



BALLINAMORE
CREDIT UNION
LIMITED



BALLYCONNELL
CREDIT UNION LTD
Serving our community

TRANSFER OF ENGAGEMENTS

**Ballinamore Credit Union Limited
to Ballyconnell Credit Union Limited**

Notice of AGM and Section 130 Pack



ANNUAL GENERAL MEETINGS

28th January 2025

Ballinamore Credit Union Limited
AGM will be held at 8.00pm in
The Island Theatre, Ballinamore,
Co. Leitrim.

28th January 2025

Ballyconnell Credit Union Limited
AGM will be held virtually via ZOOM on
Tuesday 28th January 2025 at 8.00pm.
Log on to www.cuagm.com and click
on Ballyconnell to register.

Introduction

Over the past 12 months or so, the Boards of Ballinamore Credit Union and Ballyconnell Credit Union have developed an exciting proposal to merge the two credit unions.

As part of the proposal, this booklet sets out the following:

- A notification of Annual General Meetings
- Questions and answers
- The current financial position of each credit union

In particular, your attention is drawn to the joint message from the Chairpersons of both credit unions on page 3.

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Message from The Boards

Dear Members

Since 2012 it has been government policy to encourage the Credit Union sector to consolidate through merger of what was then 400+ individual Credit Unions into a smaller number of larger entities.

It was felt that merging into larger entities would help Credit Unions maintain their success of the past 50+ years in the ever more competitive retail financial services sector.

Larger entities would more easily be able to invest in their governance, technology, staff resourcing and control costs to enable their continued success.

There have been over 150 mergers of Credit Unions across the country. Commercial and regulatory pressures, and the need to invest in new technology will likely maintain further merger activity in the Credit Union sector. This all serves to strengthen the position of Credit Unions – we are unanimous in our view that our services are needed more than ever in Irish society.

In the Credit Union sector, merged Credit Union members have benefited from a wider range of loan products, an increased capacity to lend, current accounts and debit cards and more online services including web-based loan applications, loan drawdown, account enquiries, and funds transfer.

In most cases, branches were retained and opening hours were extended as business volumes improved in the post-merger period. It is also true to say that members continue to be served by faces that are familiar to them as well as inevitably getting to know some new faces.

Members can access services in person in any branch (subject to individual office opening times), by telephone Tuesday to Saturday lunchtime, and can also use the online banking and mobile applications to manage their accounts 24/7.

By way of background, discussions between the two Credit Unions started in 2022 and progressed in a very positive way. The Central Bank of Ireland has been and continue to be supportive throughout the process.

Both Credit Unions started from humble beginnings to serve the financial needs of members and, over the years, both Credit Unions have grown from strength to strength. The success to date has been achieved thanks to the support and loyalty of the members and the hard work and commitment of successive generations of volunteers and staff. All of this has been underpinned by the mutual, self-help ethos of the wider Credit Union movement.

Both credit unions are acutely aware of the growing cost of regulatory compliance and operational resilience and this transfer will benefit the two Credit Unions in this regard.

The Boards and membership of both credit unions share a strong ethos epitomised in their core values of independence, integrity, impartiality, equality, fairness and respect which guides and influences how each Credit Union does its business. This vision and business model, we believe, can only be enhanced by the proposed merger.

Staff from Ballinamore Credit Union will join with Ballyconnell Credit Union staff, and the new Board and Board Oversight Committee will comprise members from both Credit Unions.

This proposal is particularly exciting because both Credit Unions are financially sound and are well managed, so strategically the combined Credit Union is well on track to be vibrant, successful and well able to meet members needs, now and in the future.



The Boards of Ballinamore Credit Union and Ballyconnell Credit Union believe that by merging, they can replicate these successes of many other mergers in the sector and ensure the ongoing delivery of Credit Union services to the members of both Credit Union.

The process, which is subject to the approval of the Central Bank of Ireland, is scheduled to complete in late February 2025 and will result in a combined entity with total assets of €76m, and almost 12,000 members.

Existing offices will remain open, meaning that all members of the newly enlarged organisation can access their accounts in 4 easily accessible branches, in addition to the increased telephone and online options which all Credit Union members will be able to avail of.

We do encourage you to read the information contained in this booklet, and if having done so you have any queries, or wish to make a representation in relation to the proposed merger, you should communicate this in writing by:

- hand over the counter at any of the offices of Ballinamore Credit Union or Ballyconnell Credit Union
- post to Ballyconnell Credit Union Cullyleenan, Ballyconnell, Co. Cavan or Ballinamore Credit Union, Main St., Tully, Ballinamore, Co. Leitrim in an envelope marked 'Merger Comments'
- email to either info@ballyconnellcu.ie or info@ballinamorecu.ie

Tom Burns
Chair

Ballinamore Credit Union Limited

- or directly to the Registry of Credit Unions, Central Bank of Ireland, New Wapping Street, North Wall Quay, Dublin, D01 F7X3

All such representations must be received no later than 24th January 2025.

In conclusion, we wish to state that this merger is in the best interests of the members of both Credit Unions and is something that will allow both Credit Unions offer more to their members and become stronger as a single entity.

As the Chairpersons of both credit unions, we fully endorse this proposal and commend the implementation of a successful transfer of engagements for the benefit of the members of both credit unions.

Don Nicoll
Chair

Ballyconnell Credit Union Limited

Ballinamore Credit Union

Notice is hereby given that the Annual General Meeting of Ballinamore Credit Union Limited will take place on 28th January 2025 at 8.00pm in The Island Theatre, Ballinamore, Co. Leitrim.

AGENDA

1. Acceptance by the Board of the authorised representatives of members that are non-natural persons.
2. Ascertainment that a quorum is present.
3. Adoption of Standing Orders.
4. Appointment of tellers.
5. Consideration of Special Resolution:
The members of Ballinamore Credit Union Limited resolve that the Credit Union transfers its engagements to Ballyconnell Credit Union Limited in accordance with the relevant provisions of the Credit Union Act 1997 (as amended).
6. Close of meeting

Statement under Section 130 of the Credit Union Act 1997 (as amended)

In accordance with Section 130 of the Credit Union Act (as amended) the following matters require to be stated.

1. The financial position of Ballyconnell Credit Union Limited and Ballinamore Credit Union Limited is set out in the form of the unaudited management accounts as at 31 October 2024 and the audited accounts as at 30 September 2024.
2. No payment to the members of Ballinamore Credit Union Limited or Ballyconnell Credit Union Limited is proposed in connection with the Transfer of Engagements.

3. Following the Transfer of Engagements, all new loans or amendments to existing loans of former members of Ballinamore Credit Union Limited will be subject to the terms and conditions and interest rates of loans due to Ballyconnell Credit Union Limited applicable at that time. Existing loans to former members of Ballinamore Credit Union Limited will remain subject to their current terms and conditions.
4. On completion of the Transfer of Engagements the benefits payable by ECCU LPLS Insurance Scheme are in accordance with the cover provided under the policies of Ballyconnell Credit Union Limited.
5. The staff of Ballinamore Credit Union Limited have been consulted regarding the proposed Transfer of Engagements. One staff member of Ballinamore Credit Union has availed of a redundancy programme in advance of the transfer. All remaining staff will transfer to Ballyconnell Credit Union Limited under the Transfer of Undertakings (Protection of Employment) Regulations 2006. The staff of Ballyconnell Credit Union Limited have been consulted regarding the proposed Transfer of Engagements with no issue arising.

Ross Dooner
Secretary

Ballinamore Credit Union



ANNUAL GENERAL MEETING AGENDA

1. Acceptance of proxies (if any) by the Board of Directors
2. Ascertainment that a quorum is present
3. Adoption of standing orders
4. Reading and approval (or correction) of the minutes of the last A.G.M.
5. Report of the Board of Directors
6. Special Resolution
7. Report of the Auditor
8. Report of the Board Oversight Committee
9. Report of the Credit Committee
10. Amendment to Standard Rules
11. Appointment of tellers
12. Elections:
 - Board of Directors
 - Board Oversight Committee
 - Auditor
13. Election results
14. Adjournment or close of meeting

NOTICE OF ELECTIONS

- Elections will be held to fill two vacancies on the Board of Directors
- Elections will also be held to fill two vacancies on the Board Oversight Committee
- Nominations must be in writing and signed by the proposer and seconder, (who must be members of the Credit Union) and also by the nominee, so as to indicate his/her consent
- All those nominated (other than for the position of auditor) must be members of Ballinamore Credit Union
- Completed nomination forms must reach the Secretary at least two weeks before the A.G.M.
- Neither a body corporate nor a person who is under the age of 18 may be a director or member of the Board Oversight Committee in the Credit Union

BALLINAMORE CREDIT UNION BOARD OF DIRECTORS

Tom Burns
Sinead Conefrey
Ross Dooner
Phil Earley
Mary Fee
Niall Gormley
Mary McGovern
Patricia McLoughlin
Mary McWeeney
Susan Moran
John Quinn

BALLINAMORE CREDIT UNION BOARD OVERSIGHT COMMITTEE

Finola Gallagher
Geraldine Murphy
Philip Roddy

Ballyconnell Credit Union Limited

Notice is hereby given that the Annual General Meeting of Ballyconnell Credit Union Limited will take place on 28th January at 8.00pm via Zoom.

AGENDA

1. Acceptance by the Board of the authorised representatives of members that are non-natural persons.
2. Ascertainment that a quorum is present
3. Adoption of Standing Orders.
4. Appointment of tellers.
5. Consideration of Special Resolution:

The members of Ballyconnell Credit Union Limited resolve that the credit union accepts the Transfer of Engagements of Ballinamore Credit Union Limited into Ballyconnell Credit Union Limited in accordance with the relevant provisions of the Credit Union Act 1997 (as amended).
6. Board Membership

That this Special General Meeting of Ballyconnell Credit Union Limited amend Rule 40 (2) of the Rules of the Credit Union so as to read as follows: Rule 40 (2) "The Board Of Directors shall consist of 11 members, all of whom shall be members of the Credit Union".
7. Close of meeting
3. Following the Transfer of Engagements, all new loans or amendments to existing loans of former members of Ballinamore Credit Union Limited will be subject to the terms and conditions and interest rates of loans due to Ballyconnell Credit Union Limited applicable at that time. Existing loans to former members of Ballinamore Credit Union Limited will remain subject to their current terms and conditions.
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ANNUAL GENERAL MEETING AGENDA

1. Acceptance of proxies (if any) by the Board of Directors
2. Ascertainment that a quorum is present
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4. Reading and approval (or correction) of the minutes of the last A.G.M.
5. Report of the Board of Directors
6. Special Resolution and Rule Change
7. Report of the Auditor
8. Report of the Board Oversight Committee
9. Report of the Credit Committee
10. Amendment to Standard Rules
11. Appointment of tellers
12. Elections:
 - Board of Directors
 - Board Oversight Committee
 - Auditor
13. Election results
14. Adjournment or close of meeting

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- Elections will be held to fill three vacancies on the Board of Directors
- Elections will also be held to fill one vacancy on the Board Oversight Committee
- Nominations must be in writing and signed by the proposer and seconder, (who must be members of the Credit Union) and also by the nominee, so as to indicate his/her consent
- All those nominated (other than for the position of auditor) must be members of Ballyconnell Credit Union
- Completed nomination forms must reach the Secretary at least two weeks before the A.G.M.

- Neither a body corporate nor a person who is under the age of 18 may be a director or member of the Board Oversight Committee in the Credit Union

BALLYCONNELL CREDIT UNION BOARD OF DIRECTORS

Don Nicoll

Wendy Keyes

Elizabeth Baxter

Sean Murray

Donagh O'Brien

John Galligan

Anne Mc Goldrick

Brian Hackett

Darragh McGovern

BALLYCONNELL CREDIT UNION BOARD OVERSIGHT COMMITTEE

Louise Murphy

Mairead McAweeney

Corrinne Smith – resigned July 2024

BALLYCONNELL CREDIT UNION COMMITTEE VOLUNTEERS

Mary Maguire

Jacqueline Curry

Questions and Answers

What does a Transfer of Engagements mean?

A Transfer of Engagements means that Ballinamore Credit Union Limited will transfer its Assets and Liabilities to Ballyconnell Credit Union Limited. Members of Ballyconnell Credit Union and Ballinamore Credit Union can continue in exactly the same way as before with the added advantage of access to all of the services that the combined Credit Union can offer, including the provision of low cost loans and the maintenance of dividends.

Why is this merger happening?

In the Credit Union sector, merged Credit Union members have benefited from a wider range of loan products, an increased capacity to lend, current accounts and debit cards and more online services including web-based loan applications, loan drawdown, account enquiries, and funds transfer. In most cases, branches were retained and opening hours were extended as business volumes improved in the post-merger period. It is also true to say that members continue to be served by faces that are familiar to them as well as inevitably getting to know some new faces. Members can access services in person in any branch (subject to individual office opening times), by telephone Tuesday to Saturday lunchtime, and can also use the online banking and mobile applications to manage their accounts 24/7.

Both Credit Unions started from humble beginnings to serve the financial needs of members and, over the years, both Credit Unions have grown from strength to strength. The success to date has been achieved thanks to the support and loyalty of the members and the hard work and commitment of successive generations of volunteers and staff. All of this has been underpinned by the mutual, self-help ethos of the wider Credit Union movement.

Both credit unions are acutely aware of the growing cost of regulatory compliance and operational resilience and this transfer will benefit

the two Credit Unions in this regard. The Boards and membership of both credit unions share a strong ethos epitomised in their core values of independence, integrity, impartiality, equality, fairness and respect which guides and influences how each Credit Union does its business. This vision and business model, we believe, can only be enhanced by the proposed merger.

Are my savings safe?

Yes your savings are safe – Ballyconnell Credit Union is a strong credit union and all savings up to €100,000 are also covered by the Government Deposit Guarantee Scheme.

What will happen next?

We envisage that if the Transfer of Engagements is approved by the members at the Annual General Meetings, and by the Central Bank, the affairs of Ballinamore Credit Union will be transferred to Ballyconnell Credit Union Limited in late February 2025.

How will this change affect me?

For existing members there will be no noticeable change. The four offices in Ballinamore and Ballyconnell will remain open for members on the days that they are currently open.

The table overleaf outlines the proposed opening hours for both branches:

OPENING TIMES	BALLYCONNELL BRANCH	SWANLINBAR BRANCH	BALLINAMORE BRANCH	CARRIGALLEN BRANCH
Monday	Closed	Closed	Closed	Closed
Tuesday	9.30am – 4.30pm	Closed	9.30am – 4.30pm*	Closed
Wednesday	10.00am – 4.30pm	Closed	Closed	Closed
Thursday	9.30am – 4.30pm	Closed	9.30am – 4.30pm*	Closed
Friday	9.30am – 4.30pm	10.00am – 4.30pm*	9.30am – 4.30pm*	9.30am – 4.30pm*
Saturday	9.30am – 1.30pm	Closed	Closed	Closed
Sunday	Closed	Closed	Closed	Closed

* Closed for lunch

When the transfer takes effect, if it is convenient for them to do so, all members will have the added advantage of being able to transact their business in any office.

Credit Union members will not be required to re-register for online banking. Members not registered are invited to register if they so wish.

Members with current loans in both Credit Unions will continue to repay them under the existing terms of their credit agreements. New loans issued after the Transfer of Engagements will be at the then loan rates in provided in the merged Credit Union.

A new account number will be issued to you. Your account balances and information (including PIN) will remain exactly the same.

The Transfer of Engagements will result in a strong Credit Union which will assist in our sustainability into the future, allowing us to continue to develop appropriate products and services for our combined membership.

Are there other benefits to the merger?

Yes, a summary of them and other member benefits are as follows:

- Ballyconnell CU supports a number of sporting, community and cultural organisations through their Community Fund

- Student Bursary Award
- Access to Current Account services
- Availability of larger loans
- Higher savings limits
- Enhanced, 6 day a week telephone service
- Ability for new members to join online
- Ability to collect loans from the comfort of your own home online
- Direct Debit Facility

I have a standing order coming into my account – do I need to give updated details to my bank?

No, it will automatically keep coming in to your new Ballyconnell CU member number.

I'm registered for online access in Ballinamore – do I need to re-register?

No, your existing PIN will work, however when logging in you will need to use your new membership number. This will be communicated to you in advance of the Transfer of Engagements taking place.

Are the Ballinamore branches closing?

No, the branches are not closing. Following the merger members will have the option to transact in any of the four branches and also avail of the extensive phone and online services available.

Will I be dealing with all new staff when I go into Ballinamore?

No, the same friendly faces will be there and you will get used to seeing some new faces also.

There is one proposed redundancy as a result of the merger but all other staff will continue to work in the merged Credit Union.

Do I have to do anything?

No. However we do welcome any views that members may have on the proposed Transfer of Engagements. Members may write to the Secretary of either Credit Union.

STANDING ORDERS

For Annual General Meetings

Motions

1. All motions must be proposed and seconded by members present at the AGM and moved by the proposer.
2. A proposer of a motion may speak for such period as shall be at the discretion of the chair of the meeting and shall have the right of reply before the motion is put to the meeting for a vote.
3. In exercising his/her right of reply, a proposer may not introduce new material.
4. The seconder of a motion shall have such time as shall be allowed by the chair to second the motion.
5. Members are entitled to speak on any such motion and must do so through the chair. All speakers to any motion shall have such time as shall be at the discretion of the chair.
6. The chair 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.

Miscellaneous

7. The Chair of the board of directors shall be the chair of any general meeting, except where he/ she is not available, in which case it shall

be the vice-chair, except where he/she is not available, in which case the board shall decide amongst themselves who shall act as chair of any general meeting.

8. The chair may at his/her discretion, extend the privilege of the floor to any person who is not a member.
9. Only matters covered by the Agenda at AGM may be considered.
10. The chairman's decision on any matter relating to these Standing Orders or interpretation of same shall be final.
11. 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.
12. Any Special Resolution to be decided upon by vote at the AGM shall, unless otherwise expressly provided for by law or the rules, be decided upon by 75% majority of those present. Voting by secret ballot.

Suspension of Standing Orders

13. 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.

Alteration of Standing Orders

14. 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.

Adjournments

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



UNAUDITED MONTHLY MANAGEMENT ACCOUNTS OCTOBER 2024

BALLINAMORE CREDIT UNION LTD

INCOME AND EXPENDITURE ACCOUNT

for the month ended 31 October 2024

	2024 €
INCOME	
Interest on Members Loans	40,194
Interest Payable and Similar Charges	–
Other Interest receivable and Similar Income	22,053
NET INTEREST INCOME	62,247
Other Income	684
TOTAL INCOME	62,931
EXPENDITURE:	
Salaries & Pension Costs	13,773
Other Management Expenses	24,357
Depreciation and Impairment	955
Provision for Bad and Doubtful Debts	1,551
Bad Debts Recovered	(3,053)
TOTAL EXPENDITURE FOR THE PERIOD	37,583
EXCESS OF INCOME OVER EXPENDITURE FOR THE PERIOD	25,348

BALANCE SHEET

As at 31 October 2024

	2024 €
ASSETS	
Cash and Balances at Bank	497,576
Deposits & Investments	17,046,334
Loans to Members	7,308,302
Less: Provision for Bad & Doubtful Debts	(428,482)
Tangible Fixed Assets	244,683
Debtors, Prepayments & Accrued Income	41,346
TOTAL ASSETS	24,709,759
LIABILITIES	
Members Shares	19,870,517
Member Current Accounts	–
Members' Deposits	–
Other Liabilities, Creditors, Accruals and Charges	141,690
TOTAL LIABILITIES	20,012,207
NET WORTH	
RESERVES	
Regulatory Reserve	2,691,623
Operational Risk Reserve	92,020
Other Reserves	13,294
Realised	1,875,267
Undistributed Surplus/(Deficit)	25,348
TOTAL RESERVES	4,697,552



REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 SEPTEMBER 2024

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Company information

Directors

Tom Burns (Chairperson)

Sinead Conefrey

Ross Dooner (Secretary)

Niall Gormley

Mary McWeeney

Mary Fee

Susan Moran

Philomena Earley

Mary McGovern

Patricia McLoughlin

John Quinn

Oversight committee

Philip Roddy (Chairperson)

Geraldine Murphy

Finola Gallagher

Company number 236CU

Registered office

Main Street
Ballinamore
Co. Leitrim

Auditors

KBG
Statutory Audit Firm
18 Railway Road
Cavan
Co. Cavan

Business address

Main Street
Ballinamore
Co Leitrim

Bankers

Allied Irish Bank
31 Main Street
Ballinamore

Solicitors

Walter P Toolan & Sons
Main Street
Ballinamore

Report of The Board of Directors For the year ended 30 September 2024

The board of directors present their report and the audited financial statements for the year ended 30 September 2024.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the Credit Union continued to be the acceptance of members' savings in the form of shares and the granting of loans to members.

The movement on Savings and Loan Balances was as follows:

	Savings €	Loans (Net of Bad Debt Provisions) €
30 September 2024	19,720,958	6,881,493
30 September 2023	20,021,162	7,051,011
Increase/(Decrease)	(300,204)	(169,518)

Ballinamore Credit Union's Total Reserves at 30th September 2024 amounts to €4,672,204 which expressed as a percentage of Total Assets is 19.06%.

In accordance with the Credit Union Act, 1997 (as amended), (Section 85) Rules 2009, the Credit Union is required to maintain a Regulatory Reserve Ratio of not less than 10% of the total assets of the Credit Union with effect from the 30 September 2009.

Overall the Directors consider that the level of business conducted throughout the year and the financial position at the year end as set out in the financial statements is satisfactory, given the current challenging environment.

Dividends, Loan Interest Rebate and Deposit Interest

The directors are recommending a dividend of €20,115 (0.1%) and a loan interest rebate of €33,987 (7.5%) for 2024.

Principal Risks and Uncertainties

The Credit Union is fully aware of its principal risks, monitors these constantly and does everything in its power to minimise all risks and to handle prudently those residual risks over which it has little control. The principal areas currently requiring risk management include:

- Decline in loan interest income and loan security risk.
- Prudent investment selection policy, guarantee of capital and monitoring of performance
- Liquidity management and control of costs
- Continuous monitoring of compliance with regulatory and legislative requirements.

Auditors

The auditors, KBG, have indicated their willingness to continue in office in accordance with the provisions of Section 115 of the Credit Union Act, 1997 (as amended).

This report was approved by the Board on 4 December 2024 and signed on its behalf by:

Manager: Carl Johnston

**Member of
Oversight Committee:** Philip Roddy

Director: Tom Burns

Statement of Directors' and Board Oversight Committee's Responsibilities

The board of directors present their report and the audited financial statements for the year ended 30 September 2024.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

On behalf of the Board of Directors

Chairperson: Tom Burns

Date: 4th December 2024

STATEMENT OF BOARD OVERSIGHT COMMITTEE'S RESPONSIBILITIES

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.

On behalf of the Board Oversight Committee

Chairperson of the Board Oversight Committee: Philip Roddy

Date: 4th December 2024

Independent Auditors Report

to the Members of Ballinamore Credit Union Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Ballinamore Credit Union Limited for the year ended 30th September 2024, which comprise the Income and Expenditure Account, Balance Sheet, Statement of Changes in Reserves and Cash flow Statement and notes to the financial statements, including the summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is Irish Law and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

In our opinion the financial statements:

- give a true and fair view of the state of the Credit Union's affairs as at 30th September 2024 and its income and expenditure and cash flows for the year then ended;
- have been properly prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been properly prepared in accordance with the requirements of the Credit Union 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 described below in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the Credit Union in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and the provisions available for small entities, in the circumstances set out in note 25 to the financial

statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Credit Union's ability to continue to adopt the going concern basis of accounting for a period of at least 12 months from the date when the financial statements are authorised for issue.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we

have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Credit Union 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 we consider necessary for the purposes of our audit.
- In our opinion proper accounting records have been kept by the Credit Union, and
- The financial statements are in agreement with the accounting records.

RESPECTIVE RESPONSIBILITIES

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 management either intends to liquidate the Credit Union or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit

conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

KBG

18 Railway Road, Statutory Audit Firm, Cavan

APPENDIX TO THE INDEPENDENT AUDITORS' REPORT

Further information regarding the scope of our responsibilities as auditor

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Credit Union's ability to continue as going concerns. If we conclude that a material uncertainty exists, we are required to

draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Credit Union to cease to continue as going concerns.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Income & expenditure account

For the year ended 30 September 2024

	Note	30/09/2024 €	30/09/2023 €
Interest on members' loans	4	449,887	439,647
Other interest income and similar income	5	234,756	162,521
Net interest income		684,643	602,168
Other income	6	18,340	20,653
Total income		702,983	622,821
Employment costs	8	(207,394)	(221,799)
Other management expenses (Schedule 1)		(321,537)	(228,863)
Depreciation	9	(11,461)	(7,928)
Net recoveries or losses on loans to members	12	15,624	33,964
Surplus for the financial year		178,215	198,195
Other comprehensive income		–	–
Total comprehensive income		178,215	198,195

Surplus for the financial year represents the Credit Union's total comprehensive income and is attributable to the members of the Credit Union. Surplus for the year is from continuing operations.

The financial statements were approved by the Board of Directors on 4 December 2024 and signed on its behalf by the following:

Manager:

Carl Johnston

Member of Oversight Committee:

Philip Roddy

Director:

Tom Burns

Balance Sheet as at September 30 2024

	Note	30/09/2024 €	30/09/2023 €
ASSETS			
Tangible fixed assets	9	245,639	237,987
Cash and cash equivalents	10	341,916	355,931
Deposits and investments	11	17,008,781	16,922,114
Loans to members	12	6,881,493	7,051,011
Debtors, prepayments and accrued income	13	31,638	39,936
Other assets	14	1	1
Total Assets		24,509,468	24,606,980
LIABILITIES			
Members shares'	15	19,720,958	20,021,162
Other payables	16	116,306	91,829
Total Liabilities		19,837,264	20,112,991
TOTAL NET ASSETS		4,672,204	4,493,989
RESERVES			
Regulatory reserve		2,691,623	2,691,623
Operational risk reserve		92,020	85,369
Non distributable reserves		13,294	14,645
Distributable reserves		1,875,267	1,702,352
Total Reserves		4,672,204	4,493,989

The financial statements were approved by the Board of Directors on 4 December 2024 and signed on its behalf by the following:

Manager:

Carl Johnston

Member of Oversight Committee:

Philip Roddy

Director:

Tom Burns

Statement of Changes in Reserves

For the year ended 30 September 2024

	Regulatory Reserve €	Operational Risk Reserve €	Distributable Reserves €	Distributable Reserves €	Total €
At 1 October 2022	2,691,623	84,168	1,508,352	11,651	4,295,794
Total comprehensive income for the year	–	–	198,195	–	198,195
Dividends paid during the year (Note 7)	–	–	–	–	–
Loan interest rebate paid during the year (Note 7)	–	–	–	–	–
Transfer to regulatory reserve	–	–	–	–	–
Transfer to operational risk reserve	–	1,201	(1,201)	–	–
Transfer (to) from non distributable reserves	–	–	(2,994)	2,994	–
At 30 September 2023	2,691,623	85,369	1,702,352	14,645	4,493,989
At 1 October 2023	2,691,623	85,369	1,702,352	14,645	4,493,989
Total comprehensive income for the year	–	–	178,215	–	178,215
Loan interest rebate paid during the year (Note 7)	–	–	–	–	–
Transfer to regulatory reserve	–	–	–	–	–
Transfer to operational risk reserve	–	6,651	(6,651)	–	–
Transfer (to) from non distributable reserves	–	–	1,351	(1,351)	–
At 30 September 2024	2,691,623	92,020	1,875,267	13,294	4,672,204

Manager:

Carl Johnston

Member of Oversight Committee:

Philip Roddy

Director:

Tom Burns

1) The regulatory reserve of the Credit Union as % of total assets as at 30th September 2024 was 10.98% (2023: 10.94%).

2) In accordance with S45 of the Credit Union Act 1997 (as amended) Ballinamore Credit Union Limited put in place an operational risk reserve during the comparative period. The Board approved a transfer to the operational risk reserve from the general reserve of €6,651 (2023: €1,201), following the completion of an internal process of assessing the level of the reserve required to cover the operational risk within the Credit Union. The operational risk reserve as a % of the total assets as at 30 September 2024 was 0.38% (2023: 0.35%).

3) Following commencement of S13 of the 2012 Act, the requirement for Credit Unions to transfer 10% of their annual surplus to their statutory reserve (now known as the regulatory reserve) each year has been removed. Notwithstanding this the Board of Ballinamore Credit Union Limited has transferred €0 (2023: €0) of its current year surplus to its regulatory reserve so that the reserve would stand at 10.98% at current year end, in excess of the required limit of 10%.

4) The non distributable reserve relates to investment income on investments which are due to mature in greater than 12 months from the balance sheet date and interest accrued on members loans.

Cash Flow Statement

For the year ended 30 September 2024

	Note	2024 €	2023 €
Cash flows from operating activities			
Members loans repaid	12	2,961,781	2,816,108
Members loans granted	12	(2,809,341)	(3,098,646)
Members loan interest received	4	451,238	436,653
Investment interest received	5	175,258	120,725
Other income	6	18,340	20,653
Bad debts recovered	12	32,702	39,017
Operating expenses paid to include employment costs		(528,931)	(450,662)
Movement in other assets and liabilities		32,775	5,693
Net cash flows from operating activities		333,822	(110,459)
Cash flows from investing activities			
Fixed assets purchased	9	(19,113)	-
Purchase of investments		(2,546,624)	(1,023,797)
Proceeds from sale of investments		2,518,104	870,336
Cash flows from investing activities		(47,633)	(153,461)
Cash flows from financing activities			
Members' shares received	15	13,641,126	10,679,612
Members' shares withdrawn	15	(13,941,330)	(10,383,674)
Net cash flows from financing activities		(300,204)	295,938
Net increase/(decrease) in cash and cash equivalents		(14,015)	32,018
Cash and cash equivalents at beginning of year		355,931	323,913
Cash and cash equivalents at end of year	10	341,916	355,931

Manager:

Carl Johnston

Member of Oversight Committee:

Philip Roddy

Director:

Tom Burns

1 Legal and regulatory framework

Ballinamore Credit Union Limited is established under the Credit Union Acts 1997 to 2012. The Credit Union is registered with the Registrar of Credit Unions and is regulated by the Central Bank of Ireland. The principal place of business is Ballinamore Co. Leitrim.

2. Accounting policies

2.1 Statement of compliance and basis of preparation

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

The financial statements have been prepared on the historical cost basis.

2.2 Currency

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

2.3 Going concern

The financial statements are prepared on the going concern basis. The directors of Ballinamore Credit Union Limited believe this is appropriate as the Credit Union:

- Is generating annual surpluses;
- Maintains an appropriate level of liquidity; and
- Has reserves that are currently above the minimum requirements of the Central Bank.

2.4 Income

Interest on members' loans

Interest on loans to members is recognised using the effective interest method, and is calculated and accrued on a daily basis.

Investment income

The Credit Union currently only has investments that are valued at amortised cost, and use the effective interest method to recognise investment income.

Other income

Other income such as commissions receivable on insurance products and foreign exchange services arises in connection to specific transactions. Income relating to individual transactions is recognised when the transaction is completed.

2.5 Dividends to Members and Interest on Members' Deposits

Interest on members' deposits

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

Dividends on shares and loan interest rebates

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

The rate of dividend and loan interest rebate recommended by the Board will reflect:

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

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

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

2.6 Taxation

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

2.7 Cash and cash equivalents

Cash and cash equivalents comprise operating cash on hand and cash deposited with banks with original maturity of less than or equal to three months.

2.8 Financial instruments

The Credit Union has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised when the Credit Union becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when, and only when, there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets and liabilities are classified according to the substance of the contractual arrangements entered into.

2.9 Basic financial assets

Basic financial assets are initially measured at the transaction price, including transaction costs, and are subsequently carried at amortised cost using the effective interest method. Basic financial instruments include the following:

Loans to members

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

Investments held at amortised cost

Investments held at amortised cost are measured at amortised cost using the effective interest method less impairment. This means that the investment is measured at the amount paid for the investment, minus any repayments of the principal; plus or minus the cumulative amortisation using the effective interest method of any difference between the amount at initial recognition and the maturity amount; minus, in the case of a financial asset, any reduction for impairment or un-collectability. This effectively spreads out the return on such investments over time, but does take account immediately of any impairment in the value of the investment.

2.10 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.

2.11 Impairment of financial assets

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

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial

recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the expected cash flows discounted at the asset's original effective interest rate.

In the case of impairment of loans to members, the loans are assessed collectively in groups that share similar credit risk characteristics except for individually significant loans which are assessed on a loan by loan basis for impairment.

Any impairment losses are recognised in the Income and Expenditure account.

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

2.12 De-recognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Credit Union transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

In the case of loans to members, loans are derecognised, when the right to receive cash flows from the loans have expired, usually when all amounts outstanding have been repaid by the member. Ballinamore Credit Union Limited does not transfer loans to third parties.

2.13 Basic financial liabilities

Basic financial liabilities are initially recognised at the transaction price, including transaction costs, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities are subsequently carried at amortised cost using the effective interest method.

Financial liabilities members' shares and deposits

Members' shares, Money Management Accounts and Deposits are redeemable and therefore are classified as financial liabilities. They are initially recognised at the amount of cash deposited and subsequently members' deposits are measured at amortised cost.

Other payables

Other payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Other payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

2.14 De-recognition of financial liabilities

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

2.15 Tangible fixed assets and depreciation

Tangible fixed assets comprises items of property, plant and equipment, which are stated at cost, less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Depreciation is provided to write off the cost of each item of property, plant and equipment, less its estimated residual value over its estimated useful life. The categories of property, plant and equipment are depreciated as follows:

Land and buildings	– 2% Reducing balance
Computer equipment	– 20% Straight Line
Office equipment	–12.5% Reducing Balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the Income and Expenditure account.

2.16 Impairment of tangible fixed assets

At each reporting end date, the Credit Union reviews the carrying value of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate

the recoverable amount of an individual asset, the Credit Union estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the Income and Expenditure account.

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

2.17 Employee benefits

The costs of short-term employee benefits, including holiday pay, are recognised as a liability and as an expense (unless those costs are required to be recognised as part of the cost of fixed assets) over the period they are earned.

2.18 Reserves

Regulatory reserve

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

Operational Risk reserve

The Credit Union has established an Operational Risk reserve which is separate, distinct and in addition to the reserves the Credit Union is required to hold in its Regulatory reserve. The amount held in the Operational Risk reserve is the predicted impact of operational risk events that may have a material impact on the Credit Union's business.

Dividend reserve

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

Non-Distributable Investment Income reserve

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

3. Use of estimates and judgements

The preparation of financial statements requires the use of certain accounting estimates. It also requires the Directors to exercise judgement in applying Ballinamore Credit Union Limited's accounting policies. The areas requiring a higher degree of judgement, or complexity, and areas where assumptions or estimates are most significant to the financial statements are disclosed below:

Impairment losses on loans to members

The Credit Union's accounting policy for impairment of financial assets is set out in accounting policy in Note 2.12. The estimation of loan losses is inherently uncertain and depends upon many factors, including loan loss trends, credit risk characteristics in loan classes, local and international economic climates, conditions

in various sectors of the economy to which the Credit Union is exposed, and, other external factors such as legal and regulatory requirements. Credit risk is identified, assessed and measured through the use of rating and scoring tools with emphasis on weeks in arrears and other observable credit risk metrics. The ratings influence the management of individual loans. The credit rating triggers the impairment assessment and if relevant the raising of specific provisions on individual loans where there is doubt about their recoverability. Loan loss provisioning is monitored by the Credit Union, and the Credit Union assesses and approves its provisions and provision adequacy on a quarterly basis. Key assumptions underpinning the Credit Union's estimates of collective provisions for loans with similar credit risk characteristics, and, Incurred But Not Reported provisions ('IBNR') are based on the historical experiences of the Credit Union's allied to the Credit Union's judgement of relevant conditions in the wider technological, market, economic or legal environment in which the Credit Union operates. If a loan is impaired, the impairment loss is the difference between the carrying amount of the loan and the present value of the expected cash flows discounted at the asset's original effective interest rate taking account of pledged shares and other security as appropriate. Assumptions are back tested with the benefit of experience. After a period of time, when it is concluded that there is no real prospect of recovery of loans/part of loans which have been subjected to a specific provision, the Credit Union writes off that amount of the loan deemed irrecoverable against the specific provision held against the loan.

4. Interest on members' loans

	2024	2023
	€	€
Closing accrued loan interest receivable	13,294	14,645
Loan interest received in year	451,238	436,653
Opening accrued loan interest receivable	(14,645)	(11,651)
Total interest on members' loans	449,887	439,647

5. Other interest income and similar income

	2024	2023
	€	€
Investment income and gains received by the Balance Sheet date	175,258	120,725
Receivable within 12 months of Balance Sheet date	59,498	41,796
Total investment income	234,756	162,521

6. Other income

	2024	2023
	€	€
Rental income	4,160	4,160
Other income	14,180	16,493
Total other income	18,340	20,653

7. Interest payable and dividends

The dividend and any loan interest rebate are formally proposed by the directors after the year end and are confirmed at an AGM of the members. As a result the proposed dividend for the current year does not represent a liability at the Balance Sheet date and the dividend included in the Statement of Reserves in the current year relates to dividends paid to members for the prior year.

	2024	2023
	€	€
Distributions Paid:		
Dividend paid during the year	–	–
Dividend Rate	0%	0%
Loan Interest Rebate paid during the year	–	–
Loan Interest Rebate Rate	0%	0%
Proposed Distributions:		
Dividend proposed but not recognised	20,115	–
Dividend Rate	0.1%	0%
Loan Interest Rebate proposed but not recognised	33,987	–
Loan Interest Rebate Rate	7.5%	0%

8. Employees**Number of employees**

The average monthly numbers of employees during the year were:

	2024	2023
	Number	Number
Tellers	5	6
Administration	3	3
	8	9
Employment costs	€	€
Wages and salaries	190,500	202,382
Social security costs	16,894	19,417
	207,394	221,799

Key management personnel

Number of employees

Administration	2	3
Employment costs	€	€
Wages and salaries	123,412	142,104
Total key management personnel compensation	123,412	142,104

Short-term employee benefits include wages, salaries, social security contributions and paid annual leave.

9. Tangible fixed assets

	Land & buildings freehold	Computer equipment	Office equipment	Total
	€	€	€	€
Cost/reevaluation				
At 1 October 2023	280,000	38,867	49,509	368,376
Additions	–	19,113	–	19,113
At 30 September 2024	280,000	57,980	49,509	387,489
Depreciation				
At 1 October 2023	46,552	36,122	47,715	130,389
Charge for the year	4,669	6,568	224	11,461
At 30 September 2024	51,221	42,690	47,939	141,850
Net book values				
At 30 September 2024	228,779	15,290	1,570	245,639
At 30 September 2023	233,448	2,745	1,794	237,987

10. Cash and cash equivalents

	2024	2023
	€	€
Cash balances & current account balances	341,916	355,931

11. Deposits and investments

	2024	2023
	€	€
The Credit Union has the following investments:		
Cash & short term deposits	5,853,489	6,782,470
Fixed term deposits	11,052,058	10,036,410
Central Bank deposits	103,234	103,234
	17,008,781	16,922,114

12. Loans to members – financial assets

	2024	2023
	€	€
Loan to members		
At 1 October	7,482,980	7,200,442
Advanced during the year	2,809,341	3,098,646
Repaid during the year	(2,961,781)	(2,816,108)
Loans written off	(22,116)	–
Gross loans to members	7,308,424	7,482,980
Impairment allowances		
Individual loans	(34,269)	(40,372)
Group loans	(392,662)	(391,597)
Loan provision	(426,931)	(431,969)
Net Loans to Members at 30th September	6,881,493	7,051,011
Loan provision account for impairment losses		
At 1 October	431,969	426,916
Increase/(decrease) in loan provisions during the year	(5,038)	5,053
At 30 September	426,931	431,969
Net recoveries or losses recognised for the year		
Bad debts recovered	32,702	39,017
(Increase)/reduction in loan provisions during the year	5,038	(5,053)
	37,740	33,964
Loans written off	(22,116)	–
Net recoveries on loans to members recognised for the year	15,624	33,964

13. Prepayments and accrued income	2024	2023		
	€	€		
Prepayments	18,344	25,291		
Accrued loan interest income	13,294	14,645		
	31,638	39,936		
14. Other assets				
Stillglade software	1	1		
15. Members' Shares – financial liabilities	2024	2023		
	€	€		
At 1 October	20,021,162	19,725,224		
Received during the year	13,641,126	10,679,612		
Repaid during the year	(13,941,330)	(10,383,674)		
At 30 September	19,720,958	20,021,162		
Members' shares are repayable on demand except for shares attached to loans. The breakdown of the shares between attached and unattached is as follows:				
Unattached shares	17,559,997	17,687,224		
Attached shares	2,160,961	2,333,938		
Total members' shares	19,720,958	20,021,162		
16. Other payables				
PAYE/PRSI	2,858	4,722		
Pension and short term payroll accruals	7,795	5,348		
Creditors and other accruals	105,653	81,759		
	116,306	91,829		
17. Insurance against fraud				
The Credit Union has Insurance against fraud in the amount of €1,900,000 in compliance with Section 47 of the Credit Union Act 1997 (as amended).				
18. Contingent liabilities				
No contingent liabilities existed at 30 September 2024.				
19. Related party transactions	No of loans	2024	No of loans	2023
		€		€
Loans advanced to related parties during the year	5	70,000	3	22,000
Total loans outstanding to related parties at year end	17	185,428	19	215,334
Total provisions for loans outstanding to related parties		NIL		NIL
Total provision charge during the year for loans outstanding to related parties		NIL		NIL
The related party loans stated above comprise of loans to members of the Board of Directors, the management team and members of the family of a member of the Board of Directors and the management team of Ballinamore Credit Union Limited.				
Total loans outstanding to related parties represent 2.5% of the total loans outstanding at 30 September 2024 (2023: 2.9%)				

20. Additional financial instruments disclosures**(a) Financial risk management**

The Credit Union is a provider of personal and business loans and also provides savings products to its members. The Credit Union invests excess funds with a view to ensuring that the return from members' loans and investments is adequate to meet the overheads of the Credit Union and provide a reasonable return to members on shares and deposits. The Credit Union has a risk register in place to help the directors manage the various risks arising from its activities to include the issuing of loans to members and investing the excess funds of the Credit Union.

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

Credit risk: Credit risk is the risk that a borrower will default on their contractual obligations relating to repayments to Ballinamore Credit Union Limited, resulting in financial loss to the Credit Union. In order to manage this risk the Board approves the Credit Union's credit policy, and all changes to it. All loan applications are assessed with reference to the credit policy in force at the time. Subsequently loans are regularly reviewed for any factors that may indicate that the likelihood of repayment has changed.

The Credit Union's investments are also exposed to credit risk and the Credit Union mitigates the risk by only placing investments with financial institutions where the counterparties have strong credit ratings and using investment products authorised by the Central Bank.

Liquidity risk: The Credit Union's policy is to maintain sufficient funds in liquid form at all times to ensure that it can meet its liabilities as they fall due. The Credit Union adheres on an ongoing basis to the minimum liquidity ratio and minimum short term liquidity ratio as set out in the Credit Union Act 1997 (Regulatory Requirements) Regulations 2016.

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

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

(b) Liquidity risk disclosures: All Ballinamore Credit Union Limited's financial liabilities are repayable on demand with the exception of certain term Deposit Accounts and pledged Shares. The Credit Union retains, at all times, liquid assets amounting to a minimum of 20% of unattached savings.

(c) Interest rate risk disclosures: The following table shows the average interest rates applicable to relevant financial assets and financial liabilities.

	2024	Average Interest Rate	2023	Average Interest Rate
	€		€	
Financial assets	%		%	
Loans	6,881,493	6.08	7,051,011	5.99
Financial liabilities				
Members shares	19,720,958	–	20,021,162	–

(d) Capital

The Credit Union maintains sufficient reserves to buffer the Credit Union against any losses on its members' loans and also its investments. The current regulatory reserves are in excess of the minimum requirement set down by the Central Bank, and stand at 10.98% of the total assets of the Credit Union at the Balance Sheet date.

21. Rates of Interest Charged on Members' Loans

Interest on Members Loans is charged in accordance with the Credit Unions registered rules and the Credit Union Act 1997, as amended.

22. Post balance sheet events

Ballinamore Credit Union and Ballyconnell Credit Union are in advanced stages of effecting a Transfer of Engagement of Ballinamore Credit Union into Ballyconnell Credit Union to create a stronger and more efficient Credit Union to serve the combined membership across the wider catchment area.

23. Credit risk disclosure

Ballinamore Credit Union Limited does not offer mortgages and as a result all loans to members are unsecured, except that there are restrictions on the extent to which borrowers may withdraw their savings whilst loans are outstanding. Appropriate credit limits for individual exposures have been established by the Board by following The Central Bank Of Ireland's Credit Union Handbook on Lending.

The carrying amount of the loans to members represents the Credit Union's maximum exposure to credit risk. The following table 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.

	2024		2023	
	€	%	€	%
Loans Not Impaired				
Not past due	7,223,655	98.8	6,937,147	92.7
Total loans not impaired	7,223,655	98.8	6,937,147	92.7
Impaired Loans				
Not past due	8,812	0.1	6,229	0.1
Up to 9 weeks past due	46,353	0.6	500,395	6.7
Between 10 and 18 weeks past due	16,354	0.2	7,198	0.1
Between 19 and 26 weeks past due	4,029	0.1	9,784	0.1
Between 27 and 39 weeks past due	1,302	0.1	5,883	0.1
Between 40 and 52 weeks past due	–	0.0	3,437	0.0
53 or more weeks past due	7,919	0.1	12,907	0.2
Total impaired loans	84,769	1.2	545,833	7.3
Total Loans	7,308,424	100.00	7,482,980	100.00

24. Analysis of gross loans outstanding

By Time Period	2024		2023	
	No. of Loans	Amount €	No. of Loans	Amount €
Less than 1 year	96	191,886	106	217,084
> 1 year and < 3 years	268	1,570,110	312	1,880,810
> 3 year and < 5 years	212	2,903,733	212	2,882,652
> 5 year and < 10 years	89	2,642,695	84	2,502,434
Total Loans	665	7,308,424	714	7,482,980

25. APB Ethical Standard – Provisions Available for Small Entities

In common with many other organisations of our size and nature we use our auditors to assist with the preparation of the Credit Union's financial statements.

26. Approval of financial statements

The financial statements were approved by the Board of directors on 4 December 2024.

SUPPLEMENTARY SCHEDULES

The following pages do not form part of the financial statements

Schedule 1**Other Management Expenses**

	2024 €	2023 €
Staff training & uniforms	2,600	2,435
Rates	1,750	3,063
General insurance	13,552	13,054
Cleaning	1,380	1,149
Light and heat	5,906	9,020
Repairs and maintenance	1,412	1,323
Registrar fees	8,541	7,798
Deposit guarantee scheme levy	29,756	21,749
Credit Institution Resolution Levy	3,609	5,930
ILCU Affiliation Fees	7,614	7,286
ILCU Savings Protection Scheme	1,840	1,606
Printing, postage and stationery	3,252	3,478
Advertising	3,099	3,177
Computer running costs	68,964	19,228
Telephone	2,892	2,161
Share and loan insurance	65,158	62,524
Promotions and scholarships	7,569	8,666
Travelling and subsistence	–	493
AGM expenses	6,604	5,032
Legal and professional	3,861	2,849
Transfer of engagement costs	32,372	–
Risk and compliance	12,905	9,624
Internal audit	5,000	10,000
Audit fees	10,200	9,158
Bank charges	3,240	3,208
CUSOP	16,124	12,493
ICB/CCR costs	1,017	1,309
General expenses	1,320	1,050
Total	321,537	228,863



UNAUDITED MONTHLY MANAGEMENT ACCOUNTS OCTOBER 2024

BALLYCONNELL CREDIT UNION LTD

INCOME AND EXPENDITURE ACCOUNT

for the month ended 31 October 2024

	2024 €
INCOME	
Interest on Members Loans	85,985
Interest Payable and Similar Charges	–
Other Interest receivable and Similar Income	45,507
NET INTEREST INCOME	
Other Income	2,804
TOTAL INCOME	134,296
EXPENDITURE	
Salaries & Pension Costs	41,752
Other Management Expenses	41,337
Depreciation and Impairment	–
Provision for Bad and Doubtful Debts	–
Bad Debts Recovered	(8,448)
TOTAL EXPENDITURE	74,641
EXCESS OF INCOME OVER EXPENDITURE FOR THE PERIOD	59,655

BALANCE SHEET

As at 31 October 2024

	2024 €
ASSETS	
Cash and Balances at Bank	2,792,250
Deposits & Investments	35,886,704
Loans to Members	13,207,895
Less: Provision for Bad & Doubtful Debts	(1,380,307)
Tangible Fixed Assets	1,165,185
Debtors, Prepayments & Accrued Income	207,216
TOTAL ASSETS	51,878,943
LIABILITIES	
Members Shares	38,703,400
Member Current Accounts	2,655,794
Members' Deposits	–
Other Liabilities, Creditors, Accruals and Charges	42,560
TOTAL LIABILITIES	41,401,754
NET WORTH	10,477,189
RESERVES	
Regulatory Reserve	6,100,000
Operational Risk Reserve	417,555
Other Reserves	
Realised	3,899,979
Undistributed Surplus/(Deficit)	59,655
TOTAL RESERVES	10,477,189



REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 SEPTEMBER 2024

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Directors report

The Directors present their report and results with the audited financial statements for the year ended 30 September 2024.

PRINCIPAL ACTIVITY

The principal activity of Ballyconnell Credit Union Limited is the provision of savings and loans to members in its common bond. The Credit Union manages its members' shares, capital and loans to members so that it earns income from the margin between interest receivable and interest payable.

Directors of the Credit Union and Board Oversight Committee

The officers, who held office at any time during the financial year and signed the financial statements, were as follows:

Don Nicoll – Chairman

Barry O'Flynn – Chief executive

Louise Murphy – Board Oversight Committee

Results and dividends: The results of the year's trading, the financial position of the Credit Union and the transfer to reserves are shown in the annexed financial statements. The Credit Union's surplus for the year, after movements in loan impairments and gains on investment, amounted to €532,608 (2023 – €617,754).

BUSINESS REVIEW

The Board are proposing distributions to members of 0.10% dividend and 7.5% rebate of interest paid in the year on all personal loans.

We are pleased to report that the performance of the Credit Union in 2024 has been very favourable. The surplus delivered in 2024 continues to build on our regulatory capital with our regulatory capital now standing at 11.8%. The Board continue to deliver value for our members in the competitive area of lending with our various rates on offer.

We continue to monitor our expenditures and invest in our staff and IT infrastructures, with moderate increases in expenditures during the year, as our business increases. Assets of the Credit Union now stand at €51,724,685, and our loan book is now €13,256,163 before provisions for impairments.

PRINCIPAL RISKS AND UNCERTAINTIES

The Credit Union operates within a conservative, Board approved risk appetite. Protecting members' interests is paramount, and the Credit Union contributes to various regulatory levies and compensation schemes. The principal business risks to which the Credit Union is exposed are considered the main financial risks arising from the Credit Union's activities. The Board reviews and agrees policies for managing each of these risks, which are summarised below.

Credit risk: Credit risk is the risk that a borrower will default on their contractual obligations relating to repayments to the Credit Union resulting in financial loss. Credit risk also arises in the form of investment management where an issuer may default on their contractual obligations. In order to manage this risk the Board approves the Credit Unions lending and investment policies and all changes to it. All loan applications are assessed with reference to the lending policy in force at the time. Subsequently loans are regularly reviewed for any factors that may indicate impairment on loans advanced. The Board approves the Credit Union's Credit Control policy which monitors the procedures for the collection of loans in arrears and also the provisioning policy which provides the basis for impairments on loans.

Liquidity Risk: The Credit Union's policy is to maintain sufficient funds in liquid form at all times to ensure that it can meet its liabilities as they fall due. The objective of the liquidity policy is to smooth the mismatches between maturing assets and liabilities and to provide a degree of protection against any unexpected developments that may arise. Members' shares and deposits, which are available on demand and those not on demand are identified as liabilities.

Market Risk: The Credit Union conducts all its transactions in euro; accordingly the Credit Union is not exposed to any currency risk or other such direct market risk. The Credit Union considers its potential

exposure to overall market risk in the banking sector and seeks to minimise such risk through its investment policy.

Interest Rate Risk: The Credit Union's main interest rate risk arises from differences between the interest rate exposures on loans and investments receivable, as offset by its cost of capital, which is typically that of distributions to members' payable in the form of dividends, and interest rebates. The Credit Union considers rates of interest receivable when deciding on the appropriation of income and its returns to members. The Board monitors such policy in line with the Credit Union Act 1997, as amended and guidance notes issued by the Central Bank of Ireland.

Deposit Protection Scheme: This is the risk of higher financial levies being imposed on the Credit Union for further claims relating to the failure of other financial organisations. Costs associated with the DGS continue to represent an ongoing cost to the Credit Union. Membership of the scheme remains compulsory for all financial institutions.

Operational Risk: This is the risk of direct or indirect loss resulting from inadequate or failed internal processes, people and systems or from external events. The operational risks faced by the Credit Union are assessed on a regular basis and an appropriate system of control exists to mitigate these risks. The Board, through its committee structures, is responsible for assessing the effectiveness of the system of inspection and control. The controls are reviewed by the Credit Unions internal auditors on an ongoing basis.

Regulatory Risk: This is the risk that changing laws, and the volume and complexity of regulatory requirements may impact upon the Credit Union's ability to compete and grow. This risk is regularly reviewed by the Board.

Conduct Risk: This is the risk that actual or potential member detriment arises, or may arise, from the way the Credit Union conducts its business. The Board has primary responsibility for ensuring that the manner in which the Credit Union conducts dealings with its members is fair and in their interests. This culture is embedded throughout the business and the Credit Union considers all matters that impact upon the fair treatment of its members, including product design and terms and conditions, complaints, fees and charges and ensuring that staff are trained and suitably qualified.

Going concern: The Directors are required to consider whether the Credit Union will continue as a going concern for a period of 12 months from date of approval of these financial statements. In making the assessment the Directors have reviewed the Credit Unions strategic plan and considered risks that could impact on the Credit Unions reserve position, financial position, and liquidity over that period. The Directors have also prepared forecasts which considered the effect of operating under stressed but plausible events that would impact on the Credit Union's business, financial position, capital, and liquidity.

A range of sensitivities has been considered or applied to these forecasts, including scenarios relating to, the outlook for interest rates, growth in members savings and loan demand. Furthermore, the Credit Union is required to regularly review its capital and liquidity positions in relation to its uncommitted or on demand savings and consider at least quarterly the various stress testing scenarios applicable against borrowers' propensity to default, interest rates and circumstances that may give rise to funding outflows.

After considering all of this information, the Directors' knowledge and experience of the Credit Union, and the markets in which it operates, the Directors are satisfied that the Credit Union has adequate resources to continue in business for the foreseeable future and for a period of at least 12 months from the date of signing the financial statements.

Disclosure of information to the auditors

We, the directors of the Credit Union who held office at the date of approval of these financial statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the Credit Union's auditors are unaware; and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the Credit Union's auditors are aware of that information.

Reappointment of auditors

The independent auditors, Duffy Burke & Co are willing to accept re-appointment in accordance with Section 115 of the Credit Union Act 1997, as amended.

Directors' Responsibility Statement

The directors acknowledge their responsibilities for preparing the Directors' Report and financial statements in accordance with applicable law and regulations.

The Credit Union Act 1997, as amended requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with Irish Generally Accepted Accounting Practice (accounting standards issued by the Financial Reporting Council and Irish Law), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

The Credit Union's annual accounts are required by law to give a true and fair view of the state of the affairs of the Credit Union as at the end of the financial year and of the income and expenditure of the Credit Union for the financial year.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting 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 the reasons 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 surplus or deficit of the Credit Union to be determined with reasonable accuracy, enable them to ensure that the financial statements and directors' report comply with the Credit Union Act 1997, as amended.
- takes reasonable care to establish, maintain, document and review such systems and controls as are appropriate to its business, in accordance with the legislation and guidance from the Central Bank of Ireland under the Credit Unions Acts and Statutory Instruments.

On behalf of the Board on 3rd of December 2024 and signed on its behalf by:

Don Nicoll
Chairperson

Statement of Board Oversight Committee Responsibilities

The Credit Union Act 1997, as amended requires the appointment of a Board Oversight Committee.

The Board Oversight Committee of a Credit Union shall assess whether the board of directors has operated in accordance with:

- Part IV of the Credit Union Act 1997, as amended and any regulations made for the purposes of Part IV, and
- Any other matter prescribed by the Central Bank in respect of which they are to have regard to in relation to the board of directors.

Louise Murphy

Chairperson
Board Oversight Committee

Credit Committee Report

We are very pleased to report an increase in our Lending by 10.6% in the year ended September 30th 2024 by approving 709 loans of over €6.2 million to our members. Our loan interest collected exceeded €1 million for the first time in many years and this allows us to further enhance our services to Members and our Community in the year ahead.

As banks move more and more towards individual risk rating for customers loans meaning that the advertised rate may not be the rate a loan is approved at, your Credit Union continues to give each Member the same rate with all the benefits of Loan Insurance at no cost and the ability to repay a loan quicker than the period agreed without penalty. We are very pleased that our Board of Directors have agreed to return a Loan Interest Rebate of 7.5% of interest paid to during the year which furthers reduces the cost of borrowing from your Credit Union.

We wish to thank our excellent staff for their assistance throughout the year and to Susan McCaffrey and Aisling McGoldrick in particular for their professionalism and assistance in reviewing loans with us.

**Mary Maguire,
Jacqueline Curry and
Don Nicoll**

Independent Auditors Report

to the Members of Ballyconnell Credit Union Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Ballyconnell Credit Union Limited (the 'Credit Union') for the year ended 30 September 2024, which comprise the Income & Expenditure Account, Balance Sheet, Statement of reserves and changes in members' interests, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is Irish law and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

In our opinion the financial statements:

- give a true and fair view of the state of the Credit Union's affairs as at the 30th of September 2024 and of its income and expenditure and cash flows for the year then ended;
- have been properly prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance 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 auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Credit Union in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Irish Auditing and Accounting Supervisory Authority (IAASA) Ethical Standard, and

we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 12 months from when the original financial statements were authorised for issue.

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements

or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Credit Union Act 1997, as amended

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

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

In our opinion the accounting records of the Credit Union were sufficient to permit the financial statements to be readily and properly audited, and financial statements are in agreement with the accounting records.

Responsibilities of directors

As explained more fully in the Directors' Responsibility Statement [set out on page 4], the directors are responsible for the preparation of the financial statements with the applicable financial reporting framework that give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole

are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Irish Auditing and Accounting Supervisory Authority's website at: http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf

This description forms part of our auditor's report.

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.

Graham Burke FCPA

on behalf of

Duffy Burke & Co, Chartered Accountants & Statutory Audit Firm

Level One
Liosban Business Park
Tuam Road
Galway

3rd December 2024

Income & expenditure account

For the year ended 30 September 2024

	Note	30/09/2024 €	30/09/2023 €
Interest on Members' Loans	3	1,002,549	946,162
Investment Interest received	4	591,377	474,525
Net Interest Income		1,593,926	1,420,687
Fees & commissions receivable	5	94,694	102,043
Fees & Commissions Payable	6	(192,400)	(224,779)
Other income	7	2,096	1,697
Total Net Income		1,498,316	1,299,648
Employment Costs	8	(566,495)	(515,870)
Management Expenses	10	(584,109)	(494,730)
Depreciation	13	(46,847)	(51,562)
Surplus (Deficit) before impairments and provisions		300,865	237,486
Net Impairments/recoveries on Loans to Members	12	176,371	363,228
Gains (losses) on investments		55,372	17,040
Surplus (Deficit) for the year		532,608	617,754

The above results were derived from continuing operations.

The Credit Union has no recognised gains or losses for the year other than the results above.

Approved and authorised by the Board on the 3rd of December 2024 and signed on its behalf by:

Don Nicoll
Chairperson

Barry O'Flynn
CEO

Louise Murphy
Board Oversight Committee

The notes on pages 14 to 34 form an integral part of these financial statements.

Balance sheet as at 30 September 2024

	Note	30/09/2024 €	30/09/2025 €
CURRENT ASSETS			
Cash and Cash Equivalents	24	6,078,766	6,298,506
Deposits with Banks	24	18,590,000	18,545,002
Debt Securities	24	13,401,042	13,903,054
Central Bank Reserve	24	397,099	397,099
Members Loans	11	11,875,856	10,517,666
Property, plant and equipment	13	1,165,185	1,194,012
Other receivables	14	216,737	198,203
Total Assets		51,724,685	51,053,542
LIABILITIES			
Member Shares	15	38,555,641	38,328,129
Member Current Accounts	16	2,657,282	2,704,079
Other current financial liabilities	17	85,253	77,653
Provision for Liabilities	18	8,975	58,755
Total Liabilities		41,307,151	41,168,616
Net assets		10,417,534	9,884,926
RESERVES ATTRIBUTED TO MEMBERS			
Regulatory reserve		6,100,000	6,000,000
Other reserves		4,317,534	3,884,926
Members' funds		10,417,534	9,884,926

Approved and authorised by the Board on the 3rd of December 2024 and signed on its behalf by:

Don Nicoll
Chairperson

Barry O'Flynn
CEO

Louise Murphy
Board Oversight Committee

Statement of Reserves and changes

in members' interests for the Financial Year Ended 30 September 2024

	Regulatory Reserve €	Operational Risk Reserve €	Distributions Reserves €	Community Reserve €	Retained Earnings €	Total €
At 1 October 2023	6,000,000	322,385	3,462,541	75,000	25,000	9,884,926
Surplus for the year	–	–	–	–	532,608	532,608
Transfers	100,000	95,170	337,437	–	(532,607)	–
At 30 September 2024	6,100,000	417,555	3,799,978	75,000	25,001	10,417,534
At 1 October 2022	5,900,000	322,384	3,000,001	–	44,787	9,267,172
Surplus for the year	–	–	–	–	617,754	617,754
Transfers	100,000	–	462,540	75,000	(637,540)	–
At 30 September 2023	6,000,000	322,384	3,462,541	75,000	25,001	9,884,926

Statutory percentages & regulatory capital

The Credit Union Act and regulations require the Credit Union to maintain statutory capital and ratios in relation to its assets and liabilities.

I. The Credit Union policy is to maintain sufficient capital resources in order to support its growth, continue its lending and exceed the minimum capital requirements set by the Central Bank of Ireland. The Credit Union's related policies on strategy, risk and financial management set out the governance processes which are followed in order to ensure these requirements are met. There have been no reported breaches of capital requirements during the year, and there have been no material changes to the way in which the Credit Union manages its capital compared to the prior year.

II. Reserves contributing to regulatory capital must be realised unrestricted and non-distributable. The Board must maintain regulatory capital at or above 10% of assets. Regulatory capital excludes amounts set aside for impairments. At the year end the reserve equates to 11.8% of assets.

III. The Board determines from ongoing risk assessments the amount held as an operational risk reserve, based on the likely cost of risk events. This must be expressed as a percentage of assets, which at the year end is 0.80%

IV. Where the credit union has lending concentrations to connected parties greater than 10% of its regulatory capital, the credit union must hold the amount of the exposure that is in excess of the limit in a realised reserve separate from the regulatory reserve.

Statement of Cash Flows

For the year ended 30 September 2024

	Note	2024 €	2023 €
Cash flows from operating activities			
Surplus for the year		532,608	617,754
Adjustments to cash flows from non-cash items			
Depreciation and amortisation		46,847	51,562
Movement in Loan Loss Provision		(90,965)	(225,733)
		488,490	443,583
Changes in operating assets & liabilities			
Increase in other receivables	14	(18,534)	(43,716)
(Decrease)/increase in trade creditors & other liabilities	17	(88,977)	695,246
Net Movements in Member Loans		(1,267,225)	(515,744)
Net Movements in Member Shares		227,512	2,565,368
Net cash flow from operating activities		(658,734)	3,144,737
Cash flows from investing activities			
Acquisitions of tangible assets		(18,020)	(7,928)
Net Movements in Investments		457,014	(2,169,584)
Net cash flows from investing activities		438,994	(2,177,512)
Net (decrease)/increase in cash and cash equivalents		(219,740)	967,225
Cash and cash equivalents at 1 October		6,298,506	5,331,281
Cash and cash equivalents at 30 September		6,078,766	6,298,506
Analysis of the balances of cash & cash equivalents			
Cash at bank		4,750,332	3,577,716
Short-term deposits		1,328,434	2,720,790
		6,078,766	6,298,506
Cash flows from operating activities			
Loans repaid		4,952,409	4,816,372
Loans Issued		(6,219,634)	(5,332,116)
Interest on Members' Loans		1,002,549	946,162
Investment Interest received		646,749	491,565
Other income		96,790	103,740
Bad Debts Recovered		126,834	149,579
Bad Debts Written Off		(41,428)	(12,084)
Other receivables		(18,534)	(43,716)
Trade and other payables		(88,977)	695,246

Statement of Cash Flows for the year ended 30 September 2024 – continued

Note	2024 €	2023 €
Management Expenses	(1,343,004)	(1,235,379)
	(886,246)	579,369
Changes in operating assets & liabilities		
Shares Lodged	24,863,967	28,159,929
Shares Withdrawn	(24,636,455)	(25,594,561)
Cash generated from operations	(658,734)	3,144,737
Net cash flow from operating activities	–	–
Cash flows from investing activities		
Acquisitions of tangible assets	(18,020)	(7,930)
Net Movements in Investments	457,014	(2,169,582)
Net cash flows from investing activities	438,994	(2,177,512)
Net (decrease)/increase in cash and cash equivalents	(219,740)	967,225
Cash and cash equivalents at 1 October	6,298,506	5,331,281
Cash and cash equivalents at 30 September	6,078,766	6,298,506

1 General information

The Credit Union is registered under the Credit Union Act 1997, as amended, and regulated by the Central Bank of Ireland.

The address of its registered office is: Cullyleenan, Ballyconnell, Co. Cavan

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the financial years presented, unless otherwise stated.

Statement of compliance

The financial statements of the Credit Union are prepared in accordance with the Credit Union Act 1997, as amended incorporating the Credit Union Act 1997 (Regulatory Requirements), Ireland and UK applicable accounting standards including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ("FRS 102").

Basis of preparation

The annual accounts have been prepared under the historical cost convention, as modified by the

inclusion of certain investments held at fair value where disclosed. In preparing the annual accounts under FRS 102, the use of certain critical account estimates and judgments has been required. The areas involving a higher degree of judgement or areas where assumptions and estimates are significant to the annual accounts, are set out in the related policies. The presentation currency of the annual accounts is euro.

Going concern

The current economic conditions present risks and uncertainties for all businesses. The Directors have carefully considered the risks and uncertainties and the extent to which they might affect the preparation of the financial statements on a going concern basis. The Directors consider that:

- the Credit Union maintains an appropriate level of liquidity sufficient to meet the normal demands of the business and the requirements which might arise in stressed circumstances
- the availability and quality of liquid assets is such that it ensures funds are available to repay exceptional demand from its members
- other assets are primarily in the form of personal loans both secured and unsecured. Regular assessment of the recoverability of all loans is undertaken and provision made where appropriate, and

- reasonable surpluses have and will be generated in order to keep capital at a suitable level to meet regulatory requirements

As discussed in the director's report, the Directors are satisfied that the Credit Union has adequate resources to continue in business for the foreseeable future. For this reason, the accounts are prepared on a going concern basis.

Interest income and expense

Interest income and interest expense for all interest-bearing financial instruments are recognised in 'interest receivable and similar income' or 'interest payable and similar charges' using the effective interest rates of the financial assets or financial liabilities to which they relate. The effective interest rate is the rate that discounts the expected future cash flows, over the expected life of the financial instrument, to the net carrying amount of the financial asset or liability.

There are no fees receivable or payable in relation to members' loan advances or settlements. Interest on impaired financial assets is recognised at the original effective interest rate of the financial asset applied to the carrying amount as reduced by an allowance for impairment.

Commissions

Commission receivable from the sale of third-party products is recognised on fulfilment of contractual obligations, that is when products are completed.

Cash and cash equivalents

For the purpose of the cash flow statement, cash comprises cash in hand and amounts with banks repayable on demand. Cash equivalents comprise highly liquid, unrestricted investments that are readily convertible into cash with an insignificant risk of changes in value with original maturities of less than three months. The cash flow statements has been prepared using the direct method. Funds with the Central Bank are accounted for as deposit and shown disclosed as assets, however, the Credit Union does not have access to the funds in line with minimum reserve requirements of the bank

Financial assets

The Credit Union initially recognises loans, deposits and debt securities on the date on which they originated. All other financial instruments are recognised on the trade date, being the date on which the Credit Union becomes a party to the contractual provision of the instrument.

A) Loan commitments

The Credit Union's loans and advances to members

are classified as loan commitments. Loans and advances are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

The Credit Union measures its loans and advances at amortised cost less impairment provisions. The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition, minus principal repayments, plus the cumulative amortisation using the effective interest rate method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment. The initial value recognised is the amount of the contractual loan issued to the borrower.

B) Debt instruments

Debt instruments are non-derivative assets with fixed or determinable payments and fixed maturity that the Credit Union has the positive intent and ability to hold to maturity, and which unless otherwise stated, are not designated as at fair value through the income statement. Debt investments are carried at amortised cost using the effective interest rate method (see above), less any impairment losses. The Credit Union derecognises a financial asset when its contractual rights to a cash flow are discharged or cancelled or expire or substantially all the risk and rewards of ownership have been transferred.

Financial liabilities measured at amortised cost

The Credit Union classifies its financial liabilities, other than financial guarantees and loan commitments, as measured at amortised cost. The Credit Union derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Impairment of financial assets**a) Assets carried at amortised cost**

A financial asset or group of financial assets are impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset(s) and that the loss event has an impact on the future cash flows of the asset(s) that can be estimated reliably. Throughout the year and at each year end individual assessments are made of all loans and advances and also against properties which are in possession or in arrears by three months or more and/or are subject to forbearance activities. Individual impairment provisions are made against those loans and advances where there is objective evidence of impairment.

Objective evidence of impairment may include:

- Significant financial difficulty of the borrower/ issuer;
- Deterioration in payment status;
- Renegotiation of the terms of an asset due to financial difficulty of the borrower or issuer, including granting a concession/forbearance to the borrower or issuer;
- Becoming probable that the borrower or issuer will enter bankruptcy or other financial reorganisation; and
- Any other information discovered during regular review suggesting that a loss is likely in the short to medium term

The Credit Union considers evidence of impairment for assets carried at amortised cost at both an individual asset and a collective level. Those found not to be individually impaired are then collectively assessed for any impairment that has been incurred but not yet identified by grouping together loans and advances and held to maturity investments with similar risk characteristics. In assessing collective impairment, the Credit Union uses its historical loss experience and certain observable local data to build a risk weighted modelling of historical trends of the probability of default, the timing of recoveries and the amount of loss incurred. Default rates, loss rates and the expected timing of future recoveries are regularly benchmarked against actual outcomes to ensure that they remain appropriate.

Impairment losses on assets measured at amortised cost are calculated as the difference between the carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate.

In considering expected future cash flows, account is taken of any discount which may be needed against the value of any property or guarantee at the balance sheet date thought necessary to achieve a sale. The Credit Union participates in an industry wide insurance scheme for the recovery of certain loans on the death or disability of its members. The costs of the insurance is funded by the Credit Union as an operational expense.

Where certain emerging impairment characteristics are considered significant but not assessed as part of the impairment calculation, the Board may elect to apply an override to the impairment provision. The amount of impairment loss is recognised immediately through the income statement and a corresponding reduction in the value of the financial asset is recognised through the use of provisions.

b) Forbearance strategies and renegotiated loans

A range of forbearance options are available to support members who are experiencing financial difficulty. The purpose of forbearance is to support members who have temporary financial difficulties and help them enter into payment arrangements which are mutually beneficial to the member and the Credit Union.

The main options offered by the Credit Union include:

- Reduced monthly payment;
- An arrangement to clear outstanding arrears; and
- Extension of loan term.

Members requesting a forbearance option will need to provide information to support the request which is likely to include a budget planner, statement of assets and liabilities, bank/credit card statements, payslips etc. in order that the request can be properly assessed. If the forbearance request is granted, the account is monitored in accordance with Central Bank Requirements. The Credit Union is obligated to retain specific provisions against rescheduled loans until the maturity of the balance. At the appropriate time, the forbearance option that has been implemented is cancelled and the member's normal contractual payment is restored, however provisions are retained on the account.

Key sources of estimation uncertainty

The Credit Union makes estimates and judgements that affect the reported amounts of assets and liabilities. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. These are described below:

a) Impairment losses on loans and advances to members

The Credit Union reviews its loan book at least on a quarterly basis to assess impairment. In determining whether an impairment loss should be recorded, the Credit Union is required to exercise a degree of judgement. Impairment provisions are calculated using historical arrears experience, modelled credit risk characteristics and expected cash flows.

b) Determination of depreciation, useful economic life and residual value of tangible fixed assets.

The annual depreciation charge depends primarily on

the estimated useful economic life of each type of asset and also, estimates of residual values. The Directors review the useful lives and residual values on an annual basis 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.

c) Interest on members loans is accrued regularly, loans are considered impaired when past due, the Credit Union uses judgment to determine the impairment amount on loan interest.

Tax

The Credit Union is exempt from income tax on its activities as a Credit Union.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Land & Buildings	50 Years Straight Line
Furniture & Fittings	4 Years Straight Line
Computer Equipment	4 Years Straight Line

Trade receivables

Other Receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of other receivables is established when there is objective evidence that the Credit Union will not be able to collect all amounts due according to the original terms of the receivables.

Trade payables

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Credit Union does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least 12 months after the reporting date. If there is an unconditional right to defer settlement for at least 12 months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Provisions and contingent liabilities

The Credit Union has an obligation to contribute to the Deposit Guarantee Scheme to enable the Central Bank to meet compensation claims from, in particular, retail depositors of failed financial institutions. A provision is recognised to the extent it can be reliably estimated and when the Credit Union has an obligation at the relevant reporting date. The amount provided is based on information received from the Central Bank of Ireland and the Credit Union's covered share balances at its year end.

Dividends and other returns to members

The Credit Union determines its distributions to members annually based on its policy statement which reflects that distributions are made from current year's surplus or reserves set aside for that purpose. The Board in determining the level of distribution considers its ongoing capital requirements, budgetary needs, financial risks, and members expectations prevailing economic conditions. It is the policy of the board to then propose a return to members. The Credit Union accounts for dividends and rebates of loan interest when members ratify such payments at the Annual General Meeting. No liability to pay a distribution exists until the majority of members vote at the AGM.

Retirement benefits

The Credit Union contributes to a defined contribution scheme (PRSA's) on behalf of some its staff. The assets of the scheme are held separately from those of the credit union. Contributions in the year are charged to the income and expenditure account. There were no contributions outstanding at the year end.

3. Interest on members' loans	2024	2023
	€	€
Loan interest received in year	1,002,549	946,162

4. Investment income receivable	2024	2023
	€	€
Received in year	523,405	410,921
Amortisation of Investment Premiums/Discounts	67,972	63,604
	591,377	474,525

Interest receivable and accrued in the annual accounts is due as follows at the year end. When listed, other accrued income refers to amounts earned but unrealised at the balance sheet date, not being distributable by the Credit Union and is placed to the investment reserves and released to distributable reserves when it becomes realised.

5. Fees & commissions receivable	2024	2023
	€	€
Current Account Fees	56,344	53,151
Entrance Fees	312	606
Other Fees	38,038	48,286
	94,694	102,043

6. Fees & commissions payable	2024	2023
	€	€
Banking fees & charges	27,105	17,629
Regulatory fees & levies	47,861	74,867
ILCU & similar association costs	18,315	16,699
Current account costs	99,119	115,584
	192,400	224,779

7. Other operating income	2024	2023
	€	€
Postal Statement Fee	1,918	1,913
Cash over/short	178	(216)
	2,096	1,697

8. Employee information	2024	2023
	No	No
The average number of persons employed by the Credit Union during the year was as follows:		
Full Time	11	9
Part Time	6	6
	17	15
The aggregate payroll costs were as follows:		
	2024	2023
	€	€
Wages and salaries	386,814	365,994
Social security costs	129,129	117,942
Pension and other post-employment benefit costs	47,794	31,934
Other employee expenses	2,758	–
	566,495	515,870

9. Transactions with officers

Key management personnel: Key management includes the Officers (directors and those staff members) with responsibility for specific aspects of the Credit Unions business on an individual or committee basis. Under Sec 68 (1) of the Credit Union Acts, Directors are prohibited from earning any compensation directly or indirectly in the performance of their function as a director or member of a principal committee. The section also prohibits payments to members of the Board Oversight Committee. The compensation paid or payable to key management for employee services is shown below.

Key management compensation	2024	2023
	€	€
Salaries and other short term employee benefits	265,524	236,955

The Credit Union is prohibited from making a loan to a related party which would provide that party with more favourable terms than a loan by the credit union to non-related parties (including, without limitation, terms as to credit assessment, duration, interest rates, amortisation schedules, collateral requirements.) Officers of the Credit Union under arm's length transactions and in the normal course of business in their capacity as members of the Credit Union, had the following transactions and balances at the year end

	2024	2023
	€	€
Savings Balance	151,812	72,291
Loan Balance	208,174	121,258
Loans Advanced	154,187	25,300
Loans to family members	95,014	72,658

10. Management expenses

Board oversight committee expenses	400	125
Rent and rates	7,173	7,173
Light, heat and cleaning	22,223	27,268
Repairs and renewals	21,110	1,897
Printing and stationary	13,002	11,159
Postage and telephone	6,768	7,869
Donations and sponsorship	3,485	6,313
Promotions and advertising	19,337	27,345
Training costs	19,051	17,887
Convention costs	197	–
AGM expenses	6,932	6,528
Travel and subsistence	2,792	3,370
Audit fees	38,157	32,991
General insurance	25,881	21,213
Share and loan insurance	100,268	95,622
Legal and professional costs	63,152	30,505
Computer equipment and licenses	203,638	176,756
Miscellaneous expenses	23,939	19,411
Security	6,604	1,298
Total Management expenses	584,109	494,730

11. Loans to members	2024 €	2023 €
Loans secured by savings	1,756,433	1,718,106
All other loans	11,499,730	10,270,832
Total Member Loans	13,256,163	11,988,938
At 1 October	11,988,938	11,473,194
Loans Issued/advanced in year	6,219,634	5,332,116
Loans repaid in year	(4,910,981)	(4,804,288)
Loans written off	(41,428)	(12,084)
Gross Loans Outstanding	13,256,163	11,988,938
Loan Impairments – see note 12	(1,380,307)	(1,471,272)
Net Loans Outstanding	11,875,856	10,517,666

The remaining contractual maturity of loans to members from the balance sheet date is as follows, though this may not reflect the actual pattern of repayments as loans may be prepaid or fall into arrears.

	2024 €	2023 €
Not more than 1 year	503,936	369,757
More than 1 year, less than 3 years	2,764,462	2,577,512
More than 3 years, less than 5 years	5,276,478	4,804,118
More than 5 years, less than 10 years	4,711,287	4,196,074
More than 10 years	–	41,477
	13,256,163	11,988,938

12. Impairment provisions for loans to members

At start of year		
Collective provision	500,517	568,913
Individual Provision	970,755	1,128,091
	1,471,272	1,697,004
Charges to Provision		
Collective	3,302	(68,396)
Individual	–	(145,252)
	3,302	(213,648)
Release of provisions		
Individual Provision	(94,267)	(12,084)
	94,267	12,084
Total Provisions at year end		
Collective provision	503,819	500,517
Individual provision	876,488	970,755
	1,380,307	1,471,272
Bad Debts Recovered	126,834	149,579
Movement in Loan Loss Provision	90,965	225,733
Bad Debts Written Off	(41,428)	(12,084)
	176,371	363,228

13. Tangible assets	Land & buildings freehold €	Computer equipment €	Office equipment €	Total €
Cost/revaluation				
At 1 October 2023	1,834,712	122,421	227,518	2,184,651
Additions	–	5,960	12,060	18,020
At 30 September 2024	1,834,712	128,381	239,578	2,202,671
Depreciation				
At 1 October 2023	659,788	122,018	208,833	990,639
Charge for the year	36,696	1,492	8,659	46,847
At 30 September 2024	696,484	123,510	217,492	1,037,486
Carrying amount				
At 30 September 2024	1,138,228	4,871	22,086	1,165,185
At 30 September 2023	1,174,924	403	18,685	1,194,012

Freehold land & buildings are occupied by the Credit Union for its own activities. Valuations were received in August 2024 from REA Peter Donohoe. The Board have determined there is no significant variation between valuations and costs included in the financial statements. Intangible fixed assets comprising software and licenses, are included within computers and equipment and form an integral part of IT hardware and equipment.

14. Debtors	2024 €	2023 €
Other Receivables	15,209	14,375
Accrued income	201,528	183,828
	216,737	198,203

15. Members' savings

Members' savings are distinguished between those which are unconditionally repayable on demand and those which are committed or otherwise pledged to the Credit Union by virtue of loans or guarantees. The Credit Union retains rights to exercise liens over savings where a member has an outstanding liability to the Credit Union in accordance with Section 20 of the Credit Union Act 1997, as amended.

	2024 €	2023 €
Those committed	1,756,435	1,718,106
Those on demand	39,456,488	39,314,102
	41,212,923	41,032,208
Member Shares		
Opening balances	38,328,129	35,762,761
Shares Lodged	24,863,967	28,159,929
Shares Withdrawn	(24,636,455)	(25,594,561)
Members Shares	38,555,641	38,328,129

16. Members' Personal Current Account	2024 €	2023 €
Debit balances	(13,464)	(10,623)
Credit balances	2,670,746	2,714,702
Total Current Accounts (MPCAS)	2,657,282	2,704,079
17. Creditors		
Due within one year		
Trade creditors	2,620	3,570
Other payables	50,161	41,720
Accrued expenses	32,472	32,363
	85,253	77,653
18. Provisions for liabilities		
Holiday Pay Accruals	8,975	5,755
DGS Accruals	–	53,000
	8,975	58,755

The Credit Union is obliged to hold minimum deposits with the Central Bank of Ireland in the form of minimum reserves and deposits under the Deposit Guarantee Scheme. In 2019 funds in the account were converted to a charge on the Credit Union, and balances held within the legacy account continue to fund the Credit Union charge until expiry. The Credit Union is liable for the charge at 0.02% of covered savings until 2024

- 19. Dividends**
At the 30th of September the Directors have identified €113,043 in the dividend reserves of the Credit Union which they propose to return to members. The amounts are in respect of dividends and a rebate of loan interest which may be paid by resolution of the majority of members voting, at the Annual General Meeting. The amounts represent a dividend on shares of 0.10 % (38,670) and a rebate of loan interest at 7.5% (74,373). Prior year distributions proposed amounted to dividends of €0, and rebates of €0.
- 20. Insurance against fraud**
The Credit Union has insurance against fraud in the amount of €5,200,000 (2023: €5,200,000) in compliance with Section 47 of the Credit Union Act 1997, as amended.
- 21. Interest charged on members loans**
Interest on Members Loans is charged in accordance with the Credit Unions registered rules and the Credit Union Act 1997, as amended.
- 22. Capital commitments**
The Credit Union had no capital commitments at the year end.
- 23. Post balance sheet events**
There have been no significant events affecting the Credit Union since its year end.
- 24. Financial instruments**
The Credit Union is a retailer of financial instruments in the form of personal loans and savings products, and also uses financial instruments to invest in liquid assets and manage its surplus funds. The Credit Union does not raise funds from wholesale money markets in support of its retail operations. The Credit Union has a formal structure for managing risk, including formal risk policies, risk limits, reporting structures, mandates and other control procedures. This structure is reviewed regularly by the Board. The Credit Union does not use any derivative financial instruments, nor enter into any financial instruments for trading or speculative purposes. The Credit Union's assets and liabilities are measured on an ongoing basis at amortised cost. The table below analyses the Credit Union's assets and liabilities by category to which they are recognised and measured in accordance with accounting policies in note 1.

	Held at amortised cost €	Held at fair value €	Total €
Carrying values by category 2024			
Financial assets			
Cash and Cash Equivalents	6,078,766	–	6,078,766
Deposits with Banks	18,590,000	–	18,590,000
Debt Securities	12,706,902	694,140	13,401,042
Members Loans	11,875,856	–	11,875,856
Central Bank Reserve	397,099	–	397,099
Other receivables	216,737	–	216,737
Total financial assets	49,865,360	694,140	50,559,500
Non-financial assets			
Property, plant and equipment	1,165,185	–	1,165,185
Total Assets	51,030,545	694,140	51,724,685
Financial Liabilities			
Member Current Accounts	2,657,282	–	2,657,282
Other current financial liabilities	94,228	–	94,228
Member Savings	38,555,641	–	38,555,641
Total financial liabilities	41,307,151	–	41,307,151
Reserves	10,417,534	–	10,417,534
	51,724,685	–	51,724,685
Carrying values by category 2023			
Financial assets			
Cash and Cash Equivalents	6,298,506	–	6,298,506
Deposits with Banks	18,545,002	–	18,545,002
Debt Securities	13,264,286	638,768	13,903,054
Members Loans	10,517,666	–	10,517,666
Central Bank Reserve	397,099	–	397,099
Total financial assets	49,022,559	638,768	49,661,327
Non-financial assets			
Non financial assets	1,392,215	–	1,392,215
Total financial assets	50,414,774	638,768	51,053,542
Financial assets			
Cash and Cash Equivalents	6,298,506	–	6,298,506
Financial Liabilities			
Member Savings	38,328,129	–	38,328,129
Member Current Accounts	2,704,079	–	2,704,079
Other current financial liabilities	136,408	–	136,408
Total financial liabilities	41,168,616	–	41,168,616
Reserves	9,884,926	–	9,884,926
	51,053,542	–	51,053,542

Fair Value Notes Disclosure

Fair value is the value for which an asset or liability could be exchanged or settled in an arm's length transaction. The Credit Union measures fair value using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: quoted prices (unadjusted) in active markets for identical instruments
- Level 2: valuation techniques for which all significant inputs are based on observable market data.
- Level 3: valuation techniques for which significant inputs are not based on observable market data

Where applicable, the Credit Union measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions take place with sufficient frequency and volume to provide pricing information on an ongoing basis. For all other financial instruments, the Credit Union determines fair values using other appropriate valuation techniques. The Credit Union holds structured bonds not exchangeable in an active market, valuations are obtained periodically, and measured at surrender values through the income statement. Current valuations are all obtained under level 2.

Asset Liability Maturity Analysis

Liquidity Risk

Liquidity risk is the risk that the Credit Union will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Credit Union monitors liquidity requirements on a daily basis in line with specific policies in this area, approved by the Board and in line with Central Bank requirements. The liquidity risk appetite is supported by qualitative and quantitative measures that are monitored by the Board on a monthly basis.

The Credit Union's policy is to maintain sufficient funds in a liquid form at all times to ensure that the Credit Union can cover all fluctuations in funding, retain public confidence in the solvency of the Credit Union and to enable the Credit Union to meet its financial obligations and regulatory ratios.

The following table analyses the remaining contractual maturity of the Credit Union's financial assets and liabilities. In practice the contractual maturities are not always reflected in actual experience. For example, loans to members may be repaid ahead of contractual maturity or fall into arrears beyond that date. Members savings accounts which are typically on demand can also be repaid later than on the earliest date on which repayment can be requested.

At the 30th of September 2024

	Less than 1 year €	More than 1 year but not more than 3 years €	More than 3 years but not more than 5 years €	More than 5 years but not more than 10 years €	More than 10 years €	Total €
Cash and Cash Equivalents	6,078,766	–	–	–	–	6,078,766
Banks Deposits	9,390,000	5,650,000	3,550,000	–	–	18,590,000
Debt Securities	1,497,848	5,587,878	3,165,317	3,150,000	–	13,401,043
Members Loans	503,936	2,764,462	5,276,478	4,711,287	–	13,256,163
Central Bank Reserve	397,099	–	–	–	–	397,099
Total financial assets	17,867,649	14,002,340	11,991,795	7,861,287	–	51,723,071
Member Savings	36,974,457	627,250	736,863	217,072	–	38,555,641
Member Current Accounts	2,657,282	–	–	–	–	2,657,282
	39,631,739	627,250	736,863	217,072	–	41,212,923

At the balance sheet date, the Credit Union had loan commitments of €198,149 in the form of loans approved but undrawn/unissued in pipeline. Prior year amounts unissued €175,000

At the 30th of September 2023

	Less than 1 year €	More than 1 year but not more than 3 years €	More than 3 years but not more than 5 years €	More than 5 years but not more than 10 years €	More than 10 years €	Total €
Cash and Cash Equivalents	6,298,506	–	–	–	–	6,298,506
Bank Deposits	3,000,001	350,000	11,845,000	3,350,000	–	18,545,001
Debt Securities	638,768	2,013,849	6,299,248	4,951,189	–	13,903,054
Members Loans	369,757	2,577,512	4,804,118	4,196,074	41,477	11,988,938
Central Bank Reserve	397,099	–	–	–	–	397,099
Total financial assets	10,704,131	4,941,361	22,948,366	12,497,263	41,477	51,132,598
Member Savings	36,774,607	572,403	738,159	242,201	759	38,328,129
Member Current Accounts	2,704,079	–	–	–	–	2,704,079
	39,478,686	572,403	738,159	242,201	759	41,032,208

Credit Risk

The Credit Union's credit risk arises from its portfolio of loans to members and from potential losses on investments with other financial institutions that could result from the failure of treasury counterparties to observe the terms of the contract entered into. The Credit Union has no risk appetite for material credit losses, this is controlled through observations of legislation and regulations, the appointment of committees, credit quality rules, underwriting standards and counterparty limits.

All loan applications are assessed with reference to the Credit Union's lending policy. Changes to policy are approved by the Board and the approval of loan applications is mandated. Appropriate credit limits have been established by the Board for individual exposures and together with Central Bank guidelines on credit exposures. Policies are continually monitored by the Board, Board Oversight Committee and internal audit.

Credit risk in respect of treasury counterparties is assessed using a number of methodologies to include rating agencies and Central Bank Regulations. For treasury related counterparties, the Credit Union is limited to a maximum 20% exposure to any one counterparty of investments made.

The Credit Union's maximum credit risk exposure is detailed in the table below:

	2024 €	2023 €
Cash and Cash Equivalents	6,078,766	6,298,506
Investments	32,388,141	32,845,155
Members Loans	11,875,856	10,517,666
Less savings attached to loans	(1,756,435)	(1,718,106)
Total balance sheet exposure	48,586,328	47,943,221
Off Balance sheet - Loans approved but unissued	(198,149)	(175,000)
Total Exposure	(48,784,477)	(48,118,221)

Credit quality analysis of counterparties

The table below sets out information about the exposure the Credit Union has to counterparties for debt securities, and other investments /liquid cash deposits with credit institutions. Amounts held with financial institutions are analysed by their Moodys Credit rating at the year-end.

	2024 €	2023 €
A3 to Aaa	33,560,846	31,734,479
Ba3 to Baa1	3,513,434	3,930,789
	37,074,280	35,665,268

At the balance sheet date there are no provisions for impairment against any investment made by the Credit Union.

2024
€

2023
€

Credit quality analysis of loans to members

Neither past due nor impaired	12,000,936	10,757,128
1 to 9 weeks	588,755	493,569
10 to 18 weeks	24,598	72,066
19 to 26 weeks	64,365	32,100
27 to 39 weeks	21,400	37,942
40 to 52 weeks	11,686	5,561
53 weeks plus	544,423	590,572
Total loans in issue	13,256,163	11,988,938

Impairment allowances

Individual provision	876,488	970,755
Collective provision	503,819	500,517
Total allowance	1,380,307	1,471,272

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency risk, interest rate risk and other price risk. Of these, only interest rate risk is significant for the Credit Union.

The Credit Union is not directly exposed to currency risk as it deals only with products in euro, and its products are only interest orientated so are not exposed to other pricing risks.

The Credit Union is exposed to movements in interest rates reflecting the mismatch between the dates on which interest receivable on assets and interest payable on liabilities are next reset to market rates or if earlier, the dates on which the instruments mature. The Credit Union manages this exposure on a regular basis, within the limits set by the Board, however as the Credit Union only declares its dividends at the year-end based on such market rates, the board considers its sensitivity to such rates as marginal.



FOR COMMUNITY NOT PROFIT

In the last few weeks,
the Credit Unions have
distributed almost €30,000 to
very worthwhile voluntary groups.

We look forward to
doing more in Spring 2025.

FOR YOU. NOT PROFIT.

Ballinamore Credit Union and
Ballyconnell Credit Union
are regulated by the
Central Bank of Ireland.