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## Notice of Annual General Meeting



ANNUAL REPORT  
2021

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# Notice of Annual General Meeting

## for the year ended 30<sup>th</sup> September 2021

Notice is hereby given that the 55th Annual General Meeting of Capital Credit Union Limited will take place online at **7.00pm on Tuesday 14<sup>th</sup> December 2021**, via the Zoom Webinar platform.

If you wish to attend the AGM, you need to register using this link [www.capitalcu.ie/AGM](http://www.capitalcu.ie/AGM)

The closing date for AGM Attendance Registration is **Thursday 9<sup>th</sup> December 2021**.

When registering for attendance at the AGM, you will need to provide your Name, Account Number, personal email address, and contact phone number.

Once your registration is validated, a link will be sent to your registered email address by **Monday 13<sup>th</sup> December 2021** to enable you to access the AGM via Zoom.

As questions may require supporting documentation and/or research by way of reply, members are requested to send any questions they have prior to the AGM with your name, account number and phone number to [agm@capitalcu.ie](mailto:agm@capitalcu.ie) to arrive before close of business on **Thursday 9<sup>th</sup> December 2021**. You can submit a question during the AGM by using the Q&A function at the bottom of the screen.

Motions, rule amendments and elections at the AGM will be conducted by way of online poll. The votes will be tallied electronically and verified by a member of the Board Oversight Committee.

All non-presenting participants will be muted and have their cameras switched off to allow the smooth running of the meeting. The AGM meeting will be recorded for minute taking purposes.

## AGM Agenda

- |  |  |
|--|--|
| 1. Ascertainment that a quorum is present          | 10. Election of Directors, Board Oversight Committee and Auditor |
| 2. Adoption of Standing Orders                     | 11. Rule Amendment   |
| 3. Minutes of AGM 2020                             | 12. Report of the Board Oversight Committee                      |
| 4. Report of the Chairperson                       | 13. Report of the Audit, Risk & Compliance Committee             |
| 5. CEO Report                                      | 14. Special Guest  |
| 6. Community Report                                | 15. Announcement of election results                             |
| 7. Report of the Auditor                           | 16. Any Other Business   |
| 8. Presentation of the Financial Statements        | 17. Close of meeting   |
| 9. Report of the Governance & Nomination Committee |  |

*Ann Walsh*

Ann Walsh, Secretary

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Capital Credit Union is regulated by the Central Bank of Ireland. Reg No. 255CU  
CUI5 Financial Services DAC, t/a Peopl is regulated by the Central Bank of Ireland. Ref No. C182485

## Report of the Chairperson to the Members of Capital Credit Union



On behalf of your Board of Directors, I am delighted to welcome you to our 55<sup>th</sup> AGM.

Once again, we are holding the AGM as a virtual event and not just for health and safety considerations, but because last year's virtual AGM was attended by an unprecedented number of members. The participation of members in their Credit Union is one of our key tenets and last year's AGM allowed us to address a record number of questions from members and to respond to those questions in greater detail. We were also delighted with the level of engagement

and positive feedback.

Hopefully we are reaching the fabled "New Normal" as we adapt to living with COVID-19.

Our focus last year was to ensure the continued success of Capital Credit Union, and, despite further lockdowns and restrictions, we demonstrated our resilience and ability to adapt. One of the biggest changes in the way we do business was the continued move by more and more members to online transactions and telephone contact.

I am pleased to report that the latter part of the year brought a steady increase in loan applications and a lot of interest in our new mortgage products. Our new suite of Green Loans has proven popular with very competitive rates, so if you are thinking of an Electric Car or improving your home's BER Rating, get in touch with us! On a less positive note, the return on Investments remains extremely low.

Despite the continued upheaval caused by COVID-19, the year ended better than we had expected with a surplus of €1.4 million and the Loan Book growing by almost €5.5 million to close at just under €80 Million. However, in line with the recommendation contained in the year-end circular from the Central Bank, we will not be proposing a Dividend or Interest Rebate this year. This will help to ensure that the Credit Union builds up its reserve levels, which strengthens its overall position.

In other good news, despite the impact of COVID-19, we had 2,245 new members join us this year. Our SME lending is also taking off and we are working with local Chambers of Commerce and Networking Groups to get the message out. Be sure to get in touch if you have a Business Plan or a Plan for a Business!

Our enhanced online services, including our New Member Online On-Boarding option, means you can now join the credit union, apply for and draw down a loan, enter the Car Draw and sign up for the Scholarship Draw online all without having to leave your home. Our Member Service Team has grown from strength to strength and is very busy dealing

with loan applications, telephone transactions, and general queries. Our new website launched in May, and it has been remarked that it is more user friendly and interactive than before. Capital Credit Union continues to uphold our commitment to members to provide the highest levels of service.

As you know, Capital Credit Union is not about just savings and loans. We have always been committed to sustainability and improving our members' wellbeing and that of our community. Last year we registered as a Sustainable Energy Community and work on our Energy Master Plan is currently underway. This will help us to identify suitable sustainability projects to support our community.

Our School Saving Scheme continues to flourish in the local National Schools. Unfortunately, the Schools' Quiz had to be cancelled due to the Pandemic, but we hope it will be back on track in 2022. We also have a Going Green Grant available to our Secondary Schools and recently gave out €25,000 in our 3<sup>rd</sup> Level Scholarship Draw. Our Home, Life, and Travel Insurance services are available in conjunction with Peopl Insurance and the Car Draw, as always, is hugely popular with members with just over €400,000 in prizes given away this year.

Our Community Council continues to process applications for funding for local clubs and community organisations. We have worked with the most extraordinary people in these organisations who have one goal in common – to improve life for everyone in the community.

At this time, we think of all our members who have been affected by COVID-19. Our thanks go out to all the frontline workers – we appreciate all you have done and continue to do.

I would like to pay tribute to our founders and previous Board Members whose hard work and dedication has contributed hugely to the success of the Credit Union and laid the foundations for a secure future.

Thanks to our CEO, the Management Team, and the entire Staff Team for all their hard work and assistance to the Board during the year.

Special thanks also to the current Board who have worked so hard this year to ensure the continued success of the Credit Union. There is a huge time commitment involved, not just in attending Board and other meetings, but in undertaking continuous training and ensuring policies and procedures are compliant with the regulatory requirements of the Central Bank.

I would like to wish all our members a very happy Christmas and a peaceful and prosperous New Year.

*Karen Cashman*

Chairperson

# CEO Report

## to the Members of Capital Credit Union



This last year has been a truly remarkable period for Capital Credit Union, for credit unions in general, and for society as a whole. For much of that time, as a society we went through a series of lockdowns, saw huge Covid infection rates, and experienced a major fall in economic activity. As a credit union, we also experienced a fall-off in loan demand and a surge in savings.

However, as the vaccination programme rolled out, we experienced a very positive rebound in our core business of lending, and we were delighted to finish the financial year with a record loan book level of just under €80 million.

### Operations

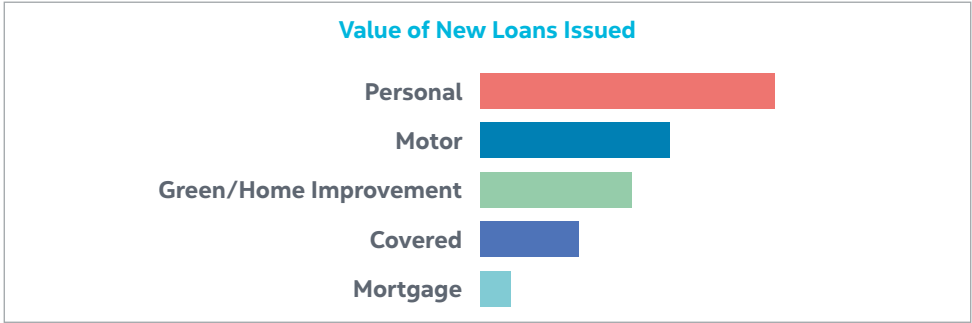
We continue to experience a shift to online and phone services by members and this trend can be seen right across society. In our case, there is no doubt that the high quality of member service delivered through our online and phone channels also played a part in members embracing this way of doing business with the credit union.

Our focus throughout the last year has been to ensure that the experience of our members when dealing with the credit union is to the highest standards. It is very heartening to receive the many positive messages that we get from members on a regular basis.

### Lending

We experienced a major recovery in lending in the latter half of the year. For the full year, we issued over €43 million in loans, compared to €36 million last year, with the loan book growing by over €5 million.

We are looking forward to continuing growth in our loan book, since extending our range of mortgages and introducing business loans for small and medium enterprises (SMEs).





I am very pleased to report that our arrears level at the end of the year was at the lowest level ever on record in Capital Credit Union. During the year, we charged off €393,324 in bad debts, compared to €481,043 in 2020. The Board of Directors deemed it prudent to maintain a bad debt provision of €3,134,556.

## Savings

Capital Credit Union has had a savings cap of €30,000 in place for a number of years. This year, a monthly savings lodgement limit of €5,000 was introduced and excess funds above the savings cap were returned to members. These measures have had the desired effect of slowing down the savings growth rate, which had become unsustainable and, while we did not like having to introduce these measures, I am glad to say the measures only affected a very small number of members.

I am pleased to report that we were able to maintain our Life Savings Insurance limit at €5,000, which ensures a large majority of members savings continue to be fully covered.

The Central Bank has advised credit unions that they must be cognisant of the continued level of uncertainty in the economic outlook. They have also advised that maintaining and building adequate levels of reserves remains key to ensuring credit union financial stability and resilience. The Central Bank has stressed the need for credit unions to demonstrate prudent forward-looking capital reserve management in the current environment.

In these circumstances, the Board of Directors has decided not to pay a dividend this year. Many of our loan interest rates were reviewed and reduced during the year, as we continued to strive to provide good value to our members.

## Members

We experienced strong growth in new members this year and are pleased to report that 2,245 new members joined the credit union. Over 50% of new members joined the credit union online.

With the forthcoming rollout of our new core IT system, we expect there will continue to be an increase in the number of members engaging with the credit union online. For many members, online is the preferred option for transacting with the credit union. The number of members dealing with the credit union by phone also continues to grow and we are committed to maintaining a high-quality service through these channels. This year, we also introduced a Web Chat service for members, which is proving quite popular.

## Insurance

Our partnership with Peopl Insurance provides an opportunity for Capital Credit Union to deliver new services to members, as well as providing an additional income stream for the credit union. To make this partnership a success, it is essential that members support this new service, and we would encourage everyone to get a quote from Peopl Insurance when your home insurance or travel insurance is due for renewal. It can't do any harm and you could save a lot!

Value for members is key and I am pleased to report that we have received very positive feedback from members on the very competitive premiums being offered by Peopl.

The suite of insurance services from Peopl Insurance includes Home Insurance, Travel Insurance and Life Insurance. There are several strong features in the Peopl Insurance offerings, including a commitment to no differential pricing, and award-winning life insurance cover that will guarantee to match any premium.

I am pleased to report that our insurers have confirmed there will be no increase to the Member Death Benefit Insurance (MDBI) premium this year. The premium remains at €60 per year for €3,250 benefit. MDBI represents great value in comparison to similar products offered by other providers. It is important that MDBI is supported by a range of members across different age groups, otherwise the rate is likely to increase in future years. We have developed an online sign-up option for MDBI, which we believe will help reduce the average age profile and level of claims of the programme.

## Community

Capital Credit Union recognises that climate change and sustainability are, and will be, major factors in our members lives and in the lives of all members of our community. The Board of Directors recognise that the credit union can have an important role in working with our members and within our communities to develop ways of tackling these issues and assisting our members.

For example, Capital Credit Union has developed a range of discounted loans to assist members in retrofitting their homes at an affordable cost. Through our Pro Energy Home loan programme, we offer our members a One Stop Shop solution for energy saving home improvements, end to end professional service, SEAI grants and a low interest rate loan.

We have also recently rolled out a Green Mortgage, offering a discounted rate to members who are buying more energy efficient homes or renovating an existing home to make it more energy efficient.

Capital Credit Union continues to support local groups involved in practical sustainability projects within the community. Our Community Grants distribution exceeded over €50,000 this year.

## Conclusion

It is very heartening to note the rate of progress achieved through the rollout of vaccines. This has enabled the economy to reopen, and we can see an uplift in our business activity and in our lending.

However, many of the business model challenges for credit unions that existed one year ago have not gone away and, indeed, some have increased.

It is still an imperative for credit unions to adapt and develop their business model to deliver a truly great service to members. The departure of some banks from the market and the closing of so many bank branches could be a major opportunity for credit unions.

Capital Credit Union is committed to playing its role in ensuring a successful future for our own credit union, for our members and for our community. The launch of our new IT system in 2022 will play a major part in enabling the credit union to deliver modern, progressive products and services to our members.

I would like to acknowledge and commend my colleagues on the Management Team and the Staff Team, who not only kept the show on the road this year but, through hard work, good humour and determination, helped to make the year so successful.

I would like to thank our Board of Directors, Board Oversight Committee and Community Council for their dedicated voluntary work, responsible governance, and progressive leadership, which kept the credit union focussed on providing great value loans to members, as the trusted financial partner of our members.

Finally, I would like to thank our members for the ongoing support, loyalty and trust you place in the credit union. Your support is what underpins the vision, values, and success of Capital Credit Union.

*Gerry McConville*

Chief Executive Officer

## Community Report

### to the Members of Capital Credit Union

While the world has changed in many ways over the past eighteen months, Capital Credit Union's commitment to its community has remained strong.

Covid-19 has reinforced the importance of supporting each other and the wider local community. As a financial co-operative with over 55 years of serving our members, we have made your experience with us our utmost priority throughout the pandemic.

Hopefully, as things slowly return to normal, we can all continue to recover by growing back stronger and more sustainably.

### Supporting Our Youth And A Green Future



In November 2020, we launched our new Going Green grant. This involved our Community Council donating four grants of €500 each to secondary schools in our catchment area after reviewing applications. The winning schools were Rockbrook Park School, Ballinteer Community School, Clogher Community School, and De La Salle College.

All of the projects showed exceptional creativity and desire among our young people for positive climate action, such as the nature walk made in Rockbrook Park School with one of their signs pictured here. The Going Green scheme was such a success that it will be re-launched for the 2021-22 financial year.

For primary schools, we continue to offer our School Saving Scheme, which includes a €10 contribution for each completed Savers Reward Card to participating schools. This means each school could get up to €1,000 in sponsorship next summer depending on the number of completed Savers Reward Cards, another example of how we are supporting our youth.

### Sustainability in the Community

Capital Credit Union has been developing our sustainability in recent years and we plan to accelerate our programme after making significant progress in recent months. The launch of our new suite of Green Loans over the Summer provided our members with an opportunity to get discounted loans to complete their green renovations or purchases, such as an electric vehicle!

We have also partnered with Airfield Estate on a pilot plastic recycling scheme. The installation of the T-70 Machine allows members of the community to recycle their plastic bottles, and they can then donate to Laura Lynn or Airfield's Food Programme with the voucher they receive for each bottle recycled. The results of this pilot scheme will be interesting, and it's another example of how we want to support sustainability in the community.

Also, Capital Credit Union has become a Sustainable Energy Community through SEAI. This is a unique opportunity for Capital Credit Union to be a key driver of sustainability in the

community and help members looking to retrofit their homes. Being a SEC involves the formulation of an Energy Master Plan and a Register of Opportunities for works that can be completed in the common bond. Capital Credit Union has initiated its Energy Master Plan and will be engaging with members in the coming months.

## Our Community Council



Despite the financial impact of Covid-19 on Capital Credit Union, we continued to support the local community through our Community Council. Between our Community Council and other sponsorships, we donated almost €60,000 to over 50 local community groups, teams, and organisations.

The Community Council meets once a quarter and deliberates on the huge number of requests we receive, trying to be as fair and objective as possible. Led by David Humphreys as Chairperson, the Community Council has also made sustainability a criterion of receiving sponsorship. This means any group looking for

sponsorship from Capital Credit Union must provide examples of how they try to be a sustainable organisation.

For the new financial year, Capital Credit Union's Community Council will have a budget of up to €50,000 so if there is a project you need sponsorship for, be sure to get in touch!

## Higher Education Scholarship

We continued our more inclusive Higher Education Scholarship this year again, allowing everyone from a PLC to a PhD to apply. This year was another huge success with over 300 applications. There was a total prize pot of €25,000 with 15 prizes of €1,500 and 5 prizes of €500. Go to Page 55 to see a full list of the winners.

## Digital Innovation

One of the few positive items to come out of Covid-19 has been the way we have innovated our digital experience for members. Our new website, launched in May 2021, has also received great member feedback, and has really enhanced the overall user experience. Prior to March 2020, members had to visit a branch to open an account, draw down a loan, or sign up for any new service.

Now, Capital Credit Union members can conduct almost all their interactions with the Credit Union online, including:

- Opening/re-activating an account
- Full loan application, document upload, and drawdown
- Sign up for services: Car Draw, MDBI, Scholarship Draw
- Automated new member welcome email series

Additionally, our online banking is available 24/7 and we will be moving to our new online banking platform in the coming months which is a very exciting development.

## Staff Fundraising



As a community organisation, our staff care deeply about the wider community and help in any way that we can. That is why over the past year, our staff have held several fundraisers to support those who are in need in our community.

From the Random Acts of Kindness last Christmas for vulnerable members in the community, to fundraising for homeless services, raising money for Darkness Into Light, planting a Tree of Hope, collecting supplies for a local food bank, and donating €1,000 towards EPIC who help those in care – you can be sure that Capital Credit Union's staff have the community's best interests at heart.

## Peopl Insurance & Additional Services

Supporting our community involves more than donations and digital innovation; it also means additional services.

Our members can now avail of three insurance options – Home, Life, and Travel – from Peopl Insurance with more on the way. Peopl insurance was born out of a simple belief, that insurance in Ireland isn't working in favour of those it's supposed to serve. Peopl Insurance searches the market to find the best price for you across a range of products, and you can schedule a call-back from Peopl in advance of your renewal date so you can get a timely quote.

Along with Peopl Insurance, we also continue to offer a Free Will-Making Service, Foreign Exchange, along with our usual Car Draw and Members Death Benefit Insurance.

## Working Together & Moving Forward

The support we receive from you, our members, underpins all of the community initiatives we are involved with.

The loans you take out with Capital Credit Union mean we can provide a wide range of sponsorships, donations, and digital innovations that enhance our community. In such a strange year, we would like to thank you for your support, and by working together, we can continue to move forward with confidence and purpose into the future.

## Contact Our Member Service Team

### Loans

Apply for a loan after business hours



### Other Services

- Members Car Draw
- Payroll Deduction
- Member Insurance
- Online Banking



### Now Available



8.00am-8.00pm  
Monday-Friday



9.00am-2.00pm  
Saturday

## Our Year In Progress

Check out our key achievements this year!



**2,245**  
new members



**60%**  
aged 35 or younger



**8,725**  
loans issued



**€43.2 million**  
total value issued



**54**  
number of local groups  
sponsored



**€57,500**  
total amount  
of sponsorship



**1**  
member service team



**20,000+**  
calls answered



# Proudly Supporting Our Community



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Capital Credit Union is regulated by the Central Bank of Ireland. Loans are subject to approval. Terms and conditions 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.



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€20,000 loan repayable over 5 years. Rate of interest 5.9% per annum variable. \*APR (Annual Percentage Rate) 6.06%. 60 monthly repayments of €385.73 per month. Total amount payable is €23,143.60. Representative examples provided in this advertisement are provided as a guideline only. Capital Credit Union is regulated by the Central Bank of Ireland. Loans are subject to approval. Terms and conditions 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.

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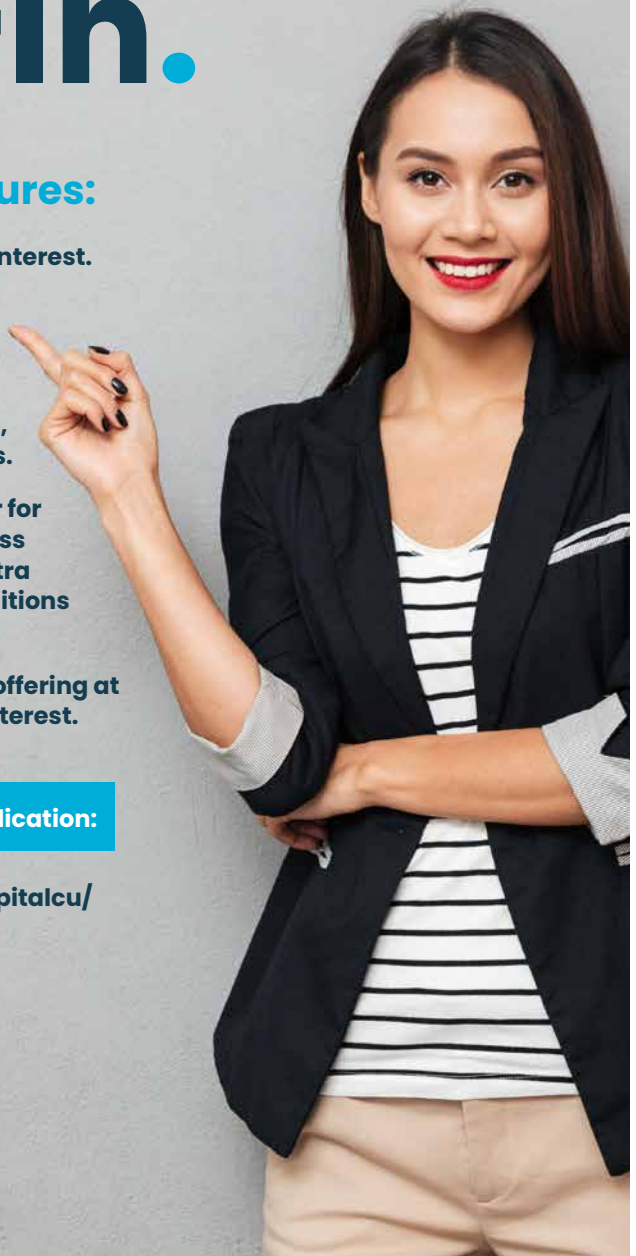
- Competitive rates of interest.
- Loan amounts up to €300,000.
- Loan terms up to a maximum of 20 years, aligned with purposes.
- Loan Protection Cover for sole traders or business partnerships at no extra cost (Terms and conditions apply).
- Green Business Loan offering at discounted rates of interest.

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Visit - <https://bizfin.ie/capitalcu/>



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## Directors' Report

### for the financial year ended 30<sup>th</sup> September 2021

The directors present their report and the audited financial statements for the financial year ended 30<sup>th</sup> September 2021.

#### Objects

The principal activity of Capital Credit Union Limited is the provision of savings and loans to members in its common bond. The Credit Union manages its members' shares, capital, and loans to members so that it earns income from the margin between interest receivable and interest payable. Both the level of business and the year-end financial position were satisfactory. The directors expect to develop and expand the Credit Union's current activities and they are confident of its ability to operate successfully in the future.

#### Principal Risks and Uncertainties

The purpose of the Credit Union is to allow members to save together and lend to each other at a fair and reasonable rate of interest.

The principal risks and challenges facing this Credit Union are loan default; not lending a sufficient proportion of funds so that too much of the Credit Union's resources are tied up in investment products and the risk that we will not have sufficient cash resources to meet day to day running costs and repay members savings when demanded (liquidity risk). These risks are managed by the Credit Union board to achieve an acceptable balance of growth and security for members' resources. The Board reviews and agrees on policies for managing each of these risks which are summarised at Note 17.

#### Business Review

The directors acknowledge the results for the year and the year-end financial position of the credit union. The Directors have noted that the financial performance for the year has consolidated and strengthened in recent months. The Board acknowledges the hard work that was committed by all the staff in assisting members that continued to be affected by Covid-19.

The directors expect to develop and expand the credit union's current activities and they are confident of its ability to continue to generate a surplus and maintain sufficient reserves in the future.

#### Directors and Board Oversight Committee Members

The current directors and board oversight committee members are as set out on page 21.

In accordance with Section 53 of the Credit Union Act 1997 (as amended), three directors of the Credit Union are required to retire from the Board at this year's Annual General Meeting and, being eligible, may offer themselves for re-election.

## Authorisation

The Credit Union is authorised to conduct investment business and undertake foreign exchange transactions. It is regulated by the Central Bank of Ireland for these activities.

## Accounting Records

The Directors believe that they comply with the requirements of Section 108 of the Credit Union Act 1997 (as amended) with regard to books of account by employing personnel with appropriate expertise and by providing adequate resources to the financial function. The books of account of the Credit Union are maintained at the Credit Union's premises at Capital Credit Union, Main Street, Dundrum, Dublin 14.

## Post Balance Sheet Events

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

## Auditors

The auditors, Whelan Dowling & Associates, have indicated their willingness to continue in office in accordance with Section 115 of the Credit Union Act 1997 (as amended).

## Approved by the Board of Directors and signed on its behalf by:

Member of the Board of Directors

*Karen Cashman*

Member of the Board of Directors

*Ann Walsh*

Date: 21<sup>st</sup> October 2021

## Directors

Karen Cashman (Chairperson)  
 Peter Morrissey (Vice Chairperson)  
 Ann Walsh (Secretary)  
 Jim Kelly  
 Michele Brady  
 Arthur O'Leary

John O'Neill  
 Marguerite Slyne  
 Elaine Edmonds  
 Derek Tracy  
 Dylan Kelly

## Board Oversight Committee Members

Jack Grehan  
 Rachel McCormac  
 Sophie O'Connor

## 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 financial 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;
- 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 are prepared in accordance with applicable Irish law and Generally Accepted Accounting Practice in Ireland, including the standards issued by the Financial Reporting Council, and in particular FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". They are responsible for safeguarding the assets of the Credit Union and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

### Approved by the Board of Directors and signed on its behalf by:

Member of the Board of Directors

*Karen Cashman*

Member of the Board of Directors

*Ann Walsh*

Date: 21<sup>st</sup> October 2021

## Statement of Board Oversight Committee's Responsibilities

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

### Approved on behalf of the Board Oversight Committee

Member of the Board Oversight Committee

*Jack Grehan*

Member of the Board Oversight Committee

*Rachel McCormac*

Date: 21<sup>st</sup> October 2021

# Independent Auditor's Report

## to the Members of Capital Credit Union

### Report on the audit of the financial statements

#### Opinion

We have audited the financial statements of Capital Credit Union Limited for the financial year ended 30<sup>th</sup> September 2021 which comprise the Income & Expenditure Account, the Balance Sheet, the Statement of Changes in Reserves, the Statement of Cash Flows and Notes to the Financial Statements, including the summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is Irish law including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued in the United Kingdom by the Financial Reporting Council and the Credit Union Act 1997 (as amended).

#### In our opinion the financial statements:

- give a true and fair view of the state of the assets, liabilities, and financial position of the Credit Union as at 30<sup>th</sup> September 2021 and of its surplus 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 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 a 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.

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 course of 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.

## Key Audit Matters

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

In our opinion, 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.
- 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 Statement of Directors' Responsibilities as set out on page 22, 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 the directors either

intend 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.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: <[www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description of auditors responsibilities for audit.pdf](http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf)> The description forms part of our Auditor's Report.

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

Our report is made solely to the Credit Union's members, as a body, in accordance with section 120 of the Credit Union Act 1997 (as amended). Our audit work has been undertaken so that we might state to the Credit Union's members those matters we are required to state to them in an 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.

### **WHELAN DOWLING & ASSOCIATES**

Chartered Accountants and Statutory Audit Firm  
Block 1 Unit 1 & 4  
Northwood Court  
Santry  
Dublin 9

Date: 21<sup>st</sup> October 2021

## Income & Expenditure Account

for the financial year ended 30<sup>th</sup> September 2021

	Notes	2021 €	2020 €
<b>Income</b>			
Interest on members' loans	4	6,264,120	6,381,331
Other interest income and similar income	5	1,202,645	1,149,115
<b>Net interest income</b>		7,466,765	7,530,446
Other income	7	72,404	65,842
<b>Total income</b>		7,539,169	7,596,288
<b>Expenditure</b>			
Employment costs		2,654,903	3,085,741
Other management expenses (Schedule 4)		3,671,432	3,607,516
Depreciation		268,400	263,417
Net (recoveries) or losses on loans to members	11.4	(473,346)	510,059
<b>Total expenditure</b>		6,121,389	7,466,733
<b>Surplus of income over expenditure</b>			
Other comprehensive income		1,417,780	129,555
		-	-
<b>Total comprehensive income</b>		1,417,780	129,555

The financial statements were approved and authorised for issue by the Board of Directors on 21<sup>st</sup> October 2021 and signed on its behalf by:

*Karen Cashman*

Chairperson

*Jack Grehan*

Member of the  
Board Oversight  
Committee

*Gerry McConville*

Chief Executive Officer

Date: 21<sup>st</sup> October 2021

# Balance Sheet

as at 30<sup>th</sup> September 2021

		2021		2020	
	Notes	€	€	€	€
<b>Assets</b>					
Cash and cash equivalents	9	46,516,261		48,982,575	
Property, plant and equipment	10	5,756,472		5,935,628	
Loans to members	11.1	79,877,906		74,440,852	
Provision for bad debts	11.3	(3,134,556)		(3,227,205)	
Prepayments and other debtors	12	969,111		1,121,085	
Deposits and investments	13	156,927,520		145,908,870	
<b>Total Assets</b>		<u>286,912,714</u>		<u>273,161,805</u>	
<b>Liabilities</b>					
Members' shares	14	242,774,678		231,148,800	
Other members funds	15	5,446,355		4,508,427	
Trade creditors and accruals	16	851,623		1,082,300	
		<u>249,072,656</u>		<u>236,739,527</u>	
<b>Members' Resources</b>					
Regulatory reserve		31,555,093		30,273,256	
Operational risk reserve		1,216,585		944,512	
Other reserves		<u>5,068,380</u>		<u>5,204,510</u>	
		<u>37,840,058</u>		<u>36,422,278</u>	
<b>Total Liabilities</b>		<u>286,912,714</u>		<u>273,161,805</u>	

The financial statements were approved and authorised for issue by the Board of Directors on 21<sup>st</sup> October 2021 and signed on its behalf by:

*Karen Cashman*  
Chairperson

*Jack Grehan*  
Member of the  
Board Oversight  
Committee

*Gerry McConville*  
Chief Executive Officer

Date: 21<sup>st</sup> October 2021

# Statement of Changes in Reserves

## for the financial year ended 30<sup>th</sup> September 2021

	Regulatory reserve	Distribution reserve	Operational risk reserve	Other reserves	Unrealised income reserve	Revaluation reserve	Developmt Reserve	Total
	€	€	€	€	€	€	€	€
<b>At 1<sup>st</sup> October 2019</b>	30,273,256	-	720,150	4,125,224	41,983	731,787	750,000	36,642,400
Dividends paid during the financial year	-	(307,691)	-	-	-	-	-	(307,691)
Surplus allocation in financial year	-	307,691	-	-	(41,983)	-	-	265,708
Other movement in reserves	-	-	224,362	(402,501)	-	-	-	(178,139)
<b>At 30<sup>th</sup> September 2020</b>	<b>30,273,256</b>	<b>-</b>	<b>944,512</b>	<b>3,722,723</b>	<b>-</b>	<b>731,787</b>	<b>750,000</b>	<b>36,422,278</b>
<b>At 1<sup>st</sup> October 2020</b>	30,273,256	-	944,512	3,722,723	-	731,787	750,000	36,422,278
Surplus allocation in financial year	1,281,837	-	-	-	-	-	-	1,281,837
Other movement in reserves	-	-	272,073	(136,130)	-	-	-	135,943
<b>At 30<sup>th</sup> September 2021</b>	<b>31,555,093</b>	<b>-</b>	<b>1,216,585</b>	<b>3,586,593</b>	<b>-</b>	<b>731,787</b>	<b>750,000</b>	<b>37,840,058</b>

The Regulatory Reserve of the Credit Union as a % of the total assets as at 30<sup>th</sup> September 2021 was 11.00% which is in excess of the Credit Union's Regulatory Reserve requirement of 10%.

In accordance with section 45 of the Credit Union Act 1997 (as amended) Capital Credit Union Limited put in place an Operational Risk Reserve.

Following the commencement of Section 13 of the 2012 Act, the requirement for Credit Unions to transfer 10% of their annual surplus to their Statutory Reserve (now known as the Regulatory Reserve) each year has been removed. The Board of Capital Credit Union Limited has transferred €1,281,837 of its current year surplus to its regulatory reserve.

Approved by the Board of Directors and signed on its behalf by:

*Karen Cashman*  
Chairperson

*Jack Grehan*  
Member of the  
Board Oversight  
Committee

*Gerry McConville*  
Chief Executive Officer

Date: 21<sup>st</sup> October 2021

# Statement of Cash Flows

for the financial year ended 30<sup>th</sup> September 2021

	Notes	2021 €	2020 €
<b>Opening cash and cash equivalents</b>		48,982,575	43,486,174
<b>Cash flows from operating activities</b>			
Loans repaid		37,362,164	35,681,053
Loans granted		(43,192,542)	(36,011,450)
Loan interest income		6,264,120	6,381,331
Investment income		1,202,645	1,149,115
Other income received		72,404	65,842
Bad debts recovered		774,021	654,844
Dividends paid		-	(307,691)
Operating expenses		(6,326,335)	(6,693,257)
Movement in other assets		151,974	(19,570)
Movement in other liabilities		(230,677)	636,033
Net cash generated from/(used in) operating activities		<u>(3,922,226)</u>	<u>1,536,250</u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(89,245)	(141,110)
Net cash flow from other investing activities		<u>(11,018,650)</u>	<u>(16,367,501)</u>
Net cash used in investing activities		<u>(11,107,895)</u>	<u>(16,508,611)</u>
<b>Cash flows from financing activities</b>			
Members' shares received		83,132,833	79,852,227
Members' deposits received		937,928	389,461
Members' shares withdrawn		<u>(71,506,955)</u>	<u>(59,772,927)</u>
Net cash generated from financing activities		<u>12,563,806</u>	<u>20,468,761</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<u>(2,466,315)</u>	<u>5,496,400</u>
<b>Cash and cash equivalents at end of financial year</b>	9	<u><u>46,516,261</u></u>	<u><u>48,982,575</u></u>

# Notes to the Financial Statements

## for the financial year ended 30<sup>th</sup> September 2021

### 1. Legal and Regulatory Framework

Capital Credit Union Limited is registered with the Registry of Credit Unions and is regulated by the Central Bank of Ireland. The registered office of the Credit Union is located at Capital Credit Union Limited, Main Street, Dundrum, Dublin 14.

### 2. Accounting Policies

The following principal accounting policies have been applied;

#### Statement of compliance and basis of preparation

The Financial Statements of the Credit Union for the year ended 30<sup>th</sup> September 2021 have been prepared on the going concern basis and in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102).

#### Currency

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

#### Going concern

After reviewing the Credit Union's projections, the Directors have reasonable expectations that the Credit Union has adequate resources to continue in operational existence for the foreseeable future. The Credit Union, therefore, continues to adopt the going concern basis in preparing its Financial Statements.

#### Income recognition

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

##### *(i) Interest on members' loans*

Interest on loans is recognised on an accruals basis. An adjustment is made to the year-end amount receivable for any irrecoverable amounts.

##### *(ii) Investment income*

Investment income is recognised when received or irrevocably receivable. Investments are recognised at cost less any permanent diminution in capital value but ignoring any increase in capital value or encashment value until realised in the form of cash or cash equivalents.

### ***(iii) Other income***

Other Income such as commissions receivable arise in connection to specific transactions. Income relating to individual transactions is recognised when the transaction is complete.

### **Investments**

#### ***Accounts in authorised credit institutions (Irish and non-Irish based)***

Term deposits and fixed interest investment bonds with fixed maturity dates are valued at the lower of cost or encashment value and interest is recognised in the Income Statement when it is received or irrevocably receivable.

#### ***Central Bank deposits***

Profit bonds with capital guaranteed are valued at cost. Declared bonuses are recognised in the income statement when irrevocably receivable or earlier if the bond becomes realisable in the form of cash or cash equivalents in a secondary market. Terminal bonuses are recognised in the income statement when the Credit Union becomes irrevocably entitled to receive them.

#### ***Banks bonds***

With profit bonds with capital guaranteed are valued at cost. Declared bonuses are recognised in the Income Statement when irrevocably receivable or earlier if the bond becomes realisable in the form of cash or cash equivalents in a secondary market. Terminal bonuses are recognised in the income statement when the Credit Union becomes irrevocably entitled to receive them.

#### ***Held at amortised cost***

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

#### ***Central Bank deposits***

Credit Unions are obliged to maintain certain deposits with the Central Bank. These deposits are technically assets of the credit union but to which the Credit Union has restricted access. The funds on deposit with the Central Bank attract nominal interest and will not ordinarily be returned to the credit union while it is a going concern. The amounts are stated at the amount deposited plus accrued income and are not subject to impairment reviews.

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

Investments held for trading and investment in stock market shares (i.e. non-convertible preference shares and non-puttable ordinary shares or preference shares) are included in this category. Financial assets at fair value are classified as held for trading if they are acquired for sale in the short term. They are valued at fair value (market value) at the year-



end date and all gains and losses are taken to the Income and Expenditure account. The fair value of quoted investments is determined by reference to bid prices at the close of business on the balance sheet date. Where there is no active market, these assets will be carried at cost less impairment.

### Property, plant and equipment 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:

Land and buildings freehold	2%/5% Straight line
Short leasehold property	Straight line over the remaining life of the lease
Long leasehold property	Straight line over the remaining life of the lease
Fixtures, fittings and equipment	20% per annum straight line
Computer equipment	25% per annum straight line

Tangible fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that carrying values may not be recoverable. If any such indication exists and where the carrying value exceeds the net recoverable amount, the assets are written down to their recoverable amount.

### Impairment of tangible fixed assets

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:

### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and deposits and investments with a maturity of less than or equal to three months.

### Bad debt provision

The estimation of loan losses is inherently uncertain and depends upon many factors, including loan loss trends, credit risk characteristics in loan classes, local & international economic climates, conditions in various sectors of the economy to which the Credit Union is exposed, and, other factors such as legal & 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 a doubt about their recoverability.

Loan loss provisioning is monitored by the Credit Union, and the Credit Union assesses and approved its provisions and provision adequacy on a monthly basis. Key assumptions underpinning the Credit Union's estimates of collective provisions for loans with similar credit risk characteristics, and, Incurred But Not Reported provisions ("IBNR") are based on the historical experiences of the Credit Union allied to the Credit Union's judgement of relevant conditions in the wider 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 the 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 that 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.

## **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 Revenue Account in the period to which they relate.

Capital Credit Union Limited participates in an industry-wide pension scheme for employees (The Irish League of Credit Unions Republic of Ireland Pension Scheme). This is a funded defined benefit scheme with assets managed by the Scheme's trustees.

The scheme is a multi-employer Scheme and due to the nature of the Scheme, it is not possible for Capital Credit Union Limited to separately identify its share of the Scheme's underlying assets and liabilities.

Consequently, it accounts for the Scheme as a defined contribution plan.

## **Distribution**

Capital Credit Union Limited's policy is to pay a reasonable rate of dividend and loan interest rebate subject to covering operating expenses and meeting reserve requirements as set out in the Credit Union's Reserve Management Policy.

## **Reserves**

### ***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.

### **Operational risk reserve**

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

The 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.

### **Other reserves**

Other Reserves are the accumulated surpluses to date and Reserves arising on the Transfer of Engagements that have not been declared as dividends returnable to members. The Other Reserves are subdivided into realised and unrealised. In accordance with the Central Bank Guidance Note for Credit Unions on Matters Relating to Accounting for Investments and Distribution Policy, investment income that has been recognised but will not be received within 12 months of the balance sheet date is classified as “unrealised” and is not distributable. A reclassification between unrealised and realised is made as investments come to within 12 months of maturity date. Interest on Loans receivable at the balance sheet date is also classified as “unrealised” and is not distributable. All other income is classified as “realised”.

### **Distribution policy**

In respect of each financial year, the Credit Union will allocate surplus funds to the statutory reserve and other reserves in accordance with the provisions of the Credit Union Act 1997 (as amended) and regulations issued by the Registry of Credit Unions, Central Bank of Ireland. The Board of Directors may also decide to hold reserves in excess of minimum statutory requirements, taking prudent account of the scale and complexity of the Credit Union's business, its risk profile and prevailing market conditions. The basis of the dividend is the distributable income of the Credit Union after meeting its reserve requirements. It is the policy of the Credit Union to maintain the undistributed surplus in a general reserve that may be used in future years for the payment of dividends.

### **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 Capital 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**

Capital Credit Union Limited's accounting policy for impairment of loans is set out in the accounting policy in the notes above. The estimation of loan losses is inherently uncertain

and depends upon many factors, including loan loss trends, credit risk characteristics in loan classes, local and international economic climates, conditions in various sectors of the economy to which the credit union is exposed, and, other external factors such as legal and regulatory requirements. The provision for bad debts in the financial statements at the year-end was €3,134,556 (2020:€3,227,205) representing 3.92% (2020:4.35%) of the total gross loan book.

### 3. Going Concern

The Directors of Capital Credit Union Limited believe that it is appropriate to prepare the Financial Statements on the going concern basis.

The Board of Capital Credit Union Limited have considered the impact on the organisation of the events subsequent to the balance sheet date, in particular the risks associated with the Covid-19 pandemic which it considered to be a non-adjusting event. The Board have considered in detail the impact Covid-19 restrictions has had on the economy in the common bond and the wider Irish economy. The Board have considered the impact and potential future impact on financial performance, financial position, and cash flows. The Board considers that there remains a risk to the Credit Union when the current financial supports being provided by the Government are removed however, The Board state that following their review, Capital Credit Union Limited have no current going concern issues and expect the Credit Union to remain viable and solvent for the foreseeable future.

### 4. Interest on Members' Loans

	2021	2020
	€	€
Closing accrued interest receivable	194,653	241,940
Loan interest received in financial year	6,311,407	6,347,069
Opening accrued loan interest receivable	(241,940)	(207,678)
	<u>6,264,120</u>	<u>6,381,331</u>

### 5. Other Interest Income and Similar Income

	2021	2020
	€	€
Investment income received	<u>1,202,645</u>	<u>1,149,115</u>

### 6. Interest Payable and Dividends

The interest expense for the Credit Union comprises of interest payable on deposits, and was as follows for the current and prior financial year:

## Dividends

The following distributions were made during the financial year:

	2021	2021	2020	2020
	%	€	%	€
Dividends on shares		-	0.15	307,691

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

At the financial year-end the directors have made the decision not to allocate reserves to the Distribution Reserve. The Board are proposing that there will be no distribution in the current year.

## 7. Other Income

	2021	2020
	€	€
Rent received	28,641	23,094
Other income - Commissions	43,763	42,748
	<u>72,404</u>	<u>65,842</u>

## 8. Key Management Personnel

The directors of Capital Credit Union Limited are all unpaid volunteers. The management personnel compensation is as follows:

	2021	2020
	€	€
Short term employee benefits	505,864	498,644
Pension contribution	59,542	59,264
Total key management personnel compensation	<u>565,406</u>	<u>557,908</u>
Number of staff in management team	<u>9</u>	<u>7</u>

Short term employee benefits include wages, salaries, social security contributions and paid annual leave in respect of the entire management team.

## 9. Cash And Cash Equivalents

Cash and cash equivalents comprise of cash on hand and deposits and investments with a maturity of less than or equal to three months.

	2021	2020
	€	€
Cash and bank balances	<u>46,516,261</u>	<u>48,982,575</u>

## 10. Property, Plant and Equipment

	Land and buildings freehold	Short leasehold property	Long leasehold property	Fixtures, fittings and equipment	Computer equipment	Total
	€	€	€	€	€	€
<b>Cost or Valuation</b>						
At 1 <sup>st</sup> October 2020	5,327,657	194,325	800,158	435,372	211,592	6,969,104
Additions	-	-	-	5,001	84,244	89,245
Disposals	-	-	-	(90,986)	(76,823)	(167,809)
At 30 <sup>th</sup> September 2021	<u>5,327,657</u>	<u>194,325</u>	<u>800,158</u>	<u>349,387</u>	<u>219,013</u>	<u>6,890,540</u>
<b>Depreciation</b>						
At 1 <sup>st</sup> October 2020	294,057	194,325	206,080	217,362	121,653	1,033,477
Charge for the financial year	106,258	-	32,809	74,268	55,065	268,400
On Disposals	-	-	-	(90,986)	(76,823)	(167,809)
At 30 <sup>th</sup> September 2020	<u>400,315</u>	<u>194,325</u>	<u>238,889</u>	<u>200,644</u>	<u>99,895</u>	<u>1,134,068</u>
<b>Net book value</b>						
At 30 <sup>th</sup> September 2021	<u>4,927,342</u>	<u>-</u>	<u>561,269</u>	<u>148,743</u>	<u>119,118</u>	<u>5,756,472</u>
At 30 <sup>th</sup> September 2020	<u>5,033,600</u>	<u>-</u>	<u>594,078</u>	<u>218,011</u>	<u>89,939</u>	<u>5,935,628</u>

## 11. Loans to Members – Financial Assets

### 11.1 Loans to Members

	2021	2020
	€	€
As at 1 <sup>st</sup> October	74,440,852	74,591,498
Advanced during the financial year	43,192,542	36,011,450
Repaid during the financial year	(37,362,164)	(35,681,053)
Loans written off	(393,324)	(481,043)
Gross loans to members	<u>79,877,906</u>	<u>74,440,852</u>

### 11.2 Credit Risk Disclosures

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

- restricts the concentration of lending by the credit union within certain sectors or to connected persons or groups (concentration limits);
- restricts the absolute amount of lending to certain sectors to a set percentages of the regulatory reserve (large exposure limit);
- restricts the loan duration of certain loans to specified limits (maturity limits);

- requires specified lending practices to be in place where loans are made to certain sectors such as 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.

	2021 €	2021 %	2020 €	2020 %
<b>Gross loans not impaired</b>				
Not past due	64,792,294	81.11	61,130,865	82.12
<b>Gross loans individually impaired</b>				
Not past due	1,145,871	1.43	894,058	1.20
Up to 9 weeks past due	12,385,526	15.51	10,566,754	14.20
Between 10 and 18 weeks past due	781,894	0.98	904,285	1.22
Between 19 and 26 weeks past due	443,806	0.56	320,471	0.43
Between 27 and 39 weeks past due	114,791	0.14	300,527	0.40
Between 40 and 52 weeks past due	71,160	0.09	91,957	0.12
53 or more weeks past due	142,564	0.18	231,937	0.31
Total	15,085,612	18.89	13,309,989	17.88
<b>Total gross loans</b>	79,877,906	100.00	74,440,852	100.00
<b>Total loans</b>	79,877,906		74,440,852	

Factors that are considered in determining whether loans are impaired are discussed in note 2, dealing with the use of estimates and judgements. Loans which are neither past due nor impaired are reviewed on a monthly basis. The credit union has not identified any material matters which impact upon the credit quality of these assets.

### 11.3 Loan Provision Account for Impairment Losses

	2021 €	2020 €
As at 1 October	3,227,205	2,543,345
Allowance for loan losses made during the financial year	(393,324)	(481,043)
Allowances reversed during the financial year	300,675	1,164,903
Increase/(Decrease) in loan provision during the financial year	(92,649)	683,860
As at 30 September	3,134,556	3,227,205

## 11.4 Net Recoveries or Losses Recognised for the Financial Year

	2021	2020
	€	€
Bad debts recovered	(748,846)	(621,169)
Impaired loan interest reclassified as bad debt recoveries	(25,175)	(33,675)
(Decrease)/Increase in loan provision during the financial year	(92,649)	683,860
	(866,670)	29,016
Loans written off	393,324	481,043
Net (recoveries)/losses on loans to members recognised for the financial year	(473,346)	510,059

## 11.5 Analysis of gross loans outstanding

	2021	2021	2020	2020
	No. of loans	€	No. of loans	€
Less than one year	662	531,991	658	513,558
Greater than 1 year and less than 3 years	8,271	45,047,717	8,879	44,974,881
Greater than 3 years and less than 5 years	1,225	28,281,627	1,148	23,809,670
Greater than 5 years and less than 10 years	58	2,631,934	68	2,914,279
Greater than 10 years and less than 25 years	13	907,322	10	544,713
Greater than 25 years	19	2,477,315	14	1,683,751
	10,248	79,877,906	10,777	74,440,852

## 12. Debtors, Prepayments and Accrued Income

	2021	2020
	€	€
Prepayments	217,557	322,306
Accrued income	751,554	798,779
	969,111	1,121,085

## 13. Deposits and Investments

	2021	2020
	€	€
Accounts in authorised credit institutions (Irish and non-Irish based)	124,972,492	130,980,576
Banks bonds	16,630,322	1,000,000
Central Bank deposits	15,324,706	13,928,294
	156,927,520	145,908,870



## 14. Members' Shares – Financial Liabilities

	2021	2020
	€	€
As at 1 <sup>st</sup> October	231,148,800	211,069,500
Received during the financial year	83,132,833	79,852,227
Repaid during the financial year	(71,506,955)	(59,772,927)
As at 30 <sup>th</sup> September	<u>242,774,678</u>	<u>231,148,800</u>

## 15. Other Members Funds

	2021	2020
	€	€
As at 1 <sup>st</sup> October	4,508,427	4,118,966
Received during the financial year	937,928	389,461
As at 30 <sup>th</sup> September	<u>5,446,355</u>	<u>4,508,427</u>

## 16. Other Creditors and Accruals

	2021	2020
	€	€
Accruals	<u>851,623</u>	<u>1,082,300</u>

## 17. Financial Instruments

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

	2021	2020
	€	€
<b>Financial assets</b>		
Financial assets measured at amortised cost	<u>286,912,714</u>	<u>273,161,805</u>
Cash at bank and in hand	<u>46,516,261</u>	<u>48,982,575</u>
<b>Financial liabilities</b>		
Financial liabilities at amortised cost	<u>249,072,656</u>	<u>236,739,527</u>

Credit Risk:

Credit risk is the risk that a borrower will default on their contractual obligations relating to repayments to Capital Credit Union, resulting in financial loss to the Credit Union. In order to manage this risk, the Board approves Capital 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. During the financial year ended 30 September 2021 the credit risk profile of the credit union was impacted by the effects of Covid-19 on the general membership.

Liquidity Risk:

Capital Credit Union Limited’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. Capital Credit Union Limited conducts all its transactions in Euro and does not deal in derivatives or commodity markets. Therefore, Capital Credit Union Limited is not exposed to any form of currency risk or other price risk.

Interest Rate Risk:

Capital Credit Union Limited’s main interest rate risk arises from adverse movements in interest rates receivable which would affect investment income. Capital Credit Union Limited 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.

17.1 Interest Rate Risk Disclosure

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

	2021	Average interest rate	2020	Average interest rate
	€	%	€	%
Financial assets				
Gross loans to members	79,877,906	9.39	74,440,852	9.55

17.2 Liquidity Risk Disclosure

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

## 18. Pension Scheme

Capital Credit Union Limited participates in an industry-wide pension scheme for employees (The Irish League of Credit Unions Republic of Ireland Pension Scheme). This is a funded defined benefit scheme with assets managed by the Scheme's trustees.

The scheme is a multi-employer Scheme and due to the nature of the Scheme it is not possible for Capital Credit Union Limited to separately identify its share of the Scheme's underlying assets and liabilities. Consequently, it accounts for the Scheme as a defined contribution plan, in accordance with FRS 102.

The Pension's Act requires the trustees of the Scheme to assess whether it could meet a certain prescribed standard, known as the Minimum Funding Standard. This assesses whether, if the scheme was wound up on a specified theoretical valuation date, it could satisfy the Funding Standard at that date.

As part of the solvency assessment process, the Scheme actuary must carry out a separate valuation under the Minimum Funding Standard every 3 years and produce a funding certificate for submission to the Pensions Authority within 9 months of the effective date of the valuation. The purpose of the certificate is to certify whether or not the assets of the scheme at the effective date are sufficient to meet the liabilities of the scheme based on the assumption that the scheme was wound up at that date. The most recent Actuarial Funding Certificate was effective as at 1 March 2020 and it certified that the Scheme satisfied the funding standard.

An actuarial review of the fund is normally carried out every three years by the Scheme's independent, professionally qualified actuary. The actuarial review considers the past and future liabilities of the scheme. The last completed triennial actuarial review was carried out with an effective date of 29<sup>th</sup> February 2020. The principal actuarial assumption used in the valuation was the investment return in the years before members retire would be 1.25% higher than the annual salary increases. The market value of the scheme's assets at 29<sup>th</sup> February 2020 was €250m. The actuarial valuation disclosed a past service deficit of €41.8m at 29<sup>th</sup> February 2020 calculated under the Ongoing Actuarial Valuation method. This valuation method assumes that the Scheme will continue in existence for the foreseeable future. The assumptions used in the actuarial review to determine the past service deficit differ from the assumptions that would be used to determine the liabilities for defined benefit obligations under FRS102. Following the actuarial review, the same contribution as applied previously – 27.5% for pension plus 2.5% for risk benefits – was invoiced in February 2021. The principal employer and trustees have undertaken a review of the scheme and are in the process of considering a Section 50a application to the Pensions Authority which delivers benefits to scheme members while maintaining the existing contribution rate.

### New Ireland Pension Scheme

This is a defined contribution pension scheme. The assets of the scheme are held separately from those of the Credit Union, in an independently administered fund. Contributions are charged to the income and expenditure account in the year in which they fall due.

The ILCU defined benefit pension scheme is a historical pension scheme and the defined contribution New Ireland pension scheme is the current scheme in operation.

19. Related Party Transactions

The related party loans stated above comprise of loans outstanding to directors and the management team (to include their family members or any business in which the directors or management team had a significant shareholding).

Total Loans outstanding to Related Parties represents 0.32% of the total loans outstanding at financial year ended 30 September 2021

	No. of loans	2021 €
Loans advanced to Related Parties during the year	8	86,000
Total loans outstanding to Related Parties at the financial year end	17	254,076

The total amount of shares held by related parties at the year-end was €211,411.

There are no other related party transactions identified in the period under review.

20. Insurance Against Fraud

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

21. Treasury Management And Financial Instruments

Capital Credit Union Limited is a provider of personal and business loans and also provides savings products to its members. The Credit Union invests excess funds with a view to ensuring that the return from members’ loans and investments is adequate to meet the overheads of the Credit Union and provide a reasonable return to members on shares and deposits. The Credit Union has a risk register in place to help the directors manage the various risks arising from its activities to include the issuing of loans to members and investing the excess funds of the Credit Union.

The main financial risks arising from Capital Credit Union Limited’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 Capital Credit Union, resulting in financial loss to the Credit Union. In order to manage this risk the Board approves Capital 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. During the financial year ended 30 September 2021 the credit risk profile of the credit union was impacted by the effects of Covid-19 on the general membership.

**Liquidity risk:**

Capital 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. The notes provides further details about the impact of the maturity mismatch on the going concern status of Capital Credit Union.

**Market risk:**

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

**Interest rate risk:**

Capital 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. Capital Credit Union does not use interest rate options to hedge its own positions.

**Capital Risk:**

The Credit Union maintains sufficient reserves to buffer the Credit Union against any losses on its members' loans and also its investments. The current Regulatory reserves are in excess of the minimum requirement set down by the Central Bank of Ireland, and stand at 12.5% of the total assets of the Credit Union at the Balance Sheet date.

**22. Capital Commitments**

The Credit Union had no material capital commitments at the financial year-ended 30<sup>th</sup> September 2021.

**23. Post-Balance Sheet Events**

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

**24. Contingent Liabilities**

As at 30<sup>th</sup> September 2021 Capital Credit Union Limited has commenced reviewing the potential impact, if any, to members relating to accrued interest outstanding on members top up loans, following on from correspondence issued to all credit unions by the Central

Bank. The initial review has indicated that any potential liability over collection of interest will be limited to members that had topped up loans in credit unions prior to them being transferred into Capital Credit Union Limited. It has not yet been practicable to reliably estimate the impact, financial or otherwise, if any, of this matter and whether any net amounts will become payable in the future. The Board of Directors confirm that they are taking the necessary steps to ensure that this matter will be resolved in the coming financial year.

## **25. Ethical Standard For Auditors (Ireland) Issued By Iassa**

In common with many other Credit Unions, from time to time, our auditors provide us with advisory and consulting services.

## **26. Approval Of Financial Statements**

The financial statements were approved, and authorised for issue, by the Board of Directors on 21<sup>st</sup> October 2021.

# Schedules to the Income & Expenditure Account

for the financial year ended 30<sup>th</sup> September 2021

## Schedule 1 - Interest on Loans

	2021	2020
	€	€
<b>Interest on Loans</b>		
Interest on members' loans	6,264,120	6,381,331
Interest on members' loans receivable in 12 months	194,653	241,940
	<u>6,264,120</u>	<u>6,381,331</u>

## Schedule 2 - Investment Income

	2021	2020
	€	€
<b>Investment Income</b>		
Investment Income	1,202,645	1,149,115
	<u>1,202,645</u>	<u>1,149,115</u>

## Schedule 3 - Other Income

	2021	2020
	€	€
<b>Other Income</b>		
Rent received	28,641	23,094
Other income - Commissions	43,763	42,748
	<u>72,404</u>	<u>65,842</u>

## Schedules to the Income & Expenditure Account

for the financial year ended 30<sup>th</sup> September 2021

### Schedule 4 – Other Management Expenses

	2021	2020
	€	€
<b>Other Management Expenses</b>		
Training expenses	45,353	79,370
Rent and rates	118,245	153,908
Savings protection fund	19,748	21,021
Share and loan insurance	687,705	782,364
Insurance	99,401	84,338
ICB/CCR Costs	42,604	52,289
Rental income expenses	1,268	1,479
Light, heat & cleaning	93,264	81,667
Repairs and renewals	27,903	9,000
Equipment maintenance	43,048	36,289
Printing and stationery	25,654	32,691
Promotion & sponsorship	207,267	187,122
Directors' expenses	440	4,337
Telephone and postage	36,412	51,464
IT Expenses	1,102,741	913,186
Affiliation fees	74,160	112,971
Travelling and subsistence	2,641	8,169
Social expenses	-	2,234
A.G.M. expenses	59,739	58,801
Convention expenses	-	4,569
Oversight Committee Expenses	280	500
Legal and professional fees	193,103	111,882
Strategy	2,676	243
Audit	37,110	39,470
Regulatory Levies	348,230	382,315
Bank charges	114,706	120,389
Negative interest	44,654	-
Security	65,657	101,225
Debt collection	167,870	137,154
General expenses	9,553	37,069
	<u>3,671,432</u>	<u>3,607,516</u>



## An Enhanced Member Experience

We take our members experience with us seriously, that is why we have improved our products and services to make it easier for you to engage with Capital Credit Union.



Member Service Team available  
8am to 8pm Mon to Fri  
9am to 2pm Sat



24/7 Access To CUOnline+  
Online Debit Card Payments  
Download Statements Online



Join Our Services Online:  
Car Draw, MDBI & More!



Fully online loan process  
from application to drawdown



Online system for uploading  
ID and Proof of Address



New WebChat option available  
on our website

**AND!**

**Our new online banking system is coming soon, giving you:**

- A new dedicated app with 24/7 access to your account
- Stronger, and more user-friendly customer authentication
- A much improved user experience allowing you more control over your account



# Rule Amendment

## Rule 63 (4)

That this Annual General Meeting agrees to delete Rule 63(4) of the Standard Rules for Credit Unions (Republic of Ireland) to remove the requirement for credit unions to complete and return the Return of Officers form to the Irish League of Credit Unions.

# Car Draw Winners

Month	Car
October 2020	Roman Protsenko
November 2020	Nuala Fagan
December 2020	Karen Curley / Paul Cummins
January 2021	Linda Sommerville
February 2021	Shaun Finnegan
March 2021	Caitriona Cleary
April 2021	Pauline Fitzpatrick
May 2021	Siobhan Mc Cluskey / Mary Robinson
June 2021	Barbara Webb
July 2021	Paul Ruane
August 2021	Paula Roissiter
September 2021	Michael Rivero



## Are You Interested In Joining Our Car Draw?

**You can join Capital Credit Union’s Car Draw for just €5 a month!**

With at least €25,000 in prizes given away every month and several Bumper Car Draws, you’ll have a great chance of winning every month.

To sign up today, scan the QR Code or visit the link below. Terms and conditions apply.

[capitalcu.ie/service/members-car-draw/](https://capitalcu.ie/service/members-car-draw/)



# Report of the Governance & Nomination Committee

As the Governance and Nomination Committee we are responsible for:

- Recruiting volunteers to the Board of Directors and various committees who direct, oversee, and monitor the activities of our Credit Union. Our volunteers reflect the wider community and bring a great diversity of opinion, skills, and expertise to our discussions.
- Conducting the Fitness and Probity review of the Management Team, Board of Directors and Board Oversight Committee members in line with legal and Central Bank requirements.
- Running an induction programme for identified volunteers.
- During the year Directors, Board Oversight Committee members and staff have continued to attend internal and external training relevant to their role in the Credit Union. As part of this, the Governance and Nomination Committee has recommended and sourced training during the year for Board members to continue to improve our knowledge and skills. The training has continued online during the months of the COVID-19 pandemic.
- Facilitate the assignment of committee membership to ensure the best fit of skills and experience with the needs of each committee.
- Ensuring that our succession planning, nominations, and volunteer policies remain up to date and valid.
- Reviewing the Board of Directors' legal duties during the year, ensuring that we comply with all requirements and report on same to the Board Oversight Committee.
- Supporting the Board of Directors in the review of its operations and self-assessment.

## Potential New Directors

Volunteers are the life blood of our organisation. We would welcome interested members to come forward to learn more about becoming a volunteer member of one of our committees and the Board of Directors. It's an excellent opportunity to learn new skills; boost your CV; be part of a community; make a difference!

New volunteers also help us to maintain a steady stream of potential new Directors, who can gain the appropriate knowledge, experience, and skills to come onto the Board.

To express an interest in volunteering with the credit union, please forward your CV and a cover letter to [awalsh@capitalcu.ie](mailto:awalsh@capitalcu.ie).

## Committee Members:

Ann Walsh, Chairperson. Marguerite Slyne, Peter Morrissey.

# Report of the Audit, Risk & Compliance Committee

## Internal Audit

Under the Credit Union Act 1997 (as amended) ("the Act"), Capital Credit Union have retained Moore Ireland as its independent Internal Audit Function.

As outlined in Section 76K of the Act the Internal Audit Function provides for:

- independent internal oversight and,
- evaluation and improvement of Capital Credit Union's risk management, internal controls and governance processes.

The work plan with Moore Ireland was specifically devised to include areas that could be adversely impacted by the Covid 19 pandemic and other topical risk related issues. This included Credit Risk Management, and Cyber Security Risks. Moore Ireland report quarterly through this Committee to the Board of Directors on key areas including, but not limited to, the Risk Management System, ICT Systems, Management Information, Governance, Compliance Programme, and the processes for safeguarding the assets of the Credit Union. The recommendations of the Internal Audit Function are implemented to ensure the continuing compliance and improvement of risk mitigation within Capital Credit Union.

## Risk

The Audit, Risk & Compliance Committee monitors identified risks that could negatively impact Capital Credit Union and its members. Risks are assessed based on their likely occurrence, their potential impact on the Credit Union and the controls and procedures that are in place to mitigate them. This includes a specific assessment of the risks with appropriate mitigations for the forthcoming migration to the Temenos IT system.

The Committee reports to the Board of Directors on a monthly basis on scheduled risk reviews, changes in the profile of critical risks and the emergence of new risks. Each quarter the Risk Management Officer makes a detailed presentation to the Board of Directors on the current status of the risk management function.

The Committee is pleased to announce that all risks are managed to a level that minimises the threat to Capital Credit Union and its members.

## Compliance

The Audit, Risk & Compliance Committee is responsible for ensuring that Capital Credit Union is operating in compliance with all applicable financial services legislation and any other legislation and regulations applicable to Credit Unions and that it has the necessary policies and procedures in place to ensure that it will be compliant with any new requirements as they are introduced.

Capital Credit Union has, as required, submitted its Annual Compliance Statement to the Central Bank of Ireland confirming that there have been no material breaches under Part IV of the Act.

The Committee would like to thank the Management Team and staff of Capital Credit Union for their commitment to risk and compliance management.

## Audit, Risk & Compliance Committee Members:

Michele Brady, Elaine Edmonds, Dylan Kelly, John O'Neill.

## Report of the Board Oversight Committee

Dear Member

The role of the Board Oversight Committee ("the BOC") is to assess whether the Board has operated in accordance with Part IV and Part IVA of the Credit Union Act 1997 (as amended), as amended ("the Act") and any other matter prescribed by the Central Bank. We can confirm that we have conducted our obligations during the year in accordance with the requirements of the Act. We continue mandatory and other training to enhance our knowledge and skills to better perform our duties as members of the BOC.

We can confirm that the Board has operated in accordance with Part IV and Part IVA of the Act during the year. The 2021 financial year was another challenging year for all credit unions. To meet the ongoing challenges, your credit union continues to adapt and develop to provide services that meet the needs of the members. The Board works hard on your behalf to ensure that your credit union continues to prosper. Members of the Board, who are all volunteers, give generously of their time to ensure that your credit union is controlled, directed, and managed in accordance with the requirements of the Act. Throughout the year they participate in numerous Board and Board Sub-Committee meetings. They set the strategy of your credit union, which lays the foundations for its continuing success. They also engage with regulators and other stakeholders to continue to develop your credit union. We would like to commend the Board, for their continuing leadership, commitment, and endeavours on behalf of the members during these extraordinary times.

We acknowledge the ongoing commitment of the management team and the staff and appreciate their excellent work in continuing to provide an exceptional service to members in difficult circumstances.

Finally, we would like to thank the Board, the management team, and the staff for all their assistance during the year.

### **Board Oversight Committee Members:**

Jack Grehan, Rachel McCormac, Sophie O'Connor.

## Why your Nomination Matters

A Nomination on your account will allow for the release of your funds to your nominee in the event of your death without the need of Probate. This is an important feature of a Nomination, as funds can be quickly accessed by a loved one.

See <https://capitalcu.ie/service/account-nominations/> for more information.

### Some important information:

- The maximum amount that can pass under a Nomination is currently €23,000.
- A Nomination is not revocable or variable by the terms of your Will or a codicil to your Will.

**All members aged 16 and over should consider having a Nomination in place.**

If you already have a Nomination in place, or think you may have, you can check who your Nominee is at any of our offices.

If you need to change your Nomination you can fill in a new Nomination form and we will update your account records.

**Nomination forms are available in all our offices.**

## Update your Account Records

To comply with the Criminal Justice (Money Laundering & Terrorist Financing) Acts 2010 – 2021, we are asking members to ensure that their identification documentation is on file and kept up to date.

By law, we are required to have both up-to-date valid Photo ID and Address Verification for all our members. The following are examples of acceptable Photo ID documents:

- Valid Passport
- Valid Driving Licence

The following are examples of acceptable Address Verification documents:  
(Please note this document must be dated within the previous 6 months)

- Utility Bill
- Bank Statement / Fee Notification
- Motor/House Insurance Certificate

\*For a full list of acceptable documents, please see: [capitalcu.ie/members/](https://capitalcu.ie/members/)

You can present your documents to any of our offices and staff will update your records. Alternatively, you can go to [capitalcu.ie/members/](https://capitalcu.ie/members/) and upload your documentation from the comfort of your own home.



## Scholarship Testimonials



*I was beyond happy when I received the call to find out I won. I'm currently studying Commerce in UCD. The prize will go towards my UCD fees which is such a nice relief as I won't have to worry about saving as much. Thank you so much. ~ Colm*

*Last September I decided to go back to college to get a Higher Diploma in Psychology in Dublin Business School. Since starting college, I have been on a payment plan to pay my fees. However, with this money, I can now pay off my next instalment. It's amazing, one phone call and my stress levels have dropped significantly, and I can't thank you enough.. ~ Louise*



*I entered the competition at the beginning of the month when I noticed the sign in my local credit union. I thought I'd chance my luck as I have just become a student again for the first time since my Leaving Cert! The money will cover the cost of my course fees, and I will be saving it in my credit union for my future. Thank you so much. ~ Rachel*

### Scholarship Winners 2021

Ailbhe Curran  
Aoife Nolan  
Colm O Higgins  
Eimear Murphy  
Kayleigh Higgins  
Paula Maguire  
Rachel Nolan

Tia Bramble  
Wiktorija Fabijaniak  
Charley Tyndall  
Louise Conway  
Eoin Butler  
Shannon Sheridan Whelan  
Henry O'Dowd Nolan

Adam Skelly  
Max Mazor  
Rachel Rutherford  
Brian Walsh  
Elsa Fitzgibbon  
Susan Gleeson

**For more information on our Scholarship Awards, visit [www.capitalcu.ie](http://www.capitalcu.ie)**



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Capital Credit Union is regulated by the Central Bank of Ireland. Loans are subject to approval. Terms and Conditions apply. A first legal charge is required for all mortgages. Mortgage protection insurance and home insurance are required.

CUIS Financial Services DAC, t/a Peopl is regulated by the Central Bank of Ireland. Ref no.C182485.



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.

Warning: If you do not keep up repayments, you may lose your home.

Warning:(Variable Rate): The cost of your monthly repayments may increase.

Warning: You may have to pay charges if you pay off a fixed rate loan early.