements

The board of directors approved these financial statements for issue on 23<sup>rd</sup> October 2020.



# Schedules to the Income and Expenditure Account

For the Financial Year Ended 30 September 2020

The following schedules do not form part of the statutory financial statements which are the subject of the Independent Auditor's Report on pages 11 to 13.

Schodule I	- Other	interest	income and	similar income	
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Schedule 1 - Other interest income and similar income		
	2020	2019
	€	€
Investment income and gains received/receivable within 1 year	1,357,905	1,043,812 430
Investment income receivable outside of 1 year	19,442	430
Total per income and expenditure account	1,377,347	1,044,242
Schedule 2 - Other income		
	2020	2019
	€	€
Entrance fees	588	1,105
Commissions and other income	9,565	12,309
Total per income and expenditure account	10,153	13,414
Schodule 3 - Other management expenses		
Schedule 3 - Other management expenses	2020	2019
	2020	2019
Rent and rates	36,819	36,962
Lease payments	93,750	100,000
Light, heat and cleaning	50,415	57,256
Repairs and maintenance	11,292	57,230 57,905
Security costs	27,056	24,066
Printing and stationery	45,982	37,174
Postage and telephone	36,563	60,418
Advertising, donations and sponsorship	4,979	5,813
Training costs	4,720	6,844
League and chapter dues	53,863	51,977
AGM expenses	39,128	39,367
Travel and subsistence	5,849	9,627
Audit fee	17,545	17,835
General insurance	44,567	51,063
Pension	124,191	127,148
Legal and professional fees	223,813	237,314
Computer maintenance	204,654	234,727
Miscellaneous expenses	10,348	10,507
Regulatory levies and charges	150,873	176,755
Share and loan insurance and DBI	545,987	478,917
Marketing	95,522	148,393
Strategic development costs	90,000	140,373
Staff uniforms	158	4,452
Compliance costs	21,582	24,087
Bank charges	41,054	36,729
built charges	71,057	30,729
Total per income and expenditure account	1,980,710	2,035,336



#### **Data Protection**

As Members will be aware the General Data Protection Regulation came into force on 25th May 2019. Limerick & District Credit Union Limited take very seriously the requirement to hold our members' personal data safe and secure. Limerick & District Credit Union Limited's Privacy Notice is available on our website (www.mylimerickcu.ie) and provides full details of how we treat member's personal data.

## Criminal Justice (Anti Money Laundering and Counter Terrorist Financing) Acts, 2010 - 2018.

The Criminal Justice (Anti Money Laundering and Counter Terrorist Financing) Acts, 2010 to 2018 require Credit Unions to adopt policies and procedures, in relation to their business, to prevent and detect the commission of money laundering and terrorist financing. In order for Limerick & District Credit Union Limited to comply with this legislation and Central Bank of Ireland Sectoral Guidance, we must apply "customer due diligence" steps to all members prior to the establishment of a business relationship with the member and on an ongoing basis thereafter. This requires the following steps:-

- Identification and verification of member's identity and residency
- Identification of beneficial owners/controllers of funds
- Obtaining information as to the purpose and intended nature of the account
- Enhanced due diligence where required
- Conducting on-going monitoring



## Notification & Annual Report 2020



## Payment Services Directive (PSD2)

The Payment Services Directive (PSD2) is a new law within the European Union that was introduced in January 2018 designed to benefit customers by enhancing transparency, giving you greater control over your data and will further protect your banking and purchases online. The directive came into force on 14th September 2019.

### What is Strong Customer Authentication (SCA)

Strong customer authentication (SCA) is the process that validates the identity of you the user when you log in to access online and mobile banking, and for further services such as making payments or changing your address.

From September 2019 you will be asked for additional security credentials. We will be sending you notifications to ask you to confirm that you have authorised payments, logged in or wish to make changes to your accounts. We will also implement additional fraud prevention measures. Our online terms and conditions have been updated to take account of these changes.

More information on PSD2 and SCA is included on our website www.mylimerickcu.ie/psd2-payment-services-directive



## **Deposit Guarantee Scheme Depositor Information Sheet**Basic information about the protection of your eligible deposits.

Eligible deposits in Limerick & District Credit Union Limited are protected by:	the Deposit Guarantee Scheme {"DGS"}. (1)
Limit of protection:	Eligible deposits up to €100,000 per depositor. <sup>(2)</sup>
If you have more eligible deposits at the Limerick & District Credit Union Limited:	All your eligible deposits at Limerick & District Credit Union Limited are 'aggregated' and the total is subject to the limit of €100,000. <sup>(2)</sup>
If you have a joint account with other person{s}:	The limit of €100,000 applies to each depositor separately. (3)
Reimbursement period in case of Limerick & District Credit Union Limited's failure:	within 10 working days until 31st December 2023 <sup>(4)</sup>
Currency of reimbursement:	Euro
To contact Limerick & District Credit Union Limited for enquiries relating to your account:	Please contact us at: Limerick & District Credit Union Limited, Redgate, Caherdavin, Limerick V94 D362  Telephone: (061) 455831 Email: info@lcu.ie
To contact the DGS for further information on compensation:	Deposit Guarantee Scheme, Central Bank of Ireland, New Wapping Street, North Wall Quay, Dublin 1. Tel: 1890-777777 Email: info@depositguarantee.ie



## Deposit Guarantee Scheme Additional Information

- (1) Your deposit is covered by a statutory Deposit Guarantee Scheme. If insolvency of your credit institution should occur, your eliqible deposits would be repaid up to EUR 100,000.
- (2) If a covered deposit is unavailable because a credit institution is unable to meet its financial obligations, depositors are repaid by a Deposit Guarantee Scheme. This repayment covers at maximum EUR 100,000 per credit institution. This means that all eligible deposits at the same credit institution are added up in order to determine the coverage level. If, for instance a depositor holds a savings account with EUR 90,000 and a current account with EUR 20,000, he or she will only be repaid EUR 100,000.
- (3) In case of joint accounts, the limit of €100,000 applies to each depositor. However, eligible deposits in an account to which two or more persons are entitled as members of a business partnership, association or grouping of a similar nature, without legal personality, are aggregated and treated as if made by a single depositor for the purpose of calculating the limit of €100,000.

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

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

More information can be obtained at www.depositguarantee.ie

#### (4) Reimbursement

The responsible Deposit Guarantee Scheme is Deposit Guarantee Scheme, Central Bank of Ireland, New Wapping Street, North Wall Quay, Dublin 1, Tel: 1890-777777, Email: info@depositguarantee.ie. It will repay your deposits (up to EUR 100,000); within 15 working days from 1 January 2019 until 31 December 2020; within 10 working days from 1 January 2021 to 31 December 2023; and within 7 days from 1 January 2024 onwards, save where specific exceptions apply. Where the repayable amount cannot be made available within seven working days depositors will be given access to an appropriate amount of their covered deposits to cover the cost of living within five working days of a request.

Access to the appropriate amount will only be made on the basis of data provided by the credit institution.

If you have not been repaid within these deadlines, you should contact the Deposit Guarantee Scheme since the time to claim reimbursement may be barred after a certain time limit. Further information can be obtained under www.depositguarantee.ie

#### Other important information

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



### Report of the Credit Committee

Thank you to all our members who collectively borrowed €12.6m this year. We continue to urge our members to contact Limerick & District Credit Union Limited first for all their borrowing needs.

Our loan book stands at €25.091m at 30th September, 2020.

The majority of loan applications taken and granted are for personal borrowings such as for home renovations, car purchase, holidays, Christmas or special occasions. The Credit Union now has the facility to process loan applications online or by telephone which has proven important to our members during Covid-19. In 2020, we encouraged members to reconnect with our Credit Union who may not have borrowed with us in some time by introducing *a Just for Me Loan* at a rate of 7.95% (8.2% APR) for loan amounts of €10,000 and over. This product is very successful.

During 2020, we continued to offer mortgage facilities by offering loan amounts up to €250,000. We are also available to discuss your business lending needs. Fiona Cox, our Business Development Manager is available to meet with you to discuss any of your lending requirements and can be contacted at f.cox@lcu.ie

Thank you to all our borrowing members and we look forward to welcoming new borrowers in 2021.

On behalf of the Credit Committee









**LOOKING FOR** A LOAN...!

- Home Renovations
- Car Loans
- Education
- **Personal**
- Special Occasion Loans

CONTACT FIONA COX TODAY ON 087-2999480 TO DISCUSS ALL YOUR LENDING NEEDS. !

**८** 061 455 831 **≥** info@lcu.ie







### Report of the Credit Control Committee



The function of the Credit Control Committee involves the monitoring of loan accounts to ensure that repayments are being made as per the credit agreement.

Our aim is to work with and help members that are engaging and co-operating fully with us to achieve repayment of their loans and to restore their financial stability over time. We urge any members that are experiencing difficulty in meeting their repayments to contact the Credit Control Department as soon as possible and we will work with them to try and resolve their situation.

The total write off this year was €155,448 (2019: €111,231). Every effort is made to collect written off loan accounts and a total of €227,903 (2019: €252,990) was recovered for year ended 30th September 2020.

We would like to thank all our members for their continued loyalty to Limerick & District Credit Union.

On behalf of the Credit Control Committee



### **Membership Report**

At the 30th September 2020 membership reached 31,910 at Limerick & District Credit Union Ltd. This is an increase in Membership of 0.5% from the year prior. Membership is open to all persons who reside or work within our common bond. Documentation to open new accounts is as follows:

- Proof of Identification Valid Driver Licence or Passport.
- Proof of Address Utility Bill, Bank Statement or Government Letter (must be dated within the last 6 months). Must be the original and not a copy.
- Proof of P.P.S Number Payslip, Medical Card or Revenue /Social Welfare Document.

All accounts opened for a juvenile (under the age of 16) must be opened as a joint account with the adult member. The adult member must provide all the documentation outlined above and the following documentation for the juvenile member must also be provided:

- Proof of Identification Valid Passport or Birth Cert for Child.
- Proof of P.P.S Number Social Welfare Document or Medical Card.
- Proof of address of the parent of the child.
- Juveniles aged 7 and over must be present at account opening stage.

#### **Dormant Accounts**

Under legislation if a member has not used their account within the last three years it becomes a dormant account and must be re-activated. When an account becomes dormant the shares will remain in the account and will continue to earn dividend, however no transactions can occur on the account until it has been re-activated. For the account to be re-activated the following documents are required:

- Proof of Identification: Valid Driver Licence or Passport.
- Proof of Address Utility Bill, Bank Statement or Government Letter (must be dated within the last 6 months). Must be the original and not a copy.
- Member will also need to call to the office in person, to sign the relevant documentation and complete a transaction.

#### Share Cap

The Board approved a share cap maximum limit of  $\leq$ 20,000 per member for members who joined prior to 1st September 2020. All members who join after 1st September 2020 will have a share cap maximum limit of  $\leq$ 10,000 per member.

On behalf of the Membership Committee

### **Insurance Report**

Here at Limerick & District Credit Union Ltd., we offer Life Savings Insurance, Loan Protection Insurance and Death Benefit Insurance to all qualifying members.

#### Life Savings Insurance

is an insurance provided by Limerick and District Credit Union Ltd., to qualifying members based on their level of savings up to age 70. The Board of Directors approved a reduction in the maximum amount payable from €5,000 to €3,000 effective for all claims dated on or after March 1st. 2021.

#### Death Benefit Insurance (DBI):

This is an additional benefit of  $\in$ 1,000.00 which is paid towards funeral expenses. For DBI there must be a minimum of  $\in$ 500.00 in the account of the deceased at the date of death.



#### Loan Protection Insurance

is payable on the death of the borrowing member to repay their outstanding loan balance in full. This cover ceases on a borrowing member's 85th Birthday and at Limerick & District Credit Union Ltd., we cover both members on a joint account.

From 1st October 2019 to 30th September 2020, we received insurance payouts from ECCU (The Insurance Provider) in the amount of €463,779.44 for 159 deceased members. These payouts were made up as follows:

Savings: €223,868.48 Loans Repaid: €113,910.96 DBI: €126,000

This insurance is at no extra cost to the member, but the Credit Union pays for it as an operational expense. The cost to the Credit Union in the year ended 30th September, 2020 was €545,987 (30th September 2019: €478,917).

No other financial institution provides these valuable benefits to its qualifying members.

#### Nominations:

A Nomination is legally binding written instruction whereby you can nominate a person or persons to receive funds in your Credit Union account up to a maximum of €23,000.00 including insurance on death. Any amount in excess of €23,000 forms part of the estate.

We would strongly urge our members to ensure they have a nomination in place on their account.

#### Insurance Officer

All insurances are subject to the fulfilment of specific terms and conditions by the qualifying member.



Chairperson

Secretary

Vice Chairperson

### **Credit Union Information**

**Directors**Mary Larkin
James Stewart

Carmel Cronin Antoinette Barry

(resigned September 2020)

Gerry O'Malley Brian Keating Marie Slattery Fergus Murphy Michael O'Neill Breda Harkins

(co-opted September 2020)

**Board Oversight Committee** Teresa Dundon, Brendan Healy, Brendan Kelly

Credit Committee Danny Vaughan, Michael O'Neill, Margie Storan

**Credit Control Committee**Barry-John Hannan, Mary Tuite, Billy Galvin

**Investment Committee**James Stewart, Declan Benson, Barry-John Hannan

Membership Committee Mary Casey, Lorraine Russell, Ber O'Riordan,

Cormac Fay, Stephanie McKeon, Margie Storan, Sarah Barry

Insurance Officer Mary Casey

CEO Caroline Long

**Deputy CEO** Declan Benson

Head of Lending Marie O'Shea

Finance Officer Barry-John Hannan

Business Development Manager Fiona Cox

Credit Control Officer Eileen Lavery

**Staff** Mary Casey, Eilish Downes, Mary McGrath, Liz Harris,

Lorraine Russell, Julian Greham, Sarah Barry,

Michael Houlihan, Karen O'Brien, Cormac Fay, Margie Storan, Stephanie McKeon, Paulina Brominska, Eileen Reddan, Sarah Scales, Bernadette O'Riordan, Mark Long, Geri Dou

and Lena Foley.

Principal Bankers Allied Irish Bank, 106 O'Connell Street, Limerick

**Solicitors** Tynan O'Donovan Solicitors, 78 O Connell St., Limerick.

Michael Powell Solicitors, 5 Lapps Quay, Cork Sellors LLP, 6-7 Glentworth St, Limerick D.G. O'Malley & Co., 9-10 Glentworth St, Limerick

Investment Advisors Goodbody

# Limerick & District

Credit Union Ltd.



**MOBILE APP** AVAILABL

) >> Apply for a Loan

Move money between 02 » vour accounts

Move money to other bank accounts 03»

○5 » Check your statement

()6 >> Pay a bill

www.mylimerickcu.ie f 💌 💿









## **Opening Hours**







Annual Report 2020