



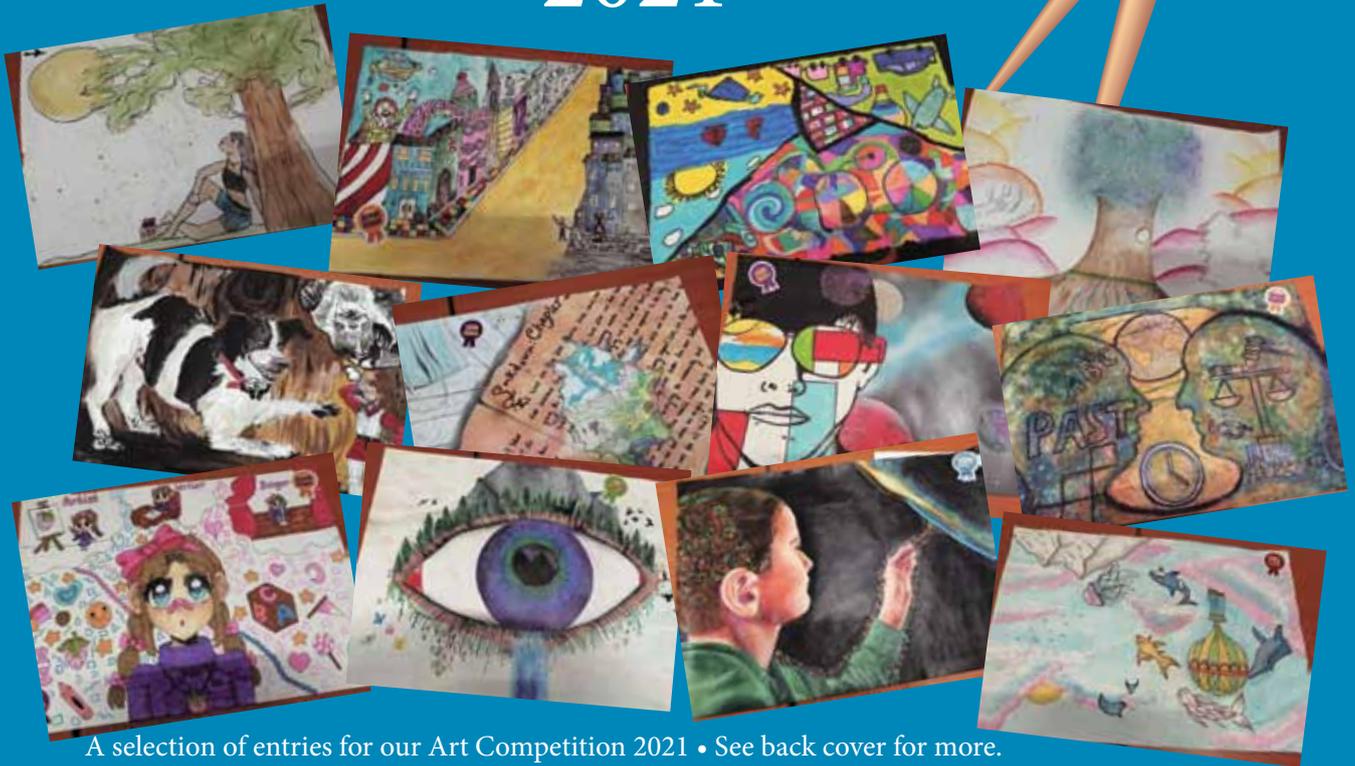
Financial Statement & Annual Reports 30th September 2021

website: www.omaghcreditunion.co.uk





Art Competition 2021



A selection of entries for our Art Competition 2021 • See back cover for more.



Betty Quinn R.I.P.

Betty served on our board as a volunteer for nine years. At the heart of every Credit Union is its volunteers and they are the lifeblood of every Credit Union and Betty was no exception. Her selflessness and generosity of her time was an inspiration and so important to the growth of Omagh Credit Union. Betty will be sadly missed but fondly remembered. More particularly, her loss has been a difficult cross for her family to bear and we offer our prayers that they will find solace from the busy life she lived. Rest in Peace Betty.



OMAGH CREDIT UNION LTD

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PRA/FCA Registration Number: 573651

C.U.Registration Number : CU0056

BOARD OF DIRECTORS 2021

Breda Campbell (Chairperson), Kathleen Winters (Vice Chairperson), Colm Broderick (Hon. Treasurer), Donal Connolly (Asst Treasurer) Roderick Hackett (Hon. Secretary), Liam Donaghy, Martin McLaughlin, Ethna Corless Maura Cox, Michael Brogan, Terry McGarrity

COMMITTEE MEMBERS: Evelyn Heaney, Jacqueline Convey, Pauline McNamee, Maureen McSorley

SUPERVISORS:

Gerard McSorley, Eamon Sharkey, Gene Gillease, Fiona Murphy, Agnes Duffy, Ann Holland

OFFICE STAFF:

Catherine Loughrey (Manager)
Bernie Liggett (Assistant Manager), Brenda McCallion,
Trevor Robinson, Anne Coyle, John Morrow, Janice O'Brien
Nuala McElduff, Tracey McGread, Emma McConnell
Martina Mayse, Maeve Kerrigan

REGISTERED AUDITORS:

McElholm & Co Chartered Accountants
30a Gortin Road, Omagh, Co Tyrone, BT79 7HX

SOLICITORS:

Fox Law
6 James Street, Omagh, Co Tyrone, BT78 1ED

BANKERS:

AIB, 8 High Street, Omagh, Co Tyrone, BT78 1BH
Danske Bank, 5-7 Market Street, Omagh BT78 1DN

Omagh Credit Union Limited is Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority



OMAGH CREDIT UNION LIMITED

FIFTY-FIRST ANNUAL GENERAL MEETING

**In Credit Union Boardroom, 18/20 John Street
Tuesday, 9th November, 2021**

The Order of Business shall be:

1. Ascertainment that a quorum is present.
2. Adoption of Minutes of 2020 Annual General Meeting.
3. Chairperson's Report.
4. Report of Board of Directors and reappointment of McElholm & Co Chartered Accountants as registered Auditors of Omagh Credit Union Ltd.
5. Report of Treasurer and consideration of Annual Accounts.
6. Report of Independent Auditors.
7. The Board of Directors recommend that the following dividend on shares and rebate on loan interest be decided and sanctioned by members, at this Annual General Meeting –
0.15 % dividend on shares and 40% rebate of loan interest, along with 0.15% dividend on savings in minor accounts, subject to the provisions of sub-paragraphs (a), (a)(1), (a)(2), (a)(3).
 - (a) The dividend of 0.15% and 40% rebate of loan interest shall be reduced by a sum of £17.54 to pay the annual premium of £17.54 to ECCU Assurance Company Limited for the £2000 Death Benefit Insurance in respect of each insurable member PROVIDED:
 - (1) If any insurable member's dividend of 0.15% on their shares and 40% rebate of loan interest payable does not amount to the sum of £17.54 then, the sum of £17.54 will not be deducted and that member will have to give in writing their willingness to join the Death Benefit Insurance Scheme and tender the fee of £17.54 during office hours; or
 - (2) If an insurable member does not wish to avail of the assurance cover provided under the £2000 Death Benefit Insurance, that member has to notify the Secretary or a member of Staff of Credit Union in writing to this effect.
 - (3) The dividend of 0.15% shall be reduced by a sum of £1.48 in respect of each member of the Minor Accounts Section (birth to aged 16) in order to pay the annual premium of £1.48 due to ECCU Assurance Company Limited for the £2000 Death Benefit Insurance in respect of each insurable Member of the Minor Accounts Section.
8. Adoption of amendments to Standard Rules as passed at I.L.C.U. Annual General Meetings 2020 and 2021
9. Approval of subscription of 60p per Member to the Irish League of Credit Union's International Development Foundation.
10. Under Rule 168 (Donations) of the I.L.C.U. rule book, the incoming Board of Directors intend to allocate up to 5% of operating surplus for promotion, development and sponsorship.
11. Report of the Credit Committee.
12. Report of the Supervisory Committee.
13. Reports of the other Committees (Insurance, Credit Control).
14. Report of Nominating Committee.
15. Election of Directors.
16. Election of Supervisors.



From the Chair...

May I, on behalf of the BOD of Omagh Credit Union Ltd welcome you all to our 51st AGM. May I welcome in particular those of you from the Newtown Stewart Common Bond area to their first AGM since the Transfer Of Engagement took place.

I think, before we get down to the business of tonight, we need to bring our thoughts, to our deceased Board member Betty Quinn, who gave of her time unselfishly to this Credit Union and who was called to her eternal home very quickly and unexpectedly in 31st December 2020. May she rest in peace. (Minute silence to remember Betty and all our members who have died since our last AGM)

The Covid19 Pandemic continues to impact all our daily lives. We continue to work under the recommended guidelines to bring you, our members, the vital services you all expect and deserve, from Omagh Credit Union Ltd., whilst protecting everyone's safety.

I'm delighted to report another successful year! In spite of the fall in our Loan Book, we are able to make returns by way of Interest Rebate and Dividend comparable to 2020. This reflects the prudent management of your monies by past and present Board Members and staff.

As we continue to live through and with this Pandemic, adjust to the implications and trade difficulties caused by Brexit (in sourcing goods we once took for granted), come to terms with the rising cost of living and the cuts in benefits, our Credit Union will be more important than ever in supporting the local community. We are open for loan applications for all manner of requests, all we ask is that you hold up your end of the bargain by making the committed repayments. You can help negotiate your own terms of repayment at the point of application.

Please be vigilant regarding the Death Benefit Insurance by making sure that your premium is covered by way of Dividend /Interest Rebate or by paying 'over the counter', if you want to be covered. The responsibility for cover lies solely with the member!

Again, I appeal to members to volunteer their service to the running of our Credit Union - new volunteers are vital for the future !

I would like to thank Catherine our Manager and all the staff for their hard work, particularly during this difficult year of Covid restrictions. They have certainly 'put our members first' by being on the 'front line', and have contributed greatly to the continuing success of our Credit Union.

I thank my fellow Board members and volunteers for all the time they have given to ensuring that the Credit Union is governed as it should be. Thanks also to the Supervisory Committee who oversee the work carried out, by both operational staff and the Board, on the members behalf - they do phenomenal work! Thanks also to our Accountants and Auditors, McElholm & Co. for their professional service.

Finally, I wish you all a very Happy Christmas in the hope that we all continue to engage as best we can with the ongoing consequences of the Pandemic.

Thank You

Breda Campbell
(Chairperson)

Keep smiling



From the Board...

What a strange year it has been. However, Omagh Credit Union have managed to continue to serve you, the member, throughout the pandemic. We live in vastly different times with many new processes and measures in place to enable us to look after our members and our staff.

1. Loan applications are now taken over the telephone or applications can be done online
2. We continue to take new member applications by appointment at present
3. Online banking remains our focus now- it has become even more important than ever before to have this facility.

All these measures ensure that you spend the least amount of time necessary in the office in the interest of health and safety. We have also installed counter screens in the office and interview room which help to protect our members and our staff. Forbearance in lending has always been a feature of credit unions and with job losses on the rise, those struggling with loan repayments are being encouraged to contact the Credit Union to enable temporary arrangements to be put in place to support members who have a reduced earning capacity or increased expenses at this time.

Alas the Covid-19 crisis is still in our midst but our credit union has shown itself to be highly capable, flexible and resilient in supporting our staff and members. Detailed business continuity measures are in place, included are staggered staff hours. In turn, we need to continue to be supported by our members, the wider community, legislators and regulators to navigate the difficult social and economic circumstances that may lay ahead for us and our members.

Like all credit unions our loan book is falling possibly due to the Covid-19 which has impacted on us as more members are paying of their loans due to the uncertainty of the future and less people requiring loans. Loans are our business and so this is vital to the sustainability of our credit union, so please tell your family and friends about the Credit Union and what we offer. Despite all that, we still have made a surplus which is a fantastic achievement in the current circumstances.

A massive thanks to the staff for their continued dedication to their jobs and for keeping the Credit Union open to our members during such trying times and to the Board for putting everything in place that allowed us to do so. The Board and Supervisors have had to embrace some new changes to the way in which they operate – meeting online via ZOOM is now the “norm” and, although it may not be the preferred way to have a meeting, it has worked well and allowed the Board and committees to continue to operate. I can confirm that all areas are continually monitored throughout the year and we are fully compliant.

On April 1st 2021 we had a successful Transfer of Engagements with Newtownstewart Credit Union which, in essence meant that Newtownstewart became a sub-office under the management of Omagh Credit Union Ltd. Our common bond now is 6 miles radius of Omagh and 7 miles radius of Newtownstewart and members now, in either of these jurisdictions can conduct credit union business in either office.

Post 2020 AGM Frank Loughran had tendered his resignation from the Board as, Director, a position he held since 1990, carrying out various officer roles during his tenure of office, from Loans Committee, Complaints Officer, Vice – Chair eventually culminating in office of Chairman from 2012 to 2018. On behalf of all personnel in Omagh Credit Union we wish him well in all his future endeavours.

In December 2020, we as a Board, lost a valuable member Betty Quinn, due to her untimely death. She served on this Board since 2012 and is sadly missed by all who knew her. To her family we extend our heartfelt condolences. May she rest in peace.

In closing, most importantly, I would like to thank you, the members, for your continued support and loyalty, and to wish you continued health, peace and happiness in the coming year.

Yours Sincerely

Roderick Hackett

Hon. Secretary to Board of Directors.



Credit Committee Report

I am pleased to present the report of the Credit Committee for the financial year commencing on 1st October 2020 and ending on 30th September 2021.

Sadly, we record the death of our chairperson and colleague Betty Quinn in December 2020 and extend our sympathies to her immediate and extended families. May she rest in peace.

In considerations of the health and welfare of its members and staff, the Credit Committee ceased its regular meetings. Consequently, to ensure that loan applications were dealt with in a timely and efficient manner the lending limits and authority of the Manager and Deputy Manager were enhanced. Public access to the office resumed on 8th June 2020 and continues to date.

LOANS BY VALUE 2020 - 2021

From – To	Number of loans	Total Value
0--250	304	£43,939.28
250.01-500	642	£270,825.00
500.01-750	202	£129,750.00
750.01-1000	460	£443,623.86
1000.01-2000	514	£874,148.00
2000.01-3000	240	£665,170.00
3000.01-5000	267	£1,176,579.72
5000.01-30,000	312	£33,83,294.00
30,000.01-42,500	0	£0.00
TOTAL	2941	£6,987,329.86

Overall, Covid-19 and its associated impact on the local economy has contributed to a decline in loan applications and values. However, it is gratifying to note that this Credit Union currently has in excess of £16.72 million invested in the local community. In addition, it has loaned a total of £6.98 million in the current financial year. It granted a total of 2941 loans.

The impact of Covid-19 has had a serious impact on Omagh Credit Union strategic plan to grow its loan book. We remain optimistic, however that the 2021/2022 financial year will see a return to growth. I wish to extend my thanks and appreciation to the Manager and staff for the professional manner in which they have provided me with the support and guidance.

I also wish to thank my Committee and colleagues for their support and encouragement.

Maura Cox(Chairperson) Liam Donaghy and Jackie Convey



The Supervisory Committee Report

The pandemic is still with us but restrictions are slowly lifting. The Credit Union has operated to the best of its ability, following the official guidelines laid down, to provide the CU services to its members.

Against this background Omagh Credit Union has successfully amalgamated with Newtown Stewart Credit Union to ensure a vibrant Credit Union for both communities and its members. The supervisors of OCU, who ensure that the affairs of Omagh Credit Union are properly carried out by the elected directors, staff, volunteers and appointed committees, have carried out the majority of their checks after office hours to fully implement social distancing measures. Here is our report for the members for 2020-2021.

Checks were carried out under three main headings:

Financial Checks (25 in place)

Meetings (18 in place)

Administration documentation (33 in place)

Over 275 checks have been carried out, within a 210 hour time frame, in these three main areas covering 76 aspects of the credit union operations. The Supervisory Committee is pleased to report that it found the books of account were maintained to the highest standard and all to be in order and in balance. The Committee was represented at all Board of Directors meetings and wish to acknowledge the help and assistance given throughout this turbulent year by all the voluntary officers within our credit union, the General Manager and her capable and willing staff, the Board of Directors, Volunteers and the Auditors for their invaluable professional advice and assistance.

(Voluntary vacancies exist within the Supervisory Committee due to rotation and are needed within the credit union to develop succession planning.)

Eamon Sharkey, Gene Gillease, Fiona Murphy, Gerard Mc Sorley.



AMENDMENTS TO STANDARD RULES AS ADOPTED AT THE ANNUAL GENERAL MEETINGS OF 2020 AND 2021 OF THE IRISH LEAGUE OF CREDIT UNIONS

(1) Rule Amendments

The ILCU AGM 2020 and 2021 took place virtually in March 2021 and April 2021 respectively. There were ten amendments to the Standard Rules for Credit Unions (Northern Ireland) arising from those two meetings. They are as follows:

Resolution No. 1

That this Annual General Meeting agrees to delete Rule 54 of the Standard Rules for Credit Unions (Northern Ireland) to remove the requirement for credit unions to complete and return the Return of Officers form to the Irish League of Credit Unions.

Resolution No. 2

That this Annual General Meeting agrees to amend the wording of Rule 96 Appeals of the Standard Rules for Credit Unions (Northern Ireland) by the insertion of the following “**reduced or**”, “**loans officer,**” & “**loans officer**” to the existing wording as follows:

Rule 96. Appeals

Existing Wording

An applicant whose applications for a loan has been refused by the credit committee, or in the case of an officer by the special committee, may appeal to a meeting of the board of directors augmented by one member of the supervisory committee but excluding any officer who is also a member of the committee that refused the loan. Such meeting may require the attendance of any member of the committee that refused the loan for the purpose of informing the committee why the loan was refused. The majority decision of such meeting shall be final and may reverse the decision of the credit committee or of the special committee as the case may be. If the withdrawal of a director from this appeal meeting would cause the meeting to become inquorate, the remaining members shall be treated as constituting a quorum while the matter in question is being considered or determined.

Rule 96. Appeals

New Wording

An applicant whose applications for a loan has been reduced or refused by the credit committee, loans officer, or in the case of an officer by the special committee, may appeal to a meeting of the board of directors augmented by one member of the supervisory committee but excluding any officer who is also a member of the committee that refused the loan. Such meeting may require the attendance of any member of the committee or loans officer that refused the loan for the purpose of informing the committee why the loan was refused. The majority decision of such meeting shall be final and may reverse the decision of the credit committee or of the special committee as the case may be. If the withdrawal of a director from this appeal meeting would cause the meeting to become inquorate, the remaining members shall be treated as constituting a quorum while the matter in question is being considered or determined.

Resolution No. 3

That this Annual General Meeting agrees to amend the wording of Rule 97 Loan Officers of the Standard Rules for Credit Unions (Northern Ireland) deletion of existing wording and replacement with new Rule 97:

Rule 97. Loan officer

Existing Wording

To facilitate the work of the credit committee, the board of directors shall appoint a loan officer or officers who shall not be the chairman or president, secretary or treasurer of the credit union, to work under the supervision of the credit committee, and shall delegate to such officer(s) the power to approve loans, subject to such limitations as to amount, duration, terms of repayment and security required as shall have been established in writing by



the board of directors. The loan officer shall furnish to the credit committee a record of each loan approved or not approved by the loan officer within seven days of the date of receiving the application therefore and such record shall be considered by and become part of the records of the credit committee at its next meeting. All applications for loans not approved by the loan officer shall be considered by the credit committee.

Rule 97. Loan Officer

New Wording

To facilitate the work of the credit committee, the board of directors shall appoint a loan officer or officers who shall not be the chairman or president, secretary or treasurer of the credit union, to work under the supervision of the credit committee, and may delegate to such officer(s) the power to approve loans, reduce or refuse subject to such limitations as to amount, duration, terms of repayment and security required as shall have been established in writing by the board of directors. The loan officer shall furnish to the credit committee a record of each loan approved, reduced or refused by the loan officer within seven days of the date of receiving the application therefore and such record shall be considered by and become part of the records of the credit committee at its next meeting. All applications for loans not approved by the loan officer shall be considered by the credit committee.

Resolution No. 4

That this Annual General Meeting amends rule 91 Membership of Credit Committee of the Standard Rules for Credit Unions (Northern Ireland) by the insertion of the following:

“The exclusion of the treasurer of the credit union from the credit committee shall not apply to the consideration and approval of loans to corporate members made by the credit committee”

to read as follows:

Rule 91. Membership

The membership of the credit committee shall not include the treasurer of the credit union.

The exclusion of the treasurer of the credit union from the credit committee shall not apply to the consideration and approval of loans to corporate members made by the credit committee.

Resolution No. 5

That this Annual General Meeting amend rule 110 of Standard Rules for Credit Unions (Northern Ireland) by the deletion of section (e) and re-numbering of the rule:

Delete

(e) submit to the board of directors together with his financial statements such figures as will enable the board to determine whether the provisions of Article 28 (6) of the Order are being complied with; and re-number the rule.

Resolution No. 6

That this Annual General Meeting amends the Standard Rules for Credit Unions (Northern Ireland) in Rule 113 by the deletion of the following Rule 113:

Rule 113. Membership

The supervisory committee shall consist of not less than three and not more than seven members of full age. In the event that the Credit Union is unable to form a Supervisory Committee the Board may appoint an external company to carry out internal audit duties.

And by the insertion of the following new Rule 113:

Rule 113. Membership

a) *The supervisory committee shall consist of not less than three and not more than seven members of full age. For the avoidance of doubt, the Board has full responsibility for the appointment and allocation of the Internal Audit Function under Rule 88(a).*

b) *Where the Internal Audit Function is performed by the supervisory committee, the supervisory committee may recommend to the Board that it be provided by an employee, outsourced external providers or any combination thereof. The Board will work with the supervisory committee in those circumstances and the Board will ensure that appropriate written terms of reference are in place to reflect the allocation of such responsibilities, duties and roles.*



In that event, the supervisory committee duties, obligations and powers under this Section 16 and elsewhere under these rules shall remain in place.

c) In the event that the credit union is unable to form a supervisory committee, the Board will ensure that the Internal Audit Function is provided by an employee or outsourced external provider or any combination thereof. In those circumstances, the duties, obligations and powers of the supervisory committee under these rules shall be suspended and not be exercised by any other party (except to the extent that it is necessary at the appointment of the Board to fulfil any statutory or regulatory obligation of the credit union).

d) In the event that the credit union is unable to form a supervisory committee under Rule 113 (c), the Nominating Committee will make a call for nominations to the supervisory committee of at least three and not more than seven members of full age in accordance with Rules 62 and 74 in advance of each AGM. The duties, obligations and powers of the supervisory committee shall remain suspended until a supervisory committee can be formed at the AGM.

e) In the event that a supervisory committee can be re-formed under Rule 113 (d), the duties, obligations and powers of the supervisory committee under this Section 16 and elsewhere under these rules will come into force, the day after the AGM.

Resolution No. 7

That this Annual General Meeting amends the Standard Rules for Credit Unions (Northern Ireland in Rule 62 by the insertion of “(unless the Nominating Committee under Rules 73(4) and 113(d) has been unable to put forward appropriate nominations for the appointment of persons to the supervisory committee).”

To read as follows:

Rule 62 Vacancies on the supervisory committee

At every annual general meeting of the credit union the members present shall by secret ballot fill every vacancy in the supervisory committee (unless the Nominating Committee under Rules 73(4) and 113(d) has been unable to put forward appropriate nominations for the appointment of persons to the supervisory committee).

Resolution No. 8

That this Annual General Meeting amends the Standard Rules for Credit Unions (Northern Ireland by the insertion of a new Rule 55A, to read as follows:

Rule 55A. Means of Participation in General Meetings

- a) The board of directors may make arrangements for members to attend and participate in a general meeting by:
- (i) attendance at a physical meeting place;*
 - (ii) simultaneous attendance and participation at a secondary meeting place; and/or*
 - (iii) using an electronic platform, in exceptional circumstances as determined by the board of directors.*
- b) A general meeting may be held:
- (i) solely as a physical meeting;*
 - (ii) solely as an electronic meeting accessible by using an electronic platform, in exceptional circumstances as determined by the board of directors; or*
 - (iii) by offering members the option to attend and participate at a physical meeting place (which may include a secondary meeting place) or by using an electronic platform.*
- c) *Where the board of directors decides that members may attend and participate in a general meeting by using an electronic platform, the notice of general meeting given under Rule 56 shall set out details of the electronic platform for the general meeting (including any access arrangements for such electronic platform and any other information that the credit union may specify).*
- d) *Notice of a general meeting held under Rule 55A (a)(ii) or (iii) must also state in addition to the nature of the business of the meeting and such other matters as provided for in these rules:*
- (i) the electronic platform to be used;*
 - (ii) details for access to the electronic platform;*
 - (iii) whether or not the general meeting will be recorded;*



- (iv) the time and manner by which an attendee must confirm his or her intention to attend the meeting;*
- (v) any requirements or restrictions which the credit union has put in place in order to identify attendees who intend to attend the meeting;*
- (vi) the procedure for asking questions; and*
- (vii) the procedure for the procedure to be adopted for voting on resolutions proposed to be passed at the meeting.*
- e) Details of any physical meeting place, secondary meeting place and/or electronic platform that shall be stated in a notice of general meeting given under Rule 56 shall constitute the place of such meeting.*
- f) A member who attends and participates in a general meeting held under Rule 55A (a)(ii) or (iii) shall be counted in the quorum for that general meeting.*
- g) Any temporary failure or disruption of electronic platform shall not invalidate the general meeting or any proceedings relating to the general meeting.*
- h) A credit union shall not be liable in respect of any failure or disruption relating to the equipment used by a member to access the general meeting by an electronic platform that occurs and which failure or disruption prevents or interferes with the member's participation, by way of such technology, in the meeting.*
- i) The board of directors may make arrangements for any documents which are required to be made available for inspection by members at a general meeting to be available for inspection at any secondary meeting place (in addition to the principal physical meeting place) and/or to be accessible electronically on an electronic platform.*
- j) The credit union shall require any persons wishing to attend a general meeting (whether at any principal physical meeting place, or any secondary meeting place, or by using an electronic platform) to comply with any identification and verification procedures, and security arrangements as the board of directors shall reasonably specify from time to time.*

Resolution No. 9

That this Annual General Meeting amends the Standard Rules for Credit Unions (Northern Ireland) by the insertion of new definitions in alphabetical order in Section 33 Interpretation and Rule 178 as follows:

‘electronic platform’ means one or more electronic facilities as may be approved by the board of directors from time to time that enable members to attend and participate simultaneously in a general meeting of the credit union without attending a physical meeting place”.

‘secondary meeting place’ – a secondary physical meeting place (or more than one such place) for a general meeting at which members may attend and participate in the general meeting simultaneously as an alternative to attending the principal physical meeting place”.

Resolution No. 10

That this Annual General Meeting amends references to “members present” under the standard Rules for Credit Unions (Northern Ireland) under Rules 61, 62 and 63 by the deletion of “present”, and by the insertion of “**(unless the Nominating Committee under Rule 73(4) and 113(d) has been unable to put forward appropriate nominations for the appointment of persons to the supervisory committee)**” to Rule 62, to read as follows:

Rule 61. Vacancies on the board of directors

At every annual general meeting of the credit union, the members shall by secret ballot fill every vacancy in the board of directors.

Rule 62. Vacancies on the supervisory committee

At every annual general meeting of the credit union the members shall by secret ballot fill every vacancy in the supervisory committee (unless the Nominating Committee under Rule 73(4) and 113(d) has been unable to put forward appropriate nominations for the appointment of persons to the supervisory committee).

Rule 63. Vacancy for auditor

Subject to the provisions of the Order and Rule 64, the members at an annual general meeting shall by secret ballot fill a vacancy in the office of auditor.



Succession Policy Rationale

The Board of Directors of Omagh Credit Union Ltd. recognises that fresh ideas and thinking are required to ensure that the board does not become stale or complacent and that the evolving needs of members and other stakeholders are met.

*N.I. Creds. 2.2.39 states “Credit union should identify present and future staffing requirements (including volunteers and paid staff) and make appropriate plans for their recruitment and training”.

To this end, Omagh Credit Union Ltd. has developed an appropriate induction training programme. The training is carried out by an experienced member of staff, Board of Directors or Supervisory Committee as appropriate. It may also be carried out by an external body, such as the Irish League of Credit Unions (ILCU). The training will under the credit union Acts cover the following:

The nature and ethos of credit unions;

The structure of the credit union;

The roles of the various parties in the credit union;

The credit union operation, e.g. how it operates on a day to day basis and use of the IT system;

The credit union’s policies covering areas relevant to the person;

Statutorily required training, including Anti Money Laundering (at least annually), Data Protection training, Health & Safety.

N.B- We as a functioning Credit Union require volunteers to help and oversee the running of this successful credit union, which will only remain successful, if we have a commitment from volunteer members to assist us. If interested contact the Credit Union and leave your name with contact details.

Omagh Credit Union is committed to the training and development of our officers so that they will gain the necessary skills and knowledge to carry out their role in an ethical, efficient and compliant manner. We will provide support, training and development to officers to help them fulfil their role in the credit union. We have a Training Liaison Officer and training courses can be booked through him/her. You will also be enrolled with the credit union on-line training service – www.culearn.ie. You will be given a user name and password to access your account. A wide range of training and learning supports are available.

Succession Committee: Kathleen Winters, Evelyn Heaney

*CREDS are the Credit Unions Source Book – FCA Handbook.

Volunteers are the lifeblood of the Credit Union Movement- Be Part of it

Training Liasion Report...

The requirement to conduct training is ideally driven internally by the credit union’s needs and requirements- deriving from its operations and strategic plan, and is identified by a formal annual training needs analysis of all officers. The Board can then, by the virtue of the training policy, require any role within the credit union to undertake a training course or qualification on an on-going or once off basis.

Omagh Credit Union continues to carry out training in all areas of our business.

Staff and volunteers can sign up for the Credit Union Professional Development (CUCPD) scheme, provided by the ILCU, or they can avail of in- house training.

Among the topics that our personnel have completed this year include:

Anti-money Laundering, the General Data Protection Regulations, Prudential reporting, Insurance, Complaints Handling, Risk Management, Data Protection, Dementia Awareness, and Compliance.

In this way our staff and volunteers continue to maintain and improve the professional standards of our Credit Union.

If training is required for your role in the Credit Union please contact me, and I will assist you to obtain the courses which would benefit your role in Omagh Credit Union Limited. Due to the pandemic our courses are currently being given by virtual media sites via Webinars.

Terence McGarrity (Training Liaison Officer)



Credit Control Committee

Three primary functions of the Credit Control Committee are:

1. To closely monitor repayments of loans by members
2. To work closely with members who are having difficulties making repayment of their loans
3. To keep the Board of Directors fully advised of member loan arrears

Ongoing monitoring of accounts that have fallen into arrears includes contact with members by telephone and/or a series of letters. This year more than ever with the continuing pandemic in our community, it was vital to keep in contact with our members, reassuring them that we were sympathetic to their situation and that we were here to help and work with them. The majority of our members were really appreciative of the way we worked together to attain best outcome for all concerned. With this approach, our arrears have been manageable.

We endeavour to ensure that all members in arrears are notified in a standard and timely manner about their arrears and are given the same opportunities to make good their debts. We endeavour to try and make sure that all members are treated with dignity and that individual circumstances are taken into account when complying with our policy. Fortunately, only a small number of members ignore contacts by the credit control committee. Nevertheless, these members ignoring the prompts by the credit control committee are taken down the legal route in an effort to recover money which they owe in our credit union. Bear in mind this may affect a member's credit-rating. This puts a strong message out that a credit union is for the benefit of its members, a benefit which should not be abused.

We would like to thank all our members who honour their promise to repay their loans as agreed, and to those who are doing their best to keep up their repayments.

The Credit Control Committee thank directors, supervisors and staff for their assistance in aiding the committee to carry out their duties.

Michael Brogan, Roddy Hackett, Evelyn Heaney & Trevor Robinson.



INSURANCE REPORT

Your Credit Union makes available Life Savings and Loan Protection Insurance cover on the lives of eligible saving and borrowing members. There is NO additional cost to the individual member. This Insurance Protection is provided by ECCU Assurance Company Ltd. which is owned by the Irish Credit Union Movement.

Life Savings Insurance:

- The Life Savings policy is a Life Assurance Policy that pays a benefit which is based on the amount of savings made during a member's lifetime.
- The amount paid will depend on the member's age and savings history, rewarding consistent and regular members.
- No direct charge to members.
- Paid as an operational expense by Omagh Credit Union.
- Paid to person nominated by deceased members (if no nomination card completed goes to solicitor handling deceased's estate).
- Unique to Credit Unions.

Eligibility:

Members must:

- Have joined the Credit Union before age 70.
- Be able to perform the normal duties of their occupation OR be in good health.
- Remain a member of Omagh Credit Union.

Loan Protection Insurance:

- Loan Protection cover is a Life Assurance Benefit designed to clear the outstanding loan balance on the death of a member.
- No direct charge to members.
- Paid as an operational expense by Omagh Credit Union.
- Unique to Credit Unions.

Eligibility:

- Basic cover is up to age 70 but Omagh has chosen to extend cover to age 85.
- Cover ceases on the member's 85th birthday.

Death Benefit Insurance (DBI) provides £2000 Life Assurance Cover to help pay for funeral expenses.

Eligibility:

Members must:

- Be a Credit Union member.
- Have joined the Credit Union before the age of 70 and eligible for cover under the Life Savings policy and remained a member of Omagh Credit Union.
- A premium must be paid by each member (deducted from annual dividend received/Loan Interest Rebate or can be paid at counter).
- There is no upper age limit.
- Members who are NOT in good health when joining scheme are NOT eligible for DBI cover.
- An insured member who BECOMES ill does not lose this benefit.

Death Claims from October 2020 to September 2021

Total Death Claims 73	Amount of loans cleared £66,035.43	Amount paid to shares £148,349.56	Total £214,384.99
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Claims for Newtownstewart before Transfer of Engagements

Total Death Claims 3	Amount of loans cleared 0	Amount paid to shares £1261.39	Total £1261.39
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In addition to the Loan Protection scheme there was 53 claims for the £2000 Death Benefit Insurance Scheme. Total paid out for the year amounted to £106,000 in the DBI scheme operated by this Credit Union.

Three claims were made for Newtownstewart for £1500 Death Benefit totaling £4500

Martin McLaughlin (Honorary Insurance Officer)



Treasurer's Report

It gives me great pleasure to deliver my penultimate report to you on behalf of the Board of Directors.

Our Credit Union remained open throughout, all-be-it behind closed doors, working in calming the concerns of all those members who sought financial guidance in times of difficulty.

Despite Lockdown, Our Credit union has grown with the transfer of Engagements with our neighbours in Newtownstewart Credit Union. We welcome them and reassure them that they can still visit their office or our office in John Street to conduct their business. I acknowledge the great deal of work that was done behind the scenes by all concerned to enable a relatively smooth transition.

We are operating within the boundaries of regulation and performing well as seen from the auditor's report.

It is worth stating that going forward our main source of income is the return of loans. It is those members who pay interest on their loans who secure the future of our credit union.

The Counter Staff, loans and credit committee have worked relentlessly to ensure bad debt is kept to a minimum and rescheduled where necessary.

I am delighted to report the following Dividends and Interest Rebate.

	2021	2020
Dividend	£55,493 (0.15%)	£80,386 (0.25%)
Interest Rebate	£714,450 (40%)	£728,691 (36%)

I urge our members to support local business; be it in retail, hospitality, leisure, or tourism. These small steps will help in our district in the pursuit of economic recovery.

I'd like to acknowledge the work done by Donal Connolly, assistant Treasurer, who stepped up when I was away fulfilling other commitments, to office manager, Catherine and her team, Secretary Roddy, Fellow Directors, Supervisors and Volunteers. Also, to Connor, Michael and Niall from McElholm & Co for their work throughout the year, and to our Chairperson, Breda Campbell who steered the ship most successfully during her tenure. Enjoy some well earned rest and relaxation.

You've earned it!
Colm Broderick



Omagh Credit Union Limited DIRECTORS' REPORT

for the financial year ended 30 September 2021

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

Dividends and Interest Rebate

The directors propose a dividend of £55,493 at the rate of 0.15% (2020: £80,368 at 0.25%).

The directors propose an interest rebate of £816,514 at the rate of 40.00% (2020: £728,691 at 35.00%).

Directors and Supervisors

The directors who served during the financial year are as follows:

Breda Campbell
Colm Broderick
Roderick Hackett
Frank Loughran
Ann Quinn
Liam Donaghy
Martin McLaughlin
Kathleen Winters
Maura Cox
Terence McGarrity
Michael Brogan
Donal Connolly
Ethna Corless

The supervisors who served during the financial year are as follows:

Gerry McSorley
Eamonn Sharkey
Gene Gilleece

Post Balance Sheet Events

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

Auditors

The auditors, McElholm & Co, have indicated their willingness to continue in office in accordance with Section 44 of the Credit Unions (Northern Ireland) Order 1985.

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

Chairperson

Breda Campbell

Treasurer

Colm Broderick

Secretary

Roderick Hackett

Date

28 October 2021



Omagh Credit Union Limited

for the financial year ended 30 September 2021

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

The Credit Unions (Northern Ireland) Order 1985 requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Credit Union and of the income and expenditure of the Credit Union for that financial year. In preparing these financial statements the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the credit union will continue in business.

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Credit Union and enable them to ensure that the financial statements are prepared in accordance with applicable law in Northern Ireland and UK Generally Accepted Accounting Practice, including the standards issued by the Financial Reporting Council, and in particular FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". They are responsible for safeguarding the assets of the Credit Union and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

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

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

Chairperson

Breda Campbell

Treasurer

Colm Broderick

Secretary

Roderick Hackett

Date

28 October 2021



INDEPENDENT AUDITOR'S REPORT to the Members of Omagh Credit Union Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Omagh Credit Union Limited for the financial year ended 30 September 2021 which comprise the Revenue Account, the Balance Sheet, the Statement of Changes in Reserves, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the assets, liabilities, and financial position of the Credit Union as at 30 September 2021 and of its surplus and cash flows for the financial year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards), comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the UK's Financial Reporting Council; and
- have been properly prepared in accordance with the requirements of Credit Unions (Northern Ireland) Order 1985.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Credit Union in accordance with the ethical requirements that are relevant to our audit of financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other Information

The other information comprises the 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 contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Credit Union and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters where the Credit Unions (Northern Ireland) Order 1985 requires us to report to you if, in our opinion:

- proper books of account have not been kept by the Credit Union in accordance with the requirements of legislation,
- a satisfactory system of control over transactions has not been maintained by the Credit Union in accordance with the requirements of the legislation,
- the Revenue Account and the Balance Sheet are not in agreement with the books of account of the Credit Union,
- we have not obtained all the information and explanations necessary for the purposes of our audit.



INDEPENDENT AUDITOR'S REPORT

to the Members of Omagh Credit Union Limited

Responsibilities of directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities as set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

CLICK HERE TO MODIFY TEXT, IF NOT REQUIRED PLEASE GO TO COMPLIANCE DATABASE, AUDITOR'S REPORTS, AUDITOR'S RESPONSIBILITIES.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: < <http://www.frc.org.uk/auditorsresponsibilities>>. This description forms part of our auditor's report.

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 Article 47 of the Credit Unions (Northern Ireland) Order 1985. 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.

Niall McKenna FCA (Senior Statutory Auditor)

for and on behalf of

MCELHOLM & CO

Chartered Accountants & Registered Auditors

30a Gortin Road

Omagh

Co Tyrone

BT79 7HX

28 October 2021



Omagh Credit Union Limited REVENUE ACCOUNT

for the financial year ended 30 September 2021

	Notes	2021 £	2020 £
Revenue			
Interest on members' loans	5	1,981,213	2,085,569
Other interest income and similar income	6	184,569	221,517
Net interest income		2,165,782	2,307,086
Other revenue	8	2,421	5,387
Total revenue		2,168,203	2,312,473
Expenditure			
Employment costs	9	236,464	220,341
Other management expenses (Schedule 1)		407,135	427,862
Depreciation		23,643	19,011
Net (recoveries) or losses on loans to members	14.4	(256,342)	804,339
Total expenditure		410,900	1,471,553
Surplus of revenue over expenditure before taxation		1,757,303	840,920
Taxation	11	-	(2,499)
Surplus of revenue over expenditure after taxation		1,757,303	838,421
Other comprehensive income		-	-
Total comprehensive income		1,757,303	838,421

The financial statements were approved and authorised for issue by the Board of Directors on 28 October 2021 and signed on its behalf by;

Chairperson	 _____ Breda Campbell
Treasurer	 _____ Colm Broderick
Secretary	 _____ Roderick Hackett
Date	28 October 2021

**Omagh Credit Union Limited**

Credit Union Number: CU0056

BALANCE SHEET

as at 30 September 2021

	Notes	2021 £	2020 £
Assets			
Cash and cash equivalents	12	3,095,622	2,852,071
Tangible fixed assets	13	423,550	361,417
Loans to members	14	16,726,504	16,722,751
Provision for bad debts	14	(577,956)	(1,055,866)
Prepayments and other debtors	15	21,271	19,392
Accrued income	15	209,127	236,407
Deposits and investments	16	26,503,218	20,838,791
Total Assets		46,401,336	39,974,963
Liabilities			
Members' shares	17	36,216,720	31,766,361
Members' deposits	18	1,704,646	1,455,797
Trade creditors and accruals	19	150,660	146,680
Other creditors	19	3,121	7,166
Total Liabilities		38,075,147	33,376,004
Net Assets		8,326,189	6,598,959
Members' Resources			
General reserve	20	6,960,200	5,018,370
Distribution reserve	20	639,989	854,589
Operational risk reserve	20	726,000	726,000
Total Members' Resources		8,326,189	6,598,959

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

Chairperson

Breda Campbell

Treasurer

Colm Broderick

Secretary

Roderick Hackett

Date

28 October 2021



Omagh Credit Union Limited

STATEMENT OF CHANGES IN RESERVES

for the financial year ended 30 September 2021

	General reserve	Distribution reserve	Operational risk reserve	Total
	£	£	£	£
At 1 October 2019	5,018,370	1,305,610	726,000	7,049,980
Dividends paid during the financial year	-	(317,385)		(317,385)
Loan interest rebate paid during the financial year		(972,057)		(972,057)
Other movement in reserves	-	838,421	-	838,421
	<u>5,018,370</u>	<u>854,589</u>	<u>726,000</u>	<u>6,598,959</u>
At 30 September 2020				
At 1 October 2020	5,018,370	854,589	726,000	6,598,959
Dividends paid during the financial year	-	(80,598)		(80,598)
Loan interest rebate paid during the financial year		(724,805)		(724,805)
Surplus allocation in financial year	1,166,500	(1,166,500)	-	-
Other movement in reserves	775,330	1,757,303	-	2,532,633
	<u>6,960,200</u>	<u>639,989</u>	<u>726,000</u>	<u>8,326,189</u>
At 30 September 2021				

The Regulatory Reserve of the Credit Union as a % of the total assets as at 30th September 2021 was 15.00% which is in excess of the Credit Union's Regulatory Reserve requirement of 10%.

The Distribution Reserve is the accumulated surpluses to date that have not been declared as dividends or loan interest rebate returnable to members or set aside to the General Reserve.



Omagh Credit Union Limited

STATEMENT OF CASH FLOWS

for the financial year ended 30 September 2021

	2021 £	2020 £
Opening cash and cash equivalents	8,386,852	7,030,243
Cash flows from operating activities		
Loans repaid	7,313,305	7,203,672
Loans granted	(6,839,163)	(6,359,342)
Loan interest income	1,995,091	2,082,181
Investment income	184,569	221,517
Other revenue received	2,421	5,387
Bad debts recovered	83,545	78,459
Dividends paid	(80,598)	(317,385)
Loan interest rebate	(724,805)	(972,057)
Operating expenses	(643,599)	(648,203)
Movement in other assets	11,523	27,753
Movement in other liabilities	(65)	63,194
Taxation	(7,273)	(2,498)
Net cash generated from operating activities	<u>1,294,951</u>	<u>1,382,678</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(86,181)	-
Net cash flow from other investing activities	(4,170,861)	(2,419,634)
Net cash used in investing activities	<u>(4,257,042)</u>	<u>(2,419,634)</u>
Cash flows from financing activities		
Members' shares received	10,820,010	8,020,360
Members' deposits received	895,241	794,327
Members' shares withdrawn	(6,369,651)	(5,804,618)
Members' deposits withdrawn	(646,392)	(616,504)
Net cash generated from financing activities	<u>4,699,208</u>	<u>2,393,565</u>
Net increase in cash and cash equivalents	<u>1,737,117</u>	<u>1,356,609</u>
Cash and cash equivalents at end of financial year	<u><u>10,123,969</u></u>	<u><u>8,386,852</u></u>



Omagh Credit Union Limited

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 September 2021

1. LEGAL AND REGULATORY FRAMEWORK

Omagh Credit Union Limited is established under the Credit Unions (Northern Ireland) Order 1985. The Credit Union is registered with and regulated by the Financial Conduct Authority ("FCA") and Prudential Regulation Authority ("PRA"). The principal place of business is 20 John Street, Omagh, Co Tyrone, BT78 1DW.

2. ACCOUNTING POLICIES

The following principal accounting policies have been applied;

Statement of compliance and basis of preparation

The financial statements of the Credit Union for the year ended 30th September 2021 have been prepared in accordance with the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS 102) issued by the Financial Reporting Council.

The financial statements have been prepared on the historical cost basis.

Currency

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

Going concern

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

- is generating annual surpluses;
- maintains an appropriate level of liquidity; and
- has reserves that are currently above the minimum requirements of the PRA.

Revenue recognition

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

(i) Interest on members' loans

Interest on Members' Loans is recognised when payment is received.

(ii) Investment income

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

(iii) Other revenue

Other income such as commission's receivable on insurance products and foreign exchange services arises in connection to specific transactions. Income relating to individual transactions is recognised when the transaction is completed.

Dividend and loan interest rebate

Dividends are made from current year's surplus or the distribution surplus set aside for that purpose. The Board's proposed distribution to members each year is based on the dividend and loan interest rebate policy of the Credit Union.

The rate of dividend and loan interest rebate recommended by the Board will reflect:

- the risk profile of the Credit Union, particularly in its loan and investment portfolios;
- the Board's desire to maintain a stable rather than a volatile rate of dividend each year; and
- members' legitimate dividend and loan interest rebate expectations;
- all dominated by prudence and the need to sustain the long-term welfare of the Credit Union.

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

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



Omagh Credit Union Limited

NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 30 September 2021

Taxation

Corporation tax is provided for on taxable interest from investments. All other income of the Credit Union is exempt from Corporation tax.

Investments

Cash and short-term deposits

These are valued at the deposit amount plus any accrued interest and interest income is recognised in the statement on an accruals (time) basis.

Tangible fixed assets and depreciation

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

Depreciation is provided to write off the cost of each item of property, plant and equipment, less its estimated residual value over its estimated useful life. The categories of property, plant and equipment are depreciated as follows:

Land and buildings freehold	4% Reducing balance
Office equipment	15% Reducing balance
Computer equipment	25% Straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the Revenue account.

Impairment of tangible fixed assets

At each reporting end date, the Credit Union reviews the carrying value of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Credit Union estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the Revenue account.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the Revenue account.

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.

Financial instruments

The Credit Union has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised when the Credit Union becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when, and only when, there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets and liabilities are classified according to the substance of the contractual arrangements entered into.



Omagh Credit Union Limited

NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 30 September 2021

Basic financial assets

Basic financial assets are initially measured at the transaction price, including transaction costs, and are subsequently carried at amortised cost using the effective interest method. Basic financial instruments include the following:

Loans to members

Loans are financial assets with fixed or determinable payments. Loans are recognised when cash is advanced to members and measured at amortised cost. Loans are derecognised when the right to receive cash flows from the asset have expired, usually when all amounts outstanding have been repaid by the member.

Investments held at amortised cost

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

Other Debtors

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

Impairment of financial assets

Financial assets, other than those held at fair value, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the expected cash flows discounted at the asset's original effective interest rate.

In the case of impairment of loans to members, the loans are assessed collectively in groups that share similar credit risk characteristics except for individually significant loans which are assessed on a loan by loan basis for impairment.

Any impairment losses are recognised in the Revenue 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 Revenue account.

De-recognition of financial assets

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

In the case of loans to members, loans are de-recognised, when the right to receive cash flows from the loans have expired, usually when all amounts outstanding have been repaid by the member. Omagh Credit Union Limited does not transfer loans to third parties.



Omagh Credit Union Limited

NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 30 September 2021

Basic financial liabilities

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

Members' shares

Members' shares in Omagh Credit Union Limited are redeemable and therefore are classified as financial liabilities. They are recognised at the amount of cash deposited and subsequently minors' deposits are measured at amortised cost.

Other creditors

Other payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Other payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

De-recognition of financial liability

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

Employee benefits

Pension Scheme

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

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

However, there is an agreed funding plan in respect of the pension scheme in place based on a recovery plan dated 1 March 2021. Consequently, Omagh Credit Union Limited recognises a liability at each Balance Sheet date for its outstanding contributions payable under the agreed funding plan to the extent that they relate to committed funding in respect of the deficit to which the funding plan relates.

Other Employee Benefits

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

Distribution

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

Dividend reserve

The Credit Union is required to maintain and establish a minimum General reserve of at least 10% of the assets of the Credit Union in accordance with the PRA Rulebook: Non-CRR Firms: Credit Unions Instrument 2016.

Distribution reserve

The Unappropriated surplus is the accumulated surpluses to date that have not been declared as dividends or loan interest rebate returnable to members or set aside to the General reserve.

Operational risk reserve

The Credit Union has established an Operational Risk reserve which is separate, distinct and in addition to the reserves the Credit Union is required to hold in its Regulatory reserve. The amount held in the Operational Risk reserve is the predicted impact of operational risk events that may have a material impact on the Credit Union's business.



Omagh Credit Union Limited

NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 30 September 2021

3. CRITICAL ACCOUNTING JUDGEMENT AND ESTIMATES

The preparation of financial statements requires the use of certain accounting estimates. It also requires the Directors to exercise judgement in applying Omagh Credit Union Limited's accounting policies. The areas requiring a higher degree of judgement, or complexity, and areas where assumptions or estimates are most significant to the financial statements are disclosed below:

Impairment losses on loans to members

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

4. TRANSFER OF ENGAGEMENTS

On 1 April 2021, Newtown Stewart Credit Union Limited completed its Transfer of Engagement to Omagh Credit Union Limited

	2021 £	2020 £
Tangible fixed assets	79,085	-
Cash on hand and at bank	355,190	-
Deposits and investments	2,102,921	-
Loans	808,714	-
Provision for bad debts	(25,671)	-
Member savings	(2,489,092)	-
Other liabilities, creditors, accruals and charges	(55,817)	-
	<u>775,330</u>	<u>-</u>

5. INTEREST ON MEMBERS' LOANS

	2021 £	2020 £
Closing accrued interest receivable	87,775	101,653
Loan interest received in financial year	1,995,091	2,082,181
Opening accrued loan interest receivable	(101,653)	(98,265)
	<u>1,981,213</u>	<u>2,085,569</u>

6. OTHER INTEREST INCOME AND SIMILAR INCOME

	2021 £	2020 £
Investment income received	<u>184,569</u>	<u>221,517</u>



Omagh Credit Union Limited

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 September 2021

continued

7. INTEREST PAYABLE AND DIVIDENDS

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

Dividends and loan interest rebate

The following distributions were made during the financial year:

	2021 %	2021 £	2020 %	2020 £
Dividends on shares	0.25	80,598	1.00	317,385
Loan interest rebate	35.00	724,805	48.00	972,057
		<u>805,403</u>		<u>1,289,442</u>

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

Proposed dividends and loan interest rebate

At the financial year-end the directors have allocated the amount of £639,989 to the Distribution Reserve which may be returned to the members by way of dividend and a loan interest rebate by way of resolution by a majority of the members at the annual general meeting. The proposed distribution is as follows:

	2021 %	2021 £	2020 %	2020 £
Dividends on shares	0.15	55,493	0.25	80,368
Loan interest rebate	40.00	816,514	35.00	728,691
		<u>872,007</u>		<u>809,059</u>

8. OTHER REVENUE

	2021 £	2020 £
Entrance fees	2,280	504
Miscellaneous income	141	4,883
	<u>2,421</u>	<u>5,387</u>

9. EMPLOYEES AND REMUNERATION

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Manager	1	1
Other staff	11	9
	<u>12</u>	<u>10</u>



Omagh Credit Union Limited

NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 30 September 2021

The staff costs comprise:	2021 £	2020 £
Wages and salaries	200,795	184,705
Pension costs	35,669	35,636
	<u>236,464</u>	<u>220,341</u>

10. KEY MANAGEMENT PERSONNEL

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

	2021 £	2020 £
Short term employee benefits	35,446	35,977
Payments to pension scheme	7,328	5,848
Total key management personnel compensation	<u>42,774</u>	<u>41,825</u>

Short-term employee benefits include wages, salaries, social security contributions and paid annual leave.

11. TAXATION

	2021 £	2020 £
Corporation tax charge in respect of current financial year	-	2,499
	<u>-</u>	<u>2,499</u>

12. CASH AND CASH EQUIVALENTS

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

	2021 £	2020 £
Cash and bank balances	3,095,622	2,852,071
Deposits and investments	7,028,347	5,534,781
	<u>10,123,969</u>	<u>8,386,852</u>



Omagh Credit Union Limited

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 September 2021

continued

13. TANGIBLE FIXED ASSETS

	Land and buildings freehold	Office equipment	Computer equipment	Total
	£	£	£	£
Cost				
At 1 October 2020	633,460	40,180	133,364	807,004
Additions	75,000	960	10,221	86,181
At 30 September 2021	<u>708,460</u>	<u>41,140</u>	<u>143,585</u>	<u>893,185</u>
Depreciation				
At 1 October 2020	280,882	36,805	128,305	445,992
Charge for the financial year	17,103	1,084	5,456	23,643
At 30 September 2021	<u>297,985</u>	<u>37,889</u>	<u>133,761</u>	<u>469,635</u>
Net book value				
At 30 September 2021	<u>410,475</u>	<u>3,251</u>	<u>9,824</u>	<u>423,550</u>
At 30 September 2020	<u>352,578</u>	<u>3,375</u>	<u>5,059</u>	<u>361,012</u>

14. LOANS TO MEMBERS - FINANCIAL ASSETS

14.1 LOANS TO MEMBERS

	2021 £	2020 £
As at 1 October	16,722,751	17,866,213
Advanced during the financial year	6,839,163	6,359,342
Repaid during the financial year	(7,313,305)	(7,203,672)
Transfer of engagement movement	808,679	-
Loans written off	(330,784)	(299,132)
Gross loans to members	14.2 16,726,504	<u>16,722,751</u>
Impairment allowances		
The provision for bad debts is analysed as follows;		
Individually significant loans	1,081,538	<u>(1,055,866)</u>
Loan provision	14.3 1,081,538	<u>(1,055,866)</u>
As at 30 September	14.2 17,808,042	<u>15,666,885</u>



Omagh Credit Union Limited

NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 30 September 2021

14.2 CREDIT RISK DISCLOSURES

Omagh Credit Union Limited does not offer mortgages and as a result all loans to members are unsecured, except that there are restrictions on the extent to which borrowers may withdraw their savings whilst loans are outstanding. There are maximum amounts set down by the PRA in terms of what amount a member can borrow from the Credit Union.

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

	2021 £	2021 %	2020 £	2020 %
Gross loans not impaired				
Not past due	16,018,948	95.77	15,205,591	90.93
Gross loans individually impaired				
Between 10 and 18 weeks past due	282,952	1.69	692,472	4.14
Between 27 and 39 weeks past due	119,425	0.71	431,155	2.58
Between 40 and 52 weeks past due	87,945	0.53	118,769	0.71
53 or more weeks past due	217,236	1.30	274,766	1.64
Total	707,558	4.23	1,517,162	9.07
Total gross loans	16,726,506	100.00	16,722,753	100.00
Impairment allowance				
Individually significant loans	(1,081,538)		(1,055,866)	
Total carrying value	15,644,968		15,666,887	

14.3 LOAN PROVISION ACCOUNT FOR IMPAIRMENT LOSSES

	2021 £	2020 £
As at 1 October	1,055,866	472,200
Allowances reversed during the financial year	(503,581)	583,666
Transfer of engagement movement	25,671	-
(Decrease)/Increase in loan provision during the financial year	(477,910)	583,666
As at 30 September	577,956	1,055,866

14.4 NET RECOVERIES OR LOSSES RECOGNISED FOR THE FINANCIAL YEAR

	2021 £	2020 £
Bad debts recovered	(83,545)	(78,459)
Increase/(Reduction)	(503,581)	583,666
Loans written off	(587,126)	505,207
	330,784	299,132
Net (recoveries)/losses on loans to members recognised for the financial year	(256,342)	804,339



Omagh Credit Union Limited

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 September 2021

continued

14.5 ANALYSIS OF GROSS LOANS OUTSTANDING

	2021 Number of loans	2021 £	2020 Number of loans	2020 £
Less than one year	174	114,156	160	82,460
Greater than 1 year and less than 3 years	704	1,474,638	578	1,143,526
Greater than 3 years and less than 5 years	1,792	7,819,087	1,918	7,818,746
Greater than 5 years and less than 10 years	668	7,318,625	723	7,678,021
	<u>3,338</u>	<u>16,726,506</u>	<u>3,379</u>	<u>16,722,753</u>

15. DEBTORS, PREPAYMENTS AND ACCRUED INCOME

	2021 £	2020 £
Prepayments	21,271	19,392
Accrued income	209,127	236,407
	<u>230,398</u>	<u>255,799</u>

16. DEPOSITS

	2021 £	2020 £
Cash and short-term deposits	7,028,347	5,534,781
Fixed-term deposit accounts	19,474,871	15,304,010
	<u>26,503,218</u>	<u>20,838,791</u>

Deposits with banks at the current and prior Balance Sheet date were all measured at amortised cost as appropriate and comprised of the following:

Deposits- Continued

The category of counterparties with whom the deposits and investments were held was as follows:

	2021 £	2020 £
Deposits		
Aaa	2,760,516	2,754,278
A1	3,696,290	-
A2	2,044,922	1,500,000
A3	2,500,000	5,000,000
Aa3	2,023,257	2,011,993
Ba2	445,172	445,172
Baa1	59,962	-
Baa2	1,789,249	-
Baa3	-	1,254,000
Caa1	1,573,000	1,573,000
No rating/no listing	2,582,503	765,567
Total deposits	<u>19,474,871</u>	<u>15,304,010</u>



Omagh Credit Union Limited

NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 30 September 2021

17. MEMBERS' SHARES - FINANCIAL LIABILITIES

	2021 £	2020 £
As at 1 October	31,766,361	29,550,619
Received during the financial year	10,820,010	8,020,360
Repaid during the financial year	(6,369,651)	(5,804,618)
As at 30 September	<u>36,216,720</u>	<u>31,766,361</u>

	2021 £	2020 £
Members' share accounts	36,216,719	31,766,361
Easy share accounts	1,704,645	1,455,796
Total	<u>37,921,364</u>	<u>33,222,157</u>

18. MEMBERS' DEPOSITS - FINANCIAL LIABILITIES

	2021 £	2020 £
As at 1 October	1,455,797	1,277,974
Received during the financial year	895,241	794,327
Repaid during the financial year	(646,392)	(616,504)
As at 30 September	<u>1,704,646</u>	<u>1,455,797</u>

19. OTHER CREDITORS AND ACCRUALS

	2021 £	2020 £
PAYE/NIC	3,121	3,118
Accruals	150,660	146,680
Other creditors	-	4,048
	<u>153,781</u>	<u>153,846</u>

20. CREDIT UNION RESERVES

	General reserve £	Distribution reserve £	Operational risk reserve £	Total £
At 1 October 2020	5,018,370	854,589	726,000	6,598,959
Distribution in financial year	-	(805,403)	-	(805,403)
Surplus allocation in financial year	1,166,500	(1,166,500)	-	-
Other movement in reserves	775,330	1,757,303	-	2,532,633
At 30 September 2021	<u>6,960,200</u>	<u>639,989</u>	<u>726,000</u>	<u>8,326,189</u>



Omagh Credit Union Limited

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 September 2021

continued

21. FINANCIAL INSTRUMENTS

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

The main financial risks arising from Omagh Credit Union Ltd's activities are credit risk, liquidity risk, market risk and interest rate risk. The Board reviews and agrees policies for managing each of these risks, which are summarised below.

Credit Risk:

Credit risk is the risk that a borrower will default on their contractual obligations relating to repayments to Omagh Credit Union Limited, resulting in financial loss to the Credit Union. In order to manage this risk the Board of Directors approves Omagh Credit Union Limited's lending policy, and all changes to it. All loan applications are assessed with reference to the lending policy in force at the time. Subsequently loans are regularly reviewed for any factors that may indicate that the likelihood of repayment has changed. The credit risk on members' loans is disclosed in Note 14.2

The Credit Union's investments are also exposed to credit risk and the Credit Union mitigates the risk by only placing investments with financial institutions where the counterparties have strong credit ratings and using investment products authorised by the PRA. The credit ratings of the financial institutions where investments are held are disclosed in Note 16.

Liquidity Risk:

Liquidity risk: The Credit Union's policy is to maintain sufficient funds in liquid form at all times to ensure that it can meet its liabilities as they fall due. The Credit Union adheres on an ongoing basis to the minimum liquidity ratio as set out in the PRA Rulebook.

Market Risk:

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

Interest Rate Risk:

The Credit Union's main interest rate risk arises from differences between the interest rate exposures on the receivables and payables that form an integral part of a Credit Union's operations. The Credit Union considers rates of interest receivable on investments and members' loans when deciding on the dividend rate payable on shares and on any loan interest rebate.

21.1 INTEREST RATE RISK DISCLOSURE

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

	2021	Average interest rate	2020	Average interest rate
	£	%	£	%
Financial assets				
Gross loans to members	<u>16,726,506</u>	<u>12.68</u>	<u>16,722,753</u>	<u>12.68</u>
Financial liabilities				
Members' shares	<u>37,921,364</u>	<u>1.50</u>	<u>33,222,157</u>	<u>1.50</u>

The interest rates applicable to loans to members are fixed at 12.68%. The dividend on shares and interest on deposits is determined on the basis of income less administrative expenses and, as can be seen above, a consistent margin is maintained between interest receivable and dividend on shares and interest payable on deposits. As a result, the surplus for the year is not particularly sensitive to interest rate risk and no sensitivity analysis is presented.



Omagh Credit Union Limited

NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 30 September 2021

21.2 LIQUIDITY RISK DISCLOSURE

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

22. PENSION SCHEME

The Credit Union participates in the Irish League of Credit Unions Northern Ireland Pension scheme. This is a defined benefit scheme but the Credit Union is unable to identify its share of the assets and liabilities of the scheme. There is an agreed funding plan in respect of the pension scheme in place based on a funding shortfall calculated as at 1 March 2021. Consequently Omagh Credit Union Limited has recognised a liability at 30 September 2021 of £2,389 (30 September 2020: £3,346).

23. RELATED PARTY TRANSACTIONS

Directors, supervisors and staff (i.e. officers) of the Credit Union during the financial year ended 30 September 2021 operated share and loan accounts with the Credit Union. The following transactions and balances existed with members who were officers during the financial year ended 30 September 2021:

	No. of loans	2021 £
Loans advanced to Related Parties during the year	19	72,030
Total loans outstanding to Related Parties at the financial year end	18	<u>178,882</u>

There were no provisions against the loans due from the directors and the management team at the current or prior Balance Sheet dates.

The directors and management team share balances stood at £236,243 at 30 September 2021 (2020: £223,305) which includes Easy Share Accounts.

24. INSURANCE AGAINST FRAUD

The Credit Union has insurance against fraud in compliance with the PRA Rulebook.

25. CAPITAL COMMITMENTS

The Credit Union had no material capital commitments at the financial year-ended 30 September 2021.

26. POST-BALANCE SHEET EVENTS

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

27. CONTINGENT LIABILITIES

Omagh Credit Union Limited had no contingent liabilities at the current or prior Balance Sheet date.

	2021 £	2020 £
Minor deposits	(2,125,457)	(1,866,640)
Cash at bank	2,137,944	1,903,262
Owed to Credit Union	(57,331)	(43,757)
Bank fees due	(14)	(108)
Proposed dividend	(3,168)	(4,475)
Accrued interest income	11,815	11,718
Monies due from Seniors	36,211	-
	<u>-</u>	<u>-</u>

29. FAIR VALUE OF FINANCIAL INSTRUMENTS

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



Omagh Credit Union Limited NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 30 September 2021

30. CAPITAL

The Credit Union maintains sufficient reserves to buffer the Credit Union against any losses on its members' loans and also its investments. The current total reserves are in excess of the minimum requirement set down by the PRA, and stands at 16.51% of the total assets of the Credit Union at the Balance Sheet date.

31. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved, and authorised for issue, by the Board of Directors on 28 October 2021.

Omagh Credit Union Limited SCHEDULE TO THE REVENUE ACCOUNT

for the financial year ended 2021

Schedule 1 - Other Management Expenses

	2021 £	2020 £
Other Management Expenses		
Training and seminars	1,234	5,417
Rent and rates payable	11,344	11,195
General insurance	12,033	12,562
Share and loan insurance	163,174	194,814
Fidelity bond insurance	6,610	5,623
Light and heat	6,395	4,131
Cleaning and hygiene	1,114	2,998
Repairs and renewals	4,769	8,415
Computer and equipment maintenance	32,172	29,416
Printing and stationery	24,384	18,683
Promotion and education	25,941	21,726
Sponsorship	3,080	3,663
Telephone	13,826	3,087
Chapter expenses	1,160	-
Legal and professional fees	8,257	12,061
Audit fees	9,900	10,950
FCA fees	1,334	469
Compliance and risk	5,175	5,175
Trade association membership dues	7,382	7,209
Bank interest and charges	37,622	35,884
Cash (over)/short	90	(116)
Returned/(relodged) cheques	68	6
Affiliation fees	10,721	10,339
CUSOP	10,668	13,791
Saving protection scheme	2,706	3,608
General expenses	5,976	6,756
	407,135	427,862



Analytical Ratios - 30 September 2020

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
	£	£	£	£	£	£	£	£	£	£	£	£
General Reserve %												
Total assets	39,974,963	37,969,225	35,924,075	34,569,194	31,838,917	29,249,447	27,158,855	25,299,844	23,276,367	21,667,977	20,511,538	19,321,656
Total savings	33,222,158	30,828,593	29,157,970	27,818,853	25,365,579	23,213,503	21,537,179	20,166,998	18,828,614	17,610,499	16,619,059	15,551,039
General Reserve	5,018,370	4,918,370	4,918,370	4,718,370	4,468,370	4,128,370	3,793,370	3,493,370	3,358,379	3,198,370	3,138,370	2,928,370
% of total assets	12.55%	12.95%	13.13%	13.65%	14.03%	14.11%	13.97%	13.81%	14.43%	14.76%	15.30%	15.16%
% of total savings	15.10%	15.95%	16.18%	16.96%	17.61%	17.78%	17.61%	17.32%	17.84%	18.16%	18.88%	18.83%
Transfer to general reserve %												
Total income	2,312,473	2,300,428	2,122,896	2,211,550	2,140,132	2,083,152	2,004,206	1,817,264	1,575,747	1,559,913	1,572,488	1,561,748
Transfer to general reserve	-	100,000	200,000	250,000	340,000	370,000	450,000	535,000	301,000	60,000	210,000	190,000
% transferred	0.00%	4.35%	9.42%	11.30%	15.88%	17.76%	22.45%	29.44%	17.19%	3.85%	13.35%	12.17%
Loan indicators												
Gross loans at year end	16,722,751	17,866,213	16,866,932	16,084,786	15,700,212	15,414,502	13,709,503	13,163,203	12,038,341	10,810,585	10,630,465	10,721,260
Loans net of provision	15,666,887	17,394,013	16,484,239	15,715,108	15,330,534	15,044,824	14,371,825	12,825,525	11,300,663	10,072,907	9,992,787	10,203,582
Total assets	39,974,963	37,969,225	35,924,075	34,569,194	31,838,917	29,249,447	27,158,855	25,299,844	23,276,036	21,667,977	20,511,538	19,321,656
Net assets (excluding shares)	39,821,117	37,878,573	35,838,709	34,371,657	31,651,820	29,117,422	27,067,935	25,225,716	23,159,216	21,583,648	20,429,574	19,232,678
98% of net assets	39,024,695	37,121,002	35,121,935	33,684,224	31,018,784	28,535,074	26,526,576	24,721,202	22,696,032	21,151,975	20,020,983	18,848,024
Net loans/total assets	39.19%	45.81%	45.89%	45.46%	48.15%	51.44%	52.92%	50.69%	48.55%	46.49%	48.72%	52.81%
Net loans/net assets	39.34%	45.92%	46.00%	45.72%	48.43%	51.67%	53.10%	50.84%	48.80%	46.67%	48.91%	53.05%
Net return												
Surplus before transfer	838,421	1,391,367	1,199,993	1,346,328	1,353,798	1,344,468	1,366,611	1,533,278	1,120,070	848,479	873,162	946,182
Dividend	317,385	162,775	234,959	214,615	246,000	341,000	336,000	314,000	292,000	262,000	221,000	306,000
Interest rebate	972,057	859,351	837,099	856,732	830,000	703,000	664,000	611,000	538,000	512,000	450,000	443,000
Transfer to general reserve	-	100,000	200,000	250,000	340,000	370,000	450,000	535,000	301,000	60,000	210,000	190,000
% transferred	0.00%	7.19%	16.67%	18.57%	25.11%	27.52%	34.89%	34.89%	26.87%	7.07%	24.05%	20.08%



HIGHLIGHTS OF PROGRESS IN 2020/2021

- **MEMBERSHIP – GRAND TOTAL 15,892**
Adult Members 13,413
Minors Accounts (birth -16 years) 2479
- **MEMBERS SHARES - £37,921,470**
- **LOANS TO MEMBERS - £16,726,506**
UP TO £7 MILLION LOANED IN 2020/2021
- **MINORS' DEPOSITS - £2,125,462**
- **0.15% MINORS' DIVIDEND- £3,168**
- **TOTAL RESERVES – £8,326,189**
- **OPERATING SURPLUS FOR YEAR - £1,757,303**
- **0.15% SAVINGS DIVIDEND - £55,493**
- **40% LOAN INTEREST REBATE - £816,514**
- **£6,987,329.86 – TOTAL OF 2941 LOANS GRANTED**



COLLECTION OF ADDITIONAL INFORMATION FOR CRS

Dear Members, please be advised that, in compliance with the OECD Common Reporting Standard, which came into effect on 1st January 2016, Omagh Credit Union Limited is required to seek information on the Tax Residency of its Members.

To this effect, *all New Members must sign a Self-Certification relating to their Tax Residency and if not UK tax resident provide their TIN within 90 days of account opening.*



PUTTING PEOPLE FIRST

WHETHER YOUR LOAN'S TO
CHANGE THE CAR, CHANGE THE CARPETS, GET AWAY,
OR GET THE KIDS KITTED OUT FOR SCHOOL
THEN TALK TO OMAGH CREDIT UNION
TODAY ON 028 8224 5353



OMAGH
Credit Union
PERSONAL LOANS

WE LOOK AT THINGS DIFFERENTLY

Loans are subject to approval. Terms and conditions apply.
Omagh Credit Union is authorised by the Prudential Regulation Authority and
regulated by the Financial Conduct Authority and the Prudential Regulation Authority.



omaghcreditunion.co.uk



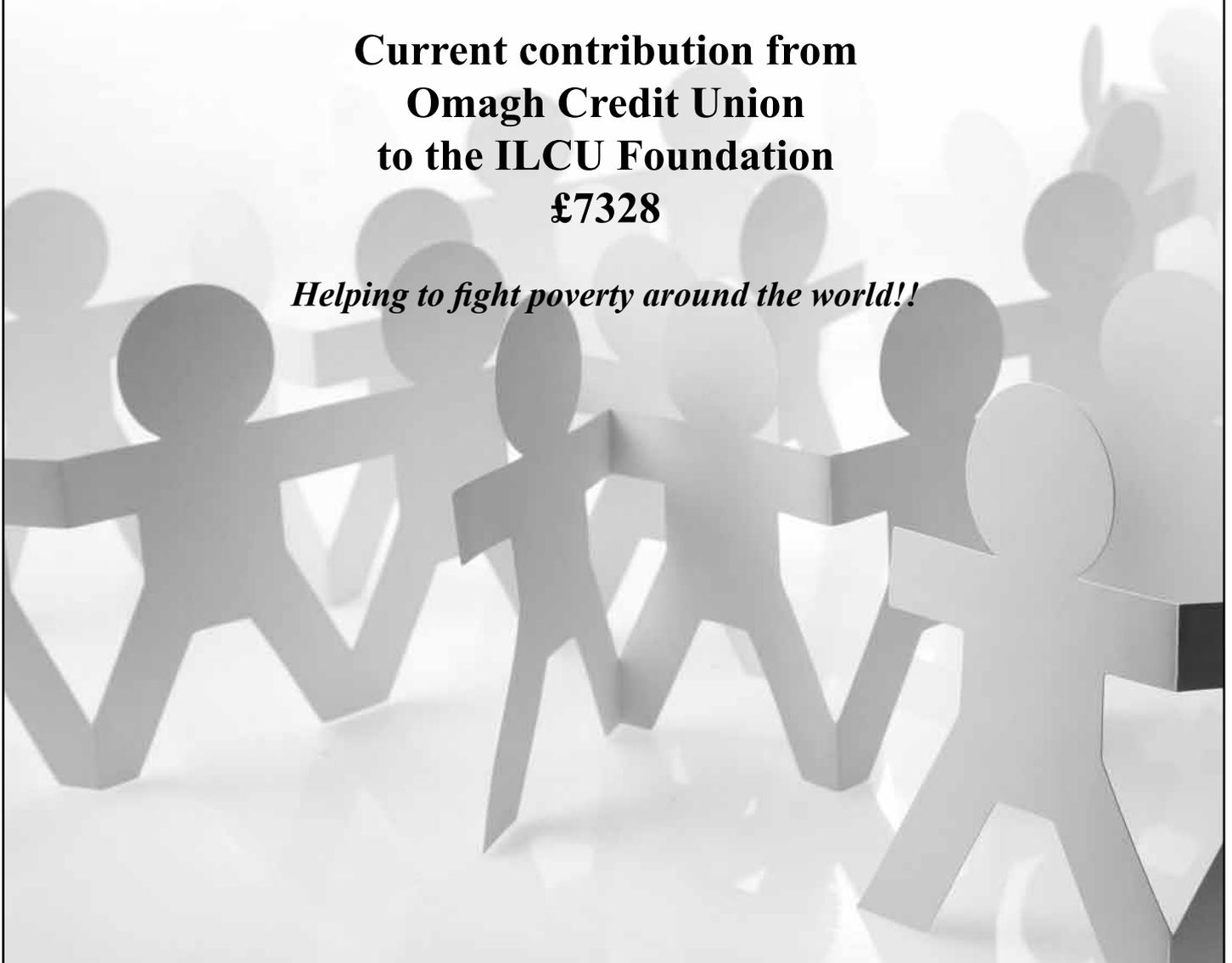
Sponsorship throughout the year £3,784.00

Holy Family P.S, Omagh Parkinsons Society, Drumragh Sarsfields, Shelter NI, Omagh Community Church,
St Vincent De Paul, Neonatal Unit, Termonmaguire Cancer Patients Fund, Zola Graham.

£9000 DONATED TO 18 LOCAL PRIMARY SCHOOLS (FRONT COVER SHOWS SCHOOLS RECEIVING £500 CHEQUE FROM CREDIT UNION)

**Current contribution from
Omagh Credit Union
to the ILCU Foundation
£7328**

Helping to fight poverty around the world!!





MEMBERS

IS YOUR IDENTIFICATION UP TO DATE ?

In order for Omagh Credit Union to comply with regulation it is necessary that we have up to date Identification for **ALL** members including under 16's

PHOTOGRAPHIC IDENTIFICATION

Current Valid Passport

****Current Valid Driving Licence****

National Identity Card

Birth Certificate (for a only minor/or evidence of name change only)

ADDRESS VERIFICATION

(Dated within last 3 months)

Current Utility Bill (e.g. Gas/Electricity)

Official document from a Government Body

Original Recent Bank/Building Society

Statement

Local authority Document

(e.g. Rates Bill)

Current Insurance Document (e.g. House/
Motor Insurance)



****A driving licence can only be used for PHOTOGRAPHIC ID NOT address verification****

Website: www.omaghcreditunion.co.uk

TELEPHONE/FAX (028) 82245353

Email: manager.ocu@omaghcreditunion.co.uk





YOUR SAVINGS INSURANCE COVER—WHAT IS THIS?

It is important that all members understand how well covered their shares are in the event of their death. The terms are a little bit complex but worth studying carefully.

SHARES LODGED AT AGE	COVER PROVIDED	**CONDITIONS**
Before the age of 55	100% cover	PROVIDED YOU LEAVE THEM UNTOUCHED UNTIL THE DATE OF DEATH
Between the age of 55 and 60	75% cover 75p for £1	PROVIDED YOU LEAVE THEM UNTOUCHED UNTIL THE DATE OF DEATH
Between the age of 60 and 65	50% cover 50p for £1	PROVIDED YOU LEAVE THEM UNTOUCHED UNTIL THE DATE OF DEATH
Between the age of 65 and 70	25% cover 25p for £1	PROVIDED YOU LEAVE THEM UNTOUCHED UNTIL THE DATE OF DEATH
Over 70	NO COVER	SAVINGS LODGED AFTER 70 ARE NOT INSURABLE

SPECIAL NOTICE

DEATH BENEFIT INSURANCE

All eligible members are urged to take out Death Benefit Insurance, offered by E.C.C.U., the Credit Union

Insurers

To be eligible a member must:

Have joined the Credit Union before 70 years of age

Have paid the premium

Be in good health

The maximum shares you can hold are £12,500 in your main account and £2500 in your Easy Share account.

So the maximum insurance cover you can have is based on the sum of £15,000.

The following conditions should be noted in order that members are covered by this insurance.

- Members must have joined the Credit Union before the age of 70 and remain a member.
- Shares up to £6000 are covered regardless of health
- Sums in excess of that are covered if the member is in good health or can carry out their normal duties.
- All sums I referred to earlier are doubled if the members' death is the result of an accident.
- Death by suicide does not qualify as accidental death.

The ideal position to be in is to have £15,000 in your main account and your easy share account at your 55th birthday and to leave it untouched for the rest of your life. This would mean your next of kin would receive £30,000 on your death.

Opening hours: Mon-Sat 9.45am—5pm
18-20 John Street | OMAGH | Co.Tyrone | BT78 1DW
Telephone/Fax (028)82245353



NEED A LOAN?

FAST! FRIENDLY ! FLEXIBLE!

- Loans are insured at no direct cost to the eligible member
- No Hidden fees or transaction charges
- Reasonable interest rates
- Repayments calculated on the reducing balance of the loan. This means smaller interest repayments on your loan.
- Repayment terms to suit your particular circumstances
- You can repay the loan earlier with no penalty
- Additional lump sum repayments accepted with no penalty
- Flexibility to make later repayments than agreed with no penalty
- The Credit Union is very flexible and can help you choose the repayment plan to suit you.
- If your circumstances change and you want to alter your repayment plan, the Credit Union is there to help you
- You can repay your loan in full at any time, without any penalty or additional charges
- Loan protection Insurance is the Insurance cover your credit Union provides on the lives of eligible members with Credit Union loans
- Only Credit Union members can apply for a Credit Union Loan
- If you are a member speak to your Credit Union about making application
- If you are not already a member, call into your local Credit Union for more details on how to apply for a membership.





Protecting your money

Your eligible deposits with our Credit Union are protected up to a total of £85,000 by the Financial Services Compensation Scheme, the UK's deposit protection scheme.

Art Competition 2021



A selection of entries for our Art Competition 2021

