



HERITAGE  
CREDIT UNION

ANNUAL  
REPORT  
2021

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ALWAYS

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## INVOCATION

We meet to serve our community,  
to use our resources wisely and well,  
to represent all members of our community fairly,  
to make decisions that promote the common good.  
We recognize our responsibility to the past and the future,  
and the rights and needs of both individuals and community.  
May we act wisely and well

# NOTICE OF MEETING

Notice is hereby given that the Annual General Meeting of Heritage Credit Union Limited will take place online, on Monday 4th April 2022 at 7.30 pm.

Please register to attend the online Annual General Meeting at [www.heritagecu.ie/AGM](http://www.heritagecu.ie/AGM) by close of business on Thursday 31st March 2022 to allow sufficient time for the credit union to process and validate registrations.

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

**Conor Duff**  
**Secretary**

**Date: 10/03/2022**

## VIRTUAL AGM

At the time of planning the AGM there was still some uncertainty regarding the level of restrictions which would be in place and as such the meeting this year will be on Zoom again.

In order to attend and participate in this year's AGM please see instructions below:

1. Please register to attend the Annual General Meeting online at [www.heritagecu.ie/AGM](http://www.heritagecu.ie/AGM) by close of business on Thursday 31st March 2022.
2. Your login details will be emailed to you once you are verified as a member eligible to attend.
3. We will also email you a copy of the minutes of last year's AGM and standing orders for this year's AGM. Please read these before the meeting.
4. Please submit questions to the Board in advance of the AGM by e-mailing [agm@heritagecu.ie](mailto:agm@heritagecu.ie) and these will be addressed during the meeting.
5. Before the date of the AGM, we would advise you to familiarise yourself with Zoom and prepare for the event ahead of time.
6. The starting time will be 7.30pm on Monday 4th April 2022. However, we suggest to you to login a little bit earlier to avoid any last-minute technical issues.
7. Please click on the link provided. Please note that your login details are specific to you and can only be used on one device.
8. Please wait for the host (Chair) to start the meeting. While you are waiting, you can test your computer audio. Please make sure it is turned on and at the right volume.

9. You will be requested to type in your name before joining the meeting. Please fill in the field with your name and surname. This information will be used to identify you for the purposes of determining a quorum.
10. Please select “Join with Computer Audio”, so that you will be able to see and hear the Chair and any persons presenting.
11. All non-presenting participants will be muted, and their webcams will be disabled to allow the smooth running of the meeting. However, you can type a question to the host by clicking on the “Q&A” button at the bottom of the page.
12. During the meeting, you will be given the option to vote anonymously online for the election of officers, adoption of reports and on resolutions proposed to be passed at the meeting. A screen will pop up at the appropriate time and you will be asked to vote.
13. Please note that the virtual AGM will be recorded for minute-taking and archiving purposes, so any contribution you make will be recorded. The recording will be destroyed as soon as possible thereafter, once draft minutes are prepared.
14. At the end of the AGM, the host will close the Zoom meeting.

**At Heritage Credit Union, our dedicated team are available to follow up on AGM queries. Some queries may require research, so in order to allow sufficient time to prepare the necessary response, please send your question(s) in writing, to arrive no later than close of business on Thursday 31st March 2022, to:**

**Chief Executive Officer  
Heritage Credit Union Ltd., Main Street, Rathfarnham, Dublin 14  
Or email [agm@heritagecu.ie](mailto:agm@heritagecu.ie)**

# CREDIT UNION

## DIRECTORS & OTHER INFORMATION

### BOARD OF DIRECTORS:

Paul Moran	Chairperson (Resigned January 2022)
Marie Kelly	Vice-Chairperson
Conor Duff	Secretary (July 2021)
Kevin Young	Secretary (Resigned July 2021)
Colm Lawless	
Daphne Byrne	
Mary Cullen	
Adrian O'Brien	
Gerard Dunne	
Kieran Corcoran	
Keith Fitzgerald	
Michael McLoughlin	(Co-opted December 2021)

### BOARD OVERSIGHT COMMITTEE:

Ruth O'Sullivan	Chairperson
Fearghal Kearney	
Anne Fleming	(Resigned November 2021)
Tony Shewbridge	Secretary

### AUDITORS:

Grant Thornton, Mill House, Henry Street, Limerick

### BANK:

Bank of Ireland, College Green, Dublin 2

### MANAGEMENT AND STAFF:

Alan Roche	Chief Executive Officer		
Al McCauley	Chief Executive Officer (Retired February 2022)		
Ger Flaherty	Finance Manager		
Clare Lammas	Risk & Compliance Manager		
Jane Barlow	Operations Manager		
Laura Cahill	Susan Foley	Alyson McDermott	Colleen O'Neill
Georgina Carthy	Andrew Harding	Martin McElvaney	Valerie O'Reilly
Sally Corbett	Aaron Johnston	Liam McGovern	Sean Patchell
Deirdre Corcoran	Melissa Keenan	Sandra McGrane	Roshni Shah
Rita Cullen	Ray Kelly	Bernie McGrath	Carmel Timmons
Teszina Cullen	Teresa Kelly	Lisa Mulligan	Sinead Ryan
Sheila Cullinan	Lee Lawrence	Craig Nolan	Lorraine Tyrell
Aaron Donnelly	Liz Lehane	Petina O'Connor	Celine Yarr
Treasa Ennis	Cindy Lister	Sylvia O'Flaherty	
Katrina Fallon	Nicole Lowney	Colin O'Malley	
Elaine Fitzpatrick	Ciara Maguire	Nikki Ong	

# AGM AGENDA

1. The acceptance by the Board of Directors of the authorised representatives of members that are not natural persons;
2. Ascertainment that a quorum is present;
3. Adoption of Standing Orders;
4. Reading and approval (or correction) of the minutes of the last annual general meeting;
5. Report of the Chairperson;
6. Consideration of accounts;
7. Report of the Auditor;
8. Report of the Board Oversight Committee;
9. Declaration of dividend and rebate of interest;
10. Report of the Credit Committee;
11. Report of Credit Control Committee;
12. Report of Membership Committee;
13. Community and Marketing Report;
14. Report of the Nomination Committee;
15. Appointment of Tellers;
16. Election of Auditor;
17. Election to fill vacancies on the Board of Directors;
18. Election to fill vacancies on the Board Oversight Committee;
19. Amendment of Standard Rules;
20. Any other business;
21. Prize Draws;
22. Announcement of election results;
23. Adjournment or close of meeting.

# CREDIT UNION STANDING ORDERS

## 1. VOTING

1. Each member shall be entitled to one vote irrespective of his/her shareholding, in accordance with section 82(2) of the Credit Union Act, 1997 (as amended). Due to the fact that this year's AGM will be a virtual meeting, voting on motions and elections will be by electronic means. Elections to the Board of Directors, to the Board Oversight Committee and the position of Auditor shall be by majority vote and by secret ballot. Candidates for the position of Directors or Board Oversight Committee shall serve a three-year term. The Auditor shall serve a one-year term.

## 2. ELECTION PROCEDURE ELECTRONIC VOTING

2. When nominations are announced tellers shall be appointed by the chairman and voting procedures and instructions shall be communicated to attendees. The mechanics of the virtual voting process (circulated to registered attendees) will be explained in more detail at the AGM by the Chairperson. Elections shall be in the following order:
  - (a). Election of auditor;
  - (b). Election for membership of the Board of Directors; and
  - (c). Election for membership of the Board Oversight Committee. When the votes have been counted by the tellers, the results shall be announced by the chair.



## WE'RE DOING THINGS A LITTLE DIFFERENTLY AGAIN THIS YEAR.

Please register to attend the online Annual General meeting at [www.heritagecu.ie/AGM](http://www.heritagecu.ie/AGM) by close of business on Thursday 31st March 2022 to allow sufficient time for the credit union to process and validate registrations.

### 3 - 4 MOTIONS

3. Due to the specific difficulties we are facing in holding an Annual General Meeting this year due to Covid-19, the purpose of this year's AGM is limited to dealing with the essential business of the credit union. This includes reporting to members on the financial status of the credit union, and electing officers. As such, there will be no motions from the floor due to the difficulties in managing same remotely. Members have been invited to submit questions to the Board in advance of the AGM and the Board will address these during the AGM.
4. The Chairperson's decision on any matter relating to these Standing Orders or interpretation of same shall be final.

### 5 - 9 MISCELLANEOUS

5. The Chairperson of the credit union shall be the Chairperson of any general meeting, except where he/she is not available, in which case it shall be the Vice-Chair, except where he/she is not available, in which case the Board shall decide amongst themselves who shall act as Chair of any general meeting.

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

### 10. ADJOURNMENTS

Adjournments of the AGM shall take place only in accordance with section 81(1) and the provisions concerning notice, voting and quorum are also set out in section 81 and the new section 80A inserted by the Finance (Miscellaneous Provisions) Act 2020.

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Under 10 - Boys



Under 10 - Girls

## HERITAGE CU TEAM HELPING IN THE COMMUNITY



Location:  
CBS, James Street, Dublin





# Electronic Banking services available to all our members

- View on-line statements
- Check account balances and transactions
- Send and receive payments to and from over 30 SEPA countries across Europe
- Receive your salary and other payments directly into your Credit Union account
- Transfer money between Credit Union accounts
- Pay utility bills electronically
- Transfer money to and from external bank accounts
- Apply for loans
- Drawdown your loan

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or Charges**

## **DID YOU KNOW?**

With Heritage Credit Union you can complete a full loan application from the comfort of your own home. You can apply, submit documentation, and once approved, electronically sign the document to collect your loan.

**Get A Loan From Home With Heritage Credit Union**

# REPORT OF THE CHAIRPERSON

Dear Fellow Members, we would like to present our annual report and financial statements for the year ended 30th September 2021.

When we met virtually last year at our AGM many anticipated a return to something near normal soon. And although all restrictions are largely now removed at the time of planning the AGM there was still some uncertainty, and we will be meeting again virtually this year.

We continue to hold a strong position as a member-led and community-based organisation. Credit unions continue to rate highly in the public perception, for seven years now Credit Unions have claimed the top position for the best customer experience in Ireland.

Management, staff, and volunteers continue to meet the challenges of this new normal with incredible flexibility and member focus. We continue to provide new ways of transacting and dealing with your Credit Union. Online and “virtual” transactions now account for over 50% of business.

We continue to struggle with the investment restrictions, which are far less favourable than those of our commercial counterparts. The representative bodies have been campaigning for change here, so let’s hope they have some success. We have done our part in supporting the innovation of socially conscious investments.

The continued stability of Credit Unions makes them an attractive place for savings, and we have had to introduce some restrictions on larger savings activity to ensure the majority of members are not disadvantaged.

We continue to approve over 96% of loan applications. We are listening and we are lending. The best route to members money working for other members is through lending. It is back to the basic principles of the movement, and we would urge our fellow members to think of the Credit Union first as a provider of finance, for your own needs and for your family, friends and the community.

We have not always done a great job of telling the benefits of Credit Union lending, whether that is the loan insurances, multiple channels (online or in-person), rapid turnaround, phenomenal approval rate or simply the fact that any interest goes back to the membership and community.

In the past year we have welcomed the members of VFI Credit Union into the Heritage fold and we hope that they and all our members are experiencing the benefits of our merged entity.

Never more so than in these challenging times we are reminded why Credit Unions are unique in our society. We take our responsibilities to our communities very seriously. We thank you for your support in these difficult times, and we look forward to our continued growth and mutual benefit.

We will continue to support you, and work for you.

I would like to take this opportunity to thank Al McCauley, CEO, for his outstanding contribution to Heritage and the broader Credit Union movement over the years. Since the early 90’s when he first got involved in Rathfarnham & District Credit Union as a volunteer Al has personified all that is good about the movement to all who have met him. He has served three years on the Supervisory Committee and six years on the Board of Directors prior to assuming the mantle of CEO in 2011. Thus began the process of building Heritage Credit Union from a small suburban credit union to a national one today with €194m in assets, almost 42,000 members, 45 staff, and 9 branches. Al will have retired by the date of the AGM, after 11 years in charge to take some well-earned respite, and I would like to wish him the very best on behalf of the Board of Directors, Board Oversight Committee, and all the members; Credit Unions in Ireland are the better for his involvement.

I would also like to wish Alan Roche every success as our incoming CEO. Since joining us in 2016 Alan has impressed us with his energy,

enthusiasm and sectoral knowledge and experience. We are confident he will successfully lead Heritage Credit Union into the next phases of its development.

I stepped down as Chair in January 2022, having served for three years. I have enjoyed the challenge of helping the Board guide your credit union through a period of intense growth. While there have been some challenges – not least due to Covid-19 and the virtualisation of meetings, it has been an interesting and rewarding time for me. We are delivering on an exciting strategy, and we have introduced many governance improvements over that time. The continued approval of our merger activity by the Central Bank is a testament to how the organisation is overseen by my colleagues on the Board and Board Oversight Committee, how it is run by the Management, Staff and Volunteers, and supported by you, the membership. I wish the new Board continued success in the months and years ahead.

**Paul Moran**  
Chairperson



2021

## NO.1 IN IRELAND'S CX INSIGHTS REPORT FOR 7 YEARS

Credit unions maintain top spot for Best Customer Experience for an unprecedented seventh year in a row.



# REPORT OF THE DIRECTORS

For the financial year ended 30 September 2021

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

## PRINCIPAL ACTIVITY

The principal activity of the business continues to be the operation of a credit union.

## AUTHORISATION

The credit union is authorised as follows:

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

## BUSINESS REVIEW

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

## DIVIDENDS AND LOAN INTEREST REBATES

The directors are not proposing a dividend or loan interest rebate in respect of the financial year ended 30 September 2021 (2020: The directors did not propose a dividend or loan interest rebate).

## PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties faced by the credit union are:

### Credit risk

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

### Lack of loan demand

Lending is the principal activity of the credit union and the credit union is reliant on it for generating income to cover costs and generate a surplus.

### Market risk

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

### Liquidity risk

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

### Operational risk

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

### COVID-19 risk

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

**These risks are managed by the board of directors as follows:**

### Credit risk

In order to manage this risk, the board of directors regularly reviews and approves the credit unions lending policies. All loan applications are assessed with reference to the lending policies in force at the time. Subsequently loans are regularly reviewed for any factors that may indicate that the likelihood of repayment has changed.

### Lack of Loan Demand

The credit union provide lending products to its members and promote these products through various marketing initiatives.

### Market Risk

The board of directors regularly reviews and approves the credit union's investment policy and funds are invested in compliance with this policy and regulatory guidance.

### Liquidity Risk

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

### Operational Risk

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

### COVID-19 risk

The board of directors and management closely monitor the evolution of the COVID-19 pandemic and continue to take appropriate actions to mitigate any possible adverse effects on the credit union.

### ACCOUNTING RECORDS

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

### EVENTS AFTER THE END OF THE FINANCIAL YEAR

There have been no significant events affecting the credit union since the year end.

### AUDITORS

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

This report was approved by the board on 26/11/2021 and signed on its behalf by:

**Paul Moran**  
Chairperson of the Board of Directors

**Marie Kelly**  
Member of the Board of Directors

**Date: 26/11/2021**



# DIRECTORS' RESPONSIBILITIES STATEMENT

For the financial year ended 30 September 2021

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

In preparing those financial statements the directors are required to:

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

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

This statement was approved by the board on 26/11/2021 and signed on its behalf by:

**Paul Moran**  
Chairperson of the Board of Directors

**Marie Kelly**  
Member of the Board of Directors

**Date: 26/11/2021**



**€194.2M**  
**TOTAL ASSETS**

# BOARD OVERSIGHT COMMITTEE'S RESPONSIBILITIES STATEMENT

For the financial year ended 30 September 2021

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

This statement was approved by the board oversight committee on 26/11/2021 and signed on its behalf by:

**Ruth O'Sullivan**  
Chairperson of the Board Oversight Committee

**Date: 26/11/2021**



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LOANS**



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**Heritage Credit Union**

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Loans are subject to approval. Terms and conditions apply. 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. Information correct at February 2022. Heritage Credit Union Limited is regulated by the Central Bank of Ireland.



# INDEPENDENT AUDITORS' REPORT

## TO THE MEMBERS OF HERITAGE CREDIT UNION LIMITED

### Opinion

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

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

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

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

### Basis for opinion

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

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

### Conclusions relating to going concern

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

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

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

### Other information

Other information comprises information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly

# INDEPENDENT AUDITORS' REPORT

To the members of Heritage Credit Union Limited  
(continued)

stated in our report, we do not express any form of assurance conclusion thereon.

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

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

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

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

## **Responsibilities of directors for the financial statements**

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

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

## **Responsibilities of the auditor for the audit of the financial statements**

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

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

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

auditor's report. However, future events or conditions may cause the credit union to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

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

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

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

#### **DENISE O'CONNELL FCA FOR AND ON BEHALF OF GRANT THORNTON**

Chartered Accountants  
& Statutory Audit Firm,  
Mill House,  
Henry Street,  
Limerick.

**Date: 26/11/2021**



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## Heritage Credit Union

Tel: 01 490 0162 Email: [info@heritagecu.ie](mailto:info@heritagecu.ie) Web: [www.heritagecu.ie](http://www.heritagecu.ie)

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Walkinstown | Windy Arbour

Loans are subject to approval. Terms and conditions apply. 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. Information correct at February 2022. Heritage Credit Union Limited is regulated by the Central Bank of Ireland.

# INCOME AND EXPENDITURE ACCOUNT

For the financial year ended 30 September 2021

INCOME	Schedule	2021 €	2020 €
Interest on members' loans		4,323,034	3,942,848
Members' deposit and other interest expense and similar charges		-	(110)
Other interest income and similar income	1	1,001,125	824,666
<b>NET INTEREST INCOME</b>		<b>5,324,159</b>	<b>4,767,404</b>
Other income	2	142,821	32,112
<b>TOTAL INCOME</b>		<b>5,466,980</b>	<b>4,799,516</b>
<b>EXPENDITURE</b>			
Employment costs		1,788,196	1,488,555
Other management expenses	3	2,561,141	2,335,971
Depreciation		214,626	186,177
Net impairment (gains)/losses on loans to members (note 6)		(495,770)	564,105
<b>TOTAL EXPENDITURE</b>		<b>4,068,193</b>	<b>4,574,808</b>
<b>SURPLUS FOR THE FINANCIAL YEAR</b>		<b>1,398,787</b>	<b>224,708</b>

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

**Paul Moran**  
Member of the  
Board of Directors

**Ruth O'Sullivan**  
Member of the Board  
Oversight Committee

**Al McCauley**  
Chief Executive Officer

Date: 26/11/2021

# STATEMENT OF OTHER COMPREHENSIVE INCOME

For the financial year ended 30 September 2021

	2021	2020
	€	€
Surplus for the financial year	1,398,787	224,708
Other comprehensive income	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR</b>	<b>1,398,787</b>	<b>224,708</b>

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

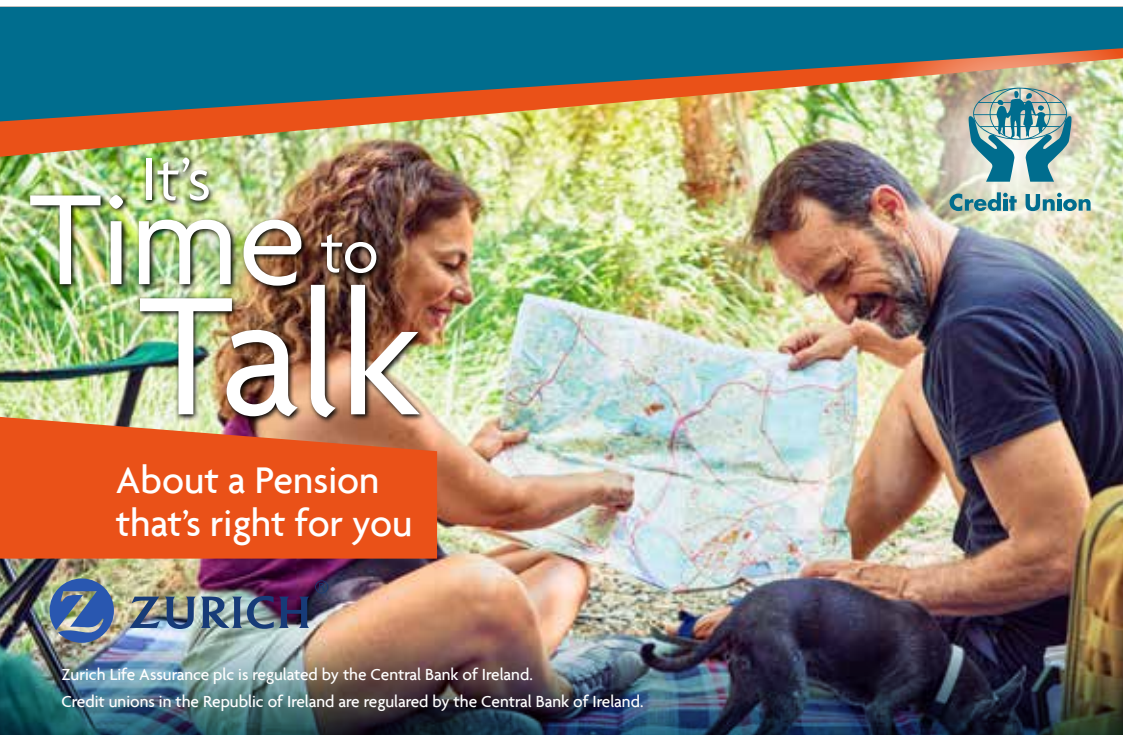
**Paul Moran**  
Member of the  
Board of Directors

**Ruth O'Sullivan**  
Member of the Board  
Oversight Committee

**Al McCauley**  
Chief Executive Officer

Date: 26/11/2021

The notes on pages 26 to 40 form part of these financial statements



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# BALANCE SHEET

As at 30 September 2021

		2021	2020
ASSETS	Notes	€	€
Cash and balances at bank		1,362,514	5,252,635
Deposits and investments – cash equivalents	8	30,437,577	25,735,627
Deposits and investments – other	8	110,943,662	83,781,051
Loans to members	9	51,310,511	43,608,623
Provision for bad debts	10	(3,852,988)	(3,684,201)
Tangible fixed assets	11	3,085,051	2,797,290
Debtors, prepayments and accrued income	12	878,072	920,493
<b>TOTAL ASSETS</b>		<b>194,164,399</b>	<b>158,411,518</b>
<b>LIABILITIES</b>			
Members' shares	13	163,022,690	133,553,984
Members' deposits and thrift accounts	13	4,191,028	2,912,432
Other liabilities, creditors, accruals and charges	14	929,519	679,401
Other provisions	15	43,018	19,285
<b>TOTAL LIABILITIES</b>		<b>168,186,255</b>	<b>137,165,102</b>
<b>RESERVES</b>			
Regulatory reserve	17	19,618,186	16,168,186
Operational risk reserve	17	1,140,757	997,125
Other reserves			
- Realised reserves	17	5,056,891	3,944,674
- Unrealised reserves	17	162,310	136,431
<b>TOTAL RESERVES</b>		<b>25,978,144</b>	<b>21,246,416</b>
<b>TOTAL LIABILITIES AND RESERVES</b>		<b>194,164,399</b>	<b>158,411,518</b>

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

**Paul Moran**  
Member of the  
Board of Directors

**Ruth O'Sullivan**  
Member of the Board  
Oversight Committee

**Al McCauley**  
Chief Executive Officer

Date: 26/11/2021

# STATEMENT OF CHANGES IN RESERVES

For the financial year ended 30 September 2021

	Regulatory reserve	Operational risk reserve	Realised reserves	Unrealised reserves	Total
	€	€	€	€	€
As at 1 October 2019	15,368,186	880,246	4,817,261	165,815	21,231,508
Surplus for the financial year	94,000	116,879	228	13,601	224,708
Transfer of Engagements	-	-	(209,800)	-	(209,800)
Transfers between reserves	706,000	-	(663,015)	(42,985)	-
<b>As at 1 October 2020</b>	<b>16,168,186</b>	<b>997,125</b>	<b>3,944,674</b>	<b>136,431</b>	<b>21,246,416</b>
Surplus for the financial year	-	81,132	1,291,776	25,879	1,398,787
Transfer of Engagements	3,014,509	62,500	255,932	-	3,332,941
Transfer between reserves	435,491	-	(435,491)	-	-
<b>As at 30 September 2021</b>	<b>19,618,186</b>	<b>1,140,757</b>	<b>5,056,891</b>	<b>162,310</b>	<b>25,978,144</b>

- The regulatory reserve of the credit union as a percentage of total assets as at 30 September 2021 was 10.10% (2020: 10.21%).
- The operational risk reserve of the credit union as a percentage of total assets as at 30 September 2021 was 0.59% (2020: 0.63%).

The notes on pages 26 to 40 form part of these financial statements



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# STATEMENT OF CASH FLOWS

For the financial year ended 30 September 2021

	Notes	2021 €	2020 €
<b>Opening cash and cash equivalents</b>		<b>30,988,262</b>	<b>40,962,616</b>
<b>Cash flows from operating activities</b>			
Loans repaid by members	9	23,574,871	22,273,926
Loans granted to members	9	(26,068,099)	(21,534,687)
Interest on members' loans		4,323,034	3,942,848
Deposit interest paid		-	(110)
Other interest income and similar income		1,001,125	824,666
Bad debts recovered and recoveries		673,481	311,090
Dividends paid		-	(57,929)
Loan interest rebates paid		-	(151,871)
Other income		142,821	32,112
Operating expenses		(4,349,337)	(3,824,526)
Movement in other assets and liabilities		(77,522)	(230,450)
<b>Net cash flows from operating activities</b>		<b>(779,626)</b>	<b>1,585,069</b>
<b>Cash flows from investing activities</b>			
Cash and investments introduced from transfer of engagements		23,700,893	-
Fixed asset (purchases)/disposals		(139,083)	(107,036)
Net cash flow from other investing activities		27,162,611)	(23,376,909)
<b>Net cash flows from investing activities</b>		<b>(3,600,801)</b>	<b>(23,483,945)</b>
<b>Cash flows from financing activities</b>			
Members' savings received	13	43,627,602	43,988,536
Members' savings withdrawn	13	(38,435,346)	(32,064,014)
<b>Net cash flow from financing activities</b>		<b>5,192,256</b>	<b>11,924,522</b>
Net increase/(decrease) in cash and cash equivalents		811,829	(9,974,354)
<b>Closing cash and cash equivalents</b>	<b>7</b>	<b>31,800,091</b>	<b>30,988,262</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

## 1 LEGAL AND REGULATORY FRAMEWORK

Heritage 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 Credit Union House, Main Street, Rathfarnham, Dublin 14.

## 2 ACCOUNTING POLICIES

### 2.1 Basis of preparation of financial statements

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

The financial statements are presented in Euro (€) which is also the functional currency of the credit union.

The following principal accounting policies have been applied:

### 2.2. Statement of compliance

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

### 2.3. Going concern

After reviewing the credit union's projections, the directors have reasonable expectation that the credit union has adequate resources to continue in operational existence for the foreseeable future. The credit union therefore continues to adopt the going concern basis in preparing its financial statements.

### 2.4. Income

#### *Interest on members' loans*

Interest on members' loans is recognised on an accruals basis using the effective interest method.

#### *Deposit and investment income*

Deposit and investment income is recognised on an accruals basis using the effective interest method.

#### *Other income*

Other income is recognised on an accruals basis.

### 2.5. Cash and cash equivalents

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

### 2.6. Deposits and investments

#### *Held at amortised cost*

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

#### *Central Bank Deposits*

Credit unions are obliged to maintain certain minimum deposits with the Central Bank but may also hold an excess over the regulatory minimum. The regulatory minimum deposits are technically assets of the credit union but to which the credit union has restricted access. The regulatory minimum portion will not ordinarily be returned to the credit union while it is a going concern and is separately identified in note 8, Deposits and investments - other. Funds held with the Central Bank in excess of the regulatory minimum requirements are fully

available to the credit union and are therefore treated as cash equivalents and are separately identified in note 8, Deposits and investments - cash equivalents. The amounts held on deposit with the Central Bank are not subject to impairment reviews.

**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.

**2.7. Financial assets – loans to members**

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

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

**2.8. Provision for bad debts**

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

by the credit union, and the credit union assesses and approves its provisions and the adequacy of same on a regular basis.

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

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

**2.9. Tangible fixed assets**

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

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

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

Depreciation is provided on the following basis:

Freehold premises	2% straight line per annum
Fixtures and equipment	20% straight line per annum
Computers	33.33% straight line per annum

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021  
(CONTINUED)

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

## 2.10. Impairment of assets

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

## 2.11. Other receivables

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

## 2.12. Members' deposits

Interest on members' deposits and thrift accounts is recognised on an accruals basis using the effective interest method.

## 2.13. Financial liabilities – members' shares and members' deposits and thrift accounts

Members' shares, members' deposits and thrift accounts are redeemable and therefore are classified as financial liabilities. They are initially recognised at the amount of cash deposited and

subsequently measured at amortised cost.

## 2.14. Other payables

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

## 2.15. Pension costs

The credit union operates a defined contribution plan for certain employees. A defined contribution plan is a pension plan under which the credit union pays fixed contributions into a separate entity. Once the contributions have been paid the credit union has no further payments obligations.

The contributions are recognised as an expense in the income and expenditure account when they fall due. Amounts not paid are shown in accruals as a liability on the balance sheet. The assets of the plan are held separately from the credit union in independently administered funds.

## 2.16. Holiday pay

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

## 2.17. Derecognition of financial liabilities

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

## 2.18. Regulatory reserve

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

## 2.19. 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. The credit union uses the Basic Indicator Approach as set out in the operational risk measurements techniques proposed under Basel II capital adequacy rules for banking institutions in calculating the operational risk reserve. Therefore the credit union will hold an operational risk reserve which will at a minimum equal 15% of the average positive gross income for the previous three years. For any year in which there was a deficit, this will be excluded from the calculation.

## 2.20. Other reserves

Other reserves are the accumulated surpluses to date that have not been declared as dividends returnable to members. The other reserves are subdivided into realised and unrealised. In accordance with the Central Bank guidance note for credit unions on matters relating to accounting for investments and distribution policy, investment income that has been recognised but will not be received within 12 months of the balance sheet date is classified as “unrealised” and is not distributable. A reclassification between unrealised and realised is made as investments come to within 12 months of maturity date. The directors have deemed it appropriate that interest on loans receivable at the balance sheet date is also classified as “unrealised” and is not distributable. All other income is classified as “realised”.

## 2.21. Distribution policy

Dividends and loan interest rebates are made

from the current year’s surplus or reserves set aside for that purpose. The board’s proposed dividends and loan interest rebates to members each year is based on the distribution policy of the credit union.

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

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

all dominated by prudence and the need to sustain the long-term welfare of the credit union.

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

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

## 2.22 Transfer of engagements

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

## 2.23 Taxation

The credit union is not subject to income tax or corporation tax on its activities.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021  
(CONTINUED)

## 3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCE OF ESTIMATION UNCERTAINTY

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

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

The annual depreciation charge depends primarily on the estimated lives of each type of asset and, in certain circumstances, estimates of residual values. The directors regularly review these useful lives and change them if necessary to reflect current conditions. In determining these useful lives management consider technological change, patterns of consumption, physical condition and expected economic utilisation of the assets. Changes in the useful lives can have a significant impact on the depreciation charge for the financial year. The net book value of tangible fixed assets subject to depreciation at the year end was €3,085,051 (2020: €2,797,290).

### ***Provision for bad debts***

The credit union's accounting policy for impairment of loans is set out in the accounting policy in note 2.8. The estimation of loan losses is inherently uncertain and depends upon many factors, including loan loss trends, credit risk characteristics in loan classes, local and international economic climates, conditions in various sectors of the economy to which the credit union is exposed, and, other external factors such as legal and regulatory requirements. The provision for bad debts in the financial statements at the year end was €3,852,988 (2020: €3,684,201) representing 7.51% (2020: 8.45%) of the total gross loan book.

### ***Operational risk reserve***

The directors have considered the requirements of the Credit Union Act, 1997 (as amended) and have considered an approach to the calculation of the operational risk reserve. The credit union uses the basic indicator approach as set out in the operational risk measurements techniques proposed under Basel II capital adequacy rules for banking institutions in calculating the minimum operational risk reserve. The operational risk reserve of the credit union at the year end was €1,140,757 (2020: €997,125).

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

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

## 4. TRANSFERS OF ENGAGEMENTS

On 26 November 2020 Heritage Credit Union ("HCU") accepted the transfer of Milltown/Clonskeagh Credit Union Limited ("MCCU") and Halston Street Credit Union Limited ("HSCU"). The assets and liabilities of MCCU and HSCU at the date of transfer were incorporated into the balance sheet of HCU at that date.

On 9 June 2021 HCU accepted the transfer of VFI Credit Union Limited (“VFICU”). The assets and liabilities of VFICU at the date of transfer were incorporated into the balance sheet of HCU at that date.

HCU did not pay any consideration in respect of the transfers of engagements. On the date of transfer, the members of the transferor credit unions became members of HCU, and thereby became entitled to member interest associated with such membership. In applying the acquisition method of accounting for this business combination, the members’ interests transferred by HCU represents the consideration transferred for the net assets acquired. This consideration has been estimated as equivalent to the acquisition date fair value of the members’ interests in the transferor credit unions (the fair value of the transferor credit unions) at the date of transfer, and is reflected as an adjustment in reserves in note 17 on page 36.

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

	Fair value of MCCU assets and liabilities acquired by HCU €	Fair value of HSCU assets and liabilities acquired by HCU €	Fair value of VFICU assets and liabilities acquired by HCU €	Total €
Cash on hand and at bank	(164,653)	4,730,698	264,229	4,830,274
Deposits and investments	11,591,225	6,753,178	526,216	18,870,619
Loans to members	2,566,485	3,238,481	81,242	5,886,208
Provision for bad debts	(225,000)	(415,634)	(27,990)	(668,624)
Tangible fixed assets	147,910	215,394	-	363,304
Debtors, prepayments and accrued income	-	8,075	-	8,075
Members’ savings	(11,919,771)	(12,966,388)	(668,887)	(25,555,046)
Other liabilities, creditors, accruals and charges	(240,667)	(71,445)	(89,757)	(401,869)
	<b>1,755,529</b>	<b>1,492,359</b>	<b>85,053</b>	<b>3,332,941</b>

## 5. KEY MANAGEMENT PERSONNEL COMPENSATION

The directors of the Credit Union are all unpaid volunteers. The key management personnel compensation is as follows.

	2021 €	2020 €
Short term employee benefits paid to key management	422,625	406,508
Payments to pension schemes	28,993	23,401
<b>Total key management personnel compensation</b>	<b>451,618</b>	<b>429,909</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021  
(CONTINUED)

## 6. NET IMPAIRMENT (GAINS)/LOSSES ON LOANS TO MEMBERS

	2021	2020
	€	€
Bad debts recovered	(536,473)	(230,279)
Impairment of loan interest reclassified as bad debt recoveries	(137,008)	(80,811)
Movement in bad debts provision during the year	(499,837)	454,998
Loans written off during the year	677,548	420,197
<b>Net impairment (gains)/losses on loans to members</b>	<b>(495,770)</b>	<b>564,105</b>

## 7. CASH AND CASH EQUIVALENTS

	2021	2020
	€	€
Cash and balances at bank	1,362,514	5,252,635
Deposits & investments - cash equivalents (note 8)	30,437,577	25,735,627
<b>Total cash and cash equivalents</b>	<b>31,800,091</b>	<b>30,988,262</b>

## 8. DEPOSITS AND INVESTMENTS

	2021	2020
	€	€
<b>Deposits and investments – cash equivalents</b>		
Accounts in authorised credit institutions (Irish and non-Irish based)	21,950,495	19,369,605
Central Bank deposits	8,487,082	6,366,022
<b>Total deposits and investments – cash equivalents</b>	<b>30,437,577</b>	<b>25,735,627</b>
<b>Deposits and investments – other</b>		
Accounts in authorised credit institutions (Irish and non-Irish based)	77,012,240	52,059,794
Irish and EEA state securities	3,339,576	3,358,098
Bank bonds	27,629,822	25,691,320
Central Bank deposits	1,464,498	1,175,558
Other	1,497,526	1,496,281
<b>Total deposits and investments – other</b>	<b>110,943,662</b>	<b>83,781,051</b>
<b>Total deposits and investments</b>	<b>141,381,239</b>	<b>109,516,678</b>



## 9. FINANCIAL ASSETS – LOANS TO MEMBERS

	2021	2020
	€	€
As at 1 October	43,608,623	44,768,059
Loans arising on transfer of engagements	5,886,208	-
Loans granted during the year	26,068,099	21,534,687
Loans repaid during the year	(23,574,871)	(22,273,926)
<b>Gross loans and advances</b>	<b>51,988,059</b>	<b>44,028,820</b>
<b>Bad debts</b>		
Loans written off during the year	(677,548)	(420,197)
<b>As at 30 September</b>	<b>51,310,511</b>	<b>43,608,623</b>

## 10. PROVISION FOR BAD DEBTS

	2021	2020
	€	€
As at 1 October	3,684,201	3,229,203
Provision arising on transfer of engagements	668,624	-
Movement in bad debts provision during the year	(499,837)	454,998
<b>As at 30 September</b>	<b>3,852,988</b>	<b>3,684,201</b>

The provision for bad debts is analysed as follows:

	2021	2020
	€	€
Grouped assessed loans	3,852,988	3,684,201
<b>Provision for bad debts</b>	<b>3,852,988</b>	<b>3,684,201</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021  
(CONTINUED)

## 11. TANGIBLE FIXED ASSETS

	Freehold Premises	Fixtures & Equipment	Computers	Total
	€	€	€	€
<b>COST</b>				
1 October 2020	5,155,240	713,401	668,822	6,537,463
On transfers of engagements	338,117	8,714	16,473	363,304
Additions	-	72,062	67,021	139,083
<b>At 30 September 2021</b>	<b>5,493,357</b>	<b>794,177</b>	<b>752,316</b>	<b>7,039,850</b>
<b>DEPRECIATION</b>				
1 October 2020	2,521,267	619,395	599,511	3,740,173
Charge for year	101,433	45,418	67,775	214,626
<b>At 30 September 2021</b>	<b>2,622,700</b>	<b>664,813</b>	<b>667,286</b>	<b>3,954,799</b>
<b>NET BOOK VALUE</b>				
<b>At 30 September 2021</b>	<b>2,870,657</b>	<b>129,364</b>	<b>85,030</b>	<b>3,085,051</b>
At 30 September 2020	2,633,973	94,006	69,311	2,797,290

## 12. DEBTORS, PREPAYMENTS AND ACCRUED INCOME

	2021	2020
	€	€
Loan interest receivable	142,635	124,037
Prepayments	205,550	165,054
Accrued income on investments	528,845	530,748
Other debtors	1,042	100,654
<b>As at 30 September</b>	<b>878,072</b>	<b>920,493</b>

## 13. MEMBERS' SAVINGS

	2021	2020
	€	€
As at 1 October	136,466,416	124,541,894
Members' savings arising on transfer of engagements	25,555,046	-
Received during the year	43,627,602	43,988,536
Withdrawn during the year	(38,435,346)	(32,064,014)
<b>As at 30 September</b>	<b>167,213,718</b>	<b>136,466,416</b>

Member Savings are analysed as follows:

Members' shares	163,022,690	133,553,984
Members' deposits/thrift accounts	4,191,028	2,912,432
<b>Total members' savings</b>	<b>167,213,718</b>	<b>136,466,416</b>

#### 14. OTHER LIABILITIES, CREDITORS, ACCRUALS AND CHARGES

	2021	2020
	€	€
Accruals	833,006	596,680
PAYE/PRSI	39,313	34,721
Cash draw	57,200	48,000
<b>As at 30 September</b>	<b>929,519</b>	<b>679,401</b>

#### 15. OTHER PROVISIONS

	2021	2020
	€	€
Holiday pay accrual		
At 1 October	19,285	16,748
Charged to the income and expenditure account	23,733	2,537
<b>As at 30 September</b>	<b>43,018</b>	<b>19,285</b>

#### 16. FINANCIAL INSTRUMENTS

16a. Financial instruments – measured at amortised cost	2021	2020
<b>Financial assets</b>	<b>€</b>	<b>€</b>
Financial assets measured at amortised cost	158,784,151	126,587,114
<b>Financial liabilities</b>	<b>€</b>	<b>€</b>
Financial liabilities measured at amortised cost	168,186,255	137,165,102

Financial assets measured at amortised cost comprise of cash and balances at bank, deposits and investments, loans, accrued income on investments and other debtors.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021  
(CONTINUED)

Financial liabilities measured at amortised cost comprise of member savings, other liabilities, creditors, accruals and charges and other provisions.

## 16b. Financial instruments – fair value measurements

FRS 102 requires fair value measurements to be disclosed by the source of inputs, using a three level hierarchy:

- Quoted prices for identical instruments in active market (level 1);
- Prices of recent transactions for identical instruments and valuation techniques using observable market data (level 2), and
- Valuation techniques using unobservable market data (level 3).

The table below sets out fair value measurements using the fair value hierarchy:

At 30 September 2021	Total	Level 1	Level 2	Level 3
	€	€	€	€
Accounts in Authorised Credit Institutions	32,800,000	-	32,800,000	-
Bank Bonds	3,000,000	-	3,000,000	-
<b>Total</b>	<b>35,800,000</b>	<b>-</b>	<b>35,800,000</b>	<b>-</b>

At 30 September 2020	Total	Level 1	Level 2	Level 3
	€	€	€	€
Accounts in Authorised Credit Institutions	29,413,335	-	29,413,335	-
Bank Bonds	3,008,889	-	3,008,889	-
<b>Total</b>	<b>32,422,224</b>	<b>-</b>	<b>32,422,224</b>	<b>-</b>

There were no fair value adjustments recognised in the income and expenditure account for the year ended 30 September 2021 (2020: €nil).

## 17. RESERVES

	Balance 01/10/20	Arising on Transfer of Engagements	Appropriation of current year surplus	Transfers between reserves	Balance 30/09/21
	€	€	€	€	€
Regulatory reserve	16,168,186	3,014,509	-	435,491	19,618,186
Operational risk reserve	997,125	62,500	81,132	-	1,140,757

**OTHER RESERVES**

**Realised**

General reserve	3,944,674	255,932	1,291,776	(435,491)	5,056,891
<b>Total realised reserves</b>	<b>3,944,674</b>	<b>255,932</b>	<b>1,291,776</b>	<b>(435,491)</b>	<b>5,056,891</b>

**Unrealised**

Interest on loans reserve	124,037	-	18,598	-	142,635
Investment income reserve	12,394	-	7,281	-	19,675
<b>Total unrealised reserves</b>	<b>136,431</b>	<b>-</b>	<b>25,879</b>	<b>-</b>	<b>162,310</b>
<b>Total reserves</b>	<b>21,246,416</b>	<b>3,332,941</b>	<b>1,398,787</b>	<b>-</b>	<b>25,978,144</b>

**18. CREDIT RISK DISCLOSURES**

In line with regulatory requirements, the credit union:

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

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

	2021		2020	
	€	%	€	%
<b>LOANS NOT IMPAIRED</b>				
Total loans not impaired, not past due	42,613,334	83.05%	34,955,754	80.16%
<b>IMPAIRED LOANS:</b>				
Not past due	1,250,569	2.44%	1,305,093	2.99%
Up to 9 weeks past due	4,910,542	9.57%	4,342,591	9.96%
Between 10 and 18 weeks past due	933,694	1.82%	957,476	2.19%
Between 19 and 26 weeks past due	367,224	0.71%	731,176	1.68%
Between 27 and 39 weeks past due	315,123	0.61%	593,239	1.36%
Between 40 and 52 weeks past due	188,807	0.37%	199,833	0.46%
53 or more weeks past due	731,218	1.43%	523,461	1.20%
<b>Total impaired loans</b>	<b>8,697,177</b>	<b>16.95%</b>	<b>8,652,869</b>	<b>19.84%</b>
<b>TOTAL LOANS</b>	<b>51,310,511</b>	<b>100.00%</b>	<b>43,608,623</b>	<b>100.00%</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021  
(CONTINUED)

## 19. RELATED PARTY TRANSACTIONS

### 19a. Loans

	2021		2020	
	No. of loans	€	No. of loans	€
Loans advanced to related parties during the year	3	52,200	3	20,865
Total loans outstanding to related parties at the year end	7	132,504	4	18,570
Total provision for loans outstanding to related parties		5,915		159

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 0.26% of the total loans outstanding at 30 September 2021 (2020: 0.04%).

### 19b. Savings

The total amount of savings held by related parties at the year end was €243,138 (2020: €227,567).

## 20. ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURES

### 20a. Financial risk management

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

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

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

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

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

**20b. Liquidity risk disclosures**

The credit union's policy is to maintain sufficient funds in liquid form at all times to ensure that it can meet its liabilities as they fall due. The credit union adheres on an ongoing basis to the minimum liquidity ratio and minimum short term liquidity ratio as set out in regulatory requirements.

**20c. Interest rate risk disclosures**

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

	2021		2020	
	€	Average Int Rate %	€	Average Int Rate %
Gross loans to members	51,310,511	9.08%	43,608,623	9.14%

Any dividend payable is at the discretion of the directors and is therefore not a financial liability of the credit union until declared and approved at the AGM.

**21. RATE OF INTEREST PAID ON MEMBERS' DEPOSIT ACCOUNTS**

	2021		2020	
	%	€	%	€
Interest on deposits	0.00%	-	0.02%	110

**22. DIVIDENDS AND LOAN INTEREST REBATES**

The following distributions were made during the year:

	2021		2020	
	%	€	%	€
Dividends on shares	0.00%	-	0.05%	57,929
Loan interest rebates (on standard rate loans)	0.00%	-	5.00%	151,871

The directors are not proposing a dividend or loan interest rebate in respect of the financial year ended 30 September 2021 (2020: The directors did not propose a dividend or loan interest rebate).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021  
(CONTINUED)

## 23. EVENTS AFTER THE END OF THE FINANCIAL YEAR

There have been no significant events affecting the credit union since the year end.

## 24. INSURANCE AGAINST FRAUD

The credit union has Insurance against fraud in the amount of €5,200,000 (2020: €5,200,000) in compliance with Section 47 of the Credit Union Act, 1997 (as amended).

## 25. CAPITAL COMMITMENTS

There were no capital commitments at 30 September 2021.

## 26. CONTINGENT LIABILITIES

**26a.** In September 2018, the Registry of Credit Unions advised all credit unions of a potential matter in relation to accrued interest outstanding on certain top-up loans which may have led to a potential over-collection of interest. Following this, the credit union undertook a review to ascertain whether any top-up loans made to members might be impacted by these circumstances, and if so, to determine what actions may need to be taken. The credit union has concluded its review and is satisfied that no over-collection of interest has occurred.

**26b.** There is a contingent liability included in the Letter of Authority held by Bank of Ireland in the amount of €207,500 with regard to Electronic Fund Transfer facilities

## 27. COMPARATIVE INFORMATION

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

## 28. APPROVAL OF FINANCIAL STATEMENTS

The board of directors approved these financial statements for issue on 26/11/2021.

The following schedules do not form part of the statutory financial statements which are the subject of the Independent Auditors' Report on pages 17 to 19.



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## SCHEDULES TO THE INCOME AND EXPENDITURE ACCOUNT

For the financial year ended 30 September 2021

### SCHEDULE 1 OTHER INTEREST INCOME AND SIMILAR INCOME

	2021	2020
	€	€
Investment income and gains received/receivable within 1 year	993,844	817,388
Investment income receivable outside of 1 year	7,281	7,278
<b>Total per income and expenditure account</b>	<b>1,001,125</b>	<b>824,666</b>

### SCHEDULE 2 OTHER INCOME

	2021	2020
	€	€
Commission and fees	22,152	32,112
ECCU rebate	120,669	-
<b>Total per income and expenditure account</b>	<b>142,821</b>	<b>32,112</b>

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## SCHEDULES TO THE INCOME AND EXPENDITURE ACCOUNT

For the financial year ended 30 September 2021  
(CONTINUED)

### SCHEDULE 3 OTHER MANAGEMENT EXPENSES

	2021	2020
	€	€
Rates	40,951	56,052
Light, heat, canteen and cleaning	97,099	79,534
Repairs and maintenance	94,131	89,386
Security costs	29,251	25,545
Printing and stationery	60,011	37,360
Postage and telephone	45,004	43,767
Donations and sponsorship	35,722	36,189
Debt collection	39,497	23,535
Promotion and advertising	88,380	71,407
Training costs	41,455	32,673
AGM expenses	45,351	36,627
Travel and subsistence	5,824	9,715
Audit fee	21,525	21,325
General insurance	77,219	59,874
Share and loan insurance, DBI and SPS contributions	840,910	729,856
Pension	187,411	142,149
Legal and professional fees	126,472	267,660
Computer maintenance	263,523	208,165
Miscellaneous expenses	9,144	7,162
Affiliation fees	43,750	44,250
Bank charges	86,846	73,253
Regulatory levies and charges	281,665	240,487
<b>Total per income and expenditure account</b>	<b>2,561,141</b>	<b>2,335,971</b>

### SCHEDULE 4 CASH DRAW INCOME AND EXPENDITURE ACCOUNT

	2021	2020
	€	€
Opening Balance 1 October	48,000	38,280
Receipts	127,240	117,040
Disbursements	(118,040)	(107,320)
<b>As at 30 September</b>	<b>57,200</b>	<b>48,000</b>

# REPORT OF THE CREDIT COMMITTEE

The Credit committee meet on a weekly basis to oversee the lending process, reviewing samples of applications which have been approved to ensure that lending policies are correctly and fairly applied. When loans are granted, we ensure the correct documentation is supplied and that the member can afford to pay the loan within their current financial circumstance.

2021 continued to present challenges after a difficult 2020, despite this however we experienced an increase in lending with €26,068,099 issued for the year. The tables below show the range of loan purposes and the activity over the past two years.

Loan issued by Purpose	2021		2020	
	Volume	€	Volume	€
Home Improvements	3,259	14,834,635	1,854	8,903,044
Car Purchase / Repair	1,221	7,810,338	1,287	6,563,093
Medical	273	719,010	147	388,090
Education	279	698,129	233	515,506
Christmas	560	653,870	451	547,910
Holidays	298	447,884	1,107	2,462,856
Debt Consolidation	31	381,104	35	349,974
Weddings	44	311,990	110	1,030,046
Funeral Expenses	72	110,454	250	345,565
Communion / Confirmation	47	54,550	115	204,767
PMC Loans	83	46,135	124	73,836
Mortgages	0		1	150,000
<b>Grand Total</b>	<b>6167</b>	<b>26,068,099</b>	<b>5,714</b>	<b>21,534,687</b>

Loans Issued by Value	2021		2020	
	Volume	€	Volume	€
0 - 500	1,009	384,205	1,031	397,615
501 - 1,000	1,284	1,145,807	1,245	1,086,767
1,001 - 3,000	1,883	3,936,127	1,777	3,688,878
3,001 - 5,000	739	3,282,554	661	2,932,143
5,001 - 10,000	703	5,855,071	579	4,653,421
10,001 - 25,000	450	7,267,449	339	5,384,849
25,001 - 50,000	82	2,990,708	69	2,383,014
50,001 - 100,000	16	1,096,178	12	858,000
Over 100,000	1	110,000	1	150,000
<b>Grand total</b>	<b>6167</b>	<b>26,068,099</b>	<b>5,714</b>	<b>21,534,687</b>

Loans are granted primarily on the members ability to repay. When applying for a loan you must provide the documentation to demonstrate the ability to repay. This may include payslips and bank statements.

Loans are approved from Monday through to Saturday and members now have the facility to apply online and even collect their approved loan online using a digital signature. This has proved to be extremely popular with members allowing them the convenience to collect the loan from the comfort of their own home at a time of their choosing.

In addition to our online offerings members have 9 offices in which to repay their loans or apply for a loan. Our friendly and experienced staff are always on hand to answer any queries regarding loans and repayments.

**Anne Carroll Chairperson**

**Mary Cullen Secretary**

**Marie Kelly**

**Denis Kehoe**

# REPORT OF THE BOARD OVERSIGHT COMMITTEE

The Board Oversight Committee (“BOC”) operates as an independent function within Heritage Credit Union. The main purpose of the BOC is to oversee, on behalf of the members, the performance of the Board of Directors in carrying out their functions, through assessing performance and compliance of the Board with legislation and regulations from the Central Bank. The BOC has authority vested in it by the Credit Union Acts 1997 to 2012 to allow it be an independent voice in the members’ interest if and as required.

The principal function of the BOC, as defined by the Credit Union Acts 1997 to 2012, is to assess if the Board has operated in accordance with Part IV of the Act. This relates to the duties and responsibilities assigned to the Board of Directors. The BOC also monitors how well the Board activities are performed. This involves attending all Board meetings and reviewing communication and documentation. We conduct monthly meetings and review the correspondences, meeting minutes, reports, policies and other communications as appropriate. The performance of the subcommittees and both the individual and collective workings of the Board are considered on an ongoing basis and reported back to the Board four times a year at meetings held specifically for that purpose.

The BOC ensure that we have excellent governance structures in place and continue to improve our knowledge of governance by keeping technically up to date through attendance at Continual Professional Development Courses including CU Learning & Development.

The Board makes prudent use of external advice and training to complement the experience and skillsets, The BOC is satisfied that the Board functions in the members best interests.

Covid has brought communication challenges as the Board have been unable to meet in person since March 2020. We hope that in 2022 in person meetings can take place in a safe environment to facilitate new and existing directors meeting in person.

**Ruth O’Sullivan**  
**Chairperson, Board Oversight Committee**



Heritage Credit Union were delighted to take part in the Step up Challenge 2021!

# REPORT OF THE CREDIT CONTROL COMMITTEE

The function of the Credit Control Committee is to oversee the application of the Credit Control Policy of Heritage Credit Union and to ensure loan commitments are honoured by members. The Committee meets with the Credit Control function regularly to review and monitor all loans in arrears and works with them to take the appropriate steps in dealing with those loans. Regular meetings are also held with the Credit Committee.

The Covid-19 pandemic continued to play a part in credit control activity. A substantial amount of Credit Control time was spent supporting members who experienced temporary financial difficulties in meeting their loan repayments. Borrowers could avail of a Temporary Repayment Flexibility Arrangement for an initial period of up to 3 months, but this could be extended on a case-by-case basis where necessary. Over the year the number of these arrangements outstanding continued to decline and these loans are now performing as originally agreed.

The Committee wishes to stress the importance of maintaining contact with our Credit Union should any member have problems with their loan repayments. Contact should be made with our Credit Controller as early as possible to discuss their problem, in complete confidence, either by phone 01-4999848 or email [creditcontrol@heritagecu.ie](mailto:creditcontrol@heritagecu.ie).

During the past financial year loans totalling €677,548 were written off as bad debts, however €536,473 was recovered from loans previously written off. We are happy to report that some of the loans written off during the year have already re-commenced payments.

Members should be aware that even though a loan is written off the debt remains and is still owed to the Credit Union. The policy of the Credit Union is that all overdue debts are vigorously followed up by all possible means. Unfortunately, in some cases this may result in legal proceedings being initiated. However, this only happens when all other avenues have been exhausted.

Our Credit Union was a member of the Irish Credit Bureau (ICB), and the arrears position on loans was reported monthly until ICB ceased to trade on the 1st of October 2021. We are also obliged to report the status of outstanding loans on a monthly basis to the Central Credit Register (CCR). Borrowers should be aware that failing to make their agreed repayments will have a negative impact on their ability to obtain credit in the future.

The Committee would like to thank all of our members who continue to meet their loan obligations. We also thank the Credit Control staff for their continued hard work and the wider staff and management for their help and cooperation throughout the year. We would also like to welcome Keith Fitzgerald who joined our committee during the year.

**Helena Shanahan, Chairperson**  
**Adrian O'Brien, Secretary**  
**Daphne Byrne**  
**Keith Fitzgerald**

# REPORT OF THE MEMBERSHIP COMMITTEE

All membership applications are reviewed by the Membership Committee to ensure that individual credit union applicants are eligible for membership.

During the year 1,261 new members joined Heritage Credit Union, and an analysis by age range follows:

	2021	2020
Under 16	244	274
16 - 19	93	72
20 - 24	162	149
25 - 29	137	135
30 - 34	120	83
35 - 39	135	88
40 - 44	76	71
45 - 49	84	65
50 - 54	80	56
55 - 59	47	50
60 - 64	30	37
65 - 69	29	27
70 - 74	12	16
75 - 79	9	7
80 - 84	3	4
85+	0	2
<b>Total</b>	<b>1,261</b>	<b>1,136</b>

On 30th September 2021, our membership stood at 41,766.

To be eligible for membership a person must:

- Live, work, or attend an educational establishment in the area covered by our Common Bond or be a family member sharing the same residence as an existing member.
- Provide evidence of identify such as Passport, Driving Licence, or official identity card.
- Provide evidence of address such as a household bill, bank statement or official headed document, all dated within six months prior to date of application.

We wish to extend our sincere sympathy to the families and friends of members who passed away during the year.

The Committee would like to thank all the members for their ongoing support of the credit union and ask for their assistance in spreading the credit union message to a wider audience.

We thank the management and staff for their assistance during the year.

**Daphne Byrne, Chairperson**  
**Alan Roche, Secretary**  
**Christine Kennedy**  
**Helena Shanahan**

## ALL THE BENEFITS OUR MEMBERS ENJOY



# BASIC INFORMATION ABOUT THE PROTECTION OF YOUR ELIGIBLE DEPOSITS

Eligible deposits in Heritage Credit Union Ltd are protected by:	the Deposit Guarantee Scheme (“DGS”) <sup>(1)</sup>
Limit of protection:	€100,000 per depositor per credit union
If you have more eligible deposits at the same credit union:	All your eligible deposits at the same credit union are ‘aggregated’ and the total is subject to the limit of €100,000
If you have a joint account with other person(s):	The limit of €100,000 applies to each depositor separately <sup>(2)</sup>
Reimbursement period if the credit union fails	20 working days
Currency of reimbursement:	Euro
To contact the credit union for enquiries relating to your account:	Heritage Credit Union Ltd, Credit Union House, Main St, Rathfarnham, Dublin 14 Email: info@heritagecu.ie
To contact the DGS for further information on compensation:	Deposit Guarantee Scheme, Central Bank of Ireland, PO BOX 11517, Spencer Dock, North Wall Quay, Dublin 1 Tel: 1890 777777 Email: info@depositguarantee.ie
For more information:	www.depositguarantee.ie

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

Your savings are covered by a statutory deposit guarantee scheme. If insolvency should occur, you will be repaid up to €100,000.

This repayment covers at maximum €100,000 per person per credit union. This means that all eligible savings at the same credit union are added up in order to determine the coverage level. If, for instance, a member holds share with €90,000 and deposits with €20,000, (s)he will only be repaid €100,000.

## (2) Limit of protection for joint accounts

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

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

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

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

# COMMUNITY AND MARKETING REPORT

Again in 2021, the Credit Union has been awarded No.1 in Ireland's CX Insights Report. Top Spot for Best Customer Experience for a seventh year in a row. What an achievement. Congratulations to all our colleagues across the movement!

In early 2021, we welcomed all our new members from the Halston Street and Milltown-Clonskeagh Credit Union. The exterior of the Halston Street office building was given significant attention, as a valued asset in the Capel Street and surrounding area, with signage replaced and front exterior repainted and brightened up. At Milltown-Clonskeagh, while also making some modifications to the exterior of the building. We were delighted to support the Annville Park Dundrum Road Residents Association who raised funds to purchase a Defibrillator to be accessible to the public 24/7. We donated to this much needed life saving device and it is also located at our Milltown Clonskeagh office.

Although disappointed not to be hosting our favourite annual event - the Schools Quiz. We were delighted to support the first ever "virtual" ILCU Monster Schools Quiz. A unique virtual experience that allowed all the family to join in and have some fun together. In 2021, we continued to work with our colleagues the Dublin Credit Unions, and Heritage Credit Union once again played a key role in driving this collaboration throughout the year. Under the banner #localloyalandlending, we ran a number of radio campaigns amongst other marketing activities, reminding members that when they choose their local Credit Union, they are supporting their community. This collaboration also resulted in the creation of an entertaining video with our colleagues in Cork, highlighting the benefits of dealing with the local Credit Union. Even when you're not in your own county!

CU Greener Home was a key feature of our marketing activity throughout the latter half of the year, and we took every opportunity to support this national campaign and raise awareness of the unique partnership with Energia and House2Home, which offers members grant support upfront, for works carried out in their home. We also continued to raise awareness with members of the importance of going green, taking every opportunity to encourage members to go paperless, apply for loans on-line and receive their statements and reports on-line. Internally, we continue to work with a print agency who use certified carbon balanced paper through the World Land Trust, who protect critically threatened tropical forests. We have also moved several marketing campaigns on-line to drive awareness of the Credit Union amongst our younger audience.

Within the community, we continue to support Leicester Celtic, Ballyboden St. Endas, the Chess community, and a number of schools and clubs who do so much to support their local community. In 2021 we also supported a number of Dublin based and National charities and groups. Some of which included St. Vincent De Paul, MQI, Trocaire, Make A Wish Foundation and Pieta House.



Heritage CU (Age 8-10 Category Winner) Selena



**IMAGINE**  
CREDIT UNION ART COMPETITION 2021

**HERITAGE**  
CREDIT UNION

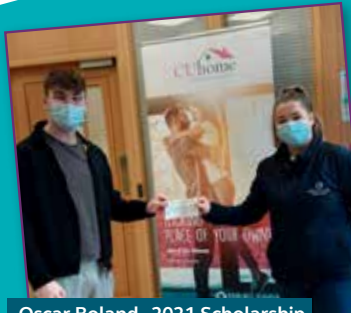




For many years, Heritage Credit Union has awarded scholarships of €1,500, per year for up to four years, to members completing a third level education course, diploma or degree. In 2021, our Scholarship Awards programme increased to six awards.

Congratulations to our six 2021 Scholarship award recipients; Roisin Macken, Fiachra Curran, Nicola Kelly, Katelyn Scully, Oscar Boland and Jonathan Berry-Walshe. Best of luck for this academic year, from all the team at Heritage Credit Union.

## TWO OF OUR 2021 SCHOLARSHIP AWARD WINNERS



Oscar Boland - 2021 Scholarship Award Winner



Roisin Macken - 2021 Scholarship Award Winner

## TWO OF OUR 2020 SCHOLARSHIP AWARD WINNERS IN TO VISIT US AND COLLECT THEIR €1,500 FOR THIS ACADEMIC YEAR!



Colin O'Malley presenting Fionn Whelan with his scholarship award



Sally Corbett presenting Ellen Yarr with her scholarship award

Our 2020 scholarship award winners, collecting their award for the second year! We are delighted to be supporting so many students in our common bond, through our Scholarship Award.

## NEW CEO APPOINTED

Over the past number of months, we have been preparing for a big change at Heritage Credit Union!

On 1st February 2022, we announced that Al McCauley was officially stepping down as CEO, after 11 very successful years in the role. Al is now succeeded by Alan Roche, formerly Operations Manager at Heritage Credit Union for the past 5 years. Al McCauley has led Heritage Credit Union through a successful and strong growth phase over the past number of years. A phase that has included the completion of complex and strategic projects, successful mergers with other Credit Unions, a wide range of regulatory changes and the introduction of new products and services to benefit members.

This was a big day for Heritage Credit Union, Al McCauley and Alan Roche, as they officially handed over CEO responsibilities. Al wished Alan every success in his new role and congratulated him on his promotion, and was quoted as saying “Alan is a valued member of the management team. His knowledge of the Credit Union movement, combined with his experience, enthusiasm and dedication to Heritage Credit Union; makes him an ideal leader as our Credit Union starts a new chapter in its’ history”.



Alan thanked Al for his tireless dedication at the helm of Heritage Credit Union and looks forward to taking on this new role and responsibility at this very exciting time of change in the Credit Union sector. “Working with a great team of people!” Alan was quoted saying.

The Heritage Credit Union Board of Directors, volunteers, staff and friends of Heritage, all wish Alan Roche great success in his new role and have personally thanked Al for all he has contributed to Heritage Credit Union over the last 11 years.

Once again, wishing you the very best life has to offer, as you retire Al. Thank you from all the team at Heritage!

# AMENDMENT OF STANDARD RULES 2021

## Rule 98(2)(d)

That this Annual General Meeting amends Rule 98(2)(d) by the deletion of “and” in line 4 so as to read as follows:

(d) shall, within the relevant period, be delivered personally or by post to the Bank, to the auditor, to the Irish League of Credit Unions and to each member of the credit union and, if delivered by post to any member, shall be so delivered to the address of that member as recorded in the books of the credit union;

## Rule 99(3)(a)

That this Annual General Meeting amends Rule 99(3)(a) of the Standard Rules for Credit Unions (Republic of Ireland) to provide for the notice requirements for an adjourned meeting (to include information with respect to an electronic meeting) so as to read as follows:

(3) Subject to paragraph (3) in rule 98:

(a) Paragraph (2)(a), (b), (d), (e), (f) of Rule 98 shall apply to a notice under paragraph (2)(b) of this rule as they apply to a notice under paragraph (1) of that rule; and

## Rule 53(1)

That this Annual General Meeting amends Rule 53(1) to read as follows:

The credit union shall have a board oversight committee which shall consist of 3 members. It shall consist of three or five members and shall have the general duty of overseeing the performance by the directors of their functions.



It's  
Time to  
Talk

About a Pension  
that's right for you



# HERITAGE CREDIT UNION OPENING HOURS

## Main Office

Main St., Rathfarnham, Dublin 14.

Tel: 01 490 0162

Mon	9.15am - 5.00pm
Tue*	9.15am - 5.00pm
Wed	Closed
Thu	9.15am - 6.00pm
Fri	9.15am - 5.00pm
Sat	9.15am - 12.45pm

## Capel Street

145 Capel Street, Dublin 1.

Tel: 01 872 2828

Mon	9.15am - 12.45 (Half Day)
Tue*	9.15am - 1.00pm 1.45pm - 5.00pm
Wed	9.15am - 1.00pm 1.45pm - 5.00pm
Thu	9.15am - 1.00pm 1.45pm - 6.00pm
Fri	9.15am - 1.00pm 1.45pm - 5.00pm
Sat	Closed

## Fortfield

46 Fortfield Park, Terenure, Dublin 6W.

Tel: 01 490 2565

Mon	Closed
Tue*	9.15am - 1.00pm 1.45pm - 5.00pm
Wed	9.15am - 1.00pm 1.45pm - 5.00pm
Thu	9.15am - 1.00pm 1.45pm - 5.00pm
Fri	9.15am - 1.00pm 1.45pm - 6.00pm
Sat	9.15am - 12.45pm

## Harold's Cross

244/246 Harold's Cross Road, Dublin 6W.

Tel: 01 497 4003

Mon	Closed
Tue*	9.15am - 1.00pm 1.45pm - 5.00pm
Wed	Closed
Thu	9.15am - 1.00pm 1.45pm - 5.00pm
Fri	9.15am - 1.00pm 1.45pm - 6.00pm
Sat	9.15am - 12.45pm

## Nutgrove Shopping Centre

Unit 25, Nutgrove Shopping Centre, Dublin 14.

Tel: 01 495 4833

Mon	Closed
Tue*	9.15am - 1.00pm 1.45pm - 5.00pm
Wed	9.15am - 1.00pm 1.45pm - 5.00pm
Thu	9.15am - 1.00pm 1.45pm - 6.00pm
Fri	9.15am - 1.00pm 1.45pm - 5.00pm
Sat	9.15am - 12.45pm

## Rialto

566 South Circular Road, Dublin 8.

Tel: 01 453 3047

Mon	9.15am - 1.00pm 1.45pm - 5.00pm
Tue*	Closed
Wed	9.15am - 1.00pm 1.45pm - 5.00pm
Thu	9.15am - 1.00pm 1.45pm - 5.00pm
Fri	9.15am - 1.00pm 1.45pm - 6.00pm
Sat	9.15am - 12.45pm

## Thomas Street

137 Thomas Street, Dublin 8.

Tel: 01 670 4087

Mon	9.15am - 1.00pm 1.45pm - 5.00pm
Tue*	9.15am - 1.00pm 1.45pm - 5.00pm
Wed	9.15am - 12.45pm (Half Day)
Thu	9.15am - 1.00pm 1.45pm - 6.00pm
Fri	9.15am - 1.00pm 1.45pm - 5.00pm
Sat	Closed

## Walkinstown

10 Walkinstown Green, Walkinstown, Dublin 12.

Tel: 01 450 9589

Mon	Closed
Tue*	9.15am - 1.00pm 1.45pm - 5.00pm
Wed	Closed
Thu	Closed
Fri	9.15am - 1.00pm 1.45pm - 6.00pm
Sat	9.15am - 12.45pm

## Windy Arbour

Dundrum Road, Dublin 14.

Tel: 01 298 7620

Mon	9.15am - 1.00pm 1.45pm - 5.00pm
Tue*	9.15am - 1.00pm 1.45pm - 5.00pm
Wed	Closed
Thu	9.15am - 1.00pm 1.45pm - 5.00pm
Fri	9.15am - 1.00pm 1.45pm - 6.00pm
Sat	9.15am - 12.45pm



\*Please note: All offices open at 11.30am on the last Tuesday of each month to facilitate staff training.



Tel: 01 490 0162 Email: [info@heritagecu.ie](mailto:info@heritagecu.ie) Web: [www.heritagecu.ie](http://www.heritagecu.ie)

Rathfarnham Village | Capel Street | Fortfield | Harold's Cross | Nutgrove Shopping Centre | Rialto | Thomas Street | Walkinstown | Windy Arbour

Heritage Credit Union Limited is regulated by the Central Bank of Ireland.

