



# Ballyshannon & Killybegs

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

## ANNUAL ACCOUNTS 2019

For Year Ended 30<sup>th</sup> September 2019

You are invited to Annual General Meeting  
of Ballyshannon & Killybegs Credit Union Ltd.  
Which will take place  
in Dorrian's Hotel, Ballyshannon  
on Tuesday 17th December 2019 at 8.00pm.  
Refreshments and Prizes on the night.

ARD AN RÁTHA  
ARDARA

BÉAL ÁTHA SEANAIH  
BALLYSHANNON

NA GLEANNTA  
GLENTIES

NA CEALLA BEAGA  
KILLYBEGS

PAITEAGÓ  
PETTIGO

# AGENDA

1. Ascertainment of Quorum
2. Adoption of Standing Orders
3. Minutes of A.G.M
4. Report of Board of Directors
5. Financial Report
6. Report of the Auditor
7. Report of Board Oversight Committee
8. Report of Dividend
9. Report of Credit Committee
10. Report of Credit Control
11. Report of the Membership Committee
12. Report Nominations Committee
13. Appointment of Tellers
14. Election of Auditor
15. Election of Board Oversight Committee
16. Election of Directors
17. Amendment of Rules
18. Other Business
19. Election Results
20. Close of Meeting

# VACANCIES

This year we have vacancies for 6 Directors and 2 Board Oversight Committee. The Nominations Committee has identified candidates for each vacancy.

**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)**



There are Four amendments to the Standard Rules for Credit Unions (Republic of Ireland) arising from League AGM 2019.

- Rule 1. Interpretation
- Rule 13. Qualification for membership
- Rule 83. Duties of membership committee and/ or membership officer
- Rule 84A. Membership Officer

## **Death Benefit Insurance**

From 1st January 2020 there will be a change in criteria to be eligible for Death Benefit Insurance (DBI) cover.

To be eligible a Member must join before their 70th Birthday and have a minimum share balance of €500 in their account at the date of Death.

# WANT TO DITCH THE DIESEL?

We've got the flexible  
**electric** car loan for you

**6% variable (6.17% APR\*)**

**SPECIAL LOAN RATE AVAILABLE FROM  
1/01/2020 – 31/3/2020**

LOAN AMOUNT	TERM	APR VARIABLE	60 MONTHLY REPAYMENTS	TOTAL AMOUNT PAYABLE
€10,000	5 Years	6.17%	€193.00	€11,600

## Have you had your Credit ReUnion?



Phone: 074 955 4455  
Visit: [bkcreditunion.ie](http://bkcreditunion.ie)

Glenties | Ardara | Killybegs | Ballyshannon | Pettigo

Promotional rate valid for all special car loan applications made from 1st January 2020 to 31st March 2020 inclusive. 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. Ballyshannon & Killybegs Credit Union Limited is regulated by the Central Bank of Ireland.



**Ballyshannon  
& Killybegs  
Credit Union**

HELPING YOU, HELPING YOUR COMMUNITY

# Directors' Report

## for the year ended 30<sup>th</sup> September 2019

The directors present their report and the audited financial statements for the year ended 30 September 2019.

### **Principal Risks and Uncertainties**

The directors continue to address the key risks and uncertainties that may arise. In light of the current economic climate, we assess the level of risks and manage those risks so as to ensure the continued future of the credit union. Key risks identified are the financial risk of losses on investments and potential bad debts. The principal areas currently requiring risk management include:

#### **Credit Risk**

The risk of financial loss arising from a borrower, issuer, guarantor or counter party, which may fail to meet its obligations in accordance with agreed terms.

#### **Liquidity Risk**

The risk that a credit union will not be able to fund its current and future expected and unexpected cash outflows as they fall due, without incurring significant losses.

#### **Capital risk**

The risk of a change in the quality or quantity of capital available, the credit union's exposure to external shocks and noticeable changes in the level of capital planning and in the capital management process.

#### **Operational Risk**

The risk of loss (financial or otherwise) resulting from inadequate or failed internal processes or systems of the credit union, any failure by persons connected with the credit union, legal risk or external events.

#### **Interest Rate Risk**

The risk arising from differences between the interest rate exposures on loans and investments receivable, as offset by the cost of capital, which is typically that of distributions to members, payable in the form of dividends and interest rebates.

#### **Strategy/ Business model risk:**

The risk which the credit union faces if they cannot compete effectively or operate a viable business model and the inherent risk in the credit union's strategy.

#### **Business Review**

Both the level of business during the year and the year-end financial position were satisfactory. We are actively lending and are very much open for business.

We have moved to a much improved premises in Ardara and are actively working on securing an improved building for our Killybegs operation.

The Board of Directors aim to enhance and expand the credit union's business activities and they are confident that their plans will prove to be successful.

### **Dividends and Interest Rebate**

The directors propose a dividend of €57,968 at the rate of 0.125% (2018: €54,068 at 0.125%).

The directors propose an interest rebate of €177,198 at the rate of 10.00% (2018: €198,067 at 12.00%).

### **Post Balance Sheet Events**

There have been no significant events affecting the Credit Union since the year-end.

### **Auditors**

The auditors, McDevitt & McGlynn, have indicated their willingness to continue in office in accordance with Section 115 of the Credit Union Acts 1997 to 2018.

### **Approved by the Board of Directors and signed on its behalf by:**

Member of Board of Directors **Thomas McGuinness**

Date: 14 November 2019



*Mary O'Donnell from Killybegs Branch & Audrey Elliot from Ireland West Airport presenting Hugh Doherty with his prize, flights and accommodation to Tenerife from Ireland West Airport.*

***Watch out for our next holiday draw in 2020!***

# Statement of Directors Responsibilities

The Credit Union Acts 1997 to 2018 requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Credit Union and of the income and expenditure of the Credit Union for that year. In preparing these financial statements the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the credit union will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

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 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.

In so far as the directors are aware:

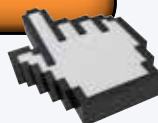
- there is no relevant audit information (information needed by the Credit Union’s auditor in connection with preparing the auditor’s report) of which the Credit Union’s auditor is unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Credit Union’s auditor is aware of that information.

**Approved by the Board of Directors and signed on its behalf by:**

Member of Board of Directors **Thomas McGuinness**

Date: 14 November 2019

Visit us at: [www.bkcreditunion.ie](http://www.bkcreditunion.ie)



# Statement of Board Oversight Committee's Responsibilities

The Credit Union Acts 1997 to 2018 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 Acts 1997 to 2018 and any other matter prescribed by the Central Bank in respect of which they are to have regard in relation to the board.

## **Approved on behalf of the Board Oversight Committee**

Member of Board Oversight Committee **Joesphine Ingram**

Date: 14 November 2019

# Independent Auditors' Report

to The Members of Ballyshannon & Killybegs Credit Union Ltd.

## **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 30

September 2019 which comprise the Income & Expenditure Account, the Balance Sheet, the Statement of Changes in Reserves, the Statement of Cash Flows 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Credit Union Acts 1997 to 2018.

In our opinion the financial statements:

- give a true and fair view of the state of the assets, liabilities, and financial position of the Credit Union as at 30 September 2019 and of its surplus 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 further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Credit Union in accordance with 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 where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Credit Union's ability to continue to adopt the going concern basis of accounting for a period of at least 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 Acts 1997 to 2018**

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.
- The financial statements are in agreement with the accounting records.

*You can stay up to date on all future developments across our branches via our Website, Social Media Channels and Quarterly Newsletter. To Sign Up to our Newsletter, eStatements and eAGM register for online access on [www.bkcreditunion.ie/register](http://www.bkcreditunion.ie/register)*



## **RESPECTIVE RESPONSIBILITIES**

### **Responsibilities of directors for the financial statements**

As explained more fully in the Statement of Directors' Responsibilities as set out on page 6, 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 the going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Credit Union or to cease operations, or 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: [www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description of auditors responsibilities for audit.pdf](http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf). The description forms part of our Auditor's 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 Acts 1997 to 2018. 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.

### **Paul McDevitt FCCA for and on behalf of MCDEVITT & MCGLYNN**

Chartered Certified Accountants and Registered Auditors  
Ardmore House Main Street Ballyshannon Co. Donegal Ireland

14 November 2019

# Marketing & Business Development Report

## Promotional Loans

Our Special Car Loan promotional rate will return on 1st January 2020, helping our members avail of affordable finance for their new car, whether it's a used or new car. The rate is 6% (6.17%APR) and valid for all special car loans applied for up to 31st March 2020.

In 2020 we will also introduce a new Green Energy Home Loan rate of 6% (6.17%APR), enabling our members to reduce their carbon footprint and save money on their heating bills. So whether you are retro fitting your home or installing renewable energy solutions which you may avail of government grants, we can help so call into our branches or check out our website and social media channels to learn more. Our objective is to offer affordable finance to help our community grow and prosper. All loans are subject to approval, Ballyshannon & Killybegs Credit Union is regulated by the Central Bank of Ireland.

## Online Access

Our online access has grown due to the convenience of seeing your account in real-time, making debit card payments online, enabling electronic transfers and applying for loans online. If you are not an online user you can register for online access by going to [www.bkcreditunion.ie/Register](http://www.bkcreditunion.ie/Register). When you receive your secure PIN, follow the steps to verify your mobile number within your secure members area and then download the mobile app. If you change your mobile number please notify us.

## Debit Card Payments

All Branches can now accept debit card payments, plus we introduced a 'make a card payments' facility online, enabling members to make payments using their debit card securely into their share, cash save and loan accounts.

## Partnerships

This year we partnered with local businesses to offer our members immediate rewards and offers. We would like to thank Ireland West Airport for providing the fabulous member draw prize of a holiday for 2 to Tenerife and look forward to new members Holiday Draw in 2020. Eclipse Cinemas Bundoran for providing 2for1 vouchers. Keep up to date on all our partnerships on our website, [www.bkcreditunion.ie](http://www.bkcreditunion.ie)

## Loan Offers

BMG/Donegal Hardware are offering members the opportunity to upgrade their boiler from as little as €21 per week, see in branch or go to [bkcreditunion.ie/boilerupgrade](http://www.bkcreditunion.ie/boilerupgrade) for more. Knightsbridge Private Hospital are offering all members the opportunity of availing of private health care for a range of treatments including Hip and Knee Replacements, Cataracts and a range of Cosmetic Procedures. Call Knightsbridge Private hospital for more on these treatments and help avail of the cross border directive.

For more see [www.bkcreditunion.ie/news](http://www.bkcreditunion.ie/news)

All offers are subject to loan approval. Ts&Cs apply.

## Branch News

We moved into our new Ardara Branch in 25th April 2019, the opening hours in Ardara are Monday, Tuesday, Thursday and Friday 9.30am - 1pm & 2pm-5pm and Saturday morning 9.30am to 1pm. Providing essential financial services to the Ardara community. Our open day was held on Saturday 12th October where we held the members draw for the Members Holiday Draw, congratulations to Hugh Doherty from Carrick who won the members draw.

# A YEAR OF GROWTH

## BKCU



2.1 MILLION  
INCOME



21.9 MILLION  
LOAN BOOKS



56.5 MILLION  
ASSETS



33.6 MILLION  
INVESTMENTS



MEMBERS

TOTAL  
MEMBERSHIP  
**13,886**



**5**  
BRANCHES



## COMMUNITY

30 local community initiatives supported as part of our social & corporate responsibility. We supported the ILCU FOUNDATION, helping set up credit unions in disadvantaged countries.

# Statement of Changes in Reserves

## for the year ended 30<sup>th</sup> September 2019

	Operational Reserve €	Regulatory Risk Reserve €	Surplus Reserve €	Total €
At 1 October 2017	100,000	5,333,811	1,980,286	7,414,097
Surplus	-	-	989,265	989,265
Surplus allocation	200,000	300,000	(500,000)	-
Dividends paid	-	-	(100,359)	(100,359)
Interest Rebate	-	-	(149,047)	(149,047)
<b>At 30 September 2018</b>	<b>300,000</b>	<b>5,633,811</b>	<b>2,220,144</b>	<b>8,153,955</b>
At 1 October 2018	300,000	5,633,811	2,220,142	8,153,953
Surplus	-	-	792,591	792,591
Surplus allocation	30,000	380,000	(410,000)	-
Dividends paid	-	-	(54,068)	(54,068)
Interest Rebate	-	-	(198,065)	(198,065)
<b>At 30 September 2019</b>	<b>330,000</b>	<b>6,013,811</b>	<b>2,350,600</b>	<b>8,694,411</b>

The Regulatory Reserve of the Credit Union as a % of the total assets as at 30th September 2019 was 10.63% which is in excess of the Credit Union's Regulatory Reserve requirement of 10%.

In accordance with section 45 of the Credit Union Act 1997 (as amended) Ballyshannon Killybegs Credit Union Limited put in place an Operational Risk Reserve. The Board approved a transfer of €30,000 to the Operational Risk Reserve. The closing balance on the operational risk reserve is €330,000. This equates to 0.005% of net assets.

Following the commencement of Section 13 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 Limited has transferred of its current year surplus to its regulatory reserve. €380,000

“ Thank you for supporting Ballyshannon & Killybegs Credit Union Ltd. ”

# Statement of Cash Flows

## for the year ended 30th September 2019

	2019	2018
	€	€
<b>Opening cash and cash equivalents</b>	<b>862,486</b>	6,425,439
<b>Cash flows from operating activities</b>		
Loans repaid	9,171,470	8,309,239
Loans granted	(11,539,328)	(10,574,369)
Loan interest income	1,781,861	1,658,841
Investment income	365,560	362,693
Other income received	22,555	55,305
Bad debts recovered	32,648	28,519
Dividends paid	(54,068)	(100,359)
Loan interest rebate	(198,065)	(149,047)
Operating expenses	(1,274,764)	(1,135,491)
Movement in other assets	71,759	7,424
Movement in other liabilities	9,602	12,678
Net cash used in operating activities	<b>(1,610,770)</b>	(1,535,343)
<b>Cash flows from investing activities</b>		
Purchase of intangible assets	(8,917)	(15,806)
Purchase of property, plant and equipment	(147,171)	(10,277)
Net cash flow from other investing activities	(1,282,518)	(6,924,877)
Net cash (used in)/generated from investing activities	<b>(1,438,606)</b>	(6,950,960)
<b>Cash flows from financing activities</b>		
Members' shares received	16,939,585	15,849,284
Members' shares withdrawn	(13,773,271)	(12,925,934)
Net cash generated from financing activities	<b>3,166,314</b>	2,923,350
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>116,938</b>	(5,562,953)
<b>Cash and cash equivalents at end of financial year 11</b>	<b>979,424</b>	862,486

# Income & Expenditure Account

## for the year ended 30<sup>th</sup> September 2019

	Schedule	2019 €	2018 €
<b>Income</b>			
Interest on members' loans	5	1,774,445	1,658,841
Other interest income and similar income	6	365,560	362,693
<b>Net interest income</b>		<b>2,140,005</b>	<b>2,021,534</b>
Other income	8	22,555	55,305
<b>Total income</b>		<b>2,162,560</b>	<b>2,076,839</b>
<b>Expenditure</b>			
Employment costs	9	572,442	537,412
Other management expenses (Schedule 1)		702,322	598,079
Depreciation		41,384	51,781
Net (recoveries) or losses on loans to members	14. 3	53,821	(99,697)
<b>Total expenditure</b>		<b>1,369,969</b>	<b>1,087,575</b>
<b>Surplus of income over expenditure</b>		<b>792,591</b>	<b>989,264</b>
Other comprehensive income		-	-
<b>Total comprehensive income</b>		<b>792,591</b>	<b>989,264</b>

The financial statements were approved and authorised for issue by the Board of Directors on 14 November 2019 and signed on its behalf by;

Manager **John Duffy**

Member of Board Oversight Committee **Joesphine Ingram**

Member of Board of Directors **Thomas McGuinness**

Date 14 November 2019

The notes start on page 19.

# Balance Sheet

## for the year ended 30<sup>th</sup> September 2019

	Notes	2019		2018	
		€	€	€	€
<b>Assets</b>					
Cash and cash equivalents	11		979,424		862,486
Intangible assets	12		11,213		10,537
Property, plant and equipment	13		998,158		884,132
Loans to members	14		21,895,358		19,568,486
Provision for bad debts	14		(1,216,761)		(1,171,278)
Prepayments and other debtors	15		47,685		72,300
Accrued income	15		241,108		295,668
Deposits and investments	16		33,629,761		32,347,243
<b>Total Assets</b>			<b>56,585,946</b>		<b>52,869,574</b>
<b>Liabilities</b>					
Members' shares	17		47,758,691		44,592,377
Trade creditors and accruals	18		132,844		123,242
			47,891,535		44,715,619
<b>Members' Resources</b>					
Operational Reserve		330,000		300,000	
Regulatory Risk Reserve		6,013,811		5,633,811	
		6,343,811		5,933,811	
Surplus Reserve	17	2,350,600		2,220,144	
			8,694,411		8,153,955
<b>Total Liabilities</b>			<b>56,585,946</b>		<b>52,869,574</b>

Approved by the Board of Directors and signed on its behalf by:

Manager **John Duffy**

Member of Board Oversight Committee **Joesphine Ingram**

Member of Board of Directors **Thomas McGuinness**

Date 14 November 2019

# Schedules to the Income & Expenditure Account

## for the year ended 30 September 2019

Schedule 1 - Other Management Expenses	2019	2018
	€	€
<b>Other Management Expenses</b>		
Training and staff expenses	18,253	13,032
Rent and rates payable	31,710	23,207
General insurance	255,227	224,919
Security and cash transit	1,996	1,435
Light and heat	12,828	11,523
Cleaning and hygiene	1,104	660
Repairs and renewals	4,775	5,531
Computer and equipment maintenance	51,089	44,552
Printing and stationery	8,948	10,434
Promotion and education	12,430	14,029
Telephone and postage	19,253	16,195
AGM expenses	14,141	15,345
Chapter expenses	700	140
Travelling and subsistence	4,476	2,025
Legal and debt recovery fees	4,234	10,121
Professional and internal audit fees	41,814	23,490
Audit fees	16,913	18,635
FSA fees	119,097	77,542
Investment commission	10,942	4,332
Bank interest and charges	35,407	33,917
Miscellaneous expenses	4,300	5,149
Cash short	773	731
Subscriptions and donations	10,252	15,055
Affiliation fees	21,660	26,081
General expenses	-	(1)
	<b>702,322</b>	<b>598,079</b>



# Notes to the Financial Statements

## for the year ended 30th September 2019

### **1. LEGAL AND REGULATORY FRAMEWORK**

Ballyshannon Killybegs Credit Union Limited is registered with the Registry of Credit Unions and is regulated by the Central Bank of Ireland. The registered office of the Credit Union is located at Main Street, Killybegs, Co Donegal.

### **2. ACCOUNTING POLICIES**

The following principal accounting policies have been applied;

#### **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). The financial statements are prepared on the historical cost basis.

#### **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.

#### **Going concern**

After reviewing the Credit Union's projections, the directors have reasonable expectation that the Credit Union has adequate resources to continue in operational existence for the foreseeable future. The Credit Union therefore continues to adopt the going concern basis in preparing its financial statements.

#### **Income recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Credit Union and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received. The following criteria must also be met before revenue is recognised:

##### **(i) Interest on members' loans**

Interest on Members' Loans is recognised on an accruals basis over time irrespective of when the interest is physically received by the credit union. An adjustment is made to the year end amount receivable for any irrecoverable amounts or amounts written off for whatever reason. This is the method required by Generally Accepted Accounting Practice (GAAP) and as prescribed by Section 110(f) of the Credit Union Act, 1997 as inserted by item 98 of Schedule 1 of the Credit Union and Co-Operation with Overseas Regulators Act 2012.

##### **(ii) Investment income**

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

### **(iii) Other income**

Other income such as commissions' receivable on insurance products arises in connection to specific transactions. Income relating to individual transactions is recognised when the transaction is complete.

### **Dividend and loan interest rebate**

The dividend & loan interest payable is at the discretion of the Directors and is therefore not a financial liability of the Credit Union until declared and approved at the AGM.

## **INVESTMENTS**

### **Fixed-term deposit accounts**

Term deposits and fixed interest investment bonds with fixed maturity dates are valued at the lower of cost or encashment value and interest is recognised in the income statement when it is received or irrevocably receivable.

### **Central Treasury Managed Funds**

The investment objective of the Central Treasury Managed Fund (the 'Fund') is to provide investors with a competitive rate of return and capital preservation on a medium-term basis with instant access to funds.

### **Government & Bank Bonds**

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.

### **Commodities and other bonds**

Income is recognised once it is "locked in" and irrevocably receivable. The capital value of the bond is tested annually for impairment and impairment losses are taken to the income statement. Impairment gains which reverse a previous impairment loss are taken to the income statement with any gains in excess of the cost of the product ignored until the bond matures.

### **Held at amortised cost**

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

### **Central Bank deposits**

Credit Unions are obliged to maintain certain deposits with the Central Bank. These deposits are technically assets of the credit union but to which the Credit Union has restricted access. The funds on deposit with the Central Bank attract nominal interest and will not ordinarily be returned to the credit union while it is a going concern. The amounts are stated at the amount deposited plus accrued income and are not subject to impairment reviews.

### **Investments at fair value**

Investments held for trading and investment in stock market shares (i.e. non-convertible preference shares and non-puttable ordinary shares or preference shares) are included in this category. Financial assets at fair value are classified as held for trading if they are acquired for sale in the short term. They are valued at fair value (market value) at the yearend date and all gains and losses are taken to the income and expenditure account. The fair value of quoted investments is determined by reference to bid prices at the close of business on the balance sheet date. Where there is no active market these assets will be carried at cost less impairment.

### **Investment properties**

Revalued investment properties are not depreciated or amortised. Where the valuation indicates a permanent diminution in the value of the property, the permanent diminution is charged to the income and expenditure account. All other fluctuations in value are transferred to a revaluation reserve.

### **Property, plant and equipment and depreciation**

Tangible fixed assets are stated at cost or at valuation, less accumulated depreciation. The charge to depreciation is calculated to write off the original cost or valuation of tangible fixed assets, less their estimated residual value, over their expected useful lives as follows:

Land and buildings freehold	2% Straight line
Fixtures, fittings and equipment	20% Straight line
Computer equipment	33% Straight line

We changed the depreciation rate from reducing balance to straight line to reflect more closely the useful life of the asset.

### **Impairment of tangible fixed assets**

Tangible fixed assets are stated at cost or at valuation, less accumulated depreciation. The charge to depreciation is calculated to write off the original cost or valuation of tangible fixed assets, less their estimated residual value, over their expected useful lives as follows:

### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and deposits and investments with a maturity of less than or equal to three months.

## **Basic financial assets**

### **Loans to members**

Loans are financial assets with fixed or determinable payments. Loans are recognised when cash is advanced to members and measured at amortised cost. Loans are derecognised when the right to receive cash flows from the asset have expired, usually when all amounts outstanding have been repaid by the member.

### **Bad debt provision**

Allowances for impaired loans represent reserves and/or provisions made during the year less amounts utilised or realised charged against the surplus for the year. Amounts are created after a detailed review of individual loans and groups of loans. Allowances are established by reviewing the credit worthiness of individual borrowers and the value of collateral underlying the loan. General allowances are measured based on Resolution 49 of the Irish League of Credit Unions. Bad debts in the Credit Union are recognised when there is a reasonable doubt that the full amount of principal will not be collected, or the financial capacity of the borrower has deteriorated such that the recovery of the whole or part of an outstanding loan advanced is in doubt. In all cases where it is impractical to estimate the recoverable amount the carrying amount is reduced to zero.

## **Basic financial liabilities**

### **Members' shares**

Members' shares in Ballyshannon Killybegs Credit Union Limited are redeemable and therefore are classified as financial liabilities. They are recognised at the amount of cash deposited.

### **Holiday pay**

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Balance Sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Balance Sheet date.

### **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 defined benefit scheme with assets managed by the Scheme's trustees.

The scheme is a multi-employer Scheme and due to the nature of the Scheme, it is not possible for Ballyshannon & Killybegs Credit Union Limited to separately identify its share of the Scheme's underlying assets and liabilities.

Consequently, it accounts for the Scheme as a defined contribution plan, in accordance with FRS 102

### **Distribution**

Ballyshannon Killybegs Credit Union Limited's policy is to pay a reasonable rate of dividend and loan interest rebate subject to covering operating expenses and meeting reserve requirements as set out in the Credit Union's Reserve Management Policy.

## RESERVES

### **Regulatory reserve**

The Credit Union Act, 1997 (Regulatory Requirements) Regulations 2016 requires Credit Unions to establish and maintain a minimum Regulatory Reserve requirement of at least 10 per cent of the assets of the credit union. This Reserve is to be perpetual in nature, freely available to absorb losses, realised financial reserves that are unrestricted and nondistributable.

### **Operational risk reserve**

Section 45(5)(a) of the Credit Union Act, 1997 (as amended) requires each credit union to maintain an additional reserve that it has assessed is required for operational risk having regard to the nature, scale and complexity of the credit union. Credit Unions are required to maintain a minimum operational risk reserve having due regard for the sophistication of the business model. The definition of operational risk is the risk of losses stemming from inadequate or failed internal processes, people and systems or from external events.

### **Other reserves**

Retained earnings are accumulated surpluses to date that have not been declared as dividends returnable to members. The retained earnings are subdivided into realised and unrealised. In accordance with the Central Bank Guidance Note for Credit Unions on Matters Relating to Accounting for Investments and Distribution Policy, investment income that has been recognised but will not be received within 12 months of the balance sheet date is classified as “unrealised” and is not distributable. A reclassification between unrealised and realised is made as investments come to within 12 months of maturity date. Interest on Loans receivable at the balance sheet date is also classified as “unrealised” and is not distributable. All other income is classified as “realised”.

### **Employee Benefits**

Defined benefit plans: The amounts charged as expenditure for the defined benefit plan are the contributions payable by the Credit Union for the relevant period. Other employee benefits: Other short and long term employee benefits, including holiday pay, are recognised as an expense over the period they are earned. Defined Contribution plans: The amounts charged as expenditure for the defined contribution plan are the contributions payable by the Credit Union for the relevant period

### **Other Payables**

Other payables are classified as current liabilities if the 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.

### **Intangible assets**

Intangible assets are valued at cost less accumulated amortisation.

Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful life of 3 years.

### 3. CRITICAL ACCOUNTING JUDGEMENT AND ESTIMATES

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'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:

#### **Bad Debts/Impairment losses of loans to members**

Ballyshannon & Killybegs Credit Union Limited's accounting policy for impairment of loans is set out in the accounting policy. The estimation of loan losses is inherently uncertain and depends upon many factors, including loan loss trends, credit risk characteristics in loan classes, local and international economic climates, conditions in various sectors of the economy to which the credit union is exposed, and, other external factors such as legal and regulatory requirements.

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

The annual depreciation charge depends primarily on the estimated lives of each type of asset and, in certain circumstances, estimates of residual values. The directors regularly review these useful lives and change them if necessary to reflect current conditions. In determining these useful lives management consider technological change, patterns of consumption, physical condition and expected economic utilisation of the assets. Changes in the useful lives can have a significant impact on the depreciation charge for the financial year.

#### **Impairment of buildings**

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. GOING CONCERN

The directors of Ballyshannon & Killybegs Credit Union believe that it is appropriate to prepare the financial statements on the going concern basis.

#### 5. INTEREST ON MEMBERS' LOANS

	2019	2018
	€	€
Closing accrued interest receivable	928	8,344
Loan interest received in year	1,781,861	1,648,065
Opening accrued loan interest receivable	(8,344)	2,432
	<u>1,774,445</u>	<u>1,658,841</u>

**6. OTHER INTEREST INCOME AND SIMILAR INCOME**

	<b>2019</b>	2018
	€	€
Investment income received	<b>167,049</b>	108,653
Investment income receivable within 12 months	<b>198,511</b>	254,040
	<b>365,560</b>	362,693

**7. INTEREST PAYABLE AND DIVIDENDS**

The interest expense for the Credit Union comprises of interest payable on deposits, and was as follows for the current and prior year:

**Dividends and loan interest rebate**

The following distributions were made during the year:

	<b>2019</b>	<b>2019</b>	<b>2018</b>	<b>2018</b>
	%	€	%	€
Dividends on shares	<b>0.125</b>	54,068	0.25	100,359
Loan interest rebate	<b>12.00</b>	198,065	10.00	149,047
		<b>252,133</b>		249,406

The above dividends refer to those paid out in those years from the surplus earned in previous years.

**Proposed dividends and loan interest rebate**

At the year-end the directors have allocated the amount of €246,135 to the Distribution Reserve which may be returned to the members by way of dividend and a loan interest rebate by way of resolution by a majority of the members at the annual general meeting. The proposed distribution is as follows:

	<b>2019</b>	<b>2019</b>	<b>2018</b>	<b>2018</b>
	%	€	%	€
Dividends on shares	<b>0.125</b>	57,968	0.125	54,068
Loan interest rebate	<b>10.00</b>	177,198	12.00	198,067
		<b>235,166</b>		252,135

## 8. OTHER INCOME

	2019	2018
	€	€
Insurance commission	884	2,003
Entrance fees	460	476
Cash over	721	687
Other fees received	116	19,510
E.C.C.U. claims experience refund fees	20,374	32,629
	<b>22,555</b>	<b>55,305</b>

## 9. EMPLOYEES AND REMUNERATION

The average monthly number of employees during the year was:

	2019	2018
	Number	Number
Administration	18	15

The staff costs comprise:

	2019	2018
	€	€
Wages and salaries	521,460	496,715
Pension costs	50,982	40,697
	<b>572,442</b>	<b>537,412</b>

## 10. KEY MANAGEMENT PERSONNEL

The directors of Ballyshannon Killybegs Credit Union Limited are all unpaid volunteers. The management personnel compensation includes the credit union manager and two other senior staff:

	2019	2018
	€	€
Short term employee benefits	158,975	168,069
Payments to pension scheme	12,989	17,126
Total key management personnel compensation	<b>171,964</b>	<b>185,195</b>

## 11. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of cash on hand and deposits and investments with a maturity of less than or equal to three months.

	2019	2018
	€	€
Cash and bank balances	979,424	862,486



## 12. INTANGIBLE FIXED ASSETS

	<b>Total</b>
<b>Cost</b>	<b>€</b>
At 1 October 2018	15,806
Additions	8,917
At 30 September 2019	24,723
<b>Provision for diminution in value</b>	
At 1 October 2018	5,269
Charge for year	8,241
At 30 September 2019	13,510
<b>Net book value</b>	
At 30 September 2019	<b>11,213</b>
At 30 September 2018	<b>10,537</b>

## 13. PROPERTY, PLANT AND EQUIPMENT

	<b>Land and buildings freehold</b>	<b>Fixtures, fittings and equipment</b>	<b>Computer equipment</b>	<b>Total</b>
<b>Cost</b>	<b>€</b>	<b>€</b>	<b>€</b>	<b>€</b>
At 1 October 2018	1,084,784	226,127	70,061	1,380,972
Additions	135,329	418	11,424	147,171
At 30 September 2019	1,220,113	226,545	81,485	1,528,143
<b>Depreciation</b>				
At 1 October 2018	211,451	220,830	64,559	496,840
Charge for the year	24,403	1,546	7,196	33,145
At 30 September 2019	235,854	222,376	71,755	529,985
<b>Net book value</b>				
At 30 September 2019	<b>984,259</b>	<b>4,169</b>	<b>9,730</b>	<b>998,158</b>
At 30 September 2018	873,333	5,297	5,502	884,132

“ *Tellers to serve you, we actually like serving our members* ”

## 14. LOANS TO MEMBERS - FINANCIAL ASSETS

### 14.1 LOANS TO MEMBERS

	2019	2018
	€	€
As at 1 October	19,568,486	17,367,144
Advanced during the year	11,539,328	10,574,369
Repaid during the year	(9,171,470)	(8,309,239)
Loans written off	(40,986)	(63,788)

### Gross loans to members 14.2

	<b>21,895,358</b>	<b>19,568,486</b>
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### 14.2 LOAN PROVISION ACCOUNT FOR IMPAIRMENT LOSSES

	2019	2018
	€	€
As at 1 October	1,171,278	1,306,244
Allowance for loan losses made during the year	-	-
Allowances reversed during the year	45,483	(134,966)
(Decrease)/Increase in loan provision during the year	45,483	(134,966)
As at 30 September	<b>1,216,761</b>	<b>1,171,278</b>

### 14.3 NET RECOVERIES OR LOSSES RECOGNISED FOR THE YEAR

	2019	2018
	€	€
Bad debts recovered	(32,648)	(28,519)
Increase/Reduction	45,483	(134,966)
Loans written off	40,986	63,788
Net (recoveries)/losses on loans to members recognised for the year	<b>53,821</b>	<b>(99,697)</b>

## 15. DEBTORS, PREPAYMENTS AND ACCRUED INCOME

	2019	2018
	€	€
Prepayments	47,685	49,300
Other debtors	-	23,000
Accrued income	241,108	295,668
	<b>288,793</b>	<b>367,968</b>

## 16. DEPOSITS AND INVESTMENTS

	2019	2018
	€	€
Fixed-term deposit accounts	27,641,883	23,898,025
Central Treasury Managed Funds	10,624	46,358
Government & Bank Bonds	5,671,725	8,114,326
Central Bank Minimum Reserve & Deposit Protection	305,529	288,534
	<b>33,629,761</b>	<b>32,347,243</b>

Deposits and Investments at the current and prior Balance Sheet date are all measured at amortised cost as appropriate.

The market valuation of the Government & Bank Bonds as at 30 September 2019 amounts to €5,761,465. The directors have confirmed that they are satisfied that all fixed term investments will be held to maturity.

The category of counterparties with whom the government & bank bonds, deposits and investments were held was as follows:

\*Baa2: KBC deposits are not rated by Moodys. S&P rate KBC Deposits as BBB, which is the equivalent to Baa2 in Moodys.

Deposits and investments	2019	2018
	€	€
A1	8,493,294	11,835,704
A2	2,415,007	750,000
A3	8,932,075	7,995,557
AA3	4,000,000	-
Ba2	-	4,037,795
Baa1	-	2,495,086
Baa2*	5,503,372	1,607,385
Baa3	3,969,862	3,290,825
<b>Total deposits and investments</b>	<b>33,313,610</b>	<b>32,012,352</b>

“

*Helping you,  
helping your community*

”

## 17. MEMBERS' SHARES - FINANCIAL LIABILITIES

	2019	2018
	€	€
As at 1 October	44,592,377	41,669,027
Received during the year	16,939,585	15,849,284
Repaid during the year	(13,773,271)	(12,925,934)
As at 30 September	47,758,691	44,592,377
	2019	2018
	€	€
Regular share accounts	39,264,068	36,980,289
Special share accounts	8,494,623	7,612,088
<b>Total</b>	<b>47,758,691</b>	<b>44,592,377</b>

## 18. OTHER CREDITORS AND ACCRUALS

	2019	2018
	€	€
Accruals	132,844	123,242

## 19. FINANCIAL INSTRUMENTS

Ballyshannon Killybegs Credit Union Limited manages its members' shares and loans so that it earns income from the margin between interest receivable and interest payable. The main financial risks arising from Ballyshannon Killybegs Credit Union Limited's activities are credit risk, market risk, liquidity risk and interest rate risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

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

**Liquidity Risk:** Ballyshannon Killybegs Credit Union Limited's policy is to maintain sufficient funds in liquid form at all times to ensure that it can meet its liabilities as they fall due. The objective of the Credit Union's liquidity policy is to smooth the mismatches between maturing assets and liabilities and to provide a degree of protection against any unexpected developments that may arise.

**Market Risk:** Market risk is generally comprised of interest rate risk, currency risk and other price risk. Ballyshannon Killybegs Credit Union Limited conducts all its transactions in Euro and does not deal in derivatives or commodity markets. Therefore Ballyshannon Killybegs Credit Union Limited 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 the Credit Unions operations. The Credit Union considers rates of interest receivable on investments and members' loans when deciding the dividend payable on shares and any loan interest rebate. Average Loan Balance for year ended 30th September 2019 : €20,535,957. Average Interest Rate charged for year ended 30th September 2019: 8.78%

Liquidity risk disclosures

All of the financial liabilities of the Credit Union are repayable on demand except for some members' shares attached to loans.

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 Reserve is in excess of the minimum requirement set down by the Central Bank and stands at 10.66%.

**Operational Risk:** The risk of loss (financial or otherwise) resulting from inadequate or failed internal processes or systems of the credit union, any failure by persons connected with the credit union, legal risk or external events.

### 19.1. LIQUIDITY RISK DISCLOSURE

All of the financial liabilities of the Credit Union are repayable on demand except for some members' shares attached to loans.

### 20. PENSION SCHEME

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.

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

The Pension's Act requires the trustees of the Scheme to assess whether it could meet a certain prescribed standard, known as the Minimum Funding Standard. This assesses whether, if the scheme was wound up on a specified theoretical valuation date, it could satisfy the Funding Standard at that date. Following the Scheme's actuary certifying a Minimum Funding Standard deficit in the Scheme in 2009, Ballyshannon & Killybegs Credit Union Limited, the ILCU Group

and the other credit unions participating in the Scheme entered into a funding agreement with the Scheme that was designed to ensure that, the Scheme could be reasonably expected to satisfy the Minimum Funding Standard by a specified future date (1 March 2019). This funding plan ran up until 1 March 2019 and was approved by the Pensions Authority. Ballyshannon & Killybegs Credit Union Limited has paid the contributions payable under this funding agreement.

## 21. RELATED PARTY TRANSACTIONS

Directors, supervisors and staff (i.e. officers) of the Credit Union during the financial year ended 30 September 2019 operated share and loan accounts with the Credit Union. All loans advanced to directors, supervisors and staff are approved in accordance with Section 36(4) Credit Union Acts 1997 to 2018. The following transactions and balances existed with members who were officers during the financial year ended 30 September 2019:

	No. of loans	2019
	€	€
Loans advanced to Related Parties during the year	12	33,700
Total loans outstanding to Related Parties at the year end	20	177,702
Total provisions for loans outstanding to Related Parties		9,525
Total provision charge during the year for loans outstanding to Related Parties		5,006

## 22. INSURANCE AGAINST FRAUD

The Credit Union has Insurance against fraud in the amount of €1.3m in compliance with Section 47 of the Credit Union Act 1997.

## 23. CAPITAL COMMITMENTS

Details of capital commitments at the accounting date are as follows:

	2019	2018
	€	€
Contracted for but not provided in the financial statements	-	110,000

## 24. POST-BALANCE SHEET EVENTS

There have been no significant events affecting the Credit Union since the year-end.

## 25. CONTINGENT LIABILITIES

Bank of Ireland hold a contingent liability of €100,000 in respect of Electronic Fund Transfer. There is a potential legal case in relation to accrued interest on top up loans ongoing which may affect a number of credit unions. To date, it is not known what the cost will be, if any to Ballyshannon & Killybegs Credit Union.

At the year end, the credit union had approved loans to the value of €598,280, but these were not issued at the year end.

## 26. CREDIT RISK DISCLOSURES

Ballyshannon & Killybegs Credit Union offer Home Loans, however the majority of all loans to members are unsecured, except that there are restrictions on the extent to which borrowers may withdraw their savings whilst loans are outstanding.

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 percentages of the regulatory reserve (large exposure limit)
- restricts the loan duration of certain loans to specified limits (maturity limits)
- require specified lending practices to be in place where loans are made to certain sectors such as commercial loans, community loans or loans to another credit union.
- The carrying amount of the loans to members represents Ballyshannon & Killybegs Credit Union's maximum exposure to credit risk. The following table provides information on the credit quality of loan repayments. Where loans are not impaired/bad it is expected that the amounts repayable will be received in full.

	2019	2018
	€	€
Loans Not Impaired	16,158,746	13,573,069
Up to 9 Weeks Past Due	1,531,223	1,845,785
Between 10 and 18 Weeks Past Due	142,904	268,753
Between 19 and 26 Weeks Past Due	71,489	82,410
Between 27 and 39 Weeks Past Due	82,011	74,544
Between 40 and 52 Weeks Past Due	91,327	82,525
53 or More Weeks Past Due	549,376	521,454
Covered Loans	3,268,282	3,119,947
	<b>21,895,358</b>	<b>19,568,487</b>

## 27. APPROVAL OF FINANCIAL STATEMENTS

Impairment Allowance

Collectively assessed loans €1,142,708

Individually assessed loans €74,053

## 28. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved, and authorised for issue, by the Board of Directors on 14 November 2019.



# 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 - 5pm
Friday	10am - 6pm
Saturday	10am - 1pm

### KILLYBEGS:

Monday	9.30am-1pm, 2pm -5pm
Tuesday	9.30am-1pm, 2pm -5pm
Wednesday	9.30am - 1pm
Thursday	9.30am - 5pm
Friday	9.30am - 6pm
Saturday	9.30am - 1pm

### GLENTIES:

Thursday	9.30am - 1pm, 2pm - 5pm
Friday	9.30am - 1pm, 2pm - 6pm

### PETTIGO:

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

### ARDARA:

Monday	9.30am-1pm, 2pm -5pm
Tuesday	9.30am-1pm, 2pm -5pm
Wednesday	CLOSED
Thursday	9.30am-1pm, 2pm -5pm
Friday	9.30am-1pm, 2pm -5pm
Saturday	9.30am - 1pm

## 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

## 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)



*Helping you,  
helping your community*

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