



Made by Members, for Members

Newry Credit Union Limited

Evolving for your Needs

Annual Report 2024



Board of Directors & Supervisory Committee



Kevin McDonald
Chair

Executive Committee

Kevin McDonald (Chair), Ann Callan,
Paul Hughes, Claire Lambert, Jane Magill

Credit Oversight Committee

Gerry Daly (Chair), Sheila Connolly, Ann Callan
Liam Quinn, Claire Lambert

Governance & Sustainability Committee

Jane Magill (Chair), Martin Mallon,
Raphael Crummy, Mark McGivern

Risk, Compliance & ISMS Committee

Sean Hogan (Chair), Paul Hughes,
Claire Lambert, Martin Mallon, Conor Duffy

Audit & Finance Committee

Paul Hughes (Chair), Niall Smith

Supervisory Committee

Ita McConville, Martin Murtagh



Ann Callan
Secretary



Claire Lambert
Vice-Chair



Paul Hughes
Treasurer



Martin Mallon
Director



Jane Magill
Director



Conor Duffy
Director



Niall Smith
Director



Raphael Crummy
Director



Mark McGivern
Director



Ita McConville
Supervisor



Martin Murtagh
Supervisor

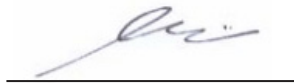
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63rd Annual General Meeting

Canal Court Hotel, Newry
Wednesday 27th November 2024, 8.00pm



Ann Callan (Secretary)

Each member is earnestly requested to attend.

Order of Business

- a. Credit Union Invocation
- b. Ascertain that a quorum is present
- c. Adoption of standing orders
- d. Approval of the minutes of the last Annual General Meeting
- e. Chair's Address
- f. Report of the Board of Directors
- g. Report of the Treasurer and Consideration of Accounts
- h. Report of the Auditor
- i. Declaration of dividend and interest rebate
- j. Report of the Supervisory Committee
- k. Directors Recommend
- l. Report of the Chief Executive Officer
- m. Risk, Corporate Governance and Information Security Management System Committee
- n. Report of the Insurance Committee
- o. Report of the Credit Committee
- p. Report of the Credit Control Committee
- q. Report of the Membership Committee
- r. Report of the Education and Marketing Committee
- s. Report of the Nomination Committee & Election of Officers
- t. Election of Auditor
- u. Election of Directors/Supervisors
- v. Approval of Rule Amendments
- w. Any other Business
- x. Adjournment or close of meeting

- A. This year's contribution to International Projects will be calculated based on £1 per member.
- B. Deduct ILCU Affiliation Fee of £1 per individual adult account.
- C. Death Benefit Insurance of £26.86 for single accounts and £53.72 for joint accounts (to be paid as an operational expense for those members with more than £400 in shares in a single account or £800 in shares in a joint account).

Proposed by Paul Hughes
Seconded by Kevin McDonald



A new beginning...

Renovations underway at our Hill Street office

**Dear Member,**

Good evening and a warm welcome to you all to Newry Credit Union's 2024 AGM. This gathering is a cornerstone of our year, offering us an essential opportunity to reflect on our accomplishments, discuss our progress, and strengthen our connection with you, our valued members.

Following on from the success of our 60th anniversary milestone, this past year has seen several exciting changes for Newry Credit Union, showcasing our continued growth and adaptability. One of the most notable developments has been our transfer of engagement with Bessbrook Credit Union. This partnership has enriched our membership base, bringing new individuals and families into our community. To our new members from Bessbrook and the surrounding areas, a very warm welcome. Your presence strengthens our community, and we are pleased to have you as part of our Credit Union family. This successful integration has expanded our reach, allowing us to support even more members while maintaining the personalised service that we are known for.

We have also made significant strides in enhancing our facilities. The ongoing renovation of our Hill Street office represents a substantial investment, not only in our physical presence but in the values we hold dear. While other institutions may be moving away from in-person service, Newry Credit Union remains committed to a welcoming and accessible space where members can meet with us directly and experience our services in person. This renovation is designed with you in mind, and we look forward to revealing a modern, functional space that reflects our dedication to our membership.

Throughout the year, we've also focused on strengthening our internal systems and enhancing our services. These improvements ensure that we remain a forward-looking Credit Union, providing value to our members while honouring our local roots. We've carefully listened to your feedback and worked to adjust and enhance our services to offer you the best possible experience. Your input drives these efforts, and we encourage you to remain engaged, sharing your ideas and insights as we continue to evolve together.

In line with our commitment to giving back, we have continued to support our members through donations, raffles, and community initiatives. We believe that the strength of Newry Credit Union lies in its community, and we are proud to put funds back into the membership, helping to support local events, families, and charitable causes. These efforts not only benefit our members directly but also reinforce the community values we hold at the core of our organisation.

Another highlight this year was achieving the prestigious Gold Investors in People (IIP) Award, reflecting our commitment to creating a positive, supportive workplace. This award recognises the fact that we have excelled in developing and empowering our team, and we are proud to meet this standard. By investing in our people, we believe we strengthen our ability to serve you, our valued members, with excellence and dedication.

In closing, I would like to express my heartfelt thanks to our CEO Brendan Jackson, our senior management team Louise Campbell, John Doyle & Judith Connolly, and our dedicated staff and board members for their hard work and commitment throughout the year. I would also like to extend my sincere gratitude to each of you, our members. Your loyalty, trust, and engagement are what make Newry Credit Union a dynamic, community-centered organisation.

Thank you.

Kevin McDonald
Chair of Newry Credit Union Ltd

**Dear Member,**

On behalf of the Board of Directors of Newry Credit Union, I am pleased to present our annual report for the year, outlining our ongoing commitment to growth, community engagement, and financial stability. This year, we made significant strides in strengthening our financial foundation and enhancing the quality of services for our members.

Transfer of Engagement with Bessbrook Credit Union

We are pleased to announce the successful completion of our transfer of engagement with Bessbrook Credit Union. This strategic partnership strengthens our financial and operational capabilities, allowing us to extend our reach and services to an even larger community. Bessbrook Credit Union members now have access to Newry Credit Union's broader range of products, financial advisory services, and digital banking options.

This transfer has allowed us to combine resources, strengthening financial stability and resilience while upholding the community-focused values that both organisations have long embraced. The integration process has been conducted smoothly, with minimal disruption to members. We have welcomed Bessbrook's members and staff into the Newry Credit Union family, and the Board remains committed to providing an exceptional member experience as we continue this new chapter together.

Renovation of Newry Credit Union Building

In line with our commitment to providing a modern, accessible, and welcoming environment for both members and staff, renovations are currently underway at our office on Hill Street.

This investment underscores Newry Credit Union's unwavering commitment to maintaining a welcoming and accessible presence on the high street, especially at a time when many traditional banks are closing branches and limiting face-to-face services. Our decision to enhance and modernise our building reflects our dedication to staying embedded within the community, offering members a familiar, accessible place where they can connect with us in person.

Dividend and Interest Rebate

I'm pleased to report that Newry Credit Union has generated a very healthy operating surplus this year. As a result, we're able to offer a higher return to both savers and borrowers, reflecting our commitment to delivering real value to our members.

Condolences

We extend our sincere condolences to the family and friends of all members who passed away during the year. In particular, we remember Joe Rooney, a former director of 49 years who sadly passed away earlier this year.

Thank You

On behalf of the Board of Directors, I would like to thank each of our members, volunteers, and staff for their unwavering support and dedication. Your trust allows us to pursue our mission of providing accessible and responsible financial services to the Newry and greater community. We look forward to another successful year together and to continuing to make a positive impact in our community.



Ann Callan
Secretary



Finance Report

We have delivered another strong year of growth at Newry Credit Union and have continued to successfully execute against our business objectives. Comprehensive income has increased from £1,142,271 in 2023 to £1,415,394 in 2024, with our reserves remaining in a strong position of £11,216,620 as of 30th September 2024. We are therefore pleased to be able to offer our members an increase in the proposed dividend and loan interest rebate for 2024, set out below:

- **Proposed dividend for 2024 is 1% costing £612,751**
- **Loan interest rebate for 2024 is 23% costing £831,938**

Income

Our income streams for 2024 have enjoyed continued growth with the overall loan income increasing by circa 13.3% from £3.209m in 2023 to £3.636m in 2024. Bank Interest received in 2024 increased by £82,771 to £871,429 which has resulted in a net income generation of £4.507m, compared to £3.997m in 2023, an increase of circa 12.75%.

Expenditure

Overall management costs have increased modestly by circa 4.4%. The main increases can be viewed in schedule one of the financial statements. I would like to provide additional information on the following cost centres:

Loan and Share Insurance - an increase of £33,771 to £494,143 in 2024. This insurance cover remains one of our highest expenditure items in the year and is directly linked to our members age profile and savings held on 30th September 2024. We have no control over the price of these premiums, but the protection that comes with them provides members with significant peace of mind that cannot be measured in financial terms alone.

Death Benefit Insurance - a small reduction of £17,125 to £348,351 in 2024. This insurance item is another large expenditure item and is like the Loan and Share insurance in that we have no control over the premium price. The protection brought by its cover is one of the keys benefits of Credit Union membership and the peace of mind provided to members cannot be quantified.

Computer Maintenance and Accessories - increased by £22,910 to £188,906 in 2024. We continue to invest in our IT infrastructure as we seek to modernise and gain efficiencies from our operational processes. This will enable us to continue to provide our members with the highest level of service and customer experience possible.



£2,000 donations presented to local charities

Net recoveries or losses on loans to members (note 13d)

Newry Credit Union has an excellent record historically in the recovery of loans that have previously been written off. In 2024, we have continued to deliver on this and achieved a value of £58,056 recovered, which is a testament to our hard-working Credit Control department who continue to ensure that our members monies remain protected.

Balance Sheet

The overall loan book has continued to grow during 2024 by circa 5.7%, an excellent achievement which will continue to provide a strong financial footing for any economic challenges we may encounter in the year ahead. Share growth decreased slightly as we sought to continue with our savings caps, ensuring that we maintain our regulatory requirement ratios between level of loans and level of shares at an acceptable level.

Thanks

This year has been another successful year for Newry Credit Union, and we are well positioned to continue to deliver for our members for the year ahead. Our outlook for 2025 is positive and will be further strengthened as we seek to build upon the increased service offerings available as a result of the transition of services from Bessbrook Credit Union. I would like to thank all our staff who continue to provide excellent member services and work hard for the members all year round.

Special thanks to the Senior Management Team of Brendan, Judith, Louise & John who continue to lead and deliver for Newry Credit Union. A final thanks to our Auditors Fitzpatrick & Kearney Limited who continue to perform their auditing responsibilities with great diligence and professionalism and to my fellow directors, supervisors and volunteers who give of their time and expertise so willingly.

Paul Hughes

Paul Hughes
Treasurer



Treasurer Paul Hughes presenting the Finance Report at the 2023 AGM

Credit Control Report

It is obvious that members recognise the uniqueness of Credit Unions – they are no ordinary financial institution. When you borrow from a Credit Union you borrow other members' savings. Whilst there is no risk to the savings as they are fully protected by the Financial Services Compensation Scheme, unpaid loans reduce the surplus available for distribution to members in a dividend and interest rebate.

The Credit Control Department therefore exists for the benefit of both savers and borrowers in our Credit Union.

When members are experiencing genuine difficulties meeting their agreed repayments, they can contact our Credit Control Department who will be empathetic to their situation. In this scenario, staff work with the member to arrive at a solution that is helpful to them both in terms of their financial difficulty and in minimising any negative impact on their credit record.

However, Credit Control also exists to protect the Credit Union and they sometimes must deal with members who simply lack commitment to making repayments on their loans. This is an entirely different situation and, in these cases, the outstanding debt is pursued vigorously.

In some instances, when all reasonable attempts to agree a revised repayment plan fail, the loan will eventually be written off. This is never an easy decision and in the past year, loans to the value of £141,997.28 were written off. However, we have a proud record of members choosing to start repayments on their loan when their circumstances change, and I am delighted to say that £58,056 previously written off loans were recovered in the past 12 months.

Not surprisingly this year was an extremely busy one for Credit Control due to the rise in the cost of living. Each member who contacted us in relation to a change in circumstances was dealt with on a case-by-case basis. On 30th September 2024, we had a total of 27 member accounts on extensions totalling £198,379.50 (average loan balance of £7,347.39). We will continue to work with all members with a view to helping them through their financial difficulties.

Contact with Members in Arrears

3,318 letters have been issued: 8% decrease on last year.

1,756 phone calls were made: 6% decrease on last year.

High Level Lending - Credit Control Policy

Our high-level loans are secured on industrial or commercial property (not the borrower's personal residential home) and the Board have agreed to have a non-negotiable 3 strike policy – 3 consecutive missed payments and the property will be disposed of to recoup Credit Union money. We are delighted to report that despite the pressure that the commercial sector has faced since Covid and the Cost-of-Living crises in recent months, these loans continue to perform well.

Thank You

As Chair of the Credit Control Committee, I want to thank the Credit Control team for their hard work and dedication to Newry Credit Union. This year, as in every other year, some members found it particularly difficult to maintain their financial commitments to Newry Credit Union. I am proud to report that the Credit Control team dealt with each member in a compassionate, empathetic, and professional manner.

Paul Hughes

Chair of Audit & Finance Committee

Members are reminded that the Promissory Note they sign when taking a loan is a legally binding agreement. Non-payment of loans, or failure to repay the agreed amount, may have a negative impact on your credit rating and your ability to obtain future credit from Newry Credit Union and other credit providers.



Introduction

2024 has been a year marked by significant world events impacting economies and communities worldwide. From geopolitical tensions such as the ongoing war in Ukraine, the genocide of Palestinians, the potential for a wider regional conflict in the Middle East, the recent re-election of a protectionist, erratic convicted felon in the US (who has threatened tariffs on all imports), and China staking claim to Taiwan - somehow the world seems a more dangerous place.

However, Armagh supporters were ecstatic this year with their second All Ireland triumph and Down were successful in winning the Tailteann Cup and gaining promotion. Two recent positive developments on the economic front were that the high level of inflation has abated, and the Bank of England Base Rate reduced to 4.75% - both these developments are very welcome news.

Addressing Member Needs Amidst Economic Challenges

The Labour Government's recent decision to remove the Winter Fuel Allowance has left many pensioners angry, and the increase in indirect taxation to fund the Public Sector in the recent budget has most people underwhelmed. The need for Newry Credit Union to offer financial support in our community is as great now as at any time in our history. We have continued to offer interest-free loans specifically for essential energy needs, allowing members to manage rising costs without additional financial strain. Similarly, the introduction of the interest-free School Uniform Loan also eased the financial burden on families enabling them to manage back-to-school expenses more comfortably. Newry Credit Union throughout the last 61 years, has been one of the brightest beacons in times of adversity and I can assure you that we will continue to be so into the future.

Financial Performance and Resilience

For the fiscal year ending 30th September 2024, Newry Credit Union demonstrated solid financial strength, achieving a surplus of £1.4 million after taxation, an increase from the previous year's £1.1 million. The strategic focus on operational efficiencies and prudent management has bolstered our general reserves to £9.5 million, alongside an unappropriated surplus of £1.5 million. Total reserves on 30th September stood at 14.73% of our assets, comfortably above the required 8.29%, highlighting our robust financial position amidst ongoing economic challenges.

Sponsorship & Donations

Newry Credit Union is also proud of its contributions to the local community and voluntary sector. Alongside sponsoring local events such as the Newry Pantomime and Newry Half Marathon, Newry Credit Union has supported numerous charities over the years, empowering the unsung heroes of our community to provide services where statutory agencies may fall short. In May this year we provided 13 charities additional funding to the value of £26k.

Operational Resilience

Newry Credit Union is committed to safeguarding member data and is the only Credit Union in Northern Ireland with ISO 27001 Information Security Management System certification. This year we transitioned to the most recent version ISO 27001:20022. Over the coming years, we will be migrating our software systems to cloud platforms to bolster operational resilience, ensuring continuity of services even in the event of unexpected closures, such as those caused by local flooding. Members can be assured that we will only advance to more digital platforms when the required security is in place.

Bessbrook Credit Union Transfer of Engagement

Although the transfer of engagement did not take place until 22nd October, it would be wrong not to mention it in this report. The data migration from Fern system to Wellington system was conducted on time and within budget. The members of Bessbrook Credit Union will now be able to enjoy more of the services that we provide, and from 2025 will be able to enjoy a dividend and interest rebate. We welcome the additional membership into our fold.

Refurbishment of Hill Street Premises

The refurbishment of the premises is a statement of our commitment to you that we are here to serve you. Contrast this with the other financial institutions that are intent on closing branch networks and forcing all their customers online. We are in the centre of town and are making ourselves accessible to you. The first phase on Hill Street will be finished pre-Christmas and The Mall entrance will be finished post-Christmas. I would like to apologise for any inconvenience caused during the refurbishment, but sincerely hope that you will appreciate the transformation once all the work has been completed.

Dividend & Interest Rebate Payments

We are pleased to be in a strong financial position this year, enabling us to declare a dividend and interest rebate for our members. As in recent years, we encourage members to utilise our online facilities, joining the 6,000 members who currently transfer their dividend and interest rebates to their bank accounts. We now have 3,000 members paying their accounts by direct debit and additional members using recurring debit card payments. We encourage all members to contact our office to set up direct payments to their bank accounts.

Joe Rooney (RIP)

On a personal note, I would like to acknowledge the passing of the great Joe Rooney. Joe served as a voluntary supervisor and board member for 49 years. He epitomised all that was good about people – he always offered a helping hand; he always sought to build up his local community; he was a true gentleman. Joe had an unwavering moral compass and he enriched the lives of all who knew him. In reverence to Joe and with humility I use his parting phrase - Maith thú.

Thank You

On behalf of the Newry Credit Union team, I want to express gratitude to you the members for your loyalty and trust.

I also extend my sincere thanks to our staff, directors, supervisors, and volunteers for your professionalism and commitment to the values and ethos of Newry Credit Union

Brendan Jackson

Chief Executive



CEO Brendan Jackson pictured with the Newry Credit Union team



The role of the Supervisory Committee is to monitor the Credit Union against its own policies and procedures to ensure that it meets the required regulatory requirements. The aim of such oversight is to ensure that the assets of the members are adequately safeguarded, and a key focus of the Supervisory Committee is to make sure that the best interests of members are kept to the core of all decision making throughout the organisation.

The Supervisory Committee acts independently from the Board, and we have a duty to report our activities undertaken during the year and associated findings at each Annual General Meeting. The Internal Audit Function of Newry Credit Union is outsourced to an external firm, PGM Accountancy (PGM) and the Supervisory Committee work in tandem with PGM to ensure that all relevant matters are appropriately monitored throughout the year. PGM undertake several audits across key areas of the business during the year and make recommendations, where appropriate, for certain enhancements to be made.

The Supervisory Committee carries out pieces of work to complement and enhance the internal audit programme set by PGM. During the year, PGM undertook six audits which were linked to the following areas of business: Cyber Risk, Cash Management, Credit Risk, Operational Risk, Health & Safety and Liquidity Risk. A risk assessment is undertaken to identify these areas which means that the Credit Union is focusing on areas which are crucial for ensuring that the organisation is resilient, sustainable into the future and is adhering to all regulatory obligations.

The above-mentioned audits have all resulted in satisfactory results which is the highest-level set by the internal auditor. This indicates an adequate and effective system of governance, management and control, which should provide some comfort to the members that there is a strong and effective governance framework within the Credit Union. The Supervisory Committee work to ensure that the enhancements recommended by the Internal Auditor to add value to and strengthen this governance framework are implemented.

The Supervisory Committee is satisfied that Newry Credit Union is effective as an organisation and adheres to its policies and procedures. The staff, management and Board of Directors work proactively and diligently on your behalf to ensure that Newry Credit Union provides the best possible service to its local community. I would like to take this opportunity to thank the Board of Directors, the Senior Management Team and the capable and willing staff for their ongoing support. Thanks, are also due to the internal auditors PGM and the external auditors, Fitzpatrick and Kearney for the diligence and professionalism in which they discharge their duties.

Ita McConville
Chair of Supervisory Committee



Risk, Corporate Governance & ISMS Committee



On behalf of the Risk, Corporate Governance and Information Security Management System Committee, I am delighted to announce that we have had a very productive year. It is our responsibility to ensure that we risk assess all the operations of Newry Credit Union and introduce mitigations to protect the members and the organisation alike.

Information Security Management System ISO 27001

For over 11 years Newry Credit Union has implemented an internationally recognised information security management system. We have done so to protect the personal details of members we retain on file. This year, we had an audit in August 2024 by our assessing body 'Certification Europe' and we have been assessed as continuing to conform to the requirements of the ISO27001.2022 standard. We have made considerable progress with the ongoing data storage and retention project to ensure that we are complying with good practice in information handling.

Outsourcing of IT Managed Service Provision

We have maintained our relationship with our IT managed service provider Qualcom. Qualcom is recognised as a specialist company in this field. Our managed service provider is responsible for all the data stored on our systems, the back-up of same and the monitoring of the external environment to ensure that we reduce the possibility of being hacked, and the protection and maintenance of the physical infrastructure on which all our core operations depend. Given that cyber security is the highest risk facing all financial institutions we continue to invest heavily in the IT infrastructure and the ongoing training of staff in IT related and cyber security matters. We are focused on strengthening operational resilience by investing in infrastructure and cloud-based solutions for better scalability, disaster recovery and cost efficiency.

Data Incidents

We have had one minor data incident in the last 12 months. Should there be any occasion when member information is compromised (even if only very slightly), Newry Credit Union follows due process to ensure accountability and to prevent, where possible, future occurrences. All members are notified personally, and the remediation process is explained, agreed, and implemented.

Use of SharePoint and Specialist Risk and Compliance Software

To ensure transparency and efficient tracking of outstanding issues, Newry Credit Union has utilised Office 365 SharePoint. This means all officers of the Credit Union at any given time can identify what is outstanding and therefore eliminate the possibility of issues being neglected or left unresolved. Our move to a new risk management software provider in 2023 has enhanced our risk management system and enabled more confident and rigorous decision making and planning processes. We use this risk management software solution to enable us to establish a clear view of organisational and regulatory risk and compliance and to ensure Newry Credit Union can mitigate risk and remain compliant.

Thanks

I would like to offer my sincere thanks to my fellow committee members for the generous way they give of their time. Thanks also to the staff of Newry Credit Union for their diligence in maintaining the security of the Credit Union systems and member information.

Sean Hogan

**Chair of the Risk, Corporate Governance
and Information Security Management System Committee**



Education and Marketing Report

For Newry Credit Union, marketing is essential to growing our membership, welcoming new faces, and sharing the financial benefits we offer. By enhancing our visibility and building trust within the community, we can connect with more people who could benefit from our affordable loans, financial guidance, and personal support. Effective marketing allows us to strengthen our community presence, build loyalty among our members, and make a positive impact on the financial well-being of our community.

Social Media

Social media plays a huge role when it comes to engaging with our members and increasing awareness of the services we offer. Over the past year, we have increased our Facebook profile to over 6.6k followers, which is an increase of over 1,000 followers from last year. We have also increased our Instagram followers to 1,274.

To increase our social media following, we have had several social media competitions throughout the year, giving away cash prizes of £200 and gift vouchers for local restaurants. We also launched our Member Feedback Survey, which gives members the opportunity to give their feedback about the services we offer and their experience with Newry Credit Union. We have received 134 responses to date, and we plan to relaunch the survey in the new year once the office renovation is complete to get feedback from members on our new premises.

We also launched an Interest Free School Uniform loan on social media this year to help parents with the costs of buying school uniforms, which can often be expensive. Running from June until the end of September, we continuously posted on our social media throughout the summer holidays and in September to remind parents that they could apply for this loan to help with the costs of back-to-school shopping if needed, and we ultimately issued 84 loans totalling over £40,000.

Within a community-based organisation like ours, it is important to remember that everyone in the locality is either a member or a potential member. Therefore, we will continue to focus on developing our social media presence to promote our membership base and promote our services to new and existing members.

Website & Mobile App

Since launching our new mobile app last year, we have reached over 2,000 downloads and have received great feedback from our members about how easy it is to use and the benefits of being able to access their account 24/7. We also have 8,364 members registered for our CUOnline area, which is an increase of over 600 members from last year.

Community Involvement

Newry Credit Union prides itself on being an organisation at the heart of the community. We have a long tradition of involvement in activities in our local community and we regularly donate and sponsor key events, such as Newry Pantomime and Newry City Half Marathon. Over the last year, we have donated £43,925 to local and international charities on behalf of our members. Charities we have donated to include Down Right Brilliant, Newry Gateway and PIPS.

To teach the future generations about the importance of saving money and the importance of Credit Unions in their local communities, we visited 3 local schools and delivered financial education presentations to their Year 8 students. We covered topics such as the difference between needs and wants, how to budget and ways to build up a savings pot. We received great feedback from the schools and students, and we hope to relaunch this programme in the new year. We are also looking at the potential of setting up a savings scheme within local schools, and we hope to start this in the upcoming months.



ESG

At Newry Credit Union, we are committed to embedding Environmental, Social, and Governance (ESG) principles across our operations. Understanding the importance of sustainability, our ESG strategy focuses on three key areas.

First, we aim to reduce our environmental impact by adopting energy-efficient technologies, cutting waste, and supporting renewable energy initiatives. Second, we foster social responsibility by creating a diverse, inclusive workplace and actively supporting community programmes. Lastly, we are enhancing our governance by promoting transparency, accountability, and strong ethical practices in all aspects of our work.

By prioritising ESG, we strive to positively impact the environment and society while building a more sustainable, resilient financial institution for our members.

Thank You

I would like to take this opportunity to thank the Education and Marketing team for their hard work during the year.

Jane Magill

Chair of Governance & Sustainability Committee



Member Services Manager John Doyle and Marketing Officer Hollie Rodgers at the Newry City Marathon



Membership Report

New Members

Over the past year, 710 new adult accounts were opened bringing our total adult membership to 19,299, an increase of 196 members from last year. We also welcomed 251 new juvenile members, bringing our total juvenile membership to 2,755. We were able to convert 221 juvenile members to adult accounts.

New members can join Newry Credit Union by visiting our website, www.newrycu.com and completing the online application form, where they can upload the required documentation of valid photographic ID and proof of address. Once we receive your online application, we will then be in touch to complete the final stages and activate the account. Where members are not able to complete the online application form, we will continue to open new accounts for them using a purely manual process.

The Board's priorities for 2025 remain focused on growing our membership and actively promoting the benefits of borrowing from Newry Credit Union.

Data Quality – Remediation Exercise

We are committed to fulfilling our obligations under the various legislative requirements of anti-money laundering regulations, data protection requirements, financial services compensation scheme and marketing requirements. We would ask members not yet remediated to provide up-to-date photographic ID and proof of address.

Thank You

As always, I want to thank our dedicated staff across several functions, who help in the processing of new members and in the undertaking of the remediation exercise. I also want to thank our new and existing members for their commitment to Newry Credit Union. Going forward into 2025, we ask you to help us spread the message of the benefits of being a member of Newry Credit Union.

Jane Magill

Chair of Governance & Sustainability Committee



Winners of our Member Cash Draws





Insurance Report

Insurance benefits are an extremely valuable part of being a Credit Union member and, for many years, have provided financial relief to grieving families.

Members have been particularly anxious to find out if they are covered for **Death Benefit Insurance** (DBI). DBI was introduced to help members with the costs of funeral expenses and in the event of the member's death pays £2,000 towards funeral costs. Over the past 12 months, £358,000 of DBI cover was paid.

Members should be aware that, if they have more than £400 in shares in a single account or £800 in shares in joint accounts as of 30th September 2024 and still in their account by the end of November 2024, they will be automatically covered as the cost of insurance will be paid for them by Newry Credit Union, as an operational expense.

Members with savings below these levels can still avail of the insurance by contacting the office and paying the premium of £26.86 for a single account or £53.72 for a joint account.

We would strongly encourage all members to check their DBI coverage.

A further key benefit of saving with Newry Credit Union is free Life Savings Insurance. Many of our members do not realise that savings held before the age of 55, following the member's death, can provide up to 100% insurance (up to a maximum of £10,000) to the member's nominated person. This year alone, Newry Credit Union paid Life Savings Insurance to the value of £421,472 to the nominee of deceased members.

In addition to this, Newry Credit Union provides Loan Protection Insurance. Over the last year, £85,226 was paid to clear outstanding loans remaining on members' accounts when they died. This is a key benefit of borrowing from ILCU Credit Unions, as no other organisation offers free loan protection insurance on loans (terms & conditions apply). This removes a significant financial burden from families in the event of a death of a loved one.

Our Deepest Sympathy

On behalf of the directors, supervisors, volunteers, and staff I wish to extend my sincere sympathy to the relatives of members who died over the past twelve months. Our thoughts and prayers are with you all.

Jane Magill

Chair of Governance & Sustainability Committee

Who is your Nominee?

It is extremely important that members review who they have nominated in Newry Credit Union to receive their estate in the event of their death. It is important that members realise that a completed nomination form held on file in Newry Credit Union takes precedence over a Will & Testimony held elsewhere.

| | | | |
|---------------------------|------------------------|--------------------------|--------------------------|
| Cornelius McCann | Rowan McKeown | Martin Mulholland | Olwen Morgan |
| David Stack | Daniel Duffy | Christina Rooney | Kevin Clarke |
| Elizabeth McGauley | Eilish Gorman | James Jones | Owen McDonnell |
| Gerard McQuillan | Stanley Payne | Robert Murtagh | Marian McAnulty |
| Paula Byrne | Mary Duffy | Bridget McCourt | Colin Ferris |
| Martin Smylie | Patricia Murphy | Eugene Rushe | Mary Carr |
| Hugh Finnegan | Mary Sharp | Mary Cull | Philip Fitzsimons |
| Margaret McCusker | Elizabeth Todd | Owen Cromie | Joseph Morgan |
| Arthur Ruddy | Mary Payne | Sr. Hyacinth Carlin | Philomena Mullard |
| Lawrence McAllister | Jim McCormack | Florence McAnulty | Joan Lundy |
| Rosemary Quinn | Frank Hughes | Mary Marron | Joe Rooney |
| Patrick McGeough | Pat O'Hare | Martin Heaney | Colette McAteer |
| Hugh McMillan | John Aiken | Catherine Carr | Lorna Martin |
| Valentyna Kondratyuk | Theresa Morton | Malcolm Toner | Mary Rose Cunningham |
| Hugh Birt | Elizabeth Lambe | Mary Devlin | Sean Brady |
| Ann O'Grady | Christina Smith | William White | Jacqueline Larkin |
| Martin Hillen | Patricia Millar | Gareth McKinley | Leslie Chambers |
| Elvera Lyness | John Campbell | Catherine, Mary Coyle | Patrick Manley |
| Terence Feighan | Maura O'Hare | Mary Eileen Torley | Ann Marie Murphy |
| Teresa Bennett | Monica Connell | Bernard McCorry | Robert Rocks |
| Eamon McArdle | Kathleen Truesdale | Theresa McCaul | Derek O'Brien |
| Cullen Boyle | Brian Mallon | Hugh McNamara | Tom McKeown |
| Sarah Halliday | Gerald Toner | Francis Pentony | Damien Morgan |
| Maria Browne | Malachy Crilly | Mary Keenan | Michael Loughran |
| Stephen Hughes | Lillian Keenan | Edward McElroy | Brea Lundy |
| Bernadette Irwin | Patrick Hughes | Bernadette Ryan | Brendan Cunningham |
| Bernadette Farrell | Martin Joseph Ward | Michael O'Hare | Margaret McDonald |
| Anne Smith | Anne Denny | Kathleen Gibbons | Joseph Anthony Barr |
| Christine Connolly | Gerald McNulty | Dympna Quinn | Rose Quinn |
| Frances, Phyllis Duffy | Michael McAteer | Thomas McKeivitt | Francis Rea |
| Richard McMahan | Michael O'Hare | Tara Hanna | Ann Marie Burke |
| Cora Cahill | Maureen Hughes | Kevin Doyle | Mary Rose McKeivitt |
| Leonard Niblock | Michael Boden | Dympna Mulholland | Catherine Marie O'Reilly |
| John Hollywood | Kathleen Treanor | Philomena McConville | Patrick Byrne |
| Mary Hayes | Frederick Fegan | Joan McKay | Elizabeth Balance |
| Sean McMahan | Joseph McCartan | Anne Philomena McQuillan | James McLoughlin |
| Bridget Crilly | Siobhan Glass | Pauline McManus | Patrick O'Hare |
| Gertrude O'Keefe | Teresa McCabe | Geraldine McClelland | Maureen Magill |
| Sheila McAteer | Miceal Woods | Margaret Mathers | Peadar Woods |
| Alice Hanratty | Richard Devine | Mary Crilly | Sally Farmer |
| Elizabeth Manning | Mollie McParland | David Dodds | Anne McAteer |
| Elizabeth Hughes | Patrick Duffy | Irene Harbinson | Teresa Guthrie |
| Gerald Woods | Jim Blair | Brian McSorley | Brigid McClorey |
| Amanda Carlisle | Francis Gerard Teggart | Edward Meaney | Patrick McManus |
| David Cunningham | Mary Campbell | Hugh Cowe | Kevin Quinn |
| Elizabeth Millar | Michael Fegan | Philomena Cunningham | William James Sloan |
| Elizabeth, Patricia Quinn | Thomas Grant | James Meenagh | Doreen Jones |
| | | | John Donaldson |



The Credit Committee advanced loans to the value of £16,981,830 to members throughout the last twelve months. This is an overall increase of £1,962,038 on the previous year, as more people borrowed from the Credit Union following the rise in living costs. There was an increase in the total loan repayments made during the year which probably reflects that a lot of the loans were for higher values. Nevertheless, members made loan repayments totalling £14,411,321. This has been a welcomed increase on the previous years' repayments of £11,443,010.

Our higher-level lending also increased over the last year, from £19.4m to £21.1m, an increase of £1.7m. The interest received from members' loans also increased by £510,000 over the last year, an increase of approximately £780,000 compared to the previous year.

The Current Loan Book

We are pleased that there has been a significant increase in our standard lending over the past twelve months. We hope to continue to increase the loan book over the next twelve months, as we are expecting the composition of the loan book to be as follows - 10% corporate loans, 48% standard loans, and 42% higher value loans. We expect the loan book to grow to £45m by 30th September 2024.

High Level Lending Committee (HLLC)

Since 2018 the HLLC has been considering loan applications for credit between £75,000 up to a maximum of £750,000. I want to reassure members that all higher-level loans pass through a very rigorous and diligent assessment process. All loan applications are assessed for affordability and repayment capacity. These loans are interrogated to ensure that Newry Credit Union makes prudent lending decisions. I can confirm the financial risk of your shares is mitigated by the highly marketable properties that secure these higher-level loans, on average 45% loan to value.

Affordability

The ability to repay is an area the Credit Committee must assess with due diligence, for both standard lending and higher-level lending. The Credit Committee is advancing the savings of members to borrowers and it must be satisfied that they intend on paying back the loan and that borrowing members have the financial capacity to do so. With cost-of-living increases these decisions have taken on an added degree of complexity. To assist the Credit Committee make more informed decisions, credit reports from Experian and TransUnion are examined to assess the financial indebtedness of borrowing members. The Committee also reviews evidence of each member's income, and evidence of the source of that income, to confirm compliance with anti-money laundering regulations. All these checks enable the Credit Committee to make prudent loan decisions.

Guarantors

Acting as a guarantor on an account is a huge undertaking as ultimately, responsibility for the loan will lie with the guarantor, if the loan is not repaid. This is the reason guarantors must produce evidence that they have the means to repay any loan they are signing for. Photographic ID is also a requirement.

To safe-guard the guarantor they are offered a cooling-off period. No one should ever feel pressured into acting as a guarantor or fail to understand the significance of what they are undertaking.

Nest Egg

Nest Egg is an automated decision engine that enables Newry Credit Union to make loan decisions online with a quick turnaround of funds to member accounts. This allows us to be as competitive as online platforms by accessing open banking and ultimately helping gain a more complete picture of the member's income and expenditure.

We are moving forward with an integration project between ourselves and Nest Egg to streamline the decision-making process, which will make a loan application more convenient for our members.

Revolving Credit

Revolving Credit gives the member access to a line of credit that they can draw down from at any time and repay on an instalment basis like a normal loan with the repayment amount increasing automatically based on additional borrowing. With the introduction of revolving credit, it will provide multiple benefits including reducing paperwork, better flexibility for our members when borrowing and a self-service online product. We hope to successfully launch this in the coming months.

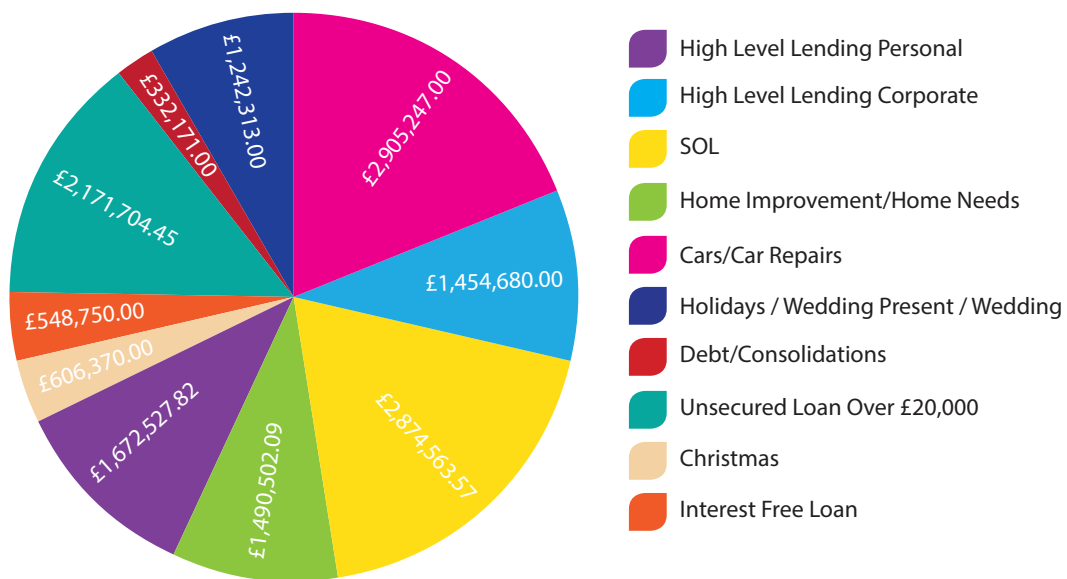
Thank You

I am extremely grateful to my fellow committee members who make themselves available each week to assess loans. I would like to thank the management and staff loan officers for the efficient and professional service they provide to the Credit Oversight Committee and to the borrowing members.

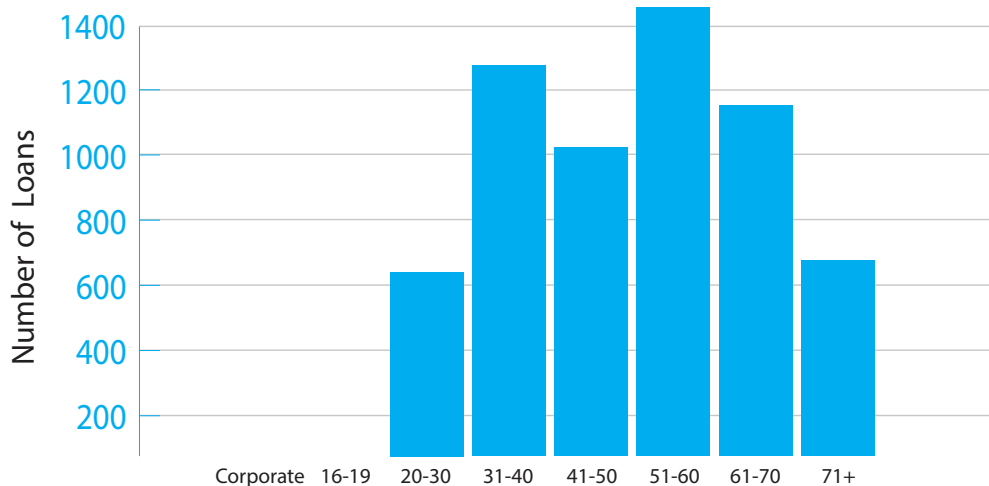
Gerry Daly

Chair of Credit Oversight Committee

Breakdown of Ten most popular Loan Categories by value



Age Profile of Borrowers



1. Voting

Each member shall be entitled to one vote irrespective of his/her shareholding, in accordance with Rule 57 of the Standard Rules (except the presiding member, in the limited circumstances set out in Rule 57).

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

2. Election Procedure

When nominations are announced tellers shall be appointed by the chairman and ballot papers shall be distributed. Elections shall be in the following order:

- (a) Election of auditor;
- (b) Election for membership of the board of directors; and
- (c) Election for membership of the supervisory committee.

When voting is completed, the votes shall be taken and tallied by the tellers. Any ballot paper which contains more votes than the number required shall be void. All elections shall be by majority vote. When the votes have been counted by the tellers the results shall be announced by the chairman. In the event of all vacancies not being filled by the first ballot, further ballots shall be taken as required. (Standard Rule 74)

3 - 8. Motions

- 3. A proposer of a motion may speak for such period as shall be at the discretion of the Chairman of the meeting and shall have the right of reply before the motion is put to the meeting for a vote.
- 4. In exercising his/her right of reply, a proposer may not introduce new material.
- 5. The seconder of a motion shall have such time as shall be allowed by the Chairman to second the motion.
- 6. Members are entitled to speak on any such motion and must do so through the Chair. All speakers to any motion shall have such time as shall be at the discretion of the Chairman.
- 7. The Chairman shall have the absolute right to decide at any time when a motion has been sufficiently discussed and may put the motion to the meeting giving the proposer the right of reply before doing so.
- 8. The Chairman's decision on any matter relating to these Standing Orders or interpretation of same shall be final.

9 - 13. Miscellaneous

- 9. The President of the credit union shall be the Chairman of any general meeting, except where he/she is not available, in which case it shall be the Vice-President, except where he/she is not available, in which case the Board shall decide amongst themselves who shall act as Chairman of any general meeting.
- 10. The Chairman may at his/her discretion, extend the privilege of the floor to any person who is not a member.
- 11. Matters not covered by the Agenda may be introduced under "Other Business" at the discretion of the Chairman.
- 12. The Chairman shall have a casting vote in addition to his/her own vote on matters other than voting at elections (Standard Rule 57).
- 13. Any matter to be decided upon by a vote at the AGM shall, unless otherwise expressly provided for by law or the rules be decided upon by majority vote.

14. 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.

15. 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.

16. Adjournments

Adjournments of the AGM shall take place only in accordance with Standard Rule 59.



Resolution No. 1

That this Annual General Meeting amends the Standard Rules for Credit Unions (Northern Ireland) as approved by the FCA in July 2024.

Rule Amendments

The ILCU AGM 2024 took place in April 2024. There were amendments relating to a previous motion regarding changes in respect of gender-neutral terms to the Standard Rules for Credit Unions (Northern Ireland).

**MINUTES of the ANNUAL GENERAL MEETING, NEWRY CREDIT UNION LIMITED
HELD ON 30th NOVEMBER 2023, CANAL COURT HOTEL, NEWRY
MEETING COMMENCED AT 8.00 PM**

1. Welcome

The Chair, Kevin McDonald introduced himself and welcomed Members to the 62nd AGM.

The CEO, Brendan Jackson extended a warm welcome to representatives from visiting Credit Unions.

2. Quorum

The Secretary, Ann Callen, confirmed that the meeting was quorate.

3. Adoption of Standing Orders

The Secretary requested that the Members adopt the Standing Orders as laid out on page 22 of the Annual Report and Accounts 2023

Proposed by: Elizabeth Donnelly

Seconded by: Frances McCarthy

4. Credit Union Invocation

The Vice Chair, Claire Lambert invited the meeting to join in reading the Credit Union Prayer.

5. One Minute Silence

The Chair asked the meeting to observe a one-minute silence in respect of those Members who had died during the past year.

6. Apologies

The Secretary noted apologies from Conor Smyth, Mark McGivern and Anna Carrol (Kilkeel CU).

7. Minutes of the AGM 2022

The Secretary invited the meeting to approve the minutes of the 2022 AGM (pages 23 to 31 of the Annual Report and Accounts 2023).

Proposed by: Noelle Lambert

Seconded by: Sean Little

8. Chair's Address: Kevin McDonald, Chair

Good evening and a warm welcome to you all on our 60th anniversary AGM of Newry Credit Union. It is an honour to stand before you as the Chairperson of this esteemed institution on this momentous occasion.

Sixty years ago, a group of visionary individuals came together with a common purpose which was to serve and support the people of Newry, namely, James McCoy, James Gunn, Eddie Mackle, John McCluskey, Mick Donavan, Aurthur Morgan, Joe Magill, Peter Connolly, Leo Kearney, Louis Boyd, Sean Hillen and John O'Driscoll. Without their vision and determination, we may not be here today. Little did they know that their efforts would blossom into the thriving financial institution we are today. Our journey over these six decades has been one of dedication, resilience, and unwavering commitment to the people of Newry.

As we gather here tonight at the Canal Court Hotel for our Annual General meeting, we not only commemorate the passage of time but also celebrate the profound impact we have had on the lives of countless individuals and families in our community. Newry Credit Union has been a steadfast companion to generations of members, helping them with home improvements, financing education and business opportunities, daily living, purchasing cars and holidays, realising life dreams and weathering life's storms.

Our 60th anniversary milestone is a testament to the trust and confidence that you, our members, have placed in us throughout the years. It is a testament to the hard work and dedication of our staff and volunteers and past board members who have served this institution and community. I look to our present Board of Directors and know full well of their commitment. I would like to thank them for their support and encouragement they have given me and for their dedication to Newry Credit Union. A special thanks must be made to Mr Joe Hughes RIP, our past manager, and Mr Brendan Jackson our current CEO. They both have demonstrated their management dedication over the years to ensure the success of Newry Credit Union.

Today as we look back on our achievements we can also look forward to the future with optimism and determination. The financial landscape is ever changing, and we are committed to evolving and adapting to meet the needs of our members.

In conclusion I want to express my heartfelt gratitude to you all for being a part of our remarkable journey. Our success is your success, and our story is your story. I have no doubt that Newry Credit Union has a bright future ahead as we all look forward to the next chapter with enthusiasm and hope.

Thank you.

9. **Donations / Cheque Presentations**

The CEO advised that a cheque presentation of £1,000 had been made to Newry Hospice prior to the meeting.

10. **Report of Board of Directors: Ann Callen, Secretary**

We are thrilled to be here in the Canal Court Hotel as your Board of Directors, as we celebrate the 60th anniversary of Newry Credit Union. Over the past six decades, we have been dedicated to serving our members and community with the highest level of financial services and support. This milestone is a testament to the trust and loyalty you have shown us, and we are committed to continuing our mission of providing financial well-being for the years to come.

Challenges in the Face of Rising Cost of Living

As we celebrate our 60th anniversary, we are mindful of the financial challenges many of our members and the wider community are currently experiencing due to the rising cost of living. The increasing costs of essential goods and services, such as housing, healthcare, and education, have put added strain on households.

Rest assured that Newry Credit Union remains dedicated to your financial well-being, and together, we will work through these challenges and build a more secure future. Thank you for being part of our 60-year journey..

Dividend and Interest Rebate

Despite the harsh operating environment Newry Credit Union still generated a very healthy operating surplus. The Treasurer's report will provide the details on the rates, but the fact that Newry Credit Union is able to provide a better return to both savers and borrowers than last year is testimony to the financial strength of this organisation.

Maximum Savings Per Month/Quarter

The savings cap has been increased to £1,000 per month / £3,000 per quarter to ensure that Newry Credit Union continues to control its share growth. With interest rates increasing over the past 12 months, we have been preparing for some members withdrawing their savings to place into cash ISAs and fixed investments. While this has not had a significant impact on Newry Credit Union, we will still monitor the situation and if necessary, review the level of the savings cap.

Expansion of Services

Newry Credit Union is moving closer to introducing current accounts as part of our range of services to members. This along with the introduction of mortgages will allow us to expand our product range and increase our membership. We are looking forward to collaborating with surrounding Credit unions in terms of engagements and shared services situation and if necessary, review the level of the savings cap.

Condolences

We extend our sincere condolences to the family and friends of all members who passed away during the year. In particular we want to pay our respects to former team members Joan Markey & Jacqueline Rafferty who sadly passed away earlier this year.

We would also like to extend our deepest condolences to our team members Caoimhe Campbell on the passing of her mother & father during the year and also Orla Lynch on the passing of her mother.

On behalf of the board, I would like to thank the Senior Management Team of Chief Executive Brendan Jackson, Compliance Manager Judith Connolly and John Doyle, Member Services Manager along with the entire team for their dedication to you, the members.

Finally, I would like to thank you, the members, for your continuing loyalty to Newry Credit Union. We exist to serve you and trust that we will always continue to do so.

The Secretary requested a proposer and seconder for the Chair's Address and the Board of Directors Report.

Proposed by: Paddy McMahon

Seconded by: Ciaran Rafferty

11. Finance Report: Paul Hughes, Treasurer

It gives me great pleasure to present the financial statements of Newry Credit Union for 2023. 2023 has been a strong year for NCU and we have continued to build upon the great foundations laid in previous years. Comprehensive income has increased from £792,272 in 2022 to £1,142,271 in 2023, with our total reserves remaining in a strong position of £10,365,907 as at 30th September 2023. We are therefore pleased to be able to offer our members an increase in the proposed dividend and loan interest rebate for 2023, set out below:

- Proposed dividend for 2023 is 0.50% costing £309,137
- Proposed loan interest rebate for 2023 is 21% costing £672,362

Income

Our income streams for 2023 have remained strong. Overall loan income increased by circa 18.9% to £3.20m in 2023 compared with £2.68m in 2022. Bank Interest received in 2023 increased by £449,271 to £788,658, this has resulted in a net income generation of £3.997m, compared to £3.038m in 2022.

Expenditure

Overall management costs have increased by circa 10.5%. The main increases can be viewed in schedule one of the financial statements. I would like to provide additional information on the following cost centres:

Loan and Share Insurance

A small reduction of £3,342 to £460,372 in 2023. This insurance cover remains one of our highest expenditure items in the year and is directly linked to our members age profile and savings held on 30th September 2023. We have no control over the price of these premiums, but the protection that comes with them provides members with significant peace of mind that cannot be measured in financial terms alone.

Death Benefit Insurance

Increase of £42,651 to £365,476 in 2023. This insurance item is another large expenditure item and is similar to the Loan and Share Insurance in that we have no control over the premium price. The protection brought by its cover is one of the keys benefits of Credit Union membership and the peace of mind provided to members cannot be quantified.

Computer Maintenance and Accessories

Increased by £50,776 to £165,996 in 2023. We continue to invest in our IT infrastructure as we seek to modernise and gain efficiencies from our operational processes. This will enable us to continue to provide our members with the highest level of service and customer experience possible.

60th Anniversary

Newry Credit Union's 60th-anniversary celebrations were a testament to their commitment to the local community. We had a budget of £60,000 to celebrate the 60th anniversary and to date we have spent £36,141. Our key event was the organisation of our open day which was a memorable event that brought together our members, staff, and directors past & present. We also had member monthly cash draws and our 'take me home for Christmas' competition

Net recoveries or losses on loans to members (note 13d)

Newry Credit union has an excellent record historically in the recovery of loans that have previously been written off, and in 2023 we have continued to deliver on this and achieved a value of £68,549 recovered. A testament to our hardworking Credit Control department who continue to ensure that our members' monies remain protected.

Balance Sheet

The overall loan book has increased by circa 5% in 2023, an excellent achievement which will continue to provide a strong financial footing for the economic challenges we face in the year ahead. Share growth decreased slightly as we sought to continue with our savings caps, ensuring that we maintain our regulatory requirement ratios between level of loans and level of shares at an acceptable level.

Thanks

This year has been another successful year for Newry Credit Union, and we are well positioned to continue to deliver for our members during the uncertain economic times that lie ahead. I would like to thank all our staff who continue to provide excellent member services and work hard for the members all year round.

Special thanks to the Senior Management Team of Brendan, Judith, & John who continue to lead and deliver for Newry Credit Union. And a welcome back to Louise Campbell following a sabbatical. A final thank you to our Auditors Fitzpatrick & Kearney Limited who continue to perform their auditing responsibilities with great diligence and professionalism and to my fellow directors, supervisors and volunteers who give of their time and expertise so willingly.

The Secretary requested a proposer and seconder for the Finance Report.

Proposed by: Gary Stokes

Seconded by: Elizabeth Donnelly

12. Financial Statements and Annual Accounts

The Auditor, Ben Reynolds, Fitzpatrick & Keraney referred Members to the 'Independent Auditors' Report' on pages 35-37 of the Annual Report and Accounts 2023 and highlighted the most important paragraph in the report:

In our opinion, the financial statements in all material respects:

- give a true and fair view of the state of the Credit Union's affairs as at 30th September 2023 and of its income and expenditure and cash flows for the year then ended
- have been properly prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, issued by the Financial Reporting Council; and
- have been prepared in accordance with the requirements of the Credit Unions (Northern Ireland) Order 1985.

The Auditor thanked the CEO and staff for their full co-operation given every year. The Auditor thanked his audit leader Brenda Hughes for her diligence throughout the audit process. .

The Secretary requested a proposer and seconder for the Finance Report.

Proposed by: Eugene Gallagher
Seconded by: Patricia Smiley

13. Declaration of Dividend and Interest Rebate

The Treasurer requested a proposer and seconder for the proposed dividend and loan interest rebate for 2023.

Proposed by: Noelle Lambert
Seconded by: Elizabeth Donnelly

14. Directors Recommend

The CEO requested that members complete the voting forms (tick box) to approve Special Resolutions No 1 and No 2.

A. Special Resolution No.1

This meeting of members of Newry Credit Union Limited hereby resolves to undertake and accept the transfer of the whole of the stock, property, other assets and all engagements of Bessbrook Credit Union Limited in consideration of Newry Credit Union Limited issuing to each member of the Bessbrook Credit Union Limited paid up shares equal to the amount standing to the credit of each member in the shares ledger of Bessbrook Credit Union Limited on the date when the transfer of engagements becomes effective subject to all due diligence requirements being satisfied.

B. Special Resolution No. 2

That this Annual General Meeting agreed to amend the Section 2, Rule 6 of the Standard Rules for Credit Unions (Northern Ireland) by inserting the following:
11-mile radius of Newry City Centre

Section 2. Qualification For Membership**Rule 6. Membership**

(1) Membership shall be limited to and consist of the signatories to the application to register the credit union and such other persons having the common bond of living or working within an 11-mile radius of Newry City Centre as have been elected members of the credit union in accordance with the provisions of these rules and comply with such other rules as relate to membership including, if otherwise qualified, such other persons as were members of the unincorporated body known as Newry Credit Union immediately before the date on which the credit union was registered. In addition, family members residing in the same household as a directly qualifying member may be regarded as having the qualification for membership.

The CEO asked the meeting to agree:

C. This year's contribution to International Projects will be calculated based on £1 per member

D. Deduct ILCU Affiliation Fee of £1 per individual adult account.

E. Death Benefit Insurance of £25.06 for single accounts and £50.12 for joint accounts (to be paid as an operational expense for those members with more than £400 in shares in a single account or £800 in shares in a joint account).

There was a show of hands, and the motion was carried.

15. **Chief Executive Report: Brendan Jackson, CEO**

Introduction

On Saturday 24th June we celebrated the 60th anniversary of the founding of Newry Credit Union. This was our opportunity to mark the contribution of visionaries who knew that communities were stronger together and that financial independence gave members dignity and improved their self-worth. This co-operative experiment went on to yield many benefits to our members and civic society in general. It's also worth noting that the founding directors of Newry Credit Union were among the pioneers who established Newry & Mourne Co-Operative in 1974 to provide employment opportunities in the Newry area which at that time was the second highest unemployment blackspot in the north behind Strabane.

In addition to the staggering £433 million loaned to members since 1963, countless families have benefitted from the death benefit and loan protection insurance that is unique to the Irish League of Credit Unions. One of the early directors Sam Hughes was instrumental in the establishment of ECCU Assurance, an insurance company owned by credit unions run for credit unions.

Cost of Living Crisis

Last year we offered members the opportunity to obtain interest free loans to assist with energy costs. We were not prescriptive - members could apply for oil, coal, electricity or gas – and we allowed members to decide who they purchased from. I'm delighted to announce that the uptake of the scheme was so great that we intend continuing that initiative this year.

Newry Credit Union has always encouraged members to create a financial nest egg that they could dip into in times of financial difficulty. The concept of thrift and putting even small amounts of money aside for the rainy day has served members well over the past six decades.

Sponsorship & Donations

Newry Credit Union is also justifiably proud of the contribution to the local community and voluntary sector. In addition to the sponsorship of local events such as the Newry Pantomime and the Newry Half Marathon, Newry Credit Union has assisted countless charities over the years to enable the unsung heroes of our community provide services that the statutory agencies are not able to or capable of supporting.

However, people can fall upon hard times through no fault of their own. And as part of our corporate social responsibility, we made a significant contribution to the Community Coordination Hub to facilitate targeted interventions to the most vulnerable in our society.

Below are some of those interventions

Gentleman

Lives with his wife and three children. He is unable to work due to caring duties he has had to take on recently and he is waiting on benefits coming through after the recent change in circumstances.

Married Couple

Household of 2 adults and 4 children, one of the children is severely autistic. Struggling to make ends meet.

Lady

4 dependent children, struggled with return to school costs, struggling to cover bills on one salary and keep head above water.

Newry Credit Union is pleased to work with other organisations who share our core beliefs - the need to provide financial support to people in their hour of need, to provide hope in difficult times.

Strategic Initiatives

Operational Resilience

Newry Credit Union is proud of its efforts to protect and keep secure the personal data of our members. We are the only credit union in the north with ISO 27001 Information Security Management System, a European standard. Over the next number of years Newry Credit Union will migrate its software programmes to 'the cloud' to improve its operational resilience. That means that should there be a closure of the building the services will be able to operate from an alternative location within a very short timeframe. The devastation caused by the floods locally makes this initiative an imperative now. I would like to reassure all our members that we will not move to more digital platforms until we are satisfied that the requisite security is in place.

Cooperation Amongst Credit Unions

Over the past number of years there has been a significant consolidation of credit unions due to the difficulty in recruiting directors and the costs associated with governance of credit unions. This trend will continue over the next number of years. We have been approached by Bessbrook Credit Union to explore a Transfer of Engagement (ToE), which you will be voting on tonight. Subject to all the necessary due diligence requirements being satisfied, Newry Credit Union would assume the legal obligations of Bessbrook Credit Union, and Bessbrook Credit Union would cease to exist as a legal entity.

Dividend & Interest Rebate Payments

We are delighted to be in the healthy financial position to reward our members by declaring a dividend and interest rebate this year. As per the last three years we would encourage all members to use our online facilities and join the 6,000 members who can transfer their dividend and interest rebate to their bank account. We currently have 3,000 members paying their accounts by direct debit plus those members paying by recurring debit card payments and we would encourage you all to contact the office to arrange for the payments to be made directly to your bank account.

Thank You

On behalf of the entire credit union team, I would like to take this opportunity to thank you the members for your loyalty and trust. That sense of loyalty can be gauged by the write-off of loans of less than £1.50 for every £1,000 loaned.

I would like to take this opportunity to thank my staff on the professional manner in which they discharge their duties and uphold the values and ethos of Newry Credit Union.

I would also like to thank the Directors, Supervisors and Volunteers for the support they provided to me throughout the past 12 months.

I have no doubt that if Newry Credit Union puts the needs of members first it will continue to enjoy success for the next 60 years and beyond. That would be some legacy for a number of civic minded people who pooled their own money to invest in a financial cooperative, and who had the drive and ambition to make it work. We are indebted to their efforts, and we are the custodians of their vision.

Questions from the floor

1. A member raised a question with regards to Death Benefit Insurance (DBI). The CEO advised that in the event of a member's death NCU pays £2,000 towards funeral costs.
2. A member asked what the total membership was. The CEO advised that total adult membership was 19,176.
3. A member commended the CEO and his team for all their hard work.

The Secretary requested a proposer and seconder for the CEO Report.

Proposed by: Eugene Gallagher

Seconded by: Noelle Lambert

16. Report of the Nominating Committee

The CEO referred Members to the voting sheet in their packs.

- 3 Director vacancies
John Rooney and Conor Smyth have come to the end of their term.
- 2 Supervisor vacancies

17. Appointment of Tellers**18. Election****Election of Directors (2 nominees)**

Kevin McDonald

Sean Hogan

Election of Supervisors

Actively recruiting

Election of Auditors

It was proposed that Fitzpatrick and Kearney Ltd are re-elected as Auditors.

The CEO invited Members to vote.

Whilst the count was undertaken, the CEO invited Ita McConville to present the Supervisory Report.

19. Report of the Nominating Committee

The role of the Supervisory Committee is to monitor the Credit Union against its own policies and procedures to ensure that it meets the required regulatory requirements. The aim of such oversight is to ensure that the assets of the members are adequately safeguarded, and a key focus of the Supervisory Committee is to make sure that the best interests of members is kept to the core of all decision making throughout the organisation. The Supervisory Committee acts independently from the Board, and we have a duty to report our activities and findings undertaken during the year at each Annual General Meeting.

The Internal Audit Function of Newry Credit Union is outsourced to an external firm, PGM Accountancy (PGM) and the Supervisory Committee work in tandem with PGM to ensure that all relevant matters are appropriately monitored throughout the year. PGM undertake a number of audits across key areas of the business during the year and make recommendations, where appropriate, for certain improvements to be made. The Supervisory Committee ensures that such recommendations are followed through and recognises the need for Newry Credit Union to continually seek to improve their service to members and maintain a high standard of governance. The Supervisory Committee carry out pieces of work to complement and enhance the internal audit programme set by PGM.

During the course of the year, PGM undertook 7 audits which were linked to the following areas of business: AML Risk, Cyber Risk, Governance, High Level Lending, HR, Liquidity & Operational & Fraud Risks. A risk assessment is undertaken to identify these areas which means that the credit union is focusing on areas which are crucial for ensuring that the organisation is resilient, sustainable into the future and is adhering to all regulatory obligations.

You will see in this year's report that the committee structure of Newry Credit Union has changed since last year. The number of committees has been reduced, the workload of each committee has been assessed and clear terms put in place for what each committee is to work on and develop. This streamlined process, which was put in place further to a recommendation from the Supervisory Committee, has been very effective. As the organisation continues to grow it is essential that the appropriate governance structure is in place. A number of additional governance measures have been recommended and put in place which ensure that the Board of Directors are very much focused on strategic matters and spend their valuable time considering how best to attract new members and ensure the long-term success of Newry Credit Union.

20. Reports of the Sub Committees: Brendan Jackson, CEO

The CEO referred Members to the following reports:

- Risk, Corporate, Governance and ISMS Committee (page 14)
- Education and Marketing Report (pages 15-16)
- Membership Report (page 17)
- Insurance Report (pages 18-19)
- Credit Oversight Committee (pages 20-12)

The Secretary requested a proposer and seconder for the Sub Committee Reports.

Proposed by: Gary Stokes
Seconded by: Paddy McMahan

21. Election Results

The Secretary advised that the applicants for Directors and Auditors noted above were duly elected. A result of 82 out of 104 votes that had been counted.

22. Members' Draw

Names were picked at random from ballots issued to Members who attended the meeting.

2x £500 cheques went to:

- Elaine McCourt
- Rita McCabe

Juvenile Draw Winners (had been drawn prior to the meeting)**3x £100 cheques went to:**

- Anna Henning
- Caoimhin Rocks
- Connie Grant

Take me home for Christmas competition (40 entries received).

The winner was Barry McKenna – to bring his brother home from New York for his wedding

23. Any Other Business

The Chair thanked Members for their attendance at the AGM and invited Members to stay for refreshments.


The Chair thanked NCU staff for organising the event.

24. Close of meeting

The Chair closed the meeting at 9.15PM.

Signed:  _____

Chair: Kevin McDonald

Signed:  _____

Secretary: Ann Callan

Newry Credit Union Limited
Annual Report & Financial Statements
For the year ended
30 September 2024

Newry Credit Union Limited
Report and accounts
Contents
for the year ended 30 September 2024

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Newry Credit Union Limited Statement of Directors' Responsibilities for the year ended 30 September 2024

Statement of Directors' Responsibilities

The Credit Unions (Northern Ireland) Order 1985 and amendments thereto require 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 the Income and Expenditure Account of the Credit Union for that period. In preparing those financial statements, the directors are required to:

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


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 to enable them to ensure that the financial statements are prepared in accordance with applicable law in Northern Ireland and UK Generally Accepted Accounting Practice, 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.

Post Balance Sheet events

Newry Credit Union Ltd is cognisant of the current economic climate of high inflation relating to the cost of living crisis and less government interventions. These may in the short to medium term result in members struggling to repay their loans. In the opinion of the directors, Newry Credit Union Ltd has adequate provisions in place and has built up strong capital reserves over the years to absorb any potential future impairment losses. The directors believe that Newry Credit Union Ltd's trading activities and profitability will not be materially affected as a result.

On behalf of the Board of Directors

President: K McDonald 
.....

Treasurer: P Hughes 
.....

Secretary: A Callan 
.....

Date: 24th October 2024

**Newry Credit Union Limited,
Independent Auditors' Report
to the Members of Newry Credit Union Limited for the year ended 30 September 2024**

Opinion

We have audited the financial statements of Newry Credit Union Limited (the 'Credit Union') for the year ended 30th September 2024 which comprise the Income and Expenditure Account, the Balance Sheet, the Statement of Changes in Reserves, the Cash Flow Statement and notes to the financial statements including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and the Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements in all material respects:

- give a true and fair view of the state of the Credit Union's affairs as at 30th September 2024 and of its income and expenditure and cash flows for the year then ended;
- have been properly prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, issued by the Financial Reporting Council; and
- have been prepared in accordance with the requirements of the Credit Unions (Northern Ireland) Order 1985.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described 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 the financial statements in the UK, including the FRC's Ethical Standard, 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.

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included the following;

We considered as part of our risk assessment of the nature of the company, its business model and related risks including the impact of the Cost of living crisis, the requirements of the applicable financial reporting framework and the system of internal control. We evaluated the directors' assessment of the company's ability to continue as a going concern, including challenging the underlying data and key assumptions used to make the assessment, and evaluated the directors' plans for future actions in relation to their going concern assessment.

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 company's ability to continue as a going concern for a period of at least twelve months from 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Newry Credit Union Limited
Independent Auditors' Report
to the Members of Newry Credit Union Limited
for the year ended 30 September 2024**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the director's report.

We have nothing to report in respect of the following matters in relation to which the Credit Unions (Northern Ireland) Order 1985 requires us to report to you if, in our opinion:

- proper books of account have not been kept;
- the credit union has not maintained a satisfactory system of control over its transactions;
- the income and expenditure account to which the report relates, and the balance sheet are not in agreement with the books of account; or
- we have not received all the information and explanations necessary for the purposes of our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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 have no realistic alternative but to do so.

Auditors' 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 (UK) 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. Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

Identifying and Assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance;
- results of our enquiries of management and internal auditors about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained from management whether they were aware of any instances of non-compliance and whether they have knowledge of any actual, suspected or alleged fraud; and reviewing the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we identified the greatest potential for fraud in the areas in which management is required to exercise significant judgement. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. We also obtained an understanding of the legal and regulatory framework that the Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Credit Unions (Northern Ireland) Order 1985, pensions and tax legislation. In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty. These included data protection, employment, environmental and health and safety regulations.

**Newry Credit Union Limited
Independent Auditors' Report
to the Members of Newry Credit Union Limited
for the year ended 30 September 2024**

Audit response to risks identified

As a result of performing the above, we identified the potential for management override of the controls as a key audit matter related to the potential risk of fraud. Our procedures to respond to the risks identified included the following

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Credit Union's members, as a body, in accordance with Article 47 of the Credit Unions (Northern Ireland) Order 1985. 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.



Fitzpatrick & Kearney Limited
Chartered Accountants and Statutory Auditors
10c Marcus Square
Newry
Co. Down
BT34 1AE


24th October 2024

Newry Credit Union Limited
Income and Expenditure Account
for the year ended 30 September 2024

| | Notes | 2024 | 2023 |
|---|--------------|------------------|------------------|
| | | £ | £ |
| Interest on members' loans | 4 | 3,636,168 | 3,209,151 |
| Other interest income and similar income | 5 | 871,429 | 788,658 |
| Net interest income | | <u>4,507,597</u> | <u>3,997,809</u> |
| Other income | 7 | 5,022 | 4,681 |
| Employment costs | 9b | (1,130,963) | (1,002,197) |
| Depreciation | 12 | (94,271) | (91,370) |
| Other management expenses (schedule 1) | | (1,590,213) | (1,522,123) |
| Net recoveries or losses on loans to members | 13d | (83,921) | (50,960) |
| Surplus for the financial year before taxation | | <u>1,613,251</u> | <u>1,335,840</u> |
| Taxation | 10 | (197,857) | (193,569) |
| Surplus for the financial year after taxation | | <u>1,415,394</u> | <u>1,142,271</u> |
| Other comprehensive income | | - | - |
| Total comprehensive income | | <u>1,415,394</u> | <u>1,142,271</u> |

The financial statements were approved, and authorised for issue, by the Board on 24th October 2024 and signed on its behalf by:

President: K McDonald 

Treasurer: P Hughes 


Secretary: A Callan 

Newry Credit Union Limited
Balance Sheet
as at 30 September 2024

| | Notes | 2024 £ | 2023 £ |
|-------------------------------------|-------|---------------------|---------------------|
| ASSETS | | | |
| Stock of Stationery | | 2,750 | 2,500 |
| Cash and cash equivalents | 11 | 2,621,270 | 2,368,730 |
| Tangible fixed assets | 12 | 1,564,681 | 1,573,019 |
| Loans to members - Gross | 13a | 45,224,184 | 42,750,670 |
| Provisions against loans to members | 13c | (944,061) | (1,170,866) |
| Prepayments and accrued income | 14 | 903,691 | 572,811 |
| Investments | 15 | 26,774,779 | 29,348,901 |
| Total assets | | <u>76,147,294</u> | <u>75,445,765</u> |
| LIABILITIES | | | |
| Members' shares | 16 | (60,931,789) | (61,394,287) |
| Minors' deposits | 17 | (3,279,231) | (3,245,129) |
| Other payables | 18 | (719,654) | (440,442) |
| Total liabilities | | <u>(64,930,674)</u> | <u>(65,079,858)</u> |
| ASSETS LESS LIABILITIES | | <u>11,216,620</u> | <u>10,365,907</u> |
| RESERVES | | | |
| General Reserves | | 9,474,937 | 9,097,519 |
| Strategic Reserves | | 280,524 | 270,524 |
| Unappropriated surplus | | 1,461,159 | 997,864 |
| Total reserves | | <u>11,216,620</u> | <u>10,365,907</u> |

The financial statements were approved, and authorised for issue, by the Board on 24th October 2024 and signed on its behalf by:

President: K McDonald 

Treasurer: P Hughes 

Secretary: A Callan 

Newry Credit Union Limited
Statement of Changes in Reserves
for the year ended 30 September 2024

| | General reserve | Strategic reserve | Unappropriated surplus | Total |
|--|----------------------------|------------------------------|-----------------------------------|-------------------|
| | £ | £ | £ | £ |
| Opening balance | | | | |
| At 1 October 2022 | 7,933,051 | 280,524 | 706,091 | 8,919,666 |
| Total comprehensive income for the year | 250,000 | - | 892,271 | 1,142,271 |
| Transfer | - | (10,000) | 10,000 | - |
| Forfeited Shares | - | - | 1,425 | 1,425 |
| Membership Fees | 459 | - | (459) | - |
| Dividends paid during the year (Note 6) | - | - | (186,190) | (186,190) |
| Loan interest paid during the year (Note 6) | - | - | (375,078) | (375,078) |
| Social, Charitable & Educational | - | - | (50,196) | (50,196) |
| Exceptional loans provision write-back | 914,009 | - | - | 914,009 |
| Closing balance | 9,097,519 | 270,524 | 997,864 | 10,365,907 |
| At 30 September 2023 | | | | |
| Opening balance | | | | |
| At 1 October 2023 | 9,097,519 | 270,524 | 997,864 | 10,365,907 |
| Total comprehensive income for the year | 150,000 | - | 1,265,394 | 1,415,394 |
| Refund of Cusop Monies | - | 10,000 | - | 10,000 |
| Transfer | - | - | - | - |
| Forfeited Shares | - | - | 2,337 | 2,337 |
| Membership Fees | 612 | - | (612) | - |
| Dividends paid during the year (Note 6) | - | - | (309,134) | (309,134) |
| Loan interest paid during the year (Note 6) | - | - | (437,256) | (437,256) |
| Social, Charitable & Educational | - | - | (57,434) | (57,434) |
| Exceptional loans provision write-back | 226,806 | - | - | 226,806 |
| Closing balance | 9,474,937 | 280,524 | 1,461,159 | 11,216,620 |
| At 30 September 2024 | | | | |

(1) The total reserves of the Credit Union as a % of total assets as at 30th September 2024 was 14.73% (2023: 13.74%) in excess of the required limit of 8.29%. This was after transferring £150,000 (2023: £250,000) of the Credit Union's current year surplus to the General Reserve.

(2) The Unappropriated surplus 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 General Reserve.

(3) In the year ended 30th September 2014, an exceptional loan provision was made in the financial statements directly to reserves following discussions with the Prudential Regulation Authority. The loans concerned are currently performing well and being repaid as normal. As these loans are repaid, the reserves are reinstated on a yearly basis until all are cleared.

Newry Credit Union Limited
Cash Flow Statement
for the year ended 30 September 2024

| | Notes | 2024 £ | 2023 £ |
|---|-------|--------------------|--------------------|
| Cash flows from operating activities | | | |
| Loans repaid by members | 13a | 13,771,032 | 14,411,321 |
| Loans granted to members | 13a | (16,386,523) | (16,981,830) |
| Loan interest received | 4 | 3,617,123 | 3,201,726 |
| Investment income received | | 607,323 | 578,640 |
| Other income received | | 5,022 | 4,681 |
| Bad debts recovered | | 58,056 | 68,549 |
| Dividends paid | 6 | (309,134) | (186,190) |
| Loan interest rebate paid | 6 | (437,256) | (375,078) |
| Refund of Cusop Monies | - | 10,000 | - |
| Operating expenses paid to include employment costs | | (2,569,258) | (2,526,839) |
| Corporation tax paid | | (173,640) | (64,483) |
| | | <u>(1,807,255)</u> | <u>(1,869,503)</u> |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | 12 | (85,933) | (13,203) |
| Purchase of investments | | (23,957,710) | (27,122,693) |
| Proceeds from sale of investments | | 26,531,834 | 25,815,789 |
| | | <u>2,488,191</u> | <u>(1,320,107)</u> |
| Cash flow from financing activities | | | |
| Minors' monies received net | | 34,102 | (40,671) |
| Members' shares received | 16 | 12,932,213 | 12,490,918 |
| Members' shares withdrawn | 16 | (13,394,711) | (12,893,989) |
| | | <u>(428,396)</u> | <u>(443,742)</u> |
| Net increase/(decrease) in cash and cash equivalents | | 252,540 | (3,633,352) |
| Cash and cash equivalents at beginning of year | | 2,368,730 | 6,002,082 |
| Cash and cash equivalents at 30 September | 11 | <u>2,621,270</u> | <u>2,368,730</u> |

Newry Credit Union Limited
Notes to the Financial Statements
for the year ended 30 September 2024

1 Legal and regulatory framework

Newry Credit Union Ltd. is established under the Credit Unions (Northern Ireland) Order 1985. The Credit Union is registered with the Department for the Economy and is regulated by the Financial Conduct Authority ("FCA") and Prudential Regulation Authority ("PRA"). The principal place of business is 70-72 Hill Street, Newry.

2 Accounting policies

2.1 Statement of compliance and basis of preparation

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102")

The financial statements have been prepared on the historical cost basis.

2.2 Adoption of FRS 102

Newry Credit Union Ltd.'s first financial statements to comply with FRS 102 were the year ended 30th September 2016. The date of transition to FRS 102 was 1st October 2014.

2.3 Currency

The financial statements are prepared in Sterling, which is the functional currency of the Credit Union. Monetary amounts in these financial statements are rounded to the nearest £.

2.4 Going Concern

The financial statements are prepared on the going concern basis. The directors of Newry Credit Union Ltd. 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 PRA.

2.5 Income

Interest on members' loans

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

Investment income

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

Other income

Other income such as commissions receivable on members' current accounts, paypoint, ATM rental income and foreign exchange services arises in connection to specific transactions. Income relating to individual transactions is recognised when the transaction is completed.

Newry Credit Union Limited
Notes to the Financial Statements
for the year ended 30 September 2024

2.6 Dividends on shares and loan interest rebates

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

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

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

2.7 Taxation

Corporation tax is provided for on taxable interest from investments and non-mutual income. All other income of the Credit Union is exempt from Corporation tax.

2.8 Cash and cash equivalents

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

2.9 Financial instruments

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

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

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

Newry Credit Union Limited
Notes to the Financial Statements
for the year ended 30 September 2024

2.10 Basic financial assets

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

Loans to members

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

Investments held at amortised cost

Investments comprise cash deposits which are initially measured at the amount deposited and are subsequently measured at amortised cost using the effective interest method.

2.11 Other receivables

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

2.12 Impairment of financial assets

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

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

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

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

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.

Newry Credit Union Limited
Notes to the Financial Statements
for the year ended 30 September 2024

2.13 De-recognition of financial assets

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

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

2.14 Basic financial liabilities

Basic financial liabilities are initially recognised at the transaction price, including transaction costs, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities are subsequently carried at amortised cost using the effective interest method.

Financial liabilities members' shares and minors' deposits

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

Other payables

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

2.15 De-recognition of financial liabilities

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

2.16 Tangible fixed assets

Tangible fixed assets comprises 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:

| | |
|-----------------------------|------------------------|
| Freehold buildings | 50 years straight line |
| Office & computer equipment | 15% straight line |
| Fixtures and fittings | 15% straight line |
| Motor vehicles | 20% straight line |

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

Newry Credit Union Limited
Notes to the Financial Statements
for the year ended 30 September 2024

2.17 Impairment of tangible fixed assets

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

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

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

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

2.18 Employee benefits

Pension Schemes

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

The scheme is a multi-employer scheme and due to the nature of the scheme, it is not possible for the Credit Union to separately identify its share of the scheme's underlying assets and liabilities. Consequently, the Credit Union accounts for the scheme as a defined contribution plan.

Newry Credit Union also participates in the Workers Pension Trust.

Other Employee Benefits

The costs of short-term employee benefits, including holiday pay, are recognised as a liability and as an expense (unless those costs are required to be recognised as part of the cost of fixed assets) over the period they are earned.

2.19 Government grants

The company previously received government grants in respect of the Job Retention Scheme. These grants were recognised at the fair value of the asset received or receivable when there is reasonable assurance that the company will comply with conditions attaching to them and the grants will be received using the performance/accrual model.

2.20 Reserves

General Reserve

The Credit Union is required to maintain and establish a minimum General Reserve of at least 8.29% of the gross assets of the Credit Union in accordance with the PRA Rulebook: Non-CRR Firms: Credit Unions Instrument 2016. At the balance sheet date, the total reserves were 14.73% of gross assets.

Unappropriated surplus

The Unappropriated surplus 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 General Reserve.

Newry Credit Union Limited
Notes to the Financial Statements
for the year ended 30 September 2024

3 Use of estimates and judgements

The preparation of financial statements requires the use of certain accounting estimates. It also requires the Directors to exercise judgement in applying Newry Credit Union Ltd's accounting policies. The areas requiring a higher degree of judgement, or complexity, and areas where assumptions or estimates are most significant to the financial statements are disclosed below:
 Impairment losses on loans to members

The Credit Union's accounting policy for impairment of financial assets is set out in accounting policy in Note 2.12. Loan loss provisioning is monitored by the Credit Union, and the Credit Union assesses and approves its provisions and provision adequacy on a quarterly basis. At all times the Credit Union ensures that its provisions meet the minimum requirements contained within the PRA Credit Union Rule book. Over and above the regulatory requirements, the Credit Union reviews the loan book for evidence of impairment. If the loan is impaired, the Credit Union writes off that amount of the loan deemed irrecoverable directly to the Income & Expenditure Account.

| 4 Interest on members' loans | 2024 | 2023 |
|--|------------------|------------------|
| | £ | £ |
| Closing loan interest receivable | 134,753 | 115,708 |
| Loan interest - Members | 3,617,123 | 3,201,726 |
| Opening accrual loan interest receivable | (115,708) | (108,283) |
| Total interest on members' loans | <u>3,636,168</u> | <u>3,209,151</u> |
| | | |
| 5 Other interest income and similar income | 2024 | 2023 |
| | £ | £ |
| Investment income and gains received by the Balance Sheet date | 607,323 | 578,640 |
| Movement in accrued income and gains | 264,106 | 210,018 |
| Total investment income | <u>871,429</u> | <u>788,658</u> |

Newry Credit Union Limited
Notes to the Financial Statements
for the year ended 30 September 2024

6 Dividends and Loan Interest Rebate

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

The dividends and loan interest rebate for the current and prior year periods were as follows:

| | 2024 | 2023 |
|--|----------------|----------------|
| | £ | £ |
| Dividend paid during the year | <u>309,134</u> | <u>186,190</u> |
| Dividend rate: | | |
| Members' shares | <u>0.50%</u> | <u>0.30%</u> |
| Loan interest rebate paid during the year | <u>437,256</u> | <u>375,078</u> |
| Loan interest rebate rate | | |
| Members' loans | <u>21%</u> | <u>19%</u> |
| Dividend proposed but not recognised | <u>612,751</u> | <u>309,137</u> |
| Dividend rate: | | |
| Members' shares | <u>1.00%</u> | <u>0.50%</u> |
| Loan interest rebate proposed but not recognised | <u>831,938</u> | <u>672,362</u> |
| Loan interest rebate rate | | |
| Members' loans | <u>23%</u> | <u>21%</u> |
| 7 Other income | 2024 | 2023 |
| | £ | £ |
| Entrance fees | 612 | 459 |
| Engage Card Commission | 210 | 233 |
| Other Income | 4,200 | 3,989 |
| | <u>5,022</u> | <u>4,681</u> |

Newry Credit Union Limited
Notes to the Financial Statements
for the year ended 30 September 2024

| 8 Expenses | Note | 2024 | 2023 |
|--|-------------|------------------|------------------|
| | | £ | £ |
| Employment costs | 9b | 1,130,963 | 1,002,197 |
| Depreciation | 12 | 94,271 | 91,370 |
| Other management expenses (schedule 1) | | 1,590,213 | 1,522,123 |
| | | <u>2,815,447</u> | <u>2,615,690</u> |
| | | | |
| 9 Employees and employment costs | | | |
| 9a Number of employees | | 2024 | 2023 |
| The average number of employees during the year was | | Number | Number |
| Chief Executive Officer | | 1 | 1 |
| Other Staff | | 43 | 47 |
| Total | | <u>44</u> | <u>48</u> |
| | | | |
| 9b Employment costs | | 2024 | 2023 |
| | | £ | £ |
| Wages and salaries | | 830,135 | 838,264 |
| Directors' salaries | | 30,000 | 30,000 |
| Social security costs | | 70,845 | 64,137 |
| Other pension costs | | 199,983 | 69,796 |
| | | <u>1,130,963</u> | <u>1,002,197</u> |
| | | | |
| 9c Key management personnel | | | |
| The remuneration of key management personnel was as follows: | | 2024 | 2023 |
| | | £ | £ |
| Short term employee benefits | | 188,044 | 182,348 |
| Payments to defined contribution pension schemes | | 20,257 | 18,377 |
| Total | | <u>208,301</u> | <u>200,725</u> |

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

Newry Credit Union Limited
Notes to the Financial Statements
for the year ended 30 September 2024

| 10 Taxation | 2024 | 2023 |
|---|----------------|----------------|
| | £ | £ |
| Corporation tax charge in respect of current year | 197,857 | 193,569 |
| Reconciliation of tax charge to taxable income Investment income and non-mutual income | 871,429 | 788,658 |
| Corporation tax at 25% (2023: 19/25%) | <u>197,857</u> | <u>193,569</u> |

As disclosed in the accounting policy for taxation in note 2.7 all income other than income from investments is exempt from Corporation Tax.

| 11 Cash and cash equivalents | 2024 | 2023 |
|-------------------------------------|------------------|------------------|
| | £ | £ |
| Cash balances | 267,291 | 351,895 |
| Cash balances - minors | 156,707 | (37,801) |
| Short term deposits with banks | <u>2,197,272</u> | <u>2,054,636</u> |
| Total cash and cash equivalents | <u>2,621,270</u> | <u>2,368,730</u> |

Short term deposits with banks are deposits with original maturity of less than or equal to three months. All other deposits with banks are included under Investments in the Balance Sheet and disclosed in Note 15.

Newry Credit Union Limited
Notes to the Financial Statements
for the year ended 30 September 2024

12 Tangible fixed assets

| | Freehold Premises | Office & Computer Equipment | Fixtures & Fittings | Motor Vehicles | Total |
|-----------------------|----------------------|-----------------------------------|------------------------|-------------------|------------------|
| <u>Cost</u> | £ | £ | £ | £ | £ |
| Balance @ 30/09/23 | 2,524,714 | 863,461 | 236,054 | 17,000 | 3,641,229 |
| Additions | 35,399 | 16,358 | 34,176 | - | 85,933 |
| Disposals | - | - | - | - | - |
| Balance @ 30/09/24 | <u>2,560,113</u> | <u>879,819</u> | <u>270,230</u> | <u>17,000</u> | <u>3,727,162</u> |
| <u>Depreciation</u> | | | | | |
| Balance @ 30/09/23 | 1,070,051 | 767,362 | 213,797 | 17,000 | 2,068,210 |
| Charge for the year | 50,494 | 33,817 | 9,960 | - | 94,271 |
| Disposals | - | - | - | - | - |
| Balance @ 30/09/24 | <u>1,120,545</u> | <u>801,179</u> | <u>223,757</u> | <u>17,000</u> | <u>2,162,481</u> |
| <u>Net Book Value</u> | | | | | |
| 30th September 2024 | <u>1,439,568</u> | <u>78,640</u> | <u>46,473</u> | <u>-</u> | <u>1,564,681</u> |
| 30th September 2023 | <u>1,454,663</u> | <u>96,099</u> | <u>22,257</u> | <u>-</u> | <u>1,573,019</u> |

13 Loans to members - financial assets

| 13a Loans to members | Note | 2024 £ | 2023 £ |
|-------------------------------|-------------|-------------------------|-------------------------|
| As at 1st October | | | |
| Loans to members | | 42,750,670 | 40,299,670 |
| Advanced during the year | | 16,386,523 | 16,981,830 |
| Repaid during the year | | (13,771,032) | (14,411,321) |
| Loans written off | | (141,977) | (119,509) |
| Gross loans to members | 13b | <u>45,224,184</u> | <u>42,750,670</u> |
| Impairment allowances | | | |
| Groups of loans | | (944,061) | (1,170,866) |
| Loan provision | | <u>(944,061)</u> | <u>(1,170,866)</u> |
| As at 30th September | | <u>44,280,123</u> | <u>41,579,804</u> |

Newry Credit Union Limited
Notes to the Financial Statements
for the year ended 30 September 2024

13b Credit risk disclosures

Newry Credit Union Ltd. no longer offer mortgages and as a result, the vast majority of loans to members are unsecured, except that there are restrictions on the extent to which borrowers may withdraw their savings whilst loans are outstanding. There are maximum amounts set down by the PRA in terms of what amount a member can borrow from the Credit Union.

The carrying amount of the loans to members represents Newry Credit Union Ltd.'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.

| | 2024 | 2024 | 2023 | 2023 |
|-----------------------------------|--------------------------|-------------------|--------------------------|-------------------|
| | Amount | Proportion | Amount | Proportion |
| | £ | % | £ | % |
| Not impaired: | | | | |
| Neither past due nor impaired | 43,625,871 | 96.5 | 40,556,770 | 94.9 |
| More than 3 months past due | 345,422 | 0.8 | 701,196 | 1.7 |
| More than 6 months past due | 59,382 | 0.1 | 55,065 | 0.1 |
| More than 9 months past due | 23,241 | - | 19,465 | - |
| More than 12 months past due | - | - | - | - |
| Gross loans not impaired | <u>44,053,916</u> | <u>97.4</u> | <u>41,332,496</u> | <u>96.7</u> |
| Gross loans collectively impaired | <u>1,170,268</u> | <u>2.6</u> | <u>1,418,174</u> | <u>3.3</u> |
| Total gross loans | 45,224,184 | 100.0 | 42,750,670 | 100.0 |
| Impairment allowance | | | | |
| Groups of loans | <u>(944,061)</u> | | <u>(1,170,866)</u> | |
| Total carrying value | <u>44,280,123</u> | | <u>41,579,804</u> | |

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

13c Loan provision account for impairment losses

| | 2024 | 2023 |
|--|------------------|------------------|
| | £ | £ |
| As at 1st October | 1,170,866 | 2,084,875 |
| Allowance for loan losses made during the year | (138,057) | (797,330) |
| Allowances reversed during the year | (88,748) | (116,679) |
| (Decrease)/Increase in loan provisions during the year | <u>(226,805)</u> | <u>(914,009)</u> |
| As at 30th September | <u>944,061</u> | <u>1,170,866</u> |

Newry Credit Union Limited
Notes to the Financial Statements
for the year ended 30 September 2024

| 13d Net recoveries or losses recognised for the year | 2024 | 2023 |
|--|-----------------|-----------------|
| | £ | £ |
| Bad debts recovered | 58,056 | 68,549 |
| Increase in loan provisions during the year | - | - |
| | <u>58,056</u> | <u>68,549</u> |
| Loans written off | (141,977) | (119,509) |
| Net (losses) / Surplus on loans to members recognised for the year | <u>(83,921)</u> | <u>(50,960)</u> |
| | | |
| 14 Prepayments and accrued income | 2024 | 2023 |
| | £ | £ |
| Prepayments | 138,328 | 90,599 |
| Accrued income investments | 630,610 | 366,504 |
| Accrued loan interest income | 134,753 | 115,708 |
| | <u>903,691</u> | <u>572,811</u> |

15 Investments

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

| | 2024 | 2023 |
|--|-------------------|-------------------|
| | £ | £ |
| Fixed term deposits with banks - minors | 3,122,524 | 3,282,930 |
| Fixed term deposits with banks | 23,652,255 | 26,065,971 |
| Total investments at amortised cost | <u>26,774,779</u> | <u>29,348,901</u> |

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

| | 2024 | 2023 |
|--------------------------|-------------------|-------------------|
| | £ | £ |
| A- | 2,505,000 | 2,505,000 |
| A | - | 33,203 |
| A1 | 13,730,767 | 18,414,932 |
| Aa | - | 2,000,000 |
| Baa1 | 5,024,772 | 2,000,000 |
| Baa3 | 682 | - |
| Bbb | 601,984 | - |
| BBB | 13,421 | 2,895,766 |
| BBB+ | 4,895,000 | 1,000,000 |
| BBB- | - | 500,000 |
| Unspecified | 3,153 | - |
| Total investments | <u>26,774,779</u> | <u>29,348,901</u> |

Newry Credit Union Limited
Notes to the Financial Statements
for the year ended 30 September 2024

| 16 Members' shares - financial liabilities | 2024 | 2023 |
|---|-------------------|-------------------|
| | £ | £ |
| As at 1st October | 61,394,287 | 61,797,358 |
| Received during the year | 12,932,213 | 12,490,918 |
| Repaid during the year | (13,394,711) | (12,893,989) |
| As at 30th September | <u>60,931,789</u> | <u>61,394,287</u> |

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

| | 2024 | 2023 |
|-----------------------|-------------------|-------------------|
| | £ | £ |
| Unattached shares | 54,362,448 | 55,228,055 |
| Attached shares | 6,569,341 | 6,166,232 |
| Total members' shares | <u>60,931,789</u> | <u>61,394,287</u> |

| 17 Minors' deposits - financial liabilities | 2024 | 2023 |
|--|------------------|------------------|
| | £ | £ |
| As at 1st October | 3,245,129 | 3,285,799 |
| Received during the year | 652,959 | 549,577 |
| Repaid during the year | (618,857) | (590,247) |
| As at 30th September | <u>3,279,231</u> | <u>3,245,129</u> |

Minors' deposits are repayable on demand.

| 18 Other payables | 2024 | 2023 |
|---|----------------|----------------|
| | £ | £ |
| Provision for dividend on closed accounts | 57,860 | 55,321 |
| Payroll taxes | 17,112 | 16,453 |
| Corporation tax | 217,785 | 193,569 |
| Pension and short term payroll accruals | 127,219 | 13,267 |
| Creditors and other accruals | 299,678 | 161,832 |
| | <u>719,654</u> | <u>440,442</u> |

Newry Credit Union Limited
Notes to the Financial Statements
for the year ended 30 September 2024

19 Additional financial instruments disclosures

19a Financial risk management

Newry Credit Union Ltd. is a provider of personal and business 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 and deposits. 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 loans to members and investing the excess funds of the Credit Union. The main financial risks arising from Newry Credit Union'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.

Credit risk: Credit risk is the risk that a borrower will default on their contractual obligations relating to repayments to Newry Credit Union Ltd., resulting in financial loss to the Credit Union. In order to manage this risk the Board approves the Credit Union's credit policy, and all changes to it. All loan applications are assessed with reference to the credit 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 13b. The Credit Union's investments are also exposed to credit risk and the Credit Union mitigates the risk by only placing investments with financial institutions where the counterparties have strong credit ratings and using investment products authorised by the PRA. The credit ratings of the financial institutions where investments are held are disclosed in Note 15.

Liquidity risk: The Credit Union's policy is to maintain sufficient funds in liquid form at all times to ensure that it can meet its liabilities as they fall due. The Credit Union adheres on an ongoing basis to the minimum liquidity ratio as set out in the PRA Rulebook.

Market risk: Market risk is generally comprised of interest rate risk, currency risk and other price risk. Newry Credit Union Ltd. conducts all its transactions in sterling and does not deal in derivatives or commodity markets. Therefore, the Credit Union is not exposed to any form of currency risk or other price risk.

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

Newry Credit Union Limited
Notes to the Financial Statements
for the year ended 30 September 2024

19b Interest rate risk disclosures

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

| | 2024 | 2024 | 2023 | 2023 |
|------------------------------|-------------------|----------------------|-------------------|----------------------|
| | Amount | Average | Amount | Average |
| | £ | interest rate | £ | interest rate |
| | | % | | % |
| Financial assets | | | | |
| Gross loans to members | <u>45,224,184</u> | <u>8.21</u> | <u>42,750,670</u> | <u>7.75</u> |
| Financial liabilities | | | | |
| Members' shares | 60,931,789 | 0.50 | 61,394,287 | 0.30 |
| Minors' deposits | <u>3,279,231</u> | <u>0.50</u> | <u>3,245,129</u> | <u>0.30</u> |
| | <u>64,211,020</u> | | <u>64,639,416</u> | |

The interest rates applicable to loans to members are fixed and variable and range from 3% to 12.68%. The dividend on shares and interest on deposits is determined on the basis of income less administrative expenses and, as can be seen above, a consistent margin is maintained between interest receivable and dividend on shares and interest payable on deposits. As a result, the surplus for the year is not particularly sensitive to interest rate risk and no sensitivity analysis is presented.

19c Liquidity risk disclosure

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

19d Fair value of financial instruments

Newry Credit Union Ltd. does not hold any financial instruments at fair value.

19e Capital

The Credit Union maintains sufficient reserves to buffer the Credit Union against any losses on its members' loans and also its investments. The current total reserves are in excess of the minimum requirement set down by the PRA, and stand at 14.73% of the total assets of the Credit Union at the Balance Sheet date.

20 Post Balance Sheet events

There are no material events after the balance sheet date which would necessitate a change in the above figure. Attention is drawn to the paragraph in the directors report in relation to the consequences of the cost of living crisis. Additionally, it should be noted that at the Annual General Meeting of 23rd November 2023, the members present of Newry Credit Union Limited voted to progress with a Transfer of Engagement with Bessbrook Credit Union Limited providing the necessary due diligence was undertaken and the members of Bessbrook Credit Union Limited voted in favour of the transfer also. Newry Credit Union Limited carried out the necessary due diligence over the past year and is confident that the transfer is in the interests of Newry Credit Union Limited and Bessbrook Credit Union Limited alike. The members of Bessbrook Credit Union Limited present at their AGM voted in favour of the transfer of engagement at its 2023 AGM held on 27th September 2024 and at a Special AGM on 16th October 2024. Newry Credit Union Limited officially accepted the assets and liabilities of Bessbrook Credit Union Limited at 22nd October 2024. After the official registration of the transfer of engagement Bessbrook Credit Union Limited will cease as a legal entity.

Newry Credit Union Limited
Notes to the Financial Statements
for the year ended 30 September 2024

21 Contingent liabilities

As far as the directors are aware, there were no contingent liabilities as at 30th September 2024 not provided for in the financial statements.

22 Capital Commitments

In relation to capital commitments, expenditure of £804,000 has been contracted for and approved by the board at the year end. This expenditure relates to renovations to premises at Hill Street, Newry.

23 Insurance against fraud

The Credit Union has insurance against fraud in compliance with the PRA Rulebook.

24 Related Party Transactions

During the year loans were advanced to directors, supervisors and the management team of the Credit Union (to include their spouses) in the amount of £56,055 (2023: £77,900). The loans outstanding from these parties at 30th September 2024 were £876,627 (2023: £874,366). These loans amounted to 1.94% of total gross loans due at 30th September 2024 (2023: 2.04%).

The directors & management team share balances stood at £122,653 at 30th September 2024 (2023: £104,350).

Where the terms and conditions of loans issued in respect of related parties require them to be secured, suitable collateral is held by the Credit Union in all cases.

25 Approval of Financial Statements

The financial statements were approved, and authorised for issue, by the Board on 24th October 2024.

Newry Credit Union Limited
Other management expenses - Schedule 1
for the year ended 30 September 2024

Schedule 1 - Other management expenses

| | 2024 | 2023 |
|--|------------------|------------------|
| | £ | £ |
| Rates & Water rates | 18,955 | 18,766 |
| Heating, Light & Cleaning | 46,315 | 50,267 |
| Repairs & Maintenance | 20,334 | 36,562 |
| Computer Maintenance & Accessories | 188,906 | 165,996 |
| Loan & Share Insurance - Net | 494,143 | 460,372 |
| Death Benefit Insurance | 348,351 | 365,476 |
| General Insurance - Net | 35,747 | 36,939 |
| Telephone & Postage | 45,775 | 41,004 |
| Printing, Stationery & Advertising | 47,142 | 38,858 |
| Audit & Accountancy Fees | 27,200 | 26,250 |
| Chapter Expenses | 579 | 1,151 |
| Management Expenses | 57,806 | 50,888 |
| Staff Training | 16,116 | 7,264 |
| AGM Expenses | 26,760 | 21,078 |
| Professional Fees | 98,418 | 77,064 |
| FCA Fees | 3,024 | 2,906 |
| Cash Security Costs | 60,793 | 59,126 |
| ILCU Affiliation Fees | 491 | (2,470) |
| ISO Certification | 29,247 | 10,647 |
| Credit Referencing Costs | 8,181 | 7,730 |
| COVID Costs | - | 108 |
| 60 Year Celebration | 15,930 | 36,141 |
| Strategic Initiatives | - | 10,000 |
| Total other management expenses | <u>1,590,213</u> | <u>1,522,123</u> |

Services offered

Loans

Personal Loans
Corporate Loans
High Value Loans

Accounts

Primary Accounts
Additional Savings Accounts
Corporate Accounts
Juvenile Accounts
Engage Card

Insurance

Death Benefit Insurance
Life Savings Assurance
Loan Protection Assurance

Other Services

Direct Debit
Payroll Deductions
Quick Lodge
Receipt of Social Security Benefits
Online Loan Applications
CU Online
Online Transactions
Debit Card payments
Recurring Debit Card Payments
Mobile App



Credit Union Invocation

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

St. Francis of Assisi

Management & Staff

Chief Executive Officer

Brendan Jackson

Finance Manager

Louise Campbell

Risk and Compliance Manager

Judith Connolly

Member Services Manager

John Doyle

Supervisors

Caoimhe Campbell
Elizabeth McGuinness

Staff

Louise Coghlan
Kate Mulholland
Donna McDonald
Lorraine Keenan
Siobhan Murphy
Justina Crummy
Keira Byrne
Geraldine Lynch
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