



Annual Report and Financial Statements

for the financial year ended 30 September 2022



Notice of Annual General Meeting
Monday 30th January 2023 at 8pm
Blackrock Parish Hall, Blackrock, Co. Dublin

Credit Union No: 306CU

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AGENDA

1. The acceptance by the board of directors of the authorised representatives of Members that are not natural persons;
2. Ascertainment that a quorum is present;
3. Adoption of Standing Orders;
4. Reading and approval (or correction) of the Minutes of the 2020 AGM;
5. Report of the Board of Directors;
6. Financial Report and consideration of accounts;
7. Report of the Auditor;
8. Board Oversight Committee Report;
9. Declaration of dividend & Interest Rebate;
10. Nomination Committee Report;
11. Appointment of Tellers
12. Election of Auditor;
13. Election to fill vacancies on the Board of Directors / Board oversight Committee;
14. Any other business;
15. Announcement of Election Results;
16. Close of meeting.

DIRECTORS AND OTHER INFORMATION

Directors	Mary Sharp (Chairperson) Des Powell (Secretary) (Appointed 31 January 2022) Gerry Brennan Shane O'Brien George Wijntjes Frank Kelly Edward Dayman (Resigned 31 January 2022) Leo Sex Ashton Dallsingh Loretto Dalton (Appointed 31 January 2022) Kevin Fitzgerald (Resigned 31 January 2022)	
Board Oversight Committee Members	Lassie Mulligan (Chairperson) (Appointed 31 January 2022) Terence Gunning (Appointed 31 January 2022) David Hughes (Appointed 31 January 2022) Des Powell (Resigned 31 January 2022) Loreto Dalton (Resigned 31 January 2022) Padriag O'Cearbhaill (Resigned 31 January 2022)	
Credit Union Number	306CU	
Registered Office and Business Address	1 Carysfort Avenue Blackrock Co. Dublin	
Auditors	Keveny Monahan Limited Chartered Accountants and Statutory Audit Firm Herbert House 18 - 22 Pembroke Road Dublin 4	
Bankers	Bank of Ireland Blackrock Co. Dublin	Ulster Bank Blackrock Co. Dublin

DIRECTORS' REPORT

for the financial year ended 30 September 2022

The directors present their report and the audited financial statements for the financial year ended 30 September 2022.

Objects

The principal activity of the Blackrock Credit Union is the provision of savings and loans to members in its common bond. The Credit Union manages its members' savings and loans so that it earns income from the margin between interest receivable and interest payable. Both the level of business and the year-end financial position were satisfactory.

The Directors expect to develop and expand the credit union's current activities and they are confident of its ability to continue to operate successfully in the future.

Principal Risks and Uncertainties

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

- Decline in loan interest income.
- Prudent investment selection to maximise investment income.
- The need to increase membership.
- Liquidity management and control of costs.
- Compliance with regulatory and legislative requirements.

Business Review

Both the level of business and the year-end financial position were satisfactory in light of the pandemic and restrictions faced earlier in the year. The impact on the credit union as a result of Covid-19 has been a slightly lower than expected level of lending activity. The directors are aware that meeting changing consumer expectations requires operational change and investment in technologies. To ensure prudent planning and forward-looking orientation the directors are in the process of reviewing operational effectiveness and efficiency. This review will help us respond to

these sustainability challenges and prudently develop and implement new activities to enhance our service to our members. Upgrades to the online capabilities are currently underway and a new system is now in place, which will allow members to create Standing Orders/Credit Transfers and an EFT/ Direct Debits. Registration is required through our website BlackrockCU.ie

Directors and Board Oversight Committee Members

The current directors and board oversight committee members are as set out on page 1.

Accounting Records

The directors believe that they comply with the requirements of section 108 of the Credit Union Act 1997 (as amended) with regard to books of accounts by employing accounting personnel with appropriate expertise and by providing adequate resources to the financial function. The books of account of the Credit Union are maintained at the Credit Union's premises at 1 Carysfort Avenue, Blackrock, Co. Dublin.

Post Balance Sheet Events

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

Auditors

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

Results and dividends

The surplus for the year is set out in the Income and Expenditure Account on page 14.

In line with guidance from the Central Bank of Ireland, the Directors will not be recommending a dividend in respect of the year ended 30 September 2022.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

for the financial year ended 30 September 2022

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

In preparing those financial statements the directors are required to:

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

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

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

Mary Sharp

CHAIRPERSON OF THE
BOARD OF DIRECTORS

Des Powell

MEMBER OF THE
BOARD OF DIRECTORS

DATE: 10/01/2023

REPORT OF THE BOARD OVERSIGHT COMMITTEE

for the financial year ended 30 September 2022

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 purpose of Part IV or Part IV (a) of the Credit Union Act 1997, (as amended) and any other matter prescribed by the Central Bank of Ireland in respect of which they are to have regard in relation to the board.

The role of the Board Oversight Committee is defined in Part IVA of the Credit Union and Co-operation with Overseas Regulators Act 2012.

The Board Oversight Committee met regularly during the year, at least one member of the Committee attends at each Board meeting. We reported to the Board quarterly and to date have found no significant matters on non-compliance.

We are satisfied the Board has discharged their duties as defined in Part IV of the Credit Union and Co-operation with Overseas Regulators Act 2012.

We want to thank the Directors, Management and Staff for their co-operation and assistance throughout this year.

Lassie Mulligan (Chairperson)

MEMBER OF THE BOARD OVERSIGHT COMMITTEE

Terence Gunning

MEMBER OF THE BOARD OVERSIGHT COMMITTEE

DATE: 10/01/2023

REPORT OF THE CREDIT COMMITTEE

for the financial year ended 30 September 2022

The Credit Committee meet on a monthly basis to implement credit lending policy and assess all loan applications up to a limit of €45,000 above shares. Loans above this value require Board approval.

During the year 517 (2021: 397) loans to a value of €3,497,101 (2021: €2,575,356) were advanced to members.

The Committee wish to remind members that Loans are offered for a wide variety of purposes and repayment terms are in accordance with the ability of the member to repay. Secured loans are offered to members at a reduced interest rate of 6% so that members may preserve their savings and attached insurance benefits.

Loans are protected by insurance up to the age of 80 at no extra cost to the members. No fees, no hidden charges and no early settlement charges. Competitive rates and payment terms are offered.

Frank Kelly, Leo Sex and Ken Gleeson

Frank Kelly

CHAIRPERSON

Leo Sex

SECRETARY

DATE: 10/01/2023

REPORT OF THE CREDIT CONTROL COMMITTEE

for the financial year ended 30 September 2022

The Credit Control Committee reviews loans that are in arrears. Despite the circumstances of the pandemic, the credit control function has improved vis-a-vis the previous year mainly thanks to the hard work of Marie-Claire de Chaumont. The bad debt charged off for 2021-2022 was €38,998 (2021: €20,301). The bad debt recovered was €10,132 (2021: €8,547). Considerable operational resources are devoted to credit control and successful outcomes with members in difficulties, have been achieved.

Examples of work done this year:

- The collections procedure was adjusted to speed up communications;
- A new system was implemented that automates communications and facilitates a better control for which will further improve the results in the new Fiscal year;
- A new collections agency was contracted that, should that need arise, will better support the Credit union in recovering monies that are severely in arrears.

The collections process ensures that any member who falls into arrears is engaged with by phone or by mail at an early stage to help avoid negative consequences and members are urged to respond timely and proactively.

Provision for bad and doubtful debt stands at €400,000 a figure the Board of Directors considers extremely prudent. The reserve is fully funded at year end and conforms fully to regulatory requirements. The reserve is held in the form of investments and is thus contributing an income return to your credit unions' overall income.

We would like to acknowledge the majority of members who deal with their accounts in a responsible way and never come to the attention of the Credit Control Committee.

Marie-Claire de Chaumont, George Wijntjes and Gerry Brennan

INSURANCE REPORT

for the financial year ended 30 September 2022

During the past year we were notified of the deaths of 31 members of Blackrock Credit Union, and we extend our sincere condolences to their families.

€33,565 (2021: €8,887) in Loan Protection Insurance was received to clear deceased member's loans and €40,113 (2021: €41,896) was received and paid to member's nominees in respect of savings insurance. Blackrock Credit Union paid loan protection and life savings premiums of €73,792 (2021: €83,272) as an operating expense. Based on claims history a refund of prior years' premiums of €2,966 (2021: €45,413) were received during the year. The net cost to the Credit Union is €70,826 (2021: €37,859). A brochure explaining the insurance is available in the office.

Careful consideration should be undertaken as withdrawals from shares after age 55 can affect the life assurance payable on death. We would remind our members to keep their Nominations Forms up to date. The Staff would be very pleased to assist you if you have any problems.

Ken Gleeson

REPORT OF THE MEMBERSHIP COMMITTEE

for the financial year ended 30 September 2022

Membership changes during the year brought the total active membership to 4,775 members as at 30th September 2022. Applicants seeking membership of the Credit Union must be living or working within the common bond of the credit union. Credit Unions have a duty to seek identification and conformation of personal details to support all applications for membership.

Shane O'Brien

INDEPENDENT AUDITOR'S REPORT

to the Members of Blackrock Credit Union Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Blackrock Credit Union Limited for the financial year ended 30 September 2022 which comprise the Income & Expenditure Account, the Balance Sheet, the Statement of Changes in Reserves, the Cash Flow Statement and notes to the financial statements, including the summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is Irish law including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued in the United Kingdom by the Financial Reporting Council and the Credit Union Act 1997 (as amended).

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 2022 and of its surplus for the financial 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 the ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), the Provisions Available for small Audits of Small Entities, in the circumstances set out in

note 4 of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 Credit Union's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

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 course of 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 (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 of the Credit Union were sufficient to permit the financial statements to be readily and properly audited,
- The financial statements are in agreement with the accounting records,
- The financial statements contain all primary statements, notes and significant accounting policies required to be included in accordance with Section 111(1)(c) of the Credit Union Act 1997 (as amended).

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, 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 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the 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 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.

Philip Monahan

For and on behalf of

KEVENY MONAHAN LIMITED

Chartered Accountants and Statutory Audit Firm
Herbert House
18 - 22 Pembroke Road
Dublin 4

DATE: 10/01/2023

INCOME & EXPENDITURE ACCOUNT

for the financial year ended 30 September 2022

	Notes	2022 €	2021 €
Income			
Interest on members' loans	5	543,620	585,285
Other interest income and similar income	6	105,058	100,221
Interest payable on members' deposits	7	-	(343)
Net interest income		648,678	685,163
Other income	8	109,352	45,519
Total income		758,030	730,682
Expenditure			
Employment costs	9	242,717	234,212
Other management expenses (Schedule 4)		287,497	274,541
Depreciation		18,220	9,950
Net (recoveries) or losses on loans to members	13.4	42,816	71,754
Total expenditure		591,250	590,457
Surplus of income over expenditure		166,780	140,225
Other comprehensive income		-	-
Total comprehensive income		166,780	140,225

The financial statements were approved and authorised for issue by the Board of Directors on 10/01/2023 and signed on its behalf by;

Mary Sharp

CHAIRPERSON OF THE
BOARD OF DIRECTORS

DATE: 10/01/2023

Des Powell

MEMBER OF THE BOARD
OF DIRECTORS

BALANCE SHEET

as at 30 September 2022

	Notes	2022 €	2021 €
Assets			
Cash and cash equivalents	11	1,025,297	1,449,902
Property, plant and equipment	12	156,493	163,431
Loans to members	13	6,750,124	6,627,669
Provision for bad debts	13	(400,000)	(386,050)
Prepayments and other debtors	14	20,541	25,729
Accrued income	14	33,691	32,745
Deposits and investments	15	19,539,125	18,988,262
Total Assets		27,125,271	26,901,688
Liabilities			
Members' shares	16	18,211,766	18,219,961
Members' deposits	17	4,557,489	4,500,278
Trade creditors and accruals	18	28,010	19,875
Other creditors	18	9,948	10,296
Total Liabilities		22,807,213	22,750,410
Net Assets		4,318,058	4,151,278
Members' Resources			
Statutory reserve	19	2,750,000	2,750,000
Distribution reserve	19	1,161,053	1,161,053
Operational risk reserve	19	100,000	100,000
Surplus reserve	19	307,005	140,225
Total Members' Resources		4,318,058	4,151,278

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

Mary Sharp

CHAIRPERSON OF THE
BOARD OF DIRECTORS

DATE: 10/01/2023

Des Powell

MEMBER OF THE BOARD
OF DIRECTORS

STATEMENT OF CHANGES IN RESERVES

for the financial year ended 30 September 2022

	Statutory reserve €	Distribution reserve €	Operational risk reserve €	Surplus reserve €	Total €
At 1 October 2020	2,650,000	1,261,053	100,000	-	4,011,053
Other movement in reserves	100,000	(100,000)	-	140,225	140,225
				-	
At 30 September 2021	2,750,000	1,161,053	100,000	140,225	4,151,278
At 1 October 2021	2,750,000	1,161,053	100,000	140,225	4,151,278
Other movement in reserves	-	-	-	166,780	166,780
At 30 September 2022	2,750,000	1,161,053	100,000	307,005	4,318,058

The Regulatory Reserve of the Credit Union as a % of the total assets as at 30th September 2022 was 10.14% which is more than the Credit Union's Regulatory Reserve requirement of 10%.

In accordance with S45 of the Credit Union Act 1997 (as amended) Blackrock Credit Union Ltd. created an operational risk reserve of €80,000 in 2016. At the time the Board following the completion of an internal process of assessing the level of the reserve required to cover the operational risk within the Credit Union it was deemed appropriate to hold a minimum of 20% of average general operating expenses as an Operational Risk reserve.

During the financial year ended 31st September 2021 a further €20,000 was transferred to the operational risk reserve.

The Operational Risk reserve represents 0.37% of total 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 financial year has been removed. There was no transfer to the Regulatory Reserve during the year ended 30th September 2022.

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

Mary Sharp

CHAIRPERSON OF THE
BOARD OF DIRECTORS

DATE: 10/01/2023

Des Powell

MEMBER OF THE BOARD
OF DIRECTORS

CASH FLOW STATEMENT

for the financial year ended 30 September 2022

	Notes	2022 €	2021 €
Opening cash and cash equivalents		4,370,111	4,371,104
Cash flows from operating activities			
Loans repaid		3,335,648	3,259,135
Loans granted		(3,497,101)	(2,575,356)
Loan interest income		543,620	585,285
Interest paid on members' deposits		-	(343)
Investment income		105,058	100,221
Other income received		109,352	45,519
Bad debts recovered		10,132	8,547
Operating expenses		(530,214)	(508,753)
Movement in other assets		4,242	9,129
Movement in other liabilities		7,787	(29,896)
Net cash generated from operating activities		88,524	893,488
Cash flows from investing activities			
Purchase of property, plant and equipment		(11,282)	(48,894)
Net cash flow from other investing activities		1,130,935	(1,353,059)
Net cash generated from/(used in) investing activities		1,119,653	(1,401,953)
Cash flows from financing activities			
Members' shares received		3,796,962	3,989,261
Members' deposits received		1,606,440	1,448,840
Members' shares withdrawn		(3,805,157)	(3,337,491)
Members' deposits withdrawn		(1,549,229)	(1,481,273)
Net cash generated from financing activities		49,016	619,337
Net increase in cash and cash equivalents		1,257,193	110,872
Cash and cash equivalents at end of financial year	10	5,627,304	4,481,976

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 September 2022

1. LEGAL AND REGULATORY FRAMEWORK

Blackrock Credit Union Limited 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 principal place of business is 1 Carysfort Avenue, Blackrock, Co. Dublin.

2. ACCOUNTING POLICIES

The following principal accounting policies have been applied;

Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with applicable Irish accounting standards, including Financial Reporting Standard 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (FRS 102) and Irish statute comprising of the Credit Union Act 1997 (as amended). The financial statements have been 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

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

- is generating annual surpluses;
- maintains an appropriate level of liquidity; and
- has reserves that are currently above the minimum requirements of the Central Bank.

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

(ii) Investment income

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

(iii) Other income

Other income such as entrance fees and ECCU claims experience refunds arise in connection to specific transactions. Income relating to individual transactions is recognised when the transaction is completed.

Taxation

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

Investments

Investment income is recognised on an accrual basis.

Cash and short-term deposits

These are valued at the deposit amount plus any accrued interest and interest income is recognised in the statement on an accruals (time) basis.

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 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.

Property, plant and equipment and depreciation

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

Buildings freehold	2% Straight line
Fixtures, fittings and equipment	20% Straight line

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

Impairment of tangible fixed assets

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

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

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

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

Cash and cash equivalents

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

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.

Other Debtors

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.

Investments held at amortised cost

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

Impairment of financial assets

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

Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the expected cash flows discounted at the asset's original effective interest rate.

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

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

De-recognition of financial assets

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

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

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.

Members' shares

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

Other creditors

Other payables are classified as current liabilities if payment is due within one year. 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.

De-recognition of financial liability

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

Pensions

Defined benefit pension scheme

Blackrock Credit Union Limited participates in an industry-wide pension scheme for a former employee (The Irish League of Credit Unions Republic of Ireland Pension Scheme) (the Scheme).

This is a funded defined benefit scheme with assets managed by the Scheme's trustees. The ILCU is the principal employer of the Scheme and Blackrock Credit Union Limited is a participating employer.

The Scheme is a multi-employer defined benefit scheme and there is insufficient information for the credit union to separately identify its share of the Scheme's underlying assets and liabilities.

Consequently, the Scheme is currently accounted for as a defined contribution plan. If an agreement is entered into with the Scheme that determines how Blackrock Credit Union Limited will fund a past service deficit, the credit union shall recognise a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit). Please refer to note 29 for further detail.

Defined contribution pension scheme

Blackrock Credit Union Limited operates a defined contribution pension scheme, the assets of which are held separately from those of the Credit Union in independently administered funds. Contributions to the scheme are paid to approved funds held with Zurich Life Assurance Plc. Contributions are charged to the income and expenditure account in the year in which they fall due.

Employee benefits

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

Reserves

Regulatory reserve

The Credit Union is required to establish and maintain a Regulatory reserve of at least a minimum 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

Other reserves are the accumulated surpluses to date that have not been declared as dividends.

INTEREST ON MEMBERS' DEPOSITS AND DIVIDENDS TO MEMBERS

Interest on members' deposits

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

Dividends on shares and Loan Interest Rebate

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

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

- the risk profile of the Credit Union, particularly in its loan and investment portfolios;
- the Board's desire to maintain a stable rather than a volatile rate of dividend each year; and
- members' legitimate dividend expectations.

all dominated by prudence and also the need to sustain the long-term welfare of the Credit Union.

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

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

3. CRITICAL ACCOUNTING JUDGEMENT AND ESTIMATES

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Credit Union's accounting policies. The areas requiring a higher degree of judgement, or complexity, and areas where assumptions or estimates are most significant to the financial statements are disclosed below:

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

The annual depreciation charge depends primarily on the estimated useful 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 economic 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 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.

Bad debt provision and impairment of loans to members

Blackrock Credit Union Limited assess if there is objective evidence that any of its loans are impaired with due consideration of environmental factors. The loans are assessed collectively in groups that share similar credit risk characteristics. Individually significant loans are assessed on a loan by loan basis. In addition, if there is objective evidence that any individual loan is impaired, a specific loss will be recognised. Bad debt provisioning is monitored by the Credit Union, and the Credit Union assesses and approves its provisions and the adequacy of same on a quarterly basis.

The estimation of loan losses is inherently uncertain and depends upon 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.

Operational risk reserve

The directors have considered the requirements of the Credit Union Act 1997, (as amended) and have considered an approach to the calculation of the Operational Risk reserve. Blackrock Credit Union Limited deems appropriate to hold a minimum of 20% of average general operating expenses as an Operational Risk reserve.

4 PROVISIONS AVAILABLE FOR AUDITS OF SMALL ENTITIES

In common with many other credit unions of our size and nature, we use our auditors to assist with the preparation of the financial statements.

5. INTEREST ON MEMBERS' LOANS	2022	2021
	€	€
Loan interest received in financial year	<u>543,620</u>	<u>585,285</u>

6. OTHER INTEREST INCOME AND SIMILAR INCOME	2022	2021
	€	€
Investment income received	<u>105,058</u>	<u>100,221</u>

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 financial year

	2022	2021
	€	€
Interest payable for the financial year	<u>-</u>	<u>343</u>

At the financial year-end the directors have allocated the amount of €1,161,053 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: Nil

8. OTHER INCOME

	2022	2021
	€	€
SPS refund	<u>101,797</u>	<u>-</u>
Miscellaneous income	<u>7,555</u>	<u>45,519</u>
	<u>109,352</u>	<u>45,519</u>

At the 2022 ILCU AGM member Credit Unions voted to access the Stabilisation Protection Scheme (SPS) to support all affiliated credit unions with a rebate due to a number of Credit unions incurring ILCU pension deficit liabilities. Blackrock Credit Union were issued a SPS Credit rebate to a total value of €101,797. The income received from the SPS refund is included in the Income and Expenditure Account.

Miscellaneous Income is made up of ECCU refund of €2,966, ILCU Affiliations fees deducted from members accounts of €4,407 and Entrance fees of €182.

9. EMPLOYEES AND REMUNERATION

The staff costs comprise:	2022	2021
	€	€
Wages and salaries	<u>219,808</u>	<u>227,675</u>
Pension costs	<u>22,909</u>	<u>6,537</u>
	<u>242,717</u>	<u>234,212</u>

10. KEY MANAGEMENT PERSONNEL

The directors of Blackrock Credit Union Limited are all unpaid volunteers. The management personnel compensation is as follows:

	2022	2021
	€	€
Short term employee benefits	102,469	92,739
Payments to pension scheme	6,980	6,537
Total key management personnel compensation	<u>109,449</u>	<u>99,279</u>

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

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.

	2022	2021
	€	€
Cash and bank balances	1,025,297	1,449,902
Deposits and investments	4,602,007	2,920,209
	<u>5,627,304</u>	<u>4,370,111</u>

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

12. PROPERTY, PLANT AND EQUIPMENT

	Buildings freehold	Fixtures, fittings and equipment	Total
	€	€	€
Cost			
At 1 October 2021	229,227	237,984	467,211
Additions	-	11,282	11,282
At 30 September 2022	<u>229,227</u>	<u>249,266</u>	<u>478,493</u>
Depreciation			
At 1 October 2021	113,300	190,480	303,780
Charge for the financial year	4,440	13,780	18,220
At 30 September 2022	<u>117,740</u>	<u>204,260</u>	<u>322,000</u>
Net book value			
At 30 September 2022	<u>111,487</u>	<u>45,006</u>	<u>156,493</u>
At 30 September 2021	<u>115,927</u>	<u>47,504</u>	<u>163,431</u>

13. LOANS TO MEMBERS - FINANCIAL ASSETS

13.1 LOANS TO MEMBERS

	2022	2021
	€	€
As at 1 October	6,627,669	7,331,749
Advanced during the financial year	3,497,101	2,575,356
Repaid during the financial year	(3,335,648)	(3,259,135)
Loans written off	(38,998)	(20,301)
Gross loans to members	13.2 6,750,124	6,627,669

13.2 CREDIT RISK DISCLOSURES

Blackrock Credit Union Limited offers loans to members the majority of which are unsecured. The loans to members are secured to the extent where member's savings are pledged for such loans. Individual members may borrow up to €120,000.

The carrying amount of the loans to members represents Blackrock Credit Union Limited's maximum exposure to credit risk. The following table provides information on the credit union's quality of loan repayments. Where loans are not impaired it is expected that the amounts repayable will be received in full.

	2022	2022	2021	2021
	€	%	€	%
Gross loans not impaired				
Not past due	5,256,507	77.90	5,048,994	76.20
Gross loans individually impaired				
Up to 9 weeks past due	936,021	13.90	1,001,597	15.10
Between 10 and 18 weeks past due	146,246	2.20	102,459	1.50
Between 19 and 26 weeks past due	58,610	0.90	24,205	0.40
Between 27 and 39 weeks past due	17,457	0.30	94,181	1.40
Between 40 and 52 weeks past due	81,835	1.20	111,788	1.70
53 or more weeks past due	253,448	3.80	244,445	3.70
Total	1,493,617	22.30	1,578,675	23.80
Total gross loans	6,750,124	100.20	6,627,669	100.00
Impairment allowance				
Total carrying value	6,750,124		6,627,669	

13.3 LOAN PROVISION ACCOUNT FOR IMPAIRMENT LOSSES

	2022	2021
	€	€
As at 1 October	386,050	326,050
Allowances reversed during the financial year	13,950	60,000
Increase in loan provision during the financial year	13,950	60,000
As at 30 September	400,000	386,050

13.4 NET RECOVERIES OR LOSSES RECOGNISED FOR THE FINANCIAL YEAR

	2022	2021
	€	€
Bad debts recovered	(10,132)	(8,547)
Reduction	13,950	60,000
	3,818	51,453
Loans written off	38,998	20,301
Net (recoveries)/losses on loans to members recognised for the financial year	42,816	71,754

14. DEBTORS, PREPAYMENTS AND ACCRUED INCOME

	2022	2021
	€	€
Prepayments	20,541	25,729
Accrued income	33,691	32,745
	54,232	58,474

15. DEPOSITS AND INVESTMENTS

	2022	2021
	€	€
Cash and short-term deposits	4,602,007	2,920,209
Accounts in authorised credit institutions Irish and non-Irish based	7,521,546	8,646,370
Bank bonds	7,415,572	7,421,683
	19,539,125	18,988,262

16. MEMBERS' SHARES - FINANCIAL LIABILITIES

	2022	2021
	€	€
As at 1 October	18,219,961	17,568,191
Received during the financial year	3,796,962	3,989,261
Repaid during the financial year	(3,805,157)	(3,337,491)
As at 30 September	<u>18,211,766</u>	<u>18,219,961</u>

17. MEMBERS' DEPOSITS - FINANCIAL LIABILITIES

	2022	2021
	€	€
As at 1 October	4,500,278	4,532,711
Received during the financial year	1,606,440	1,448,840
Repaid during the financial year	(1,549,229)	(1,481,273)
As at 30 September	<u>4,557,489</u>	<u>4,500,278</u>

18. OTHER CREDITORS AND ACCRUALS

	2022	2021
	€	€
PAYE/PRSI	3,872	4,131
Accruals	28,010	19,875
Other creditors	6,076	6,165
	<u>37,958</u>	<u>30,171</u>

19. CREDIT UNION RESERVES

	Statutory reserve	Distribution reserve	Operational risk reserve	Surplus reserve	Total
	€	€	€	€	€
At 1 October 2021	2,750,000	1,161,053	100,000	140,225	4,151,278
Other movement in reserves	-	-	-	166,780	166,780
At 30 September 2022	<u>2,750,000</u>	<u>1,161,053</u>	<u>100,000</u>	<u>307,005</u>	<u>4,318,058</u>

20. LIQUIDITY RISK DISCLOSURE

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

21. RELATED PARTY TRANSACTIONS

Directors, supervisors and staff (i.e. officers) of the Credit Union during the financial year ended 30 September 2022 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 Act, 1997 (as amended). The following transactions and balances existed with members who were officers during the financial year ended 30 September 2022:

	No. of loans	2022 €
Loans advanced to Related Parties during the financial year	4	6,500
Total loans outstanding to Related Parties at the financial year end	3	<u>13,122</u>

Total loans outstanding to related parties represents 0.2% of the total loans outstanding at year end.

22. INSURANCE AGAINST FRAUD

The Credit Union has insurance against fraud in the amount of €1,900,000 in compliance with Section 47 of the Credit Union Act, 1997 (as amended).

23. CAPITAL COMMITMENTS

The Credit Union had no material capital commitments at the financial year-ended 30 September 2022.

24. POST-BALANCE SHEET EVENTS

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

25. CONTINGENT LIABILITIES

Blackrock Credit Union Ltd had no contingent liabilities at the current or prior balance sheet date.

26. DIVIDENDS AND INTEREST REBATE

A dividend payment on members' shares of €0 (0.00%) (2021: € (0.00%)) and an interest rebate of €0 (0%) (2021: €0 (0%)) of loan interest were paid during the year.

27. ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURES

Financial risk management

Blackrock Credit Union manages its member's shares and loans to members so that it earns income from the margin between interest receivable and interest payable. The main financial risks arising from Blackrock 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 Blackrock Credit Union, resulting in financial loss to the Credit Union. In order to manage this risk the Board approves Blackrock Credit Union'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: Blackrock 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. Blackrock Credit Union conducts all its transactions in Euro and does not deal in derivatives or commodity markets. Therefore, Blackrock Credit Union is not exposed to any form of currency risk or other price risk.

Interest rate risk: Blackrock 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 when deciding on the dividend rate payable on members' shares. Blackrock Credit Union does not use interest rate options to hedge its own positions.

28. COMPARATIVES

Certain comparative amounts have been restated for presentation and consistency purposes. There has been no prior year adjustments and no change to the opening reserves.

29. THE IRISH LEAGUE OF CREDIT UNIONS REPUBLIC OF IRELAND PENSION SCHEME

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

On 31 March 2022, the defined benefit scheme closed to future accrual. At the date of closure of the Scheme, there was a past service deficit which was allocated to each participating credit union based on the total benefits earned by staff in each credit union. Blackrock Credit Union Limited's allocation of that past service deficit is €15,929.

This amount is included in the income and expenditure account for the financial year ended 30 September 2022 and was paid by the credit union.

As this is a pooled pension scheme, Blackrock 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. Blackrock 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.

30. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved, and authorised for issue, by the Board of Directors on 10/01/2023.

SCHEDULES TO THE INCOME & EXPENDITURE ACCOUNT

for the financial year ended 2022

Schedule 1 - Interest on Loans

	2022	2021
Interest on Loans	€	€
Interest on members' loans	543,620	585,285
	543,620	585,285

Schedule 2 - Investment Income

	2022	2021
Investment Income	€	€
Investment income received	105,058	100,221
	105,058	100,221

Schedule 3 - Other Income

	2022	2021
Other Income	€	€
SPS refund	101,797	-
Miscellaneous income	7,555	45,519
	109,352	45,519

Schedule 4 - Other Management Expenses

	2022	2021
Other Management Expenses	€	€
Training and seminars	938	589
Rent and rates payable	4,127	6,119
General insurance	13,784	10,819
Share and loan insurance	73,792	83,272
Light and heat	3,253	3,053
Cleaning and hygiene	1,714	1,179
Repairs and renewals	3,947	6,599
Computer and equipment maintenance	27,651	24,433
Printing and stationery	4,031	4,857
Promotion and education	12,534	11,768
Telephone and postage	6,313	2,689
AGM expenses	10,054	6,050
Legal and debt recovery fees	17,400	9,542
Audit fees	8,415	7,775
Bank interest and charges	7,223	6,988
Risk & Compliance	27,600	27,340
Cash short	46	39
Subscriptions and donations	2,111	1,115
Saving protection scheme	1,764	1,591
Regulation levy	57,260	56,619
General expenses	171	61
Bad Debt Collection Fees	3,369	2,044
	287,497	274,541







SEPA payments is being launched!



Direct Debits

IN: A Direct Debit can be set up to deduct money automatically from your bank account into your Credit Union account on a regular basis – Weekly, Fortnightly or Monthly. This is a great way to make your loan repayments. All you need to do is complete a Direct Debit Mandate, return it to us and we'll do the rest!

OUT: Direct Debits can also be set up to make sure that your bills are paid regularly and on time.

Electronic Services

It has never been easier to access and manage your account with us.

We have a range of Electronic Services that mean that you can transfer money, check your accounts online at a time and place that suits you.

Electronic Funds Transfer

You can transfer funds electronically from your Credit Union account to a bank account of your choice in a safe, and convenient way. Simply call in to set up your EFT.

And remember,
we're here to
help so call in!

