

# Annual Report 2023



**The Annual General Meeting**  
of Mulcair Credit Union Limited  
will take place Virtually via  
Webinar on Thursday 18th  
January 2024 at 7pm

061 378099 

info@mulcaircu.ie 

www.mulcaircu.ie 

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## Credit Union Invocation

Lord make me an instrument of thy  
peace,  
where there is hatred, let me sow love,  
where there is injury, pardon,  
where there is doubt, faith,  
where there is despair, hope,  
where there is darkness, light,  
and where there is sadness, joy.  
O Divine Master,  
grant that I may not so much seek  
to be consoled as to console,  
to be understood as to understand,  
to be loved as to love,  
for it is in giving that we receive,  
it is in pardoning that we are pardoned,  
and it is in dying that we are born to  
eternal life.



## Notice of AGM

The 2023 Annual General Meeting of the members of Mulcair Credit Union Limited will take place via Zoom Webinar on Thursday 18th January 2024 at 7 p.m.

Members wishing to attend the Virtual AGM need to request an invitation to join and apply via email to [agm2023@mulcaircu.ie](mailto:agm2023@mulcaircu.ie) and include the following information in your email:

- **Name**
- **Member Number**
- **Member address**

Please note one unique email address is required per member.

The request for attendance must be received by close of business on Monday 15th January 2024.

### The following information is pertinent to this notice.

- ▶ Mulcair Credit Union will be using Zoom Webinar as the electronic platform for the meeting.
- ▶ To gain access to the meeting a member must request an invitation to the virtual meeting by emailing [agm2023@mulcaircu.ie](mailto:agm2023@mulcaircu.ie). This request must be received by close of business on 15th January 2024. Following the request for invitation the member will receive an invitation by email to join the meeting on 18th January 2024 at 7.00 p.m.
- ▶ The information required to request an invitation is your name, member number and address.
- ▶ The Credit Union will be verifying members details prior to issuing invitations.
- ▶ All non-presenting participants will be muted and have their cameras switched off to allow the smooth running of the meeting. However, you can type a question to the host by clicking on the "chat" button on the bottom of the screen.
- ▶ Elections for the position of Auditor, Board Oversight Committee and Board of Directors will take place.
- ▶ Voting will be conducted by way of Online Poll and Members will be asked to vote Yes/No electronically for the resolution or for each candidate when instructed by the Chairperson.
- ▶ Votes will be tallied electronically, verified by the Internal Auditor, and recorded by the meeting Secretary.
- ▶ This virtual AGM meeting will be recorded.

## Directors and Other Information

### Directors

John Delaney (*Chairman*)  
John Tuohey (*Vice Chairman*)  
Patricia Kennedy (*Secretary*)  
Denis Corrigan  
Seamus Gleeson  
Mary Rochford  
Anne Marie Earle  
John Sheridan  
Gavin Wilk

### CEO

Patrick Kett

### Board Oversight Committee

#### Members

Mary O'Sullivan  
Carmel Walsh

### Business Address

Cork Road  
Newport  
Co. Tipperary

### Auditors

Morrissey McCrann  
(Limerick) ULC  
Chartered Certified  
Accountants and Statutory  
Auditors  
1 O'Curry Street  
Limerick

### Bankers

Bank of Ireland  
Castletroy  
Limerick  
Allied Irish Banks, p.l.c.  
106/108 O'Connell Street  
Limerick  
Permanent TSB  
131 O'Connell Street  
Limerick

### Solicitors

Pierse Fitzgibbon Solicitors  
Market Street  
Listowel  
Co. Kerry

John McNamara & Associates  
24 Glentworth Street  
Limerick

## Notice of Elections

Under the Rules of the Credit Union a number of directors and members of the Board Oversight Committee are obliged to retire each year. Retiring officers may however, stand for re-election.

At the forthcoming AGM, elections will be held to fill

- ▶ 4 positions on the Board of Directors,
- ▶ 1 position on the Board Oversight Committee
- ▶ The position of Auditor.

Of these positions,

- ▶ Current directors John Delaney, Annemarie Earle and Patricia Kennedy are retiring but are offering themselves for re-election. Gavin Wilk is offering himself for election to the board of directors.
- ▶ Current member of the Board Oversight Committee Carmel Walsh is retiring but offering herself for re-election.
- ▶ The nominee for the position of auditor is Morrissey McCrann & Co.

However, any other members may of course also allow themselves to be nominated for election to either roles i.e. as director or member of the Board Oversight Committee.

If you wish to stand for election to either role:

1. You must be aged over 18 and nominated by an existing member aged over 16.
2. Nominations must be in writing and signed by the proposer, seconder and nominee.
3. The proposer, seconder, and nominee must be members of the Credit Union.
4. Nomination Forms must reach the registered office of the Credit Union at Cork Road, Newport, Co. Tipperary by the close of business on Thursday 11th January 2024. Nomination Forms will be reviewed by the Nomination Committee who will also carry out Fitness & Probity due diligence as required by law.

**NOMINATION FORMS AVAILABLE ON REQUEST AT THE HEAD OFFICE AT CORK ROAD, NEWPORT, CO TIPPERARY.**

## Order of Business

1. The acceptance by the Board of Directors of the authorised representatives of members that are not natural persons
2. Ascertainment that a quorum is present
3. Adoption of Standing Orders
4. Reading and approval (or correction) of the minutes of the last general meeting
5. Report of the Board of Directors
6. Consideration of Accounts
7. Report of the Auditor
8. Report of the Board Oversight Committee
9. Declaration of Dividend (if any)
10. Elections
  - a. Report of the Nominating Committee
  - b. Election of Auditor
  - c. Election to fill vacancy on the Board Oversight Committee
  - d. Election to fill vacancies on the Board of Directors
11. Credit Committee Report
12. Credit Control Committee Report
13. Membership Committee Report
14. Education and Publicity Committee Report
15. Audit and Risk Committee Report
16. Amendments to Standard Rules
17. Announcement of election results
18. Any other business
19. Adjournment or close of meeting

*Committee reports will be circulated in advance to all AGM attendees and can also be requested at any office.*



# Report of the Board of Directors 2023

Welcome everyone to the 38th Annual General Meeting of Mulcair Credit Union. It is my pleasure and honor, on behalf of our Board of Directors, to present to you our Annual Report and Accounts for the year ending 30th September 2023.

The year gone by has proven to be another turbulent one, as Geo Political risks are now the norm. Just as we emerged from the Covid Pandemic, we were plunged into the Ukrainian Crisis, followed more recently by the Middle Eastern conflict. Although these crises appear far from home, they all have a negative impact on our national financial services , including excessive inflation, which then further translates into interest rate hikes. Thankfully, however, the Credit Union movement has learned how to mitigate against these negative impacts and I am very happy to inform you that 2023 has been a strong financial one for Mulcair Credit Union, with continued growth in our membership, loans and shares. Last year our membership increased to 7434, our loan book grew by 5.6%, thereby lending over €4.3 million to our community, our shares inflow increased by 3.4% and we processed in excess of 80,000 transactions locally.

No doubt you will have heard, that nationally, the Credit Union movement continues to excel, by winning the “Best Customer Experience” award for the ninth consecutive year. The Credit Union brand is the only brand to maintain this excellent award. The winning citation confirms that as a business, Credit Union staff are a caring group, they listen, and they respect their members. Locally, this accolade is in no small way due to the continued performance of both our management and front facing staff. In a “digital era”, and in one of continuous downsizing and withdrawal by far larger financial institutions, it is clear that you, our valued members, still relish the face to face contact.

This vote of confidence in Mulcair translates into a loan book value of over €9.4m, and a shares account of €36.2m, of which €1.2m was invested by our members during 2023 alone. These combined figures mean that Mulcair continues to consolidate itself as it surpasses the €45m overall value category. The capital position of Mulcair Credit Union also remains strong with our total reserves increasing to €6.5m, which represents 15.35% of our total assets, well ahead of the recommended Central Bank



## Report of the Board of Directors 2023 (continued)

figure of 10%. Our loan growth is due in no small way to the very attractive 3.9% secured loan option, coupled with the recent launch of our mortgage offering where we are now in a position to fund loans up to €200k over 25yrs @ 5.5%.

We are also about to liaise with the Cultivate product which will offer attractive loans to the agri sector. During the year we continued to streamline our loans process using the docuSign technology, whereby you can complete your loan application on line. On the investment side, I am happy to relate that thankfully the investment options are improving and that last year we achieved an investment income of €451K. This represents an increase of 46% on last years return. Also, last year I reported that one of our investments, ie the Amundi Fundi had performed poorly and this year I am happy to inform you that in 2023 this funds performance has improved, and that in 2023 we have recovered €34K. All of these figures resulted in a surplus of €316K for Mulcair for the financial year ended 30th September 2023.

Mulcair Credit Union continues to be a community focused organisation as we support loan applications from many local community and sports organisation's, with the most affordable rates available. We are also happy to sponsor as many local projects as possible. This year we issued €16,397 in sponsorship across 28 local organisation's.

As a financial service, we are well aware of the financial challenges that exist on the horizon, including inflation, high interest rates, increased cost of living and an aversion to borrowing. It is against this backdrop that the Board of Directors have proposed not to pay a dividend on our member shares for 2023. It is hoped and anticipated that we will be able return to paying a dividend in the near future.

Finally, I would like to thank the many people who have helped the Board of Directors throughout the year, including our advisors and our auditors both internal and external. We were happy to engage positively with you at all times. Above all I would like to thank you, our members, for your continued support and confidence. During 2023 we bade farewell to Ms Margaret Kirby, one of our accomplished front facing staff. Margaret will be missed and we wish her well in her retirement. We also remember Michael Collins who passed during the year. Michael was instrumental in the progression of Mulcair Credit Union in the early years and served as Chairperson from 1993 to 1999.

Ar dheis Dé go raibha h'anam dilis.

As I step down from the position of Chairperson, I would like to thank everyone that I served with during my tenure for their support and effort's. I wish the incoming board of directors and board oversight committee the very best of luck for the coming year. I also wish continued growth and success to our CEO Pat Kett and all his staff. Good health and happiness to you all.



**John Delaney**  
Chairperson, Board of Directors

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

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

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 and Generally Accepted Accounting Practice in Ireland, including the Standards issued by the Financial Reporting Council and in particular FRS 102 "The Financial Reporting Standard applicable in the UK and the Republic of Ireland". 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 board

Chairperson




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Secretary

Date: 27 October 2023

## Statement of Board Oversight Committee's Responsibilities

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

On behalf of the Board Oversight Committee

Chairperson




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Date: 27 October 2023

# Independent Auditor's Report

To the members of Mulcair Credit Union Limited

## Opinion

We have audited the financial statements of Mulcair Credit Union Limited for the year ended 30 September 2023 which comprise the Income and Expenditure Account, the Balance Sheet, the Statement of Changes in Reserves, the Cash Flow Statement and notes to the financial statements, including the summary of significant accounting policies set out in Note 2. The financial reporting framework that has been applied in their preparation is Irish Law and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued in the United Kingdom by the Financial Reporting Council.

## In our opinion, the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Credit Union as at 30 September 2023 and of its income and expenditure and cashflows for the financial 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 the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority ("IAASA") and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

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

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

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

## Other information

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

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.

# Independent Auditor's Report (continued)

To the members of Mulcair Credit Union Limited

## Other matters prescribed by the Credit Union Acts 1997, as amended

In our opinion, based on the work undertaken in the course of the audit:

- We have obtained all the information and explanations which, to the best of our knowledge and belief, are 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.

## Responsibilities of directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that 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, if 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 have 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 Credit Union's financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## Further information regarding the scope of our responsibilities as auditor

As part of an audit in accordance with International Standards on Auditing (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; and
- 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.

## Independent Auditor's Report (continued)

To the members of Mulcair Credit Union Limited

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

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

This report is made solely to the Credit Union's members, as a body, in accordance with Section 120 of the Credit Union Acts 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.

**MORRISSEY MCCRANN (LIMERICK) ULC**

**Statutory Audit Firm**

1 O'Curry Street

Limerick

Date: 27 October 2023

## Income and Expenditure Account

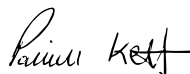
for the year ended 30th September 2023

	Notes	2023 €	2022 €
<b>Income</b>			
Interest on members' loans		604,257	595,323
Investment income	4	450,853	208,962
<b>Net interest income</b>		<b>1,055,110</b>	804,285
Other income		6,156	177,094
<b>Total income</b>		<b>1,061,266</b>	981,379
<b>Expenditure</b>			
Salaries and other wage costs		340,146	346,709
Other management expenses		562,612	552,770
Depreciation charge on fixed assets	9	59,264	57,406
Impairment of investments		-	263,295
Provision for bad and doubtful debts	5	(38,328)	(22,230)
Loans written off	5	28,991	8,032
Bad debts recovered	6	(208,228)	(299,413)
<b>Total expenditure</b>		<b>744,457</b>	906,569
<b>Surplus for the year</b>		<b>316,809</b>	74,810

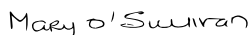
There were no recognised gains or losses other than the income and expenditure for the above two financial years.

On behalf of the Credit Union

CEO



Member of the Board Oversight Committee



Member of the Board of Directors



Date: 27 October 2023

## Balance Sheet

as at 30 September 2023

	Notes	2023 €	2022 €
<b>Assets</b>			
Cash and cash equivalents	19	3,136,095	6,960,591
Deposits and investments	7	29,859,876	25,069,141
Loans to members	8	9,375,588	8,880,300
Provision for bad and doubtful debts	8	(844,842)	(883,170)
		<u>41,526,717</u>	<u>40,026,862</u>
<b>Other Assets</b>			
Tangible assets	9	1,142,165	1,179,888
Prepayments and other debtors		63,994	62,118
Accrued income		215,390	138,743
		<u>1,421,549</u>	<u>1,380,749</u>
<b>Total Assets</b>		<u><u>42,948,266</u></u>	<u><u>41,407,611</u></u>
<b>Liabilities</b>			
Members' shares	16	36,214,132	35,021,251
Trade creditors and accruals		120,108	89,840
Other creditors		29,944	29,247
		<u>36,364,184</u>	<u>35,140,338</u>
<b>Members' Resources</b>			
Regulatory reserve		4,481,101	4,181,101
Operational risk reserve		108,911	108,911
		<u>4,590,012</u>	<u>4,290,012</u>
Surplus reserve (realised)		1,994,070	1,977,261
		<u>6,584,082</u>	<u>6,267,273</u>
<b>Total Liabilities</b>		<u><u>42,948,266</u></u>	<u><u>41,407,611</u></u>

On behalf of the Credit Union

CEO



Member of the Board Oversight Committee



Member of the Board of Directors



Date: 27 October 2023

## Statement of Changes in Reserves

for the year ended 30 September 2023

	Regulatory Reserve	Operational Risk Reserve	Surplus Reserve (Realised)	Total
	€	€	€	€
At 1 October 2022	4,181,101	108,911	1,977,261	6,267,273
Surplus for year	-	-	-	-
Distribution in year	-	-	316,809	316,809
Transfer to regulatory reserve	300,000	-	(300,000)	-
At 30 September 2023	<b>4,481,101</b>	<b>108,911</b>	<b>1,994,070</b>	<b>6,584,082</b>

## Cash Flow Statement

for the year ended 30 September 2023

	2023 €	2022 €
<b>Opening cash and cash equivalents</b>	<b>6,960,591</b>	7,949,042
<b>Cash flows from operating activities</b>		
Loans repaid	3,759,611	3,769,884
Loans granted	(4,283,890)	(4,201,830)
Loan interest income	604,257	595,323
Investment income	450,853	208,962
Other revenue received	6,156	177,094
Bad debts recovered	208,228	299,413
Dividends paid	-	-
Operating expenses	(902,758)	(899,479)
Movement in other assets	(78,523)	794
Movement in other liabilities	31,423	44,812
Net cash (used in) operating activities	<u>(204,643)</u>	<u>(5,027)</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(21,541)	(45,051)
Net cash flow from other investing activities	(4,790,735)	(2,661,837)
Net cash (used in) investing activities	<u>(4,812,276)</u>	<u>(2,706,888)</u>
<b>Cash flows from financing activities</b>		
Members' shares received	19,148,892	19,224,219
Members' shares withdrawn	(17,956,469)	(17,500,755)
Net cash generated from financing activities	<u>1,192,423</u>	<u>1,723,464</u>
<b>Net (decrease) in cash and cash equivalents</b>	<b>(3,824,496)</b>	<b>(988,451)</b>
<b>Cash and cash equivalents at end of financial year</b> 19	<b><u>3,136,095</u></b>	<b><u>6,960,591</u></b>

# Notes to the Financial Statements

for the year ended 30 September 2023

## 1. LEGAL AND REGULATORY FRAMEWORK

Mulcair Credit Union Limited 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 principal place of business is Cork Road, Newport, Co. Tipperary.

## 2. ACCOUNTING POLICIES

### Statement of compliance

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

### Basis of preparation of financial statements

These financial statements have been prepared in accordance with applicable Irish accounting standards including FRS 102 and Irish statute comprising of the Credit Union Act 1997, as amended. The financial statements are prepared on the historical cost basis.

### Going concern

The financial statements are prepared on a going concern basis. The directors of Mulcair Credit Union Limited believe that this is appropriate as the Credit Union:

- (i) is generating annual surpluses;
- (ii) maintains an appropriate level of liquidity; and
- (iii) has reserves that are currently above the minimum requirements of the Central Bank of Ireland.

### 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.

### Income recognition

Income is recognised to the extent that it is probable that the economic benefits will flow to the Credit Union and the income can be reliably measured. Income is measured at the fair value of the consideration received. The following criteria must also be met before income is recognised:

#### (i) 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.

#### (ii) Investment income

Investment income is recognised on an accruals basis using the effective interest method.

#### (iii) Other income

Other income is recognised on an accruals basis.

### Distributions to members

Dividends are made from current year's 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 of Directors will reflect:

- the adequacy of the existing reserves;
- 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 the minimum regulatory requirements.

# Notes to the Financial Statements (continued)

for the year ended 30 September 2023

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

## 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.

## Investments

The specific investment products held by the credit union are accounted for as follows:

### Deposits and bonds

These are valued at amortised cost using the effective interest method less impairment i.e. the amount invested, less any repayments of the principal; plus or minus cumulative amortisation, minus, in the case of a financial asset, any reduction for impairment or uncollectability.

### Deposits held at the European Central Bank

Credit unions are obliged to maintain a minimum level of reserves with the European Central Bank. These deposits are technically assets of the credit union but to which the credit union has restricted access. The minimum reserves requirement attracts nominal interest and will not ordinarily be returned to the credit union while it is a going concern. The credit union can hold more than the minimum requirement if it chooses to do so. All balances held at the European Central Bank are valued at the amount deposited plus accrued income and are not subject to impairment reviews.

### Investments at fair value

Investments are valued at fair value (market value) at the year-end date and all gains and losses are taken to the income and expenditure account. Where there is no market value, these investments are carried at cost plus accrued income less impairment.

### Financial assets – 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.

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

### Bad and doubtful debts

In accordance with FRS 102, the 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.

Any bad debts/impairment losses are recognised in the Income and Expenditure Account, as the difference between the carrying value of the loan and the net present value of the expected cash flows.

### Tangible fixed assets and depreciation

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

Land and buildings freehold	-	straight line over 50 years
Fixtures, fittings and equipment	-	10% straight line
Computer equipment	-	20% straight line

# Notes to the Financial Statements (continued)

for the year ended 30 September 2023

At each reporting end date, the Credit Union reviews the carrying value of its tangible fixed 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.

## **Investment properties**

Investment property whose fair value can be measured reliably without undue cost or effort is measured at fair value with changes in fair value recognised in the Income and Expenditure Loss Account. Revalued investment properties are not depreciated or amortised, unless the fair value cannot be measured reliably or without undue cost or effort.

## **Financial liabilities – members' shares**

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

## **Employee benefits**

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

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

## **Pensions**

The Credit Union operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the Credit Union. Annual contributions payable to the Credit Union's pension scheme are charged to the Income and Expenditure Account in the period to which they relate.

## **Other reserves**

Other reserves are the accumulated surpluses to date that have not been declared as dividends returnable to members. They 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.

# Notes to the Financial Statements (continued)

for the year ended 30 September 2023

## Regulatory reserve

The Credit Union Act 1997 (Regulatory Requirements) Regulations 2016 requires credit unions to establish and maintain a minimum regulatory reserve requirement of at least 10 per cent of the assets of the Credit Union. This reserve is to be perpetual in nature; freely available to absorb losses; realised financial reserves that are unrestricted and non-distributable. 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 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 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.

## 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 Mulcair Credit Union Limited's accounting policies. The areas requiring a higher degree of judgement, or complexity, and areas where assumptions or estimates are most significant to the financial statements are disclosed below:

### Impairment losses on loans to members

The Credit Union's accounting policy for impairment of financial assets is set out in Note 2 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. Credit risk is identified, assessed and measured through the use of rating and scoring tools with emphasis on weeks in arrears and other observable credit risk metrics. The ratings influence the management of individual loans. The credit rating triggers the impairment assessment and if relevant the raising of specific provisions on individual loans where there is doubt about their recoverability. Loan loss provisioning is monitored by the Credit Union, and the Credit Union assesses and approves its provisions and provision adequacy on a quarterly basis. Key assumptions underpinning the Credit Union's estimates of collective provisions for loans with similar credit characteristics and Incurred but Not Reported provisions ("IBNR") are based on the historical experiences of the Credit Union allied to the Credit Union's judgement of relevant conditions in the wider technological, market, economic or legal environment in which the Credit Union operates. If a loan is impaired, the impairment loss is the difference between the carrying amount of the loan and the present value of the expected cash flows discounted at the asset's original effective interest rate taking account of pledged shares and other security as appropriate. Assumptions are back tested with the benefit of experience. After a period of time, when it is concluded that there is no real prospect of recovery of loans/part of loans which have been subjected to a specific provision, the Credit Union writes off that amount of the loan deemed irrecoverable against the specific provision held against the loan.

### Establishing useful economic lives for depreciation purposes of tangible fixed assets

Long-lived assets, consisting primarily of tangible fixed assets, comprise a significant portion of the total assets. The annual depreciation charge depends primarily on the estimated useful economic lives of each type of asset and estimates of residual values. Management regularly reviews these assets' useful economic lives and change them as necessary to reflect current thinking on remaining lives in light of prospective economic utilisation and physical condition of the assets concerned. Changes in asset useful lives can have a significant impact on depreciation and amortisation charges for the period. Detail of the useful economic lives is included in Note 2 Accounting Policies.

## Notes to the Financial Statements (continued)

for the year ended 30 September 2023

### **Operational risk reserve**

The directors have considered the requirements of the Credit Union Act 1997, as amended, and have developed an approach to the calculation of the operational risk reserve based on the Credit Union's actual experience of loss from operational risk, near misses as well as the tone of reviews and reports arising from, among other things, the register of compliance and policy breaches, PRISM and other regulatory inspections, external audit, internal audit, risk management & compliance. The operational risk reserve at 30 September 2023 was €108,911 (30 September 2022 - €108,911).

### **Adoption of going concern basis for financial statements preparation**

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

## Notes to the Financial Statements (continued)

for the year ended 30 September 2023

### 4. INCOME FROM INVESTMENTS

	2023 €	2022 €
Investment income received	238,649	104,561
Investment income receivable within 12 months	178,124	104,401
Fair value gain on investments	<u>34,080</u>	<u>-</u>
	<u><u>450,853</u></u>	<u><u>208,962</u></u>

### 5. BAD AND DOUBTFUL DEBTS

	2023 €	2022 €
Provision for bad and doubtful debts	(38,328)	(22,230)
Loans written off	<u>28,991</u>	<u>8,032</u>
	<u><u>(9,337)</u></u>	<u><u>(14,198)</u></u>

### 6. BAD DEBTS RECOVERED

	2023 €	2022 €
Bad debts recovered	166,632	262,496
Interest income on loans in default classified as bad debts recovered	34,607	36,027
Interest income on loans written off classified as bad debts recovered	<u>6,989</u>	<u>890</u>
	<u><u>208,228</u></u>	<u><u>299,413</u></u>

Interest income on loans in default and loans written off has been accounted for as bad debts recovered in order to comply with the Central Bank's Provisioning Guidelines for Credit Unions issued in April 2018.

### 7. INVESTMENTS

	2023 €	2022 €
Term deposits in authorised credit institutions (Irish and EU based)	19,000,000	15,000,000
Bank bonds	7,634,424	6,884,634
Collective investment schemes	1,277,535	1,243,455
Irish and EEA state securities	<u>1,947,917</u>	<u>1,941,052</u>
	<u><u>29,859,876</u></u>	<u><u>25,069,141</u></u>

# Notes to the Financial Statements (continued)

for the year ended 30 September 2023

## 8. MEMBERS' LOANS

	2023 €	2022 €
Loans to members	9,375,588	8,880,300
Provision for bad and doubtful debts	<u>(844,842)</u>	<u>(883,170)</u>
	<u>8,530,746</u>	<u>7,997,130</u>
<b>Movement in members' loans</b>	<b>2023</b>	<b>2022</b>
	€	€
Opening balance	8,880,300	8,456,386
Loans advanced during the year	4,283,890	4,201,830
Loans repaid during the year	<u>(3,759,611)</u>	<u>(3,769,884)</u>
Loans written off	<u>(28,991)</u>	<u>(8,032)</u>
Closing balance	<u>9,375,588</u>	<u>8,880,300</u>
<b>Movement in provision for doubtful debts</b>	<b>2023</b>	<b>2022</b>
	€	€
Opening provision	883,170	905,400
Movement in year	<u>(38,328)</u>	<u>(22,230)</u>
Closing provision	<u>844,842</u>	<u>883,170</u>

The provision for doubtful debts represents 9.01% of the total loan book (30 September 2022 - 9.95%).

### Breakdown of provision for doubtful debts

	2023 €	2022 €
Individually significant loans	379,763	389,434
Collectively assessed loans	<u>465,079</u>	<u>493,736</u>
	<u>844,842</u>	<u>883,170</u>

## 9. TANGIBLE FIXED ASSETS

	Land and buildings freehold €	Investment properties €	Fixtures, fittings and equipment €	Computer equipment €	Total
Cost					
At 1 October 2022	1,756,570	-	521,484	161,818	2,439,872
Additions	-	-	2,894	18,647	21,541
Transfers	<u>(152,369)</u>	100,000	-	-	<u>(52,369)</u>
At 30 September 2023	1,604,201	100,000	524,378	180,465	2,409,044
<b>Depreciation</b>					
At 1 October 2022	664,456	-	481,930	113,598	1,259,984
Charge for the financial year	33,577	-	8,057	17,630	59,264
Transfers	<u>(52,369)</u>	-	-	-	<u>(52,369)</u>
At 30 September 2023	645,664	-	489,987	131,228	1,266,879
<b>Net book value</b>					
At 30 September 2023	<u>958,537</u>	<u>100,000</u>	<u>34,391</u>	<u>49,237</u>	<u>1,142,165</u>
At 30 September 2022	1,092,114	-	39,554	48,220	1,179,888

The directors have reviewed the value in use of land and buildings in accordance with Section 27 of FRS 102 and are satisfied that the net book value stated above does not exceed their value in use.

Premises rented during the year under a long lease have been reclassified from Land and Buildings to Investment Properties. These were valued by GVM Auctioneers at their open market value on 10 January 2023 of €100,000.

## Notes to the Financial Statements (continued)

for the year ended 30 September 2023

### 10. DIVIDENDS

The following distributions were made during the year:

	2023 %	2023 €	2022 %	2022 €
Dividends on shares	0.00	-	0.00	-

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

### 11. PROPOSED DIVIDENDS

The directors propose not to declare a dividend in respect of the year ended 30 September 2023.

	2023 %	2023 €	2022 %	2022 €
Dividends on shares	0.00	-	0.00	-

### 12. PENSION SCHEME

The Credit Union operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Credit Union in an independently administered fund. Pension costs amounted to €12,965 (30 September 2022 - €12,865).

### 13. RELATED PARTY TRANSACTIONS

The related party loans stated below comprise of the loans to members of the board of directors, the management team and members of the family of a member of the board of directors and the management team of Mulcair Credit Union Limited.

	No. of Loans €	2023	No. of Loans	2022 €
Loans advanced to related parties during the year	18	104,900	11	90,600
Total loans outstanding to related parties at the year end	24	282,129	17	229,742
Total provisions for loans outstanding to related parties		4,665		11,031

Total loans outstanding to related parties represents 3.01% of the total loans outstanding at 30 September 2023 (30 September 2022 - 2.59%).

All loans to related parties were issued at arm's length and in accordance with Credit Union rules and the Credit Union Act 1997 (as amended). There were no transactions outside the normal course of business with any related party during the year.

The total amount of savings held by related parties at 30 September 2023 was €638,360 (30 September 2022 - €499,379).

### 14. INSURANCE AGAINST FRAUD

The Credit Union has insurance against fraud in the amount of €2,600,000 in compliance with Section 47 of the Credit Union Act 1997 (as amended).

# Notes to the Financial Statements (continued)

for the year ended 30 September 2023

## 15. TREASURY MANAGEMENT AND FINANCIAL INSTRUMENTS

Mulcair Credit Union Limited does not offer mortgages but does have some loans which are secured either by way of legal charges over specific property assets or by way of savings in members' share accounts. Other loans which are unsecured are subject to 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:

- (i) restricts the concentration of lending by the Credit Union within certain sectors or to connected persons or groups (concentration limits);
- (ii) restricts the absolute amount of lending to certain sectors to a set percentage of the regulatory reserve (large exposure limit);
- (iii) restricts the loan duration of certain loans to specified limits (maturity limits);
- (iv) 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.

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

	2023 €	2023 %	2022 €	2022 %
<b>Loans not impaired</b>				
Not past due	7,907,457	84.34%	7,230,696	81.43%
Up to 9 weeks past due	97,893	1.05%	192,604	2.17%
Between 10 and 18 weeks past due	5,308	0.06%	1,267	0.01%
Between 19 and 26 weeks past due	399	0.00%	-	0.00%
Between 27 and 39 weeks past due	32,196	0.34%	-	0.00%
Between 40 and 52 weeks past due	15,381	0.16%	-	0.00%
53 or more weeks past due	-	0.00%	-	0.00%
<b>Total loans not impaired</b>	<b>8,058,634</b>	<b>85.95%</b>	<b>7,424,567</b>	<b>83.61%</b>
<b>Impaired loans</b>				
Not past due	724,446	7.73%	849,277	9.57%
Up to 9 weeks past due	299,740	3.20%	426,921	4.81%
Between 10 and 18 weeks past due	106,172	1.13%	22,626	0.25%
Between 19 and 26 weeks past due	35,039	0.37%	14,595	0.16%
Between 27 and 39 weeks past due	33,653	0.36%	14,389	0.16%
Between 40 and 52 weeks past due	20,190	0.22%	25,591	0.29%
53 or more weeks past due	97,714	1.04%	102,334	1.15%
<b>Total impaired loans</b>	<b>1,316,954</b>	<b>14.05%</b>	<b>1,455,733</b>	<b>16.39%</b>
<b>Total loans</b>	<b>9,375,588</b>	<b>100.00%</b>	<b>8,880,300</b>	<b>100.00%</b>

Loans not impaired which are past due consist entirely of loans fully secured by shares.

# Notes to the Financial Statements (continued)

for the year ended 30 September 2023

## 15. TREASURY MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

### Financial risk management

The 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 the Credit Union's activities are credit risk, liquidity 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 the Credit Union, resulting in financial loss. In order to manage this risk, the Board approves the 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.

### 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 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. The Credit Union 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 when deciding on the dividend rate payable on members' shares. The Credit Union does not use interest rate options to hedge its own positions.

### Interest rate risk disclosures

The average interest rate on loans to members during the year was 7.00% (30 September 2022 – 7.28%).

The interest rates on loans to members range from 3.9% to 11.95%. The dividend on shares is determined on the basis of income less administrative expenses and a consistent margin is maintained between interest receivable and the dividend on shares. As a result, the surplus for the year is not particularly sensitive to interest rate risk.

### Liquidity risk disclosures

All the Credit Union's financial liabilities are repayable on demand except for some members' shares attached to loans.

### Capital

The Credit Union maintains sufficient reserves to buffer 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 of Ireland and stand at 10.43% of the total assets at the Balance Sheet date. The Operational Risk Reserve stands at 0.25% of total assets at the Balance Sheet date. Total realised reserves stand at 15.33% of total assets at the Balance Sheet date.

## Notes to the Financial Statements (continued)

for the year ended 30 September 2023

### 16. MEMBERS' SHARES

	2023 €	2022 €
Regular share accounts	15,851,833	15,651,012
Special share accounts	20,362,299	19,370,239
Medium share accounts	-	-
	<u>36,214,132</u>	<u>35,021,251</u>

### 17. CAPITAL COMMITMENTS

The Credit Union had no material capital commitments at 30 September 2023.

### 18. POST-BALANCE SHEET EVENTS

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

### 19. CASH AND CASH EQUIVALENTS

	2023 €	2022 €
Cash and bank balances	1,317,481	3,174,959
Cash equivalents	1,818,614	3,785,632
	<u>3,136,095</u>	<u>6,960,591</u>

### 20. CONTINGENT LIABILITIES

The Credit Union had no contingent liabilities at the Balance Sheet date.

### 21. KEY MANAGEMENT PERSONNEL

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Credit Union, including any director. The directors of Mulcair Credit Union Limited are all unpaid volunteers.

The remuneration of key management personnel was as follows:

	2023 €	2022 €
Wages and salaries	199,694	219,881
Pension contributions	10,637	10,926
	<u>210,331</u>	<u>230,807</u>

### 22. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 27 October 2023.

## Schedules to the Income & Expenditure Account

for the year ended 30 September 2023

### SCHEDULE 1 - OTHER INCOME ANALYSIS

	2023 €	2022 €
<b>Other Income</b>		
Foreign exchange commission	4,386	4,959
Rent received	1,770	1,270
Other fees received	-	5,003
ILCU SPS refund	-	165,862
	<u>6,156</u>	<u>177,094</u>

### SCHEDULE 2 - ANALYSIS OF OTHER MANAGEMENT EXPENSES

	2023 €	2022 €
<b>Expenditure</b>		
Training costs	3,721	5,554
Rent and rates payable	4,620	4,713
Board oversight committee expenses	-	180
General insurance	25,384	22,540
Share and loan insurance	111,069	110,447
Security	14,510	10,464
Light, heat and cleaning	24,087	20,614
Repairs and maintenance	4,462	10,476
Computer maintenance	79,755	84,162
Printing and stationery	18,239	10,658
Advertising and promotions	30,525	29,959
Telephone and postage	10,947	11,896
AGM expenses	16,359	11,974
Travelling and subsistence	3,633	1,485
Debt collection	2,818	2,380
Legal and professional fees	60,098	67,094
Accountancy	9,755	9,755
Audit fees	9,000	9,000
Bank charges	34,932	37,747
Cash (over)/short	(102)	11
Donations and sponsorship	16,397	13,370
Affiliation fees	11,397	11,002
Regulation levy	71,006	67,289
	<u>562,612</u>	<u>552,770</u>

## Report of the Board Oversight Committee

The Credit Union Act 1997 (as amended) requires the appointment of a Board Oversight Committee to assess whether the Board of Directors has operated in accordance with Part IV, Part IV (a) and any regulations made for the purposes of Part IV or Part IV(a) of the Credit Union Act 1997 (as amended). In addition, they are required to assess whether the Board of Directors has operated in accordance with any other matter prescribed by the Central Bank.

The Board Oversight Committee is an independent body elected at AGM.

We can confirm from our attendance at Board meetings and Committee meetings that the Board of Directors were compliant in the performance of their duties.

We are satisfied that the Board holds monthly meetings and that the committees meet on a regular basis. We note that the proceedings are recorded and reported to the Board of Directors regularly. Further to our checks during the year we can report that the Board has acted in accordance with Part IV and Part IV (a) of the Credit Union Act, 1997 (as amended).

Paul Columb has decided to step down from the Board Oversight Committee. We would like to thank Paul for his contribution and hard work while on the committee and wish him well for the future. We are pleased to welcome Gavin Wilk to the Board and we are confident Gavin will be of major benefit to the operation of the credit union.

We would like to thank the Board of Directors, Risk Management & Compliance Officer, CEO and staff of the Credit Union for their support and co-operation throughout the year.

**Carmel Walsh. Board Oversight Committee.**  
**Mary O'Sullivan. Secretary.**



# Deposit Guarantee Scheme Depositor Information Sheet

Basic information about the protection of your eligible deposits.

Eligible deposits in Mulcair Credit Union are protected by:	the Deposit Guarantee Scheme ("DGS"). <sup>(1)</sup>
Limit of protection:	€100,000 per depositor per credit institution <sup>(2)</sup>
If you have more eligible deposits at the same credit institution:	All your eligible deposits at the same credit institution are 'aggregated' and the total is subject to the limit of €100,000 <sup>(2)</sup>
If you have a joint account with other person{s}:	The limit of €100,000 applies to each depositor separately. <sup>(3)</sup>
Reimbursement period in case of credit institution's failure:	10 working days. <sup>(4)</sup>
Currency of reimbursement:	Euro or for branches of Irish banks operating in other EEA Member States, the currency of that State.
To contact Mulcair Credit Union for enquiries relating to your account:	Mulcair Credit Union Ltd, Cork Road, Newport, Co Tipperary.  Tel: 061 378099 Email: info@mulcaircu.ie
To contact the DGS for further information on compensation:	Deposit Guarantee Scheme, Central Bank of Ireland, New Wapping Street, North Wall Quay, Dublin 1.  Tel: 0818 681 681 Email: info@depositguarantee.ie
More information:	www.depositguarantee.ie

## Additional information

### (1) Scheme responsible for the protection of your deposit

Your deposit is covered by a statutory deposit guarantee scheme. If insolvency should occur, your eligible deposits would be repaid up to €100,000.

### (2) General limit of protection

If a covered deposit is unavailable because a credit institution is unable to meet its financial obligations, depositors are repaid by the DGS. This repayment covers at maximum €100,000 per person per credit institution. This means that all eligible deposits at the same credit institution are added up in order to determine the coverage level. If, for instance, a depositor holds a savings account with €90,000 and a current account with €20,000, he or she will only be repaid €100,000.

### (3) Limit of protection for joint accounts

In case of joint accounts, the limit of €100,000 applies to each depositor. However, eligible deposits in an account to which two or more persons are entitled as members of a business partnership, association or grouping of a similar nature, without legal personality, are aggregated and treated as if made by a single depositor for the purpose of calculating the limit of €100,000.

In some cases eligible deposits which are categorised as "temporary high balances" are protected above €100,000 for six months after the amount has been credited or from the moment when such eligible deposits become legally transferable. These are eligible deposits relating to certain events which include:

- (a) certain transactions relating to the purchase, sale or equity release by the depositor in relation to a private residential property;
- (b) sums paid to the depositor in respect of insurance benefits, personal injuries, disability and incapacity benefits, wrongful conviction, unfair dismissal, redundancy, and retirement benefits;
- (c) the depositor's marriage, judicial separation, dissolution of civil partnership, and divorce;
- (d) sums paid to the depositor in respect of benefits payable on death; claims for compensation in respect of a person's death or a legacy or distribution from the estate of a deceased person.

More information can be obtained at [www.depositguarantee.ie](http://www.depositguarantee.ie)

### (4) Reimbursement

The responsible deposit guarantee scheme is:

Deposit Guarantee Scheme, Central Bank of Ireland, New Wapping Street, North Wall Quay, Dublin 1. Tel: 0818 681 681. Email: info@depositguarantee.ie. Website: [www.depositguarantee.ie](http://www.depositguarantee.ie).

It will repay your eligible deposits (up to €100,000); within 10 working days from 1 January 2022 to 31 December 2023; and within 7 days from 1 January 2024 onwards, save where specific exceptions apply.

Where the repayable amount cannot be made available within seven working days depositors will be given access to an appropriate amount of their covered deposits to cover the cost of living within five working days of a request. Access to the appropriate amount will only be made on the basis of data provided by the credit institution. If you have not been repaid within these deadlines, you should contact the deposit guarantee scheme.

### Other important information

In general, all retail depositors and businesses are covered by the Deposit Guarantee Scheme. Exceptions for certain deposits are stated on the website of the Deposit Guarantee Scheme. Your credit institution will also inform you on request whether certain products are covered or not. If deposits are eligible, the credit institution shall also confirm this on the statement of account.

# Standing Orders for Credit Unions for Virtual Annual General Meeting

## 1. Voting

1. Each member shall be entitled to one vote irrespective of his/her shareholding, in accordance with section 82(2) of the Credit Union Act, 1997 (as amended).

Since this year's AGM will be a virtual meeting, voting on motions and elections will be by electronic means. Each member will be given the opportunity to exercise their vote electronically during the meeting.

## 2. Election Procedure - Electronic Voting

2. Following the announcement of nominations, attendees will be given the opportunity to vote electronically "Yes" or "No" for each candidate. Those in attendance will be given 30 Seconds to record their vote. The mechanics of the electronic virtual voting process will be explained in more detail at the AGM by the Chairperson. Elections shall be in the following order:

- a) election for auditor
- b) election for members of the board oversight committee
- c) election for directors.

The votes will be tallied electronically and verified by our Internal Auditor. When all elections have been completed and results become available the Chairperson will announce the results.

## 3 - 4 Motions

3. Due to the specific difficulties we are facing in holding an Annual General Meeting this year due to Covid-19, the purpose of this year's AGM is to deal with the essential business of the credit union.

This includes reporting to members on the financial status of the credit union, declare a dividend/ interest rebate, and elect officers. Any other non- urgent matters will be dealt with at next year's AGM.

As such, there will be no motions from the floor due to the difficulties in managing same remotely.

Members will be invited to submit questions to the board via "Chat" button on the toolbar in the Zoom Webinar and the board will address these during the AGM.

4. The Chairperson's decision on any matter relating to these Standing Orders or interpretation of same shall be final.

## 5 - 9 Miscellaneous

5. The Chairperson of the credit union shall be the Chairperson of any general meeting, except where he/she is not available, in which case it shall be the Vice-Chair, except where he/she is not available, in which case the Board shall decide amongst themselves who shall act as Chair of any general meeting.
6. The Chairperson may at his/her discretion, extend the privilege of the floor to any person who is not a member.
7. Matters not covered by the Agenda may be introduced under "Other Business" at the discretion of the Chairperson. At a virtual AGM in the current circumstances, this may not be practical, however, the option may be invoked if required.
8. The Chairperson shall have a second or casting vote in addition to his/her own vote on matters other than voting at elections where there is an equality of votes (Standard Rule 99(1)).
9. Any matter to be decided upon by a vote at the AGM shall, unless otherwise expressly provided for by law or the rules be decided upon by majority vote.

## 10. Adjournments

10. Adjournments of the AGM shall take place only in accordance with sections 81(1) and 80A of the Credit Union Act, 1997 (as amended).

## 11-18 Virtual Meeting Items

11. All non-presenting participants will be muted and have their cameras switched off to allow the smooth running of the meeting.
12. A member shall only address the meeting when called upon by the Chair to do so, when invited to contribute.
13. All members are asked to utilise the "chat" button on the bottom of the toolbar in Zoom Webinar to ask questions.
14. All members are reminded to conduct themselves in a professional manner. Please refrain from sharing any explicit, violent or inappropriate content.
15. Provision shall be made for the protection of the Chairperson from vilification (personal abuse).
16. All members are requested to show respect when they are asking or replying to questions during the meeting. This includes tone and content of words used.
17. All members are asked to turn their mobile phone on silent as even the vibrate setting can cause disruptions.
18. The AGM meeting will be recorded

## Notice of amendments to Standard Rules of Mulcair Credit Union Limited

Please note that there has been one amendment to the Standard Rules for Credit Unions arising from League AGM 2023. The wording of the rule amendment is set out below.

### “Rule 30 (1)(a)

That this Annual General Meeting amends Rule 30 of the Standard Rules for Credit Unions (Republic of Ireland) by the deletion of the following Rule 30 (1)(a)

(1) (a) Provided a share dividend has been declared in accordance with the Act, the directors may recommend to the annual general meeting for approval a refund to the members on record as of the end of each financial year who have been borrowers during such year of a percentage of interest which such borrowers have paid during such year, and such rate of refund shall apply to all such member borrowers. Where a credit union operates a system whereby different rates of interest are charged for different classes of loans, the board of directors may recommend a different rate of refund applicable to each class of loan. Such refunds shall apply to all member borrowers in each class of loan.

### And by the insertion of the following Rule 30 (1)(a) to read:

(1) (a) The directors may recommend to the annual general meeting for approval a refund to the members on record as of the end of each financial year who have been borrowers during such year of a percentage of interest which such borrowers have paid during such year, and such rate of refund shall apply to all such member borrowers. Where a credit union operates a system whereby different rates of interest are charged for different classes of loans, the board of directors may recommend a different rate of refund applicable to each class of loan. Such refunds shall apply to all member borrowers in each class of loan.”



## Interested in Volunteering?



### Are you available to volunteer?

Whether its one hour, one week or one month of your time, why not volunteer with Mulcair Credit Union, and see what impact you can have on your community!

For more information please visit:

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

Or Contact Us at:

(051) 376 099

[info@mulcaircu.ie](mailto:info@mulcaircu.ie)



**NEW Agri Loans Available**

**For all your Agri  
Lending Needs call  
(061) 378 099**

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

A typical €25,000 loan over 7 years on a variable rate of 6.55% (6.75% Apr), monthly repayment will be €371.85, cost of credit will be €6,230.86. Total amount repayable €31,230.86 All loans subject to approval. T&Cs apply. 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 Unions in the Republic of Ireland are regulated by the Central Bank of Ireland.