



BALLINASLOE
Credit Union
LOCAL LOYAL LENDING

FINANCIAL ACCOUNTS, NOTICE & AGENDA – AGM 2023

AGM will take place on
Wednesday, 17th January 2024 at 8.00pm

Ballinasloe Credit Union (Our Lady of Lourdes) Limited is regulated by the Central Bank of Ireland. Credit Union Registered Number 202CU



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NOTICE OF MEETING

Notice is hereby given of the 57th Annual General Meeting of Ballinasloe Credit Union (Our Lady of Lourdes) Limited. The A.G.M. will be held in the Shearwater Hotel, Ballinasloe on 17th January 2024 at 8.00pm.

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

BOARD OF DIRECTORS

Chairperson	Sean Madden
Vice Chairperson	Adrian Ahern
Secretary	Brian King
Board of Directors	Carmel Carrick Jessica Caldecott Eileen Reddin Marian Brady Sean Kelly Mary Coughlan RIP

BOARD OVERSIGHT COMMITTEE

Aidan Clifford, Declan Harney, Edward Kelly

BOARD COMMITTEES

Audit & Risk committee

Eileen Reddin, Sean Kelly, Carmel Carrick

Nominations Committee

Marian Brady, Jessica Caldecott, Sean Kelly

Remuneration Committee

Adrian Ahern, Brian King, Sean Madden

EXTERNAL AUDITOR

Grant Thornton

INTERNAL AUDITOR

Internal Audit services ILCU

SOLICITORS

Joseph M. Jordan Solicitor

INVESTMENT ADVISORS

Davy

DATA PRIVACY

At Ballinasloe Credit Union, we are fully committed to protecting and respecting our members' privacy. Our Privacy Notice, which is available in our office or to download from our website, sets out the basis on which any personal data we collect from and about you, or that you provide will be processed, used and stored by us. If you require further information you can contact the Data Privacy Lead by emailing GDPR@ballinasloecreditunion.ie or phoning 090 9643179.



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

AGENDA

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

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



STANDING ORDERS FOR ANNUAL GENERAL MEETING 2023

1. VOTING

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

2 - 3 ELECTION PROCEDURE

2. Elections to the board of directors, to the board oversight committee and the position of auditor shall be by majority vote and by secret ballot.
3. When nominations are announced tellers shall be appointed by the chairperson and ballot papers shall be distributed. Nominations shall be in the following order:
 - (a) nominations for auditor;
 - (b) nominations for members of the board oversight committee;
 - (c) nominations for directors.

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

4 - 9 MOTIONS

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

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

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

10 - 15 MISCELLANEOUS

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

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

16. SUSPENSION OF STANDING ORDERS

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

17. ALTERATION OF STANDING ORDERS

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

18. ADJOURNMENTS

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

RIGHTS AND RESPONSIBILITIES OF MEMBERS

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



Scoil Uí Cheithearnaigh Social Fund Presentation Sept 2023

CHAIRPERSONS REPORT

I am honoured as Chairperson of the Board of Directors of Ballinasloe Credit Union to present your Credit Union's Annual Report for the year ended **30th September 2023**.

Credit Unions are an essential part of the financial and social fabric of the country. As member-owned, community based, not-for-profit financial institutions, we are committed to maintaining financial services within our local communities and offering exceptional in person and online member experiences.

SUSTAINABILITY REPORT

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

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

Sustainability is deeply embedded into every aspect of the credit unions operating principles and ethos. Earlier this year, we were delighted, together with other credit unions across the country, to be appointed **Sustainable Development Goals (SDG) Champions** by the Department of the Environment, Climate and Communications for 2023 and 2024. This is a significant appointment for credit unions and recognition of the important work which we carry out in local communities. As the only financial institution in Ireland owned and governed by our members, credit unions are by their structure, designed to be sustainable.

Credit Unions work in a way that best serves members. People want innovative digital services as well as personal respect and will not accept that one should be at the expense of the other. We are focused on providing digital experiences with a human touch. Regardless of the way in which a member chooses to use to avail of our services, there is always a friendly member of staff available to provide support and guidance.

ESG INITIATIVES

As we develop our Sustainability strategies, we look for ways to meet all three pillars of

Environment, Social and Governance. During 2023 we introduced the following initiatives:

Environment: Affinity EV platform

We recently launched the Affinity EV platform on our website www.ballinasloecreditunion.ie. This new tool allows users to calculate the potential fuel savings they can achieve by switching from conventional vehicles to eco-friendly electric cars. This user-friendly online tool not only promotes eco-conscious choices but also demonstrates the significant financial benefits of embracing electric vehicles.

Social: Community Champions Campaign

If a member of Ballinasloe Credit Union is looking to access a personal loan or open a current account and decides to use Ballinasloe Credit Union, as part of their application process they can choose to make a donation from our Community Champions fund to a local sports club that has registered to take part in the campaign. This allows members to directly contribute to the growth and success of their chosen sports club simply by choosing Ballinasloe Credit Union for their financial needs. For more details see www.ballinasloecreditunion.ie.

Governance – Strategic Plan

We introduced our first Sustainability report in 2022 and we have begun to document our first formal ESG Strategy to bring together the Credit Union Operating Principles and the UN SDG's into a documented formalised 3 year plan with our members and our community at the centre.

FINANCIALS

You are members of a strong Credit Union which has traded successfully for well over 50 years. This year's surplus will be used to fund future member services, maintain reserves, and pay distributions for the long term good of the Credit Union.

The key performance indicators for the financial year end 30 September 2023 are:

- **Income of €3.9m**
- **Surplus of €1.3m**
- **Assets of €130m**
- **Reserves of 17%**

Our Total Loans to Total Assets ratio stands at 33% (2022 31%), one of the strongest among our peer Credit Unions - those having total assets of over €100 million, and we have also set aside a provision for loan losses amounting to 8.5% of gross loans outstanding.

LENDING

The loan book grew by 7.8% in 2023. Gross loans issued for the year ended 30 September 2023 were €19m, €3m more than those issued in 2022. Member loan repayments remained strong during 2023 and, together with impaired loans written off resulted in overall gross loans outstanding increasing by €3m in 2023.

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

NEW PRODUCTS AND SERVICES

2024 will see new products and services going live for our member's benefit. We will introduce **Member Business Current Account Services (MBCAS)** to complement our existing service for personal members. This means that we will have current account, overdraft, and debit card services available for our business members. We will also introduce **Term Deposit Products** from January 2024. Consisting of 1, 3 & 5 year terms we believe these will offer a real choice for our members who wish to lock away savings for a time, earning a fair return.

We will be expanding our Mortgage offering to include **Fixed Rate Mortgages** with terms of up to 5 years to complement our existing mortgage offerings. A Credit Union Mortgage is now a real and trusted alternative in the market.

We are also looking forward to introducing **SEPA Instant Credit Transfer** (SEPA Inst) during 2024. Consumers expect ever easier and faster services. The SCT Inst scheme delivers these by enabling pan-European credit transfers with the funds made available on the account in less than ten seconds even during the evening, weekends and holidays, all year round.

DISTRIBUTIONS FROM SURPLUS

We have continued to be there for our members during 2023, in a challenging and volatile economic environment. It is important that the credit union continues to make responsible and prudent decisions over the longer term. Our focus remains on community and sustainable finance, and this has led us to begin developing a long-

term **community support strategy** with our existing social fund at the centre.

In terms of Distributions the board propose the following:

That there be a **Dividend of 0.20%** on share balances paid. As mentioned earlier, members will also have the opportunity to earn Deposit Interest on longer term savings with the introduction of our Term Deposit Products.

The board are proposing a **0% Loan Interest Rebate**. We have maintained loan interest rates at the same level throughout the past year while aggressive interest rate increases were introduced across the economy. We believe that our range of loan products represent significant value.

We will also increase the funds available in the **Social Fund** for community projects to €75,000 for 2024 and we encourage all groups to consider making an application for support. The application forms are available on our website.

The board also propose to absorb the cost of the **ILCU Annual Affiliation** fee of €1.75 per member into operating expenditure from 2024.

Overall, the board are prioritising the continued strengthening of the Credit Union's financial position for the future so we can always be there for our members when they need us.

The ability to make distributions from available surplus is reviewed by the board annually and our strategy is to make future distributions in a targeted way for the benefit of the Credit Union's members and the wider community.

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.

From a service delivery point of view, we are immensely proud to note that Ballinasloe Credit Union joined with other Credit Unions in Ireland in winning the CXi award for customer experience for the **NINTH** consecutive year. Credit unions were also ranked as the most highly regarded organisation in Ireland, in the Ireland RepTrak® 2023 annual study. This is an important acknowledgment of the trust that members of the public, not just credit union members, place in the credit union and the value placed on credit unions' friendly people focused approach.

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 enhanced social fund.

ACKNOWLEDGEMENTS

I would like to express my thanks and appreciation to the management team and staff for their continued commitment and professionalism, meeting the standards of service required and ensuring that the Credit Union continues to provide a vital service in our community.

I would also like to thank my fellow directors and Board Oversight Committee members for their contribution during the past year. To those colleagues who are not offering themselves for re-election I wish to extend my appreciation for the immense service and commitment shown during your time on the board.

I want to take this opportunity to remember our board colleague Mary Coughlan, who passed away during the year. Mary was a dedicated volunteer and community advocate and her contribution to the Credit Union was immense.

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

On behalf of the Board of Directors and all the team in Ballinasloe Credit Union, I wish all our members a safe & prosperous 2024.

Sean Madden



Presentation To Killimor Camogie Club



Presentation to Ballinasloe Social Services



Presentation to Emerald Ballroom refurbishment project

SUSTAINABILITY REPORT

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

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

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



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

01 Open and voluntary membership

10 REDUCED INEQUALITIES

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

02 Democratic control

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

03 Return of savings and deposits

10 REDUCED INEQUALITIES

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

04 Limited dividends on equity capital

1 NO POVERTY

2 ZERO HUNGER

3 GOOD HEALTH AND WELL-BEING

05 Return of surplus to member

1 NO POVERTY

2 ZERO HUNGER

3 GOOD HEALTH AND WELL-BEING

06 Non-discrimination in race, religion and politics

5 GENDER EQUALITY

6 CLEAN WATER AND SANITATION

07 Service to members

1 NO POVERTY

2 ZERO HUNGER

3 GOOD HEALTH AND WELL-BEING

6 CLEAN WATER AND SANITATION

7 AFFORDABLE AND CLEAN ENERGY

8 DECENT WORK AND ECONOMIC GROWTH

08 Ongoing education

4 QUALITY EDUCATION

09 Cooperation amongst Cooperatives

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

17 PARTNERSHIPS FOR THE GOALS

10 Social Responsibility

11 SUSTAINABLE CITIES AND COMMUNITIES

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

14 LIFE BELOW WATER

15 LIFE ON LAND

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

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

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

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

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

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

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

01 – Open and Voluntary Membership

Every person in the community has an equal opportunity to become a member of Ballinasloe Credit Union, free from any form of discrimination. Members are entitled to enjoy the full spectrum of benefits that BCU offers, without exception. Joining BCU is a voluntary choice, but once you're here, you're an integral part of our collective pursuit of economic, social, and cultural prosperity.

Our Building is universally accessible, designed with wheelchair access and equipped with lower counters. Additionally, we have implemented a hearing loop system. For members needing personalised and private services, we offer comprehensive assistance tailored to individual requirements



07 – Service to Members

We provide social fund grants, sponsorship and loans to support community development initiatives. Additionally, local groups seeking to enhance their premises or purchase new equipment can benefit from our **Community loans**.

Through our social fund, we actively assist community groups dedicated to implementing sustainability initiatives within the local area. This encompasses support for environmental groups, community associations, and residents' associations

In a commitment to our members' well-being, we have facilitated loans to individuals on public waiting lists, allowing them to privately fund urgent hip and knee replacements. This exemplifies our dedication to supporting both community development and the individual health needs of our members.

3 GOOD HEALTH AND WELL-BEING



8 DECENT WORK AND ECONOMIC GROWTH



08 – Ongoing Education

We have been persistent in supporting families within our community by assisting with the expenses associated with their children's education through our **back-to-school loans & Educate Loans** for those attending 3rd Level and pursuing apprenticeship.

Moreover, we are committed to nurturing financial literacy among students in our local secondary schools. Through our education program, students are equipped with valuable skills in saving and budgeting, empowering them for a financially responsible future.

In collaboration with local primary schools, we extend invitations to participate in school savings schemes.

4 QUALITY EDUCATION



10 – Social Responsibility

Sustainable cities and communities

We offer **Business loans** tailored to meet various entrepreneurial needs, whether it's a trade person acquiring tools essential for their trade or a retail business seeking funds to bolster their inventory, expand operations, or recruit additional staff.

In our commitment to community development, we've actively contributed to the restoration of a number of community buildings, facilitating the reopening and investing in measures to enhance the capacity and energy efficiency.

To further improve our community, we allocate over €50,000 annually to our social fund and maintain a sponsorship & donations budget of €20,000 per year, both directed towards supporting local initiatives. These funds have been instrumental in aiding local groups to organise events aimed at fostering a sense of community and camaraderie.

11 SUSTAINABLE CITIES AND COMMUNITIES



10 – Social Responsibility

Climate action

As part of our commitment to sustainability, we offer a competitive **Recharge loan** designed specifically for the acquisition of hybrid and electric cars.

Moreover, through our suite of **Renovate loans**, we provide house retrofit loans, facilitating environmentally conscious improvements to homes.

We also assist members by providing loans aimed at enabling the purchase of heat pump systems for residential and commercial heating conversions. These loans bridge the gap between available grants and the total cost, ensuring members can embrace more sustainable heating solutions.

In our efforts to reduce our environmental impact, we are actively transitioning to a paperless system wherever feasible. Encouraging our members to opt for electronic notifications for our Annual General Meetings is one such initiative contributing to this eco-conscious approach.

Life on land

Our **Cultivate loans** are available to facilitate farm waste capture and storage, aiding in the installation of new systems or upgrades to existing ones such as slurry tanks. These measures play a crucial role in preventing pollution of land, streams, and rivers, fostering environmental sustainability.

Additionally, we provide loans for farm energy upgrades, aimed at reducing CO2 emissions while preventing runoff pollution. These initiatives not only contribute to environmental preservation but also lead to significant cost savings in on-farm operational expenses.



WHAT NEXT FOR CREDIT UNIONS?

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

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

Our next steps will include the:

ESG STRATEGY:

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

SETTING OF GOALS:

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

MEASUREMENT OF SUCCESS:

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

REPORTING TO MEMBERS:

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



FINANCIAL STATEMENTS

DIRECTORS' REPORT

For the financial year ended 30 September 2023

The directors present their annual report and the audited financial statements for the financial year ended 30 September 2023.

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

The directors are proposing a dividend of €197,730 (0.20%) in respect of the financial year ended 30 September 2023. (2022: The directors did not propose a dividend or loan interest rebate).

Principal risks and uncertainties

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

Credit risk

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

Lack of loan demand

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

Market risk

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

Liquidity risk

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

Operational risk

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

Global macro-economic risk

There is an economic and operational risk relating to rising inflation rates, disruption to global supply chains and a general uncertainty in the markets as a result of the changing geopolitical landscape.

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



DIRECTORS' REPORT (CONTINUED)

For the financial year ended 30 September 2023

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.

Global macro-economic risk

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

Accounting records

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

Events after the end of the financial year

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

Auditors

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

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

Sean Madden

Chairperson of the board of directors

Adrian Ahern

Member of the board of directors

Date: 13th December 2023

DIRECTORS' RESPONSIBILITIES STATEMENT

For the financial year ended 30 September 2023

The directors are responsible for preparing the financial statements in accordance with applicable Irish law and regulations. The directors have elected to prepare the financial statements in accordance with the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102). The directors are also responsible for preparing the other information included in the annual report. The Credit Union Act, 1997 (as amended) requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the credit union and of the income and expenditure of the credit union for that period.

In preparing those financial statements the directors are required to:

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

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

On behalf of the board:

Sean Madden

Chairperson of the board of directors

Adrian Ahern

Member of the board of directors

Date: 13th December 2023

BOARD OVERSIGHT COMMITTEE'S RESPONSIBILITIES STATEMENT

For the financial year ended 30 September 2023

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

On behalf of the board oversight committee:

Aidan Clifford

Chairperson of the board oversight committee

Date: 13th December 2023

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 for the financial year ended 30 September 2023, which comprise:

- the Income and expenditure account;
- the Statement of other comprehensive income;
- the Balance sheet;
- the Statement of changes in reserves;
- the Statement of cash flows; and
- the related notes 1 to 28, including the summary of significant accounting policies as set out in note 2.

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 2023 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 the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BALLINASLOE CREDIT UNION (OUR LADY OF LOURDES) LIMITED (CONTINUED)

Other information

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

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

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

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

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

Responsibilities of directors for the financial statements

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

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

Responsibilities of the auditor for the audit of the financial statements

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

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 FCA
for and on behalf of

Grant Thornton

Chartered Accountants
& Statutory Audit Firm
Limerick

Date: 13th December 2023



INCOME AND EXPENDITURE ACCOUNT

For the financial year ended 30 September 2023

		2023	2022
Income	Schedule	€	€
Interest on members' loans		2,747,414	2,723,762
Other interest income and similar income	1	1,046,527	357,187
Net interest income		3,793,941	3,080,949
Other income	2	68,037	651,081
Total income		3,861,978	3,732,030
Expenditure			
Employment costs		1,280,457	1,258,462
Other management expenses	3	1,881,339	1,631,468
Pension funding deficit (note 27)		-	1,527,310
Depreciation		106,761	105,114
Net impairment gain on loans to members (note 5)		(703,561)	(1,491,264)
Total expenditure		2,564,996	3,031,090
Surplus for the financial year		1,296,982	700,940

STATEMENT OF OTHER COMPREHENSIVE INCOME

For the financial year ended 30 September 2023

	2023	2022
	€	€
Surplus for the financial year	1,296,982	700,940
Other comprehensive income	-	-
Total comprehensive income for the financial year	1,296,982	700,940

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

Sean Madden

Member of the board of directors

Aidan Clifford

Member of the board oversight committee

Gráinne Murphy

CEO

Date: 13th December 2023

BALANCE SHEET

As at 30 September 2023

	Notes	2023	2022
		€	€
Assets			
Cash and balances at bank	6	4,163,605	7,917,057
Deposits and investments – cash equivalents	7	21,135,749	17,190,621
Deposits and investments – other	7	63,895,709	63,861,911
Loans to members	8	42,683,661	39,596,466
Provision for bad debts	9	(3,637,713)	(3,727,103)
Members' current accounts overdrawn	13	2,205	434
Tangible fixed assets	10	536,188	565,580
Debtors, prepayments and accrued income	11	877,343	586,499
Total assets		129,656,747	125,991,465
Liabilities			
Members' shares	12	101,809,630	99,724,747
Members' deposits	12	1,333,919	1,421,123
Other members' funds	12	3,681,191	3,546,533
Members' current accounts	13	667,051	432,094
Other liabilities, accruals and charges	14	473,159	477,124
Other provisions	15	46,699	41,728
Total liabilities		108,011,649	105,643,349
Reserves			
Regulatory reserve	17	13,562,043	13,562,043
Operational risk reserve	17	1,461,454	1,139,627
Other reserves			
- Realised reserves	17	6,467,703	5,495,527
- Unrealised reserves	17	153,898	150,919
Total reserves		21,645,098	20,348,116
Total liabilities and reserves		129,656,747	125,991,465

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

Sean Madden

Member of the board of directors

Aidan Clifford

Member of the board oversight committee

Gráinne Murphy

CEO

Date: 13th December 2023

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



STATEMENT OF CHANGES IN RESERVES

For the financial year ended 30 September 2023

	Regulatory reserve	Operational risk reserve	Realised reserves	Unrealised reserves	Total
	€	€	€	€	€
As at 1 October 2021	13,562,043	985,047	4,985,966	114,120	19,647,176
Surplus for the financial year	-	154,580	493,354	53,006	700,940
Transfers between reserves	-	-	16,207	(16,207)	-
As at 1 October 2022	13,562,043	1,139,627	5,495,527	150,919	20,348,116
Surplus for the financial year	-	-	1,294,003	2,979	1,296,982
Transfers between reserves	-	321,827	(321,827)	-	-
As at 30 September 2023	13,562,043	1,461,454	6,467,703	153,898	21,645,098

- The regulatory reserve of the credit union as a percentage of total assets as at 30 September 2023 was 10.46% (2022: 10.76%).
- The operational risk reserve of the credit union as a percentage of total assets as at 30 September 2023 was 1.13% (2022: 0.90%).

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



STATEMENT OF CASH FLOWS

For the financial year ended 30 September 2023

	Notes	2023 €	2022 €
Opening cash and cash equivalents		25,107,678	25,930,526
Cash flows from operating activities			
Loans repaid by members	8	15,844,052	15,661,470
Loans granted to members	8	(19,227,258)	(16,060,526)
Interest on members' loans		2,747,414	2,723,762
Other interest income and similar income		1,046,527	357,187
Bad debts recovered and recoveries		910,182	892,421
Other income		68,037	651,081
Members' current accounts lodgements	13	7,472,888	2,991,064
Members' current accounts withdrawals	13	(7,239,702)	(2,614,016)
Operating expenses		(3,161,796)	(4,417,240)
Movement in other assets and liabilities		(289,838)	(296,214)
Net cash flows from operating activities		(1,829,494)	(111,011)
Cash flows from investing activities			
Fixed asset purchases		(77,369)	(5,516)
Net cash flow from other investing activities		(33,798)	72,864
Net cash flows from investing activities		(111,167)	67,348
Cash flows from financing activities			
Members' savings received	12	90,951,902	91,787,973
Members' savings withdrawn	12	(88,819,565)	(92,567,158)
Net cash flow from financing activities		2,132,337	(779,185)
Net increase/(decrease) in cash and cash equivalents		191,676	(822,848)
Closing cash and cash equivalents	6	25,299,354	25,107,678

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2023

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 2023

2. Accounting policies (continued)

2.6 Deposits and investments

Held at amortised cost

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

Central Bank deposits

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

Investments at fair value

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

2.7 Financial assets – loans to members

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

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

2.8 Provision for bad debts

The credit union assesses if there is objective evidence that any of its loans are impaired with due consideration of environmental factors. The loans are assessed collectively in groups that share similar credit risk characteristics. Individually significant loans are assessed on a loan by loan basis. In addition, if there is objective evidence that any individual loan is impaired, a specific loss will be recognised. Bad debt provisioning is monitored by the credit union, and the credit union assesses and approves its provisions and the adequacy of same on a regular basis. Any bad debts/impairment losses are recognised in the income and expenditure account. If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in the income and expenditure account.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the financial year ended 30 September 2023

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 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 2023

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

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

The credit union also operates a defined contribution pension scheme. The assets of this scheme are held separately from those of the credit union in independently administered funds. Employer contributions to the scheme are charged to the income and expenditure account in the period to which they relate. The amount payable at the year end is €14,091 (2022: €9,328).

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 2023

2. Accounting policies (continued)

2.20 Operational risk reserve

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

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

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

2.21 Other reserves

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

2.22 Distribution policy

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

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

- the risk profile of the credit union, particularly in its loan and investments portfolios;
- the board's desire to maintain a stable rather than a volatile rate of dividend each year; and
- members' legitimate dividend and loan interest rebate expectations;

All dominated by prudence and the need to sustain the long-term welfare of the credit union.

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

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

2.23 Taxation

The credit union is not subject to income tax or corporation tax on its activities.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the financial year ended 30 September 2023

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 €536,188 (2022: €565,580).

Provision for bad debts

The credit union's accounting policy for impairment of loans is set out in note 2.8. The estimation of loan losses is inherently uncertain and depends upon many factors, including loan loss trends, credit risk characteristics in loan classes, local and international economic climates, conditions in various sectors of the economy to which the credit union is exposed, and, other external factors such as legal and regulatory requirements. The provision for bad debts in the financial statements at the year end was €3,637,713 (2022: €3,727,103) representing 8.52% (2022: 9.41%) of the total gross loan book.

Operational risk reserve

The directors have considered the requirements of the Credit Union Act, 1997 (as amended) and have developed an approach to the calculation of the operational risk reserve. The credit union uses the basic indicator approach as set out in the operational risk measurements techniques proposed under Basel II capital adequacy rules for banking institutions in calculating the minimum operational risk reserve. In addition, the credit union has included in its operational risk reserve a Member Personal Current Account Service operational risk reserve, in accordance with Section 49(3) of the Credit Union Act, 1997 (as amended). The operational risk reserve of the credit union at the year end was €1,461,454 (2022: €1,139,627).

Pension

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the financial year ended 30 September 2023

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

Adoption of going concern basis for financial statements preparation

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

4. Key management personnel compensation

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

	2023	2022
	€	€
Short term employee benefits paid to key management	535,861	477,107
Payments to pension schemes	39,263	36,941
Total key management personnel compensation	575,124	514,048

5. Net impairment gain on loans to members

	2023	2022
	€	€
Bad debts recovered	(834,633)	(812,642)
Impairment of loan interest reclassified as bad debt recoveries	(75,549)	(79,779)
Movement in bad debts provision during the year	(89,390)	(843,829)
Loans written off during the year	296,011	244,986
Net impairment gain on loans to members	(703,561)	(1,491,264)

6. Cash and cash equivalents

	2023	2022
	€	€
Cash and balances at bank	4,163,605	7,917,057
Deposits and investments – cash equivalents (note 7)	21,135,749	17,190,621
Total cash and cash equivalents	25,299,354	25,107,678

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the financial year ended 30 September 2023

7. Deposits and investments

	2023 €	2022 €
Deposits and investments – cash equivalents		
Accounts in authorised credit institutions (Irish and non-Irish based)	21,014,266	12,366,227
Central Bank deposits	121,483	4,824,394
Total deposits and investments – cash equivalents	<u>21,135,749</u>	<u>17,190,621</u>
Deposits and investments – other		
Accounts in authorised credit institutions (Irish and non-Irish based)	42,435,033	42,933,345
Bank bonds	20,506,047	20,002,961
Central Bank deposits	954,629	925,605
Total deposits and investments – other	<u>63,895,709</u>	<u>63,861,911</u>
Total deposits and investments	<u>85,031,458</u>	<u>81,052,532</u>

8. Financial assets – loans to members

	2023 €	2022 €
As at 1 October	39,596,466	39,442,396
Loans granted during the year	19,227,258	16,060,526
Loans repaid during the year	(15,844,052)	(15,661,470)
Gross loans and advances	<u>42,979,672</u>	<u>39,841,452</u>
Bad debts		
Loans written off during the year	(296,011)	(244,986)
As at 30 September	<u>42,683,661</u>	<u>39,596,466</u>

9. Provision for bad debts

	2023 €	2022 €
As at 1 October	3,727,103	4,570,932
Movement in bad debts provision during the year	(89,390)	(843,829)
As at 30 September	<u>3,637,713</u>	<u>3,727,103</u>

The provision for bad debts is analysed as follows:

	2023 €	2022 €
Grouped assessed loans	3,637,713	3,727,103
Provision for bad debts	<u>3,637,713</u>	<u>3,727,103</u>



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the financial year ended 30 September 2023

10. Tangible fixed assets

	Premises €	Fixtures & fittings €	Computer equipment €	Total €
Cost				
As at 1 October 2022	734,221	168,321	418,503	1,321,045
Additions	-	39,993	37,376	77,369
As at 30 September 2023	734,221	208,314	455,879	1,398,414
Depreciation				
As at 1 October 2022	406,062	49,419	299,984	755,465
Charge for year	14,684	30,169	61,908	106,761
As at 30 September 2023	420,746	79,588	361,892	862,226
Net book value				
As at 30 September 2023	313,475	128,726	93,987	536,188
As at 30 September 2022	328,159	118,902	118,519	565,580

11. Debtors, prepayments and accrued income

	2023 €	2022 €
Prepayments	270,954	177,205
Loan interest receivable	100,892	97,913
Accrued income on investments	442,491	248,375
Other debtors	63,006	63,006
As at 30 September	877,343	586,499

12. Members' savings

	2023 €	2022 €
As at 1 October	104,692,403	105,471,588
Received during the year	90,951,902	91,787,973
Withdrawn during the year	(88,819,565)	(92,567,158)
As at 30 September	106,824,740	104,692,403

Members' savings are analysed as follows:

	2023 €	2022 €
Members' shares	101,809,630	99,724,747
Members' deposits	1,333,919	1,421,123
Other members' funds	3,681,191	3,546,533
Total members' savings	106,824,740	104,692,403

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the financial year ended 30 September 2023

13. Members' current accounts

	2023	2022
	€	€
As at 1 October	431,660	54,612
Lodgements during the year	7,472,888	2,991,064
Withdrawals during the year	(7,239,702)	(2,614,016)
As at 30 September	664,846	431,660

	2023		2022	
	No. of Accounts	Balance of Accounts €	No. of Accounts	Balance of Accounts €
Debit	47	2,205	26	434
Credit	567	667,051	408	432,094
Permitted overdrafts	3	1,290	2	5,200

14. Other liabilities, accruals and charges

	2023	2022
	€	€
Accruals and other liabilities	444,775	450,770
PAYE/PRSI	28,384	26,354
As at 30 September	473,159	477,124

15. Other provisions

	2023	2022
	€	€
Holiday pay accrual		
As at 1 October	41,728	48,773
Charged/(credited) to the income and expenditure account	4,971	(7,045)
As at 30 September	46,699	41,728

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the financial year ended 30 September 2023

16. Financial instruments

16a. Financial instruments – measured at amortised cost

Financial assets	2023	2022
	€	€
Financial assets measured at amortised cost	<u>104,626,167</u>	<u>100,611,012</u>
Financial liabilities	2023	2022
	€	€
Financial liabilities measured at amortised cost	<u>108,011,649</u>	<u>105,643,349</u>

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

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

16b. Financial instruments – fair value measurements

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

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

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

As at 30 September 2023	Total	Level 1	Level 2	Level 3
	€	€	€	€
Accounts in authorised credit institutions	20,062,824	-	20,062,824	-
Bank bonds	4,059,722	-	4,059,722	-
Total	<u>24,122,546</u>	<u>-</u>	<u>24,122,546</u>	<u>-</u>
As at 30 September 2022	Total	Level 1	Level 2	Level 3
	€	€	€	€
Accounts in authorised credit institutions	21,035,694	-	21,035,694	-
Bank bonds	3,504,061	-	3,504,061	-
Total	<u>24,539,755</u>	<u>-</u>	<u>24,539,755</u>	<u>-</u>

There was a fair value adjustment of €1,688 recognised in the income and expenditure account for the year ended 30 September 2023 (2022: (€66,655)).



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the financial year ended 30 September 2023

17. Reserves

	Balance 01/10/22	Appropriation of current year surplus	Transfers between reserves	Balance 30/09/23
	€	€	€	€
Regulatory reserve	<u>13,562,043</u>	<u>-</u>	<u>-</u>	<u>13,562,043</u>
Operational risk reserve	<u>1,139,627</u>	<u>-</u>	<u>321,827</u>	<u>1,461,454</u>
Other reserves				
Realised				
General reserve	<u>5,495,527</u>	<u>1,294,003</u>	<u>(321,827)</u>	<u>6,467,703</u>
Total realised reserves	<u>5,495,527</u>	<u>1,294,003</u>	<u>(321,827)</u>	<u>6,467,703</u>
Unrealised				
Interest on loans reserve	<u>97,913</u>	<u>2,979</u>	<u>-</u>	<u>100,892</u>
SPS reserve	<u>53,006</u>	<u>-</u>	<u>-</u>	<u>53,006</u>
Total unrealised reserves	<u>150,919</u>	<u>2,979</u>	<u>-</u>	<u>153,898</u>
Total reserves	<u>20,348,116</u>	<u>1,296,982</u>	<u>-</u>	<u>21,645,098</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the financial year ended 30 September 2023

18. Credit risk disclosures

In line with regulatory requirements, the credit union:

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

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.

	2023		2022	
	€	%	€	%
Loans not impaired				
Total loans not impaired, not past due	34,308,575	80.38%	30,711,681	77.56%
Impaired loans:				
Not past due	1,161,458	2.72%	1,972,760	4.98%
Up to 9 weeks past due	4,948,418	11.59%	5,049,699	12.75%
Between 10 and 18 weeks past due	782,171	1.83%	467,845	1.18%
Between 19 and 26 weeks past due	406,771	0.95%	368,330	0.93%
Between 27 and 39 weeks past due	258,971	0.61%	305,123	0.77%
Between 40 and 52 weeks past due	359,843	0.85%	294,591	0.75%
53 or more weeks past due	457,454	1.07%	426,437	1.08%
Total impaired loans	8,375,086	19.62%	8,884,785	22.44%
Total loans	42,683,661	100.00%	39,596,466	100.00%

19. Related party transactions

19a. Loans

	2023		2022	
	No. of loans	€	No. of loans	€
Loans advanced to related parties during the year	4	69,000	8	175,000
Total loans outstanding to related parties at the year end	9	188,718	11	254,205
Total provision for loans outstanding to related parties		19,961		15,996

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 0.44% of the total loans outstanding at 30 September 2023 (2022: 0.64%).

19b. Savings

The total amount of savings held by related parties at the year end was €472,143 (2022: €537,950).



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the financial year ended 30 September 2023

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 to 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.

	2023		2022	
	Average	Average	Average	Average
	interest	interest	interest	interest
	rate	rate	rate	rate
	€	%	€	%
Gross loans to members	<u>42,683,661</u>	6.93%	<u>39,596,466</u>	7.16%

Any distributions payable are at the discretion of the directors and are 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 2023

21. Dividends

The following distributions were paid during the year:

	2023		2022	
	%	€	%	€
Dividend on shares	=====	=====	=====	=====

The directors are proposing a dividend of €197,730 (0.20%) in respect of the financial year ended 30 September 2023. (2022: The directors did not propose a dividend or loan interest rebate).

22. Interest payable on members' deposit accounts

	2023		2022	
	%	€	%	€
Interest on deposits	=====	=====	=====	=====

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 (2022: €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 2023.

26. Comparative information

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the financial year ended 30 September 2023

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

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

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

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

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

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

28. Approval of financial statements

The board of directors approved these financial statements for issue on 13th December 2023.

SCHEDULES TO THE INCOME AND EXPENDITURE ACCOUNT

For the financial year ended 30 September 2022

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

Schedule 1 – Other interest income and similar income

	2023	2022
	€	€
Investment income received/receivable within 1 year	1,044,839	423,842
Movement in unrealised gain/(loss) on investments	1,688	(66,655)
Total per income and expenditure account	1,046,527	357,187

Schedule 2 – Other income

	2023	2022
	€	€
SPS refund	-	530,059
Miscellaneous income	5,000	50,103
ECCU rebate	-	34,175
Commissions	43,751	28,909
MPCAS income	19,286	7,835
Total per income and expenditure account	68,037	651,081

SCHEDULES TO THE INCOME AND EXPENDITURE ACCOUNT (CONTINUED)

For the financial year ended 30 September 2022

Schedule 3 – Other management expenses

	2023	2022
	€	€
Rent and rates	10,308	10,162
Light, heat and cleaning	32,114	28,022
Repairs and renewals	29,779	19,977
Security	36,812	35,006
Printing and stationery	29,454	18,009
Postage and telephone	28,500	29,513
Donation and sponsorship	17,508	19,651
Promotion and advertising	106,123	77,618
Training costs	15,609	9,496
Staff uniform costs	1,184	276
Convention expenses	24,186	4,799
AGM expenses	23,196	25,323
Travel and subsistence	4,066	4,018
Bank charges	39,661	73,890
Audit fee	28,721	27,060
Legal and professional fees	128,622	124,427
General insurance	58,155	55,729
Share and loan insurance	348,727	318,691
Death benefit insurance	112,714	113,293
Computer maintenance	284,316	219,377
SPS, affiliation fees and subscriptions	94,243	57,149
Regulatory levies	212,623	226,654
Social development	50,000	50,000
MPCAS expenses	96,555	37,334
Office expenses	68,163	45,994
Total per income and expenditure account	<u>1,881,339</u>	<u>1,631,468</u>



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 the tv screens 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 2023, 5,641 members took part in the draw. During the financial year, circa €90k has been paid out in prizes to 54 lucky winners. If you are not part of the draw and would like to sign up, please contact our office and we would be delighted to include you.

BALLINASLOE CREDIT UNION

MEMBERS' PRIZE DRAW YEAR ENDED SEPTEMBER 30TH 2023

2023	(€)
Opening Balance	168
Members Entry Fee	90,628
	<hr/> 90,796
Top prize	62,000
Cash prize	27,200
Legal fees	1,400
Prize fund	<hr/> 196



FOR NEW WHEELS NOT PROFIT

TALK TO US TODAY
ABOUT A CAR LOAN



BALLINASLOE
Credit Union
LOCAL LOYAL LENDING

For you - Not Profit

Terms and conditions apply to all loans. Loans are subject to approval. 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. Credit Unions are regulated by the Central Bank of Ireland.



CREDIT COMMITTEE REPORT

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

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

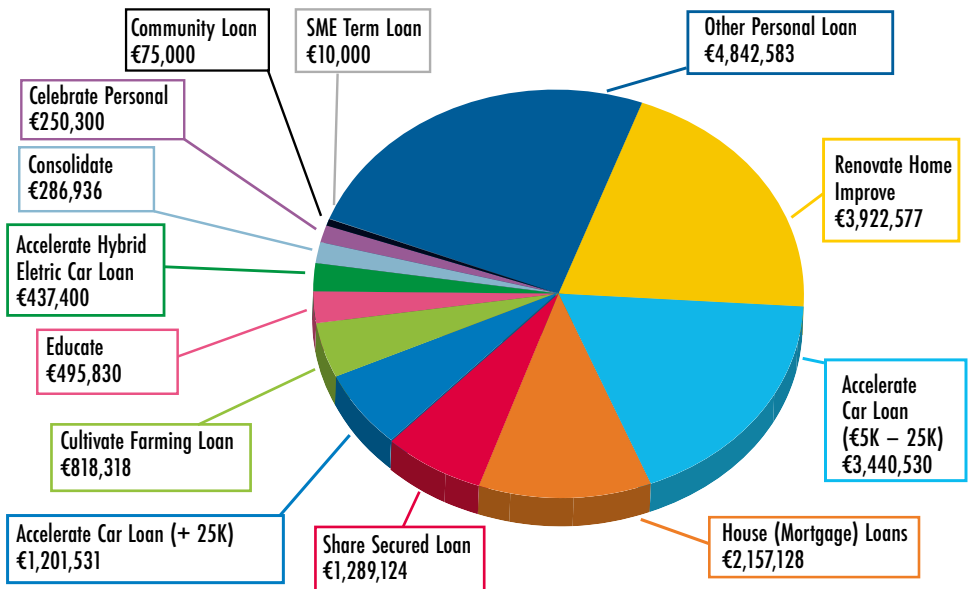
We lend for a wide variety of purposes, from personal, business and home mortgages. We have money to lend and offer fair and reasonable loans. Over the past year, our loans have helped members purchase cars, build, buy and renovate homes, helped students go to college, provided finance for farmers and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

During 2023, over 2,300 applications for loans amounting to €20m were approved. All loan applications are independently assessed and judged on their own merits. Every effort is made to approve each application. The fundamental factor which we take into consideration in assessing loan applications is the member's ability to repay the loan.

We are committed to offering access to affordable credit to all in our community and would urge those who might have previously relied on a doorstep lender, or those who might be tempted to borrow from unregulated lenders, to come and talk to us first.

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

LOANS ISSUED YTD SEP 2023: €19,227,258



CREDIT CONTROL COMMITTEE REPORT

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

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

We have support in place to assist any member who may find themselves having difficulty meeting loan repayments and we will continue to work with our members towards workable solutions on an ongoing basis.

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

Bad debts written off during 2023 amounted to €296k (2022 €245k). The Credit Union also recovered €835k in 2023, (2022: €813k) from loans written off in previous years. The level of impaired loans (loans which are overdue) decreased from €8.9m in 2022 to €8.4m as at September 2023.

The bad debt provision has reduced by €0.1m from €3.7m in 2022 to €3.6m in 2023 as a result of a reduction in the level of impaired loans, the utilisation of provisions for bad debts written off offset by an increase in provisioning as the loan book grows.

Ballinasloe Credit Union has always been committed to ensuring that members who find themselves in difficult circumstances are treated with dignity and respect by all credit union personnel.

Online Account Access & Mobile App



Visit our website

www.ballinasloecreditunion.ie

to register your account or
ask any member of staff.



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



MEMBERSHIP COMMITTEE

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

At September 2023, membership of Ballinasloe Credit Union stood at over 22,800. During the financial year, we opened 448 new accounts for members. We wish to extend a warm welcome to all our new members, and we look forward to assisting them with all their financial needs.

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

SAVINGS

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

LOANS

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

CURRENT ACCOUNT & DEBIT MASTERCARD

The Current Account and Debit Card have been designed by Credit Unions for their members. The 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





BALLINASLOE
Credit Union
LOCAL LOYAL LENDING

BE A COMMUNITY CHAMPION

**Support your credit union,
support your club.**

By choosing Ballinasloe Credit Union, you can raise funds for your club with our Community Champions campaign. When you take out a loan or open a current account with Ballinasloe Credit Union we will make a donation to a local sports club of your choice.*

For more details see

www.ballinasloecreditunion.ie



MARKETING, YOUTH AND EDUCATION 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. The committee is responsible for administration of the social fund, donations, sponsorship and advertising budgets, member information and organising the members prize draw.

Last year the Credit Unions were announced as an SDG champion, so our role is to act as an advocate and promoter of the SDGs integrating them into our work and activities. We are tasked with highlighting how we can make our organisations more sustainable. The committee is continually focusing on simple and effective sustainability actions that can be practically implemented.

Sponsorship of local events and donations to community groups during the year amounted to over €17,500. These funds were allocated to support a wide variety of local clubs, voluntary committee activities, team jerseys, events, ground upgrades and community development projects. A breakdown of how these funds were distributed is on page 49.

Social responsibility is one of the ten Credit Union Operating Principles. Briefly, this principle obliges credit unions to be socially responsible by contributing to the development of the local community within its common bond. The credit unions "vision of social justice extends both to the individual members and to the larger community in which they work and reside". Since its establishment in 1998 donations to local organisations from the credit union social fund have exceeded €930,000. This year the fund donated €48,000. The Board has agreed to increase the social fund budget to 75k for 2024.

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

The annual Credit Union Art Competition & School Quiz were again hosted by the Education Committee in 2023. These 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.

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



Ballinasloe Community Games 2023

SOCIAL DEVELOPMENT FUND 2023

Community Development Groups

€17,000

€17,000

Voluntary Committees

Frontline/ Education/ Charities

€12,000

€2,000

Sporting Organisations

DONATIONS AND SPONSORSHIP 2022

€7,185

Educational Donations

Community Groups Donations

€6,865

€3,450

Sporting Organisations

TOTAL €65,500

FINANCE & INVESTMENT COMMITTEE REPORT

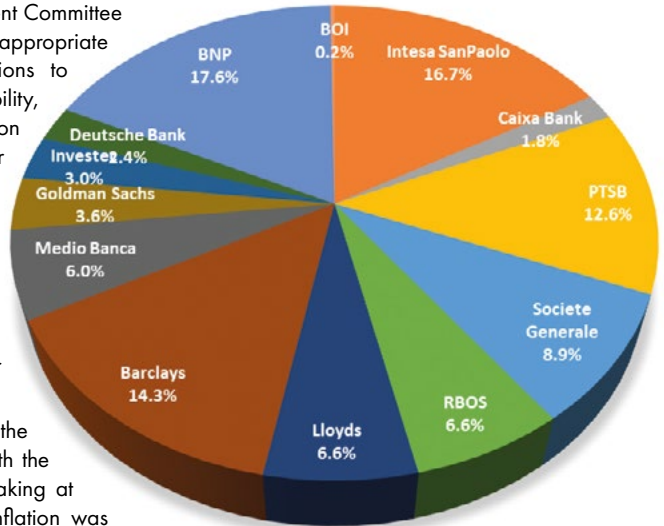
The remit of the Finance & Investment Committee is to provide oversight and where appropriate review and make recommendations to the Board on financial sustainability, examine investment proposals on behalf of the board and to monitor financial markets on an ongoing basis.

Deposits & Investments amounted to €85m at year end (2022: €81m). The following chart shows a summary of the Investment Portfolio as of 30th September 2023.

2023 will be remembered as the year when inflation rebounded with the headline rate in the Eurozone peaking at 10.6% in October 2022. Peak inflation was driven by a combination of factors including record high oil and gas prices as a result of the war in Ukraine, residual constraints from supply chain disruptions affecting manufactured goods prices, elevated commodity price levels and the spill-over effects of all of the above into all segments of household expenditure.

The year will also be remembered as one in which we saw the end of ultra-low interest rates. The European Central Bank 'ECB' has imposed 10 rate hikes since July 2022, reversing their previous negative interest rate policy through the quantitative easing period. By increasing rates, and effectively applying the monetary brakes, they are hoping to cool off the pressures in the economy by constraining demand for lending and investment as well as consumption. Some of the rate hikes seen during this period from July 2022 onwards were particularly aggressive, with two 0.75% moves, and three hikes of 0.50% each by the ECB.

In turn, these short-term interest rate moves led to very sharp moves in bond yields, with 10-year German government bond yields, for example, picking up from a low of -0.2% at end 2021, to 2.6% at the end of December 2022. The upside of the tumultuous moves in interest rate and bond markets has brought good news for credit unions. As interest rates are now at their highest levels



since 2008 and bond yields are also hitting peaks not seen since 2011, portfolio maturities are being reinvested at higher rates increasing overall investment income for the sector now and into the future.

The investment portfolio generated income of €1.04m in the financial year ending 30 September 2023 which is a result of active portfolio management by the Investment Committee and the Board working with our Investment Manager. This represents a weighted average return of 1.22% (2022: 0.44%).

We believe that the investment portfolio of Ballinasloe Credit Union is well positioned and remains fully compliant with all investment regulations under Central Bank rules. We have worked closely with our Investment Manager to manage the portfolio in what has been a relatively positive year for investments and we continue to ensure that liquidity levels remain appropriate.

The Board and the Finance & Investment Committee will continue to ensure that members savings remain safe and secure, and that investment performance is optimised within the context of the low risk mandate which underpins our investment objectives.

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, Eileen Reddin & Carmel Carrick.

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

AUDIT

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

INTERNAL AUDIT

The Credit Union Act 1997 (as amended) requires Credit Unions to have an Internal Audit Function. The purpose of the Internal Audit Function is to evaluate and improve the effectiveness of risk management, control and governance processes. The credit union Internal Auditors appointed are ILCU Internal Audit Services (IAS). The Committee reviewed and recommended for Board approval, the internal audit work plan for 2022-2023, 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 receives reports from the Risk Management Officer, who together with the CEO, has functional responsibility for Risk management. The Committee met:

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

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

Sean Kelly - Chairperson

NOMINATIONS COMMITTEE REPORT

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

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

Members of Ballinasloe Credit Union can apply at any time of the year to serve as a volunteer on the committees of Ballinasloe Credit Union. To do so, all that is initially required is to complete the Volunteers Application Form, available on the Credit Union website www.ballinasloecreditunion.ie

A member of the Credit Union Staff or the Nomination Committee would be pleased to meet with any member considering volunteering to discuss what is involved in being a volunteer at Ballinasloe Credit Union and answer any questions.

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

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

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

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

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

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

Marian Brady - Chairperson

BOARD OVERSIGHT COMMITTEE REPORT

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

The committee members for the year were Aidan Clifford, Eddie Kelly & Declan Harney.

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

Aidan Clifford - Chairperson

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BALLINASLOE
Credit Union
LOCAL LOYAL LENDING

For you - Not Profit

Terms and conditions apply to all loans. Loans are subject to approval. 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.
Credit Unions are regulated by the Central Bank of Ireland



MEMBERS INFORMATION

GDPR - DATA PROTECTION

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

MINIMUM SHAREHOLDING

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

LIFE SAVINGS AND LOAN PROTECTION INSURANCES

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

DEATH BENEFIT INSURANCE

DBI is a unique service offered by credit unions to help pay for end of life expenses. A lump sum in the amount of €1,300 is paid out 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

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.

MOTIONS, RULE AMENDMENTS & ELECTIONS

RULE AMENDMENTS

One amendment to the Standard Rules for Credit Unions arising from League AGM 2023. The wording of the rule amendment is set out below.

“Rule 30 (1)(a)

That this Annual General Meeting amends Rule 30 of the Standard Rules for Credit Unions (Republic of Ireland) by the deletion of the following Rule 30 (1)(a)
(1) (a) Provided a share dividend has been declared in accordance with the Act, the directors may recommend to the annual general meeting for approval a refund to the members on record as of the end of each financial year who have been borrowers during such year of a percentage of interest which such borrowers have paid during such year, and such rate of refund shall apply to all such member borrowers. Where a credit union operates a system whereby different rates of interest are charged for different classes of loans, the board of directors may recommend a different rate of refund applicable to each class of loan. Such refunds shall apply to all member borrowers in each class of loan.

And by the insertion of the following Rule 30 (1)(a) to read:

(1) (a) The directors may recommend to the annual general meeting for approval a refund to the members on record as of the end of each financial year who have been borrowers during such year of a percentage of interest which such borrowers have paid during such year, and such rate of refund shall apply to all such member borrowers. Where a credit union operates a system whereby different rates of interest are charged for different classes of loans, the board of directors may recommend a different rate of refund applicable to each class of loan. Such refunds shall apply to all member borrowers in each class of loan.”

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 2023 was 10th November 2023.

BOARD OF DIRECTORS

The Board of Directors consists of nine directors. There are 5 vacancies (1 Casual Vacancy) to be filled. Marian Brady retires from the Board of Directors and does not offer herself for re-election. Adrian Ahern, Sean Madden & Brian King offer themselves for re-election to the Board. Aju Abraham and Michael Lally offer themselves for election to the Board.

BOARD OVERSIGHT COMMITTEE

The Committee consists of three members. There is 1 vacancy to be filled. Declan Harney offers himself for re-election to the Board Oversight Committee.

ELECTION OF AUDITORS

Grant Thornton were appointed as auditors at the 2022 AGM and in accordance with Section 115 of the Credit Union Act, 1997 (as amended), the auditors Grant Thornton offer themselves for re-election.



Presentation to Moore Scouts



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BALLINASLOE
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LOCAL LOYAL LENDING

For you - Not Profit

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This may affect your credit rating which may limit your ability to access credit in the future.
Credit Unions are regulated by the Central Bank of Ireland



Ballinasloe Credit Union (Our Lady of Lourdes) Limited

T: 09096 43179 E: info@ballinasloecreditunion.ie W: www.ballinasloecreditunion.ie

Opening Hours: 9.30 - 5.30 Mon - Friday 9.30 - 4.30 Saturday