



## Annual Report 2021

VIRTUAL AGM, 26th JANUARY 2022



Where **U** come first

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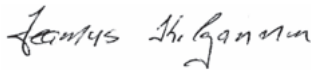
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## YOUR AGM 2022

Notice is hereby given that the Annual General Meeting of Sligo Credit Union will take place virtually on Wednesday 26th January at 7.00pm.

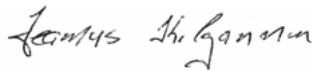
Please visit this page on our website to register: [www.sligocu.ie/AGM](http://www.sligocu.ie/AGM)



Signed: Seamus Kilgannon, Secretary

## NOTICE OF ELECTIONS

Elections will be held to fill one vacancy on the Board of Directors, five Directors for re-election, one re-election on the Board Oversight Committee and position of Auditor.



Signed: Seamus Kilgannon, Secretary

# VIRTUAL AGM AGENDA

Wednesday 26th January 2022 at 7.00pm | Register [www.sligocu.ie/AGM](http://www.sligocu.ie/AGM)

**FRONT COVER:** *Fiona Ryan launching the new MYCU Debit Mastercard® at Sligo Credit Union, October 2021.*

## ORDER OF BUSINESS AT ANNUAL GENERAL MEETING

Standard Rule 96 (4): The business at annual general meetings of the members shall be:

- (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 last annual general meeting, and any intervening special general meeting;
- (e) Report of the Board of Directors;
- (f) Consideration of accounts;
- (g) Report of the Auditor;
- (h) Report of the Board Oversight Committee;
- (i) We have Amendments to Rules 29, 63 (4) and 99(3)(a) and details of these will be available to Members on Registration.
- (j) Report of the Credit Committee;
- (k) Report of Credit Control Committee;
- (l) Report of Membership Committee;
- (m) Reports of Sub-Committee;
- (n) Report of the Nomination Committee;
- (o) Appointment of Tellers;
- (p) Election of Auditor;
- (q) Election to fill vacancies on the Board Oversight Committee;
- (r) Election to fill vacancies on the Board of Directors;
- (s) Any other business;
- (t) Announcement of election results;
- (u) Adjournment or close of meeting.

\*See full Standing Orders on [www.sligocu.ie/AGM](http://www.sligocu.ie/AGM)

## CHAIRPERSON'S REPORT

When writing this report last year, little did I think our lives would still be so ruled by the pandemic a whole year later.



**Shona Heffernan**  
Chairperson

It has been a difficult year for everyone. Our Credit Union remained open throughout to serve our members and our ambition is to retain what our members want - personal service in person, at the end of a phone call or via technology through your phone or laptop.

Our Member's Shares grew by 7% to end the year at €77.5 million. Our Loan Interest and Investment income was almost unchanged, and we had a welcome Claims Experience Refund amount of €158k from our wholly owned Assurance company, ECCU.

All our surplus of €566,600 goes directly to our Regulatory Reserve to keep this at 10.6% of our Assets - we firmly believe a 10% Regulatory Reserve is disproportionately unfair to Credit Unions and the main reason why we must apply Savings Caps on Members' shares. In addition, we now have over €6 million invested at rates of up to -0.6% with little prospect of these rates improving for some time to come.

There are good news stories from 2021 for Sligo Credit Union. Our loans grew by 4.6% to end the year at €36.7 m. In real terms this translates to 4,400 loans totalling over €19 million into our local economy this year. This lending not only supports our members but also our local businesses and communities. This year we also introduced new Green Loans in a bid to support our members to achieve changes to their homes to combat climate change.

We now have almost 10,000 users of our Mobile App, which is a huge proportion of our Membership and allows members to transact at any time remotely.

Our MYCU Debit Mastercard® and Current Account went live in September after many years of development. This service is equal to any that is offered by the banks and will enable our members to conduct all their day-to-day financial transactions using their Credit Union account.

Finally, I would like to thank our members for their support over this year and, in particular, would like to thank our hard-working Staff, my fellow Directors, Board Oversight Committee, and all our Volunteers for their continued dedication to Sligo Credit Union.

**Shona Heffernan, Chairperson**

## SLIGO CREDIT UNION DIRECTORS / STAFF

**CHAIRPERSON** Shona Heffernan

**SECRETARY** Seamus Kilgannon

### DIRECTORS

Charlotte McLoughlin, Conor Conway, Fergus MacNabb, Noel Mooney, Hugh Sheridan  
Olive Delahunty, Robert Kelly, Seamus Kilgannon, Shona Heffernan, Síle Uí Ghallachoir

### BOARD OVERSIGHT COMMITTEE

Chairman

Michael Giblin

Secretary

Ian Duggan

Austin O'Callaghan

### VOLUNTEERS

Barbara Dobson, Catherine McGlynn, John McGovern, Marie Mulligan  
Seamus Duignan (Drumkeerin), Christina Duignan (Drumkeerin)

### STAFF

**CEO** Barry O'Flynn

**RISK/COMPLIANCE MANAGER** Carmel Mullaney

**DEPUTY CEO** Orla Lee

**OPERATIONS MANAGER** Angela Doohan

Anna Galligan, Aoife Cully, Aveen Kelly, Breda McElroy, Brenda Brennan  
Collette Hamilton, Donna McCabe, Fidelma Cassidy, Fiona Kelly, Fiona McTernan  
Gareth McCaughey, Gary Gilgan, Grainne Mitchell Finan, Joanne Irwin, John Farrell  
Kelly Stapleton, Kieran Howard, Laura McNasser, Lauren Morrissey, Lisa Gallagher  
Louise Downes, Niall Brennan, Olive Teape, Paul Guilfoyle, Sabrina Kelly  
Sarah Dennison, Sharon Mullen

# DIRECTOR'S REPORT

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

## DIRECTOR'S REPORT

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.

## OBJECTS

The Objects of a Credit Union are the acceptance of members savings and lending to members in accordance with legislation.

## BUSINESS REVIEW

The Directors are satisfied with the financial performance outlined in the Audited Financial Statements for the year ended 30 September 2021. The Directors continue to plan to develop and expand the services to members and are confident of its ability to continue to operate successfully into the future.

## PRINCIPAL RISKS & UNCERTAINTIES

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. Loan income accounts for almost 89% of total income.

## LIQUIDITY RISK

Liquidity Risk is the risk that the Credit Union will not have sufficient cash resources to meet the day to day running costs and repay Member savings when demanded.

## CAPITAL RISK

Capital Risk is the risk of a change in the quality or quantity of capital available, the Credit Union's exposure to external shocks and noticeable changes in the level of capital planning and in the capital management process.

## OPERATIONAL RISK

Operational Risk is the risk of loss resulting from inadequate or failed processes or systems of the Credit Union or any failure by persons connected with the Credit Union or from external events.

## MARKET RISK

The risk that the value of investments will decrease. The risk can arise from fluctuations in values of our income from assets or changes in interest rates.

## COVID RISK

Economic and operational risk relating to uncertainty surrounding the impact of Covid-19 pandemic.

## MANAGEMENT OF RISKS

### CREDIT RISK

The Board of Directors regularly reviews the Credit Union's Credit Policy. All loan applications are assessed in line with this policy and loans issued are subsequently reviewed to ensure that repayments are made in line with the contractual obligations of the member.

### 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.



**Shona Heffernan**



**Seamus Kilgannon**

### **CAPITAL RISK**

The Board regularly reviews projected against actual income and utilises a Risk Report that requires action to be taken if there is any mismatch in financial performance that would have a material effect on our capital position.

### **OPERATIONAL RISK**

This risk is managed through employment and training of suitable qualified staff to ensure that appropriate processes, procedures and systems are implemented and supported by a robust reporting structure.

### **MARKET RISK**

The board regularly reviews and approves our investment policy and funds are invested in compliance with policy and regulatory guidance.

### **COVID RISK**

Board of Directors and Management Team clearly monitor and evaluate the movement of Covid-19 Pandemic and take appropriate actions to mitigate any possible adverse effects.

### **DIRECTORS AND BOARD OVERSIGHT COMMITTEE MEMBERS**

In accordance with section 53(6) of the Credit Union Act, 1997 (as amended), the following Director retires from the Board, and being eligible, offer themselves for re-election: Charlotte McLoughlin.

In accordance with section 53(6) of the Credit Union Act, 1997 (as amended), Frank Mahon was co-opted to the Board to fill a vacancy in 2021 and, being eligible, offers himself for election. We have one additional vacancy to fill on the Board of Directors and details will be available to Members on registration to our AGM.

In accordance with Section 58 of the Credit Union Act, 1997 (as amended), the following

member of the Board Oversight Committee retires and being eligible, offer themselves for re-election: Auston O'Callaghan.

Elections will be held as normal a part of our virtual AGM this year. On registration for AGM, members will be sent further information detailing the structure of the meeting.

### **DIVIDEND**

Due to the financial environment and in particular, a negative return on investment, the Directors do not propose a dividend on shares or a loan interest rebate.

### **ACCOUNTING RECORDS**

The Directors believe that they comply with the requirements of Section 108 of the Credit Union Act, 1997 (as amended) with regards 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 Wine Street, Sligo.

### **POST BALANCE SHEET EVENTS**

There have been no significant events affecting the Credit Union since its financial year end.

### **AUDITORS**

The auditors, Gilroy Gannon Chartered Accountants and Statutory Audit Firm, have indicated their willingness to continue in office in accordance with Section 115 of the Credit Union Act, 1997 (as amended).

**Shona Heffernan,  
Chairperson**

**Seamus Kilgannon,  
Secretary**

## CREDIT COMMITTEE REPORT

JOHN MCGOVERN, BARBARA DOBSON & MARIE MULLIGAN



Sligo Credit Union lent a total of €19.3 million from October 2020 to September 2021 inclusively. This represents a growth of 4.6% on the previous year which is a remarkable achievement considering the very challenging operating environment created by Covid-19. €19.3 million was borrowed by 4,400 members, an increase of 8.6% on the 2020 financial year and reflects a strong demand for Sligo Credit Union products.

Sligo Credit Union will continue to offer competitive interest rates on a wide selection of loans in 2022, please see our website [www.sligocu.ie](http://www.sligocu.ie) for full details. Several relatively new products including 'Green Home Improvements' and 'Green Car loans' have been added to the range of loans to reflect the ever-

changing world in which we live. We ask all our members to prioritise Sligo Credit Union for future loans and we in turn will promise a fast, efficient, friendly, professional service.

I would like to acknowledge the dedication and hard work of my fellow committee members - Barbara Dobson (secretary) and Marie Mulligan. A sincere 'thank you' to both Louise Downes, Niall Brennan and the lending team for their patience, guidance and help throughout the past year.

**John McGovern,**  
**Chairperson Credit Committee**

## RISK & COMPLIANCE COMMITTEE REPORT

ROBERT KELLY, CHARLOTTE MCLOUGHLIN, HUGH SHERIDAN



This committee is responsible to approve, review and oversee the performance of all elements of our risk Management System, internal Audit and Compliance functions and report accordingly to the board. Risk Management systems are in place to ensure that prevailing risks are being managed in an appropriate and timely manner.

We continually review the Credit Union's policies and procedures to ensure we meet our legal, compliance and regulatory requirements. We review our internal Audit reports and actions required and report to the Board on a

regular basis. The regulatory landscape will continue to prove challenging from a cost and operational perspective. We carried out a formal review of the Risk, Compliance and Internal Audit functions during the year, which appear to be working effectively.

Thank you to our Risk & Compliance Manager, Carmel Mullaney, and her team for their support during the year.

**Charlotte McLoughlin**



# CREDIT CONTROL COMMITTEE REPORT

FRANK MAHON, OLIVE DELAHUNTY & CATHERINE MCGLYNN



The Credit Control Committee has responsibility for monitoring loan repayments to ensure they are in accordance with the terms of the credit agreement.

In line with our Terms of Reference, we reviewed the policies associated with credit control and sampled accounts to ensure necessary steps were taken to assist and support members who found themselves in arrears. Out of a loan book of €36.7M on 30th September 2021, 1.89% of gross loans show arrears greater than 9 weeks. Through engagement and discussion with members at the early stage of repayment difficulties, this has proven key to the continued improvement in the arrears position. This year the committee recommended write off's totalling €291K and are pleased to see recoveries of €234K, with our bad debt provisioning steady at an average of 6.7%.

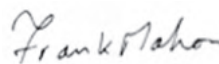
This year saw the introduction of new Green Home Improvements and Welcome Loan products, and the launch of the MYCU Debit Mastercard® and Current Account. In March, our committee reviewed and approved the revised

Provisioning Policy considering these new products and the additional risks they may present to Sligo Credit Union and its members.

With the Central Credit Register in effect, it is important for members to be mindful of the importance of meeting the terms of their credit agreements. We would encourage members to look at the Central Credit Register website [www.centralcreditregister.ie](http://www.centralcreditregister.ie) to see what information the register is collecting.

With the continued challenges of Covid-19, be assured that the Credit Union is here to support its members. We encourage any member who finds themselves in difficult circumstances to come and talk to our credit control team, who will listen and explore the options available.

Our committee would like to thank Orla Lee & Paul Guilfoyle for all their hard work, support, and assistance throughout the year.



**Frank Mahon, Chairperson**



## EDUCATIONAL BURSARY AWARDS 2022

### • APPLY ONLINE •

Every year, we award ten cheques to members, to a value of €1,000 each. For 2022, Sligo Credit Union's Educational Bursary Award is an online application. The application is now available on our website. We understand the financial burden of educating your children, which is estimated to be around €12,000 per year at third level, therefore, we offer Education Loans at extremely attractive rates of 6.75% (6.96% APR). For further information, please visit:

**[www.sligocu.ie/educationbursaryawards](http://www.sligocu.ie/educationbursaryawards)**

*Terms, conditions and eligibility criteria apply. Sligo Credit Union Ltd. Is regulated by the Central Bank of Ireland.*

## STATEMENT OF BOARD OVERSIGHT COMMITTEE'S RESPONSIBILITIES

FOR YEAR ENDED SEPTEMBER 30th 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 IVA and any regulations made for the purposes of Part IV or Part IVA of the Credit Union Act, 1997 (as amended) and any other matter prescribed by the Bank in respect of which they are to have regard to in relation to the board.

## BOARD OVERSIGHT COMMITTEE

MICHAEL GIBLIN (CHAIR), IAN DUGGAN (SECRETARY),  
AUSTIN O'CALLAGHAN



Now in the second year of Covid-19 restrictions, the work of the Board Oversight Committee (BOC) has continued utilising Microsoft Teams (online) as our main method of communicating with the Board of Directors (BOD). We have attended all Board Meetings and we have reported back to the Board through our four appraisal meetings chaired by BOC. The appraisals take account of the agenda and of directors' conduct, participation, and contribution at meetings. It is necessary for board meetings to have lengthy agendas, which is an indication of the volume of work involved in compliance with statutory requirements. Directors must be well informed, because they are the decision makers on behalf of the members.

The BOC had monthly meetings to discuss all of the above, and to formulate and agree items for inclusion in the next appraisal meeting. We

also attended Board Sub-Committee meetings, e.g., Marketing and Nominations Committees and included these in our appraisal reports. We plan to visit all sub-committees over the next year.

The BOD has provided us with every facility required to fulfil our duties.

From our observations we conclude that the BOD of Sligo Credit Union Ltd., has generally complied with Part IV of The Credit Union Act, 1997 (as amended) with no material deviation from the requirements specified by the Acts.

A handwritten signature in black ink that reads "Michael Giblin".

**Michael Giblin, Chairperson**

## INVESTMENT COMMITTEE

SEAMUS KILGANNON, NOEL MOONEY, BARRY O'FLYNN



The Investment Committee is responsible for the oversight of the surplus funds our Credit Union generates. This oversight is governed by statute and our own compliance and risk standards covering investment counterparties ratings and the amount we can invest with those counterparties. The safety of these investments is paramount in our decision making.

Safeguarding investments and making a return is difficult. Most domestic Irish banks are either not quoting term deposit rates or are quoting negative rates. We currently hold approximately €5 million of surplus funds at negative rates of c -0.6%. We don't see any improvement in these rates in the short/medium term.

The effect of lockdowns has reduced Member's spending, resulting in an increase in

surplus funds of over €1 million per month through to Spring 2021. A Credit Union's requirement is to maintain reserves at a minimum of 10% along with the cost of negative rates. The Statutory Requirement to hold reserves at this level is not proportionate to the risk that these investments and Member's savings pose.

Our Investments grew by €8.3 million last year, representing an increase of 20%. Our Investment Income was €230k - a reduction from the previous year of 7% - and a blended return of 0.47% on our portfolio - down from 0.6% the previous year.

The Committee would like to thank Aidan McConnan very much for his contribution over recent years.

**Barry O'Flynn, Secretary**



## NOMINATION COMMITTEE REPORT

SEAMUS KILGANNON, HUGH SHERIDAN, SÍLE UÍ GHALLACHOIR,  
ROBERT KELLY, FERGUS MACNABB

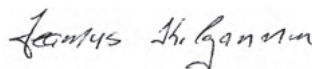


The Nominations Committee consists of five board members, appointed by our Board of Directors following each AGM, to comply with regulation and to ensure there are suitable potential candidates to stand for election as directors of Sligo Credit Union, when vacancies arise.

The role of the Committee is to identify candidates, accept written nominations and to propose candidates in respect of vacancies. The members of the Committee ensure that our succession planning, nominations and

volunteer policies are in place, up to date and valid.

We would like to express our thanks and appreciation to Risk and Compliance Manager, Carmel Mullaney, who was an immense help to the Committee during the year. We would love to hear from Members who wish to play a voluntary part in Sligo Credit Union's future development.



**Seamus Kilgannon, Secretary**

# MARKETING COMMITTEE REPORT

FERGUS MACNABB (CHAIR), OLIVE DELAHUNTY, SHONA HEFFERNAN,  
CONOR CONWAY and SARAH DENNISON (SENIOR MARKETING OFFICER)



Following the launch of our rebranding in Autumn 2020, the Membership and Marketing Committee decided to carry out a "Loan Product Rebrand", to include new loan product names and taglines. I would like to give mention to the introduction of the CU Greener Homes Loan. Sligo Credit Union, in partnership with Energia and House2Home, launched these loans in 2021. The key benefits of CU Greener Home Loans are:

- Easy Application Process
- Grants and Supports of up to 40%
- Low-Cost Loan
- Fully Managed Grant Process
- Expert Advice and Assistance

Sligo Credit Union officially launched their MYCU Debit Mastercard® and Current Account in October 2021. The introduction of the card is already proving very beneficial to our existing members and is providing a stimulus to attract new members. The amount of hard work that went into the provision of the Debit Card cannot be over-stated and I would like to congratulate all involved.

In August 2021, Sligo Credit Union welcomed Sarah Dennison as our Senior Marketing

Officer; to further promote and raise awareness of exciting events in Sligo Credit Union, including the new MYCU Debit Card, loan products and services.

During 2021, the Marketing Committee was very active in the following areas to help promote loans and services, and to grow membership:

- Branding
- Google Ads
- Paper Advertising
- Radio
- Signage
- Social Media
- Sponsorship

The challenge ahead is to grow our Loan Book, as well as increasing and improving services for our members. The approval of Zurich Life Insurance will grow Sligo Credit Union's services in 2022, and the continuation of Debit Cards is significant in recruiting younger members.

**Fergus MacNabb, Chairperson**



## NEW CU Greener Homes

IMAGINE A WARMER, GREENER HOME

Sligo Credit Union, in partnership with Energia and House 2 Home, is delighted to announce the launch of CU Greener Homes, a one-stop-solution for all your home energy efficiency improvements. Grants of up to 40% available for eligible work. Loans from as low as 4.9% APR. **Apply now: [www.cugreenerhomes.ie](http://www.cugreenerhomes.ie)**

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# MEMBERSHIP COMMITTEE REPORT



To become a member of Sligo Credit Union, you must live, work, or go to college in our Common Bond. Our Common Bond is the geographical areas within Sligo/Leitrim, which legally defines the area/townland we can admit to membership.

One of our function's is to encourage membership of Sligo Credit Union, and to promote personal banking options and alternatives. We aim to support members and communities, through sponsorships, donations, and charitable supports. Additionally, we offer bursaries to assist those in education, and we hold 3 Prize Draws every year.

Despite Covid-19 uncertainty, our membership has stayed steady, with 924 new members joining in 2021. In that period, we have admitted 16 Club accounts and 117 new Junior Savers members. Total members at our year end were 25,526.

2021 was a busy year, and we invested in new products and services for all members, including:

1. New Junior Savers account for youths (U16), to enable them to save their own money

with us. Junior Savers have independence in using the account, combined with security features to protect the account.

2. We have a new Membership App for you to join online. The App can be downloaded from the App Store or Google Play, giving you immediate access to our online facilities and control of your account.
3. The biggest announcement is that we launched our MYCU Mastercard® and Current Account. Available for all members 16 years+, this service provides direct access to a Credit Union current account. Monitoring feedback, we grow with your financial needs, to develop products/services that will benefit you.

We acknowledge Sabrina Jinks and Breda McElroy, and Grainne Mitchell, Lisa Gallagher, and Laura White in Member Service. Thank you to our Front Counter team for their continuous assistance.

**Shona Heffernan, Chairperson**

## MYCU Debit Mastercard® & Current Account - Have you applied yet?

Get direct access to your Sligo Credit Union Current Account with our new MYCU Debit Card. To apply for your debit card and current account, visit **[www.sligocu.ie/mycu](http://www.sligocu.ie/mycu)**

*Mastercard is a registered trademark, and the circles design is a trademark of Mastercard International Incorporated. The MYCU Debit Card is issued by PayNet UAB pursuant to license by Mastercard International Inc. Terms and conditions apply.*



# STATEMENT OF DIRECTORS RESPONSIBILITIES

FOR THE FINANCIAL YEAR ENDED 30TH SEPTEMBER 2021

The directors are responsible for preparing the annual report, directors' report and the financial statements in accordance with applicable laws and regulations.

The Credit Union Act 1997 as amended requires the directors to prepare the Credit Union financial statements for each financial year. Under that law they have elected to prepare the Credit Union financial statements in accordance with accounting Standards and applicable law (Irish and UK generally Accepted Accounting Practice), including FRS102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

The Credit Union financial statements are required by law to give a true and fair view of the state of the affairs of the Credit Union as at the end of the financial year and of the income and expenditure of the Credit Union for the financial year.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
  - make judgments and estimates that are reasonable and prudent;
  - state whether applicable Irish Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
  - prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Credit Union will continue in business.
- In addition to the financial statements, the Credit Union Act 1997 (Regulatory Requirements) Regulations require the directors

to prepare and include, for each financial year, additional disclosures and statements, each containing prescribed information relating to the business of the Credit Union.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

## Directors' Responsibilities for Accounting Records and Internal Controls

The directors are responsible for ensuring that the Credit Union:

- keeps proper accounting records that disclose with reasonable accuracy at any time the financial position of the Credit Union, in accordance with the Act; and
- takes reasonable care to establish, maintain, document and review such systems and controls as are appropriate to its business, in accordance with the legislation and guidance from the Central Bank of Ireland under the Credit Union Acts and Statutory Instruments.

The directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Credit Union and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Credit Union's website. Legislation in Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Shona Heffernan, Chairperson**  
**Seamus Kilgannon, Secretary**  
**Date: 23rd November 2021**

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

## Report on the audit of the financial statements

### Opinion

We have audited the Financial Statements of Sligo Credit Union Limited ('the Credit Union') for the year ended 30th September 2021, which comprise the Income and Expenditure Account, the Statement of Changes in Retained Earnings, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including the summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is Irish law and FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

In our opinion the Financial Statements:

- Give a true and fair view of the state of the Credit Union's affairs as at 30th September 2021 and 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 below in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Credit Union in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard 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 financial statements other than the Income and Expenditure Account, the Statement of Changes in Retained Earnings, the Balance Sheet, the Cash Flow Statement and notes to the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge



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

We have nothing to report in this regard.

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

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

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

### **Respective responsibilities of directors and auditor**

#### **Responsibilities of directors for the financial statements**

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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 it 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.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at [www.iaasa.ie](http://www.iaasa.ie), under 'Description of auditor's responsibilities for audit'. This description forms part of the auditor's report.

#### **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 auditors' 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 opinions we have formed.



**Paul G. Horan**

**For and on behalf of Gilroy Gannon  
Chartered Accountants and Statutory Audit Firm  
25 Stephen Street, Sligo  
Date: 29th November 2021**



# INCOME AND EXPENDITURE ACCOUNT


FOR THE FINANCIAL YEAR ENDED 30TH SEPTEMBER 2021

		2021	2020
INCOME	Notes	€	€
Interest on Members' Loans		3,042,398	3,027,370
Other Interest Receivable and Similar Income	5	230,289	247,686
<b>Net interest income</b>		<b>3,272,687</b>	<b>3,275,056</b>
Other Income	6	163,354	8,752
<b>Total income</b>		<b>3,436,041</b>	<b>3,283,808</b>
EXPENDITURE		€	€
Salaries and Staff Pensions	7	1,350,900	1,298,981
Other Management Expenses	8	1,196,793	1,184,944
Depreciation	13	195,132	110,640
Impairment of Buildings	13	-	17,550
Bad and Doubtful Debts Recognised for the Year	9	126,616	31,296
<b>Total expenditure</b>		<b>2,869,441</b>	<b>2,643,411</b>
<b>Surplus for the year</b>		<b>566,600</b>	<b>640,397</b>

On Behalf of the Credit Union:



**Barry O'Flynn**  
CEO



**Michael Giblin**  
Board Oversight Committee



**Shona Heffernan**  
Board of Directors

Date: 23rd November 2021

# STATEMENT OF CHANGES IN RETAINED EARNINGS

FOR THE FINANCIAL YEAR ENDED 30TH SEPTEMBER 2021

	2021	2020
	€	€
As at 1 October 2020	1,771,851	1,946,540
Total Comprehensive Income for the year	566,600	640,397
Dividends and Interest Rebates Paid	-	(389,699)
Net Transfers to Other Reserves (See Below)	(566,483)	(425,387)
<b>As at 30 September 2021</b>	<b>1,771,968</b>	<b>1,771,851</b>

Note 4

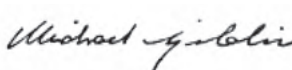
## MEMBER RESOURCES

Movement in Reserves	At 1/10/2020	Surplus year ended 30/9/2021	Dividend/ Interest Rebate Paid	Transfers	At 30/9/2021
<b>RETAINED EARNINGS</b>					
Realised	1,771,851	566,600	-	(566,483)	1,771,968
Unrealised	-	-	-	-	-
Dividend & Interest Rebate Reserve (Note 4)	-	-	-	-	-
<b>Total Retained Earnings</b>	<b>1,771,851</b>	<b>566,600</b>	<b>-</b>	<b>(566,483)</b>	<b>1,771,968</b>
Regulatory Reserve	9,359,478	-	-	554,838	9,914,316
Operational Risk Reserve	2,305,711	-	-	11,645	2,317,356
<b>Total</b>	<b>13,437,040</b>	<b>566,600</b>	<b>-</b>	<b>-</b>	<b>14,003,640</b>

On Behalf of the Credit Union:



**Barry O'Flynn**  
CEO



**Michael Giblin**  
Board Oversight Committee



**Shona Heffernan**  
Board of Directors

Date: 23rd November 2021

# BALANCE SHEET

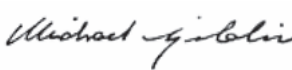
AS AT 30TH SEPTEMBER 2021

		2021	2020
ASSETS	Notes	€	€
Cash and Balances at Bank		5,356,053	9,459,213
Deposits and Investments	10	49,620,287	41,329,068
Loans to Members	11	36,713,542	35,106,961
Less: Provision for Bad and Doubtful Debts	12	(2,465,571)	(2,396,044)
Tangible Fixed Assets	13	4,073,593	4,523,738
Prepayments and Accrued Income	14	223,130	253,768
<b>TOTAL ASSETS</b>		<b>93,521,034</b>	<b>88,276,704</b>
MEMBERS LIABILITIES		€	€
Members Shares	16	77,528,310	72,465,662
Budget Accounts		66,646	60,049
Current Accounts		1,714,913	1,746,092
MYCU Accounts	17	19,144	-
		79,329,013	74,271,803
OTHER LIABILITIES		€	€
Accruals, Other Creditors and Deferred Income	18	188,381	567,861
<b>TOTAL LIABILITIES</b>		<b>79,517,394</b>	<b>74,839,664</b>
<b>NET ASSETS</b>		<b>14,003,640</b>	<b>13,437,040</b>
MEMBERS RESOURCES		€	€
Regulatory Reserve		9,914,316	9,359,478
Operational Risk Reserve		2,317,356	2,305,711
Retained Earnings:			
Realised Reserves		1,771,968	1,771,851
Unrealised Reserves		-	-
<b>TOTAL MEMBERS RESOURCES</b>		<b>14,003,640</b>	<b>13,437,040</b>

On Behalf of the Credit Union:



**Barry O'Flynn**  
CEO



**Michael Giblin**  
Board Oversight Committee



**Shona Heffernan**  
Board of Directors

Date: 23rd November 2021

# CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 30TH SEPTEMBER 2021

	2021	2020
Notes	€	€
<b>Cash Flows from Operating Activities</b>		
Surplus	566,600	640,397
<b>Adjustments for Non-cash Items:</b>		
Depreciation/Impairment	195,132	128,190
Increase in Provision for Bad and Doubtful Debts	360,454	271,818
	<b>1,122,186</b>	<b>1,040,405</b>
<b>Movements in</b>		
Accrued Interest	14,373	(16,756)
Other Receivables	16,265	9,156
Other Payables	(379,480)	70,682
	<b>(348,842)</b>	<b>63,082</b>
<b>Cash Flows from Changes in Operating Assets and Liabilities</b>		
Members Savings in	42,567,076	44,181,097
Members Savings Withdrawals	(37,509,866)	(37,922,976)
Payment of Dividends/Interest Rebates	4	(389,699)
New Loans to Members	11	(17,842,777)
Repayment of Loans by Members	11	17,541,557
	<b>3,159,702</b>	<b>5,567,202</b>
<b>Net Cash Flows from Operating Activities</b>	<b>3,933,046</b>	<b>6,670,689</b>
<b>Cash Flows from Investing Activities</b>		
Purchase of Property Plant & Equipment	(169,987)	(1,984,796)
Sale of Property Plant & Equipment	425,000	
Net Cash Flow from Managing Deposits and Investments	(7,474,038)	(5,201,645)
<b>Net Cash Flows from Investing Activities</b>	<b>(7,219,025)</b>	<b>(7,186,441)</b>
Net Increase/(Decrease) in Cash and Cash Equivalents	(3,285,979)	(515,752)
Cash and Cash Equivalents at Beginning of Financial Year	22,495,352	23,011,104
<b>Cash &amp; Cash Equivalents at End of Financial Year</b>	<b>19,209,373</b>	<b>22,495,352</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30TH SEPTEMBER 2021

## 1. LEGAL AND REGULATORY FRAMEWORK

Sligo Credit Union Limited is established under the Credit Union Act 1997 (as amended). The Credit Union is registered with the Registrar of Credit Unions (No. 220CU) and is regulated by the Central Bank of Ireland. The principal place of business is Wine Street, Sligo with branch offices in Collooney, Co. Sligo and Drumkeerin, Co. Leitrim.

## 2. ACCOUNTING POLICIES

### Basis of preparation

These financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland. The financial statements are prepared on the historical cost basis, modified to include certain items at fair value.

### Currency

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

### Going concern

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

- Is generating annual surpluses;
- Maintains an appropriate level of liquidity; and
- Has reserves that are currently above the minimum legal and regulatory requirements.

### Income

#### Interest on Members' Loans

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

### Investment Income

The Credit Union has investments that are valued at amortised cost and uses the effective interest method to recognise investment income in respect of these investments.

It also accounts for some investments in protected equity funds at fair value through income and expenditure. These investments are valued at fair value (market value) at the year-end date and any gains either realised or unrealised at the balance sheet date are taken to the income and expenditure account.

### Other income

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

### Tangible fixed assets

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

Depreciation is provided to write off the cost of each item of property and equipment, less its estimated residual value, on a straight-line basis over its estimated useful life. The categories of property, plant and equipment are depreciated as follows:

Freehold Premises	2% per annum
Fixtures and fittings	10% per annum
Computers	33.33% per annum

### **Impairment of tangible fixed assets**

At each year end, the Credit Union reviews the carrying value of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

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

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

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

### **Cash and cash equivalents**

For the purpose of the cash flow statement, cash comprises cash in hand and amounts with banks repayable on demand. Cash equivalents comprise highly liquid, unrestricted investments that are readily convertible into cash with an insignificant risk of changes in value with original maturities of less than three months. The cash flow statement has been prepared using the indirect method.

### **Financial instruments**

The Credit Union has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised when the Credit Union becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when, and only when, there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously. Financial assets and liabilities are classified according to the substance of the contractual arrangements entered into.

### **Basic financial assets**

Basic financial assets are either:

- i. initially measured at the transaction price, including transaction costs, and are subsequently carried at amortised cost using the effective interest method; or
- ii. initially and subsequently at each year-end date measured at fair value (market value) with all gains and losses being taken to the income and expenditure account.

Basic financial assets include the following:

#### **Loans to members**

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

#### **Investments held at amortised cost**

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

#### **Investments held at fair value**

Investments in protected equity funds are measured at fair value (market value) with any gains either realised or unrealised at the balance sheet date being taken to the income and expenditure account. The Credit Union's initial investment in these funds is fully protected.

#### **Central Bank deposits**

Credit Unions are obliged to maintain certain deposits with the Central Bank. These deposits are technically assets of the Credit Union but to which the Credit Union has restricted access. The funds on deposit with the Central Bank attract nominal interest and will not ordinarily be returned to the Credit Union while it is a going concern. In accordance with the direction of the Central Bank the amounts are deemed to

be current assets and are not subject to impairment reviews.

#### **Other receivables**

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

#### **Impairment of financial assets**

Financial assets, other than those held at fair value or Central Bank deposits, are assessed for indicators of impairment at each reporting end date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cashflows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the expected cash flows taking account of pledged shares and other security as appropriate.

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

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

**De-recognition of financial assets**

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

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

**Basic financial liabilities**

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

Basic financial liabilities include the following:

**Members' shares**

Members' shareholdings in Sligo Credit Union Limited are redeemable and therefore are classified as financial liabilities. They are initially recognised at the amount of cash deposited and subsequently measured at the nominal amount.

**Other payables**

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

**De-recognition of financial liabilities**

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

**Employee benefits**

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

Other employee benefits: Other short and long term employee benefits, including holiday pay, are recognised as an expense over the period they are earned.

**Pension Costs****Defined Contribution Scheme**

Contributions to the (Defined contribution) Pensions scheme are charged to the Income and Expenditure Account in the period to which they relate.

**Defined Benefit Scheme**

Sligo 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 Sligo 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.



## Distributions

Sligo Credit Union Limited recognises a liability in respect of dividends and interest rebates payable to members only to the extent that they have been declared to and approved by the members at the Annual General Meeting of the Credit Union.

## Reserves

### Retained Earnings

Retained earnings are the accumulated surpluses to date that have not been declared as dividends returnable to members. The retained earnings 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 as a dividend in accordance with the Central Bank direction. All other income is classified as “realised”. A reclassification between unrealised and realised is made as investments come to within 12 months of maturity date.

### Dividend & Interest Rebate Reserve

Sligo Credit Union Limited maintains a separate dividend and interest rebate reserve which is a component of retained earnings. It maintains this reserve at the level of dividend and interest rebate proposed by the Directors at the end of each financial year and to be approved by the members of the Credit Union at the Annual General Meeting.

### Regulatory Reserve

The Credit Union Act 1997 (Regulatory Requirements) Regulations require Credit Unions to establish and maintain a minimum regulatory reserve 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 and comprise realised financial reserves that are unrestricted and non-distributable. The Credit Union held an amount of €9,914,316 (2020: €9,359,478) as regulatory Reserves at 30th September 2021. This represented 10.6% (2020: 10.6%) of the assets of the Credit Union.

### Operational Risk Reserve

Section 45(5)(a) of the 1997 Act 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 calculation of the operational risk reserve based on indicative guidance issued by the Central Bank and using the higher of 15% of the average gross income over the previous three years (based on the Basel Indicator Approach); or 2% of Assets; or 30% of Expenditure. The Credit Union held an amount of €2,317,356 (2020: €2,305,711) as an Operational Risk Reserve at 30th September 2021. This represented 2.5 per cent (2020: 2.6 per cent) of the assets of the Credit Union.

## 3. USE OF ESTIMATES AND JUDGEMENTS

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

**COVID-19**

On 11th March 2020, the World Health Organisation declared the Coronavirus (COVID-19) outbreak to be a pandemic in recognition of its rapid spread across the globe. The Irish Government have taken stringent steps to help contain or delay the spread of the virus and this has had the effect of causing significant disruption to the economy, which in turn has impacted upon the Credit Union's ongoing level of activity. The directors have given adequate consideration to the immediate and longer-term economic impacts of the current COVID-19 crisis, and while the longer-term impacts are still very uncertain, the directors are satisfied that the Credit Union has sufficient reserves to sustain its activities for the foreseeable future.

**Bad debts/Impairment losses on loans to members**

The Credit Union's accounting policy for impairment of financial assets is set out in Note 2. The estimation of loan losses is inherently uncertain and depends upon many factors, including loan loss trends, credit risk characteristics in loan classes, local and international economic climates, conditions in various sectors of the economy to which the Credit Union is exposed, and, other external factors such as legal and regulatory requirements.

Credit risk is identified, assessed and measured through the use of analysis and the employment of statistical techniques to quantify the risk and project the likely losses in a loan portfolio. This analysis influences the management of individual loans. Certain scenarios (individual member circumstances, arrears, etc.) trigger an impairment assessment and if relevant the raising of specific provisions on individual loans where there is doubt about their recoverability. Loan loss provisioning is monitored by the

Credit Union, and the Credit Union assesses and approves its provisions and provision adequacy on a quarterly basis.

Key assumptions underpinning the Credit Union's estimates of collective provisions for loans with similar credit risk characteristics and Incurred But Not Reported provisions ("IBNR") are based on the historical experiences of the Credit Union allied to the Credit Union's judgement of relevant conditions in the wider economic, technological, market or legal environment in which the Credit Union operates. If a loan is deemed to be impaired, a specific provision is made against that loan, taking account of pledged shares and other security as appropriate. After a period of time, when it is concluded that there is no real prospect of recovery of loans/part of loans which have been subjected to a specific provision, the Credit Union writes off that amount of the loan deemed irrecoverable against the specific provision held against the loan.

**Impairment of buildings**

The Credit Union has periodic professional valuations of its premises carried out to establish if there is any objective evidence to suggest that the carrying value of buildings in its balance sheet may be overstated. Where such evidence is apparent the Credit Union projects a value in use and makes a determination as to whether there exists an impairment in the carrying value of buildings.

#### 4. DIVIDENDS AND INTEREST REBATES

The level of dividend and interest rebate is formally proposed by the Directors after the year end and is confirmed at the following AGM. As a result it does not represent a liability at the balance sheet date. The directors are not proposing either a dividend or interest rebate to members in respect of the year ended 30th September 2021.

	2021	2020
DIVIDENDS/INTEREST REBATES PAID DURING THE YEAR	€	€
Dividend Paid During the Year	-	166,855
Dividend Rate	0%	0.25%
Interest Rebate Paid During the Year	-	222,844
Interest Rebate Rate	0%	5%/10%
<b>Total Dividends/Interest Paid During the Year</b>	<b>-</b>	<b>389,699</b>

DIVIDEND/INTEREST REBATES PROPOSED BUT NOT RECOGNISED		
Dividend Proposed	-	-
Dividend Rate	0%	0%
Interest Rebate Proposed	-	-
Interest Rebate Rate	0%	0%
<b>Total Dividends/Interest Rebates Proposed but not Recognised</b>	<b>-</b>	<b>-</b>

#### 5. OTHER INTEREST INCOME AND SIMILAR INCOME

	2021	2020
	€	€
Deposit Interest	166,181	144,757
Investment Income	64,108	102,929
	<b>230,289</b>	<b>247,686</b>
<i>Included within the above is deposit interest due at the balance sheet date as follows:</i>		
	<b>2021</b>	<b>2020</b>
Due within one year (Note 14)	61,231	73,302
Due outside of one year	-	-
	<b>61,231</b>	<b>73,302</b>

**6. OTHER INCOME**

	2021	2020
	€	€
ECCU Claims Experience Refund	157,908	-
Foreign Exchange Income	4,184	8,103
Entrance Fees	743	649
MyCU Income	338	-
Sundry Income	181	-
	<b>163,354</b>	<b>8,752</b>

**7. SALARIES AND STAFF PENSIONS****(a) Key Management Remuneration**

The Directors of Sligo Credit Union Limited are all unpaid volunteers. The key management team for Sligo Credit Union Limited would include the Credit Union CEO and three (2020: three) other senior staff.

	2021	2020
	€	€
Salary	283,989	274,354
Payments to Pension Scheme	39,030	37,916
	<b>323,019</b>	<b>312,270</b>

**(b) Other Staff Salaries**

	2021	2020
	€	€
Salary	997,202	962,073
Payments to Pension Scheme	30,679	24,638
	<b>1,027,881</b>	<b>986,711</b>
<b>Total Salaries</b>	<b>1,350,900</b>	<b>1,298,981</b>

**8. OTHER MANAGEMENT EXPENSES**

	2021	2020
	€	€
Rent and Rates	17,697	48,141
Light & Heat	37,335	26,683
Repairs and Renewals	8,817	3,965
Cleaning	15,756	7,943
Security	7,230	11,784
Stationery and Printing	23,282	29,897
Telephone and Postage	46,683	47,951
Donations and Sponsorship	8,095	7,153
Debt Collection Fees	30,434	28,975
Promotion and Advertising	46,751	38,657
Training Costs	15,577	20,209
Chapter Expenses	1,192	1,054
AGM Expenses	24,490	20,780
Travel and Subsistence	1,024	11,661
Bank Charges	68,668	66,603
Audit Fee	22,307	21,175
Monitoring and Supervisory Fees	390	2,523
General Insurance	42,544	39,231
Share and Loan Insurance	284,257	286,946
Professional Fees	161,014	153,990
Resolution Levy	22,441	23,395
Deposit Guarantee Scheme Fund Charge	70,038	64,548
Computer Maintenance & Licence Fees	175,983	137,487
Educational Bursaries	11,000	10,000
Miscellaneous Expenses	19,598	20,388
Staff Related Expenses	5,998	19,416
Death Benefit Insurance	12,028	17,605
Affiliation Fees	10,516	9,574
Savings Protection Scheme Contribution	5,648	7,210
	<b>1,196,793</b>	<b>1,184,944</b>

**9. BAD AND DOUBTFUL DEBTS RECOGNISED FOR THE YEAR**

	2021	2020
	€	€
Impairment of Individual Loans (Note 12)	290,927	123,136
Increase/(Decrease) in Impairment Provision During the Year	69,527	148,682
Reversal of Impairment where Debts Recovered	(233,838)	(240,522)
<b>Total Impairment Losses/(Gains) Recognised for the Year (Note 12)</b>	<b>126,616</b>	<b>31,296</b>

## 10. DEPOSITS AND INVESTMENTS

				2021	2020
	Credit Rating	Approx. Yield Per annum	Maturity Date	€	€
<b>Investments Held at Amortised Cost</b>					
<b>Irish and EMU State Securities</b>					
Irish 3.4% Government Bonds	A2	1.90%	March 2024	1,818,402	1,841,979
Irish 0.9% Government Bonds	A2	0.94%	May 2028	1,000,623	1,000,191
				<b>2,819,025</b>	<b>2,842,170</b>
<b>Bank Bonds</b>					
Santander UK PLC 1.125% Bond	A1	1.08%	March 2025	503,815	504,015
Rabobank 1.25% Snr Bond	Aa3	0.96%	March 2026	763,660	765,660
Credit Agricole SA 1.375% Bond	Aa3	1.23%	May 2027	506,177	506,794
Societe Generale	A1		May 2027/ July 2030/ March 2031	5,000,000	3,000,000
Investec	A1		Nov/Dec 2023	5,000,000	-
BNP Paribas Euro Equity Note 5	Aa3		July 2031	500,000	-
				<b>12,273,652</b>	<b>4,776,469</b>
<b>Deposits</b>					
Ulster Bank	A3			1,000,001	4,031,093
PTSB	Baa2			5,502,581	5,502,278
Bank of Ireland	A2			1,000,000	1,000,000
KBC	Ba1			4,849,908	1,001,938
Deutsche Bank	A3			3,000,000	3,000,000
BNP Paribas	Aa3			1,500,000	1,500,000
BBVA	A3			1,500,000	1,500,000
Natwest	A3			2,500,000	2,500,000
Barclays Bank PLC	A			7,250,000	7,250,000
HSBC France	Aa3			2,000,000	2,000,000
				<b>30,102,490</b>	<b>29,285,309</b>
<b>Central Bank</b>				<b>4,025,120</b>	<b>4,025,120</b>
<b>Investments Held at Fair Value</b>					
<b>Investments in Equity linked products</b>					
<i>Goodbody Protected Euro Equity Investment 2</i>				400,000	400,000
<b>Total Investments and Deposits</b>				<b>49,620,287</b>	<b>41,329,068</b>

**Irish and EMU State Securities**

These Government Bonds are centrally managed by Brewin Dolphin.

**Bank Bonds**

These Bank Bonds are centrally managed by Brewin Dolphin.

**Deposits**

The majority of deposits are centrally managed by Brewin Dolphin with a small portion placed directly by Sligo Credit Union Limited with the various financial institutions. Deposits are due to mature as follows:

	2021	2020
	€	€
Amounts due on demand or within 3 months of the balance sheet date (Note 20)	13,853,320	13,036,139
Amounts due outside of 3 months but within 1 year of the balance sheet date	-	-
Amounts due outside of 1 year but within 5 years of the balance sheet date	9,999,169	7,999,169
Amounts due outside of 5 years but within 10 years of the balance sheet date	6,250,000	8,250,000
	<b>30,102,489</b>	<b>29,285,308</b>

**Goodbody's Protected Equity Investments**

These funds are centrally managed by Goodbody's. The Credit Union has measured fair value at Level 1 in the fair value hierarchy as prescribed in section 11 of FRS 102 with the funds stated at quoted market value as at 30th September 2021.

The credit ratings are based on those of the rating agency Moody's as at the year end with the exception of Barclays whose rating is from S&P as Moody's have not rated Barclays.

The basis of accounting for investments and income from investments is set out in Note 2.



## 11. LOANS AND ADVANCES TO MEMBERS - FINANCIAL ASSETS

	2021	2020
	€	€
As at 1st October 2020	35,106,961	34,928,877
Advanced During the Year	19,341,752	17,842,777
Repaid During the Year	(17,444,244)	(17,541,557)
Gross Loans and Advances to Members	37,004,469	35,230,097
Bad Debts Written off Against Provision During the Year (Note 12)	(290,927)	(123,136)
<b>As at 30th September 2021</b>	<b>36,713,542</b>	<b>35,106,961</b>

The total value of loans due for repayment beyond one year is €35,246,879 (2020: €33,422,407)

The basis of accounting for loans and advances to members is set out in Note 2.

## 12. LOAN ARREARS AND DOUBTFUL DEBTS/OTHER IMPAIRMENT LOSSES

	2021	2020
<b>BAD DEBTS</b>	€	€
As at 1st October 2020	2,396,044	2,247,362
Allowance for Principal Losses Made During the Year (Note 11)	(290,927)	(123,136)
Bad Debts Recovered During the Year	233,838	240,522
Increase/(Decrease) in Allowances During the Year (Note 9)	126,616	31,296
<b>As at 30th September 2021</b>	<b>2,465,571</b>	<b>2,396,044</b>

	2021	2020
<b>IMPAIRMENT ON FREEHOLD BUILDINGS (NOTE 13)</b>	€	€
As at 1st October 2020	142,966	125,416
Impairments recognised during the year	-	17,550
Impairments realised on disposal	(142,966)	-
<b>As at 30th September 2021</b>	<b>-</b>	<b>142,966</b>

The current bad and doubtful debt provision in the financial statements is €2,464,571 (2020: €2,396,044) representing 6.7% (2020: 6.8%) of the total loan book.

Loans rescheduled during the year amounted to €34,319 (2020: €33,449).

The basis of calculating the provision for bad and doubtful debts is set out in Note 2.

### 13. TANGIBLE FIXED ASSETS

	Freehold Land & Buildings €	Fixtures & Fittings €	Computers €	Total €
<b>COST</b>				
At 1st October 2020	4,725,218	388,251	783,673	5,897,142
Additions	825	68,621	100,541	169,987
Disposals	(854,979)	-	-	(854,979)
<b>At 30th September 2021</b>	<b>3,871,064</b>	<b>456,872</b>	<b>884,214</b>	<b>5,212,150</b>
<b>DEPRECIATION/IMPAIRMENT</b>				
At 1st October 2020	441,773	276,413	655,218	1,373,404
Charge for the year	59,543	22,213	113,376	195,132
Disposals	(429,979)	-	-	(429,979)
<b>At 30th September 2021</b>	<b>71,337</b>	<b>298,626</b>	<b>768,594</b>	<b>1,138,557</b>
Net Book Value at 30th September 2021	3,799,727	158,246	115,620	4,073,593
Net Book Value at 30th September 2020	4,283,445	111,838	128,455	4,523,738

The Credit Union completed the re-development of its new premises at Wine Street and moved its operations to the new premises in early October 2020. The total costs incurred in the acquisition and re-development of the premises to 30th September 2021 amounted to €3,757,064. The directors have carried out a value-in-use calculation of the premises as at 30th September 2021 using a discounted cashflow model with the following assumptions:

- (i) The premises' period of use into the future for the purpose of the Credit Union's activities has been set at 30 years;
- (ii) An average rate of growth of the Credit Union's surplus of 3% per annum has been assumed, with the commencement surplus calculated as the average adjusted surplus over the six-year period to 30th September 2024 using historical and projected financial data; and
- (iii) A discount rate of 4% has been applied to the projected future retained surpluses of the Credit Union, based on the blended rate of return currently being achieved by the Credit Union on loans to members and investments.

The directors are satisfied that the premises' value-in-use exceeds its carrying value at 30th September 2021 and therefore that there has been no impairment of the premises and consequently no alteration to the carrying value of the premises is required as at 30th September 2021.

A valuation was carried out on the Credit Union's premises at Main Street, Collooney in September 2015 prior to the transfer of engagements from Collooney Credit Union Limited to Sligo Credit Union Limited. At this point an impairment loss was recognised and the premises was written down to a carrying value of €75,000 being the market value of the premises as per a professional valuation and this was the carrying value of the premises at the point it was transferred to Sligo Credit Union Limited. The directors have assessed the property as at 30th September 2021 and determined that it has not been further impaired and consequently no alteration to the carrying value of the property was required as at 30th September 2021.

A valuation was carried out on the Credit Union's premises at Main Street, Drumkeerin in October 2018 prior to the transfer of engagements from Drumkeerin Credit Union Limited to Sligo Credit Union Limited. At this point an impairment loss was recognised and the premises was written down to a carrying value of €39,000 being the market value of the premises as per a professional valuation and this was the carrying value of the premises at the point it was transferred to Sligo Credit Union Limited. The directors have assessed the property as at 30th September 2021 and determined that it has not been further impaired and consequently no alteration to the carrying value of the property was required as at 30th September 2021.

The basis of accounting for Tangible Fixed Assets is set out in Note 2.

#### 14. PREPAYMENTS AND ACCRUED INCOME

	2021	2020
	€	€
Prepayments	66,430	82,695
Accrued Interest on loans outstanding by members	95,469	97,771
Accrued Deposit Interest (Note 5)	61,231	73,302
	<b>223,130</b>	<b>253,768</b>

## 15. CREDIT RISK DISCLOSURES

### Loans

The Credit Union's credit risk arises from its portfolio of loans to members and from potential losses on investments with other financial institutions that could result from the failure of treasury counterparties to observe the terms of the contract entered into. The Credit Union has no risk appetite for material credit losses, this is controlled through observation of legislation and regulations, the appointment of committees, credit quality rules, underwriting standards and counterparty limits. All loan applications are assessed with reference to the Credit Union's lending policy. Changes to policy are approved by the Board and the approval of loan applications is mandated. Appropriate credit limits have been established by the Board for individual exposures and together with Central Bank guidelines on credit exposures. Policies are continually monitored by the Board, Board Oversight Committee and Internal Audit.

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

	2021 €	2021 %	2020 €	2020 %
<b>NOT IMPAIRED/FULLY RECOVERABLE</b>				
Total loans not impaired	31,629,600	86%	30,051,210	85%
<b>IMPAIRED LOANS</b>				
Not Yet Past Due	3,588,680	10%	2,944,081	8%
Up to 3 Months Past Due	834,336	2%	751,955	2%
Between 3 and 6 Months Past Due	198,531	1%	531,069	2%
Between 6 Months and 1 Year Past Due	240,309	1%	463,300	1%
Over 1 Year Past Due	222,087	1%	365,346	1%
Sub-Total: Impaired Loans	5,083,943	14%	5,055,751	15%
<b>Total Carrying Value</b>	<b>36,713,543</b>	<b>100%</b>	<b>35,106,961</b>	<b>100%</b>
Committed Savings (Note 16)	5,538,405	15.1%	6,316,230	18.0%
Bad Debt Provisions (Note 12)	2,465,571	6.7%	2,396,044	6.8%

### INVESTMENTS

Credit risk in respect of treasury counterparties is assessed using a number of methodologies to include rating agencies and Central Bank Regulations. For treasury related counterparties, the Credit Union is limited to a maximum 20% exposure to any one counterparty of investments made. The credit ratings in respect of amounts held as investments at the year-end date are disclosed in note 10.

## 16. MEMBERS SHARES

Members' shares are distinguished between those which are unconditionally repayable on demand and those which are committed or otherwise pledged to the Credit Union by virtue of loans or guarantees. The Credit Union retains rights to exercise liens over shares where a member has an outstanding liability to the Credit Union in accordance with Section 20 of the Credit Union Act 1997, as amended.

	2021	2020
	€	€
On Demand	71,989,905	66,149,432
Committed Savings	5,538,405	6,316,230
<b>Total Savings</b>	<b>77,528,310</b>	<b>72,465,662</b>

The basis of accounting for members shares is set out in Note 2.

## 17. MYCU ACCOUNTS

		2021	2020
	No.	€	€
Credit Balances	27	20,564	-
Debit Balances	3	(1,420)	-
<b>Total</b>		<b>19,144</b>	<b>-</b>
<b>Permitted Overdrafts</b>	6	<b>(6,050)</b>	<b>-</b>

During the current year, the Credit Union launched a current account, debit card and overdraft facility for its members.

## 18. OTHER LIABILITIES

	2021	2020
	€	€
Accruals	175,710	530,955
Other Creditors	11,820	36,515
Deferred Income (Note 19)	851	391
	<b>188,381</b>	<b>567,861</b>

## 19. MEMBERS' DRAW INCOME AND EXPENDITURE ACCOUNT

	2021	2020
	€	€
Deferred Income brought forward from prior year	391	2,125
<b>INCOME</b>		
Members' Draw Entry Fees	216,460	127,766
<b>EXPENDITURE</b>		
Prizes and Costs	(216,000)	(129,500)
<b>Surplus and deferred for future draws (Note 18)</b>	<b>851</b>	<b>391</b>

## 20. CASH AND CASH EQUIVALENTS

	2021	2020
	€	€
Cash at Bank and in Hand	5,356,053	9,459,213
Deposit Accounts Maturing < 3 Months (Note 10)	13,853,320	13,036,139
	<b>19,209,373</b>	<b>22,495,352</b>

## 21. ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURES

### FINANCIAL RISK MANAGEMENT

Sligo Credit Union Limited manages its members' shares and loans to members so that it earns income from the margin between interest receivable and interest payable. The main financial risks arising from Sligo Credit Union Limited's activities are credit risk (note 15), liquidity risk and market risk (interest rate risk). The Board reviews and agrees policies for managing each of these risks, which are summarised below.

**Liquidity risk:** Liquidity risk is the risk that the Credit Union will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Credit Union monitors liquidity requirements on a daily basis in line with specific policies in this area, approved by the Board and in line with Central Bank requirements. The liquidity risk appetite is supported by qualitative and quantitative measures that are monitored by the Board on a monthly basis.

The Credit Union's policy is to maintain sufficient funds in a liquid form at all times

to ensure that the Credit Union can cover all fluctuations in funding, retain public confidence in the solvency of the Credit Union and to enable the Credit Union to meet its financial obligations and regulatory ratios.

All of the financial liabilities of the Credit Union are repayable on demand except for some members' shares attached to loans. The Credit Union retains, at all times, liquid assets amounting to a minimum of 30% of unattached savings.

**Market risk:** Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency risk, interest rate risk and other price risk. Of these, only interest rate risk is significant for the Credit Union. The Credit Union is not directly exposed to currency risk as it deals only with products in euro, and its products are only interest orientated so are not exposed to other pricing risks.

The Credit Union is exposed to movements in interest rates reflecting the mismatch between the dates on which interest receivable on assets and interest payable on liabilities are next reset to market rates or if

earlier, the dates on which the instruments mature. The Credit Union manages this exposure on a regular basis, within the limits set by the Board, however as the Credit Union only declares its dividends at the year end based on such market rates, the board considers its sensitivity to such rates as marginal.

## 22. POST BALANCE SHEET EVENTS

There have been no significant events affecting the Credit Union since the financial year end.

## 23. CAPITAL COMMITMENTS

The Credit Union has no capital commitments at the balance sheet date (€NIL – 2020).

## 24. CONTINGENT LIABILITIES

Prior to the transfer of engagements from Collooney Credit Union Limited to Sligo Credit Union Limited in September 2015, the value of Freehold Premises held by Collooney Credit Union Limited was written down by an amount of €119,000 to a carrying value of €75,000 being the market value of the premises as per a professional valuation. The Irish League of Credit Unions (ILCU) have advanced €119,000 to fund this reduction in value on the provision that where the premises is disposed of at any point in the future, and the amount realised on any such disposal exceeds €75,000 then the excess must be repaid to ILCU (or to the ILCU Savings Protection Company Limited if requested by ILCU), subject to a maximum amount repayable of €119,000.

Prior to the transfer of engagements from Drumkeerin Credit Union Limited to Sligo Credit Union Limited in October 2018, the value of Freehold Premises held by Drumkeerin Credit Union Limited was written down by an amount of €49,000 to a carrying value of €39,000 being the market value of the premises as per a professional valuation. The Irish League of Credit Unions (ILCU) have advanced €49,000 to fund this reduction in value on the provision that where the premises is disposed of at any point in the future, and the amount realised on any such disposal exceeds €39,000 then the excess must be repaid to ILCU (or to the ILCU Savings Protection Company Limited if requested by ILCU), subject to a maximum amount repayable of €49,000.

Additionally, prior to the transfer of engagements from Drumkeerin Credit Union Limited to Sligo Credit Union Limited in October 2018 The Irish League of Credit Unions (ILCU) have advanced €31,605 to fund sums in respect of bad debts which Drumkeerin Credit Union Limited had not written off as at the date of the transfer of engagements, but that have been written off after the transfer of engagements as their recoverability is assessed as unlikely. If amounts are subsequently recovered in respect of the loans written off then any such amounts must be repaid to ILCU (or to the ILCU Savings Protection Company Limited if requested by ILCU).

There are no other material contingencies as at 30 September 2021 (€NIL - 2020).

## 25. RELATED PARTY TRANSACTIONS

	Loans Advanced During Year €	Loan Balances Outstanding 30/09/2021 €	Attached Share Balances 30/09/2021 €	Unattached Share Balances 30/09/2021 €	Provisions Held 30/09/2021 €
Officers	55,600	166,608	21,951	132,466	8,382
Key Management Personnel	36,800	56,156	4,867	78,093	970
Parties Connected to Key Management Personnel	128,700	185,188	7,967	255,544	1,081
<b>Total</b>	<b>221,100</b>	<b>407,952</b>	<b>34,785</b>	<b>466,103</b>	<b>10,433</b>

An officer includes all paid staff of the Credit Union excluding key management personnel, all members of the Board Oversight Committee and all other unpaid volunteers.

Key management personnel includes four members of the paid staff of the Credit Union comprising the management team and all members of the Board of Directors of the Credit Union.

Parties connected to key management personnel includes any business in which a member of the Board of Directors or the management team has a significant shareholding (10% or more of the shares or voting rights in the business) and also includes a father, mother, spouse, civil partner/co-habitant, son, daughter, brother or sister of any member of the Board of Directors or the management team.

The loan balances outstanding from related parties of €407,952 at 30th September 2021 (2020: €380,271) represent 1% (2020: 1%) of the overall gross loans outstanding at 30th September 2021.

## 26. INSURANCE AGAINST FRAUD

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

## 27. THE IRISH LEAGUE OF CREDIT UNIONS REPUBLIC OF IRELAND PENSION SCHEME

Sligo Credit Union Limited participates in an industry-wide pension scheme for employees and makes contributions to that scheme in respect of two senior 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 Sligo 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.

## 28. RATES OF INTEREST CHARGED ON MEMBERS LOANS

	2021	2021	2020
	per month	APR	APR
Ordinary Member Loans	0.918%	11.02%	11.02%
Special Rate Education Loans	0.580%	6.96%	6.96%
Special Rate Car Loans	0.759%	9.11%	9.11%
Special Rate Home Improvement Loans	0.595%	7.14%	7.14%
Secure Loans	0.427%	5.12%	5.12%

## In the Community ...



### METALMAN SWIM SERIES 2021

Well done to participants and organisers of the Metalman Swim Series. Sligo Civil Defence and the Samaritans helped on the day, further highlighting their great work in the community.



### GARDA YOUTH AWARDS 2021

'Integrity, insight & inclusiveness are the three essential qualities of leadership'. The Sligo/Leitrim Garda Youth Awards winners are an inspiring group of young adults.



### ST. MARY'S SENIOR LADIES TEAM

St. Mary's Senior Ladies Team were kitted out in their new Sligo Credit Union jerseys for 2021. Congratulations to the team who made it to the Senior B County Final!

### EDUCATIONAL BURSARY AWARDS 2021

Congratulations to all our Educational Bursary Winners. Refer to page 9 on how you can enter this year.



## Best Customer Experience



In October 2021, for the 7th consecutive year, Credit Unions maintained their top position for Best Customer Experience in Ireland. The CX Framework to measure CX Excellence is made up of Six Emotional Drivers to build emotional bonds with customers. The Six Drivers are:

1. I TRUST YOU
2. YOU KNOW ME
3. YOU MAKE IT EASY
4. YOU GET ME
5. YOU DELIVER ON YOUR PROMISE
6. YOU FIX THINGS

Sligo Credit Union was delighted with this news, and it coincided with our one-year anniversary in Wine Street. Acknowledging member loyalty, a competition was launched on Facebook and Instagram. Members were asked to describe Sligo Credit Union in one or many words. As you can see below, the feedback was fantastic!

*To all our loyal Members,  
thank you.*



## MEMBER TESTIMONIALS

*"Friendly. Caring. Always there for everyone, no matter what the situation - always there to help."*

**AILEEN FEENEY**

*"Community is the heart of Sligo Credit Union. Thank you for placing people first."*

**OLIVIA GILROY**

*"Very supportive. Congratulations on your 1st year in Wine Street and may there be many more years of helping the local community."*

**JOSEPH FINAN**

*"Sligo Credit union is a great place. I have been a member for over 30 years! The staff are very pleasant and helpful. Thanks to all the staff."*

**GER LYNCH**

*"Happy 1st Anniversary. It's always such a lovely experience to visit this Credit Union."*

**CHRIS MONAGHAN**

*"The staff in Sligo Credit Union have always been super helpful and friendly! Saving money there over the years has allowed me to fulfil several personal goals."*

**ELAINE CHÖZING**



# Proudly Serving our Community.

Great loans  
for a great  
Sligo life.

Terms and Conditions Apply.  
Sligo Credit Union Ltd. is  
regulated by the  
Central Bank of Ireland.

[www.sligocu.ie](http://www.sligocu.ie)

Where **U** come first

