



BALLINASLOE
Credit Union
LOCAL LOYAL LENDING

FINANCIAL ACCOUNTS, NOTICE & AGENDA AGM 2022

AGM will take place on
Wednesday, 14th December 2022 @ 8.00pm



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NOTICE OF MEETING

Notice is hereby given of the 56th Annual General Meeting of Ballinasloe Credit Union (Our Lady of Lourdes) Limited. The A.G.M. will be held in the Shearwater Hotel, Ballinasloe on 14th December 2022 at 8.00pm.

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.

BOARD OF DIRECTORS

Chairperson	Marian Brady
Vice Chairperson	Sean Madden
Secretary	John Coughlan
Board of Directors	Adrian Ahern Seamus Kelly Brian King Mary Coughlan Sean Kelly Patricia Tierney

BOARD OVERSIGHT COMMITTEE

Aidan Clifford, Declan Harney, Edward Kelly

BOARD COMMITTEES

Audit & Risk committee

Sean Kelly, Sean Madden, Brian King

Nominations Committee

Patricia Tierney, John Coughlan, Adrian Ahern

Remuneration Committee

Adrian Ahern, Marian Brady, John Coughlan, Brian King, Sean Madden

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 Notice, 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 Data Privacy Lead by emailing GDPR@ballinasloecreditunion.ie or phoning 090 9643179.



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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 Marketing, Youth And 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 2022

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)

2 - 3 ELECTION PROCEDURE

2. Elections to the board of directors, to the board oversight committee and the position of auditor shall be by majority vote and by secret ballot.

3. When nominations are announced tellers shall be appointed by the chairperson and ballot papers shall be distributed. Nominations shall be in the following order:

- (a) nominations for auditor;
- (b) nominations for members of the board oversight committee;
- (c) nominations for directors.

When voting is completed, the votes shall be taken and tallied by the tellers. Any ballot paper which contains votes for more than the number required to be elected shall be void. All elections shall be by secret ballot and by majority vote. When the votes have been counted by the tellers, the results shall be announced by the chairperson. In the event that all vacancies are not filled by the first ballot further ballots shall be taken as required. In the event of an equality of votes between candidates for the remaining vacancies not filled in accordance with the above procedure one further ballot shall be taken and should that ballot fail to determine the issue, the vacancies shall be filled by lot from among such candidates having an equality of votes.

4 - 9 MOTIONS

4. All motions from the floor of the AGM must be proposed and seconded by members present at the AGM and moved by the

proposer. If the proposer is absent when the motion is called, the motion shall be deemed to have failed.

5. A proposer of a motion may speak for such period as shall be at the discretion of the chairperson of the meeting and shall have the right of reply before the motion is put to the meeting for a vote.
6. In exercising his/her right of reply, a proposer may not introduce new material.
7. The seconder of a motion shall have such time as shall be allowed by the chairperson to second the motion.
8. Members are entitled to speak on any such motion and must do so through the chairperson. All speakers to any motion shall have such time as shall be at the discretion of the chairperson.
9. The chairperson shall have the absolute right to decide at any time when a motion has been sufficiently discussed and may put the motion to the meeting giving the proposer the right of reply before doing so.

10 - 15 MISCELLANEOUS

10. The chairperson of the board of directors shall be the chairperson of any general meeting, except where he/she is not available, in which case it shall be the vice-chairperson, except where he/she is not available, in which case the board shall decide amongst themselves who shall act as chairperson of any general meeting.
11. The chairperson may at his/her discretion, extend the privilege of the floor to any person who is not a member.
12. Matters not covered by the Agenda may be introduced under "Other Business" at the discretion of the chairperson.
13. The chairperson's decision on any matter relating to these Standing Orders or interpretation of same shall be final.

14. No member shall have more than one vote on each question at any general meeting of the credit union or any adjournment thereof irrespective of his/her shareholding or the number of accounts in his/her name in the credit union provided, however, that except in voting at elections, the presiding member shall have a second or casting vote in the event of equality of voting. Voting by proxy shall be allowed only when a member other than a natural person votes through a representative, who is a member of the group, duly authorised in writing for that purpose and accepted as such by the board of directors.
15. Any matter to be decided upon by vote at the AGM shall, unless otherwise expressly provided for by law or the rules, be decided upon by simple majority.

16. SUSPENSION OF STANDING ORDERS

Any one of these Orders or all of these Standing Orders may be suspended on a motion to this effect receiving a two-thirds majority of those present and entitled to vote.

17. ALTERATION OF STANDING ORDERS

Standing Orders may be amended or altered at a general meeting and only if a motion to this effect has received a two-thirds majority of those present and voting.

18. ADJOURNMENTS

Adjournments of the AGM shall take place only in accordance with section 81(1) of the Credit Union Act, 1997 (as amended).

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.



Ballinasloe Credit Union were delighted to sponsor the Orienteering Day at Creagh NS. Credit Union CEO Gráinne Murphy is pictured with 6th Class students, teacher Mark Ronaldson & Eileen Young programme coordinator

CHAIRPERSON'S REPORT

I am honoured as Chairperson of the Board of Directors of Ballinasloe Credit Union to present your Credit Union's Annual Report for the year ended 30th September 2022.

Credit Unions are an essential part of the financial and social fabric of the country. As member-owned, community based, not-for-profit financial institutions, we are ideally positioned to play an enhanced role in providing a wide range of services and supports to consumers and SMEs.

As Bank branches continue to close in cities, towns and villages, we are committed to maintaining services within our local communities, and offering personal, face-to-face and online service.

SUSTAINABILITY REPORT

Throughout the booklet, and for the first time, we are incorporating a sustainability report into our annual report to members. Based on the 17 UN Sustainable Development Goals ("UN SDGs") and aligned to our core Operating Principles, they represent an international consensus on conditions under which humanity can thrive.

When we compare the 10 Credit Union operating principles and the UN SDG's, we see almost the same aspirations reflected in both frameworks. The UN SDGs provide a unique framework to disclose our Credit Union's sustainability story that is illustrated in this booklet.

Credit Unions work in a way that best serve our members. The accessibility of Credit Unions and our ability to provide services to members and communities is what makes them unique.

I would like to thank you, our loyal members, for the continued support and dedication you show to your Credit Union. We truly appreciate it and we will continue to grow and develop to ensure that we maintain for you a strong, stable Credit Union that cares for its members...always!

FINANCIALS

You are members of a strong Credit Union which has traded successfully for over 55 years. We generated a surplus which will be used to fund reserves for the long term good of the Credit

Union. The key performance indicators for the financial year ended 30 September 2022 are:

- Income of €3.7m
- Assets of €126m
- Surplus of €0.7m
- Reserves of 16%

Our Gross loans to Total assets ratio stands at 31%, one of the strongest among our peer Credit Unions - those having total assets of over €100 million and we have also set aside a provision for loan losses amounting to 9.4% of gross loans outstanding.

DIVIDEND & INTEREST REBATE

We have continued to be there for our members during 2022, albeit in a very challenging economic environment. It is important that the Credit Union continues to make responsible and prudent decisions to further strengthen the Credit Union. As a result, the Board are proposing that there be no Dividend or Interest Rebate paid this year.

While we understand that our non-declaration of a Dividend and Interest Rebate is disappointing for members, it 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. We are prioritising strengthening the Credit Union for the future so we will be there for our members when they need us.

LENDING

The loan book grew by 0.39% in 2022. Gross loans issued for the year ended 30 September 2022 of €16.1m were €1.8m (12%) higher than the €14.3m issued in 2021. Member loan repayments remained strong during 2022 and, together with impaired loans written off resulted in overall gross loans outstanding increasing by €0.2m in 2022.

With the cost-of-living crisis becoming more and more prevalent, Credit Unions remain vital and accessible providers of affordable and ethical financial services across the country. We are committed to offering access to all in our community and would urge those who might have previously relied on a doorstep lender, or those who might be tempted to borrow from unregulated lenders, to come and talk to us.

DEFIND BENEFIT PENSION SCHEME

As you may be aware, the funding position of the Irish League of Credit Unions (ILCU) Republic of Ireland Defined Benefit Pension Scheme ("the DB Scheme"), of which Ballinasloe Credit Union Limited is a member, received a level of media attention during the early part of this year. The DB Scheme is the pension arrangement through which many Credit Union employees were provided with pension benefits for their retirement.

The scheme has existed since 1972. 30 years after its commencement it had about €20 million of assets and liabilities. In the last 20 years the trajectory has changed such that there are now almost €400 million of assets and liabilities. The reasons for this level of increase include greater numbers of participating members, continuing pension service, and in the past decade, a reduction in interest rates.

Throughout this time, there have been a number of interventions. In 2006, pension benefits were lowered for new entrants, in 2009 the level of employee contributions were increased, and further reductions in benefits were made in 2010. Past service funding plans were implemented from time to time as is required under the Pensions Act.

In 2021, the Board of the ILCU identified that a more fundamental review of the DB Scheme was required. This review ultimately led to the cessation of the DB Scheme to future employee service on 31 March 2022. All pension benefits for service by Credit Union employees after 31 March 2022 would be provided under a defined contribution (DC) pension scheme.

All Credit Union employees are aware of the change, and we have engaged with our own staff here in Ballinasloe Credit Union. Funding arrangements have been put in place which allow for the cessation of pension service within the DB scheme and the change that has been implemented is expected to draw a line under the funding and deficit issues that the DB Scheme faced, now and into the future.

For employees, a change to pension arrangements was imposed at short notice, and the negative impact of this is fully acknowledged. The issues involved were complex, with multiple

stakeholders, and the timescale was set externally due to regulatory requirements to agree funding arrangements with the DB Scheme Trustees. The patience and understanding of employees throughout the process is appreciated and the funding now in place for DB Scheme benefits in relation to service up to 31 March 2022, provides security for employees and clarity for Credit Unions.

For the Credit Union, the risk associated with operating a defined benefit pension scheme has been significantly addressed. In taking these steps, Credit Unions are also reflecting a move across the wider Irish landscape towards the provision of pension benefits through a defined contribution pension scheme.

In terms of the security of pension benefits, a prudent approach has been used to fund the DB Scheme. The increase in long term interest rates since early 2022 has proved helpful as it enables further derisking of the DB Scheme, which contributes to a reduction in risk for all parties.

Today, because of a combination of actions - the impact of the pension changes implemented in March 2022, the funding arrangements put in place supported by Credit Unions, and the rising interest rate environment - the DB Scheme is in a strong funding position, and as noted these actions are expected to have drawn a line under the funding issues that the DB Scheme faced, now and into the future.

There is a funding impact for Ballinasloe Credit Union which you will see in the Income & Expenditure account. The ILCU Stabilisation Protection Scheme committed to provide funding as a result of the deficit in the ILCU pension fund and other recent environmental factors. Ballinasloe Credit Union received €530k from the Savings Protection Scheme resulting in a net funding to the DB scheme of €1.0m.

Ultimately, while recognising that the pension environment has changed, we recognise that our employees received a pension commitment that it is appropriate to deliver on while also ensuring we protect our member funds.

We further recognise that we are managing member funds, and therefore, it is of the utmost importance that the focus of those managing the DB Scheme is on ensuring that the line drawn under the funding issues remains firmly in place. We are assured that this is the case.

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 were delighted to launch our MYCU Current Account and Debit Mastercard last year and we recently launched a MYCU Youth current account for members aged 12-17. The MYCU Current Account now offers all members the opportunity to complete and manage all of their day-to-day financial transactions through the Credit Union.

In addition to our services being available in branch we have expanded our online offerings to include end to end digital member onboarding and loan applications.

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 eight consecutive year.

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.

ACKNOWLEDGEMENTS

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 the Credit Union continues to provide a vital service in our community.

I would also like to thank my fellow directors and Board Oversight Committee members 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.

Finally, on behalf of the Board of Directors and all the team in Ballinasloe Credit Union, I wish all our members a safe & prosperous 2023.

Marian Brady - Chairperson



Pictured at the presentation to Skyvalley Rovers FC U12's, L-R Marian Brady BCU Chairperson, Keelan Dowd, Aidan Og Gallagher, Sean Flynn, Callum Dowd & Gráinne Murphy CEO BCU

SUSTAINABILITY REPORT

Sustainability can be defined as meeting the needs of the present without compromising the ability of future generations to meet their own needs.

Sustainable businesses deliver financial returns in the long term while generating positive value for society and operating within environmental constraints.

In 2015, the United Nations General Assembly (UN-GA) set up the 17 UN Sustainable Development Goals ("UN SDGs"). 193 countries signed on to the plan, including Ireland. They represent an international consensus on conditions under which humanity can thrive. They include interconnected environmental and societal conditions as well as institutional and economic factors. Social conditions include basic rights to food, water, sanitation, education, health and freedom.



When we compare our operating principles and the UN SDG goals, we see almost the same aspirations reflected in both frameworks. We have been delivering on our operating principles for 55 years, but now we are using the UN SDGs framework as an opportunity to challenge our Credit Union to deliver more. Throughout this AGM report we will look at our core operating principles through the lens of the UN SDGs.

01 Open and voluntary membership

10 REDUCED INEQUALITIES




16 PEACE, JUSTICE AND STRONG INSTITUTIONS



02 Democratic control

16 PEACE, JUSTICE AND STRONG INSTITUTIONS



03 Return of savings and deposits

10 REDUCED INEQUALITIES



16 PEACE, JUSTICE AND STRONG INSTITUTIONS



04 Limited dividends on equity capital

1 NO POVERTY



2 ZERO HUNGER



3 GOOD HEALTH AND WELL-BEING



05 Return of surplus to member

1 NO POVERTY



2 ZERO HUNGER



3 GOOD HEALTH AND WELL-BEING



06 Non-discrimination in race, religion and politics

5 GENDER EQUALITY



6 CLEAN WATER AND SANITATION



07 Service to members

1 NO POVERTY



2 ZERO HUNGER



3 GOOD HEALTH AND WELL-BEING



6 CLEAN WATER AND SANITATION



7 AFFORDABLE AND CLEAN ENERGY




8 DECENT WORK AND ECONOMIC GROWTH



08 Ongoing education

4 QUALITY EDUCATION



09 Cooperation amongst Cooperatives

16 PEACE, JUSTICE AND STRONG INSTITUTIONS



17 PARTNERSHIPS FOR THE GOALS



10 Social Responsibility

11 SUSTAINABLE CITIES AND COMMUNITIES



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION



14 LIFE BELOW WATER



15 LIFE ON LAND



Sustainability is deeply embedded into every aspect of the Credit Unions operating principles and ethos. We recognise that of the 17 United Nations Sustainable Development Goals, SDG 13 is Climate action and mitigating climate change, is the most important long-term goal for the quality and functioning of our planet. However, we also recognise that Credit Union members struggling with poverty and food costs (SDG 1 and 2), education needs (SDG 4), the cost of heating (SDG 7) and transport needs, (SDG 8) may place a lower priority on climate action. The Credit Union will support all members equally.

The Credit Union recognises that climate action comes with potential costs and risk.

Equally, we recognise climate action provides an opportunity to build resilience against the negative impacts of climate change. We endeavour to incentivise and support Credit Union members in Ireland's green transition.

For members wishing to position themselves well to take advantage in the future of opportunities arising from the green transition, we aim to make our carbon reduction loan offerings as inexpensive as possible with repayments being funded by cost savings.

Whilst also protecting vulnerable members, for example, we will still offer a home heating oil loan to a member struggling to heat their home, but equally we will offer that member a long term retrofit loan with repayments spread out so to be funded by the resultant heat cost savings.

We will still offer a competitive loan package to a member who needs transport to get to work but can't afford an electric car, while at the same time we have a specific loan product that facilitates members who want to purchase hybrid & electric vehicles.

The UN SDGs provides the Credit Union with a framework to demonstrate how we are an inherently sustainable business and how we use this sustainable advantage as a strategic opportunity to serve our communities. We have set out where we are already making a difference under many SDGs. We have set ourselves challenges within the Credit Union and we invite you the members to tell us what more you think we can do.

01 – Open and Voluntary Membership

Everyone within our Common Bond has the same opportunity to join the Credit Union without discrimination of any kind and once admitted; to receive the same benefits of membership as all other members. It is completely voluntary to join and to be involved with others to achieve our shared economic, social and cultural aspirations.

Our building has universal access, with wheelchair access, a lower counter for wheelchair users, a hearing loop system and we offer a full personal and private service for members who require such a service.



07 – Service to Members

We provide social fund grants and loans to support community development projects. We also offer **Community** loans to local organisations wishing to upgrade premises, fund new equipment etc.

Through our social fund, we supported community groups delivering sustainability projects locally, including environmental groups, the Tidy Towns committee and residents associations.

We also provided members on public waiting lists with loans to privately fund urgent hip and knee replacements.

3 GOOD HEALTH AND WELL-BEING



8 DECENT WORK AND ECONOMIC GROWTH



08 – Ongoing Education

We supported families in our community with the cost of their children's education by providing them with back-to-school loans.

We offer an education programme for students in our local secondary schools where they are taught how to save and budget. We invite local primary schools to participate in school savings schemes and we provide members with a specific **Educate** loan which available to facilitate with the costs of their education.

4 QUALITY EDUCATION



10 – Social Responsibility

Sustainable cities and communities

We provide **Business** loans. Typically, a trade person buying tools for their trade or a retail business looking for a loan to buy stock or expand their business or to employ additional staff.

We have supported the re-opening of a listed community building including the investment necessary to make the building energy efficient.

We have a social fund of €50,000 per year and sponsorship & donations budget of €20,000 per annum for local & international initiatives. Funds given to local groups were used to organise a series of events to encourage members to reconnect with each other after lockdown.

11 SUSTAINABLE CITIES AND COMMUNITIES



10 – Social Responsibility

Climate action

We provide a competitive **Recharge** loan for hybrid & electric cars and house retrofit loan under the **CU Greener Homes** scheme.

We provide members with loans to allow them buy heat pump systems for home and commercial heating conversions, meeting the shortfall between the various grants and the full cost.

We are trying to reduce our carbon footprint by going paperless where we can. We are asking our members to sign up to receive their AGM notifications electronically.

Life on land

We provided **Cultivate** loans for farm waste capture and storage (slurry tanks) both new systems and upgrades to existing systems, preventing pollution on land, streams and rivers.

We provided farm energy upgrade loans resulting in savings in CO2 emissions, prevention of run-off pollution, and saving on-farm running costs.

We supported tidy towns initiatives with funds from our social fund.



WHAT NEXT FOR CREDIT UNIONS?

The Board of Directors views our progress on sustainability initiatives and reporting as a continuous journey.

We have been delivering on our operating principles for 55 years, and now we are using the UN SDGs framework as an opportunity to challenge our Credit Union to deliver more. We will look at our core operating principles through the lens of the UN SDGs.

Our next steps will include the:

DEVELOPMENT OF A PLAN:

With members help and guidance we will develop a plan to further deliver on the UN SDGs, while advancing our core principles.

SETTING OF GOALS:

We will work with our members to develop goals that meet the needs of our members.

MEASUREMENT OF SUCCESS:

We will establish a base line of our achievements to date and measure our performance in the future against this starting point.

REPORTING TO MEMBERS:

We will report to members on what we are doing and how well we are progressing with the achievement of our goals.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

For the financial year ended 30 September 2022

The directors present their annual report and the audited financial statements for the financial year ended 30 September 2022.

Principal activity

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

Authorisation

The credit union is authorised as follows:

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

Business review

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

Dividends and loan interest rebates

The directors are not proposing a dividend or loan interest rebate in respect of the financial year ended 30 September 2022 (2021: The directors did not propose a dividend or loan interest rebate).

Principal risks and uncertainties

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

Credit risk

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

Lack of loan demand

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

Market risk

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

Liquidity risk

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

Operational risk

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

Global macro-economic risk

There is an economic and operational risk relating to rising inflation rates, disruption to global supply chains and a general uncertainty in the markets as a result of the pandemic and the on-going war in Eastern Europe.

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

Credit risk

In order to manage this risk, the board of directors regularly reviews and approves the credit union's credit 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 provides 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.

Global macro-economic risk

The board of directors and management closely monitor the developments of rising inflation rates and disruption to global supply chains and markets, and continue to take appropriate actions to mitigate any possible adverse effects on the credit union.

Accounting records

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

Events after the end of the financial year

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

Auditors

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

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

Marian Brady

Chairperson of the board of directors

Sean Madden

Member of the board of directors

Date: 22nd November 2022

DIRECTORS' RESPONSIBILITIES STATEMENT

For the financial year ended 30 September 2022

The directors are responsible for preparing the financial statements in accordance with applicable Irish law and regulations. The directors have elected to prepare the financial statements in accordance with the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102).

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. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the credit union's website.

On behalf of the board:

Marian Brady

Chairperson of the board of directors

Sean Madden

Member of the board of directors

Date: 22nd November 2022

BOARD OVERSIGHT COMMITTEE'S RESPONSIBILITIES STATEMENT

For the financial year ended 30 September 2022

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

On behalf of the board oversight committee:

Aidan Clifford

Chairperson of the board oversight committee

Date: 22nd November 2022

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 flows for the financial year ended 30 September 2022, 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 2022 and of its income and expenditure and cash flows for the year then ended; and
- have been properly prepared so as to conform with the requirements of the Credit Union Act, 1997 (as amended).

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

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

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

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

Responsibilities of directors for the financial statements

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

In preparing the financial statements, the directors are responsible for assessing the credit union's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intends to liquidate the credit union or to cease operations, or has no realistic alternative but to do so. Responsibilities of the auditor for the audit of the financial statements The auditor's objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes their opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Responsibilities of the auditor for the audit of the financial statements

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

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

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

Denise O'Connell FCA
for and on behalf of

Grant Thornton

Chartered Accountants
& Statutory Audit Firm
Limerick

Date: 22nd November 2022

INCOME AND EXPENDITURE ACCOUNT

For the financial year ended 30 September 2022

		2022	2021
	Schedule	€	€
Income			
Interest on members' loans		2,723,762	2,868,280
Members' deposit and other interest expense		-	(5,896)
Other interest income and similar income	1	357,187	965,854
Net interest income		3,080,949	3,828,238
Other income	2	651,081	59,789
Total income		3,732,030	3,888,027
Expenditure			
Employment costs		1,258,462	1,250,426
Other management expenses	3	1,631,468	1,982,218
Pension funding deficit		1,527,310	-
Depreciation		105,114	106,144
Net impairment gains on loans to members (note 5)		(1,491,264)	(1,039,972)
Total expenditure		3,031,090	2,298,816
Surplus for the financial year		700,940	1,589,211

STATEMENT OF OTHER COMPREHENSIVE INCOME

For the financial year ended 30 September 2022

	2022	2021
	€	€
Surplus for the financial year	700,940	1,589,211
Other comprehensive income	-	-
Total comprehensive income for the financial year	700,940	1,589,211

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

Marian Brady
Member of the board of directors

Aidan Clifford
Member of the board oversight committee

Gráinne Murphy
CEO

Date: 22nd November 2022

The notes on pages 24 to 39 form part of these financial statements.

BALANCE SHEET

As at 30 September 2022

	Notes	2022 €	2021 €
Assets			
Cash and balances at bank		7,917,057	4,308,299
Deposits and investments – cash equivalents	7	17,190,621	21,622,227
Deposits and investments – other	7	63,861,911	63,934,775
Loans to members	8	39,596,466	39,442,396
Provision for bad debts	9	(3,727,103)	(4,570,932)
Members' current accounts overdrawn	13	434	-
Tangible fixed assets	10	565,580	665,178
Debtors, prepayments and accrued income	11	586,499	668,321
Total assets		125,991,465	126,070,264
Liabilities			
Members' shares	12	99,724,747	98,653,443
Members' deposits	12	1,421,123	3,009,423
Other members' funds	12	3,546,533	3,808,722
Members' current accounts	13	432,094	54,612
Other liabilities, accruals and charges	14	477,124	848,115
Other provisions	15	41,728	48,773
Total liabilities		105,643,349	106,423,088
Reserves			
Regulatory reserve	17	13,562,043	13,562,043
Operational risk reserve	17	1,139,627	985,047
Other reserves			
- Realised reserves	17	5,495,527	4,985,966
- Unrealised reserves	17	150,919	114,120
Total reserves		20,348,116	19,647,176
Total liabilities and reserves		125,991,465	126,070,264

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

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STATEMENT OF CHANGES IN RESERVES

For the financial year ended 30 September 2022

	Regulatory reserve €	Operational risk reserve €	Realised reserves €	Unrealised reserves €	Total €
As at 1 October 2020	13,562,043	985,047	3,358,660	152,215	18,057,965
Surplus for the financial year	-	-	1,589,211	-	1,589,211
Transfers between reserves	-	-	38,095	(38,095)	-
As at 1 October 2021	13,562,043	985,047	4,985,966	114,120	19,647,176
Surplus for the financial year	-	154,580	493,354	53,006	700,940
Transfers between reserves	-	-	16,207	(16,207)	-
As at 30 September 2022	<u>13,562,043</u>	<u>1,139,627</u>	<u>5,495,527</u>	<u>150,919</u>	<u>20,348,116</u>

- The regulatory reserve of the credit union as a percentage of total assets as at 30 September 2022 was 10.76% (2021: 10.76%).
- The operational risk reserve of the credit union as a percentage of total assets as at 30 September 2022 was 0.90% (2021: 0.78%).

The notes on pages 24 to 39 form part of these financial statements.

STATEMENT OF CASH FLOWS

For the financial year ended 30 September 2022

	Notes	2022 €	2021 €
Opening cash and cash equivalents		25,930,526	28,961,024
Cash flows from operating activities			
Loans repaid by members	8	15,661,470	15,812,473
Loans granted to members	8	(16,060,526)	(14,306,634)
Interest on members' loans		2,723,762	2,868,280
Deposit interest		-	(5,896)
Other interest income and similar income		357,187	965,854
Bad debts recovered and recoveries		892,421	710,733
Other income		651,081	59,789
Members' current accounts lodgements	13	2,991,064	172,230
Members' current accounts withdrawals	13	(2,614,016)	(117,618)
Operating expenses		(4,417,240)	(3,224,083)
Movement in other assets and liabilities		(296,214)	(130,497)
Net cash flows from operating activities		(111,011)	2,804,631
Cash flows from investing activities			
Fixed asset purchases		(5,516)	(279,323)
Net cash flow from other investing activities		72,864	(1,027,203)
Net cash flows from investing activities		67,348	(1,306,526)
Cash flows from financing activities			
Members' savings received	12	91,787,973	95,621,025
Members' savings withdrawn	12	(92,567,158)	(100,149,628)
Net cash flow from financing activities		(779,185)	(4,528,603)
Net decrease in cash and cash equivalents		(822,848)	(3,030,498)
Closing cash and cash equivalents	6	25,107,678	25,930,526

The notes on pages 24 to 39 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2022

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the financial year ended 30 September 2022

2. Accounting policies (continued)

2.6 Deposits and investments

Held at amortised cost

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

Central Bank deposits

Credit unions are obliged to maintain certain minimum deposits with the Central Bank but may also hold an excess over the regulatory minimum. The regulatory minimum deposits are technically assets of the credit union but to which the credit union has restricted access. The regulatory minimum portion will not ordinarily be returned to the credit union while it is a going concern and is separately identified in note 7, Deposits and investments - other. Funds held with the Central Bank in excess of the regulatory minimum requirements are fully available to the credit union and are therefore treated as cash equivalents and are separately identified in note 7, Deposits and investments – cash equivalents. The amounts held on deposit with the Central Bank are not subject to impairment reviews.

Investments at fair value

Investments designated on initial recognition as non basic are recognised at fair value. They are subsequently measured at fair value (market value) at the year-end date and all gains and losses are taken to the income and expenditure account.

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 2022

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 at the amount of cash deposited and subsequently measured at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the financial year ended 30 September 2022

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 Members' current accounts

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

2.15 Other payables

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

2.16 Pension costs

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) (the Scheme). This is a funded defined benefit scheme with assets managed by the Scheme's trustees. The ILCU is the principal employer of the Scheme and Ballinasloe Credit Union (Our Lady of Lourdes) Limited is a participating employer. The Scheme is a multi-employer defined benefit scheme and there is insufficient information for the credit union to separately identify its share of the Scheme's underlying assets and liabilities. Consequently, the Scheme is currently accounted for as a defined contribution plan. If an agreement is entered into with the Scheme that determines how Ballinasloe Credit Union (Our Lady of Lourdes) Limited will fund a past service deficit, the credit union shall recognise a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit). Please refer to note 27 for further detail.

The credit union also operates a defined contribution pension scheme. The assets of this scheme are held separately from those of the credit union in independently administered funds. Employer contributions to the scheme are charged to the income and expenditure account in the period to which they relate. The amount payable at the year end in respect of same was €9,328 (2021: €17,000).

2.17 Holiday pay

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

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 2022

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.

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

2.21 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 and the balance of the SPS refund receivable 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 2022

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 €565,580 (2021: €665,178).

Provision for bad debts

The credit union's accounting policy for impairment of loans is set out in note 2.8. The estimation of loan losses is inherently uncertain and depends upon many factors, including loan loss trends, credit risk characteristics in loan classes, local and international economic climates, conditions in various sectors of the economy to which the credit union is exposed, and, other external factors such as legal and regulatory requirements. The provision for bad debts in the financial statements at the year end was €3,727,103 (2021: €4,570,932) representing 9.41% (2021: 11.59%) 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. In addition, the credit union has included in its operational risk reserve a Member Personal Current Account Service operational risk reserve, in accordance with Section 49(3) of the Credit Union Act, 1997 (as amended). The operational risk reserve of the credit union at the year end was €1,139,627 (2021: €985,047).

Pension

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 scheme of the defined benefit type, with assets invested in separate trustee administered funds. Judgement is required to assess whether the credit union has sufficient information to enable it to account for the Scheme as a defined benefit plan. An assessment has been performed of the information currently available and Ballinasloe Credit Union (Our Lady of Lourdes) Limited has determined that there is currently insufficient information available to provide an appropriate allocation of pension assets and liabilities due to the following:

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

Consequently, Ballinasloe Credit Union (Our Lady of Lourdes) Limited continues to account for the plan as a defined contribution plan.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the financial year ended 30 September 2022

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

Adoption of going concern basis for financial statements preparation

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

4. Key management personnel compensation

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

	2022	2021
	€	€
Short term employee benefits paid to key management	477,107	476,350
Payments to pension schemes	36,941	38,075
Total key management personnel compensation	514,048	514,425

5. Net impairment gains on loans to members

	2022	2021
	€	€
Bad debts recovered	(812,642)	(616,777)
Impairment of loan interest reclassified as bad debt recoveries	(79,779)	(93,956)
Movement in bad debts provision during the year	(843,829)	(662,032)
Loans written off during the year	244,986	332,793
Net impairment gains on loans to members	(1,491,264)	(1,039,972)

6. Cash and cash equivalents

	2022	2021
	€	€
Cash and balances at bank	7,917,057	4,308,299
Deposits and investments – cash equivalents (note 7)	17,190,621	21,622,227
Total cash and cash equivalents	25,107,678	25,930,526

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the financial year ended 30 September 2022

7. Deposits and investments

	2022 €	2021 €
Deposits and investments – cash equivalents		
Accounts in authorised credit institutions (Irish and non-Irish based)	12,366,227	17,496,863
Central Bank deposits	4,824,394	4,125,364
Total deposits and investments – cash equivalents	<u>17,190,621</u>	<u>21,622,227</u>
Deposits and investments – other		
Accounts in authorised credit institutions (Irish and non-Irish based)	42,933,345	45,000,000
Bank bonds	20,002,961	15,005,480
Central Bank deposits	925,605	929,137
Other investments	-	3,000,158
Total deposits and investments – other	<u>63,861,911</u>	<u>63,934,775</u>
Total deposits and investments	<u>81,052,532</u>	<u>85,557,002</u>

8. Financial assets – loans to members

	2022 €	2021 €
As at 1 October	39,442,396	41,281,028
Loans granted during the year	16,060,526	14,306,634
Loans repaid during the year	(15,661,470)	(15,812,473)
Gross loans and advances	<u>39,841,452</u>	<u>39,775,189</u>
Bad debts		
Loans written off during the year	(244,986)	(332,793)
As at 30 September	<u>39,596,466</u>	<u>39,442,396</u>

9. Provision for bad debts

	2022 €	2021 €
As at 1 October	4,570,932	5,232,964
Movement in bad debts provision during the year	(843,829)	(662,032)
As at 30 September	<u>3,727,103</u>	<u>4,570,932</u>

The provision for bad debts is analysed as follows:

	2022 €	2021 €
Grouped assessed loans	3,727,103	4,570,932
Provision for bad debts	<u>3,727,103</u>	<u>4,570,932</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the financial year ended 30 September 2022

10. Tangible fixed assets

	Premises €	Fixtures & fittings €	Computer equipment €	Total €
Cost				
1 October 2021	734,221	168,321	412,987	1,315,529
Additions	-	-	5,516	5,516
At 30 September 2022	734,221	168,321	418,503	1,321,045
Depreciation				
1 October 2021	391,378	25,595	233,378	650,351
Charge for year	14,684	23,824	66,606	105,114
At 30 September 2022	406,062	49,419	299,984	755,465
Net book value				
At 30 September 2022	328,159	118,902	118,519	565,580
At 30 September 2021	342,843	142,726	179,609	665,178

11. Debtors, prepayments and accrued income

	2022 €	2021 €
Prepayments	177,205	257,588
Loan interest receivable	97,913	114,120
Accrued income on investments	248,375	286,613
Other debtors	63,006	10,000
As at 30 September	586,499	668,321

12. Members' savings

	2022 €	2021 €
As at 1 October	105,471,588	110,000,191
Received during the year	91,787,973	95,621,025
Withdrawn during the year	(92,567,158)	(100,149,628)
As at 30 September	104,692,403	105,471,588

Members' savings are analysed as follows:

	2022 €	2021 €
Members' shares	99,724,747	98,653,443
Members' deposits	1,421,123	3,009,423
Other members' funds	3,546,533	3,808,722
Total members' savings	104,692,403	105,471,588

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the financial year ended 30 September 2022

13. Members' current accounts

	2022	2021
	€	€
As at 1 October	54,612	-
Lodgements during the year	2,991,064	172,230
Withdrawals during the year	(2,614,016)	(117,618)
As at 30 September	431,660	54,612

	No. of Accounts	Balance of Accounts €
Debit balances	26	434
Credit balances	408	432,094
Permitted overdrafts	2	5,200

14. Other liabilities, accruals and charges

	2022	2021
	€	€
Accruals and other liabilities	450,770	816,583
PAYE/PRSI	26,354	31,532
As at 30 September	477,124	848,115

15. Other provisions

	2022	2021
	€	€
Holiday pay accrual		
At 1 October	48,773	49,495
Charged to the income and expenditure account	(7,045)	(722)
As at 30 September	41,728	48,773

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the financial year ended 30 September 2022

16. Financial instruments

16a. Financial instruments – measured at amortised cost

Financial assets	2022	2021
	€	€
Financial assets measured at amortised cost	<u>104,338,115</u>	<u>104,997,900</u>
Financial liabilities	2022	2021
	€	€
Financial liabilities measured at amortised cost	<u>105,643,349</u>	<u>106,423,088</u>

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

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

16b. Financial instruments – fair value measurements

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

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

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

At 30 September 2022	Total	Level 1	Level 2	Level 3
	€	€	€	€
Accounts in authorised credit institutions	21,035,694	-	21,035,694	-
Bank bonds	<u>3,504,061</u>	-	<u>3,504,061</u>	-
Total	<u>24,539,755</u>	<u>-</u>	<u>24,539,755</u>	<u>-</u>
At 30 September 2021	Total	Level 1	Level 2	Level 3
	€	€	€	€
Accounts in authorised credit institutions	21,102,348	-	21,102,348	-
Bank bonds	<u>3,504,062</u>	-	<u>3,504,062</u>	-
Total	<u>24,606,410</u>	<u>-</u>	<u>24,606,410</u>	<u>-</u>

There was a fair value movement of (€66,655) recognised in the income and expenditure account for the year ended 30 September 2022 (2021: €nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the financial year ended 30 September 2022

17. Reserves

	Balance 01/10/21	Appropriation of current year surplus	Transfers between reserves	Balance 30/09/22
	€	€	€	€
Regulatory reserve	13,562,043	-	-	13,562,043
Operational risk reserve	985,047	154,580	-	1,139,627
Other reserves				
Realised				
General reserve	4,985,966	493,354	16,207	5,495,527
Total realised reserves	4,985,966	493,354	16,207	5,495,527
Unrealised				
Interest on loans reserve	114,120	-	(16,207)	97,913
SPS reserve	-	53,006	-	53,006
Total unrealised reserves	114,120	53,006	(16,207)	150,919
Total reserves	19,647,176	700,940	-	20,348,116

18. Credit risk disclosures

In line with regulatory requirements, the credit union:

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the financial year ended 30 September 2022

18. 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.

	2022		2021	
	€	%	€	%
Loans not impaired				
Total loans not impaired, not past due	<u>30,868,684</u>	<u>77.96%</u>	<u>28,225,968</u>	<u>71.56%</u>
Impaired loans:				
Not past due	1,972,760	4.98%	2,379,014	6.03%
Up to 9 weeks past due	4,892,845	12.36%	6,608,352	16.75%
Between 10 and 18 weeks past due	467,773	1.18%	662,581	1.68%
Between 19 and 26 weeks past due	368,330	0.93%	514,815	1.31%
Between 27 and 39 weeks past due	305,076	0.77%	225,251	0.57%
Between 40 and 52 weeks past due	294,591	0.74%	270,676	0.69%
53 or more weeks past due	426,407	1.08%	555,739	1.41%
Total impaired loans	<u>8,727,782</u>	<u>22.04%</u>	<u>11,216,428</u>	<u>28.44%</u>
Total loans	<u>39,596,466</u>	<u>100.00%</u>	<u>39,442,396</u>	<u>100.00%</u>

19. Related party transactions

19a. Loans

	2022		2021	
	No. of loans	€	No. of loans	€
Loans advanced to related parties during the year	8	175,000	9	111,000
Total loans outstanding to related parties at the year end	11	254,205	18	279,157
Total provision for loans outstanding to related parties		15,996		15,275

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 0.64% of the total loans outstanding at 30 September 2022 (2021: 0.71%).

19b. Savings

The total amount of savings held by related parties at the year end was €537,950 (2021: €645,263).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the financial year ended 30 September 2022

20. Additional financial instruments disclosures

20a. Financial risk management

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

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

20b. Liquidity risk disclosures

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

20c. Interest rate risk disclosures

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

	2022		2021	
	Average		Average	
	interest		interest	
	rate		rate	
	%		%	
	€		€	
Gross loans to members	<u>39,596,466</u>	7.16%	<u>39,442,396</u>	7.30%

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 2022

21. Dividends and loan interest rebates

The following distributions were paid during the year:

	2022		2021	
	%	€	%	€
Dividend on shares	=====	=====	=====	=====
Loan interest rebate	=====	=====	=====	=====

The directors are not proposing a dividend or loan interest rebate in respect of the financial year ended 30 September 2022 (2021: The directors did not propose a dividend or loan interest rebate).

22. Rate of interest paid on members' deposit accounts

	2022		2021	
	%	€	%	€
Interest on deposits	=====	=====	0.50%	5,896

23. Events after the end of the financial year

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

24. Insurance against fraud

The credit union has Insurance against fraud in the amount of €5,200,000 (2021: €5,200,000) in compliance with Section 47 of the Credit Union Act, 1997 (as amended).

25. Capital commitments

There were no capital commitments at 30 September 2022.

26. Comparative information

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the financial year ended 30 September 2022

27. 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.

On 31 March 2022, the defined benefit scheme closed to future accrual and although staff retained all the benefits that they had earned in the Scheme to that date, Ballinasloe Credit Union (Our Lady of Lourdes) Limited and its employees ceased making regular contributions to the Scheme and ceased earning any additional benefits from the Scheme.

At the date of closure of the Scheme, there was a past service deficit which was allocated to each participating credit union based on the total benefits earned by staff in each credit union. Ballinasloe Credit Union (Our Lady of Lourdes) Limited's allocation of that past service deficit is €1,527,310. This cost is included in the income and expenditure account for the financial year ended 30 September 2022. The deficit amount was paid to the trustees of the Scheme during the financial year.

As this is a pooled pension scheme, Ballinasloe Credit Union (Our Lady of Lourdes) Limited remains liable to cover the cost of their share of any future increase in the total cost of providing the pension payments to credit union employees who were part of the Scheme. Ballinasloe Credit Union (Our Lady of Lourdes) Limited could exit the Scheme and therefore never have to make a potential additional payment requirement but exiting the Scheme would incur a substantial additional cost.

If credit unions exit the Scheme, they are required to pay to the trustees the exit amount which the trustees determine is required to fund benefits in respect of their active, deferred and pensioner members on a "no risk" basis. The exiting credit union thereby settles any liability they have to contribute to the Scheme in the future.

28. Approval of financial statements

The board of directors approved these financial statements for issue on 22nd November 2022.

SCHEDULES TO THE INCOME AND EXPENDITURE ACCOUNT

For the financial year ended 30 September 2022

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

Schedule 1 – Other interest income and similar income

	2022	2021
	€	€
Investment income received/receivable within 1 year	423,842	560,861
Realised gains on investments	-	404,993
Movement in unrealised loss on investments	(66,655)	-
Total per income and expenditure account	357,187	965,854

Schedule 2 – Other income

	2022	2021
	€	€
SPS refund	530,059	-
Miscellaneous income	50,103	-
ECCU rebate	34,175	48,333
Commissions	28,909	11,456
MPCAS income	7,835	-
Total per income and expenditure account	651,081	59,789

SCHEDULES TO THE INCOME AND EXPENDITURE ACCOUNT (CONTINUED)

For the financial year ended 30 September 2022

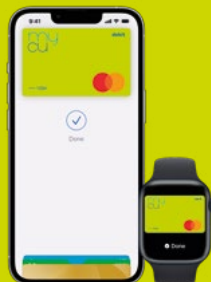
Schedule 3 – Other management expenses

	2022	2021
	€	€
Rent and rates	10,162	7,293
Light, heat and cleaning	28,022	25,868
Repairs and renewals	19,977	395,365
Security	35,006	30,072
Printing and stationery	18,009	22,932
Postage and telephone	29,513	27,490
Donation and sponsorship	19,651	14,136
Promotion and advertising	77,618	52,489
Training costs	9,496	29,815
Staff uniform costs	276	10,135
Convention expenses	4,799	-
AGM expenses	25,323	28,726
Travel and subsistence	4,018	-
Bank charges	73,890	64,990
Audit fee	27,060	27,060
Legal and professional fees	124,427	128,822
General insurance	55,729	54,640
Share and loan insurance	318,691	309,593
Death benefit insurance	113,293	118,444
Computer maintenance	219,377	189,323
SPS, affiliation fees and subscriptions	57,149	93,164
Regulatory levies	226,654	201,867
Social development	50,000	50,000
MPCAS expenses	37,334	-
Office expenses	45,994	42,055
Business development	-	49,378
Diminution of tangible fixed assets	-	8,561
Total per income and expenditure account	<u>1,631,468</u>	<u>1,982,218</u>

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- Security and convenience with contactless payments
- Card is designed to assist the visually impaired with PIN and contactless transactions
- Can be used in-store, online or at an ATM
- 24/7 support for lost or stolen debit cards
- SEPA Payments





December Draw – Yvonne Concannon



March Draw – Ann Bugler



June Draw – Yvonne Hoary



September Draw – Maureen Mc Donnell

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.

The rules governing the draw 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 2022, 5,753 members took part in the draw. During the financial year, circa €92k has been paid out in prizes to 56 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

MEMBERS' PRIZE DRAW YEAR ENDED SEPTEMBER 30TH 2022

2022	(€)
Opening Balance	100
Members Entry Fee	92,468
	<hr/> 92,568
Top prize	62,000
Cash prize	29,000
Legal fees	1,400
Prize fund	<hr/> 168

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.

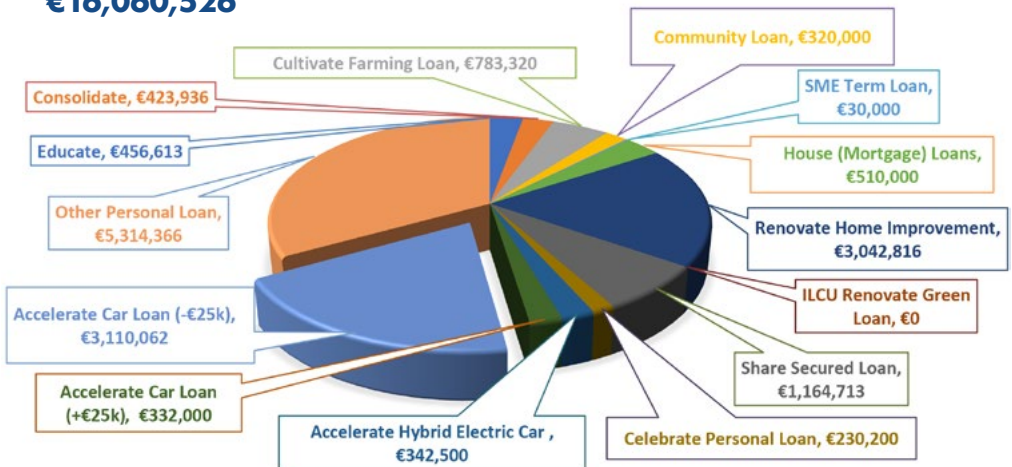
We lend for a wide variety of purposes, from personal, business and home mortgages. We have money to lend and offer fair and reasonable loans. Over the past year, our loans have helped members purchase cars, build, buy and renovate homes, helped students go to college, provided finance for farmers and supported local community groups.

Despite a challenging year over 2,300 applications for loans amounting to €16m 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 are committed to offering access to affordable credit to all in our community and would urge those who might have previously relied on a doorstep lender, or those who might be tempted to borrow from unregulated lenders, to come and talk to us first.

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

LOANS ISSUED YTD SEP 2022: €16,060,526



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.

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.

2022 was a challenging year for some of our members who, through no fault of their own, found themselves in difficulty. We have supports in place to assist those members during these uncertain 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 a member of our Credit Control staff at an early stage. We 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 2022 amounted to €245k (2021: €333k). The Credit Union also recovered €813k in 2022, (2021: €617k) from loans written off in previous years. The level of impaired loans (loans which are overdue) reduced from €11.2m in 2021 to €8.7m as at September 2022.

The bad debt provision has reduced from €4.6m in 2021 to €3.7m primarily as a result of a reduction in impaired loans and the utilisation of provisions for the bad debts written off.

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.

Online account Access & Mobile App



Visit our website

www.ballinasloecreditunion.ie

to register your account or
ask any member of staff.



You can also download the free Ballinasloe Credit Union mobile app from Google Play Store or Apple iTunes and manage your account on the go from your smartphone or tablet device.



MEMBERSHIP COMMITTEE REPORT

Membership of the credit union is open to anyone who lives, works, or attends school within our Common Bond area, details of which are available at www.ballinasloecreditunion.ie. New member accounts, either single, joint, group or business can be opened very simply in branch or online. For details on what documents are required to open an account please visit our website.

At September 2022, membership of Ballinasloe Credit Union stood at over 22,500. During the financial year, we opened 463 new accounts for members. We wish to extend a warm welcome to all our new members, and we look forward to assisting them with all their financial needs.

Our aim is to make a positive difference in the lives of our members who now have access to a range of financial services from a trusted partner. Some of our services are outlined below:

SAVINGS

Secure place to save with a range of options to suit you.

LOANS

Our members enjoy competitive rates of interest on a variety of loans products including Personal Loans, Home Mortgages, Car Loans, Home Renovation Loans, SME & Farm finance. We also offer Green Loans for both Home Energy Retrofit & Hybrid Electric Car Purchase. Members can apply online, by phone or in person.

MYCU CURRENT ACCOUNT & DEBIT MASTERCARD®

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

MYCU CURRENT ACCOUNT AND MYCU DEBIT MASTERCARD® FOR 12 YEARS AND OVER

Independence for them, Reassurance for you. Get your child a MYCU Debit Card and they're good to go!

- Parental consent required for up to 16 years of age
- 24/7 access to money
- Reduced spending limits and daily thresholds for added protection against fraud and misuse
- Extra security with age related restrictions applied to some retailers (e.g. off licenses, casinos)
- Card is designed to assist the visually impaired with PIN and contactless transactions
- No maintenance or transaction fees apply (currency conversion fees and government stamp duty will apply)



FOREIGN EXCHANGE

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

ATM

Avoid the queue and lodge or withdraw money to your savings account or pay your loan using the in-branch ATM.

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).

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.

MEMBERS PRIZE DRAW

Quarterly draw with the top prize of €15,500 plus cash prizes. If you're not in you can't win! So, join now at a cost of €4 per quarter.

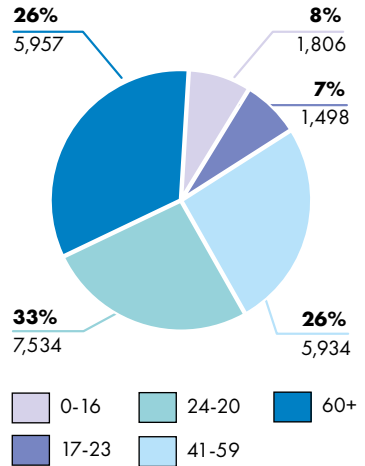
INSURANCE SERVICES

The insurance covers currently provided free to eligible members by the credit union are Loan Protection insurance, Life Savings Insurance and Death Benefit Insurance which is designed to assist with funeral expenses.



BALLINASLOE
Credit Union
LOCAL LOYAL LENDING

MEMBER AGE CATEGORY 30TH SEPT 2022



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for 12 years and over.**



MARKETING, YOUTH AND EDUCATION COMMITTEE REPORT

The role of the Marketing, Youth And Education 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. The committee is responsible for administration of the social fund, donations, sponsorship and advertising budgets, member information and organising the members prize draw.

Sponsorship of local events and donations to community groups during the year amounted to over €40,000. 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 49.

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 have exceeded €890,000. This year the fund donated €50,000.

All local groups and societies within our common bond are invited to apply for support from the social fund. An application form is available on the Credit Union website.

The annual Credit Union Art Competition was again organised by the committee in 2022. This event relies 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.

The committee extends its thanks to the Board of Directors, management and staff of the Credit Union for their assistance and help during the year.

Brendan Hayes - Chairperson



Camcloun National School

SOCIAL DEVELOPMENT FUND 2022

Community Development Groups

€24,000

€5,500

Voluntary Committees

Frontline/ Education/ Charities

€9,000

€11,500

Sporting Organisations

DONATIONS AND SPONSORSHIP 2022

€9,850

Educational Donations

Community Groups Donations

€5,750

€7,000

Sporting Organisations

TOTAL €72,600

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 three (3) members, all of whom are Directors. The committee members for the year were Sean Kelly, Sean Madden & Brian King.

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 meets 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 2021-2022, 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 meets regularly and receives reports from the Risk Management Officer, who together with the CEO, has functional responsibility for Risk management. The committee meets:

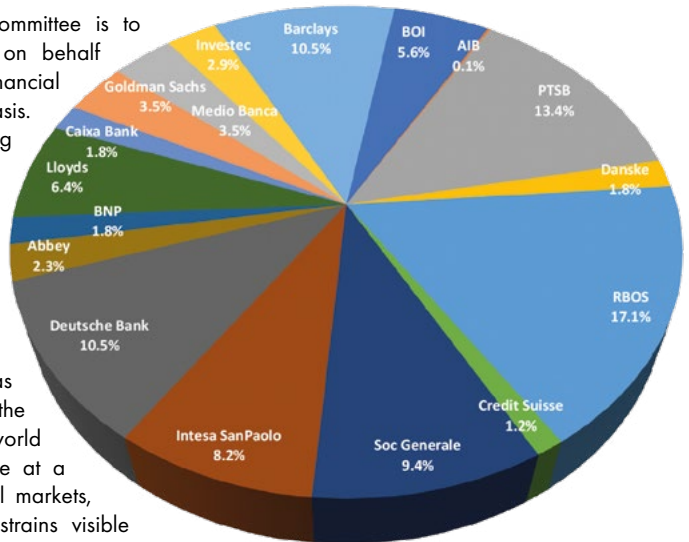
- To review the Risk Register to identify whether there are any new risks required to be included.
- To review the Risk Management Reports.
- To review progress on recommendations made in previous reviews and reports.

The committee works to a board approved documented annual workplan and submits quarterly written reports to the board of directors.

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 €81m at year end (2021: €86m). The chart shows a summary of the Investment Portfolio as of 30th September 2022.



After the collective global trauma suffered throughout the world as a result of the Covid pandemic, the war in Ukraine came just as the world was beginning to recover. It came at a particularly bad time for global markets, as there were already many strains visible throughout the global economy as a result of the pandemic and the damage wrought to global supply chains.

The main theme for markets in 2022 to date has centred on global inflation. The rapid increases globally are reflecting the above factors, and are coming on top of tight labour markets and the much publicised global computer chip shortages impacting on everything from computers to consumer electronics to cars.

In response to rising inflation, Central banks have now reversed many years of cheap money policies and started increasing interest rates. The ECB has increased its rates three times in 2022 bringing the main refinancing rate to 2 per cent after being at 0 per cent since 2016. The silver lining for credit unions is that the yields available on even short-term deposits now have become positive – negative yields are happily a thing of the past – and yields on longer dated instruments are back to levels we have not seen for many years.

Considering the challenges being faced, we believe that the investment portfolio of €81m credit union is as well positioned as possible. We have worked with our investment manager to manage the portfolio in what has proven to be a particularly challenging year for investments. We continue to ensure that liquidity levels

remain appropriate. The portfolio remains fully compliant with all investment regulations under Central Bank rules.

The investment portfolio generated income of €357k in the financial year ending 30 September 2022 which is a result of active portfolio management by the investment committee and Board working with our Investment Advisers, Davy. This represents a weighted average return of 0.44% achieved against a difficult backdrop of low interest rates and bond yields.

Given the current financial climate and the uncertainties facing us currently, we feel it is prudent not to pay a dividend to members in respect of the current year but rather to retain reserves in the credit union as recommended by the regulator. The Board and Investment Committee will continue to ensure that members savings remain safe and secure, and that investment performance is optimised within the context of the low risk mandate which underpins our investment objectives.

The committee will also diligently oversee that the investment portfolio continues to observe all Central Bank regulatory requirements.

John Coughlan - Chairperson

NOMINATIONS COMMITTEE REPORT

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, available on the Credit Union website www.ballinasloecreditunion.ie

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

Nomination Information & forms are available to download at <https://ballinasloecreditunion.ie/board-nominations/>

Completed nomination forms should be sent to the Chair of the Nomination Committee at the registered office of Ballinasloe Credit Union (Our Lady of Lourdes) Ltd, Main Street, Ballinasloe, Co. Galway, H53 VK18

Patricia Tierney - Chairperson

BOARD OVERSIGHT COMMITTEE REPORT

The Credit Union Act, 1997 (as amended) require 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) 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.

The Board Oversight Committee is pleased to report that, for the year under review, in its opinion, the board of directors have operated in accordance with part iv and iv(a) of the Credit Union Act 1997 (as amended).

Aidan Clifford - Chairperson



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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.

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.

NOTICE OF 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 2022 was 11th November 2022.

BOARD OF DIRECTORS

The Board of Directors consists of nine directors. There are five vacancies to be filled. John Coughlan, Patricia Tierney & Seamus Kelly retire from the board. Mary Coughlan and Sean Kelly offer themselves for re-election. Jessica Caldecott, Carmel Carrick and Eileen Reddin are putting their names forward for election to the Board of Directors.

BOARD OVERSIGHT COMMITTEE

The committee consists of three members. There is one vacancy to be filled. Aidan Clifford offers himself for re-election to the Board Oversight Committee.

ELECTION OF AUDITORS

Grant Thornton were appointed as auditors at the 2021 AGM and in accordance with Section 115 of the Credit Union Act, 1997 (as amended), the auditors Grant Thornton offer themselves for re-election.

CHRISTMAS OFFICE HOURS

Saturday 24 th December	Closing @ 12pm
25 th – 28 th December	Closed
Thursday 29 th December	9.30am - 5.30pm
Friday 30 th December	9.30am - 5.30pm
Saturday 31 st December	Closing @ 12pm
Monday 2 nd January	Closed
Tuesday 3 rd January	9.30am - 5.30pm

T: 0909643179 E: info@ballinasloecreditunion.ie
W: www.ballinasloecreditunion.ie





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share documents



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Video KYC



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personal loan

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