

ANNUAL REPORTS AND SECTION 130 PACK
IN RELATION TO THE PROPOSED TRANSFER OF ENGAGEMENTS
OF MPCC CREDIT UNION LIMITED TO
LIMERICK & DISTRICT CREDIT UNION LIMITED



VIRTUAL ANNUAL GENERAL MEETINGS

THE 2021 VIRTUAL ANNUAL GENERAL MEETING OF THE MEMBERS OF
LIMERICK & DISTRICT CREDIT UNION LIMITED WILL TAKE PLACE **VIA ZOOM WEBINAR** ON
TUESDAY 16TH NOVEMBER 2021 AT 6.00 P.M.

THE 2021 VIRTUAL ANNUAL GENERAL MEETING OF THE MEMBERS OF
MPCC CREDIT UNION LIMITED WILL TAKE PLACE **VIA ZOOM WEBINAR** ON
WEDNESDAY 17TH NOVEMBER 2021 AT 6.00 P.M.

NOTICE OF VIRTUAL ANNUAL GENERAL MEETINGS AND PROPOSED TRANSFER OF ENGAGEMENTS

We are delighted to present to you, the members of Limerick & District Credit Union Limited and MPCC Credit Union Limited, the annual reports for both Credit Unions and information in relation to the proposed Transfer of Engagements of MPCC Credit Union Limited to Limerick & District Credit Union Limited.

You will find further details and information in relation to the proposed Transfer of Engagements in section 3 of this booklet (pages 77 to 83). To summarise this proposal, if approved, it will bring the two Credit Unions together to form a Credit Union with over 40,000 members and over €163 million in assets. The Transfer of Engagements is subject to the approval of the Central Bank of Ireland and approval by members of both Credit Unions.

This merger arises from the belief of the Board of Directors of our Credit Unions that our members can be better served together and we consider it an ideal opportunity to grow and develop our services to members locally. The combined Credit Union will also be better positioned to meet the ever-increasing regulatory requirements.

The special resolution to approve the Transfer of Engagements will be voted on at the forthcoming virtual Annual General Meetings.

The Boards of Directors of both Credit Unions are confident that the enlarged Credit Union will strengthen our position as the local, trusted, respected and preferred financial institution for all our members.

Mary Larkin
Chairperson
Limerick & District Credit Union Limited

William Gorman
Chairperson
MPCC Credit Union Limited

Notice is hereby given that the 2021 Virtual Annual General Meeting of the members of Limerick & District Credit Union Limited will take place via Zoom Webinar on Tuesday 16th November 2021 at 6.00 p.m.

Notice is hereby given that the 2021 Virtual Annual General Meeting of the members of MPCC Credit Union Limited will take place via Zoom Webinar on Wednesday 17th November 2021 at 6.00 p.m.

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Limerick & District
Credit Union Limited



Making More Possible



Annual Report 2021

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Agenda

- a) The acceptance by the Board of Directors of the authorised representatives of members that are not natural persons
- b) Ascertainment that a quorum is present
- c) Adoption of Standing Orders
- d) Reading and Approval (or correction) of the minutes of the 2020 AGM and any intervening special general meeting
- e) Report of the Chairperson
- f) Report of the Board of Directors
- g) Appointment of tellers
- h) Report of the CEO
- i) Report of the Auditor and consideration of Accounts and related matters
- j) Declaration of Dividend and Rebate of Interest (if any)
- k) Report of the Board Oversight Committee
- l) Report of the Credit Committee
- m) Report of the Credit Control Committee
- n) Report of the Membership Committee
- o) Report of the Insurance Officer
- p) Report of the Nomination Committee
- q) Rule amendment
- r) Election of Auditor
- s) Election to fill a vacancy on the Board Oversight Committee
- t) Election to fill vacancies on the Board Of Directors
- u) Proposed Special Resolution under Section 130 Credit Union Act, 1997 (as amended)

The members of Limerick & District Credit Union Limited resolve that the Credit Union accepts the Transfer of Engagements of MPCC Credit Union Limited in accordance with the relevant provisions of the Credit Union Act, 1997 (as amended).

- v) Announcement of Election Results
- w) Any other business
- x) Adjournment or Close of Meeting

Notice of AGM 2021

**ALL MEMBERS ARE INVITED TO ATTEND THE
VIRTUAL AGM TO BE HELD ON
TUESDAY 16th NOVEMBER 2021 @ 6.00 P.M.**

BRIAN KEATING (HON. SECRETARY)

HOW TO REGISTER

Notice is hereby given that the 2021 Virtual Annual General Meeting of the members of Limerick & District Credit Union Limited will take place via Zoom Webinar on Tuesday 16th November 2021 at 6.00 p.m.

Members wishing to attend the Virtual AGM need to request an invitation to join and apply via email to agm@lcu.ie and include the following information on your email.

Member Name
Member Number
Member Address

A link to the AGM Zoom Webinar will be forwarded to your email address in time for the meeting. **PLEASE NOTE:** Registration must be submitted no later than close of business on Friday 12th November 2021.

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 agm@lcu.ie. This request must be received before the close of business on the 12th November 2021. Following the request for information the member will receive an invitation by email to join the meeting on 16th November 2021.
- The information required to request an invitation is your name, member number and address. The Credit Union will validate members details prior to issuing invitations.
- Please note, registration for the AGM will close at close of business on Friday 12th November 2021 to allow us sufficient time to validate all registrations.
- 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 "Q&A" button on the bottom of the screen.
- Elections for the Board of Directors, Board Oversight Committee, Auditor, Proposed Special Resolution under Section 130 Credit Union Act 1997, (as amended) and Rule Amendments 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 of the above, 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. Members who register for the meeting will be agreeing to the recording of the meeting and their participation in it, by registering.

Notice of Elections

Elections will be held to fill 3 vacancies on the Board of Directors, 1 vacancy on the Board Oversight Committee and the position of Auditor. In accordance with fitness and probity requirements per the Central Bank Reform Act 2010 nominations for positions of Director or member of the Board Oversight Committee must have been received by the Nomination Committee before 22nd October 2021 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.

Election of Directors under Section 53 of the Credit Union Act, 1997 (as amended)

There are 3 vacancies on the Board of Directors at AGM 2021. The following candidates having served their term offer themselves for re-election on the proposal of the Nomination Committee.

- ▶ Mr. Brian Keating
- ▶ Ms. Marie Slattery
- ▶ Mr. Fergus O Regan

Election of Board Oversight Committee Members under Section 58 of the Credit Union Act, 1997 (as amended)

There is 1 vacancy to be filled on the Board Oversight committee at AGM 2021. The following candidate having served his term offers himself for re-election to fill the vacancy:

- ▶ Mr. Brendan Healy

Election of Auditor under Section 115 of the Credit Union Act, 1997 (as amended)

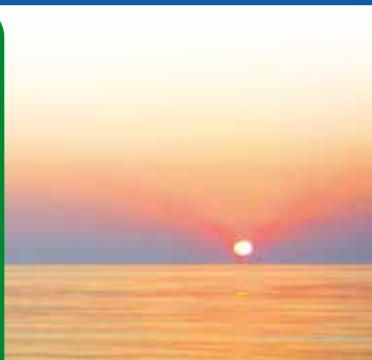
The Auditors Grant Thornton, Mill House, Henry Street, Limerick being eligible, offer themselves for re-election.

Proposed Special Resolution under Section 130(1) of the Credit Union Act, 1997 (as amended)

The Annual General Meeting of Limerick & District Credit Union Limited hereby resolves to undertake the Transfer of Engagements of MPCC Credit Union Limited to Limerick & District Credit Union Limited in accordance with the relevant provisions of the Credit Union Act, 1997 (as amended).

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



Amendment to Rules

Due to the public health restrictions in place in 2020, the ILCU AGM 2020 took place in March 2021 and the ILCU AGM 2021 took place in April 2021. There was one rule amendment arising for Year-end 2020 and a number of rule amendments arising for Year-end 2021.

Rule Amendment arising from ILCU AGM 2020

Resolution No. 10

"That this Annual General Meeting agrees to delete Rule 63(4) of the Standard Rules for Credit Unions (Republic of Ireland) (2019) to remove the requirement for credit unions to complete and return the Return of Officers form to the Irish League of Credit Unions."

You will note that this rule amendment facilitates the deletion of Rule 63 (4) of the Standard Rules pertinent to completing and returning the Return of Officers form to the ILCU. The Standard Rules for Credit Unions (Republic of Ireland) (2021) have been updated to reflect this change.

Rule Amendments arising from ILCU AGM 2021 re virtual general meetings

Rule 98(2)(c)

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

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

Rule 99(3)(a)

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

- (3) Subject to paragraph (3) in rule 98:
- (a) Paragraph (2)(a), (b), (d), (e), (f) of Rule 98 shall apply to a notice under paragraph (2)(b) of this rule as they apply to a notice under paragraph (1) of that rule; and

Notice of Motion - Amendment to Rule

Motion

Rule 40(2)

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

At the time of the adoption of these rules, the Board of Directors shall consist of eleven members, all of whom shall be members of the Credit Union.

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

1. VOTING

1. 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
 - c) 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

3. All motions from the meeting must be inputted in the Q&A box. This must be proposed and seconded by members virtually present at the AGM using the raised hand function in zoom and moved by the proposer.

A proposer of a motion may speak for such period as shall be at the discretion of the Chair of the meeting and shall have the reply before the motion is put to the meeting for a vote.

In exercising his/her right of reply, a proposer may not introduce new material.

The seconder of a motion shall have such time as shall be allowed by the Chair to second the motion.

Members are entitled to speak on any such motion and must do so through the Chair. All speakers to any motion shall have such time as shall be at the discretion of the Chair.

The Chair shall have the absolute right to decide at any time when a motion has been sufficiently discussed and may put the motion to the meeting giving the proposer the right of reply before doing so.

Members will be invited to submit questions to the board via the Q&A box on the toolbar in Zoom Webinar and the board will address these during the AGM.

4. 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.
6. The Chairperson may at his/her discretion, extend the privilege of the floor to any person who is not a member.
7. 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.
8. 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)).
9. 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.
13. All members are asked to utilise the Q&A box 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 Limited, 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 Limited 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.



PRIZE DRAW - INCOME AND EXPENDITURE ACCOUNT

	2021 €	2020 €
Opening Balance as at 1 st October	-	
Member Money Received*		7,727.50
Member Money Paid out in Prizes		(7,727.50)
Closing Balance as at 30th September	-	-

* Last draw February 2020.

IMPORTANT INFORMATION RE ACCOUNT STATEMENTS

Shortly you will receive a statement for the year ended 30th September, 2021 for your Credit Union Accounts. 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.

Changes in Insurance Cover

There will be some changes in Insurance cover for Limerick & District Credit Union Limited members from the 1st January, 2022. The table below sets out the changes.

Insurance Cover	Current	Effective 1st January, 2022
Life Savings Eligibility Criteria	Joined CU before 70th birthday	No change
	Max Shares insured - €3,000	Max Shares insured - €1,000 Date of Death Cover
Loan Protection Criteria	Loans insured to age 85. Some exclusions may apply.	No change
	Joint account cover - Yes	No change
	Coverage includes death.	No change
Death Benefit Insurance (DBI) Criteria	Joined CU before 70th birthday	No change
	DBI Payment - €1,000	No change
	Joint account cover - Yes	No change
	To avail of DBI member needs €500 in Shares on date of death	No change

Got a Question?

If you have a question arising from the content of the 2021 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 AGM, it would be preferable for you to provide us with the question in advance of the AGM 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 close of business on 12/11/2021. 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. The 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).

If you have any queries in respect of this matter, please feel free to contact us.

Financial Statements

For the financial year ended 30 September 2021

Directors' Report

For the financial year ended 30 September 2021

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

Principal activity

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

Authorisation

The credit union is authorised as follows:

- Insurance/reinsurance or ancillary insurance intermediary under the European 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 2021 (2020: The directors did not propose a dividend).

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

Market risk

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

Liquidity risk

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

Operational risk

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

COVID-19 risk

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

Directors' report (continued)

For the financial year ended 30 September 2021

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

Credit risk

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

Lack of loan demand

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

Market risk

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

Liquidity risk

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

Operational risk

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

COVID-19 risk

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

Accounting records

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

Events after the end of the financial year

At 30 September 2021 the credit union is at an advanced stage of a proposed Transfer of Engagements process with M.P.C.C. Credit Union Limited. The proposed Transfer of Engagements process is expected to complete in the coming months.

Auditors

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

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



Mary Larkin
Chairperson of the Board of Directors:
Date: 27th October 2021



Carmel Cronin
Member of the Board of Directors:
Date: 27th October 2021

Directors' Responsibility Statement

For the financial year ended 30 September 2021

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

In preparing those financial statements the directors are required to:

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

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

On behalf of the board of directors:

Mary Larkin
Chairperson of the Board of Directors
Date: 27th October 2021



Carmel Cronin
Member of the Board of Directors
Date: 27th October 2021



Board oversight committee's responsibilities statement

For the financial year ended 30 September 2021

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

On behalf of the board oversight committee:

Brendan Healy
Chairperson of the Board Oversight Committee
Date: 27th October 2021



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 2021, and the related notes to the financial statements, including the summary of significant accounting policies.

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

In our opinion, 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 2021 and of its income and expenditure and cash flows for the year then ended; and
- have been properly prepared so as to conform with the requirements of the Credit Union Act, 1997 (as amended).

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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.

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.

Independent Auditor's Report (continued)

to the members of Limerick & District Credit Union Limited

- 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: 27th October 2021

Income and Expenditure Account

For the financial year ended 30 September 2021

		2021	2020
	Schedule	€	€
Income			
Interest on members' loans		2,269,220	2,269,824
Other interest income and similar income	1	642,960	1,377,347
Net interest income		2,912,180	3,647,171
Other income	2	3,319	10,153
Total income		2,915,499	3,657,324
Expenditure			
Employment costs		874,116	897,956
Other management expenses	3	1,982,076	1,980,710
Depreciation		168,931	200,383
Net impairment (gains)/losses on loans to members (note 5)		(348,029)	540,318
Total expenditure		2,677,094	3,619,367
Surplus for the financial year		238,405	37,957

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

Member of the Board Oversight Committee: Brendan Healy

Date: 27th October 2021



Member of the Board of Directors: Mary Larkin

Date: 27th October 2021



Chief Executive Officer: Caroline Long

Date: 27th October 2021



Statement of Other Comprehensive Income

For the financial year ended 30 September 2021

Surplus for the financial year
Other comprehensive income

Total comprehensive income for the financial year

2021	2020
€	€
238,405	37,957
-	-
238,405	37,957

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

Member of the Board Oversight Committee: Brendan Healy
Date: 27th October 2021



Member of the Board of Directors: Mary Larkin
Date: 27th October 2021



Chief Executive Officer: Caroline Long
Date: 27th October 2021



Balance Sheet

As at 30 September 2021

	Notes	2021 €	2020 €
Assets			
Cash and balances at bank		13,080,371	2,429,395
Deposits and investments – cash equivalents	7	12,255,248	14,255,517
Deposits and investments – other	7	68,453,146	75,288,558
Loans to members	8	27,025,276	25,091,042
Provision for bad debts	9	(2,460,340)	(2,563,634)
Tangible fixed assets	10	1,128,537	1,268,355
Investments in associates	11	265,000	265,000
Prepayments and accrued income	12	124,262	131,428
Total assets		119,871,500	116,165,661
Liabilities			
Members' shares	13	95,803,867	92,306,017
Other liabilities, creditors, accruals and charges	14	661,699	690,744
Other provisions	15	2,201	3,572
Total liabilities		96,467,767	93,000,333
Reserves			
Regulatory reserve	17	13,271,147	12,521,147
Operational risk reserve	17	1,457,848	669,352
Other reserves			
- Realised reserves	17	8,605,716	9,892,148
- Unrealised reserves	17	69,022	82,681
Total reserves		23,403,733	23,165,328
Total liabilities and reserves		119,871,500	116,165,661

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

Member of the Board Oversight Committee: Brendan Healy




Date: 27th October 2021

Member of the Board of Directors: Mary Larkin

Date: 27th October 2021

Chief Executive Officer: Caroline Long

Date: 27th October 2021

Statement of Changes in Reserves

For the financial year ended 30 September 2021

	Regulatory reserve	Operational risk reserve	Realised reserves	Unrealised reserves	Total
	€	€	€	€	€
As at 1 October 2019	12,471,147	619,352	9,994,702	63,892	23,149,093
Surplus for the 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 1 October 2020	12,521,147	669,352	9,892,148	82,681	23,165,328
Surplus for the financial year	236,290	-	-	2,115	238,405
Transfers between reserves	513,710	788,496	(1,286,432)	(15,774)	-
As at 30 September 2021	13,271,147	1,457,848	8,605,716	69,022	23,403,733

- The regulatory reserve of the credit union as a percentage of total assets as at 30 September 2021 was 11.07% (2020: 10.78%).
- The operational risk reserve of the credit union as a percentage of total assets as at 30 September 2021 was 1.22% (2020: 0.58%).

Statement of Cash Flows

For the financial year ended 30 September 2021

		2021 €	2020 €
Opening cash and cash equivalents	Notes	16,684,912	15,901,770
Cash flows from operating activities			
Loans repaid by members	8	12,183,324	12,111,389
Loans granted to members	8	(14,231,467)	(12,593,416)
Interest on members' loans		2,269,220	2,269,824
Other interest income and similar income		642,960	1,377,347
Bad debts recovered and recoveries		358,644	326,340
Other income		3,319	10,153
Dividends paid		-	(21,722)
Operating expenses		(2,856,192)	(2,878,664)
Movement in other assets and liabilities		(23,250)	(36,188)
Net cash flows from operating activities		(1,653,442)	565,063
Cash flows from investing activities			
Fixed asset (purchases)/disposals		(29,113)	(95,676)
Net cash flow from other investing activities		6,835,412	(2,774,997)
Net cash flows from investing activities		6,806,299	(2,870,673)
Cash flows from financing activities			
Members' shares received	13	35,204,391	39,969,803
Members' shares withdrawn	13	(31,706,541)	(36,881,051)
Net cash flow from financing activities		3,497,850	3,088,752
Net (decrease)/increase in cash and cash equivalents		8,650,707	783,142
Closing cash and cash equivalents	6	25,335,619	16,684,912

The notes on pages 23 to 37 form part of these financial statements.

Notes to the Financial Statements

For the financial year ended 30 September 2021

1. 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, Caherdavin, 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 Deposits and investments

Held at amortised cost

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

Central Bank deposits

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

Investments at fair value

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

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

Notes to the Financial Statements (continued)

For the financial year ended 30 September 2021

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 2021

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 certain 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 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 2021

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 the 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 2021

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

Preparation of the financial statements requires the directors to make significant judgements and estimates. The items in the financial statements where these 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 €1,128,537 (2020: €1,268,355).

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 €2,460,340 (2020: €2,563,634) representing 9.10% (2020: 10.22%) of the total gross loan book.

Investments in associates

The investments in associates represents the credit union's investment in Metacu Management Designated Activity Company. This 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, the credit union 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 €1,457,848 (2020: €669,352).

Adoption of going concern basis for financial statements preparation

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

Notes to the Financial Statements (continued)

For the financial year ended 30 September 2021

4. Key management personnel compensation

The directors of Limerick & District Credit Union Limited are all unpaid volunteers. The key management personnel compensation is as follows.

	2021	2020
	€	€
Short term employee benefits paid to key management	339,525	305,440
Payments to pension schemes	48,840	48,851
Total key management personnel compensation	388,365	354,291

5. Net impairment losses/ (gains) on loans to members

	2021	2020
	€	€
Bad debts recovered	(271,716)	(227,903)
Impairment of loan interest reclassified as bad debt recoveries	(86,928)	(98,437)
Movement in bad debts provision during the year	(103,294)	711,210
Loans written off during the year	113,909	155,448
Net impairment (gains)/losses on loans to members	(348,029)	540,318

6. Cash and cash equivalents

	2021	2020
	€	€
Cash and balances at bank	13,080,371	2,429,395
Deposits and investments – cash equivalents (note 7)	12,255,248	14,255,517
Total cash and cash equivalents	25,335,619	16,684,912

7. Deposits and investments

	2021	2020
	€	€
Deposits and investments – cash equivalents		
Accounts in authorised credit institutions (Irish and non-Irish based)	2,369,409	12,099,830
Central Bank deposits	9,885,839	2,155,687
Total deposits and investments – cash equivalents	12,255,248	14,255,517
Deposits and investments – other		
Accounts in authorised credit institutions (Irish and non-Irish based)	32,996,710	33,401,638
Bank bonds	33,071,538	41,063,860
Irish and EEA state securities	1,596,397	-
Central Bank deposits	788,501	823,060
Total deposits and investments – other	68,453,146	75,288,558
Total deposits and investments	80,708,394	89,544,075

Notes to the Financial Statements (continued)

For the financial year ended 30 September 2021

8. Financial assets - loans to members

	2021 €	2020 €
As at 1 October	25,091,042	24,764,463
Loans granted during the year	14,231,467	12,593,416
Loans repaid during the year	(12,183,324)	(12,111,389)
Gross loans and advances	27,139,185	25,246,490
Bad debts		
Loans written off during the year	(113,909)	(155,448)
As at 30 September	27,025,276	25,091,042

9. Provision for bad debts

	2021 €	2020 €
As at 1 October	2,563,634	1,852,424
Movement in bad debts provision during the year	(103,294)	711,210
As at 30 September	2,460,340	2,563,634

The provision for bad debts is analysed as follows:

	2021 €	2020 €
Grouped assessed loans	2,460,340	2,563,634
Provision for bad debts	2,460,340	2,563,634

10. Tangible fixed assets

	Freehold premises €	Leasehold improvements €	Fixtures and fittings €	Office equipment €	Total €
COST					
1 October 2020	888,850	721,511	838,301	903,555	3,352,217
Additions	-	-	4,031	25,082	29,113
At 30 September 2021	888,850	721,511	842,332	928,637	3,381,330
Depreciation					
1 October 2020	277,120	241,784	734,766	830,192	2,083,862
Charge for year	17,777	65,118	29,297	56,739	168,931
At 30 September 2021	294,897	306,902	764,063	886,931	2,252,793
Net book value					
At 30 September 2021	593,953	414,609	78,269	41,706	1,128,537
At 30 September 2020	611,730	479,727	103,535	73,363	1,268,355

Notes to the Financial Statements (continued)

For the financial year ended 30 September 2021

II. Investments in associates

	€
Cost	
At 1 October 2020 and 30 September 2021	265,000
Accumulated impairment	
At 1 October 2020 and 30 September 2021	-
Net book value	
At 30 September 2021	265,000
At 30 September 2020	265,000

Interests in associate

The credit union has interests in the following associate:

Associate	Registered Address	Type of shares held	Proportion held %	Net Assets €	Profit or (loss) €
Metacu Management Designated Activity Company	14 Ely Place Dublin 2 Ireland	Redeemable A Ordinary	6.25%	4,025,400	(103,564)

The above financial information in respect of Metacu Management Designated Activity Company was extracted from the audited financial statements for the year ended 31 December 2020.

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

	Share of net assets €
At 1 October 2020	258,060
Share of profit/(loss) for the financial year after tax	(6,473)
At 30 September 2021	251,587

Notes to the Financial Statements (continued)

For the financial year ended 30 September 2021

12. Prepayments and accrued income

	2021	2020
	€	€
Loan interest receivable	58,518	63,239
Prepayments	65,744	68,189
As at 30 September	124,262	131,428

13. Members' shares

	2021	2020
	€	€
As at 1 October	92,306,017	89,217,265
Received during the year	35,204,391	39,969,803
Withdrawn during the year	(31,706,541)	(36,881,051)
As at 30 September	95,803,867	92,306,017

14. Other liabilities, creditors, accruals and charges

	2021	2020
	€	€
Accruals	661,699	690,744
As at 30 September	661,699	690,744

15. Other provisions

	2021	2020
	€	€
Holiday Pay Accrual		
At 1 October	3,572	8,397
Charged to the income and expenditure account	(1,371)	(4,825)
As at 30 September	2,201	3,572

Notes to the Financial Statements (continued)

For the financial year ended 30 September 2021

16. Financial instruments

16a. Financial instruments - measured at amortised cost

Financial assets	2021	2020
	€	€
Financial assets measured at amortised cost	<u>106,031,727</u>	<u>102,282,535</u>
Financial liabilities	2021	2020
	€	€
Financial liabilities measured at amortised cost	<u>96,467,767</u>	<u>93,000,333</u>

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 2021	Total	Level 1	Level 2	Level 3
	€	€	€	€
Accounts in authorised credit institutions	7,038,603	-	7,038,603	-
Bank bonds	<u>8,008,711</u>	<u>-</u>	<u>8,008,711</u>	<u>-</u>
Total	<u>15,047,314</u>	<u>-</u>	<u>15,047,314</u>	<u>-</u>
At 30 September 2020	Total	Level 1	Level 2	Level 3
	€	€	€	€
Accounts in authorised credit institutions	7,042,605	-	7,042,605	-
Bank bonds	<u>8,004,372</u>	<u>-</u>	<u>8,004,372</u>	<u>-</u>
Total	<u>15,046,977</u>	<u>-</u>	<u>15,046,977</u>	<u>-</u>

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

Notes to the Financial Statements (continued)

For the financial year ended 30 September 2021

17. Reserves

	Balance 01/10/20 €	Appropriation of current year surplus €	Transfers between reserves €	Balance 30/09/21 €
Regulatory reserve	<u>12,521,147</u>	<u>236,290</u>	<u>513,710</u>	<u>13,271,147</u>
Operational risk reserve	<u>669,352</u>	<u>-</u>	<u>788,496</u>	<u>1,457,848</u>
Other reserves				
Realised				
General reserve	<u>9,892,148</u>	<u>-</u>	<u>(1,286,432)</u>	<u>8,605,716</u>
Total realised reserves	<u>9,892,148</u>	<u>-</u>	<u>(1,286,432)</u>	<u>8,605,716</u>
Unrealised				
Interest on loans reserve	<u>63,239</u>	<u>-</u>	<u>(4,721)</u>	<u>58,518</u>
Investment income reserve	<u>19,442</u>	<u>2,115</u>	<u>(11,053)</u>	<u>10,504</u>
Total unrealised reserves	<u>82,681</u>	<u>2,115</u>	<u>(15,774)</u>	<u>69,022</u>
Total reserves	<u>23,165,328</u>	<u>238,405</u>	<u>-</u>	<u>23,403,733</u>

Notes to the Financial Statements (continued)

For the financial year ended 30 September 2021

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 percentages 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.

	2021		2020	
	€	%	€	%
Loans not impaired				
Total loans not impaired, not past due	<u>23,483,258</u>	86.89%	<u>20,994,156</u>	83.67%
Impaired loans:				
Not past due	603,174	2.23%	758,898	3.02%
Up to 9 weeks past due	1,892,571	7.00%	2,199,587	8.77%
Between 10 and 18 weeks past due	201,082	0.75%	159,686	0.63%
Between 19 and 26 weeks past due	97,629	0.36%	109,697	0.44%
Between 27 and 39 weeks past due	108,595	0.40%	111,935	0.45%
Between 40 and 52 weeks past due	102,893	0.38%	98,050	0.39%
53 or more weeks past due	<u>536,074</u>	<u>1.99%</u>	<u>659,033</u>	<u>2.63%</u>
Total impaired loans	<u>3,542,018</u>	<u>13.11%</u>	<u>4,096,886</u>	<u>16.33%</u>
Total loans	<u>27,025,276</u>	<u>100.00%</u>	<u>25,091,042</u>	<u>100.00%</u>

19. Related party transactions

19a. Loans

	2021		2020	
	No. of Loans	€	No. of Loans	€
Loans advanced to related parties during the year	3	23,300	2	23,000
Total loans outstanding to related parties at the year end	4	28,789	4	55,324
Total provision for loans outstanding to related parties		828		3,071

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 0.11% of the total loans outstanding at 30 September 2021 (2020: 0.22%).

Notes to the Financial Statements (continued)

For the financial year ended 30 September 2021

19b. Shares

The total amount of shares held by related parties at the year end was €169,936 (2020: €161,968).

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

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

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

Interest rate risk: The credit union's main interest rate risk arises from adverse movements in interest rates receivable which would affect investment income. The credit union 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.

	2021 Average interest rate	2020 Average interest rate
Gross loans to members	<u>27,025,276</u> 8.98%	<u>25,091,042</u> 9.38%

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

Notes to the Financial Statements (continued)

For the financial year ended 30 September 2021

21. Dividends

The following distributions were paid during the year:

		2021		2020
	%	€	%	€
Dividend on shares	0.00%	-	0.025%	21,722

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

22. Events after the end of the financial year

At 30 September 2021 the credit union is at an advanced stage of a proposed Transfer of Engagements process with M.P.C.C. Credit Union Limited. The proposed Transfer of Engagements process is expected to complete in the coming months.

23. Insurance against fraud

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

24. Capital commitments

There were no capital commitments at 30 September 2021.

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 2021 the credit union had future minimum lease payments under a non-cancellable operating lease as follows:

	2021	2020
	€	€
Less than 1 year	91,667	100,000
1 to 5 years	-	91,667
At 30 September	91,667	191,667

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. Following this, the credit union undertook a review to ascertain whether any top-up loans made to members might be impacted by these circumstances, and if so, to determine what actions may need to be taken. The credit union has concluded its review and is satisfied that no over-collection of interest has occurred.

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 2021

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.

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 2020 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 29 February 2020. The principal actuarial assumption used in the valuation was the investment return in the years before members retire would be 1.25% higher than the annual salary increases. The market value of the scheme's assets at 29 February 2020 was €250m. The actuarial valuation disclosed a past service deficit of €41.8m at 29 February 2020 calculated under the Ongoing Actuarial Valuation method. This valuation method assumes that the Scheme will continue in existence for the foreseeable future. The assumptions used in the actuarial review to determine the past service deficit differ from the assumptions that would be used to determine the liabilities for defined benefit obligations under FRS102. Following the actuarial review, the same contribution as applied previously – 27.5% for pension plus 2.5% for risk benefits – was invoiced in February 2021. The principal employer and trustees have undertaken a review of the scheme and are in the process of considering a Section 50a application to the Pensions Authority which delivers benefits to scheme members while maintaining the existing contribution rate.

29. Approval of financial statements

The board of directors approved these financial statements for issue on 27th October 2021.

Schedules to the Income and Expenditure Account

For the financial year ended 30 September 2021

The following schedules do not form part of the statutory financial statements which are the subject of the Independent Auditor's Report on pages 15 to 17.

Schedule 1 - Other interest income and similar income

	2021	2020
	€	€
Investment income and gains received/receivable within 1 year	640,845	1,357,905
Investment income receivable outside of 1 year	2,115	19,442
Total per income and expenditure account	642,960	1,377,347

Schedule 2 - Other income

	2021	2020
	€	€
Entrance fees	277	588
Commissions	3,042	9,565
Total per income and expenditure account	3,319	10,153

Schedule 3 - Other management expenses

	2021	2020
	€	€
Rent and rates	22,034	36,819
Lease payments	100,000	93,750
Light, heat and cleaning	57,344	50,415
Repairs and maintenance	22,858	11,292
Security costs	16,445	27,056
Printing and stationery	41,516	45,982
Postage and telephone	32,395	36,563
Training costs	5,660	4,720
League and chapter dues	22,521	53,863
AGM expenses	47,895	39,128
Travel and subsistence	1,545	5,849
Audit fee	17,835	17,545
General insurance	63,062	44,567
Pension	129,811	124,191
Legal and professional fees	234,833	223,813
Computer maintenance	222,012	204,654
Miscellaneous expenses	6,218	10,348
Regulatory levies and charges	176,695	150,873
Share and loan insurance and DBI	551,699	545,987
Marketing, advertising, donations and sponsorship	91,343	100,501
Strategic development costs	40,351	90,000
Staff uniforms	95	158
Compliance costs	21,462	21,582
Bank charges	56,447	41,054
Total per income and expenditure account	1,982,076	1,980,710

Data Protection

As Members will be aware the General Data Protection Regulation came into force on 25th May 2018. 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 - 2021

The Criminal Justice (Anti Money Laundering and Counter Terrorist Financing) Acts, 2010 to 2021 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



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 2020.

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 2020 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

Credit Union Information

Directors

Mary Larkin
James Stewart
Brian Keating
Carmel Cronin
Gerry O'Malley
Marie Slattery
Fergus Murphy
Michael O'Neill
(resigned March 2021)
Fergus O'Regan
(co-opted April 2021)
Breda Harkins

Chairperson
Vice Chairperson
Secretary

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

Lorraine Russell, Ber O'Riordan, Julian Greham
Cormac Fay, Stephanie McKeon, Margie Storan, Sarah Barry

Insurance Officer

Lorraine Russell

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

Eilish Downes, Mary McGrath,
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,
Aoife O'Reilly

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

Opening Hours



	MONDAY		TUESDAY		WEDNESDAY		THURSDAY		FRIDAY		SATURDAY	
	Open	Close	Open	Close	Open	Close	Open	Close	Open	Close	Open	Close
Caherdavin Branch	9.30a.m.	5p.m.	9.30a.m.	5p.m.	11a.m.	5p.m.	9.30am	5p.m.	9.30a.m.	6p.m.	Closed	
	Open throughout Lunch											
William St. Branch	9.30a.m.	5p.m.	9.30a.m.	5.15p.m.	11a.m.	5.15p.m.	9.30am	5.15p.m.	9.30a.m.	5.30p.m.	10a.m.	4p.m.
	Open throughout Lunch											
St. Patrick's Road Branch*	Closed		9.30a.m.	5p.m.	11a.m.	5p.m.	9.30a.m.	5p.m.	9.30a.m.	6p.m.	Closed	
	*Closed for Lunch between 1p.m. & 2p.m.											


Limerick & District
 Credit Union Limited

Unaudited Management Accounts

30th September 2021

Income and Expenditure Account

For the year ended 30 September 2021

Income

Interest Income
Investment Income
Bad Debts Recovered
Other Income

€
2,356,148
642,960
271,716
3,319

Total Income

3,274,143

Expenditure

Net Loan Protection/Life Savings Insurance
Salaries and Related Expenses
Bad Debts Written Off
Bad Debts Provision
Other Expenses

551,699
874,116
113,909
(103,294)
1,599,308

Total Expenditure

3,035,738

YTD Surplus (Deficit)

238,405

Balance Sheet

As at 30 September 2021

Assets

Cash and Current Accounts
Minimum Reserve Deposit Held

€
13,080,371
10,674,340

Investments

Irish and EEA State Securities
Accounts in Authorised Credit Institutions
Bank Bonds

1,596,397
35,366,119
33,071,538

Total Investments

70,034,054

Loans
Less Provision for Bad Debts
Fixed Assets less Depreciation
Other Assets

27,025,276
(2,460,340)
1,128,537
389,262

Total Assets

119,871,500

Liabilities

Member Shares
Other Liabilities

95,803,867
663,900

Total Liabilities

96,467,767

Net Worth

23,403,733

Represented By:

Reserves

Regulatory Reserve
Operational Risk Reserve
YTD Surplus (Deficit)
Other Realised Reserves
Unrealised Reserves

13,271,147
1,457,848
238,405
8,367,311
69,022

Total Reserves

23,403,733



Annual Report 2021

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NOTICE OF ANNUAL GENERAL MEETING 2021

**ALL MEMBERS ARE INVITED TO ATTEND THE
VIRTUAL AGM TO BE HELD ON
WEDNESDAY 17th NOVEMBER 2021 @ 6.00 P.M.
ANNE FITZGIBBON (HON. SECRETARY)**

HOW TO REGISTER

Notice is hereby given that the 2021 Virtual Annual General Meeting of the members of MPCC Credit Union Limited will take place via Zoom Webinar on Wednesday 17th November, 2021 @ 6.00 p.m.

Members wishing to attend the Virtual AGM need to request an invitation to join and apply by emailing agm2021@mpcccreditunion.ie and include the following:

- **Member Name**
- **Member Number**
- **Member Address**
- **Member eMail Address**

A link to the AGM Zoom Webinar will be forwarded to the email address you provided at registration, prior to the meeting.

Please note: Registration must be submitted no later than close of business Friday 12th November, 2021

THE FOLLOWING INFORMATION IS PERTINENT TO THIS NOTICE

- MPCC Credit Union Limited will be using Zoom Webinar as the electronic platform for the meeting.
- We invite members to register for our virtual AGM by emailing agm2021@mpcccreditunion.ie.
- The information required to request an invitation is your name, member number, member address and email address. The Credit Union will validate members details prior to issuing invitations.
- Please note, registration for the AGM will close at close of business Friday 12th November, 2021 to allow us sufficient time to validate all registrations.
- 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 "Q&A" button on the bottom of the screen.
- Elections for the Board of Directors, Board Oversight Committee, Auditor, Proposed Special Resolution under Section 130 Credit Union Act 1997 and Rule Amendments 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 of the above, 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. Members who register for the meeting will be agreeing to the recording of the meeting and their participation in it, by registering.

ORDER OF BUSINESS AT AGM

- a) The acceptance by the Board of Directors of the authorised representatives of the members that are not natural persons
- b) Ascertainment that a quorum is present
- c) Adoption of Standing Orders
- d) Reading and Approval (or correction) of the minutes of the 2020 AGM and any intervening special general meeting
- e) Report of the Chairperson
- f) Report of the Board of Directors
- g) Appointment of tellers
- h) Report of the CEO
- i) Report of the Auditor and consideration of Accounts and related matters
- j) Declaration of Dividend and Rebate of Interest (if any)
- k) Report of the Board Oversight Committee
- l) Report of the Credit Committee
- m) Report of the Credit Control Committee
- n) Report of the Membership Committee
- o) Report of the Nomination Committee
- p) Rule amendment
- q) Election of Auditor
- r) Election to fill vacancies on the Board of Directors
- s) Election to fill a vacancy on the Board Oversight Committee
- t) Proposed Special Resolution under Section 130 Credit Union Act, 1997 (as amended)
The members of MPCC Credit Union Limited resolve that the Credit Union transfers its engagements to Limerick & District Credit Union Limited in accordance with the relevant provisions of the Credit Union Act, 1997 (as amended).
- u) Announcement of Election Results
- v) Any other business
- w) Adjournment or Close of Meeting

AMENDMENT TO RULES

Due to the public health restrictions in place in 2020, the ILCU AGM 2020 took place in March 2021 and the ILCU AGM 2021 took place in April 2021. There was one rule amendment arising for Year-end 2020 and a number of rule amendments arising for Year-end 2021.

Rule Amendment arising from ILCU AGM 2020

Resolution No. 10

“That this Annual General Meeting agrees to delete Rule 63(4) of the Standard Rules for Credit Unions (Republic of Ireland) (2019) to remove the requirement for credit unions to complete and return the Return of Officers form to the Irish League of Credit Unions.”

You will note that this rule amendment facilitates the deletion of Rule 63 (4) of the Standard Rules pertinent to completing and returning the Return of Officers form to the ILCU. The Standard Rules for Credit Unions (Republic of Ireland) (2021) have been updated to reflect this change.

Rule Amendments arising from ILCU AGM 2021 re virtual general meetings

Rule 98(2)(c)

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

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

Rule 99(3)(a)

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

- (3) Subject to paragraph (3) in rule 98:
- (a) Paragraph (2)(a), (b), (d), (e), (f) of Rule 98 shall apply to a notice under paragraph (2)(b) of this rule as they apply to a notice under paragraph (1) of that rule; and

STANDING ORDERS FOR CREDIT UNIONS FOR VIRTUAL – ANNUAL GENERAL MEETING (REPUBLIC OF IRELAND)

1. VOTING

1. 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
 - c) 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

3. All motions from the meeting must be inputted in the Q&A box. This must be proposed and seconded by members virtually present at the AGM using the raised hand function in zoom and moved by the proposer.

A proposer of a motion may speak for such period as shall be at the discretion of the Chair of the meeting and shall have the reply before the motion is put to the meeting for a vote.

In exercising his/her right of reply, a proposer may not introduce new material.

The seconder of a motion shall have such time as shall be allowed by the Chair to second the motion.

Members are entitled to speak on any such motion and must do so through the Chair. All speakers to any motion shall have such time as shall be at the discretion of the Chair.

The Chair shall have the absolute right to decide at any time when a motion has been sufficiently discussed and may put the motion to the meeting giving the proposer the right of reply before doing so.

Members will be invited to submit questions to the board via the Q&A box on the toolbar in Zoom Webinar and the board will address these during the AGM.

4. 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.
6. The Chairperson may at his/her discretion, extend the privilege of the floor to any person who is not a member.
7. 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.
8. 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)).
9. 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.
13. All members are asked to utilise the Q&A box 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.

DIRECTORS AND OTHER INFORMATION

Directors

Willie Gorman (Chairman)
Pat Foley (Vice-Chairman)
Anne Fitzgibbon (Secretary)
Gerry Dundon
Brian Buckley
Tim Ryan
Denis Barron

Board Oversight Committee Members

Michael Walsh
James O'Brien
Peggy Cusack

CEO

Conor Leahy

Auditors

Grant Thornton Chartered Accountants
Mill House
Henry Street
Limerick

Internal Auditors

Cohen & Co.
Chartered Accountants Limited
59/60 O'Connell Street
Limerick

Main Bankers

Bank of Ireland
125 O'Connell Street
Limerick

Solicitors

Tynan O'Donovan Solicitors
78 O'Connell Street
Limerick

Pierse Fitzgibbon Solicitors
Market Street
Listowel
Co. Kerry

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 this is despair, hope,
where there is darkness, light,
and where there is sadness, joy.

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

ANNUAL GENERAL MEETING ELECTIONS

Election of Directors under Section 53 of the Credit Union Act, 1997 (as amended)

There are 2 vacancies on the Board of Directors at AGM 2021.

The following directors, having served the full term, offer themselves for re-election on the proposal of the Nomination Committee:

- **Pat Foley**
- **Tim Ryan**

Election of Board Oversight Committee Members under Section 58 of the Credit Union Act, 1997 (as amended).

There is 1 vacancy to be filled on the Board Oversight committee at AGM 2021.

The following candidate offers themselves for re-election to fill the vacancy:

- **Peggy Cusack**

Election of Auditor under Section 115 of the Credit Union Act, 1997 (as amended).

The Auditors, Grant Thornton, Mill House, Henry Street Limerick being eligible, offer themselves for election.

Proposed Special Resolution under Section 130(1) of the Credit Union Act, 1997 (as amended)

The Annual General Meeting of MPCC Credit Union Limited hereby resolves to undertake the Transfer of Engagements of MPCC Credit Union Limited to Limerick & District Credit Union Limited in accordance with the relevant provisions of the Credit Union Act, 1997 (as amended).

DIRECTORS' REPORT

For the financial year ended 30 September 2021

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

Principal activity

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

Authorisation

The credit union is authorised as follows:

- Insurance, reinsurance or ancillary insurance intermediary under the European Union (Insurance Distribution) Regulations, 2018.
- 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.

Dividends and loan interest rebates

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

Principal risks and uncertainties

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

Credit risk

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

Lack of loan demand

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

Market risk

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

Liquidity risk

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

Operational risk

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

COVID-19 risk

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

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

Credit risk

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

DIRECTORS' REPORT (CONTINUED)

For the financial year ended 30 September 2021

Lack of loan demand

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

Market risk

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

Liquidity risk

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

Operational risk

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

COVID-19 risk

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

Accounting records

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

Events after the end of the financial year

At 30 September 2021 the credit union is at an advanced stage of a proposed Transfer of Engagements process with Limerick & District Credit Union Limited. The proposed Transfer of Engagements process is expected to complete in the coming months.

Auditors

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

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



Chairperson of the Board of Directors
Willie Gorman



Member of the Board of Directors
Gerry Dundon

Date: 27th October 2021

Date: 27th October 2021

DIRECTORS' RESPONSIBILITIES STATEMENT

For the financial year ended 30 September 2021

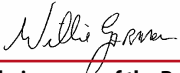
The directors are responsible for preparing the financial statements in accordance with applicable Irish law and regulations. The directors are also responsible for preparing the other information included in the annual report. The Credit Union Act, 1997 (as amended) requires the directors to prepare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

In preparing those financial statements the directors are required to:

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

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

On behalf of the board of directors:



Chairperson of the Board of Directors
Willie Gorman



Member of the Board of Directors
Gerry Dundon

Date: 27th October 2021

Date: 27th October 2021

BOARD OVERSIGHT COMMITTEE'S RESPONSIBILITIES STATEMENT

For the financial year ended 30 September 2021

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

On behalf of the board oversight committee:



Chairperson of the Board Oversight Committee:
Michael Walsh

Date: 27th October 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MPCC CREDIT UNION LIMITED

Opinion

We have audited the financial statements of M.P.C.C. 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 2021, and the related notes to the financial statements, including the summary of significant accounting policies.

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

In our opinion, M.P.C.C. Credit Union Limited's financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MPCC CREDIT UNION LIMITED (CONTINUED)

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

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

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

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 intends 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.

As part of an audit in accordance with ISAs (Ireland), the auditor will exercise professional judgement 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 to 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MPCC CREDIT UNION LIMITED (CONTINUED)

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: 27th October 2021

INCOME AND EXPENDITURE ACCOUNT

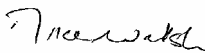
For the financial year ended 30 September 2021

		2021	2020
Income	Schedule	€	€
Interest on members' loans		846,394	890,742
Interest payable and similar charges		(44,496)	(42,961)
Other interest income and similar income	1	257,822	231,998
Net interest income		1,059,720	1,079,779
Other income	2	19,172	10,461
Total income		1,078,892	1,090,240
Expenditure			
Employment costs		371,304	384,140
Other management expenses	3	566,203	548,316
Depreciation		27,944	32,791
Net impairment losses/(gains) on loans to members (note 5)		(43,390)	104,989
Total expenditure		922,061	1,070,236
Surplus for the financial year		156,831	20,004

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



**Member of the Board
of Directors**
Gerry Dundon



**Chairperson of the Board
Oversight Committee**
Michael Walsh



CEO
Conor Leahy

Date: 27th October 2021

STATEMENT OF OTHER COMPREHENSIVE INCOME

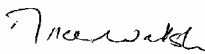
For the financial year ended 30 September 2021

	2021	2020
	€	€
Surplus for the financial year	156,831	20,004
Other comprehensive income	-	-
Total comprehensive income for the financial year	156,831	20,004

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



**Member of the Board
of Directors**
Gerry Dundon



**Chairperson of the Board
Oversight Committee**
Michael Walsh



CEO
Conor Leahy

Date: 27th October 2021

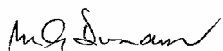
The notes on pages 61 to 72 form part of these financial statements

BALANCE SHEET

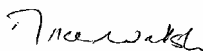
As at 30 September 2021

	Notes	2021 €	2020 €
Assets			
Cash and balances at bank		286,726	295,818
Deposits and investments – cash equivalents	7	9,318,300	8,297,447
Deposits and investments – other	7	24,713,960	22,882,065
Loans to members	8	10,021,675	10,528,462
Provision for bad debts	9	(799,140)	(799,675)
Tangible fixed assets	10	574,208	596,077
Prepayments and accrued income	11	66,370	66,758
Total assets		44,182,099	41,866,952
Liabilities			
Members' shares	12	37,941,414	35,790,728
Other liabilities, creditors, accruals and charges	13	244,749	233,533
Other provisions	14	13,669	13,990
Total liabilities		38,199,832	36,038,251
Reserves			
Regulatory reserve	16	4,579,305	4,579,305
Operational risk reserve	16	275,786	275,786
Other reserves			
- Realised reserves	16	1,069,780	917,358
- Unrealised reserves	16	57,396	56,252
Total reserves		5,982,267	5,828,701
Total liabilities and reserves		44,182,099	41,866,952

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



**Member of the Board
of Directors**
Gerry Dundon



**Chairperson of the Board
Oversight Committee**
Michael Walsh



CEO
Conor Leahy

Date: 27th October 2021

The notes on pages 61 to 72 form part of these financial statements

STATEMENT OF CHANGES IN RESERVES

For the financial year ended 30 September 2021

	Regulatory reserve €	Operational risk reserve €	Realised reserves €	Unrealised reserves €	Total €
As at 1 October 2019	4,518,305	275,786	1,015,201	47,556	5,856,848
Surplus for the financial year	-	-	11,308	8,696	20,004
Dividends and loan interest rebates paid	-	-	(48,151)	-	(48,151)
Transfers	61,000	-	(61,000)	-	-
As at 1 October 2020	4,579,305	275,786	917,358	56,252	5,828,701
Surplus for the financial year	-	-	151,568	5,263	156,831
Transfers	-	-	854	(4,119)	(3,265)
As at 30 September 2021	4,579,305	275,786	1,069,780	57,396	5,982,267

- The regulatory reserve of the credit union as a percentage of total assets as at 30 September 2021 was 10.36% (2020: 10.94%).
- The operational risk reserve of the credit union as a percentage of total assets as at 30 September 2021 was 0.62% (2020: 0.66%).

The notes on pages 61 to 72 form part of these financial statements

STATEMENT OF CASH FLOWS

For the financial year ended 30 September 2021

	Notes	2021 €	2020 €
Opening cash and cash equivalents		8,593,265	8,100,183
Cash flows from operating activities			
Loans repaid by members	8	4,834,711	5,277,113
Loans granted to members	8	(4,328,067)	(5,592,679)
Interest on members' loans		846,394	890,742
Interest payable and similar charges		(44,496)	(42,961)
Other interest income and similar income		257,822	231,998
Bad debts recovered and recoveries		42,998	54,945
Other income		19,172	10,461
Dividends paid		-	(3,467)
Loan interest rebates paid		-	(44,684)
Operating expenses		(937,507)	(932,456)
Movement in other assets and liabilities		8,018	23,615
Net cash flows from operating activities		699,045	(127,373)
Cash flows from investing activities			
Cash flows from investing activities			
Fixed asset purchases		(6,075)	(15,722)
Net cash flow from other investing activities		(1,831,895)	1,195,018
Net cash flows from investing activities		(1,837,970)	1,179,296
Cash flows from financing activities			
Members' shares received	12	14,566,351	17,175,998
Members' shares withdrawn	12	(12,415,665)	(17,734,839)
Net cash flow from financing activities		2,150,686	(558,841)
Net increase/(decrease) in cash and cash equivalents		1,011,761	493,082
Closing cash and cash equivalents	6	9,605,026	8,593,265

The notes on pages 61 to 72 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

1. Legal and regulatory framework

M.P.C.C. 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 Mungret Village, Mungret, Co. 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. At 30 September 2021 the credit union is at an advanced stage of a proposed Transfer of Engagements process with Limerick & District Credit Union Limited. The proposed Transfer of Engagements process is expected to complete in the coming months.

2.4 Income

Interest on members' loans

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

Deposit and investment income

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

Other income

Other income is recognised on an accruals basis.

2.5 Cash and cash equivalents

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

2.6 Deposits and investments

Held at amortised cost

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the financial year ended 30 September 2021

2. Accounting policies (continued)

2.6 Deposits and investments (continued)

Central Bank deposits

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

Investments at fair value

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

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

2.7 Financial assets – loans to members

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

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

2.8 Provision for bad debts

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

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

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

2.9 Tangible fixed assets

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the financial year ended 30 September 2021

2. Accounting policies (continued)

2.9 Tangible fixed assets (continued)

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:

Premises	2% straight line per annum
Leasehold improvements	20% straight line per annum
Portacabin & fixtures	12.5% straight line per annum
Office equipment	10% straight line per annum
Computer 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 Impairment of assets

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

2.11 Other receivables

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

2.12 Financial liabilities – members' shares

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

2.13 Other payables

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

2.14 Pension costs

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

2.15 Holiday pay

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the financial year ended 30 September 2021

2. Accounting policies (continued)

2.16 Derecognition of financial liabilities

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

2.17 Regulatory reserve

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

2.18 Operational risk reserve

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

The definition of operational risk is the risk of losses stemming from inadequate or failed internal processes, people and systems or from external events. The directors have considered the 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.

2.19 Other reserves

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

2.20 Distribution policy

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the financial year ended 30 September 2021

2. Accounting policies (continued)

2.21 Taxation

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

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

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

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

The annual depreciation charge depends primarily on the estimated lives of each type of asset and, in certain circumstances, estimates of residual values. The directors regularly review these useful lives and change them if necessary to reflect current conditions. In determining these useful lives management consider technological change, patterns of consumption, physical condition and expected economic utilisation of the assets. Changes in the useful lives can have a significant impact on the depreciation charge for the financial year. The net book value of tangible fixed assets subject to depreciation at the year end was €574,208 (2020: €596,077).

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 €799,140 (2020: €799,675) representing 7.97% (2020: 7.60%) of the total gross loan book.

Operational risk reserve

The directors have considered the requirements of the Credit Union Act, 1997 (as amended) and have developed an approach to the calculation of the operational risk reserve. The 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 €275,786 (2020: €275,786).

Adoption of going concern basis for financial statements preparation

The credit union continue to closely monitor the evolution of the COVID-19 pandemic. The directors have prepared projections and cash flows for a period of at least twelve months from the date of the approval of the financial statements which demonstrate that there is no material uncertainty regarding the credit union's ability to meet its liabilities as they fall due, and to continue as a going concern. On this basis the directors consider it appropriate to prepare the financial statements on a going concern basis. Accordingly, these financial statements do not include any adjustments to the carrying amounts and classification of assets and liabilities that may arise if the credit union was unable to continue as a going concern. At 30 September 2021 the credit union is at an advanced stage of a proposed Transfer of Engagements process with Limerick & District Credit Union Limited. The proposed Transfer of Engagements process is expected to complete in the coming months.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the financial year ended 30 September 2021

4. Key management personnel compensation

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

	2021	2020
	€	€
Short term employee benefits paid to key management	152,788	152,912
Payments to pension schemes	17,004	17,004
Total key management personnel compensation	169,792	169,916

5. Net impairment losses/(gains) on loans to members

	2021	2020
	€	€
Bad debts recovered	(21,568)	(34,447)
Impairment of loan interest reclassified as bad debt recoveries	(21,430)	(20,498)
Movement in bad debts provision during the year	(535)	155,130
Loans written off during the year	143	4,804
Net impairment losses/(gains) on loans to members	(43,390)	104,989

6. Cash and cash equivalents

	2021	2020
	€	€
Cash and balances at bank	286,726	295,818
Deposits and investments – cash equivalents (note 7)	9,318,300	8,297,447
Total cash and cash equivalents	9,605,026	8,593,265

7. Deposits and investments

	2021	2020
	€	€
Deposits and investments – cash equivalents		
Accounts in authorised credit institutions (Irish and non-Irish based)	7,835,465	6,789,068
Central Bank deposits	1,482,835	1,506,667
Collective investment schemes	-	1,712
Total deposits and investments – cash equivalents	9,318,300	8,297,447

Deposits and investments – other

Accounts in authorised credit institutions	20,681,471	19,080,183
Central Bank deposits	270,940	247,138
Irish and EEA state securities	1,514,333	1,516,162
Bank bonds	1,507,511	-
Other investments	739,705	2,038,582

Total deposits and investments – other	24,713,960	22,882,065
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Total deposits and investments	34,032,260	31,179,512
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the financial year ended 30 September 2021

8. Financial assets – loans to members

	2021 €	2020 €
As at 1 October	10,528,462	10,217,700
Loans granted during the year	4,328,067	5,592,679
Loans repaid during the year	(4,834,711)	(5,277,113)
Gross loans and advances	10,021,818	10,533,266
Bad debts		
Loans written off during the year	(143)	(4,804)
As at 30 September	10,021,675	10,528,462

9. Provision for bad debts

	2021 €	2020 €
As at 1 October	799,675	644,545
Movement in bad debts provision during the year	(535)	155,130
As at 30 September	799,140	799,675
The provision for bad debts is analysed as follows:		
	2021 €	2020 €
Grouped assessed loans	799,140	799,675
Provision for bad debts	799,140	799,675

10. Tangible fixed assets

	Premises €	Leasehold improvements €	Portacabin & fixtures €	Office equipment €	Computer equipment €	Total €
Cost						
1 October 2020	651,288	22,119	124,841	204,297	262,502	1,265,047
Additions	-	-	1,722	-	4,353	6,075
30 September 2021	651,288	22,119	126,563	204,297	266,855	1,271,122
Depreciation						
1 October 2020	89,029	22,119	118,843	185,073	253,906	668,970
Charge for year	13,785	-	2,294	4,268	7,597	27,944
30 September 2021	102,814	22,119	121,137	189,341	261,503	696,914
Net book value						
At 30 September 2021	548,474	-	5,426	14,956	5,352	574,208
At 30 September 2020	562,259	-	5,998	19,224	8,596	596,077

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the financial year ended 30 September 2021

11. Prepayments and accrued income

	2021	2020
	€	€
Prepayments	33,257	29,526
Loan interest receivable	33,113	37,232
As at 30 September	66,370	66,758

12. Members' shares

	2021	2020
	€	€
As at 1 October	35,790,728	36,349,569
Received during the year	14,566,351	17,175,998
Withdrawn during the year	(12,415,665)	(17,734,839)
As at 30 September	37,941,414	35,790,728

13. Other liabilities, creditors, accruals and charges

	2021	2020
	€	€
Other liabilities and creditors	235,906	224,728
PAYE/PRSI	8,843	8,805
As at 30 September	244,749	233,533

14. Other provisions

	2021	2020
	€	€
Holiday pay accrual		
At 1 October	13,990	9,237
Charged to the income and expenditure account	(321)	4,753
As at 30 September	13,669	13,990

15. Financial instruments

15a. Financial instruments – measured at amortised cost

Financial assets	2021	2020
	€	€
Financial assets measured at amortised cost	40,575,511	37,575,980
Financial liabilities	2021	2020
	€	€
Financial liabilities measured at amortised cost	38,199,832	36,038,251

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the financial year ended 30 September 2021

15. Financial instruments (continued)

15b. Financial instruments – fair value measurements

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

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

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

At 30 September 2021	Total	Level 1	Level 2	Level 3
	€	€	€	€
Accounts in authorised credit institutions	3,765,150	-	3,765,150	-
Total	3,765,150	-	3,765,150	-
At 30 September 2020	Total	Level 1	Level 2	Level 3
	€	€	€	€
Accounts in authorised credit institutions	4,426,100	-	4,426,100	-
Collective investment schemes	1,712	-	1,712	-
Total	4,427,812	-	4,427,812	-

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

16. Reserves

	Balance 01/10/20 €	Appropriation of current year surplus €	Transfers €	Balance 30/09/21 €
Regulatory reserve	4,579,305	-	-	4,579,305
Operational risk reserve	275,786	-	-	275,786
Other reserves				
Realised				
General reserve	914,093	151,568	4,119	1,069,780
Dividend on closed members accounts	3,265	-	(3,265)	-
Total realised reserves	917,358	151,568	854	1,069,780
Unrealised				
Interest on loans reserve	37,232	-	(4,119)	33,113
Investment income reserve	19,020	5,263	-	24,283
Total unrealised reserves	56,252	5,263	(4,119)	57,396
Total reserves	5,828,701	156,831	(3,265)	5,982,267

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the financial year ended 30 September 2021

17. Credit risk disclosures

In line with regulatory requirements, the credit union:

- restricts the concentration of lending by the credit union within certain sectors or to connected persons or groups (concentration limits);
- restricts the absolute amount of lending to certain sectors to a set percentages of the regulatory reserve (large exposure limit)
- restricts the loan duration of certain loans to specified limits (maturity limits)
- requires specified lending practices to be in place where loans are made to certain sectors such as business loans, community loans or loans to another credit union.

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

	2021		2020	
	€	%	€	%
Loans not impaired				
Total loans not impaired, not past due	7,676,887	76.60%	7,514,418	71.37%
Impaired loans:				
Not past due	319,996	3.19%	653,687	6.21%
Up to 9 weeks past due	1,680,154	16.77%	1,920,843	18.24%
Between 10 and 18 weeks past due	77,888	0.78%	110,056	1.05%
Between 19 and 26 weeks past due	31,575	0.31%	102,218	0.97%
Between 27 and 39 weeks past due	21,001	0.21%	73,650	0.70%
Between 40 and 52 weeks past due	35,895	0.36%	27,400	0.26%
53 or more weeks past due	178,279	1.78%	126,190	1.20%
Total impaired loans	2,344,788	23.40%	3,014,044	28.63%
Total loans	10,021,675	100.00%	10,528,462	100.00%

18. Related party transactions

18a. Loans

	2021		2020	
	No. of loans	€	No. of loans	€
Loans advanced to related parties during the year	-	-	4	19,716
Total loans outstanding to related parties at the year end	6	58,520	10	94,626
Total provision for loans outstanding to related parties		1,207		3,138

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 0.58% of the total loans outstanding at 30 September 2021 (2020: 0.90%).

18b. Shares

The total amount of shares held by related parties at the year end was €205,831 (2020: €164,693).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the financial year ended 30 September 2021

19. Additional financial instruments disclosures

19a. Financial risk management

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

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

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

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

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

19b. Liquidity risk disclosures

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

19c. Interest rate risk disclosures

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

	2021		2020	
	Average interest rate		Average interest rate	
	€	%	€	%
Gross loans to members	<u>10,021,675</u>	8.74%	<u>10,528,462</u>	8.90%

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the financial year ended 30 September 2021

20. Dividends and loan interest rebates

The following distributions were paid during the year:

	2021		2020	
	%	€	%	€
Dividend on shares	0.00%	-	0.01%	3,467
Loan interest rebate	0.00%	-	5.00%	44,684

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

21. Events after the end of the financial year

At 30 September 2021 the credit union is at an advanced stage of a proposed Transfer of Engagements process with Limerick & District Credit Union Limited. The proposed Transfer of Engagements process is expected to complete in the coming months.

22. Insurance against fraud

The credit union has Insurance against fraud in the amount of €2,600,000 (2020: €2,600,000) in compliance with Section 47 of the Credit Union Act, 1997 (as amended).

23. Capital commitments

There were no capital commitments at 30 September 2021.

24. Contingent liabilities

24a. In September 2018, the Registry of Credit Unions advised all credit unions of a potential matter in relation to accrued interest outstanding on certain top-up loans which may have led to a potential over-collection of interest. Following this, the credit union undertook a review to ascertain whether any top-up loans made to members might be impacted by these circumstances, and if so, to determine what actions may need to be taken. The credit union has concluded its review and is satisfied that no over-collection of interest has occurred.

24b. There is a contingent liability included in the Letter of Authority held by Bank of Ireland in the amount of €150,000.

25. Comparative information

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

26. Approval of financial statements

The board of directors approved these financial statements for issue on 27th October 2021.

SCHEDULES TO THE INCOME AND EXPENDITURE ACCOUNT

For the financial year ended 30 September 2021

The following schedules do not form part of the statutory financial statements which are the subject of the Independent Auditor's report on pages 54 to 56.

Schedule 1 – Other interest income and similar income

	2021	2020
	€	€
Investment income received/receivable within 1 year	252,559	226,773
Investment income receivable outside of 1 year	5,263	5,225
Total per income and expenditure account	257,822	231,998

Schedule 2 – Other income

	2021	2020
	€	€
Fees	106	201
Commissions and sundry income	6,507	10,260
ECCU rebate	12,559	-
Total per income and expenditure account	19,172	10,461

Schedule 3 – Other management expenses

	2021	2020
	€	€
Rent and rates	6,427	9,930
Lighting, heating and cleaning	15,411	18,214
Repairs and renewals	875	2,399
Printing, stationery and office expenses	17,057	18,488
Postage and telephone	17,792	15,788
Regulatory levies	66,800	69,790
Advertising	49,683	53,320
Donations and sponsorship	1,650	470
Security	5,771	7,049
Convention expenses and subscriptions	10,000	9,686
Chapter expenses	1,467	1,467
AGM and other meeting expenses	29,882	13,390
Travel, subsistence and meeting expenses	2,362	6,362
Entertainment expenses	412	432
Audit fee	13,038	12,826
General insurance	17,626	16,415
Share and loan insurance	113,939	122,798
Legal, professional and consultancy	52,942	36,440
Computer maintenance	53,325	53,860
ILCU dues and SPS contribution	20,092	16,747
Death grant	31,357	29,745
Pension	35,517	30,689
Staff training	2,778	2,011
Total per income and expenditure account	566,203	548,316

DEPOSIT GUARANTEE SCHEME – DEPOSITOR INFORMATION SHEET

Basic information about the protection of your eligible deposits	
Eligible deposits in MPCC Credit Union Limited are protected by: the Deposit Guarantee Scheme (“DGS”) ⁽¹⁾	
Limit of protection:	€100,000 per depositor per credit institution ⁽²⁾
	All your eligible deposits at the same credit institution are ‘aggregated’ and the total is subject to the limit of €100,000 ⁽²⁾
If you have a joint account with other person(s):	The limit of €100,000 applies to each depositor separately ⁽³⁾
Reimbursement period in case of credit institution’s failure:	20 working days ⁽⁴⁾
Currency of reimbursement:	Euro
To contact MPCC Credit Union Limited for enquiries relating to your account:	MPCC Credit Union Limited Mungret Village Mungret Co. Limerick Tel: 061 301566 / 424555 Email: enquiries@mpccccreditunion.ie
To contact the DGS for further information on compensation:	Deposit Guarantee Scheme Central Bank of Ireland PO BOX 11517 Spencer Dock North Wall Quay Dublin 1 Tel: 1890-777777 Email: info@depositguarantee.ie
More information:	www.depositguarantee.ie

ADDITIONAL INFORMATION

(1) Scheme responsible for the protection of your deposit

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

(2) General limit of protection

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

(3) **Limit of protection for joint accounts**

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

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

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

More information can be obtained at www.depositguarantee.ie

(4) **Reimbursement**

The responsible deposit guarantee scheme is:

Deposit Guarantee Scheme, Central Bank of Ireland, PO Box 11517, Spencer Dock, North Wall Quay, Dublin 1.

Tel: 1890-777777. Email: info@depositguarantee.ie. Website: www.depositguarantee.ie.

It will repay your eligible deposits (up to €100,000) within 15 working days from 1 January 2019 until 31 December 2020; within 10 working days from 1 January 2021 to 31 December 2023; and within 7 days from 1 January 2024 onwards, save where specific exceptions apply.

Where the repayable amount cannot be made available within seven working days depositors will be given access to an appropriate amount of their covered deposits to cover the cost of living within five working days of a request. Access to the appropriate amount will only be made on the basis of data provided by the credit institution. If you have not been repaid within these deadlines, you should contact the deposit guarantee scheme.

OTHER IMPORTANT INFORMATION

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

UNAUDITED MANAGEMENT ACCOUNTS

30th September 2021

INCOME AND EXPENDITURE ACCOUNT

For the financial year ended 30 September 2021

Income

Interest Income	€ 867,824
Investment Income	257,822
Bad Debts Recovered	21,568
Other Income	19,172
	<hr/>

Total Income	1,166,386
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Expenditure

Net Loan Protection/Life Savings Insurance	113,939
Salaries and Related Expenses	371,304
Bad Debts Written Off	143
Bad Debts Provision	(535)
Other Expenses	524,704
	<hr/>

Total Expenditure	1,009,555
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YTD Surplus (Deficit)	156,831
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BALANCE SHEET

As at 30 September 2021

Assets

Cash and Current Accounts	€ 286,726
Minimum Reserve Deposit Held	1,753,775

Investments

Irish and EEA State Securities	1,514,333
Accounts in Authorised Credit Institutions	28,516,936
Bank Bonds	1,507,511
Other	739,705
	<hr/>

Total Investments	32,278,485
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Loans	10,021,675
Less Provision for Bad Debts	(799,140)
Fixed Assets less Depreciation	574,208
Other Assets	66,370
	<hr/>

Total Assets	44,182,099
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Liabilities

Member Shares	37,941,414
Other Liabilities	258,418
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Total Liabilities	38,199,832
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Net Worth

	5,982,267
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Represented By:

Reserves

Regulatory Reserve	4,579,305
Operational Risk Reserve	275,786
YTD Surplus (Deficit)	156,831
Other Realised Reserves	912,949
Unrealised Reserves	57,396
	<hr/>

Total Reserves	5,982,267
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Section 130 pack

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Message from Limerick & District Credit Union Limited and MPCC Credit Union Limited.

We are pleased to inform you, that the Board of Directors of Limerick & District Credit Union Limited and MPCC Credit Union Limited are in a position to ask our members to approve the Transfer of Engagements, of MPCC Credit Union Limited to Limerick & District Credit Union Limited. The Special Resolution to approve the Transfer of Engagements will be voted on at the forthcoming Virtual Annual General Meetings. This merger arises from the belief of the Boards of Directors of our Credit Unions that our members can be better served together, and we consider it an ideal opportunity to grow and develop our services to members locally. The Boards of both Credit Unions are confident that our decision to combine our Credit Unions will strengthen our position to be the local, trusted, respected and preferred financial services provider for our members, providing value through modern, accessible and tailored services. The Transfer of Engagements is subject to the approval of the Central Bank of Ireland and approval by members of both Credit Unions. On completion of the proposed Transfer of Engagements, the common bond of Limerick & District Credit Union Limited will be extended to include the common bond of MPCC Credit Union Limited. The advantages for members are that the enlarged Credit Union will:

- protect the provision of Credit Union services in our community
- allow for more investment in our respective communities
- allow access to a broader range of financial services at competitive and sustainable rates
- be a stronger, more viable Credit Union with strong financial reserves
- satisfy member expectations and security of savings and
- provide greater efficiencies through cost sharing

Included in this Section 130 pack, for your information is a statement required under Section 130 of the Credit Union Act, 1997 (as amended). We would like to take this opportunity to thank you the members for your continued loyalty to your Credit Union and look forward to your support at the Virtual Annual General Meetings.

The special resolution to approve the Transfer of Engagements will be voted on at the forthcoming virtual Annual General Meetings.

In the meantime, should you have any further queries in relation to the proposal, please email: agm@lcu.ie or write to: The Secretary, Limerick & District Credit Union Limited, Credit Union House, Redgate, Caherdavin, Limerick. Alternatively, please email: agm2021@mpcccreditunion.ie or write to: The Secretary, MPCC Credit Union Limited, Dooradoyle, Limerick.

Mary Larkin
Chairperson
Limerick & District Credit Union Limited

William Gorman
Chairperson
MPCC Credit Union Limited

Proposed Transfer of Engagements

PROPOSED SPECIAL RESOLUTION FOR CONSIDERATION

Proposed Member Special Resolution Regarding Limerick & District Credit Union Limited

The Board of Limerick & District Credit Union Limited are pleased to present the following Special Resolution to the members for consideration at the Virtual Annual General Meeting to be held on 16th November 2021.

TRANSFER OF ENGAGEMENTS FROM MPCC CREDIT UNION LIMITED

The members of Limerick & District Credit Union Limited resolve that the Credit Union accepts the Transfer of Engagements of MPCC Credit Union Limited in accordance with the relevant provisions of the Credit Union Act, 1997 (as amended).

Brian Keating
Secretary
Limerick & District Credit Union Limited

Statement under Section 130 of the Credit Union Act, 1997 (as amended)

In accordance with Section 130 of the Credit Union Act, 1997 (as amended) the following matters require to be stated:

- a) The financial position of Limerick & District Credit Union Limited and MPCC Credit Union Limited is set out in the form of the Unaudited Management Accounts of each Credit Union as at 30th September 2021 and the Audited Financial Statements for the year ended 30th September 2021.
- b) No payment to the members of Limerick & District Credit Union Limited or the members of MPCC Credit Union Limited is proposed in connection with the Transfer of Engagements.
- c) There will be no change to the terms governing outstanding loans currently held by members in MPCC Credit Union Limited or Limerick & District Credit Union Limited. Members with current loans in MPCC Credit Union Limited and Limerick & District Credit Union Limited will continue to repay loans under the existing terms of their credit agreements. New loans issued after the Transfer of Engagements will be at the then prevailing loan rate of Limerick & District Credit Union Limited.
- d) The staff of Limerick & District Credit Union Limited and MPCC Credit Union Limited have been consulted regarding the Transfer of Engagements, with no matters arising.

Proposed Transfer of Engagements

PROPOSED SPECIAL RESOLUTION FOR CONSIDERATION

Proposed Member Special Resolution Regarding MPCC Credit Union Limited

The Board of MPCC Credit Union Limited are pleased to present the following Special Resolution to the members for consideration at the Virtual Annual General Meeting to be held on 17th November 2021.

TRANSFER OF ENGAGEMENTS TO LIMERICK & DISTRICT CREDIT UNION LIMITED

The members of MPCC Credit Union Limited resolve that the Credit Union Transfers its Engagements to Limerick & District Credit Union Limited in accordance with the relevant provisions of the Credit Union Act, 1997 (as amended).

Anne Fitzgibbon
Secretary
MPCC Credit Union Limited

Statement under Section 130 of the Credit Union Act, 1997 (as amended)

In accordance with Section 130 of the Credit Union Act, 1997 (as amended) the following matters require to be stated:

- a) The financial position of Limerick & District Credit Union Limited and MPCC Credit Union Limited is set out in the form of the Unaudited Management Accounts of each Credit Union as at 30th September 2021 and the Audited Financial Statements for the year ended 30th September 2021.
- b) No payment to the members of Limerick & District Credit Union Limited or the members of MPCC Credit Union Limited is proposed in connection with the Transfer of Engagements.
- c) There will be no change to the terms governing outstanding loans currently held by members in MPCC Credit Union Limited or Limerick & District Credit Union Limited. Members with current loans in MPCC Credit Union Limited and Limerick & District Credit Union Limited will continue to repay loans under the existing terms of their credit agreements. New loans issued after the Transfer of Engagements will be at the then prevailing loan rate of Limerick & District Credit Union Limited.
- d) The staff of Limerick & District Credit Union Limited and MPCC Credit Union Limited have been consulted regarding the Transfer of Engagements, with no matters arising.

Frequently Asked Questions

Why is this necessary?

The Board of MPCC Credit Union Limited has spent considerable time examining how their members could be better served into the future. Being a smaller Credit Union inevitably restricts the range and access to services that we can offer to members. The decision to seek a Transfer of Engagements was made in order to offer additional services to the members whilst ensuring compliance with all relevant legislation and regulations.

What does a Transfer of Engagements mean?

A Transfer of Engagement means that MPCC Credit Union Limited will transfer their assets and liabilities to Limerick & District Credit Union Limited. Members in Limerick & District and MPCC can continue in exactly the same way as before, with the added advantage of access to all of the services that the combined Credit Union can offer through its office and online network.

What will happen next?

We envisage that if the Transfer of Engagements is approved by the Central Bank of Ireland, the affairs of MPCC Credit Union Limited will be transferred to Limerick & District Credit Union Limited before the end of 2021. All Credit Union offices may need to close for one/two business days in order to facilitate the transfer, and members will be kept informed of developments closer to the time should this be the case. Until then, it is business as usual at both Credit Unions.

How will this change affect me?

For existing members there will be no noticeable change. The respective office in Dooradoyle will remain open for members. All members will have the added advantage of being able to transact their business, if it is convenient for them to do so, in all four offices when the transfer takes operational effect.

- If you are a member of MPCC Credit Union Limited, you will still continue to be able to conduct your business in the Dooradoyle office. In addition, once the transfer takes effect, you will be able to transact your business in the Caherdavin, William Street or St. Patricks Road offices also.
- If you are a member of MPCC Credit Union Limited, a new account number will be issued to you. All of your account balances and information will remain exactly the same.
- Members with current loans in Limerick & District Credit Union Limited and MPCC Credit Union Limited will continue to repay loans under the existing terms of their credit agreements. New loans issued after the Transfer of Engagements will be at the then prevailing loan rate in Limerick & District Credit Union Limited.

What additional services will be available to MPCC Credit Union members?

Below is just a sample of additional services that members will be able to avail of:

- The Current Account & Debit Card which will be launched shortly
- Mortgages
- Online Loan Applications & Digital Signatures meaning you can apply for a loan online, upload your supporting documents online and draw down your approved loan online without the need to call to a branch.
- Online Banking & Mobile App giving you greater access to your accounts 24/7, 365 days of the year.
- SME Businesses & Primary Producers, should criteria be met, can potentially avail of the Covid-19 Credit Guarantee Scheme (CCGS). For more information on all of Limerick & District Credit Union Limited products & services, go to www.mylimerickcu.ie

Do I have to do anything?

No. However, we do welcome any views that any member may have on the proposed Transfer of Engagements. Members may write to the Secretary of either Credit Union or email to agm@lcu.ie or agm2021@mpccreditunion.ie with any comments or queries they may have.

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

- 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:
 - election for auditor
 - 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

- 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

- All non-presenting participants will be muted and have their cameras switched off to allow the smooth running of the meeting.

- 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.

- All members are reminded to conduct themselves in a professional manner. Please refrain from sharing any explicit, violent or inappropriate content.

- Provision shall be made for the protection of the Chairperson from vilification (personal abuse).

- 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.

- All members are asked to keep their mobile phone silent. The vibrate setting can also cause disruptions.

- The AGM meeting will be recorded.

Changes in Insurance Cover

There will be some changes in Insurance cover for MPCC Credit Union Limited members from the 13th December 2021 to the 31st December 2021 and further changes will be effective from 1st January, 2022. The table below sets out the changes.

Insurance Cover	Current	13th – 31st December 2021	Effective from 1st January, 2022
Life Savings Eligibility Criteria	Joined CU before 70th birthday	No change	No change
	Max Shares insured - €5,000	Max Shares insured - €3,000	Max Shares insured - €1,000 Date of Death Cover
	Joint account cover – Yes – 1st named only	Joint account cover - Yes	Joint account cover - Yes
Loan Protection Criteria	Loans insured to age 85. Some exclusions may apply.	No change	No change
	Joint account cover - Yes – 1st named only	Joint account cover - Yes	Joint account cover - Yes
	Coverage includes death.	No change	No change
Death Benefit Insurance (DBI) Criteria	No min/max age limit	Joined CU before 70th birthday	Joined CU before 70th birthday
	DBI Payment – The payment is entirely at the discretion of the Board of Directors. Share balances at date of death will be matched up to a maximum amount of €1,300.	DBI Payment - €1,000	DBI Payment - €1,000
	Joint account cover - Yes – 1st named only	Joint account cover - Yes	Joint account cover - Yes
	To avail of DBI member needs minimum of €6.35 in Shares on date of death	To avail of DBI member needs €500 in Shares on date of death	To avail of DBI member needs minimum of €500 in Shares on date of death



061 455831



info@lcu.ie

www.mylimerickcu.ie



061 424555



enquiries@mpccccreditunion.ie

www.mpccccreditunion.ie

