



# Ballyshannon & Killybegs

CREDIT UNION LIMITED  
[www.bkcreditunion.ie](http://www.bkcreditunion.ie)

## Report and Financial Statements

For Year Ended 30<sup>th</sup> September 2023



You are invited to the Annual General Meeting  
of Ballyshannon & Killybegs Credit Union Ltd.  
Which will take place in the Dorrians Hotel, Ballyshannon  
on Thursday 14<sup>th</sup> December 2023 at 8.00pm.

Refreshments and Prizes  
on the night.



Car  
Loans



Agri  
Loans



Personal  
Loans



Mortgage



Renovate  
Home  
Improvement



3rd Level  
Education



Savings



Electronic  
Payments



Mobile App



Online  
Banking



Insurance  
Benefits

T: 074 955 4455 E: [info@bkcreditunion.ie](mailto:info@bkcreditunion.ie)





## Agenda

1. The acceptance by the Board of the Directors of the authorised representatives of members that are not natural persons.
2. Ascertainment of Quorum
3. Adoption of Standing Orders
4. Minutes of A.G.M
5. Report of Board of Directors
6. Financial Report
7. Report of the Auditor
8. Report of Board Oversight Committee
9. Report of Dividend
10. Report of Credit Committee
11. Report of Credit Control
12. Report of the Membership Committee
13. Report Nominations Committee
14. Appointment of Tellers
15. Election of Auditor
16. Election of Board Oversight Committee
17. Election of Directors
18. Amendment of Rules
19. Other Business
20. Election Results
21. Close of Meeting

## YOUR BOARD ARE SEEKING VOLUNTEERS



Become a member of your board & enhance your personal development through targeted training programmes

For more go to [bkcreditunion.ie/volunteering](http://bkcreditunion.ie/volunteering) or get in touch by email [nominations@bkcreditunion.ie](mailto:nominations@bkcreditunion.ie)

## Vacancies

We have the below vacancies available on the board, please contact your local branch or email letter of interest to [nominations@bkcreditunion.ie](mailto:nominations@bkcreditunion.ie)

### 2 DIRECTORS



**Ballyshannon  
& Killybegs**

CREDIT UNION LIMITED

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AVAILABLE**

**SIGN UP TODAY**

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**We are delighted to have introduced Current Accounts for our members this year. This comes with a globally recognised Debit Card and low transparent fees. Current Account from Ballyshannon & Killybegs credit union gives you all the benefits you expect, but with the personal touch of your trusted credit union.**

**Our current account is easy to sign up, just sign up through your online banking or pop into our branch, we will require your proof of address dated within 6 months.**

### **Features and Benefits:**

- Apple Pay, Google Pay and FitBit Pay
- Globally accepted Mastercard® Debit Card
- Use in-store, online or at ATMs
- Cashback available at participating retailers
- Contactless payment
- Transparent Fees
- Automate regular payments using Standing Orders & Direct Debits
- Stay in control with our Mobile web App, eStatements and eFee Advices
- Secure online shopping
- 24/7 support for lost/stolen debit cards via card services in Ireland 01 6933333



### **Find out more**



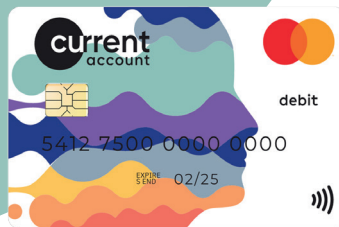
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**Ballyshannon  
& Killybegs**  
CREDIT UNION LIMITED



# Directors' Report

for the year ended 30<sup>th</sup> September 2023

The directors present their annual report and the audited financial statements for the financial year ended 30<sup>th</sup> September 2023.

## Principal Activities

The principal activity of the credit union 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 payable and interest receivable.

## Business Review

The directors are satisfied with the current year results and the year-end financial position of the credit union. The directors are aware of the financial constraints facing members' and therefore the increased difficulties collecting debts in a timely fashion. The directors however are of the opinion that the credit union is well positioned to meet these challenges and are confident of its ability to continue to operate successfully in the future.

## Results and Dividends

The excess of income over expenditure for the year is set out in the Income and Expenditure Account on page 8.

The directors recommend payment of a dividend of 0.125% for the year ended 30<sup>th</sup> September 2023.

Details are shown in Note 6 to the accounts.

## Principal Risks and Uncertainties

The principal risks and challenges facing the credit union are summarised as follows:

- Members' defaulting on loans
- Not lending a sufficient proportion of funds so that too much of the credit unions resources are
- tied up in investment products
- Poor performance of investments
- The risk of not having sufficient cash resources to meet day to day running costs and repay members savings when demanded.

The credit union board are fully aware of the principal risks, monitors these constantly and strives to minimise all risks and handle prudently those residual risks over which it has little control.

## Auditors

The Auditors, SMC Chartered Accountants Ltd, 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 24/10/23 and signed on its behalf by:**

Chairperson: **Thomas McGuinness** Secretary: **Marcus Clancy**



# Statement of Board Oversight Committee's Responsibilities

for the year ended 30<sup>th</sup> September 2023

## 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 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

Chairperson: **Thomas McGuinness**

Secretary: **Marcus Clancy**

Date: 24/10/23

# 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 in respect of which they are to have regard in relation to the Board.

Chairperson: **Shane O'Donnell**

Member of the Board Oversight Committee: **Angelica Joyce**

Date: 24/10/23



# Independent Auditors' Report to the Members of Ballyshannon Killybegs Credit Union Limited

## Report on the audit of the financial statements

### Opinion

We have audited the financial statements of Ballyshannon Killybegs Credit Union Limited for the year ended 30th September 2023, 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 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

In auditing the financial statements, we have concluded that the directors' 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 Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.



## **Other Information**

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 on page 3, 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.

**SMC Chartered Accountants**  
**Chartered Accountants & Statutory Audit Firm**  
**Glenview Business Park**  
**Mountain Top**  
**Letterkenny**  
**Co Donegal**

**Date: 24/10/23**

## **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





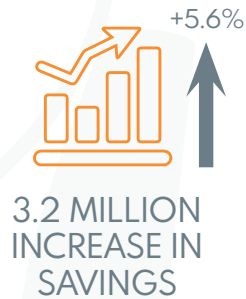
inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Credit Union to cease to continue as going concerns.

- 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.

# A YEAR OF GROWTH

## BKCU



NEW  
MEMBERS  
592

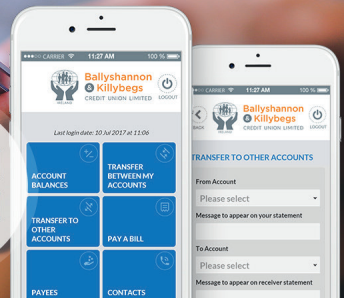
TOTAL  
MEMBERSHIP  
15,588

ONLINE TRANSACTIONS, PAY A BILL,  
LIVE BALANCES AND MORE

Register for Online Access  
and download Mobile App at  
[bkcreditunion.ie/Register](http://bkcreditunion.ie/Register)

Available on the  
App Store

GET IT ON  
Google Play





# Marketing & Business Development

Our new website is live!

**[WWW.BKREDITUNION.IE](http://WWW.BKREDITUNION.IE)**

We are delighted to announce the launch of our new website. We hope you like the new look and feel.

Check back for latest news and promotions in your local Credit Union. You can also view our website on your mobile phone. Take some time to browse around the site and find out about what's on offer now at Ballyshannon & Killybegs Credit Union.

**Home Loan: Mortgages up to €150,000**, helping our members get their first property. Did you know our mortgage interest rates are NOT affected by the ECB hikes. Contact our Lending Manager today who is happy to assist you with your application. Email [lending@bkcreditunion.ie](mailto:lending@bkcreditunion.ie) or call 074 955 4455.

## Promotional Loans

We continue to offer a wide range of promotional loans to our members. **Agri Loan at 6.75% (6.98%apr)**, helping our agriculture member with cashflow and stock purchase. **The Special Car Loan 6% (6.17%apr)**, helping our members get their first car or upgrade their car for their growing family. **Renovate 7% (7.25%apr)** home loan, helping members who are upgrading their homes, finishing off outside or retrofitting to make their home more energy efficient. For a full range of our promotional loans see our new updated website and try out the loan calculator, [www.bkcreditunion.ie/loans](http://www.bkcreditunion.ie/loans). Our mission is to offer affordable finance to help our community grow and prosper. All loans are subject to lending terms and conditions.

*Ballyshannon & Killybegs Credit Union Ltd is regulated by the Central Bank of Ireland.*

*Loans are subject to approval. Terms & Conditions apply. If you do not meet the repayments on your loan, your account will go into arrears. This may affect your credit rating which may limit your ability to access credit in the future.*



*Credit Unions have topped the national CXi Ireland Customer Experience league table for an incredible, ninth consecutive year.*



# Statement of Changes in Reserves

for the year ended 30<sup>th</sup> September 2023

	Regulatory reserve €	Operational Risk reserve €	Unrealised reserve €	Realised reserves €	Total reserves €
At 1 October 2022	7,173,811	427,340	-	2,326,650	9,927,801
Surplus allocation	-	-	-	603,469	603,469
Other movement in reserves	300,000	279,699	28,048	(607,747)	-
<b>At 30 September 2023</b>	<b>7,473,811</b>	<b>707,039</b>	<b>28,048</b>	<b>2,322,372</b>	<b>10,531,270</b>
At 1 October 2022	7,473,811	707,039	28,048	2,322,372	10,531,270
Surplus allocation	-	-	-	937,947	937,947
Dividends paid during the year (Note 6)				(68,108)	(68,108)
Other movement in reserves	614,799	50,000	-	(664,799)	-
<b>At 30 September 2023</b>	<b>8,088,610</b>	<b>757,039</b>	<b>28,048</b>	<b>2,527,412</b>	<b>11,401,109</b>

(1) The Regulatory reserve of the Credit Union as % of total assets as at 30th September 2023 was 11%. (2022: 10.73%).

(2) In accordance with S45 of the Credit Union Act 1997 (as amended) Ballyshannon Killybegs Credit Union Ltd. put in place an Operational Risk reserve in 2016. The Board approved a transfer of €50,000 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 as a % of total assets as at 30 September 2023 was 1.03% (2022: 1.015%).

(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 Ballyshannon Killybegs Credit Union Ltd. has transferred €614,799 (2022: €300,000) of its current year surplus to its Regulatory reserve so that the reserve would stand at 11% current year end, in excess of the required limit of 10%.



# Statement of Cash Flows

for the year ended 30<sup>th</sup> September 2023

	Note	2023 €	2022 €
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loans Repaid by members	12a	11,027,499	10,717,939
Loans Granted to members	12a	(14,733,046)	(12,843,174)
Loan Interest Received	4	2,032,418	1,922,204
Investment income received		563,213	355,116
Other income received	7	102,702	315,354
Bad debts recovered	12d	21,569	38,893
Dividends paid	6	68,108	-
Interest rebate paid	6	-	-
Operating expenses paid to include employment costs		(1,939,173)	(1,440,048)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>		<b>(2,992,926)</b>	<b>(933,716)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(201,933)	(64,409)
Net cash flow from investments		7,108,413	(2,055,393)
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>6,906,480</b>	<b>(2,119,802)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Members' Shares Received	15	23,697,398	22,078,185
Members' Shares Withdrawn	15	(20,414,078)	(20,081,371)
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>3,283,320</b>	<b>1,996,814</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>7,196,874</b>	<b>(1,056,704)</b>
Cash & cash equivalents at beginning of year		4,055,628	5,112,332
<b>Cash &amp; cash equivalents at end of year</b>	10	<b>11,252,502</b>	<b>4,055,628</b>

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7.25% (APR)

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Lending terms and conditions apply. Loans are insured subject to approval. Ballyshannon & Killybegs Credit Union Ltd is regulated by the Central Bank of Ireland.



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& Killybegs**  
CREDIT UNION LIMITED

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FOR YOU. NOT PROFIT.



# Schedules to the Financial Statements

for the year ended 30<sup>th</sup> September 2023

## Schedule 5 -

### Other Management Expenses

	2023	2022
	€	€
Rent & Rates	28,895	25,498
Light, Heat & Cleaning	25,593	21,883
Repairs & renewals	12,160	11,717
Printing & stationery	16,536	12,447
Postage & Telephone	22,270	18,977
Donations and sponsorship	2,063	6,782
Promotion and advertising	17,341	10,701
Staff & Board Training	9,988	15,572
AGM expenses	17,462	14,351
Travel & subsistence	3,849	7,029
Bank Charges	37,243	68,097
Professional Fees	65,322	25,881
Audit Fees	18,635	18,635
Internal Audit Fee	8,764	9,225
PAYAC Costs	81,855	-
General Insurance	33,461	30,946
Share and loan insurance	254,047	232,446
Savings Protection Scheme	4,426	4,413
CCR Fees	8,971	8,849
Computer Maintenance	95,434	80,033
Miscellaneous Expenses	20,850	3,722
Affiliation Fees	21,034	20,473
Regulatory and other levies	109,240	125,239
Interest on members loans	-	15,250
<b>Total other management expenses</b>	<b>915,439</b>	<b>788,166</b>

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# Income & Expenditure Account

for the year ended 30<sup>th</sup> September 2023

	Note	2023 €	2022 €
<b>INCOME</b>			
Interest on members' Loans	4	2,053,320	1,923,047
Other Interest Income and Similar Income	5	629,724	355,116
<b>NET INTEREST INCOME</b>		<b>2,683,044</b>	2,278,163
Other Income	7	102,702	315,354
<b>TOTAL INCOME</b>		<b>2,785,746</b>	2,593,517
<b>EXPENDITURE</b>			
Employment costs		681,467	608,638
Impairments	9b	52,569	175,706
Pension Costs Deficit		-	299,840
Depreciation	11	64,889	38,332
Other management expenses (Schedule 1)		915,439	788,166
Net (losses) / recoveries on loans to members	12d	133,435	79,366
<b>TOTAL EXPENDITURE</b>		<b>1,847,799</b>	1,990,048
Surplus for the financial year		937,947	603,469
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>937,947</b>	603,469

The financial statements were approved and authorised for issue by the Board of directors and signed on its behalf by;

Manager **John Duffy**

Member of Board Oversight Committee **Shane O'Donnell**

Member of Board of Directors **Thomas McGuinness**

Date: 24/10/23



# Balance Sheet

for the year ended 30<sup>th</sup> September 2023

	Note	2023 €	2022 €
<b>ASSETS</b>			
Cash and cash equivalents	10	11,252,502	4,055,628
Tangible fixed assets	11a	1,316,351	1,174,434
Intangible assets	11b	774	5,647
Loans to members	12	27,975,519	24,424,975
Prepayments and accrued income	13	471,126	367,711
Deposits and investments	14	32,514,430	39,622,843
<b>TOTAL ASSETS</b>		<b>73,530,702</b>	69,651,2381
<b>LIABILITIES</b>			
Members' Shares	15	61,956,026	58,672,706
Other payables	16	173,567	447,262
<b>TOTAL LIABILITIES</b>		<b>62,129,593</b>	59,119,968
<b>ASSETS LESS LIABILITIES</b>		<b>11,401,109</b>	10,531, 270
<b>RESERVES</b>			
Operational risk reserve		757,039	707,039
Regulatory reserve		8,088,610	7,473,811
Other reserves			
- Realised reserves		2,527,412	2,322,372
- Unrealised reserves		28,048	28,048
<b>TOTAL RESERVES</b>		<b>11,401,109</b>	10,531,270

The financial statements were approved, and authorised for issue, by the Board of directors on and signed on its behalf by:

Manager **John Duffy**

Member of Board Oversight Committee **Shane O'Donnell**

Member of Board of Directors **Thomas McGuinness**

Date: 24/10/23



# Notes to the Financial Statements

for the year ended 30<sup>th</sup> September 2023

## 1. LEGAL AND REGULATORY FRAMEWORK

Ballyshannon Killybegs Credit Union Ltd. 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 address is at Elmwood Terrace, Killybegs, Co Donegal.

## 2. ACCOUNTING POLICIES

The following principal accounting policies have been applied;

### 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 Ballyshannon Killybegs Credit Union Ltd. 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*

Investment Income is recognised when received or irrevocably receivable. Investments are recognised at cost less any permanent diminution in capita; value but ignoring any increase in capital value or encashment value until realised in the form of cash or cash equivalents.

#### *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**

### *Dividends on shares and loan interest rebates*

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

The Board in determining the level of distribution considers its ongoing operating expenses, capital requirements and financial risks. Dividends are accounted for when members ratify such payments at the Annual General Meeting. No liability to pay a distribution is recognised in the financial statements until the majority of members vote at the AGM.

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 and Deferred 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 not take account immediately of any impairment in the value of the investment.

### *Held to Maturity investments*

Investments designated on initial recognition as held-to-maturity are investments that the credit union intends, and is able to, hold to maturity. These are carried at amortised cost using the effective interest method. The fair value of some investment products will change during their life, but they will have a fixed maturity value at some future date. When designated as held-to-maturity, any change in the fair value during the term of the investment is ignored, with the credit union only accounting for interest received.

## **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 loans to members**

Ballyshannon Killybegs Credit Union Ltd assesses, at each balance sheet date, if there is objective evidence that any of its loans to members are impaired. 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. In addition, if, during the course of the year, there is objective evidence that any individual loan is impaired, a specific loss will be recognised.

Any impairment losses are recognised in the Income and Expenditure account, as the difference between the carrying value of the loan and the net present value of the expected cash flows.

## **2.12. 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 in the Credit Union 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 the nominal amount.

### *Other payables*

Other payables are classified as current liabilities if payment is due within one year or less. Other payables are recognised initially at transaction price.

## **2.13. Tangible fixed assets**

Tangible fixed assets comprises items of property, fixtures and fittings, and office and computer 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:

Freehold property	2% straight line
Office equipment	20% straight line
Computer hardware	33.3% straight line

## **2.14. 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).

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.

## **2.15. Employee benefits**

### *Defined Benefit Pension Scheme*

Ballyshannon & Killybegs Credit Union Ltd. participates in an industry-wide pension scheme for employees (The Irish League of Credit Unions Republic of Ireland Pension Scheme). This is a funded defined benefit scheme with assets managed by the scheme's trustees. The ILCU is the principal employer of the Scheme and Ballyshannon & Killybegs Credit Union Limited is a participating employer.

The scheme is a multi-employer defined benefit scheme and there is insufficient information for Ballyshannon & Killybegs Credit Union Limited to separately identify its share of the Scheme's underlying assets and liabilities. Consequently, the Credit Union accounts for the scheme as a defined contribution plan.

If an agreement is entered into with the Scheme that determines how Ballyshannon & Killybegs Credit Union Limited will fund a past service deficit, Ballyshannon & Killybegs Credit Union Limited shall recognise a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit).



### *Defined Contribution Pension Scheme*

Ballyshannon & Killybegs Credit Union Ltd. also participates in a defined contribution pension scheme, to which some of its employees are members. Pension benefits are funded over the employee's period of service by way of defined contributions paid to an approved fund held with New Ireland Assurance Company Plc. Contributions are based on a fixed percentage of an employee's annual salary and the charge to the Income and Expenditure Account reflects contributions paid and payable in respect of the year ended 30th September 2023.

### *Other 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.

## **2.16. 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.

### *Other reserves – Realised reserves*

Realised reserves are the accumulated surpluses to date that have not been declared as dividends returnable to members.

## **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 Ballyshannon Killybegs Credit Union Ltd.'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 2.11. The estimation of loan losses is inherently uncertain and depends upon many factors, including historic 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.

### *Impairment of buildings*

The credit union's policy is to carry out periodic impairment reviews of the credit union's premises comparing the carrying value of each property to the market value at the balance sheet date. Impairment reviews are subject to the assumption that a market exists for the relevant property at the date of review. The estimates of impairment based on market



value are recognised in the Income & Expenditure account in the period identified.

### Pensions

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

The carrying value of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable. In the event, an impairment loss is recognised as the difference between the carrying amount and the assets market value. The impairment charge, if applicable is charged to the Income and Expenditure Account in the period in which the related events or changes in circumstances occur.

#### 4. INTEREST ON MEMBERS' LOANS

	2023	2022
	€	€
Closing accrued interest receivable	72,553	51,651
Loan interest received in financial year	2,032,418	1,921,703
Opening accrued loan interest receivable	(51,651)	(50,307)
<b>Total interest on members' loans</b>	<b>2,053,320</b>	<b>1,923,047</b>

#### 5. OTHER INTEREST INCOME AND SIMILAR INCOME

	2023	2022
	€	€
Investment income and gains received by the Balance Sheet date	320,160	112,063
Receivable within 12 months of Balance Sheet date	309,564	243,053
	<b>629,724</b>	<b>355,116</b>

## MORTGAGE 5%

5.12% (APR)

Borrow up to €150,000  
over 35 years

Lending terms and conditions apply. Loans are insured subject to conditions. Loans are subject to approval, lending is a co apply. Ballyshannon & Killybegs Credit Union are regulated by the Central Bank of Ireland.

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NOT PROFIT  
TALK TO US TODAY ABOUT RETRO-FITTING YOUR HOME  
FOR YOU NOT PROFIT  
bkcreditunion.ie/mortgage



## 6. DIVIDENDS PAYABLE

The dividends and loan interest rebate for the current and prior year periods were as follows:

	2023	2022
Dividend paid during the year	€ 68,108	-
	-	%
Dividend rate: Members' shares	0.125%	-

### Dividend proposed, but not recognised

The directors propose payment of a dividend of €72,187 (0.125%) for the year ended 30th September 2023, subject to agreement by the membership at the AGM.

	2023	2022
Loan interest rebate paid during the year	€ -	€ -
Loan interest rebate rate: Members' loan interest	%	%

### Loan interest rebate proposed, but not recognised

The directors do not propose payment of a loan interest rebate on higher interest loans for the year ended 30th September 2023.

## 7. OTHER INCOME

	2023	2022
Other income/SPS Refund	€ 5,463	€ 273,000
Gains on Investments	97,239	20,108
ECCU refund	-	22,246
<b>Total other income</b>	<b>102,702</b>	<b>315,354</b>

### 7a. SPS Refund

The Savings Protection Scheme (SPS) is a discretionary scheme funded by Credit Unions affiliated to the Irish League of Credit Unions (ILCU).

At the ILCU 2022 AGM, a resolution was passed to authorise a distribution from the SPS funds to all affiliated Credit Unions based on asset size.



## 8. EXPENSES

	Note	2023 €	2022 €
Employment costs	9b	681,467	608,638
Pension Deficit		-	299,840
Depreciation	11	133,435	38,332
Other management expenses (Schedule 1)		915,439	788,166
		<b>1,730,341</b>	<b>1,734,976</b>

## 9. EMPLOYEES AND EMPLOYMENT COSTS

### 9a. NUMBER OF EMPLOYEES

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Manager	1	1
Other staff	20	20
<b>Total</b>	<b>21</b>	<b>21</b>

### 9b. EMPLOYMENT COSTS

	2023 €	2022 €
Wages and salaries	585,983	554,917
Pension Costs	95,484	353,561
<b>Total employment costs</b>	<b>681,467</b>	<b>908,478</b>

### 9c. KEY MANAGEMENT PERSONNEL

The remuneration of key management personnel was as follows:

	2023 €	2022 €
Short term employee benefits	183,007	160,826
Payments to Pension Schemes	16,546	16,572
<b>Total key management personnel compensation</b>	<b>199,553</b>	<b>177,398</b>

*Tellers to serve You!*



## 10. CASH AND CASH EQUIVALENTS

Cash and balances at bank  
Deposits and investments

**2023**  
€  
**814,917**  
**10,437,585**  
**11,252,502**

**Total cash and cash equivalents**

Deposits and investments categorised under cash and cash equivalents above are those with maturity of less than or equal to three months.

### 11a. TANGIBLE FIXED ASSETS

	Freehold land & buildings	Office equipment	Computer equipment	Total
<b>Cost</b>	€	€	€	€
At 1 October 2022	1,413,703	227,943	114,901	1,756,547
Additions	112,657	10,823	78,453	201,933
At 30 September 2023	1,526,360	238,766	193,354	1,958,480
<b>Depreciation</b>				
At 1 October 2022	241,332	227,018	113,763	582,113
Charge for the year	30,528	2,462	27,026	60,016
At 30 September 2023	271,860	229,480	140,789	642,129
<b>Net book value</b>				
At 30 September 2023	1,254,500	9,286	52,565	1,316,351
At 30 September 2022	<b>1,172,371</b>	<b>925</b>	<b>1,138</b>	<b>1,174,434</b>

### 11b. INTANGIBLE FIXED ASSETS

	Total	
<b>Cost</b>	€	€
At 1 October 2022	39,343	39,343
Additions	-	-
At 30 September 2023	39,343	39,343
<b>Provision for diminution in value</b>		
At 1 October 2022	33,696	33,696
Charge for the financial Year	4,873	4,873
At 30 September 2023	38,569	38,569
<b>Net book value</b>		
At 30 September 2023	774	774
At 30 September 2022	<b>5,647</b>	<b>5,647</b>





## 12. LOANS TO MEMBERS - FINANCIAL ASSETS

### 12a. LOANS TO MEMBERS

	Note	2023 €	2022 €
As at 1 October		25,889,294	23,810,361
Advanced during the year		14,733,046	12,843,174
Repaid during the year		(11,027,499)	(10,717,939)
Loans written off		(50,163)	(46,302)
Gross loans to members	12b	29,544,678	25,889,294
Impairment allowances			
Individual loans		(122,999)	(170,807)
Groups of loans		(1,446,160)	(1,293,512)
Loan provision		(1,569,159)	(1,464,319)
<b>As at 30th September</b>		<b>27,975,519</b>	<b>24,424,975</b>

### 12b. CREDIT RISK DISCLOSURES

The carrying amount of the loans to members represents Ballyshannon Killybegs Credit Union Ltd. 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.

	2023 €	2022 €
Loans not Impaired	23,160,045	20,382,370
Up to 9 weeks past due	2,078,643	1,479,159
Between 10 and 18 weeks past due	201,881	203,859
Between 19 and 26 weeks past due	107,638	94,330
Between 27 and 39 weeks past due	110,507	118,529
Between 40 and 52 weeks past due	95,021	66,522
53 or more weeks past due	570,177	531,719
Covered Loans	3,220,766	3,012,805
	<b>29,544,678</b>	<b>25,889,293</b>



## 12b. CREDIT RISK DISCLOSURES (CONT'D)

<b>Impairment allowance</b>	<b>2023</b>	<b>2022</b>
	€	€
Individual loans	122,999	170,807
Groups of loans	1,446,160	1,293,512
As at 30 September	<b>27,975,519</b>	24,424,975

## 12c. LOAN PROVISION ACCOUNT FOR IMPAIRMENT LOSSES

	<b>2023</b>	<b>2022</b>
	€	€
As at 1st October	1,464,319	1,392,362
Net movement in loan provisions for loans outstanding	155,003	118,259
Decrease in loan provisions during the year	(50,163)	(46,302)
As at 30 September	<b>1,569,159</b>	1,464,319

## 12d. NET RECOVERIES OR LOSSES RECOGNISED FOR THE YEAR

	<b>2023</b>	<b>2022</b>
	€	€
Bad debts recovered	21,569	38,893
(Increase) / Decrease in loan provisions during the year	(104,841)	(71,957)
Loans written off	(50,163)	(46,302)
Net (recoveries) / losses on loans to members recognised for the year	<b>(133,435)</b>	(79,366)

## 12e. ANALYSIS OF GROSS LOANS OUTSTANDING

	<b>2023</b>		<b>2022</b>	
	<b>Number of Loans</b>	<b>€</b>	<b>Number of Loans</b>	<b>€</b>
Less than one year	777	1,114,300	690	1,020,255
Greater than 1 year and less than 3 years	1,558	6,502,241	1,546	6,309,379
Greater than 3 and less than 5 years	1,248	12,549,261	1,144	10,498,068
Greater than 5 years and less than 10 years	374	7,624,962	329	6,575,492
Greater than 10 years and less than 25 years	38	1,694,031	37	1,425,043
Greater than 25 years	1	59,883	1	61,057
	<b>3,996</b>	<b>29,544,678</b>	<b>3,747</b>	<b>25,889,294</b>



### 13. PREPAYMENTS AND ACCRUED INCOME

	2023	2022
	€	€
Prepayments	89,009	68,070
Accrued income investments	309,564	247,990
Accrued loan interest income	72,553	51,651
	<b>471,126</b>	<b>367,711</b>

### 14. DEPOSITS AND INVESTMENTS

Investments at the current and prior Balance Sheet date were all measured at amortised cost as appropriate and comprised of the following:

#### Cash Equivalents (Original Maturity within 3 months)

	2023
	€
Fixed term deposits with banks (note 10)	9,444,782
Government bonds (note 10)	992,803
<b>Total cash equivalents</b>	<b>10,437,585</b>

#### Other (Original Maturity after 3 months)

	2023
	€
Fixed term deposits with banks	23,194,215
Government & Bank Bonds	8,040,460
UCITS	823,896
Central Bank Minimum deposits	455,859
<b>Total other</b>	<b>32,514,430</b>

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

	2023
	€
A1	17,815,101
A2	3,962,132
A3	4,006,440
AA3	5,451,002
<b>Total deposits and investments</b>	<b>31,234,675</b>

The Investment in UCITS was made in year ended 30th September 2021 and is not capital guaranteed. It is valued at Fair Value in accordance with the requirements of FRS102.



## 15. MEMBERS' SHARES – FINANCIAL LIABILITIES

	2023	2022
	€	€
As at 1st October	58,672,706	56,675,892
Received during the year	23,697,398	22,078,185
Repaid during the year	(20,414,078)	(20,081,371)
Other movements	-	-
<b>As at 30th September</b>	<b>61,956,026</b>	58,672,706

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	50,092,610	50,757,721
Attached shares	11,863,416	7,914,985
<b>Total members' shares</b>	<b>61,956,026</b>	58,672,706

## 16. OTHER PAYABLES

	2023	2022
	€	€
PAYE/PRSI	10,100	10,984
Other accruals	163,467	436,278
	<b>173,567</b>	447,262

## 17. RATE OF INTEREST ON MEMBERS LOANS

	APR %
Standard loans	11.02%
Student loans	4.07%
Car loan (promotional)	6.17%
House loans	5.12%
Secured loans	6.96%
Agri loans	6.96%
Renovate loans	7.23%
Business loans	11.02%
Community loans	11.02%



## 18. ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURES

### 18a. FINANCIAL RISK MANAGEMENT

Ballyshannon Killybegs Credit Union Ltd. is a provider of personal and community 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 Ballyshannon Killybegs 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 Ballyshannon Killybegs Credit Union 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 12b.

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. Ballyshannon Killybegs Credit Union 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.

### 18b. Interest rate risk disclosures

The interest rates applicable to loans to members are disclosed in note 17. The dividend on shares and interest on deposits is determined on the basis of income less administrative expenses and, as can be seen above, a consistent margin is maintained between interest receivable and dividend on shares. As a result, the surplus for the year is not particularly sensitive to interest rate risk and no sensitivity analysis is presented.



### **18c. Liquidity risk disclosures**

All of the financial liabilities of the Credit Union are repayable on demand except for some members' shares attached to loans and members' deposits which have a fixed maturity date.

### **18e. 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 11% of the total assets of the Credit Union at the Balance Sheet date.

## **19. RETIREMENT BENEFITS AND SIMILAR OBLIGATIONS**

### *The Irish League of Credit Unions Republic of Ireland Pension Scheme*

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

On 31 March 2022, the defined benefit scheme ceased to accrual and although staff retained all the benefits that they had earned in the scheme to that date, Ballyshannon & Killybegs Credit Union Limited and its employees ceased making regular contributions to the scheme and ceased earning any additional benefits from the scheme.

At the date of closure of the scheme, there was a past service deficit which was allocated to each individual credit union based on the total benefits earned by staff in each credit union. Ballyshannon & Killybegs Credit Union Limited's allocation of that past service deficit was €299,840. This total cost was included in the Income & Expenditure account for the year ended 30 September 2022 and this deficit amount was paid to the trustees prior to 30/09/2022. During the year ending 30th September 2023 there were no contributions in respect of a past service deficit payable and hence no charge to the Income and Expenditure account.

As this is a pooled pension scheme, Ballyshannon & Killybegs Credit Union Limited remains liable to cover the cost of their share of any future increase in the total cost of providing the pension payments to credit union employees who were part of the scheme. Ballyshannon & Killybegs Credit Union Limited could exit the scheme and therefore never have to make a potential additional payment requirement but exiting the scheme would incur a substantial additional cost. If credit unions exit the Scheme, they are required to pay to the trustees the exit amount which the trustees determine is required to fund benefits in respect of their active, deferred and pensioner members on a "no risk" basis. The exiting credit union thereby settles any liability they have to contribute to the Scheme in the future without increasing the risk for remaining credit unions.

## **20. POST BALANCE SHEET EVENTS**

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



## **21. INTEREST ON MEMBERS LOANS**

On 9th September 2022, the Central Bank of Ireland wrote to all Credit Unions that used ICE (Intuity) Computer Banking system between 1st January 2012 and the 12th October 2018. This advised of an issue within the computer-generated credit agreements within this timeframe. This was specifically regarding top-up loans.

The credit agreement noted the amount of interest due on the loan being topped up, including accrued interest, and the total interest payable on the loan. However, the amount of interest outstanding on the loan being topped up was not included in the total amount of interest repayable. This has led to a clarity issue.

No member of Ballyshannon Killybegs Credit Union was overcharged on their loan. The accrued interest noted on the credit agreement was duly collected at the next repayment made. As the language on the credit agreement did not correctly state how the interest accrued would be collected, the Board of Directors, have decided to refund all effected members as a gesture of goodwill. All effected members were notified by way of a letter and funds credited to their accounts on 11th January 2023.

## **22. CAPITAL COMMITMENTS**

There were no capital commitments either contracted for or approved by the Board at the year end.

## **23. INSURANCE AGAINST FRAUD**

The Credit Union has insurance against fraud in the amount of €1,300,000 (2022: €1,300,000) in compliance with Section 47 of the Credit Union Act 1997, as amended.

## **24. RELATED PARTY TRANSACTIONS**

During the year loans were advanced to directors and the management team of the Credit Union in the amount of €50,700 (2022: €50,200). These loans were approved in accordance with the Standard Credit Union rules and the Credit Union Act 1997 (Regulatory Requirements)

Regulations 2016. The loans outstanding from these parties at 30th September 2023 were €101,717 (2022: €92,082). These loans amounted to 0.344% of total gross loans due at 30th September 2023 (2022: 0.355%).

Related party provisions for loans stood at €11,421 at 30th September 2023 (2022: €11,759).

## **25. APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were approved, and authorised for issue, by the Board on 24/10/23.

*It's All About the Member and It Always Will Be*



# Ballyshannon & Killybegs

CREDIT UNION LIMITED  
[www.bkcreditunion.ie](http://www.bkcreditunion.ie)

## OFFICE OPENING TIMES

### BALLYSHANNON:

Monday	10am - 1pm, 2pm - 5pm
Tuesday	10am - 1pm, 2pm - 5pm
Wednesday	10am - 1pm
Thursday	10am - 1pm, 2pm - 5pm
Friday	10am - 1pm, 2pm - 5.30pm
Saturday	10am - 1pm

### KILLYBEGS:

Monday	10am - 1pm, 2pm - 5pm
Tuesday	10am - 1pm, 2pm - 5pm
Wednesday	10am - 1pm
Thursday	10am - 1pm, 2pm - 5pm
Friday	10am - 1pm, 2pm - 5.30pm
Saturday	10am - 1pm

### GLENTIES:

Friday	10am - 1pm, 2pm - 5.30pm
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### PETTIGO:

Thursday	10am - 12.30pm
Friday	10am - 1pm
Saturday	10am - 1pm

### ARDARA:

Monday	10am - 1pm, 2pm - 5pm
Tuesday	10am - 1pm, 2pm - 5pm
Thursday	10am - 1pm, 2pm - 5pm

Opening hours subject to change,  
see website for updates.

## CU - SMARTER CHOICE

### CREDIT UNIONS ARE SMARTER CHOICE

- Secure savings
- Competitive loans
- Personal Insurance
- Home Insurance
- Motor Insurance
- Travel Insurance
- Standing order payment facility
- Electronic Payments Outwards - EFT / SEPA Transfers
- Electronic Payments Inwards - Wages, Pensions, Farm Payments, Social Welfare, SUSI Grant Payments
- Current Account/Debit Card

### ONLINE ACCESS & MOBILE APP

Members can avail of a full suite of services, online transactions, pay a bill, make a card payment, live balances, make external and internal account transfers.

Register for your PIN today, go to [www.bkcreditunion.ie/Register](http://www.bkcreditunion.ie/Register)

Main Street, Killybegs, Co. Donegal  
T: 074 955 4455 • E: [info@bkcreditunion.ie](mailto:info@bkcreditunion.ie) • W: [www.bkcreditunion.ie](http://www.bkcreditunion.ie)



*Members can operate their  
accounts in any of our 5 branches.*

Ballyshannon & Killybegs Credit Union Ltd. is regulated by the Central Bank of Ireland.