



Tullamore
Credit Union Ltd.

AnnualReport

2021



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Notice of Annual General Meeting

The Annual General Meeting of the members of Tullamore Credit Union Ltd will take place in Tullamore Court Hotel on Monday 13th December 2021 at 8pm. All members are welcome to attend. The meeting is also available by Zoom Webinar

Board Of Directors:

Ray Spain (Chairperson)
 Liam O'Callaghan (Vice Chairperson)
 Patrick Doherty (Secretary)
 Declan McDonnell
 Brian Gunning
 Sean Craven, co-opted August 2021
 Eileen Brophy
 Peter Hensey
 Francis Mollen
 Brian McRedmond
 Imelda McCann
Tony Flanagan, retired July, 2021

Board Oversight Committee:

Ciara Flanagan (Chairperson)
 Mary Droogan (Secretary)
 Noel McManamy

CEO:

Dennis Daly

Cover Photo by Paul Moore

Agenda

- A. Acceptance of proxies
- B. Ascertainment that a quorum is present
- C. Adoption of standing orders
- D. Reading and approval of the minutes of last Annual General Meeting
- E. Report of the Board of Directors
- F. Financial Report
- G. Report of the CEO
- H. Report of the Auditor
- I. Report of Board Oversight Committee
- J. Declaration of Dividend
- K. Report of the Credit Committee
- L. Report of the Credit Control Committee
- M. Report of the Membership Committee
- N. Community Involvement
- O. Report of the Nomination Committee
- P. Appointment of Tellers
- Q. Election of Auditor
- R. Appointment of Auditor
- S. Election to fill vacancies on the Board Oversight Committee
- T. Election to fill vacancies on the Board of Directors
- U. Rule amendments
- V. Any other business
- W. Announcement of election results
- X. Adjournment or close of meeting



Board of Directors' Report



On behalf of the Board of Directors, I am pleased to present our report for the year to September 30th, 2021. Again, this year was dominated by COVID-19 resulting in great uncertainty and a difficult trading environment for all businesses.

On your behalf and that of the Board, I wish to say a special Thank You to our Management and Staff for their outstanding efforts in the past year. For the past 7 years, Credit Unions have come out as the best service and most trusted business in a national customer service poll. This is a credit to our staff and demonstrates their commitment to us, the members of Tullamore Credit Union.

The responsibility of managing a Credit Union of our size, particularly in the context of a major pandemic, is immense and involves great dedication and commitment. I want to pay tribute to my fellow Board Directors, the Board Oversight Committee and Volunteers of Tullamore Credit Union who give freely of their time to serve the people of Tullamore and surrounding areas.

I want to make special reference to Director, Tony Flanagan with 25 years' service who retired during the year. Tony's dedication to Tullamore Credit Union and the people of Tullamore and surrounding areas over long years has been exemplary and for which we offer our sincerest and deepest gratitude.

I would also like to pay a special tribute to you, our members, for your support and encouragement in the past year. From the outset of the Covid pandemic, we took the view that we would do everything in our power to continue to provide members with access to their funds, Credit Union services and provide support to our members in any way we could. A testament of this is that we provided €10M more in loans to members than the previous year.

While the results are set out in detail in the Financial Report, overall, this year's outcome has seen growth in several areas, with savings, loans and investments all performing ahead of expectations in these difficult and unpredictable times.

The low interest rate environment on investments and its impact on Tullamore Credit Union has been highlighted over the last number of years. This continues to make it very difficult to get a reasonable return when we invest our members' savings. This is becoming more of an issue as the amount of member savings increases. This year alone, member savings increased by €39.3M which is, of itself, a testament to the confidence that our members have in our Credit Union. While we have not yet incurred negative interest rates on investments, we are continuing to monitor and manage the situation closely.

In considering the possibility of returning funds to members this year by way of a dividend, the Board must give consideration to a number of factors. These include the continued downward pressure on our annual surplus, the ongoing uncertainties for the future as a result of COVID-19 and the continued low interest rates which impacts on the performance of our investments. Allied to this is a strong recommendation from the Central Bank of Ireland for Credit Unions not to pay a dividend this year but to continue to strengthen their reserves.

For these reasons, the Board of Directors has decided against recommending a Dividend for the year ended, September 30th, 2021.

On a positive note, the focus of the Board continues to be on providing a quality service to meet the needs of our growing member base. Member take-up of many of our newer products has been exceptional. We now provide a broad range of tailored products for the Personal, Commercial, Farming and Mortgage sectors.

Our Board is particularly delighted at the recent announcement by Initiative Ireland in collaboration



with CUDA (our Credit Union representative body) of the launch of a special fund for Credit Unions to support the development of social housing. Our Credit Union has long held the view that there is a great opportunity for Credit Unions, on behalf of our members, to utilise our funds to support people in our communities. After all, we are a local, not for profit organisation.

During the year, Kilcormac and Tullamore Credit Unions merged. I want to acknowledge the dedication and work of the many Directors and Volunteers of Kilcormac Credit Union down through the years and welcome the members of Kilcormac Credit Union. We are now a bigger and stronger Credit Union, in a position to provide new services to meet the needs of all members.

The success of Tullamore Credit Union is built on the efforts of our members volunteering their time freely. If you would like to learn more about participating in the running of our Credit Union, please contact any member of staff or the Board of Directors and we will provide information and take you through the process of how you can volunteer.

Tullamore Credit Union is a strong Credit Union and one of the largest in the country. We have always been to the forefront in adopting new initiatives, in providing new services to members and responding to the needs of our members. National banking is undergoing a lot of change including the loss of local branches. I want to assure you, the Board and Staff will continue to work at providing the best service possible, at local level to our members. To quote our own advertising, We are Local and We are Loyal.

In that regard we are proud every year to support local communities and causes through our Community Development Fund. The school quizzes, the tidy towns and estates, sponsorship of local teams and other support initiatives, the people of Tullamore and area, through the Credit Union put a lot back into the community. And you, the members deserve great credit and recognition for this.

Please remember that Tullamore Credit Union is your Credit Union and I encourage all members to make full use of our services and indeed invite others to join our Credit Union community. I would like to wish each and every Tullamore Credit Union member a happy and peaceful Christmas, keep safe and best wishes for the New Year

Ray Spain, Chairperson

Financial Report



On behalf of the Board of Directors, I am delighted to report on our Credit Union's performance for the year ended 30th September 2021. I would point out that the figures this year incorporate a successful Transfer of Engagements (TOE) with Kilcormac Credit Union Limited that was completed during the year. This year has seen economic conditions, and in particular the impact of COVID-19 on the economic environment, reflected in demand for loans, particularly personal loans, for a significant part of the year. There has also been a huge increase in member savings which, because of the ongoing low interest rate environment, made trading difficult. This low interest rate environment will be a factor for several years to come and we must plan accordingly. Despite these factors, performance was strong and exceeded

expectations in many key areas. Strong demand for our Credit Union mortgage package, coupled with a post Covid "bounce" in demand for personal loans in the fourth quarter, resulted in good growth in our lending portfolio.

In the year our overall excess of income over expenditure amounted to €1.15M. This was exactly in line with last years out turn, and exceeded expectations. It includes a once-off expenditure of €805K on special projects, most significantly the development of a new IT system that will be launched in 2022. This expenditure had been budgeted for and a special reserve was created in previous years. As a result of this surplus and the TOE, our Reserves have increased from €69.1M to €72.5M at year end.



Once again, we can report strong growth in Members' Savings, which increased from €237.3M to €277.8M. This figure also reflects significant growth in the take-up of our current account, with balances increasing from €2M to €3.2M. Once again, we must point out that this level of savings growth, unless matched by increased demand of loans, poses a significant problem for our Credit Union. Due to the current interest rate environment, when we look to invest these funds on your behalf the rates on offer are, at best minimal, and more recently rates are negative. This impacts significantly on our ability to pay dividends into the foreseeable future.

This year our Loan Portfolio has grown by €10.1M, finishing the year at €77.6M from an opening loan book value of €67.5M. This is the highest level of increase in lending for many years and will serve to underpin the strength of our Credit Union into the future.

Our investment portfolio generated income of €1.8M in the financial year, which represented a very solid performance, and exceeded expectations. Our investment portfolio now stands at €272.4M. It remains well diversified and comprises mainly of Bank Deposits and Bonds, almost all of which are fully capital guaranteed. The portfolio is fully compliant with all investment limits specified under regulations in the Credit Union Act 1997 (Regulatory Requirements) Regulations 2016.

As outlined previously, the impact of the current low interest rate environment impacts on our ability to pay a dividend. In the current year the impact of other factors, such as COVID-19 and Brexit, also required consideration. In September 2021, the Central Bank of Ireland, in its capacity as regulator of Credit Unions, issued a circular to all Credit Unions setting out a number of factors for consideration with respect to dividends for 2021.

The Central Bank of Ireland circular states:

"In the context of the 2021 year-end, Credit Union boards must be cognisant of the continued level of uncertainty on the economic outlook. Maintaining and building adequate levels of reserves, including adequate operational risk reserves, remains key to ensuring Credit Union financial stability and resilience. Given the continued level of risk and uncertainty regarding the economic outlook, the Registry of Credit Unions expects all Credit Unions to continue to take a prudent approach to distributions in the context of reserve management. Where a Credit Union may be considering the potential for a proposed distribution, they are expected to contact their supervisor in the Registry of Credit Unions at an early stage to clearly outline the rationale for proposing this course of action, taking account of liquidity and operational resilience positions and the need to demonstrate prudent forward-looking capital reserve management in the current environment"

Having considered the current economic climate and all the additional factors highlighted by the Regulator, the Board does not consider it prudent to recommend a payment of a dividend for the year ended September 30th 2021.

Declan Mc Donnell, Finance Officer

CEO Report



As CEO of Tullamore Credit Union my role involves management of the operations side of our Credit Union as well as advising the Board of Directors on strategy development, and also the implementation of the Credit Union Strategy, once decided by the Board.

Looking back at the past year, it is fair to say that it has been extremely challenging, not least as a result of the ongoing impact of COVID-19 on our community. I believe that we can be rightly proud of the fact that, throughout the entire pandemic to date, our offices have remained open to serve the needs of our members. That is a clear reflection of the commitment of our entire team in TCU and I hope that you will join with me in thanking them for their efforts on your behalf throughout the year.



It is important to remember that Credit Unions exist to provide financial services to members. Here in TCU we take that responsibility very seriously. We are constantly monitoring member service seeking to meet the high standards that we have set for ourselves and that, we believe, you rightly expect from us.

A crucial part of this member focused strategy is a commitment to broaden the range of services for members, in response to your requirements. We now provide a range of benefits for members far beyond the core Credit Union services of savings and personal loans. Our range of loan options now includes offerings tailored specifically at the needs of the Business and Farming sectors, as well as a wide range of personal loans. Whether our members need support buying or renovating a home, coping with the costs of third level education or buying a car, we are here to help. In addition, don't forget that we are always here for the traditional loans for holidays, weddings, back to school and Christmas! Whatever you need a loan for, we have probably financed it before, and are happy to discuss your requirements with you!

In response to the growing interest in "Green Energy" home upgrades, we have, as promised at last year's AGM, recently launched a special rate "Greenify" Loan to help members carry out work to improve the energy rating for their homes.

For many years we have been helping members source affordable, good value insurance products. We have recently upgraded our offering to the Credit Union owned PEOPLe brand and are providing Life, General and Travel insurance cover for members. Like all services provided by our Credit Union we work continuously to ensure that members receive a quality product at a fair cost.

Despite the challenges of Covid, this year has been one of ongoing growth. This is reflected in the Savings and Loans figures in the Financial Report for the year. In addition, we have welcomed 1,439 new members to our Credit Union. Our current account now has almost 4,000 users, all with full debit card and online access to their funds, many of whom are also availing of the attached overdraft facility. Applepay has recently been added as part of our continued improvement policy. Take-up of our Credit Union Mortgage has been fantastic. In the 12 months to the end of September, we have assisted 83 members, mainly young local couples to provide a home for themselves. This means that, since its launch in 2019, our Credit Union mortgage has allowed 171 members get a new home.

During the year we also completed a transfer of engagements with Kilcormac Credit Union. I would like to welcome all the members from Kilcormac to the TCU family. In common with all members, they now have access to the entire range of our services.

We are also continually focused on expanding our range of "Delivery Channels" which is the various methods by which members can get access to our services. These now include Online, EFT mobile and Debit Card. New members can now complete their membership application entirely online or via mobile access.

Before I finish, I would like to mention a development that, hopefully will be in place around the middle of 2022. For some years now our Credit Union has, in conjunction with two partner Credit Unions, on the development of a new IT "banking" platform. We believe that this platform will support our business for many years and underpin our ability to deliver services to our members.

I hope that this report gives an insight into the work that is going on behind the scenes to meet your financial needs. I believe that you will begin to experience the benefits over the coming year and for many years to come.

Once again, thanks to all our members for your continued support.

Dennis Daly, CEO



Report Of Credit Committee

It is my pleasure to report on the activities of the Credit Committee for the year ended 30th of September 2021.

The provision of loans to members is a primary service of our Credit Union. All loan applications are individually assessed and whilst every effort is made to approve each application, the process has to ensure that there is no undue risk to the individual borrower or to the Credit Union as a whole.

When evaluating loan applications, we are always conscious of the fact that we are lending members' savings. We are therefore obliged to establish that the member has the ability to repay the loan. There are times when we unfortunately have to refuse a loan and the most common reasons for such an outcome are either a member's overall indebtedness and/or their inability to repay. It should however be noted that in the last year our Credit Union granted 5,579 loans which is a tremendous achievement.

The loans team of Tullamore Credit Union Ltd continued to display their professionalism, ability to identify member's needs and commitment to high level member service throughout the COVID pandemic of 2020/2021.

The enhancement of our mortgage product offering based on feedback from our members and professionals within our Common Bond has proven a huge success. The current offering is a max home loan offering of €250,000 over 25 years at 4.2%. We currently have 221 mortgage accounts which represent loans in this category at year end of €14,864,464 to our members of which €6,825,122 was issued in the current financial year.

LOANS

1. 5,579 loans were granted during the year with 5,483 issued
2. The value of loans granted in 2021 was €36,018,195 (5,483 loans)
3. Overall, the loan book grew by €10.1M to €77,615,408 an overall increase of 15%.
4. Loan interest for 2021 equated to €5,028,621

PRO-ENERGY LOANS

If you are thinking about renovating or updating your kitchen or bathroom or simply giving your house a lick of paint, then our standard Home Improvement is the one for you! On the other hand, if you are considering doing a full energy upgrade or retro-fit, then our Pro Energy Loan is the one for you! Our new Pro Energy Homes Loan at a rate of 6.95% (APR 7.18%) is NOW available, to find out more about upgrades and grants that are available visit our website www.tullamorecu.ie. This is an initiative supported by SEAI - Sustainable Energy Authority of Ireland - in association with REIL - Retrofit Energy Ireland Ltd.

MEMBERS WITH FINANCIAL DIFFICULTY

We always encourage our members to talk to us about their borrowing requirements and/or financial position if they find themselves in financial difficulty. We are a Credit Union for our members and strive to help members with their finances at all times. It is rare that we are unable to help a member sort out their finances provided they are open and forthcoming with their situation. In this regard it should be noted that Tullamore Credit Union Ltd have a Debt Consolidation Loan which enables its members to combine their existing borrowings into one loan with one manageable weekly/monthly repayment. The maximum borrowing is €30,000 over a max term of 7 years @ 9.5%.

REVIEW OF THE COMMITTEE PERFORMANCE

The Committee reviewed its own performance for the year against its terms of reference and has deemed this to be effective.

COMMITTEE MEETINGS

The Committee continues to meet weekly and to provide regular updates to the Board on its activities. I would like to take this opportunity to thank fellow committee members, the CEO and the loan officials of Tullamore Credit Union for their support during the year.



Report Of Membership Committee

During the year, 1,439 new members joined our Credit Union. We are delighted that the number of new members continues to grow - this reflects the fact that many people are recognising the benefits of Credit Union membership!

Of this 1,439, 312 were juvenile members - members under the age of 16 years - these are the members of the future and we welcome them to our Credit Union.

We have also seen a large number of members who have re-activated their accounts - we welcome them back on board and assure them of our support and assistance.

We launched our current account on the 16th of October 2019 and to date this has been a great success with over 3,500 new current accounts opened, with debit card and overdraft facilities.

We would like to advise members of Tullamore Credit Union Ltd that we will continue to work to provide service and access to their funds during the period of COVID-19 situation and a full listing of our services inclusive of digital options are available online at our website www.tullamorecu.ie in or in our office.

We would like to remind people that membership is open to people who live, work or study in our 'common bond' area - and if you know someone who may qualify for membership, please encourage them to join us!

Report of the Credit Control Committee

The Credit Control Committee is responsible for ensuring that loans are repaid in accordance with the terms and conditions of loan agreements. The Committee monitors outstanding loans on an ongoing basis so that prompt and effective action can be taken where loans fall into arrears. In taking this action, the interests of the Credit Union take first priority. In keeping with the ethos of the Credit Union movement, members will at all times be treated with respect. Members who are struggling to repay their loans will be dealt with in a supportive manner by the Credit Control team.

It is important to ensure that a distinction is drawn between those members who are genuinely struggling to repay a loan balance due to altered circumstances (e.g. illness, unemployment, etc.) and those members who can repay but are choosing not to. Regrettably, there always remain a number of borrowers who, for whatever reason, refuse to engage with the Credit Union to address their outstanding debts. In such cases, with all other options exhausted, we will not hesitate to instigate legal proceedings for the recovery of monies owed.

We have a very experienced Credit Control team in place and they invest a huge amount of time in communicating with, and assisting members who are experiencing difficulties meeting their loan repayments. The vast majority of cases are resolved relatively easily, and we would urge any member that is experiencing financial difficulties or difficulties in paying their debts, to engage with the Credit Union early. Timely action is vital to ensure that the financial pressure does not become an unbearable burden.

Overall in the past year the sum of €287,559 (2020: €326,881) has been "charged off". The committee follow-up these loans actively and will take every available measure to ensure repayment. This commitment is evidenced by the fact that €642,458 (2020: €505,696) of loans previously charged off has been recovered this year.

In conclusion, the Committee would like to thank our Credit Control team for their assistance during the year. The Committee would also like to wish Geraldine Treacy the very best for the future following her recent retirement from Tullamore Credit Union having served our members for 41 years.



Directors' Report

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

PRINCIPAL ACTIVITIES

The principal activity of the business continues to be the operation of a Credit Union.

AUTHORISATIONS

The Credit Union is authorised as follows:

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

BUSINESS REVIEW

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

DIVIDENDS

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

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties faced by the Credit Union are:

Credit risk

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

Lack of loan demand

Lending is the principle activity of the Credit Union and the Credit Union is reliant on it for generating income to cover costs and generate a surplus.

Market risk

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

Liquidity risk

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

Operational risk

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

COVID-19 risk

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



These risks and uncertainties are managed by the Board of Directors as follows:

Credit risk

In order to manage this risk, the Board of Directors regularly reviews and approves the Credit Union's credit 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.

Lack of loan demand

The Credit Union provide lending products to its members and promote these products through various marketing initiatives.

Market risk

The Board of Directors regularly reviews and approves the Credit Union's investment policy and funds are invested in compliance with this policy and regulatory guidance.

Liquidity risk

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

Operational risk

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

COVID-19 risk

The Board of Directors and management closely monitor the evolution of the COVID-19 pandemic and continue to take appropriate actions to mitigate any possible adverse effects on the Credit Union.

Accounting records

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

Events after the end of the financial year

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

Auditors

Grant Thornton were appointed as auditors during the year and in accordance with Section 115 of the Credit Union Act, 1997 (as amended), they offer themselves for re-election.

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

Ray Spain, Chairperson of the Board of Directors

Patrick Doherty, Director

Date: 18th of November 2021



Statement of Directors' Responsibilities

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

In preparing those financial statements the Directors are required to:

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

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

On behalf of the Board of Directors:

Ray Spain, Director

Patrick Doheny, Director

Date: 18th of November 2021

In accordance with Section 53 of the Credit Union Act 1997 (as amended), five Directors of the Credit Union are required to retire from the Board at this year's Annual General Meeting. Being eligible, all five of the Directors are proposed by the Nomination Committee and will go forward for re-election at this year's Annual General Meeting. One member of the Board was co-opted in August 2021 and will go forward for election at this year's Annual General Meeting. In addition, one member will be stepping down from the Board of Directors at this year's AGM. One present member of the Board Oversight Committee has been proposed by the Nomination Committee and will go forward for election to the Board of Directors at this year's Annual General Meeting.

Statement of Board Oversight Committee Responsibilities

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

On behalf of the Board Oversight Committee:

Ciara Flanagan, Chairperson of the Board Oversight Committee.

Date: 18th of November 2021

Report of the Board Oversight Committee

The Board Oversight Committee (BOC) has the responsibility for ensuring that the interests of the members of Tullamore Credit Union Ltd are safeguarded and protected. We form an entity that is independent of the Board of Directors. Our function is in fact to assess whether the Board of Directors is operating in accordance with all the relevant legislation, best practice and good corporate governance.



Report of the Board Oversight Committee (continued)

There have been no changes to the Board Oversight Committee membership since last year's AGM.

We have seen another challenging year with COVID-19 continuing to impact on all aspects of life for each and every one of us. We held our AGM in April of 2021 which was much later than usual and under very different circumstances, with the only option available being that of an online format. This proved very successful and we'd like to thank those members who registered for attendance and joined us online. It is very important to the Board Oversight Committee that the members know of the work that is being done by our Directors, staff and volunteers and the best way is to join us at our AGM.

As mentioned in reports from our Chair and CEO, we undertook a Transfer of Engagements with Kilcormac Credit Union and we are delighted to welcome each and every member from the Kilcormac branch and we encourage you to avail of the fantastic services that have become available to you as a result of this transfer.

As per regulatory requirements, at least one member of the Board Oversight Committee has attended every Board of Directors meeting. We had four special meetings with the Board pertaining to its role and our oversight of that role.

We ourselves met at least once a month and we had a supervisory presence at various Committee meetings and all the Members' Quarterly Prize Draws.

All members of the Board Oversight Committee continued to take part in statutory and voluntary professional development training throughout the year and this training was delivered online.

It is the view of the Board Oversight Committee that the Board of Directors fulfilled its role in accordance with Part IV of the Credit Union Act 1997 and with all other relevant legislative and regulatory requirements at all times. We believe that every decision made has been motivated by the needs of the membership.

The Board Oversight Committee would like to sincerely acknowledge and extend its thanks on behalf of the membership to the Board of Directors, the CEO, the management team and all staff for the commitment and dedication shown during the year.

Finally, we would like to thank you the membership, for your co-operation, understanding and commitment to the continued success of your Credit Union. We wish you all a happy and healthy year ahead.

Ciara Flanagan, Mary Droogan, Noel McManamly.

Independent Auditor's Report to the Members of Tullamore Credit Union Limited

Opinion

We have audited the financial statements of Tullamore Credit Union Limited, which comprise the income and expenditure account, the statement of other comprehensive income, the balance sheet, the statement of changes in reserves and the statement of cash flows for the financial year ended 30 September 2021, and the related notes to the financial statements, including the summary of significant accounting policies.

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

In our opinion, Tullamore Credit Union Limited's financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ('ISAs (Ireland)') and applicable law. Our responsibilities under those standards are further described in the 'responsibilities of the



auditor for the audit of the financial statements' section of our report. We are independent of the Credit Union in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the entity. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other matter

The financial statements of Tullamore Credit Union for the financial year ended 30 September 2020, were audited by BCA Chartered Accountants Statutory Auditors, who expressed an unmodified opinion on those statements on 27 February 2021.

Other information

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

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

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

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

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

Responsibilities of Directors for the financial statements

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements which give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland, including FRS 102, and for such internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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



Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

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

Denise O'Connell FCA
for and on behalf of
Grant Thornton
Chartered Accountants & Statutory Audit Firm
Mill House, Henry Street, Limerick.
Date: 18th of November 2021

Tullamore Credit Union Ltd is regulated
by the Central Bank of Ireland.



Whether it's
a mortgage
or retrofit,
TCU has you
covered.



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Tullamore
Credit Union Ltd.



Income & Expenditure Account

For the financial year ended 30th September 2021

	Schedule	2021 €	2020 €
INCOME			
Interest on members' Loans		5,028,621	4,900,422
Other Interest Income and Similar Income	1	1,804,738	1,852,053
Net Interest Income		6,833,359	6,752,475
Other Income	2	168,808	117,610
TOTAL INCOME		7,002,167	6,870,085
EXPENDITURE			
Employment costs		2,478,500	2,008,616
Other Management Expenses	3	4,130,271	3,656,862
Depreciation		287,795	341,017
Net impairment gains on loans to members (note 6)		(1,046,870)	(289,253)
TOTAL EXPENDITURE		5,849,696	5,717,242
Surplus for the financial year		1,152,471	1,152,843
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		1,152,471	1,152,843

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

CEO: Dennis Daly
 Member of Board Oversight Committee: Ciara Flanagan
 Member of the Board of Directors: Ray Spain

Date: 18 November 2021.
 Date: 18 November 2021.
 Date: 18 November 2021.

The notes on pages 19-30 form part of these financial statements.

Balance Sheet

As at 30th September 2021

	Notes	2021 €	2020 €
ASSETS			
Cash and Balances at Bank		4,442,588	8,153,956
Deposits and Investments - Cash Equivalents	7&8	63,622,060	30,750,939
Deposits and Investments - Other	8	208,779,641	204,045,553
Loans to Members	9	77,615,408	67,521,450
Provision for Bad Debts	10	(6,358,049)	(6,729,657)
Members' current accounts overdrawn	14	10,345	15,507
Tangible Fixed Assets	11	1,875,005	1,964,858
Debtors, Prepayments and Accrued Income	12	1,244,351	1,481,002
TOTAL ASSETS		351,231,349	307,203,608
LIABILITIES			
Members' Shares	13	274,598,347	235,340,635
Members' current accounts	14	3,237,216	1,963,268
Other Liabilities, Creditors, Accruals and Charges	15	877,322	810,216
Other provisions	16	14,548	-
TOTAL LIABILITIES		278,727,433	238,114,119
RESERVES			
Regulatory Reserve	18	43,889,845	34,711,405
Operational Risk Reserve	18	3,665,541	3,600,000
Other Reserves			
Realised Reserves	18	24,748,085	30,778,084
Unrealised Reserves	18	200,445	-
TOTAL RESERVES		72,503,916	69,089,489
TOTAL LIABILITIES AND RESERVES		351,231,349	307,203,608

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

CEO: Dennis Daly
 Member of Board Oversight Committee: Ciara Flanagan
 Member of the Board of Directors: Ray Spain

Date: 18 November 2021.
 Date: 18 November 2021.
 Date: 18 November 2021.

The notes on pages 19-30 form part of these financial statements.



Statement of Changes In Reserves

For the financial year ended 30th September 2021

	Regulatory Reserve	Operational Risk Reserve	Realised Reserves	Unrealised Reserves	Total Reserves
	€	€	€	€	€
As at 1 October 2019	31,365,405	1,600,000	35,173,509	-	68,138,914
Surplus for the financial year	-	-	1,152,843	-	1,152,843
Dividends paid	-	-	(202,268)	-	(202,268)
Transfer between reserves	3,346,000	2,000,000	(5,346,000)	-	-
As at 1 October 2020	34,711,405	3,600,000	30,778,084	-	69,089,489
Surplus for the financial year	-	-	1,093,432	59,039	1,152,471
Transfers of engagements	1,657,111	65,541	539,304	-	2,261,956
Transfer between reserves	7,521,329	-	(7,662,735)	141,406	-
As at 30 September 2021	43,889,845	3,665,541	24,748,085	200,445	72,503,916

- The regulatory reserve of the Credit Union as a percentage of total assets as at 30 September 2021 was 12.50% (2020: 11.30%).
- The operational risk reserve of the Credit Union as a percentage of total assets as at 30 September 2021 was 1.04% (2020: 1.17%).

The notes on pages 19-30 form part of these financial statements.



Statement of cash flows

For the financial year ended 30th September 2021

	Notes	2021 €	2020 €
Opening Cash and Cash Equivalents		38,904,895	37,831,888
CASH FLOWS FROM OPERATING ACTIVITIES			
Loans repaid by members	9	28,290,797	28,134,275
Loans granted to members	9	(36,018,195)	(30,997,907)
Interest on members' loans		5,028,621	4,900,422
Other interest income and similar income		1,804,738	1,852,053
Bad debts recovered and recoveries		730,988	592,357
Other income		168,808	117,610
Dividends paid		-	(202,268)
Members' current account lodgements	14	30,370,804	12,476,296
Members' current account withdrawals	14	(29,091,694)	(10,529,333)
Operating expenses		(6,608,771)	(5,665,478)
Movement in other assets and liabilities		30,330	110,169
NET CASH FLOWS FROM OPERATING ACTIVITIES		(5,293,574)	788,196
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash and investments introduced from transfers of engagements		13,637,503	-
Fixed asset (purchases)/disposals		(110,687)	(139,057)
Net cash flow from other investing activities		(4,734,088)	(25,937,125)
NET CASH FLOWS FROM INVESTING ACTIVITIES		8,792,728	(26,076,182)
CASH FLOWS FROM FINANCING ACTIVITIES			
Members' Shares Received	13	186,558,038	249,378,037
Members' Shares Withdrawn	13	(160,897,439)	(223,017,044)
NET CASH FLOWS FROM FINANCING ACTIVITIES		25,660,599	26,360,993
Net (decrease)/increase in cash and cash equivalents		29,159,753	1,073,007
CLOSING CASH AND CASH EQUIVALENTS	7	68,064,648	38,904,895

The notes on pages 19-30 form part of these financial statements.



Notes to the financial statements for the financial year ended 30 September 2021.

1. Legal and regulatory framework

Tullamore 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 Patrick St and Main Street Tullamore, 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. DEPOSITS AND INVESTMENTS

Held at amortised cost

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

Central Bank deposits

Credit Unions are obliged to maintain certain minimum deposits with the Central Bank but may also hold an excess over the regulatory minimum. The regulatory minimum deposits are technically assets of the Credit Union but to which the Credit Union has restricted access. The regulatory minimum portion will not ordinarily be returned to the Credit Union while it is a going concern and is separately identified in note 8, Deposits and investments - other. Funds held with the Central Bank in excess of the regulatory minimum requirements are fully available to the Credit Union and are therefore treated as cash equivalents and are separately identified in note 8, Deposits and investments - cash equivalents. The amounts held on deposit with the Central Bank are not subject to impairment reviews.



2.7. FINANCIAL ASSETS - LOANS TO MEMBERS

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

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

2.8. PROVISION FOR BAD DEBTS

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

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

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

2.9. TANGIBLE FIXED ASSETS

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

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Freehold premises	2% straight line
Leasehold properties	Over the period of the lease
Office equipment	20% reducing balance
Fixtures & fittings	10% reducing balance
Computer equipment	25% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other gains' or 'other losses' in the income and expenditure account.

2.10. Impairment of assets

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

2.11. OTHER RECEIVABLES

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



2.12. FINANCIAL LIABILITIES- MEMBERS' SHARES

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

2.13. 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).

2.14. OTHER PAYABLES

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

2.15. PENSION COSTS

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

2.16. HOLIDAY PAY

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

2.17. OPERATING LEASES

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

2.18. TERMINATION BENEFITS

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

2.19. DERECOGNITION OF FINANCIAL LIABILITIES

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

2.20. 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.

2.21. 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.

2.22. 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".



2.23. DISTRIBUTION POLICY

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

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

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

all dominated by prudence and the need to sustain the long-term welfare of the Credit Union.

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

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

2.24. TRANSFER OF ENGAGEMENTS

Transfer of engagements are accounted for using the acquisition method of accounting. This involves recognising identifiable assets and liabilities of the acquired Credit Union at fair value. In applying the acquisition method of accounting for these business combinations, the member interests transferred by the Credit Union represents the consideration transferred for the net assets acquired. This consideration has been estimated as equivalent to the acquisition date fair value of the members' interests in the transferor Credit Union (the fair value of the transferor Credit Union) at the date of the transfer, and is reflected as an adjustment in reserves.

2.25. TAXATION

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

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

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

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

The annual depreciation charge depends primarily on the estimated lives of each type of asset and, in certain circumstances, estimates of residual values. The Directors regularly review these useful lives and change them if necessary to reflect current conditions. In determining these useful lives management consider technological change, patterns of consumption, physical condition and expected economic utilisation of the assets. Changes in the useful lives can have a significant impact on the depreciation charge for the financial year. The net book value of tangible fixed assets subject to depreciation at the year end was €1,875,005 (2020: €1,964,858).

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 €6,358,049 (2020: €6,729,657) representing 8.19% (2020: 9.97%) of the total gross loan book.

Operational risk reserve

The Directors have considered the requirements of the Credit Union Act, 1997 (as amended) and have developed an approach to the calculation of the operational risk reserve. The operational risk reserve of the Credit Union at the year end was €3,665,541 (2020: €3,600,000).

Adoption of going concern basis for financial statements preparation

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



4. Transfer of engagements

On 8 June 2021 Tullamore Credit Union Limited ("TCU") accepted the transfer of Kilcormac Credit Union Limited ("KCU"). The assets and liabilities of KCU at the date of transfer were incorporated into the balance sheet of TCU at that date.

TCU did not pay any consideration in respect of the Transfer of Engagements. On the date of transfer, the members of the transferor Credit Union became members of TCU, and thereby became entitled to member interest associated with such membership. In applying the acquisition method of accounting for this business combination, the members' interests transferred by TCU represents the consideration transferred for the net assets acquired. This consideration has been estimated as equivalent to the acquisition date fair value of the members' interests in the transferor Credit Union (the fair value of the transferor Credit Union) at the date of transfer, and is reflected as an adjustment in reserves in note 18 on page 27.

The fair values of the net assets acquired are detailed below:

	Fair value of KCU assets and liabilities acquired by TCU €
Cash on hand and at bank	1,021,330
Deposits and investments	12,616,173
Loans to members	2,654,119
Provision for bad debts	(231,833)
Tangible fixed assets	87,255
Members' shares	(13,597,113)
Other liabilities, creditors, accruals and charges	(287,975)
	2,261,956

5. 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	682,732	585,663
Payments to pension schemes	73,568	48,096
Total key management personnel compensation	756,300	633,759

6. Net impairment gains on loans to members

	2021€	2020 €
Bad debts recovered	(642,458)	(505,696)
Impairment of loan interest reclassified as bad debt recoveries	(88,530)	(86,661)
Movement in bad debts provision during the year	(603,441)	(23,777)
Loans written off during the year	287,559	326,881
Net impairment gains on loans to members	(1,046,870)	(289,253)



7. Cash and cash equivalents

	2021€	2020 €
Cash and balances at bank	4,442,588	8,153,956
Deposits and investments - cash equivalents (note 8)	63,622,060	30,750,939
Net impairment gains on loans to members	68,064,648	38,904,895

8. Deposits and investments

	2021€	2020 €
Deposits and investments - cash equivalents		
Accounts in authorised credit institutions (Irish and non-Irish based)	49,814,914	28,567,976
Central Bank deposits	13,807,146	2,182,963
Total deposits and investments - cash equivalents	63,622,060	30,750,939

Deposits and investments - other

Accounts in authorised credit institutions (Irish and non-Irish based)	127,749,734	132,093,540
Irish and EEA state securities	10,915,956	10,923,152
Bank bonds	64,875,808	55,398,584
Investments in societies	3,809	3,809
Central Bank deposits	2,549,460	2,123,037
Other investments	2,684,874	3,503,431
Total deposits and investments - other	208,779,641	204,045,553
Total deposits and investments	272,401,701	234,796,492

9. Financial assets - loans to members

	2021€	2020 €
As at 1 October	67,521,450	64,984,699
Loans arising on transfer of engagements	2,654,119	-
Loans granted during the year	36,018,195	30,997,907
Loans repaid during the year	(28,290,797)	(28,134,275)
Gross loans and advances	77,902,967	67,848,331

Bad debts

Loans written off during the year	(287,559)	(326,881)
As at 30 September	77,615,408	67,521,450



10. Provision for bad debts

	2021 €	2020 €
As at 1 October	6,729,657	6,753,434
Provision arising on transfer of engagements	231,833	-
Movement in bad debts provision during the year	(603,441)	(23,777)
As at 30 September	6,358,049	6,729,657

The provision for bad debts is analysed as follows:

	2021 €	2020 €
Grouped assessed loans	6,358,049	6,729,657
Provision for bad debts	6,358,049	6,729,657

11. Tangible fixed assets

	Freehold premises	Leasehold properties	Office equipment	Fixtures & fittings	Computer equipment	Total
	€	€	€	€	€	€
1 October 2020	1,477,038	39,639	180,751	608,066	1,343,858	3,649,352
On transfer of engagements	78,928	-	2,450	3,340	2,537	87,255
Additions	-	-	7,736	6,816	96,135	110,687
At 30 September 2021	1,555,966	39,639	190,937	618,222	1,442,530	3,847,294

Depreciation

1 October 2020	159,017	39,639	104,812	337,677	1,043,349	1,684,494
Charge for year	31,120	-	17,225	28,059	211,391	287,795
At 30 September 2021	190,137	39,639	122,037	365,736	1,254,740	1,972,289

Net book value

At 30 September 2021	1,365,829	-	68,900	252,486	187,790	1,875,005
At 30 September 2020	1,318,021	-	75,939	270,389	300,509	1,964,858

12. Debtors, prepayments and accrued income

	2021 €	2020 €
Loan interest receivable	147,808	141,406
Investment income receivable	894,882	989,713
Other debtors and receivables	201,661	349,883
As at 30 September	1,244,351	1,481,002



13. Members' shares

	2021 €	2020 €
As at 1 October	235,340,635	208,979,642
Shares arising on transfer of engagements	13,597,113	-
Received during the year	186,558,038	249,378,037
Withdrawn during the year	(160,897,439)	(223,017,044)
AS AT 30 SEPTEMBER	274,598,347	235,340,635

14. Members' current accounts

	2021 €	2020 €
As at 1 October	1,947,761	798
Lodgements during the year	30,370,804	12,476,296
Withdrawals during the year	(29,091,694)	(10,529,333)
AS AT 30 SEPTEMBER	3,226,871	1,947,761

	No. of Accounts	Balance of Accounts €
Debit	134	10,345
Credit	2,972	3,237,216
Permitted overdrafts	54	19,323

15. Other liabilities, creditors, accruals and charges

	2021 €	2020 €
Accruals	820,049	773,119
Prize draw	4,586	113
PAYE/PRSI	52,687	36,984
AS AT 30 SEPTEMBER	877,322	810,216

16. Other provisions

Holiday pay accrual	2021 €	2020 €
At 1 October	-	-
Charged to the income and expenditure account	14,548	-
AS AT 30 SEPTEMBER	14,548	-



17. Financial instruments

Financial assets	2021 €	2020 €
Financial assets measured at amortised cost	355,364,924	311,477,118

Financial liabilities	2021 €	2020 €
Financial liabilities measured at amortised cost	278,727,433	238,114,119

Financial assets measured at amortised cost comprise of cash and balances at bank, deposits and investments, loans, members' current accounts overdrawn and investment income receivable.

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

18. Reserves

	Balance 01/10/20	Reserves arising on transfer of engagements	Appropriation of current year surplus	Transfers between reserves	Balance 30/09/21
	€	€	€	€	€
Regulatory reserve	34,711,405	1,657,111	-	7,521,329	43,889,845
Operational risk reserve	3,600,000	65,541	-	-	3,665,541

Other reserves

Realised

Undistributed surplus	15,831,968	-	1,093,432	(7,662,735)	9,262,665
General reserve	14,946,116	-	-	-	14,946,116
Reserves arising on transfer of engagements	-	539,304	-	-	539,304
TOTAL REALISED RESERVES	30,778,084	539,304	1,093,432	(7,662,735)	24,748,085

Unrealised

Interest on loans reserve	-	-	6,402	141,406	147,808
Investment income reserve	-	-	52,637	-	52,637
TOTAL UNREALISED RESERVES	-	-	59,039	141,406	200,445
TOTAL RESERVES	69,089,489	2,261,956	1,152,471	-	72,503,916



19. Credit risk disclosures

In line with regulatory requirements, the Credit Union:

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

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

	2021		2020	
	€	%	€	%
Loans not impaired				
Total loans not impaired, not past due	72,701,242	93.67%	58,061,491	85.99%
Impaired loans				
Not past due	2,037,510	2.63%	1,810,993	2.68%
Up to 9 weeks past due	811,901	1.05%	5,089,330	7.54%
Between 10 and 18 weeks past due	761,802	0.98%	743,285	1.10%
Between 19 and 26 weeks past due	326,318	0.42%	292,526	0.43%
Between 27 and 39 weeks past due	172,039	0.22%	287,290	0.43%
Between 40 and 52 weeks past due	150,190	0.19%	238,071	0.35%
53 or more weeks past due	654,406	0.84%	998,464	1.48%
Total impaired loans	4,914,166	6.33%	9,459,959	14.01%
TOTAL LOANS	77,615,408	100.00%	67,521,450	100.00%

20. Related party transactions

20a Loans

	2021		2020	
	No. of loans	€	No. of loans	€
Loans advanced to related parties during the year	27	359,284	6	42,234
Total loans outstanding to related parties at the year end	28	481,395	21	259,936
Total provision for loans outstanding to related parties		8,731		4,214

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 0.62% of the total loans outstanding at 30 September 2021 (2020: 0.38%).



20b Shares

The total amount of shares held by related parties at the year end was €205,881 (2020: €156,468).

21 Additional financial instruments disclosures

21a Financial risk management

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

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

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

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

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

21b 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.

21c 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	77,615,408	7.08%	67,521,450	7.61%

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.

22 Dividends

The following distributions were paid during the year:

Loans not impaired	2021		2020	
	%	€	%	€
Dividend on shares	0.00%	-	0.10%	202,268

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

23 Events after the end of the financial year

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

24 Insurance against fraud

The Credit Union has Insurance against fraud in the amount of €2,500,000 (2020: €2,500,000) in compliance with Section 47 of the Credit Union Act, 1997 (as amended).

25 Leasing commitments

The Credit Union had future minimum lease payments under non-cancellable operating leases as follows:

	2021 €	2020 €
Less than 1 year	14,270	14,270
1 to 5 years	57,078	57,078
Greater than 5 years	53,135	67,404
AS AT 30 SEPTEMBER	124,483	138,752

26 Capital commitments

There were no capital commitments at 30 September 2021.

27 Contingent liabilities

There were no contingent liabilities at the current or prior balance sheet date.

28 Comparative information

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

29 Approval of financial statements

The Board of Directors approved these financial statements for issue on 18th of November 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 11 to 13.

Schedule 1 - Other interest income and similar income

For the year ended 30th September 2021

	2021 €	2020 €
Investment income and gains received/receivable within 1 year	1,752,101	1,852,053
Investment income receivable outside of 1 year	52,637	-
TOTAL PER INCOME AND EXPENDITURE ACCOUNT	1,804,738	1,852,053

Schedule 2 - Other income

	2021 €	2020 €
Commissions and fees	42,528	63,203
Current account fees and charges	115,115	51,395
Sundry income	11,165	3,012
TOTAL PER INCOME AND EXPENDITURE ACCOUNT	168,808	117,610

Christmas Holidays Opening Hours

Friday 24th December.....10am - 2pm

Saturday 25th December.....CLOSED

Sunday 26th December.....CLOSED

Monday 27th December.....CLOSED

Tuesday 28th December.....CLOSED

Wednesday 29th December.....CLOSED

Thursday 30th December.....10am - 5pm

Friday 31st December.....10am - 5pm

Saturday 1st January.....CLOSED

Sunday 2nd January.....CLOSED

Monday 3rd January.....CLOSED

Tuesday 4th January.....Back to normal

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Schedule 3 - Other Management Expenses

For the year ended 30th September 2021

	2021 €	2020 €
Rent and Rates	27,571	41,302
Lighting, Heating & Cleaning	88,183	75,832
Repairs & Renewals	14,023	47,046
Security	42,722	46,066
Printing and Stationery	36,851	43,595
Postage and Telephone	98,488	82,797
Donations and Sponsorship	50,346	60,281
Promotion and Advertising	132,746	161,207
Training Costs	50,313	39,719
Convention Expenses	500	10,547
AGM Expenses	85,418	42,639
Travel and Subsistence	6,329	15,835
Bank Interest and Charges	175,752	131,234
Audit Fee	39,975	34,440
General Insurance	93,199	88,349
Share and Loan Insurance	463,568	416,358
Pension	256,038	214,369
Legal and Professional Fees	399,301	590,558
Project costs	805,598	292,161
Computer Maintenance	527,441	603,259
Miscellaneous Expenses	101,138	66,474
Affiliation Fees	62,308	63,923
Regulatory Levies	406,946	322,402
ATM and debit card expenses	165,517	128,746
Prior year adjustment	-	37,723
TOTAL PER INCOME AND EXPENDITURE ACCOUNT	4,130,271	3,656,862



Members' Quarterly Prize Draw Income and Expenditure

For the year ended 30th September 2021	2021 €	2020 €
Surplus Brought Forward	114	6,313
INCOME		
Income from Members	260,210	251,900
Contribution from TCU	-	2,000
TOTAL	260,324	260,213
EXPENDITURE		
Car Prizes	112,200	104,200
Cash Prizes	107,000	150,500
Other Prizes - Eco Home	31,000	-
Other Prizes	1,000	-
Car Draw Expenses	4,538	5,399
TOTAL	255,738	260,099
SURPLUS TO BE CARRIED FORWARD	4,586	114

Members' Quarterly Prize Draw Winners

Our Members Quarterly Prize Draw remains very popular and typically attracts around 6,505 participants. The draw takes place in the Patrick Street office however due to COVID 19 restrictions this year we had to change the location from the public office, however all draws were streamed live on Facebook and we had some great interactions with members. External supervisors and the Board Oversight Committee have been monitoring proceedings during each draw. Cost of entry is €10 per draw. Download an entry form on www.tullamorecu.ie or call into the office to sign up.

December 2020

1st prize: Nissan Qashqui

Winner: Owen Teehan, Carraig Cluain, Tullamore.
30 winners of €1,000.00

March 2021

1st prize: Hyundai Tucson

Winner: Ger Plunkett, Ballycrystal, Geashill.
33 winners of €1,000.00

June 2021

1st prize: Ford Focus

Winner: James Rigney, Annabrack, Blueball.

2nd Prize: Eco Home Log Cabin

Winner: Tona Redmond, Corbally, Rosenallis.
20 winners of €1,000.00

September 2021

1st prize: Suzuki Vitara

Winner: Thomas Hayden, Culleen, Durrow, Co Offaly.

2nd Prize: Eco Home Log Cabin

Winner: Bernadette Barrett, Horseleap, Co Westmeath.

24 winners of €1,000.00.

2 winners of Staycation vouchers.

Well done to all our Prize Draw Winners!!



December 2020



March 2021



June 2021



September 2021

Don't forget to sign up for our
**Members' Quarterly
Prize Draw**



Tullamore
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