

Tower Credit Union A Lifetime Together

Annual Accounts
and Financial Statements
Year Ended 30th September 2023



Tower
Credit Union Limited

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Notice of Annual General Meeting

Notice is hereby given that the 2023 Annual General Meeting of Tower Credit Union Limited will take place in the Louis Fitzgerald Hotel, Clondalkin, Dublin 22 at **8.00pm on Monday 29th January 2024**.

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, ideally to arrive before close of business on **Wednesday 24th January 2024**.

Notice of Elections

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



The Board of Directors of Tower Credit Union is responsible for the development and implementation of the Credit Union's strategy and policies on ESG (Environmental, social and governance) sustainability. The United Nations defines 'sustainability' as 'meeting the needs of the present without compromising the ability of future generations to meet their own needs'.

Over sixty years ago, credit unions agreed a set of operating principles which we still operate under today. Sixteen years ago, the UN agreed the UN Sustainable Development Goals (SDGs). When we compare our principles and the UN goals, we see almost the same aspirations reflected in both and we are proud that our credit union already closely matches what the UN and world leaders adopted in 2006.

Sustainability is deeply embedded into every aspect of the Credit Unions operating principles and ethos. We recognise that of the 17 United Nations SDGs, SDG 13 Climate action and mitigating climate change, is the most important long-term goal for the quality and functioning of our planet. However, we also recognise that Credit Union members struggling with poverty and food costs (SDG 1 and 2), education needs (SDG 4), the cost of heating (SDG 7) and transport needs, (SDG 8) may place a lower priority on climate action. **Tower Credit Union will support all members equally.**

The UN SDGs set out a path to end extreme poverty, fight inequality and injustice, and protect the planet. Achieving the goals will require an unprecedented effort by all sectors in society, including financial services. **We, in Tower Credit Union, intend to do our bit.**

Tower Credit Union recognises that climate action comes with potential costs and risk. Equally, we recognise climate action provides an opportunity to build resilience against the negative impacts of climate change. **We, in Tower Credit Union, endeavour to incentivise and support our members in Ireland's green transition.**

The credit union's Investment Committee has a Sustainable Investment Charter with two key goals, i.e.

- ensuring that where possible that we invest in products associated with helping combat climate change and other social concerns, and
- excluding investments in investment vehicles associated with negative outcomes from our portfolio.

For example, in 2022 we invested €1.5m in a fund for on-lending to Approved Housing Bodies, which then use the funds to provide affordable housing to the community.

For members wishing to position themselves well to take advantage in the future of opportunities arising from the green transition, we aim to make our carbon reduction loan offerings as inexpensive as possible with repayments being funded by cost savings. See our CU Greener Home Loans <https://www.towercu.ie/cugreenerhomes>.

Tower Credit Union encourages you, our member, to do your bit. Please call us or contact us at any of our branches or by sending us an e-mail to info@towercu.ie with a request to receive your future AGM Booklets and Accounts by electronic mail.

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 2022
5. Report of the Chair
6. Presentation of the Financial Statements
7. Report of the Auditor
8. Appointment of Tellers
9. Election of the Auditor
10. Election of Board Oversight Committee (two vacancies)
11. Election of Directors (four vacancies)
12. Amendment to Rules
13. Report of the Board Oversight Committee
14. Report of the Nominations Committee
15. Committee Reports
16. Any Other Business
17. Announcement of election results
18. Close of meeting

Joe Menton

Joe Menton, 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 is one motion 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

Kieran Carroll (Chair)	Anne Brougham (Vice Chair)
Joe Menton (Secretary)	Ciaran Fitzgerald (Asst. Secretary)
Tom Dunphy	Robert Dowds
Michael O'Connor	Aileen Murphy
Ciara Devaney	Gerry Lynch
Brian Douglas	

Board Oversight Committee

Stephen Nolan	Dean Alford	Tony Foster
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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

Gerry Lynch	Anne Brougham	Robert Dowds
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Credit Committee

Adrienne Seery	Anne Brougham	Kieran Carroll
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Credit Control Committee

Tom Dunphy	Joe Menton	Noel Molloy
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Membership Committee

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

Brian Douglas	Ciaran Fitzgerald
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Investments Committee

Kieran Carroll	Eric Lee	David Matthews
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Strategic Development & Marketing Committee

Brian Douglas	Ciara Devaney	David Matthews
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Community Development Committee

Robert Dowds	Michael O'Connor	Marion King
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Complaints Sub-Committee

Kieran Carroll	Anne Brougham	Aileen Murphy
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Internal Auditor

IAS Internal Audit Services (ILCU)

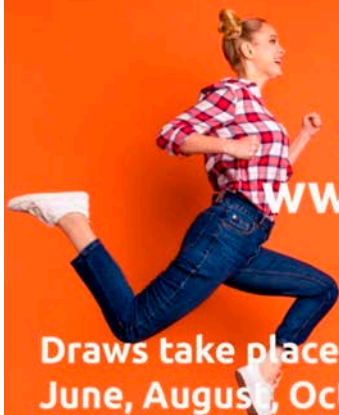
MEMBERS PRIZE DRAW

The draw takes place on the 3rd Thursday of every second month

Top Prize €10,000



It Could Be You!



Sign up today
www.towercu.ie

Draws take place in February, April,
June, August, October and December

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



Tower
Credit Union Limited

Report of the Chair (Kieran Carroll)

On behalf of your Board of Directors, I am delighted to present to you our Annual Report & Accounts for the year ended 30th September 2023. This has been another busy and eventful year for our credit union. From a financial perspective, things have improved as international interest rates have increased, and we are now able to earn interest on our surplus funds. We would prefer if more of these funds were out on loan to members doing some good in the community instead of being invested in banks. 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 is vital for its ongoing success, so please think of us first for your borrowing needs!

The improved returns on our invested funds have helped us to increase our Surplus from €311k to €596k, and this has enabled us to propose a dividend (albeit a small one) and a rebate of interest to members for the first time in a number of years. However, the improvement in investment returns is beyond our control and the forecasts for ECB rates shows a downward trend in 2024. In addition, events around the world have the potential to destabilise markets and economies generally, and that can eventually filter down to the credit union and its members. So, we must remain prudent. At last year's AGM, members asked about the decisions we took to reduce insurance costs in recent years and there is a detailed explanation on page 9.

Since 2019 we have a full-service Current Account and debit card, with an overdraft of up to €5,000 available on application. This might suit members who need to borrow frequently for small ticket items and members who currently have an overdraft with their bank. We are in the process of revising our strategic plan, but our vision is that more of our members use their credit union for all their financial needs, i.e. saving, borrowing and day-to-day banking.

In 2022, we set up a Direct Channels call centre to deal with a huge increase in incoming phone calls, a trend started by Covid and exacerbated by the mergers with Greenhills and Celbridge credit unions. This has worked very well, and we intend to expand it to include a full "phone a loan" service in 2024. We are in the process of revising our strategic plan, but our primary focus must be on lending, which is the key to the success and sustainability of all credit unions. 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. We can lend relatively large amounts over longer terms, so we're not here just for your holiday or Christmas expenses.

I would like to welcome our new Chief Executive Officer Rory Meehan, who joined us earlier this month. I would also like to welcome our Head of Finance Ed Farrell, who came to Tower in August. We wish them well in their endeavours to enhance the strength and sustainability of the credit union.

Finally, can I thank our Staff and Management Team for all their hard work and dedication this year as well as my colleagues on the Board and Board Oversight Committee and our Volunteers 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 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. In closing, I would like to wish all our members a peaceful and prosperous New Year.

Kieran Carroll, Chair of Tower Credit Union

Insurance Benefits – explanation & rationale for board decisions

Financial & Business Background

- Loans earning average interest of 9.5% represent just 23% of our Balance Sheet
- Deposits & Investments represent 65% of our Balance Sheet and the rate we earn is dependent on international market rates:
 - In 2009 they earned us 3.2%
 - In 2019 they earned us 0.9% - negative interest was a feature at this time
 - In 2023 they earned us 1.2% - up slightly due to improved market rates
- In 2019, our net income represented 0.67% of Total Assets, leaving us exposed to a downturn, which happened in 2020;
- In 2023, net income represented 0.5% of Total Assets, not much above break even despite the reductions in expenditure that we made between 2020 and 2022.

Board Decisions to address the above

- In June 2019, the board decided to only provide Death Benefit Insurance (DBI) for members with more than €250 in savings with the credit union - this resulted in an annual cost saving of €69k;
- In June 2021, the board reduced the maximum cover level for Life Savings Insurance from €12,700 to €5,000 – this resulted in an annual cost saving of €96k;
- At the same time the board changed the method for calculating death claims from “Date of Lodgement” to “Date of Death” – this resulted in a cost saving of €81k;
- In December 2021 the board decided to cease offering DBI at the credit union’s expense; in 2021 this had cost the credit union €123k;
- Total annual savings €300k from the above (excluding savings to Greenhills & Celbridge insurances)
- In 2023, member insurances cost the credit union €495k;
- Without these decisions, member insurance costs in 2024 would be €1,045k;
- Full year saving in 2024 is €550k.
- ***Cost of proposed dividend & rebate is €280k – this would not be possible without cost savings!***

Impact on Member Benefits

- Removal of DBI – no payment of €1,300 on death of eligible member
 - ***DBI is available at a cost for members who wish to avail of it.***
- Reduction of cover limit from €12,700 to €5,000
 - Only €5,000 (maximum) is covered, so benefit is reduced.
- Date of Lodgement to Date of Death
 - Insurance benefits do not accumulate under Date of Death method.
 - Benefit payable is calculated on balance at date of death subject to a maximum insurable balance of €5,000, on a sliding scale as follows:
 - Death before age 55 – 100% of balance at date of death
 - Death between 55 and 60 – 75% of balance at date of death
 - Death between 60 and 65 – 50% of balance at date of death
 - Death over age 65 – 25% of balance at date of death

Directors Report and Business Review

The Directors present their report and results with the audited financial statements for the year ended 30 September 2023.

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 is proposing a dividend of 0.1% and a rebate of interest paid on Standard Loans of 5%.

Credit Union performance and business review

The credit union's business performance showed an improvement on the previous three years, mainly as a result of increased returns on invested funds, with a Surplus of €596k being achieved. Given the uncertainty around costs of living and the economy generally, the board of directors had decided to take a prudent decision to transfer €466k into the Bad Debt Provision to protect the credit union from potential shocks to the economy generally. From a lending perspective, the loan portfolio grew by €405k in the year, having fallen by almost €1m between mid-December 2022 and mid-March 2023. We granted over 7,400 loans with a value of €26.5m in the year. The return on investments, which represent two thirds of our Balance Sheet assets, has improved and that should help us to generate improved income in the next few years, though the outlook remains uncertain due to international events. The credit union's reserves finished the year on 13.2% of assets, 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:

	30/09/2023	30/09/2022
Total assets	€209,835,835	€204,487,675
Regulatory capital	€22,881,567	€22,881,567
Total savings	€174,555,284	€171,456,793
Regulatory Capital	10.90%	11.19%
Total Capital	13.20%	13.28%

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

Kieran Carroll

Kieran Carroll,
Chair

Statement of Directors Responsibilities

For the year ended 30 September 2023

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

Kieran Carroll

Kieran Carroll,
Chair

Statement of Board Oversight Committee Responsibilities

For the year ended 30 September 2023

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

Stephen Nolan

Stephen Nolan,
Chair

Independent Auditors Report to the Members of Tower Credit Union Limited 2023

Opinion

We have audited the financial statements of Tower Credit Union Limited for the year ended 30 September 2023, which comprise the Income and Expenditure Account, Balance Sheet, Statement of Changes in Reserves and Cash flow Statement and notes to the financial statements, including the summary of significant accounting policies set out in note 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 2023 and its income and expenditure and cash flows for the year then ended.

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

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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.



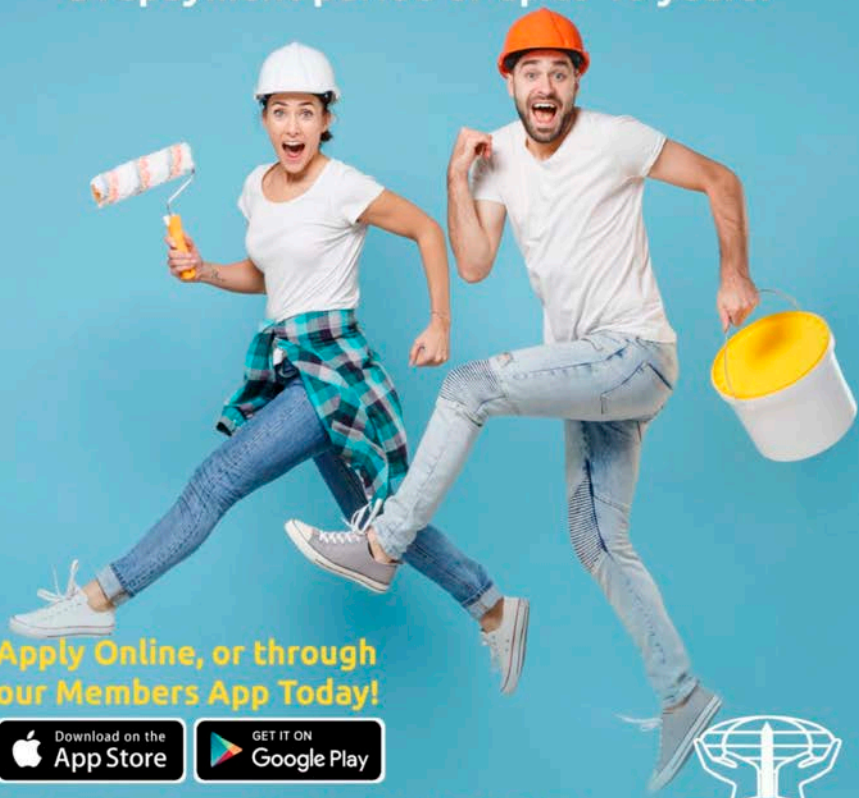
Statutory Audit Firm & Certified Public Accountants
Galway

29/11/2023

Tower Credit Union Ltd

HOME | LOAN RENOVATION

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



Apply Online, or through
our Members App Today!



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



Tower
Credit Union Limited

Income and Expenditure Account for the year ended 30 September 2023

		30/09/2023	30/09/2022
		€	€
Interest on members' loans	2	4,359,663	4,014,835
Interest on investments	3	1,579,015	883,060
Interest Payable and Similar Charges	12	(669)	(917)
Net interest income		5,938,009	4,896,978
Fees & commissions receivable	4	71,296	29,400
Fees & commissions payable	4	(561,766)	112,284
Other Operating Income	5	119,198	19,342
Total net income		5,566,738	5,058,004
Employment costs	6	(2,377,469)	(2,145,829)
Management expenses	8	(2,202,828)	(2,116,884)
Depreciation & amortisation	11	(379,062)	(318,802)
Operating surplus (Deficit) before Loan impairments and provisions		607,379	476,489
Net (Impairments) recoveries on loans to members	10	3,993	(165,926)
Gains (losses) on Investments		(14,888)	
Surplus (Deficit) for year		596,484	310,563
Other comprehensive income			
Total Income for Year		596,484	310,563

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 29/11/2023 signed on behalf of the Credit Union by:

Kieran Carroll

Kieran Carroll
Chair

David Matthews

David Matthews
CEO

Stephen Nolan

Stephen Nolan
Board Oversight Committee

Balance Sheet as of 30 September 2023

		30/09/2023	30/09/2022
		€	€
ASSETS			
Cash & cash equivalents	23	15,485,537	23,035,090
Deposits with Banks	23	91,685,000	80,734,108
Debt Securities	23	49,526,185	40,091,547
Central Bank	23	1,694,475	9,466,349
Loans to Members	9	44,274,576	43,868,817
Tangible fixed assets	11	6,055,147	6,380,745
Other receivables		1,114,915	871,019
Total Assets		209,835,835	204,447,675
LIABILITIES			
Members' Shares	12	167,628,985	164,558,723
Members' Deposits	12	6,926,298	6,773,424
Members' Current Accounts	13	6,752,069	4,918,954
Money Management Accounts		-	190
Creditors & Accruals	14	758,508	979,272
Provisions for liabilities	15	67,648	57,537
Total Liabilities		182,133,508	177,288,100
Assets less Liabilities		27,702,326	27,159,575
RESERVES			
Regulatory reserve		22,881,567	22,881,567
Other reserves		4,820,759	4,278,008
TOTAL RESERVES		27,702,326	27,159,575

The annual accounts were approved by the board on the 29/11/2023, signed on behalf of the Credit Union by:

Kieran Carroll

Kieran Carroll
Chair

David Matthews

David Matthews
CEO

Stephen Nolan

Stephen Nolan
Board Oversight Committee

Statement of reserves and changes in members' interests

	Regulatory Reserve	Operational Risk Reserve	Distribution Reserve	Acquired On Transfer of Engagements	Community Reserve	Retained Earnings	Total
Balance	€	€	€	€	€	€	€
30/09/2022	22,881,567	798,874	2,054,543	-	86,447	1,338,144	27,159,575
Surplus						596,484	596,484
Allocations	-	-	-		50,000	(50,000)	-
Distributions	-	-	-	-	(53,733)	-	(53,733)
30/09/2023	22,881,567	798,874	2,054,543	-	82,714	1,884,628	27,702,326
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

In the prior year the Credit Union acquired the reserves of Celbridge Credit Union Limited in a transfer of engagements process.

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	30/09/2023
Regulatory Reserve	10% of Assets	10.90%
Operational Risk Reserve	as determined by the Board	0.38%

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.

- I. 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.
- II. 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.
- III. 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 2023

	30/09/2023	30/09/2022
	€	€
Cash flows from operating activities		
Surplus (Deficit) for year	596,484	310,563
Depreciation	379,062	318,802
Loan Impairments	-	236,575
Total	975,546	865,940
Changes in operating assets & liabilities		
Net Movements in prepayments & accrued income	(243,897)	(39,989)
Net Movements in accruals & other liabilities	(52,598)	(68,861)
Movements in net loans to members	(405,758)	(667,881)
Movements in members' Current Accounts	1,833,115	4,240,297
Movements in members' Shares	3,070,262	(836,215)
Movements in members' Deposits	(5,372)	(458,694)
Net cash generated by operating activities	5,171,299	3,034,597
Cash flows from investing activities		
Net Movement in investments & cash	(12,613,656)	(24,851,108)
Purchase of fixed assets	(53,464)	(306,067)
Cash & Investments on Transfer	-	28,251,387
Net cash generated by investing activities	(12,667,120)	3,094,212
Cash flow from financing activities		
Dividends and rebates paid in year	-	-
Community reserve distributions	(53,733)	(36,984)
Net cash (used in) generated by financing activities	(53,733)	(36,984)
Net (decrease) Increase in cash & cash equivalents	(7,549,554)	6,091,825
Cash & cash equivalents at beginning of year	23,035,090	16,943,265
Cash & cash equivalents at end of year	15,485,536	23,035,090
Analysis of the balances of cash & cash equivalents shown in the balance sheet		
Cash in hand	14,967,624	14,489,372
Investments repayable within 3 months.	517,912	8,545,718
Total	15,485,536	23,035,090

Notes to and forming part of the accounts for the year ended 30 September 2023

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 1.16.

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 statement has been prepared using the direct method. Funds with the Central Bank are accounted for as a 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 & District and Celbridge District Credit Unions, 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.

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 credit union. 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

	30/09/2023	30/09/2022
	€	€
Loan interest received in year	4,250,440	3,911,688
Accrued interest at 30 September	109,223	103,147
Total interest on members' loans	4,359,663	4,014,835

Included within loan interest receivable are amounts of €10,428 (2022: €14,140) in respect of interest income accrued on impaired loans. 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.

	30/09/2023	30/09/2022
	€	€
Interest received at Balance Sheet Date	731,052	285,236
Receivable within 12 months of the Balance Sheet Date (Premiums) /discount amortisation	891,142 (43,178)	637,106 (39,282)
Total Investment Income	1,579,015	883,060

4. Fees and commissions

	30/09/2023	30/09/2022
	€	€
Fees Receivable		
Current Account Fees	71,296	29,400
Total Receivable	71,296	29,400

Fees and commissions payable

Banking fees and charges	81,993	162,607
Regulatory fees and levies	407,062	310,916
ILCU ,& other association costs	15,241	21,385
Current Account Costs	57,470	25,174
ILCU Stabilisation protection Scheme refund*	-	(632,366)
Total fees and commissions payable	561,766	(112,284)

*In the prior 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

	30/09/2023	30/09/2022
	€	€
LP/LS Insurance rebate	-	16,542
Other Income	119,198	2,800
Total Other Income	119,198	19,342

6. Employees

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

	30/09/2023	30/09/2022
Full time Staff	29	25
Part time Staff	24	24
Total	53	49

	30/09/2023	30/09/2022
	€	€
Salaries	2,253,432	2,015,374
Pension Costs	124,037	115,463
Pensions Deficit – Note 21	-	14,992
Total Staff Costs	2,377,469	2,145,829

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 Section 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.

	30/09/2023	30/09/2022
	€	€
Salaries	839,287	768,132
Pension Costs	69,330	60,474
Total Key Management Compensation	908,617	828,606

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.

	30/09/2023	30/09/2022
	€	€
Savings balances	81,926	70,006
Loan Balances	229,818	126,877
Loans Issued	216,312	-
Loans outstanding as a % of Overall Loans	0.49%	0.27%

Provision held against officers' loans in arrears amounted to €nil (2022 €796)

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.

	30/09/2023	30/09/2022
	€	€
Loans to Family	67,412	78,174
Loans to business	-	-
Total	67,412	78,174
Loans outstanding as a % of Overall Loans	0.14%	0.17%

8. Management expenses

	30/09/2023	30/09/2022
	€	€
Rent & Rates	155,913	147,945
Light, Heat & Cleaning	137,297	105,620
Repairs & Renewals	48,578	6,821
Printing & Stationary	73,565	54,537
Postage & Telephone	80,541	69,149
Donations & Sponsorship	700	1,080
Promotion & Advertising	65,642	119,248
Training Costs	31,186	34,275
Convention Expenses	8,205	5,009
AGM Expenses	70,706	40,518
Audit Fees	27,632	24,000
General Insurance	76,278	58,964
Share & Loan Insurance	495,204	451,737
Death Benefit Insurance	-	102,954
Legal & Professional Fees	289,723	252,334
Computer Equipment & Licences	548,076	461,954
Miscellaneous Expenses	89,228	48,712
Cash Short	4,353	3,037
Transfer of Engagements	-	128,990
Total	2,202,828	2,116,884

9. Loans to members

	30/09/2023	30/09/2022
	€	€
Loans secured by first legal charge	-	-
Loans fully secured by savings	14,259,741	16,078,401
All other loans	32,448,756	30,224,338
Total loans	46,708,497	46,302,739
At 1 October	46,302,739	39,811,819
On transfer of engagement	-	5,823,039
Loans advanced in year	26,526,576	22,408,925
Repaid in year	(25,610,652)	(21,343,460)
Written off in year	(510,166)	(397,584)
Gross Loans outstanding	46,708,497	46,302,739
Impairments (see note)	(2,433,921)	(2,433,922)
Net loans outstanding	44,274,576	43,868,817

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.

	30/09/2023	30/09/2022
	€	€
Not more than 1 year	2,790,072	2,991,636
More than 1 year, less than 3 years	13,823,528	14,237,754
More than 3 years, less than 5 years	23,053,079	22,640,222
More than 5 years, less than 10 years	6,660,120	5,873,846
More than 10 years	381,698	559,281
Less Impairments	(2,433,921)	(2,433,922)
Total Loans	44,274,576	43,868,817

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.

	30/09/2023	30/09/2022
	€	€
At 1 October		
Collective provision	1,197,565	833,192
Individual provision	1,236,357	1,009,472
Total	2,433,922	1,842,664
Charges to provisions		
Collective provision	196,267	364,373
Individual provision	313,898	624,469
Total	510,165	988,842
Release of provisions		
Collective provision		
Individual provision	(510,166)	(397,584)
	(510,166)	(397,584)
At 30 September		
Collective provision	1,393,832	1,197,565
Individual provision	1,040,089	1,236,357
Total	2,433,921	2,433,922

Net recoveries or losses recognised for the year

Bad Debts Recovered	514,159	468,233
Net movements in impairments	1	(591,258)
Bad Debts written off	(510,166)	(397,584)
On transfer of Celbridge	-	354,684
Other Provision Movements		
Net recoveries (losses) recognised in year	3,994	(165,925)

11. Tangible fixed assets

	Land & Buildings €	Leasehold Property	Office Equipment €	Fixtures & Fittings €	Total €
Cost/Valuation					
30/09/2022	10,300,069	303,133	951,758	556,246	12,111,206
Additions in year	-	-	26,534	26,930	53,564
30/09/2023	10,300,069	303,133	978,292	583,176	12,164,670

Depreciation					
30/09/2022	4,764,912	59,535	615,175	290,839	5,730,461
Charge for the year	181,921	26,080	124,860	46,831	379,062
30/09/2023	4,946,203	85,615	740,035	337,670	6,109,523

Net Book Values

30/09/2023	5,353,866	217,518	238,257	245,506	6,055,147
30/09/2022	5,535,157	243,598	336,583	265,407	6,380,745

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.

	30/09/2023	30/09/2022
	€	€
Those committed	14,259,741	16,078,401
Those on demand	160,295,543	155,378,392
Total Savings	174,555,284	171,456,793

12.1. Members Shares

	30/09/2023	30/09/2022
	€	€
Shares at 1 October	164,558,723	135,979,280
On transfer	-	29,415,658
Receipts	61,171,473	45,397,165
Withdrawals	(58,101,211)	(46,233,380)
Shares at 30 September	167,628,985	164,558,723

12.2. Members Deposits

	30/09/2023	30/09/2022
	€	€
Deposits at 1 October	6,898,070	7,332,118
On transfer	-	-
Receipts	4,557,928	5,218,552
Withdrawals	(4,529,700)	(5,652,600)
Deposits at 30 September	6,926,298	6,898,070

Deposits comprise other savings accounts not classified as Shares such as CUFLEX, CUCASH and Saving Stamp accounts, which have been reclassified in the current year from other liabilities. New savings stamps accounts are no longer available to members.

Interest on deposits is declared annually by the Board, creditors contain interest payable €666, (2022: €917).

13. Members Personal Current Accounts

	Accounts	30/09/2023	30/09/2022
		€	€
Debit Balances	205	(16,765)	(7,656)
Credit Balances	1,415	6,768,834	4,926,610
Permitted Overdrafts			
Total		6,752,069	4,918,954

14. Creditors & Accruals

Other liabilities due within one year comprise:

	30/09/2023	30/09/2022
	€	€
Creditors	613,193	475,359
Accruals	144,980	378,046
Prize Draw Account	335	1,221
Total	758,508	854,626

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 2023 the Credit Union employees have accrued holiday entitlement which will be paid to them in the following financial year.

	30/09/2023	30/09/2022
	€	€
Short term payroll accruals	9,648	9,648
Central Bank levies	58,000	47,889
Total	67,648	57,537

16. Insurance against fraud

The Credit Union has insurance against fraud in the amount of €5,200,000 (2022: €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.

18. Returns to Members

At the 30th of September the Directors proposed a distribution to members of 0.1% dividends on shares (€167,500) (2022 €Nil) and a rebate of interest on standard rate loans of 5% (€114,000) (2022 €Nil). Such proposed dividends may be ratified by a majority of members voting at the annual general meeting.

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 was €14,992. 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:

	30/09/2023	30/09/2022
	€	€
Less than 1 Year	35,055	35,055
1 to 5 years	23,370	58,425
At 30th September	58,425	93,480

23. 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 2023

	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	15,485,537	-	-	-	15,485,537
Bank Deposits	91,685,000	-	-	-	91,685,000
Debt Securities	43,552,239	5,973,946	-	-	49,526,185
Members loans	44,274,576	-	-	-	44,274,576
Central Bank	1,694,475	-	-	-	1,694,475
Total financial assets	196,691,826	5,973,946	-	-	202,665,772
Non-financial assets					7,170,063
Total	-	5,973,946	-	-	209,835,835
LIABILITIES					
Savings	-	-	174,555,284	-	174,555,284
Creditors and Provisions	-	-	826,155	-	826,155
Current Accounts	-	-	6,752,069	-	6,752,069
Total financial liabilities			182,133,508		182,133,508
Reserves					27,702,326
Total					209,835,835

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	-	-	171,456,793	-	171,456,793
Creditors and Provisions	-	-	912,163	-	912,163
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

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 2023

	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	15,485,537					15,485,537
Bank Deposits	13,000,000	19,735,000	29,250,000	29,700,000	-	91,685,000
Debt Securities	8,500,000	500,000	20,092,525	18,959,713	1,473,946	45,026,185
Members loans	2,790,072	13,823,528	23,053,079	6,660,120	381,698	45,708,497
Funds at Central Bank	1,694,475	-	-	-	-	-
Total financial assets	41,470,084	34,058,528	72,395,604	55,319,833	1,855,644	205,099,694
Financial liabilities						
Savings	155,782,965	8,365,033	8,984,529	1,422,631	36,126	174,591,284
Current Accounts	6,752,069					6,752,069
Total financial liabilities	162,376,788	8,365,033	8,984,529	1,422,631	36,126	181,149,101

At the balance sheet date, the Credit Union had loan commitments of € 571,350 in the form of loans approved but undrawn/unissued in pipeline. Prior year amounts unissued € 285,830.

At 30 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 & 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	152,725,755	8,720,917	8,733,704	1,219,439	56,978	171,456,793
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	176,375,747

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:

	30/09/2023	30/09/2022
	€	€
Cash and liquid assets	15,485,537	23,035,090
Investments	142,905,660	130,292,004
Members' loans	46,708,497	46,302,739
Less savings attached to loans	(14,259,741)	(16,078,401)
Total balance sheet exposure	190,839,953	183,551,432
Off Balance Sheet- Loans approved but unissued	571,350	104,380
Total Exposure	191,411,303	183,837,262

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	12,700,000	6,867,992
A1	27,568,767	32,136,142
A2	48,517,912	40,621,721
A3	9,000,000	2,250,000
Aa3	12,975,765	6,000,000
Ba2	-	7,487,229
Baa1	10,980,000	10,502,548
Baa2	979,713	5,000,000
Baa3	10,032,994	8,825,163
BBB	-	2,292,856
Total	140,255,151	121,983,651

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

	30/09/2023	30/09/2022
	€	€
Neither past due nor impaired	43,197,717	42,518,954
1 to 9 weeks	2,276,011	2,292,755
10 to 18 weeks	318,668	255,061
19 to 26 weeks	167,701	229,823
27 to 39 weeks	190,418	228,885
40 to 52 weeks	52,854	155,174
53 weeks plus	505,128	622,087
Total	46,708,497	46,302,739
Impairment Allowance		
Individual	1,040,089	1,236,357
Collective	1,393,832	1,197,565
Total Allowance	2,433,921	2,433,922

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.



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Rule Amendment

Motion

Rule 30 (1)(a)

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

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

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

(1) (a) The directors may recommend to the annual general meeting for approval a refund to the members on record as of the end of each financial year who have been borrowers during such year of a percentage of interest which such borrowers have paid during such year, and such rate of refund shall apply to all such member borrowers.

Where a credit union operates a system whereby different rates of interest are charged for different classes of loans, the board of directors may recommend a different rate of refund applicable to each class of loan. Such refunds shall apply to all member borrowers in each class of loan.”

Report of the Board Oversight Committee

The board oversight committee met collectively on 11 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.

Stephen Nolan
Chair of the Committee
29 November 2023



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

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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 2023

This year there are vacancies for four directors and two 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.

Gerry Lynch
Chair of the Committee
29 November 2023

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 7,410 loans amounting to €26.5m were advanced to members in the year ended 30th September 2023.

Lending is one of the core activities of the credit union and is the primary 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 offer 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 €50,000 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 can assist 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.

Adrienne Seery
Chair of the Committee
29 November 2023

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

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We approve over 95% of all loan applications

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We are people like you helping people like you*

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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 2023 was 6,925. 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 ten 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 160 (2022: 162) loans in the sum of €510,522 (2022: €427,016) were written off to the credit union's bad debts register during the year. These loans remain due and owing and the credit union continues to seek repayment from the members. Bad debts recovered this year amounted to €514,159 (2022: €468,233).

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.

Tom Dunphy

Chair of the Committee

29 November 2023

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 2023.

Membership at start of year	47,210
New members admitted during the year	1,691
Accounts closed during the year	625
Number of members who died during the year	257
Number of members at year end	48,019

On behalf of the board and staff of the credit union, we would like to welcome all new members 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, 68 loans to the value of €319,001 were paid off 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, 255 Life Savings claims were paid totaling €204,946.

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

29 November 2023

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 63 (2022: 32) applications for funding totaling €55,187 (2022: €36,983). Since the CDF was established the credit union has made over €805,000 in charitable donations and contributions to community projects.

I would like to thank the board of directors and credit union staff for their assistance during the year and in particular Marion King for her sterling work during the year.

Gerry Lynch

Chair of the Committee

29 November 2023

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: Members can avail of a product called Death Benefit Plus. This allows them 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 covered 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 €1.35) 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.

DO WE HAVE YOUR I.D. AND ADDRESS VERIFICATION ?

Under the Criminal Justice (Money Laundering and Terrorist Financing) (Amendment) Act 2018, credit unions are obliged to capture photo ID and proof of address for all members, and to ensure that it is kept up to date.

Failure to provide this documentation may affect your ability to transact on your account and your account may be suspended.

Documentation to be provided:

Evidence of Current Address (dated within the last 6 months) – any one of the following:

- Recent documentation issued by the Revenue Commissioners/Government Department or Department of Social Protection.
- Recent Local Authority Document.
- Recent Bank/Building Society/ Credit Card Statement.
- Recent Utility Bill.
- Recent Health/Motor Insurance Certificate providing the letter is dated.

Photographic Identification – any one of the following:

- Current Driving Licence
- Current Passport
- National Identity Card

How can I provide the documentation?

By document upload (mobile app and online banking) or by dropping into any of our branches.

For further information on Credit Union services, please visit www.towercu.ie

Your Credit Union

Download our TowerCU App:



Download on the
App Store



GET IT ON
Google Play



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