



# Annual Report 2023


## **Accounts & Notice of AGM 2023**


**Date:**

Monday, December 18th 2023

**Venue:**

*Virtual Meeting @ 8pm*

 029-60426

 [info@newmarketcu.ie](mailto:info@newmarketcu.ie)

 [www.newmarketcu.ie](http://www.newmarketcu.ie)

## NOTICE OF VIRTUAL ANNUAL GENERAL MEETING

### NOTICE • NOTICE • NOTICE

Notice is hereby given that a **Virtual Annual General Meeting** of the members of Newmarket Credit Union Limited will take place on **Monday, 18th December 2023 at 8pm sharp.**

The AGM will be held online.

**The AGM will be held by virtual platform on ZOOM.**

**Further instructions are contained on page 1 of the attached Newmarket Credit Union AGM 2023 Report.**

In order to attend, you are required to register your intention to join the meeting, together with your name and member number, by email to

**agm@newmarketcu.ie** by 5pm on Friday, 15th December, 2023.

We wish to advise members that a generic email address (for example: info@emailaddress) will not be acceptable.

A link with your invitation, and details of how to attend will be sent in due course.



*Eileen Daly*

Eileen Daly,  
Honorary Secretary

## MEMBERS ARE REQUESTED TO ATTEND

### NOTICE OF ELECTIONS

Elections will be held to fill

- 3 Vacancies on the Board of Directors
- 1 Vacancy on the Board Oversight Committee
- Position of auditor

### SIGN UP FOR e-Statements

In Newmarket Credit Union we are committed to reducing our carbon footprint and are encouraging members to avail of e-statements, as an alternative to the traditional paper statement. By signing up to e-statements today, you will help to significantly reduce the volume of paper used in this credit union, which helps the environment and also saves your credit union money.

## Zoom Login Instructions

### Please note the following in relation to this Virtual AGM:

- The “Zoom” platform will be used to allow this virtual AGM – each member will be provided with their own unique access link - **do not** share this with others to allow you to be identified at the Virtual AGM.
- Members can email [agm@newmarketcu.ie](mailto:agm@newmarketcu.ie) to receive a registration link – if possible, use the email you have registered with Newmarket Credit Union for this. **Members should register by 5pm on Friday, 15th December, 2023, providing their name, member number and member email address.**
- You may have to provide proof of your identity/membership of the credit union including your membership number.
- Any voting will take place before the Virtual AGM - again this will be via a unique link that is not to be shared - **voting must be completed by 12 Noon on Monday, 18<sup>th</sup> December 2023.**
- Questions can be put forth via the “Q&A” function of Zoom during the AGM.

### USING ZOOM

Zoom has a very simple user interface and has become very familiar to the public since the Covid 19 pandemic.

Zoom ensures security as each registered member will be sent an individual link and settings will ensure each person can only access from one device. A passcode will be assigned for the meeting.

A video tutorial for all features of Zoom can be accessed at:

<https://support.zoom.us/hc/en-us/articles/201362193>

### ONLINE VOTING

To allow for the collation and counting, voting will take place before the Virtual AGM.

Each registered member will be sent a unique secure online link to allow them to vote. This will ensure a secure and accurate election result.

**Voting must be completed  
by 12 noon on  
Monday,  
18th December 2023**

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# THE YEAR AT A GLANCE - 2023

Grew membership by

**0.6%** to **5,764**

Member's Shares

**€43,956,146**

Member's  
Loans

**€10,845,121**

Total  
Assets

**€55,719,847**

Issued

520 Loans  
totalling

**€5,829,179**

Grew  
Online Users

by **6.5%**  
to **2,236**

## PROTECTION for MEMBERS



Providing free DBI insurance to eligible members, with €99,450 paid in insurance claims this year.

GREEN LOAN INTEREST RATE REDUCED AND PURPOSES EXTENDED TO PROMOTE GREEN INITIATIVES



**SUPPORTING OUR COMMUNITY THROUGH SPONSORSHIP, DONATIONS & BURSARIES**



## HERE for YOU



When you need it most. No loan is too small. 131 loans of €2,000 or less approved during the year.

## AGENDA

1. The acceptance by the Board of Directors of the authorised representatives of members that are not natural persons:
2. Ascertainment that a quorum is present
3. Adoption of standing orders;
4. Reading and approval (or correction) of the minutes of the last annual general meeting
5. Report of the Board of Directors
6. Consideration of accounts;
7. Report of the Auditor
8. Declaration of dividend and rebate of interest (if any); The following resolution will be proposed by the AGM. The dividend (if any) shall be reduced by the sum of €1 per adult member to cover Irish League of Credit Unions affiliation fees for the year 2023.
9. Report of the Credit Committee
10. Report of the Credit Control Committee
11. Report of the Board Oversight Committee
12. Report of the Nomination Committee
13. Report of the Strategic Planning Committee
14. Report of the Membership Committee
15. Appointment of Tellers
16. Election of Auditors
17. Election to fill vacancies on the Board Oversight Committee
18. Election to fill vacancies on the Board of Directors
19. Any other Business
20. Notice of amendments to Standard Rules

### **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.

## **21. Special Resolution re Establishment of Social Impact Reserve**

That this Annual General Meeting agrees to the establishment of a fund to be called “Social Impact Reserve Fund”, in accordance with Section 44 of the Credit Union Act 1997 (as amended) which allows for the setting up of a special fund for cultural, social, or charitable purposes, including community development; to be used in the future for sponsorship/ donations or similar payments to support initiatives, organisations, clubs and societies within the common bond of Newmarket Credit Union Limited, such amount of individual sponsorship/ donations/ similar payments to be determined by the Board of Directors of Newmarket Credit Union Limited on a case-by-case basis.

## **Special Resolution re Allocation of Monies to the Social Impact Reserve**

That this Annual General Meeting agrees to the allocation of €30,000 from our accumulated reserves to the Social Impact Reserve Fund in accordance with Section 44(4) of the Credit Union Act 1997 (as amended).

## **22. Announcement of Election Results**

## **23. Adjournment or Close of Meeting**

The members assembled at any Annual General Meeting may suspend the order of business upon a two-thirds vote of the members present at the meeting.



## STANDING ORDERS

### 1. Voting

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

Due to the fact that this year's AGM will be a virtual meeting, voting on motions and elections will be by electronic means.

Any voting will take place before the Virtual AGM – this will be via a unique link that is not to be shared – voting must be completed by **12 noon on Monday, 18th December 2023**.

### 2. Election Procedure

Elections to the Board of Directors, to the Board Oversight Committee and the position of Auditor shall be by majority vote and by secret ballot. Due to the fact that this year's AGM will be a virtual meeting, voting on motions and elections will be by electronic means.

3. Voting will take place before the virtual AGM – this will be via a unique link that is not to be shared – voting must be completed by **12 noon on Monday, 18th December 2023**. The results of the voting will be reviewed by the tellers and the results shall be announced by the chair.

### 4 - 5. Motions

4. This year's AGM will be held online. Members will be welcome to submit questions to the board in advance of the AGM. Questions can also be put forth via the "Q&A" function of Zoom during the AGM. The board will address these during the AGM, and same will be included in the minutes of the AGM. Attendees may be elevated to a participant and can then address the AGM and items may be proposed and seconded via the "Raise Hand" function in Zoom.

5. The Chairman's decision on any matter relating to these Standing Orders or interpretation of same shall be final.

### 6 - 10. MISCELLANEOUS

6. The Chairperson of the credit union shall be the Chairperson of any general meeting, except where he/she is not available, in which case it shall be the Vice-Chair, except where he/she is not available, in which case the Board shall decide amongst themselves who shall act as Chair of any meeting.

7. The Chairperson may at his/her discretion, extend the privilege of the floor to any person who is not a member.

8. Matters not covered by the Agenda may be introduced under 'Other Business' at the discretion of the Chairperson. At a virtual AGM in the current circumstances, this may not be practical, however, the option may be invoked if required.

9. The Chairperson shall have a second or casting vote in addition to his/her own vote on



matters other than voting at elections where there is an equality of votes (Standard Rule 99 (1)).

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 vote.

### 11. Suspension of Standing Orders

Any one of these Orders or all of these Standing Orders may be suspended on a motion to this effect receiving a two-thirds majority of those present and entitled to vote.

### 12. Alteration of Standing Orders

Standing Orders may be amended or altered at a general meeting and only if a motion to this effect has received a two-thirds majority of those present and voting.

### 13. Adjournments

Adjournments of the AGM shall take place only in accordance with section 81(1) and the provisions concerning notice, voting and quorum are also set out in section 81 (and the new section 80A inserted by the Finance (Miscellaneous Provisions) Act 2020).

### 14 The AGM will be recorded for the purpose of maintaining minutes.

## *Credit Union Invocation*

**L**ORD, make me an instrument of Thy peace

Where there is hatred, let me sow love;

where there is injury, pardon;

where there is doubt, faith;

where there is despair, hope;

where there is darkness, light;

and where there is sadness, joy.

**O** DIVINE MASTER, grant that I may

Not so much seek to be consoled as to console;

to be understood as to understand;

to be loved as to love;

for it is in giving that we receive'

it is in pardoning that we are pardoned,

and it is in dying that we are born to eternal life.

## Directors' Report for the financial year ended 30th. Sept. 2023

### CHAIRMAN'S ADDRESS

I would like on behalf of the Board of Directors and myself to extend a warm welcome to all of you to this, the 51st Annual General Meeting of Newmarket Credit Union Ltd. It has been a very busy and successful year for Newmarket Credit Union with a significant increase in member savings, loans to members and investment income. The credit union continues to serve the community in the not for profit, not charity but for service ethos of the credit union movement.

The priority of the Board of Directors of Newmarket Credit Union is to continue to ensure a safe, strong and secure credit union for our members into the future. In order to ensure the long-term viability of the credit union, we ask that you consider your local financial institution as your first option to meet your borrowing needs. A loan from Newmarket Credit Union is of huge benefit to the local community.

**Savings** - Total savings now stand at €43.96 million and Newmarket Credit Union has total assets of €55.72 million.

**Investments** - The past financial year yielded earned investment income of €665,509, which is an increase on the income of 2022/2023. The Credit Union continues to be guided by the best financial advice. There has been a recent change in the investment market, with an improvement in the returns for investments. Investments are always managed in a prudent and conservative manner.

**Loans** - Loans to members stood at €10.84 million which is a substantial increase on last year, this is despite the escalation in the cost of living, as the economy currently deals with many challenges. A Special Green Loan Rate is available to members as we continue to promote loans to benefit the environment.

Members continue to avail of the online loan application facility introduced last year, where you can apply for loans online using the Mobile App or through the Newmarket Credit Union website. This service enhances the loan process considerably, where members upload their required documents and submit them directly to the credit union. The financial landscape continues to change, with the continued closure of bank branches and a growing emphasis on online banking. I would encourage all members to consider Newmarket Credit Union when they are applying for a loan. The rates are very competitive and flexible. We encourage members to call to the credit union office to discuss your requirements with a member of staff or visit our website.

The provision for Bad and Doubtful Debts is €917,844. Arrears have reduced significantly, and we thank members for their efforts in this regard.

**Regulatory Reserve** - Our Regulatory Reserve stands at 12.74% of Total Assets, ahead of the legal requirement of 10% an indication of the continued strength of Newmarket Credit Union.

**Dividend** - This year the Board of Directors are recommending a dividend of 0.25%

which equates to €108,015. The dividend is subject to D.I.R.T. Tax and this will be deducted at source from members. There are still exemptions available to members aged over 65. I would urge all members who qualify to please complete the required forms which are available in Newmarket Credit Union.

**Challenges** - The year ahead will continue to present challenges. Ongoing issues include the cost of inflation, the effects of the tragic war in Ukraine, the continuing impact of Brexit and the costs associated with compliance and regulatory fees and levies. Newmarket Credit Union, however, remains in a strong position with substantial reserves, as a result of our prudence over the years. Our 3-year Strategic Business Plan (2023-2025) is constantly under review and this will guide and help the credit union remain on target. Emphasis will remain on the growth of the loan book, an integral source of income for Newmarket Credit Union. The credit union is very much reliant on loan income and, again, we would encourage you to choose Newmarket Credit Union for your borrowing needs.

**Amalgamation** - The challenges outlined above are common across the credit union sector. Some smaller credit unions have opted to amalgamate with larger credit unions, to enable them to continue to provide a service to their membership. The Board of Newmarket Credit Union is not averse to such amalgamation, provided of course, that it would be in the best interest of the Credit Union and its membership.

**Member Services** - I would recommend that members avail of the credit union's online banking services, which are extremely beneficial. Online services continue to be upgraded, the online loan application function is a significant service available for members' convenience. Members can avail of the Mobile Phone App which has also been enhanced with the loan application functionality, along with enabling members to view balances online, transfer funds between accounts or transfer funds externally to a bank account. Members can also make lodgements to their specific credit union accounts by setting up a Standing Order.

**Combatting Climate Change** - I would strongly encourage members to 'sign-up' to get their annual reports and statements online, this will result in better efficiencies and large savings for the Credit Union in terms of photocopying costs, postage and administrative costs, as well as the knock-on effect of reduced carbon footprint and environmental benefits. The current strategic plan clearly sets out the board's commitment to reducing carbon emissions. We would encourage all members to play your part in the global efforts to combat climate change. A "Green Loan" with a reduced loan interest rate is available for green purposes, for example electric/ hybrid car or certain home improvements.

Marketing in conjunction with Clear Direction Sales & Marketing Solutions Ltd continues to enhance the presence and profile of Newmarket Credit Union on Facebook and Instagram. We would ask all our members to "follow" our social media pages.

We are constantly looking for volunteers who have a contribution to make to their credit union and to their community. Volunteers serve on committees and on the Board. If you are interested, please contact a member of the Board or a staff member.

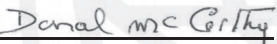
I would like to thank my fellow directors, the Board Oversight Committee and the other

committees for their excellent contribution and efforts during the year. On behalf of the Board, I would also like to thank the manager and staff for their work and commitment during the year.

I would like to thank, on behalf of the Board and all the officers of Newmarket Credit Union, Maura Murphy and Kay McAuliffe who have decided to step down from their roles as directors and thank them for their years of service to the Board. Also, Oonagh Cooke and Martina O'Connor who stepped down from their respective roles after many years of much appreciated service and invaluable input to the credit union and wish them well in their new careers. I would also like to welcome Georgina McNamara and Caroline O'Carroll who joined the team during the year.

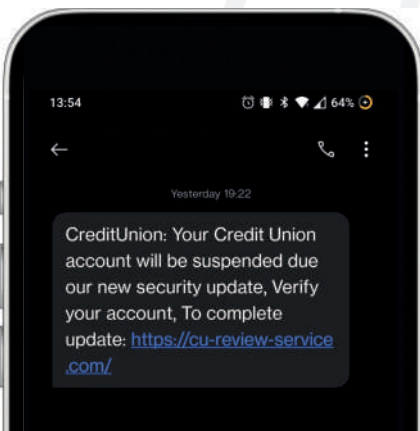
To the families of our members who have died during the year I wish to express our sincere sympathy on your loss. We especially remember former director, Nancy Greaney, who gave many years of great service to the credit union. We also wish a speedy recovery to any member who is ill at present.

Finally, I would like to thank you, the members, for your loyalty to the credit union during the year.

  
Donal McCarthy, Chairman

## Fraud Warning

**There has been a significant increase in scam texts where fraudsters send text messages to random mobile phones, claiming to come from a reputable organisation such as your Credit Union, Bank, or a service provider e.g., a mobile phone company.**



**Your Credit Union will NEVER send you a SMS with a link requesting you to disclose personal details or share PINs/Passwords for your debit card or online banking. Please delete these messages straight away.**

**If you believe you have been victim of these 'Fake Messages' or if you have any concerns regarding your Credit Union Account, please contact Newmarket Credit Union at 029 60426.**

## DIRECTORS AND OTHER INFORMATION

### Directors:

Donal McCarthy	Chairman
Conor Fitzpatrick	Vice Chairman
Eileen Daly	Secretary
Con O'Shea	
Ellen Feehan	
Joan Ann Brosnan	
Liam Moynihan	
Maura Murphy	
Kay McAuliffe	
Maire Moynihan	
Richard Allen	

### Board Oversight Committee Members

Denis O'Leary	Chairman
Margaret Clarke	Secretary
Jeremiah (Derry) Drew	

### Staff

Dorothy Barret	Manager
Conor O'Sullivan	Assistant Manager
Sheila O'Sullivan	
Jackie King	
Catherine Cashin	
Darren Murphy	
Georgina McNamara	
Caroline O'Carroll	

### Volunteers:

Philip O'Connor  
John Buckley  
Micheál Angland  
Margaret O'Callaghan  
Jerry Fitzgerald  
Tim Galvin  
Mary Ahern  
Richard Page  
Catherine Culloty  
Brian Barry

### Auditor:

**BKK** Statutory Audit Firm  
Heritage Business Park,  
Bessboro Road, Blackrock, Cork

### Business Address:

Church Street,  
Newmarket,  
Co. Cork,  
Ireland

### Bankers:

**AIB Bank**  
35 Strand Street  
Kanturk, Co. Cork, Ireland

### Danske Bank (Ireland)

International House,  
3 Harbourmaster Place,  
I.F.S.C., Dublin

## DIRECTOR'S REPORT for the financial year ended 30 September 2023

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

**Principal Activity:** The principal activity of the business continues to be the operation of a credit union.

**Authorisation:** The credit union is authorised as follows:

- Entitled under the European Union (Payment Services) Regulations 2018 to provide payment services.

**Business Review:** The Directors are satisfied with the results for the year and the year-end financial position of the credit union. The Directors expect to develop and expand the credit union's current activities and they are confident of its ability to continue to operate successfully in the future.

### **Dividends and Loan Interest Rebates:**

The surplus for the financial year is set out in the income and expenditure account. The Board of Directors are proposing a dividend in respect of the year ended 30th September 2023 of €108,015 (0.25%).

### **Principal Risks and Uncertainties:**

The principal risks and uncertainties faced by the credit union are:

**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. In order to manage this risk, the Board of Directors regularly reviews and approves the credit unions' Loans Policy. All loan

applications are assessed with reference to the Loans Policy in force at the time. Subsequently, loans are regularly reviewed for any factors that may indicate that the likelihood of repayment has changed.

**Lack of Loan Demand:** Lending is the principal activity of the credit union and the credit union is reliant on it for generating income to cover costs and generate a surplus. The credit union provides lending products to its Members and promotes these products through various marketing initiatives.

**Market Risk:** Market Risk is the risk that the value of the investment will decrease. This risk can arise from fluctuations in the value of, or income from, assets or changes in interest rates. The Board of Directors regularly reviews and approves the credit union's investment policy and funds are invested in compliance with this policy and regulatory guidance.

**Liquidity Risk:** Liquidity Risk is the risk that the credit union will not have sufficient cash resources to meet day to day running costs and repay members' savings when demanded. The credit union's policy is to maintain sufficient funds in liquid form at all times to ensure that it can meet its liabilities as they fall due.

**Operational Risk:** Operational Risk is the risk of loss resulting from inadequate or failed processes or systems of the credit union, any failure by persons connected

## DIRECTOR'S REPORT (CONT.) for the financial year ended 30 September 2023

with the credit union or from external events. The operational risk is managed through the employment of suitably qualified staff to ensure appropriate processes, procedures and systems are implemented and are further supported with a robust reporting structure.

**Accounting Records:** The Directors believe that they comply with the requirements of Section 108 of the Credit Union Act, 1997 (as amended) with regard to books of account by employing accounting personnel with appropriate expertise and by providing adequate

resources to the financial function. The books of account of the credit union are maintained at the credit union's premises at Church Street, Newmarket, Co. Cork.

### Events after the End of the Financial Year

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

**Auditors:** In accordance with Section 115 of the Credit Union Act 1997 (as amended), the auditors, BKK, offer themselves for re-election.

This report was approved by the Board on 10th November 2023 and signed on its behalf by:



Donal McCarthy

**Chairperson of the Board of Directors**  
10th November 2023



Eileen Daly

**Member of the Board of Directors**  
10th November 2023



## STATEMENT OF DIRECTORS' RESPONSIBILITIES for the financial year ended 30 September 2023

### Statement of Directors' Responsibilities

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

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

The directors confirm that they have complied with the above requirements in preparing the financial statements. The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Credit Union and enable them to ensure that the financial statements are prepared in accordance with applicable Irish law and Generally Accepted Accounting Practice in Ireland, including the standards issued by the Financial Reporting Council, and in particular FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". They are responsible for safeguarding the assets of the Credit Union and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Member of the Board of Directors: Donal mcCarthy (Donal McCarthy)

Member of the Board of Directors: Eileen Daly (Eileen Daly)

Date: 10th November 2023

### Statement of Board Oversight Committee's Responsibilities

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

### Approved on behalf of the Board Oversight Committee

Member of the Board Oversight Committee:

Doris O'Leary

Member of the Board Oversight Committee:

Margie Clarke

Date: 10th November 2023

## **INDEPENDENT AUDITORS' REPORT to the Members of Newmarket Credit Union Limited**

### **Report on the audit of the financial statements**

#### **Opinion**

We have audited the financial statements of Newmarket Credit Union Limited for the financial year ended 30 September 2023 which comprise the Income & Expenditure Account, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including the summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is Irish law including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued in the United Kingdom by the Financial Reporting Council and the Credit Union Acts 1997, (as amended).

In our opinion the financial statements:

- give a true and fair view of the state of the assets, liabilities, and financial position of the Credit Union as at 30 September 2023 and of its surplus for the financial year then ended;
- have been properly prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been properly prepared in accordance with the requirements of the Credit Union Acts 1997, (as amended).

#### **Emphasis of Matter - BlackBee Investments Limited (In Liquidation)**

As detailed in Note 25 to the financial statements, Newmarket Credit Union Limited made an investment in 2018 with BlackBee Investments Limited (In Liquidation), who went into liquidation during 2023 before the investment matured. The exact recoverable amount is uncertain.

Our opinion is not modified with respect to that matter.

#### **Basis for opinion**

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

we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Conclusions relating to going concern**

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Credit Union's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

## **Other Information**

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Opinions on other matters prescribed by the Credit Union Act 1997, (as amended)**

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

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

## **Respective responsibilities**

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

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

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

## **Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at:

[www.iaasa.ie/wp-content/uploads/2022/10/Description\\_of\\_auditors\\_responsibilities\\_for\\_audit.pdf](http://www.iaasa.ie/wp-content/uploads/2022/10/Description_of_auditors_responsibilities_for_audit.pdf).

The description forms part of our Auditor's Report.

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

Our report is made solely to the Credit Union's members, as a body, in accordance with section 120 of the Credit Union Acts 1997, (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.

## **BKK**

Chartered Accountants and Statutory Audit Firm  
Heritage Business Park,  
Bessboro Road,  
Blackrock,  
Cork  
T12P1HX  
Ireland

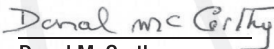
Date: 10th November 2023

**INCOME & EXPENDITURE ACCOUNT**  
for the financial year ended 30 September 2023

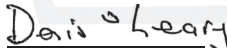
	Notes	2023 €	2022 €
<b>INCOME</b>			
Interest on members' loans	4	638,801	551,003
Other interest income and similar income	5	665,509	391,921
Net interest income		1,304,310	942,924
Other income	7	4,688	218,419
<b>Total Income</b>		<b>1,308,998</b>	<b>1,161,343</b>
<b>Expenditure</b>			
Employment costs	8	316,367	280,829
Other management expenses (Schedule 4)		660,520	627,926
Depreciation		31,710	31,658
Net (recoveries) or losses on loans to members	12.4	15,723	(16,637)
<b>Total expenditure</b>		<b>1,024,320</b>	<b>923,776</b>
Surplus of income over expenditure		284,678	237,567
Other comprehensive income		-	-
<b>Total comprehensive income</b>		<b>284,678</b>	<b>237,567</b>

The financial statements were approved and authorised for issue, by the Board of the Directors on 10 November 2023 and signed on its behalf by:

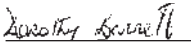
Member of Board of Directors

  
Donal McCarthy

Member of the Board Oversight Committee

  
Denis O'Leary

Manager

  
Dorothy Barrett

Date: 10 November 2023

**BALANCE SHEET**  
for the financial year ended 30 September 2023

	Notes	2023 €	2022 €
<b>ASSETS</b>			
Cash and cash equivalents	10	137,514	590,448
Property, plant and equipment	11	309,454	340,186
Loans to members	12	10,845,121	8,677,643
Provision for bad debts	12	(917,844)	(819,172)
Prepayments and other debtors	13	1,056,876	43,210
Accrued income	13	16,593	14,178
Deposits and investments - Cash Equivalents	14	8,347,395	6,518,121
Deposits and investments - Other	14	35,924,738	38,307,327
<b>Total Assets</b>		<b>55,719,847</b>	<b>53,671,941</b>
<b>LIABILITIES</b>			
Members' shares	15	43,956,146	42,311,594
Money Management Accounts	16	9,876	9,912
Bank overdraft		117,146	-
Trade creditors and accruals	17	184,883	187,916
Other creditors	17	19,211	14,612
<b>Total Liabilities</b>		<b>44,287,262</b>	<b>42,524,034</b>
<b>Net Assets</b>		<b>11,432,585</b>	<b>11,147,907</b>
<b>MEMBERS' RESOURCES</b>			
Regulatory reserve	18	7,099,890	7,022,707
Dividend reserve	18	441,597	333,582
Operational risk reserve		445,759	433,882
Marketing reserve		50,000	50,000
Climate change reserve		70,000	70,000
Social impact reserve		30,000	30,000
Other reserves – Realised		3,160,843	3,160,843
Other reserves - Unrealised		134,496	46,893
<b>Total Members' Resources</b>		<b>11,432,585</b>	<b>11,147,907</b>

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

Member of Board of Directors

Donal m c Carthy  
Donal McCarthy

Member of the Board Oversight Committee

Denis O'Leary  
Denis O'Leary

Manager

Dorothy Barrett  
Dorothy Barrett

Date: 10 November 2023

**STATEMENT OF CHANGES IN EQUITY**  
**for the financial year ended 30 September 2023**

	Regulatory reserve	Dividend reserve	Other reserves	Unrealised income reserve	Marketing reserve	Climate change reserve	Social impact reserve	Operational Risk reserve	Total
	€	€	€	€	€	€	€	€	€
At 1 October 2021	7,022,707	333,582	3,033,097	37,072	50,000	-	-	433,882	10,910,340
Surplus allocation in financial year	-	-	-	9,821	27,716	70,000	30,000	-	137,537
Other movement in reserves	-	-	127,746	-	(27,716)	-	-	-	100,030
At 30 September 2022	7,022,707	333,582	3,160,843	46,893	50,000	70,000	30,000	433,882	11,147,907
At 1 October 2022	7,022,707	333,582	3,160,843	46,893	50,000	70,000	30,000	433,882	11,147,907
Surplus allocation in financial year	77,183	108,015	-	87,603	25,805	-	-	11,877	310,483
Other movement in reserves	-	-	-	-	(25,805)	-	-	-	(25,805)
At 30 September 2023	7,099,890	441,597	3,160,843	134,496	50,000	70,000	30,000	445,759	11,432,585

28

The Regulatory Reserve of the Credit Union as a % of the total assets as at 30th September 2023 was 12.74% which is more than the Credit Union's Regulatory Reserve requirement of 10%.

In accordance with section 45 of the Credit Union Act 1997 (as amended), Newmarket Credit Union Limited put in place an Operational Risk Reserve. The board has approved a transfer of €11,877 for the year ended 30 September 2023. The reserve as a % of the total assets of the credit union as at 30 September 2023 was 0.8% (2022: 0.808%).

At 30 September 2022, the credit union specific Marketing Reserve amounted to €50,000 which may be used in future years for the payment of marketing costs. During the year ended 30 September 2023, the credit union spent €25,805 and therefore a transfer in this amount was made from the Marketing Reserve to General Reserves, the credit union decided to increase the Marketing Reserve to €50,000 with a transfer of €25,805 to the Reserve for future costs.

At 30 September 2022, the credit union transferred €70,000 to a Climate Change Reserve and €30,000 to a Social Impact Reserve for use in future years. These reserves remain at €70,000 and €30,000 respectively at 30 September 2023.

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

*Donal mac Carthy*

Member of the Board of Directors

Date: 10 November, 2023

*Denis Leahy*

Member of the Board Oversight Committee

*Aisling Sweet*

Manager



**CASH FLOW STATEMENT**  
for the financial year ended 30 September 2023

	2023	2022
	€	€
<b>Opening cash and cash equivalents</b>	<b>7,108,569</b>	<b>5,194,358</b>
<b>Cash flows from operating activities</b>		
Loans repaid	3,659,991	3,923,046
Loans granted	(5,829,179)	(4,157,810)
Loan interest income	636,386	552,384
Investment income	665,509	391,921
Other income received	4,688	218,419
Bad debts recovered	84,659	69,150
Operating expenses	(976,887)	(908,755)
Movement in other assets	(1,013,666)	524
Movement in other liabilities	1,566	28,072
<b>Net cash (used in)/generated from operating activities</b>	<b>(2,766,933)</b>	<b>116,951</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(978)	(12,197)
Net cash flow from other investing activities	2,382,589	2,596,520
<b>Net cash generated from investing activities</b>	<b>2,381,611</b>	<b>2,584,323</b>
<b>Cash flows from financing activities</b>		
Members' shares received	19,393,089	15,855,512
Members' shares withdrawn	(17,748,537)	(16,642,517)
Members' deposits withdrawn	(36)	(58)
<b>Net cash (used in)/generated from financing activities</b>	<b>1,644,516</b>	<b>(787,063)</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,259,194</b>	<b>1,914,211</b>
<b>Cash and cash equivalents at end of financial year</b> 10	<b>8,367,763</b>	<b>7,108,569</b>

## NOTES TO THE FINANCIAL STATEMENTS

### for the financial year ended 30 September 2023

#### 1 LEGAL AND REGULATORY FRAMEWORK

Newmarket Credit Union Limited is established under the Credit Union Act 1997, (as amended). The Credit Union is registered with the Registrar of Credit Unions and is regulated by the Central Bank of Ireland. The registered office of business is Church Street, Newmarket, Co. Cork.

#### 2 ACCOUNTING POLICIES

The following principal accounting policies have been applied;

##### **Statement of compliance and basis of preparation**

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

##### **Currency**

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

##### **Going Concern**

After reviewing the Credit Union’s projections, the directors have reasonable expectation that the Credit Union has adequate resources to continue in operational existence for the foreseeable future. The Credit Union therefore continues to adopt the going concern basis in preparing its financial statements. The directors of Newmarket Credit Union Limited believe this is appropriate as the Credit Union:

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

##### **Income recognition**

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

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

Interest on Members’ Loans is recognised using the effective interest rate method, and is calculated and accrued on a daily basis.

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

Investment income is recognised on an accruals basis, using the effective interest rate method.

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

Investment income is recognised on an accruals basis.

## NOTES TO THE FINANCIAL STATEMENTS

### for the financial year ended 30 September 2023 (Contd.)

#### Taxation

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

#### Investments

##### Held at amortised cost

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

##### Central Bank deposits

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

##### Investments at fair value

Investments that are not regarded as basic are measured at market value.

#### Property, plant and equipment and depreciation

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

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

Land and buildings freehold	2% Straight line
Fixtures, fittings and equipment	12.5% Straight line
Computer equipment	25% Straight line

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

#### Impairment of tangible fixed assets

At each reporting end date, the Credit Union reviews the carrying value of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If

## NOTES TO THE FINANCIAL STATEMENTS

### for the financial year ended 30 September 2023 (Contd.)

any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Credit Union estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

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

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

#### **Cash and cash equivalents**

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

#### **Basic financial assets**

##### **Loans to members**

Loans are financial assets with fixed or determinable payments. Loans are recognised when cash is advanced to members and measured at amortised cost using the effective interest method.

##### **Other Debtors**

Other receivables are initially measured at transaction price including transaction costs and are subsequently measured at amortised cost using the effective interest method.

##### **De-recognition of financial assets**

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

## **NOTES TO THE FINANCIAL STATEMENTS**

### **for the financial year ended 30 September 2023 (Contd.)**

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

#### **Bad debt provision**

The credit union assesses if there is objective evidence that any of its loans are impaired with due consideration of environmental factors.

The loans are assessed collectively in groups that share similar risk characteristics. In addition, if there is objective evidence that any individual loan is impaired, a specific loss will be recognised. Bad debts provisioning is monitored by the credit union, and the credit union assesses and approves its provisions and the adequacy of same on a regular basis.

Any bad debts/impairment losses are recognised in the Income and Expenditure account.

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

The impairment reversal is recognised in the Income and Expenditure account.

#### **Basic financial liabilities**

##### **Members Shares**

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

##### **Other creditors**

Short-term other liabilities, creditors and accruals are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Other payables are measured at transaction price.

##### **De-recognition of financial liability**

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

#### **Holiday pay**

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

## **NOTES TO THE FINANCIAL STATEMENTS**

### **for the financial year ended 30 September 2023 (Contd.)**

#### **Pensions**

The Credit Union operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the Credit Union, in independent administered funds. Employer contributions payable to the Credit Union's pension scheme are charged to the Income and Expenditure Account in the period to which they relate.

#### **Distribution**

Newmarket Credit Union Limited's policy is to pay a reasonable rate of dividend and loan interest rebate subject to covering operating expenses and meeting reserve requirements as set out in the Credit Union's Reserve Management Policy. Dividends and loan interest rebates are made from current year's surplus or the dividend reserves set aside for that purpose.

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

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

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

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

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

#### **Reserves**

##### ***Regulatory reserve***

The Credit Union is required to establish and maintain a minimum Regulatory reserve of at least 10% of the assets of the Credit Union in accordance with the Credit Union Act 1997 (Regulatory Requirements) Regulations 2016. This reserve is to be perpetual in nature, freely available to absorb losses, realised financial reserves that are unrestricted and non-distributable.

##### ***Operational risk reserve***

Section 45(5)(a) of the Credit Union Acts 1997, (as amended) requires each credit union to maintain an additional reserve that it has assessed is required for operational risk having regard to the nature, scale and complexity of the credit union. Credit Unions are required to maintain a minimum operational risk reserve having due regard for the sophistication of the business model. The directors have considered the requirements of the Act and have considered an approach to the calculation of the operational risk reserve. Newmarket Credit Union Limited will hold an operational risk reserve which will at a minimum equal .8% of the total assets of the credit union.

## NOTES TO THE FINANCIAL STATEMENTS for the financial year ended 30 September 2023 (Contd.)

### ***Other reserves***

Other Reserves is the cumulative surplus that has not been allocated to any other reserve.

### ***Dividend reserve***

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

### ***General Reserve***

General reserve is the accumulated surpluses to date that have not been declared as dividends or loan interest rebate returnable to members or set aside to the Regulatory, Operational Risk or Other reserves.

### ***Unrealised Income Reserve***

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

### ***Marketing Reserve***

Newmarket Credit Union Limited have allocated surplus to marketing reserve to be used against payment of future marketing costs.

### ***Climate Change Reserve***

Newmarket Credit Union Limited have allocated surplus to climate change reserve to be used in the future for the payment of costs associated with, but not limited to, energy conservation upgrades/installations to the credit union offices.

### ***Social Impact Reserve***

Newmarket Credit Union Limited have allocated surplus to social impact reserve to be used in the future for sponsorship / donations or similar payments to support organisations, clubs and societies within the common bond of Newmarket Credit Union Limited, such amount of individual sponsorship / donation/ similar payment to be determined by the Board of Directors of Newmarket Credit Union Limited.

### **3 CRITICAL ACCOUNTING JUDGEMENT AND ESTIMATES**

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



## Bad debts provisions

The Credit Union's accounting policy for impairment of loans is set out in accounting policy in Note 2. The estimation of loan losses is inherently uncertain and depends upon many factors, including loan loss trends, credit risk characteristics in loan classes, local and international economic climates, conditions in various sectors of the economy to which the Credit Union is exposed, and, other external factors such as legal and regulatory requirements.

The provision for bad debts in the financial statements was €917,844 (2022: €819,172) representing 8.46% of the gross loan book (2022: 9.44%).

## Operational risk reserve

The directors have considered the requirements of the Credit Union Act, 1997 (as amended) and have considered an approach to the calculation of the operational risk reserve. Newmarket Credit Union Limited calculates its minimum operational risk reserve at .8% of its Total Assets (2022: .808%).

The operational risk reserve of the credit union at the year-end was €445,759 (2022 - €433,882).

## Adoption of the going concern basis for financial statements preparation

The directors have prepared projections and cash flows for a period of at least twelve months from the date of approval of the financial statements which demonstrate that there is no material uncertainty regarding the credit union's ability to meet its liabilities as they fall due, and to continue as a going concern. On this basis, the directors consider it appropriate to prepare the financial statements on a going concern basis. Accordingly, these financial statements do not include any adjustments to the carrying amounts and classification of assets and liabilities that may arise if the credit union was unable to continue as a going concern.

### 4. INTEREST ON MEMBERS' LOANS

	2023	2022
	€	€
Closing accrued interest receivable	16,593	14,178
Loan interest received in financial year	636,386	552,384
Opening accrued loan interest receivable	(14,178)	(15,559)
	638,801	551,003

### 5. OTHER INTEREST INCOME AND SIMILAR INCOME

	2023	2022
	€	€
Investment income receivable after 12 months	87,603	9,821
Other interest	577,906	382,100
	665,509	391,921

### 6. INTEREST PAYABLE AND DIVIDENDS

At the financial year-end the directors have allocated the amount of €441,597 to the Distribution Reserve which may be returned to the members by way of dividend and a loan interest rebate by

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the financial year ended 30 September 2023 (Contd.)**

way of resolution by a majority of the members at the annual general meeting. The proposed distribution is €108,015 for 2023 (2022: Nil).

<b>7. OTHER INCOME</b>	<b>2023</b>	<b>2022</b>
	€	€
Foreign exchange commission	4,688	4,529
E.C.C.U. claims experience refund fees	-	8,663
SPS credit	-	205,227
	<u>4,688</u>	<u>218,419</u>

**8. EMPLOYEES AND REMUNERATION**

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

	<b>2023</b>	<b>2022</b>
	Number	Number
Manager	1	1
Other Staff	7	6
	<u>8</u>	<u>7</u>

The staff costs comprise:

	<b>2023</b>	<b>2022</b>
	€	€
Wages and salaries	304,514	268,240
Pension costs	11,853	12,589
	<u>316,367</u>	<u>280,829</u>

**9. KEY MANAGEMENT PERSONNEL**

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

	<b>2023</b>	<b>2022</b>
	€	€
Short term employee benefits	158,005	158,379
Payments to pension scheme	9,775	9,522
	<u>167,780</u>	<u>167,901</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
for the financial year ended 30 September 2023 (Contd.)

**10. CASH AND CASH EQUIVALENTS**

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

	<b>2023</b>	<b>2022</b>
	€	€
Cash and bank balances	137,514	590,448
Bank overdrafts	(117,146)	-
Deposits and investments	8,347,395	6,518,121
	<u>8,367,763</u>	<u>7,108,569</u>

**11. PROPERTY, PLANT AND EQUIPMENT**

	Land and buildings freehold	Fixtures, fittings and equipment	Computer equipment	Total
	€	€	€	€
Cost				
At 1 October 2022	579,152	110,894	287,593	977,639
Additions	-	-	978	978
At 30 September 2023	<u>579,152</u>	<u>110,894</u>	<u>288,571</u>	<u>978,617</u>
Depreciation				
At 1 October 2022	281,929	103,517	252,007	637,453
Charge for the financial year	10,784	1,701	19,225	31,710
At 30 September 2023	<u>292,713</u>	<u>105,218</u>	<u>271,232</u>	<u>669,163</u>
Net book value				
At 30 September 2023	<u>286,439</u>	<u>5,676</u>	<u>17,339</u>	<u>309,454</u>
At 30 September 2022	<u>297,223</u>	<u>7,377</u>	<u>35,586</u>	<u>340,186</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
for the financial year ended 30 September 2023 (Contd.)

**12. LOANS TO MEMBERS - FINANCIAL ASSETS**

**12.1 LOANS TO MEMBERS**

		<b>2023</b>	<b>2022</b>
		€	€
As at 1 October		8,677,643	8,459,399
Advanced during the financial year		5,829,179	4,157,810
Repaid during the financial year		(3,659,991)	(3,923,046)
Loans written off		(1,710)	(16,520)
		<hr/>	<hr/>
Gross loans to members	12.2	10,845,121	8,677,643
		<hr/>	<hr/>
Impairment allowances			
The provision for bad debts is analysed as follows;			
Individually significant loans		(82,943)	(53,809)
Collectively assessed loans		(834,901)	(765,363)
		<hr/>	<hr/>
Loan provision	12.3	(917,844 )	(819,172)
		<hr/>	<hr/>
As at 30 September	12.2	9,927,277	7,858,471
		<hr/>	<hr/>

**12.2 CREDIT RISK DISCLOSURES**

The credit union complies with Regulations 12 & 13 of the Credit Union Act (Regulatory Requirements) Regulations 2016 (as amended). This regulation:

- (i) restricts the concentration of lending by the credit union within certain sectors or to connected persons or groups (concentration limits);
- (ii) restricts the absolute amount of lending to certain sectors to a set percentage of the regulatory reserve (large exposure limit);
- (iii) restricts the loan duration of certain loans to specified limits (maturity limits)
- (iv) required specified lending practices to be in place where loans are made to certain sectors such as commercial loans, community loans or loans to another credit union.

The carrying amount of the loans to members represents Newmarket Credit Union Limited's maximum exposure to credit risk. The following table provides information on the credit quality of loan repayments.

Where loans are not impaired it is expected that the amounts repayable will be received in full.

**NOTES TO THE FINANCIAL STATEMENTS**  
for the financial year ended 30 September 2023 (Contd.)

	2023	2023	2022	2022
	€	%	€	%
<b>Gross loans not impaired</b>				
Not past due	618,331	5.70	553,280	6.37
<b>Gross loans individually impaired</b>				
Not past due	83,232	0.77	13,485	0.16
Up to 9 weeks past due	-	-	2,584	0.03
Between 10 and 18 weeks past due	-	-	7,511	0.09
Between 19 and 26 weeks past due	21,015	0.19	18,896	0.22
Between 27 and 39 weeks past due	18,291	0.18	-	-
Between 40 and 52 weeks past due	15,619	0.14	-	-
53 or more weeks past due	34,048	0.31	41,167	0.47
<b>Total</b>	<b>172,205</b>	<b>1.59</b>	<b>83,643</b>	<b>0.97</b>
<b>Gross loans collectively impaired</b>				
Not past due	10,015,411	92.35	7,963,038	91.76
Up to 9 weeks past due	38,104	0.35	77,682	0.90
53 or more weeks past due	1,070	0.01	-	-
<b>Total</b>	<b>10,054,585</b>	<b>92.71</b>	<b>8,040,720</b>	<b>92.66</b>
<b>Total gross loans</b>	<b>10,845,121</b>	<b>100.00</b>	<b>8,677,643</b>	<b>100.00</b>
<b>Impairment allowance</b>				
Individually significant loans	(82,943)		(53,809)	
Collectively assessed loans	(834,901)		(765,363)	
<b>Total carrying value</b>	<b>9,927,277</b>		<b>7,858,471</b>	

**12.3 LOAN PROVISION ACCOUNT FOR IMPAIRMENT LOSSES**

	2023	2022
	€	€
As at 1 October	819,172	783,179
Allowances reversed during the financial year	98,672	35,993
Increase in loan provision during the financial year	98,672	35,993
As at 30 September	917,844	819,172

**NOTES TO THE FINANCIAL STATEMENTS**  
for the financial year ended 30 September 2023 (Contd.)

**12.4 NET RECOVERIES OR LOSSES RECOGNISED FOR THE FINANCIAL YEAR**

	<b>2023</b>	<b>2022</b>
	€	€
Bad debts recovered	(84,659)	(69,150)
Reduction	98,672	35,993
	<hr/>	<hr/>
Loans written off	14,013	(33,157)
	1,710	16,520
	<hr/>	<hr/>
Net (recoveries)/losses on loans to members recognised for the financial year	15,723	(16,637)

**12.5 ANALYSIS OF GROSS LOANS OUTSTANDING**

	<b>2023</b>	<b>2023</b>	<b>2022</b>	<b>2022</b>
	Number of loans	€	Number of loans	€
Less than one year	110	159,609	104	155,907
Greater than 1 year and less than 3 years	320	1,898,765	292	1,547,112
Greater than 3 years and less than 5 years	350	4,190,240	303	3,266,782
Greater than 5 years and less than 10 years	134	4,596,507	127	3,707,842
	<hr/>	<hr/>	<hr/>	<hr/>
	914	10,845,121	826	8,677,643

**13. DEBTORS, PREPAYMENTS AND ACCRUED INCOME**

	<b>2023</b>	<b>2022</b>
	€	€
Prepayments	50,209	43,210
Other debtors	1,006,667	-
Accrued income	16,593	14,178
	<hr/>	<hr/>
	1,073,469	57,388

Other debtors of €1,006,667 relates to BlackBee Investments Limited (In Liquidation) Protected Note 8 Investment which matured on 12 June 2023 and is being held on deposit in Citibank, N.A London where Joint Official Liquidators control BlackBee Investments Limited (In Liquidation) bank account.

**14. DEPOSITS AND INVESTMENTS**

	<b>2023</b>	<b>2022</b>
	€	€
<b>Deposits and investments - cash equivalents</b>		
Accounts in authorised credit institutions - cash equivalents	8,347,395	6,518,121
	<hr/>	<hr/>

**NOTES TO THE FINANCIAL STATEMENTS**  
for the financial year ended 30 September 2023(Contd.)

	<b>2023</b>	<b>2022</b>
	€	€
<b>Deposits and investments - other</b>		
Accounts in authorised credit institutions - other	17,088,713	22,123,600
Irish and EEA state securities	2,488,799	2,991,911
Bank bonds	15,814,630	10,667,584
Central Bank deposits	532,596	2,524,232
	<hr/>	<hr/>
Total deposits and investments - other	<b>35,924,738</b>	<b>38,307,327</b>

**15. MEMBERS' SHARES - FINANCIAL LIABILITIES**

	<b>2023</b>	<b>2022</b>
	€	€
As at 1 October	42,311,594	43,098,599
Received during the financial year	19,393,089	15,855,512
Repaid during the financial year	(17,748,537)	(16,642,517)
	<hr/>	<hr/>
As at 30 September	<b>43,956,146</b>	<b>42,311,594</b>

**16. MONEY MANAGEMENT ACCOUNTS**

	<b>2023</b>	<b>2022</b>
	€	€
As at 1 October	9,912	9,970
Repaid during the financial year	(36)	(58)
	<hr/>	<hr/>
As at 30 September	<b>9,876</b>	<b>9,912</b>

**17. OTHER CREDITORS AND ACCRUALS**

	<b>2023</b>	<b>2022</b>
	€	€
PAYE/PRSI	19,211	14,612
Trade creditors	49,644	46,584
Accruals	135,239	141,332
	<hr/>	<hr/>
	<b>204,094</b>	<b>202,528</b>



**NOTES TO THE FINANCIAL STATEMENTS**  
for the financial year ended 30 September 2023 (Contd.)

**18. CREDIT UNION RESERVES**

	Regulatory reserve	Dividend reserve	Other reserves	Unrealised income reserve	Marketing reserve	Climate change reserve	Social impact reserve	Operational Risk reserve	Total
	€	€	€	€	€	€	€	€	€
At 1 October 2021	7,022,707	333,582	3,033,097	37,072	50,000	-	-	433,882	10,910,340
Surplus allocation in financial year	-	-	-	9,821	27,716	70,000	30,000	-	137,537
Other movement in reserves	-	-	127,746	-	(27,716)	-	-	-	100,030
At 30 September 2022	<u>7,022,707</u>	<u>333,582</u>	<u>3,160,843</u>	<u>46,893</u>	<u>50,000</u>	<u>70,000</u>	<u>30,000</u>	<u>433,882</u>	<u>11,147,907</u>
At 1 October 2022	7,022,707	333,582	3,160,843	46,893	50,000	70,000	30,000	433,882	11,147,907
Surplus allocation in financial year	77,183	108,015	-	87,603	25,805	-	-	11,877	310,483
Other movement in reserves	-	-	-	-	(25,805)	-	-	-	(25,805)
At 30 September 2023	<u>7,099,890</u>	<u>441,597</u>	<u>3,160,843</u>	<u>134,496</u>	<u>50,000</u>	<u>70,000</u>	<u>30,000</u>	<u>445,759</u>	<u>11,432,585</u>

## **NOTES TO THE FINANCIAL STATEMENTS**

### **for the financial year ended 30 September 2023**

#### **Regulatory reserve**

The Credit Union Act 1997 (Regulatory Requirements) Regulations 2016 requires Credit unions to establish and maintain a minimum regulatory reserve requirement of at least 10% of the total assets of the credit union. This reserve is to be perpetual in nature; freely available to absorb losses; realised financial reserves that are unrestricted and non-distributable.

#### **Dividend Reserve**

The credit union maintains a dividend reserve that may be used in future years for the payment of dividends.

#### **Other reserves**

##### **Operational Risk Reserve**

Section 45(5)(a) of the 1997 Act requires each credit union to maintain an additional reserve that it has assessed is required for operational risk having regard to the nature, scale and complexity of the credit union. Credit Unions are required to maintain a minimum operational risk reserve having due regard for the sophistication of the business model.

##### **Marketing Reserve**

The credit union have transferred surplus to a specific marketing reserve that may be used in future years for the payment of marketing costs.

##### **Climate Change Reserve**

Newmarket Credit Union Limited have allocated €70,000 surplus to climate change reserve to be used in the future for the payment of costs associated with, but not limited to, energy conservation upgrades / installations to the credit union offices.

##### **Social Impact Reserve**

Newmarket Credit Union Limited have allocated €30,000 surplus to social impact reserve to be used in the future for sponsorship / donations or similar payments to support organisations, clubs and societies within the common bond of Newmarket Credit Union Limited, such amount of individual sponsorship / donation/ similar payment to be determined by the Board of Directors of Newmarket Credit Union Limited.

## **19. FINANCIAL INSTRUMENTS**

Newmarket Credit Union Limited is a provider of loans and also provides savings products to its members. The Credit Union invests excess funds with a view to ensuring that the return from members' loans and investments is adequate to meet the overheads of the Credit Union and provide a reasonable return to members on shares. The Credit Union has a risk register in place to help the directors manage the various risks arising from its activities, to include the issuing of

**NOTES TO THE FINANCIAL STATEMENTS**  
for the financial year ended 30 September 2023

loans to members and investing the excess funds of the Credit Union.

The main financial risks arising from Newmarket Credit Union Limited's activities are credit risk, liquidity risk, market risk and interest rate risk. The Board reviews and agrees policies for managing each of these risks, which are summarised below.

	2023	2022
	€	€
<b>Financial Assets</b>		
Financial assets measured at amortised cost	52,349,379	51,283,657
Financial assets measured at market value	2,004,138	2,004,888
	54,353,517	53,288,545
<b>Financial Liabilities</b>		
Financial liabilities measured at amortised cost	44,287,262	42,524,034

**Credit Risk:**

Credit risk is the risk that a borrower will default on their contractual obligations relating to repayments to Newmarket Credit Union Limited, resulting in financial loss to the Credit Union. In order to manage this risk the Board of Directors approves the Credit Union's lending policy, and all changes to it. All loan applications are assessed with reference to the lending policy in force at the time. Subsequently, loans are regularly reviewed for any factors that may indicate that the likelihood of repayment has changed. The credit risk on members' loans is disclosed in Note 12.2. The Credit Union's investments are also exposed to credit risk and the Credit Union mitigates the risk by only placing investments with financial institutions where the counterparties have strong credit ratings and by using investment products authorised by the Central Bank.

**Liquidity Risk:**

Liquidity risk is the risk that the credit union will not have sufficient cash resources to meet day-to-day running costs and repay members' savings when demanded. The Credit Union's policy is to maintain sufficient funds in liquid form at all times to ensure that it can meet its liabilities as they fall due. The Credit Union adheres to the minimum liquidity ratio and the minimum short-term liquidity ratio as set out in the Credit Union Act 1997 (Regulatory Requirements) (Amendment) Regulations 2018.

**Market Risk:**

Market risk is the risk that the value of an investment will decrease. This risk can arise from fluctuations in value of, or income from, assets or changes in interest rates. The board of directors regularly reviews and approves the credit union's investment policy and funds are invested in accordance with policy and regulatory guidance.

**NOTES TO THE FINANCIAL STATEMENTS**  
for the financial year ended 30 September 2023 (Contd.)

**Interest Rate Risk:**

The Credit Union's main interest rate risk arises from the differences between the interest rate exposures on the receivables and payables that form an integral part of a Credit Union's operations. The Credit Union considers rates of interest receivable on investments and members' loans when deciding on the dividend rate payable on shares and on any loan interest rebate.

**19.1 INTEREST RATE RISK DISCLOSURE**

	2023	Average interest rate	2022	Average interest rate
	€	%	€	%
<b>Financial assets</b>				
Gross loans to members	10,845,121	6.64	8,677,643	6.62
<b>Financial liabilities</b>				
Members' shares	43,956,146	-	42,311,594	-

The interest rates applicable to loans to members are fixed and range from 5% to 9.95%.

**19.2 LIQUIDITY RISK DISCLOSURE**

The credit union's policy is to maintain sufficient funds in liquid form at all times to ensure that it can meet its liabilities as they fall due. The credit union adheres on an ongoing basis to the minimum liquidity ratio and minimum short-term liquidity ratio as set out in regulatory requirements.

**20. PENSION SCHEME**

Newmarket Credit Union Limited operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the credit union in an independently administered fund. Pension costs amounted to €11,853 (2022: €12,589)

**21. RELATED PARTY TRANSACTIONS**

During the year loans were advanced to directors and the management team of the Credit Union (to include their family members or any business in which the directors or management team had a significant shareholding) in the amount of €102,000 (2022: €67,000). These loans were approved in accordance with the Standard Credit Union rules and the Credit Union Act 1997 (Regulatory Requirements) Regulations 2016.

The loans outstanding from these parties at 30th September 2023 was €194,009 (2022: €269,648). These loans amounted to 1.79% of total gross loans due at 30th September 2023 (2022: 3.11%). Provisions against loans due from related parties at 30th September 2023 was €17,042 (2022: €20,706).

**22. INSURANCE AGAINST FRAUD**

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

## NOTES TO THE FINANCIAL STATEMENTS for the financial year ended 30 September 2023 (Contd.)

in compliance with Section 47 of the Credit Union Act 1997, (as amended).

### 23. CAPITAL COMMITMENTS

There were no capital commitments either contracted for or approved by the Board at the current or prior year ends.

### 24. POST-BALANCE SHEET EVENTS

There are no material events after the Balance Sheet date to disclose.

### 25. BLACKBEE INVESTMENTS LIMITED (IN LIQUIDATION) PROTECTED NOTE 8 INVESTMENT

On 25 June 2018, Newmarket Credit Union Limited invested €1,000,000 with BlackBee Investments Limited (In Liquidation) in a Protected Note 8 Investment with an expected maturity on 20 June 2023. On 19 May 2023, following an application by the Central Bank of Ireland, the High Court appointed Mr. Luke Charleton and Mr. Colin Farquharson of EY as Joint Official Liquidators to BlackBee Investments Limited. Mr. Charleton and Mr. Farquharson had previously been appointed as Joint Provisional Liquidators on 8 May 2023.

The Joint Official Liquidators have confirmed, in accordance with BlackBee Investments Limited (In Liquidation) records, on 25 June 2018, Newmarket Credit Union Limited invested €1,000,000 in the Protected Note 8 investment with an expected maturity on 20 June 2023. They also confirm that the money invested in Protected Note 8 matured on 12 June 2023 and is being held on deposit by Citibank, N.A. London, where the Joint Official Liquidators control BlackBee Investments Limited (In Liquidation) bank account.

In line with the above confirmation from the Joint Official Liquidators, Newmarket Credit Union Limited have presented €1,006,667 in Debtors to represent the amount which Newmarket Credit Union Limited deem as owing to the Credit Union.

The situation is currently ongoing and the exact recoverable amount is uncertain.

If the debtor turns out to be fully impaired the impact would be as follows:

- Debtors would reduce by €1,006,667
- Reserves would also reduce by €1,006,667.

At 30 September 2023, Newmarket Credit Union Limited have not written down the value of this matured investment in the financial statements as there is no evidence to support an impairment at this stage. No provision has been made in relation to any potential liabilities in relation to costs at 30 September 2023, as there is no certainty in relation to costs arising in relation to this matured investment if any.

### 26. CONTINGENT LIABILITIES

There were no contingent liabilities at the year ended 30th September 2023.

### 27. APPROVAL OF FINANCIAL STATEMENTS

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

**SCHEDULES TO THE INCOME & EXPENDITURE ACCOUNT**  
for the financial year ended 2023

**Schedule 1 - Interest on Loans**

	2023	2022
	€	€
<b>Interest on Loans</b>		
Interest on members loans	622,208	536,825
Interest on members loans receivable	16,593	14,178
	<u>638,801</u>	<u>551,003</u>

**Schedule 2 - Investment Income**

<b>Investment Income</b>		
Investment income receivable after 12 months	87,603	9,821
Bank interest received	396,424	258,802
Income Government Bond	40,687	38,061
Income Corporate Bond	140,795	85,237
	<u>665,509</u>	<u>391,921</u>

**Schedule 3 - Other Income**

<b>Other Income</b>		
Foreign exchange commission	4,688	4,529
E.C.C.U. claims experience refund fees	-	8,663
SPS credit	-	205,227
	<u>4,688</u>	<u>218,419</u>

**Schedule 4 - Other Management Expenses**

<b>Other Management Expenses</b>		
Rates	7,199	6,615
General insurance	24,116	23,198
Share and loan insurance	94,522	87,594
Death benefit insurance	88,690	85,922
Light and heat	15,124	5,865
Repairs and renewals	9,494	8,934
Computer and equipment maintenance	81,933	53,147
Printing, postage and stationery	16,930	14,853
Promotion and education	42,904	53,758
Telephone	5,570	6,161
AGM expenses	5,240	8,237
Chapter expenses	500	377
Travelling and subsistence	1,318	1,314
Legal and professional fees	124,219	94,579
Audit fees	25,677	24,949
Bank interest and charges	22,919	57,135
Miscellaneous expenses	2,997	2,506
Affiliation fees	12,809	12,662
Credit Institution Resolution Fund Levy	13,056	13,619
Regulatory levies and charges	65,303	66,501
	<u>660,520</u>	<u>627,926</u>

## PRIVACY NOTICE / DEPOSIT GUARANTEE SCHEME INFORMATION

In keeping with our commitment to reducing paper usage, thus reducing our carbon footprint, we are not including a copy of the credit union's privacy notice **or Depositor Information Sheet** in the AGM booklet. They can be accessed by scanning the QR code below, calling into our offices and asking a member of staff for a copy, or ringing our office and asking for a copy to be sent out. We would encourage members to avail of the electronic option, where possible.

The amendments to the notices made this year relate to the Beneficial Ownership Register for Certain Financial Vehicles ("CFV"), the Bank Account Register, the European Union Cross-Border Payments Reporting ("CESOP"), the Central Register of Beneficial Ownership of Trusts ("CRBOT") and the Ireland Safe Deposit Box and Bank Account Register (ISBAR).





## INSURANCE COVER

Newmarket Credit Union Limited makes available Life Saving's & Loan Protection insurance cover on the lives of eligible saving and borrowing members at no additional cost.

### How does Loan Protection Insurance work?

If a credit union member who is eligible for insurance cover dies with a loan outstanding, the loan balance is paid in full by the insurance company. Terms and Conditions apply.

### How does Life Savings & Loan Protection Insurance work?

Maximum life savings insurable balance is €3,000. Every eligible member is covered as follows (Terms & Conditions apply).

Age	Savings Lodged	Cover
Before age 55	and not withdrawn	Provides 100%
During age 55 to 59 incl	and not withdrawn	Provides 75%
During age 60 to 64 incl	and not withdrawn	Provides 50%
During age 65 to 70 incl	and not withdrawn	Provides 25%

### Death Benefit Insurance (D.B.I.)

This insurance is payable on bereavement to eligible members (in the case of a joint account - eligible first named member) and is in addition to the existing Life Savings and Loan Protection cover noted above, provided they were a member of this credit union before their 70th birthday and meet the relevant terms and conditions.

The cover is €1,950.00.

Details available from the office.

Terms & Conditions apply.

## ASSISTED DECISION MAKING (CAPACITY) ACT 2015

The Assisted Decision-Making (Capacity) Act 2015 was commenced in April 2023. The purpose of the Act is to provide a statutory system of supports for adults who have decision-making difficulties. The Decision Support Service has been set up to promote the rights and interests of people who may need support with decision-making. Information can be found at their website [www.decisionsupportservice.ie](http://www.decisionsupportservice.ie)

### REMINDER ON MINOR ACCOUNTS

When a child is aged 7 or over, they have full access to the funds in their account. From the age of 7, only the child can authorise a withdrawal from the account and all withdrawals have to be signed for in person by the child.

Once a member reaches the age of 18, we require up-to-date ID and address verification to be provided to up-date their account. We would ask such members to contact us once you reach 18 to get details of the necessary documentation.

### DORMANT ACCOUNTS

- This is in relation to Rule 19 of the Standard Rules for Credit Unions
- Where there has been no member-initiated transaction on the account for a period of three years.
- The member needs to call in person to the credit union office to carry out a lodgement or withdrawal.
- As we are currently updating our membership records we require that you bring the following items with you.
- Photographic ID (Either a current valid Driving License or Passport)
- Address Verification (A valid utility bill, bank statement dated within the previous 6 months)
- PPS No.

Your co-operation would be appreciated.

## WHO HAVE YOU NOMINATED TO RECEIVE YOUR MONEY??

- Completing the nomination form will ensure that on your death, your shares and insurance (to a maximum to €23,000) will be speedily disbursed to your beneficiaries.
- A nomination may be cancelled or changed at any time and will automatically be cancelled by marriage.
- Check at the office for further details

## REPORT OF THE CREDIT COMMITTEE

A total of 520 loans were issued during the year (October 2022 to September 2023) totalling **€5,829,179**. The total value of loans outstanding at September 30th, 2023 was **€10,845,121** a very significant increase of **€2,167,478** from 2022.

Our GREEN loan offering was extended during the year. There is a special preferential loan rate of 6% Variable (6.1% APR) for those wishing to borrow with regard to green purposes; including Green/Hybrid Cars, Home Improvements for environmental benefits and Agri Loans for environmental benefits.

The Credit Committee is a statutory committee appointed by the Board of Directors annually under Section 67 of the Credit Union Act 1997 and Section 12 of the Standard Rules of the Credit Union. The committee is responsible for approval of loans and review of all loans granted by Credit Officers.

**Loans to members is a key service offered by Newmarket Credit Union. Loan interest is one of the main sources of income for Newmarket Credit Union. We would like to thank the members who borrow from the credit union and encourage our members to use the credit union for your borrowing needs, in order to ensure the continued success of Newmarket Credit Union.**

We welcome the opportunity to lend to members who meet the required criteria. A strong and healthy loan book will ensure a continuous flow of income for the Credit Union. Newmarket Credit Union is here to meet members' borrowing needs and to be the lender of choice within our common bond.

The Central Bank has laid down regulations that require the Credit Union to apply prudent lending standards to the granting of all new loans or top-ups of existing loans. Lending officers and the Credit Committee have to make sure that each application is fully assessed to demonstrate the borrower's ability to repay the loan. In this regard, Newmarket Credit Union must be fully appraised of the borrower's financial position before granting a loan. The primary consideration in lending is that members have the repayment capacity to repay the loan, supported by previous credit and savings' history. To enable us to assess a member's loan application, we are required under regulation to carry out a Central Credit Register (CCR) Report. Members are entitled to seek a copy of their own CCR Report by applying directly to the Central Credit Register.

The number of loan applications made through the website and Mobile App facility grew significantly, in its first full year in operation and we would encourage members to avail of this service, where possible.

A member of staff will be happy to discuss the various loan rates available and the

documentation necessary when applying for a loan. Alternatively, you can get information from the website [www.newmarketcu.ie](http://www.newmarketcu.ie) where a built-in loan calculator is another useful tool for assessing your options. Loan approval is subject to terms and conditions.

Amongst the many benefits of a credit union loan are:

- **NO HIDDEN CHARGES - NO FEES - LUMP SUM PAYMENTS PERMITTED**
- **REPAYMENTS GREATER THAN LOAN AGREEMENT REMITTED**
- **LP/LS cover on Loans and Savings is available at no extra cost to the member.**
- **There are no penalties for early repayment on your loan.**

I would like to thank the Manager, Loan Officers and Staff for their co-operation during the year and I would like to thank my fellow committee members for their continued service during the year.



Jerry Fitzgerald  
(Chairman of the Credit Committee)

Year	Number of Loans Issued	Value
2020	437	€3,583,405
2021	413	€4,472,878
2022	439	€4,157,810
2023	520	€5,829,179

**2023**

LOANS ISSUED

**520**

VALUE OF LOANS ISSUED

**€5,829,179**

VALUE OF LOAN BOOK

**€10,845,121**

**2022**

LOANS ISSUED

**439**

VALUE OF LOANS ISSUED

**€4,157,810**

VALUE OF LOAN BOOK

**€8,677,643**

## REPORT OF THE CREDIT CONTROL COMMITTEE

The role of the Credit Control Committee is to review loan repayments and to ensure the repayments made by members of the credit union are in accordance with the credit agreement. The Committee met on a regular basis throughout the year in accordance with the requirements of the Credit Union Act 1997, as amended, and the Credit Control Policy of Newmarket Credit Union.

Our management, staff and credit committee take great care in approving members' borrowings to ensure that members will be able to repay. The majority of loans granted by the credit union are non-problematic and are repaid on time. We would like to thank those members for their timely repayments. However, some members through carelessness miss repayments on a regular basis. Unfortunately, these members may have difficulty in securing future credit, as the credit union is required to report to the Central Credit Register on members' adherence to loan repayments.

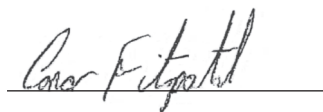
The Central Credit Register is a centralised system for collecting personal and credit information on consumer loans and is operated by the Central Bank of Ireland. The information collected allows the Credit Committee to get a more detailed picture of a member's credit history, which helps them to make decisions about loan applications. The information also assists the Central Bank in its role of safeguarding stability and protecting consumers.

Even when a credit agreement is entered into in good faith, unforeseen circumstances can arise and the member may not be able to keep up repayments. If this occurs, do not ignore the problem, contact us early and the issue will be easier to manage. Members will be treated with courtesy and we will explore all possibilities and endeavour to come to an agreed solution. In these uncertain times, we are extremely conscious that the increases in the cost of living and in particular the cost of energy, home heating, transport costs, etc., will put added strain on some of our members to keep up repayments and, as stated above, if you are encountering difficulties please contact us.

It is the policy of the Credit Control Committee and the Board of Directors to pursue the recovery of all non-performing loans through all means necessary. Each year a very small number of debts require legal action on the part of the credit union and this is always the last course of action. Unfortunately, if all other options have failed then we are left with no choice. We have a duty of care to protect the savings which members deposit with the credit union, some of which is then used for lending to other members.

The amount of debt written down this year is **€1,710** a low 'write down' amount and in keeping with the past number of years. Bad debts that are put into recovery are still legally due to be repaid by the member and the credit union makes every effort to collect these debts. This year **€61,196** of bad debts and **€23,463** of doubtful debts was recovered, totalling **€84,659**. The policy of pursuing bad debts will continue to be a priority for Newmarket Credit Union. The provision for bad & doubtful debts is **€917,844**.

We would like to thank our fellow directors, the Manager and staff for their continued support during the year.



Conor Fitzpatrick  
Chairman

## BOARD OVERSIGHT COMMITTEE REPORT

The Credit Union Act, 1997 (as amended) requires the appointment of a Board Oversight Committee (B.O.C.) to oversee the running of the Credit Union, to ensure that all actions and decisions taken by the Board of Directors relating to the affairs of the Credit Union follow the regulations and laws relating to Credit Unions.

The members of Newmarket Credit Union have elected Denis O’Leary, Margie Clarke and Derry Drew to serve on the Board Oversight Committee.

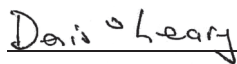
During the year the committee has fulfilled its duties by meeting at least once a month to review board meeting minutes and other aspects of Newmarket Credit Union’s activities. We also held quarterly meetings with the Board to facilitate assessment of its compliance with Part IV of the Credit Union Act, as amended. At least one member of the Committee attended each of the monthly board meetings and various other meetings of the Board.

With a view to ensuring they were functioning in accordance with legal and regulatory requirements, the Committee attended meetings of subcommittees of the Board, including the Credit Control, Investment, Membership, Strategic Planning, Audit Risk and Compliance, Nomination and Credit Committees. Regular contacts occurred between the Risk and Compliance Officer and the Board Oversight Committee. Members of the Committee attended meetings between the Board and the Internal Auditors and External Auditors. Full CPD training was completed by the committee members.

The Board Oversight Committee having completed the above tasks and reviewed the procedures in place at Newmarket Credit Union, would like to assure members that the Board of Directors has operated in accordance with Part IV (Management of Credit Unions) and part IVA (Board Oversight Committee) Credit Union Act 1997, and any associated regulations.

The committee is also satisfied that the Board has always acted in the best interest of Newmarket Credit Union and its members.

We wish to extend our thanks to the Board of Directors, the Manager and Staff of the Credit Union for their co-operation and assistance to us throughout the year.



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Denis O’Leary, Chairperson  
Margie Clarke, Secretary  
Derry Drew, Member

## REPORT OF THE NOMINATION COMMITTEE

Section 56(B) of the Credit Union Act, 1997 (as amended) requires the establishment of a Nomination Committee which shall consist entirely of Directors.

The role of the Nomination Committee was extended with the Commencement of the Credit Union and Co-Operation with Overseas Regulations Act 2012 to include:-

- Identifying candidates to be nominated for appointment to the Board of Directors
- Accepting nomination of candidates proposed to be appointed by the Board of Directors
- Proposing, candidates for election by a general meeting, to be members of the Board
- Assisting the Credit Union in meeting its obligations in respect of part 3 of the Central Bank Reform Act 2010 (i.e. Fitness & Probity)
- Ensuring there is an appropriate Succession Plan in place for the Board of Directors
- Ensuring each Director is given appropriate induction and training within 6 months of their election to the board.
- Ensure no material conflict of interest exists and where any potential conflict could arise notifying the members of this at AGM
- Review the composition of the board, at least annually, to identify any deficiencies in skillset
- Maintain a record in writing of the time served by each director

The Nomination Committee are satisfied that the roles set out above have been fulfilled during the period 1st October 2022 to 30th September 2023.

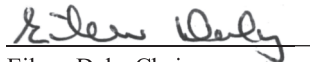
All credit unions must comply with Fitness & Probity standards as set out by the Central Bank of Ireland. This means that potential new candidates for the Board of Directors or Board Oversight Committee must be assessed by the Nomination Committee to ensure they meet the Fitness & Probity Standards prior to their proposal to the membership at AGM.

Fitness relates to an individual's competence and capability. Probity means acting honestly, ethically, with integrity and being financially sound.

The Committee must be satisfied that having thoroughly assessed each applicant through due diligence, questionnaire and interview that each new candidate proposed meets the Fitness & Probity requirements as set out by the Central Bank.

Nomination for vacancies on the Board of Directors and Board Oversight Committee can no longer be accepted from the floor of the AGM and must be submitted sufficiently in advance to allow the Nomination Committee time to complete the assessment required under Fitness & Probity.

- |                           |   |
|---------------------------|---|
| Board of Directors        | - The composition of the Board is 11 members as required under legislation.   |
| Board Oversight Committee | - 3 members on the Board Oversight Committee.   |
| Auditor                   | - BBK Statutory Audit Firm, Accountants, were elected to act as Auditor for the financial year to the 30th September 2023. They will be proposed at the 2023 AGM to act to the year ending 30th September 2024. |



Eileen Daly, Chairperson

Joan Ann Brosnan, Secretary

Eileen Feehan, Nomination Committee.



## REPORT OF STRATEGIC PLANNING COMMITTEE

The Strategic Planning Committee works with the management team to bring board approved strategies to fruition. The committee is responsible for preparation of the credit union's Strategic Plan, in accordance with all legislative and regulatory requirements and is responsible for the ongoing monitoring of the implementation of the plan.

The committee met at least 4 times over the past year and spearheaded the preparation of the most up-to-date Strategic Plan, which focuses on growing our loan book, through new initiatives, with the goal of making Newmarket Credit Union the lender of choice within our common bond. The committee, board and management are committed to achieving the goals set out in the strategic plan, however the success of the plan is ultimately in the hands of you, our members. Our credit union can only grow and be sustained by our members using our services and facilities.

**Member Services:** Newmarket Credit Union members continue to avail of the online loan applications service, where members can apply remotely, online, for loans either through the Newmarket Credit Union website or Mobile App. Member Services are continually upgraded and include our core savings and loan products and a range of online services, including electronic services such as Electronic Fund Transfers, which allows members to transfer funds electronically to a designated bank account.

Members can avail of online access by visiting the website and Register for Online Access or call to the office where a member of staff will complete the process.

**Social Media:** Newmarket Credit Union have well established Facebook and Instagram pages. We would encourage members to follow Newmarket Credit Union through social media as well as the Newmarket Credit Union website to keep up to date with all the latest news, information, promotions and various competitions.

**Online Payments System:** This electronic-payments service enables members to have payments such as wages/salaries, pensions and other social welfare entitlements paid directly into their credit union account.

**Combating Climate Change:** Newmarket Credit Union clearly sets out in its Strategic Plan that it is committed to playing its part in combating the risks associated with climate change. The board of directors and board oversight committee no longer receive paper board packs prior to the monthly board meetings. These are now provided electronically, which has resulted in a vast reduction in paper usage in the credit union.

A "Green Loan" product is available to members, where a reduced loan interest rate is available for green purposes, for example electric/ hybrid car or certain home improvements or Agri/Business Loans.

**We encourage all members to register for e-Statements and the Electronic AGM Report as this provides a major cost reduction on producing vast volumes of paper on a regular basis and also the ever-increasing outlay on postage as well as the obvious benefits to the environment.**

## REPORT OF STRATEGIC PLANNING COMMITTEE (Contd.)

**CXi Consumer Experience Awards:** For the ninth successive year, in 2023, Credit Unions have been voted the best brand in Ireland for customer experience and overall winners of the CXi Customer Experience Awards. This is further indication that credit unions remain committed to their local communities and are well placed to provide a range of services to members.

**Student Grant Awards:** Congratulations to Caitlynn Houlihan (Boherbue Comprehensive School) and Abby Reynolds (Coláiste Treasa, Kanturk) who won this year's Student Grants worth €700 each. These awards continue to reflect the importance Newmarket Credit Union places upon education for our young people who are our future.

**Schools Quiz:** The very popular Credit Union Schools Quiz returned last January as life slowly returned to normal following the Covid 19 pandemic. Congratulations, to Boherbue National School who progressed on the night and performed admirably in the next stage at Chapter level.

**Sponsorships:** Newmarket Credit Union proudly supported various initiatives within the common bond over the past year and will continue to do so in the year ahead. We would remind members that this is one of the many benefits to having a credit union in the area. By making us your lender of choice, you are enabling us to give back to the common bond.

Our team are always available to speak with you personally, which is a service we are very pleased to offer, and we thank you for your continued support.

Finally, we would like to thank the Board & staff for their help & co-operation during the year.



Committee Member  
Maura Murphy

## REPORT OF THE MEMBERSHIP COMMITTEE

Welcome to the **140** new members who joined Newmarket Credit Union in the past year.

The new members consisted of - **103** Adults, **33** Juveniles and **4** Groups.

Total membership of Newmarket Credit Union now stands at **5764**.

Membership is open to all persons who reside or work within our Common Bond.

To open an account with Newmarket Credit Union, new members are required to produce the 3 following items in document form.

- **PHOTOGRAPHIC IDENTIFICATION: Current Valid Driving Licence or Passport**
- **EVIDENCE OF ADDRESS VERIFICATION within last 6 months\*\*\***
- **PPS NUMBER**
- **€10 minimum deposit for your savings account**

\*\*\* Evidence of Address Verification Bank Statement or Utility Bill, within the last 6 months

Existing members may be required to provide up-to-date Photo ID, Address Verification and PPS numbers, in cases where the credit union does not already have these requirements in place, in order to comply with regulations.

If you have changed address recently, please notify the Credit Union to ensure that you continue to receive your statements and any other postage correspondence.

We encourage any member with access to internet to sign up to receive your correspondence by email rather than by post, in order to reduce significant outlay on postage, the costs on producing vast volumes of paper on a regular basis, as well as the obvious benefits to the environment. Please sign-up online or contact the office to arrange this online service.

Members can avail of other online services including our mobile phone app, online transfer of funds and online Loan Applications.

Members' Shares with Newmarket Credit Union Ltd are protected by the Deposit Guarantee Scheme, while members also benefit, where eligible, for Death Benefit Insurance and Insurance Cover on their shares.

Credit Unions work to best serve their members and have for the ninth year running, won the best customer experience award in the annual CXi survey. The accessibility of credit unions and the ability to provide services to members and communities, make them unique.

The membership committee would like to thank the membership officer, staff and the board for their support and co-operation throughout the year.

Membership Committee



*Conor O'Sullivan*

Conor O'Sullivan

## IMPORTANT INFORMATION REGARDING DIRT (Deposit Interest Retention Tax)

### The DIRT rate in 2023 for Dividend Interest is 33 %

Please note that major changes were made to the taxation of dividend in Budget 2014, the main effects of which was that all credit union share accounts are now subject to DIRT ( unless the individual member is exempt from DIRT ).

### Change to the Taxation of Regular Shares Dividend

DIRT at the prevailing rate must be deducted from dividends paid to members with Regular Share accounts after 01st January 2014. For dividends paid before this date the old rules applied i.e. dividend was paid gross and it was the members' responsibility to declare this dividend to the Revenue Commissioners.

### Regular & Special Share Accounts

From 2014, the treatment of both of these accounts is the same. Credit Unions must deduct DIRT from dividend paid unless the member is exempt from DIRT

Please note that the only members who can be exempt are those aged Over 65 (and qualify for exemption) or those who are Permanently Incapacitated. Children are NOT exempt. It is important that if you qualify for an exemption, that you notify your Credit Union office as soon as possible, to fill the required form.



**NEWMARKET**  
**Credit Union**

## OUR BENEFITS

- Competitive Loan Rates
- Full Online Access
- No Hidden Fees
- Supporting the Community
- Open Saturdays
- Insurance Benefits

029-60426  
info@newmarketcu.ie  
www.newmarketcu.ie

*And many more!*

Loans are subject to approval T&Cs Apply. WARNINGS: If you do not meet the repayments on your loan, your account will go into arrears. This may affect your credit rating which may limit your ability to access credit in the future. Newmarket Credit Union Limited is regulated by the Central Bank of Ireland.



# **GREAT** Car **Loan Rate** **Available...!**

**Example Amount:**

**€10,000**

**Cost of Credit €1,866.57**

**No. of Repayments 60**

**Monthly Repayments:**

**€197.78**

INTEREST RATE  
**6.95%**  
7.18%APR



Church Street, Newmarket, County Cork

✉ [info@newmarketcu.ie](mailto:info@newmarketcu.ie)

🌐 [www.newmarketcu.ie](http://www.newmarketcu.ie)

☎ **Main Office** 029 60426

📞 **Boherbue Sub Office** 029 76484



Loans are subject to approval  
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Credit Union Limited is regulated by the Central Bank of Ireland.



# GREEN Loans Available..!!

INTEREST RATE  
**6%**  
6.18%APR

Amount	Weekly Repayments	Term	Rate	APR	Cost of Credit
€30,000	€76.68	10 Years	6%	6.18%	€9,873.48

Church Street, Newmarket, County Cork

✉ info@newmarketcu.ie

🌐 www.newmarketcu.ie

☎ Main Office 029 60426

☎ Boherbue Sub Office 029 76484



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