



# **BALLYMOTE & DISTRICT CREDIT UNION LIMITED**

The Rock, Ballymote, Co. Sligo

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## **REPORT & FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2023**

### **OFFICE HOURS OF BALLYMOTE & DISTRICT CREDIT UNION**

**Monday** - Closed **Tues & Wed** - 10.00am to 1.30pm

**Thursday** - 10.00am to 5.00pm **Friday** - 10.00am to 4.00pm

**Saturday** - 10.00am to 1.00pm

**WE ARE OPEN THROUGH LUNCH**

## **NOTICE OF ANNUAL GENERAL MEETING VIA A VIRTUAL ONLINE MEETING**

**on Tuesday 19th December  
2023 at 8pm**

# AGENDA

1. Ascertainment that a quorum is present;
2. Adoption of Standing Orders.
3. Reading and approval (or correction) of the minutes of the last annual general meeting.
4. Report of the Board of Directors;
5. Report of the Manager;
6. Report of the Auditor;
7. Declaration of dividend;
8. Report of the Board Oversight Committee;
9. Report of the Credit Committee;
10. Report of Credit Control Committee;
11. Report of Membership Committee;
12. Report of the Nomination Committee;
13. Appointment of Auditor & Officers;
  - Election of Auditor
  - Election to fill vacancies on the Board Oversight Committee
  - Election to fill vacancies on the Board of Directors
14. Amendments to Rules.
15. Any other business.
16. Close of meeting.

# **MINUTES AGM 2022**

The 35th AGM of Ballymote & District Credit Union Ltd, for the year ended 30 September 2022, was held on the 20<sup>th</sup> December 2022. This meeting was held via Zoom platform, managed by a hosting company, *MyWebinar.ie*. This facilitated the election of directors, Board Oversight Committee and External Auditor, voting, and member engagement. The accounts were available to all members on the website and in branch. Members wishing to attend were able to register online, by email or in branch, after which a link was forwarded to all attendees to enable registration.

## **Adoption of Standing Orders**

Standing Orders were taken as read and adopted.

Pauline Brennan, Chair, welcomed all who were in attendance and outlined how the meeting would work. She thanked the members for taking the time and interest to attend this AGM.

## **Minutes AGM 2021**

The Minutes of AGM 2021, held on the 27<sup>th</sup> January 2021, were read by Maureen Lavin. Minutes were proposed by Peter Lyons, seconded by Derek Tighe.

## **Chairpersons address**

Pauline noted that despite changes during the year, the credit union finished the year on a positive note and all key performance ratios were positive. She thanked management and staff for all their efforts during the year to deliver an efficient, personal service to members. She also thanked board members, who are volunteers and receive no remuneration, and bear overall responsibility for setting and directing policy. She thanked Thomas Scully for his enormous contribution as board member and chair and Marese Sweeney who was also stepping down.

## **Manager's Report**

Baruch outlined the key developments undertaken in Ballymote and District Credit Union during the year.

- Engagement with the Central Bank and successfully increasing our lending limit to €50,000 net.
- Pension changes: Winding up of staff defined benefit and introduction of defined contribution scheme.
- Asset and Liability Management of the huge increase in savings through the introduction of €10,000 savings cap for new members
- Installation of an ATM
- Contingent Liability payments resolution.

He outlined possible developments that are under discussion, including the possible introduction of fees and charges, foreign exchange, mortgages, current a/cs and debit cards, increases in savings limits, online loan application functionality, and the need for volunteers to serve on board.

## **Statement of Directors' Responsibilities - read**

### **Consideration of Accounts & Auditor's Report**

The Auditor's Report for year ended 30<sup>th</sup> Sept 2022, already approved by the board, was presented by Caoimhin Broderick on behalf of Auditors DHKN. The income & expenditure a/c showed an overall surplus of € 180,895 of which €168,015 was transferred into regulatory reserve and €12,880 into general reserve.

The balance sheet showed a total Loan Book increase of almost €0.6m to €6.7m compared to 2021. The increase in lending limits was the big driver of this increase. Members Shares increased by €1.4m to €17m. Total Assets show an increase of €1.60m to €21.14m. Total liabilities increased by €1.4m to €17.1.

Mr. Broderick 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 he performed, he did not identify 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.

Caoimhin thanked the manager and staff for their cooperation during the audit.

### **Board Oversight Report**

Mary McGettrick read the report. The Board Oversight Committee is separate from the Board of Directors and works on behalf of the members of the Credit Union by assessing whether the board of directors acts in compliance with Credit Union Acts.

The Board Oversight Committee is satisfied to report that the actions and decisions of the Board of Directors of Ballymote & District Credit Union are compliant with current legislation and regulation.

### **Credit Committee**

The report was read by Derek Tighe. The role of the credit committee was one of governance to ensure that loans are issued in accordance with agreed processes and procedures and regulations. With our lending restriction lifted there has been a 6.5% growth in loans in the three months leading up to 30<sup>th</sup> Sept 2022, as borrowers' avail of larger loan products. €3.76m in loans were issued in 2022. The committee highlighted the unique benefit of borrowing from your credit union, with Loan Protection Insurance at no extra cost to the borrower.

### **Credit Control**

Michael Duddy read the Credit Control Committee report. The committee are accountable to the Board of Directors and report to them on a monthly basis. The Strategic Plan A1 Ratio for our Credit Union is 5% and the credit union has been consistently under this ratio throughout 2022, with the end of year ratio standing at 4.27%. The committee is aware, especially in these uncertain economic times, that some borrowers may be experiencing financial difficulties. Anyone in this position is encouraged to contact the Credit Union. The staff are trained and experienced to engage with members and to find a solution based on the individuals' circumstances.

### **Membership Report**

Keith Henry presented the report. The committee meet regularly and all new applications for membership are considered and presented for approval at the monthly meeting of the Board of Directors. There was a 5.21% growth in active members for the year ended 30th September 2022. 232 new members joined during the year which is an average of 19 new members per month. Our active membership on 30th September was 3738. Of these 453 were members under 16 years of age.

### **Nomination**

Marese Sweeney presented the report. Under the provisions of the Credit Union Act 1997 (as amended), the Nomination Committee has primary responsibility for ensuring that members with the necessary skills and experience are available to fill vacancies that arise on the Board of Directors and the Board Oversight Committee. The Committee is responsible for accepting nominations, carrying out due diligence under the Fitness & Probity Regime and making proposals of suitable candidates for election.

Volunteers with many different skill sets are needed. This year, two board members are retiring, but eligible for re-election. Caroline Queenan & Maureen Lavin are retiring by rotation and are all eligible for re-election. Thomas Scully and Marese Sweeney have decided not to go forward for re-election. This means there are four board vacancies. Mary McGettrick is retiring by rotation from the BOC and is eligible for re-election. Ballymote and District Credit union owe those directors retiring, a debt of gratitude, for the time and effort they have given freely in service to the Credit Union.

### **ELECTIONS:**

#### **Appointment of External Auditor**

DHKN, Galway, were voted unanimously by secret ballot, as External Auditors for 22/23

#### **Board of Directors Election**

Both was unanimously re-elected by secret ballot.

#### **Directors for Election**

Sile Feehily – unanimously elected  
Fiona Dunleavy - unanimously elected  
Caroline Queenan - unanimously elected  
Maureen Lavin - unanimously elected

#### **Board Oversight Committee**

Mary McGettrick, retiring by rotation from the Board oversight and was unanimously elected for membership of the Board Oversight Committee

The Chairman thanked all for their attendance and for their continued support for the Credit Union.

*Maureen Lavin*  
*Secretary*

## **Chairpersons Address – AGM 2023**

I am glad to report that we finished the year on an excellent note, with a healthy surplus. With the lifting of the **lending restriction** in 2022, our loan book has increased exponentially, so that we now have the second biggest loan growth in the country. During the year, approximately 30% of loans were received through the website and the DocuSign facility was also introduced.

With a levelling out of the **inflow of shares**, the cap on new accounts of €10k, has been increased to €25K for individuals and €50K for clubs and societies. We are keeping the position under constant review.

The recent improvement in **investment interest** has been a welcome development and we look forward to better returns in the future.

BDCU is mindful of the importance of reducing our **carbon footprint** and measures are being taken to make the building more energy efficient. Actions being considered are additional insulation, installation of solar panels, the reduction of draught in the main offices and a more efficient heating system on the first floor. An energy monitor is also being installed.

We spent time considering the **Mortgage CUSO**, which would have positioned us to issue mortgages. We contributed to the business case for the development of this CUSO but, following a cost benefit analysis, the finalised version was deemed to offer limited benefit, so it was agreed not to progress at this point in time. Central Bank lending limits would have limited us to 10-12 mortgages in total with all benefits being outweighed by the costs involved.

The Board agree that there is a need to put a structured policy and procedure in place for sponsorship for community groups in our common bond and we are considering setting up a social fund which would come out of any surplus remaining after all reserves have been provided for.

We wish to thank the good work of **management and staff** during the year who continue to provide an efficient, effective, and personal service to all members in these times when there is a dearth of personal banking services in the local community and the town.

The **Board of Directors and Board Oversight committee** are responsible for the general control, direction, and management of the Credit Union. They generously give of their time and expertise voluntarily. Their contribution is hugely important, and they deserve great gratitude.

It is with a sad heart that we bid goodbye to Maureen Lavin and Mary Porter, board members who have served in various capacities since the inception of the Credit Union in Ballymote. We thank them for their invaluable service. They have made an enormous contribution, and their expertise and knowledge will be greatly missed.

We need to renew our Board and we appeal for new members to come forward to fill positions on the board and other sub committees. You can call in, email or phone for information.

In conclusion, I wish you all a very happy Christmas.

Pauline Brennan  
Chair

# Managers Address

## Key Developments

- The Credit Union has seen a big **increase in lending** due to the lifting of the lending restriction in 2022. We now have a greater level of higher value loans over longer time periods.
- There was a very big **increase in bond yields** following the invasion of Ukraine. This has led to, nearly, a trebling of our investment income and has greatly supported our surplus.
- We launched our **online loan application facility** where a member can apply for a loan and upload documents which are received directly into the Progress system ready for processing.
- The **large increases in net savings** year on year moderated significantly in the final quarter of the year. As 10% of any savings increase has to be financed from the year end surplus, this was putting considerable financial pressure on the Credit Union. With the significant moderation, we were able to increase the savings limit for new members from €10,000 to €25,000 to bring all members in line. We increased savings on clubs and societies to €50,000 with a particular focus on providing financial flexibility for the development of community facilities and events and the accommodation of grants and funding.
- Consideration of **Mortgages and Debit Cards**. Our scale and Central Bank lending limits currently render Mortgages unviable. Our asset size restricts us from exploring the option of Debit Cards. In any case the costs involved with both products are very high relatively speaking and we do not envisage either product becoming available in the short term.

## The Future

- Product Development - We are currently considering some of the following:
  - Account Fees & Charges
  - Business Accounts
  - Business Loans

We will issue a member survey during 2024 to get feedback from our members on improvements they would like to see or products they would like made available.

- The development of Green Measures by the Credit Union, including physical premises and green loan products in the context of Environmental, Social and Governance (ESG)



and Operational Resilience. Some measures have already been undertaken and a suite of Green Loans were launched but were deemed too complex.

- Online functionality
  - We will look to further develop our online functionality further to provide a faster and more efficient loan and member joining service.
- Volunteers
  - We are always looking for members to participate on the board or on some of the committees of the Credit Union. Please contact us if you have an interest in volunteering.

We continue to follow our main objective, which it to remain as a standalone Credit Union working in the best interests of our members and the surrounding area. On that basis, I would like to thank the board and board oversight for all their work during the year. As volunteers they give up their time and energy to help move the Credit Union forward in the best interests of the community and its members. I would also like to thank all the staff for all their hard work in what has been a difficult year.

Yours Sincerely  
Baruch Scully

**Ballymote and District Credit Union Ltd**  
**Report and Financial Statements**  
**for the financial year ended 30 September 2023**

**DHKN Limited**  
**Registered Auditors**  
**Galway Financial Services Centre**  
**Moneenageisha Road**  
**Galway**

**Registered Number: 444CU**

# **Ballymote and District Credit Union Ltd**

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# **Ballymote and District Credit Union Ltd**

## **DIRECTORS AND OTHER INFORMATION**

<b>Directors</b>	Pauline Brennan (Chairperson) Maureen Lavin Keith Henry Caroline Queenan Michael Doddy Peter Lyons Derek Tighe Sile Feely (Appointed 20 December 2022) Fiona Dunleavy (Appointed 20 December 2022) Mauesse Sweeney (Resigned 22 November 2022) Thomas Scully (Resigned 22 November 2022)
<b>Board Oversight Committee Members</b>	Hubert Killoran Mary Porter Mary McGettrick
<b>Credit Union Number</b>	444CU
<b>Registered Office and Business Address</b>	The Rock Ballymote Co.Sligo
<b>Auditors</b>	DHKN Limited Galway Financial Services Centre Moneenageisha Road Galway
<b>Bankers</b>	Danske Bank 3 Harbourmaster Place International Financial Services Dublin 1  Allied Irish Bank plc 26 Stephen Street Sligo Co.Sligo
<b>Solicitors</b>	O' Connor Johnson Solicitors O'Connell Street Ballymote Sligo

## Ballymote and District Credit Union Ltd

for the financial year ended 30 September 2023

### STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Credit Union Acts 1997 to 2018 requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Credit Union and of the income and expenditure of the Credit Union for that financial year. In preparing these financial statements the directors are required to:

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

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

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:

Member of the Board of Directors Pauline Brennan

Member of the Board of Directors Derek Tighe

Date 24/11/2023

### STATEMENT OF BOARD OVERSIGHT COMMITTEE'S RESPONSIBILITIES

The Credit Union Acts 1997 to 2018 requires the appointment of a Board Oversight Committee to assess whether the board of directors has operated in accordance with Part IV, Part IV (a) and any regulations made for the purposes of Part IV or Part IV(a) of the Credit Union Acts 1997 to 2018 and any other matter prescribed by the Central Bank in respect of which they are to have regard in relation to the board.

#### Approved on behalf of the Board Oversight Committee

Member of the Board Oversight Committee Mary McGettrick

Member of the Board Oversight Committee Hubert Killoran

Date 24/11/2023

# **Ballymote and District Credit Union Ltd**

## **REPORT OF THE BOARD OVERSIGHT COMMITTEE**

for the financial year ended 30 September 2023

Every Credit Union must elect a Board Oversight Committee consisting of 3 or 5 members. The Board Oversight Committee must assess whether the Board of Directors have operated in accordance with Part IV & IV(a) of the Credit Union Act 1997, as amended, and any regulation or direction of the Registrar or Central Bank. The Board Oversight Committee of the Credit Union hold at least one meeting in every month, and meet with the Board of Directors at least 4 times in every year to facilitate carrying out the oversight role.

The Board Oversight Committee submits a written report to the Board of Directors on their assessment of whether the Board of Directors has operated in accordance with the Credit Union Act 1997, as amended, and any regulation or direction of the Registrar or Central Bank. The Board Oversight Committee has access, at all times, to the books and documents of the Credit Union, to enable it to carry out its functions under the Act and members of the Board Oversight Committee have the right to attend all meetings of the Board of Directors and all meetings of Committees of the Credit Union. The Board Oversight Committee ensures that at least one of its members attends every meeting of the Board of Directors. The Board Oversight Committee may notify the Central Bank of any concern it has, that the Board of Directors has not complied with any of the requirements and the Board Oversight Committee shall report to the Members at the Annual General Meeting and, if it thinks fit, at a Special General Meeting, on whether the Board of Directors has operated in accordance with Credit Union Act 1997, as amended, and any regulation or direction of the registrar or Central Bank.

For the year ended 30 September 2023, the Board Oversight Committee wish to report that no matters have come to their attention that indicates that the Directors have not complied with Part IV or IV(a) Credit Union Act 1997, as amended, and any regulation or direction of the Registrar or Central Bank. We extend our thanks to the Board of Directors, C.E.O., Management and Staff for their courtesy, assistance and co-operation during the year

Mary McGettrick  
**Member of the Board Oversight Committee**

Hubert Killoran  
**Member of the Board Oversight Committee**

**Date: 24/11/2023**

# **INDEPENDENT AUDITOR'S REPORT**

## **to the Members of Ballymote and District Credit Union Ltd**

### **Report on the audit of the financial statements**

#### **Opinion**

We have audited the financial statements of Ballymote and District Credit Union Ltd for the financial year ended 30 September 2023 which comprise the Revenue Account, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including the summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is Irish law including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued in the United Kingdom by the Financial Reporting Council and the Credit Union Acts 1997 to 2018.

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 2023 and of its surplus for the financial year then ended;
- have been properly prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been properly prepared in accordance with the requirements of the Credit Union Acts 1997 to 2018.

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

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

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

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

#### **Other Information**

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

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

#### **Opinions on other matters prescribed by the Credit Union Acts 1997 to 2018**

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

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion proper accounting records have been kept by the Credit Union.
- Properly audited and the financial statements are in agreement with the accounting records.

#### **Respective responsibilities**

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

As explained more fully in the Statement of Directors' Responsibilities as set out on page 4, 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.

# **INDEPENDENT AUDITOR'S REPORT**

## **to the Members of Ballymote and District Credit Union Ltd**

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

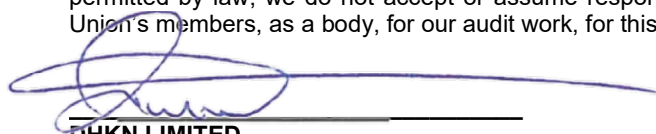
### **Auditor's responsibilities for the audit of the financial statements**

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

Further details relating to our work as auditor is set out in the Scope of Responsibilities Statement contained in the appendix of this report, which is to be read as an integral part of our report.

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

Our report is made solely to the Credit Union's members, as a body, in accordance with section 120 of the Credit Union Acts 1997 to 2018. 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.



**DHKN LIMITED**

Registered Auditors

Galway Financial Services Centre

Moneenageisha Road

Galway

**Date:** 24th November 2023 .....



# **Ballymote and District Credit Union Ltd**

## **APPENDIX TO THE INDEPENDENT AUDITOR'S REPORT**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Credi Union's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Credit Union's ability to continue as going concerns. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Credit Union to cease to continue as going concerns.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

# Ballymote and District Credit Union Ltd

## REVENUE ACCOUNT

for the financial year ended 30 September 2023

		2023	2022
	Notes	€	€
<b>Revenue</b>			
Interest on members' loans	5	641,406	558,490
Other interest income and similar income	6	216,264	83,443
<b>Net interest income</b>		<b>857,670</b>	<b>641,933</b>
Savings protection scheme rebate	4	-	82,172
Other revenue	8	5,658	2,783
<b>Total revenue</b>		<b>863,328</b>	<b>726,888</b>
<b>Expenditure</b>			
Employment costs	9	235,893	229,290
Defined benefit pension scheme funding	4	-	65,590
Other management expenses (Schedule 4)		278,285	276,651
Depreciation		28,201	32,844
Net (recoveries) or losses on loans to members	13.4	55,282	(58,382)
<b>Total expenditure</b>		<b>597,661</b>	<b>545,993</b>
<b>Surplus of revenue over expenditure</b>		<b>265,667</b>	<b>180,895</b>
Other comprehensive income		-	-
<b>Total comprehensive income</b>		<b>265,667</b>	<b>180,895</b>

The financial statements were approved and authorised for issue by the Board of Directors on 24 November 2023 and signed on its behalf by;

<b>Manager</b>	<u>Baruch Scully</u>
<b>Chairperson</b>	<u>Pauline Brennan</u>
<b>Member of the Board Oversight Committee</b>	<u>Mary McGettrick</u>
<b>Date</b>	<u>24/11/2023</u>

**Ballymote and District Credit Union Ltd**  
**STATEMENT OF FINANCIAL POSITION**  
as at 30 September 2023

		2023	2022
	Notes	€	€
<b>Assets</b>			
Cash and cash equivalents	11	862,560	3,919,601
Property, plant and equipment	12	396,068	423,568
Loans to members	13	9,019,226	6,729,965
Provision for bad debts	13	(532,493)	(456,184)
Prepayments	14	69,009	40,079
Accrued income	14	108,569	53,368
Deposits and investments	15	13,003,557	10,433,613
<b>Total Assets</b>		<b>22,926,496</b>	<b>21,144,010</b>
<b>Liabilities</b>			
Members' shares	16	18,506,294	16,985,175
Trade Creditors and Other Accruals	17	122,100	126,400
<b>Total Liabilities</b>		<b>18,628,394</b>	<b>17,111,575</b>
<b>Net Assets</b>		<b>4,298,102</b>	<b>4,032,435</b>
<b>Members' Resources</b>			
Regulatory reserve	18	2,407,282	2,220,121
Distribution reserve	18	100,217	100,217
Operational risk reserve	18	105,186	105,186
Other reserves		1,685,417	1,606,911
<b>Total Members' Resources</b>		<b>4,298,102</b>	<b>4,032,435</b>

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

<b>Manager</b>	<u>Baruch Scully</u>
<b>Chairperson</b>	<u>Pauline Brennan</u>
<b>Member of the Board Oversight Committee</b>	<u>Mary McGettrick</u>
<b>Date</b>	<u>24/11/2023</u>

## Ballymote and District Credit Union Ltd

### STATEMENT OF CHANGES IN EQUITY

for the financial year ended 30 September 2023

	Regulatory reserve	Distribution reserve	Operational risk reserve	Unrealised income reserve	General reserve	Total
	€	€	€	€	€	€
At 1 October 2021	2,052,106	100,217	105,186	-	1,594,031	3,851,540
Surplus allocation in financial year	168,015	-	-	-	12,880	180,895
Other movement in reserves	-	-	-	27,751	(27,751)	-
At 30 September 2022	<b>2,220,121</b>	<b>100,217</b>	<b>105,186</b>	<b>27,751</b>	<b>1,579,160</b>	<b>4,032,435</b>
At 1 October 2022	2,220,121	100,217	105,186	27,751	1,579,160	4,032,435
Surplus allocation in financial year	187,161	-	-	47,931	30,575	265,667
At 30 September 2023	<b>2,407,282</b>	<b>100,217</b>	<b>105,186</b>	<b>75,682</b>	<b>1,609,735</b>	<b>4,298,102</b>

The Regulatory Reserve of the Credit Union as a % of the total assets as at 30th September 2023 was 10.50% which is in excess of the Credit Union's Regulatory Reserve requirement of 10%.

The General reserve relates to the accumulated, realised and unallocated reserves of the credit union.

# Ballymote and District Credit Union Ltd

## STATEMENT OF CASH FLOWS

for the financial year ended 30 September 2023

	2023 €	2022 €
<b>Opening cash and cash equivalents</b>	<b>3,919,601</b>	<b>6,519,396</b>
<b>Cash flows from operating activities</b>		
Loans repaid	3,073,283	3,154,459
Loans granted	(5,387,516)	(3,760,050)
Loan interest income	639,597	559,969
Investment income	216,264	83,443
Other revenue received	5,658	84,955
Bad debts recovered	45,999	83,538
Operating expenses	(514,178)	(587,286)
Movement in other assets	(82,322)	(23,902)
Movement in other liabilities	(4,300)	32,664
Net cash used in operating activities	(2,007,515)	(372,210)
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(701)	(9,998)
Receipts from disposal of property, plant and equipment	-	82,000
Net cash flow from other investing activities	(2,569,944)	(3,686,176)
Net cash used in investing activities	(2,570,645)	(3,614,174)
<b>Cash flows from financing activities</b>		
Members' shares received	11,144,007	9,792,117
Members' shares withdrawn	(9,622,888)	(8,405,528)
Net cash generated from financing activities	1,521,119	1,386,589
<b>Net decrease in cash and cash equivalents</b>	<b>(3,057,041)</b>	<b>(2,599,795)</b>
<b>Cash and cash equivalents at end of financial year</b>	<b>862,560</b>	<b>3,919,601</b>

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

Manager	<u>Baruch Scully</u>
Chairperson	<u>Pauline Brennan</u>
Member of the Board Oversight Committee	<u>Mary McGettrick</u>
Date	<u>24/11/2023</u>

# Ballymote and District Credit Union Ltd

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 September 2023

### 1. LEGAL AND REGULATORY FRAMEWORK

Ballymote and District Credit Union Ltd is established under the Credit Union Acts 1997 to 2018. The Credit Union is registered with the Registrar of Credit Unions and is regulated by the Central Bank of Ireland. The principal place of business is The Rock, Ballymote, Co.Sligo.

### 2. ACCOUNTING POLICIES

The following principal accounting policies have been applied;

#### Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with applicable Irish accounting standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102) and Irish statute comprising of the Credit Union Acts 1997 to 2018. The financial statements have been prepared on the historical cost basis.

#### Currency

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

#### Going concern

The directors have very carefully reviewed the trade and the resources available to the credit union in the period following the balance sheet date and in light of the Covid-19 pandemic and cost of living increases, which has had a significantly negative impact on the Irish and global economies in 2023. In their opinion the credit union will be in a position to continue to trade through the current difficult period and has sufficient liquid reserves to absorb any losses or disruption to trade caused by Covid-19 for at least twelve months from the date of signing the financial statements.

The risks for the credit union are that trade will be negatively disrupted as a result of social distancing requirements, a curtailment of opening hours, or as a result of decrease to staff availability due to illness, none of these possibilities are considered likely. The credit union also faces strong competition from banks and other similar credit unions operating locally who have a stronger online presence in terms of product and service offerings.

There is expected to be a curtailment of the business in the current environment, however, strategic plans have been drawn up to mitigate against any foreseeable risks. The directors are therefore confident that the credit union will continue and that the financial statements should be drawn up on a going concern basis.

#### 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

The Credit Union Act 1997 (as amended) requires that Interest on Members' Loans is recognised when payment is received (i.e. on a cash basis). This is not in accordance with accounting practice generally, but is consistent with normal practice for Irish credit unions. FRS 102 and accounting practice generally would require that interest be recognised using the effective interest method accrued on a daily basis. Ballymote & District Credit Union Limited accounts for interest on members' loans using the effective interest method and is accrued on a daily basis. Interest on members' loans is included in the financial statements in the period in which it is earned.

##### (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.

#### Dividend and loan interest rebate

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

The rate of dividend and loan interest rebate recommended by the Board 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;

**Ballymote and District Credit Union Ltd**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the financial year ended 30 September 2023

continued

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 members ratify such payments at the Annual General Meeting.

**Taxation**

The Credit Union is not subject to income tax or corporation tax on its activities as a credit union.

**Investments**

Investment income is recognised on an accrual basis.

**Fixed-term deposits**

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

**Bank bonds**

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

**Commodities and other bonds**

Income is recognised once it is "locked in" and irrevocably receivable. The capital value of the bond is tested annually for impairment and impairment losses are taken to the income statement. Impairment gains which reverse a previous impairment loss are taken to the income statement with any gains in excess of the cost of the product ignored until the bond matures.

**Held at amortised cost**

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

**Central Bank deposits**

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

**Investments at fair value**

Investments held for trading and investment in stock market shares (i.e. non-convertible preference shares and non-puttable ordinary shares or preference shares) are included in this category. Financial assets at fair value are classified as held for trading if they are acquired for sale in the short term. They are valued at fair value (market value) at the year end date and all gains and losses are taken to the income and expenditure account. The fair value of quoted investments is determined by reference to bid prices at the close of business on the balance sheet date. Where there is no active market these assets will be carried at cost less impairment.

**Property, plant and equipment and depreciation**

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

Land and buildings freehold	50 years Straight line
Fixtures, fittings and equipment	8 years Straight line
Computer equipment	5 years 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 Income and Expenditure account.

# Ballymote and District Credit Union Ltd

## NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 30 September 2023

### **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 Income and Expenditure account.

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

### **Cash and cash equivalents**

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value. Therefore, an investment normally qualifies as a cash equivalent only when it has a short maturity of, say, three months or less from the date of acquisition.

### **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.

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

#### **Other Receivables**

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

### **De-recognition of financial assets**

Financial assets are derecognised 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 derecognised, when the right to receive cash flows from the loans have expired, usually when all amounts outstanding have been repaid by the member. The Credit Union does not transfer loans to third parties.

### **Impairment of financial assets**

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



# Ballymote and District Credit Union Ltd

## NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 30 September 2023  
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 Income and Expenditure account.

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

### **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.

### **Other Financial Instruments**

Other financial assets are initially measured at fair value and are subsequently carried at fair value with changes to fair value recognised in the income & expenditure annually.

### **Bad debt provision**

Bad debts written off and bad debts recovered are included in the Income Statement. Ballymote and District Credit Union Limited assesses, at each balance sheet date, if there is objective evidence that any of its loans to members are impaired. The loans are assessed collectively in groups that share similar credit risk characteristics. Individually significant loans are assessed on a loan by loan basis.

Bad debts in the Credit Union are recognised when there is a reasonable doubt that the full amount of principle will not be collected, or the financial capacity of the borrower has deteriorated such that the recovery of the whole, or part of an outstanding loan advanced is in doubt. In all cases where it is impractical to estimate the recoverable amount, the carrying amount is reduced to zero.

### **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 are redeemable and are therefore classified as financial liabilities.

### **Other payables**

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 rate method.

### **De-recognition of financial liability**

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

### **Holiday pay**

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

# Ballymote and District Credit Union Ltd

## NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 30 September 2023

### Pensions

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

Ballymote & District Credit Union Limited also participates in an industry-wide pension scheme for employees (The Irish League of Credit Unions Republic of Ireland Pension Scheme). This is a funded defined benefit scheme with assets managed by the Scheme's trustees. The ILCU is the principal employer of the Scheme, and Ballymote & District Credit Union Limited is a participating employer.

The scheme is a multi-employer defined benefit Scheme and there is insufficient information for Ballymote & District Credit Union Limited to separately identify its share of the Scheme's underlying assets and liabilities. Consequently, the Scheme is currently accounted for as a defined contribution plan.

If an agreement is entered into with the Scheme that determines how Ballymote & District Credit Union Limited will fund a past service deficit, Ballymote & District Credit Union Limited shall recognise a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit).

### Distribution

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

### Reserves

#### Regulatory reserve

The Credit Union is required to maintain and establish a minimum Regulatory reserve of at least 10% of the assets of the Credit Union in accordance with Credit Union Act 1997 (Regulatory Requirements) Regulations 2016.

#### Operational risk reserve

The Credit Union has established an Operational Risk reserve under Section 45(5)(a) of the Credit Union Act (as amended) which is separate, distinct and in addition to the reserves the Credit Union is required to hold in its Regulatory reserve. The Credit Union has adopted the 'Basic Indicator Approach' as proposed under Basel II capital adequacy rules in calculating the minimum amounts to be held in this reserve.

#### Dividend reserve

Distribution reserves are the accumulated surpluses to date that have not been declared as dividends or loan interest rebate returnable to members or set aside to the Regulatory or Operational Risk reserves.

#### Non-Distributable Investment Income reserve

Investment income that has been recognised in the financial statements but will not be received within 12 months of the Balance Sheet date is classified as "non-distributable" and is not distributable as a dividend in accordance with Section 31 of the Credit Union Act 1997 (Regulatory Requirements) Regulations 2016. A reclassification between non-distributable and distributable is made as investments come to within 12 months of maturity date.

#### General Reserve

General reserves were established to maintain and develop the business model of the Credit Union.

### 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 the credit union'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 policies. The estimation of loan losses is inherently uncertain and depends upon many factors, including loan loss trends, credit risk characteristics in loan classes, local and international economic climates, conditions in various sectors of the economy to which the Credit Union is exposed, and, other external factors such as legal and regulatory requirements. Credit risk is identified, assessed and measured through the use of rating and

# Ballymote and District Credit Union Ltd

## NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 30 September 2023

scoring tools with emphasis on weeks in arrears and other observable credit risk metrics. The ratings influence the management of individual loans. The credit rating triggers the impairment assessment and if relevant the raising of specific provisions on individual loans where there is doubt about their recoverability. Loan loss provisioning is monitored by the Credit Union, and the Credit Union assesses and approves its provisions and provision adequacy on a quarterly basis. Key assumptions underpinning the Credit Union's estimates of collective provisions for loans with similar credit 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.

### Depreciation of Property, plant & equipment

The annual depreciation charge depends primarily on the estimated useful economic lives of each type of asset and estimates of residual values. The directors regularly review these asset useful economic lives and change them as necessary to reflect current thinking on remaining lives in light of perspective economic utilisation and physical condition of the assets concerned. Changes in asset useful lives can have an impact on depreciation and amortisation charges for the period. Details of the useful economic lives is included in the accounting policies.

### Pensions

Ballymote & District Credit Union Limited participates in an industry-wide pension scheme for employees (The Irish League of Credit Unions Republic of Ireland Pension Scheme). This is a funded scheme of the defined benefit type, with assets invested in separate trustee administered funds. Judgement is required to assess whether Ballymote & District Credit Union Limited has sufficient information to enable it to account for the plan as a defined benefit plan. An assessment has been performed of the information currently available and Ballymote & District Credit Union Limited has determined that there is currently insufficient information available to provide an appropriate allocation of pension assets and liabilities due to the following:

- Scheme assets are not segregated or tracked by contributing employers. There is insufficient information to appropriately allocate the assets to individual employers as contributions paid are pooled in a single fund and none of the contributing employers have separately segregated asset pools.
- Orphan members are those members (including pensioners) who previously contributed to the scheme where their employer has paid an exit cost and as a result has no further liability to the scheme. A pension liability continues to exist for these individual members. There is uncertainty around where the obligation rests in respect of orphan members currently and into the future.
- The Funding Plan calculations are based on each employer's share of liabilities at a point in time. This does not infer that each employer is contributing towards its liabilities. The determination of the contribution rate is a point in time assessment and is not updated subsequently for changes in the employers' liability that may occur in the future. Subsequently, as the profile of the scheme continues to change, there will continue to be a natural cross subsidisation.

## 4. EXCEPTIONAL ITEM

Ballymote and District Credit Union is a member of the Irish League of Credit Unions (ILCU) Multi-Employer Defined Benefit Pension Scheme. During the year ended 30 September 2022 a deficit existing in this ILCU pension scheme has been communicated to all participating credit unions. Based on calculations provided by the Trustees of the scheme, the portion of the funding requirement required to meet this deficit applicable to Ballymote and District Credit Union presently amounts to €65,590. This amount has been paid by Ballymote and District Credit Union to the Scheme Trustees during 2022.

Following the ILCU AGM held in April of 2022, a motion was passed whereby it was agreed that ILCU affiliated credit unions would receive a rebate from the ILCU Savings Protection Scheme to help fund this liability. The portion of this funding applicable to Ballymote and District Credit Union amounted to €82,172, of which 90% was paid prior to 30th September 2022, with the balance due to be received after twelve months following the balance sheet date. As this 10% balance is not expected to be received within twelve months of the balance sheet date, the amount of €8,217 has been transferred to the Unrealised Income Reserve as it is not yet distributable.

# Ballymote and District Credit Union Ltd

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 September 2023

continued

### 5. INTEREST ON MEMBERS' LOANS

	2023 €	2022 €
Closing accrued interest receivable	22,201	20,392
Loan interest received in financial year	639,597	559,969
Opening accrued loan interest receivable	(20,392)	(21,871)
	<u>641,406</u>	<u>558,490</u>

### 6. OTHER INTEREST INCOME AND SIMILAR INCOME

	2023 €	2022 €
Investment income received	129,896	50,628
Investment income receivable within 12 months	86,368	32,815
	<u>216,264</u>	<u>83,443</u>

### 7. INTEREST PAYABLE AND DIVIDENDS

At the financial year-end the directors have allocated the amount of €100,217 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. No dividend distribution has been proposed in respect of the current or previous financial years.

### 8. OTHER REVENUE

	2023 €	2022 €
Entrance fees	164	189
Miscellaneous income	5,494	2,594
	<u>5,658</u>	<u>2,783</u>

### 9. EMPLOYEES AND REMUNERATION

The average monthly number of employees during the financial year was:

	2023 Number	2022 Number
Key management personnel	2	2
Other staff	7	6
	<u>9</u>	<u>8</u>

The staff costs comprise:

	2023 €	2022 €
Wages and salaries	197,976	191,417
Social security costs	20,733	20,638
Pension costs	17,184	17,235
	<u>235,893</u>	<u>229,290</u>

**Ballymote and District Credit Union Ltd**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the financial year ended 30 September 2023

continued

**10. KEY MANAGEMENT PERSONNEL**

The remuneration of key management personnel was as follows;

	2023 €	2022 €
Remuneration	68,279	72,785
Pension	6,828	7,502
Total key management personnel compensation	<u>75,107</u>	<u>80,287</u>

**11. 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.

	2023 €	2022 €
Cash and bank balances	618,854	2,650,319
Cash equivalents	243,706	1,269,282
	<u>862,560</u>	<u>3,919,601</u>

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value. Therefore, an investment normally qualifies as a cash equivalent only when it has a short maturity of, say, three months or less from the date of acquisition. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value. Therefore, an investment normally qualifies as a cash equivalent only when it has a short maturity of, say, three months or less from the date of acquisition.

**12. PROPERTY, PLANT AND EQUIPMENT**

	Land and buildings freehold €	Fixtures, fittings and equipment €	Computer equipment €	Total €
<b>Cost</b>				
At 1 October 2022	379,482	68,257	171,522	619,261
Additions	-	701	-	701
Disposals	-	-	(76,414)	(76,414)
At 30 September 2023	<u>379,482</u>	<u>68,958</u>	<u>95,108</u>	<u>543,548</u>
<b>Depreciation</b>				
At 1 October 2022	34,342	41,789	119,562	195,693
Charge for the financial year	7,590	6,005	14,606	28,201
On disposals	-	-	(76,414)	(76,414)
At 30 September 2023	<u>41,932</u>	<u>47,794</u>	<u>57,754</u>	<u>147,480</u>
<b>Net book value</b>				
At 30 September 2023	<u>337,550</u>	<u>21,164</u>	<u>37,354</u>	<u>396,068</u>
At 30 September 2022	<u>345,140</u>	<u>26,468</u>	<u>51,960</u>	<u>423,568</u>

# Ballymote and District Credit Union Ltd

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 September 2023

continued

### 13. LOANS TO MEMBERS - FINANCIAL ASSETS

#### 13.1 LOANS TO MEMBERS

	2023 €	2022 €
As at 1 October	6,729,965	6,163,082
Advanced during the financial year	5,387,516	3,760,050
Repaid during the financial year	(3,073,283)	(3,154,459)
Loans written off	(24,972)	(38,708)

<b>Gross loans to members</b>	<b>13.2</b>	<b>9,019,226</b>	<b>6,729,965</b>
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#### Impairment allowances

The provision for bad debts is analysed as follows;

Individual loans	(217,467)	(220,468)
Grouped loans	(315,026)	(235,716)

<b>Loan provision</b>	<b>13.3</b>	<b>(532,493)</b>	<b>(456,184)</b>
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As at 30 September	<b>13.2</b>	<b>8,486,733</b>	<b>6,273,781</b>
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#### 13.2 CREDIT RISK DISCLOSURES

	2023 €	2023 %	2022 €	2022 %
<b>Gross loans not impaired</b>				
Not past due	8,329,654	92.35	5,962,010	88.59
<b>Gross loans individually impaired</b>				
Not past due	272,299	3.02	250,444	3.72
Up to 9 weeks past due	146,434	1.62	229,657	3.41
Between 10 and 18 weeks past due	48,599	0.54	73,234	1.09
Between 19 and 26 weeks past due	17,099	0.19	18,099	0.27
Between 27 and 39 weeks past due	48,554	0.54	33,874	0.50
Between 40 and 52 weeks past due	40,462	0.45	22,221	0.33
53 or more weeks past due	116,125	1.29	140,426	2.09
<b>Total</b>	<b>689,572</b>	<b>7.65</b>	<b>767,955</b>	<b>11.41</b>
<b>Total gross loans</b>	<b>9,019,226</b>	<b>100.00</b>	<b>6,729,965</b>	<b>100.00</b>
<b>Impairment allowance</b>				
Individually significant loans	(217,467)		(220,468)	
Collectively assessed loans	(315,026)		(235,716)	
<b>Total carrying value</b>	<b>8,486,733</b>		<b>6,273,781</b>	

#### 13.3 LOAN PROVISION ACCOUNT FOR IMPAIRMENT LOSSES

	2023 €	2022 €
As at 1 October	456,184	469,736
Allowance for loan losses made during the financial year	(24,972)	(48,036)
Allowances reversed during the financial year	101,281	34,484
Increase/(Decrease) in loan provision during the financial year	76,309	(13,552)
As at 30 September	532,493	456,184

**Ballymote and District Credit Union Ltd**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the financial year ended 30 September 2023

continued

**13.4 NET RECOVERIES OR LOSSES RECOGNISED FOR THE FINANCIAL YEAR**

	2023 €	2022 €
Bad debts recovered	(45,999)	(83,538)
Reduction/increase	76,309	(22,880)
	<u>30,310</u>	<u>(106,418)</u>
Loans written off	24,972	48,036
	<u>55,282</u>	<u>(58,382)</u>
Net (recoveries)/losses on loans to members recognised for the financial year		

**13.5 ANALYSIS OF GROSS LOANS OUTSTANDING**

	2023 Number of loans	2023 €	2022 Number of loans	2022 €
Less than one year	179	302,485	224	322,670
Greater than 1 year and less than 3 years	282	1,320,696	359	1,976,203
Greater than 3 years and less than 5 years	203	2,071,507	197	2,172,393
Greater than 5 years and less than 10 years	249	5,324,538	112	2,258,699
	<u>913</u>	<u>9,019,226</u>	<u>892</u>	<u>6,729,965</u>

**14. RECEIVABLES, PREPAYMENTS AND ACCRUED INCOME**

	2023 €	2022 €
Prepayments	69,009	40,079
Accrued income	108,569	53,368
	<u>177,578</u>	<u>93,447</u>

**15. DEPOSITS AND INVESTMENTS**

	2023 €	2022 €
Fixed-term deposits	5,881,862	4,951,622
Bank bonds	7,044,993	5,423,194
Central Bank minimum deposits	76,702	58,797
	<u>13,003,557</u>	<u>10,433,613</u>

**16. MEMBERS' SHARES - FINANCIAL LIABILITIES**

	2023 €	2022 €
As at 1 October	16,985,175	15,598,586
Received during the financial year	11,144,007	9,792,117
Repaid during the financial year	(9,622,888)	(8,405,528)
	<u>18,506,294</u>	<u>16,985,175</u>

Members' shares are repayable on demand except for shares attached to loans. The breakdown of the shares between attached and unattached is as below;

**Ballymote and District Credit Union Ltd**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the financial year ended 30 September 2023

continued

	2023 €	2022 €
Unattached shares	17,375,874	15,914,218
Attached shares	1,130,420	1,070,957
<b>Total</b>	<b>18,506,294</b>	<b>16,985,175</b>

<b>17. OTHER PAYABLES AND ACCRUALS</b>		
	2023 €	2022 €
Other payables	122,100	126,400

<b>18. CREDIT UNION RESERVES</b>					
	Regulatory reserve €	Distribution reserve €	Operational risk reserve €	Other reserves €	Total €
At 1 October 2022	2,220,121	100,217	105,186	1,606,911	4,032,435
Surplus allocation in financial year	187,161	-	-	78,506	265,667
At 30 September 2023	<b>2,407,282</b>	<b>100,217</b>	<b>105,186</b>	<b>1,685,417</b>	<b>4,298,102</b>

The Regulatory Reserve of the Credit Union as a % of the total assets as at 30th September 2023 was 10.50% (30th September 2022: 10.50%) which is in excess of the Credit Union's Regulatory Reserve requirement of 10%.

The Operational Risk Reserve of the Credit Union as a % of the total assets as at 30th September 2023 was .46% (30th September 2022: .50%)

The General reserve relates to the accumulated, realised and unallocated reserves of the credit union.

**Regulatory reserve**

The Credit Union is required to maintain and establish a minimum Regulatory reserve of at least 10% of the assets of the Credit Union in accordance with Credit Union Act 1997 (Regulatory Requirements) Regulations 2016.

Following the commencement of Section 13 of the 2012 Act, the requirement for Credit Unions to transfer 10% of their annual surplus to their Statutory Reserve (now known as the Regulatory Reserve) each financial year has been removed. Notwithstanding this the Board of Ballymote and District Credit Union Ltd has transferred €187,161 of its current financial year surplus to its regulatory reserve.

**Distribution reserve**

Distribution reserves are the accumulated surpluses to date that have not been declared as dividends or loan interest rebate returnable to members or set aside to the Regulatory or Operational Risk reserves.

**Operational risk reserve**

The Credit Union has established an Operational Risk reserve under Section 45(5)(a) of the Credit Union Act (as amended) which is separate, distinct and in addition to the reserves the Credit Union is required to hold in its Regulatory reserve. The Credit Union has adopted the 'Basic Indicator Approach' as proposed under Basel II capital adequacy rules in calculating the minimum amounts to be held in this reserve. At the balance sheet date, the Operational Risk Reserve amounted to 0.46% (2022: 0.54%) of total assets.

**Other reserves**

Other reserves are comprised of the Credit Union's General reserve.



# Ballymote and District Credit Union Ltd

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 September 2023

continued

### 19. FINANCIAL INSTRUMENTS

The Credit Union 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. 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 the Credit Union's activities are credit risk, liquidity risk and interest rate risk. The Board reviews and agrees policies for managing each of these risks, which are summarised below.

#### Credit Risk:

Credit risk is the risk that a borrower will default on their contractual obligations relating to repayments to the credit union., resulting in financial loss to the Credit Union. In order to manage this risk the Board approves the Credit Union's credit policy, and all changes to it. All loan applications are assessed with reference to the credit 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 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 Central Bank.

#### 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 and minimum short term liquidity ratio as set out in the Credit Union Act 1997 (Regulatory Requirements) Regulations 2016 and the Credit Union Act 1997 (Regulatory Requirements) (Amendment) Regulations 2018.

#### Market Risk:

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

#### Interest Rate Risk:

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

### 19.1 INTEREST RATE RISK DISCLOSURE

The interest rate applicable to loans to members range from 6% to 12%. The dividend on shares 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. As a result, the surplus for the year is not particularly sensitive to interest rate risk and no sensitivity analysis is presented below;

	2023	Average interest rate	2022	Average interest rate
	€	%	€	%
<b>Financial assets</b>				
Gross loans to members	<u>9,019,226</u>	<u>8.56</u>	<u>6,729,965</u>	<u>8.66</u>
<b>Financial liabilities</b>				
Members' shares	<u>18,506,294</u>	<u>-</u>	<u>16,985,175</u>	<u>-</u>

### 19.2 LIQUIDITY RISK DISCLOSURE

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

# Ballymote and District Credit Union Ltd

## NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 30 September 2023

### 20. PENSION SCHEME

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

On 31 March 2022, the defined benefit scheme ceased to accrual and although staff retained all the benefits that they had earned in the scheme to that date, Ballymote & District Credit Union Limited and the employees ceased making regular contributions to the scheme and ceased earning any additional benefits from the scheme.

At the date of closure of the scheme, there was a past service deficit which was allocated to each individual credit union based on the total benefits earned by staff in each credit union. Ballymote & District Credit Union Limited's allocation of that past service deficit was €65,590. This total cost was included in the Income & Expenditure account for the year ended 30 September 2022 and this deficit amount was paid to the trustees prior to 30 September 2022. During the year ending 30 September 2023 there were no contributions in respect of a past service deficit payable and hence no charge to the Income and Expenditure account.

As this is a pooled pension scheme, Ballymote & District Credit Union Limited remains liable to cover the cost of their share of any future increase in the total cost of providing the pension benefits to credit union employees who were part of the scheme. Ballymote & District Credit Union Limited could exit the scheme and therefore never have to make a potential additional payment requirement however exiting the scheme may incur a substantial additional cost.

If credit unions exit the Scheme, they are required to pay to the trustees the exit amount which the trustees determine is required to fund benefits in respect of their active, deferred and pensioner members on a "no risk" basis. The exiting credit union thereby settles any liability they have to contribute to the Scheme in the future without increasing the risk for remaining credit unions.

The Scheme is a multi-employer scheme and there is pooling of the assets, and the sharing of risks associated with the liabilities for all participating employers. Judgement is required to assess whether Ballymote & District Credit Union Limited has sufficient information to provide an appropriate allocation of pension assets and liabilities. An assessment has been performed of the information available and Ballymote & District Credit Union Limited has determined that there is currently insufficient information available. Consequently, Ballymote & District Credit Union Limited continues to account for the plan as a defined contribution plan.

An actuarial review of the Scheme is normally carried out every three years by the Scheme's independent, professionally qualified actuary. The actuarial review considers the past and future service liabilities of the Scheme. The last completed triennial actuarial review was carried out with an effective date of 29 February 2020, using the Attained Age valuation method.

There was a review of the Scheme in conjunction with advisors independent of the trustees. The conclusion of this review was that the Scheme should close to future accrual and this occurred with effect from 31 March 2022 with an associated Funding Plan. The assets and liabilities of the Scheme and the key assumptions are included in the table below at the respective dates of the Funding Plan and the last triennial valuation date in the table below:

	31-03-2022	29-02-2022
	€'m	€'m
Assets	283.4	250.0
Liabilities	377.1	291.8
Deficit	93.7	41.8

Assumptions used	31 March 2022	29 February 2020
Investment return in the period pre-retirement	3.35%	3.50%
Investment return while in receipt of pension	0.25%	0.40%
Annual indexation of accrued pensions up to retirement	2.05%	1.25%
Annual increases to pension in payment	3%/0%	3%/0%
Life expectancy*		
65 year old male lives to age	87	86
65 year old female lives to age	89	88
Amount of pension exchanged for tax-free cash at retirement	0%	25%

# Ballymote and District Credit Union Ltd

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 September 2023

continued

\* Based on 58% of ILT15 (Males), 62% of ILT15 (Females) and annual improvement to annuity rates post retirement of: Males: 0.30%, Females: 0.25% (improvements from 2014).

There is an ongoing process to sign-off on the 28 February 2023 valuation. Under the Pensions Act, there is a 9 month period allowed to sign off an actuarial valuation. The formal process is on track to conclude within the required timescales - there is a deadline for finalisation of the report of 30 November 2023.

Given the progress to date in respect of the actuarial valuation, it is the clear understanding at this point that there will be no additional contributions recommended, over and above those contributions payable per the table above.

### 21. RELATED PARTY TRANSACTIONS

During the financial year, a number of related parties of the Credit Union (i.e. directors, board oversight committee members, the management team of the Credit Union and their family members or any business in which the directors or management team had a significant shareholding), operated share and loan accounts with the Credit Union.

All loans advanced to related parties are approved in accordance with Section 36(4) Credit Union Act, 1997 (as amended). The following transactions and balances existed with members who were Officers during the financial year ended 30th September 2023-

Loans outstanding to related parties amounts to 1.83% of total loans outstanding at the balance sheet date.

	No. of loans	2023 €
Total shares outstanding to Related Parties at the financial year end	55	272,216
Total loans outstanding to Related Parties at the financial year end	10	121,640
Loans issued to Related Parties at the financial year end	2	58,000

### 22. INSURANCE AGAINST FRAUD

The Credit Union has insurance against fraud in the amount of €1,300,000 (2022: €1,300,000) in compliance with Section 47 of the Credit Union Act, 1997 (as amended).

### 23. CAPITAL COMMITMENTS

The Credit Union had no material capital commitments at the financial year-ended 30 September 2023.

### 24. POST-BALANCE SHEET EVENTS

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

### 25. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved, and authorised for issue, by the Board of Directors on  
24 November 2023

**Ballymote and District Credit Union Ltd**  
**SCHEDULES TO THE REVENUE ACCOUNT**  
for the financial year ended 2023

**Schedule 1 - Interest on Loans**

	<b>2023</b>	<b>2022</b>
	<b>€</b>	<b>€</b>
<b>Interest on Loans</b>		
Interest on members' loans	<b>619,205</b>	538,098
Interest on members' loans receivable	<b>22,201</b>	20,392
	<b>641,406</b>	558,490

**Schedule 2 - Investment Income**

	<b>2023</b>	<b>2022</b>
	<b>€</b>	<b>€</b>
<b>Investment Income</b>		
Investment income received	<b>129,896</b>	50,628
Investment income receivable within 12 months	<b>86,368</b>	32,815
	<b>216,264</b>	83,443

**Schedule 3 - Other Revenue**

	<b>2023</b>	<b>2022</b>
	<b>€</b>	<b>€</b>
<b>Other Revenue</b>		
Entrance fees	<b>164</b>	189
Miscellaneous income	<b>5,494</b>	2,594
	<b>5,658</b>	2,783

**Ballymote and District Credit Union Ltd**  
**SCHEDULES TO THE REVENUE ACCOUNT**  
for the financial year ended 2023

**Schedule 4 - Other Management Expenses**

	<b>2023</b>	<b>2022</b>
	<b>€</b>	<b>€</b>
<b>Other Management Expenses</b>		
Training and education	3,320	4,747
Rent and rates payable	5,882	5,972
General insurance	13,841	12,904
Share and loan insurance	63,789	56,667
Light, heat and cleaning	12,057	7,314
Repairs and renewals	2,444	1,877
Computer and equipment maintenance	43,652	33,805
Printing and stationery	2,185	2,457
Promotion and advertising	5,343	5,574
Telephone and postage	1,550	1,748
AGM and convention expenses	4,959	4,542
Legal and professional fees	30,701	40,879
Audit fees	12,500	12,500
Bank charges	7,367	20,355
Miscellaneous expenses	7,194	4,671
Rebate of interest on top-up loans	-	14,483
CUSOP costs	15,511	15,401
Affiliation fees	6,275	5,187
Regulatory levies	39,715	41,323
Surpluses/deficits on disposal of tangibles	-	(15,755)
	<b>278,285</b>	<b>276,651</b>

## **Ballymote & District Credit Union**

### **Board Oversight Committee Report to AGM 2023**

The Credit Union Acts 1997(as amended) requires the appointment of a Board Oversight Committee to assess whether the board of directors has operated in accordance with Part IV, Part IV (a) and any regulations made for the purposes of Part IV or Part IV (a) of the Credit Union Acts 1997 to 2018 and any other matter prescribed by the Central Bank in respect of which they are to have regard in relation to the board. The BOC are not involved in the everyday operations of the credit union.

The BOC works on behalf of the members of the credit union to ensure the members' interests are looked after and, as such, are independent and separate from the Board of Directors. We are obliged to meet the Board four times throughout the year to review the BOD in areas such as the Board meetings, strategy, and decision-making processes. In this regard we:

- Reviewed the minutes of all Board meetings as well as all committee reports.
- Monitored the ongoing review of the credit unions policies and procedures.
- Attended each Board meeting and presented a report to the Board.
- Attended relevant training during the year.

The Board Oversight Committee is satisfied and pleased to report that the actions and decisions of the Board of Directors of Ballymote & District Credit Union are compliant with current legislation and regulation.

The BOC would like to acknowledge and thank the Board, Manager and staff for their commitment and dedication to Ballymote and District Credit Union over the past year.

Mary Porter

Hubert Killoran

Mary McGettrick

## **Ballymote & District Credit Union**

### **Credit Committee report to AGM - 19th Dec 2023**

The Credit Committee is appointed annually by the board of directors to ensure that loans are approved and issued in accordance with our Credit Unions Lending Policy, Processes & Procedures. The committee meets on a monthly basis and also reports monthly to the board. The committee operates in a governance role and is non-operational.

When evaluating loan applications, we are always conscious of the fact that we are lending our members' savings. Therefore, the credit union focuses on growing our loan book in a prudent manner using a robust lending/underwriting process. All loan applications are individually assessed by trained loan officers and while every effort is made to approve each application, the process must ensure that there is no undue risk to the individual borrower or to the credit union membership as a whole.

Your Credit Union was first choice for member's personal borrowing in 2023, with €5.4m in loans issued to members. Much of this money makes its way back into the local economy being spent in the homes and businesses of the community we serve. Our lending restriction was raised during 2022 and we have seen a full year impact in 2023 with our larger loan products contributing to a growth in our loan book of 34%.

We always welcome the opportunity to offer loans to our present members and future members. We encourage all members to consider Ballymote & District Credit Union when borrowing. One of the unique benefits of borrowing from your credit union is the Loan Protection Insurance at no extra cost to you the borrower. Should a member with an outstanding loan balance die, the balance is repaid in full, subject to terms and conditions and certain cover limits which apply. If you are an eligible member, this means that you can borrow from your credit union in the full confidence that your dependents will not be obliged to repay the outstanding loan balance in the event of your death.

Thank you to all our borrowing members. Your loyalty is appreciated.

Maureen Lavin

Síle Feehily

Derek Tighe

## **Credit Control Committee Report to AGM 2023**

Once again, the credit control committee, wish to thank the new and existing members of Ballymote and District Credit Union for their continued support in 2023.

The committee comprises three volunteers and our primary role is to protect the funds of all members. This is done by monitoring the effectiveness of credit control in accordance with our Credit Control Policy, Central Bank guidance and regulation. We provide this service to members in a democratic way, carried out with integrity, confidentiality, and a sense of social responsibility, by monitoring arrears, bad debt provisions and recovery.

We consult with the manager and the credit control officer on bad debt provisions, debt recuperation and monitoring of account arrears. The Pearls A1 Ratio goal for our Credit Union is 5% and we are delighted to report that BDCU has remained under this ratio on average throughout 2023 with the end of year ratio standing at 3%. We are accountable to the Board of Directors, and we report to them monthly. Our duties also include ensuring the Credit Union is fully compliant with all policies, statutory requirements and legislation as set down by the Central Bank.

As a committee we are aware, especially in these uncertain economic times since the invasion of Ukraine and the jump in inflation and interest rates, some members may be experiencing financial difficulties, hence we encourage anyone in this position to contact the Credit Union. The staff are experienced and trained to engage with members and to find a solution based on the individuals' circumstances. All members are treated respectfully and in the strictest of confidence.

The credit control committee wants to thank the members for their continued support to BDCU, the volunteers on the Board and the Board Oversight Committee for their commitment and support throughout 2023 and finally we want to commend the Credit Control Team, the management team and the credit union staff for the consistent hard-work and assistance in making BDCU a credit union we should all be proud to be members of.

Michael Doddy, Fiona Dunleavy and Peter Lyons

Credit Control Committee

19/12/2023



## Membership Committee Report.

The role of the membership committee is to check all applications for membership. The committee meet regularly, and all new applications are considered and presented for approval at the monthly meeting of the Board of Directors. Each new member application is examined to ensure that the applicant is either living or working within our “common bond”; their documentation is in order and complies with all credit union policies and credit union legislation.

Under the Criminal Justice Act an applicant who wishes to become a member of credit union must provide originals of the following:

- **Proof of identity:** i.e. Current driving license, Passport, Age Card issued by An Garda Siochana
- **Verification of Address (their permanent place of residence):** Current Utility Bill, Bank Statement, Government Correspondence, Household bill.

The application includes documentation on GDPR and Privacy notice, DGS, Marketing Consent, CRS Common Reporting Standard, AML and PEPs.

We would like to report a 2.70% growth in active members for the year ended 30<sup>th</sup> September 2023. 229 new members joined during the year which is an average of 19 new members per month. Our active membership on 30<sup>th</sup> September was 4746 Of these 507 (10.68%) were members under 16 years of age. With the departure of two banks from the Irish banking system the number of members joining has keep at steady pace throughout the year.

### Beneficial Owners on a Childs ( $\leq 10$ years) Account

On a child’s account the child is the beneficial owner, and the account must be used for the benefit of the child. Under, or at the age of 10, the parent or guardian must operate the account on behalf of the child and therefore have effective control over the account. On this basis they should be listed as a signatory and beneficial owner and the required CDD documents should be collected at account opening. Alternatively, they should be listed as delegated authority. At age 11, the parent / guardian should be removed as a signatory and beneficial owner or delegated authority. All members turning 11 years of age would be the Beneficial owner of the account.

Keith Henry

Pauline Brennan

Agnes Perry

# Nomination Committee Report

## AGM 19.12.2023

Under the provisions of the Credit Union Act 1997 (as amended), the Nomination Committee has primary responsibility for ensuring that members with the necessary skills and experience are available to fill vacancies that arise on the Board of Directors and the Board Oversight Committee. The Committee is responsible for accepting nominations, carrying out due diligence under the Fitness & Probity Regime and making proposals of suitable candidates for election.

A credit union member can develop both personally and professionally by volunteering. We require many different skills sets to help with the running of the Credit Union. Volunteers are always welcome, both for governance roles on the board or board oversight or operational roles in the credit union office.

Caroline Queenan and Maureen Lavin are stepping down from the board. Mary Porter is stepping down from the board oversight.

Three board members, Michael Doddy, Pauline Brennan and Fiona Dunleavy are retiring by rotation and all three are eligible for re-election. Hubert Killoran is retiring by rotation from the board oversight and is eligible for re-election.

It is proving to be quite difficult to find volunteers to put themselves forward for vacant positions on the board. If anyone would like to volunteer, please contact the Credit Union by phone, email or call in for more details.

### The Nomination Committee

- Keith Henry
- Caroline Queenan
- Maureen Lavin



# BALLYMOTE & DISTRICT CREDIT UNION LIMITED

**The Rock, Ballymote, Co. Sligo**

**Tel:** 071-9189022/9191636      **Email:** [info@ballymotecreditunion.ie](mailto:info@ballymotecreditunion.ie)

**Web:** [www.ballymotecreditunion.ie](http://www.ballymotecreditunion.ie)

## REPORT & FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2023

### OFFICE HOURS OF BALLYMOTE & DISTRICT CREDIT UNION

Monday-Closed    Tues & Wed-10.00am to 1.30pm    Thursday-10.00am to 5.00pm    Friday-10.00am  
to 4.00pm    Saturday-10.00am to 1.00pm

**WE ARE OPEN THROUGH LUNCH**

## NOTICE OF ANNUAL GENERAL MEETING VIA A VIRTUAL ONLINE MEETING

**on Tuesday 19th  
December at 8pm**