



Credit Union Limited

where community matters

# Building

FINANCIAL HEALTH **for a**

# BRIGHTER

## Tomorrow



NOTIFICATION AND ANNUAL REPORT **2021**

## **Notice of Annual General Meeting**

Notice is hereby given that the Annual General Meeting of Synergy Credit Union Limited will be held virtually via Zoom,

**On Tuesday 14th December 2021 @ 7.30 pm**

Due to the continued high rates of Covid-19 in our community, the Annual General Meeting will be held virtually via Zoom, a live video stream that you will be able to access on-line. The meeting will be hosted by AVC Ltd. Each member is required to pre-register for the meeting.

A link for pre-registration is available on our website [www.synergycu.ie](http://www.synergycu.ie). Pre-registration will close on Thursday 9th December 2021.

### **Notice of Elections**

Elections will be held to fill 5 vacancies on the Board of Directors, 2 vacancies on the Board Oversight Committee and the position of Auditor.

### **Data Privacy**

At Synergy Credit Union, we are fully committed to protecting and respecting our members' privacy. Our privacy statement, which is available in any of our branches or to download from our website, sets out the basis on which any personal data we collect from and about you, or that you provide will be processed, used and stored by us.

If you require more information you can contact our DPO by emailing [dpo@synergycu.ie](mailto:dpo@synergycu.ie) or Freephone 1800 27 29 27.



## Online and Mobile Banking Services

Keeping you connected



Register for secure online banking @ [www.synergcu.ie](http://www.synergcu.ie)



Download the Mobile App for Credit Union banking in your hand.



Manage your Loan Online from application to drawdown.



View account balances and print e-statements.



Pay bills and transfer funds 24/7.



Sign up for our current account online with a debit card and overdraft facility.



Upload and sign documents securely Online.



Call us for support and queries: Freephone 1800 272927

Register today @ [www.synergcu.ie](http://www.synergcu.ie)

## Contents

	Page
Notice of Annual General Meeting.....	inside front cover
Notice of Elections.....	inside front cover
Data Privacy .....	inside front cover
Agenda .....	5
Standing Orders for A.G.M. ....	6
Directors' Report.....	7-8
Directors' Responsibilities Statement .....	9
Chairperson's Address .....	10-11
Board Oversight Committee Report .....	12
Independent Auditor's Report.....	13-15
Income and Expenditure Account.....	16
Statement of Comprehensive Income .....	17
Balance Sheet .....	18
Statement of Changes in Reserves.....	19
Statement of Cash Flows .....	20
Notes to the Financial Statements.....	21-34
Schedules to the Income and Expenditure Account.....	35
Report of the Credit Committee.....	36
Report of the Credit Control Committee .....	36
Report of the Membership Committee.....	37
Minutes from the Annual General Meeting 2020 .....	38-39

## Agenda

Topic	Time
(a) The acceptance by Board of Directors of the authorised representatives of members that are not natural persons;	7.30 pm to 7.32 pm
(b) Ascertainment that a quorum is present	7.32 pm to 7.33 pm
(c) Adoption of standing orders	7.33 pm to 7.35 pm
(d) Notice of Motions (Rule Amendments)	7.35 pm to 7.40 pm
(e) Approval (or correction) of the minutes of the 2020 annual general meeting (as circulated)	7.40 pm to 7.45 pm
(f) Report of the Board of Directors	7.45 pm to 7.55 pm
(g) Consideration of the accounts to 30th September 2021	7.55 pm to 8.00 pm
(h) Declaration of dividend and interest rebate	8.00 pm to 8.02 pm
(i) Report of the Auditor	8.02 pm to 8.05 pm
(j) Report of the Board Oversight Committee	8.05 pm to 8.10 pm
(k) Report of the Nomination Committee	8.10 pm to 8.15 pm
(l) Election of Auditor	8.15 pm to 8.20 pm
(m) Election to fill vacancies on the Board Oversight Committee and the Board of Directors	
(n) Report of the Credit Committee	8.20 pm to 8.22 pm
(o) Report of the Credit Control Committee	8.22 pm to 8.24 pm
(p) Report of the Membership Committee	8.24 pm to 8.26 pm
(q) Announcement of election results	8.26 pm to 8.26 pm
(r) Any other business	8.26 pm to 8.30 pm
(s) Close of meeting	8.30 pm

## Notice of Motion – Amendment to Rules

That this AGM proposes to amend Rule 9 (1) of the Standard Rules for Credit Unions “Amendment of Registered Rules” by inserting the following:

### *Interpretation*

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

## Standing Orders for A.G.M.

### 1. Voting:

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

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

### 2. Election Procedure - Electronic Voting

2. Following the announcement of nominations, attendees will be given the opportunity to vote electronically "Yes" or "No" for each candidate. Those in attendance will be given one (1) minute to record their vote. The mechanics of the electronic virtual voting process will be explained in more detail at the AGM by the Chairperson. Elections shall be in the following order:

- a) Position of auditor
- b) Members of the board oversight committee
- c) Board of Directors

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

### 3 - 4 Motions

3. In order to ensure the smooth running of the meeting, members can email any motions in advance to the Chairperson Pat Leogue [agm@synergycu.ie](mailto:agm@synergycu.ie)

As such, there will be no motions accepted from the floor during the course of the AGM.

Participants at the meeting can use an inbuilt Questions & Answer function to ask a question of the main speakers and presenters.

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 Chairperson 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 sections 81(1) and 80A of the Credit Union Act, 1997 (as amended).

### 11-16 Virtual Meeting Items

11. Members shall keep their microphones muted and video cameras off for the duration of the meeting, except for when requested to make contributions for the meeting.
12. A member shall only address the meeting when called upon by the Chairperson to do so for a maximum time period of 3 minutes. A countdown clock will be used. When a speaker has 30 seconds left, the clock will appear briefly on the screen. If you exceed the allotted speaking time you may be muted at the discretion of the Chairperson.
13. All members are asked to utilise the Q&A button on the bottom of the toolbar in Zoom to ask questions.
14. All members are reminded to conduct themselves in a professional manner. Please refrain from sharing any explicit, violent or inappropriate content.
15. Provision shall be made for the protection of the Chairperson from vilification (personal abuse)
16. All members are asked to keep their mobile phone silent. The vibrate setting can also cause disruptions. If you must take urgent calls, please ensure that your microphone is muted.

## Directors' Report

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.
- Entitled under the European Union (Payment Services) Regulations 2018 to provide payment services.
- To act on behalf of a payment institution in providing 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 principle 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 economical and operational risk relating to the uncertainty surrounding the impact of the COVID-19 pandemic.

## Directors' Report (continued)

For the financial year ended 30 September 2021

These risks and uncertainties 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 union's credit lending policy. All loan applications are assessed with reference to the credit lending policy in force at the time. Subsequently loans are regularly reviewed for any factors that may indicate that the likelihood of repayment has changed.

### 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 27/29 Patrick Street, Fermoy, Co Cork.

### 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 and signed on its behalf by:

**On behalf of the Credit Union:**

**Chairperson of the Board of Directors: Pat Leogue**

**Date: 16th November 2021.**

**Member of the Board of Directors: Adrian Godwin**

**Date: 16th November 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.

**On behalf of the Board:**

**Chairperson of the Board of Directors: Pat Leogue**  
**Date: 16th November 2021.**



**Member of the Board of Directors: Adrian Godwin**  
**Date: 16th November 2021.**



## Chairperson's Address

On behalf of the Board of Directors, I present the annual report and financial statements for the year ended 30th September 2021.

The theme of this year's report to members is **"Building financial health for a brighter tomorrow"** and now, perhaps more than ever, we are all very much aware of the challenges we face in achieving this goal.

This year's results reflect how our Credit Union performed under the shadow of COVID 19 for a full financial year.

Income at €2,783,543 was up 0.62% on income to 30th September 2020. Loan Interest income was down €2,602 (0.12%) to €2,187,596 and other interest income reduced by €30,284 (5.46%) to €524,176. The latter mainly comprises of the returns received on surplus funds i.e., funds not lent, that are invested and reflects the extremely low interest rate environment that prevails currently.

The total expenditure figure decreased by €1,212,101 (40.99%) to €1,744,661. The major contributor to the reduction in expenditure was the write back in the figure for net impairment (gains)/losses on loans to members. The total written back came to €867,489. Of this, €416,823 came from bad debts recovered during the year, up 16.69% on the previous year's figure. Loans written off during the year came to €93,722 and this was a reduction of 63.69% on the previous year. In last year's report, I advised that the Board had decided on a prudent approach given the economic uncertainty prevailing at that time by increasing the Bad & Doubtful Debt provision by €595,869, to cover the possible negative impact of Brexit, Covid 19 and macro-economic factors on future loan repayments. Now, following a careful and detailed loan book review, the Board is happy to reduce our Bad & Doubtful Debt provision by €505,230.

As a result, our Credit Union is reporting a surplus of €1,038,882 for the financial year ending 30th September 2021, versus a deficit of €190,493 for the previous year.

Total assets of Synergy Credit Union as of 30th September has increased by 6.16% to €100,514,052. Loans to members increased by 3.74% to €26,001,508 and represented 25.87% of total assets. Deposits & Investments increased to €73,883,850 to represent 73.51% of total assets.

Member shares increased by 5.87% to €85,706,776. The rate of increase in members' shares has slowed because of adjustments made to our savings management strategy in 2021 and the Board is continuing to review this strategy and may announce further changes if they are deemed necessary.

As mentioned in previous reports, the Credit Union model is built upon the provision of savings and loans and when savings are not used to fund lending, they are placed in secure approved investments. The rate of return on such investments has reduced substantially in recent years and shows no signs of improving. Therefore, we see that a mere 18.57% of income was generated from our Deposits & Investments which represented 73.51% of our assets on 30th September 2021.

On the other hand, loan interest paid by our borrowing members, whose loans represented just 25.87% of our assets on 30th September 2021, contributed 78.89% of total income.

Your Board is obliged to consider the stability of the balance sheet and, based on the components that contributed to the surplus reported in the financial report, the Board is not recommending any distributions by way of a dividend to members or by way of an interest rebate to borrowing members.

Climate change is a critical issue for society and following the Glasgow Declaration, the Central Bank requires all financial institutions to demonstrate their commitment to a culture that places emphasis on climate and other environmental, social and governance issues. It has therefore announced the establishment of a Climate Forum to bring together stakeholders to share knowledge and understanding of the implications of climate change for the Irish financial system.

Some of the implications of Brexit may still be hidden by the impact of the pandemic and our Board continues to monitor this risk.

On behalf of the Board and our members I must again commend our CEO, Martina Cotter, and the team of committed and loyal staff that she leads. They continue to respond and adapt to the unprecedented challenges of the Covid-19 pandemic. Through their efforts, our 3 offices remained open while protecting our members and our staff. Home working is still needed so I again ask that we, the members, continue to do our bit by avoiding visits to our offices whenever possible. You can now do all your business from the comfort of your own home so ask yourself if a visit to the office is essential or could you carry out your transaction online?

## Chairperson's Address (continued)

I wish to thank the volunteers who work tirelessly and spend long hours as members of sub-committees and /or members of the Board of Directors. It is a unique feature that has served this and other Credit Unions extremely well for over 50 years. We are delighted to welcome our new volunteers, three of whom are standing for election to the Board tonight and we commit to assisting you all to get to grips with your new roles. I also ask all members, who feel that they have something to contribute, to consider volunteering.

I thank the Board members stepping down tonight, Triona O'Flynn, Mairead Clancy and Ray Alley. Triona has been a volunteer for 16 years and is the longest serving member on the outgoing Board. We will miss Triona's experience and knowledge. Mairead and Ray were elected to our Board at our 2018 AGM and have both made valuable contributions to the Board and to the various committees on which they served. All 3 are stepping down for family/work reasons. We hope they will consider volunteering with us again at some stage in the future if circumstances permit.

We have taken some strategic decisions in recent years to help achieve our Vision to be a strong, forward thinking, dynamic, member focussed Credit Union that provides a full suite of financial services to members. Metamo was launched in 2019, its primary objective being to build a stronger, better future for Irish Credit Unions, by focussing on 3 key areas, Product & Technology Development, leveraging the collective scale of the participating credit unions to achieve stronger collective bargaining and provide participating credit unions with access to required expertise. Last year I advised that, through our involvement with Metamo, we received approval from the Strategic Banking Corporation of Ireland (SBCI) to participate in the Covid 19 Credit Guarantee Scheme. Through this Irish Government supported scheme, we have been able to provide loans to a number of local micro, small and medium sized enterprises adversely impacted by Covid 19.

This year Synergy Credit Union, through its involvement in Metamo, entered into a referral agreement with Irish Life for the provision of Life, Pension and Investment products. Talk to any of our staff and they can refer you to a dedicated Irish Life representative to discuss your needs. This is a free service for us the members and the advice given will be specifically tailored to our needs and circumstances.

As I said at the start of this address, this year's theme is **"Building financial health for a brighter tomorrow"** how do we do that? May I suggest that we all start off by ensuring the financial health and strength of our Credit Union so that it will be there to help us and future generations to build our individual financial health; so; -

- Use our Credit Union for our borrowing needs. We saw above how a small number of borrowers are currently carrying the burden of generating the bulk of our credit union's income. Is it fair to expect others to maintain our Credit Union? Use our easy online application process or our branch network if you prefer the face-to-face process. A fast decision is promised on all fully completed applications.
- Use our Credit Union for current account needs. All day-to-day banking needs can be met by our current account with globally accepted debit card, contactless payment, ATM withdrawals, standing order, direct debit, Apple Pay, Google Pay, Fitbit Pay. Overdraft facilities also available.
- Use our Irish Life Referral Scheme for any Investment, pension or protection needs. For reasons already well explained, our Credit Union has had to put a temporary cap on how much we can accept in shares (savings) from our members. Perhaps you have a lump sum that you'd like to invest safely for the future, or perhaps you have other medium to long term savings goals or perhaps you'd like to discuss insurance needs. Let our Credit Union introduce you to one of our Irish Life advisors.

All income generated from lending, current account fees, commissions paid by Irish Life goes into our Credit Union thus benefitting all of us by **"Building financial health for a brighter tomorrow"**.

Let us all therefore commit to supporting each other by supporting our Credit Union.



**Pat Leogue**  
Chairperson

## Board Oversight Committee Report

The Board Oversight Committee is pleased to report to you, the members of Synergy Credit Union Limited, in respect of the year ended 30th of September 2021.

The Board Oversight Committee (BOC) is an independent committee elected by the members at the AGM to oversee the operations of Synergy Credit Union. The committee consists of 5 members Betty Moore, Joe Tobin, Patrick McGrath, Jim Sheehan and Seamus Curtin.

Our main function in your Credit Union is to observe the Board of Directors and assess their performance. We examine the controls, process and governance framework in place to ensure that the functions of the Board of Director are being carried out in accordance with the legislation

In general, the functions of the Board Oversight Committee relate to the assessment, evaluation and reporting on whether the Board of Directors has operated in accordance with part iv and iv(a) of the Credit Union Act 1997, as amended. The Board Oversight Committee is not directly involved in the operations of the Credit Union.

### BOARD OF DIRECTORS & COMMITTEES:

We attend every meeting of the Board of Directors, review the various reports submitted by the committees to the Board of Directors and we have quarterly meetings with the Board of Directors. We also attend committee meetings on an ad-hoc basis.

### RISKS AND CHALLENGES:

The Board of Directors is responsible for the general control, direction, and management of the Credit Union. The Board meets as often as is necessary, but at least monthly, to discharge this responsibility, these meetings are held remotely since the outbreak of COVID-19. The Board continually keeps under review the principal risks and challenges facing the Credit Union.

### COURSES AND SEMINARS:

The Board Oversight Committee attended various seminars and courses. These included courses on Anti Money Laundering, Data Protection, Fraud Prevention, Ethics and the Role of Board Oversight Committee. We also participated in training courses with the National Supervisors Forum.

The Board Oversight Committee is satisfied to report that the actions and decisions of the Board of Directors of Synergy Credit Union Ltd, as reviewed, have been found to be compliant with current rules and legislation.

We also wish to pay tribute to the outgoing Directors for their very considerable contributions and efforts over the last few years.

Finally, we wish to thank the Board of Directors, the CEO Martina Cotter, her Management Team and the Staff for their professionalism, sincerity, and support throughout the last 12 months.



**Betty Moore**  
Chairperson

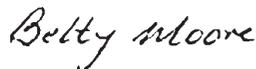
## Statement of Board Oversight Committee's Responsibilities

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.

**On behalf of the Board Oversight Committee:**

**Chairperson of the Board Oversight Committee: Betty Moore**



**Date: 16th November 2021.**

## **Independent Auditor's Report**

to the members of Synergy Credit Union Limited

### **Opinion**

We have audited the financial statements of Synergy 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, Synergy 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 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.

## **Independent Auditor's Report (continued)**

to the members of Synergy Credit Union Limited

### **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 auditor's 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.

## **Independent Auditor's Report (continued)**

**to the members of Synergy Credit Union Limited**

- 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the credit union and the credit union's members as a body, for our audit work, for this report, or for the opinions we have formed.

Denise O'Connell FCA  
for and on behalf of  
**Grant Thornton**  
Chartered Accountants  
& Statutory Audit Firm  
Mill House, Henry Street, Limerick

**Date: 16th November 2021.**

## Income and Expenditure Account

For the financial year ended 30 September 2021

	Schedule	2021 €	2020 €
<b>Income</b>			
Interest on members' loans		2,187,596	2,190,198
Other interest income and similar income	1	<u>524,176</u>	<u>554,460</u>
<b>Net interest income</b>		<b>2,711,772</b>	<b>2,744,658</b>
Other income	2	<u>71,771</u>	<u>21,611</u>
<b>Total income</b>		<b><u>2,783,543</u></b>	<b><u>2,766,269</u></b>
<b>Expenditure</b>			
Employment costs		1,204,680	1,162,840
Other management expenses	3	1,232,349	1,183,499
Depreciation		175,121	176,651
Net impairment (gains)/losses on loans to members (note 5)		<u>(867,489)</u>	<u>433,772</u>
<b>Total expenditure</b>		<b><u>1,744,661</u></b>	<b><u>2,956,762</u></b>
<b>Surplus/(deficit) for the financial year</b>		<b><u>1,038,882</u></b>	<b><u>(190,493)</u></b>

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

**Chief Executive Officer: Martina Cotter**  
Date: 16th November 2021.

**Member of the Board Oversight Committee: Joe Tobin**  
Date: 16th November 2021.

**Member of the Board of Directors: Pat Leogue**  
Date: 16th November 2021.

*Martina Cotter*  
*Joe Tobin*  
*Pat Leogue*

The notes on pages 21 to 34 form part of these financial statements.

## Statement of Comprehensive Income

For the financial year ended 30 September 2021

	2021 €	2020 €
Surplus/(deficit) for the financial year	1,038,882	(190,493)
Other comprehensive income	-	-
<b>Total comprehensive income/(loss) for the financial year</b>	<b><u>1,038,882</u></b>	<b><u>(190,493)</u></b>

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

**Chief Executive Officer: Martina Cotter**

**Date: 16th November 2021.**

**Member of the Board Oversight Committee: Joe Tobin**

**Date: 16th November 2021.**

**Member of the Board of Directors: Pat Leogue**

**Date: 16th November 2021.**

*Martina Cotter*  
*Joe Tobin*  
*Pat Leogue*

The notes on pages 21 to 34 form part of these financial statements.

## Balance Sheet

As at 30 September 2021

	Notes	2021 €	2020 €
<b>Assets</b>			
Cash and balances at bank		1,008,695	1,943,215
Deposits and investments – cash equivalents	7	12,285,300	13,304,579
Deposits and investments – other	7	61,598,550	55,173,912
Loans to members	8	26,001,508	25,063,828
Provision for bad debts	9	(2,226,490)	(2,731,720)
Members' current accounts overdrawn	14	13,725	15,987
Tangible fixed assets	10	1,393,216	1,485,759
Investment in associates	11	265,000	265,000
Prepayments and accrued income	12	174,548	162,147
<b>Total assets</b>		<b>100,514,052</b>	<b>94,682,707</b>
<b>Liabilities</b>			
Members' shares	13	85,706,776	80,952,316
Members' current accounts	14	489,660	296,842
Other liabilities, creditors, accruals and charges	15	300,892	463,739
Other provisions	16	26,090	16,058
<b>Total liabilities</b>		<b>86,523,418</b>	<b>81,728,955</b>
<b>Reserves</b>			
Regulatory reserve	18	10,252,433	9,972,205
Operational risk reserve	18	778,468	800,861
Other reserves			
- Realised reserves	18	2,890,285	2,099,563
- Unrealised reserves	18	69,448	81,123
<b>Total reserves</b>		<b>13,990,634</b>	<b>12,953,752</b>
<b>Total liabilities and reserves</b>		<b>100,514,052</b>	<b>94,682,707</b>

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

**Chief Executive Officer: Martina Cotter**  
Date: 16th November 2021.

**Member of the Board Oversight Committee: Joe Tobin**  
Date: 16th November 2021.

**Member of the Board of Directors: Pat League**  
Date: 16th November 2021.

*Martina Cotter*  
*Joe Tobin*  
*Pat League*

The notes on pages 21 to 34 form part of these financial statements.

## Statement of Changes in Reserves

For the financial year ended 30 September 2021

	Regulatory reserve	Operational risk reserve	Realised reserves	Unrealised reserves	Total
	€	€	€	€	€
<b>As at 1 October 2019</b>	<b>9,972,205</b>	<b>743,134</b>	<b>2,363,545</b>	<b>93,635</b>	<b>13,172,519</b>
Deficit for the year	-	-	(191,600)	1,107	(190,493)
Dividends and loan interest rebate paid	-	-	(27,076)	-	(27,076)
Payment from reserves	-	-	(1,198)	-	(1,198)
Transfers between reserves	-	57,727	(44,108)	(13,619)	-
<b>As at 1 October 2020</b>	<b>9,972,205</b>	<b>800,861</b>	<b>2,099,563</b>	<b>81,123</b>	<b>12,953,752</b>
Surplus for the year	280,228	-	754,756	3,898	1,038,882
Payment from reserves	-	-	(2,000)	-	(2,000)
Transfers between reserves	-	(22,393)	37,966	(15,573)	-
<b>As at 30 September 2021</b>	<b>10,252,433</b>	<b>778,468</b>	<b>2,890,285</b>	<b>69,448</b>	<b>13,990,634</b>

- The regulatory reserve of the credit union as a percentage of total assets as at 30 September 2021 was 10.20% (2020: 10.53%).
- The operational risk reserve of the credit union as a percentage of total assets as at 30 September 2021 was 0.77% (2020: 0.85%).

The notes on pages 21 to 34 form part of these financial statements.

## Statement of Cash Flows

For the financial year ended 30 September 2021

		2021 €	2020 €
<b>Opening cash and cash equivalents</b>		<b>115,247,794</b>	<b>16,385,871</b>
<b>Cash flows from operating activities</b>			
Loans repaid by members	8	11,212,871	11,714,490
Loans granted to members	8	(12,244,273)	(12,328,858)
Members' current accounts lodgements	14	5,245,678	2,760,945
Members' current accounts withdrawals	14	(5,064,360)	(2,482,539)
Interest on members' loans		2,187,596	2,190,198
Other interest income and similar income		524,176	554,460
Bad debts recovered and recoveries		455,981	420,242
Other income		71,771	21,611
Dividends paid		-	(7,362)
Loan interest rebates paid		-	(19,714)
Operating expenses		(2,425,267)	(2,347,537)
Movement in other assets and liabilities		(165,216)	(89,752)
<b>Net cash flows from operating activities</b>		<b>(201,043)</b>	<b>386,184</b>
<b>Cash flows from investing activities</b>			
Fixed asset (purchases)/disposals		(82,578)	(280,669)
Net cash flow from other investing activities		(6,424,638)	(5,087,239)
<b>Net cash flows from investing activities</b>		<b>(6,507,216)</b>	<b>(5,367,908)</b>
<b>Cash flows from financing activities</b>			
Members' shares received	13	50,962,419	52,003,788
Members' shares withdrawn	13	(46,207,959)	(48,160,141)
<b>Net cash flow from financing activities</b>		<b>4,754,460</b>	<b>3,843,647</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(1,953,799)</b>	<b>(1,138,077)</b>
<b>Closing cash and cash equivalents</b>	<b>6</b>	<b>13,293,995</b>	<b>15,247,794</b>

The notes on pages 21 to 34 form part of these financial statements.

# Notes to the Financial Statements

For the financial year ended 30 September 2021

## 1. Legal and regulatory framework

Synergy 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 27/29 Patrick Street, Fermoy, Co Cork.

## 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 7, 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 7, Deposits and investments - cash equivalents. The amounts held on deposit with the Central Bank are not subject to impairment reviews.

## **Notes to the Financial Statements (continued)**

For the financial year ended 30 September 2021

### **2. Accounting policies (continued)**

#### **2.6 Deposits and investments (continued)**

##### **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 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 (gains)/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 (gains)/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, using the straight-line method.

Depreciation is provided on the following basis:

## Notes to the Financial Statements (continued)

For the financial year ended 30 September 2021

### 2. Accounting policies (continued)

#### 2.9 Tangible fixed assets (continued)

Freehold premises	2% straight line per annum
Fixtures and fittings	10% straight line per annum
Computer and office equipment	20% straight line per annum

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 Investments in associates

Investments in associates are accounted for at cost less impairment.

#### 2.12 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.

#### 2.13 Financial liabilities – members' shares

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

#### 2.14 Members' current accounts

The credit union provides Member Personal Current Account Services in accordance with Section 49(3) of the Credit Union Act, 1997 (as amended).

#### 2.15 Other payables

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

#### 2.16 Pension costs

The credit union operates a defined contribution pension scheme. The assets of these schemes are held separately from those of the credit union in independently administered funds. Employer contributions to the pensions scheme are charged to the income and expenditure account in the period to which they relate.

#### 2.17 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.

## **Notes to the Financial Statements (continued)**

For the financial year ended 30 September 2021

### **2. Accounting policies (continued)**

#### **2.18 Termination benefits**

Termination benefits are included in employment costs where applicable and are expensed to the income and expenditure account on an accruals basis.

#### **2.19 Derecognition of financial liabilities**

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

#### **2.20 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.

#### **2.21 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.

In addition, the credit union has included in its operational risk reserve a Member Personal Current Account Service operational risk reserve, in accordance with Section 49(3) of the Credit Union Act, 1997 (as amended).

#### **2.22 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. The credit union has established a social fund reserve to be used by the credit union for social, cultural and charitable purposes in accordance with section 44 of the Credit Union Act, 1997 (as amended) and this is included in realised reserves. 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".

#### **2.23 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.

## **Notes to the Financial Statements (continued)**

For the financial year ended 30 September 2021

### **2. Accounting policies (continued)**

#### **2.24 Taxation**

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

### **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 €1,393,216 (2020: €1,485,759).

#### **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 €2,226,490 (2020:€2,731,720) representing 8.56% (2020: 10.90%) of the total gross loan book.

#### **Investments in associates**

The investment in associates represents the credit union's investment in Metacu Management Designated Activity Company. This investment was made for operational purposes. The credit union holds 6.25% Redeemable A Ordinary shares in the company and through the terms of the shareholders agreement agreed between each of the participating credit unions, the credit union is deemed to have influence over the operations of this company. Therefore the investment has been accounted for as an investment in an associate.

#### **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. In addition, the credit union has included in its operational risk reserve a Member Personal Current Account Service operational risk reserve, in accordance with Section 49(3) of the Credit Union Act, 1997 (as amended). The operational risk reserve of the credit union at the year end was €778,468 (2020: €800,861).

#### **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.

## Notes to the Financial Statements (continued)

For the financial year ended 30 September 2021

### 4. Key management personnel compensation

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

	2021	2020
	€	€
Short term employee benefits paid to key management	450,523	489,908
Payments to pension schemes	41,551	46,740
<b>Total key management personnel compensation</b>	<b>492,074</b>	<b>536,648</b>

### 5. Net impairment (gains)/losses on loans to members

	2021	2020
	€	€
Bad debts recovered (net)	(416,823)	(357,209)
Impairment of loan interest reclassified as bad debt recoveries	(39,158)	(63,033)
Movement in bad debts provision during the year	(505,230)	595,869
Loans written off during the year	93,722	258,145
<b>Net impairment (gains)/losses on loans to members</b>	<b>(867,489)</b>	<b>433,772</b>

Bad debts recovered (net) is analysed as follows:

	2021	2020
	€	€
Bad debt recovered	452,935	383,033
Legal fees associated with the bad debts recovered	(36,112)	(25,824)
<b>Bad debts recovered (net)</b>	<b>416,823</b>	<b>357,209</b>

### 6. Cash and cash equivalents

	2021	2020
	€	€
Cash and balances at bank	1,008,695	1,943,215
Deposits and investments – cash equivalents (note 7)	12,285,300	13,304,579
<b>Total cash and cash equivalents</b>	<b>13,293,995</b>	<b>15,247,794</b>

### 7. Deposits and investments

	2021	2020
	€	€
<b>Deposits and investments – cash equivalents</b>		
Accounts in authorised credit institutions (Irish and non-Irish based)	7,330,728	10,291,398
Central Bank deposits	3,950,628	2,002,931
Other investments	-	1,010,250
Bank bonds	1,003,944	-
<b>Total deposits and investments – cash equivalents</b>	<b>12,285,300</b>	<b>13,304,579</b>
<b>Deposits and investments – other</b>		
Accounts in authorised credit institutions (Irish and non-Irish based)	44,429,283	45,418,254
Bank bonds	16,432,414	9,071,108
Central Bank deposits	736,853	684,550
<b>Total deposits and investments – other</b>	<b>61,598,550</b>	<b>55,173,912</b>
<b>Total deposits and investments</b>	<b>73,883,850</b>	<b>68,478,491</b>

## Notes to the Financial Statements (continued)

For the financial year ended 30 September 2021

### 8. Financial assets – loans to members

	2021 €	2020 €
As at 1 October	25,063,828	24,707,605
Loans granted during the year	12,244,273	12,328,858
Loans repaid during the year	(11,212,871)	(11,714,490)
<b>Gross loans and advances</b>	<b>26,095,230</b>	<b>25,321,973</b>
<b>Bad debts</b>		
Loans written off during the year	(93,722)	(258,145)
<b>As at 30 September</b>	<b>26,001,508</b>	<b>25,063,828</b>

### 9. Provision for bad debts

	2021 €	2020 €
As at 1 October	2,731,720	2,135,851
Movement in bad debts provision during the year	(505,230)	595,869
<b>As at 30 September</b>	<b>2,226,490</b>	<b>2,731,720</b>

The provision for bad debts is analysed as follows:

	2021 €	2020 €
Grouped assessed loans	2,226,490	2,731,720
<b>Provision for bad debts</b>	<b>2,226,490</b>	<b>2,731,720</b>

### 10. Tangible fixed assets

	Freehold premises €	Fixtures & fittings €	Computer and office equipment €	Total €
<b>Cost</b>				
1 October 2020	1,044,129	1,043,349	1,243,841	3,331,319
Additions	-	21,438	61,140	82,578
<b>At 30 September 2021</b>	<b>1,044,129</b>	<b>1,064,787</b>	<b>1,304,981</b>	<b>3,413,897</b>
<b>Depreciation</b>				
1 October 2020	86,234	837,847	921,479	1,845,560
Charge for year	21,200	34,815	119,106	175,121
<b>At 30 September 2021</b>	<b>107,434</b>	<b>872,662</b>	<b>1,040,585</b>	<b>2,020,681</b>
<b>Net book value</b>				
<b>At 30 September 2021</b>	<b>936,695</b>	<b>192,125</b>	<b>264,396</b>	<b>1,393,216</b>
At 30 September 2020	957,895	205,502	322,362	1,485,759

## Notes to the Financial Statements (continued)

For the financial year ended 30 September 2021

### 11. Investments in associates

<b>Cost</b>	€
At 1 October 2020 and 30 September 2021	<u>265,000</u>
<b>Accumulated impairment</b>	
At 1 October 2020 and 30 September 2021	<u>-</u>
<b>Net book value</b>	
<b>At 30 September 2021</b>	<b><u>265,000</u></b>
At 30 September 2020	<u>265,000</u>

#### Interests in associate

The credit union has interests in the following associate:

Associate	Registered Address	Type of shares held	Proportion held %	Net Assets €	Profit or (loss) €
Metacu Management Designated Activity Company	14 Ely Place Dublin 2 Ireland	Redeemable A Ordinary	6.25%	4,025,400	(103,564)

The above financial information in respect of Metacu Management Designated Activity Company was extracted from the audited financial statements for the year ended 31 December 2020.

The effect of including this investment as if it had been accounted for using the equity method would be as follows:

	<b>Share of net assets</b>
	<b>€</b>
At 1 October 2020	258,060
Share of profit/(loss) for the financial year after tax	<u>(6,473)</u>
<b>At 30 September 2021</b>	<b><u>251,587</u></b>

## Notes to the Financial Statements (continued)

For the financial year ended 30 September 2021

### 12. Prepayments and accrued income

	2021 €	2020 €
Loan interest receivable	64,467	78,177
Prepayments	110,081	83,970
<b>As at 30 September</b>	<b>174,548</b>	<b>162,147</b>

### 13. Members' shares

	2021 €	2020 €
As at 1 October	80,952,316	77,108,669
Received during the year	50,962,419	52,003,788
Withdrawn during the year	(46,207,959)	(48,160,141)
<b>As at 30 September</b>	<b>85,706,776</b>	<b>80,952,316</b>

### 14. Members' current accounts

	2021 €	2020 €
As at 1 October	280,855	2,449
Lodgements during the year	5,245,678	2,760,945
Withdrawals during the year	(5,064,360)	(2,482,539)
<b>As at 30 September</b>	<b>462,173</b>	<b>280,855</b>

#### Provision

Provision held on overdrawn current account	13,762	-
<b>As at 30 September</b>	<b>13,762</b>	<b>-</b>

#### Member Current Accounts Debit

Balance of accounts held	27,487	15,987
Less provision held	(13,762)	-
<b>As at 30 September</b>	<b>13,725</b>	<b>15,987</b>

#### Member Current Accounts Credit

Balance of accounts held	489,660	296,842
<b>As at 30 September</b>	<b>489,660</b>	<b>296,842</b>

	No. of Accounts	Balance of Accounts €
Debit (net of provision)	118	13,725
Credit	566	489,660
Permitted overdrafts	38	48,549

### 15. Other liabilities, creditors, accruals and charges

	2021 €	2020 €
Other liabilities, creditors, accruals and charges	276,215	438,732
PAYE/PRSI	24,677	25,007
<b>As at 30 September</b>	<b>300,892</b>	<b>463,739</b>

### 16. Other provisions

	2021 €	2020 €
<b>Holiday Pay Accrual</b>		
At 1 October	16,058	10,982
Charged to the income and expenditure account	10,032	5,076
<b>As at 30 September</b>	<b>26,090</b>	<b>16,058</b>

## Notes to the Financial Statements (continued)

For the financial year ended 30 September 2021

### 17. Financial instruments

#### 17a. Financial instruments – measured at amortised cost

<b>Financial assets</b>	<b>2021</b>	<b>2020</b>
	€	€
Financial assets measured at amortised cost	<u>99,167,085</u>	<u>92,750,578</u>
<b>Financial liabilities</b>	<b>2021</b>	<b>2020</b>
	€	€
Financial liabilities measured at amortised cost	<u>86,523,418</u>	<u>81,728,955</u>

Financial assets measured at amortised cost comprise of cash and balances at bank, deposits and investments, loans, members' current accounts overdrawn and investments in associates.

Financial liabilities measured at amortised cost comprise of members' shares, members' current accounts, other liabilities, creditors, accruals and charges and other provisions.

#### 17b. 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:

<b>At 30 September 2021</b>	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
	€	€	€	€
Bank bonds	<u>2,005,693</u>	-	<u>2,005,693</u>	-
<b>Total</b>	<b><u>2,005,693</u></b>	<b>-</b>	<b><u>2,005,693</u></b>	<b>-</b>
<b>At 30 September 2020</b>	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
	€	€	€	€
Other investments	1,010,250	-	1,010,250	-
Bank bonds	<u>2,005,693</u>	-	<u>2,005,693</u>	-
<b>Total</b>	<b><u>3,015,943</u></b>	<b>-</b>	<b><u>3,015,943</u></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).

## Notes to the Financial Statements (continued)

For the financial year ended 30 September 2021

### 18. Reserves

	Balance 1/10/2020	Payments from reserves	Appropriation of current year surplus	Transfers between reserves	Balance 30/09/2021
	€	€	€	€	€
Regulatory reserve	9,972,205	-	280,228	-	10,252,433
Operational risk reserve	800,861	-	-	(22,393)	778,468
<b>Other reserves</b>					
<b>Realised</b>					
General reserve	2,078,261	-	754,756	37,966	2,870,983
Social fund reserve	21,302	(2,000)	-	-	19,302
<b>Total realised reserves</b>	<b>2,099,563</b>	<b>(2,000)</b>	<b>754,756</b>	<b>37,966</b>	<b>2,890,285</b>
<b>Unrealised</b>					
Interest on loans reserve	78,177	-	-	(13,710)	64,467
Investment income reserve	2,946	-	3,898	(1,863)	4,981
<b>Total unrealised reserves</b>	<b>81,123</b>	<b>-</b>	<b>3,898</b>	<b>(15,573)</b>	<b>69,448</b>
<b>Total reserves</b>	<b>12,953,752</b>	<b>(2,000)</b>	<b>1,038,882</b>	<b>-</b>	<b>13,990,634</b>

## Notes to the Financial Statements (continued)

For the financial year ended 30 September 2021

### 19. 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)
- 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	23,946,682	92.10%	22,341,090	89.14%
<b>Impaired loans:</b>				
Not past due	1,000,906	3.85%	1,134,384	4.52%
Up to 9 weeks past due	540,401	2.08%	627,729	2.50%
Between 10 and 18 weeks past due	184,106	0.71%	200,589	0.80%
Between 19 and 26 weeks past due	45,576	0.17%	229,647	0.92%
Between 27 and 39 weeks past due	77,560	0.30%	77,735	0.31%
Between 40 and 52 weeks past due	63,211	0.24%	52,562	0.21%
53 or more weeks past due	143,066	0.55%	400,092	1.60%
<b>Total impaired loans</b>	<b>2,054,826</b>	<b>7.90%</b>	<b>2,722,738</b>	<b>10.86%</b>
<b>Total loans</b>	<b>26,001,508</b>	<b>100.00%</b>	<b>25,063,828</b>	<b>100.00%</b>

### 20. Related party transactions

#### 20a. Loans

	2021		2020	
	No. of Loans	€	No. of Loans	€
Loans advanced to related parties during the year	3	23,500	11	63,000
Total loans outstanding to related parties at the year end	7	53,713	16	119,745
Total provision for loans outstanding to related parties		1,789		3,742

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 0.21% of the total loans outstanding at 30 September 2021 (2020: 0.48%).

#### 20b. Savings

The total amount of savings held by related parties at the year end was €136,821 (2020: €135,651).

# Notes to the Financial Statements (continued)

For the financial year ended 30 September 2021

## 21. Additional financial instruments disclosures

### 21a. Financial risk management

The credit union manages its members' shares and loans so that it earns income from the margin between interest receivable and interest payable. The main financial risks arising from 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's credit lending policy. Credit risk mitigation may include the requirement to obtain collateral as set out in the credit union's loans 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 credit lending policy in force at the time. Subsequently loans are regularly reviewed for any factors that may indicate that the likelihood of repayment has changed.

**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.

### 21b. 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 to an ongoing basis to the minimum liquidity ratio and minimum short term liquidity ratio as set out in regulatory requirements.

### 21c. Interest rate risk disclosures

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

	2021		2020	
	€	Average interest rate %	€	Average interest rate %
Gross loans to members	<u>26,001,508</u>	9.01%	<u>25,063,828</u>	9.02%

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.

## Notes to the Financial Statements (continued)

For the financial year ended 30 September 2021

### 22. Dividends and loan interest rebate

The following distributions were paid during the year:

	%	2021 €	%	2020 €
Dividend on shares	0.00%	-	0.10%	7,362
Loan interest rebate (on standard rate loans)	0.00%	-	2.50%	19,714

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).

### 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 are two contingent liabilities included in the Letter of Authority held by Bank of Ireland with regard to an Electronic Funds Transfer in the amount of €100,000 and a Visa business card in the amount of €23,750.

### 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 16th November 2021.

## Schedules to the Income and Expenditure Account

For the financial year ended 30 September 2021

The following schedules do not form part of the statutory financial statements which are the subject of the Independent Auditor's Report on pages 13 to 15.

### Schedule 1 – Other interest income and similar income

	2021	2020
	€	€
Investment income and gains received/receivable within 1 year	520,278	554,002
Investment income receivable outside of 1 year	3,898	458
<b>Total per income and expenditure account</b>	<b>524,176</b>	<b>554,460</b>

### Schedule 2 – Other income

	2021	2020
	€	€
Commissions and sundry income	34,049	21,611
ECCU refund	37,722	-
<b>Total per income and expenditure account</b>	<b>71,771</b>	<b>21,611</b>

### Schedule 3 – Other management expenses

	2021	2020
	€	€
Rent and rates	14,042	17,330
Light and heat	17,127	19,327
Repairs and office administration	108,413	81,561
Printing and stationery	14,628	19,391
Postage and telephone	26,841	23,464
Donations and sponsorship	20,815	14,400
Promotion and advertising	66,485	67,406
Training costs	36,542	23,474
AGM and convention expenses	33,386	44,644
Travel and subsistence	2,170	9,622
Affiliation and associated fees and repayments and SPS fund	29,739	36,905
Deposit guarantee scheme	85,452	82,743
Audit fee	22,140	21,780
General insurance	39,485	46,873
Share and loan insurance	230,383	234,058
Death benefit insurance	-	31,371
Computer and software maintenance	208,485	163,470
Regulatory levies	60,326	62,980
Legal and professional fees	157,958	120,872
Board and board oversight expenses	14,960	23,907
Bank charges	28,119	36,949
Miscellaneous expenses	1,091	972
Social fund reserve expenditure	2,000	1,198
Part utilisation of the social fund reserve	(2,000)	(1,198)
Provision for current account	13,762	-
<b>Total per income and expenditure account</b>	<b>1,232,349</b>	<b>1,183,499</b>

## Report of the Credit Committee

Section 67 of the Credit Union Act 1997, as amended, requires the Board of Directors to appoint a Credit Committee which shall consider applications for credit from the membership of the Credit Union.

During 2021, 2,045 loans to a total value of €12,244,273 were issued, a marginal decrease of 0.69% on the previous year. Total loans outstanding increased by 3.74% to €26,001,508, a very satisfactory result given the economic uncertainty due to the Covid-19 pandemic.

SMEs play a vital role in our local community, creating employment and stimulating economic activity. Many SMEs have been hit hard by the Covid 19 pandemic and have needed support with working capital or term loans. Synergy Credit Union is proud to be one of the only community lenders in Ireland to participate in the Covid-19 Credit Guarantee Scheme, enabling us to assist local businesses, including Primary producers, impacted by Covid-19, to access credit. We are delighted to have been the first credit union to have issued such a loan product.

The Credit Union has also expanded its loan service offering and members can now complete the application and loan drawdown process without the requirement to visit the credit union offices. Almost 20% of borrowers during 2021 have availed of this seamless service. We encourage all members to consider an on-line loan application when next applying for a loan, once the loan is approved all required forms are issued electronically for your signature and funds sent to your bank or credit union account.

**Adrian Godwin,**  
Chairperson Credit Committee

## Report of the Credit Control Committee

Section 67 of the Credit Union Act, 1997 requires the Board of Directors to appoint a Credit Control Committee, which shall seek to ensure the repayment of loans by members of the Credit Union in accordance with their loan agreements.

The Credit Control Committee of Synergy Credit Union Limited consists of three members who meet monthly, with the Credit Controller, to review the performance of the loan portfolio and identify any potential risks that may impact its continued performance.

Despite the economic uncertainty surrounding Brexit and the Covid pandemic, our loan book continues to perform well, and arrears continue to decrease. Over 96.93% of our borrowers have their loan repayments up to date. Our loans greater than 9 weeks in arrears have decreased to 1.97% of total loans outstanding as at 30th September 2021. This has enabled us to reduce our Bad and Doubtful Debt provision to €2,226,490, a reduction of €505,230.

We have recouped €416,823 from bad debt accounts during the year, an increase of 16.69% on 2020.

**John Feeney,**  
Chairperson Credit Control Committee

## Report of the Membership Committee

On behalf of the membership committee, I am very pleased to report that 618 new accounts were opened in the year to 30th September 2021. It is particularly gratifying that 157 juvenile saver accounts were opened during the year, 25% of the total.

Membership of Synergy Credit Union is open to people working, living or attending school in the common bond area. The common bond means the community in which the credit union operates.

As part of the application process for membership the Membership Committee has a legislative obligation to ensure appropriate identification is provided.

Members of Synergy Credit Union can access their account on-line by registering for on-line services, this means you can transact at a time and place convenient to you either online or via the mobile app which can be downloaded from google play or the app store.

Members can also avail of our Current Account for 24/7 access to their account and secure on-line shopping. We would encourage all our members to register for on-line services and to opt for e-Statements and e-AGM notifications to help us reduce our carbon footprint.

**Des Geary,**  
Membership Committee

## Minutes from the Annual General Meeting 2020

The CEO Martina Cotter on behalf of the Board welcomed members to the virtual AGM and advised that the meeting will focus on the essential business of the credit union including the delivery of the Chairperson's address, the report of the Board Oversight Committee, the review of the financial statements as at 30th September 2020, the report of the auditor and the election for the position of Auditor, members of the BOC and members of the Board of Directors.

Having advised those in attendance of the processes to submit questions and vote the CEO handed over to the Chairperson Pat Leogue who formally opened the meeting.

The Chairperson formally opened the meeting and confirmed that there were no authorities presented to the Board of Directors in respect of non-natural persons. He also confirmed a virtual attendance of 65 therefore confirming that a quorum was present.

### **Agenda Item C – Adoption of Standing Orders**

Pat Leogue proposed the adoption of the Standing Orders as circulated on page 4 of the Annual Report and sought a seconder. Seconded by: John Tobin. Vote Result: Motion Carried.

### **Agenda item D – Notice of Motions (Rule Amendment)**

**Rule Amendment No 1** refers to the composition of the Board Oversight Committee and a proposed increase from 3 to 5 members.

PL proposed acceptance of this amendment to Rule 53(1) of the standard rules of credit unions to the membership and sought a seconder. Seconded by: Des Geary. Vote Result: Motion was carried

**Rule amendments 2 to 6** refer to rule changes required to allow for virtual meetings into the future. The current legislation expires on 30th April 2021 and given the current uncertainty with regard to the duration of public health restrictions, the Board consider it prudent to amend the necessary rules to allow a virtual AGM for the 2021 financial year and subsequent years, should the necessity arise.

PL proposed the amendment to Rule 9(1) of the standard rules for credit unions as circulated and sought a seconder. Seconded by: Marvin Board. Vote Result: Motion Carried

PL proposed the amendment to Rule 96 (1) of the standard rules for credit unions as circulated and sought a seconder. Seconded by: Noreen Hartnett. Vote Result: Motion Carried

PL proposed the amendment to Rule 98(2) of the standard rules for credit unions as circulated and sought a seconder. Seconded by: Triona O'Flynn. Vote Result: Motion Carried

PL proposed the amendment to Rule 98(2) inserting sub section (f) of the standard rules for credit unions as circulated and sought a seconder. Seconded by: Karen Allen. Vote Result: Motion Carried

PL proposed the amendment to Rule 100 (5) (a) & (b) of the standard rules for credit unions as circulated and sought a seconder. Seconded by: Barry Redmond. Vote Result: Motion Carried.

### **Agenda Item E – Approval (or correction) of the minutes of the 2019 Annual General Meeting.**

Pat Leogue proposed the minutes of the 2019 Annual General Meeting for adoption. Seconded by: Paul Lillis. Vote Result: Minutes were adopted unanimously.

### **Agenda item F – Report of the Board of Directors**

Pat Leogue presented the report of the Board of Directors, there were no questions arising, therefore the Chair proposed the adoption of the report of the Board of Directors and sought a seconder for the adoption of the report of the Board of Directors. Seconded by: Triona O'Flynn. Vote Result: Report approved unanimously.

## **Minutes from the Annual General Meeting 2020 (continued)**

### **Agenda item G – Consideration of the accounts to 30th September 2020.**

The Chairperson called upon Adrian Godwin to present the accounts on behalf of the Board of Directors. Adrian presented the accounts and concluded by proposing the adoption of the financial statements as contained on pages 14 to 33 of the annual report.

Adrian Godwin sought a seconder for adoption of the financial statements. Secounded by: Des Geary. Vote Result: Approved unanimously.

### **Agenda item H – Declaration of dividend and interest rebate**

The Chairperson called upon Adrian Godwin to propose the distribution to members. Adrian proposed:

(a) Dividend of 0.0%

Secounded by : Siobhan O'Sullivan. Vote Result: Motion Carried unanimously.

### **Agenda Item I – Report of the Auditor**

Denise O'Connell of Grant Thornton presented the Auditors Report.

Proposed by: Pat Leogue

Secounded by: Stephanie Cremin

Vote Result: Approved unanimously.

### **Agenda item J – Report of the Board Oversight Committee**

The Report of the Board Oversight Committee was presented by Betty Moore - pre-recorded

Proposed by: Betty Moore

Secounded by: Catherine Buckley

Vote Result: Approved unanimously

### **Agenda item K – Report of the Nomination Committee**

Adrian Godwin presented and proposed the Report of the Nomination Committee.

Secounded by: Ciara Llewellyn

Vote Result: Approved unanimously

### **Agenda items L & M– Election of Auditor, Board Oversight and Board of Directors**

Elections were held for the above positions.

### **Agenda items N, O, P – Report of the Credit Committee, Credit Control Committee and Membership Committee**

As these reports were circulated in the annual report, the Chairperson proposed their adoption

Credit Committee – Secounded by : Paul Lillis. Vote Result: Approved unanimously.

Credit Control Committee – Secounded by: James

Morrissey. Vote Result: Approved unanimously

Membership Committee - Secounded by: James

Morrissey. Vote Result: Approved unanimously

### **Agenda Item Q – announcement of election results**

Grant Thornton – confirmed as auditors

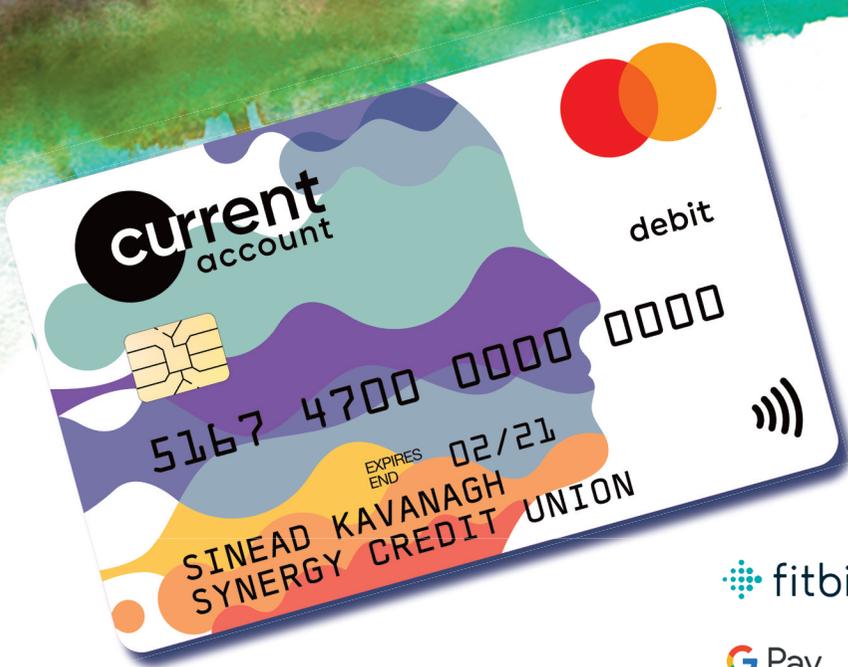
All Board candidates elected

All BOC candidates elected

As there was no other business the Chairperson thanked those attending for their participation and closed the meeting.

**Close of Meeting.**

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