

2020



BALLINASLOE
Credit Union
LOCAL LOYAL LENDING



Financial Accounts, Notice & Agenda AGM 2020

**Virtual AGM Will Take Place On
Wednesday 10th March @ 8.00 PM**

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Notice for AGM:

The Annual General Meeting shall be conducted using an electronic platform.

- (i) The electronic platform shall be "HOPIN"
- (ii) Access to this electronic platform shall be provided using a unique embedded link in an e-mail that will issue to the participating member's personal and unique e-mail address at least 48 hours in advance of the meeting. The AGM link will also be available on our website.
- (iii) Members intending to participate in the meeting must register to do so in advance online. The closing date for registration is Friday 5th March.
- (iv) Members intending to participate in the meeting shall have up-to-date, acceptable photographic identification, address verification and proof of PPSN (where necessary) on file with the Credit Union.
- (v) When a member wishes to communicate questions and comments during the meeting, he or she shall "raise a hand" by clicking on the "Chat" icon to indicate a desire to speak or submit a question in writing.
- (vi) Participants will be afforded an opportunity to participate in all polls on an electronic basis by voting "in favour or against."

BOARD OF DIRECTORS

Chairperson	Marian Brady
Vice Chairperson	John Coughlan
Secretary	Patricia Tierney
Board of Directors	Adrian Ahern, Seamus Kelly, John Doolan, Mary Coughlan, Sean Kelly, Michael O'Reilly, Mary Feeney, Michael McKeown

BOARD OVERSIGHT COMMITTEE

Elaine Kennedy, Edward Kelly, Sinead Manning.

BOARD COMMITTEES

AUDIT & RISK COMMITTEE

Mary Coughlan, Adrian Ahern, Sean Kelly, Seamus Kelly, John Doolan.

NOMINATIONS COMMITTEE

Michael McKeown, Seamus Kelly, Patricia Tierney.

REMUNERATION COMMITTEE

Marian Brady, John Coughlan, Patricia Tierney.

EXTERNAL AUDITOR

Grant Thornton

INTERNAL AUDITOR

Internal Audit services ILCU

SOLICITORS

Joseph M. Jordan Solicitor

INVESTMENT ADVISORS

Davy

DATA PRIVACY

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

If you require further information you can contact the privacy officer by emailing GDPR@ballinasloecreditunion.ie or phoning 090 9643179.

The members assembled at any general meeting may suspend the order of business upon a two thirds (2/3) vote of the members present at the meeting.

AGENDA

The business at annual general meetings of the members shall be:-

- A) The acceptance by the Board of Directors of the authorised representatives of members that are not natural persons;
- B) Ascertainment that a quorum is present;
- C) Adoption of Standing Orders;
- D) Reading and approval (or correction) of the minutes of the last general meeting;
- E) Report of the Board of Directors;
- F) Report of the Auditor;
- G) Consideration of accounts;
- H) Report of the Board Oversight Committee;
- I) Declaration of dividend / rebate of interest & approval of ILCU affiliation fee;
- J) Notice of Motions;
- K) Report of the Nomination Committee;
- L) Appointment of Tellers;
- M) Election of Auditor;
- N) Election to fill vacancies on the Board of Directors and Board Oversight Committee;
- O) Report of the Credit Committee;
- P) Report of the Credit Control Committee;
- Q) Report of the Membership Committee;
- R) Report of the Audit and Risk Committee;
- S) Report of the Education Committee;
- T) Report of the Investment Committee;
- U) Any other business;
- V) Announcement of election results;
- W) Adjournment or close of meeting.

STANDING ORDERS FOR ANNUAL GENERAL MEETING 2020

1. VOTING

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

Since this year's AGM will be a virtual meeting, voting on motions and elections will be by electronic means.

Electronic Voting, when directed please click on the link provided at the AGM.

2. Election Procedure - ELECTRONIC VOTING

When nominations are announced tellers shall be appointed by the chairman and voting procedures and instructions shall be distributed. The mechanics of the virtual voting process will be explained in more detail at the AGM by the Chair. Elections shall be in the following order:

- (a) Election of auditor;
- (b) Election for membership of the Board of Directors; and
- (c) Election for membership of the board oversight committee.

When the votes have been counted by the tellers, the results shall be announced by the chair.

3 - 4 Motions

3. Due to the specific difficulties we are facing in holding an Annual General Meeting this year due to Covid-19, the purpose of this year's AGM is to deal with the essential business of the Credit Union. This includes reporting to members on the financial status of the Credit Union and elect officers. Any other non-urgent matters will be dealt with at next year's AGM. As such, there will be no motions from the floor due to the difficulties in managing same remotely.

4. The Chair's decision on any matter relating to these Standing Orders or interpretation of same shall be final.

5 - 9 Miscellaneous

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

6. The Chairperson may at his/her discretion, extend the privilege of the floor to any person who is not a member.

7. Matters not covered by the Agenda may be introduced under "Other Business" at the discretion of the Chairperson. At a virtual AGM in the current circumstances, this may not be practical, however, the option may be invoked if required.

8. The Chairperson shall have a second or casting vote in addition to his/her own vote on matters other than voting at elections where there is an equality of votes (Standard Rule 99(1)).

9. Any matter to be decided upon by a vote at the AGM shall, unless otherwise expressly provided for by law or the rules be decided upon by majority vote.

10. Adjournments

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

RIGHTS AND RESPONSIBILITIES OF MEMBERS

As one of the owners of the Credit Union you have a right to know how it is being run and how it is performing. With this right comes the responsibility to contribute to the effective and fair running of the Credit Union. The best way to exercise these rights and responsibilities is to attend the Annual General Meeting (AGM), contribute to discussions about Credit Union matters and with care, elect to office, people who will have the general good of the membership at heart. Every member has one vote at the AGM regardless of the number of shares (savings) they hold.



School Quiz 2020: St Gabriel's Kilconnell NS



School Quiz 2020:
St Catherine's NS Aughrim



Laurencetown Community
Development



Cappataggle Association for sport



YOUR STEP BY STEP REGISTRATION GUIDE TO OUR **2020 AGM**

Registration Procedure

Pre-registration is required by 5th March 2021 and instructions on how to register are outlined below. If you have any difficulties registering, please contact our office on 090 9643179 and one of our members services team will be available to assist you.

STEP 1

visit our website www.ballinasloecreditunion.ie
and click on the [Ballinasloe Credit Union 2020 AGM link](#)

enter your Membership Number, Date of Birth and Eircode
then click on [Join event](#) to proceed



Ballinasloe Credit Union 2020 AGM

AGM
BALLINASLOE
 Credit Union
 LOCAL LOYAL LENDING

Welcome to Ballinasloe Credit Union 2020 AGM registration page. Members can register to view and participate at the AGM by entering your membership number, date of birth & eircode as requested on screen. Please press join event when all details have been entered.

Tickets

Already registered? [Log in to access the event](#)

☒ AGM
 Free

Tell us about yourself:

Membership Number

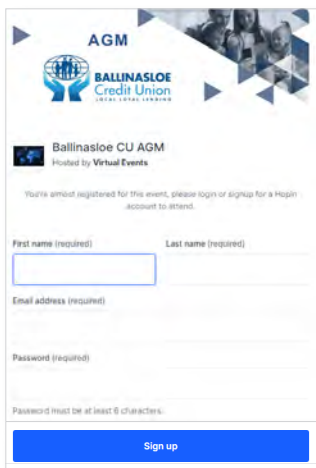
DOB

Eircode

[Join event](#)

STEP 2

Enter your details in the boxes provided and create a password.
This password will be required to access the
Ballinasloe Credit Union 2020 AGM



AGM

BALLINASLOE
Credit Union
LOCAL LOYAL LENDING

Ballinasloe CU AGM
Hosted by Virtual Events

You're almost registered for this event, please login or signup for a login account to attend.

First name (required) Last name (required)

Email address (required)

Password (required)

Password must be at least 6 characters.

Sign up



Once you have registered you will receive an email within 48 hours to confirm that you have now been registered for the AGM.

The email will give details on how to access the AGM on the day and also provide details around accessing the AGM via web browsers & mobile devices etc.



STEP 3

On the day of the AGM
visit www.ballinasloecreditunion.ie and click on the **Ballinasloe Credit Union 2020 AGM** link and enter your password.

To live stream the AGM please click on the tab labelled
“AGM” on the left hand side of your screen.



Members will be invited to ask questions throughout the AGM, to do so please click on the chat tab which is on the right hand side of your screen and you can type your question.

For more information on our 2020 AGM, please refer to the FAQ section on our website www.ballinasloecreditunion.ie

CHAIRPERSON'S REPORT

On behalf of your Board of Directors it is a great honour for me to present to you our annual report and financial statements for the year ended September 2020. This has been an unprecedented year in terms of the changes that the Covid-19 pandemic has brought to the way we live our lives. This Virtual AGM, a first for us, is one of the many ways in which we continue to stay in touch with you, our members. While we cannot be together in person tonight, we hope that our investment in the improvement of our digital and online services means that we can continue to engage with you and provide services that make a positive difference in your lives.

A comprehensive overview of the finances of the Credit Union is published in this booklet and will be covered in the various reports during the meeting.

The focus of the Board has always been to provide quality service to our members. Our wide range of loan products are available to all members and despite the contraction in our loan book for the year under review, at 30th September 2020, 37% of the value of members savings was out on loan.

FINANCIALS

- Income of €3.6m
- Surplus of €0.9m
- Assets of €129m
- Reserves of 14%

You are members of a strong Credit Union which has traded successfully for over 52 years. We generated a surplus which will be used to fund reserves for the long term good of the Credit Union. Our Gross loans to Total assets ratio stood at 32%, one of the strongest among our peer Credit Unions - those having total assets of over €100 million.

Total reserves stood at 14% at year end, again a strong result and we have also set aside a provision for loan losses amounting to 12.7% of gross loans outstanding.

These ratios are key to our short-term strategy of building resilience so that we will be able to face the challenges posed by the external environment in these unprecedented times.

DIVIDEND & INTEREST REBATE

In line with Central Bank expectation and with our focus firmly on sustainability and balance sheet resilience the board are proposing that there be no Dividend or Interest Rebate paid this year. While difficult, this is in line with other Credit Unions, and we believe that this measure is in the best interests of the membership given the challenging and ever changing external economic environment.

LENDING

The loan book contracted by just under 3% in 2020. This contraction can be attributed to the challenging environment associated with Covid-19, however despite this we increased our Gross loans issued for the year (€15.1m) when compared to 2019 (€14.6m). Member loan repayments were strong during the 2020 period and this, together with impaired loans written off resulted in an overall contraction of €1.1m on gross loans outstanding at year end.

SAVINGS

To combat the rising cost of holding funds with the mainstream banks we have had to introduce a more stringent member savings limit this year. Members are limited to a maximum savings amount of €30,000 across all accounts they hold in the Credit Union. Where previously members who held in excess of this amount were permitted to retain excess funds, we are left with no choice but to refund amounts held in excess of €30,000 to those members. These decisions are necessary to ensure that our overall operating cost profile and reserve requirements are sustainably managed. Affected members will have received letters advising them of the changes and our dedicated staff are on hand to assist those members in making alternative arrangements.

FUTURE STRATEGY

We will continue to strengthen our Balance Sheet position through cost control and income generation opportunities within an overarching strategy of building financial and operational resilience to support our long-term sustainability.

We have commenced a project to complete internal renovations to the Credit Union building in order to provide members with a modern, safe and welcoming space. We have continued to innovate and listen to our members needs regarding flexibility in loan product, terms and delivery channels and we are delighted this evening to formally launch our new House (Mortgage) Loan Product which will be available to members from May 2021. We are also delighted to be able to formally launch our Member Personal Current Account Service or MPCAS this evening. This is a full-service current account and will give members access to overdraft facilities, a globally accepted debit card, contactless payments & cashback availability with participating retailers. This service will be also be available to members from May 2021.

From a service delivery point of view, we are very proud to note that Ballinasloe Credit Union joined with other Credit Unions in Ireland in winning the CXi award for customer experience for the sixth consecutive year. Irish Credit Unions are the only organisations in the world to achieve this. We know that every one of our members and those in our wider community have been affected in some way by the Covid-19 pandemic. It is our firm intention to continue to support our members through the delivery of value for money financial services, member

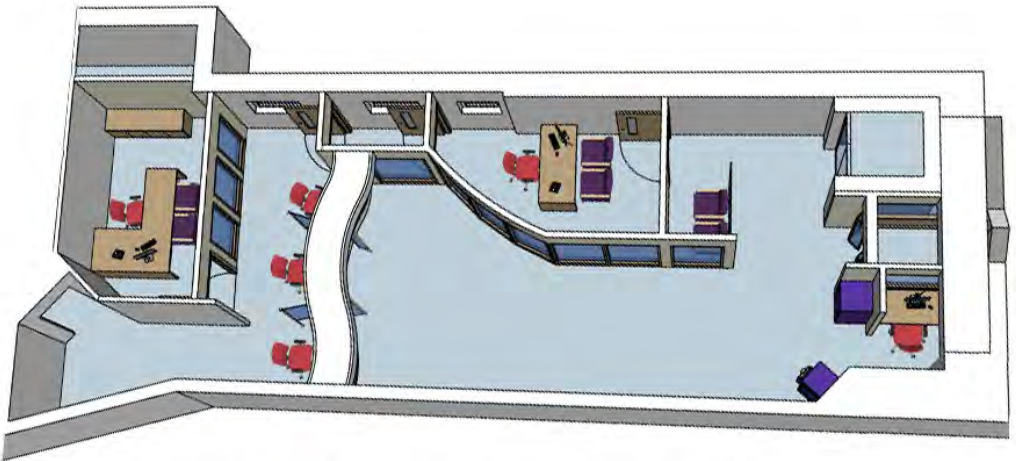
service excellence and a continued focus on supporting the wider community through our various sponsorships and the social fund.

I would like to express my thanks and appreciation to the management team and staff for their continued commitment and professionalism, meeting the standards of service required and ensuring that even during the numerous periods of lockdown your Credit Union has continued to provide an essential service in our community.

I would also like to thank my fellow directors and Board Oversight Committee for their contribution during the past year. To those colleagues who are not offering themselves for re-election I wish to extend my appreciation for the immense service and commitment shown during your time on the board. We remember our members who have passed away during the year. We also remember our former colleagues and our last founding member, Liam Kelly, who passed away since our last AGM. Their contribution to the Credit Union will always be remembered.

Finally, on behalf of the Board of Directors and all the team in Ballinasloe Credit Union, I wish all our members a continued safe and prosperous 2021.

Marian Brady - Chairperson



Artists impression of new banking hall.



Ballinasloe Town Team - Christmas Lights donation



Ballinasloe Town AFC



Ballinasloe Social Club



School Quiz 2020: Scoil Mhuire Gan Smál



Ballinasloe Tennis Club



Ballinasloe Care & Repair

My Card for My Life

Get direct access to your
Credit Union current
account with our new
MYCU Debit Card



Features and Benefits

- Access to your money 24/7
- Can be used in-store, online or at an ATM
- Overdrafts with no surcharge interest.
- Transparent fees with no penalty charges
- Accepted globally anywhere you see Mastercard® Acceptance Mark
- Contactless payments

for further information log on to www.ballinasloecreditunion.ie

Mastercard is a registered trademark and the circles design is a trademark of Mastercard International Incorporated.

This card is issued by UAB PayrNet, a wholly owned subsidiary of Railsbank Technology Limited, pursuant to licence from Mastercard International.

Ballinasloe Credit Union (Our Lady of Lourdes) Limited is regulated by the Central Bank of Ireland.



BALLINASLOE
Credit Union
LOCAL LOYAL LENDING

OUR NEW MOBILE APP

IS AVAILABLE TO DOWNLOAD FROM



Our new BALLINASLOE CREDIT UNION MOBILE APP makes banking from your mobile device easier than ever. You can now stay in touch with your credit union finances no matter where you are – at home, at work or abroad! Online access to your account is just a simple click away, so why not download the free app today?



FINGERPRINT LOGIN

Members can log into the Mobile App with Face & Touch ID



24/7 ACCOUNT ACCESS

Access your accounts anywhere 24/7



PRINT STATEMENTS

View account balances and print statements



TRANSFER FUNDS

Transfer funds to different accounts internally and externally



CONTACT US

Chat with us directly from any device for support & queries

Directors' report

For the financial year ended 30 September 2020.

The directors present their annual report and the audited financial statements for the financial year ended 30 September 2020.

Principal activity

The principal activity of the business continues to be the operation of a Credit Union.

Authorisation

The Credit Union is authorised as follows:

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

Business review

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

Dividends and loan interest rebates

The directors are not proposing a dividend or loan interest rebate in respect of the year ended 30 September 2020 (2019: proposed dividend of €9,451 (0.01%) and a proposed loan interest rebate of €15,955 (5.00% on standard rate loans).

Principal risks and uncertainties

The principal risks and uncertainties faced by the Credit Union are:

Credit risk

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

Lack of loan demand

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

Market risk

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

Liquidity risk

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

Operational risk

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

Directors' report (continued)

For the financial year ended 30 September 2020.

These risks are managed by the Board of Directors as follows:

Credit risk

In order to manage this risk, the Board of Directors regularly reviews and approves the Credit Union's credit policy. 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.

Lack of loan demand

The Credit Union provide lending products to its members and promote these products through various marketing initiatives.

Market risk

The Board of Directors regularly reviews and approves the Credit Union's investment policy and funds are invested in compliance with this policy and regulatory guidance.

Liquidity risk

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

Operational risk

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

Accounting records

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

Events after the end of the financial year

Since the year end the COVID-19 pandemic has continued to have a direct effect on the Credit Union, the economy and the general population. The directors and management are closely monitoring the evolution of the pandemic, and while there is no clear indication as to when the impact will be curtailed or eliminated, they will continue to take appropriate actions to mitigate any possible adverse effects on the Credit Union, on its officers and on its members.

Auditors

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

This report was approved by the board on 14 November 2020 and signed on its behalf by:

Marian Brady

Chairperson of the Board of Directors

Date: 14 November 2020

John Coughlan

Member of the Board of Directors

Directors' responsibilities statement

For the financial year ended 30 September 2020.

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

In preparing those financial statements the directors are required to:

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

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

This statement was approved by the board on 14 November 2020 and signed on its behalf by:

Marian Brady

Chairperson of the Board of Directors

Date: 14 November 2020

John Coughlan

Member of the Board of Directors

Board oversight committee's responsibilities statement

For the financial year ended 30 September 2020.

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

This statement was approved by the board oversight committee on 14 November 2020 and signed on its behalf by:

Elaine Kennedy

Chairperson of the board oversight committee

Date: 14 November 2020

Independent Auditor's Report to the members of Ballinasloe Credit Union (Our Lady of Lourdes) Limited

Opinion

We have audited the financial statements of Ballinasloe Credit Union (Our Lady of Lourdes) Limited, which comprise the income and expenditure account, the statement of other comprehensive income, the balance sheet, the statement of changes in reserves and the statement of cash flow for the financial year ended 30 September 2020, and the related notes to the financial statements, including the summary of significant accounting policies.

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

In our opinion, Ballinasloe Credit Union (Our Lady of Lourdes) Limited's financial statements:

- give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland of the state of the Credit Union's affairs as at 30 September 2020 and of its income and expenditure and cash flow for the year then ended; and
- have been properly prepared so as to conform with the requirements of the Credit Union Act, 1997 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ('ISAs (Ireland)') and applicable law. Our responsibilities under those standards are further described in the 'responsibilities of the auditor for the audit of the financial statements' section of our report. We are independent of the Credit Union in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, namely the Irish Auditing and Accounting Supervisory Authority (IAASA) Ethical Standard concerning the integrity, objectivity and independence of the auditor, and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the entity. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (Ireland) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Credit Union's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

Independent Auditor's Report to the members of Ballinasloe Credit Union (Our Lady of Lourdes) Limited (continued)

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

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

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

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

Responsibilities of directors for the financial statements

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

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

Responsibilities of the auditor for the audit of the financial statements

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

Independent Auditor's Report to the members of Ballinasloe Credit Union (Our Lady of Lourdes) Limited

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

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

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

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

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

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

Date: 14 November 2020

Income and expenditure account

For the financial year ended 30 September 2020

		2020	2019
Income	Schedule	€	€
Interest on members' loans		2,976,137	3,038,037
Members' deposit and other interest expense		(12,265)	(8,170)
Other interest income and similar income	1	568,240	268,049
Net interest income		3,532,112	3,297,916
Other income	2	20,447	73,124
Total income		3,552,559	3,371,040
Expenditure			
Employment costs		1,176,587	1,224,285
Other management expenses	3	2,195,985	1,880,610
Depreciation		196,648	78,582
Net impairment (gains) on loans to members (note 5)		(913,724)	(908,001)
Total expenditure		2,655,496	2,275,476
Surplus for the financial year		897,063	1,095,564

Statement of other comprehensive income

For the financial year ended 30 September 2020

	2020	2019
	€	€
Surplus for the financial year	897,063	1,095,564
Other comprehensive income	-	-
Total comprehensive income for the financial year	897,063	1,095,564

The financial statements were approved and authorised for issue by the board on 14 November 2020 and signed on behalf of the Credit Union by:

Marian Brady
Member of the board of
directors

Elaine Kennedy
Member of the board
oversight committee

Grainne Murphy
CEO

Date: 14 November 2020

Balance sheet

As at 30 September 2020

	Notes	2020	2019
		€	€
Assets			
Cash and balances at bank		5,122,922	8,361,392
Deposits and investments – cash equivalents	7	19,776,034	24,856,921
Deposits and investments – other	7	66,990,700	52,834,401
Loans to members	8	41,281,028	42,424,271
Provision for bad debts	9	(5,232,963)	(5,608,648)
Tangible fixed assets	10	500,560	612,915
Debtors, prepayments and accrued income	11	607,745	571,226
Total assets		129,046,026	124,052,478
Liabilities			
Members' shares	12	101,804,713	98,130,261
Members' deposits	12	4,155,651	4,540,010
Other members' funds	12	4,039,827	3,600,150
Other liabilities, accruals and charges	13	938,375	551,146
Other provisions	14	49,495	44,635
Total liabilities		110,988,061	106,866,202
Reserves			
Regulatory reserve	16	13,562,043	13,025,673
Operational risk reserve	16	985,047	835,047
Other reserves			
- Realised reserves	16	3,358,660	3,183,609
- Unrealised reserves	16	152,215	141,947
Total reserves		18,057,965	17,186,276
Total liabilities and reserves		129,046,026	124,052,478

The financial statements were approved and authorised for issue by the board on 14 November 2020 and signed on behalf of the Credit Union by:

Marian Brady
Member of the board of
directors

Elaine Kennedy
Member of the board
oversight committee

Grainne Murphy
CEO

Date: 14 November 2020

Statement of changes in reserves

For the financial year ended 30 September 2020

	Regulatory reserve €	Operational risk reserve €	Realised reserves €	Unrealised reserves €	Total €
As at 1 October 2018	11,715,651	812,450	3,592,809	164,528	16,285,438
Surplus for the financial year	710,022	22,597	352,534	10,411	1,095,564
Dividends and loan interest rebates paid	-	-	(194,726)	-	(194,726)
Transfers between reserves	600,000	-	(567,008)	(32,992)	-
As at 1 October 2019	13,025,673	835,047	3,183,609	141,947	17,186,276
Surplus for the financial year	536,370	150,000	198,110	12,583	897,063
Dividends and loan interest rebates paid	-	-	(25,374)	-	(25,374)
Transfers between reserves	-	-	2,315	(2,315)	-
As at 30 September 2020	13,562,043	985,047	3,358,660	152,215	18,057,965

- The regulatory reserve of the Credit Union as a percentage of total assets as at 30 September 2020 was 10.51% (2019: 10.50%).
- The operational risk reserve of the Credit Union as a percentage of total assets as at 30 September 2020 was 0.76% (2019: 0.67%).

Statement of cash flows

For the financial year ended 30 September 2020

	Notes	2020 €	2019 €
Opening cash and cash equivalents		33,218,313	29,388,269
Cash flows from operating activities			
Loans repaid by members	8	15,797,251	16,133,005
Loans granted to members	8	(15,055,783)	(14,231,755)
Interest on members' loans		2,976,137	3,038,037
Deposit interest		(12,265)	(8,170)
Other interest income and similar income		568,240	268,049
Bad debts recovered and recoveries		939,814	1,108,533
Other income		20,447	73,124
Dividends paid		(9,420)	(87,807)
Loan interest rebates paid		(15,954)	(106,919)
Operating expenses		(3,372,572)	(3,104,895)
Movement in other assets and liabilities		355,570	111,647
Net cash flows from operating activities		2,191,465	3,192,849
Cash flows from investing activities			
Fixed asset (purchases)/disposals		(84,293)	(174,309)
Net cash flow from other investing activities		(14,156,299)	(5,408,708)
Net cash flows from investing activities		(14,240,592)	(5,583,017)
Cash flows from financing activities			
Members' savings received	12	92,802,162	101,636,057
Members' savings withdrawn	12	(89,072,392)	(95,415,845)
Net cash flow from financing activities		3,729,770	6,220,212
Net (decrease)/increase in cash and cash equivalents		(8,319,357)	3,830,044
Closing cash and cash equivalents	6	24,898,956	33,218,313

Notes to the financial statements

For the financial year ended 30 September 2020

1. Legal and regulatory framework

Ballinasloe Credit Union (Our Lady of Lourdes) Limited is registered with the Registry of Credit Unions and is regulated by the Central Bank of Ireland. The registered office of the Credit Union is located at Main Street, Ballinasloe, Co. Galway.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The following principal accounting policies have been applied:

2.2 Statement of compliance

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

2.3 Going concern

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

2.4 Income

Interest on members' loans

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

Deposit and investment income

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

Other income

Other income is recognised on an accruals basis.

2.5 Cash and cash equivalents

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

2.6 Investments

The specific investment products held by the Credit Union are accounted for as follows:

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

Notes to the financial statements (continued)

For the financial year ended 30 September 2020

2. Accounting policies (continued)

investment is measured at the amount paid for the investment, minus any repayments of the principal; plus or minus the cumulative amortisation using the effective interest method of any difference between the amount at initial recognition and the maturity amount, minus, in the case of a financial asset, any reduction for impairment or uncollectability.

Central Bank deposits

Credit Unions are obliged to maintain certain 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.

2.7 Financial assets – loans to members

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

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

2.8 Provision for bad debts

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

Any bad debts/impairment 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.

Notes to the financial statements (continued)

For the financial year ended 30 September 2020

2. Accounting policies (continued)

2.9 Tangible fixed assets

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

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Premises	2% straight line per annum
Fixtures & fittings	15% straight line per annum
Computer equipment	20% straight line per annum

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other gains' or 'other losses' in the income and expenditure account.

2.10 Impairment of assets

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

2.11 Other receivables

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

2.12 Financial liabilities – members' savings

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

Notes to the financial statements (continued)

For the financial year ended 30 September 2020

2. Accounting policies (continued)

2.13 Members' deposits

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

2.14 Other payables

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

2.15 Pension costs

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

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

The Credit Union also operates a defined contribution pension scheme for some employees. The assets of this scheme are held separately from those of the Credit Union in independently administered funds. Employer contributions to the pension scheme are charged to the income and expenditure account in the period to which they relate.

2.16 Holiday pay

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

2.17 Operating lease

Rentals payable under operating leases are charged to the income and expenditure account on a straight line basis over the lease term.

2.18 Derecognition of financial liabilities

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

2.19 Regulatory reserve

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

Notes to the financial statements (continued)

For the financial year ended 30 September 2020

2. Accounting policies (continued)

2.20 Operational risk reserve

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

The definition of operational risk is the risk of losses stemming from inadequate or failed internal processes, people and systems or from external events. The directors have considered the requirements of the Act and have considered an approach to the calculation of the operational risk reserve. The Credit Union uses the Basic Indicator Approach as set out in the operational risk measurements techniques proposed under Basel II capital adequacy rules for banking institutions in calculating the operational risk reserve. Therefore the Credit Union will hold an operational risk reserve which will at a minimum equal 15% of the average positive gross income for the previous three years. For any year in which there was a deficit, this will be excluded from the calculation.

2.21 Other reserves

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

2.22 Distribution policy

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

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

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

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

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

2.23 Taxation

The Credit Union is not subject to income tax or corporation tax on its activities.

Notes to the financial statements (continued)

For the financial year ended 30 September 2020

3. Judgements in applying accounting policies and key source of estimation uncertainty

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

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

The annual depreciation charge depends primarily on the estimated lives of each type of asset and, in certain circumstances, estimates of residual values. The directors regularly review these useful lives and change them if necessary to reflect current conditions. In determining these useful lives management consider technological change, patterns of consumption, physical condition and expected economic utilisation of the assets. Changes in the useful lives can have a significant impact on the depreciation charge for the financial year. The net book value of tangible fixed assets subject to depreciation at the year end was €500,560 (2019: €612,915).

Provision for bad debts

The Credit Union's accounting policy for impairment of loans is set out in the accounting policy in note 2.8. The estimation of loan losses is inherently uncertain and depends upon many factors, including loan loss trends, credit risk characteristics in loan classes, local and international economic climates, conditions in various sectors of the economy to which the Credit Union is exposed, and, other external factors such as legal and regulatory requirements. The provision for bad debts in the financial statements at the year end was €5,232,963 (2019: €5,608,648) representing 12.68% (2019: 13.22%) of the total gross loan book.

Operational risk reserve

The directors have considered the requirements of the Credit Union Act, 1997 (as amended) and have developed an approach to the calculation of the operational risk reserve. The credit union uses the basic indicator approach as set out in the operational risk measurements techniques proposed under Basel II capital adequacy rules for banking institutions in calculating the minimum operational risk reserve. The operational risk reserve of the Credit Union at the year end was €985,047 (2019: €835,047).

Adoption of going concern basis for financial statements preparation

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

4. Key management personnel compensation

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

	2020	2019
	€	€
Short term employee benefits paid to key management	394,224	276,651
Payments to pension schemes	37,744	28,803
Total key management personnel compensation	431,968	305,454

Notes to the financial statements (continued)

For the financial year ended 30 September 2020

5. Net impairment (gains) on loans to members

	2020	2019
	€	€
Bad debts recovered	(812,610)	(979,470)
Impairment of loan interest reclassified as bad debt recoveries	(127,204)	(129,063)
Movement in bad debts provision during the year	(375,685)	(543,020)
Loans written off during the year	401,775	743,552
Net impairment (gains) on loans to members	(913,724)	(908,001)

6. Cash and cash equivalents

	2020	2019
	€	€
Cash and balances at bank	5,122,922	8,361,392
Deposits and investments (note 7)	86,766,734	77,691,322
Less: Deposit and investment amounts maturing after three months	(66,990,700)	(52,834,401)
Total cash and cash equivalents	24,898,956	33,218,313

7. Deposits and investments

	2020	2019
	€	€
Deposits and investments – cash equivalents		
Accounts in authorised credit institutions (Irish and non-Irish based)	19,776,034	18,568,236
Collective investment schemes	-	6,288,685
Total deposits and investments – cash equivalents	19,776,034	24,856,921

Deposits and investments – other

Accounts in authorised credit institutions (Irish and non-Irish based)	46,500,000	36,500,000
Bank bonds	7,463,684	7,455,339
Irish and EEA state securities	2,970,482	2,970,542
Central bank deposits	5,054,500	904,524
Other investments	5,002,034	5,003,996

Total deposits and investments – other

	66,990,700	52,834,401
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Total deposits and investments

	86,766,734	77,691,322
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8. Financial assets – loans to members

	2020	2019
	€	€
As at 1 October	42,424,271	45,069,073
Loans granted during the year	15,055,783	14,231,755
Loans repaid during the year	(15,797,251)	(16,133,005)
Gross loans and advances	41,682,803	43,167,823

Bad debts

Loans written off during the year	(401,775)	(743,552)
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As at 30 September

	41,281,028	42,424,271
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Notes to the financial statements (continued)

For the financial year ended 30 September 2020

9. Provision for bad debts

	2020	2019
	€	€
As at 1 October	5,608,648	6,151,668
Movement in bad debts provision during the year	(375,685)	(543,020)
As at 30 September	5,232,963	5,608,648

The provision for bad debts is analysed as follows:

	2020	2019
	€	€
Grouped assessed loans	5,232,963	5,608,648
Provision for bad debts	5,232,963	5,608,648

10. Tangible fixed assets

	Premises €	Fixtures & fittings €	Computer equipment €	Total €
Cost				
1 October 2019	734,221	436,836	571,970	1,743,027
Additions	-	58,628	25,665	84,293
At 30 September 2020	734,221	495,464	597,635	1,827,320
Depreciation				
1 October 2019	362,009	317,788	450,315	1,130,112
Charge for year	14,684	136,896	45,068	196,648
At 30 September 2020	376,693	454,684	495,383	1,326,760
Net book value				
30 September 2020	357,528	40,780	102,252	500,560
30 September 2019	372,212	119,048	121,655	612,915

11. Debtors, prepayments and accrued income

	2020	2019
	€	€
Prepayments	177,380	230,038
Loan interest receivable	129,221	131,536
Accrued income on investments	291,144	209,652
Other debtors	10,000	-
As at 30 September	607,745	571,226

Notes to the financial statements (continued)

For the financial year ended 30 September 2020

12. Members' savings

	2020	2019
	€	€
As at 1 October	106,270,421	100,050,209
Received during the year	92,802,162	101,636,057
Withdrawn during the year	(89,072,392)	(95,415,845)
As at 30 September	110,000,191	106,270,421

Members' savings are analysed as follows:

	2020	2019
	€	€
Members' shares	101,804,713	98,130,261
Members' deposits	4,155,651	4,540,010
Other members' funds	4,039,827	3,600,150
Total members' savings	110,000,191	106,270,421

13. Other liabilities, accruals and charges

	2020	2019
	€	€
Members' prize draw	-	36,068
Accruals and other liabilities	910,349	493,000
PAYE/PRSI	28,026	22,078
As at 30 September	938,375	551,146

14. Other provisions

	2020	2019
	€	€
Holiday pay accrual		
At 1 October	44,635	-
Charged to the income and expenditure account	4,860	44,635
As at 30 September	49,495	44,635

	2020	2019
	€	€
Pension provision		
At 1 October	-	34,189
Charged to the income and expenditure account	-	(34,189)
As at 30 September	-	-

	2020	2019
	€	€
Total other provisions		
At 1 October	44,635	34,189
Charged to the income and expenditure account	4,860	10,446
As at 30 September	49,495	44,635

Notes to the financial statements (continued)

For the financial year ended 30 September 2020

15. Financial instruments

15a. Financial instruments – measured at amortised cost

Financial assets	2020	2019
	€	€
Financial assets measured at amortised cost	<u>119,420,628</u>	<u>115,876,841</u>

Financial liabilities	2020	2019
	€	€
Financial liabilities measured at amortised cost	<u>110,988,061</u>	<u>106,866,202</u>

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

Financial liabilities measured at amortised cost comprise of members' shares, members' deposits, other members' funds, other liabilities, accruals and charges and other provisions.

15b. Financial instruments – fair value measurements

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

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

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

At 30 September 2020	Total	Level 1	Level 2	Level 3
	€	€	€	€
Accounts in authorised credit institutions	13,049,686	-	13,049,686	-
Bank bonds	<u>1,001,514</u>	<u>-</u>	<u>1,001,514</u>	<u>-</u>
Total	<u>14,051,200</u>	<u>-</u>	<u>14,051,200</u>	<u>-</u>

At 30 September 2020	Total	Level 1	Level 2	Level 3
	€	€	€	€
Accounts in authorised credit institutions	5,519,610	-	5,519,610	-
Bank bonds	1,001,501	-	1,001,501	-
Collective investment schemes	<u>6,288,685</u>	<u>-</u>	<u>6,288,685</u>	<u>-</u>
Total	<u>12,809,796</u>	<u>-</u>	<u>12,809,796</u>	<u>-</u>

There were no fair value adjustments recognised in the income and expenditure account for the year ended 30 September 2020 (2019: €nil).

Notes to the financial statements (continued)

For the financial year ended 30 September 2020

16. Reserves

	Balance 01/10/19 €	Payment of dividends and loan interest rebates €	Appropriati on of current year surplus €	Transfers between reserves €	Balance 30/09/20 €
Regulatory reserve	13,025,673	-	536,370	-	13,562,043
Operational risk reserve	835,047	-	150,000	-	985,047
Other reserves realised					
Surplus for the					
General reserve	3,108,203	-	198,110	52,347	3,358,660
Future dividend reserve	50,000	-	-	(50,000)	-
Special reserve: dividends and loan interest rebate	25,406	(25,374)	-	(32)	-
Total realised reserves	3,183,609	(25,374)	198,110	2,315	3,358,660
Unrealised					
Interest on loans reserve	131,536	-	-	(2,315)	129,221
Investment income reserve	10,411	-	12,583	-	22,994
Total unrealised reserves	141,947	-	12,583	(2,315)	152,215
Total reserves	17,186,276	(25,374)	897,063	-	18,057,965

17. Credit risk disclosures

In line with regulatory requirements, the Credit Union:

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

Notes to the financial statements (continued)

For the financial year ended 30 September 2020

17. Credit risk disclosures (continued)

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

	2020	%	2019	%
	€		€	
Loans not impaired				
Total loans not impaired, not past due	28,295,263	68.54%	29,993,955	70.70%
Impaired loans:				
Not past due	3,008,052	7.29%	1,910,582	4.50%
Up to 9 weeks past due	7,103,307	17.21%	7,285,358	17.17%
Between 10 and 18 weeks past due	869,849	2.11%	876,733	2.07%
Between 19 and 26 weeks past due	486,182	1.18%	394,423	0.93%
Between 27 and 39 weeks past due	230,310	0.56%	311,906	0.74%
Between 40 and 52 weeks past due	458,817	1.11%	629,073	1.48%
53 or more weeks past due	829,248	2.00%	1,022,241	2.41%
Total impaired loans	12,985,765	31.46%	12,430,316	29.30%
Total loans	41,281,028	100.00%	42,424,271	100.00%

18. Related party transactions

18a. Loans

	2020		2019	
	No. of loans	€	No. of loans	€
Loans advanced to related parties during the year	9	43,100	11	76,400
Total loans outstanding to related parties at the year end	19	277,853	26	467,009
Total provision for loans outstanding to related parties		26,468		160,191

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

Total loans outstanding to related parties represents 0.67% of the total loans outstanding at 30 September 2020 (2019: 1.10%).

18b. Savings

The total amount of savings held by related parties at the year end was €637,190 (2019: €535,981).

Notes to the financial statements (continued)

For the financial year ended 30 September 2020

19. Additional financial instruments disclosures

19a. Financial risk management

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

Credit risk: Credit risk is the risk that a borrower will default on their contractual obligations relating to repayments to the Credit Union, resulting in financial loss. In order to manage this risk the Board of Directors regularly reviews and approves the Credit Union's credit policy. 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.

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

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

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

19b. Liquidity risk disclosures

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

19c. Interest rate risk disclosures

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

	2020	Average interest rate	2019	Average interest rate
	€	%	€	%
Gross loans to members	<u>41,281,028</u>	7.43%	<u>42,424,271</u>	7.47%

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

Notes to the financial statements (continued)

For the financial year ended 30 September 2020

20. Dividends and loan interest rebates

The following distributions were paid during the year:

	2020		2019	
	%	€	%	€
Dividend on shares	0.01%	9,420	0.10%	87,807
Loan interest rebate (on standard rate loans) 5.00%		15,954	3.50%	106,919

The directors propose the following distributions in respect of the year:

	2020		2019	
	%	€	%	€
Dividend on shares	0.00%	-	0.01%	9,451
Loan interest rebate (on standard rate loans) 0.00%		-	5.00%	15,955

21. Rate of interest paid on members' deposit accounts

	2020		2019	
	%	€	%	€
Interest on deposits	0.5%	12,265	0.5%	8,170

22. Events after the end of the financial year

Since the year end the COVID-19 pandemic has continued to have a direct effect on the Credit Union, the economy and the general population. The directors and management are closely monitoring the evolution of the pandemic, and while there is no clear indication as to when the impact will be curtailed or eliminated, they will continue to take appropriate actions to mitigate any possible adverse effects on the Credit Union, on its officers and on its members.

23. Insurance against fraud

The Credit Union has Insurance against fraud in the amount of €5,200,000 (2019: €5,200,000) in compliance with Section 47 of the Credit Union Act, 1997 (as amended).

24. Capital commitments

There were no capital commitments at 30 September 2020.

25. Lease commitments

The Credit Union had future minimum lease payments under an operating lease as follows:

	2020	2019
	€	€
Less than 1 year	-	14,226
1 to 5 years	-	-
As at 30 September	-	14,226

Notes to the financial statements (continued)

For the financial year ended 30 September 2020

26. The Irish League of Credit Unions Republic of Ireland Pension Scheme

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

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

The Pension's Act requires the trustees of the Scheme to assess whether it could meet a certain prescribed standard, known as the Minimum Funding Standard. This assesses whether, if the scheme was wound up on a specified theoretical valuation date, it could satisfy the Funding Standard at that date. Following the Scheme's actuary certifying a Minimum Funding Standard deficit in the Scheme in 2009, Ballinasloe Credit Union (Our Lady of Lourdes) Limited, the ILCU Group and the other Credit Unions participating in the Scheme entered into a funding agreement with the Scheme that was designed to ensure that, the Scheme could be reasonably expected to satisfy the Minimum Funding Standard by a specified future date (1 March 2019). This funding plan was approved by the Pensions Authority. The Scheme exited the funding plan as scheduled on 1 March 2019 meeting its statutory funding obligations on that date.

As part of the solvency assessment process, the Scheme actuary must carry out a separate valuation under the Minimum Funding Standard every 3 years and produce a funding certificate for submission to the Pensions Authority within 9 months of the effective date of the valuation. The purpose of the certificate is to certify whether or not the assets of the scheme at the effective date are sufficient to meet the liabilities of the scheme based on the assumption that the scheme was wound up at that date. The most recent Actuarial Funding Certificate was effective as at 1 March 2018 and it certified that the Scheme satisfied the funding standard.

An actuarial review of the fund is normally carried out every three years by the Scheme's independent, professionally qualified actuary. The actuarial review considers the past and future liabilities of the scheme. The last completed triennial actuarial review was carried out with an effective date of 1 March 2017 using the Projected Unit valuation method. The principal actuarial assumption used in the valuation was the investment return would be 1.75% higher than the annual salary increases. The market value of the scheme's assets at 1 March 2017 was €216m. The actuarial valuation disclosed a past service deficit of €6.4m at 1 March 2017 calculated under the Ongoing Actuarial Valuation method. This valuation method assumes that the Scheme will continue in existence for the foreseeable future. The assumptions used in the actuarial review to determine the past service deficit differ from the assumptions that would be used to determine the liabilities for defined benefit obligations under FRS 102. This actuarial review recommended that the rate agreed under the funding proposal, 27.5% of pensionable salary, continues to be paid. The cost of risk benefits is paid in addition to this rate giving a total contribution rate of 30% of Pensionable Salary. The 2020 actuarial review is underway and is expected to be concluded by 30 November 2020.

27. Contingent liabilities

In September 2018, the Registry of Credit Unions advised all Credit Unions of a potential matter in relation to accrued interest outstanding on certain top-up loans which may have led to a potential over-collection of interest. The Credit Union is progressing a review of this matter to ascertain whether any top-up loans made to members might be impacted by these

Notes to the financial statements (continued)

For the financial year ended 30 September 2020

circumstances, and if so, to determine what actions may need to be taken. It is expected that the Credit Union will finalise its review over the coming months. Consequently it is impracticable at this time to estimate the impact, financial or otherwise, if any, of this matter and whether any net amounts will become payable or not in the future.

28. Comparative information

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

29. Approval of financial statements

The Board of Directors approved these financial statements for issue on 14 November 2020.

Schedules to the income and expenditure account

For the financial year ended 30 September 2020

The following schedules do not form part of the statutory financial statements which are the subject of the Independent Auditor's report on pages 6 to 8.

Schedule 1 – Other interest income and similar income

	2020	2019
	€	€
Investment income received/receivable within 1 year	555,657	257,638
Investment income receivable outside of 1 year	12,583	10,411
Total per income and expenditure account	568,240	268,049

Schedule 2 – Other income

	2020	2019
	€	€
Commissions	20,447	35,949
ECCU rebate	-	37,175
Total per income and expenditure account	20,447	73,124

Schedules to the income and expenditure account (continued)

For the financial year ended 30 September 2020

Schedule 3 – Other management expenses

	2020	2019
	€	€
Rent and rates	4,767	9,158
Light, heat and cleaning	23,221	13,238
Repairs and renewals	369,542	19,023
Security	14,538	11,282
Printing and stationery	18,805	40,094
Postage and telephone	34,835	43,047
Donation and sponsorship	14,915	26,580
Promotion and advertising	46,510	30,535
Training costs	25,422	24,801
Staff uniform costs	247	8,129
Convention expenses	1,200	24,516
AGM expenses	23,548	24,523
Travel and subsistence	5,524	15,306
Bank charges	68,814	73,047
Audit fee	26,620	27,060
Legal and professional fees	193,044	290,987
General insurance	46,013	42,346
Share and loan insurance	338,184	431,846
Death benefit insurance	126,802	129,240
Computer maintenance	172,593	150,258
SPS, affiliation fees and subscriptions	97,630	50,066
Regulatory levies	185,415	295,418
Social development	50,040	49,400
Office expenses	41,745	50,710
Business development	266,011	-
Total per income and expenditure account	2,195,985	1,880,610



Dec 2019 Ann Marie Mc Evoy



June 2020 Gene Nevins



Sept 2020 Gerry Head

MEMBERS PRIZE DRAW

The operation of the Members prize draw is fully financed by the draw entry fee of €4 per quarter paid by each entrant. The prize draw is operated on a non-profit basis - all entry fees are used for the provision of prizes and the running of the draws. The results are published on posters displayed in branch and on our social media platforms. The draws take place in March, June, September & December. Traditionally, the September draw has taken place during October as part of the annual Ballinasloe Fair & Festival. As the Fair was postponed this year due to the Covid-19 pandemic, the September draw took place within the month of September. This is reflected in our closing balance for 2020.

The rules governing the draw were updated during the year and are available on the Credit Union website. Each draw is supervised by our solicitor and our auditors Grant Thornton carry out an audit of the prize draw fund as part of their audit work. Members in the draw must notify us in writing if they no longer wish to be included in the car draw and we will remove their entry at the next draw deduction date. In September 2020, 6,106 members took part in the draw. During the financial year, circa €130k has been paid out in prizes to 94 lucky winners. If you are not part of the draw and would like to sign up, please contact our office and we would be delighted to include you.

BALLINASLOE CREDIT UNION CAR DRAW PRIZE FUND YEAR END SEPTEMBER 30TH 2020.

	2020 (€)
Opening Balance	36,068
Members Entry Fee	97,492
	<hr/> 133,560
Expenses	
Car Prizes	81,500
Cash Prizes	50,000
Legal fees	1,750
Prize Fund	<hr/> 310

CREDIT COMMITTEE REPORT

The Credit Committee is appointed annually by the Board of Directors to manage and supervise the lending process. The Committee is accountable for overseeing the granting and approval of loans within the credit policy approved by the Board of Directors. The Committee reports to the Board on a monthly basis on lending volumes and trends.

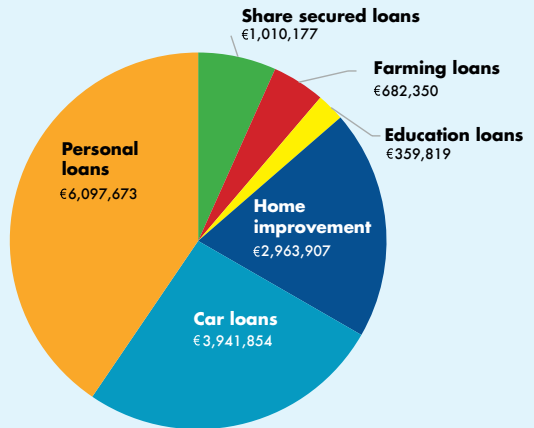
A primary function of the Credit Union is the provision of credit at a fair and reasonable rate. Income from loans is the main source of income of the Credit Union and an active lending service is essential for the long-term sustainability and viability of the Credit Union.

We lend for a wide variety of purposes, both personal and agriculture. Over the past year, our loans have helped members purchase cars, renovate homes, helped couples with wedding expenses, students go to college, provided finance for farmers and much more.

Despite a challenging year a total of 2,226 applications for loans amounting to €15.3m were approved. All loan applications are independently assessed and judged on their own merits. Every effort is made to approve each application. The fundamental factor which we take into consideration in assessing loan applications is the member's ability to repay the loan.

We very much welcome loan applications and encourage all our members to consider Ballinasloe Credit Union for competitively priced loans with a personal service.

**TOTAL LOANS
ISSUED
2020:
€15,055,780**



In 2021 we will continue to expand our loan product offering to include House (Mortgage) Loans, Small Business loans and Overdrafts while continuing to provide fairly priced micro credit to help members avoid the high cost associated with credit cards and moneylenders.

CREDIT CONTROL COMMITTEE REPORT

The role of the Credit Control Committee is to seek to ensure the repayment of loans by members in accordance with their loan agreement. The Committee ensures that the policies and procedures adopted by the Board of Directors governing the pursuit and recovery of loans are implemented and reports to the Board of Directors at their monthly meetings.

The credit control staff, operating under the supervision of the Credit Control Committee, carry out the daily management of the credit control function. The Committee, which retains ultimate responsibility for the loan collection process, meets on a regular basis to review work undertaken by the Credit Control Staff and decide on appropriate actions to be taken.

2020 was a challenging year for some of our members who, through no fault of their own, found themselves in difficulty due to the ongoing coronavirus pandemic. We have supports in place to assist those members during these unprecedented times and we will continue to provide solutions for all our members on an ongoing basis.

We are also grateful to members who, sometimes in difficult circumstances, have diligently repaid their loans. We would encourage any member who is experiencing financial difficulty to contact our Credit Control staff at an early stage. Our staff are very experienced, confidential, helpful and sympathetic. Every effort is made to try and reach a solution that is suitable for both the member and the Credit Union.

Bad debts written off during 2020 amounted to €402k, a significant reduction from the 2019 figure of €744k. The level of impaired loans (loans which are overdue) increased slightly from €12.4m in 2019 to €12.9m as at September 2020, which was expected given the ongoing Covid-19 circumstances.

The bad debt provision has reduced from €5.6m to €5.2m primarily as a result of the utilisation of provisions for the €402k bad debts written off.

The Credit Union also recovered €813k in 2020, (2019: €979k) from loans written off in previous years. The Board and this committee acknowledge the hard work undertaken by the credit control staff and our solicitor in this recovery.

Ballinasloe Credit Union has always been committed to ensuring that members who find themselves in difficult circumstances are treated with dignity and respect by all Credit Union personnel. For this reason, the Board of Directors has taken steps to address the particular difficulties faced by members due to the COVID-19 virus especially those who need our understanding and support with their loan arrangements. Arising from the onset of COVID-19 the Board of Directors and Management of the Credit Union have taken appropriate advice and guidance and has offered arrangements such as repayment breaks, reduced repayments and interest only repayments to support our members. Since March, over 250 members have availed of an arrangement due to difficulties associated with the impact of COVID-19. At the end of September 2020, there were 33 active arrangements still in place and we continue to support our members through this difficult time.

MEMBERSHIP COMMITTEE

Membership of Ballinasloe Credit Union stands at 22,523. During the past financial year, we opened 374 new accounts for members. We wish to extend a warm welcome to all our new members, and we look forward to assisting them with their financial needs.

Our aim is to make a positive difference in the lives for our members. Members of the Credit Union have access to a range of financial services in branch and online.

Savings: Secure place to save with easy access to your money.

Loans: We offer a variety of loans products at a competitive rate of interest to members. Our loan approval rate stands at 97%. We will shortly be making mortgages available to members, for more details see our website.

Foreign Exchange: Full Foreign Exchange service available to members. International payments can be sent electronically through the Credit Union.

Express Lodgement: Avoid the queue and lodge or withdraw money to your savings account or pay your loan using the kiosk lodgement machine in Branch.

Electronic Funds Transfer (EFT): Electronic Funds Transfer enables members to transfer money electronically into and out of their Credit Union account to any bank account in Ireland or to an account in any country within the Single European Payments Area (SEPA).

Online accounts: Members can register their account online to check account balances, view transactions, securely transfer funds externally from their Credit Union account or apply for a loan. Visit our website, www.ballinasloecreditunion.ie to register your account or ask any member of staff.

Ballinasloe Credit Union Mobile app: Download the free mobile app from Google Play Store or Apple iTunes and manage your account on the go from your smartphone or tablet device.

Debit Card ~ Coming Soon: The MYCU Current Account and Debit Card have been designed by Credit Unions for their members. The MYCU Current Account is a full-service account, bringing you all the features you have come to expect from a current account and delivered with the same local, trustworthy service of your Credit Union.

Features include:

- Access to your money 24/7;
- Accepted globally anywhere you see Mastercard Acceptance Mark;
- Can be used in-store, online or at an ATM;
- Contactless payments;
- Overdraft available, with no surcharge interest;
- Transparent fees with no penalty charges.



Direct Debit: Pay your bills by direct debit from your Credit Union account, using your unique BIC and IBAN details, which appear on your Credit Union receipt. Ask any member of staff for more details.

Payroll Deduction: Have some of your wages paid into your Credit Union savings or loan account without having to visit your Credit Union.

Members Prize Draw: Quarterly draw with the top prize of a car plus cash prizes. If you're not in you can't win! So, join now at a cost of €4 per quarter.

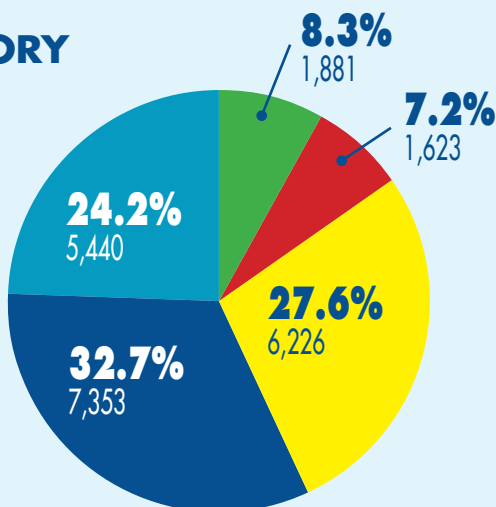
Insurance: The insurance covers currently provided by your Credit Union in respect of eligible members are Loan Protection Insurance, Life Savings Insurance and Death Benefit Insurance which is designed to assist with funeral expenses.



Membership to the Credit Union is open to anyone who lives, works, or attends school within our Common Bond area. For details of the Common Bond please visit our website at www.ballinasloecreditunion.ie. Accounts, either single, joint, group or business can be opened very simply in branch. For details on what documents, you require to open an account please visit our website. In compliance with the Criminal Justice (Money Laundering and Terrorist Financing) Acts 2010 and 2013 we are obliged to verify and maintain up to date proof of both your identity and your current permanent address whilst you are a member of Ballinasloe Credit Union. You may have received a letter requesting this documentation or a member of our staff may have advised you that your account documentation requires updating. We appreciate your assistance in fulfilling our legal obligations by providing your information at your earliest convenience.

MEMBER AGE CATEGORY 30TH SEPT 2020

- 0-16
- 17-23
- 24-40
- 41-59
- 60+



EDUCATION & PROMOTIONS COMMITTEE REPORT

The role of the Education & Promotion Committee is to inform both members and the general public of the services and activities of our Credit Union. We do this through promotional material, general advertising and online presence. This committee is responsible for donations & sponsorship, advertising, member information and organising the members prize draw.

BCU contributed to the National Advertising Campaign, an initiative of the Irish League of Credit Unions. Throughout the year we circulated 2 editions of the member newsletter to over 30,000 households in our common Bonds.

Sponsorship of local events and donations to community groups amounted to over €58,000. These funds were allocated to support a wide variety of local clubs, voluntary committee activities, team jerseys, events, ground upgrades and community development projects. A breakdown of how these funds were distributed is on page 47.

Social responsibility is one of the ten Credit Union Operating Principles. Briefly, this principle obliges Credit Unions to be socially responsible by contributing to the development of the local community within its common bond. The Credit Unions "vision of social justice extends both to the individual members and to the larger community in which they work and reside". Since its establishment in 1998 donations to local organisations from the Credit Union social fund exceed €800,000. This year the fund donated in excess of €50,000

We also donated digital tablets to 8 local nursing homes so that residents could WhatsApp relatives/ friends unable to visit them because of visitors' restrictions. Coffee machines and water were also donated to the Portiuncula ICU department, bringing the total allocation of funding from the social fund to €50,000. Local groups and societies are invited to apply for grant aid from the fund. An application form is available on the Credit Union website.

We are constantly adding features to our secure online service. In 2020 we upgraded our mobile app and CUonline application. The extra online features that will be available to members in 2021 include digital lending applications and debit card payments. Our website was upgraded with new features including a virtual loan appointment calendar. Members can also book a virtual loan appointment via our Facebook page.

During the year the Credit Union carried out a review and updated the terms and conditions for participation in the members prize draw. This document is now available for members to view on our website. Members are reminded that they can opt in or out of the prize draw at a time of their own choosing. The relevant forms for doing so are on the website and available in branch.

The Primary School Quiz and Poster Competition were again hosted by the Education Committee in January 2020. Both events rely in large measure on the co-operation of local national schools. We would like to acknowledge the efforts of all the teachers involved and we thank all the schools for participating in the competitions.

We would like to thank the Management and staff for their assistance and help during the year.
Kevin Murray - Chairperson

SOCIAL DEVELOPMENT FUND 2020

€9,500

Community Development Groups

Entrepreneurial Groups

€3,700

€13,100

Voluntary Committees

Frontline Support/Local Charities

€6,630

€17,340

Sporting Organisations

DONATIONS AND SPONSORSHIP 2020

€2,100

School & Educational Donations

Community Groups Donations

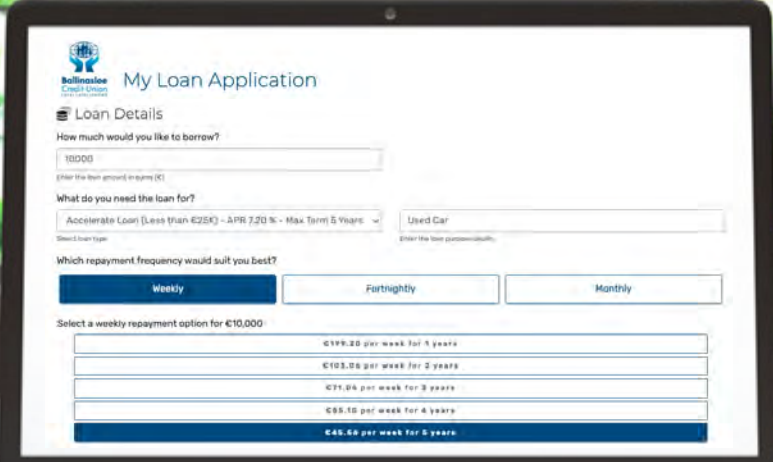
€3,500

€2,350

Sporting Organisations

TOTAL €58,220

Applying for a loan is quick and easy
www.ballinasloecreditunion.ie



Ballinasloe Credit Union My Loan Application

Loan Details

How much would you like to borrow?

(Enter the loan amount in euros (€))

What do you need the loan for?

Select loan type: (Enter the loan purpose details)

Which repayment frequency would suit you best?

Select a weekly repayment option for €10,000

<input type="radio"/>	€199.80 per week for 5 years
<input type="radio"/>	€193.06 per week for 5 years
<input type="radio"/>	€171.84 per week for 5 years
<input type="radio"/>	€55.10 per week for 5 years
<input checked="" type="radio"/>	€45.64 per week for 5 years

COMPLETE YOUR LOAN APPLICATION ONLINE

ANYTIME ANYWHERE

from your laptop,
mobile or tablet

Upload supporting documents



We'll do the rest



AUDIT & RISK COMMITTEE REPORT

The Audit & Risk committee is a sub-committee of the Board as per Section 56 A (3) of the Credit Union Act 1997 (as amended) and has five (5) members, all of whom are Directors. The committee members for the year were Mary Coughlan, Adrian Ahern, Sean Kelly, Seamus Kelly & John Doolan.

The committee on behalf of the Board of Directors is responsible for carrying out work in the areas of Audit matters, Internal Audit, Risk Management and Compliance. The Audit & Risk Committee met regularly during the year to discharge its statutory duties.

Audit

The Committee's principal function in respect of the Audit section of its remit is to oversee, on behalf of the Board, and of our members, the financial reporting process, the system of internal controls, and all audit related matters of the Credit Union. The committee tasks include assessing the performance of the auditor at least annually, ensuring that the internal audit function, required under section 76K of the 1997 Act, is independent and has a reporting line and unfettered access to the audit committee; reviewing the integrity of the Credit Union's financial statements and ensuring that they give a "true and fair" view.

Internal Audit

The Credit Union Act 1997 (as amended) requires Credit Unions to have an Internal Audit Function. The purpose of the Internal Audit Function is to evaluate and improve the effectiveness of risk management, control and governance processes. The Credit Union Internal Auditors appointed are ILCU Internal Audit Services (IAS). The Committee reviewed and recommended for Board approval, the internal audit work plan for 2019-20, and subsequently carried out a review of the reports, recommendations, and overall performance of the Internal Audit function.

Risk Management

The work of the committee includes overseeing and advising the Board of Directors on the risk management system including assessing the appropriateness of the risk management system and ensuring that it documents the risks that the Credit Union is, or may be, exposed to and the systems and controls that the Credit Union has established to manage and mitigate those risks.

The committee met regularly and received reports from the Risk and Compliance Officer being the officer within the Credit Union's paid professional staff with functional responsibility for risk and compliance. The Committee met:

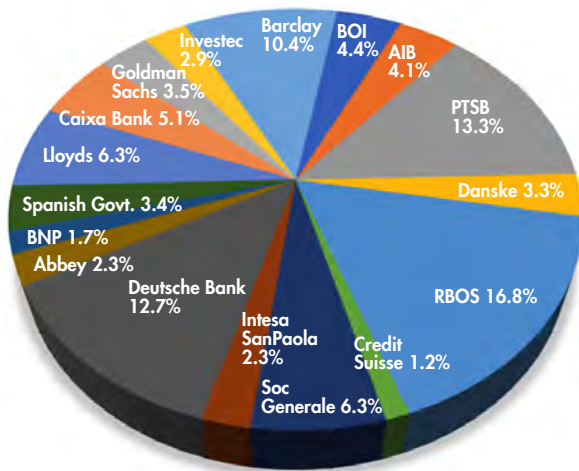
- To review the Risk Register to identify whether there were any new risks required to be included.
- To review the Risk & Compliance Reports
- To review progress on recommendations made in previous reviews and reports.

In conclusion I would like to thank my fellow Committee members, the Management team and the Board of Directors for all their work and support throughout the year.

Sean Kelly - Chairperson

INVESTMENT COMMITTEE REPORT

The remit of the Investment Committee is to examine investment proposals on behalf of the board and to monitor financial markets on an ongoing basis. Deposits & Investments excluding cash and bank balances amounted to €87m at year end (2019: €78m). The following chart is a summary of the Investment Portfolio as of 30th September 2020:



In economic terms, the impact of Covid-19 has been unprecedented. In response to the crisis, Central banks globally reacted swiftly and on a massive scale since March 2020. The ECB has committed total funds of €1.85 trillion in their asset purchasing programme to support the financial system and the economies of Europe. The Irish government also rowed in hard and fast in coming up with various support programmes for jobs and businesses which have helped to reduce the worst effects of the spike in unemployment. Ireland's budget deficit will be under €20bn or 6% of GDP which is one of the lowest across Europe.

Central banks have continued to purchase various categories of bonds (including sovereigns, bank and corporate bonds) directly from banks and companies in order to inject liquidity and keep interest rates and bond yields as low as possible and for as long as possible. This flooding of the financial system with cash means that the returns available to Credit Unions on investments have been under unprecedented pressure and negative rates on both deposits and bonds have become the norm. Deposit interest rates will continue to remain lower for longer based on the above actions.

While a 'no-deal' Brexit was avoided, this will remain a live issue for Ireland, particularly in the agri food sector and indigenous manufacturing who will have to adjust to new trading arrangements with the UK. However, there will also be opportunities for Ireland as we remain an attractive location for foreign direct investment.

In spite of these ultra-low rates, it is perhaps no surprise that with the economic uncertainty resulting from Covid-19, consumers and businesses have continued their precautionary saving trends which has seen household and business deposits increase to record levels, a phenomenon not unfamiliar to Credit Unions across the country as member savings continue to grow significantly.

Despite this, the investment portfolio generated income of €568k in the financial year ending 30 September 2020, (2019: €268k) which represents a weighted average return of circa 0.7% which is a reasonable return given the difficult investment environment.

However, the Committee is aware that it will be difficult to continue achieving positive returns into the future. This may in turn, affect the Credit Unions ability to pay dividends and to give interest refunds. The challenges associated with a negative interest rate environment are shared by all Credit Unions and banks throughout the country and the European Union.

The Board and Investment Committee will continue to ensure that members savings remain safe and secure. The Committee will also diligently oversee that the investment portfolio continues to observe all Central Bank regulatory requirements and that investment performance is optimised within the context of the low risk mandate which underpins our investment objectives.

John Coughlan - Chairperson



LOOKING FOR A PLACE OF YOUR OWN?

We'll CU Home

Contact us today on 090 96 43179 or visit www.ballinasloecreditunion.ie



BALLINASLOE
Credit Union
LOCAL LOYAL LENDING

**WARNING - IF YOU DO NOT MEET THE REPAYMENTS ON YOUR LOAN, YOUR ACCOUNT WILL GO INTO ARREARS.
THIS MAY AFFECT YOUR CREDIT RATING, WHICH MAY LIMIT YOUR ABILITY TO ACCESS CREDIT IN THE FUTURE.**

WARNING - IF YOU DO NOT KEEP UP YOUR REPAYMENTS YOU MAY LOSE YOUR HOME.

WARNING - POSSIBLE FLUCTUATIONS IN THE INTEREST RATE COULD AFFECT THE AMOUNT PAYABLE.

Security, property insurance and life cover required. Loans are subject to approval. Terms and conditions apply.
Ballinasloe Credit Union (Our Lady of Lourdes) Limited is regulated by the Central Bank of Ireland.

NOMINATION COMMITTEE

The Nomination Committee of Ballinasloe Credit Union is responsible for identifying suitable candidates for nomination, accepting nominations of candidates, carrying out Fitness and Probity due diligence on any candidate, and making proposals for election to the Board of Directors.

The Nomination Committee has primary responsibility for ensuring that volunteers with the necessary skills and expertise are available to fill any vacancies that may arise on the Board of Directors.

Members of Ballinasloe Credit Union can apply at any time of the year to serve as a volunteer on the committees of Ballinasloe Credit Union. To do so, all that is initially required is to complete the Volunteers Application Form that is available in the Credit Union office. A member of the Credit Union Staff or the Nomination Committee would be pleased to meet with any member considering volunteering to discuss what is involved in being a volunteer at Ballinasloe Credit Union and answer any questions.

The procedures regarding nominations to the Board of Directors are as follows:

- The nominee must be a member of the Credit Union and be 18 years of age or over.
- Nominations must be in writing and be signed by the proposer and seconder.

Both the proposer and seconder must be members of the Credit Union.

The nominations must also be signed by the nominee, who must agree to the nomination.

Nomination forms are available at the Credit Union office.

Completed nomination forms should be sent by post or delivered by hand, addressed to the Nomination Committee.

Michael McKeown - Chairperson



Board of Directors & Oversight Committee AGM 2019

SAVINGS LIMIT NOTICE

During the year, the Board took the difficult decision to introduce a savings limit of €30,000 with effect from 1st February 2020. At that time, if you held more than €30,000 in savings with Ballinasloe Credit Union, you could maintain your current balance but would not be able to increase it. Given the persistent low interest rate environment, which is expected to continue, and following further review, there will be a change to this policy effective from 1st February 2021.

For some time, short term deposits have attracted a negative rate of interest meaning it is now a significant cost to the Credit Union and its members to hold these funds. While Ballinasloe Credit Union is in a very strong financial position, the holding of large amounts of member savings on short term deposits at a negative rate is not in the best interests of the membership and impacts on the ability of the Credit Union to pay dividends and loan interest rebates.

In this context, the Board has taken the prudent decision to apply the €30,000 savings limit to existing funds from 1st February 2021. We have started the process of contacting affected members on a phased basis requesting that any funds in excess of the €30,000 limit are withdrawn. In addition, a savings limit of €10,000 will apply for all new members and for existing juvenile accounts.

The business model of the Credit Union is built upon providing secure savings accounts and competitive loan products to our members. At present, circa 37% of member savings are used to fund loans. The remaining funds are placed in secure investments and in short term deposits to meet the regulatory requirements of the Central Bank.

The Board and management understand that this may cause an inconvenience for some members, however, it is the best course of action to protect the interests of the membership as a whole.



Ballinasloe First Responders



Donation to ICU Portiuncula Hospital

MEMBERS INFORMATION

GDPR - DATA PROTECTION

In compliance with the General Data Protection Regulation ("GDPR") Ballinasloe Credit Union is committed to protecting your personal data. Please take a moment to read our Data Privacy Notice at www.ballinasloecreditunion.ie

MINIMUM SHAREHOLDING

Your savings with the Credit Union are called "Shares". Each share you hold in the Credit Union is equal to €1. You must maintain a share balance of at least €10 to retain membership of Ballinasloe Credit Union.

LIFE SAVINGS AND LOAN PROTECTION INSURANCES

The savings and loans of members of the Credit Union are covered by insurance which is provided at no direct cost to the member. Subject to terms and conditions, this insurance may pay out a lump sum to be added to member's savings and clears outstanding loans on the death of a member. This is a valuable insurance cover for members. It is the members responsibility to maintain €10 in shares to qualify for insurance. Please ask any member of staff for further information.

DEATH BENEFIT INSURANCE

Death Benefit Insurance to pay a lump sum on death in the amount of €1,300 which is designed to assist with funeral expenses. Free to qualifying members who have joined the Credit Union before turning 70. It is the members responsibility to maintain €100 in shares to qualify for this insurance.

NOMINATION OF SAVINGS UPON DEATH

Credit Union members can complete a nomination in favour of a person or persons to whom they want their savings to be transferred following their death. The maximum amount allowed by law to be transferred under a nomination is currently €23,000. Nominations must be in writing and can be changed at any time. Nominations are revoked by reason of marriage or on the prior death of the nominated beneficiary. Nominations cannot be varied by a will. Under a nomination the Credit Union may disburse the proceeds without involving solicitors or probate. We encourage all members to complete a nomination form.

DORMANT ACCOUNTS

If an account in Ballinasloe Credit Union has not been used in 36 months, the status of the account automatically changes to dormant. This is for the security and protection of our members' savings. The account obviously remains the property of the member and continues to earn dividends, but member transactions are not allowed on the account until it has been reactivated by a staff member, who will require up to date identification from the member.

DEPOSIT GUARANTEE SCHEME

Savings up to €100,000 per member in the Credit Union are covered under the Government's Deposit Guarantee Scheme. For more information visit our website at www.ballinasloecreditunion.ie

AFFILIATION FEE

Each year during the time the Credit Union is a member of the Irish League of Credit Unions each person who was a member on 30th September of the preceding year shall pay an annual League affiliation fee. The affiliation fee may be deducted by the Credit Union from the share account of the member and shall forthwith be paid to the League to assist in its functioning.

ANTI-MONEY LAUNDERING

Ballinasloe Credit Union Ltd. Is committed to ensuring that its services are not used by criminals to legitimise their actions or the funds from their criminal activities. It is this Credit Union's board policy to comply with both the letter and the spirit of the Criminal Justice (Money Laundering and Terrorist Financing Act) 2010 and Anti-Money Laundering Sectoral Guidance Note for Credit Unions issued by the ILCU (January 2013). BCU complies with each AML Directive as required.

MOTION AND ELECTIONS

NOTICE OF MOTIONS

That €1.75 be deducted from each adult members' share account in respect of the Irish League of Credit Unions' Affiliation fee.

ELECTIONS

The Nomination Committee is charged with proposing nominees to fill the vacancies on the Board of Directors and the Board Oversight Committee. All such nominees shall be members of the Credit Union. The nominees shall be assessed by the Nomination Committee for the experience, qualifications and/or skills necessary to perform properly and effectively the functions of a Director or Board Oversight Committee member. The closing date for nominations for the vacancies arising at AGM 2020 was 30th December 2020.

BOARD OF DIRECTORS

The Board of Directors consists of eleven directors. There are 6 vacancies to be filled. Mike O'Reilly, Michael McKeown and John Doolan retire from the Board of Directors and do not offer themselves for re-election. John Coughlan, Adrian Ahern & Mary Feeney offer themselves for re-election to the Board. Brian King, Sean Madden & David Gallagher are putting their names forward for election to the Board of Directors.

BOARD OVERSIGHT COMMITTEE

The Committee consists of three members. There are 2 vacancies to be filled. Elaine Kennedy offers herself for re-election. Sinead Manning retires from the Board Oversight Committee and does not offer herself for re-election. Aidan Clifford is putting his name forward for election to the Board oversight committee.

ELECTION OF AUDITORS

Grant Thornton were appointed as auditors at the 2019 AGM and in accordance with Section 115 of the Credit Union Act, 1997 (as amended), the auditors Grant Thornton offer themselves for re-election.



Donation to St Brendan's CNU

School Quiz 2020: Scoil Ui Cheithearnaigh





BALLINASLOE
Credit Union
LOCAL LOYAL LENDING



AFFORDABLE LENDING

Designed Around Your Needs

OPENING HOURS

Monday - Friday: 9:30a.m – 5:30p.m | **Saturday:** 9:30a.m – 4:30p.m



T: 090 9643179

W: www.ballinasloecreditunion.ie | E: info@ballinasloecreditunion.ie

Credit Unions in the Republic of Ireland are regulated by the Central Bank of Ireland.