



**60 years supporting
our community**

The Finance (Miscellaneous Provisions) Act 2020 makes it possible for us to hold our AGM on a virtual basis again this year. Our AGM will be facilitated this year on Zoom.

In order to participate in our AGM please follow these simple instructions:

Step 1

Please register online by close of business on 14th December 2023 at <https://creditunionplus.ie/agm/>

Step 2

Based on the information you provide, we will verify you as a member, and you will then be sent a formal invitation to the email address you provide in the registration process.

Step 3

In the invitation, we will include a link to a copy of the minutes of last year's AGM and the Standing Orders for this year's AGM. Please read these before the meeting.

Step 4

Please submit any questions you may have in relation to the annual report in writing by close of business on 14th December 2023 either by email to agm2023@creditunionplus.ie or by post for the attention of the Honorary Secretary, Credit Union Plus, Kennedy Road, Navan, Co. Meath, C15TF86.

See the Standing Orders for details of how questions will be handled at the AGM.

Step 5

Log on to the AGM, by clicking on the link provided in the invitation you will receive by email. We suggest you log on about 10 minutes before the start time of 6.15pm on 19th December 2023.

If you're not familiar with Zoom, you will find this short tutorial helpful: https://youtu.be/wo1l6ljz_wg

Step 6

It is important to note that the invitation you receive is specific to you and can only be used on one device.

Step 7

When you log on you will be made aware that you are 'waiting'. Once the Chair starts the meeting you will be able to see and hear the meeting. Please select "Join with Computer Audio", so that you will be able to see and hear the Chair and any persons presenting. We recommend that while you are waiting, you should use the opportunity to test the sound on your computer so you can be sure it's working and at the right volume for you to follow the proceedings.

Step 8

For everyone's comfort, all non-presenting participants will be 'muted' during the meeting. Please read the Standing Orders to be clear with how questions & answers will be handled.

Step 9

There are several items on the agenda where members will be asked to vote. This will be done by electronic polling. A poll will appear on your screen, click on your answer and press submit. You will be given sufficient time to cast your vote (the length of time allowed will be advised at the meeting). The poll will close after that time and the result will be announced by the Chair.

Step 10

To assist with the minutes, our AGM will be recorded. When the matters of the meeting are concluded, the Chair will end the AGM and close the Zoom link.

Notice of Meeting

Notice is hereby given that the 60th Annual General Meeting of Credit Union Plus Ltd. will be held virtually on 19th December 2023 at 6.15pm sharp. Registration details are outlined on the previous page.

Agenda

1. Acceptance of Proxies (if any) by the Board of Directors
2. Ascertainment of Quorum
3. Adoption of Standing Orders
4. Reading and approval (or correction) of the minutes of the last Annual General Meeting
5. Report of the Board of Directors
6. Chief Executive Officer's Report
7. Report of the Auditors
8. Board Oversight Committee Report
9. Notice of Motions: Rule Amendment (See below)
10. Report of the Audit Committee
11. Report of the Risk Committee
12. Report of the Credit Committee
13. Report of the Credit Control Committee
14. Report of the Membership Committee
15. Report of the Nomination Committee
16. Report of the Investment Committee
17. Election of External Auditor
18. Election to fill vacancies on the Board of Directors and the Board Oversight Committee
19. Any Other Business
20. Announcement of Election Results
21. Close of Meeting

You are earnestly requested to attend.

Signed,



Liz Gaffney, Honorary Secretary

Rule Amendment 1:

That this Annual General Meeting amends Rule 6(1) to read as follows:

At the time of the adoption of these rules, the Board of Directors shall consist of 7, 9 or 11 members, all of whom shall be members of the credit union.

Rule Amendment 2:

Subject to the passage and commencement of the Credit Union (Amendment) Bill, 2023 and/or related legislation and in particular, Section 188A(2)(c) thereof, Rule 5 shall be amended as follows:

The Credit Union's annual accounts may be distributed to the members or accessed by them by electronic means, which includes publication of annual accounts on the Credit Union website, provided the member's consent has first been requested by the Credit Union in writing and the member has not within 10 days of receipt of the request, objected to such means of distribution or access.

Please submit any questions you may have in relation to the annual report in writing by close of business on the 14th December either by email to agm2023@creditunionplus.ie or by post for the attention of the Honorary Secretary, Credit Union Plus, Kennedy Road, Navan, Co Meath, C15TF86

Chairperson's Address

It is my pleasure to present the Directors' Review for 2023.

60 Years of Service

It is somewhat hard to believe that an organisation which started out as an idea among a few local volunteers 60 years ago is now one of the largest community Credit Unions in the country. St. Mary's Navan Credit Union was founded on 20 March 1963, under the stewardship of Michael Woods who was one of the founding members and who served as CEO for 35 years. In 2016 and 2017, St. Mary's Navan Credit Union merged with Credit Unions in Clonmellon-Delvin, Ballivor-Kildalkey, Ballyjamesduff and Dunshaughlin allowing us to provide financial services to over 52,000 members, through five offices, across three counties. In 2023, over €39.7 million in new loans including mortgages and business loans, were issued to members across our common bonds.

Many Board members and volunteers from all of the Credit Unions that make up Credit Union Plus have helped to get the Credit Union to where it is today. We remain eternally grateful for their hard work, diligence and support, without which the Credit Union may not have survived and indeed thrived for over six decades.

Over the last 60 years, we have shared many economic and real-world ups and downs with our local communities, and we have supported members through them. From booms to busts, the Celtic Tiger to the Troika, mortgage interest rates of 16% to the current inflation challenges, wars, pandemics and so much more. Through all of this, your Credit Union has been here, in our communities, providing financial services to members.

As well as a safe place to put your savings, many members may remember the support from their Credit Union in the form of loans to help get a car for work, building extensions to make room for growing families, putting their children through college or supporting them through an apprenticeship, and more recently, garage conversions and back garden pods to assist adult children needing somewhere to live until they save up a deposit for their own home.

Since our founding, members remained loyal to

the Credit Union in choosing it for their borrowing needs. This loyalty and support has allowed the Credit Union not only continue to develop new products and services such as mortgages, business loans and current accounts, but also to support local organisations providing vital community services including Meath Women's Refuge and Support Services, Jigsaw, SOSAD, and Meals on Wheels to name but a few.

The Board, Management Team and all employees look forward to serving our members for many more years to come.

Strengthening of our Business Model

Credit Unions traditionally cover the costs of maintaining services to our communities by earning income from two main sources, which are Interest on loans and Investment Income on savings not lent out. The Credit Union only invests in fully secured investments such as term deposits, corporate bonds and government bonds. The portfolio is invested across a range of maturities from seven days to eight years.

While Credit Unions do not have access to, or the full benefit of ECB deposit facilities in the same manner as national banks, the increase in the ECB deposit rates has gradually improved investment returns for our short-term deposits. While the overall return on our portfolio remains below historical norms, it is improving as low yielding investments mature and are reinvested at better rates.

You may remember from previous communications that the Central Bank require Credit Unions to set aside, from the Credit Union's Income, 10% of the value of assets (including members' savings) in what is called a Regulatory Reserve. This income could otherwise be used for loan interest rebates, dividends, charitable donations, running costs or investing in new products and services for members. For every extra €1,000 in savings, the Credit Union must put aside €100 into the Regulatory Reserve. The Regulatory Reserve in 2023 amounted to €26.9 million, which we cannot distribute or use for development. The increase in the Regulatory Reserve this year was €864k. For the first time in several years this increase was funded entirely from the current years' surplus income of €1.1 million which is a welcome change and an indication of the gradual strengthening of the Credit Union's business model.

The Credit Union expect this positive trend to continue in the years ahead as more members

choose Credit Union Plus for all of their banking and lending needs and while the investment environment normalises.

Our Results

The Total Income of Credit Union Plus for 2023 amounted to €8,412,845, which was an increase of €1,440,790 on 2022. This was driven by the increase in Loan Interest income and Investment Income. Interest on members' loans was €6,312,913, an increase of 8.06% over last year and the highest it has been in many years. Income from investments amounted to €2,019,401 which was an increase of 93.7% from last year due to the increase in ECB deposit rates. Bad Debts Written Off at €438,441 were €163,787 more than 2022, while Bad Debts Recovered amounted to €563,314, an increase of €64,006 on last year. We continue to operate a strong underwriting and credit control regime.

Turning to the Balance Sheet, Total Assets amount to €267,739,680, an increase of €8,495,604 over last year primarily driven by an increase in Member Shares. Total Reserves stand at €33,275,934 or 12.43% of Total Assets (12.42% in 2022). Regulatory Reserves account for 80.75% of the Total Reserves similar to 80.76% in 2022. Our Loan Book increased by €11,007,051 (13.20%) to €94,388,384. The Provision for Doubtful Debts at €5,474,526 or 5.80% of the loan portfolio is €639,568 higher than in 2022 (also 5.80% in 2022). Investments grew by €1,734,473 from 2022, and at the year-end were at €169,188,828.

This year, due to the requirement to utilise the majority of the Surplus for Regulatory Reserves and the Central Bank's recommendations regarding dividends, the Board of Directors are not proposing any distribution by way of Dividend or Loan Interest Rebate. While we understand that this may disappoint some members, the Board of Directors believes that a conservative and prudent approach is necessary to help ensure the long-term viability of the Credit Union. The Board of Directors remains confident that by following the Credit Union's strategy of modernisation, along with an emphasis on cost management, continued growth in Surplus, an increase in Reserves and sustainable Return on Assets is achievable.

The Year Ahead

Credit Unions were once again voted number one in the 2023 CXi Ireland Customer Experience Report which is based on a survey across all key industries

across Ireland. Credit Unions in Ireland are now recognised as global leaders. It is great to see members across the country continuing to support and value the services provided.

Our range of insurance offerings through our nationwide collaboration with Peopl. Insurance continues to grow with Home, Travel, Car, Life Insurance and Cancer Care now available and more in the pipeline.

As we move forward, we will continue to communicate with members to help ensure as many as possible are aware of all of the benefits and services available through their membership of the Credit Union.

We remain committed to meeting the financial services needs of our members and welcome feedback on opportunities to enhance services now and into the future.

Appreciation

On behalf of everyone involved in Credit Union Plus, I wish to extend my sincere thanks to you, our members. Credit Union Plus exists to provide financial services in our communities on a not-for-profit basis. It is your continued support through choosing Credit Union Plus for your current accounts, personal lending needs, business loans, and mortgages, that allows the Credit Union to continue its operations. During the last year, members have borrowed over €39.7 million in new loans. These funds would primarily have been spent within our communities, helping to keep local businesses going and local people in employment.

I also wish to thank my fellow Board members, Board Oversight Committee members, Management Team and all Credit Union Plus employees for their continuing hard work and dedication to members.

It has been my privilege to act as Chair of Credit Union Plus and I would ask that you continue to support your local Credit Union into the future. Many thanks.



James Murphy
Chairperson of Board of Directors

Board Changes

Brian Crowley

It was with great sadness in February this year that our colleague and Board member Brian Crowley passed away. Brian was a lifelong member of the Credit Union and had served as our auditor and separately on the Board of Directors and Board Oversight Committee for many years. A very astute, intelligent, and kind man, he could always be relied upon to provide sound business advice to the Credit Union. He is very much missed at our Board meetings. His colleagues and friends remember him with great fondness. The Board, Management and employees of Credit Union Plus extend our sympathies once again to Brian's wife Yvonne and their extended family.

John Grennan

This year saw one of our long serving Board Members John Grennan retire from his position as a member of our Board of Directors. John served on the Board for many years and his contribution to the Credit Union is greatly appreciated by his fellow Board members and Management. John has been a part of the many changes and challenges that our Credit Union has faced and his wisdom and insight is missed at our Board meetings. The Board, Management and employees wish him and his wife Margaret the very best in their retirement. We extend our heartfelt thanks for his dedication and loyalty to the Credit Union.

Celebrating 60 Years

One of the highlights of the year was the celebration of Credit Union Plus being in business for 60 years in Navan.

We welcomed the Minister of State responsible for Credit Unions, Dr Jennifer Carroll MacNeill, to join us in the celebrations. The day was enjoyed by the Board of Directors, employees, members and a host of other guests from local charities, clubs and businesses.



Dr. Jennifer Carroll MacNeill pictured at the 60th anniversary celebration of the Credit Union Plus.



Presentation to the former Navan Credit Union General Manager, Michael Woods.



Presentation to the former Navan Credit Union General Manager, Jim Watters.



Presentation to one of the longest serving Board members, Jim White.



Presentation to the longest serving employee, Michele Gorman.



Presentation to one of the longest serving Board members, Liz Gaffney.

Statement of Directors' Responsibilities

The Credit Union Acts 1997 (as amended) require 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 Account 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 a 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:



James Murphy
Chairperson of the Board of Directors



Liz Gaffney
Member of the Board of Directors

Statement of the 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 have 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 Acts, 1997 (as amended) and any other matter prescribed by the Central Bank in respect of which they are to have regard to in relation to the Board.

On behalf of the Board Oversight Committee.



Simon MacMahon
Chairperson of the Board Oversight Committee

Board Oversight Committee Report

The function of the Board Oversight Committee is to assess whether the Board of Directors has operated in accordance with the governance requirements set out in legislation, regulations, and guidance.

To date the Board Oversight Committee of Credit Union Plus Ltd. has in furtherance of its role:

- had a presence at Board meetings.
- met monthly as required by legislation.
- formally met with the Board once a quarter and provided a performance report to the Board as required by legislation.
- met with the external auditor of Credit Union Plus Ltd., FLD Chartered Accountants Ltd.

The Board Oversight Committee is satisfied to report that the actions and decisions of the Credit Union Plus Board members as reviewed have been found to be compliant with current rules and legislation. The Board Oversight Committee is satisfied that the method employed by the Board of continual reviews of the Credit Union's processes and policies ensures that the Credit Union meets all of the requirements laid down from a legal and regulatory perspective.

We would like to extend our thanks to the Board of Directors, Chief Executive Officer and the employees of Credit Union Plus Ltd. for their assistance and support throughout the year as we fulfilled our function.



Simon MacMahon
Chairperson of the Board Oversight Committee

Auditor's Report

Independent Auditor's Report to the Members of Credit Union Plus Ltd.

We have audited the financial statements of Credit Union Plus Ltd. for the year ended 30 September 2023, which comprise the Income and Expenditure Account, Balance Sheet, Statement of Changes in Reserves, 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, including the Credit Union Act, 1997 (as amended) and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland including 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 30 September 2023 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 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 if:

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

Other information

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 considered were 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 7, 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.



Niall McKeigue FCA
For and on behalf of
FLD Chartered Accountants Ltd.
Chartered Accountants and Statutory Audit Firm
Newbridge House, Athlumney, Navan, County Meath
06 November 2023

Appendix to the Independent Auditor's Report

Further information regarding the scope of our responsibilities as auditor

As part of an audit in accordance with ISAs (Ireland), we exercise professional judgement 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 Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Credit Union's ability to continue as a going concern. If 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 a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves 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.

Directors' Report

For the Financial Year Ended 30 September 2023

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

Principal Activities

The principal activities of the Credit Union are the provision of financial services to its members, the acceptance of members' shares and lending to members in accordance with legislation, regulations and policies determined by the Credit Union.

Business Review

The world-wide cost of living crisis impacted new loan demand in the earlier part of the financial year, however new loans grew substantially from February onwards with over €39.7 million in loans issued for the year. Business loans and Home loans have continued to grow with almost €2.3 million of combined business and home loans on the Credit Union loan book by year end. The Credit Union current account with debit card and overdraft facilities, enhanced mobile app and online banking continues to be a popular, affordable and user-friendly option for our members looking to move away from costly fees and charges associated with the main retail banks. The mortgage interest rate hikes that affected so many homeowners has resulted in Credit Union Plus' mortgage offering being an affordable and popular product with our members. Whether they are switchers, first time or second time buyers or self-builds, we have a competitive mortgage offering, demand for which is growing month on month. This more rounded and modern product set is assisting the Credit Union in fulfilling our mandate to deliver the full range of financial products and services to our community while ensuring the relevance and long-term sustainability of the Credit Union into the future.

Results and Dividends

The surplus of income over expenditure for the year is €1,075,303. This is set out in the Income and Expenditure Account on page 15.

In line with Central Bank guidance, the Credit Union

is not proposing the payment of a dividend or a loan interest rebate for the current year.

Principal Risks and Uncertainties

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

- loan book growth and the ongoing effects of the cost of living crisis.
- prudent investment selection to maximise investment income.
- liquidity management and control of costs.
- continuous monitoring of compliance with regulatory and legislative requirements.

Statement on Relevant Audit Information

There is no relevant audit information of which the statutory auditors are unaware. The Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and they have established that the statutory auditors are aware of that information.

Accounting Records

The Directors believe that they comply with the requirements of Section 108 of the Credit Union Act, 1997 (as amended) with regard to books of account by employing accounting personnel with appropriate expertise and by providing adequate resources to the finance function. The books of account of the Credit Union are maintained at its registered office at Kennedy Road, Navan, Co. Meath.

Events since the end of year

There are no material events after the Balance Sheet date to disclose.

Auditors

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

On behalf of the Board of Directors:



James Murphy
Chairperson of Board
of Directors



Aidan Curtis
Member of the Board
of Directors

Bereavement Benefit from €2.41 per week.



Provide for your loved ones with one simple step.
€125 per year guarantees a €6,000 payout to your family in the event of your death.



Financial Statements

For the Year Ended 30 September 2023

Income and Expenditure Account

For the Financial Year Ended 30 September 2023

	Note	2023 €	2022 €
Interest on members' loans	4	6,312,913	5,841,878
Other interest income and similar income	5	2,019,401	1,042,499
Net interest income		8,332,314	6,884,377
Other Income	7	80,531	87,678
Total Income		8,412,845	6,972,055
Expenditure			
Employment costs		2,563,640	2,502,937
Depreciation	10	226,373	224,194
Other management expenses (Schedule 1)		4,471,275	4,572,016
Movement on provision for doubtful debts	11d	639,568	131,056
Bad debts recovered	11d	(563,314)	(499,308)
Gain on revaluation of property		–	(128,720)
Total Expenditure		7,337,542	6,802,175
Surplus for the financial year		1,075,303	169,880

The financial statements were approved and authorised for issue by the Board of Directors on 6 November 2023 and signed on its behalf by:



Phil Hegarty,
Chief Executive Officer



James Murphy,
Member of the Board of Directors



Simon MacMahon
Member of the Board Oversight Committee

Balance Sheet

As at 30 September 2023

	Note	2023 €	2022 €
Assets			
Cash at bank and on hand	9	5,339,427	9,010,403
Tangible fixed assets	10	3,618,473	3,476,106
Loans to members	11a	94,388,384	83,381,333
Less: provision for doubtful debts	11a	(5,474,526)	(4,834,959)
Debtors, prepayments and accrued income	12	676,222	756,838
Deposits and Investments – Cash Equivalents	13	51,344,808	46,385,746
Deposits and Investments – Other	13	117,844,020	121,068,609
Members Current Account Overdrafts	15	2,872	–
Total Assets		267,739,680	259,244,076
Liabilities			
Members' shares	14	232,731,490	226,072,872
Members' current accounts	15	904,354	40,903
Creditors and accrued expenses	16	827,902	929,670
Total Liabilities		234,463,746	227,043,445
Reserves			
Regulatory reserve		26,870,664	26,006,664
Operational risk reserve		1,088,273	1,028,664
Revenue reserves		5,165,385	4,981,505
Non-distributable reserves		151,612	183,798
Total Reserves		33,275,934	32,200,631
Total Liabilities And Reserves		267,739,680	259,244,076

The financial statements were approved and authorised for issue by the Board of Directors on 6 November 2023 and signed on its behalf by:



Phil Hegarty,
Chief Executive Officer



James Murphy,
Member of the Board of Directors



Simon MacMahon
Member of the Board Oversight Committee

Statement of Changes in Reserves

For the Financial Year Ended 30 September 2023

	Regulatory Reserve	Operational Risk Reserve	Revenue Reserve	Strategy Reserve	Non-Distributable Reserve	Total Reserves
	€	€	€	€	€	€
Opening balance						
at 1 October 2021	25,706,664	812,711	5,343,192	9,406	158,778	32,030,751
Total surplus for the year	–	–	169,880	–	–	169,880
Transfer between reserves	300,000	215,953	(531,567)	(9,406)	25,020	–
Closing balance at						
30 September 2022	26,006,664	1,028,664	4,981,505	–	183,798	32,200,631
Opening balance at						
1 October 2022	26,006,664	1,028,664	4,981,505	–	183,798	32,200,631
Total surplus for the year	–	–	1,075,303	–	–	1,075,303
Transfer between reserves	864,000	59,609	(891,423)	–	(32,186)	–
Closing balance at						
30 September 2023	26,870,664	1,088,273	5,165,385	–	151,612	33,275,934

- (1) The Regulatory Reserve of the Credit Union as a percentage of total assets as at 30 September 2023 was 10.04% (2022: 10.03%). During the year this reserve has increased by €864,000 following a transfer from the Revenue Reserve.
- (2) As required under S45 of the Credit Union Act, 1997 (as amended) Credit Union Plus Ltd. have an Operational Risk Reserve. The Board approved an additional transfer of €59,609 from the Realised Reserve to the Operational Risk Reserve, 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 at 30 September 2023 represents 0.41% (2022 0.40%) of total assets at that date.
- (3) The Board approved the creation of a €2,000,000 Strategy Reserve in 2018 for future projects contained in the Strategic Plan. The strategy reserve is now fully utilised as at 30th September 2022.
- (4) The decrease in the Non-Distributable Reserve of €32,186 as at 30 September 2023 relates to a decrease in the accrued loan interest receivable.

Cash Flow Statement

For the Financial Year Ended 30 September 2023

	Note	2023 €	2022 €
Opening cash and cash equivalents		55,396,149	45,226,154
Cash flows from operating activities			
Loans repaid by members	11a	28,226,111	26,298,549
Loans granted to members	11a	(39,671,603)	(37,606,122)
Loan interest received	4	6,345,099	5,816,858
Investment income received	5	2,019,401	1,042,499
Other income received	7	48,140	87,678
Bad debts recovered	11d	563,314	499,308
Member current account lodgements	15	9,357,811	79,466
Member current account withdrawals	15	(8,497,232)	(38,563)
Operating expenses		(6,596,474)	(6,800,302)
Member Current Account Fees	7	32,391	–
Increase/(Decrease) in accrued expenses	16	(101,769)	36,365
Decrease/(Increase) in prepaid expenses	12	48,431	(357,877)
Net cash flows from operating activities		(8,226,380)	(10,942,141)
Cash flows from investing activities			
Purchase of property, plant and equipment	10	(368,741)	(190,669)
Net cash flow from other investing activities	13	3,224,589	16,632,855
Net cash flows from investing activities		2,855,848	16,442,186
Cash flow from financing activities			
Members' shares received	14	193,632,476	182,600,493
Members' shares withdrawn	14	(186,973,858)	(177,930,543)
Net cash flows from financing activities		6,658,618	4,669,950
Net increase in cash and cash equivalents	9	1,288,086	10,169,995
Cash and cash equivalents at end of year	9	56,684,235	55,396,149

Notes to the Financial Statements

For the Financial Year Ended 30 September 2023

1. Legal and regulatory framework

Credit Union Plus Ltd. (The Credit Union) is established under the Credit Union Act, 1997 (as amended). The Credit Union is registered with the Registrar of Credit Unions and is regulated by the Central Bank of Ireland. The registered office of the Credit Union is Kennedy Road, Navan, Co Meath.

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 the Republic of Ireland" ("FRS 102").

The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain fixed assets and financial instruments as specified in the accounting policies below.

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 Credit Union Plus Ltd. believe this is appropriate as the Credit Union:

- is generating annual surpluses from normal business operations;
- 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. An adjustment is made to the year-end amount receivable for any irrecoverable amounts. The Directors have made a decision to transfer accrued interest receivable on loans at the year-end to an unrealised reserve.

Investment income

The Credit Union uses the effective interest method to recognise investment income.

Other income

Other income such as commission receivable on insurance products and foreign exchange services arise in connection to specific transactions. Income relating to individual transactions is recognised when the transaction is completed. Other income also includes current account fees.

2.5. Dividends and loan interest rebate to members

Dividends on shares and loan interest rebate

Dividends and loan interest rebates are made from current year surpluses 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 and loan interest rebate each year; and
- members legitimate dividend and loan interest rebate expectation.

These are 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 of 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.

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.

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

Held at amortised cost

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

Investments at Fair Value

Investments held which are considered non-basic financial instruments under Section 11 of FRS 102 and investment in stock market shares (i.e. non-convertible preference shares and non-puttable ordinary shares or preference shares) are included in this category. They are valued at fair value (market value) at the year-end date and all gains and losses are taken to the Income and Expenditure Account. The fair value of quoted investments is determined by reference to bid prices at the close of business on the Balance Sheet date.

2.8. Financial instruments (continued)

Central Bank Deposits

Credit Unions are obliged to maintain certain minimum deposits with the Central Bank but may also hold an excess over the regulatory minimum. The regulatory minimum deposits are technically assets of the Credit Union but to which the Credit Union has restricted access. The regulatory minimum deposits will not ordinarily be returned to the Credit Union while it is a going concern. Funds held with the Central Bank in excess of the regulatory minimum requirements are fully available to the Credit Union and are therefore treated as cash equivalents and included with other on demand cash deposits with banks. The amounts held on deposit with the Central Bank are not subject to impairment reviews.

2.9. Financial assets – loans and advances 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.

2.10. Other receivables

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

2.12. Derecognition 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. Credit Union Plus Ltd. 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 current account balances

Members' shares and current account balances are redeemable and therefore are classified as financial liabilities. They are initially recognised at the amount of cash deposited and subsequently members' shares 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. Derecognition 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

Tangible fixed assets comprise items of freehold land and buildings, fixtures & fittings, office & computer equipment and leasehold improvements. All assets, are stated at cost/revaluation less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

The Credit Union adopt a policy of revaluing freehold premises. Freehold premises are included in the balance sheet at their fair value on the basis of a periodic professional valuation less accumulated depreciation. The difference between depreciation based on the revalued amount is charged in the Income and Expenditure Account and the asset's original cost is transferred from revaluation reserve to retained earnings (if applicable). Any changes in the value of freehold properties are reflected as a movement on the revaluation reserve except where the revaluation is below original cost or reverses a revaluation decrease of the same asset previously recognised, in which case the balance is recognised in the Income and Expenditure Account.

Depreciation is provided to write off the cost/revalued amount of each item of freehold property, fixtures & fittings, office & computer equipment and leasehold improvements, less its estimated residual value over its estimated useful life. The categories of freehold property, fixtures & fittings, office & computer equipment and leasehold improvements are depreciated as follows:

Freehold property	25 years on revalued amount
Fixtures & fittings	10 years straight line
Office & computer equipment	5 years straight line
Leasehold improvements	10 years straight line

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. Research and Development

Research and development expenditure is recognised immediately in the Income and Expenditure statement as incurred.

2.18. Employee benefits

Pension Scheme

The Credit Union operates a defined contribution pension scheme for permanent employees. These assets are held separately from those of the Credit Union in an independently administered fund. Pension contributions are charged to the Income & Expenditure account as they become payable in accordance with the rules of the scheme. Amounts not paid are reflected in accruals as a liability on the Balance Sheet.

Other Employee Benefits

The costs of short-term employee benefits, including holiday pay, are recognised as a liability and as an expense over the period they are earned.

2.19. Exceptional item

Exceptional items are those that the Directors' view are required to be separately disclosed by virtue of their size or incidence to enable a full understanding of the Credit Union's financial performance. The Credit Union believe that this presentation provides a more informative analysis as it highlights one off items. Such items may include restructuring events like a voluntary redundancy programme, impairment of assets, litigation settlements and legislative changes. The Credit Union has adopted an income statement format that seeks to highlight significant items within the Credit Union results for the year.

2.20. Government grants

Government grants are recognised at their fair value in the Income and Expenditure Account where there is a reasonable assurance that the grant will be received and the Credit Union has complied with all attached conditions.

Capital Grants received where the Credit Union has yet to comply with all attached conditions are recognised as a liability (and included in deferred income within creditors and accruals) and released to income when all attached conditions have been complied with.

Revenue Grants are credited to income so as to match them with the expenditure to which they relate. Government grants received/repaid are included in 'other income' in the Income and Expenditure Account.

2.21. 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 the Credit Union Act, 1997 (Regulatory Requirements) Regulations 2016. This reserve is to be perpetual in nature, freely available to absorb losses, realised financial reserves that are unrestricted and non-distributable.

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. Section 45(5)(a) of the Credit Union Act, 1997 (as amended) requires each Credit Union to maintain an additional reserve that it has assessed is required for operational risk having regard to the nature, scale and complexity of the Credit Union. Credit Unions are required to maintain a minimum Operational Risk Reserve having due regard for the sophistication of the business model. The 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 to members or set aside to the regulatory reserve, operational risk reserves, strategy reserve or the non-distributable reserve. The dividend reserve at the balance sheet date is nil.

Strategy Reserve

The Strategy Reserve was previously established in the financial statements for projects included in the strategic plan. The strategy reserve was fully utilised as at 30th September 2022.

Non-Distributable 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. Interest on loans receivable at the balance sheet date is also classified as "unrealised" and is not distributable.

Revenue Reserve

Revenue Reserves are the accumulated surpluses to date and reserves arising on the transfer of engagements that have not been declared as dividends returnable to members or set aside to the regulatory reserve, operational risk reserves, strategy reserve or the non-distributable reserve.

2.22. Prior year comparatives

Prior year comparatives have been re-analysed where necessary to conform to the current year presentation.

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 the Credit Union'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:

Revaluation of land and buildings

The Credit Union adopt a revaluation policy on freehold land and buildings held by the Credit Union. The Credit Union carries out periodic valuations to ensure that the carrying amount of the land and buildings is equal to the fair value of the land and buildings at each year end date. The fair value placed on the land and buildings is based on advice from independent expert valuers.

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

The annual depreciation charge depends primarily on the estimated lives of each type of asset and in certain circumstances, estimates of residual values. The Directors' regularly review these useful lives/residual values 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 or residual values can have a significant impact on the depreciation charge for the financial year.

Bad debt provision

The Credit Union's accounting policy for impairment of loans is set out in the accounting policy in Note 2.11. The estimation of loan losses is inherently uncertain and depends upon many factors. These include loan loss trends, credit risk characteristics in loan classes including the impact of Covid-19, local and international economic climates, conditions in various sectors of the economy to which the Credit Union is exposed and other external factors such as legal and regulatory requirements. The current provision for bad debts in the financial statements is €5,474,526 (2022: €4,834,959) representing 5.80% (2022: 5.80%) of the total gross loan book.

Operational risk reserve

The Board of Directors have considered the requirements of the Credit Union Act, 1997 (as amended) and have considered an approach to the calculation of the Operational Risk 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. This amount transferred to the Operational Risk Reserve has been influenced by the business mix and risk profile of the activities being undertaken in the Credit Union. The Board of Directors have determined that the amount transferred to the Operational Risk Reserve is appropriate having taken account of the overall level of reserves of the Credit Union and taking prudent account of the scale and complexity of the Credit Union's business, its risk profile and prevailing market conditions.

4. Interest on members' loans

	2023 €	2022 €
Closing accrued loan interest receivable	151,613	183,799
Loan interest received in the year	6,345,099	5,816,858
Opening accrued loan interest receivable	(183,799)	(158,778)
Total interest on members' loans	6,312,913	5,841,878

5. Other interest income and similar income

	2023 €	2022 €
Investment income received/receivable within 1 year	2,019,401	1,040,579
Gain on sale of investment	–	1,920
Total other interest income and similar income	2,019,401	1,042,499

6. Dividends and loan interest rebate

In compliance with Central Bank guidance the Credit Union is not proposing the payment of a dividend or an interest rebate for the current year. Given the current level of risk and uncertainty regarding the economic outlook the Credit Union is taking a prudent approach to reserve management.

7. Other income

	2023 €	2022 €
Commissions	48,140	87,678
Current account fees	32,391	–
Total other income	80,531	87,678

8. Key management personnel

The Directors of Credit Union Plus Ltd. are all unpaid volunteers. The key management personnel compensation is as follows:

	2023 €	2022 €
Short term employee benefits	905,771	982,855
Payments to defined contribution pension schemes	92,016	100,765
Total key management personnel compensation	997,787	1,083,620

9. Cash and cash equivalents

	2023 €	2022 €
Cash at bank and on hand	5,339,427	9,010,403
Short term deposits with banks	51,344,808	46,385,746
Total cash and cash equivalents	56,684,235	55,396,149

Short term deposits with banks are deposits with original maturity of less than or equal to three months. All other deposits with banks are included under Investments in the Balance Sheet and disclosed in Note 13.

10. Tangible fixed assets

Tangible fixed assets are comprised of the following freehold land & buildings, fixtures & fittings, office & computer equipment and leasehold improvements:

	Freehold land & buildings €	Fixtures & Fittings €	Office & computer equipment €	Leasehold Improvements €	Total €
Cost/revalued amount					
As at 1 October 2022	3,238,899	800,344	1,038,328	118,750	5,196,321
Additions	—	147,298	221,443	—	368,741
As at 30 September 2023	3,238,899	947,642	1,259,771	118,750	5,565,062
Depreciation					
As at 1 October 2022	291,989	444,952	953,615	29,660	1,720,216
Charge for the year	89,759	50,891	73,848	11,875	226,373
As at 30 September 2023	381,748	495,843	1,027,463	41,535	1,946,589
Net book value					
As at 30 September 2023	2,857,151	451,799	232,308	77,215	3,618,473
As at 30 September 2022	2,946,910	355,392	84,713	89,090	3,476,106

The land and buildings in Navan which are used as part of the Credit Union's core operation were revalued by Raymond Potterton, I.P.A.V., to open market value on 30th September 2022. Professional valuations for all other branch premises were prepared in October 2021. Gains/losses on revaluation of property are recognised in the Income and Expenditure Account. The Directors are satisfied that the carrying amount of land and buildings reflect the market value at the year end date 30th September 2023.

The historical cost and accumulated depreciation on the freehold premises had a revaluation policy not been applied is as follows;

	2023 €	2022 €
Original Cost	13,368,906	13,289,603
Accumulated Depreciation	(6,199,469)	(5,743,220)
Net book Value	7,169,437	7,546,383

11. Loans to members – financial assets

11a. Loans to members

	Note	2023 €	2022 €
As at 1 October		83,381,333	72,348,414
Advanced during the year		39,671,603	37,606,122
Repaid during the year		(28,226,111)	(26,298,549)
Loans written off		(438,441)	(274,654)
Gross loans to members	11b	94,388,384	83,381,333
Impairment allowances;			
Individual loans		(332,321)	(267,722)
Group of loans		(2,778,927)	(2,407,063)
Other impaired loans		(2,363,278)	(2,160,174)
Loan provision	11c	(5,474,526)	(4,834,959)
Net loans to members as at 30 September		88,913,858	78,546,374

11b. Credit risk disclosures

The majority of loans to members are unsecured. However, there are restrictions on the extent to which borrowers may withdraw their savings whilst loans are outstanding.

The Credit Union complies with Section 12 of the Credit Union Act, 1997 (Regulatory Requirements) Regulations 2016. This Regulation:

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

The carrying amount of the loans to members represents Credit Union Plus Ltd's minimum 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.

	2023		2022	
	Amount €	Proportion %	Amount €	Proportion %
Loans not Impaired:				
Total loans not impaired	78,727,221	83.40	70,312,580	84.33
Impaired loans:				
Up to 9 weeks past due	11,295,019	11.97	9,773,816	11.73
Between 10 and 18 weeks past due	1,290,805	1.37	879,095	1.05
Between 19 and 26 weeks past due	895,366	0.95	381,383	0.46
Between 27 and 39 weeks past due	532,794	0.56	454,182	0.54
Between 40 and 52 weeks past due	404,243	0.43	317,451	0.38
53 or more weeks due	1,242,936	1.32	1,262,826	1.51
Gross loans impaired	15,661,163	16.60	13,068,753	15.67
Total gross loans	94,388,384	100.00	83,381,333	100.00

Factors that are considered in determining whether loans are impaired are discussed in Note 2.11 and Note 3.

11c. Loan provision account for impairment losses

	2023 €	2022 €
As at 1 October	(4,834,959)	(4,703,903)
Allowance for loan losses written off during the year previously provided for	438,441	274,654
Movement in bad debt provision	(1,078,008)	(405,710)
As at 30 September	(5,474,526)	(4,834,959)

The current provision for bad debts in the financial statements is €5,474,526 (2022: €4,834,959) representing 5.80% (2022: 5.80%) of the total loan book.

11d. Net recoveries or losses recognised for the year

	2023 €	2022 €
Bad debts recovered	563,314	499,308
Increase in loan provisions during the year	(639,568)	(131,056)
	(76,254)	368,252
Loans written off previously provided for	(438,441)	(274,654)
Net (losses)/recoveries on loans to members recognised for the year	(514,695)	93,598

11e. Analysis of gross loans outstanding

	2023 Number of Loans	€	2022 Number of Loans	€
Less than one year	1,855	3,695,518	1,797	3,415,261
Greater than 1 year and less than 3 years	2,546	16,496,881	2,762	16,974,681
Greater than 3 and less than 5 years	1,942	27,896,569	1,796	24,542,702
Greater than 5 years and less than 10 years	1,363	44,371,745	1,202	37,504,914
Greater than 10 years and less than 25 years	22	1,667,115	22	943,775
Greater than 25 years	1	260,556	–	–
	7,729	94,388,384	7,579	83,381,333

12. Debtors, prepayments and accrued income

	2023 €	2022 €
Prepayments	524,609	573,039
Accrued loan interest income	151,613	183,799
	676,222	756,838

13. Deposits and Investments

The Credit Union has the following investments:

	2023 €	2022 €
Fixed term deposits with banks	134,736,302	132,690,664
Corporate bonds	16,542,804	18,046,056
Government bonds	17,909,722	16,717,635
Total deposits and investments	169,188,828	167,454,355

	2023 €	2022 €
Deposits and investments – cash equivalents	51,344,808	46,385,746
Deposits and investments – other	117,844,020	121,068,609
Total deposits and investments	169,188,828	167,454,355

The category of counterparties with whom the deposits and investments were held was as follows:

	2023 €	2022 €
Aa2	14,248,211	–
Aa3	35,444,790	25,013,793
A1	53,906,894	63,021,334
A2	4,031,677	18,282,809
A3	–	1,999,459
Baa1	46,477,852	35,532,566
Baa2	15,079,404	23,604,394
Total deposits and investments	169,188,828	167,454,355

14. Members' Shares – financial liabilities

	2023 €	2022 €
As at 1 October	226,072,872	221,402,922
Received during the year	193,632,476	182,600,493
Withdrawn during the year	(186,973,858)	(177,930,543)
As at 30 September	232,731,490	226,072,872

Members' shares are repayable on demand except for shares attached to loans. The breakdown of the shares between attached and unattached is as follows:

	2023 €	2022 €
Unattached shares	224,264,472	216,386,689
Attached shares	8,467,018	9,686,183
Total members' shares	232,731,490	226,072,872

15. Members' Current Accounts – financial liabilities

	2023 €	2022 €
As at 1 October	40,903	–
Received during the year	9,357,811	79,466
Withdrawn during the year	(8,497,232)	(38,563)
As at 30 September	901,482	40,903

	2023 No. of Accounts	Balance of Accounts €	2022 No. of Accounts	Balance of Accounts €
Total Credit Balances	836	904,354	51	40,903
Debit Balances	28	(885)	–	–
Permitted Overdrafts	2	(1,987)	–	–
Total Debit Balances & Overdrafts	30	(2,872)	–	–
As at 30 September	866	901,482	51	40,903

16. Creditors and accrued expenses

	2023 €	2022 €
Pension and short-term payroll accruals	67,274	86,681
Other creditors and accruals	760,628	842,989
	827,902	929,670

17. Financial instruments

Financial Assets	2023 €	2022 €
Financial assets measured at amortised cost	263,596,598	255,194,931
	263,596,598	255,194,931

Financial Assets measured at amortised cost are comprised of cash and balances at bank, deposits and investments, loans to members net of provision, member's current account overdrafts and debtors.

Financial Liabilities	2023 €	2022 €
Financial liabilities measured at amortised cost	234,463,746	227,043,445
	234,463,746	227,043,445

Financial Liabilities measured at amortised cost are comprised of member shares, member current accounts, creditors and accruals.

Additional financial instruments disclosures

17a. Financial risk management

Credit Union Plus Ltd. 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. 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 Credit Union Plus Ltd's activities are credit risk, liquidity risk, market 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 Credit Union Plus Ltd. 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 risk on members' loans is disclosed in Note 11b.

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. Credit Union Plus Ltd. have engaged independent investment advisors to assist them in managing this credit risk.

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 the minimum short-term liquidity ratio as set out in the Credit Union Act, 1997 (Regulatory Requirements) Regulations 2016 as amended.

Market risk

Market risk is generally comprised of currency risk and other price risk. Credit Union Plus Ltd. 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.

17b. Interest rate risk disclosures

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

	2023		2022	
	Amount €	Average interest rate	Amount €	Average interest rate
Financial assets				
Gross loans to members	94,388,384	7.2%	83,381,333	7.4%

The dividend and loan interest rebate when proposed are at the discretion of the Directors and are therefore not a financial liability of the Credit Union until declared and approved at the AGM.

17c. Liquidity risk disclosures

All of the financial liabilities of the Credit Union are repayable on demand except for members' shares attaching to loans. The Credit Union continuously retains liquid assets amounting to a minimum of 30% of unattached shares.

17d. 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 10.04% of the total assets of the Credit Union at the Balance Sheet date.

18. Post Balance Sheet events

There are no material events after the Balance Sheet date to disclose.

19. Contingent Liabilities

Credit Union Plus had no contingent liabilities as at 30th September 2023.

20. Capital commitments and other disclosable commitments

There were no capital commitments as at 30th September 2023.

21. Insurance against fraud

The Credit Union has insurance against fraud in the amount of €2,500,000 (2022: €2,500,000) in compliance with Section 47 of the Credit Union Act, 1997 (as amended).

22. Related party transactions

Related parties include the Directors and management team of the Credit Union and their family members or any business in which the Directors or the management team have a significant shareholding. During the year ended 30 September 2023, loans in the amount of €245,100 (2022: €442,380) were advanced to related parties. The loans outstanding from related parties as at 30 September 2023 were €941,230 (2022: €997,176) while the respective share balances were €213,964 (2022: €216,747). These loans amounted to 1.00% of total gross loans due at 30 September 2023 (2022: 1.20%). There were €26,827 provisions against the loans due from related parties as at 30 September 2023 (2022: €40,850).

23. Approval of Financial Statements

The financial statements were approved and authorised for issue by the Board of Directors on 6 November 2023.

Schedule to the Financial Statements

For the Financial Year ended 30 September 2023

Schedule 1 – Other management expenses

	2023 €	2022 €
Employee Pension Scheme	211,311	205,041
Stationery & Office Consumables	84,693	71,347
Postage & Telephone	86,483	102,106
Information Technology	760,822	688,885
Light & Heat	165,884	98,302
Repairs & Maintenance	71,321	87,817
Rent & Rates	57,391	50,194
General Insurance	154,624	150,322
Savings & Loan Insurance	707,102	644,212
Marketing	109,811	115,580
Training	43,937	47,170
Donations & Sponsorship	22,586	21,301
AGM	43,192	31,004
Convention & Conferences	48,874	33,453
Member Current Accounts	66,979	10,013
External Audit	46,740	45,984
Internal Audit & Compliance	17,838	23,325
Legal & Professional	250,431	318,391
Regulatory Levies & Charges	506,259	471,996
Affiliation Fees	35,179	24,689
Bank Charges	94,887	122,100
Security	82,698	97,557
Travel and Officers Expenses	9,126	12,261
Credit Related Costs	70,236	59,422
Call Centre	205,877	185,776
Research and Development	78,553	579,114
Bad Debts Written Off	438,441	274,654
Total Other Management Expenses	4,471,275	4,572,016

Credit Committee Report

The Credit Committee is an Operational Management Committee reporting to the Board of Directors. The committee is responsible for ensuring that loans are approved in line with the lending policies, procedures, and regulatory requirements of the Credit Union. During the year, the committee met regularly to consider loan applications within its lending authority and to perform quality checks.

Our suite of business lending products for members, Bizfin, was introduced in 2021 and has grown in popularity with almost €1 million lent to local businesses to date.

Feedback from members who have availed of these loans has been overwhelmingly positive, with several participating in testimonial videos.

The new mortgage product for members has also grown substantially in popularity since its launch in 2022. Over €1.2 million in mortgages has been lent to members in 2023. This includes first and second time buyers of family homes and also those switching mortgage providers. The success of this product is a result of our professional and personal service and the extremely competitive variable interest rate of 3.5% (3.56% APR).

New Loans issued amounted to over €39.7 million as depicted in the table below, which is over €2 million more than last year. The number of New Loans Issued was 5,256. The Loan Book increased by over €11 million to almost €94.4 million, which was an increase 13.2% on last year.

Whilst we welcome the increase in the Loan Book, we are mindful of the need to maintain its quality. In this respect, each loan application is assessed on the member's ability to repay based on information available and verified. Notwithstanding this requirement, most loans are approved quite quickly.

We continue to encourage all existing and new members to use Credit Union Plus as their first stop when seeking personal loans, business finance and home mortgages. Applications for loans can be taken at any of our branches, over the phone or through our mobile App and you should expect to see and hear more of our competitive offerings in the coming year.

My thanks to my Credit Committee colleagues, Stephen Doyle and Helen Kearns, for their support during the year.

Michele Gorman, Chairperson

New Loans Issued 2023

	Number	% of Total No.	Value €	% of Value
Misc./Personal/Occasional	1,741	33.12%	20,182,208	50.80%
Transport	866	16.48%	6,995,814	17.61%
Own Guarantee/Euro for Euro	1,221	23.23%	4,354,192	10.96%
Home Improvement	835	15.89%	4,295,367	10.81%
Mortgage	9	0.17%	1,268,000	3.19%
Bills/Consolidation of Debts	169	3.22%	895,571	2.25%
Holidays/Leisure	336	6.39%	766,570	1.93%
Business	6	0.11%	607,000	1.53%
Education	71	1.35%	362,815	0.91%
Agriculture	2	0.04%	4,600	0.01%
Total	5,256	100%	39,732,137	100%

Audit Committee Report

The Audit Committee is a formally constituted committee of the Board of Credit Union Plus Ltd. The purpose of the committee is to oversee on behalf of the Board, and of the members, the financial reporting process, the system of internal control, and all audit related matters of the Credit Union.

The purpose of the Internal Audit function is to evaluate and improve the effectiveness of risk management, control, and governance processes in the Credit Union. Internal Audit has completed the audit work programme detailed in the 2023 audit plan and met with the Audit Committee during the year to review and discuss the findings and recommendations of these audits.

The role of internal audit continues to act independently to ensure the continued strength of your Credit Union by adherence to regulations and ensures continuous improvement of policies, procedures, and processes.

Although operating independently of each other, the Audit Committee also facilitated meetings between the Audit, Compliance, and Risk functions ensuring that a more focused and cohesive approach to risk management and governance is operating within the Credit Union.

The committee wishes to thank the Chief Executive Officer, Management Team and all employees for their assistance and co-operation during the year. I would also like to thank my fellow Audit Committee members, Aidan Curtis, Caragh Beggy, and Paula McCarthy for their help and support during the year.

Fergus Lynch, Chairperson

Membership Committee Report

The Membership Committee is an Operational Management Committee reporting to the Board of Directors. The primary objective of the Membership Committee is to oversee and make recommendations on activities that will improve the membership process.

This year, Credit Union Plus welcomed over 700 new members.

The Membership Committee encourage all members to introduce new members to Credit Union Plus Ltd. Activities to encourage new members to join the Credit Union are ongoing, with promotion and advertising through social media outlets and in branch displays.

Membership Applications can now be completed digitally on our website www.creditunionplus.ie/membership/

Laura Rogers, Chairperson

Nomination Committee Report

The Nomination Committee is a mandatory committee of the Credit Union. The duties and responsibilities of the Committee are set out in the Credit Union Act 1997 and the Credit Union & Co-Operation with Overseas Regulators Act 2012 and can be summarised as follows:

- identify and propose candidates with the necessary skills and expertise for appointment to the Board of Directors;
- ensure that there is an appropriate Succession Plan in place for the Board of Directors;
- assist the Credit Union in fulfilling its obligations under the Central Banks Fitness and Probity Standards;
- ensure that each Director receives necessary mandatory training;
- arrange induction training for new Directors.

Committee members are:

- Jim White, Chairperson
- Liz Gaffney, Secretary
- Brendan Kiernan

Elections

Board Oversight Committee

There is one vacancy on the Board Oversight Committee. In accordance with legislation, the following outgoing committee member must stand down.

— Carol Cogan

Board of Directors

There are two vacancies on the Board of Directors. In accordance with legislation, the following outgoing Directors must stand down.

— Paula McCarthy

— Brian Meegan

All are eligible and are seeking re-election.

The Nomination Committee are also proposing that Brendan Kiernan and Rory Little, who were appointed to the Board during the year to fill casual vacancies, now be elected to the Board by the members.

Elections will be held at the AGM to fill these vacancies by secret ballot on the recommendation of the Nomination Committee.

Auditors

External Auditors FLD Chartered Accountants Ltd. have expressed their willingness to continue in office in accordance with Section 115 of the Credit Union Act, 1997 (as amended).

Potential New Directors

The Nomination Committee is continually seeking new volunteers with the necessary skills and expertise to support the Board and its Committees as volunteers either on the Board of Directors or on the Board Oversight Committee.

The committee will meet with any member who is interested in volunteering to discuss what is involved and evaluate their suitability for the role.

A Volunteer Expression of Interest Form can be provided on request.

Jim White, Chairperson

Risk Management Committee Report

The Risk Management Committee of Credit Union Plus Ltd. is appointed annually by the Board of Directors to oversee and advise on the current and future risk exposures of the Credit Union. The role of the committee is to promote a strong risk management awareness and culture within the Credit Union. Understanding the risks the Credit Union is exposed to enables the Board of Directors to make more informed decisions and ultimately improve the level of service and security for our members.

In 2023, the Risk Management Committee members were:

- Brian Meegan, Chair
- Liz Gaffney, Secretary
- James Murphy

Risk management is at the core of the strategic objectives of the Credit Union.

Protection of members' shares is the key objective of the Board of Directors, Management Team and all employees. The Risk Management Committee are satisfied that the risk management function is working effectively. The committee continue to work closely with the Management Team to ensure that the systems and controls which currently are in place and continue to be developed, are maintained to mitigate all current and future risks

Brian Meegan, Chairperson

Credit Control Committee Report

The Credit Control Committee is an Operational Committee whose role is to ensure the repayment of loans by members in accordance with their Credit Agreements. The Committee ensures the Credit Control department is compliant with Credit Union policies and regulatory requirements. The committee reports to the Board of Directors.

Summary

The Loan Book has grown in value by over €11 million this year.

Financial Difficulties - Don't Ignore Arrears, come and talk to us. We can help.

We are aware that some of our members had financial difficulties this year. We encourage any member experiencing difficulties to contact us as early as possible. All members are treated respectfully and correspondence is held in strict confidence. Every effort is made to try and reach a solution that is suitable for both the member and the Credit Union.

Review of Activities

Recoveries on charged-off loans this year were approx. €563k with over €438k being charged off. Charging off a loan means that the members' shares are transferred to the loan balance and they can no longer access any of the Credit Union services. It can also affect their credit rating. Members should be aware that even though a loan has been charged off, the debt still remains outstanding to the Credit Union and is actively pursued. Charged-off loans are referred to the Credit Union's solicitors for legal action to recover the outstanding loan and legal costs.

Bad Debt Provisioning

Credit Union Plus continually reviews the adequacy of provisions for doubtful debts. Reviews are performed to verify the adequacy of the bad debt provision and to detect any possible doubtful debts. Accordingly, the bad debt provision was increased to over €5.4 million.

The Credit Control Committee wishes to extend its gratitude to the members who are adhering to their loan repayment agreements.

We would like to thank the Directors, Management Team and all employees for their help throughout the year.

Jason Murray, Chairperson



Car Draw Fund

Balance at 30 th September 2022	€87,044
Entry Fees	€505,457
Less Prizes given out	(€503,000)
Balance at 30 th September 2023	€89,501

Our Member's Monthly Car Draw, now in its 15th year has been a tremendous success with 9,683 members participating in our latest draw. It costs €1 per week (€13 per quarter) to take part in the draw and this is deducted from members' shares on a quarterly basis.

Members are entitled to join the Car Draw at any time and application forms together with the rules of the draw are available in the office. All of the funds entered into the draw less some small expenses are paid out in prizes. Details of the car draw fund for the year to 30 September 2023 are shown above.

At the 30 September 2023 there was €89,501 in the car draw fund. Prizes of €35,000 were paid out in the special draw held annually to celebrate International Credit Union day on 19th October 2023, while prizes of 5 x €2,000 and 1 x €1,000 and a Car will be distributed in our Christmas Draw on 2 December. A further €68,000 of extra bonus draws will take place in the run up to Christmas.

Car Draw Winners

October Carol Fitzsimons	November Michael & Tracy Lawlor
December Aaron Hayes	January Sean Carey
February Audrey Dunne	March Bernadette Fitzgerald
April Kevin Slattery	May Tara Faulkner
June Lesia Lomsargiene	July Michaela Beirne
August Pat Lynn	September Lee Rennicks

Giving back to members for just €1 a week.

Navan
Kennedy Road,
Navan,
Co. Meath

Ballivor-Kildalkey
Main St,
Ballivor,
Co. Meath

Ballyjamesduff
Main St,
Ballyjamesduff,
Co. Cavan

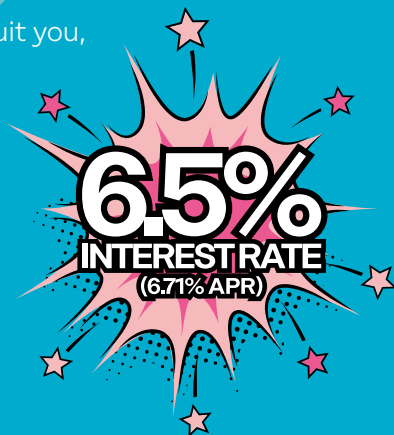
Clonmellon-Delvin
Main St,
Clonmellon, Navan,
Co. Meath

Dunshaughlin
Main St,
Dunshaughlin,
Co. Meath

Combine your loans or get a new one with the Great Rate Loan.

With no hidden fees and repayment options to suit you, we're with you every step of the way

THE GREAT RATE!



Loan Amount	Weekly Repayments	Term	Total Interest	Total Repayments
€25,000	€112.62	5 years	€4,282.42	€29,282.42
€30,000	€102.56	7 years	€7,332.42	€37,332.42
€35,000	€107.86	8 years	€9,869.99	€44,869.99
€50,000	€130.69	10 years	€17,961.58	€67,961.58
€75,000	€196.04	10 years	€26,941.21	€101,941.21
€100,000	€261.39	10 years	€35,920.96	€135,920.96

E&OE. All loans are subject to application & approval, creditworthiness and repayment ability will be assessed. Lending terms & conditions apply. Loans require a minimum share balance to be retained until the loan is cleared in full. Credit Union Plus Limited is regulated by the Central Bank Of Ireland. **Warning:** If you do not meet the repayments on your loan, your account will go into arrears. This may affect your credit rating, which may limit your ability to access credit in the future.

The Great Rate: Variable interest rate of 6.5%. Typical APR is (6.71%). Minimum borrowing of €25,000 – maximum is dependent on repayment capacity and purpose of loan. For existing members that have loans with us, there is a minimum top up of €5,000 allowed to enable member to avail of The Great Rate interest rate, the overall balance must be €25,000 or above.

Call **046 902 1395**
or apply online today!

Apply for a loan over the phone today, without the need to call into your local branch.
Available Monday-Saturday 9.15am-5pm.
Email info@creditunionplus.ie