

Shercock Credit Union Ltd.



Main Street, Shercock, Co. Cavan.
Tel.: (042) 9691911 Fax: (042) 9669944

NOTICE OF ONLINE ANNUAL GENERAL MEETING AND STATEMENT OF ACCOUNTS

Notice is hereby given that the Annual General Meeting of Shercock Credit Union Limited will be held on Tuesday 13th April 2021 commencing at 8.00pm via Zoom.

In view of the COVID-19 pandemic and using the recently enacted Finance (Miscellaneous Provisions) Act 2020, the meeting will be held entirely online.

The Registration and Attendance Process Expression of Interest

Members are asked to send an "expression of interest" in attending the AGM by emailing **shercockcreditunion@gmail.com** on or before **5.00pm on Tuesday 6th April 2021**.

This will allow us to verify your membership status.

This email to Shercock Credit Union should include:

* Email address * Full name * Account Number

Registration for AGM

All Members who send in an Expression of Interest will then receive a notification to the email address specified. This notification will contain a single

Zoom Registration Link that you can click to register to attend our AGM in Zoom.

This link must be activated by 5.00pm on Thursday 8th April 2021. Within a day of the AGM you will then receive an email with your **LINK TO JOIN the meeting**.

AGM Attendance

Please submit any questions to the Board prior to the AGM by emailing **shercockcreditunion@gmail.com** and the Board will endeavour to answer these questions during AGM. If you would like to ask something during the AGM you will be able to use the **"Chat"** button at the bottom of your screen. Time allowing we will answer any questions from the Chat Box at the end of the meeting. Before the AGM we advise that you familiarise yourself with Zoom - the online conferencing tool we will be using to host the event. **The starting time is 8.00pm**, however, we would suggest that you login a little earlier to avoid any technical issues on the night. All non-participating attendees will be muted and have their video switched off to ensure the smooth running of the event.

Voting

During the AGM you will be given the option on voting anonymously online for the election of officers, rule amendments and resolutions proposed to be passed at AGM. A screen will pop up and you will be asked to vote. The results will be available immediately, AND SUBJECT TO VERIFICATION AFTER THE MEETING IS CONCLUDED.

Please note that the Virtual AGM may be recorded for note taking and archiving purposes.

Online Annual General Meeting Agenda 2020

- Acceptance of Proxies (if any) by the Board of Directors
- Ascertain that a quorum is present
- Adoption of Standing Orders
- Reading & Approval (or correction) of minutes of the last AGM
- Report of the Board of Directors
- Report of the Auditor – Gerard Kelly
- Report of the Board Oversight Committee
- Report of the Credit Committee
- Report of the Credit Control Committee
- Report of the Membership Committee
- Report of the Nominating Committee
- Report of the Marketing Committee
- ILCU Foundation of €250.00
- Election & Appointment of Auditor
- Any Other Business - League Amendments
- New Rule 1A,
- Rule 96
- Rule 96A
- Rule 98
- Rule 98A
- Rule 99 (3)(a)
- Raffle
- Adjournment or Close of Meeting

Patricia O'Brien
Secretary

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Credit Union Act, 1997 as amended requires the Directors to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the Credit Union and of the income and expenditure of the Credit Union for that year. In preparing these 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 the 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 enable them to ensure that the Financial Statements comply with the Credit Union Act, 1997 as amended. They are also responsible for safeguarding the assets of the Credit Union and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Directors are aware:

- there is no relevant audit information (information needed by the Credit Union's Auditor in connection with preparing the Auditor's report) of which the Credit Union's Auditor is unaware, and
- the Directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Credit Union's Auditor is aware of that information.

On behalf of the Credit Union

Member of Board of Directors

Poanwanphan

Date: 10/11/2020

Member of Board of Directors

Poanwanphan

Date: 10/11/2020

INDEPENDENT AUDITOR'S REPORT

to the Members of Shercock Credit Union Ltd.

Year Ended 30th September, 2020

Report on the audit of the Financial Statements

Opinion

We have audited the Financial Statements of Shercock Credit Union Limited for the year ended 30 September 2020 which comprise the Income and Expenditure Account, the Balance Sheet, Statement of Changes in Reserves and Cash Flow Statement and notes to the Financial Statements, including the summary of significant accounting policies set out in pages 13 to 16. The financial reporting framework that has been applied in their preparation is Irish Law and FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

In our opinion the Financial Statements:

- give a true and fair view of the state of affairs of the Credit Union 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 the 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 consider 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 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 are set out in the Scope of Responsibilities Statement contained in the appendix of this report, which is to 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.



Ann M. Rahill F.C.C.A.

For and on behalf of

Kelly Rahill & Co. Chartered Certified Accountants & Statutory Auditors
16 Town Hall Street, Cavan, Co. Cavan.

Date: 10th November, 2020

APPENDIX TO THE INDEPENDENT AUDITORS REPORT

Year Ended 30th September, 2020

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 Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Credit Union's ability to continue as 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 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.

John Hume R.I.P.

The Credit Union Movement began in Ireland in 1958. John Hume, then just 21 years of age, immediately saw how its core value of community self help could improve the lives of people living in poor conditions in his native Derry. He headed a small group of volunteers who formed Derry Credit Union. His enthusiasm and ability were soon widely recognised, and at the age of 27 he became the Irish League of Credit Unions' National President.

Inevitably a man of his ability would soon be asked to bring his talents to the national and international political arena, culminating in the Good Friday Agreement of 1998 which has secured a generation of peace in Northern Ireland.

John Hume was convinced of the value of Community Credit Unions within our society. The movement could receive no greater stamp of approval. *May he rest in peace.*

INCOME AND EXPENDITURE ACCOUNT

Year Ended 30th September, 2020

<u>INCOME</u>	NOTES	2020	2019
Interest on Members' Loans	Sch 3	€ 254,571	€ 263,848
Investment Income	<i>(2)</i>	€ 119,042	€ 48,275
		<hr/>	<hr/>
<u>Net Interest Income</u>		€ 373,613	€ 312,123
Other Income	Sch. 1	€ 221	€ 949
<u>Total Income</u>		€ 373,834	€ 313,072
		<hr/> <hr/>	<hr/> <hr/>
<u>EXPENDITURE</u>			
Salaries & other Wage costs		€ 97,237	€ 100,138
Other Management Exp.	Sch 2	€ 159,004	€ 155,110
Depreciation charge fixed Ass.	<i>(6)</i>	€ 13,181	€ 7,974
Prov. for Bad & Doubtful Debts.	<i>(3)</i>	€ 14,146	€ 4,316
Loans written off	<i>(3)</i>	€ 17,608	€ 1,272
Bad debts recovered		€ (9,479)	€ (24,446)
<u>Total Expenditure</u>		€ 291,697	€ 244,364
		<hr/> <hr/>	<hr/> <hr/>
<u>Excess income over Expenditure</u>		€ 82,137	€ 68,708
Other comprehensive income		€ -	€ -
		<hr/>	<hr/>
Total Comprehensive Income for the year		€ 82,137	€ 68,708
		<hr/> <hr/>	<hr/> <hr/>

The Financial Statements were approved and authorised for issue by the Board on 10th November, 2020 and signed on its behalf by:

On behalf of the Credit Union

Manager of the Credit Union

Breda M^o Cabo

Date: 10/11/20

Member of the Board of Directors

PATRICK WARD

Date: 10/11/20

Chairperson of the Board Oversight Committee

Thomas Lopez

Date: 10/11/20

BALANCE SHEET

As At 30th September, 2020

ASSETS	Notes	2020	2019
Cash & Cash Equivalents		€ 1,001,770	€ 296,408
Deposits and Investments- cash equivalents	4	€ 2,141,138	€ 2,412,436
Deposits and Investments - other	4	€ 7,506,242	€ 7,125,788
Loans to Members	5	€ 3,505,798	€ 3,323,523
Prov. Bad & Doubtful Debts	5	€ (183,606)	€ (169,460)
		<u>€ 13,971,342</u>	<u>€ 12,988,695</u>
Other Assets			
Tangible Assets	6	€ 179,869	€ 166,913
Prepayments & other Debtors		€ 12,890	€ 7,602
Accrued Investment Income		€ 34,202	€ 90,604
Accrued Loan Interest Income		€ 8,951	€ 7,214
Total Assets		<u>€ 14,207,254</u>	<u>€ 13,261,028</u>
LIABILITIES			
Member's Shares	15	€ 11,588,733	€ 10,724,983
Bank Overdraft		€ -	€ -
Creditors & Accruals	19	€ 31,594	€ 26,065
Total Liabilities		<u>€ 11,620,327</u>	<u>€ 10,751,048</u>
Nett Assets		<u>€ 2,586,927</u>	<u>€ 2,509,980</u>
MEMBERS' RESOURCES			
Regulatory Reserve		€ 1,633,834	€ 1,401,343
Dividend Reserve		€ 95,000	€ 95,000
Operational Risk Reserve		€ 323,125	€ 233,000
Retained Earnings Realised		€ 534,968	€ 772,705
Retained Earnings Unrealised - Non distributable		€ -	€ 7,932
Total Members' Resources		<u>€ 2,586,927</u>	<u>€ 2,509,980</u>

The Financial Statements were approved and authorised for issue by the Board on 10th November, 2020 and signed on its behalf by:

Manager of the Credit Union Breda M^o Cab Date: 10/11/20

Member of Board of Directors PATRICK HUNT Date: 10/11/20

Member of Board Oversight Committee Thomas Gallop Date: 10/11/20

CASH FLOW STATEMENT

As At 30th September, 2020

	Notes	2020	2020	2019	2019
		€	€	€	€
Reconciliation of operating surplus to net cash inflow from operating activities					
Operating surplus			82,137		68,708
Depreciation	6		13,181		7,974
Provision for bad and doubtful debts	3		14,146		4,316
Loans written off	3		17,608		1,272
			<hr/>		<hr/>
Net cash inflow from operating activities			127,072		82,270
New loans to Members		(2,043,725)		(1,922,567)	
Repayment of Members' loans		1,843,842		1,921,985	
			<hr/>		<hr/>
Net movement in Members' loans	5		(199,883)		(582)
New shares by Members	15	6,535,455		6,082,765	
Repayment of shares	15	(5,671,705)		(5,895,485)	
			<hr/>		<hr/>
Net movement in Members' shares			863,750		187,280
Net movement in other assets			49,377		(8,013)
Net movement in other creditors			5,529		2,107
Net cash generated from operating activities			<hr/>		<hr/>
			845,845		236,062
Cash flows from investing activities					
Capital expenditure	6		(26,137)		-
Net movement in deposits & investments /other	4		(380,454)		(78,517)
			<hr/>		<hr/>
Net cash generated from investing activities			(406,591)		(78,517)
Cash flows from financing activities					
Dividends paid			(5,190)		(9,957)
			<hr/>		<hr/>
Net (decrease) / increase in cash & cash equivalents			434,064		174,588
Cash and cash equivalents at beginning of year			2,708,844		2,534,256
			<hr/>		<hr/>
Cash & cash equivalents at year end 19			<u>3,142,908</u>		<u>2,708,844</u>

STATEMENT OF CHANGES IN RESERVES

As At 30th September, 2020

	Retained Earnings Realised	Retained Earnings Unrealised	Regulatory Reserve	Operational Risk	Dividend Reserve	Total
	€	€	€	€	€	€
At 1 October 2018	756,892	63,994	1,371,343	155,000	95,000	2,451,229
Surplus for the year	68,708					68,708
Dividends paid	(9,957)					(9,957)
Transfer between Reserves	(51,938)	(56,062)	30,000	78,000		-
At 30 September 2019	772,705	7,932	1,401,343	233,000	95,000	2,509,980
At 1 October 2019	772,705	7,932	1,401,343	233,000	95,000	2,509,980
Surplus for the year	82,137					82,137
Dividends paid	(5,190)					(5,190)
Transfer between Reserves	(314,684)	(7,932)	232,491	90,125		-
At 30 September 2020	534,968	-	1,633,834	323,125	95,000	2,586,927

The Regulatory Reserve at 30 September 2020 represents 11.50% of total assets at that date (30 September 2019: 10.57%).

In accordance with S.45 of the Credit Union Act, 1997, as amended, Shercock Credit Union Limited put in place an Operational Risk reserve in 2016. The Board approved a transfer from Realised Retained Earnings of €136,500 in 2016, €12,000 in 2017, €6,500 in 2018, €78,000 in 2019 and €90,125 in 2020 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 represents 2.27% of total assets at 30 September 2020. (2019: 1.76%)

ACCOUNTING POLICIES

As At 30th September, 2020

1. Statement of compliance and basis of preparation.

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

Legal and regulatory framework

Shercock Credit Union is established under the Credit Union Act, 1997 as amended. Shercock Credit Union is registered with the Registrar of Credit Unions and is regulated by the Central Bank of Ireland. The principal place of business is Main Street, Shercock, Co. Cavan.

Income

(i) Interest on Members' loans

Interest on Members' Loans is recognised using the effective interest method, and is calculated and accrued on a daily basis.

(ii) Investment income

The Credit Union currently only has investments that are valued at amortised cost, and use the effective interest method to recognise investment income.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and loans and advances to banks (i.e. cash deposited with banks) with maturity of less than or equal to three months.

Dividends to Members

Dividends on shares and loan interest rebates

Dividends are made from current year surplus or the undistributed surplus 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.

Dividend and Interest Rebate Policy

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 each year; and
- Members' legitimate dividend and loan interest rebate expectations;

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

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

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

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.

Employee Benefits

Pensions

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

Other Employee Benefits

The costs of short-term employee benefits, including holiday pay, are recognised as a liability and as an expense (unless those costs are required to be recognised as part of the cost of fixed assets) over the period they are earned.

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. Basic financial instruments include the following:

Loans to members

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

Investments held at amortised cost

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

Other receivables

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

Impairment of financial assets

Financial assets, other than those held at fair value, 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 loans are assessed collectively in groups that share similar credit risk characteristics except for individually significant loans which are assessed on a loan by loan basis for impairment.

Any impairment losses are recognised in the Income and Expenditure account.

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

De-recognition of financial assets

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

In the case of loans to Members, loans are derecognised, when the right to receive cash flows from the loans have expired, usually when all amounts outstanding have been repaid by the Member. Shercock Credit Union Ltd. does not transfer loans to third parties.

Basic financial liabilities

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

Financial liabilities Members' shares and deposits

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

De-recognition of financial liabilities

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

Reserves

Retained Earnings realised and unrealised

Retained earnings are the accumulated surpluses to date that have not been declared as dividends returnable to Members. The retained earnings are subdivided into realised and unrealised. In accordance with the Central Bank Guidance Note for Credit Unions on Matters Relating to Accounting for Investments and Distribution Policy, investment income that has been recognised but will not be received within 12 months of the balance sheet date is classified as “unrealised” and is not distributable as a dividend in accordance with the Central Bank direction. All other income is classified as “realised”. A reclassification between unrealised and realised is made as investments come to within 12 months of maturity date.

Regulatory Reserve

The Credit Union Act 1997 (Regulatory Requirements) Regulations 2016 requires Credit Unions to establish and maintain a minimum regulatory reserve requirement of at least 10 per cent of the assets of the Credit Union. This reserve is similar in nature and replaces the Statutory Reserve which was a requirement of previous legislation.

Operational Risk Reserve

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

The definition of operational risk is the risk of losses stemming from inadequate or failed internal processes, people and systems or from external events. The Directors have considered the requirements of the Act and have considered an approach to the calculation of the operational risk reserve based on specific observable operational risks. These include: business interruptions, staff sick leave, calls on the Deposit Guarantee Scheme (DGS) and the impact of any potential future closure of the large local factories.

Bad and Doubtful Debts

Shercock Credit Union assesses, at each balance sheet date, if there is objective evidence that any of its loans to Members are impaired. 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, during the course of the year, there is objective evidence that any individual loan is impaired, a specific loss will be recognised.

Going Concern

The Financial Statements are prepared on the going concern basis. The Directors of Shercock Credit Union Ltd. 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.

ACCOUNTING POLICIES

As At 30th September, 2020

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or at valuation, less accumulated depreciation. The charge to depreciation is calculated to write off the original cost or valuation of tangible fixed assets, less their estimated residual value, over their expected useful lives as follows:

Premises	-	2% Straight line
Office equipment	-	12% Straight line
Fixtures and fittings	-	10% Straight line
Computers	-	25% Straight line

Tangible fixed asset comprises items of property, plant and equipment, which are stated at cost, less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Depreciation is provided to write off the cost of each item of property, fixtures and fittings, computers and office equipment less its estimated residual value over its estimated useful life.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

As At 30th September, 2020

1. GOING CONCERN

COVID-19 is not expected to have a significant impact on the entity. The Board has determined that there is no material uncertainty that casts doubt on the entity's ability to continue as a going concern. The Financial Statements are prepared on the going concern basis and in accordance with accounting standards generally accepted in Ireland, and Irish Statute law comprising the Credit Union Act 1997, as amended.

2. INCOME FROM INVESTMENTS

	2020	2019
	€	€
Investment income received	175,442	42,269
Increase/(Decrease) Investment income receivable within 12 months	(49,008)	63,049
(Decrease) in Investment income receivable after 12 months	(7,392)	(57,043)
	<u>119,042</u>	<u>48,275</u>

3. BAD AND DOUBTFUL DEBTS

	2020	2019
	€	€
Increased in provision for bad and doubtful debts	14,146	4,316
Loans written off	17,608	1,272
	<u>31,754</u>	<u>5,588</u>

4. DEPOSITS AND INVESTMENTS

	2020	2019
	€	€
Accounts in Authorised Credit Institutions	8,944,289	7,982,595
Bank bonds	-	599,867
Central Bank deposits	53,449	53,489
Other	649,642	902,273
	<u>9,647,380</u>	<u>9,538,224</u>

	2020	2019
	€	€
Deposits and investments- cash equivalents	2,141,138	2,412,436
Deposits and investments- other	7,506,242	7,125,788
	<u>9,647,380</u>	<u>9,538,224</u>

Investments at the current and prior Balance Sheet date were all measured at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS
As At 30th September, 2020

5. MEMBERS' LOANS	2020	2019
	€	€
Loans to Members	3,505,798	3,323,523
Provision for bad and doubtful debts	(183,606)	(169,460)
	<u>3,322,192</u>	<u>3,154,063</u>

Movement in Member's loans	2020	2019
	€	€
Opening balance	3,323,523	3,324,213
Cash movement in year	199,883	582
Loans written off	(17,608)	(1,272)
Closing Balance	<u>3,505,798</u>	<u>3,323,523</u>

Movement in provision for doubtful debts	2020	2019
	€	€
Opening provision	169,460	165,144
Movement in year	14,146	4,316
Closing provision	<u>183,606</u>	<u>169,460</u>

The current provision for possible future loan defaults in the Financial Statements is €183,606 (2019 : €169,460), representing 5.24% of the Gross Loan balance at 30th September 2020 (2019 : 5.10%). This amount exceeds the Resolution 49 requirement by €73,682 (2019: €66,381). Four loans were rescheduled during the year ended 30 September 2020 (2019: Nil).

Provision for doubtful debts	2020	2019
	€	€
Individual loans	<u>159,686</u>	<u>139,749</u>
Groups of loans	<u>23,920</u>	<u>29,711</u>
	<u>183,606</u>	<u>169,460</u>

NOTES TO THE FINANCIAL STATEMENTS

As At 30th September, 2020

6. TANGIBLE FIXED ASSETS

	Premises €	Office Equipment €	Fixtures and Fittings €	Computers €	Total €
Cost					
At 1 October 2019	268,505	23,892	45,184	50,833	388,414
Additions	-	1,620	-	24,517	26,137
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 September 2020	268,505	25,512	45,184	75,530	414,551
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation					
At 1 October 2019	105,424	23,338	44,306	48,433	221,501
Charge for the year	5,370	368	114	7,329	13,181
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 September 2020	110,794	23,706	44,420	55,762	234,682
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value					
At 30 September 2020	157,711	1,806	764	19,588	179,869
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 September 2019	163,081	554	878	2,400	166,913
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

6. TANGIBLE FIXED ASSETS (Continued)

The Board have obtained an independent valuation of the premises and conducted an impairment review at 30th September 2020. The board are satisfied the premises are not impaired, and continue to hold the premises at cost, less accumulated depreciation.

7. 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 Shercock 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:

Bad debts/Impairment losses on loans to Members

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

Operational risk reserve

The Directors have considered the requirements of the Credit Union Acts, 1997, as amended and have considered an approach to the calculation of the operational risk reserve based on specific observable operational risks. These include: business interruptions, staff sick leave, calls on the Deposit Guarantee Scheme (DGS) and the impact of any potential future closure of the large local factories.

8. DIVIDENDS

Dividends paid:

The following distributions were made during the year:

	2020	2020	2019	2019
	%	€	%	€
Dividends on shares	0.05	5,190	0.10	9,957

The above dividends refer to the dividends paid out in those years from the surplus earned in previous years.

Dividends proposed:

No dividend or loan interest rebate is proposed.

9. PENSION SCHEME

The Credit Union operates a defined contribution pension scheme, the assets of which are held separately from those of the Credit Union in an independently administered fund. Pension costs are charged to the Income and Expenditure Account and represent contributions by the Credit Union to the fund during the year.

10. CONTINGENT LIABILITIES

There are no contingent liabilities at the year ended 30 September 2020.

11. RELATED PARTY TRANSACTIONS

Directors, supervisors and staff (i.e. officers) of the Credit Union during the financial year ended 30th September 2020 operated share and loan accounts with the Credit Union. All loans advanced to Directors, supervisors and staff are approved in accordance with Section 36(4) Credit Union Act 1997, as amended. The following transactions and balances existed with Members who were officers during the financial year ended:

	2020	2019
	€	€
New loans advanced to officers	108,200	121,050
Loan balances relating to officers at 30th Sept.	263,071	268,213
Total share balances relating to officers at 30th Sept.	418,992	488,790

The related party loans stated above comprise of loans to Members of the Board of Directors, officers, staff and immediate members of the family of the Board of Directors, officers and staff. These loans were approved in accordance with the Standard Credit Union rules and the Credit Union Act 1997 as amended. There are no provisions against related party loans at the current or prior Balance Sheet date. Total loans outstanding to related parties represent 7.50% of the total loans outstanding at 30th September 2020 (2019 : 8.05%)

12. TAXATION

The Credit Union is not liable for taxation on its income received in the course of its normal activities but is liable to tax on Capital Gains. Capital Gains Tax will be provided for on the disposal of any asset at the rate prevailing at the time of disposal.

13. INSURANCE AGAINST FRAUD

The Credit Union has insurance against fraud in the amount of €1,300,000 (2018 : €1,300,000) in compliance with Section 47 of the Credit Union Act 1997, as amended.

14. RATES OF INTEREST CHARGED ON MEMBERS' LOANS

The rates of interest charged on loans on a reducing balance basis were as follows:

	2020		2019	
	Interest rate %	Monthly	Interest rate %	Monthly
Student loan	5%	0.42%	5%	0.42%
Secured loan	6.5%	0.54%	6.5%	0.54%
Standard loan	7.95%	0.66%	7.95%	0.66%

15. MEMBERS' SHARES

Movement in Members' shares	2020	2019
	€	€
Opening balance	10,724,983	10,537,703
Received during the year	6,535,455	6,082,765
Repaid during the year	(5,671,705)	(5,895,485)
Closing Balance	<u>11,588,733</u>	<u>10,724,983</u>

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	10,428,955	9,556,134
Attached shares	<u>1,159,778</u>	<u>1,168,849</u>
Total Members' shares	<u>11,588,733</u>	<u>10,724,983</u>

16. CAPITAL COMMITMENTS

The Credit Union had no material capital commitments at the year-ended 30 September 2020.

17. POST-BALANCE SHEET EVENTS

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

NOTES TO THE FINANCIAL STATEMENTS

As At 30th September, 2020

18. CASH AND CASH EQUIVALENTS

	2020	2019
	€	€
Cash and bank balances	1,001,770	296,408
Deposits and investment - cash equivalents	2,141,138	2,412,436
	3,142,908	2,708,844

19. CREDITORS AND ACCRUALS

	2020	2019
	€	€
PAYE/PRSI	4,084	5,088
Pension and short term payroll accruals	2,486	2,240
Creditors and other accruals	25,024	18,737
	31,594	26,065

20. EMPLOYEES AND EMPLOYMENT COSTS

	2020	2019
	Number	Number
Number of Employees		
Manager	1	1
Other Staff	3	3
Total	4	4

	2020	2019
	€	€
Employment costs		
Wages and salaries	86,713	87,793
Social security costs	6,187	8,773
Payments to defined contribution pension schemes	4,337	3,572
Total employment costs	97,237	100,138

	2020	2019
	€	€
Key management personnel		
Short term employee benefits	80,589	84,324
Payments to defined contribution pension schemes	4,337	3,572
Total key management personnel compensation	84,926	87,896

The Directors of Shercock Credit Union are all unpaid volunteers. The key management team for Shercock Credit Union includes the credit union manager and three other staff.

NOTES TO THE FINANCIAL STATEMENTS

As At 30th September, 2020

21. CREDIT RISK DISCLOSURES

Shercock Credit Union Ltd. does not offer mortgages and as a result all loans to Members are unsecured, except that there are restrictions on the extent to which borrowers may withdraw their savings whilst loans are outstanding. The carrying amount of the loans to Members represents Shercock Credit Union's maximum exposure to credit risk. The following table provides information on the credit quality of loan repayments. Where loans are not impaired/bad it is expected that the amounts repayable will be received in full.

	2020		2019	
	€	%	€	%
Gross loans not impaired:				
Not past due	2,443,726	69.71	2,542,619	76.50
Up to 9 weeks past due	524,574	14.96	468,001	14.08
	<u>2,968,300</u>	<u>84.67</u>	<u>3,010,620</u>	<u>90.58</u>

Gross loans individually impaired:

not past due	199,660	5.70	13,859	0.42
up to 9 weeks past due	61,940	1.77	63,199	1.90
between 10 and 18 weeks past due	87,361	2.49	69,387	2.09
between 19 and 26 weeks past due	55,528	1.58	26,159	0.79
between 27 and 39 weeks past due	31,876	0.91	20,385	0.61
between 40 and 52 weeks past due	-	-	13,009	0.39
53 or more weeks past due	101,133	2.88	106,905	3.22
	<u>537,498</u>	<u>15.33</u>	<u>312,903</u>	<u>9.41</u>
Total Impaired Loans				
	<u>3,505,798</u>	<u>100.00</u>	<u>3,323,523</u>	<u>100.00</u>

Analysis of gross loans outstanding

	2020		2019	
	Number of loans	€	Number of loans	€
Less than one year	99	245,218	137	331,079
Greater than 1 year & less than 3 years	171	1,096,608	194	1,305,889
Greater than 3 years & less than 5 years	106	1,451,977	90	1,233,201
Greater than 5 years & less than 10 years	24	711,995	14	453,354
Greater than 10 years & less than 25 years	-	-	-	-
	<u>400</u>	<u>3,505,798</u>	<u>435</u>	<u>3,323,523</u>
Total loans				
	<u>400</u>	<u>3,505,798</u>	<u>435</u>	<u>3,323,523</u>

NOTES TO THE FINANCIAL STATEMENTS

As At 30th September, 2020

22. FINANCIAL RISK MANAGEMENT

Shercock Credit Union manages its Members' shares and loans to Members so that it earns income from the margin between interest receivable and interest payable. The main financial risks arising from Shercock Credit Union'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 Shercock Credit Union, resulting in financial loss to the Credit Union. In order to manage this risk the Board approves Shercock Credit Union's lending policy, and all changes to it. All loan applications are assessed with reference to the lending 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 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.

Liquidity Risk:

Shercock 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 objective of the Credit Union's liquidity policy is to smooth the mismatches between maturing assets and liabilities and to provide a degree of protection against any unexpected developments that may arise.

Market risk:

Market risk is generally comprised of interest rate risk, currency risk and other price risk. Shercock Credit Union conducts all its transactions in Euro and does not deal in derivatives or commodity markets. Therefore Shercock Credit Union is not exposed to any form of currency risk or other price risk.

Interest rate risk:

Shercock 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 when deciding on the dividend rate payable on Members' shares. Shercock Credit Union does not use interest rate options to hedge its own positions. Shercock Credit Union reviews any potential new investment product carefully to ensure that minimum funds are locked in low yielding long term investments yet at the same time maximising investment income receivable.

NOTES TO THE FINANCIAL STATEMENTS

As At 30th September, 2020

Liquidity risk disclosures

All Shercock Credit Union's financial liabilities are repayable on demand. The Credit Union adheres, on an ongoing basis, to the minimum liquidity ratio and minimum short term liquidity ratio as set out in the Credit Union Act 1997 (Regulatory Requirements) Regulations 2016

Fair Value of financial instruments

Shercock Credit Union Limited does not hold any financial instruments at fair value.

Capital

Shercock Credit Union Limited maintains sufficient reserves to buffer the Credit Union against any losses on its Members' loans and also its investments. The current Regulatory reserve is in excess of the minimum requirement set down by the Central Bank.

23. APPROVAL OF FINANCIAL STATEMENTS

The Financial Statements were approved and authorised for issue by the Board of Directors on 10th November 2020.

Shercock Credit Union Limited

As At 30th September, 2020

SCHEDULE 1 - OTHER INCOME ANALYSIS

	2020 €	2019 €
Other Income		
Entrance fees	36	39
Foreign Exchange commission	185	910
	221	949
	221	949

SCHEDULE 2 - ANALYSIS OF OTHER MANAGEMENT EXPENSES

	2020	2019
Expenditure	€	€
Rates	1,119	2,402
Share and loan insurance	47,342	41,504
General Insurance	4,943	3,589
Security and cash transit	4,286	3,840
Light, heat and power	2,671	3,264
Repairs and maintenance	2,443	2,425
Computer maintenance	12,562	20,385
C.U.S.O.P. software	7,872	7,931
Stationery and office expenses	5,973	6,871
Training, advertising and promotion	9,525	9,363
Chapter and convention expenses	193	190
Travel expenses	575	560
Resolution fund, regulatory and other levies	6,084	13,002
Internal Audit fees	4,000	4,000
Audit fee	10,000	10,000
Goodbody Fees	1,415	1,340
Investment advisor fees	8,470	-
Central Credit Register	1,282	702
Risk and compliance officer	5,260	3,500
Bank interest and charges	3,792	3,516
General expenses	6,574	4,037
Affiliation fees and S.P.S. contribution	2,751	2,985
DPA Compensation Payments	9,872	9,704
	159,004	155,110
	159,004	155,110

SCHEDULE 3 - INTEREST ON MEMBERS' LOANS

	2020	2019
Interest on Members' loans	€	€
Opening accrued interest receivable	(7,214)	(7,544)
Loan interest received in the year	252,835	264,178
Closing accrued interest receivable	8,950	7,214
	254,571	263,848
	254,571	263,848

STATEMENT OF BOARD OVERSIGHT COMMITTEE'S RESPONSIBILITIES

The Board Oversight Committee is an independent body that reports to you, the members of Shercock Credit Union each year at the Annual General Meeting.

The Role of the Board Oversight Committee is to ensure that the Board of Directors and the management act in the best interest of the members. BOC representatives were present at all Board Meetings and had several Sub-Committee meetings to assess whether the Directors were operating in accordance with all relevant legislation, best practice and good corporate governance. The BOC provides the Board with 4 appraisal reports over the course of the year, making recommendations where necessary. The reports reviewed the effectiveness of Board Meetings, Strategy for the Credit Union and decision-making process with reference to relatively new roles such as the Internal Auditor, Risk Management Officer and Compliance.

BOC members attended training seminars in February/March and did online seminars in order to ensure that we are carrying out our own role effectively.

In light of the COVID 19 Pandemic, it was acknowledged that the challenging and difficult time business at Shercock Credit Union had proceeded seamlessly within ever changing restrictions thanks to our professional office staff. Many new measures have been put in place over the past year. Newly erected screens, sanitizers and wipes are available at the entrance and at each counter along with signage to remind members of social distancing all contribute to the effort.

The Board Oversight Committee confirmed that in their opinion the Board of Directors are performing their duties professionally and in accordance with the Credit Union Act 1997 (as amended).

On behalf of the Credit Union

Chairperson of the Board Oversight Committee _____  _____ Date: 10/11/2020

CREDIT COMMITTEE REPORT

For the year ending 30th September 2020, Shercock Credit Union has issued 295 Loans to the members to the value of €2,041,972.

All Credit Union Loan Applications are assessed and every effort is made to facilitate our members, subject to our own Credit Policy and observance of Central Bank regulations.

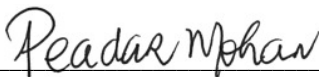
We are pleased that in a year when the COVID situation dominated every aspect of Social and Economic life our loans to members exceeded the previous year by 5%. We believe that our members realise that the interest rate on loans charged by Shercock Credit Union is the best value to be found.

Our Credit Union provides additional loan insurance through ECCU insurance with no direct cost to the member. This provides reassurance the loan will be repaid in the event of death, subject to Terms & Conditions.

Finally, Patrick, Peter and myself wish to acknowledge the fine contribution made over the years by the late Martin Smith, not only to the Credit Committee but to the workings of our Credit Union in general. Martin was always available for committee meetings and on occasions when a meeting had to be arranged at short notice to deal with a particular matter. In his roles as Credit Committee member and during the final year of his life as Supervisor, his down to earth assessments and solid advice were much valued. His greatest wish was that Shercock Credit Union would retain its independent status in the coming years. May he rest in Peace.

On behalf of the Credit Union

Chairperson of the Credit Committee



Date: 10/11/2020

CREDIT CONTROL REPORT

The function of the Credit Control Committee is to ensure that repayments of loans by members are made in line with undertakings given in the Credit Agreement. Credit Control serves both the Credit Union and the member in monitoring repayment of outstanding loans.

Funding for loans to members comes directly from savings of the entire membership. As custodians of these savings the Committee make every effort to ensure that credit agreements are maintained as promised. Members who have difficulty meeting their repayments are asked to contact the office immediately. The problem can be discussed in confidence and all assistance possible will be afforded. By maintaining contact with members experiencing problems, we help to prevent problems getting out of control. Genuine difficulties can always be accommodated provided the members keeps in touch and makes a fair payment based on his/her circumstances.

A member whose loan is underwritten by a Guarantor should be aware that the Guarantor is obliged to maintain repayments until the member is able to resume their repayments. The legal process, although not our preferred route, plays a vital part in a minority of cases where members do not co-operate to achieve a solution. Our Bad Debt write offs this year were €17,608 compared to €1,272 in 2019. Our Bad Debts recovered this year amounted to €9,479 compared to €24,446 in 2019.

Shercock Credit Union is a member of The Central Credit Register, which is operated by the Central Bank. Data on loans issued and repayments of these loans is reported to the Central Bank monthly. Missed payments are also recorded and reported accordingly and hence failure to pay loan arrears may affect your Credit Rating with other lenders.

Prompt repayment of loans as per the Credit Agreement ensures that your Credit Rating is protected.

MARKETING REPORT

The primary objective of the Marketing Committee is to positively promote Shercock Credit Union and provide marketing input and support on planned activities. The Marketing Committee is also involved in the development of marketing objectives and activities for our Strategic Plan.

We continue to utilise Facebook as our digital platform of choice, and in 2020 we used the platform to promote:

- Our loan offerings
- Our annual Scholarship program
- Junior Savers Week
- The Credit Union Art Competition
- National Credit Union initiatives and communications
- Activities taking place within the community

In 2020 we set up an e-newsletter service which we plan to implement in full in 2021 as another way of maintaining communication with our members. To promote a green working environment, we will use this e-newsletter service to deliver our AGM booklet in PDF soft-copy format, instead of a high print and postage run.

We continue to maintain our website with key information for our members. The website holds PDF soft-copy application forms for loan and membership, allowing individuals to print off and complete in the convenience of their own home. The AGM booklet will also be made available through the website in advance of the AGM date. We hope that our members find this access useful, given that Covid has restricted movements for us all.

Our pavement sign has proved to be very successful in advertising our competitive loan rates and other information for our members and we will be maintaining its use throughout 2021 with varying marketing messages.

The Marketing Committee : Emma O'Reilly & Tracy Cassidy.

NOMINATING COMMITTEE REPORT

The Nominating Committee – Eamon McElroy, Peadar Mohan and Patrick Hand.

The Nominating Committee is responsible for the following tasks:

- Identifying new candidates to be nominated for appointment to the Board of Directors and BOC of the Credit Union.
 - Accepting the nomination of candidates proposed to be appointed to the Board and the BOC.
 - Conducting Due Diligence on members seeking election to the Board and the BOC in accordance with Fitness & Probity requirements of the Central Bank Reform Act 2010.
 - Proposing candidates for election at the AGM to be members of the Board of Directors or BOC members.
 - Provision of an adequate succession plan in respect of each of the members of the Board of Directors and each of the sub-committee.
 - Carrying out an Analysis to the Training Needs of the Board and the BOC and all sub-committees.
 - Carrying out a review at least once a year of the composition of the existing Board of Directors and identify any gaps or deficiencies in the skill set of the Board.
 - During the year the Nominating Committee met on numerous occasions to carry out its duties.
1. We reviewed the roles & responsibilities of the committee.
We gave out the 5 forms to the Directors & the BOC at the August for them to fill in.
 2. In June last we lost a Stallworth of the Board of Directors, Martin Smith.
Martin is greatly missed by all. Attracta Archbold agreed to take Martin's place on the Board Oversight Committee.

Those up for Election to the Board of Directors at the 2020 AGM are :

1. Peadar Mohan
2. Nuala Wallace
2. Ann Walsh
3. Martin Keenan
4. Peter Culleton

Up for Election for the Board Oversight Committee is:

1. Attracta Archbold
2. Kevin Gartlan

Our Auditors Kelly Rahill & Co. are also on the Ballot Paper for election.
This concluded the Report for the Nominating Committee for 2020 AGM.

Signed: Eamon McElroy Peadar Mohan Patrick Hand

MEMBERSHIP REPORT

During the year we had 55 New Accounts opened in Shercock Credit Union.

23 Adult Accounts
22 Minor Accounts
6 Joint Accounts
4 Student Accounts

We would like to thank all who encouraged them to join as they are the Credit Union of the future. We welcome all new members and hope they enjoy the benefits that Shercock Credit Union has to offer.

Benefits include:

- Secure Savings
- Provision of Loans (subject to Terms & Conditions)
- Savings & Loans issued
- Dividend on Savings
- Foreign Exchange

To apply for membership for Membership it is necessary to call into the office and complete the necessary forms and provide ID, address verification and proof of PPS number.

CHAIRPERSONS REPORT

Fellow Members, it is a pleasure for me as chairperson to present and overview of the performance of our Credit Union on this our 34th AGM.

Our membership has increased by 55 in the past year. Our Assets increased from €13,261,028 to €14,207,254, our Interest income has decreased from €263,848.00 to €254,571.00. Unfortunately, due to the pandemic, the Central Bank has stopped all Credit Unions from paying a Dividend for the financial year 2019/2020.

The Board of Directors have reluctantly decided to introduce a further cap on Members shares to €25,000.00 as and from 1st May 2021. As our shares increased by €1 million euro last year we had to put 10% of that into a reserve from our surplus for the year. Unfortunately, with very low interest rates and decreasing returns on our investments we cannot sustain that level of savings by members.

Our Staff can be proud of the fact that we are one of the few Credit Unions that kept a complete face to face customer service through out a very trying year.

It is with great sadness we lost a fellow Board Member, Martin Smith, during the year. The Board of Directors and I would like to extend our sympathies to the families of Board Members, Members, Volunteers and Staff who lost loved ones during the year. May they rest in peace.

Board of Directors

Chairperson: Patrick Hand

Vice-Chairperson: Peadar Mohan

Secretary: Patricia O'Brien

Directors: Eamon McElroy
Nuala Wallace
Emma O'Reilly
Ann Walsh
Peter Culleton
Martin Keenan

Board Oversight Committee: Kevin Gartlan
Thomas Lyden
Martin Smith (Deceased June 2020)
Attracta Archbold (Co-opted July 2020)

Staff: Breda McCabe
Noeleen Daly
Tracy Cassidy
Gio O'Corry-Crowe

Auditor: Kelly Rahill & Co.

OFFICE HOURS

TUESDAY 10.00a.m. - 2.00p.m.

2.30p.m - 5.00p.m

THURSDAY 10.00a.m. - 2.00p.m.

3.00p.m - 6.00p.m

FRIDAY 10.00a.m. - 2.00p.m.

3.00p.m - 6.00p.m

SATURDAY 10.00a.m. - 1.00p.m.