



**Looking forward,
together**

Rule Amendments

RULE AMENDMENT No. 1

That this AGM proposes to amend Rule 5 Meetings, adoption and amendment of Rules of the Credit Union Rules by inserting the following:

Interpretation

(A) Where the words “present and voting” appears in relation to general meetings it is to be construed as including reference to a member who is physically present and voting, or, a member in attendance and voting by the use of electronic communications technology.

RULE AMENDMENT No. 2

That this AGM proposes to amend Rule 5 of the Credit Union Rules by inserting the following:

(B) “Electronic communications technology” in relation to general meetings means technology that enables real time transmission and real time two-way audio-visual or audio communication enabling attendees as a whole with a reasonable opportunity to participate in the meeting using such technology from a remote location.

RULE AMENDMENT No. 3

That this AGM proposes to amend Rule 5(1) of the Credit Union Rules to read as follows:

Rule 5(1) In respect of each financial year, an annual general meeting of the members (“the “AGM”) shall be held in the State at such date and time, at a place (where applicable) and in the manner (where applicable) as the Board may, by resolution, determine but not later than the 31st of January of the following year.

RULE AMENDMENT No. 4

That this AGM proposes to amend Rule 5(5)(a) of the Credit Union Rules to read as follows:

Rule 5(5)(a) Before a general meeting of the credit union is held, the Secretary shall give notice of the meeting to the Bank, to the auditor of the credit union and to every member who, at the beginning of the relevant period, is eligible to vote at the meeting and such notice shall:

(a) state the date, time and place (where applicable) and/or manner (where applicable) of the general meeting;

RULE AMENDMENT No. 5

That this AGM proposes to amend Rule 5(5) of the Credit Union Rules by inserting the following after Rule 5(5)(f):

Rule 5(5)

- (g) in the case of a general meeting proposed to be held wholly or partly by the use of electronic communications technology such Notice shall also contain the following information:
- (i) the electronic platform to be used for the meeting,
 - (ii) details for access to the electronic platform,
 - (iii) where required by the credit union, the time and manner by which an attendee must confirm his or her intention to attend the meeting,
 - (iv) any requirements or restrictions which the credit union has put in place in order to identify attendees who intend to attend the meeting,
 - (v) the procedure for attendees to communicate questions and comments during the meeting, and
 - (vi) the procedure to be adopted for voting on resolutions proposed to be passed at the meeting.

RULE AMENDMENT No. 6

That this AGM proposes to amend Rule 5(13) of the Credit Union Rules to read as follows:

Rule 5(13) A poll may be demanded at a general meeting (or an adjourned meeting) by the Chair or by at least 10 members present (whether physically present, or in attendance by the use of electronic communication technology) having the right to vote at the meeting (or the adjourned meeting) on any question, other than the election of the Chair. A poll shall be taken in such manner as their Chair directs and he/she may appoint tellers (who need not be members) and fix a time and place (where applicable) and/or manner (where applicable) for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

RULE AMENDMENT No. 7

That this AGM proposes to amend Rule 15 of the Credit Union Rules to read as follows:

The credit union may deal with shares and deposits as herein after provided when no member-initiated transaction has occurred on the account for a period of three years. Dividends and interest shall continue to be payable on such accounts.

Notice of Meeting

Notice is hereby given that the 57th Annual General Meeting of Credit Union Plus Ltd. will be held virtually on the 14th April at 6.15pm sharp. Registration details are outlined below.

Agenda

1. Acceptance of Proxies (if any) by the Board of Directors
2. Ascertainment of Quorum
3. Adoption of Standing Orders
4. Reading and approval (or correction) of the minutes of the last Annual General Meeting
5. Report of the Board of Directors
6. Chief Executive Officer's Report
7. Report of the Auditors
8. Board Oversight Committee Report
9. Notice of Motions
 - 9.1 Rule Amendments
10. Report of the Audit Committee
11. Report of the Risk Committee
12. Report of the Credit Committee
13. Report of the Credit Control Committee
14. Report of the Marketing Committee
15. Report of the Membership Committee
16. Report of the Nomination Committee
17. Report of the Investment Committee
18. Report of the Non-Executive Committee
19. Appointment of Tellers
20. Election of External Auditor
21. (a) Election to fill vacancies on the Board Oversight Committee
 - (b) Election to fill vacancies on the Board of Directors
22. Any Other Business
23. Announcement of Election Results
24. Close of Meeting

You are earnestly requested to attend.

Signed,



James Murphy, Honorary Secretary

Elections will be held to fill one vacancy on the Board Oversight Committee, two vacancies on the Board of Directors and the External Auditor.

Method of Pre-Registration

Due to the ongoing COVID-19 pandemic, in order to keep everyone safe and in accordance with Government health guidance, this year the AGM will be held virtually. Members who wish to attend must register in advance through the online registration service at <https://creditunionplus.ie/agm/> by 8th April.

Please submit any questions you may have in relation to the annual report in writing by close of business on 8th April either by email to agm2020@creditunionplus.ie or by post for the attention of The Honorary Secretary, Credit Union Plus, Kennedy Road, Navan Co. Meath.

Chairperson's Address

It is my pleasure to present the Directors Review for 2020.

Progress

In order to review Credit Union Plus' progress in the current year it is necessary to be objective, temporarily put aside the global health crisis in which we find ourselves and focus on the business issues. A cursory review of the results would suggest steady progress, for example, our Loan Book is up by 2.4%, our Assets up by 8.1% and Reserves a fraction down from 2019. In February we had the highest monthly New Loan take-up for over 10 years at almost €3.5 million and our Loan Book was at its highest point since 2011. However, behind these positive figures lies the reality of a business model which is vulnerable to sudden change and is becoming increasingly cumbersome and dated. Be assured, our continuing strategic direction will address this.

Business Model Development

The credit union business model is centred around providing loans to members from members' savings and unborrowed funds are invested to attract investment income. These are the two main sources of income. Of course, our credit union is also community based and offers retail financial services via its branch network. The challenging environment of low investment returns in which we operate, implies that one of our main income streams is severely curtailed.

The level of member savings continues to rise – up by almost €18 million in 2020. While this is broadly accepted as a welcome endorsement of the confidence of members, it also means that the equivalent of 10% of these extra savings needs to be set aside as a Regulatory Reserve, taken from the credit union's income. This income would otherwise be used to cover the costs of services to members and to provide dividends and loan interest rebates. For every extra €1,000 in Assets the credit union must put €100 aside in Regulatory Reserves. The Regulatory Reserve for 2020 amounted to over €24 million (funds that cannot be distributed or used for development). This reserve rose by €1.5 million in 2020. This increase was funded by a combination

of current year's Surplus and Surplus from previous years, which is a diminishing and finite source of funding. Clearly, there are challenges ahead.

Rebalance

You may ask, "just what can be done to rebalance this situation?" You may remember that a Strategy Reserve of €2 million was created two years ago which was earmarked for the development and upgrade of our IT banking system, to complement the changing lifestyles and requirements of our members. Over the last year, in spite of difficult circumstances, much work has gone on behind the scenes to scope out, develop and test various elements of a new IT banking system. COVID-19 has unfortunately slowed progress, but we are confident that all the features of a sophisticated, modern and safe IT banking system will be available to members in 2021. This will ensure that any member can have secure access to their account 24/7, a current account, online real time transactions and mobile technology. The credit union will have superior reporting and greater flexibility in communicating with members. More than that, Credit Union Plus will be in a better position to compete with other more digitally sophisticated financial institutions in order to attract and maintain members, especially younger members, who require, and deserve financial facilities that are convenient, competitive and aligned to their lifestyles.

It is our intention to introduce longer term lending, in the form of Business Loans and Mortgages. This will ensure that the credit union will be less vulnerable to sudden dips in personal loan demand and will have the effect of "lengthening" our Loan Book. Our "BizFin" brand of Business loans is already in the pipeline. This will provide loans of up to €300k for businesses at competitive interest rates with terms up to 20 years (aligned with purposes) and loan cover protection for sole traders or business borrowers in a partnership. Work is ongoing in researching the rollout of mortgages and we are expecting to have these facilities in place for members in the near future.

Our Peopl. Insurance product recently launched and provides very competitive Home, Travel and Life Insurance. This will provide the credit union with another valuable income stream. Members get great value for money and up to the minute competitive quotes. I would encourage you to get a quote the next time your insurance policy is due for renewal (www.peopl.ie).

Our results

The Total Income of Credit Union Plus for 2020 amounted to €7,103,561 which was an increase of €532,248 over 2019. Interest on members' loans was €5,611,309, an increase of 12% over last year, and a record nine year high. Income from investments amounted to €1,251,517 which was a reduction of almost 16% from last year, primarily due to the fall in bank deposit rates, as signalled above. Bad Debts Written Off at €133,814 were €35,448 more than 2019, while Bad Debts Recovered amounted to €420,510. We continue to operate a robust underwriting and credit control regime. The Surplus generated for 2020 amounted to €448,066 (compared to €700,032 in 2019 – before property impairment).

Turning to the Balance Sheet, Total Assets amount to €239,138,394, an increase of almost €18 million over last year, driven exclusively by a corresponding increase in Member Shares. Reserves stand at €34,136,323 or 14.3% of Total Assets (15.5% in 2019). Regulatory Reserves account for 70.3% of the Total Reserves compared to 65.7% in 2019.

Our Loan Book increased by €1,577,657 or 2.4% to €68,338,561. The Provision for Doubtful Debts at €4,259,833 or 6.2% (4.9% 2019) of the Loan Portfolio is €955,639 higher than 2019 and takes into account extra provisioning for the impact of COVID-19 and BREXIT. Investments are down by €488,026 from 2019, closing at €149,368,913.

This year, due to the level of Surplus, the increasing requirements of funding the Regulatory Reserves and the Central Bank of Ireland recommendation, the Board of Directors are not proposing any distribution, either Dividend or Loan Interest Rebate. While it is appreciated that this may be a disappointment to some members, the Board of Directors believe that a very conservative and prudent approach is necessary to ensure the longer-term stability and viability of the credit union. Further, the Board of Directors is confident that by following the agreed and progressive strategy of planned modernisation, coupled with an emphasis on cost management, a return to more meaningful levels of Surplus, Reserves and Return on Assets is achievable.

Review

In reviewing 2020, most people would agree that it has been a difficult time for everyone. The credit unions were called upon to act as essential services, which was done, professionally and without fuss

and Credit Union Plus was no different. I applaud all our staff, management team and Board members for keeping the services running, keeping members safe and leading by example. As mentioned earlier, great progress is going on behind the scenes to expedite our modernisation strategy. I have no doubt that when this is achieved Credit Union Plus will have a special appeal for individuals of all ages and circumstances and be the financial provider of first choice for all those within our common bond.

In particular, I look forward to the implementation of a world-class computer banking system. A strategic reserve of €2 million was set up two years ago for this project and the system implementation was planned meticulously for the benefit of all our members. Our expectation is that 2021 will see this project completed. In the meantime, we will do everything to rebalance the business model to ensure the viable longevity of our credit union.

Appreciation

I would like to express my gratitude to my fellow Directors, Board Oversight Committee members, Management Team and Staff for their hard work and dedication to the members of Credit Union Plus, especially in this most difficult year.

I thank all members, on behalf of the Board of Directors, for your support in keeping the credit union ethos alive in our community and for placing your trust in Credit Union Plus.

It has been my privilege to act as Chair of Credit Union Plus Ltd for the last four years and I would ask you to continue to support your local credit union, Credit Union Plus, especially for your borrowing requirements.

Finally, our CEO Mr. John Grogan is retiring. John joined our Navan office in 2012. The Board would like to thank John for the significant contribution and strong leadership over the past 8 years. On behalf of all the team in Credit Union Plus, I would like to wish John a long and enjoyable retirement. Mr. Phil Hegarty the Head of Member Services has been appointed as our new CEO commencing in December 2020, I wish Phil continued success in his new role.



Aidan Curtis
Chairperson of the Board of Directors

Statement of Directors Responsibilities

The Credit Union Acts 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 Account 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.
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Credit Union will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Credit Union and to enable them to ensure that the financial statements are prepared in accordance with applicable Irish Law and Generally Accepted Accounting Practice in Ireland, including the standards issued by the Financial Reporting Council, and in particular FRS102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland”. They are 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:



Aidan Curtis
Chairperson of the Board of Directors



James Murphy
Member of the Board of Directors

Statement of the Board Oversight Committees Responsibilities

The Credit Union Act, 1997 (as amended) requires the appointment of a Board Oversight Committee to assess whether the Board of Directors have 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 Acts, 1997 (as amended) and any other matter prescribed by the Central Bank in respect of which they are to have regard to in relation to the Board.

On behalf of the Board Oversight Committee.



Brian Crowley
Chairperson of the Board Oversight Committee

Board Oversight Committee Report

The function of the Board Oversight Committee is to assess whether the Board of Directors has operated in accordance with the governance requirements set out in legislation, regulations and guidance.

To date the Board Oversight Committee of Credit Union Plus Ltd. has in furtherance of its role:

- had a presence at Board meetings.
- met monthly as required by legislation.
- formally met with the Board once a quarter and provided a performance report to the Board as required by legislation.
- communicated with the external auditor of Credit Union Plus Ltd., FLD Chartered Accountants Limited.
- attended at various committee meetings throughout the year including the Credit Union's Strategic Planning Programme.
- organised and attended specialised Board Oversight Committee training.

The Board Oversight Committee is satisfied to report that the actions and decisions of the Directors of the Board of Credit Union Plus Ltd. as reviewed have been found to be compliant with current rules and legislation. The Board Oversight Committee is satisfied that the method employed by the Board of continual reviews of the Credit Union's processes and procedures ensures that the Credit Union meets all of the requirements laid down from a legal and regulatory perspective.

We would like to extend our thanks to the Board of Directors, Chief Executive Officer and the staff of Credit Union Plus Ltd. for their assistance and support throughout the year as we fulfilled our function.



Brian Crowley
Chairperson of the Board Oversight Committee

Auditors Report

Independent Auditors Report to the Members of Credit Union Plus Limited.

We have audited the financial statements of Credit Union Plus Limited for the year ended 30 September 2020, which comprise the Income and Expenditure Account, Balance Sheet, Statement of Changes in Reserves, 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, including the Credit Union Act, 1997 (as amended) and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland including 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 30 September 2020 and its income and expenditure and cash flows 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 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 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

We have nothing to report in respect of the following matters in relation to which ISAs (Ireland) require us to report to you where:

- the Directors use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Credit Union's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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 were 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

Responsibilities of Directors for the financial statements

As explained more fully in the Directors responsibilities statement set out on page 5, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

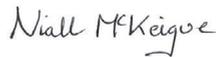
Auditor's responsibilities for the audit of the financial statements

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

Further details relating to our work as auditor is set out in the Scope of Responsibilities Statement contained in the appendix of this report, which is to be read as an integral part of our 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 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.



Niall McKeigue FCA
For and on behalf of
FLD Chartered Accountants Limited
Chartered Accountants and Statutory Audit Firm
Newbridge House, Athlumney, Navan, County Meath
10 December 2020

Appendix to the Independent Auditors Report

Further information regarding the scope of our responsibilities as auditor

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Credit Union to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Directors Report

For The Financial Year Ended 30 September 2020

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

Principal Activities

The principal activities of the Credit Union are the provision of financial services to its members, the acceptance of members' shares and lending to members in accordance with legislation, regulations and policies determined by the Credit Union.

Business Review

Despite the challenges presented during the year by the COVID-19 pandemic, both the level of business and the year-end financial position were satisfactory. The Directors expect to develop and expand the Credit Union's current activities whilst managing the ongoing effects of COVID-19. The Directors are confident of the Credit Union's ability to continue to operate successfully in the future.

Results and Dividends

The surplus of income over expenditure for the year is €448,066 (2019: (€5,826,744)). This is set out in the Income and Expenditure Account on page 11.

In compliance with Central Bank guidance the Credit Union is not proposing the payment of a dividend or a loan interest rebate for the current year.

Principal Risks and Uncertainties

The Credit Union is fully aware of its principal risks and it monitors these constantly and does everything in its power to minimise all risks and to manage prudently those residual risks over which it has little control. The principal areas currently requiring risk management include:

- loan book growth and the ongoing effects of COVID-19.
- prudent investment selection to minimise loss of investment income.
- liquidity management and control of costs.
- continuous monitoring of compliance with regulatory and legislative requirements.

Statement on Relevant Audit Information

There is no relevant audit information of which the statutory auditors are unaware. The Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and they have established that the statutory auditors are aware of that information.

Accounting Records

The Directors believe that they comply with the requirements of Section 108 of the Credit Union Act, 1997 (as amended) with regard to books of account by employing accounting personnel with appropriate expertise and by providing adequate resources to the financial function. The books of account of the Credit Union are maintained at its registered office at Kennedy Road, Navan, Co. Meath.

Events since the end of year

On 21st October the Irish Government imposed level 5 restrictions for a second time this year as a means of slowing down the rising COVID-19 infection rates. Given the responsive measures that have been implemented in Credit Union Plus, the Directors are confident that the Credit Union is well positioned to manage the challenges another lockdown presents.

Auditors

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

On behalf of the Board of Directors:



Aidan Curtis
Chairperson of Board of Directors



James Murphy
Member of the Board of Directors

3 November 2020

Income and Expenditure Account

For the Financial Year Ended 30 September 2020

	Note	2020 €	2019 €
Interest on members' loans	4	5,611,309	5,001,030
Other interest income and similar income	5	1,251,517	1,488,900
Net interest income		6,862,826	6,489,930
Other Income	7	240,735	81,383
Total Income		7,103,561	6,571,313
Expenditure			
Employment costs		2,471,820	2,447,917
Depreciation	10	195,355	300,152
Amortisation	11	16,899	-
Other management expenses (Schedule 1)		3,574,671	3,852,553
Movement on provision for doubtful debts	12d	955,639	(221,000)
Bad debts recovered	12d	(420,510)	(508,341)
Gain on revaluation of property	10	(138,379)	-
Exceptional item - Impairment on revaluation of property		-	6,526,776
Total Expenditure		6,655,495	12,398,057
Surplus/(Deficit) for the financial year		448,066	(5,826,744)
Surplus for the financial year before exceptional item		448,066	700,032
Exceptional item – impairment on revaluation of property		-	(6,526,776)
Surplus/(Deficit) for the financial year after exceptional item		448,066	(5,826,744)

The financial statements were approved and authorised for issue by the Board of Directors on 3 November 2020 and signed on its behalf by:



John Grogan,
Chief Executive Officer



Aidan Curtis,
Member of the Board of Directors



Brian Crowley
Member of the Board Oversight
Committee

Balance Sheet

As at 30 September 2020

	Note	2020 €	2019 €
Assets			
Cash at bank and on hand	9	20,731,403	3,881,925
Tangible fixed assets	10	3,362,781	3,129,462
Intangible fixed assets	11	1,002,910	349,342
Loans to members	12	68,338,561	66,760,904
Less: provision for doubtful debts	12	(4,259,833)	(3,304,194)
Debtors, prepayments and accrued income	13	593,659	495,183
Deposits and Investments – Cash Equivalents	14	24,867,570	36,922,836
Deposits and Investments - Other	14	124,501,343	112,934,103
Total Assets		239,138,394	221,169,561
Liabilities			
Members' shares	15	204,346,867	186,387,242
Creditors and accrued expenses	16	655,204	541,343
Total Liabilities		205,002,071	186,928,585
Reserves			
Regulatory reserve		24,011,664	22,511,664
Operational risk reserve		787,668	756,314
Realised reserves		5,100,968	6,769,513
Dividend reserve - realised		2,080,000	2,080,000
Strategy reserve - realised		1,936,431	1,936,431
Non-distributable reserves		219,592	187,054
Total Reserves		34,136,323	34,240,976
Total Liabilities And Reserves		239,138,394	221,169,561

The financial statements were approved and authorised for issue by the Board of Directors on 3 November 2020 and signed on its behalf by:



John Grogan,
Chief Executive Officer



Aidan Curtis,
Member of the Board of Directors



Brian Crowley
Member of the Board Oversight
Committee

Statement of Changes in Reserves

For the Financial Year Ended 30 September 2020

	Regulatory Reserve	Operational Risk Reserve	Revenue Reserve	Dividend Reserve	Strategy Reserve	Non-Distributable Reserve	Total Reserves
	€	€	€	€	€	€	€
Opening balance at 1 October 2018	22,966,961	750,000	12,850,608	2,080,000	2,000,000	166,891	40,814,460
Total comprehensive income for the year	-	-	(5,826,744)	-	-	-	(5,826,744)
Dividends paid during the year (Note 6)	-	-	(315,405)	-	-	-	(315,405)
Interest rebate paid during the year (Note 6)	-	-	(431,335)	-	-	-	(431,335)
Transfer between reserves	(455,297)	6,314	492,389	-	(63,569)	20,163	-
Closing balance at 30 September 2019	22,511,664	756,314	6,769,513	2,080,000	1,936,431	187,054	34,240,976
Opening balance at 1 October 2019	22,511,664	756,314	6,769,513	2,080,000	1,936,431	187,054	34,240,976
Total comprehensive income for the year	-	-	448,066	-	-	-	448,066
Dividends paid during the year (Note 6)	-	-	(179,730)	-	-	-	(179,730)
Interest rebate paid during the year (Note 6)	-	-	(372,989)	-	-	-	(372,989)
Transfer between reserves	1,500,000	31,354	(1,563,892)	-	-	32,538	-
Closing balance at 30 September 2020	24,011,664	787,668	5,100,968	2,080,000	1,936,431	219,592	34,136,323

- (1) The Regulatory Reserve of the Credit Union as a percentage of total assets as at 30 September 2020 was 10.04% (2019 10.18%). During the year this reserve has increased by €1,500,000 following a transfer from the Revenue Reserve.
- (2) As required under S45 of the Credit Union Act, 1997 (as amended) Credit Union Plus Limited have an Operational Risk Reserve. The Board approved an additional transfer of €31,354 from the Realised Reserve to the Operational Risk Reserve, following the completion of an internal process of assessing the level of the reserve required to cover the operational risk within the Credit Union. The Operational Risk Reserve at 30 September 2020 represents 0.33% (2019 0.34%) of total assets at that date.
- (3) Following commencement of S13 of the 2012 Act (Credit Union Co-operation with Overseas Regulators Act), the requirement for Credit Unions to transfer 10% of their annual surplus to their statutory reserve (now known as the Regulatory Reserve) each year has been removed. The Regulatory Reserve at the year-end was 10.04%, which is in excess of the required limit of 10% of total assets.
- (4) The Board approved the creation of a €2,000,000 Strategy Reserve in 2018 for future projects contained in the Strategic Plan. In 2019, €63,569 of this reserve was used for research and development. There was no movement on this reserve during the current financial year as projects were still in their development phase.
- (5) The increase in the Non-Distributable Reserve relates to an increase in the accrued loan interest receivable as at 30 September 2020.

Cash Flow Statement

For the Financial Year Ended 30 September 2020

	Note	2020 €	2019 €
Opening cash and cash equivalents		40,804,761	55,035,627
Cash flows from operating activities			
Loans repaid by members	12a	27,004,094	26,695,950
Loans granted to members	12a	(28,715,565)	(31,976,181)
Loan interest received	4	5,578,771	4,980,867
Investment income received	5	1,251,517	1,488,900
Other income received	7	240,735	81,383
Bad debts recovered	12d	420,510	508,341
Dividends paid	6	(179,730)	(315,405)
Interest rebate paid	6	(372,989)	(431,335)
Operating expenses		(5,906,834)	(6,202,104)
Increase in accrued expenses	16	113,861	214,249
Increase in prepaid expenses	13	(65,938)	(136,380)
Net cash flows from operating activities		(631,568)	(5,091,715)
Cash flows from investing activities			
Purchase of property, plant and equipment	10	(290,295)	(135,599)
Purchase of Intangible fixed assets	11	(676,310)	(195,095)
Net cash flow from other investing activities		(11,567,240)	(9,422,822)
Net cash flows from investing activities		(12,533,845)	(9,753,516)
Cash flow from financing activities			
Members' shares received	15	156,615,999	146,104,192
Members' shares withdrawn	15	(138,656,374)	(145,489,827)
Net cash flows from financing activities		17,959,625	614,365
Net increase/(decrease) in cash and cash equivalents		4,794,212	(14,230,866)
Cash and cash equivalents at end of year	9	45,598,973	40,804,761

Notes to the Financial Statements

For the Financial Year Ended 30 September 2020

1. Legal and regulatory framework

Credit Union Plus Limited (The Credit Union) is established under the Credit Union Act, 1997 (as amended). The Credit Union is registered with the Registrar of Credit Unions and is regulated by the Central Bank of Ireland. The registered office of the Credit Union is Kennedy Road, Navan, Co Meath.

2. Accounting policies

2.1. Statement of compliance and basis of preparation

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

The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain fixed assets and financial instruments as specified in the accounting policies below.

2.2. 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.

2.3. Going concern

The financial statements are prepared on the going concern basis. The Directors of Credit Union Plus 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 requirements of the Central Bank.

2.4. 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. An adjustment is made to the year-end amount receivable for any irrecoverable amounts. The Directors have made a decision to transfer accrued interest receivable on loans at the year-end to an unrealised reserve.

Investment income

The Credit Union uses the effective interest method to recognise investment income.

Other income

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

2.5. Dividends and loan interest rebate to members

Dividends on shares and loan interest rebate

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

The rate of dividend and loan interest rebate recommended by the Board will reflect:

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

These are 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 rebates of loan interest when members ratify such payments at the Annual General Meeting.

2.6. Taxation

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

2.7. Cash and cash equivalents

Cash and cash equivalents comprise, operating cash on hand and cash deposited with banks with original maturity of less than or equal to three months.

2.8. 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 initially measured at the transaction price, including transaction costs, and are subsequently carried at amortised cost using the effective interest method.

The specific investment products held by the Credit Union are accounted for as follows:

Held at amortised cost

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

Investments held which are considered non-basic financial instruments under Section 11 of FRS 102 and investment in stock market shares (i.e. non-convertible preference shares and non-puttable ordinary shares or preference shares) are included in this category. They are valued at fair value (market value) at the year-end date and all gains and losses are taken to the Income and Expenditure Account. The fair value of quoted investments is determined by reference to bid prices at the close of business on the Balance Sheet date.

2.8. Financial instruments (continued)

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 do not attract interest and will not ordinarily be returned to the Credit Union while it is a going concern. The amounts are stated at the amount deposited plus accrued income and are not subject to impairment reviews.

2.9. Financial assets – loans and advances 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.

2.10. Other receivables

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

2.11. Impairment of financial assets

Financial assets, other than those held at fair value, 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 cash flows 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 discounted at the asset's original effective interest rate.

In the case of impairment of loans to members, 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 quarterly 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.

2.12. Derecognition 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 have expired, usually when all amounts outstanding have been repaid by the member. Credit Union Plus Limited does not transfer loans to third parties.

2.13. 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.

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 members' shares are measured at amortised cost.

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.

2.14. Derecognition of financial liabilities

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

2.15. Tangible fixed assets

Tangible fixed assets comprise items of freehold land and buildings, investment property, fixtures & fittings, office & computer equipment and leasehold improvements. All assets, aside from investment property (see 2.17), are stated at cost/revaluation less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

The Credit Union adopt a policy of revaluing freehold premises. Freehold premises are included in the balance sheet at their fair value on the basis of a periodic professional valuation less accumulated depreciation. The difference between depreciation based on the revalued amount is charged in the Income and Expenditure Account and the asset's original cost is transferred from revaluation reserve to retained earnings (if applicable). Any changes in the value of freehold properties are reflected as a movement on the revaluation reserve except where the revaluation is below original cost or reverses a revaluation decrease of the same asset previously recognised, in which case the balance is recognised in the Income and Expenditure Account.

Depreciation is provided to write off the cost/revalued amount of each item of freehold property, fixtures & fittings, office & computer equipment and leasehold improvements, less its estimated residual value over its estimated useful life. The categories of freehold property, fixtures & fittings, office & computer equipment and leasehold improvements are depreciated as follows:

Freehold land & buildings	25 years on revalued amount
Fixtures & fittings	10 years straight line
Office & computer equipment	5 years straight line
Leasehold improvements	10 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the Income and Expenditure account.

2.16. Impairment of tangible fixed assets

At each reporting end date, 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.

2.17. Investment property

Investment property consists of two branch premises which have been transferred from Freehold Land and Buildings during the year. This reclassification to investment property arises as a result of a decision taken by the Credit Union to arrange for the sale of both these properties. Investment properties are initially recognised at cost or where the investment property has been transferred from Freehold Land and Buildings / Property, Plant and Equipment, the carrying amount at the date of transfer to investment property is considered the deemed cost of the investment property. Investment properties whose fair value can be measured reliably are measured subsequently at fair value. Changes in fair value are recognised in the Income and Expenditure Account.

2.18. Intangible Fixed Assets

Costs incurred on development projects are recognised as intangible assets when it is probable that the project will be a success, considering its commercial and technological feasibility, and costs can be measured reliably. Pure and applied research costs are written off as incurred. Development costs are amortised on a straight-line basis over the estimated useful life of the related asset, normally 10 years. Amortisation begins when the asset is ready for use. External and internal costs are capitalised to the extent that they enhance the future economic benefit of the asset and to the extent they meet the requirements for capitalisation in Section 18 of FRS 102 which is where there is a market for the assets, the cost can be reliably measured, there is sufficient technical, financial and other resources to complete the development and where it is probable it will provide future economic benefits.

Cost includes the original purchase price of the asset and the costs directly attributable to bringing the asset to its working condition for its intended use. Intangible assets are valued at cost less accumulated amortisation.

2.19. Employee benefits

Pension Scheme

The Credit Union operates a defined contribution pension scheme for permanent employees. These assets are held separately from those of the Credit Union in an independently administered fund. Pension contributions are charged to the Income & Expenditure Account as they become payable in accordance with the rules of the scheme. Amounts not paid are reflected in accruals as a liability on the Balance Sheet.

Other Employee Benefits

The costs of short-term employee benefits, including holiday pay, are recognised as a liability and as an expense over the period they are earned.

2.20. Exceptional item

Exceptional items are those that the Directors view are required to be separately disclosed by virtue of their size or incidence to enable a full understanding of the Credit Union's financial performance. The Credit Union believe that this presentation provides a more informative analysis as it highlights one off items. Such items may include, impairment on revaluation of property which arises in the year where the Credit Union moves from a cost model to a revaluation model for the first time, restructuring, impairment of assets, litigation settlements and legislative changes. The Credit Union has adopted an income statement format that seeks to highlight significant items within the Credit Union results for the year.

2.21. Government grants

Government grants are recognised at their fair value in the income and expenditure account where there is a reasonable assurance that the grant will be received and the credit union has complied with all attached conditions.

Capital Grants received where the credit union has yet to comply with all attached conditions are recognised as a liability (and included in deferred income within creditors and accruals) and released to income when all attached conditions have been complied with.

Revenue Grants are credited to income so as to match them with the expenditure to which they relate. Government grants received are included in 'other income' in the income and expenditure account. The revenue grant during the year relates to contributions towards employee costs.

2.22. Reserves

Regulatory Reserve

The Credit Union is required to maintain and establish a minimum Regulatory Reserve of at least 10% of the assets of the Credit Union in accordance with Credit Union Act, 1997 (Regulatory Requirements) Regulations 2016. This reserve is to be perpetual in nature, freely available to absorb losses, realised financial reserves that are unrestricted and non-distributable.

Operational Risk Reserve

The Credit Union has established an Operational Risk Reserve which is separate, distinct and in addition to the reserves the Credit Union is required to hold in its Regulatory 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 amount held in the Operational Risk Reserve is the predicted impact of operational risk events that may have a material impact on the Credit Union's business.

2.22. Reserves (continued)

Dividend Reserve

Dividend Reserves are the accumulated surpluses to date that have not been declared as dividends to members or set aside to the regulatory reserve, operational risk reserves, strategy reserve or the non-distributable reserve.

Strategy Reserve

The Strategy Reserve has been established in the financial statements for projects included in the strategic plan.

Non-Distributable Reserve

Investment income that has been recognised in the financial statements but will not be received within 12 months of the Balance Sheet date is classified as “non-distributable” and is not distributable as a dividend in accordance with Section 31 of the Credit Union Act, 1997 (Regulatory Requirements) Regulations 2016. A reclassification between non-distributable and distributable is made as investments come to within 12 months of maturity date. Interest on loans receivable at the balance sheet date is also classified as “unrealised” and is not distributable. The fair value adjustment, where an increase arises, in connection with the transfer of engagements is included in the non-distributable reserve.

Realised Reserve

Realised Reserves are the accumulated surpluses to date and reserves arising on the transfer of engagements that have not been declared as dividends returnable to members or set aside to the regulatory reserve, operational risk reserves, strategy reserve or the non-distributable reserve.

2.23. Prior Year Comparatives

Prior year comparatives have been re-analysed where necessary to conform to the current year presentation.

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 the Credit Union’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:

Revaluation of land and buildings

The Credit Union adopt a revaluation policy on freehold land and buildings held by the Credit Union as explained in note 10. The Credit Union carries out periodic valuations to ensure that the carrying amount of the land and buildings is equal to the fair value of the land and buildings at each year end date. Investment properties are also held at fair value. The fair value placed on the land and buildings is based on advice from independent expert valuers. See note 10 for details of the valuation performed in the current year.

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/residual values 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 or residual values can have a significant impact on the depreciation charge for the financial year.

Bad debt provision

The Credit Union's accounting policy for impairment of loans is set out in the accounting policy in Note 2.11. The estimation of loan losses is inherently uncertain and depends upon many factors. These include loan loss trends, credit risk characteristics in loan classes including the impact of COVID-19, 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 current provision for bad debts in the financial statements is €4,259,833 (2019: €3,304,194) representing 6.23% (2019: 4.95%) of the total gross loan book.

Operational risk reserve

The Board of Directors have considered the requirements of the Credit Union Act, 1997 (as amended) and have considered an approach to the calculation of the Operational Risk Reserve. The amount held in the Operational Risk Reserve is the predicted impact of operational risk events that may have a material impact on the Credit Union's business. This amount transferred to the Operational Risk Reserve has been influenced by the business mix and risk profile of the activities being undertaken in the Credit Union. The Board of Directors have determined that the amount transferred to the Operational Risk Reserve is appropriate having taken account of the overall level of reserves of the Credit Union and taking prudent account of the scale and complexity of the Credit Union's business, its risk profile and prevailing market conditions.

4. Interest on members' loans

	2020 €	2019 €
Closing accrued loan interest receivable	159,907	127,369
Loan interest received in the year	5,578,771	4,980,867
Opening accrued loan interest receivable	(127,369)	(107,206)
Total interest on members' loans	5,611,309	5,001,030

5. Other interest income and similar income

	2020 €	2019 €
Investment income received/receivable within 1 year	1,251,517	1,488,900
Total other interest income and similar income	1,251,517	1,488,900

6. Dividends and loan interest rebate

In compliance with Central Bank guidance the Credit Union is not proposing the payment of a dividend or an interest rebate for the current year. Given the current level of risk and uncertainty regarding the economic outlook the Credit Union is taking a prudent approach to reserve management. The dividend and loan interest rebate included in the Statement of Reserves in the current year relates to dividends and loan interest rebate paid to members for the prior year.

The dividends for the current and prior year periods were as follows:

	2020 €	2019 €
Dividend paid during the year	179,730	315,405
Dividend rate:		
Members' shares	0.10%	0.15%
Dividend proposed, but not recognised	-	180,095
Dividend rate:		
Members' shares	-	0.10%

The loan interest rebate for the current and prior year periods were as follows:

	2020 €	2019 €
Loan interest rebate paid during the year	372,989	431,335
Interest rebate rate	7.50%	10.00%
Loan interest rebate proposed, but not recognised	-	373,564
Loan Interest rebate rate	-	7.50%

7. Other income

	2020 €	2019 €
Commissions	58,185	81,383
Grant income	182,550	-
Total other income	240,735	81,383

8. Key management personnel

The Directors of Credit Union Plus Limited are all unpaid volunteers. The key management personnel compensation is as follows:

	2020 €	2019 €
Short term employee benefits	615,345	681,268
Payments to defined contribution pension schemes	94,949	87,411
Total key management personnel compensation	710,294	768,679

9. Cash and cash equivalents

	2020 €	2019 €
Cash at bank and on hand	20,731,403	3,881,925
Short term deposits with banks	24,867,570	36,922,836
Total cash and cash equivalents	45,598,973	40,804,761

Short term deposits with banks are deposits with original maturity of less than or equal to three months. All other deposits with banks are included under Investments in the Balance Sheet and disclosed in Note 14

10. Tangible fixed assets

Tangible fixed assets are comprised of the following freehold land & buildings, investment property, fixtures & fittings, office & computer equipment and leasehold improvements:

	Freehold land & buildings €	Investment Property €	Fixtures & Fittings €	Office & computer equipment €	Leasehold Improvements €	Total €
Cost/revalued amount						
As at 1 October 2019	2,883,960	-	439,809	884,892	-	4,208,661
Additions	-	-	125,800	45,745	118,750	290,295
Transfer to investment property	(170,000)	-	-	-	-	(170,000)
Transfer from freehold land & buildings	-	159,800	-	-	-	159,800
Revaluation	138,179	200	-	-	-	138,379
As at 30 September 2020	2,852,139	160,000	565,609	930,637	118,750	4,627,135
Depreciation						
As at 1 October 2019	78,465	-	346,835	653,900	-	1,079,199
Charge for the year	68,696	-	15,721	105,032	5,906	195,355
Transfer to investment property	(10,200)	-	-	-	-	(10,200)
As at 30 September 2020	136,961	-	362,556	758,932	5,906	1,264,354
Net book value						
As at 30 September 2020	2,715,178	160,000	203,053	171,705	112,844	3,362,781
As at 30 September 2019	2,805,495	-	92,975	230,992	-	3,129,462

The land and buildings which are used as part of the Credit Union's core operation were revalued by Raymond Potterton, I.P.A.V., to an open market value basis reflecting existing use on 30th September 2020. These valuations have been incorporated into the financial statements and have resulted in a gain on revaluation of property of €138,179 being recognised in the Income and Expenditure Account to reflect the fact that the market value has now increased above its existing carrying amount but not above the original carrying amount that it would have been carried at had no revaluation policy been adopted. Investment property has been recognised at fair value which has resulted in a gain of €200 being recognised in the Income and Expenditure Account.

The historical cost and accumulated depreciation on the freehold premises had a revaluation policy not been applied is as follows:

	2020 €	2019 €
Cost		
Original Cost	13,459,603	13,459,603
Accumulated Depreciation	(4,844,094)	(4,386,210)
Net book Value	8,615,509	9,073,393

11. Intangible Fixed Assets

	Note	2020 €	2019 €
Cost			
As at 1 October		349,342	154,247
Additions - Development costs	2.18	676,310	195,095
Disposals		(5,843)	
As at 30 September		1,019,809	349,342
Amortisation:			
As at 1 October		-	-
Amortisation for the period		(16,899)	-
As at 30 September		(16,899)	-
Net Book value as at 30 September		1,002,910	349,342

Intangible assets relate to development expenditure incurred on the new banking system and other similar projects.

12. Loans to members – financial assets

12a. Loans to members

	Note	2020 €	2019 €
As at 1 October		66,760,904	61,579,039
Advanced during the year		28,715,565	31,976,181
Repaid during the year		(27,004,094)	(26,695,950)
Loans written off		(133,814)	(98,366)
Gross loans to members	12b	68,338,561	66,760,904
Impairment allowances			
Individual loans		(206,042)	(75,172)
Group of loans		(2,391,081)	(2,573,752)
Other impaired loans		(1,662,710)	(655,270)
Loan provision	12c	(4,259,833)	(3,304,194)
Net loans to members as at 30 September		64,078,728	63,456,710

12b. Credit risk disclosures

Credit Union Plus Limited does not offer mortgages and as a result, the majority of loans to members are unsecured. However there are restrictions on the extent to which borrowers may withdraw their savings whilst loans are outstanding.

The Credit Union complies with Section 12 of the Credit Union Act, 1997 (Regulatory Requirements) Regulations 2016. This Regulation:

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

12b. Credit risk disclosures (continued)

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

	2020		2019	
	Amount €	Proportion %	Amount €	Proportion %
Loans not Impaired:				
Total loans not impaired	55,704,454	81.51	54,672,498	81.89
Impaired loans:				
Up to 9 weeks past due	10,101,106	14.79	9,551,854	14.31
Between 10 and 18 weeks past due	623,467	0.91	478,117	0.72
Between 19 and 26 weeks past due	322,995	0.47	270,185	0.41
Between 27 and 39 weeks past due	222,013	0.32	308,105	0.46
Between 40 and 52 weeks past due	155,373	0.23	195,180	0.29
53 or more weeks due	1,209,153	1.77	1,284,965	1.92
Gross loans impaired	12,634,107	18.49	12,088,406	18.11
Total gross loans	68,338,561	100.00	66,760,904	100.00

Factors that are considered in determining whether loans are impaired are discussed in Note 2.11 and Note 3.

12c. Loan provision account for impairment losses

	2020 €	2019 €
As at 1st October	(3,304,194)	(3,525,194)
Allowance for loan losses written off during the year previously provided for	133,814	98,366
Movement in bad debt provision	(1,089,453)	122,634
As at 30th September	(4,259,833)	(3,304,194)

The current provision for bad debts in the financial statements is €4,259,833 (2019: €3,304,194) representing 6.23% (2019: 4.95%) of the total loan book.

12d. Net recoveries or losses recognised for the year

	2020 €	2019 €
Bad debts recovered	420,510	508,341
(Increase)/Decrease in loan provisions during the year	(955,639)	221,000
	(535,129)	729,341
Loans written off previously provided for	(133,814)	(98,366)
Net (losses)/recoveries on loans to members recognised for the year	(668,943)	630,975

12e. Analysis of gross loans outstanding

	2020 Number of Loans	€	2019 Number of Loans	€
Less than one year	1,887	3,377,493	2,114	3,621,471
Greater than 1 year and less than 3 years	2,926	16,646,678	3,134	17,571,060
Greater than 3 and less than 5 years	1,955	23,932,045	2,107	26,370,427
Greater than 5 years and less than 10 years	829	23,242,080	662	18,116,086
Greater than 10 years and less than 25 years	23	1,140,265	20	1,081,860
	7,620	68,338,561	8,037	66,760,904

13. Debtors, prepayments and accrued income

	2020 €	2019 €
Prepayments	433,752	367,814
Accrued loan interest income	159,907	127,369
	593,659	495,183

14. Deposits and Investments

The Credit Union has the following investments:

	2020 €	2019 €
Fixed term deposits with banks	111,846,071	111,762,372
Corporate bonds	17,581,595	27,076,304
Government bonds	19,941,247	11,017,213
Collective investment schemes	-	1,050
Total deposits and investments	149,368,913	149,856,939

	2020 €	2019 €
Deposits and investments – cash equivalents	24,867,570	36,922,836
Deposits and investments – other	124,501,343	112,934,103
Total deposits and investments	149,368,913	149,856,939

The category of counterparties with whom the deposits and investments were held was as follows:

	2020 €	2019 €
Aa3	2,512,754	-
A1	26,358,789	25,304,685
A2	16,187,390	46,681,595
A3	19,789,741	13,608,277
A	8,533,796	-
Baa1	48,879,845	30,885,383
Baa2	27,106,598	27,962,944
Ba1	-	5,414,055
Total deposits and investments	149,368,913	149,856,939

15. Members' Shares – financial liabilities

	2020 €	2019 €
As at 1 October	186,387,242	185,772,877
Received during the year	156,615,999	146,104,192
Withdrawn during the year	(138,656,374)	(145,489,827)
As at 30 September	204,346,867	186,387,242

Members' shares are repayable on demand except for shares attached to loans. The breakdown of the shares between attached and unattached is as follows:

	2020 €	2019 €
Unattached shares	190,486,930	171,787,013
Attached shares	13,859,937	14,600,229
Total members' shares	204,346,867	186,387,242

16. Creditors and accrued expenses

	2020 €	2019 €
Pension and short term payroll accruals	114,819	89,851
Other creditors and accruals	540,385	451,492
	655,204	541,343

17. Financial instruments

Financial Assets	2020 €	2019 €
Financial assets measured at amortised cost	234,338,951	217,322,943
	234,338,951	217,322,943

Financial Assets measured at amortised cost are comprised of cash and balances at bank, deposits and investments, loans to members net of provision and debtors.

Financial Liabilities	2020 €	2019 €
Financial liabilities measured at amortised cost	205,002,071	186,928,585
	205,002,071	186,928,585

Financial Liabilities measured at amortised cost are comprised of member shares, creditors and accruals.

18. Additional financial instruments disclosures

18a. Financial risk management

Credit Union Plus Limited invests excess funds with a view to ensuring that the return from members' loans and investments is adequate to meet the overheads of the Credit Union and provide a reasonable return to members on shares. The Credit Union has a risk register in place to help the Directors manage the various risks arising from its activities to include the issuing of loans to members and investing the excess funds of the Credit Union.

The main financial risks arising from Credit Union Plus Limited's activities are credit risk, liquidity risk, market risk and interest rate risk. The Board 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 Credit Union Plus Limited resulting in financial loss to the Credit Union. In order to manage this risk, the Board approves the Credit Union's credit policy and all changes to it. 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. The credit risk on members' loans is disclosed in Note 12b.

The Credit Union's investments are also exposed to credit risk and the Credit Union mitigates the risk by only placing investments with financial institutions where the counterparties have strong credit ratings and using investment products authorised by the Central Bank. Credit Union Plus Limited have engaged independent investment advisors to assist them in managing this credit risk.

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. The Credit Union adheres on an ongoing basis to the minimum liquidity ratio and the minimum short-term liquidity ratio as set out in the Credit Union Act, 1997 (Regulatory Requirements) Regulations 2016 as amended.

Market risk: Market risk is generally comprised of currency risk and other price risk. Credit Union Plus Limited conducts all its transactions in euro and does not deal in derivatives or commodity markets. Therefore, the Credit Union is not exposed to any form of currency risk or other price risk.

Interest rate risk: The Credit Union's main interest rate risk arises from differences between the interest rate exposures on the receivables and payables that form an integral part of a credit union's operations. The Credit Union considers rates of interest receivable on investments and members' loans when deciding on the dividend rate payable on shares and on any loan interest rebate.

18b. Interest rate risk disclosures

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

	2020		2019	
	Amount €	Average interest rate	Amount €	Average interest rate
Financial assets				
Gross loans to members	68,338,561	8.7%	66,760,904	7.96%

The dividend and loan interest rebate proposed are at the discretion of the Directors and are therefore not a financial liability of the Credit Union until declared and approved at the AGM.

18c. Liquidity risk disclosures

All of the financial liabilities of the Credit Union are repayable on demand except for members' shares attaching to loans. The Credit Union continuously retains liquid assets amounting to a minimum of 30% of unattached shares.

18d. Capital

The Credit Union maintains sufficient reserves to buffer the Credit Union against any losses on its members' loans and also its investments. The current regulatory reserves are in excess of the minimum requirement set down by the Central Bank and stand at 10.04% of the total assets of the Credit Union at the Balance Sheet date.

19. Post Balance Sheet events

In the first half of 2020, the COVID-19 virus spread worldwide. In common with many other countries, the Irish Government issued guidance and restrictions on the movement of people designed to slow the spread of the virus. On the 28th March, all 'non-essential' businesses were ordered to close temporarily. The Credit Union was listed as an essential service and a resilience plan was put in place so that the Credit Union could remain open and provide its members with services required. Reduced opening hours, cost cutting and staff reallocation are some of the measures put in place by the Credit Union in response to COVID-19. On 21st October the Irish Government imposed level 5 restrictions for a second time this year as a means of slowing down the rising infection rates. Given the measures that have been implemented, the Directors are confident that the Credit Union is well positioned to manage the challenges another lockdown presents.

20. Contingent liabilities

In September 2018 all credit unions received correspondence from the Central Bank on a potential matter relating to accrued interest outstanding on members' top-up loans, which may have led to a potential over-collection of interest. The Credit Union performed a review to ascertain whether any top-up loans to members might be impacted by these circumstances and to determine what actions may need to be taken. At the time of sign-off of these financial statements, no further correspondence has been issued by the Central Bank to determine whether a liability arises.

21. Capital commitments and other disclosable commitments

As at 30th September 2020, the Credit Union had a capital commitment of €627,324 for the development and implementation of a new banking system. In connection with this new banking system, the Credit Union also has a non-cancellable seven-and-a-half-year maintenance contract, which commenced in December 2019, with an annual commitment of €302,157.

22. Insurance against fraud

The Credit Union has insurance against fraud in the amount of €2,500,000 (2019: €2,500,000) in compliance with Section 47 of the Credit Union Act, 1997 (as amended).

23. Related party transactions

Related parties include the Directors and management team of the Credit Union and also their family members or any business in which the Directors or the management team have a significant shareholding. During the year, loans in the amount of €227,100 (2019: €191,170) were advanced to related parties. The loans outstanding from related parties at 30 September 2020 were €713,053 (2019: €673,969) while the respective share balances were €275,679 (2019: €296,909). These loans amounted to 1.04 % of total gross loans due at 30 September 2020 (2019: 1.00%). There were €39,243 provisions against the loans due from related parties as at 30 September 2020 (2019: €19,173).

24. Approval of Financial Statements

The financial statements were approved and authorised for issue by the Board of Directors on 3 November 2020.

Powered by People.
Supercharged by
Temenos

Our new digitally powered banking system is on the horizon.

We've partnered with Temenos (the world's number one banking system) to deliver you modern services with even more convenience, whether you're online, on mobile or in branch - so we'll have more time, for you.

Helping you take on the future.



Schedule to the Financial Statements

For the Financial Year ended 30 September 2020

Schedule 1 - Other management expenses

	2020 €	2019 €
Staff Pension Scheme	274,364	254,682
Stationery & Office Expenses	108,058	128,581
Postage & Telephone	105,507	94,065
Computer Costs	641,501	663,164
Light & Heat	42,318	52,709
Repairs & Maintenance	65,490	64,114
Rent & Rates	58,303	59,255
General Insurance	121,133	135,980
Savings & Loan Insurance	586,165	610,052
Promotion & Advertising	57,164	158,999
Training Costs	63,560	55,937
Donations & Sponsorship	24,410	40,962
AGM Expenses	70,555	58,717
Convention Expenses	7,148	51,586
ATM Expenses	14,629	15,663
Audit Fees	45,980	49,200
Internal Audit & Compliance Fees	54,100	94,896
Legal & Professional Fees	206,300	220,758
Regulatory Fees	356,346	357,525
Affiliation Fees	56,763	60,115
Bank charges	163,517	101,732
Security	95,391	78,566
Travel and Officers Expenses	23,347	39,666
ICB costs	36,229	30,798
Call Centre	137,342	212,896
Research and Development	25,237	63,569
Bad Debts Written Off	133,814	98,366
Total Other Management Expenses	3,574,671	3,852,553

Credit Committee Report

The Credit Committee is an Operational Management Committee reporting to the Board of Directors. The Credit Committee is responsible for ensuring that loans are made in keeping with the lending policies and procedures of the Credit Union and all regulatory requirements. During the year the Credit Committee met on at least a weekly basis to consider loan applications within their lending authority and to perform quality checks on loan applications.

New Loans issued began strongly for the first five months of the 2020 financial year with the value of loans issued in February being one of the strongest months in almost ten years. However, as we all know COVID-19 arrived in Ireland in March changing all our lives. Understandably demand for new loans decreased substantially with the onset of COVID-19 and while loan demand recovered somewhat as restrictions eased, it is still well below normal levels. New Loans Issued amounted to over €28.7 million, as depicted in the chart below which is €3.3 million less than last year. The number of New Loans Issued amounted to 5,095 which was approximately 18% lower than 2019. Despite these declines the Loan Book increased by over €1.57 million to over €68.33 million which was a 2% increase over last year. The average loan size has grown by 24% over the last 4 years. Home Improvements and Transport continue

to be the most popular lending categories accounting for over half of the New Loans Issued between them.

While we of course welcome the increase in the Loan Book we are cognisant of the necessity to maintain its quality. In this respect each loan application is judged on the member's ability to repay based on information available to us and verified by us. Notwithstanding this requirement most loans are approved on the same day and almost all loans are approved within 48 hours. We are conscious of the fast turnaround expectations of members and we continuously explore ways of improving our service without compromising the strength and quality of the Loan Book.

With the continuing decline in investment interest rates the performance of the Lending Portfolio is more crucial to the success of the Credit Union. We would encourage all existing and new members to use Credit Union Plus as your first stop when seeking finance. Applications for Loans can be taken at any of our branches or over the phone and you should expect to see and hear more of our competitive offerings in the coming year.

My thanks to my Credit Committee colleagues Helen Kearns and Catherine O'Brien for their support during the year.



Miche Gorman, Chairperson

New Loans Issued 2020

	Number	% of Total No.	Value €	% of Value
Agriculture	26	0.51	317,150	1.10
Bills/Consolidation of Debts	397	7.80	3,137,215	10.93
Commercial	4	0.08	83,100	0.29
Education	124	2.44	651,146	2.27
Holidays/Leisure	122	2.40	279,250	0.97
Home Improvement	1,084	21.29	8,646,652	30.11
Housing/Extensions	11	0.22	353,000	1.23
Misc./Personal/Occasional	797	15.65	2,044,944	7.12
Own Guarantee/Euro for Euro	1,429	28.06	4,007,334	13.96
Transport	1,097	21.55	9,195,775	32.02
Total	5,091	100.00	28,715,566	100.00

Audit Committee Report

The Audit Committee is a formally constituted committee of the Board of Credit Union Plus Limited. The purpose of the committee is to oversee on behalf of the Board, and of the members the financial reporting process, the system of internal control and all audit related matters of the Credit Union.

During the year the following Directors served as members of the Audit Committee.

- Fergus Lynch, Chairperson
- Rosita Moyles, Secretary
- Paula Mc Carthy
- Aidan Curtis

The purpose of the Internal Audit function is to evaluate and improve the effectiveness of risk management, control and governance processes in the Credit Union. Internal Audit has completed the audit work programme detailed in the 2020 audit plan and met with the Audit Committee during the year to review and discuss the findings and recommendations of these audits.

The role of internal audit continues to act independently to ensure the continued strength of your Credit Union by adherence to regulation and ensures continuous improvement of policies, procedures and processes.

Although operating independently of each other, the Audit Committee also facilitated meetings between the Audit, Compliance and Risk functions ensuring that a more focussed and cohesive approach to risk management and governance is operating within the Credit Union.

The committee would like to thank the Chief Executive Officer and Staff for their assistance and co-operation during the year. I would also like to thank my fellow Audit Committee members for their help and support during the year.



Fergus Lynch, Chairperson

Membership Committee Report

The Membership Committee is an Operational Management Committee reporting to the Board of Directors. The primary objective of the Membership Committee is to oversee and make recommendations on activities that will improve the membership process.

This year Credit Union Plus welcomed over 850 new members.

The Membership Committee would encourage all members to introduce new members to Credit Union Plus. A number of initiatives to help increase membership were progressed in 2020, including going live with our online account opening and update facility which many members availed of during lockdown. We will also progress with our initiative to encourage more young people to join the Credit Union in 2021.

Membership Applications can now be completed digitally on our Website or downloaded at www.creditunionplus.ie/downloads



Phil Hegarty, Chairperson

Nomination Committee Report

The Nomination Committee is a mandatory committee of the Credit Union. The duties and responsibilities of the Committee are set out in the Credit Union Act 1997 and the Credit Union & Co-Operation with Overseas Regulators Act 2012 and can be summarised as follows:

- identify and propose candidates with the necessary skills and expertise for appointment to the Board of Directors;
- ensure that there is an appropriate Succession Plan in place for the Board of Directors;
- assist the Credit Union in fulfilling its obligations under the Central Banks Fitness & Probity Standards;
- ensure that each Director receives necessary mandatory training;
- arrange induction training for new Directors.

Committee members are:

- Jim White – Chairperson
- Liz Gaffney – Secretary
- Brendan Kiernan

Vacancies

Board Oversight Committee

There is one vacancy on the Board Oversight Committee as in accordance with legislation, outgoing Committee Member Carol Cogan must stand down. She is seeking re-election to the Committee.

Board of Directors

There are two vacancies on the Board of Directors as in accordance with legislation the following outgoing Directors must stand down.

- Brian Meegan
- Paula McCarthy

Both are eligible and are seeking re-election to the Board.

Elections will be held at the AGM to fill the three vacancies by secret ballot on the recommendation of the Nomination Committee.

Auditors

The Auditors FLD Chartered Accountants Ltd. expressed their willingness to continue in office in accordance with Section 115 of the Credit Union Act, 1997 (as amended).

Potential New Directors

The Nomination Committee is continually seeking new Volunteers with the necessary skills and expertise to support the Board and its Committees as Volunteers either on the Board of Directors or on the Board Oversight Committee.

The Committee will meet with any member who is interested in volunteering to discuss what is involved and evaluate their suitability for the role.

A Volunteer Expression of Interest Form can be had on request.



Jim White, Chairperson

Risk Management Committee Report

The Risk Management Committee of Credit Union Plus is appointed annually by the Board of Directors to oversee and advise on the current and future risk exposures of Credit Union Plus. The role of the Risk Management Committee is to promote a strong risk management awareness and culture within Credit Union Plus. Understanding the risks the Credit Union is exposed to will enable the Board of Directors to make more informed decisions and ultimately improve the level of service and security for our members.

In 2020, the Risk Management Committee members were:

- John Grennan, Chair
- Brian Meegan, Secretary
- Liz Gaffney, Committee/Acting Chair

The Committee were supported by:

- John Grogan (Chief Executive Officer)
- Helen Leddy (Risk Management Officer)
- Una Doyle (Risk Support Officer)

Risk management is now at the core of the strategic objectives of Credit Union Plus.

The Key Achievements of the Risk Management Committee in 2020 were as follows:

- COVID-19 risk mitigation and strategy
- Business Continuity Planning (BCP) risk review complete for the Navan office
- Governance Risk Register is now operational
- Departmental Risk Registers were reviewed.
- Departmental Risk Audits were reviewed.
- Departmental Risk Tolerance Registers were reviewed.
- Risk (Loss) Events were reviewed.
- Executive Risk Register events were reviewed.
- Risk Management Process was reviewed.
- Business Model Risk reviewed
- All Risk policies reviewed were approved by the Board of Directors.

Protection of members' shares is the key objective of the Credit Union Plus Board of Directors, Management Team and Staff. The Risk Management committee are satisfied that the risk management function is working effectively. The Risk Management committee continue to work closely with the Management Team to ensure that the systems and controls which currently are in place and continue to be developed, are maintained to mitigate all current and future risks.



John Grennan, Chairperson



Liz Gaffney, Acting Chairperson

Credit Control Committee Report

The Credit Control Committee is an operational Committee whose primary role is to ensure the repayment of loans by members in accordance with their Credit Agreements. The Committee also ensures that the Credit Control department is compliant with the policies of the Credit Union and all statutory requirements and legislation. The Committee is accountable to the Board of Directors and reports to them monthly.

Summary

COVID-19 has presented many challenges this year and Credit Union Plus is no exception. The Loan Book has grown in value by approximately €1.6 million compared with the prior year. Additionally, there was an increase in the level of loans in arrears this year compared with prior year. We are acutely aware that many of our members have had financial difficulties during this time. During the year we offered temporary payment breaks to those members directly impacted by COVID-19 and who contacted us in financial distress. It is very encouraging to see that there was a high level of financial responsibility from our members in engaging with us. We are also grateful to the vast majority of our members who, in difficult circumstances have diligently repaid their loans.

We would encourage any member experiencing difficulties to contact us as early as possible. All members are treated respectfully and in strict confidence. Every effort is made to try and reach a solution that is suitable for both the member and the Credit Union.

Review of Activities

Recoveries on charged off loans this year were €420,510 with €133,814 being charged off. Charging off a loan means that the members' shares are transferred to the loan balance and they can no longer access any of the Credit Union services. It can also significantly affect their credit rating. Members should be aware that even though a loan has been charged off, the debt still remains outstanding to the Credit Union and is actively pursued.

Bad Debt Provisioning

Credit Union Plus continually reviews the adequacy of provisions for doubtful debts against the outstanding loan book. A formal quarterly review is performed to verify the adequacy of the bad debt provision and to detect any possible doubtful debts. In accordance with Central Bank guidelines regarding ensuring prudential provisions for both COVID-19 and BREXIT are in place, the bad debt provision was increased and at 30th September 2020 was €4,259,833.

The Credit Control Committee wishes to extend its gratitude to the members who are adhering to their loan repayments.

We would like to thank the Directors, Management and Staff for their dedication and collaboration throughout the year.



Jason Murray, Chairperson

Marketing Committee Report

It is my pleasure to present the Marketing Committee Report for 2020. The primary objective of the Marketing Committee is to make recommendations on activities that will positively promote Credit Union Plus to both its current and potential members, and to provide input on marketing activities being planned to promote the Credit Union. While COVID-19 has impacted all aspects of our lives including some of our marketing activities, we continue to engage with members on an ongoing basis.

Specific duties include:

- Maintain, monitor and increase our **Membership**
- Actively promote the **Services** of Credit Union Plus
- Support our **Local** Communities
- Develop Strategic **Marketing** Objectives and Activities

Credit Union Plus operates across three counties and provide services over the phone, online as well as in the offices, and we are actively adapting to how we listen to our members. Member attraction and retention are indicators of confidence in our Credit Union and brand. Your feedback is important to Credit Union Plus and it will assist your Credit Union in designing and improving the services that are provided to you and your family.

Events held in 2020:

- Members Car Draw held each month with several bonus draws.
- Student Bursary announced in October 2020 for four students.
- International Credit Union Day celebrated in October 2020.
- Sponsorship – Credit Union Plus continues to support community groups, clubs and activities.
- Media – Advertising and PR in local media channels.

Key Marketing Initiatives completed in 2020:

- Expansion of the Love My Credit Union Rewards programme to over forty local businesses.
- Planning, developing and implementing 4 Bi-Monthly Marketing Campaigns, reaching out to members via our digital channels.

Marketing Initiatives underway in 2020/2021:

Additional efforts through digital media to reach new market segments including:

- Advertising through digital media channels.
- Direct marketing.
- When restrictions are lifted and it is safe to do so, a programme of member engagement with schools and local business.

Our commitment to improve all methods of communications with you, our members, remains our focus in 2021 and we will continue to find new ways to sharing information with you. Credit Union Plus is here to **Listen**. Call in for a chat, Contact us by phone, by Email or Post.

Credit Union Plus is here for you. **T** 046 9021395
E info@creditunionplus.ie www.creditunionplus.ie



Phil Hegarty, Chairperson

Monthly Car Draw



Our Member's Monthly Car Draw, now in its 12th year has been a tremendous success with 9,449 members participating in our latest draw. It costs €1 per week (€13 per quarter) to take part in the draw and this is deducted from members' shares on a quarterly basis.

Members are entitled to join the Car Draw at any time and application forms together with the rules of the draw are available in the office and on our website Credit Union Plus.ie. All of the funds entered into the draw less some small expenses are paid out in prizes. Details of the car draw fund for the year to 30th September 2020 are shown below.

At the 30th September 2020 there was €86,836 in the car draw fund. Prizes of €27,000 were paid out in the special draw held annually to celebrate International Credit Union day on 15th October 2020, while prizes of 5 x €2,000 and 1 x €1,000 and a car was distributed in our Christmas Draw on 5th December and a further €67,000 of extra bonus draws in the run up to Christmas.

A schedule of our first prize winners for the past year is shown on the opposite page

Car Draw Fund

Balance at 30 th September 2019	€63,493
Entry Fees	€490,906
Less Prizes given out	(€467,563)
Balance at 30 th September 2020	€86,836

Giving back to members for just €1 a week.

Car Draw Winners



October
Bertie Galvin



November
Mary Lee Tuite



December
Orla O'Neill



January
Grainne & Megan Doherty



February
Ciara McCarn



March
Orla Reilly



April
Jolene Murray



May
Lorraine Martin



June
Karen O'Callaghan



July
Aaron Curtis



August
Cynthia Emelele



September
Patrick Halpin

Navan
Kennedy Road,
Navan,
Co. Meath

Ballivor-Kildalkey
Main St,
Ballivor,
Co. Meath

Ballyjamesduff
Main St,
Ballyjamesduff,
Co. Cavan

Clonmellon-Delvin
Main St,
Clonmellon, Navan,
Co. Meath

Dunshaughlin
Main St,
Dunshaughlin,
Co. Meath

Trust us to keep it simple

With no hidden administration or transaction fees and repayment options to suit you (weekly, fortnightly or monthly) we're with you every step of the way.

Loan Amount	Typical Weekly Repayments	Term	Total Interest	Total Repayments
€5,000	€36.34	3 Years	€665.80	€5,665.80
€7,500	€54.50	3 Years	€998.99	€8,498.99
€10,000	€47.23	5 Years	€2,273.50	€12,273.50
€15,000	€70.83	5 Years	€3,411.43	€18,411.43
€20,000	€72.89	7 Years	€6,526.67	€26,526.67
€30,000	€99.36	8 Years	€11,325.60	€41,325.60
€50,000	€142.65	10 Years	€24,165.83	€74,165.83
€75,000	€213.97	10 Years	€36,250.43	€111,250.43
€100,000	€285.29	10 Years	€48,334.98	€148,334.98

Terms & Conditions apply. E&OE. All loans are subject to application and approval, creditworthiness and repayment ability will be assessed. Lending Terms & Conditions apply. Variable Interest Rate is 8.5%, Typical APR is 8.86%. Minimum borrowings €100 – maximum is dependent on repayment capacity. Minimum duration is 1 month – maximum is dependent on the purpose of the loan. Loans require a minimum share balance to be retained until the loan is cleared in full. Warning: if you do not meet the repayments on your loan, your account will go into arrears. This may affect your credit rating, which may limit your ability to access credit in the future. Credit Union Plus Limited is regulated by the Central Bank of Ireland.



New Phone-A-Loan Service
Call **046 90 21395**

Apply for a loan over the phone today,
without the need to call into your local branch.
Available Monday – Saturday 9.15am – 5pm.
Email info@creditunionplus.ie
Visit creditunionplus.ie