



FOR COMMUNITY

NOT PROFIT

REPORT AND FINANCIAL STATEMENTS
Year ending September 2023

AGM NOTICE



**MANORHAMILTON
& DISTRICT**
CREDIT UNION
LOCAL, LOYAL & LENDING

FOR YOU. NOT PROFIT.




**AT THE
HEART OF THE
COMMUNITY**



**Manorhamilton & District
Credit Union**

WE LOOK AT THINGS DIFFERENTLY

Credit Union Prayer

...

Lord, Make me an instrument of Thy peace
Where there is hatred, let me sow love
Where there is injury, pardon
Where there is doubt, faith
Where there is despair, hope
Where there is darkness, light
Where there is sadness, joy.

O Divine Master grant that I may not so much seek
To be consoled as to console
To be understood as to understand
To be loved as to love
For it is in giving that we receive
It is in pardoning that we are pardoned
And it is in dying that we are born to eternal life.

...



Credit Union

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... Notice of A.G.M and Agenda

Manorhamilton and District Credit Union Ltd.
Main St, Manorhamilton, Co. Leitrim.
Phone (071) 9855500

Dear Member,

You are invited to the 27th Annual General Meeting of Manorhamilton & District Credit Union which will be held on Monday the 11th of December 2023 in the Library, St Clare's Comprehensive, Manorhamilton Co Leitrim @ 7.30pm.

Standard Rule 96 (4): The business at annual general meetings of the members shall be:

- (a)** The acceptance by the board of directors of the authorised representatives of members that are not natural persons;
- (b)** Ascertainment that a quorum is present;
- (c)** Adoption of Standing Orders*;
- (d)** Reading and approval (or correction) of the minutes of the last annual general meeting, and any intervening special general meeting;
- (e)** Report of the Board of Directors;
- (f)** Consideration of accounts;
- (g)** Report of the Auditor;
- (h)** Report of the Board Oversight Committee;
- (i)** Declaration of dividend and rebate of interest (if any);
- (j)** Report of the Credit Committee;
- (k)** Report of Credit Control Committee;
- (l)** Report of Membership Committee;
- (m)** Report of any Sub-Committee;
- (n)** Report of the Nomination Committee;
- (o)** Appointment of Tellers;
- (p)** Election of Auditor;
- (q)** Election to fill vacancies on the Board Oversight Committee;
- (r)** Election to fill vacancies on the Board of Directors;
- (s)** Any other business;
- (t)** Announcement of election results;
- (u)** Adjournment or close of meeting.

The members assembled at any annual general meeting may suspend the order of business upon a two-thirds (2/3) vote of the members present at the meeting.

Yours sincerely
Seamus McGourty
Secretary Board of Directors.

Chairperson's Address

As we come to the end of our 26th anniversary of the Credit Union, on behalf of the Board of Directors, our Manager Pauline and Staff, I am delighted to report on the tremendous progress made this year

Manorhamilton & District Credit Union saw significant improvements across our key metrics. Our loans increased by 14% in 2023- from, €5.5m in 2022 to €6.2m. I would like to take this opportunity to thank all volunteers, staff and you the members for your continuous effort and support in helping to grow your Credit Union which now has over €17.7 million in assets.

During 2023, we had regular reviews and audits of the business, all of which have been satisfactory. These reviews are all part of our governance structure which we continually develop and grow to ensure the future success and safety of our Credit Union.

I would also like to recognise the team's efforts to develop our member support services. This year we further developed our online facilities including internet banking and a mobile app. Both of which, I'm sure will bring continuous benefit and support to our members. Additionally, we continue to see our loan rates remain very competitive and all loans are insured by the Credit Union at no cost to the members.

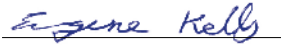
Credit Unions are the leading organisations in Ireland for customer experience, this is because they put their members and their communities at the heart of everything they do. Irish Credit Unions have now won prestigious CXI (Customer Experience Ireland) Award for customer experience for a global, record-breaking nine consecutive years, increasing our score year-on-year. This is a world first.

For now, I would like to thank my fellow Directors, Board Oversight Members and Volunteers for the time they give to their Credit Unions. There is great satisfaction in the work that our volunteers undertake and if any of our members wish to find out

more or get involved in voluntary work for our Credit Union, please don't hesitate to get in touch with us. The Board of Directors, Management and Staff would like to take the opportunity to thank all our members for their continued loyalty and support.

Wishing you all a safe and healthy 2024.

Eugene Kelly, Chairman



••• Minutes of 26th AGM

of Manorhamilton & District Credit Union held on 12th December 2022 in St Clare's Comprehensive School, Manorhamilton.

Chairperson Eugene Kelly welcomed all present on behalf of the board of directors.

- *Acceptance of proxies:*
Eugene Kelly Confirmed that there were no proxies
- *Ascertainment of Quorum:*
Eugene Kelly confirmed that a quorum was present.
- *Adoption of standing orders:*
Standing orders were adopted on the proposal of Clare McGauran & seconded by John McMorrow
- *Minutes of previous AGM*
The minutes of the 25th AGM were taken as read. No matters arising were raised. The minutes were adopted on the proposal of John McMorrow and seconded by Francis Fox.
- *Report of the Board of Directors*
The report of the Board of Directors was read by Eugene Kelly. He thanked all members for their continued support over the last 25 years. 2022 was another successful year for the credit union. It marked the 25th year of operations of Manorhamilton & District Credit Union. The credit union continues to grow from strength to strength with an increase in the loan book. Eugene also gave thanks to Clare McGauran and John McMorrow who were stepping down from the board of directors & board oversight committee respectively. Both have been loyal servants to the Credit Union in Manorhamilton for many years and Eugene wished them well. The report was adopted on the proposal of Elaine McBride and seconded by Teresa Gilligan.

- *Auditors Report*
The auditors report was read by Eoin O'Boyle of O'Boyle and Co Chartered Accountants. Eoin O'Boyle explained the background and role of the Auditor. In summary Eoin discussed the Income and expenditure and concluded that the directors use of the going concern basis of accounting in the preparation of the financial statements is appropriate and based on the work performed they have not identified any material uncertainties which would cast doubt on the Credit Unions ability to continue to perform. The auditor report was adopted on the proposal of John McMorrow and seconded by Austin Nealon.
- *Report of Oversight Committee*
Board oversight committee report was read by John Mc Morrow, who advised the meeting about the role of the committee as per the Credit Union Act. John thanked his fellow committee members, Majella Barry and Bernie McMorrow.
- *Declaration of Dividend and rebate of interest*
The Directors of Manorhamilton and district Credit Union Ltd. propose that no dividend or loan interest rebate in respect of the year ended 30th September 2022:
Gross Dividend on shares Nil
Loan Interest Rebate of Nil
Proposed by John McMorrow and seconded by Anne Gilligan.
- *Report of the Credit Committee*
The credit committee report was read by Clare McGauran. Total loans issued for the year €2,934,829.30. As of the 30th September 2022 the loan book was €5,528,525. The report was adopted on the proposal of Francis Fox and seconded by Majella Barry.
- *Report of the Credit Control Committee*
The committee report was read by Mary McLoughlin. Mary outlined the role of the committee and encouraged all member to engage with the Credit Union if they get into difficulty. She also thanked her fellow committee members John O Flynn and Philip Maguire. The report was adopted on the proposal of Clare McGauran and seconded by Teresa Gilligan.
- *Report of the Membership Committee*
Helen McManus presented the report of the Membership Committee. In the period up to the 30th September 2023a total of 191 new members joined the credit union, making a total membership of 3819. The membership report was adopted on the proposal of Elain McBride and seconded by Gerry Creamer.
- *Report of the Nomination Committee*
Nomination committee report presented by Sharon O Hagan who advised that there was 1 vacancy on the board and 2 board members were due for re-election. Sharon spoke on the board rotation policy and the Fitness & probity requirements. Report adopted on the proposal of Anne Gilligan and seconded by Majella Barry

- *Appointment of tellers*
Jim Carolan on the proposal of Pauline Murray and seconded by John McMorrow
John McMorrow on the proposal of Carla Nealon and seconded by Sharon O'Hagan
Helen McManus on the proposal of Pauline Murray and seconded by Eugene Kelly
- *Election Results*
O'Boyle & Co re-elected unanimously
Brigid McGourty elected to the Board Oversight Committee
Susan McDermott elected to the Board of Directors
Eugene Kelly & Francis Fox were re-elected to the Board of directors.
- *Any other Business*
Eugene welcomed Brigid McGourty to the board oversight committee and Susan McDermott to the Board of Directors.
Eugene thanked Sean Keaney for facilitating the AGM.
He wished all present a Happy Christmas and a healthy and prosperous new year.
Meeting Closed @ 8:20

... “Rule 30 (1)(a)

That this Annual General Meeting amends Rule 30 of the Standard Rules for Credit Unions (Republic of Ireland) by the deletion of the following Rule 30 (1)(a)

- (1)** (a) Provided a share dividend has been declared in accordance with the Act, the directors may recommend to the annual general meeting for approval a refund to the members on record as of the end of each financial year who have been borrowers during such year of a percentage of interest which such borrowers have paid during such year, and such rate of refund shall apply to all such member borrowers. Where a credit union operates a system whereby different rates of interest are charged for different classes of loans, the board of directors may recommend a different rate of refund applicable to each class of loan. Such refunds shall apply to all member borrowers in each class of loan.

And by the insertion of the following Rule 30 (1)(a) to read:

- (1)** (a) The directors may recommend to the annual general meeting for approval a refund to the members on record as of the end of each financial year who have been borrowers during such year of a percentage of interest which such borrowers have paid during such year, and such rate of refund shall apply to all such member borrowers. Where a credit union operates a system whereby different rates of interest are charged for different classes of loans, the board of directors may recommend a different rate of refund applicable to each class of loan. Such refunds shall apply to all member borrowers in each class of loan.”

Model Standing Orders for Credit Unions

Reference: Recommendation 41 (b) of the Planning Committee;

1. VOTING

Each member shall be entitled to one vote irrespective of his/her shareholding, in accordance with section 82(2) of the Credit Union Act, 1997 (as amended)

2 - 3 ELECTION PROCEDURE

2. Elections to the board of directors, to the board oversight committee and the position of auditor shall be by majority vote and by secret ballot.
3. When nominations are announced tellers shall be appointed by the chair and ballot papers shall be distributed. Nominations shall be in the following order:
 - (a) nominations for auditor;
 - (b) nominations for members of the board oversight committee;
 - (c) nominations for directors.

When voting is completed, the votes shall be taken and tallied by the tellers. Any ballot paper which contains votes for more than the number required to be elected shall be void. All elections shall be by secret ballot and by majority vote. When the votes have been counted by the tellers, the results shall be announced by the chair. In the event that all vacancies are not filled by the first ballot further ballots shall be taken as required. In the event of an equality of votes between candidates for the remaining vacancies not filled in accordance with the above procedure one further ballot shall be taken and should that ballot fail to determine the issue, the vacancies shall be filled by lot from among such candidates having an equality of votes.

4 - 9 MOTIONS

4. All motions from the floor of the AGM must be proposed and seconded by members present at the AGM and moved by the proposer. If the proposer is absent when the motion is called, the motion shall be deemed to have failed.
5. A proposer of a motion may speak for such period as shall be at the discretion of the chair of the meeting and shall have the right of reply before the motion is put to the meeting for a vote.
6. In exercising his/her right of reply, a proposer may not introduce new material.

7. The seconder of a motion shall have such time as shall be allowed by the chair to second the motion.
8. Members are entitled to speak on any such motion and must do so through the chair. All speakers to any motion shall have such time as shall be at the discretion of the chair.
9. The chair shall have the absolute right to decide at any time when a motion has been sufficiently discussed and may put the motion to the meeting giving the proposer the right of reply before doing so.

10 - 15 MISCELLANEOUS

10. The chair of the board of directors shall be the chair of any general meeting, except where he/she is not available, in which case it shall be the vice-chair, except where he/she is not available, in which case the board shall decide amongst themselves who shall act as chair of any general meeting.
11. The chair may at his/her discretion, extend the privilege of the floor to any person who is not a member.
12. Matters not covered by the Agenda may be introduced under "Other Business" at the discretion of the chair.
13. The chairman's decision on any matter relating to these Standing Orders or interpretation of same shall be final.
14. No member shall have more than one vote on each question at any general meeting of the credit union or any adjournment thereof irrespective of his/her shareholding or the number of accounts in his/her name in the credit union provided, however, that except in voting at elections, the presiding member shall have a second or casting vote in the event of equality of voting. Voting by proxy shall be allowed only when a member other than a natural person votes through a representative, who is a member of the group, duly authorised in writing for that purpose and accepted as such by the board of directors.
15. Any matter to be decided upon by vote at the AGM shall, unless otherwise expressly provided for by law or the rules, be decided upon by simple majority.
16. Suspension of Standing Orders
Any one of these Orders or all of these Standing Orders may be suspended on a motion to this effect receiving a two-thirds majority of those present and entitled to vote.
17. Alteration of Standing Orders
Standing Orders may be amended or altered at a general meeting and only if a motion to this effect has received a two-thirds majority of those present and voting.
18. Adjournments
Adjournments of the AGM shall take place only in accordance with section 81(1) of the Credit Union Act, 1997 (as amended).

Report of the Board Oversight Committee

The Board Oversight Committee members are responsible to the members of the Credit Union. The Role of the Board Oversight Committee is to assess whether the Board is complying with the requirements set out in the Act and report its findings in a written report at least four times per year to the Board and to the members at the AGM. The Board Oversight committee derives its existence from Section 76M of the Credit Union Act 1997 (as amended) (the 'Act').

At the 2022 AGM, we welcomed a new committee member, Brigid McGourty.

During the course of the year, we met as a committee on a monthly basis and met with the Board of Directors to present our quarterly reports, on four occasions, as required by the Act. A member of the Board Oversight Committee was present at all board meetings during the year.

In the performance of our duties, we reviewed and assessed the frequency and content of the reports submitted by the Credit Union committees to the Board of Directors during the previous year and reported on our findings to the Board of Directors. We also observed and reviewed how the current year's board meetings were conducted and the level of attendance and participation by the board members. We examined the monthly reports from The AML Officer along with the policies that we have in place with regard to Anti Money Laundering. We also attended and observed a monthly meeting of each of the credit union committees.

We are satisfied that the Board of Directors has operated in accordance with Part IV of the Act and any regulations relating to Part IV or this Part and that the Board of Directors and the committees, along with the Credit Union Manager and staff, have acted in the best interest of the members of the credit union at all times, during the year.

In conclusion, we would like to thank the Board of Directors, committee members and the Manager and staff for their co-operation and assistance throughout the year. Our longest serving Board Oversight Committee member Majella Barry bids us farewell after 9 years of service on this committee and on our own behalf and on behalf of the credit union members, we would like to thank Majella for all her work over the years and wish her all the best for the future.

Majella Barry, Chairperson.

Bernie McMorrow, Secretary.

Brigid McGourty, Committee Member.

Credit Committee Report to AGM 2023

During the last year Manorhamilton Credit Union issued 617 loan totalling €3,130,561 to our members in our community. As of 30/09/2023 our loan book is now €6,278,071. This is a growth of 14% on last year.

All loan applications are considered based on our lending criteria and principally, your repayment capacity.

We also offer flexibility regarding loan repayments – a loan can be paid back early without penalties or it can be restructured if there is a change in the borrower's circumstances.

We will continue to monitor our product range, interest rates and loan assessment process to fully provide for all our members requirements.

We offer the following loan products along with standard loans:

- Special Education Loan
- Car Loan
- Home Improvements Loan
- Promotional Green Loan

Terms and conditions apply to all Loans

In addition to our excellent competitive loan rates the majority of loans issued qualify for free life cover, there are no hidden charges, no penalties for early repayment and interest is only payable on any outstanding balance.

Credit Committee would like to thank Pauline, Carla, Sharon, Lorraine and Helen for all their help and support throughout the year.

Anne Gilligan

Elaine Mc Bride

Clare Mc Gauran

Delighted to sponsor the following Groups in our community this Year

Shannon Gaels GFC

Indian Association

Glenfarne Festival

Dean Clancy

St Clare's Comprehensive

Dromahair Arts and Recreation Centre

Rossinver Organic Centre

Wild Rose Festival

Blacklion Golf Club

Manorhamilton Agricultural show

Manorhamilton Tidy Town

Josie Martin Scholarship

North Leitrim Men's Group

Kiltyclogher Drama Festival

Rossinver Youth Community Project

Credit Control Committee Report

The role of the credit control committee is to try to ensure repayment of members loans are in accordance with their Credit Agreement. The committee ensures that the policies and procedures adopted by the board of directors governing the pursuit and recovery of loans are fully implemented.

As a committee we have responsibility to our members to ensure that every effort is made to minimise the level of bad debt, maximise the recovery of historic bad debt & ensure adequate provisions for non-performing loans whilst recommending loan charge off and decisions made regarding appropriate action to be taken on member loans. A full and detailed report of the committee's actions and results are presented for board approval at their monthly meetings.

We are very grateful to the vast majority of our members who, during what was a very difficult and economically challenging year have diligently repaid their loans. We would strongly encourage all members who are experiencing financial difficulties to contact us at the earliest stage possible. Our staff are very experienced and deal with all members who find themselves in financial difficulty, often through no fault of their own, in a confidential and sympathetic manner. Every effort will be made to find a solution that suits both the member and the credit union.

Many thanks to all the staff for all their help over the last year.

John O'Flynn

Mary McLoughlin

Margaret Byrne



Membership Committee Report 2023

We are delighted to report that our membership has continued to grow and that 171 new members joined Manorhamilton & District Credit Union in the last twelve months to bring our total membership to 3967. We encourage potential new members to contact us by phone or e-mail to initiate the joining process. Applications can be processed over the phone and new members then attend the office to sign relevant documentation.

We would like to remind Members to review their Nomination arrangements, particularly if you have not done so recently. All members over 16 years of age are entitled to nominate someone to receive their shares up to a maximum of €23,000 in the event of their death.

All members must comply with the following legislation:

CRIMINAL JUSTICE (ANTI MONEY LAUNDERING AND COUNTER TERRORIST FINANCING) ACTS, 2010 & 2013

The Criminal Justice (Anti Money Laundering & Counter Terrorist Financing) Acts 2010 & 2013 require Credit Unions to adopt policies and procedures, in relation to their business, to prevent and detect the commission of money laundering and terrorist financing. For our Credit Union to comply with this legislation, we must apply 'customer due diligence' steps to all members prior to the establishment of a business relationship with the member and on an on-going basis thereafter. This requires the following steps: -

- Identification and verification of a member's identity and residency
- Identification of beneficial owners/controllers of funds.
- Obtaining information on the source of funds and the purpose of the account.
- Enhanced due diligence where required.
- Conducting on-going monitoring.

Finally, welcome to all new members who have joined in the last 12 months, we look forward to dealing with you in the future and continuing to work with all our members.

Many thanks to all the staff for all their help over the last year.

Helen McManus

Carla Nealon

Susan McDermott

WANT TO DITCH THE DIESEL?

We've got the flexible
electric car loan for you

MANORHAMILTON & DISTRICT CREDIT UNION LIMITED

CAR LOANS

Have you had your Credit ReUnion?

Call us on **071 985 5500**

Email **desk@manorhamiltoncu.ie**

Loans are subject to approval. Terms and 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. Manorhamilton & District Credit Union Limited is regulated by the Central Bank of Ireland.



manorhamiltoncu.ie

WE LOOK AT THINGS DIFFERENTLY

Directors and Other Information

Directors	Eugene Kelly (Chairperson) Mary McLoughlin (Vice Chairperson) Seamus McGourty (Secretary) Sharon O'Hagan Elaine McBride John O'Flynn Francis Fox Teresa Gilligan Susan McDermott (Appointed 12 December 2022) Clare McGauran (Retired 12 December 2022)
Board Oversight Committee Members	Majella Barry (Chairperson) Bernie McMorrow Brigid McGourty (Appointed 12 December 2022) John McMorrow (Retired 12 December 2022)
Membership Committee	Helen McManus (Chairperson) Susan McDermott (Secretary) Carla Nealon
Credit Committee	John O'Flynn (Chairperson) Mary McLoughlin (Secretary) Margaret Byrne (Appointed 12 December 2022) Philip Maguire (Retired 12 December 2022)
Credit Control Committee	John O'Flynn (Chairperson) Mary McLoughlin (Secretary) Philip Maguire
Credit Union Number	472CU
Registered Office and Business Address	Main Street Manorhamilton Co Leitrim
Auditors	O'Boyle & Co. Chartered Accountants and Statutory Audit Firm Church Street Longford
Bankers	Bank of Ireland Stephen Street Abbeyquarter North Sligo AIB Main Street Manorhamilton Co Leitrim Danske Bank 3 Harbourmaster Place IFSC Dublin 1

Directors' Report

for the financial year ended 30th September 2023

The directors present their Annual Report and the Audited Financial Statements for the financial year ended 30 September 2023.

Objects

The purpose of the Credit Union is to allow members save together and lend to each other at a fair and reasonable rate of interest. The acceptance of member savings and lending to members is carried out in accordance with legislation and criteria determined by the Irish League of Credit Unions and the Credit Union itself.

Principal Risks and Uncertainties

The Credit Union, as with many other financial institutions, continues to face uncertainties arising from general economic conditions. The Board of Directors is responsible for the general control, direction and management of the Credit Union and for ensuring that they have in place effective governance arrangements including risk management systems and internal audit functions. The Directors actively monitor the effects of economic and other conditions on the daily operations of the Credit Union and meet as a board (remotely or face-to-face) as often as necessary, but at least monthly, to discuss the risks and challenges facing the Credit Union and to discharge their responsibilities.

The principal risks and uncertainties facing the Credit Union are loan default; not lending a sufficient proportion of funds so that too much of the Credit Union's resources are tied up in investment products; poor performance of investments; the risk that the Credit Union will not have sufficient cash resources to meet day to day running costs and repay members savings when demanded (liquidity risk). The Board appoints various sub committees, retains the services of suitably qualified advisors and appoints staff in order to assist in the management of its principal risks and uncertainties. These risks are managed and controlled by the Credit Union's Board of Directors as follows:

Loan default

The risk of members not repaying their loans and defaulting on their loans. The directors identify loan default as the greatest risk to the Credit Union. This risk is managed based on the continuous update and improvement of lending procedures; active monitoring of loans and repayments and the continued training of all relevant personnel within the Credit Union.

Not lending enough of surplus funds

The risk of a reduced demand for loans amongst members. Manorhamilton & District Credit Union Limited encourages lending by offering a wide range of competitive lending products to its members. The product and service are promoted by regular marketing activities throughout the year. The need to

increase demand for loans is balanced by the need to ensure that borrowers have the capacity to repay the amount borrowed.

Investment Portfolio Performance

The risk of the loss of capital or insufficient return on investments in the Credit Union's Investment portfolio. The Credit Union's Board of Directors regularly review and approve the Credit Union's investment policy in which it sets out the types of investments within which the Credit Union can invest funds. A key factor for all investments is the need to balance the secure return of capital with the interest yield. Funds are invested in compliance with the Credit Union's policy and regulatory guidance.

Liquidity risks

The risk that the Credit Union will not have enough cash available to manage the day to day running of the Credit Union; and repay members savings on demand. The liquidity level of the Credit Union is monitored on a regular basis to ensure funds are maintained in short term deposits at all times so that it has sufficient cash to meet its obligations as they fall due.

Operational Risk

The risk of loss (financial or otherwise) arising as a result of inadequate internal processes, people and systems. The Credit Union manages operational risk through the recruitment and employment of suitably qualified staff and management who ensure that appropriate processes, procedures and systems are implemented and applied. This is further supported by a robust reporting structure and active management of operational risk events.

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

The Income and Expenditure account, the Balance Sheet and the Statement of Changes in Reserves and the Statement of Cash Flows for the year ended 30 September 2023 are set out on pages 26 to 29.

In the current financial year ended 30 September 2023, the Credit Union experienced an increase in savings and new loans granted to members. Members' savings increased by €354,563 to €15,069,400. Loans to members increased by €749,546 to €6,278,071. The loan to savings ratio was 42% at the year-end (2022: 38%).

Total income for the year (excluding exceptional items) increased from €561,923 in 2022 to €651,395 in 2023. Income from loans to members increased by €42,161. Income from investments increased by €59,831. Total expenditure (excluding exceptional items) increased from €451,201 in 2022 to €510,521 in 2023.

Overall a surplus of €140,874 was generated for the year, up from the 2022

surplus of €27,290. In accordance with the general instructions of the Central Bank of Ireland, the Directors do not recommend a payment of a dividend or interest rebate for the year. The surplus will be used to maintain and build the Credit Union's reserves.

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

Dividends and Loan Interest Rebate

In September 2023, the Central Bank of Ireland issued general instructions for all Credit Unions to demonstrate prudent forward-looking capital reserve management in the current challenging environment. In accordance with this instruction, the Credit Union's Board of Directors for the year end 30 September 2023 do not recommend the payment of a dividend on shares or a rebate on interest paid by members on loans throughout the year (2022: €Nil proposed dividend on shares and interest rebate on loans). The Board recommends that the surplus be used to maintain and build the Credit Union's reserves.

Future Developments

The Directors anticipate that surpluses may decline over the next few years, arising from the uncertainties caused by declines in investment returns, changes in the banking sector, international tax changes and climate change. However, the Directors are confident that the solvent financial position of Manorhamilton & District Credit Union Limited will be maintained. The Directors expect in the coming years to develop and expand the Credit Union's current activities and they are confident of its ability to operate successfully in the future.

Board of Directors

The directors of the Credit Union at 30 September 2023 and during the year were as follows:

Eugene Kelly, Mary McLoughlin, Seamus McGourty, Sharon O'Hagan, John O'Flynn, Elaine McBride, Francis Fox, Teresa Gilligan, Susan McDermott (appointed 12/12/2022), Clare McGauran (retired 12/12/2022).

In accordance with the Credit Union's governance policy and the Credit Union Act 1997 (as amended), the term of office of a member of the Board of Directors shall not extend beyond three subsequent AGMs after being so elected. Having served this term a director must retire at the next AGM of the Credit Union. A retiring member of the Board is eligible for re-election once (s)/he has not served for more than twelve years in aggregate on the previous fifteen years on either the Board of Directors or the Board Oversight Committee.

Board Oversight Committee

The members of the Board Oversight Committee of the Credit Union at 30 September 2023 and during the year were as follows:

Majella Barry, Bernie McMorro, Brigid McGourty (appointed 12/12/2022) and

John McMorrow (retired 12/12/2022).

In accordance with the Credit Union's governance policy and the Credit Union Act 1997 (as amended), the term of office of a member of the Board Oversight Committee shall not extend beyond three subsequent AGMs after being so elected. Having served this term a committee member must retire at the next AGM of the Credit Union. A retiring committee member is eligible for re-election, once s(he) has not served more than twelve years in aggregate in the previous fifteen years on either the Board of Directors or the Board Oversight Committee.

Regulatory Reserve

At 30 September 2023, reserves held in regulatory reserve represented 10.68% of the total assets of the Credit Union (2022: 10.74%)

Membership of Credit Union

Membership of Manorhamilton & District Credit Union at 30th September 2023 stood at 3,967 (2022: 3,819).

Authorisation

The Credit Union is authorised to conduct payment services. It is regulated by the Central Bank of Ireland for these activities.

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 keeping proper accounting records for the Credit Union, is by employing accounting personnel with appropriate expertise and by providing adequate resources to the financial function. The accounting records of the Credit Union are maintained at the Credit Union's premises at Main Street, Manorhamilton, Co Leitrim.

Post Balance Sheet Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Credit Union, the results of those operations or the state of affairs of the Credit Union in financial years subsequent to the financial year ended 30 September 2023.

Auditors

The auditors, O'Boyle & Co., have indicated their willingness to continue in office in accordance with Section 115 of the Credit Union Act 1997 (as amended).

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

Chairperson of the Board of Directors


Eugene Kelly

Secretary of the Board of Directors


Seamus McGourty

Date: 25 October 2023

Statement of Directors Responsibilities

for the financial year ended 30th September 2023

The Directors are responsible for preparing the financial statements in accordance with applicable Irish Law and Generally Accepted Accounting Practice in Ireland including the Accounting Standards issued by the Financial Reporting Council. The Credit Union Acts 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 financial 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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Credit Union’s website. Legislation in Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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:

Ch. of the Board of Directors


Eugene Kelly

Sec. of the Board of Directors


Seamus McGourty

Date: 25 October 2023

Report of The Board Oversight Committee

for the financial year ended 30th September 2023

Statement of Board Oversight Committee's Responsibilities

The Credit Union Act 1997 (as amended) requires the appointment of a Board Oversight Committee to assess whether the Board of Directors has operated in accordance with Part IV, Part IV (a) and any regulations made for the purposes of Part IV or Part IV(a) of the Credit Union Act 1997 (as amended) and any other matter prescribed by the Central Bank of Ireland in respect of which they are to have regard in relation to the Board of Directors.

Board Oversight Committee Report

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

The Board Oversight Committee of Manorhamilton & District Credit Union Limited has in furtherance of its role:

- Attended all meetings of the Board of Directors throughout the year;
- Met as a committee monthly as required by the legislation;
- Formally met with the Board of Directors once a quarter and provided a performance report to the Board of Directors as required by legislation;
- Participated in various committee meetings throughout the year;
- Participated in specialised Board Oversight Committee training.

The Board Oversight Committee is satisfied to report that the actions and decisions of the Board of Directors of Manorhamilton & District Credit Union Limited are compliant with current legislation and regulation.

The Board Oversight Committee is satisfied that the method of continual reviews of the Credit Union's processes and procedures, as employed by the Board, ensures that Manorhamilton & District Credit Union Limited meets all of the requirements laid down from a legal and regulatory perspective.

Approved by the Board Oversight Committee and signed on its behalf by:

Member of the Board Oversight Committee



Majella Barry

Date: 25 October 2023

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Manorhamilton & District Credit Union Limited for the financial year ended 30 September 2023 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" issued in the United Kingdom by the Financial Reporting Council and the Credit Union Acts 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 2023 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 Acts 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), 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)

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

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

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities as set out on page 20, 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.

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

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

Our report is made solely to the Credit Union's members, as a body, in accordance with section 120 of the Credit Union Act 1997 (as amended). Our audit work has been undertaken so that we might state to the Credit Union's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Credit Union and the Credit Union's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Eoin O'Boyle for and on behalf of
O'BOYLE & CO.
Chartered Accountants and Statutory Audit Firm
Church Street,
Longford,
Date: 25 October 2023

Appendix to the Independent Auditor's Report

Further information regarding the scope of our responsibilities as auditor

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Credit Union's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Credit Union's ability to continue as going concerns. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Credit Union to cease to continue as going concerns.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Income & Expenditure Account

for the financial year ended 30th September 2023

		2023	2022
	Note	€	€
Income			
Interest on members' loans	4	542,019	499,858
Other interest income and similar income	5	107,350	47,519
Net interest income		649,369	547,377
Other income	7	2,026	14,546
Total income		651,395	561,923
Expenditure			
Employment costs	9	203,449	172,555
Other management expenses (Schedule 1)		276,622	229,672
Depreciation		53,567	53,582
Bad and doubtful debt provision	13.4	1,926	(22,826)
Bad and doubtful debt written off	13.4	(4)	43,681
Bad debt recovered	13.4	(25,039)	(25,463)
Total expenditure		510,521	451,201
Surplus/(deficit) of income over expenditure before exceptional gains/ (losses)		140,874	110,722
Refund from ILCU Stabilisation Protection Scheme	8.1	-	70,522
Deficit paid to ILCU pension scheme	8.2	-	(148,046)
Loan interest returned to members	8.3	-	(5,908)
		-	(83,432)
Surplus/(deficit) of income over expenditure after exceptional gains/ (losses)		-	-
Other comprehensive income		-	-
Total comprehensive income		140,874	27,290

The financial statements were approved and authorised for issue by the Board of Directors on 25 October 2023 and signed on its behalf by:

Manager Paulie Murray

Chairperson of the Board of Directors

Eugene Kelly

Member of Board Oversight Committee

Margilla Barry

Date: 25 October 2023

Balance Sheet

as at 30th of September 2023

		2023	2022
	Note	€	€
Assets			
Cash and cash equivalents	11	472,196	1,081,863
Tangible fixed assets	12	591,824	638,759
Loans to members	13	6,278,071	5,528,525
Provision for bad debts	13	(305,921)	(303,995)
Central Bank Minimum Reserve	14	35,018	33,050
Prepayments and accrued income	15	55,024	63,040
Deposits and investments – cash equivalents	16	4,306,733	2,762,155
Deposits and investments – other	16	6,274,294	7,402,891
Total assets		17,707,239	17,206,288
Liabilities			
Members' shares	17	14,534,622	13,997,112
Members' deposits	17	534,778	717,725
Creditors, accruals & other liabilities	18	65,247	59,733
Total liabilities		15,134,647	14,774,570
Net Assets		2,572,592	2,431,718
Members' Resources			
Regulatory reserve		1,891,520	1,848,320
Distribution reserve		133,546	133,546
Operational risk reserve		88,000	80,000
Undistributed surplus reserve		452,474	362,800
Non-distributable income reserve		7,052	7,052
Total Members' Resources		2,572,592	2,431,718

The financial statements were approved and authorised for issue by the Board of Directors on 25 October 2023 and signed on its behalf by:

Manager Paulie Murray

Chairperson of the Board of Directors

Member of Board Oversight Committee

Date: 25 October 2023

Eugene Kelly

Margie Barry

Statement of Changes in Reserves

for the financial year ended 30th September 2023

	€	€	€	€	€	€
	Regulatory Reserve	Distributions Reserve	Operational Risk Reserve	Undistributed surplus reserve	Non-distributable income reserve	Total
At 1 October 2021	1,761,220	133,546	80,000	429,662	-	2,404,428
Total comprehensive income for the financial year	-	-	-	27,290	-	27,290
Surplus allocation in financial year	-	-	-	(7,052)	7,052	-
Transfer to Regulatory Reserve	87,100	-	-	(87,100)	-	-
At 30 September 2022	1,848,320	133,546	80,000	362,800	7,052	2,431,718
At 1 October 2022	1,848,320	133,546	80,000	362,800	7,052	2,431,718
Total comprehensive income for the financial year	-	-	-	140,874	-	140,874
Surplus allocation in financial year	-	-	8,000	(8,000)	-	-
Transfer to Regulatory Reserve	43,200	-	-	(43,200)	-	-
At 30 September 2023	1,891,520	133,546	88,000	452,474	7,052	2,572,592

(i) Regulatory Reserve

Following the commencement of Section 13 of The Credit Union and Co-Operation with Overseas Regulators Act 2012, the requirement for Credit Unions (under the principal Credit Union Act 1997) to transfer 10% of their annual surplus to their Statutory Reserve (now known as the Regulatory Reserve) each financial year has been removed. Notwithstanding this, the Board of Manorhamilton & District Credit Union Limited has transferred €43,200 from its General Reserve to its Regulatory Reserve (2022: €87,100) so that the Regulatory Reserve would stand at 10.68% at the current year end (2022: 10.74%), which is in excess of the required limit of 10%.

(ii) Operational Risk Reserve

In accordance with section 45 of the Credit Union Act 1997 (as amended) Manorhamilton & District Credit Union Limited put in place an Operational Risk Reserve. The Board completed an internal process of assessing the level of the Reserve required to cover the operational risk within the Credit Union and they are satisfied that no further transfer to the Reserve is required at present. The Operational Risk Reserve as a % of total assets as at 30th September 2023 was 0.50% (2022: 0.47%)

(iii) Non-Distributable Income Reserve

The non-distributable income reserve related to income receivable by the Credit Union, which is due to be paid to the Credit Union greater than 12 months from the balance sheet date.

Cash Flow Statement

for the financial year ended 30th September 2023

		2023	2022
	Note	€	€
Opening cash and cash equivalents		3,844,018	3,759,263
Cash flows from operating activities			
Loans repaid		2,381,015	2,352,148
Loans granted		(3,130,561)	(2,934,829)
Loan interest income		542,298	498,180
Investment income		107,350	47,519
Other income received		2,026	14,546
Bad debts recovered		25,043	25,463
Operating expenses		(480,071)	(402,224)
Movement in other assets		7,737	(14,930)
Movement in other liabilities		5,514	6,524
Net cash (used in)/generated from operating activities		(539,649)	(407,603)
Cash flows from investing activities			
Purchase of tangible fixed assets		(6,632)	(95,788)
Net cash flow (from)/to other investing activities		1,126,629	272,194
Net cash generated (from)/used in investing activities		1,119,997	176,406
Cash flows from financing activities			
Members' shares received		5,836,691	6,165,928
Members' deposits received		5,676	32,151
Members' shares withdrawn		(5,299,181)	(5,587,587)
Members' deposits withdrawn		(188,623)	(211,108)
Net cash generated from financing activities		354,563	399,384
Other receipts / (disbursements)			
Refund from ILCU Stabilisation Protection Scheme		-	70,522
Deficit paid to ILCU pension scheme		-	(148,046)
Loan interest returned to members			(5,908)
			(83,432)
Net increase in cash and cash equivalents		934,911	84,755
Cash and cash equivalents at end of financial year	11	4,778,929	3,844,018

Notes To The Financial Statements

for the financial year ended 30th September 2022

1. LEGAL AND REGULATORY FRAMEWORK

Manorhamilton & District Credit Union Limited is established under the Credit Union Act 1997 (as amended) The Credit Union is registered with the Registrar of Credit Unions (No. 472CU) and is regulated by the Central Bank of Ireland. The principal place of business is Main Street, Manorhamilton, Co Leitrim with a sub office located in Blacklion, Co. Cavan. The nature of the Credit Union's operations and its principal activities are set out in the Directors' Report on pages 16 to 19.

2. ACCOUNTING POLICIES

The following principal accounting policies have been applied consistently in dealing with items, which are considered material in relation to the Credit Union's financial statements:

2.1 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.

2.2 Currency

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

2.3 Going concern

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

- is generating annual surpluses;
- is maintaining an appropriate level of liquidity and in compliance with Central Bank of Ireland limits; and
- has reserves that are currently above the minimum legal requirements of the Central Bank.

However, the Directors recognise that in the current regulatory and business environment, the current business model for the Credit Union may become unsuitable in the long term. Interest on loans combined with interest on investments may become insufficient to cover the cost of running the Credit Union. The Directors are actively addressing a long term strategy for the Credit Union, including contracting the level of service and expanding its product range.

2.4 Income recognition

Income 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. Income 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

Investment income is accounted for in accordance with the initial classification of investments at the outset and based on meeting certain criteria (see 2.8 Investments below).

(iii) Other income

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

2.5 Dividend and loan interest rebate

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

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

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

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

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

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

2.6 Taxation

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

2.7 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash deposits with bank and investments with the original maturity of less than or equal to three months or are capable of being accessed within three months.

2.8 Investments

Investment income is recognised in accordance with the investment type.

(i) Cash and short-term deposits

Cash, short-term deposits and term deposits are recognised at the deposit amount. Interest receivable is recognised in the income and Expenditure account on an accruals basis and in the balance sheet as accrued income.

(ii) 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 and Expenditure account when it is received or irrevocably receivable.

(iii) Bonds with guaranteed capital and variable interest rates

Interest income is recognised as received. Some bonds pay high rates of interest in early financial years and lower rates in later financial years. Paying higher amounts in early financial years reduces (impairs) the capital value of the bond. The capital value of the bond is tested annually for impairment and impairments losses are taken to the Income and Expenditure account. Impairment gains which reverse a previous impairment loss are taken to the Income and Expenditure account with any gains in excess of the cost of the product ignored until the bond matures.

(iv) 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 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.

(v) Central Bank deposits

Credit Unions are obliged to maintain certain deposits with the Central Bank of Ireland. 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.

(vi) 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 financial year end date and all gains and losses are taken to the income and expenditure account. The fair value of quoted investments is determined by reference to bid prices at the close of business on the balance sheet date. Where there is no active market these assets will be carried at cost less impairment.

2.9 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.

2.10 Tangible fixed assets and depreciation

Tangible fixed assets which comprises of the items below, are stated at cost, less accumulated depreciation and any accumulated impairment losses. Costs

includes expenditure that is directly attributable to the acquisition of the asset and can include the costs of site preparation, initial delivery and handling, installation and assembly, and testing of functionality.

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

Freehold buildings	4% Straight line
Fixtures and fittings	12.5% Straight line
Computers	20% Straight line

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

2.11 Impairment of tangible fixed assets

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

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

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

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

2.12 Financial instruments

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

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

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

2.13 Basic financial assets

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

(i) 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.

(ii) 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.

(iii) Investments 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 case of a financial asset, any reduction for impairment or un-collectability. This effectively spreads out the return on such investments over time, but does take account immediately of any impairment in the value of the investment.

2.14 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 assets original effective interest rate.

In the case of impairment of loans to members, the Credit Union 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. Any impairment losses are recognised in the Income and Expenditure account.

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

2.15 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 the risks and rewards of ownership of the financial assets or if some significant risks and rewards of ownership are retained but control of the assets has transferred to another party that is able to sell the asset in its entirety to the 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. Manorhamilton & District Credit Union Limited does not transfer loans to third parties.

2.16 Bad debt provision

Allowances for impaired loans represent reserves and/or provisions made during the financial year less amounts utilised or realised charged against the surplus for the financial 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.

2.17 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 future payments discounted at a market rate of interest. Financial liabilities are subsequently carried at amortised cost using the effective interest method.

(i) Members' shares

Members' shares in Manorhamilton & District Credit Union Limited are redeemable and therefore are classified as financial liabilities. They are recognised at the amount of cash deposited and subsequently measured at amortised cost.

(ii) Other payables

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

2.18 De-recognition of financial liability

Financial liabilities are de-recognised when the obligations of the Credit Union specified in the contract are discharged, cancelled or expired.

2.19 Employee benefits

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.

Pension Scheme

Manorhamilton & District Credit Union Limited participated in an industry-wide pension scheme for employees (The Irish League of Credit Unions Republic of Ireland Pension Scheme) which ceased on 31 March 2022. This was a funded defined benefit scheme with assets managed by the Scheme's trustees. The ILCU is the principal employer of the scheme and Manorhamilton & District Credit Union Limited was a participating employer

The scheme is a multi-employer defined benefit Scheme and there is insufficient information for Manorhamilton & District Credit Union Limited 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 Manorhamilton & District Credit Union Limited will fund a past service deficit, Manorhamilton & District Credit Union Limited shall recognise a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit).

From June 2022, Manorhamilton & District Credit Union Limited operates a defined contribution pension scheme. Contributions to the scheme are charged to the Income and Expenditure account as they become payable in accordance with the rules of the scheme. The assets of the scheme are held separately from those of the Credit Union in an independently administered fund. Differences between the amount charged to the Income and Expenditure account and payments made to pension funds are treated as assets or liabilities.

2.20 Distributions

Manorhamilton & District 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.

2.21 Reserves

(i) Regulatory reserve

The Credit Union Act 1997 (Regulatory Requirements) Regulations 2016 (and its amendments) 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 non-distributable.

(ii) 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. The reserve should be separate, distinct and in addition to the reserves the Credit Union is required to hold in its Regulatory Reserve.

The definition of operational risk is the risk of losses stemming from inadequate or failed internal processes, people and systems or from external events. The Credit Union has established an Operational Risk reserve under Section 45(5)(a) of the Act, which is separate, distinct and in addition to the reserves that the Credit Union holds in its Regulatory reserve. The Credit Union has adopted the 'Basic Indicator Approach' as proposed under Basel II capital adequacy rules in calculating the minimum amounts to be held in this reserve. Therefore, the Credit Union will hold an operational risk reserve, which will at a minimum equal 15% of the average positive gross income for the current and previous two years. For any year in which there was a deficit this will be excluded from the calculation.

(iii) Undistributed surplus reserve

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

(iv) Non-Distributable income reserve

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

(v) General reserve

General reserves were established to maintain and develop the business model of the Credit Union.

2.22 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Transactions, during the financial year, which are denominated in foreign currencies are translated at the rates of exchange ruling at the date of the transaction. The resulting exchange differences are dealt with in the Income and Expenditure Account.

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 judgment in applying the Credit Union's accounting policies. The areas requiring a higher degree of judgement or complexity, and the areas where assumptions or estimates are most significant to the financial statements are disclosed below:

Adoption of going concern basis for financial statements preparation

The Directors have prepared cash flow projections for a period that exceeds twelve months from the date of the approval of the financial statements. These projections indicate that there are no material uncertainty regarding the Credit Union's ability to meet its liabilities as they fall due, and to continue as a going

concern in this period. On this basis the Directors consider it appropriate to prepare the financial statements on a going concern basis.

Accordingly, these financial statements do not include any adjustments to the carrying amounts and classification of assets and liabilities that may arise if the Credit Union was unable to continue as a going concern.

The Irish League of Credit Unions Republic of Ireland Pension Scheme

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

Impairment losses on loans to members

The Credit Union's accounting policy for impairment of financial assets is set out in Note 2.14. The estimation of loan losses is inherently uncertain and depends upon many factors, including loan loss trends, credit risk characteristics in loan classes, local and international economic climates, conditions in various sectors of the economy to which the Credit Union is exposed, and, other external factors such as legal and regulatory requirements. Credit risk is identified, assessed and measured through the use of rating and scoring tools with emphasis on weeks in arrears and other observable credit risk metrics. The ratings influence the management of individual loans. The credit rating triggers the impairment assessment and if relevant the raising of specific provisions on individual loans where there is doubt about their recoverability. Loan loss provisioning is monitored by the Credit Union, and the Credit Union assesses and approves its provisions and provision adequacy on a monthly basis. Key assumptions underpinning the Credit Union's estimates of collective provisions for loans with similar credit risk characteristics, and, Incurred but Not Reported provisions ("IBNR") are based on the historical experiences of the Credit Union's allied to the Credit Union's judgment of relevant conditions in the wider technological, market, economic or legal environment in which the Credit Union operates. Assumptions are back tested with the benefit of experience. After a period of time, when it is concluded that there is no real prospect of recovery of loans/part of loans which have been subjected to a specific provision, the Credit Union writes off that amount of the loan deemed irrecoverable against the specific provision held against the loan

Useful lives of tangible fixed assets and impairment

Long-lived assets comprising primarily of buildings, fixtures and fittings, and computers represent a portion of total 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.

The Credit Union buildings are carried in the financial statements at cost less accumulated annual depreciation (4% straight line per annum). The annual depreciation charge applied depends primarily on the estimated life and residual value of the tangible assets. The Directors regularly review the useful lives by considering the expected economic utilisation of the buildings and their physical conditions. The Credit Union carries out a review for impairment of the tangible asset if events or changes in circumstances indicate that the net book value of the tangible assets may not be recoverable. Impairment reviews comprise a comparison of the net book value of the tangible asset with the recoverable amount (the higher of net realisable value and value in use). To the extent that the net book value exceeds the recoverable amount for an asset, the tangible asset is impaired and is written down. Any impaired loss is recognised in the income and Expenditure account. The net book value of buildings subject to depreciation and impairment charge at the financial year end date was €524,083 (2022: €554,595).

4 INTEREST ON MEMBERS' LOANS

	2023	2022
	€	€
Closing accrued interest receivable	14,051	14,330
Loan interest received in financial year	542,298	498,180
Opening accrued loan interest receivable	(14,330)	(12,652)
Total interest on members' loans	542,019	499,858

5 OTHER INTEREST INCOME AND SIMILAR INCOME

	2023	2022
	€	€
Investment income received	79,854	25,029
Investment income receivable within 12 months	27,496	22,490
Total investment income	107,350	47,519

6 INTEREST PAYABLE AND DIVIDENDS

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

There have been no dividends or loan interest rebates paid to members during the last two financial years ended 30 September 2022 and 2023.

At the financial year-end the directors have not allocated any monies to the Distribution Reserve and therefore no dividend or loan interest rebate is proposed for the year ended 30 September 2023.

7. OTHER INCOME

	2023	2022
	€	€
Entrance fees	216	243
Rent received	1,810	1,349
E.C.C.U. claims experience refund	-	12,954
Total other income	2,026	14,546

8 EXCEPTIONAL GAINS/(LOSSES) IN THE PRIOR YEAR

During the prior financial year ended 30 September 2022, the following income was received and expenditure incurred, which were not part of the ordinary activities of the Credit Union.

8.1 Refund from Irish League of Credit Unions Stabilisation Protection Scheme

The Stabilisation Protection Scheme (SPS) is a fund operated by the Irish League of Credit Unions (ILCU) and annually all credit unions affiliated with the ILCU pay a contribution to this fund as a levy charge based on the assets size of the Credit Union. The SPS provides support, financial or otherwise, to credit unions who are faced with exceptional events. An exceptional event faced by many credit unions in the previous financial year ended 30 September 2022 was a large deficit on the ILCU Pension Fund (see 8.2). At the Annual General Meeting 2022 of the ILCU, a rule amendment was approved to permit a payment from the SPS Fund to all affiliated credit unions which was paid pro-rata to credit unions based on their asset size at 30 September 2021.

Manorhamilton & District Credit Union Limited is an affiliated member of the ILCU and, during the financial year end 30 September 2022, received a credit note from the fund of €70,522. 90% of this credit note (€63,470) was paid to the Credit Union on 31 August 2022 and the balance 10% (€7,052) is payable to the Credit Union by 31 December 2025. The remaining balance (€7,052) is included in the financial statements as accrued income – other (see note 15).

8.2 Deficit paid to Irish League of Credit Unions Pension Fund

The Irish League of Credit Unions (ILCU) operated an industry-wide pension scheme for employees, which was funded as a defined benefit scheme with assets managed by the Scheme's trustees. Further details on the Scheme is disclosed in note 20 to the financial statements. The scheme reported a past deficit and a contribution by all participating credit unions to fund the shortfall in the pension fund was required to be made in the year or by agreement to be paid over a 10-year period. Credit Unions in the scheme contribute in proportion to the liabilities for the current and former employees who were members of the Defined Benefit Scheme.

Manorhamilton & District Credit Union Limited was a member of the DB Scheme for past employees and was required to make a total contribution to the scheme's past deficit of €148,046.

8.3 Loan Interest returned to members

In September 2018, The Registry of Credit Unions wrote to all Credit Unions in the Republic of Ireland notifying that it had become aware of an issue that affected certain credit unions in relation to accrued interest outstanding on loans in circumstances where additional credit is extended to a member by way of a top-uploan, which could lead to the potential over-collection of interest. During the year ended 30 September 2022, the liability was quantified and an amount of €5,908 is to be repaid to members who were overcharged interest on their loans.

9. EMPLOYEES AND REMUNERATION

The average monthly number of employees during the financial year was:

	2023 Number	2022 Number
Key management personnel	2	2
Other staff	4	5
Total average employees	6	7

The staff costs comprise:

	2023 €	2022 €
Wages and salaries	167,940	142,508
Employer PRSI Contributions	18,233	15,218
Pension costs	17,276	14,829
Total staff costs	203,449	172,555

10. KEY MANAGEMENT PERSONNEL

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

	2023 €	2022 €
Short term employee benefits (incl ER PRSI)	91,776	90,788
Payments to pension scheme	8,355	13,226
Total key management personnel compensation	100,131	104,014

Key management personnel remuneration costs are included in the total staff costs (Note 9).

Short-term employee benefits include wages, 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.

	2023	2022
	€	€
Cash and bank balances	472,196	1,081,863
Deposits and investments	4,306,733	2,762,155
	4,778,929	3,844,018

12. TANGIBLE FIXED ASSETS

	Freehold buildings	Fixtures and fittings	Computers	Total
	€	€	€	€
Cost				
At 1 October 2022	762,811	83,678	210,946	1,057,435
Additions	-	702	5,930	6,632
At 30 September 2023	762,811	84,380	216,876	1,064,067
Depreciation and impairments				
At 1 October 2021	208,216	66,202	144,258	418,676
Charge for the financial year	30,512	3,863	19,192	53,567
At 30 September 2023	238,728	70,065	163,450	472,243
Net book value				
At 30 September 2023	524,083	14,315	53,426	591,824
At 30 September 2022	554,595	17,476	66,688	638,759

In accordance with standard accounting practice the Directors have brought both premises into the financial statements at cost value, adjusted for impairment in prior years.

13. LOANS TO MEMBERS - FINANCIAL ASSETS

13.1 LOANS TO MEMBERS

		2023	2022
		€	€
Gross loans to members as at 1 October		5,528,525	4,989,525
Advanced during the financial year		3,130,561	2,934,829
Repaid during the financial year		(2,381,015)	(2,352,148)
Loans written off		-	[43,681]
Gross loans to members	13.2	6,278,071	5,528,525
Impairment allowances			
The provision for bad debts is analysed as follows:			
Individually significant loans		(104,822)	(154,180)
Collectively assessed loans		(201,099)	(149,815)
Loan provision for bad and doubtful debts as at 30 September	13.3	(305,921)	(303,995)
As at 30 September	13.2	5,972,150	5,224,530

13.2 CREDIT RISK DISCLOSURES

The Credit Union does not offer mortgages and as a result all loans to members are unsecured, except that there are restrictions on the extent to which borrowers may withdraw their savings whilst loans are outstanding.

The Credit Union complies with Section 12 of the Credit Union Act 1997 (Regulatory Requirements) Regulations 2016 (and its amendments). 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 the Credit Union's maximum exposure to credit risk.

	2023	2023	2022	2022
	€	%	€	%
Gross loans not impaired				
Not past due	570,992	9.10	576,017	10.42
Gross loans impaired				
Not past due	5,154,694	82.10	4,478,188	81.00
Up to 9 weeks past due	356,537	5.68	288,002	5.21
Between 10 and 18 weeks past due	37,087	0.59	42,578	0.77
Between 19 and 26 weeks past due	31,620	0.50	-	-
Between 27 and 39 weeks past due	63,220	1.01	37,764	0.68
Between 40 and 52 weeks past due	1,699	0.03	42,949	0.78
53 or more weeks past due	62,222	0.99	63,027	1.14
Total	5,707,079	90.90	4,952,508	89.58
Total gross loans	6,278,071	100.00	5,528,525	100.00
Impairment allowance				
Individually significant loans	(104,822)		(154,180)	
Collectively assessed loans	(201,099)		(149,815)	
Total carrying value	5,972,150		5,224,530	

Factors that are considered in determining whether loans are impaired are discussed in Note 3, dealing with estimates.

13.3 LOAN PROVISION ACCOUNT FOR IMPAIRMENT LOSSES

	2023	2022
	€	€
As at 1 October	303,995	326,821
Decrease in bad debt provision as a result of loan write offs	-	(43,681)
Allowances increased during the financial year	1,926	20,855
(Decrease)/Increase in loan provision during the financial year	1,926	(22,826)
As at 30 September	305,921	303,995

13.4 NET RECOVERIES OR LOSSES RECOGNISED FOR THE FINANCIAL YEAR

	2023	2022
	€	€
Bad debts recovered	(25,039)	(25,463)
Net (decrease)/increase in bad and doubtful debt provision	1,926	(22,826)
	(23,113)	(48,289)
Loans written off	(4)	43,681
Net (recoveries)/losses on loans to members recognised for the year	(23,117)	(4,608)

13.5 ANALYSIS OF GROSS LOANS OUTSTANDING

	2023 Number of loans	2023 €	2022 Number of loans	2022 €
Less than one year	145	209,233	197	288,269
Greater than 1 year and less than 3 years	265	1,264,423	236	1,191,116
Greater than 3 years and less than 5 years	224	2,410,037	201	2,145,920
Greater than 5 years and less than 10 years	104	2,369,764	84	1,855,235
Greater than 10 years and less than 25 years	1	24,614	2	47,985
	739	6,278,071	720	5,528,525

14 CENTRAL BANK MINIMUM RESERVE

At 30 September 2023, the minimum reserve with the Central Bank of Ireland that Manorhamilton & District Credit Union Limited was required to hold was €35,018. The Credit Union held €10,236 in excess of the minimum requirement.

Funds held above the minimum reserve requirement are held by the Credit Union as "relevant liquid assets" with the Central Bank of Ireland and are reflected as cash and cash equivalents within Note 11.

15 PREPAYMENTS AND ACCRUED INCOME

	2023 €	2022 €
Prepayments	6,425	7,565
Accrued income – investment income	27,496	22,490
Accrued income – loan interest	14,051	14,330
Accrued income – other	7,052	18,655
	55,024	63,040

16. DEPOSITS AND INVESTMENTS

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

16.1 Cash equivalents (original maturity within 3 months)

	2023 €	2022 €
Accounts in Authorised Credit Institutions	4,306,733	2,762,155

16.2 Other (original maturity after 3 months)

	2023	2022
	€	€
Accounts in Authorised Credit Institutions	4,750,000	5,874,003
Bank Bonds	1,524,294	1,528,888
Total deposits and investments – other	6,274,294	7,402,891

16.3 Total Deposits and Investments

	2023	2022
	€	€
	10,581,027	10,165,046

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

	2023	2022
	€	€
Deposits and investments		
A1	5,693,031	6,772,697
A2	1,187,996	-
A3	2,700,000	-
Aa3	1,000,000	500,000
Ba1	-	250,000
Baa1	-	2,642,349
Total deposits and investments	10,581,027	10,165,046

17.1 MEMBERS' SHARES - FINANCIAL LIABILITIES

	2023	2022
	€	€
As at 1 October	13,997,112	13,418,771
Received during the financial year	5,836,691	6,165,928
Repaid during the financial year	(5,299,181)	(5,587,587)
As at 30 September	14,534,622	13,997,112

17.2. MEMBERS' DEPOSITS - FINANCIAL LIABILITIES

	2023	2022
	€	€
As at 1 October	717,725	896,682
Received during the financial year	5,676	32,151
Repaid during the financial year	(188,623)	(211,108)
As at 30 September	534,778	717,725

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

	2023	2022
	€	€
Unattached shares	12,845,523	12,544,037
Attached shares	2,223,877	2,170,800
Total members' shares and deposits	15,069,400	14,714,837

18. CREDITORS, ACCRUALS AND OTHER LIABILITIES

	2023	2022
	€	€
PAYE/PRSI	2,670	3,243
Accruals and other liabilities	62,577	56,490
Total creditors, accruals and other liabilities	65,247	59,733

19. FINANCIAL INSTRUMENTS

19.1 FINANCIAL RISK MANAGEMENT

Manorhamilton & District 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 Manorhamilton & District 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.

(i) Credit Risk:

Credit risk is the risk that a borrower will default on their contractual obligations relating to repayments to Manorhamilton & District Credit Union Limited, resulting in financial loss to the Credit Union. In order to manage this risk, the Board of Directors approves Manorhamilton & District 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. The credit risk on members' loans is disclosed in Note 13.2.

The Credit Union's investments are also exposed to credit risk and the Credit Union mitigates the risk by only placing investments with financial institutions where the counterparties have strong credit ratings and using investment products authorised by the Central Bank. The credit ratings of the financial institutions where investments are held are disclosed in Note 16.4.

(ii) Liquidity Risk:

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

(iii) Market Risk:

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

(iv) Interest Rate Risk:

The Credit Union's main interest rate risk arises from differences between the interest rate exposures on the receivables and payables that form an integral part of a Credit Union's operations. The Credit Union considers rates of interest receivable on investments and members' loans when deciding on the dividend rate payable on shares and on any loan interest rebate. The Board continuously monitors interest rate risk through detailed analysis of monthly management accounts and financial forecasts.

19.2 INTEREST RATE RISK DISCLOSURES

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

	2023	Average interest rate	2022	Average interest rate
	€	%	€	%
Financial assets				
Gross loans to members	6,278,071	9.05	5,528,525	9.40
Financial liabilities				
Members' shares and flexi accounts	14,534,622	-	13,997,112	-
Members' deposits	534,778	-	717,725	-
	15,069,400	-	14,714,837	-

19.3 LIQUIDITY RISK DISCLOSURE

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

19.4 FAIR VALUE OF FINANCIAL INSTRUMENTS

The Credit Union does not currently hold financial instruments at fair value.

19.5 CAPITAL

The Credit Union maintains sufficient reserves to buffer the Credit Union against any losses on its members' loans and also its investments. Full details of these reserves are set out in the Statement of Changes in Reserves on page 26.

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

Manorhamilton & District Credit Union Limited participated in an industry-wide pension scheme for employees (The Irish League of Credit Unions Republic of Ireland Pension Scheme) up to 31 March 2022. This was 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 and staff retained all the benefits that they had earned in the scheme to that date. At the date of closure of the scheme, there was a past service deficit which was allocated to each individual credit union based on the total benefits earned by staff in each credit union. Manorhamilton & District Credit Union Limited's allocation of that past service deficit was €148,046. This total cost is included in the Income and Expenditure account for the previous year ended 30 September 2022 and was paid to the trustees of the scheme during the period.

As this is a pooled pension scheme, Manorhamilton & District 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.

If credit unions exit the Scheme, they are required to pay to the trustees the exit amount which the trustees determine is required to fund benefits in respect of their active, deferred and pensioner members on a "no risk" basis. The exiting credit union thereby settles any liability they have to contribute to the Scheme in the future without increasing the risk for remaining credit unions.

21. RELATED PARTY TRANSACTIONS

A related party of Manorhamilton & District Credit Union is defined under the Credit Union (Regulatory Requirements) Regulations 2016, as follows:

- (a) A member of the Board of Directors or the Management Team of the Credit Union;
- (b) A member of the family of the Board of Directors or the Management Team of the Credit Union (being
- (c) A business in which a member of the Board of Directors or a member of the Management Team of the Credit Union has a significant shareholding (10% or more of the voting shares).

During the financial year ended 30 September 2023 related parties of the Credit Union operated share and loan accounts with the Credit Union. These loans were approved in accordance with all relevant legislation and regulatory requirements for credit unions at the time of the advance. The following transactions and balances existed with members who were related parties of the Credit Union during the financial year ended 30 September:

	No. of loans	2023 €	No. of loans	2022 €
During the financial year ended 30 September:				
Loans advanced to related parties during the financial year were:	10	75,000	6	72,000
Related Party as at 30 September:				
Total loans outstanding from related parties at the financial year end:	12	155,878	10	141,429
Provisions held against related parties loans due were:		6,114		5,763
Total shares held against loans of related parties were:	12	46,933	10	43,445

Loans outstanding to related parties at 30 September 2023 amounted to 2.48% (2022: 2.56%) of total gross loans due at the year end.

22. INSURANCE AGAINST FRAUD

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

23. CAPITAL COMMITMENTS

The Credit Union had no material capital commitments at the financial year-ended 30 September 2023.

24. POST-BALANCE SHEET EVENTS

No matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Credit Union, the results of those operations or the state of affairs of the Credit Union in financial years subsequent to the financial period ended 30 September 2023.

25. CONTINGENT LIABILITIES

The Credit Union had no contingent liabilities at the current or prior Balance Sheet date.

26. PROVISION AVAILABLE FOR SMALL ENTITIES

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

27. COMPARATIVE INFORMATION

Comparative information has been reclassified where necessary to conform with the current year presentation.

28. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved, and authorised for issue, by the Board of Directors on 25 October 2023.

SCHEDULE TO THE INCOME & EXPENDITURE ACCOUNT

for the financial year ended 30 September 2023

(not forming part of the statutory audited financial statements)

Schedule 1 - Analysis of Other Management Expenses

	2023	2022
	€	€
Other Management Expenses		
Training and seminars	4,590	3,245
Rent and rates payable	7,076	4,254
General insurance	15,063	13,761
Share and loan insurance	51,157	48,527
Light and heat	12,277	11,703
Repairs and renewals	1,504	2,759
Computer and equipment maintenance	38,206	28,562
Office expenses	13,105	10,706
Printing and stationery	2,802	1,600
Promotion, education and sponsorship	12,388	11,671
Telephone and broadband	4,941	2,956
Postage	962	986
AGM expenses	9,154	6,533
Travelling and subsistence	1,876	577
Professional and internal audit fees	32,583	19,910
Audit fees	14,637	12,792
Bank interest and charges	3,828	2,855
Negative Interest	91	4,892
Affiliation fees	5,644	4,951
Stabilisation (previously savings) protection scheme contribution	552	884
Deposit guarantee scheme	21,547	15,089
Regulatory levies	15,449	10,969
CUSOP Costs	7,189	9,589
General expenses	1	(99)
	276,622	229,672

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Manorhamilton & District Credit Union Ltd.

tel. 071 9855500

Email: info@manorhamiltoncu.ie

Your Credit Union exists for one purpose only to serve its members – not to profit from their needs.

Use your Credit Union to your advantage and to enhance your community.

Opening Hours

at Manorhamilton

Tuesday 10am to 2pm

Wednesday 10am to 2pm

Thursday 10am to 2pm
6.30pm to 8.30pm

Friday 10am to 2pm

at Market House, Blacklion

Thursday 2pm to 4pm

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