



A Lifetime Together



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2023
New Year ✓
New You ✓
New Car ✓



A Lifetime Together

Tower Credit Union Limited is regulated by the Central Bank of Ireland



Tower

Credit Union Limited

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Notice of Annual General Meeting

Notice is hereby given that the 2022 Annual General Meeting of Tower Credit Union Limited will take place in the Louis Fitzgerald Hotel, Clondalkin, Dublin 22 at **8.00pm on Wednesday 25th January 2023**.

You can ask a question from the floor during the AGM. However, as questions may require supporting documentation and / or research by way of reply, members are requested to send any technical or financial questions that they have prior to the AGM by e-mail to **agmquestions@towercu.ie** to arrive before close of business on **Friday 20th January 2023**.

Notice of Elections

Elections will be held to fill six vacancies on the Board of Directors and three on the Board Oversight Committee, and for the position of Auditor.

Agenda

1. Acceptance of proxies (if any) by the Board of Directors
2. Ascertainment that a quorum is present
3. Adoption of Standing Orders
4. Approval Minutes of AGM 2021
5. Report of the Chair
6. Presentation of the Financial Statements
7. Report of the Auditor
8. Report of the Board Oversight Committee
9. Report of the Nominations Committee
10. Appointment of Tellers
11. Election of the Auditor
12. Election of Board Oversight Committee (three vacancies)
13. Election of Directors (six vacancies)
14. Committee Reports
15. Any Other Business
16. Announcement of election results
17. Close of meeting

Tom Dunphy

Tom Dunphy, Secretary

Members attending the AGM will be entered into a FREE draw

for One4All Gift Cards

20 x €100 in prizes will be won on the night!

Standing Orders for General Meetings

VOTING

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

ELECTION PROCEDURE

2. Elections to fill vacancies on the Board of Directors, 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 the ballot papers shall be distributed. Ballots shall be conducted in the following order: (i) Auditor; (ii) Board Oversight Committee; (iii) Board of Directors. When the ballots are completed, the ballot papers shall be collected and counted by the Tellers. Ballot papers which contain votes for more candidates than the number of vacancies which are required to be filled shall be void. When the votes have been counted by the Tellers, the results shall be handed to the Chair who shall announce the result of the ballots in accordance with the agenda of the meeting.

In the event that all vacancies are not filled by the first ballot, further ballots from the nominated candidates not already elected shall be taken as required. In the event of an equality of votes between candidates for any vacancy, a further ballot between those candidates shall be conducted to fill the vacancy and should that ballot fail to determine the matter, the vacancy shall be filled by lot from among those candidates.

MOTIONS

4. There are no motions for consideration at this year's Annual General Meeting.

MISCELLANEOUS

5. 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 of directors shall appoint from their number a person who shall act as Chair of any general meeting.
6. The Chair may at his/her discretion, extend the privilege of the floor to any person who is not a member.
7. Matters not covered by the Agenda may be introduced under "Any Other Business" at the discretion of the Chair.
8. The Chair's decision on any matter relating to these Standing Orders or interpretation of same shall be final.
9. 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 in the credit union provided, however, that except in voting at elections, the Chair of the meeting 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.
10. 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.

SUSPENSION OF STANDING ORDERS

11. 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 voting.

ALTERATION OF STANDING ORDERS

12. These 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.

ADJOURNMENTS

13. Adjournments of the AGM shall take place only in accordance with Section 81(1) of the Credit Union Act 1997 (as amended).

Board of Directors and Board Oversight Committee

Board of Directors

Brian Douglas (Chair)	Kieran Carroll (Vice Chair)
Tom Dunphy (Secretary)	Anne Brougham (Asst. Secretary)
Joe Menton	Robert Dowds
Tony Foster	Aileen Murphy
Karen Duff	Gerry Lynch
Noel Molloy (co-opted in August 2022)	Dean Alford (resigned in July 2022)

Board Oversight Committee

Ciaran Fitzgerald	Jonathan Graham	John Maguire (resigned in March 2022)
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Auditors

Duffy Burke & Co have (being eligible) indicated their willingness to continue in office in accordance with section 115 of the Credit Union Act 1997, as amended.

Other Committees

Nominations Committee

Aileen Murphy	Gerry Lynch	Brian Douglas
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Credit Committee

Kieran Carroll	Anne Brougham	Adrienne Seery
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Credit Control Committee

Joe Menton	Tom Dunphy	Noel Molloy
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Membership Committee

Anne Brougham	Robert Dowds	Samantha Linton
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Audit, Risk & Compliance Committee

Karen Duff	Tony Foster	Brian Douglas
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Investments Committee

Kieran Carroll	Andrea O'Connor	David Matthews
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Strategic Development & Marketing Committee

Brian Douglas	Kieran Carroll	David Matthews
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Community Development Committee

Robert Dowds	Pamela Grogan
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Complaints Sub-Committee

Kieran Carroll	Anne Brougham	Aileen Murphy
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Internal Auditor

IAS Internal Audit Services (ILCU)

Report of the Chair (Brian Douglas)

On behalf of your Board of Directors, I am delighted to present to you our Annual Report & Accounts for the year ended 30th September 2022. I would also like to welcome you to our 60th Annual General Meeting, a momentous milestone for the credit union. Following the two-year trauma of the pandemic, we are reverting to our traditional “in-person” format for this year’s AGM – it will be great to see you all in person again.

2022 has been another eventful year for our credit union. In quarter one, our big challenge was to integrate the business of Greenhills & District Credit Union into Tower Credit Union following the Transfer of Engagements. This year we had another incoming Transfer, this time of Celbridge District Credit Union and I would like to warmly welcome the Celbridge members into our enlarged credit union. There will always be teething problems in these circumstances, but I hope that the people of both Greenhills and Celbridge will experience service standards and a range of products that are as least as good as what they had before, but as part of a stronger entity.

From a financial perspective, things improved somewhat as the pandemic receded. Loans to Members increased as restrictions were eased, and spending opportunities re-appeared. Loans represent less than a quarter of our Balance Sheet but despite this they generate over 70% of our income. Loan interest is the lifeblood of the credit union and for its ongoing success, we really need you and your family and friends to think of us first for your borrowing needs!

We are beginning to see improved returns on our surplus funds, which represent around 70% of our Balance Sheet, and thankfully negative interest rates seem to be a thing of the past, but obviously this is beyond our control and the war in Ukraine has the potential to destabilise markets and economies generally. During the year we invested €1.5m in a fund that was established to provide finance for Approved Housing Bodies in their endeavours to provide housing for all.

From an Income & Expenditure point of view, we made some cost savings during the year and our core operating Surplus increased as a result. Given the trend towards larger credit unions, it is likely that further merger opportunities will arise in the future and your board is open to those that are of benefit to the credit union as a whole. Regrettably will not be proposing a Dividend or Interest Rebate this year and instead we will use the €311k Surplus to build our reserves, which strengthens our overall position.

As mentioned above, 2022 saw the 60th Anniversary of our credit union. We felt that in the circumstances, a low-key celebration was appropriate but having said that, I hope you were one of the prize winners in our special cash draws, in which all members were included. We introduced a limited edition 6% “any purpose” Diamond Loan and it was so successful that we have extended its availability to end March 2023.

As part of an overall business review, we reluctantly decided to close our Rathcoole branch. Diminishing transaction levels unfortunately meant that the office was uneconomic and while we acknowledge and regret the inconvenience to affected members, we would encourage them to use our online and phone services, as well as any of our other offices.

In July, we set up a Direct Channels call centre to deal with the huge increase in incoming phone calls and e-mails and we intend to expand its focus as we move forward to include a full “phone a loan” service. We are in the process of revising our strategic plan, but our primary focus must be on the provision of credit – the clue is in our title after all, and lending is the key to the success and sustainability of the credit union movement. Our rates are competitive, and you can borrow for almost any purpose in any of our offices, by phone or through our online Loan Application process.

In closing, I would like to thank our Staff and Management Team for all their hard work and dedication this year. I also want to thank my colleagues on the Board and Board Oversight Committee who have worked so hard this year to ensure the continued success of the credit union. The work undertaken involves not only attending meetings but in continuous training and ensuring that policies and procedures are compliant with changing regulatory and legislative requirements. If you feel that you would like to be part of our Governance team, please let us know. Finally, I would like to wish all our members a peaceful and prosperous New Year.

Brian Douglas, Chair of Tower Credit Union

CHOOSE US

HOME RENOVATION LOANS

Amounts of €10,000-€50,000 with a repayment period of up to 10 years!



Tower
Credit Union Limited

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Directors Report and Business Review

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

Principal Activities

The principal activity of Tower Credit Union Limited is the provision of savings and loans to members in its common bond. The Credit Union manages its members' shares, capital and loans to members so that it earns income from the margin between interest receivable and interest payable.

Results and Distributions to Members

The Board are not proposing any distributions in the year having consideration for the ongoing business environment and the effects of the COVID 19 pandemic.

Credit Union performance and business review

The credit union' business performance showed an improvement on the previous two years as a result of the diminishing impact of the Covid-19 pandemic, with a Surplus of over €310k being achieved. In August, the Irish League of Credit Unions issued a rebate to affiliated credit unions from the Stabilisation Protection Scheme and Tower Credit Union received €633k as a result. Given the uncertainty around costs of living and the economy generally, the board of directors decided to take a prudent decision to transfer the bulk of this one-off rebate into the Bad Debt Provision to protect the credit union from potential shocks to the economy generally. From a lending perspective, the loan portfolio began to grow again in the second half of the year as spending opportunities returned post-pandemic. We granted over 8,200 loans with a value of almost €25m in the year. The outlook for returns on investments, which represent two thirds of our Balance Sheet assets, has improved and that should assist us to generate improved income in the next few years, though the outlook remains uncertain due to the ongoing war in Ukraine. Thankfully, negative interest rates on surplus funds seem to be a thing of the past. The credit union completed a transfer of engagements from Celbridge District Credit Union in September and the directors are open to further opportunities of this type that are of benefit to the Credit Union as a whole. The credit union's reserves finished the year on 13.3%, well ahead of the Regulatory Requirement of 10%.

Key Performance Indicators

The table below shows some of the KPI's over the past two years:

	30/09/2022	30/09/2021
Total assets	€204,487,675	€167,114,645
Regulatory capital	€22,881,567	€18,912,488
Total savings	€171,332,147	€143,211,398
Regulatory Capital	11.19%	11.32%
Total Capital	13.28%	13.52%

Financial Risk Management, Objectives and Policies

The Credit Union has a formal structure for managing risk, including procedures for identifying and measuring risks, establishing risk limits, reporting lines, mandates and other control procedures. The Board is responsible for managing and controlling Balance Sheet exposures and the use of financial instruments for risk management purposes.

Principal Risks and Uncertainties

The Credit Union operates within a conservative, Board approved risk appetite. Protecting members' interests is paramount, and the Credit Union contributes to various regulatory levies and compensation schemes. The principal business risks to which the Credit Union is exposed are considered the main financial risks arising from Tower Credit Union's activities. The Board reviews and agrees policies for managing these risks, which are summarised below.

Credit Risk: Credit risk is the risk that a borrower will default on their contractual obligations relating to repayments to the Credit Union resulting in financial loss. Credit risk also arises in the form of investment management where an issuer may default on their contractual obligations. In order to manage this risk the Board approves the Credit Unions lending and investment policies 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 impairment on loans advanced. The Board approves the Credit Union's Credit Control policy which monitors the procedures for the collection of loans in arrears and also the provisioning policy which provides the basis for impairments on loans.

Liquidity Risk: Tower 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 objective of the liquidity policy is to smooth the mismatches between maturing assets and liabilities and to provide a degree of protection against any unexpected developments that may arise. Members' shares and deposits, which are available on demand and those not on demand are identified as liabilities.

Market Risk: Tower Credit Union conducts all its transactions in euro; accordingly the Credit Union is not exposed to any currency risk or other such direct market risk. The Credit Union considers its potential exposure to overall market risk in the banking sector and seeks to minimise such risk through its investment policy.

Interest Rate Risk: Tower Credit Union's main interest rate risk arises from differences between the interest rate exposures on loans and investments receivable, as offset by its cost of capital, which is typically that of distributions to members' payable in the form of dividends, and interest rebates. Tower Credit Union considers rates of interest receivable when deciding on the appropriation of income and its returns to members. The Board monitors such policy in line with the Credit Union Act 1997, as amended and guidance notes issued by the Central Bank of Ireland.

Deposit Protection Scheme: This is the risk of higher financial levies being imposed on the Credit Union for further claims relating to the failure of other financial organisations. Costs associated with the DGS continue to represent an ongoing burden on the Credit Union. Membership of the scheme remains compulsory for all financial institutions.

Operational Risk: This is the risk of direct or indirect loss resulting from inadequate or failed internal processes, people and systems or from external events. The operational risks faced by the Credit Union are assessed on a regular basis and an appropriate system of control exists to mitigate these risks. The Board, through its committee structures, is responsible for assessing the effectiveness of the system of inspection and control. The controls are reviewed by the Credit Unions internal auditors on an ongoing basis.

Regulatory Risk: This is the risk that changing laws and the volume and complexity of regulatory requirements may impact upon the Credit Union's ability to compete and grow. This risk is regularly reviewed by the Board.

Conduct Risk: This is the risk that actual or potential member detriment arises, or may arise, from the way the Credit Union conducts its business. The Board has primary responsibility for ensuring that the manner in which the Credit Union conducts dealings with its members is fair and in their interests. This culture is embedded throughout the business and the Credit Union considers all matters that impact upon the fair treatment of its members, including product design and terms and conditions, complaints, fees and charges and ensuring that staff are trained and suitably qualified.

Going Concern: The Directors are required to consider whether the Credit Union will continue as a going concern for a period of 12 months from date of approval of these financial statements. In making the assessment the Directors have reviewed the Credit Unions strategic plan and considered risks that could impact on the Credit Unions reserve position, financial position, and liquidity over that period. The Directors have also prepared forecasts which consider the effect of operating under stressed but plausible events that would impact on the Credit Union's business, financial position, capital, and liquidity.

A range of sensitivities has been considered or applied to these forecasts, including scenarios relating to Covid-19, the outlook for interest rates, growth in members savings and loan demand. Furthermore, the Credit Union is required to regularly review its capital and liquidity positions in relation to its uncommitted or on demand savings and consider at least quarterly the various stress testing scenarios applicable against borrowers' propensity to default, interest rates and circumstances that may give rise to funding outflows.

After considering all of this information, the Directors' knowledge and experience of the Credit Union, and the markets in which it operates, the Directors are satisfied that the Credit Union has adequate resources to continue in business for the foreseeable future and for a period of at least 12 months from the date of signing the financial statements.

On behalf of the Board of Directors

Brian Douglas

Brian Douglas,
Chair

Statement of Directors Responsibilities

For the year ended 30 September 2022

The directors are responsible for preparing the Annual Report, Directors' Report, and the annual accounts in accordance with applicable laws and regulations.

The Credit Union Act 1997, as amended requires the directors to prepare the Credit Union's annual accounts for each financial year. Under that law they have elected to prepare the Credit Union's annual accounts in accordance with accounting Standards and applicable law (Irish and UK generally Accepted Accounting Practice), including FRS102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

The Credit Union's annual accounts are required by law to give a true and fair view of the state of the affairs of the Credit Union as at the end of the financial year and of the income and expenditure of the Credit Union for the financial year. In preparing these annual accounts, the directors are required to:

- select suitable accounting policies and apply them consistently.
- make judgments and estimates that are reasonable and prudent.
- state whether applicable Irish Accounting Standards have been followed, subject to any material departures disclosed and explained in the annual accounts; and
- prepare the annual accounts on the going concern basis, unless it is inappropriate to presume that the Credit Union will continue in business.

In addition to the annual accounts, Statutory Instrument 1 of 2016 requires the directors to prepare and include, for each financial year, additional disclosures, and statements, each containing prescribed information relating to the business of the Credit Union.

Directors' Responsibilities for Accounting Records and Internal Controls

The directors are responsible for ensuring that the Credit Union:

- keeps proper accounting records that disclose with reasonable accuracy at any time the financial position of the Credit Union, in accordance with the Act; and
- takes reasonable care to establish, maintain, document, and review such systems and controls as are appropriate to its business, in accordance with the legislation and guidance from the Central Bank of Ireland under the Credit Unions Acts and Statutory Instruments.

The directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Credit Union and to prevent and detect fraud and other irregularities.

On behalf of the Board of Directors

Brian Douglas

Brian Douglas,
Chair

Statement of Board Oversight Committee Responsibilities

For the year ended 30 September 2022

The Credit Union Act 1997, as amended requires the appointment of a Board Oversight Committee.

The Board Oversight Committee of a Credit Union shall assess whether the board of directors has operated in accordance with—

- Part IV of the Credit Union Act 1997, as amended and any regulations made for the purposes of Part IV, and
- Any other matter prescribed by the Central Bank in respect of which they are to have regard to in relation to the board of directors.

On behalf of the Committee

Ciaran Fitzgerald

Ciaran Fitzgerald,
Chair

Independent Auditors Report to the Members of Tower Credit Union Limited 2022

Opinion

We have audited the financial statements of Tower Credit Union Limited for the year ended 30 September 2022, which comprise the Income and Expenditure Account, Balance Sheet, Statement of Changes in Reserves and Cash flow Statement and notes to the financial statements, including the summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is Irish Law and FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland.

In our opinion the financial statements:

give a true and fair view of the state of the Credit Union's affairs as of 30th September 2022 and its income and expenditure and cash flows for the year then ended.

have been properly prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and have been properly prepared in accordance with the requirements of the Credit Union Act 1997, as amended.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described below in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Credit Union in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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 audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Credit Union Act 1997, as amended

Based solely on the work undertaken in the course of the audit, we report that:

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion proper accounting records have been kept by the Credit Union, and

The financial statements are in agreement with the accounting records.

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Credit Union's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Credit Union or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Further details relating to our work as auditor is set out in the Scope of Responsibilities Statement which is located at:

<http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/descriptionofauditorsresponsibilitiesforaudit.pdf>

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.



Statutory Audit Firm & Certified Public Accountants
Galway

7/12/2022

Let's Go Green!

As part of our Annual General Meeting process, every member is entitled to receive a copy of the accounts and a notice of the AGM. Both are contained in this booklet, along with other legal requirements and reports. Unless you opt to receive this information in electronic form (i.e. by e-mail), we must send it to you by post. This year we will be sending over 30,000 of these booklets in the post, sometimes with more than one going to the same household. This has two implications:

1. Printing and postage costs are roughly €1.50 per booklet, so that's around €45,000 in total for the AGM booklet alone.
2. There are 48 pages in each booklet – that works out at 1.44 million pages, much of which could be saved if more members opted to receive their reports by e-mail.



By encouraging our members to receive this information by e-mail, we can significantly reduce the credit union's carbon footprint and at the same time save money that can be put to a more productive use for members. As of today, 8,700 of the 40,000 members who are entitled to receive our AGM booklet will receive it by e-mail. That's just 20% and we have set ourselves a target to reach 40% by this time next year. You can help by calling in or contacting any of our branches or by sending us an e-mail with a request to change you to electronic mailings.

Thank you!

Income and Expenditure Account for the year ended 30 September 2022

		30/09/2022	30/09/2021
		€	€
Interest on members' loans	2	4,014,835	2,764,925
Interest on investments	3	883,060	740,449
Interest Payable and Similar Charges	12	(917)	(593)
Net interest income		4,896,978	3,504,781
Fees & commissions receivable	4	29,400	17,050
Fees & commissions payable	4	112,284	(385,116)
Other Operating Income	5	19,342	21,226
Total net income		5,058,004	3,157,941
Employment costs	6	(2,145,829)	(1,646,393)
Management expenses	8	(2,116,884)	(1,614,536)
Depreciation & amortisation	11	(318,802)	(220,037)
Operating surplus (Deficit) before Loan impairments and provisions		476,489	(323,025)
Net (Impairments) recoveries on loans to members	10	(165,926)	412,285
Gains (losses) on Investments		-	-
Surplus (Deficit) for year		310,563	89,260
Other comprehensive income			
Total Income for Year		310,563	89,260

Surplus for the financial year represents the Credit Union's total comprehensive income and is attributable to the members of the Credit Union. Surplus for the year is derived from continuing operations.

The annual accounts were approved by the board on the 14/12/2022 signed on behalf of the Credit Union by:

Chairperson

Brian Douglas

Brian Douglas
Chair

CEO

David Matthews

David Matthews
CEO

Board Oversight Committee

Ciaran Fitzgerald

Ciaran Fitzgerald
Board Oversight Committee

Balance Sheet as of 30 September 2022

		30/09/2022	30/09/2021
		€	€
ASSETS			
Cash & cash equivalents	23	23,035,090	16,943,265
Deposits with Banks	23	65,367,278	65,367,278
Debt Securities	23	40,091,547	35,155,317
Central Bank	23	9,466,349	4,918,301
Loans to Members	9	43,868,817	37,969,155
Tangible fixed assets	11	6,380,745	5,985,423
Other receivables		871,019	775,906
Total Assets		204,447,675	167,114,645
LIABILITIES			
Members' Shares	12	164,558,723	135,979,280
Members' Deposits	12	6,773,424	7,232,118
Members' Current Accounts	13	4,918,954	678,657
Money Management Accounts		190	981
Creditors & Accruals	14	979,272	563,570
Provisions for liabilities	15	57,537	72,048
Total Liabilities		177,288,100	144,526,654
Assets less Liabilities		27,159,575	22,587,991
RESERVES			
Regulatory reserve		22,881,567	18,912,488
Other reserves		4,278,008	3,675,503
TOTAL RESERVES		27,159,575	14,615,217

The annual accounts were approved by the board on the 14/12/2022, signed on behalf of the Credit Union by:

Brian Douglas

Brian Douglas
Chair

David Matthews

David Matthews
CEO

Ciaran Fitzgerald

Ciaran Fitzgerald
Board Oversight Committee

Statement of reserves and changes in members' interests

	Regulatory Reserve	Operational Risk Reserve	Distributions Reserve	Acquired On Transfer of Engagements	Community Reserve	Retained Earnings	Total
	€	€	€	€	€	€	€
Balance							
30/09/2021	18,912,488	798,874	2,054,543	-	73,431	748,655	22,587,991
Surplus						310,563	310,563
Allocations	-	-	-	4,298,005	50,000	(50,000)	4,298,005
Distributions	-	-	-	-	(36,984)	-	(36,984)
Transfer of CDCU	3,969,079	-	-	(4,298,005)	-	328,926	-
30/09/2022	22,881,567	798,874	2,054,543	-	86,447	1,338,144	27,159,575
30/09/2020	11,512,488	798,874	804,543	-	93,672	1,405,640	14,615,217
Surplus						89,260	89,260
Allocations	-	-	1,000,000	7,903,755	-	(1,000,000)	7,903,755
Distributions	-	-	-	-	(20,241)	-	(20,241)
Transfer of GDCU	7,400,000	-	250,000	(7,903,755)	-	253,755	-
30/09/2021	18,912,488	798,874	2,054,543	-	73,431	748,655	22,587,991

During the year the Credit Union acquired the reserves of Celbridge Credit Union Limited in a transfer of engagements process, the details of which are included at note 23.

Statutory percentages and regulatory capital

The Credit Union Act 1997 (as amended) and regulations require the Credit Union to maintain statutory capital and ratios in relation to its assets and liabilities.

	Requirement	30/09/2022
Regulatory Reserve	10% of Assets	11.19%
Operational Risk Reserve	as determined by the Board	0.39%

- I. The Credit Union policy is to maintain sufficient capital resources in order to support its growth, continue its lending and exceed the minimum capital requirements set by the Central Bank of Ireland. The Credit Union's related policies on strategy, risk and financial management set out the governance processes which are followed in order to ensure these requirements are met. There have been no reported breaches of capital requirements during the year, and there have been no material changes to the way in which the Credit Union manages its capital compared to the prior year.
- II. Reserves contributing to regulatory capital must be realised unrestricted and non-distributable. The Board must maintain regulatory capital at or above 10% of assets. Regulatory capital excludes amounts set aside for impairments.
- III. The Board determines from ongoing risk assessments the amount held as an operational risk reserve, based on the likely cost of risk events. This must be expressed as a percentage of assets. The Credit Union must also hold funds in operational risk for the purposes of its Member Personal Current Account Services (MPCAS) this amount shall be determined from time based on the present value of obligations to the members based on percentages as advised by the Central Bank of Ireland. The current MPCAS risk amount is €200,000.
- IV. Community Reserves are set aside in accordance with the provisions of S 44 of the Credit Union Act 1997, as amended, funds are utilised for social, cultural, and charitable purposes, allocations are approved at Annual General Meetings.

Cash Flow Statement at 30 September 2022

	30/09/2022	30/09/2021
	€	€
Cash flows from operating activities		
Surplus (Deficit) for year	310,563	89,260
Depreciation	318,802	220,037
Loan Impairments	236,575	(227,907)
Total	865,940	81,390
Changes in operating assets & liabilities		
Net Movements in prepayments & accrued income	(39,989)	(115,578)
Net Movements in accruals & other liabilities	(68,861)	336,346
Movements in net loans to members	(667,881)	(112,484)
Movements in members' Current Accounts	4,240,297	312,720
Movements in members' Shares	(836,215)	1,026,682
Movements in members' Deposits	(458,694)	(957,418)
Net cash generated by operating activities	3,034,597	571,658
Cash flows from investing activities		
Net Movement in investments & cash	(24,851,108)	(34,662,083)
Purchase of fixed assets	(306,067)	(16,884)
Cash & Investments on Transfer	28,251,387	43,066,747
Net cash generated by investing activities	3,094,212	8,387,780
Cash flow from financing activities		
Dividends and rebates paid in year	-	-
Community reserve distributions	(36,984)	(20,241)
Net cash (used in) generated by financing activities	(36,984)	(20,241)
Net (decrease) Increase in cash & cash equivalents	6,091,825	8,939,197
Cash & cash equivalents at beginning of year	16,943,265	8,004,068
Cash & cash equivalents at end of year	23,035,090	16,943,265
Analysis of the balances of cash & cash equivalents shown in the balance sheet		
Cash in hand	14,489,372	8,064,619
Investments repayable within 3 months.	8,545,718	8,878,646
Total	23,035,090	16,943,265

Notes to and forming part of the accounts for the year ended 30 September 2022

1. Principal Accounting Policies and Information

1.1. General Information

The Credit Union is registered under the Credit Union Act 1997, as amended, and regulated by the Central Bank of Ireland. The address of the registered office is Main Street, Clondalkin, Dublin 22.

1.2. Statement of Compliance

The financial statements of the Credit Union are prepared in accordance with the Credit Union Act 1997, as amended incorporating the Credit Union Act 1997 (Regulatory Requirements) Regulations 2016, Ireland UK applicable accounting standards including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102").

1.3. Accounting Convention

The Credit Union has prepared the annual accounts in accordance with the Credit Union Act 1997, as amended to include Statutory Instrument 1 of 2016 and Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). In preparing the annual accounts under FRS 102, the use of certain critical account estimates and judgments has been required. The areas involving a higher degree of judgement or areas where assumptions and estimates are significant to the annual accounts, are set out in note 1.15.

The annual accounts have been prepared under the historical cost convention. The presentation currency of the annual accounts is euro.

1.4. Going Concern

The current economic conditions present risks and uncertainties for all businesses. The Directors have carefully considered the risks and uncertainties and the extent to which they might affect the preparation of the financial statements on a going concern basis. The Directors consider that:

- the Credit Union maintains an appropriate level of liquidity sufficient to meet the normal demands of the business and the requirements which might arise in stressed circumstances
- the availability and quality of liquid assets is such that it ensures funds are available to repay exceptional demand from its members
- other assets are primarily in the form of personal loans both secured and unsecured. Regular assessment of the recoverability of all loans is undertaken and provision made where appropriate, and
- reasonable surpluses have and will be generated in order to keep capital at a suitable level to meet regulatory requirements

As discussed in the director's report, the Directors are satisfied that the Credit Union has adequate resources to continue in business for the foreseeable future. For this reason, the accounts are prepared on a going concern basis.

1.5. Interest Income and Expense

Interest income and interest expense for all interest-bearing financial instruments are recognised in 'loan or investment interest receivable and similar income' or 'interest payable and similar charges' using the effective interest rates of the financial assets or financial liabilities to which they relate. The effective interest rate is the rate that discounts the expected future cash flows, over the expected life of the financial instrument, to the net carrying amount of the financial asset or liability.

There are no fees receivable or payable in relation to members' loan advances or settlements. Interest on impaired financial assets is recognised at the original effective interest rate of the financial asset, applied to the carrying amount as reduced by an allowance for impairment.

1.6. Commissions & other income

Commission and other income receivable from the sale/transaction of third-party products is recognised on fulfilment of contractual obligations, that is when products are completed.

1.7. Cash and Cash Equivalents

For the purpose of the cash flow statement, cash comprises cash in hand and amounts with banks repayable on demand. Cash equivalents comprise highly liquid, unrestricted investments that are readily convertible into cash with an insignificant risk of changes in value with original maturities of less than three months. The cash flow statements has been prepared using the direct method. Funds with the Central Bank are accounted for as deposit and shown disclosed as assets, however, the Credit Union does not have access to the funds in line with minimum reserve requirements of the bank.

1.8. Financial assets

The Credit Union initially recognises loans, deposits, and debt securities on the date on which they originated. All other financial instruments are recognised on the trade date, being the date on which the Credit Union becomes a party to the contractual provision of the instrument.

a) Loan commitments

The Credit Union's loans and advances to members are classified as loan commitments. Loans and advances are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

The Credit Union measures its loans and advances at amortised cost less impairment provisions. The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition, minus principal repayments, plus the cumulative amortisation using the effective interest rate method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment. The initial value recognised is the amount of the contractual loan issued to the borrower.

b) Debt instruments & Deposits

Debt instruments are non-derivative assets with fixed or determinable payments and fixed maturity that the Credit Union has the positive intent and ability to hold to maturity, and which unless otherwise stated, are not designated as at fair value through the income statement. Debt investments are carried at amortised cost using the effective interest rate method (see above), less any impairment losses.

The Credit Union derecognises a financial asset when its contractual rights to a cash flow are discharged or cancelled or expire or substantially all the risks and rewards of ownership have been transferred. In the case of loans to members, loans will be derecognised usually when all amounts outstanding have been repaid. The Credit Union does not transfer loans to third parties.

1.9. Financial Liabilities Measured at Amortised Cost

The Credit Union classifies its financial liabilities, other than financial guarantees and loan commitments, as measured at amortised cost. The Credit Union derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. Members' shares and deposits are measured at amortised cost and recognised when received in cash, and subsequently at amortised cost.

1.10.

Impairment of Financial Assets

a) Assets carried at amortised cost

A financial asset or group of financial assets are impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset(s) and that the loss event has an impact on the future cash flows of the asset(s) that can be estimated reliably. Throughout the year and at each year-end individual assessments are made of all loans and advances and also against properties which are in possession or in arrears by three months or more and/or are subject to forbearance activities. Individual impairment provisions are made against those loans and advances where there is objective evidence of impairment.

Objective evidence of impairment may include:

- Significant financial difficulty of the borrower/issuer;
- Deterioration in payment status;
- Renegotiation of the terms of an asset due to financial difficulty of the borrower or issuer, including granting a concession/forbearance to the borrower or issuer;
- Becoming probable that the borrower or issuer will enter bankruptcy or other financial reorganisation; and
- Any other information discovered during regular review suggesting that a loss is likely in the short to medium term.

The Credit Union considers evidence of impairment for assets carried at amortised cost at both an individual asset and a collective level. Those found not to be individually impaired are then collectively assessed for any impairment that has been incurred but not yet identified by grouping together loans and advances and held to maturity investments with similar risk characteristics.

In assessing collective impairment, the Credit Union uses its historical loss experience and certain observable local data to build a risk weighted modelling of historical trends of the probability of default, the timing of recoveries and the amount of loss incurred. Default rates, loss rates and the expected timing of future recoveries are regularly benchmarked against actual outcomes to ensure that they remain appropriate.

Impairment losses on assets measured at amortised cost are calculated as the difference between the carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate.

In considering expected future cash flows, account is taken of any discount which may be needed against the value of any property or guarantee at the balance sheet date thought necessary to achieve a sale. The Credit Union participates in an industry wide insurance scheme for the recovery of certain loans on the death or disability of its members. The costs of the insurance is funded by the Credit Union as an operational expense.

Where certain emerging impairment characteristics are considered significant but not assessed as part of the impairment calculation, the Board may elect to apply an override to the impairment provision. The amount of impairment loss is recognised immediately through the income statement and a corresponding reduction in the value of the financial asset is recognised through the use of provisions.

b) Forbearance strategies and renegotiated loans

A range of forbearance options are available to support members who are experiencing financial difficulty. The purpose of forbearance is to support members who have temporary financial difficulties and help them enter into payment arrangements which are mutually beneficial to the member and the Credit Union.

The main options offered by the Credit Union include:

- Reduced monthly payment;
- An arrangement to clear outstanding arrears; and
- Extension of loan term.

Members requesting a forbearance option will need to provide information to support the request which is likely to include a budget planner, statement of assets and liabilities, bank/credit card statements, payslips etc. in order that the request can be properly assessed. If the forbearance request is granted, the account is monitored in accordance with Central Bank Requirements. The Credit Union is obligated to retain specific provisions against rescheduled loans until the maturity of the balance. At the appropriate time, the forbearance option that has been implemented is cancelled and the member's normal contractual payment is restored, however, provisions are retained on the account.

1.11.

Tangible Assets Property Plant and Equipment

Additions and improvements to office premises and equipment, including costs directly attributable to the acquisition of the asset, are capitalised at cost. In the balance sheet, the value of property, plant and equipment represents the original cost, less cumulative depreciation. The costs are depreciated over their estimated useful economic lives as follows:

- | | |
|-----------------------|-----------------------------|
| • Premises | - 42-50 years straight line |
| • Leasehold Interests | - 20 years straight line |
| • Fixtures & Fittings | - 10 years straight line |
| • Office Equipment | - 4 years straight line |

Assets are reviewed for impairment at each balance sheet date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and its value in use.

1.12.

Retirement Benefits

The Credit Union operates a defined contribution pension scheme for its employees, the assets of which are held separately from the Credit Union, in an independently administered fund. Contributions to the scheme are held with Standard Life Assurance company and Aviva. Contributions are charged to the income and expenditure account in the year they fall due.

On the transfer of Greenhills Credit Union in 2021, the Credit Union became liable for the liabilities of the Credit Unions past service deficits of members which were part of the Irish League of Credit Unions Defined benefit Scheme. The Credit Union participated in an industry-wide pension scheme for employees (The Irish League of Credit Unions Republic of Ireland Pension Scheme). This is a funded defined benefit scheme with assets managed by the Scheme's trustees. The scheme is a multi-employer Scheme and due to the nature of the Scheme, it is not possible for the Credit Union to separately identify its share of the Scheme's underlying assets and liabilities. Consequently, it accounts for the Scheme as a defined contribution plan. During the year the Credit Union as a past participant of the scheme was required to make additional funding based on scheme deficits as a result of the scheme closing to accrued benefits in March 2022.

1.13.

Taxation

The Credit Union is not liable to income tax on its activities as a Credit Union.

1.14.

Provisions and Contingent Liabilities

The Credit Union has an obligation to contribute to the Deposit Guarantee Scheme to enable the Central Bank to meet compensation claims from, in particular, retail depositors of failed financial institutions. A provision is recognised to the extent it can be reliably estimated and when the Credit Union has an obligation at the relevant reporting date. The amount provided is based on information received from the Central Bank of Ireland and the Credit Union's covered share balances at its year end. Contingent liabilities are potential obligations from past events which shall be confirmed by future events. Contingent liabilities are not recognised in the balance sheet.

1.15.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the group. All other leases are classified as operating leases. Rentals payable under operating

leases are charged to profit or loss on a straight-line basis over the lease term. The aggregate benefit of lease incentives are recognised as a reduction to the expense recognised over the lease term on a straight-line basis.

1.16.

Accounting Estimates and Judgements

The Credit Union makes estimates and judgements that affect the reported amounts of assets and liabilities. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. These are described below:

a) Impairment losses on loans and advances to members

The Credit Union reviews its loan book at least on a quarterly basis to assess impairment. In determining whether an impairment loss should be recorded, the Credit Union is required to exercise a degree of judgement. Impairment provisions are calculated using historical arrears experience, modelled credit risk characteristics and expected cash flows.

b) Determination of depreciation, useful economic life and residual value of tangible fixed assets.

The annual depreciation charge depends primarily on the estimated useful economic life of each type of asset and also, estimates of residual values. The Directors review the useful lives and residual values on an annual basis 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.

c) Interest on members loans is accrued regularly, loans are considered impaired when past due, the Credit Union uses judgment to determine the impairment amount on loan interest.

d) Pension liabilities on exit from defined benefit scheme.

As a multiemployer scheme, assets are not segregated or tracked by contributing employers. Orphan members are those members (including pensioners) who previously contributed to the scheme where their employer has paid an exit cost and as a result has no further liability to the scheme. A pension liability continues to exist for these individual members. There is uncertainty around where the obligation rests in respect of orphan members currently and into the future. The Funding Plan calculations are based on each employer's share of liabilities at a point in time. This does not infer that each employer is contributing towards its liabilities. The determination of the contribution rate is a point in time assessment and is not updated subsequently for changes in the employers' liability that may occur in the future. Subsequently, as the profile of the scheme continues to change, there will continue to be a natural cross subsidisation.

1.17.

Dividends other Returns to Members

The Credit Union determines its distributions to members annually based on its policy statement which reflects that distributions are made from current year's surplus or reserves set aside for that purpose. The Board, in determining the level of distribution considers its ongoing capital requirements, budgetary needs, financial risks and members' expectations prevailing economic conditions. It is the policy of the board to then propose a return to members. The Credit Union accounts for dividends and rebates of loan interest when members ratify such payments at the Annual General Meeting. No liability to pay a distribution exists until the majority of members vote at the AGM.

2. Interest on members' loans

	30/09/2022	30/09/2021
	€	€
Loan interest received in year	3,911,688	2,658,938
Accrued interest at 30 September	103,147	105,987
Total interest on members' loans	4,014,835	2,764,925

Included within loan interest receivable are amounts of €14,140 (2021: €16,990) in respect of interest income accrued on impaired loans in arrears. The Credit Union impairs loan interest accrued until received in cash.

3. Investment income receivable

Interest receivable and accrued in the annual accounts is due as follows at the year end. When listed, other accrued income refers to amounts earned but unrealised at the balance sheet date, not being distributable by the Credit Union and is placed to the investment reserves and released to distributable reserves when it becomes realised.

	30/09/2022	30/09/2021
	€	€
Interest received at Balance Sheet Date	285,236	319,690
Receivable within 12 months of the Balance Sheet Date	637,106	497,557
(Premiums) /discount amortisation	(39,282)	(76,798)

Total Investment Income	883,060	740,449
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4. Fees and commissions

	30/09/2022	30/09/2021
	€	€
Fees Receivable		
Current Account Fees	29,400	17,050
Total Receivable	29,400	17,050

Fees and commissions payable		
Banking fees and charges	162,607	97,665
Regulatory fees and levies	310,916	154,470
ILCU ,& other association costs	21,385	112,356
Current Account Costs	25,174	20,625
ILCU Stabilisation protection Scheme refund*	(632,366)	-
Total fees and commissions payable	(112,284)	385,116

*During the year the Credit Union received a refund from the ILCU Stabilisation Protection Scheme following a vote by members at the ILCU Annual General Meeting in April 2022.

5. Other operating income

	30/09/2022	30/09/2021
	€	€
LP/LS Insurance rebate	16,542	21,226
Other Income	2,800	-
Total Other Income	19,342	21,226

6. Employees

The average number of persons employed by the Credit Union during the year was as follows:

	30/09/2022	30/09/2021
Full time Staff	25	27
Part time Staff	24	18
Total	49	45

	30/09/2022	30/09/2021
	€	€
Salaries	2,015,374	1,532,952
Pension Costs	115,463	113,441
Pensions Deficit – Note 21	14,992	-
Total Staff Costs	2,145,829	1,646,393

Key management compensation

Key management includes the Officers (directors and those staff members) with responsibility for specific aspects of the Credit Unions business on an individual or committee basis. Under Sec 68 (1) of the Credit Union Acts, Directors are prohibited from earning any compensation directly or indirectly in the performance of their function as a director or member of a principal committee. The section also prohibits payments to members of the Board Oversight Committee. The compensation paid or payable to key management for employee services is shown below.

	30/09/2022	30/09/2021
	€	€
Salaries	768,132	819,470
Pension Costs	60,474	66,385

Total Key Management Compensation	828,606	885,855
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7. Remuneration of and transaction with officers and related parties

Transactions with officers

The Credit Union is prohibited from making a loan to a related party which would provide that party with more favorable terms than a loan by the Credit Union to non-related parties (including, without limitation, terms as to credit assessment, duration, interest rates, amortisation schedules, collateral requirements). Officers of the Credit Union under arm's length transactions and in the normal course of business in their capacity as members of the Credit Union, had the following transactions and balances at the year end.

	30/09/2022	30/09/2021
	€	€
Savings balances	70,006	67,806
Loan Balances	126,877	99,624
Loans Issued	-	47,920
Loans outstanding as a % of Overall Loans	0.27%	0.25%

Provision held against officers' loans in arrears amounted to €796, 2021 € Nil

Transactions with related parties

S.I. No. 1 of 2016, PART 8, requires the disclosure of the total amount of loans outstanding to related parties and the loans to such persons as a percentage of the total loans outstanding. According to the Credit Union Act 1997 (Regulatory Requirements) Regulations 2016 related parties are (a) a member of the board of directors or the management team of a Credit Union; (b) a member of the family of a member of the board of directors or the management team of a Credit Union; or (c) a business in which a member of the board of directors or the management team of a Credit Union has a significant shareholding (10%). A family member means in relation to any person, that person's father, mother, spouse or civil partner, cohabitant, son, daughter, brother, or sister.

	30/09/2022	30/09/2021
	€	€
Loans to Family	78,174	174,117
Loans to business	-	-
Total	78,174	174,117
Loans outstanding as a % of Overall Loans	0.17%	0.44%

8. Management expenses

	30/09/2022	30/09/2021
	€	€
Rent & Rates	147,945	101,671
Light, Heat & Cleaning	105,620	77,035
Repairs & Renewals	6,821	5,732
Printing & Stationary	54,537	52,079
Postage & Telephone	69,149	58,105
Donations & Sponsorship	1,080	1,000
Promotion & Advertising	119,248	35,709
Training Costs	34,275	33,651
Convention Expenses	5,009	999
AGM Expenses	40,518	30,945
Audit Fees	24,000	20,275
General Insurance	58,964	42,695
Share & Loan Insurance	451,737	335,102
Death Benefit Insurance	102,954	123,506
Legal & Professional Fees	252,334	258,823
Computer Equipment & Licences	461,954	348,127
Miscellaneous Expenses	48,712	25,665

Cash Short	3,037	1,830
Transfer of Engagements	128,990	61,587
Total	2,116,884	1,614,536

9. Loans to members

	30/09/2022	30/09/2021
	€	€
Loans secured by first legal charge	-	-
Loans fully secured by savings	16,078,401	17,594,596
All other loans	30,224,338	22,217,223
Total loans	46,302,739	39,811,819
At 1 October	39,811,819	27,792,501
On transfer of engagement	5,823,039	11,906,834
Loans advanced in year	22,408,925	16,721,003
Repaid in year	(21,343,460)	(16,358,605)
Written off in year	(397,584)	(249,914)
Gross Loans outstanding	46,302,739	39,811,819
Impairments (see note)	(2,433,922)	(1,842,664)
Net loans outstanding	43,868,817	37,969,155

The remaining contractual maturity of loans to members from the balance sheet date is as follows, though this may not reflect the actual pattern of repayments as loans may be prepaid or fall into arrears.

	30/09/2022	30/09/2021
	€	€
Not more than 1 year	2,991,636	2,327,122
More than 1 year, less than 3 years	14,237,754	12,138,154
More than 3 years, less than 5 years	22,640,222	20,081,337
More than 5 years, less than 10 years	5,873,846	4,643,855
More than 10 years	559,281	621,351
Less Impairments	(2,433,922)	(1,842,664)
Total Loans	43,868,817	37,969,155

10. Impairment provisions for loans to members

Loan provision account for impairment losses

The Credit Union accounts for impairments on loans as outlined in note 1. The movement in provisions during the year is outlined as follows.

	30/09/2022	30/09/2021
	€	€
At 1 October		
Collective provision	833,192	586,169
Individual provision	1,009,472	816,174
Total	1,842,664	1,402,343
Charges to provisions		
Collective provision	364,373	247,023
Individual provision	624,469	442,142
Total	988,842	689,165
Release of provisions		
Collective provision		
Individual provision	(397,584)	(248,844)
	(397,584)	(248,844)

At 30 September

Collective provision	1,197,565	833,192
Individual provision	1,236,357	1,009,472
Total	2,433,922	1,842,664

Net recoveries or losses recognised for the year

Bad Debts Recovered	468,233	433,222
Net movements in impairments	(591,258)	(440,308)
Bad Debts written off	(397,584)	(248,844)
On transfer of Celbridge	354,684	668,216
Other Provision Movements		
Net recoveries (losses) recognised in year	(165,925)	412,285

11. Tangible fixed assets

	Land & Buildings €	Leasehold Property	Office Equipment €	Fixtures & Fittings €	Total €
Cost/Valuation					
30/09/2021	9,912,460	303,133	734,426	447,062	11,397,081
Additions in year	-	-	206,291	99,776	306,067
On transfer	387,609	-	11,041	9,408	408,058
30/09/2022	10,300,069	303,133	951,758	556,246	12,111,206
Depreciation					
30/09/2021	4,596,639	33,455	524,396	257,168	5,411,658
Charge for the year	168,273	26,080	90,779	33,671	318,803
30/09/2022	4,764,912	59,535	615,175	290,839	5,730,461
Net Book Values					
30/09/2022	5,535,157	243,598	336,583	265,407	6,380,745
30/09/2021	5,315,821	269,678	210,030	189,894	5,985,423

Office equipment includes purchased software and licenses that are an integral part of related hardware. The Board of Directors obtained independent market valuations of its offices at September 2022. Valuations were performed by McNally Handy & Partners, Auctioneers & Valuers. Having considered valuations, the Board conclude there is no change in the carrying value of the premises at Balance Sheet date.

12. Members Savings

Members' savings are distinguished between those which are unconditionally repayable on demand and those which are committed or otherwise pledged to the Credit Union by virtue of loans or guarantees. The Credit Union retains rights to exercise liens over savings where a member has an outstanding liability to the Credit Union in accordance with Section 20 of the Credit Union Act 1997, as amended.

	30/09/2022	30/09/2021
	€	€
Those committed	16,078,401	17,594,596
Those on demand	155,253,746	125,616,802
Total Savings	171,332,147	143,211,398

12.1. Members Shares

	30/09/2022	30/09/2021
	€	€
Shares at 1 October	135,979,280	89,431,705
On transfer	29,415,658	45,520,893

Receipts	45,397,165	37,010,274
Withdrawals	(46,233,380)	(35,983,593)
Shares at 30 September	164,558,723	135,979,280

12.2. Members Deposits

	30/09/2022	30/09/2021
	€	€
Deposits at 1 October	7,232,118	6,045,685
On transfer	-	2,143,851
Receipts	5,193,906	6,156,445
Withdrawals	(5,652,600)	(7,112,882)
Deposits at 30 September	6,773,424	7,232,118

Interest on deposits is declared annually by the Board, creditors contain interest payable €917, (2021: €593).

13. Members Personal Current Accounts

	Accounts	30/09/2022	30/09/2021
		€	€
Debit Balances	92	(7,656)	(7,817)
Credit Balances	1146	4,926,610	686,474
Permitted Overdrafts			
Total		4,918,954	678,657

14. Creditors & Accruals

Other liabilities due within one year comprise

	30/09/2022	30/09/2021
	€	€
Creditors	475,359	413,531
Accruals	378,046	150,039
Prize Draw Account	1,221	1,521
Saving Stamps	124,646	110,960
Total	979,272	563,570

15. Provision for liabilities

Provision for liabilities include the following:

Deposit guarantee scheme and Levies

The Credit Union is obliged to hold minimum deposits with the Central Bank of Ireland in the form of minimum reserves and deposits under the Deposit Guarantee Scheme. The Credit Union is liable for the charge at 0.02% of covered savings until 2024.

Provision for Employee Benefits

Provision for Employee Benefits relate to Holiday Pay. The holiday year runs from 1 January to 31 December each year and as at 30 September 2022 the Credit Union employees have accrued holiday entitlement which will be paid to them in the following financial year.

	30/09/2022	30/09/2021
	€	€
Short term payroll accruals	9,648	14,448
Central Bank levies	47,889	57,600
Total	57,537	72,048

16. Insurance against fraud

The Credit Union has insurance against fraud in the amount of €5,200,000 (2021: €5,200,000) in compliance with Section 47 of the Credit Union Act 1997, as amended.

17. Interest Charged on Members Loans

Interest on Members Loans is charged in accordance with the Credit Unions registered rules and the Credit Union Act 1997, as amended.

18. Returns to members

At the 30th of September the Directors have not proposed a distribution to members. Prior year amounts represent a dividend on shares of 0.00%) and a rebate of loan interest at 0%

19. Community and Charitable Distributions

The Board transferred €50,000 to the Community Development Reserve. Distributions made in the year refer to amounts previously authorised by resolution of the majority of members voting at the Annual General Meeting.

20. Post Balance Sheet Events

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

21. Retirement Benefits

The Credit Union previously participated in an industry-wide pension scheme for employees (The Irish League of Credit Unions Republic of Ireland Pension Scheme). 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 although staff retained all the benefits that they had earned in the scheme to that date, The Credit Union and its employees ceased making regular contributions to the scheme and ceased earning any additional benefits from the scheme.

At the date of closure of the scheme, there was a past service deficit which was allocated to each individual credit union based on the total benefits earned by staff in each credit union. The Credit Union's allocation of that past service deficit is €14,992. This total cost is included in the Income & Expenditure account for the year ended 30 September 2022. The deficit amount was paid to the trustees of the scheme during the year.

As this is a pooled pension scheme, The Credit Union 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.

22. Commitments under operating leases

The Credit Union entered into a 20-year property lease on 19/01/2019, at 30 September the Credit Union had future minimum lease payments under a non-cancelable lease as follows:

	30/09/2022	30/09/2021
	€	€
Less than 1 Year	35,055	35,055
1 to 5 years	58,425	93,480
At 30th September	93,480	128,535

Financial instruments

The Credit Union is a retailer of financial instruments in the form of personal loans and savings products, and also uses financial instruments to invest in liquid assets and manage its surplus funds. The Credit Union does not raise funds from wholesale money markets in support of its retail operations. The Credit Union has a formal structure for managing risk, including formal risk policies, risk limits, reporting structures, mandates and other control procedures. This structure is reviewed regularly by the Board. The Credit Union does not use any derivative financial instruments, nor enter into any financial instruments for trading or

speculative purposes. The Credit Union's assets and liabilities are measured on an ongoing basis at amortised cost. The table below analyses the Credit Union's assets and liabilities by category to which they are recognised and measured in accordance with accounting policies in note 1.

Carrying value by category 30th September 2022

	Debt instruments at amortised cost	Debt instruments at fair value	Financial liabilities at amortised cost	Other financial instruments at amortised cost	Total
	€	€	€	€	€
ASSETS					
Cash and equivalents	23,035,090	-	-	-	23,035,090
Bank Deposits	80,734,108	-	-	-	80,734,108
Debt Securities	38,602,713	1,488,834	-	-	40,091,547
Members loans	43,868,817	-	-	-	43,868,817
Central Bank	9,466,349	-	-	-	9,466,349
Total financial assets	195,707,077	1,488,834	-	-	197,195,911
Non-financial assets					7,251,764
Total	-	1,488,834	-	-	204,447,675
LIABILITIES					
Savings	-	-	171,332,147	-	171,332,147
Creditors and Provisions	-	-	1,036,809	-	1,036,809
Other Member Funds	-	-	190	-	190
Current Accounts	-	-	4,918,954	-	4,918,954
Total financial liabilities	-	-	177,288,100	-	177,288,100
Reserves					27,159,575
Total	-	-	-	-	204,447,675

Carrying value by category 30th September 2021

	Debt instruments at amortised cost	Debt instruments at fair value	Financial liabilities at amortised cost	Other financial instruments at amortised cost	Total
	€	€	€	€	€
ASSETS					
Cash and equivalents	16,943,265	-	-	-	16,943,265
Bank Deposits	65,367,278	-	-	-	65,367,278
Debt Securities	35,155,317	-	-	-	35,155,317
Members loans	37,969,155	-	-	-	37,969,155
Central Bank	4,918,301	-	-	-	4,918,301
Total financial assets	160,353,316	-	-	-	160,353,316
Non-financial assets					6,761,329
Total	-	-	-	-	167,114,645
LIABILITIES					
Savings	-	-	143,211,398	-	143,211,398
Creditors and Provisions	-	-	635,618	-	635,618
Other Member Funds	-	-	981	-	981
Current Accounts	-	-	678,657	-	678,657
Total financial liabilities	-	-	144,526,654	-	144,526,654
Reserves					22,587,991
Total	-	-	-	-	167,114,645

Liquidity Risk

Liquidity risk is the risk that the Credit Union will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Credit Union monitors liquidity requirements on a daily basis in line with specific policies in this area, approved by the Board and in line with Central Bank requirements. The liquidity risk appetite is supported by qualitative and quantitative measures that are monitored by the Board on a monthly basis. The Credit Union's policy is to maintain sufficient funds in a liquid form at all times to ensure that the Credit Union can cover all fluctuations in funding, retain public confidence in the solvency of the Credit Union and to enable the Credit Union to meet its financial obligations and regulatory ratios.

The following table analyses the remaining contractual maturity of the Credit Union's financial assets and liabilities. In practice the contractual maturities are not always reflected in actual experience. For example, loans to members may be repaid ahead of contractual maturity or fall into arrears beyond that date. Members' savings accounts which are typically on demand can also be repaid later than on the earliest date on which repayment can be requested.

At 30 of September 2022

	Less than 1 year	More than 1 year, but not more than 3 years	More than 3 years, but not more than 5 years	More than 5 years, but not more than 10 years	More than 10 years	Total
	€	€	€	€	€	€
Financial assets						
Cash & Equivalents	23,035,090					23,035,090
Bank Deposits	11,550,007	21,722,234	21,250,000	26,211,867	-	80,734,108
Debt Securities	1,000,000	3,506,047	15,136,172	18,960,494	1,488,834	40,091,547
Members loans	2,991,636	14,237,754	22,640,222	5,873,846	559,281	46,302,739
Funds at Central Bank	9,466,349	-	-	-	-	9,466,349
Total financial assets	48,043,082	39,466,035	59,026,394	51,046,207	2,048,115	199,629,833
Financial liabilities						
Savings	152,601,109	8,720,917	8,733,704	1,219,439	56,978	171,332,147
Current Accounts	4,918,954					4,918,954
Total financial liabilities	157,520,063	8,720,917	8,733,704	1,219,439	56,978	176,251,101

At the balance sheet date, the Credit Union had loan commitments of € 285,830 in the form of loans approved but undrawn/unissued in pipeline. Prior year amounts unissued € 104,380

At 30 September 2021

	Less than 1 year	More than 1 year, but not more than 3 years	More than 3 years, but not more than 5 years	More than 5 years, but not more than 10 years	More than 10 years	Total
	€	€	€	€	€	€
Financial assets						
Cash & Cash Equivalents	16,943,265					16,943,265
Bank Deposits	8,667,278	15,750,000	21,250,000	19,700,000	-	65,367,278
Debt Securities	3,505,100	4,014,661	15,179,819	12,455,737	-	35,155,317
Members loans	2,327,122	12,138,154	20,081,337	4,643,855	621,351	39,811,819
Funds at Central Bank	4,918,301	-	-	-	-	4,918,301
Total financial assets	36,361,066	31,902,815	56,511,156	36,799,592	621,351	162,195,980
Financial liabilities						
Savings	126,709,869	7,384,248	8,099,359	959,954	57,968	143,211,398
Current Accounts	678,657					678,657
Total financial liabilities	127,388,526	7,384,248	8,099,359	959,954	57,968	143,890,055

Credit risk

The Credit Union's credit risk arises from its portfolio of loans to members and from potential losses on investments with other financial institutions that could result from the failure of treasury counterparties to observe the terms of the contract entered into. The Credit Union has no risk appetite for material credit losses, this is controlled through observations of legislation and regulations, the appointment of committees, credit quality rules, underwriting standards and counterparty limits.

All loan applications are assessed with reference to the Credit Union's lending policy. Changes to policy are approved by the Board and the approval of loan applications is mandated. Appropriate credit limits have been established by the Board for individual exposures and together with Central Bank guidelines on credit exposures. Policies are continually monitored by the Board, Board Oversight Committee and internal audit.

Credit risk in respect of treasury counterparties is assessed using a number of methodologies to include rating agencies and Central Bank Regulations. For treasury related counterparties, the Credit Union is limited to a maximum 20% exposure to any one counterparty of investments made.

The Credit Union's maximum credit risk exposure is detailed in the table below:

	30/09/2022	30/09/2021
	€	€
Cash and liquid assets	23,035,090	16,943,265
Investments	130,292,004	105,440,896
Members' loans	46,302,739	39,811,819
Less savings attached to loans	(16,078,401)	(17,594,596)
Total balance sheet exposure	183,551,432	144,601,384
Off Balance Sheet- Loans approved but unissued	285,830	104,380
Total Exposure	183,837,262	144,705,764

Credit quality analysis of counterparties

The table below sets out information about the exposure the Credit Union has to counterparties for debt securities, and other investments /liquid cash deposits with credit institutions. Amounts held with financial institutions are analysed by their Moody's Credit rating at the year-end.

	30/09/2022	30/09/2021
	€	€
A	6,867,992	-
A1	32,136,142	31,352,218
A2	40,621,721	45,152,639
A3	2,250,000	1,000,000
Aa3	6,000,000	2,957,804
Ba2	7,487,229	-
Baa1	10,502,548	9,485,537
Baa2	5,000,000	10,539,911
Baa3	8,825,163	10,069,797
BBB	2,292,856	97,789
Total	121,983,651	110,655,695

At the balance sheet date there are no provisions for impairment against any investment made by the Credit Union.

Credit quality analysis of loans to members

	30/09/2022	30/09/2021
	€	€
Neither past due nor impaired	42,518,954	36,508,544
1 to 9 weeks	2,292,755	2,028,687
10 to 18 weeks	255,061	237,429
19 to 26 weeks	229,823	188,483
27 to 39 weeks	228,885	197,655
40 to 52 weeks	155,174	91,307
53 weeks plus	622,087	559,714
Total	46,302,739	39,811,819
Impairment Allowance		
Individual	1,236,357	1,009,472
Collective	1,197,565	833,192
Total Allowance	2,433,922	1,842,664

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency risk, interest rate risk and other price risk. Of these, only interest

rate risk is significant for the Credit Union. The Credit Union is not directly exposed to currency risk as it deals only with products in euro, and its products are only interest orientated so are not exposed to other pricing risks.

The Credit Union is exposed to movements in interest rates reflecting the mismatch between the dates on which interest receivable on assets and interest payable on liabilities are next reset to market rates or if earlier, the dates on which the instruments mature. The Credit Union manages this exposure on a regular basis, within the limits set by the Board, however as the Credit Union only declares its dividends at the year-end based on such market rates, the board considers its sensitivity to such rates as marginal.

23. Transfer of Engagements

On the 17 September 2022, Tower Credit Union (TCU) accepted the transfer of engagements from Celbridge & District Credit Union Limited (CDCU). The fair valued assets and liabilities of CDCU at the 17 September 2022 were incorporated into the balance sheet of TCU. Tower Credit Union did not pay any consideration in respect of the transfer, as on the date the members of Celbridge and District Credit Union became members of Tower Credit Union Limited, and thereby became entitled to the interests associated with membership. In applying the acquisition method of accounting for the business combination, the members' interests transferred by CDCU represents the consideration transferred for the net assets acquired. The consideration has been estimated as equivalent to the fair value of the members' interest in CDCU at the date of transfer.

At 16 September 2021	Celbridge & District	Fair Value Adjustments	Total
Cash & Investments	28,251,387	-	28,251,387
Members Loans	5,823,039	-	5,823,039
Fixed Assets	408,058	-	408,058
Other Receivables	55,124	-	55,124
Member Shares	(29,415,658)	-	(29,415,658)
Other Liabilities	(469,261)	-	(469,261)
Loan Provisions	(354,684)	-	(354,684)
Fair Value of Net Assets	4,298,005	-	4,298,005
Members Reserves transferred	4,298,005	-	4,298,005

There were no fair value adjustments on transfer, any adjustments having taken in place in Celbridge Credit Union prior to transfer

Report of the Board Oversight Committee

The board oversight committee met collectively on 12 occasions during the year for the purposes of carrying out its statutory responsibilities.

In compliance with Section 760 (1) (b) of the Credit Union Act 1997 (as amended) “the Act” the committee met with the board of directors to report on its assessment of whether the board of directors had operated in accordance with Part IV and Part IVA of the Act and any regulations relating to Part IV and Part IVA.

The committee confirms that as provided for in Section 760 (3) of the Act it had access at all times to the books and documents of the credit union.

In order to carry out its responsibilities, the committee was represented at all regular monthly meetings of the board of directors and at meetings of board committees held during the year.

The committee confirms that in its opinion the board of directors has complied with the requirements of Part IV and Part IVA of the Credit Union Act 1997 (as amended).

In conclusion, on behalf of the committee I wish to thank the directors, volunteers and staff for their cooperation during the past year.

Ciaran Fitzgerald
Chair of the Committee
14 December 2022

ONLINE LOAN APPLICATIONS

The following documentation must be uploaded to our online platform in order for us to process your loan application

CHECKLIST:

Loans LESS than €5,000 over share value
2 Payslips

Loans EQUAL to or MORE than €5,000 over share value
2 Payslips
3 Months Bank Statements

www.towercu.ie
Tower Credit Union is regulated by the Central Bank of Ireland

Tower
Credit Union Limited

Report of the Nominations Committee

The Nominations Committee is appointed annually by the board of directors and its responsibilities are defined by Section 56B of the Credit Union Act. Its role is to identify suitable candidates for nomination to the board of directors to fill the vacancies that arise from time to time. By law, candidates for election to the board must be proposed through the Nominations Committee, i.e. they can't be nominated from the floor at the Annual General Meeting. The Nominations Committee is also responsible for carrying out the required Fitness & Probity due diligence on all candidates for election and for ensuring that all directors are given adequate induction and training and are aware of the time commitment involved in the role. In addition, the committee must ensure that there is a robust succession plan in place for the board.

Vacancies to be filled at AGM 2022

This year there are vacancies for six directors and three members of the Board Oversight Committee.

Succession Planning

To fulfil its obligations under Section 56B, the nomination committee sought expressions of interest for the vacancies on the board of directors and board oversight committee. Prospective candidates for election to the board were introduced to the role of the board of directors and were made aware of the time commitment expected in respect of each role.

Fitness and Probity

The Nominations Committee confirms that the credit union has performed the necessary due diligence in respect of all candidates nominated to fill vacancies on the board oversight committee and board of directors and is satisfied that the persons nominated are compliant with the fitness and probity standards for credit unions issued under Section 50 of the Central Bank Reform Act 2010.

Board of Directors

The names of the candidates to fill the vacancies on the Board of Directors and Board Oversight Committee will be communicated to members in advance of the AGM in April 2021.

Aileen Murphy
Chair of the Committee
14 December 2022

Report of the Credit Committee

The role of the Credit Committee is to oversee the lending operation in the credit union and to ensure that our lending is compliant with all relevant regulation and legislation. The vast majority of our loans are assessed and approved by Credit Officers in our branches, but some loans fall outside their remit and the Credit Committee meets on a weekly basis to consider such applications. We are delighted to report that despite the ongoing pandemic and its impact on our members, 8,261 loans amounting to €24.8m were advanced to members in the year ended 30th September 2022. These figures include loans granted in Celbridge District in the eleven months prior to the Transfer of Engagements.

Lending is one of the core activities of the credit union and is the key determinant of our long-term viability and success. All members are eligible to apply for a loan, irrespective of their savings history with the credit union. All applications are individually assessed and while we would like to approve all loans, our processes must ensure that there is no undue risk to either the individual borrower or to our savers, who provide the funds that we lend. The borrower's ability to repay must be the key factor in the lending decision and we have a duty not to facilitate excessive indebtedness, which can have serious financial and psychological implications for borrowers.

We have introduced some new, high-value loan products aimed at the provision of larger loans, mainly for home-related expenditure. Our Home Renovation Loan, with a rate of 7.5% (APR 7.75%) can provide up to €70,000 for bigger ticket items such as house extensions, log cabins, conservatories, etc. We are part of the Greener Homes scheme, which is a one-stop solution for improving the Building Energy Rating of your home and thereby reducing your energy costs. The scheme provides assistance with the Grant process and the credit union can provide a loan for the net amount (cost minus grant) at very low rates of interest. Of course we can lend for just about any purpose, so please keep us in mind for your (or your friends' and family's) borrowing needs.

Finally, I wish to thank the directors and staff for their hard work and assistance during the year

Kieran Carroll
Chair of the Committee
14 December 2022

Applying for a Loan? Help us to Help You!

We aim to decide on loan applications as quickly as possible. The main consideration in granting a loan is the ability of the member to repay the loan and to properly assess this, we often need independent confirmation of the member's income and outgoings, including other debt repayments. To help speed up a decision, please bring the following documents applying for a loan:

Personal Application – member employed or on Social Welfare

- Two recent payslips or social welfare slips
- A recent bank statement for three months (to include the current month)
- Member Passbook / ID.

Self Employed Members

- Certified Accounts or Notice of Assessment
- Tax Clearance Certificate
- A recent bank statement for three months
- Member Passbook / ID

CHOOSE US

We approve over 95% of all loan applications

*Saving together and lending to each other
We are people like you helping people like you*

Tower A Lifetime Together
Credit Union Limited

Tower Credit Union Limited is regulated by the Central Bank of Ireland

Report of the Credit Control Committee

The role of the credit control committee is to seek to ensure the repayment of loans in accordance with loan agreements. The day-to-day work is carried out by the Credit Control Manager and his staff. The committee meets at least monthly to review the performance of the credit union's loan book and reports its findings to the monthly meeting of the board of directors.

Loan Arrears

Reminder letters are issued to all members whose loan accounts fall into arrears. The credit union writes to members in arrears to make them aware of its reporting requirements to the Central Credit Register. This is to give the member the opportunity to bring their account up to date before the arrears are reported. Where members respond to the letters, no further action is taken.

The number of arrears letters issued to members during the year ended 30 September 2022 was 5,824. The response to the letters was very positive with most members arranging to bring their accounts up to date.

Members should note that by regulation, all loans above €500 are automatically reported to the Central Credit Register, irrespective of the amount of savings attached to the loan. This applies also to loans that are fully secured by the member's savings.

Members who are experiencing difficulties in meeting their agreed loan repayments should contact the credit union as soon as their financial circumstances change. Failure to engage with the credit union (and / or other lenders) could result in their loans going into arrears which could potentially damage their credit rating. It is much easier to manage financial problems if they are dealt with at an early stage. Members who approach the credit control team in these circumstances will be dealt with in a sympathetic manner and in complete confidence.

The Money Advice & Budgeting Service (MABS) provides a free, independent and confidential service to people who may be having trouble with managing their debt. The MABS helpline number is 0818 07 2000 or visit www.mabs.ie for further information.

Loan Rescheduling

Rescheduling occurs where the credit union and the member agree to amend the member's loan repayment, thereby changing the agreed repayment term of the loan, usually to a longer term. The committee approved 20 applications for loan rescheduling during the year. It is important to note that rescheduling a loan may restrict access to further credit.

Bad Debts

A total of 162 (2021: 123) loans in the sum of €427,016 (2021: €365,320) were written off to the credit union's bad debts register during the year. Bad debts recovered this year amounted to €468,233 (2021: €570,523). These loans remain due and owing and the credit union continues to seek repayment from the members.

In conclusion, on behalf of the committee, I want to thank the board of directors, credit control manager and credit union staff for the support given to the committee during the year.

Joe Menton

Chair of the Committee

14 December 2022

Report of the Membership Committee

The membership committee's role has evolved from the consideration and approval of membership applications (which is now primarily conducted by Membership Officers in our branches) to the oversight and implementation of the credit union's membership strategy. The committee meets monthly to carry out its remit and reports to the monthly board meeting. The following table shows the membership details of the credit union for the year ended 30 September 2022.

Membership at start of year	36,012
New members admitted during the year	1,231
Members coming in from Celbridge District	10,404
Memberships reactivated during the year	43
Accounts closed during the year	295
Number of members who died during the year	185
Number of members at year end	47,210

On behalf of the board and staff of the credit union, we would especially like to welcome the members from Celbridge District into Tower.

Who may become a Member of Tower Credit Union?

Any person who lives or works in Brittas, Celbridge, Citywest, Clondalkin, Greenhills, Neilstown, Newcastle, Rathcoole, Saggart or Straffan. To become a member of the credit union an applicant must provide the following;

- i. proof of identity;
- ii. verification of permanent place of residence; and
- iii. proof of tax identification number (PPS number).

Insurance Benefits

Tower Credit Union provides Loan Protection Insurance Cover and Life Savings Insurance Cover free of charge to eligible members.

Loan Protection Insurance

The cover provided by this insurance means that any outstanding loan balance will be repaid in full on the death of an eligible member. This year 31 loans to the value of €187,173 were repaid under this policy.

Life Savings Insurance

This insurance covers up to €5,000 of a member's savings in the event of their death. This year, 196 Life Savings claims were paid totaling €153,379.

Should you have any queries regarding membership of the credit union please call to any of our offices and our staff will be happy to assist you. Alternatively, you may visit www.towercu.ie.

Anne Brougham
Chair of the Committee
14 December 2022

Report of the Community Development Committee

The community development committee administers the Community Development Fund (CDF) on behalf of the credit union. The committee meets monthly to consider applications for funding from the CDF.

The Community Development Fund was established by the members at the 2003 AGM to be used for social, cultural or charitable purposes (including community development). As well as supporting local charities and organisations, the fund may be used to support national charities.

Organisations seeking funding from the CDF must apply in writing on a form provided by the credit union for that purpose and must state briefly how the funding will be used by the organisation. Occasionally, the committee may invite applicants to meet the committee when considering an application for funding.

This year the committee approved 32 (2021: 24) applications for funding totaling €36,983 (2021: €29,480). Since the CDF was established the credit union has made a total of €757,757 in charitable donations and contributions to community projects.

On behalf of the committee, I would like to thank the board of directors and credit union staff for their assistance during the year.

Robert Dowds

Chair of the Committee

24 November 2021

Anti-Money Laundering / Countering the Finance of Terrorism

Important Notice

Please note that under the Criminal Justice (Money Laundering and Terrorist Financing) Acts 2010 to 2018 and conforming with European Legislation and Directives in these matters, credit unions are legally obliged to prevent and assist in the prevention of Money Laundering and Terrorist Financing.

In compliance with this legislation and to ensure that the credit union has up-to-date information on its members, you may be asked to verify:

- Your identity, address and PPS number
- The source of funds you may wish to lodge into your account
- The beneficial ownership of any funds in your account
- The intended purpose for the use of any funds in your account

To ensure that the information is up to date, you may from time to time be asked to refresh the information that we hold. Credit unions are also obliged to maintain details and copies of all documents used in establishing any of the above considerations and have them available for inspection by any or all of the following persons in accordance with law:

- The Central Bank
- An Garda Síochána
- The Revenue Commissioners

Your cooperation and assistance with credit union personnel performing these functions is very much appreciated.

General Information for Members

Loan Protection & Life Savings Insurance: Eligible members are provided with this cover at no additional cost (T&Cs apply). Loan Protection Insurance will cover the outstanding balance of your loan account in the event of your death and Life Savings Insurance will cover up to €5,000 in savings.

Death Benefit Insurance: From 1st March this year, the credit union ceased paying DBI as an operational expense. Instead, members can avail of a new product called Death Benefit Plus. This allows members to choose the level of cover they require, with available amounts between €3,000 and €15,000. The premium to be paid by the member depends on the level of cover required and the member's age at the time of taking out the insurance. The premium amount is then fixed for the duration of the policy.

Central Credit Register (CCR) Information: All lenders are obliged to obtain and report data relating to all loan applicants to the Central Credit Register for loans of €500 or more. Lenders are also obliged to run a Central Credit Register enquiry on all loan applications of €2,000 and over. For us to fulfil our regulatory requirements, we must obtain proof of a member's Personal Public Service Number (PPSN). Please note we have strong controls in place to ensure that sensitive data such as your PPSN information is protected.

Minimum Savings Requirement: Members are required to maintain a minimum balance of €10 in their Share Account to retain membership of Tower Credit Union. If your share balance falls below this amount, your membership will cease.

Affiliation Fee: The fee that the credit union pays for its affiliation to the Irish League of Credit Unions is apportioned across all members over the age of 16 and is deducted from savings after the AGM. The amount (roughly €1.75) will be presented and voted upon at the AGM.

Dormant Accounts: If an account has had no member-initiated transaction for a period of three years, it will automatically be flagged as dormant. The member will be notified by letter to their last known address. To re-activate the account, the member must call into any Tower Credit Union office with up-to-date proof of address, photographic ID and evidence of their PPSN, and must make a lodgment to their account.

Member Prize Draw: The credit union operates a Member Prize Draw, open to all members over age 18 and operated on a break-even basis - all funds collected are paid back in prizes. The draw is run every two months and costs €33 per annum, with six deductions of €5.50 being made from participants' accounts. If you wish to be included, call to any of our offices or download and complete a Prize Draw Application Form from our website and post or drop it in to any of our branches. Terms and Conditions apply.

Your Nomination(s): Nomination is the process for release of the funds in your account to a third party of your choice in the event of your death. All members should consider completing a Form of Nomination. If you don't do so, your funds become part of your estate and are dealt with through your will, or through the intestacy process if you don't have a will. You can check your nomination at any of our offices. Nomination forms must be witnessed by a credit union official.

- The statutory maximum amount that can pass under a nomination is €23,000.
- Nomination(s) must be in writing – you can get a nomination form at any branch or on our website.
- Nominations are not revocable or variable by the terms of your will or a codicil to your will.
- Nominations are automatically revoked should your nominee die before you.
- Nominations are automatically revoked by your subsequent marriage.
- A legal separation or divorce will not invalidate a nomination. Consequently, if your marital status changes you should review your nomination.
- A person under 16 years of age cannot make a valid nomination.
- If you need to change your nomination you must complete a new nomination form.

Complaints: Tower Credit Union makes every effort to provide the best quality experience and service to the members. However, we recognise that things may go wrong from time to time. The Credit Union takes all Member complaints seriously and has put procedures in place to ensure that complaints are dealt with in a professional manner. Tower Credit Union fully complies with Rule 108 of the Standard Rules for Credit Unions and full details of the process can be found on our website or in any of our offices.

Deposit Guarantee Scheme – Depositor Information Sheet

Basic information about the protection of your eligible deposits	
Eligible deposits in Tower Credit Union Limited are protected by:	The Deposit Guarantee Scheme (“DGS”) (1)
Limit of protection:	€100,000 per depositor per credit institution (2)
If you have more eligible deposits at the same credit institution:	All your eligible deposits at the same credit institution are ‘aggregated’ and the total is subject to the limit of €100,000 (2)
If you have a joint account with other person(s):	The limit of €100,000 applies to each depositor separately (3)
Reimbursement period in case of credit institution’s failure:	10 working days (4)
Currency of reimbursement:	Euro
To contact Tower Credit Union Limited for enquiries relating to your account:	Tower Credit Union Limited, 22 Main Street, Clondalkin, Dublin 22 Tel: 01 4570884 www.towercu.ie
To contact the DGS for further information on compensation:	Deposit Guarantee Scheme, Central Bank of Ireland, New Wapping Street, North Wall Quay, Dublin 1 Tel: 01-224 5800 Email: info@depositguarantee.ie
More information:	www.depositguarantee.ie

Additional information

(1) Scheme responsible for the protection of your deposit

Your deposit is covered by a statutory deposit guarantee scheme. If insolvency should occur, your eligible deposits would be repaid up to €100,000.

(2) General limit of protection

If a covered deposit is unavailable because a credit institution is unable to meet its financial obligations, depositors are repaid by the DGS. This repayment covers at maximum €100,000 per person per credit institution. This means that all eligible deposits at the same credit institution are added up in order to determine the coverage level. If, for instance, a depositor holds a savings account with €90,000 and a current account with €20,000, he or she will only be repaid €100,000.

(3) Limit of protection for joint accounts

In case of joint accounts, the limit of €100,000 applies to each depositor. However, eligible deposits in an account to which two or more persons are entitled as members of a business partnership, association or grouping of a similar nature, without legal personality, are aggregated and treated as if made by a single depositor for the purpose of calculating the limit of €100,000.

(4) Reimbursement

The responsible deposit guarantee scheme is:

Deposit Guarantee Scheme, Central Bank of Ireland, New Wapping Street, North Wall Quay, Dublin 1. Tel: 01-224 5800. Email: info@depositguarantee.ie.

Website: www.depositguarantee.ie. It will repay your eligible deposits (up to €100,000) within 10 working days from 1 January 2021 to 31 December 2023; and within 7 days from 1 January 2024 onwards, save where specific exceptions apply. Where the repayable amount cannot be made available within seven working days

depositors will be given access to an appropriate amount of their covered deposits to cover the cost of living within five working days of a request. Access to the appropriate amount will only be made on the basis of data provided by the credit institution. If you have not been repaid within these deadlines, you should contact the deposit guarantee scheme.

(5) Temporary high balances

In some cases eligible deposits which are categorised as “temporary high balances” are protected above €100,000 for six months after the amount has been credited or from the moment when such eligible deposits become legally transferable. These are eligible deposits relating to certain events which include: (a) certain transactions relating to the purchase, sale or equity release by the depositor in relation to a private residential property; (b) sums paid to the depositor in respect of insurance benefits, personal injuries, disability and incapacity benefits, wrongful conviction, unfair dismissal, redundancy, and retirement benefits; (c) the depositor’s marriage, judicial separation, dissolution of civil partnership, and divorce; (d) sums paid to the depositor in respect of benefits payable on death; claims for compensation in respect of a person’s death or a legacy or distribution from the estate of a deceased person. More information can be obtained at www.depositguarantee.ie

(6) Exclusions

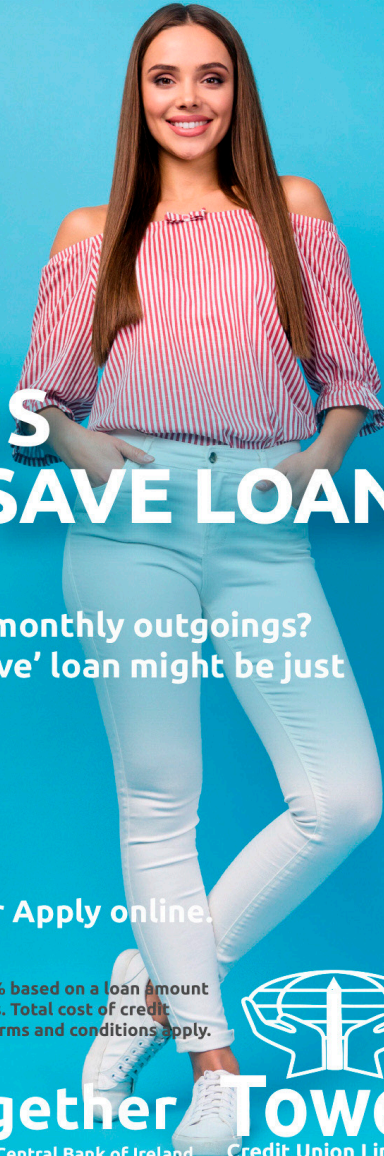
A deposit is excluded from protection if: (1) The depositor and any beneficial owner of the deposit have never been identified in accordance with money laundering requirements. (2) The deposit arises out of transactions in connection with which there has been a criminal conviction for money laundering. (3) It is a deposit made by a depositor which is one of the following: • credit institution • financial institution • investment firm • insurance undertaking • reinsurance undertaking • collective investment undertaking • pension or retirement fund (Deposits by Small Self-Administered Pension Schemes are not excluded) • public authority Further information about exclusions can be obtained at www.depositguarantee.ie

Other important information

In general, all retail depositors and businesses are covered by the Deposit Guarantee Scheme. Exceptions for certain deposits are stated on the website of the Deposit Guarantee Scheme. Your credit institution will also inform you on request whether certain products are covered or not. If deposits are eligible, the credit institution shall also confirm this on the statement of account.

MEET CAROLINE

Caroline saved by switching with Tower Credit Union



CHOOSE US SWITCH & SAVE LOANS

Looking to save on your monthly outgoings?
Our popular 'Switch & Save' loan might be just
the answer.

Email: loans@towercu.ie or Apply online.

Typical Example:

Monthly repayment of €383.46 with APR of 7.76% based on a loan amount of €25,000 over a repayment period of 84 months. Total cost of credit €7,204.13. Total amount repayable €32,204.13. Terms and conditions apply.

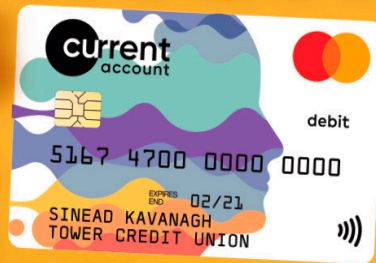


A Lifetime Together Tower

Tower Credit Union Limited is regulated by the Central Bank of Ireland Credit Union Limited

EDUCATION LOANS

current
account



**WE HAVE ALL YOUR EDUCATION NEEDS COVERED
WITH STUDENT LOANS AND CURRENT ACCOUNTS**

Tower Credit Union Limited is regulated by the Central Bank of Ireland

Office Opening Hours:

MAIN OFFICE

22 Main Street
Clondalkin
Dublin 22
Tel: (01) 4570884
Email: info@towercu.ie

Mon	9.30 - 16.30
Tues	9.30 - 16.30
Wed	9.30 - 13.00
Thurs	9.30 - 16.30
Fri	9.30 - 19.00

CELBRIDGE BRANCH

Main Street
Celbridge
Co. Kildare
Tel: (01) 4570884
Email: info@towercu.ie

Mon	9.30 - 16.30
Tues	9.30 - 16:30
Wed	9.30 - 13.00
Thurs	9.30 - 16.30
Fri	9.30 - 16.30

NEILSTOWN BRANCH

Neilstown Road
Clondalkin
Dublin 22
Tel: (01) 4570884
Email: info@towercu.ie

Mon	CLOSED
Tues	9.30 - 13.00
Wed	9.30 - 13.00
Thurs	9.30 - 13.00
Fri	9.30 - 16.30

CITYWEST BRANCH

Citywest Shopping Centre
Citywest
Co. Dublin
Tel: (01) 4570884
Email: info@towercu.ie

Mon	CLOSED
Tues	9.30 - 16.30
Wed	9.30 - 13.00
Thurs	9.30 - 19.00
Fri	9.30 - 16.30
Sat	9.30 - 13.00

GREENHILLS BRANCH

90A St. Peter's Road
Greenhills
Dublin 12
Tel: (01) 4570884
Email: info@towercu.ie

Mon	9.30 - 16.30
Tues	9.30 - 16.30
Wed	9.30 - 13.00
Thurs	9.30 - 18.00
Fri	9.30 - 16.30

Download our TowerCU App:



Tower Credit Union Limited is regulated by the Central Bank of Ireland