

2021



BALLINASLOE
Credit Union
LOCAL LOYAL LENDING

FINANCIAL ACCOUNTS, NOTICE & AGENDA AGM 2021

Virtual AGM will take place on
Wednesday, 26th January 2022 @ 8.00pm

CONTENTS

Notice for AGM	2	Schedules to the income and expenditure account	39
AGM Agenda	3	Members Prize Draw	41
Standing orders	4	Credit Committee Report	42
AGM Registration Instructions	6	Credit Control Committee Report	43
Chairperson’s Report	8	Membership Committee Report	44
Directors’ Report	14	Education & Promotions Committee Report	46
Directors’ Responsibilities Statement	16	Audit & Risk Committee Report	49
Board Oversight Committee’s Statement	16	Investment Committee Report	50
Independent Auditor’s Report	17	Nomination Committee Report	52
Income and expenditure account	20	Board Oversight Committee Report	52
Statement of other comprehensive income	20	Savings Limit Notice	53
Balance sheet	21	Members Information	54
Statement of changes in reserves	22	AGM Motions & Elections	55
Statement of cash flows	23		
Notes to the financial statements	24		

Notice for AGM:

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

- (i) The electronic platform shall be “HOPIN”
- (ii) Access to this electronic platform shall be provided using a unique embedded link in an e-mail that will issue to the participating member’s personal and unique e-mail address at least 48 hours in advance of the meeting. The AGM link will also be available on our website.
- (iii) Members intending to participate in the meeting must register to do so in advance online. The closing date for registration is Friday 21st January.
- (iv) Members intending to participate in the meeting shall have up-to-date, acceptable photographic identification, address verification and proof of PPSN (where necessary) on file with the Credit Union.
- (v) When a member wishes to communicate questions and comments during the meeting, he or she shall “raise a hand” by clicking on the “Chat” icon to indicate a desire to speak or submit a question in writing.
- (vi) Participants will be afforded an opportunity to participate in all polls on an electronic basis by voting “in favour or against.

BOARD OF DIRECTORS

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

BOARD OVERSIGHT COMMITTEE

Elaine Kennedy, Edward Kelly, Aidan Clifford.

BOARD COMMITTEES

AUDIT & RISK COMMITTEE

Sean Madden, Brian King, Sean Kelly

NOMINATIONS COMMITTEE

John Coughlan, Mary Feeney, David Gallagher

REMUNERATION COMMITTEE

Marian Brady, John Coughlan, Patricia Tierney, Adrian Ahern, 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.

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

AGENDA

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

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

STANDING ORDERS FOR ANNUAL GENERAL MEETING 2021

1. VOTING

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

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

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

2. Election Procedure - ELECTRONIC VOTING

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

(a) Election of auditor;

(b) Election for membership of the Board of Directors; and

(c) Election for membership of the board oversight committee.

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

3 - 4 Motions

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

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

5 - 9 Miscellaneous

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

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

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

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

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

10. Adjournments

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

RIGHTS AND RESPONSIBILITIES OF MEMBERS

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



Ard Scoil Mhuire



Caltra First Responders

YOUR STEP BY STEP REGISTRATION GUIDE TO OUR 2021 AGM

Registration Procedure

Pre-registration is required by 21st January 2022 and instructions on how to register are outlined below. If you have any difficulties registering, please contact our office on 090 9643179 and one of our members services team will be available to assist you.

STEP 1

visit our website www.ballinasloecreditunion.ie and click on the [Ballinasloe Credit Union 2021 AGM link](#)



AGM
Ballinasloe
Credit Union
LOCAL LOYAL LENDING

Ballinasloe Credit Union 2021 AGM

START TIME: 28 Jan, 8:00 PM
END TIME: 28 Jan, 10:00 PM

Join Event

Welcome to Ballinasloe Credit Union 2021 AGM registration page.

Members can register to view and participate at the AGM by clicking **Join Event** to your right and entering your membership number, date of birth & eircode as requested on screen.

Hosted by
Virtual Events

STEP 2

You have three options:
You can [sign in](#) with your existing details from 2020 Virtual AGM or [Create a new account](#) or [Continue as Guest](#)



AGM
€0.00

AGM
Ballinasloe
Credit Union
LOCAL LOYAL LENDING

ORDER SUMMARY	
AGM (FREE x1)	€0.00
Total	€0.00

Sign in to join the event

[Create new account](#) or [Continue as guest](#)

STEP 3

Please enter your details in the boxes provided and create a password.
This password will be required to access the
Ballinasloe Credit Union 2021 AGM



ADDITIONAL INFORMATION

Membership Number (required)

Date of Birth (required)

Eircode (required)

ORDER SUMMARY

AGM (FREE xt)	€0.00
Total	€0.00

Complete Order

STEP 4

Once you have registered you will receive an email to confirm that you have now been registered for the AGM. The email will give details on how to access the AGM on the day and also provide details around accessing the AGM via web browsers & mobile devices etc.

There is also an add to calendar link in the email

Any registered members will also receive reminder emails 24 hours and 1 hour before the event starts

STEP 5

On the night of the AGM visit www.ballinasloecreditunion.ie and click on the Ballinasloe Credit Union 2021 AGM link and enter your password. To live stream the AGM please click on the tab labelled “AGM” on the left-hand side of your screen

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

For more information on our 2021 AGM, please refer to the FAQ section on our website www.ballinasloecreditunion.ie

CHAIRPERSON'S REPORT

On behalf of your Board of Directors, it is a great honour for me to present to you our annual report and financial statements for the year ended September 2021. The Covid 19 pandemic continues to have an impact in the way we live our lives. This Virtual AGM, is one of the many ways in which we continue to stay in touch with you, our members. While we cannot be together in person tonight, we hope that our investment in the improvement of our digital and online services means that we can continue to engage with you and provide services that make a positive difference in your lives.

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

The focus of the Board has always been to provide quality service to our members. Our wide range of loan products are available to all members and despite the contraction in our loan book for the year under review, at 30th September 2021, 37% of the value of members savings was out on loan.

FINANCIALS

- Income of €3.9m
- Surplus of €1.6m
- Assets of €126m
- Reserves of 15.6%

You are members of a strong Credit union which has traded successfully for over 54 years. We generated a surplus which will be used to fund reserves for the long term good of the Credit Union. Our Gross loans to Total assets ratio stood at 31%, one of the strongest among our peer Credit Unions - those having total assets of over €100 million.

Total reserves stood at 15.6% at year end, again a strong result and we have also set aside a provision for loan losses amounting to 11.6% of gross loans outstanding.

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

DIVIDEND & INTEREST REBATE

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

LENDING

The loan book contracted by 4% in 2021. This contraction can be attributed to the challenging environment associated with Covid 19, where household savings have

continued to increase alongside the pay down of debt. Despite this, gross loans issued for the year ended 30 September 2021 of €14.3m were only 5% lower than the €15.1m issued in 2020, and only 2% lower when compared to the pre-pandemic year ended 30 September 2019. Member loan repayments remained strong during the 2021 period and this, together with impaired loans written off resulted in an overall contraction of €1.8m on gross loans outstanding at year end.

SAVINGS

To combat the rising cost of holding funds with the mainstream banks we introduced a member savings limit. Members are limited to a maximum savings amount of €30,000 across all accounts they hold in the Credit Union. The Board has reviewed the projected future business model and operating environment, and this may result in some additional changes being necessary in relation to how our member accounts operate. Alongside the member savings limit of €30,000; the Board have approved a monthly lodgement limit which will be implemented during 2022 on a phased basis where required. While we understand that this may cause an inconvenience to some members, these difficult decisions are necessary to protect the overall membership given the current, and projected, challenging climate of increased regulatory levies and historically low returns on investments. We wish to thank all members who have supported the measures to date as by doing this, you have contributed to making your credit union stronger and more sustainable at a time when many other credit unions are having to introduce savings limits that are much lower than ours. Further information on the existing limit and the additional measures to be introduced are included further on in this booklet.

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 recently opened the doors of the newly refurbished office which provides members with a much better experience when they are in the office. We were delighted to launch our MYCU Current Account and Debit Mastercard in October. The introduction of the MYCU Current Account offers members the opportunity to complete and manage all of their day-to-day financial transactions through the credit union and means that members now have choice and a real alternative to the traditional bank.

We have continued to innovate and listen to our members needs regarding flexibility in loan product, terms and delivery channels and we are delighted this evening to formally launch our new Online Lending platform which is now available to members on all our digital platforms including our website and mobile app. The credit union has also recently launched its new home mortgage loan. We know our members trust us and we want them to know that we can now offer home mortgages. Whether it's a new house or renovations to an existing house, our home mortgage loans are designed to give members the finance

to make their dreams come true.

In order to facilitate the introduction of a range of new financial planning products to credit union members, Ballinasloe Credit Union will be entering into a new collaboration with Zurich, one of Ireland's leading life and pension providers. The new product range includes long-term saving solutions, life protection and pension products.

The partnership will enable members of the credit union to set up a free consultation, via phone or video call, with a Zurich Financial Planner. After a detailed fact find, the Financial Planner will assess the individual needs of the person and can then develop a tailored financial plan.

In addition, Ballinasloe Credit Union will also be promoting a new range of car, home and travel insurance under the CoverU brand. CoverU is specifically developed for credit union members. It will offer insurance from a specially selected panel of insurers based in Ireland, seeking out great value and key product benefits to suit members individual needs

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 seventh consecutive year. Irish credit unions are the only organisations in the world to achieve this. We know that every one of our members and those in our wider community have been affected in some way by the Covid 19 pandemic. It is our firm intention to continue to support our members through the delivery of value for money financial services, member service excellence and a continued focus on supporting the wider community through our various sponsorships and the social fund.

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

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

Finally, on behalf of the Board of Directors and all the team in Ballinasloe Credit Union, I wish all our members a safe & prosperous 2022.

Marian Brady - Chairperson



Moore Community Council



Taughmaconnell Development Association



Ballinasloe Camogie Donation



Ballinasloe Town Band Donation

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my
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Get instant access to your MYCU Current Account with the MYCU Debit Mastercard®

For more information
visit our website
www.ballinasloecreditunion.ie



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✉ mycu@ballinasloecreditunion.ie 🌐 www.ballinasloecreditunion.com



BALLINASLOE
Credit Union
LOCAL LOYAL LENDING

OUR MOBILE APP

IS AVAILABLE TO DOWNLOAD FROM



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



FINGERPRINT LOGIN

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



MYCU CURRENT ACCOUNT

Apply to open a MYCU current account with Debit Mastercard*



24/7 ACCOUNT ACCESS

Access your accounts anywhere 24/7



PRINT STATEMENTS

View account balances and print statements



TRANSFER FUNDS

Transfer funds to different accounts internally and externally



CONTACT US

Chat with us directly from any device for support & queries

☎ 090 9643179

✉ info@ballinasloecreditunion.ie

🌐 www.ballinasloecreditunion.com

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

Directors' report

For the financial year ended 30 September 2021

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

Principal activity

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

Authorisation

The credit union is authorised as follows:

- Insurance, reinsurance or ancillary insurance intermediary under the European Union (Insurance Distribution) Regulations, 2018.
- 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 2021 (2020: The directors did not propose a dividend or loan interest rebate).

Principal risks and uncertainties

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

Credit risk

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

Lack of loan demand

Lending is the 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.

COVID-19 risk

There is an economic and operational risk relating to the uncertainty surrounding the impact of the COVID-19 pandemic.

Directors' report (continued)

For the financial year ended 30 September 2021

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

Credit risk

In order to manage this risk, the board of directors regularly reviews and approves the credit union's credit policy. All loan applications are assessed with reference to the credit policy in force at the time. Subsequently loans are regularly reviewed for any factors that may indicate that the likelihood of repayment has changed.

Lack of loan demand

The credit union provide lending products to its members and promote these products through various marketing initiatives.

Market risk

The board of directors regularly reviews and approves the credit union's investment policy and funds are invested in compliance with this policy and regulatory guidance.

Liquidity risk

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

Operational risk

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

COVID-19 risk

The board of directors and management closely monitor the evolution of the COVID-19 pandemic and continue to take appropriate actions to mitigate any possible adverse effects on the credit union.

Accounting records

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

John Coughlan
Member of the board of directors

Date: 14th December 2021

Directors' responsibilities statement

For the financial year ended 30 September 2021

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

In preparing those financial statements the directors are required to:

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

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

On behalf of the board:

Marian Brady
Chairperson of the board of directors

John Coughlan
Member of the board of directors

Date: 14th December 2021

Board oversight committee's responsibilities statement

For the financial year ended 30 September 2021

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

On behalf of the board oversight committee:

Elaine Kennedy
Chairperson of the board oversight committee

Date: 14th December 2021

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 2021, and the related notes to the financial statements, including the summary of significant accounting policies.

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

In our opinion, 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 2021 and of its income and expenditure and cash flows for the year then ended; and
- have been properly prepared so as to conform with the requirements of the Credit Union Act, 1997 (as amended).

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

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

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

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

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

Responsibilities of directors for the financial statements

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

In preparing the financial statements, the directors are responsible for assessing the credit union's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either 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.

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

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
Mill House, Henry Street, Limerick

Date: 14th December 2021

Income and expenditure account

For the financial year ended 30 September 2021

		2021	2020
Income	Schedule	€	€
Interest on members' loans		2,868,280	2,976,137
Members' deposit and other interest expense		(5,896)	(12,265)
Other interest income and similar income	1	965,854	568,240
Net interest income		3,828,238	3,532,112
Other income	2	59,789	20,447
Total income		3,888,027	3,552,559
Expenditure			
Employment costs		1,250,426	1,176,587
Other management expenses	3	1,982,218	2,195,985
Depreciation		106,144	196,648
Net impairment gains on loans to members (note 5)		(1,039,972)	(913,724)
Total expenditure		2,298,816	2,655,496
Surplus for the financial year		1,589,211	897,063

Statement of other comprehensive income

For the financial year ended 30 September 2021

	2021	2020
	€	€
Surplus for the financial year	1,589,211	897,063
Other comprehensive income	-	-
Total comprehensive income for the financial year	1,589,211	897,063

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

Elaine Kennedy
Member of the board oversight committee

Grainne Murphy
CEO

Date: 14th December 2021

The notes on pages 24 to 38 form part of these financial statements.

Balance sheet

As at 30 September 2021

	Notes	2021	2020
		€	€
Assets			
Cash and balances at bank		4,308,299	5,101,862
Deposits and investments – cash equivalents	7	21,622,227	23,859,162
Deposits and investments – other	7	63,934,775	62,907,572
Loans to members	8	39,442,396	41,281,028
Provision for bad debts	9	(4,570,932)	(5,232,963)
Tangible fixed assets	10	665,178	500,560
Debtors, prepayments and accrued income	11	668,321	628,805
Total assets		126,070,264	129,046,026
Liabilities			
Members' shares	12	98,653,443	101,804,713
Members' deposits	12	3,009,423	4,155,651
Other members' funds	12	3,808,722	4,039,827
Members' current accounts	13	54,612	-
Other liabilities, accruals and charges	14	848,115	938,375
Other provisions	15	48,773	49,495
Total liabilities		106,423,088	110,988,061
Reserves			
Regulatory reserve	17	13,562,043	13,562,043
Operational risk reserve	17	985,047	985,047
Other reserves			
- Realised reserves	17	4,985,966	3,358,660
- Unrealised reserves	17	114,120	152,215
Total reserves		19,647,176	18,057,965
Total liabilities and reserves		126,070,264	129,046,026

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

Elaine Kennedy

Member of the board oversight committee

Grainne Murphy

CEO

Date: 14th December 2021

The notes on pages 24 to 38 form part of these financial statements.

Statement of changes in reserves

For the financial year ended 30 September 2021

	Regulatory reserve	Operational risk reserve	Realised reserves	Unrealised reserves	Total
	€	€	€	€	€
As at 1 October 2019	13,025,673	835,047	3,183,609	141,947	17,186,276
Surplus for the financial year	536,370	150,000	198,110	12,583	897,063
Dividends and loan interest rebates paid	-	-	(25,374)	-	(25,374)
Transfers between reserves	-	-	2,315	(2,315)	-
As at 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 30 September 2021	13,562,043	985,047	4,985,966	114,120	19,647,176

- The regulatory reserve of the credit union as a percentage of total assets as at 30 September 2021 was 10.76% (2020: 10.51%).
- The operational risk reserve of the credit union as a percentage of total assets as at 30 September 2021 was 0.78% (2020: 0.76%).

The notes on pages 24 to 38 form part of these financial statements.

Statement of cash flows

For the financial year ended 30 September 2021

	Notes	2021 €	2020 €
Opening cash and cash equivalents		28,961,024	33,218,313
Cash flows from operating activities			
Loans repaid by members	8	15,812,473	15,797,251
Loans granted to members	8	(14,306,634)	(15,055,783)
Interest on members' loans		2,868,280	2,976,137
Deposit interest		(5,896)	(12,265)
Other interest income and similar income		965,854	568,240
Bad debts recovered and recoveries		710,733	939,814
Other income		59,789	20,447
Dividends paid		-	(9,420)
Loan interest rebates paid		-	(15,954)
Members' current accounts lodgements	13	172,230	-
Members' current accounts withdrawals	13	(117,618)	-
Operating expenses		(3,224,083)	(3,372,572)
Movement in other assets and liabilities		(130,497)	334,510
Net cash flows from operating activities		<u>2,804,631</u>	<u>2,170,405</u>
Cash flows from investing activities			
Fixed asset (purchases)/disposals		(279,323)	(84,293)
Net cash flow from other investing activities		(1,027,203)	(10,073,171)
Net cash flows from investing activities		<u>(1,306,526)</u>	<u>(10,157,464)</u>
Cash flows from financing activities			
Members' savings received	12	95,621,025	92,802,162
Members' savings withdrawn	12	(100,149,628)	(89,072,392)
Net cash flow from financing activities		<u>(4,528,603)</u>	<u>3,729,770</u>
Net (decrease)/increase in cash and cash equivalents		<u>(3,030,498)</u>	<u>(4,257,289)</u>
Closing cash and cash equivalents	6	<u>25,930,526</u>	<u>28,961,024</u>

The notes on pages 24 to 38 form part of these financial statements.

Notes to the financial statements

For the financial year ended 30 September 2021

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 2021

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 held for trading and investment in stock market shares (i.e. non-convertible preference shares and non-puttable ordinary shares or preference shares) are included in this category. Financial assets at fair value are classified as held for trading if they are acquired for sale in the short term. They are valued at fair value (market value) at the year-end date and all gains and losses are taken to the income and expenditure account.

The fair value of quoted investments is determined by reference to bid prices at the close of business on the balance sheet date. Where there is no active market these assets will be carried at cost less impairment.

2.7 Financial assets – loans to members

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

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

2.8 Provision for bad debts

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

Any bad debts/impairment losses are recognised in the income and expenditure account.

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

Notes to the financial statements (continued)

For the financial year ended 30 September 2021

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 2021

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 certain employees (The Irish League of Credit Unions Republic of Ireland Pension Scheme). This is a funded defined benefit scheme with assets managed by the Scheme's trustees.

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

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

2.17 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 2021

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 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 2021

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 €665,178 (2020: €500,560).

Provision for bad debts

The credit union's accounting policy for impairment of loans is set out in the accounting policy in note 2.8. The estimation of loan losses is inherently uncertain and depends upon many factors, including loan loss trends, credit risk characteristics in loan classes, local and international economic climates, conditions in various sectors of the economy to which the credit union is exposed, and, other external factors such as legal and regulatory requirements. The provision for bad debts in the financial statements at the year end was €4,570,932 (2020: €5,232,963) representing 11.59% (2020: 12.68%) 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 €985,047 (2020: €985,047).

Adoption of going concern basis for financial statements preparation

The credit union continue to closely monitor the evolution of the COVID-19 pandemic. The directors have prepared projections and cash flows for a period of at least twelve months from the date of the approval of the financial statements which demonstrate that there is no material uncertainty regarding the credit union's ability to meet its liabilities as they fall due, and to continue as a going concern. On this basis the directors consider it appropriate to prepare the financial statements on a going concern basis. Accordingly, these financial statements do not include any adjustments to the carrying amounts and classification of assets and liabilities that may arise if the credit union was unable to continue as a going concern.

4. Key management personnel compensation

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

	2021	2020
	€	€
Short term employee benefits paid to key management	476,350	394,224
Payments to pension schemes	38,075	37,744
Total key management personnel compensation	514,425	431,968

Notes to the financial statements (continued)

For the financial year ended 30 September 2021

5. Net impairment gains on loans to members

	2021	2020
	€	€
Bad debts recovered	(616,777)	(812,610)
Impairment of loan interest reclassified as bad debt recoveries	(93,956)	(127,204)
Movement in bad debts provision during the year	(662,032)	(375,685)
Loans written off during the year	332,793	401,775
Net impairment gains on loans to members	(1,039,972)	(913,724)

6. Cash and cash equivalents

	2021	2020
	€	€
Cash and balances at bank	4,308,299	5,101,862
Deposits and investments – cash equivalents (note 7)	21,622,227	23,859,162
Total cash and cash equivalents	25,930,526	28,961,024

7. Deposits and investments

	2021	2020
	€	€
Deposits and investments – cash equivalents		
Accounts in authorised credit institutions (Irish and non-Irish based)	17,496,863	19,776,034
Central Bank deposits	4,125,364	4,083,128
Total deposits and investments – cash equivalents	21,622,227	23,859,162
Deposits and investments – other		
Accounts in authorised credit institutions (Irish and non-Irish based)	45,000,000	46,500,000
Bank bonds	15,005,480	7,463,684
Irish and EEA state securities	-	2,970,482
Central Bank deposits	929,137	971,372
Other investments	3,000,158	5,002,034
Total deposits and investments – other	63,934,775	62,907,572
Total deposits and investments	85,557,002	86,766,734

8. Financial assets – loans to members

	2021	2020
	€	€
As at 1 October	41,281,028	42,424,271
Loans granted during the year	14,306,634	15,055,783
Loans repaid during the year	(15,812,473)	(15,797,251)
Gross loans and advances	39,775,189	41,682,803
Bad debts		
Loans written off during the year	(332,793)	(401,775)
As at 30 September	39,442,396	41,281,028

Notes to the financial statements (continued)

For the financial year ended 30 September 2021

9. Provision for bad debts

	2021	2020
	€	€
As at 1 October	5,232,963	5,608,648
Movement in bad debts provision during the year	(662,031)	(375,685)
As at 30 September	4,570,932	5,232,963

The provision for bad debts is analysed as follows:

	2021	2020
	€	€
Grouped assessed loans	4,570,932	5,232,963
Provision for bad debts	4,570,932	5,232,963

10. Tangible fixed assets

	Premises	Fixtures & fittings	Computer equipment	Total
	€	€	€	€
Cost				
1 October 2020	734,221	495,464	597,635	1,827,320
Additions	-	166,009	113,314	279,323
Disposals	-	(456,258)	(334,856)	(791,114)
Transfers between classes	-	(36,894)	36,894	-
At 30 September 2021	734,221	168,321	412,987	1,315,529
Depreciation				
1 October 2020	376,693	454,684	495,383	1,326,760
Charge for year	14,685	25,248	66,211	106,144
Disposals	-	(447,697)	(334,856)	(782,553)
Transfers between classes	-	(6,640)	6,640	-
At 30 September 2021	391,378	25,595	233,378	650,351
Net book value				
At 30 September 2021	342,843	142,726	179,609	665,178
At 30 September 2020	357,528	40,780	102,252	500,560

11. Debtors, prepayments and accrued income

	2021	2020
	€	€
Prepayments	257,588	198,440
Loan interest receivable	114,120	129,221
Accrued income on investments	286,613	291,144
Other debtors	10,000	10,000
As at 30 September	668,321	628,805

Notes to the financial statements (continued)

For the financial year ended 30 September 2021

12. Members' savings

	2021	2020
	€	€
As at 1 October	110,000,191	106,270,421
Received during the year	95,621,025	92,802,162
Withdrawn during the year	<u>(100,149,628)</u>	<u>(89,072,392)</u>
As at 30 September	<u>105,471,588</u>	<u>110,000,191</u>

Members' savings are analysed as follows:

	2021	2020
	€	€
Members' shares	98,653,443	101,804,713
Members' deposits	3,009,423	4,155,651
Other members' funds	<u>3,808,722</u>	<u>4,039,827</u>
Total members' savings	<u>105,471,588</u>	<u>110,000,191</u>

13. Members' current accounts

	2021	2020
	€	€
As at 1 October	-	-
Lodgements during the year	172,230	-
Withdrawals during the year	<u>(117,618)</u>	<u>-</u>
As at 30 September	<u>54,612</u>	<u>-</u>

	No. of Accounts	Balance of Accounts €
Debit balances	-	-
Credit balances	119	54,612
Permitted overdrafts	<u>-</u>	<u>-</u>

14. Other liabilities, accruals and charges

	2021	2020
	€	€
Accruals and other liabilities	816,583	910,349
PAYE/PRSI	<u>31,532</u>	<u>28,026</u>
As at 30 September	<u>848,115</u>	<u>938,375</u>

15. Other provisions

	2021	2020
	€	€
Holiday pay accrual		
At 1 October	49,495	44,635
Charged to the income and expenditure account	<u>(722)</u>	<u>4,860</u>
As at 30 September	<u>48,773</u>	<u>49,495</u>

Notes to the financial statements (continued)

For the financial year ended 30 September 2021

16. Financial instruments

16a. Financial instruments – measured at amortised cost

Financial assets	2021	2020
	€	€
Financial assets measured at amortised cost	<u>113,053,095</u>	<u>119,399,568</u>
Financial liabilities	2021	2020
	€	€
Financial liabilities measured at amortised cost	<u>106,423,088</u>	<u>110,988,061</u>

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

Financial liabilities measured at amortised cost comprise of members' shares, members' deposits, other members' funds, 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 2021	Total	Level 1	Level 2	Level 3
	€	€	€	€
Accounts in authorised credit institutions	13,047,153	-	13,047,153	-
Bank bonds	<u>3,504,062</u>	<u>-</u>	<u>3,504,062</u>	<u>-</u>
Total	<u>16,551,215</u>	<u>-</u>	<u>16,551,215</u>	<u>-</u>
At 30 September 2020	Total	Level 1	Level 2	Level 3
	€	€	€	€
Accounts in authorised credit institutions	13,049,686	-	13,049,686	-
Bank bonds	<u>1,001,514</u>	<u>-</u>	<u>1,001,514</u>	<u>-</u>
Total	<u>14,051,200</u>	<u>-</u>	<u>14,051,200</u>	<u>-</u>

There were no fair value adjustments recognised in the income and expenditure account for the year ended 30 September 2021 (2020: €nil).

Notes to the financial statements (continued)

For the financial year ended 30 September 2021

17. Reserves

	Balance 01/10/20	Appropriation of current year surplus	Transfers between reserves	Balance 30/09/21
	€	€	€	€
Regulatory reserve	<u>13,562,043</u>	<u>-</u>	<u>-</u>	<u>13,562,043</u>
Operational risk reserve	<u>985,047</u>	<u>-</u>	<u>-</u>	<u>985,047</u>
Other reserves realised				
General reserve	3,358,660	1,589,211	38,095	4,985,966
Total realised reserves	<u>3,358,660</u>	<u>1,589,211</u>	<u>38,095</u>	<u>4,985,966</u>
Unrealised				
Interest on loans reserve	129,221	-	(15,101)	114,120
Investment income reserve	22,994	-	(22,994)	-
Total unrealised reserves	<u>152,215</u>	<u>-</u>	<u>(38,095)</u>	<u>114,120</u>
Total reserves	<u>18,057,965</u>	<u>1,589,211</u>	<u>-</u>	<u>19,647,176</u>

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)
- 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 2021

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.

	2021		2020	
	€	%	€	%
Loans not impaired				
Total loans not impaired, not past due	28,225,968	71.56%	28,295,263	68.54%
Impaired loans:				
Not past due	2,379,014	6.03%	3,008,052	7.29%
Up to 9 weeks past due	6,608,352	16.75%	7,103,307	17.21%
Between 10 and 18 weeks past due	662,581	1.68%	869,849	2.11%
Between 19 and 26 weeks past due	514,815	1.31%	486,182	1.18%
Between 27 and 39 weeks past due	225,251	0.57%	230,310	0.56%
Between 40 and 52 weeks past due	270,676	0.69%	458,817	1.11%
53 or more weeks past due	555,739	1.41%	829,248	2.00%
Total impaired loans	11,216,428	28.44%	12,985,765	31.46%
Total loans	39,442,396	100.00%	41,281,028	100.00%

19. Related party transactions

19a. Loans

	2021		2020	
	No. of loans	€	No. of loans	€
Loans advanced to related parties during the year	9	111,000	9	43,100
Total loans outstanding to related parties at the year end	18	279,157	19	277,853
Total provision for loans outstanding to related parties		15,275		26,468

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 0.71% of the total loans outstanding at 30 September 2021 (2020: 0.67%).

19b. Savings

The total amount of savings held by related parties at the year end was €645,263 (2020: €637,190).

Notes to the financial statements (continued)

For the financial year ended 30 September 2021

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.

	2021		2020	
	€	Average interest rate %	€	Average interest rate %
Gross loans to members	<u>39,442,396</u>	7.30%	<u>41,281,028</u>	7.43%

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

Notes to the financial statements (continued)

For the financial year ended 30 September 2021

21. Dividends and loan interest rebates

The following distributions were paid during the year:

	2021		2020	
	%	€	%	€
Dividend on shares	<u>0.00%</u>	<u>—</u>	<u>0.01%</u>	<u>9,420</u>
Loan interest rebate (on standard rate loans)	<u>0.00%</u>	<u>—</u>	<u>5.00%</u>	<u>15,954</u>

The directors are not proposing a dividend or loan interest rebate in respect of the financial year ended 30 September 2021 (2020: The directors did not propose a dividend or loan interest rebate).

22. Rate of interest paid on members' deposit accounts

	2021		2020	
	%	€	%	€
Interest on deposits	<u>0.50%</u>	<u>5,896</u>	<u>0.50%</u>	<u>12,265</u>

23. Events after the end of the financial year

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

24. Insurance against fraud

The credit union has Insurance against fraud in the amount of €5,200,000 (2020: €5,200,000) in compliance with Section 47 of the Credit Union Act, 1997 (as amended).

25. Capital commitments

There were no capital commitments at 30 September 2021.

26. Contingent liabilities

In September 2018, the Registry of Credit Unions advised all credit unions of a potential matter in relation to accrued interest outstanding on certain top-up loans which may have led to a potential over-collection of interest. Following this, the credit union undertook a review to ascertain whether any top-up loans made to members might be impacted by these circumstances, and if so, to determine what actions may need to be taken. The credit union has concluded its review and is satisfied that no over-collection of interest has occurred.

27. 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 2021

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

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

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

The Pension's Act requires the trustees of the Scheme to assess whether it could meet a certain prescribed standard, known as the Minimum Funding Standard. This assesses whether, if the scheme was wound up on a specified theoretical valuation date, it could satisfy the Funding Standard at that date.

As part of the solvency assessment process, the Scheme actuary must carry out a separate valuation under the Minimum Funding Standard every 3 years and produce a funding certificate for submission to the Pensions Authority within 9 months of the effective date of the valuation. The purpose of the certificate is to certify whether or not the assets of the scheme at the effective date are sufficient to meet the liabilities of the scheme based on the assumption that the scheme was wound up at that date. The most recent Actuarial Funding Certificate was effective as at 1 March 2020 and it certified that the Scheme satisfied the funding standard.

An actuarial review of the fund is normally carried out every three years by the Scheme's independent, professionally qualified actuary. The actuarial review considers the past and future liabilities of the scheme. The last completed triennial actuarial review was carried out with an effective date of 29 February 2020. The principal actuarial assumption used in the valuation was the investment return in the years before members retire would be 1.25% higher than the annual salary increases. The market value of the scheme's assets at 29 February 2020 was €250m. The actuarial valuation disclosed a past service deficit of €41.8m at 29 February 2020 calculated under the Ongoing Actuarial Valuation method. This valuation method assumes that the Scheme will continue in existence for the foreseeable future. The assumptions used in the actuarial review to determine the past service deficit differ from the assumptions that would be used to determine the liabilities for defined benefit obligations under FRS102. Following the actuarial review, the same contribution as applied previously – 27.5% for pension plus 2.5% for risk benefits – was invoiced in February 2021. The principal employer and trustees have undertaken a review of the scheme and are in the process of considering potential solutions to address the deficit.

29. Approval of financial statements

The board of directors approved these financial statements for issue on 14th December 2021

Schedules to the income and expenditure account

For the financial year ended 30 September 2021

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

Schedule 1 – Other interest income and similar income

	2021	2020
	€	€
Investment income and gains received/receivable within 1 year	965,854	555,657
Investment income receivable outside of 1 year	-	12,583
Total per income and expenditure account	965,854	568,240

Schedule 2 – Other income

	2021	2020
	€	€
Commissions	11,456	20,447
ECCU rebate	48,333	-
Total per income and expenditure account	59,789	20,447

Schedules to the income and expenditure account (continued)

For the financial year ended 30 September 2021

Schedule 3 – Other management expenses

	2021	2020
	€	€
Rent and rates	7,293	4,767
Light, heat and cleaning	25,868	23,221
Repairs and renewals	395,365	369,542
Security	30,072	14,538
Printing and stationery	22,932	18,805
Postage and telephone	27,490	34,835
Donation and sponsorship	14,136	14,915
Promotion and advertising	52,489	46,510
Training costs	29,815	25,422
Staff uniform costs	10,135	247
Convention expenses	-	1,200
AGM expenses	28,726	23,548
Travel and subsistence	-	5,524
Bank charges	64,990	68,814
Audit fee	27,060	26,620
Legal and professional fees	128,822	193,044
General insurance	54,640	46,013
Share and loan insurance	309,593	338,184
Death benefit insurance	118,444	126,802
Computer maintenance	189,323	172,593
SPS, affiliation fees and subscriptions	93,164	97,630
Regulatory levies	201,867	185,415
Social development	50,000	50,040
Office expenses	42,055	41,745
Business development	49,378	266,011
Diminution of tangible fixed assets	8,561	-
Total per income and expenditure account	<u>1,982,218</u>	<u>2,195,985</u>



Paddy Ruane March Prize Draw winner



Joseph Kelly June Prize Draw winner



Emma Keon Sept Prize Draw winner

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 2021, 5,861 members took part in the draw. During the financial year, circa €95k has been paid out in prizes to 65 lucky winners. If you are not part of the draw and would like to sign up, please contact our office and we would be delighted to include you.

BALLINASLOE CREDIT UNION

CAR DRAW PRIZE
FUND YEAR END
SEPTEMBER 30TH
2021.

	2021 (€)
Opening Balance	310
Members Entry Fee	95,040
	<hr/>
	95,350
Expenses	
Car Prizes	64,700
Cash Prizes	29,500
Legal fees	1,050
	<hr/>
Prize Fund	100
	<hr/>

CREDIT COMMITTEE REPORT

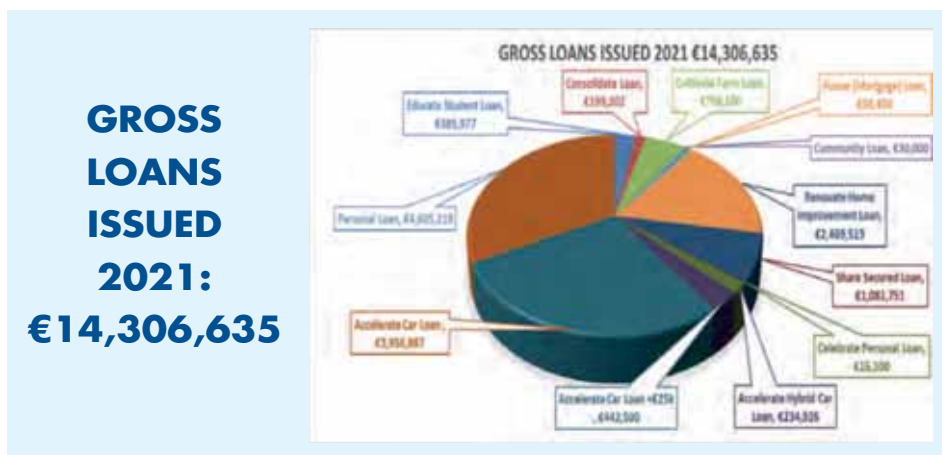
The Credit Committee is appointed annually by the Board of Directors to manage and supervise the lending process. The Committee is accountable for overseeing the granting and approval of loans within the credit policy approved by the Board of Directors. The Committee reports to the Board on a monthly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

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

We lend for a wide variety of purposes, both personal and agriculture. Over the past year, our loans have helped members purchase cars, renovate homes, helped students go to college, provided finance for farmers and supported local community groups.

Despite a challenging year a total of 2,157 applications for loans amounting to €15m were approved. All loan applications are independently assessed and judged on their own merits. Every effort is made to approve each application. The fundamental factor which we take into consideration in assessing loan applications is the member's ability to repay the loan.

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



**GROSS
LOANS
ISSUED
2021:
€14,306,635**

In 2021, we expanded our loan product offering for members to include House (Mortgage) Loans and Overdrafts as part of our MYCU current account offering, while continuing to provide fairly priced micro credit to help members avoid the high cost associated with credit cards and moneylenders. Planned for 2022 is our Green Renovation Loan in partnership with the ILCU & House2Home retrofitting scheme. We will also expand our SME offering to support our local business members post pandemic.

CREDIT CONTROL COMMITTEE REPORT

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

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

2021 was a challenging year for some of our members who, through no fault of their own, found themselves in difficulty due to the ongoing coronavirus pandemic. We have supports in place to assist those members during these unprecedented times and we will continue to provide solutions for all our members on an ongoing basis.

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

Bad debts written off during 2021 amounted to €333k (2020 €402k). The level of impaired loans (loans which are overdue) reduced from €12.9m in 2020 to €10.2m as at September 2021.

The bad debt provision has reduced from €5.2m in 2020 to €4.6m primarily as a result of the utilisation of provisions for the €333k bad debts written off.

The Credit Union also recovered €617k in 2021, (2020: €813k) from loans written off in previous years. The Board and this committee acknowledge the hard work undertaken by the credit control staff and our solicitor in this recovery.

Ballinasloe Credit Union has always been committed to ensuring that members who find themselves in difficult circumstances are treated with dignity and respect by all credit union personnel. For this reason, the Board of Directors has taken steps to address the particular difficulties faced by members due to the COVID-19 virus especially those who need our understanding and support with their loan arrangements. Arising from the onset of COVID-19 the Board of Directors and Management of the credit union have taken appropriate advice and guidance and has offered arrangements such as repayment breaks, reduced repayments and interest only repayments to support our members. Since March 2020, over 270 members have availed of an arrangement due to difficulties associated with the impact of COVID-19. At the end of September 2021, there were no active arrangements still in place due to COVID-19 but we continue to support our members on a case by case basis through this difficult time.

MEMBERSHIP COMMITTEE

Membership to 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 2021, membership of Ballinasloe Credit Union stood at over 22,000. During the financial year, we opened 149 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 either in branch or online. 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, Mortgages, Car Loans, House 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

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

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.



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 car 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. Other insurance services provided on a referral basis for members include Life/Non Life, Car, Home & Travel insurance.

Financial Planning: In order to facilitate the introduction of a range of new financial planning products to Credit Union members, Ballinasloe Credit Union will be entering into a new collaboration with Zurich, one of Ireland's leading life and pension providers. The new product range includes long-term saving solutions, life protection and pension products.

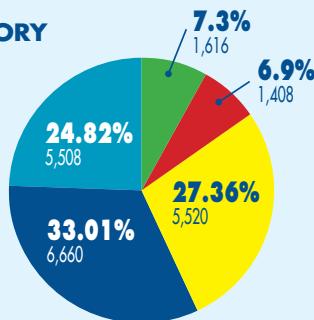
The partnership will enable members of the Credit Union to set up a free consultation, via phone or video call, with a Zurich Financial Planner. After a detailed fact find, the Financial Planner will assess the individual needs of the person and can then develop a tailored financial plan.

In addition, Ballinasloe Credit Union will also be promoting a new range of car, home and travel insurance under the CoverU brand. CoverU is specifically developed for Credit Union members. It will offer insurance from a specially selected panel of insurers based in Ireland, seeking out great value and key product benefits to suit members individual needs.



**MEMBER AGE CATEGORY
30TH SEPT 2021**

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



EDUCATION & PROMOTIONS COMMITTEE REPORT

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

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

Sponsorship of local events and donations to community groups 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 47.

Social responsibility is one of the ten Credit Union Operating Principles. Briefly, this principle obliges credit unions to be socially responsible by contributing to the development of the local community within its common bond. The credit unions "vision of social justice extends both to the individual members and to the larger community in which they work and reside". Since its establishment in 1998 donations to local organisations from the credit union social fund exceed €840,000. This year the fund donated in excess of €40,000

Local groups and societies are invited to apply for grant aid from the fund. An application form is available on the credit Union website.

A virtual Primary School Quiz and our annual Art Competition were again hosted by the Education Committee in 2021. Both events rely in large measure on the co-operation of local national schools. We would like to acknowledge the efforts of all the teachers involved and we thank all the schools for participating in the competitions.

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

Adrian Ahern
Chairperson



SOCIAL DEVELOPMENT FUND 2021

Community Development Groups

€17,500

€13,500

Voluntary Committees

Frontline/ Education/Charities

€9,000

€10,000

Sporting Organisations

DONATIONS AND SPONSORSHIP 2021

€2,500

Educational Donations

Community Groups Donations

€7,000

€2,800

Sporting Organisations

TOTAL €62,300



HYBRID AND ELECTRIC VEHICLES

Loans available from **3.99%** apr

Typical Example

For a €20,000, 5-year variable interest rate loan with 60 monthly repayments of €367.62, an interest Rate of 3.92%, a representative APR of 3.99%, the total amount payable by the member is €22,054.36. Information correct as at 06/02/2020.

€1,000,000
available to lend to members
at this promotional rate



All loans subject to approval. T&C's apply. WARNING: if you do not meet the repayments on your loan, your account will go into arrears. This may affect your credit rating which may limit your ability to access credit in the future

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

OFFICE OPENING HOURS

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

T: 090 9643179

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

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



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 met regularly during the year to discharge its statutory duties.

Audit

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

Internal Audit

The Credit Union Act 1997 (as amended) requires Credit Unions to have an Internal Audit Function. The purpose of the Internal Audit Function is to evaluate and improve the effectiveness of risk management, control and governance processes. The credit union Internal Auditors appointed are ILCU Internal Audit Services (IAS). The Committee reviewed and recommended for Board approval, the internal audit work plan for 2020-2021, and subsequently carried out a review of the reports, recommendations, and overall performance of the Internal Audit function.

Risk Management

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

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

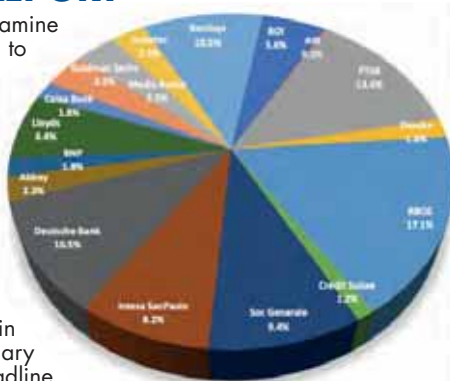
- To review the Risk Register to identify whether there were any new risks required to be included.
- To review the Risk & Compliance Reports
- To review progress on recommendations made in previous reviews and reports.

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

Sean Kelly - Chairperson

INVESTMENT COMMITTEE REPORT

The remit of the Investment Committee is to examine investment proposals on behalf of the board and to monitor financial markets on an ongoing basis. Deposits & Investments excluding cash and bank balances amounted to €86m at year end (2020: €87m). The following chart shows a summary of the Investment Portfolio as of 30th September 2021.



After an unprecedented collapse in economic growth in 2020, the indicators for the Irish economy are quite positive with almost all sectors reopening to greater extents. As the economic recovery is gaining traction, there are concerns in relation to bond and equity markets, as inflationary pressures continue to be reflected in higher headline inflation rates. Some would argue that these higher inflation rates are being driven almost exclusively by energy prices and that this will reverse itself in due course as supply increases and things start to normalise. Those with a more pessimistic view might argue that the problems we are seeing now in terms of disruption to supply and global supply chain bottlenecks are not temporary, and that inflation will remain stubbornly high for some time.

It is expected that interest rates will start to move up slowly and over an extended period as Central Banks are keen to manage the transition from the pandemic emergency to a more normalised environment. The European Central Bank have signalled that a "recalibration" of existing emergency measures may be warranted, but they are also keen to point out that this will not be happening any time this year, with some commentators suggesting late 2022. Forward interest rate markets are indicating that any rate increases will be slow and negative wholesale rates are expected to persist for a number of years still.

Considering the challenges being faced, the investment portfolio of Ballinasloe Credit Union is well positioned. We have worked with our Investment advisors to place a prudent proportion of the portfolio in medium / long term investments, while at the same time ensuring that liquidity levels remain appropriate. The portfolio remains fully compliant with all investment regulations under Central Bank rules.

The investment portfolio generated income of €966k in the financial year ending 30 September 2021 which is a result of active portfolio management by the investment committee and Board working with our Investment Advisers, Davy. This represents a solid return against a difficult backdrop of low interest rates and bond yields. This figure includes a gain of €405k arising on the sale of two bonds of which the proceeds were reinvested into other medium term bonds. Excluding this gain, the portfolio returned €561k representing a weighted average return of circa 0.65% which remains a reasonable return given the difficult environment.

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

The Board and Investment Committee will continue to ensure that members savings remain safe and secure. The Committee will also diligently oversee that the investment portfolio continues to observe all Central Bank regulatory requirements.

John Coughlan - Chairperson

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

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

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

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

NOMINATION COMMITTEE

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

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

Members of Ballinasloe Credit Union can apply at any time of the year to serve as a volunteer on the committees of Ballinasloe Credit Union. To do so, all that is initially required is to complete the Volunteers Application Form, 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 nominations 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 by post or delivered by hand, addressed to the Nomination Committee at the registered office of Ballinasloe Credit Union, Main Street, Ballinasloe County Galway

[John Coughlan - Chairperson](#)

BOARD OVERSIGHT COMMITTEE

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).

SAVINGS LIMIT NOTICE

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

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

To address this, the Board took the difficult decisions to introduce a savings limit of €30,000 and to refund savings in excess of €30,000 to members under seventy years of age. This necessary measure was carefully managed during the past year. The Board is very grateful to all members that have supported the programme to date.

In order to protect the position into the future, the Board have approved the introduction of additional measures to support sustainable growth in member savings. These include a monthly savings limit of €1,000 for share accounts. If a member wishes to lodge more than this amount in a month, they can do so through a MYCU current account. An upper limit of €10,000 on MYCU current account balances will be applied. If a member is likely to reach €10,000 in their MYCU account, we will contact them to discuss their options. An overall savings limit of €30,000 across all accounts held by an individual member will continue to apply.

These measures will be introduced on a phased basis where required from Q1 2022.



Scoil Uí Cheithearnaigh



Ballinasloe Golf Club

MEMBERS INFORMATION

GDPR - DATA PROTECTION

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

MINIMUM SHAREHOLDING

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

LIFE SAVINGS AND LOAN PROTECTION INSURANCES

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

DEATH BENEFIT INSURANCE

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

NOMINATION OF SAVINGS UPON DEATH

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

DORMANT ACCOUNTS

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

DEPOSIT GUARANTEE SCHEME

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

AFFILIATION FEE

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

ANTI-MONEY LAUNDERING

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

MOTION AND RULES CHANGES

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.

RULE AMENDMENTS

The Rule amendments being proposed at the Annual General Meeting (AGM) of Ballinasloe Credit Union are included as a separate attachment with the AGM notification

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 2021 was 5th November 2021.

BOARD OF DIRECTORS

The Board of Directors consists of eleven directors, now reducing to nine. There are 3 vacancies to be filled. Mary Feeney and David Gallagher retire from the Board of Directors and do not offer themselves for re-election. Seamus Kelly, Marian Brady and Patricia Tierney offer themselves for re-election to the Board.

BOARD OVERSIGHT COMMITTEE

The Committee consists of three members. There is 2 vacancies to be filled. Elaine Kennedy retires from the Board Oversight Committee and does not offer herself for re-election. Edward Kelly offers himself for re-election to the Board Oversight Committee. Declan Harney is putting his name forward for election to the Board Oversight Committee.

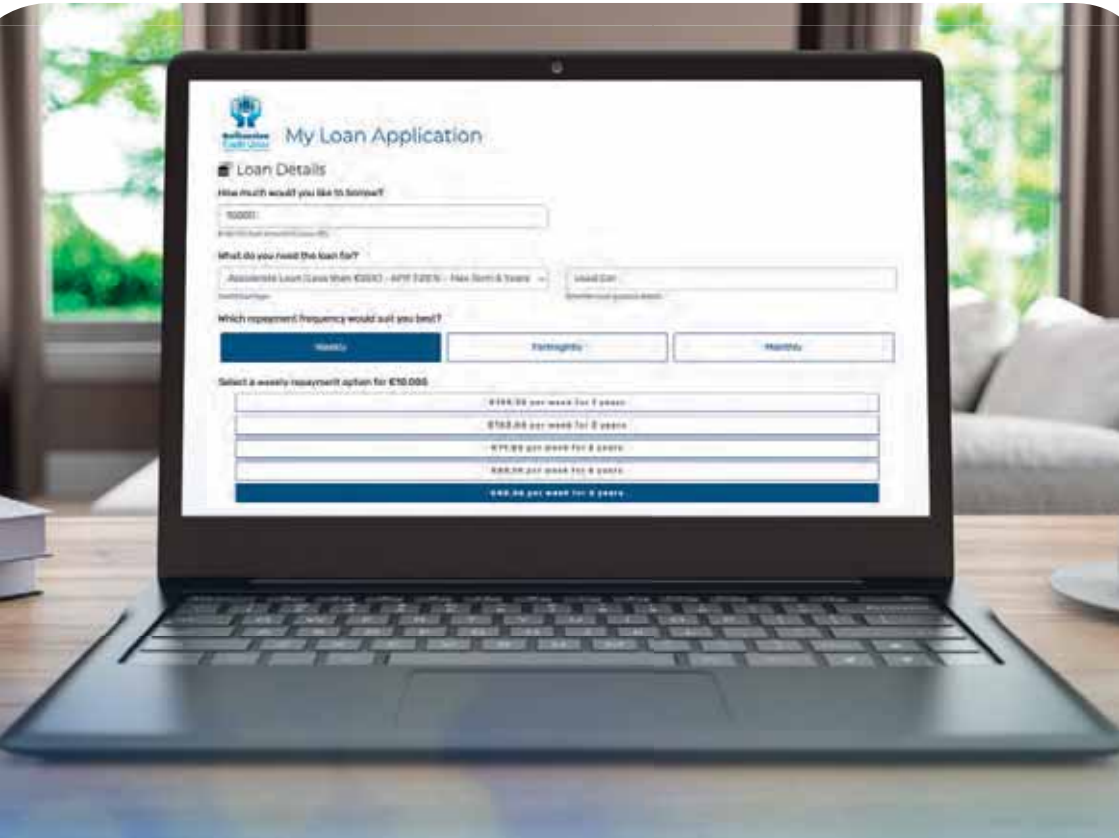
ELECTION OF AUDITORS

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



Ahascragh GAA

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