

Annual Report

2021

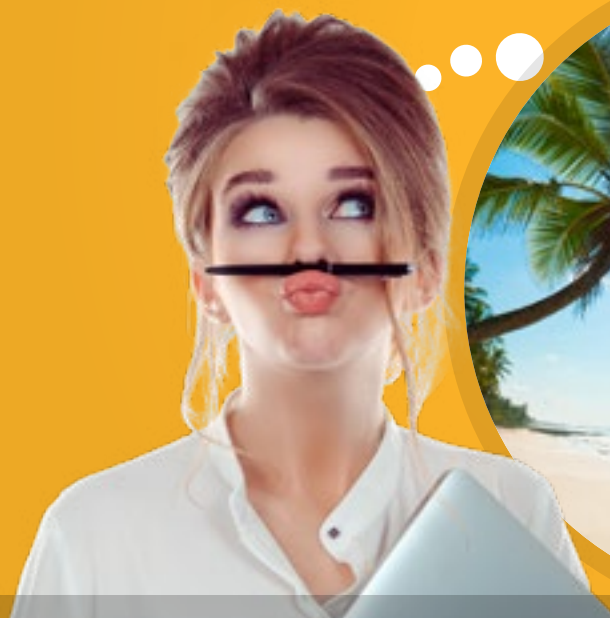


Croí Laighean
CREDIT UNION

€20,000

Prize Pot

How would *you* spend *yours*?



Be sure to join our monthly
Members Draw for your
chance to win



Croí Laighean
CREDIT UNION

Croí Laighean Credit Union is Regulated by the Central Bank of Ireland

AGM Notice & Agenda 2

General Information 2

Chair's Report 3

Our Year in Review 4

CEO's Report 5

Directors' Responsibilities Statement 8

Board Oversight Committee Responsibilities Statement 9

Board Oversight Committee Report 9

Independent Auditor's Report to the Members of Croí Laighean Credit Union Limited ... 10

Marketing & Community Update 13

Members Services 16

Nominations Committee Report 18

Directors' Report 19

Income and Expenditure Account 21

Balance Sheet 22

Statement of Changes in Reserves 23

Statement of Cash Flows 24

Notes to the Financial Statements 25

Schedules to the Income and Expenditure Account 42

Members Draw Report 43

2 | AGM NOTICE & AGENDA

Notice is hereby given that the AGM of Croí Laighean Credit Union will take place remotely via the Zoom webinar platform on Friday, December 10th at 7pm.

The agenda for the AGM is as follows:

- Acceptance by the Board of Directors of the authorised representatives of members that are not natural persons (clubs/organisations)
- Ascertainment that a quorum is present
- Adoption of Standing Orders
- Reading & approval (or correction) of the Minutes of the last AGM
- Resolution – Amendment of Croí Laighean Credit Union Rules
- Report of the Chair
- Report of the CEO and Consideration of the Accounts
- Report of the Auditor
- Declaration of Dividend and Loan Interest Rebate
- Report of the Board Oversight Committee
- Report of the Nominations Committee
- Election of Auditors
- Election to fill vacancies on the Board Oversight Committee
- Election to fill vacancies on the Board of Directors
- AOB
- Adjournment or close of meeting

Yours sincerely,

Board of Directors

Croí Laighean Credit Union

GENERAL INFORMATION

Directors:

Eugene Kearney
Chair

Martin Moloney
Vice Chair

Josephine O'Neill
Secretary

Eamonn O' Farrell
Donal Daly
Aida Best
Padraic O'Neill
Fran Byrne

Board Oversight Committee:

Michael Whelan
Sheila Flynn
Tracey Harbison

CEO

Paul Kennedy

CHAIR'S REPORT

2021 is my second year as Chair of Croí Laighean Credit Union and despite the continued presence of Covid-19, we have had a really positive year.

This annual report reflects the significant amount of work which has been carried out for members by staff across all departments, and by our Board of Directors and Board Oversight Committee.

The significant growth in our lending this year, across all our channels, reflects the belief our members have in us and has certainly had a positive impact in financial terms.

We have also continued to engage with community and sporting groups across our common bond providing valuable support and sponsorship, including in our annual Community Fund.

Our CEO will give a more detailed review of the year in his report, including the financial results for 2020 – 2021.

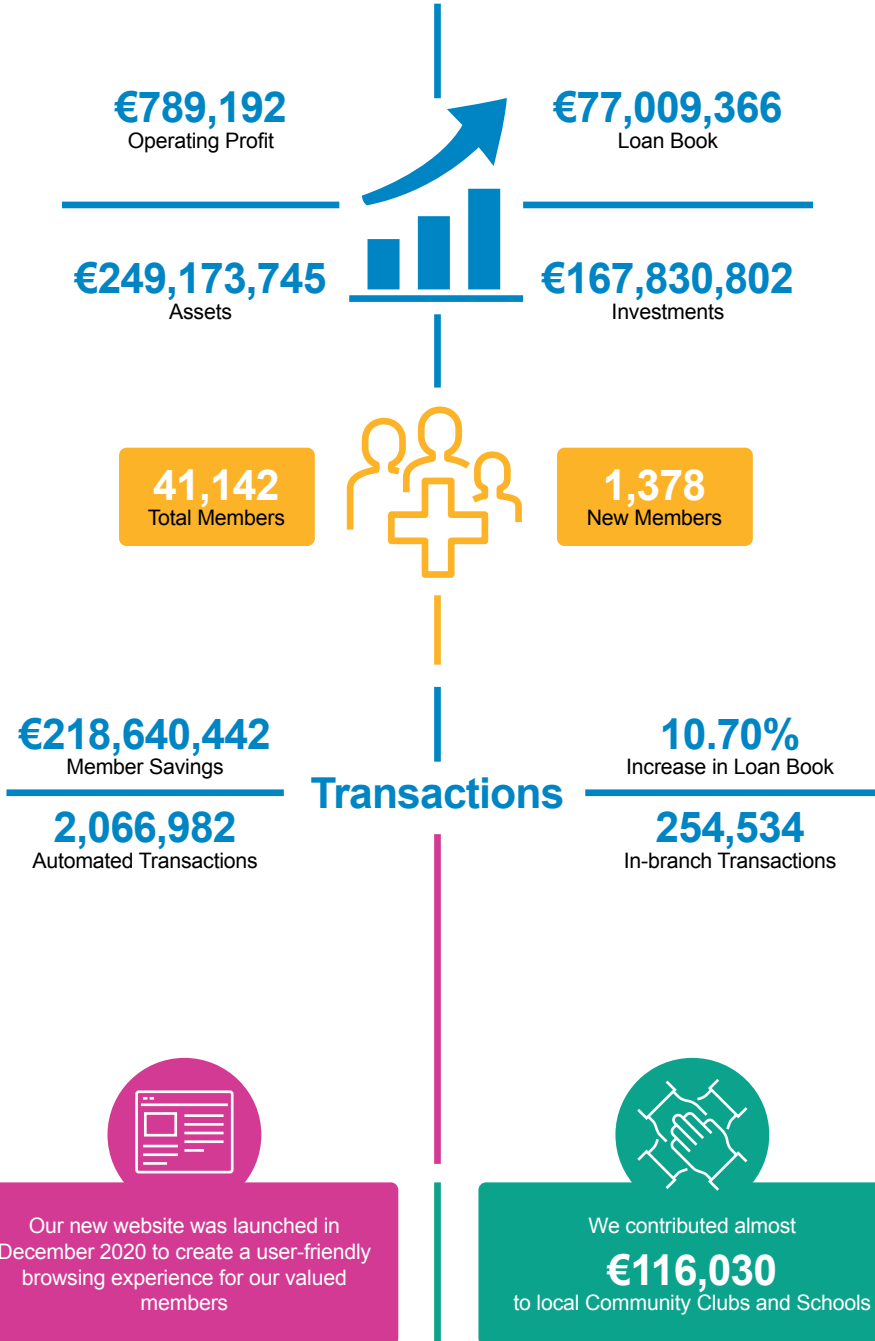
Our updated strategic plan leads us on an exciting journey and as Chair I look forward to the year ahead and the continued success of Croí Laighean Credit Union. This will also see us implement a new IT operating system which is a huge positive for the future benefit of all members.

I would like to thank our Board of Directors, our Board Oversight Committee, and our staff for their efforts this year, once again keeping Croí Laighean Credit Union at the Heart of our Community.



Eugene Kearney
Chair

OUR YEAR IN REVIEW



CEO'S REPORT

2021 has been a year of real achievement for Croí Laighean Credit Union, despite Ireland coming very slowly out of the COVID 19 pandemic. During the year we have made the following happen:

- 17% growth in loans issued from last year
- Improved member online offering
- Reduced onboarding journey significantly for new members with new team
- Launched and expanded exciting new People insurance products for members
- Reduction in our accounts in arrears by 17%
- Increased interactions with our community across the common bond

Our Financial Results

- Surplus of €0.8m
- Income of €6.8m (increase of 7% from 2020)
- Costs of €6m (decrease of 15% from 2020)
- Loan Book Growth of 11% from 2020
- Savings Growth of 7% from 2020

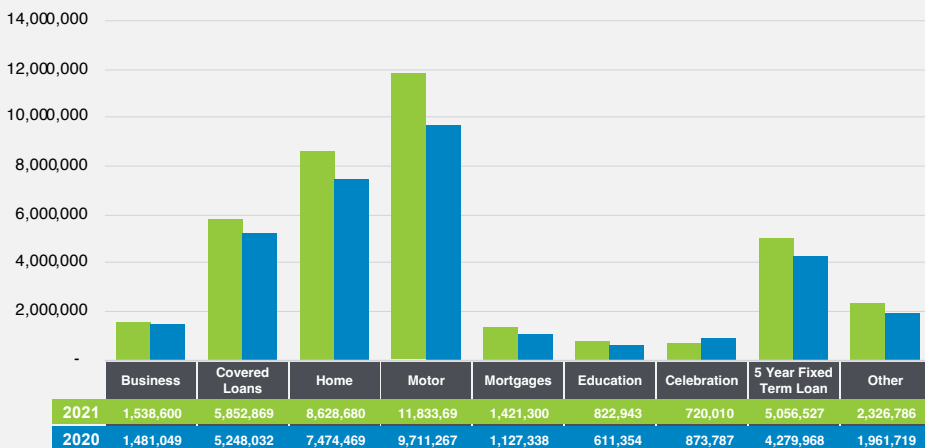
The results reflect the incredible work done by our entire team to keep services available to all members, both in branch, over the phone and online in the midst of a locked down country in 2020 / 2021.

Lending

Lending levels for 2020 / 2021 are 17% ahead of last year, and also exceeded our budgeted lending targets by €1.2m. All categories of lending saw significant growth, with most growth achieved in motor, fixed term lending and home loans.

It is also very uplifting to see a growth in mortgages, and we were delighted to be able to help our members, including families and first-time buyers achieve their goals of moving into their Croí Laighean Credit Union mortgage-backed homes.

New Loans Issued



6 Expenditure

Our overall expenses finished 15% below 2020, but also below our budgets for the year as we try to control costs in every facet of our operations. However, some costs are unavoidable, and some of the main movements are noted below:

	Explanations
Professional Costs	In late 2020, we decided, following a significant amount of research to change our core IT operating system to a banking system. This is to provide more services to members long into the future, and the investment behind this will be recouped in the years to come.
Salary costs	As indicated in 2020, we ran a voluntary exit scheme for staff, which has reduced our salary costs by 13% in 2021.
Regulatory fees	While these costs are still high and unavoidable, they are based on the size of our balance sheet, which has settled somewhat due to the introduction of our savings cap in 2021, and some one-off costs in 2020.
Legal costs	Legal costs have increased this year due to some matters which require appropriate advice at the right time, including commercial and legal reviews of the contracts in relation to our IT project.
Community, schools, and marketing	We constantly strive to ensure we are getting messages out to all of our members, which we continued this year. These costs have reduced this year, mainly due to the fact that most of our events and programmes were held virtually.
Bank Costs	We must keep 30% of all our cash and investment in liquid funds under Central Bank rules. This means over €60m of investments are held in under 90-day accounts attracting negative interest on a daily basis, which is completely driven by market / financial institution pressure.

Investments

We wrote to members during the year about the introduction of a savings cap, which was necessary to help alleviate the huge growth in savings which has a knock-on effect on reserves and investments.

Our cash and investments now exceed €175m, which reflects the significant growth in shares in the last 3 years. We are making on average over the entire portfolio a return of 0.84%, which is significantly less than the c7.5% we receive on average loan returns. Unfortunately, this return isn't likely to change, and we find ourselves, as mentioned above, having to absorb unavoidable negative interest charges on almost €23m of liquid funds on a daily basis.

Credit Control / Arrears

The levels of loans in arrears, which reflects the hard work of our credit control team, is shown on page 35.

Our charged off collections this year have had a really strong performance, well exceeding 2020 and budget, coming in at just over €0.6m for the year.

The level of accounts falling into arrears has dropped by 17% from last year, which is not unexpected due to the economic uncertainty in 2020, coupled with the hard work of our team. However, we have continued to maintain our provisions on potential bad debts, as the level of uncertainty remains for many of our members, and we want to ensure situations such as 2020 are well covered, in line with industry norms and best practice.

Membership

We have transformed the engagement and onboarding process for new members, with a dedicated membership team available on the phone and online 6 days per week. While the level of new members has not performed at the levels seen in recent years, we have had really strong feedback from our new members in relation to the new process introduced, and the quality of the team service delivery. We have welcomed 1,378 new members this year. This means that in 2021, about 115 new people took the decision to begin their Croí Laighean Credit Union journey every month.

Community Involvement / New Initiatives

With the lockdowns in place, our work has been more challenging on the community front. However, this has in no way impacted on the enthusiasm and energy of our team to help engage and strengthen the community links between Croí Laighean Credit Union and its members.

Some of the amazing work this year was as follows:

- **Annual Bursary** – continued this unbelievable yearly award to two worthy recipients in 2021 – Kayla Taitz from Leixlip and Tom Mangan from Edenderry.
- **Community Fund** – 98 community groups benefited from the annual fund, putting almost €45,000 back into the Croí Laighean Credit Union Common Bond.
- **Sponsorships** – we maintained the strong links with sporting organisations in our common bond, working with the likes of Kildare GAA, Leixlip GAA, Maynooth University and Rhode GAA to promote local sporting growth with Croí Laighean Credit Union involvement. This will only increase in 2022 as the country benefits from restrictions being lifted.

We also launched many new initiatives in 2021, some of the most notable being:

- **Apple Pay / Google Pay / Fitbit Pay** – embracing the latest technology to enable members to use our services in new ways
- **Peopl Insurance** – home, travel, and life insurance for members at some of the most competitive rates on the market
- **Fixed Term Lending Products** - putting fixed terms and rates in members lives to enable them budget and set repayments in line with their own available resources

And this is just the start of our new product journey, we look forward to delivering new products and initiatives to our members in future years, especially on the back of delivering a core banking system for Croí Laighean Credit Union to operate on.

The Future

The main focus of our future in 2022 is the delivery of our IT Project. This is one of the most significant undertakings by a credit union, and when delivered it will put us as the forefront of the movement in terms of our ability to deliver new and exciting services to members.

This project will help us put a firm foundation on the delivery of our strategic objectives and we will update our members in relation to this once it happens.

While I am CEO, and responsible for many things in Croí Laighean Credit Union, I am merely a representative of the many people who work absolutely tirelessly on your behalf. I would like to strongly commend the work of all our staff in every department who make me proud to relay our year's work to you.

I also thank the Board of Directors for trusting me with the stewardship of this phenomenal entity, their support and guidance is always there when needed.



Paul Kennedy
CEO

8 DIRECTORS' RESPONSIBILITIES STATEMENT

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.

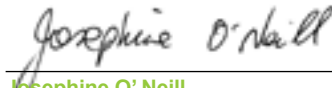
The directors are responsible for ensuring that the credit union keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the credit union, enable at any time the assets, liabilities, financial position and income and expenditure of the credit union to be determined with reasonable accuracy, enable them to ensure that the financial statements comply with the Credit Union Act, 1997 (as amended), and Generally Accepted Accounting Practice in Ireland, including FRS 102 The Financial Reporting Standard applicable in the UK and the Republic of Ireland, and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the credit union and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This statement was approved by the board on 23 November 2021 and signed on its behalf by:



Eugene Kearney

Chair of the Board of Directors



Josephine O'Neill

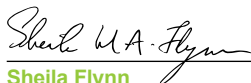
Secretary of the Board of Directors



BOARD OVERSIGHT COMMITTEE RESPONSIBILITIES STATEMENT

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

This statement was approved by the board oversight committee on 23 November 2021 and signed on its behalf by:



Sheila Flynn

Secretary of the Board Oversight Committee

BOARD OVERSIGHT COMMITTEE REPORT

As in previous years, the functions of the Board Oversight Committee as set out in the Credit Union and Co- Operation with Overseas Regulators Act 2012 may be summarised briefly as follows:

- To assess whether the board of directors has operated in accordance with Part IV of the Act
- To assess whether the board of directors has operated in accordance with any other matters prescribed by the Central Bank in respect of which they are to have regard.

We attended all meetings of the Board of Directors and a sample of their committee meetings. Having regularly reviewed the procedures of these meetings, the Board Oversight Committee is satisfied that the actions

and decisions of the Board of Directors were compliant with current rules and legislation, and we commend them for keeping governance strong and maintained.

We extend our thanks to the directors, the management team and staff for their courtesy, assistance and co-operation during the year. I would also like to thank my fellow committee members, Tracey Harbison and Sheila Flynn for their commitment and dedication during the year.



Michael Whelan

Chair

Board Oversight Committee



10 INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CROÍ LAIGHEAN CREDIT UNION LIMITED

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Croí Laighean Credit Union Limited (the 'Credit Union') for the year ended 30 September 2021 which comprise of the Income and expenditure account, the Statement of Other Comprehensive Income, the Balance Sheet, the Statement of Changes in Reserves, the Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is Irish law and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland issued in the UK by the Financial Reporting Council.

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)") and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Credit Union in accordance with 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 we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

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

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Credit Union Act 1997 (as amended)

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

- we have obtained all the information and explanations which, 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; 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.

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Further information regarding the scope of our responsibilities as auditor

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

12 INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CROÍ LAIGHEAN CREDIT UNION LIMITED (CONTINUED)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Credit Union's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Credit Union's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Credit Union to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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



EisnerAmper Audit Limited

Chartered Accountants & Statutory Audit Firm
Dublin

Date: 25 November 2021

New website launched

Our new website was launched in December 2020 and since going live, website traffic has increased significantly due to the user-friendly design.



Mythbusters

This year we decided to dispel many myths, plus a few about the Credit Union.



Board Drive

This year, we ran a campaign across social media, recruitment sites and the local press to recruit new members to our board.



Pat Jones Bursary

Thomas Mangan from Oaklands College in Edenderry and Kayla Taitz from Confey College in Leixlip were the recipients of €6,000 each. In total, €15,500 was donated to students as part of this year's Pat Jones Bursary awards.



Maynooth University GAA Scholarship: Shane O'Sullivan from Clane GAA Club was the first ever recipient of the Croí Laighean Maynooth University GAA Scholarship.



14 COMMUNITY FUND

This year through the 2021 Community Fund, we are delivered almost €45,000 to 98 recipient clubs and voluntary organisations in our local community.

Coill Dubh

Allen Heritage & Historical Society, Allenwood Celtic AFC, Aylmer Gaels GFC, Ballyteague GFC, Coill Dubh AFC, Coill Dubh Camogie Club, Coill Dubh Fit4Life, Cooleragh Staplestown Mens Shed, Eire Og Corrachóill Hurling Club, Na Fianna Ladies, Na Fianna Men's Shed, Prosperous & Donadea First Responders, Prosperous Dramatic Society, Prosperous Eco Parish, Prosperous Pitch & Putt, Prosperous United FC, Prosperous Youth Club, St Kevins AC, St Kevin's GAA, Timahoe Active Age



Clane

Clane and Rathcoffey Community Sponsorship Programme, Clane Community First Responders, Clane GAA, Clane Golf Club, Clane Kickboxing, Clane Lawn Tennis Club, Clane Men's Shed, Clane Toastmasters Club, Millicent Singers, Rathcoffey Camogie Club, Rathcoffey GAA, Rathcoffey Senior Citizens Association, Sallins Railway Guides, Zero Waste Community Garden



Leixlip

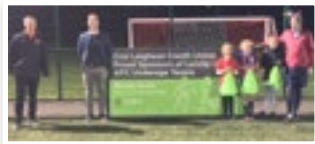
Celbridge Camera Club, Confey Community Gardens, Confey Football Club, Leixlip Arch Club, Leixlip Community Youth Band, Leixlip Meals on Wheels, Leixlip Men's Shed, Leixlip Tennis Club, Liffeybank FC, Barnhall RFC

Edenderry

Ballinabrackey GAA, Balyna Parish, Broadford Hurling Club, Carbury Ladies Group, Carbury LGFA, Castlejordan/Ballinabrackey Community Alert, Clogherinkoe GFC, Clonbullogue Development Association, Clonbullogue Hall Committee, Clonmore Harps GFC, Community Cabin Club, Cumann Peil Gael Na Mban, Derrinturn Active Senior Group, Derrinturn Community Garden, Derrinturn Tidy Towns, Derry Rovers AFC, Downshire Place Committee, Edenderry Snooker Club, Eden FM, Eden Tri Club, Edenderry AC, Edenderry Brownie Pack (Girl Guides), Edenderry Camogie Club, Edenderry Canoe Club, Edenderry Community Games, Edenderry Community Playground, Edenderry Disability Group, Edenderry GAA, Edenderry Golf Club, Edenderry ICA, Edenderry Juvenile Athletics Club, Edenderry Pitch & Putt, Edenderry RFC, Edenderry Social Services (Meals on Wheels), Edenderry Tidy Towns, Edenderry Womens Shed, Kilshanroe Old School Restoration Project Company, Little Wishes Edenderry, Relay For Life, Rhode Athletics Club, Rhode Ladies GFC, Rhode Parish Enterprise Association Ltd, Rhode Parish Historical Group, Ticknevin Community Group, Young at Heart

SPONSORSHIPS

We're proud of our history of empowering local people, and over the years we've funded a huge number of local clubs through our sponsorship programme. This year, we have committed over €40,000 to local clubs to help with their development.



16 MEMBER SERVICES

Following on from 2020 and the global pandemic, we have diversified how our members can contact us. Our members have access to our products and services online, in branch and over the phone. Our Member Service Centre has been working hard to ensure our members can contact the credit union quickly and efficiently to access services, loans or to have queries answered.



30,167

calls taken by Member Service Centre
average of 2,514 per month



€944,500

Loan value



297

loan applications handled by
our Member Service Centre



€273,000

won in prizes by 93 Lucky
Members



254,534

In-branch Transactions
(24% decrease in previous year)



2,066,982

Automated Transactions via online
and mobile banking services
(22% increase in previous year)



Croí Laighean
CREDIT UNION

Fair insurance
from your
credit union.



Stop paying above the odds!

Now there's fair and competitive
home insurance brought to you
by Croí Laighean Credit Union.

You could save **hundreds of euro**
on your home renewal by getting
a fast and easy quote today.

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

Peopl.
Insurance

Call and speak to one of
our friendly team on

0818 293 446

Or visit
clcu.ie

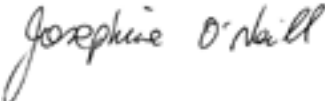
18 NOMINATIONS COMMITTEE REPORT

The role of the Nominations Committee is to ensure that the Board of Directors have the necessary skills and knowledge to direct the course of Croí Laighean Credit Union on behalf of members.

Croí Laighean Credit Union are currently seeking new energetic members to join their voluntary Board, who meet virtually on a monthly basis. This is an exciting opportunity for any individual looking to gain valuable hands-on board experience to help fast track their career and personal development.

The Nominations Committee have put together an exciting director program which focuses on training, development, and progression. Please contact us on <https://social.clcu.ie/join-our-board> if you would like to join us, and hear the benefits of being a director of Croí Laighean Credit Union.

We extend our thanks to the directors, the management team and staff for their courtesies, assistance, and co-operation during the year. I would also like to thank my fellow committee members, Eugene Kearney and Eamonn O'Farrell for their work, commitment, and dedication.



Josephine O'Neill

Chair

Nominations Committee



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 and future developments

The directors are reporting a profit of €0.79m for the year, this is primarily driven by increased lending and a reduction in expenses. The loan book has increased by 10.7% to €77.0m, while Member's savings have increased by 7.4% to €216.6m.

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. The credit union is investing in a new IT system which will enhance our online and mobile banking service.

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: proposed dividend of €Nil (0%) and a proposed loan interest rebate of €Nil (0%)).

Principal risks and uncertainties

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

1. 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.

2. 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.

3. 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.

4. 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.

5. 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.

6. Investment Portfolio Performance

Is a risk both through the potential loss of capital and/or insufficient rate or return

7. Brexit risk

Following the UK exit from the EU, ongoing uncertainty relating to the nature of the future trading relationship between the UK and EU could impact the markets in which the Credit Union operates including member confidence, credit demand, collateral values and customers' ability to meet their financial obligations and consequently the Credit Unions financial performance, balance sheet, capital and dividend capacity.

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

1. Credit risk

In order to manage this risk, the board of directors regularly reviews and approves the

20 DIRECTORS' REPORT (CONTINUED)

For the financial year ended 30 September 2021

credit union's credit policies. All loan applications are assessed with reference to the credit policies in force at the time. Subsequently loans are regularly reviewed for any factors that may indicate that the likelihood of repayment has changed.

2. Lack of loan demand

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

3. 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.

4. 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.

5. 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.

6. Investment portfolio performance

The Board regularly reviews and approves the credit union's investment policy in which it sets out the types of investments within which the credit union can invest funds. A key factor for all investments is the need to balance the secure return of capital with the interest yield. Funds are invested in compliance with the credit union's policy and regulatory guidance.

7. Brexit Risk

The Credit Union has established a comprehensive Brexit programme to identify, monitor and mitigate risks associated with various outcomes of Brexit. The Board receive regular updates from the Senior Management Team on the potential impacts of Brexit for Croí Laighean 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 O'Connell Square, Edenderry, Co. Offaly.

Events after the end of the financial year

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

Auditors

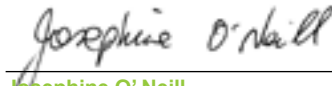
In accordance with Section 115 of the Credit Union Act, 1997 (as amended), the auditors EisnerAmper offer themselves for re-election.

This report was approved by the board on 23 November 2021 and signed on its behalf by:



Eugene Kearney

Chair of the Board of Directors



Josephine O'Neill

Secretary of the Board of Directors

INCOME AND EXPENDITURE ACCOUNT

For the financial year ended 30 September 2021

Income	Notes	2021 €	2020 €
Interest on members' loans		5,311,637	4,930,550
Other interest income and similar income		1,299,316	1,355,103
Net interest income		6,610,953	6,285,653
Other income		93,672	72,365
Other gains		107,986	-
Total income		6,812,611	6,358,018
Expenditure			
Employment costs	4	2,390,298	2,734,935
Operational expenses		2,860,661	3,092,989
Depreciation		286,673	277,345
Bad debt losses	5	485,787	905,324
Impairment of assets		-	110,113
Total expenditure		6,023,419	7,120,706
Surplus/(deficit) for the financial year		789,192	(762,688)

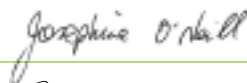
STATEMENT OF OTHER COMPREHENSIVE INCOME

For the financial year ended 30 September 2021

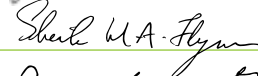
	2021 €	2020 €
Surplus/(deficit) for the financial year	789,192	(762,688)
Other comprehensive income	-	-
Total comprehensive income/(loss) for the financial year	789,192	(762,688)

The financial statements were approved and authorised for issue by the board on 23 November 2021 and signed on behalf of the credit union by:

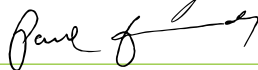
Josephine O'Neill
Secretary of the Board of Directors



Sheila Flynn
Secretary of the Board Oversight Committee



Paul Kennedy
CEO



The notes on pages 25 to 41 form part of these financial statements.

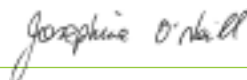
22 BALANCE SHEET

As at 30 September 2021

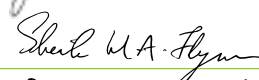
	Notes	2021 €	2020 €
Assets			
Cash and balances at bank		4,361,008	5,706,073
Deposits and investments – cash equivalents	7	26,070,800	31,143,662
Deposits and investments – other	7	141,760,002	125,794,137
Loans to members	8	72,674,767	66,040,015
Members' current accounts	13	-	2,482
Tangible fixed assets	9	3,057,485	3,341,949
Intangible fixed assets	10	821,662	-
Prepayments and accrued income	11	428,021	361,663
Total assets		249,173,745	232,389,981
Liabilities			
Members' savings	12	216,620,640	201,669,529
Members' current accounts	13	2,019,802	1,410,364
Other liabilities, creditors, accruals and charges	14	1,404,982	991,380
Other provisions	15	78,066	57,645
Total liabilities		220,123,490	204,128,918
Reserves			
Regulatory reserve		25,168,104	24,168,104
Operational risk reserve		741,825	741,825
Other reserves			
- Realised reserves		2,829,029	3,091,390
- Unrealised reserves		311,297	259,744
Total reserves		29,050,255	28,261,063
Total liabilities and reserves		249,173,745	232,389,981

The financial statements were approved and authorised for issue by the board on 23 November 2021 and signed on behalf of the credit union by:

Josephine O'Neill
Secretary of the Board of Directors



Sheila Flynn
Secretary of the Board Oversight Committee



Paul Kennedy
CEO



The notes on pages 25 to 41 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	22,168,104	709,900	6,468,408	201,610	29,548,022
Deficit for the year	-	-	(820,822)	58,134	(762,688)
Dividends and loan interest rebates paid	-	-	(524,271)	-	(524,271)
Transfers between reserves	2,000,000	31,925	(2,031,925)	-	-
As at 1 October 2020	24,168,104	741,825	3,091,390	259,744	28,261,063
Surplus for the year	-	-	737,639	51,553	789,192
Transfers between reserves	1,000,000	-	(1,000,000)	-	-
As at 30 September 2021	25,168,104	741,825	2,829,029	311,297	29,050,255

- The regulatory reserve of the credit union as a percentage of total assets as at 30 September 2021 was 10.10% (2020: 10.40%).
- The operational risk reserve of the credit union as a percentage of total assets as at 30 September 2021 was 0.30% (2020: 0.32%).

Myth
A goldfish has a 3 second memory.

Another Myth
You must have savings before you can borrow from the Credit Union.

www.clcu.ie | 1800 23 24 25

Croí Laighean
CREDIT UNION

The notes on pages 25 to 41 form part of these financial statements.

24 STATEMENT OF CASH FLOWS

For the financial year ended 30 September 2021

	Notes	2021 €	2020 €
Opening cash and cash equivalents		36,849,735	30,523,027
Cash flows from operating activities			
Loans repaid by members	8	30,508,407	28,633,661
Loans granted to members	8	(38,360,142)	(32,908,042)
Interest on members' loans		5,311,637	4,930,550
Other interest income and similar income		1,299,316	1,355,103
Bad debts recovered and recoveries		739,692	587,852
Other income		175,038	72,365
Dividends and loan interest rebates paid		-	(524,271)
Members' current account lodgements	13	24,890,347	15,699,338
Members' current account withdrawals	13	(24,286,923)	(14,910,223)
Operating expenses		(5,250,959)	(5,827,051)
Movement in other assets including impairment		(66,358)	9,045
Movement in other liabilities		434,023	188,867
Net cash flows from operating activities		(4,605,922)	(2,692,806)
Cash flows from investing activities			
Fixed assets (purchases)/disposals		(797,251)	(57,229)
Net cash flow from other investing activities		(15,965,865)	(12,200,301)
Net cash flows from investing activities		(16,763,116)	(12,257,530)
Cash flows from financing activities			
Members' savings received	12	136,073,555	122,131,621
Members' savings withdrawn	12	(121,122,444)	(100,854,577)
Net cash flow from financing activities		14,951,111	21,277,044
Net increase in cash and cash equivalents		(6,417,927)	6,326,708
Closing cash and cash equivalents	6	30,431,808	36,849,735

The notes on pages 25 to 41 form part of these financial statements.

1. Legal and regulatory framework

Croí Laighean 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 O'Connell Square, Edenderry, Co. Offaly.

2. Accounting policies

2.1. Basis of preparation of financial statements

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

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

The following principal accounting policies have been applied:

2.2. Statement of compliance

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

2.3. Going concern

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

2.4. Income

Interest on members' loans

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

Deposit and investment income

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

Other income

Other income is recognised on an accruals basis.

2.5. Cash and cash equivalents

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

2.6. Investments

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.

26 NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

Investments at fair value

Investments 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 market value, these investments are carried at cost plus accrued income 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 paid in full or charged off.

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.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the net present value of the expected cash flows discounted, where required, at the asset's original effective interest rate. Losses expected from future events are not recognised in accordance with FRS 102.

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. Intangible fixed assets

Intangible assets, which comprise of computer software, are stated at cost less amortisation and provisions for impairment (if any). The identifiable and directly associated external and internal costs of acquiring and preparing the software for its intended use are capitalised where it is probable that future economic benefits that are attributable to the asset will flow to the entity.

Costs associated with maintaining software are recognised as an expense in the Income and Expenditure Account when incurred. Capitalised computer software is amortised over the expected useful life of the asset (estimated to be a period of eight years) from the date on which the asset is available for use. Intangible assets are reviewed for impairment when there is an indication that the asset may be impaired. Intangible assets not yet available for use are reviewed for impairment on an annual basis.

2.10. 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

27

Depreciation is provided on the following basis:

Premises	4% straight line per annum
Fixtures and fittings	10% straight line per annum
Furniture and equipment	20% straight line per annum
Computers	25% straight line per annum
Motor vehicles	20% 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 in the income and expenditure account.

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 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.

2.12. 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' savings

Members' savings 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. Members' current accounts

The credit union provides Member Personal Current Account Services in accordance with Section 49(3) of the Credit Union Act, 1997 (as amended).

2.15. Other payables

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

2.16. Pension costs

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

28 | NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

2.17. 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.

2.18. Termination benefits

Termination benefits are included in employment costs where applicable and are expensed to the income and expenditure account on an accruals basis.

2.19. Operating leases

Rentals payable under operating leases are charged to the income and expenditure account on a straight line basis over the lease term.

2.20. Derecognition of financial liabilities

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

2.21. 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.

2.22. 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 calculated the operational risk reserve requirement by reference to the predicted impact of operational risk events that may have a material impact on the credit union's business.

In addition, the credit union has included in its operational risk reserve a Member Personal Current Account Service operational risk reserve, in accordance with Section 49(3) of the Credit Union Act, 1997 (as amended).

2.23. 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".

2.24. 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 rebates 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.

2.25. Taxation

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

2.26. Provisions and Contingencies

Provisions are recognised when the Credit Union has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the obligation can be made.

Contingent liabilities are possible obligations arising from past events, whose existence will be confirmed only by uncertain future events, or present obligations arising from past events that are not recognised because either an outflow of economic benefits is not probable or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised but information about them are disclosed unless the possibility of any outflow of economic benefits in settlement is remote. The Credit Union does not disclose information about a provision or contingent liability for a particular matter where disclosure of the information can be expected to prejudice seriously the Credit Union's position on the matter.



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. Management 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.

Determination of amortisation, useful economic life and residual value of intangible assets

The annual depreciation charge depends primarily on the estimated lives of each type of asset. Management 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 and expected economic utilisation of the assets. Changes in the useful lives can have a significant impact on the amortisation charge for the financial year.

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 €4,334,599 (2020: €3,525,787) representing 5.63% (2020: 5.07%) of the total gross loan book.

Adoption of going concern basis for financial statements preparation

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

31

4. Employees and employment costs

4a. Number of employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Management	8	9
Staff	41	41
	49	50

4b. Employment costs

Amounts treated as an expense in the financial year:

	2021 €	2020 €
Wages and salaries	2,028,113	2,385,938
Social security costs	208,995	216,748
Contributions to defined contribution pension scheme	153,190	86,982
Contributions to defined benefit pension scheme	-	45,267
	2,390,298	2,734,935

Amounts capitalised in the financial year:

	2021 €	2020 €
Wages and salaries	53,442	-
Social security costs	5,905	-
Contributions to defined contribution pension scheme	8,000	-
	67,347	-
Total employment costs	2,457,645	2,734,935

4c. 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	534,844	465,301
Payments to pension schemes	61,251	45,697
Total key management personnel compensation	596,095	510,998

32 NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

5. Bad debt losses

	2021 €	2020 €
Bad debts recovered	(626,389)	(492,775)
Impairment of loan interest reclassified as bad debt recoveries	(113,303)	(95,077)
Movement in provisions on member loans during the year	808,812	893,664
Movement in provisions on member current account during the year	8,496	-
Loans written off during the year	408,171	599,512
Bad debt losses	485,787	905,324

6. Cash and cash equivalents

	2021 €	2020 €
Cash and balances at bank	4,361,008	5,706,073
Deposits and investments – cash equivalents (note 7)	26,070,800	31,143,662
Total cash and cash equivalents	30,431,808	36,849,735

7. Deposits and investments

	2021 €	2020 €
Deposits and investments – cash equivalents		
Accounts in authorised credit institutions (Irish and non-Irish based)	26,002,212	25,996,962
Irish and EEA state securities	68,588	1,492,233
Other investments	-	3,654,467
Total deposits and investments – cash equivalents	26,070,800	31,143,662
Deposits and investments – other		
Accounts in authorised credit institutions (Irish and non-Irish based)	75,756,635	61,953,028
Irish and EEA state securities	5,520,818	1,517,737
Bank bonds	39,765,341	41,368,487
Central bank deposits	13,652,165	10,736,293
Collective investments	4,018,000	-
Other investments	3,047,043	10,218,592
Total deposits and investments – other	141,760,002	125,794,137
Total deposits and investments (basic and other)	167,830,802	156,937,799

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

33

7. Deposits and investments (continued)

Set out below is summary of the credit union's investment portfolio, analysed by the credit rating of deposit/investment counterparty:

	2021 €	2020 €
Basic Financial Instruments		
Aa2	68,588	-
Aa3	27,970,514	29,145,822
A1	59,259,346	30,766,305
A2	36,072,575	27,782,557
A3	-	34,962,892
Baa1	12,035,252	-
Baa2	13,340,509	10,631,276
Unrated	-	97,997
Total Basic Financial Instruments	148,746,784	133,386,849
Other Financial Instruments		
A1	17,079,210	21,544,539
Unrated	2,004,808	2,006,411
Total Other Financial Instruments	19,084,018	23,550,950
Total deposits and investments (basic and other)	167,830,802	156,937,799

I'm quite partial to a nice Merlot

“ Myth
Bulls are enraged by the colour red.

Another Myth
You can't do your day to day banking with Croi Laighean Credit Union.

”

www.cicu.ie | 1800 23 24 25

 **Croí Laighean**
CREDIT UNION

For the financial year ended 30 September 2021

8. Loans to members

	2021 €		2021 €		2021 €		2021 €		2020 €		2020 €	
	Business Loans	Mortgage Loans	Unsecured Loans	Total	Business Loans	Mortgage Loans	Unsecured Loans	Total	Business Loans	Mortgage Loans	Unsecured Loans	Total
As at 1 October	3,655,421	5,179,113	60,731,268	69,565,802	3,073,405	4,339,409	58,478,119	65,890,933				
Advanced during the year	1,581,350	1,421,300	35,357,492	38,360,142	1,487,800	1,127,338	30,292,904	32,908,042				
Repaid during the year	(1,215,313)	(1,032,839)	(28,260,255)	(30,508,407)	(905,784)	(287,634)	(27,440,243)	(28,633,661)				
Loans written off	(34,047)	-	(374,124)	(408,171)	-	-	(599,512)	(599,512)				
At 30 September 2021	3,987,411	5,567,574	67,454,381	77,009,366	3,655,421	5,179,113	60,731,268	69,565,802				
Loan provision												
Individually significant loans	268,325	-	-	268,325	420,764	-	-	420,764				
Group assessed loans	-	493,914	3,572,360	4,066,274	-	312,558	2,792,465	3,105,023				
At 30 September 2021	268,325	493,914	3,572,360	4,334,599	420,764	312,558	2,792,465	3,525,787				
Carrying value												
30 September 2021	3,719,086	5,073,660	63,882,021	72,674,767	3,234,657	4,866,555	57,938,803	66,040,015				

The credit union offers mortgages and as a result these loans are all secured by way of a first legal charge on the property. Some business loans are secured by way of a first legal charge over an asset, personal guarantees provided by company directors, while the remaining business loans are unsecured. All other loans to members are unsecured, except that there are restrictions on the extent to which borrowers may withdraw their savings whilst loans are outstanding. There are maximum amounts set out by regulations in terms of the maximum amount a member can borrow from the credit union. Additionally, the credit union has maximum loan amounts as part of its risk management framework.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

35

8 Loans to members (continued)

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	67,282,353	87.37%	57,449,357	82.58%
Impaired loans:				
Not past due	1,640,345	2.13%	2,189,345	3.16%
Up to 9 weeks past due	5,512,145	7.16%	6,944,454	9.98%
Between 10 and 18 weeks past due	597,683	0.78%	822,827	1.18%
Between 19 and 26 weeks past due	473,417	0.61%	738,324	1.06%
Between 27 and 39 weeks past due	459,140	0.60%	613,302	0.88%
Between 40 and 52 weeks past due	232,237	0.30%	245,623	0.35%
53 or more weeks past due	812,046	1.05%	562,570	0.81%
Total impaired loans	9,727,013	12.63%	12,116,445	17.42%
Total loans	77,009,366	100.00%	69,565,802	100.00%

Provision for bad debts

	2021 €	2020 €
As at 1 October	3,525,787	2,632,123
Movement in bad debts provision during the year	808,812	893,664
As at 30 September	4,334,599	3,525,787

The provision for bad debts is analysed as follows:

	2021 €	2020 €
Individually assessed loans	268,325	420,764
Grouped assessed loans	4,066,274	3,105,023
Provision for bad debts	4,334,599	3,525,787

36 NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

9. Tangible fixed assets

	Premises €	Fixtures and fittings €	Furniture and equipment €	Computers €	Motor vehicles €	Total €
Cost						
1 October 2020	3,621,923	370,893	226,184	819,213	39,951	5,078,164
Additions	-	16,213	5,887	17,552	-	39,652
Disposals	(25,008)	(24,877)	(15,392)	(275,783)	-	(341,060)
At 30 September 2021	3,596,915	362,229	216,679	560,982	39,951	4,776,756
Depreciation						
1 October 2020	657,569	187,058	199,258	670,304	22,026	1,736,215
Charge for year	128,390	26,775	13,224	111,418	6,866	286,673
Disposals	(2,847)	(11,459)	(13,528)	(275,783)	-	(303,617)
At 30 September 2021	783,112	202,374	198,954	505,939	28,892	1,719,271
Net book value						
30 September 2021	2,813,803	159,855	17,725	55,043	11,059	3,057,485
30 September 2020	2,964,354	183,835	26,926	148,909	17,925	3,341,949

10. Intangible fixed assets

	Software €	Total €
Cost		
1 October 2020	-	-
Additions	821,662	821,662
Disposals	-	-
At 30 September 2021	821,662	821,662
Depreciation		
1 October 2020	-	-
Charge for year	-	-
Disposals	-	-
At 30 September 2021	-	-
Net book value		
30 September 2021	821,662	821,662
30 September 2020	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

37

11. Prepayments and accrued income

	2021 €	2020 €
Loan interest receivable	157,557	164,057
Prepayments	270,464	197,606
As at 30 September	428,021	361,663

12. Members' savings

	2021 €	2020 €
As at 1 October	201,669,529	180,392,485
Received during the year	136,073,555	122,131,621
Withdrawn during the year	(121,122,444)	(100,854,577)
As at 30 September	216,620,640	201,669,529

Members' savings are analysed as follows:

	2021 €	2020 €
Members' shares	202,620,564	192,211,019
Members' everyday accounts	14,000,076	9,458,510
Total members' savings	216,620,640	201,669,529

13. Members' current accounts

	2021 €	2020 €
As at 1 October	1,407,882	618,767
Lodgements	24,890,347	15,699,338
Withdrawals	(24,286,923)	(14,910,223)
As at 30 September	2,011,306	1,407,882

Provision for bad debts

	2021 €	2020 €
As at 1 October	-	-
Movement in bad debts provision during the year	8,496	-
As at 30 September	8,496	-

Carrying amount of Member's current accounts	2,019,802	1,407,882
---	------------------	------------------

38 | NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

13. Members' current accounts (continued)

Number of current accounts:

	2021 Number	2020 Number
Debit Balances	233	113
Credit Balances	1,909	1,346
Permitted Overdrafts	-	-
Number of current accounts	2,142	1,459

Value of current account balances:

	2021 €	2020 €
Debit Balances	-	(2,482)
Credit Balances	2,019,802	1,410,364
Permitted Overdrafts	-	-
Value of current account balances	2,019,802	1,407,882

14. Other liabilities, creditors, accruals and charges

	2021 €	2020 €
Trade creditors	289,501	156,578
Prize draw	61,111	54,083
Other creditors and accruals	1,054,370	780,719
As at 30 September	1,404,982	991,380

15. Other provisions

	2021 €	2020 €
Holiday pay accrual	78,066	57,645

16. Financial instruments

16a. Financial instruments – measured at amortised cost

Financial assets	2021 €	2020 €
Financial assets measured at amortised cost	223,014,241	208,663,461
Financial liabilities	2021 €	2020 €
Financial liabilities measured at amortised cost	220,123,490	204,128,918

Financial assets measured at amortised cost comprise of cash and balances at bank, deposits and investments, loans and members' current accounts (debit balances).

Financial liabilities measured at amortised cost comprise of members' savings, members' current accounts (credit balances), other liabilities, creditors, accruals and charges and other provisions.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

39

16b. Financial instruments – measured at fair value

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	19,084,019	-	19,084,019	-
Collective Investments	4,018,000	4,018,000	-	-
Other investments	-	-	-	-
Total	23,102,019	4,018,000	19,084,019	-

At 30 September 2020	Total €	Level 1 €	Level 2 €	Level 3 €
Accounts in authorised credit institutions	19,091,455	-	19,091,455	-
Collective Investments	-	-	-	-
Other investments	4,457,240	-	4,457,240	-
Total	23,548,695	-	23,548,695	-

The fair value adjustments recognised in the income and expenditure account for the year ended 30 September 2021 amounted to €18,000 (2020: €nil).

17. Related party transactions

17a. Loans

	2021		2020	
	No. of loans	€	No. of loans	€
Loans advanced to related parties during the year	5	59,000	5	103,000
Total loans outstanding to related parties at the year end	13	202,341	13	309,914
Total provision for loans outstanding to related parties		4,538		9,007

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 0.26% of the total loans outstanding at 30 September 2021 (2020: 0.45%).

The above loan provisions are made in line with the credit union's provisioning policy. At 30 September 2021, all loans outstanding to related parties are performing in accordance with the contractual repayment terms of their credit agreements.

40 | NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

17b. Savings

The total amount of savings held by related parties at the year end was €269,843 (2020: €536,071).

18. Additional financial instruments disclosures

18a. Financial risk management

The credit union manages its members' savings 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 policies. All loan applications are assessed with reference to the credit policies 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.

18b. 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.

18c. 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	77,009,366	7.53%	69,565,802	7.39%

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

For the financial year ended 30 September 2021

41

19. Dividends and loan interest rebates

The following distributions were made during the year:

	2021		2020	
	%	€	%	€
Dividend on shares	-%	-	0.05%	82,042
Loan interest rebate	-%	-	10.00%	442,229

The directors are not proposing a dividend or loan interest rebate in respect of the year ended 30 September 2021 (2020: proposed dividend of €Nil (0.00%) and a proposed loan interest rebate of €Nil (0.00%)).

20. Events after the end of the financial year

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

21. Insurance against fraud

The credit union has Insurance against fraud in the amount of €3,000,000 (2020: €3,000,000) in compliance with Section 47 of the Credit Union Act, 1997 (as amended).

22. Capital commitments

There were no capital commitments at 30 September 2021.

23. Contingent liabilities

Crof Laighean Credit Union Limited are in legal correspondence with The Trustees of the Irish League of Credit Unions Republic of Ireland Pension Scheme on certain matters. In accordance with Section 21.17 of FRS 102, the credit union has not disclosed the information required by Section 21.15 of FRS 102 as disclosure of the information can be expected to prejudice seriously the credit union's position on the above matter.

24. Approval of financial statements

The board of directors approved these financial statements for issue on 23 November 2021.

42 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 10 to 12.

SCHEDULE 1 – OTHER INTEREST INCOME AND SIMILAR INCOME

	2021 €	2020 €
Investment income and gains received/receivable within 1 year	1,241,264	1,328,368
Investment income receivable outside of 1 year	58,052	26,735
Total per income and expenditure account	1,299,316	1,355,103

SCHEDULE 2 – OTHER INCOME

	2021 €	2020 €
Entrance fees	1,195	1,247
Other income	92,477	71,118
Total per income and expenditure account	93,672	72,365

SCHEDULE 3 – OTHER GAINS

	2021 €	2020 €
Gains on maturity of investments	63,366	-
Gains on sale of fixed assets	26,620	-
Other unrealised gains	18,000	-
Total per income and expenditure account	107,986	-



SCHEDULE 4 – OPERATIONAL EXPENSES

43

	2021 €	2020 €
LP/LS and DBI	614,946	595,649
General insurance	80,388	63,555
Rent and rates	12,180	33,623
Light, heat and cleaning	59,782	62,236
Maintenance and office repairs	51,782	59,740
Security	35,237	32,192
Printing, stationery, postage and telephone	83,465	142,345
Community and schools programmes and sponsorship	117,141	162,190
Marketing, advertising and branding	107,168	154,014
Professional fees	308,854	343,816
Current account related expenses and other costs	64,627	311,784
I.T. and organisational review	25,782	81,582
AGM and meetings	27,368	29,695
Bank and transaction charges	320,446	186,904
Audit fees	56,360	39,325
Computer and data transfer costs	285,610	276,650
DGS levy	308,190	184,599
Other regulatory levies and charges	107,239	187,051
Training	32,991	7,504
Travel and subsistence	9,291	20,352
Other expenses	14,356	30,592
Legal fees	119,233	68,494
Internal audit	18,225	19,097
Total per income and expenditure account	2,860,661	3,092,989

MEMBERS DRAW 2020 - 2021

Income & Expenditure Account				€	€	Winners	€
Opening Balance				54,083			
Fees from members	8136	members		280,866			
Prizes to members	93	winners	(273,000)		10,000	12	120,000
					4,000	12	48,000
Promotional & stationary expenses			(838)		3,000	12	36,000
					2,000	12	24,000
Closing balance				61,111	1,000	45	45,000
							273,000

Stay at home and meet us online



Register online and download our app - it's the safer way to pay!

Apply for a
loan, sign online
& receive the funds
direct to your
account

Secure login
for peace of
mind!

Access your
e-statements

Pay your bills
and transfer
money between
your accounts



Croí Laighean
CREDIT UNION

 1800 23 24 25