



Blanchardstown
& District
Credit Union

ANNUAL REPORT 2020



YEAR 2019/2020 IN NUMBERS



1,200

NEW MEMBERS



€30.5 M

IN LOANS



€97 M

IN ASSETS



4,000

FOLLOWERS ON
FACEBOOK



7,600

ONLINE BANKING
USERS



1,400

FOLLOWERS ON
INSTAGRAM



3,000

NO OF LOANS ISSUED



6,200

MOBILE APP
USERS



20,000

TOTAL MEMBERSHIP



€16 M

ISSUED IN LOANS



€33 K

IN LOCAL DONATIONS
AND SPONSORSHIP



4,000

CASH DRAW MEMBERSHIP



Blanchardstown & District
Credit Union

Table of Contents

Year in Numbers.....	2
Credit Union Invocation	3
Notice of AGM	4
Step by Step Guide on Virtual AGM	5
Order of Business	6
Notice of Elections.....	7
Board of Directors & Board Oversight Committee.....	7
Motions (Amendment to Rules).....	8
Standing Orders	9
Chairman's Address	10
CEO Report.....	11
Statement of Directors' Responsibilities	12
Statement of Board	
Oversight Committee's Responsibilities	12
Independent Auditors Report.....	13-15
Income & Expenditure Account	16
Balance Sheet	17
Statement of Changes in Reserves.....	18
Cashflow Statement	19
Notes to the Financial Statements.....	20-27
Schedules to the Financial Statements	28-29
Report of the Credit Committee.....	30
Report of the Credit Control Committee	30
Report of the Investment Committee.....	31
Report of the Membership Committee.....	32
Report of the Nomination Committee	32
Community Report.....	33
Deposit Guarantee Information	34-35
New Website & Mobile App	36
Car Loan Special Rate	37
We're Going Green.....	39

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.

AGM Notice

The 51st Annual General Meeting will be held virtually via Zoom on Tuesday 20th April at 7 pm

Members are required to register at www.blanchardstowncu.ie/virtual-agm/ by close of business on **Thursday 15th April 2021**.

Only registered members can access virtual AGM.

See **Step by Step guide on Virtual AGM** for more details.

Members can also email info@blanchardstowncu.ie or call us on 01 820 3495 to request a registration link or assistance with registration.

Due to the Coronavirus situation, Blanchardstown & District Credit Union has moved the 2020 AGM to an online format, in line with restrictions, and public health measures, to keep our members, staff, committees, and the wider community safe and socially distanced.

Step by Step Guide on Virtual AGM

We were delighted that the Government, through the Finance (Miscellaneous Provisions) Act 2020 have made it possible for us to hold our AGM on a virtual basis. The new law also enables us to change our rules to facilitate having the option to hold future AGMs in such a virtual manner, and this rule change is included on the agenda. Our AGM will be facilitated this year on Zoom.

In order to participate in our AGM please follow these simple instructions:

- Step 1** Please register online via the link available at www.blanchardstowncu.ie/virtual-agm/ by close of business on Thursday 15th April 2021.
- Step 2** Based on the information you provide we will verify you as a member, and then you will be sent a formal invitation to the email address you provide in the registration process.
- Step 3** In the invitation, we will include a link to a copy of the minutes of last year's AGM and the Standing Orders for this Year's AGM. Please read these before the meeting.
- Step 4** Please submit questions to the Board of Directors in advance of the AGM, using the facility when you are registering or you can email us at info@blanchardstowncu.ie and the Board will endeavour to answer these at the meeting. See the Standing Orders for details of how questions will be handled at the AGM.
- Step 5** Log on to the AGM, by clicking on the link provided in the invitation you will receive by email. We suggest you logon about 10 minutes before the start time of 7 pm on Tuesday 20th April 2021.

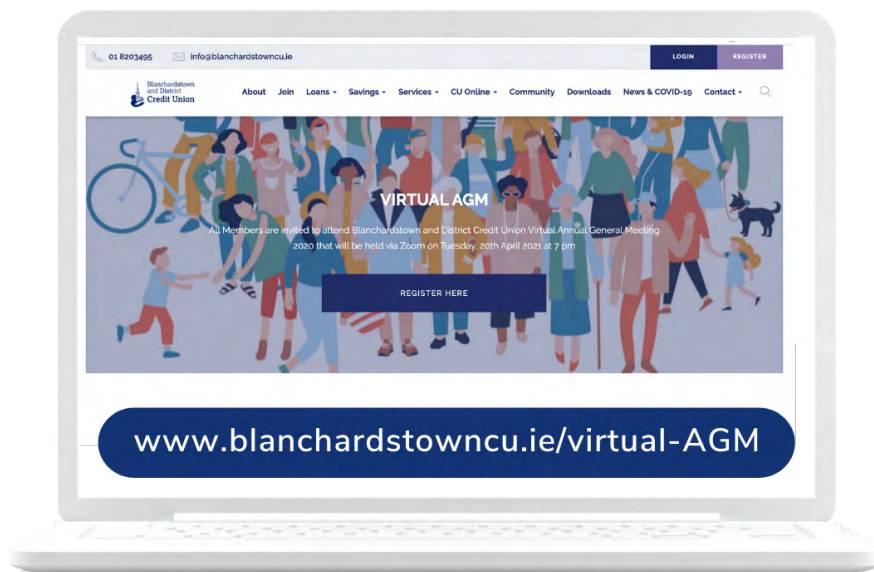
If you're not familiar with Zoom, you will find this short tutorial helpful: www.youtube.com/watch?v=wo1l6ljz_wg
- Step 6** It is important that you note the invitation you receive is specific to you and can only be used on one device.

(!) Please note the access link is unique to each member and acts as an identifier for the virtual AGM. We would ask that you do not share this access link with anyone else as only one person can use the same link to access the AGM meeting and vote. One link = One vote
- Step 7** When you log on you will be made aware that you are 'waiting'. When the Chair starts the meeting you will be able to see and hear the meeting. Please select "Join with Computer Audio", so that you will be able to see and hear the Chair and any persons presenting. We recommend that while you are waiting, you should use the opportunity to test the sound on your computer so you can be sure it's working and at the right volume for you to follow the proceedings.
- Step 8** For everyone's comfort, all non-presenting participants will be 'muted' during the meeting. Please read the Standing Orders to be clear with how questions & answers will be handled.
- Step 9** There are several items on the agenda where members will be asked to vote. This will be done by electronic polling. A poll will appear on your screen, click on your answer and press submit. You will be given sufficient time to cast your vote (the length of time allowed will be advised at the meeting). The poll will close after that time and the result will be announced by the Chair.
- Step 10** To assist with the minutes, our AGM will be recorded. When the matters of the meeting are concluded, the Chair will end the AGM and close the Zoom link.

If you have any questions about the Virtual AGM, please contact us by email: info@blanchardstowncu.ie or calling us on 01 820 3495

We look forward to welcoming our members, to our first-ever virtual AGM. We apologise for any inconvenience caused by moving our AGM online and look forward to our next AGM in person.

Brian Conroy
CEO



Order of Business

- 1 The acceptance by the board of directors of the authorised representatives of members that are not natural persons;
- 2 Ascertainment that a quorum is present;
- 3 Adoption of Standing Orders,
- 4 Reading and approval (or correction) of the minutes of the last annual general meeting, and any intervening special general meeting;
- 5 Report of the Board of Directors;
- 6 Report of the CEO;
- 7 Consideration of accounts;
- 8 Report of the Auditor;
- 9 Declaration of dividend and rebate of interest (if any);
- 10 Report of the Credit Committee;
- 11 Report of the Credit Control Committee;
- 12 Report of the Membership Committee;
- 13 Report of the Nomination Committee;
- 14 Report of the Board Oversight Committee;
- 15 Appointment of Tellers;
- 16 Election of Auditor;
- 17 Election to fill vacancies on the Board Oversight Committee;
- 18 Election to fill vacancies on the Board of Directors;
- 19 Any other business;
- 20 Announcement of election results;
- 21 Adjournment or close of meeting.

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

Notice of Elections

Elections will be held to fill:

- 3 vacancies on the Board of Directors
- 2 vacancies on the Board Oversight Committee
- The position of Auditor

Shane Maguire
Honorary Secretary

Board of Directors

Chairman:	Claude Hobbs
Vice Chairman:	Donal O'Sullivan
Secretary:	Shane Maguire
Directors:	Sean Creighton
	Mary Kellett
	Frances Maher
	Alan Keane
	John McGrath
	Brian O'Connor

Board Oversight Committee

Chairman:	Fred Finch
Secretary:	Michael Wilders
Committee members:	Gerard Moroney

Credit Union MOTIONS

RULE AMENDMENT [No. 1]

That this AGM proposes to amend [Rule 5 Meetings, adoption and amendment of Rules] of the Credit Union Rules by inserting the following:

Interpretation

(A) Where the words "present and voting" appears in relation to general meetings it is to be construed as including reference to a member who is physically present and voting, or, a member in attendance and voting by the use of electronic communications technology.

RULE AMENDMENT [No. 2]

That this AGM proposes to amend [Rule 5] of the Credit Union Rules by inserting the following:

(B) "Electronic communications technology" in relation to general meetings means technology that enables real time transmission and real time two-way audio-visual or audio communication enabling attendees as a whole with a reasonable opportunity to participate in the meeting using such technology from a remote location.

RULE AMENDMENT [No. 3]

That this AGM proposes to amend [Rule 5(1)] of the Credit Union Rules to read as follows:

[Rule 5(1)]

In respect of each financial year, an annual general meeting of the members ("the AGM") shall be held in the State at such date, time and place date and time, at a place (where applicable) and in the manner (where applicable) as the Board may, by resolution, determine but not later than the 31st of January of the following year.

RULE AMENDMENT [No. 4]

That this AGM proposes to amend [Rule 5(5)(a)] of the Credit Union Rules to read as follows:

[Rule 5(5)(a)]

Before a general meeting of the credit union is held, the Secretary shall give notice of the meeting to the Central Bank, to the auditor of the credit union and to every member who, at the beginning of the relevant period, is eligible to vote at the meeting and such notice shall:

(a) state the date, time and place (where applicable) and/or manner (where applicable) of the general meeting;

RULE AMENDMENT [No. 5]

That this AGM proposes to amend [Rule 5(5)] of the Credit Union Rules by inserting the following after [Rule 5(5)(f)]:

[Rule 5(5)]

(g) in the case of a general meeting proposed to be held wholly or partly by the use of electronic communications technology such Notice shall also contain the following information:

- (i) the electronic platform to be used for the meeting,
- (ii) details for access to the electronic platform,
- (iii) where required by the credit union, the time and manner by which an attendee must confirm his or her intention to attend the meeting,
- (iv) any requirements or restrictions which the credit union has put in place in order to identify attendees who intend to attend the meeting,
- (v) the procedure for attendees to communicate questions and comments during the meeting, and
- (vi) the procedure to be adopted for voting on resolutions proposed to be passed at the meeting.

RULE AMENDMENT [No. 6]

That this AGM proposes to amend [Rule 5(13)] of the Credit Union Rules to read as follows:

[Rule 5(13)]

A poll may be demanded at a general meeting (or an adjourned meeting) by the Chair or by at least 10 members present (whether physically present, or in attendance by the use of electronic communication technology) having the right to vote at the meeting (or the adjourned meeting) on any question, other than the election of the Chair. A poll shall be taken in such manner as their Chair directs and he/she may appoint tellers (who need not be members) and fix a time and place (where applicable) and/or manner (where applicable) for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

Standing Orders

for the AGM of Blanchardstown and District Credit Union Ltd.

1. Manner in which the AGM will be conducted

1. The AGM shall be facilitated through the following electronic platform only: ZOOM. The functionalities on ZOOM shall be utilised in order to ensure expedience and proper conduct of the AGM: These functionalities include:

- i. the "Q&A" facility
- ii. Voting facility

And, any other manner or technology deemed appropriate by the Chair.

2. Voting

2. Each member shall be entitled to one vote irrespective of his/her shareholding, in accordance with Rule 5(7).

Due to the fact that this year's AGM will be a virtual meeting, voting on motions and elections will be by electronic means. The mechanics of the virtual voting process will be explained in more detail at the AGM by the Chair.

Where a proposer or seconder is required this will be achieved through one of the allotted functionalities on ZOOM.

3-5. Election Procedure – Electronic Voting

3. Elections to the board of directors, to the board oversight committee and the position of auditor shall be by majority vote and by secret ballot.

4. A list of candidates for the election of the Board, Board Oversight Committee, and the position of Auditor, where applicable, will appear on each member's screen at the AGM.

5. Each member will select/approve the candidate(s) for election from the list provided.

When the voting is complete and confirmed, the results shall be announced by the Chair.

6-12. MOTIONS

6. All motions from a member must be received by the credit union within 5 days in advance of the AGM in order for the credit union to facilitate the voting process as required.

7. The proposer must acknowledge his/her presence and propose the motion when asked to do so at the AGM by the Chair. The motion must be seconded by a member at the AGM. This will be achieved through one of the allotted functionalities on ZOOM. If the proposer is not present when the motion is called, the motion shall be deemed to have failed.

8. A proposer of a motion may speak for such period as shall be at the discretion of the Chair at the meeting and shall have the right of reply before the motion is put to the meeting for a vote, when called upon to do so by the Chair and for such time as the Chair deems appropriate. The proposer will be prompted by the "Count Down" facility on ZOOM which can be seen on his/her screen.

9. In exercising his/her right of reply, a proposer may not introduce new material.

10. The Chair reserves the right of response to all motions and to present a counter-motion.

11. Members are entitled to propose questions or comments on any such motion and must do so through the "Q&A" facility on ZOOM. Such questions or comments shall be read aloud by the Chair and at the discretion of the Chair.

12. The Chair shall have the absolute right to decide at any time when a motion has been sufficiently discussed and may put the motion to a vote.

13-15. Miscellaneous

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

14. The Chair may at his/her discretion, address questions or comments as they come in through the "Q&A" facility. The Chair will endeavour to address all questions and comments but in the interest of expedience and the proper conduct of the meeting, all questions and comments may not be addressed at the AGM.

15. Matters not covered by the Agenda may be introduced under "Other Business" at the discretion of the Chair.

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

17. In accordance with Rule 5(7) no member shall have more than one vote on each question at any general meeting of the credit union or any adjournment thereof irrespective of his/her shareholding or the number of accounts in his/her name in the credit union provided, however, that except in voting at elections, the Chair shall have a second or casting vote in the event of equality of voting. Voting by proxy shall be allowed only when a member other than a natural person votes through a representative, who is a member of the group, duly authorised in writing for that purpose and accepted as such by the board of directors.

18. 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 simple majority.

19. 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.

20. 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.

21. Adjournments
Adjournments of the AGM shall take place only in accordance with Rule 5(9).

Chairman's Address

On behalf of the Board of Directors I would like to present to you our 51st Annual Report and Accounts for the year ended 30th September 2020. This year has been particularly difficult for the Credit Union and its members because of the Covid-19 pandemic and the constraints and restrictions it has put on us all. A number of our members suffered financially as a result of the restrictions and we engaged with and helped them through temporary payment arrangements. The effects of Coronavirus epidemic will be a challenge to the Credit Union and its effects will remain with us for a number of years.

Financial Performance:

- Our financial was strong despite the effects of Covid-19.
- Total income increased slightly from €2,707,925 to €2,770,034
- Loans to Members increased from €29,180,359 to €30,539,118
- The Net Surplus for the year was €409,745
Net assets grew by €8,989,479 to €97,323,670

Our total reserves stand at 14.15% of total assets, which is in line with the sector nationally. This is in excess of the Central Bank of Ireland's statutory reserve figure of 10%.

All financial institutions have seen a substantial increase in savings during the year and this has created a situation for credit unions due to the fact that for every €1million in new savings, 10 % (€100,000) is required by law to be put into our statutory reserve.

In addition to this constraint, Banks are charging the Credit Union for money on deposit. To address this, other credit unions have imposed limits on the amount you can save, some as low as €10,000. In this regard, we will continue to monitor and review our savings policy.

While our loan portfolio has grown, the total number of members borrowing has declined over the last number of years, even with an increasing membership. We need members to borrow from their Credit Union, not elsewhere. We have added a small and medium business loan (BizFin) to our loan product range. We believe that the loan interest rates offered to our members are very competitive and some of the lowest offered by any financial institution, visit (www.blanchardstownncu.ie).

Dividend and Loan Interest Rebate:

Sadly, the Credit Union will not be paying a dividend or loan interest rebate this year following guidance by the Central Bank who have advised all credit unions and financial institutions not to make any shareholder payments in respect of 2020 in view of the COVID-19 pandemic. This is to ensure that we remain in a strong financial position going forward.

50th Anniversary:

"Stay Local, Borrow Local, Spend Local" has been apt as a banner for our Credit Union during our 50th anniversary year. The initiatives which we planned for our anniversary celebrations were replaced by contributions made to St. Francis Hospice Blanchardstown and the Women's Refuge.

It has been a challenging and difficult year and I would like to thank the Board of Directors, Board Oversight Committee and volunteers for their continued commitment and especially staff and management, who worked under difficult conditions to keep the office open with no disruption whilst maintaining all our services to our members.

I would like to thank Alan Keane and Frances Maher, who are leaving the Board of Directors, for their time and knowledgeable contributions at many levels of the Credit Union and to Michael Wilders who is leaving the Board Oversight Committee. To them I would like to acknowledge the service and commitment they have given.

Finally I want to thank you the members for your patience, understanding, continued support and loyalty during the pandemic and I hope that you all stay safe and well for 2021.



Claude Hobbs
Chairman.

Report of the CEO

When we set out in October last year looking forward to the year ahead, we didn't realise the extent of the disruption that was around the corner in the form of the COVID-19 pandemic. In the meantime, we have experienced various levels of restrictions in the way we live and do our business. These restrictions have impacted on all of our lives, our economies and on our businesses. In relation to the Credit Union, we had two areas of significant impact-the substantial growth in shares on the one hand and the decline in applications for loans on the other.

For our credit union, share balances grew by €8,437,441 in the year, and, while our loan portfolio grew by €1,358,759, most of this was in the earlier part of the year, prior to the pandemic.

In spite of this, our income and balance sheet have remained strong.

The main features of our financial performance for the year are as follows:

- Net income was €409,745
- Loan income increased by €116,820 to €2,393,223
- Total income grew by €62,109 to €2,770,034. Lower interest rates globally impacted on investment income which fell from €422,347 in 2019 to €369,987 in the current year.
- Our loan portfolio grew by €1,358,759 to €30,539,118. This is in spite of the impact of the pandemic.
- The quality of the portfolio continues to improve.
- Shares grew by €8,437,441 to €79,528,650. This growth reflects the current trend in the sector where members have increased capacity to save.
- Net assets increased by €8,989,479 to €97,323,670
- Reserves stand at €13,780,864 which represents 14.15% of total assets.

We had planned a series of events during the year to celebrate the Credit Union's 50th Anniversary, but unfortunately, we were unable to go ahead with these due to the arrival of the Pandemic.

We did, however, succeed in maintaining all of our services to members and we introduced significant digital processes and services, including a new member onboarding service and a streamlined loan application process.

We have just launched two significant new additions to our product range as follows:

- The Bizfin range of loans to small businesses.
- The Peopl range of Insurance products for travel, home and life.

You will be hearing more about these important new initiatives over the coming months.

Aside from these, the challenges we face into the future still include the low return on our investment portfolio resulting from low (and negative) global interest rates.

Finally, you may have seen our recent "Stay Local, Borrow Local, Spend Local" advertising campaign. This campaign was borne out of our desire to contribute to the local economy's recovery from the Pandemic. We were inspired by the spirit of communities coming together to support each other, and your Credit Union is at the heart of each community. In this regard, I would like to repeat my thanks to you for your support over the years and very importantly to ask you to continue this support. In conclusion, I want to acknowledge the substantial support and guidance that the Board of Directors gave to me and the team during this particularly challenging year. I also want to thank our volunteers who gave tirelessly of their time in supporting us and finally to our staff who contributed in such a demanding environment to deliver an uninterrupted service to you, our members.

May I wish you all a Happy, Healthy and Prosperous 2021.



Brian Conroy
CEO

Statement of Directors' Responsibilities

for year ended 30th September 2020

The directors are responsible for preparing the financial statements in accordance with applicable Irish law and regulations. The directors are also responsible for preparing the other information included in the annual report. The Credit Union Act, 1997 (as amended) requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the credit union and of the income and expenditure of the credit union for that 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;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and reason for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Credit Union will continue in business.

The directors are responsible for ensuring that the credit union keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the credit union, enable at any time the assets, liabilities, financial position and income and expenditure of the credit union to be determined with reasonable accuracy, enable them to ensure that the financial statements comply with the Credit Union Act 1997 (as amended) and enable the financial statements to be audited. They are also 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.



Chairperson



Secretary

Date: 27 October 2020

Statement of the Board Oversight Committee Responsibilities

for year ended 30th September 2020

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



Chairperson

Date: 27 October 2020

Independent Auditors' Report

To the Members of Blanchardstown and District Credit Union Limited

Opinion

We have audited the financial statements of Blanchardstown & District Credit Union Limited ("The Credit Union"), which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Reserves and the Statement of Cash Flows for the financial year ended 30 September 2020, and the related notes to the financial statements, including the summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is Irish law including the Credit Union Act, 1997 (as amended) and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (Generally Accepted Accounting Practice in Ireland)

In our opinion the financial statements:

- give a true and fair view of the state of the assets, liabilities and financial position of the Credit Union as at 30th September 2020, and of its surplus for the year then ended;
- have been properly prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been properly prepared in accordance with the requirements of the Credit Union Act 1997 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are 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 Ireland, including the Irish Auditing and Accounting Supervisory Authority (IAASA) 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

We have nothing to report in respect of the following matters in relation to which the ISAs (Ireland) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Credit Union's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent Auditors' Report (continued)

To the Members of Blanchardstown and District Credit Union Limited

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by the Credit Union Act 1997 (as amended)

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

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the Credit Union were sufficient to permit the financial statements to be readably and properly audited,
- The financial statements are in agreement with the accounting records.
- The financial statements contain all primary statements, notes and significant accounting policies required to be included in accordance with Section 111(1)(c) of the Credit Union Act 1997 (as amended)

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Credit Union and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement [set out on page 12, 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.

Independent Auditors' Report (continued)

To the Members of Blanchardstown and District Credit Union Limited

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the credit union's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the credit union's ability to continue as a going concern. If they conclude that a material uncertainty exists, they are required to draw attention in the

auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify their opinion. Their conclusions are based on the audit evidence obtained up to the date of the auditors' report. However, future events or conditions may cause the credit union to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- The auditor communicates with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that may be identified during the audit.

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

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



Colm O'Grady
For and on behalf of
RBK Business Advisers
Chartered Accountants and Registered Auditor,
Boole House,
Beech Hill Office Campus,
Clonskeagh,
Dublin 4.

Date: 27th October 2020

Statement of Comprehensive Income

for year ended 30th September 2020

	Schedule	2020 €	2019 €
INCOME			
Interest on Member's Loans	1	2,393,223	2,276,403
Members' Deposits interest expense	2	(1,318)	(3,501)
Other Interest Receivable and Similar Income		369,987	422,347
Net Interest Income		2,761,892	2,695,249
Other Income	3	8,142	12,676
TOTAL INCOME		2,770,034	2,707,925
EXPENDITURE			
Employment costs	4	841,724	816,376
Other operating expenses		1,328,567	1,332,754
Depreciation (Note 6)		132,790	130,417
Bad debt provision/write off/recoveries (Note 5)		57,208	(279,740)
TOTAL EXPENDITURE		2,360,289	1,999,807
SURPLUS FOR THE YEAR		409,745	708,118
Dividend and loan interest rebate paid		(173,475)	(277,863)
Add: Undistributed Surplus/(Deficit) at start of year		4,044,594	4,001,339
TOTAL		4,280,864	4,431,594
Less:			
Transfer to Regulatory Reserve		(880,000)	(375,000)
Transfer to operational risk reserve		-	(12,000)
TOTAL		(880,000)	(387,000)
Undistributed Surplus at end of year		3,400,864	4,044,594

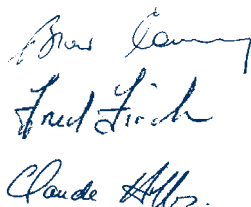
On behalf of the Credit Union

Brian Conroy
Chief Executive Officer

Fred Finch
Board Oversight Committee

Claude Hobbs
Director

Date: 27 October 2020



Balance Sheet

as at 30th September 2020

	Note	2020 €	2019 €
ASSETS			
Deposits and Investments	4	52,885,889	57,121,944
Loans to Members	5	30,539,118	29,180,359
Less: Provision for bad and doubtful debts	5	(1,496,830)	(1,241,758)
Tangible Fixed Assets	6	1,140,083	1,192,555
Debtors, Prepayments and Accrued Income	7	284,869	411,631
Cash and Balances at Bank		13,970,541	1,669,460
TOTAL ASSETS		97,323,670	88,334,191
OTHER LIABILITIES			
Members' shares	8	79,528,650	71,091,209
Members' deposits	8	3,839,433	3,547,016
Other Creditors and accruals		174,723	151,372
		83,542,806	74,789,597
MEMBERS' RESOURCES			
Regulatory Reserve		9,740,000	8,860,000
Other Realised Reserves		3,400,864	4,044,594
Dividend Reserve		500,000	500,000
Operational Reserve		140,000	140,000
		13,780,864	13,544,594
TOTAL LIABILITIES		97,323,670	88,334,191

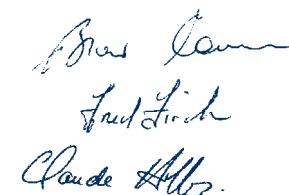
The financial statements were approved and authorised for issue by the Board and signed on its behalf by:

Brian Conroy
Chief Executive Officer

Fred Finch
Board Oversight Committee

Claude Hobbs
Director

Date: 27 October 2020



Statement of Changes In Reserves

For the year ended 30th September 2020

	Regulatory Reserve	Operational Risk Reserve	Dividend Reserve / Interest Rebate Reserve	Undistributed Surplus	Total
	€	€	€	€	€
Opening balance at 1 October 2018	8,485,000	128,000	500,000	4,001,339	13,114,339
Surplus for the year	-	-	-	708,118	708,118
Transfer to regulatory reserve	375,000	-	-	(375,000)	-
Dividend/Loan interest rebate paid	-	-	-	(277,863)	(277,863)
Transfer to Operational Risk Reserve	-	12,000	-	(12,000)	-
Closing balance at 30 September 2019	8,860,000	140,000	500,000	4,044,594	13,544,594
Opening balance at 1 October 2019	8,860,000	140,000	500,000	4,044,594	13,544,594
Surplus for the year	-	-	-	409,745	409,745
Transfer to regulatory reserve	880,000	-	-	(880,000)	-
Dividend/Loan interest rebate paid	-	-	-	(173,475)	(173,475)
Transfer to Operational Risk Reserve	-	-	-	-	-
Closing balance at 30 September 2020	9,740,000	140,000	500,000	3,400,864	13,780,864

Cash Flow Statement

For the year ended 30th September 2020

	Notes	2020 €	2019 €
Cash flows from operating activities			
Surplus		409,745	708,118
Adjustments for non-cash items:			
Movement in provision		255,072	(18,304)
Bad debt write offs	6	168,697	153,776
Depreciation		132,790	130,417
		556,559	265,889
Movements in:			
Decrease/(Increase) in prepayment & accrued interest		126,762	(233,049)
Decrease in creditor & accruals		23,351	31,496
		150,113	(201,553)
Cash flows from changes in operating assets and liabilities		1,116,417	772,454
Cashflows from Financing Activities			
Members shares, savings and deposits received		33,989,662	30,404,330
Members shares, savings and deposits repaid		(25,259,804)	(27,333,292)
New loans to members		(16,157,638)	(17,713,223)
Repayment of loans by members		14,630,182	14,559,159
		7,202,402	(83,026)
Net cash flows from operating activities		8,318,819	689,428
Cash flows from investing activities			
Movement in investments	6	2,832,262	(2,356,908)
Purchase of property, plant and equipment		(80,318)	(56,545)
Dividend paid		(173,475)	(277,863)
Net cash flows from investing activities		2,578,469	(2,691,315)
Net increase in cash and cash equivalents	9	10,897,287	(2,001,887)
Cash and cash equivalents at beginning of year		12,744,146	14,746,033
Cash and cash equivalents at end of year		23,641,433	12,744,146

Notes to the Financial Statements

for the year ended 30th September 2020

1. Legal and Regulatory Framework
Blanchardstown & District Credit Union Limited is established under the Credit Union Act 1997 (as amended). Blanchardstown & District Credit Union Limited is registered with the Registrar of Credit Unions and is regulated by the Central Bank of Ireland. The principal place of business is Blanchardstown & District Credit Union Limited, Blanchardstown Business Centre, Clonsilla Road, Dublin 15.

2. Accounting policies

2.1 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 are prepared on the historical cost basis.

The directors of Blanchardstown & District Credit Union Limited believe that it is appropriate to prepare the financial statements on the going concern basis.

2.2 Going Concern

The financial statements have been prepared on the going concern basis which assumes that the Credit Union will continue in operational existence for the foreseeable future. During the year, the Credit Union reported a surplus of €409,745 and at the balance sheet date, has total reserves of 14.15%. The Board of Directors and the Management Team have prepared financial projections for the next three years which take into consideration the ongoing impact of Covid-19. These illustrate that the Credit Union has sufficient resources to continue in operational existence in relation to meeting minimum liquidity requirements and reserve levels. On this basis, the Directors of Blanchardstown & District Credit Union Limited believe that it is appropriate to prepare the financial statements on the going concern basis.

2.3 Currency

The financial statements are presented in Euro (€) which is the functional currency of Blanchardstown & District Credit Union Limited. Monetary amounts in these financial statements are rounded to the nearest Euro.

2.4 Income

Interest on members' loans

Interest on Members' Loans is recognised on an accruals basis over time irrespective of when the interest is physically received by the Credit Union. An adjustment is made to the year-end amount receivable for any irrevocable amounts or amounts written off for whatever reason. This is the method required by FRS102 and is prescribed by Section 110 (d) of the Credit Union Act 1997 (as amended).

Investment income

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

Other income

Other income is recognised on an accruals basis.

2.5 Investments

Investments are accounted for depending on how they are designated at purchase:

Held at amortised cost

Investments held at amortised cost are measured by the effective interest rate method less impairment. This means that the investment is measured at the cost less any capital adjustments paid, plus or minus the cumulative amortisation of interest, and compared to the original and maturity amount, less any impairment necessary. As done in previous years, this spreads out the return on any investments, less any possible or identified impairment.

Deposits

All other investments, which are deposits, are held at the cost paid or amount held. Any amounts held as a deposit with the Central Bank are not subject to any impairment reviews.

Notes to the Financial Statements continued

for the year ended 30th September 2020

2.6 Tangible fixed assets

Tangible fixed assets include the categories listed below, which are stated at cost less depreciation and any potential impairment. Tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.

Depreciation is calculated per annum as follows:

Premises
4% Straight Line

Fixtures and Fittings
20% Reducing Balance

Computers
20% Straight Line

2.7 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash deposits with maturity of three months or less.

2.8 Members Share and Loans

Members' shares are redeemable and therefore classified as liabilities by the credit union, as they are due to members. They are measured at the amount deposited.

Loans to members are financial assets with fixed payments. They are recognised when cash is advanced to members and measured at amortised cost using the effective interest method. Loans are only removed from the balance sheet when they are repaid by the member or written off by the credit union.

2.9 Impairment of Loans

Blanchardstown & District Credit Union Limited assesses if there is objective evidence that any of its loans are impaired with due consideration of environmental factors. The loans are assessed collectively in groups that share similar credit risk characteristics. Quarterly loan book reviews are also carried out, and provisions are made for any loans not performing, in line with regulatory requirements and accounting rules.

Any loans which are identified as impaired are approved for charge off by the board

on a quarterly basis. Any movement in bad debts, including provisions, collection of charged off amounts, amounts charged off or reversal of any necessary provisions, are accounted for in the income and expenditure account. Blanchardstown & District Credit Union has identified the following categories for assessing impairment losses on loans.

Rescheduled Loans

The provision applied to Rescheduled Loans is the greater of provision identified during the loan book review and any provision required under Regulatory Requirements issued by the Central Bank of Ireland.

Individual Significant Loans

Each loan in this category is individually assessed. Credit risk is identified, assessed and measured through the use of rating and scoring tools with emphasis on weeks in arrears and other observable credit risk metrics. The ratings influence management of individual loans. The credit rating triggers the impairment assessment and if relevant the raising of the specific provision on individual loans where there is a doubt about their recoverability.

All Other Loans

Blanchardstown & District Credit Union Limited uses Lending Analytics Software to calculate the statistical baseline for the part of its loan provision that is assessed on a collective grouped basis for loans which are not included in the above categories. The Lending Analytics Software employs a roll-rate methodology that analyses the movement in arrears of all the loans in each such group over the preceding 12 months. By taking into account the Credit Union's historical net recoveries on written-off loans, the Lending Analytics Software uses the results of its roll-rate analysis to compute a loss given default (LGD) projections for each loan in the group. Based on each loan's percentage of completion and number of months in arrears, its projected LGD is back-allocated to calculate the degree to which it is impaired. The sum of those individual impairments is the baseline provision for that group of loans.

Notes to the Financial Statements continued

for the year ended 30th September 2020

2.10 Pension Costs

The pension scheme is a defined contribution scheme. Contributions are charged to the income and expenditure account in the year in which they fall due.

2.11 Reserves

Regulatory reserve

Blanchardstown & District Credit Union Limited is required to maintain and establish a minimum Regulatory reserve of at least 10% of the assets of the Credit Union in accordance with the Credit Union Act 1997 (Regulatory Requirements) Regulations 2016.

Operational Risk Reserve

Blanchardstown & District Credit Union Limited has established an Operational Risk reserve which is a separate distinct reserve which the Credit Union is required to hold in addition to its Regulatory reserve. The amount held in the Operational risk reserve is the estimated impact of operational risk events that may have a material impact on the business of Blanchardstown & District Credit Union Limited. The directors, having considered the requirements of the Section (45)(5)(a) of the Credit Union Act 1997 (as amended), determine that an operational risk reserve of €140,000 is appropriate.

Dividend reserve and Loan interest rebate reserve

Dividend and loan interest rebate reserves are the accumulated surplus to date that have been set aside for the purpose of future dividend and loan interest rebate payments.

Non Distributable Investment Income Reserves

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

Undistributed surplus

Undistributed surplus are the accumulated

reserves Blanchardstown & District Credit Union Limited to date that have not been declared as dividends returnable to members.

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 the Credit Union'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:

Bad debts/impairment losses on Loans to Members

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

Operational Risk Reserve

The Directors have considered the requirements of the Credit Union Act 1997 (as amended) and have considered an approach to the calculation of the operational risk reserve. The reserve has been calculated using the Basel III methodology.

Notes to the Financial Statements continued

for the year ended 30th September 2020

4. Deposits and Investments

4a. Deposits and Investments – Cash Equivalents

	2020 €	2019 €
Accounts in Authorised Credit Institutions (Irish and Non-Irish based)	7,442,144	9,175,280
Bank Bonds	699,357	-
Collective investment schemes	-	1,899,406
Irish and EEA State Securities	1,529,391	-
Total Deposits and Investments – cash equivalents	9,670,892	11,074,686

4b. Deposits and Investments – Other

	2020 €	2019 €
Accounts in Authorised Credit Institutions (Irish and Non-Irish based)	26,500,000	35,650,000
Bank Bonds	12,516,899	9,751,980
Central Bank Deposits	2,668,706	645,278
Irish and EEA State Securities	1,529,391	-
Total Deposits and Investments – other	43,214,996	46,047,258
Total Deposits and Investments	52,885,888	57,121,944

5. Loans to Members

	2020 €	2019 €
Gross Loans to members	30,539,118	29,180,359
Provision for bad and doubtful debts	(1,496,830)	(1,241,758)
Net loans to members	29,042,261	27,938,601
Opening provision for bad debts	1,241,758	1,260,062
Increase/(Decrease) in bad debt provision	255,072	(18,304)
Closing provision for bad debts	1,496,830	1,241,758

The current provision in the financial statements is €1,496,830 (2019: €1,241,758) representing 4.90% (2019: 4.25%) of the total loan book.

Bad and Doubtful Debts in the statement of comprehensive income comprise:

	2020 €	2019 €
Bad debts recovered	(308,786)	(352,945)
Loan interest on impaired loans classified as bad debts recovered	(57,775)	(62,267)
Bad debts written off	168,697	153,776
Increase/(Decrease) in provision for bad and doubtful debts	255,072	(18,304)
Bad and Doubtful Debts	57,208	(279,740)

Notes to the Financial Statements continued

for the year ended 30th September 2020

6. Tangible Fixed Assets

	Freehold Premises €	Computer Equipment €	Fixtures and Fittings €	Total €
Cost:				
At 1 October 2019	1,667,441	324,665	549,799	2,541,905
Additions	-	54,531	25,787	80,318
Disposals	-	-	-	-
At 30 September 2020	1,667,441	324,665	549,799	2,541,905
Depreciation				
At 1 October 2019	656,058	232,031	461,260	1,349,350
Charge for the year	66,911	46,845	19,034	132,790
Disposals	-	-	-	-
At 30 September 2020	722,969	278,877	480,294	1,482,140
Net book value at 30 September 2020	<u>944,472</u>	<u>100,319</u>	<u>95,292</u>	<u>1,140,083</u>
Net book value at 30 September 2019	<u>1,011,383</u>	<u>92,364</u>	<u>88,539</u>	<u>1,192,555</u>

The premises located at Blanchardstown Business Centre, Clonsilla Road, Blanchardstown, Dublin 15 was valued by Alliance Auctioneers in September 2020. The estimated market value of the property at that time was €1,150,000. Accordingly, no provision for impairment is required.

7. Debtors, Prepayments and Accrued Income

	2020 €	2019 €
Loan Interest Receivable	24,703	36,902
Prepayments	47,903	31,459
Other Debtors and Receivables	<u>212,263</u>	<u>343,270</u>
	<u>284,869</u>	<u>411,631</u>

8. Members' Funds

	2020 €	2019 €
Regular share accounts	79,528,650	71,091,209
Deposit accounts	<u>3,839,433</u>	<u>3,547,016</u>
Total members' shares	<u>83,368,083</u>	<u>74,638,225</u>

9. Cash and Cash Equivalents

	2020 €	2019 €
Cash and Balances at Bank	13,970,541	1,669,460
Deposits and investments	<u>9,670,892</u>	<u>11,074,686</u>
	<u>23,641,433</u>	<u>12,744,146</u>

Notes to the Financial Statements continued

for the year ended 30th September 2020

10. Proposed Dividends and Loan Interest Rebate

The dividend is formally proposed by the Directors after the year end and is approved by the members at the AGM, at which time it becomes a liability.

	2020 €	2019 €
Dividend proposed	-	36,920
Loan interest rebate proposed	-	138,612
Dividend and loan interest rebate rate:		
Share accounts	-%	0.05%
Loan interest rebate rate (excluding mortgages):	-%	6%

11. Key Management Remuneration

The Directors of Blanchardstown & District Credit Union Limited are all unpaid volunteers. The key management staff of Blanchardstown & District Credit Union Limited are the credit union CEO, the deputy CEO, the Member Relationship Manager and the Risk and Compliance officer.

	2020 €	2019 €
Remuneration including PRSI	292,864	264,328
Pension	<u>19,390</u>	<u>18,014</u>
Total	<u>312,254</u>	<u>282,342</u>

12. Credit Risk Disclosures

Blanchardstown & District Credit Union Limited offers all types of loans to members, including those who offer security for loans. Loans are stated in the balance sheet at the maximum amount of risk that Blanchardstown & District Credit Union Limited is exposed to.

The carrying amount of the loans to members represents Blanchardstown & District Credit Unions maximum exposure to credit risk. The following 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.

Loans arrears analysis

	2020		2019	
	Amount €	Proportion %	Amount €	Proportion %
Total Loans not Impaired	28,134,942	92.13%	26,583,145	91.10%
Impaired loans				
Between 1 and 9 Weeks Past Due	1,410,995	4.62%	1,556,348	5.33%
Between 10 and 18 Weeks Past Due	128,747	0.42%	232,565	0.80%
Between 19 and 26 Weeks Past Due	88,014	0.29%	108,839	0.37%
Between 27 and 39 Weeks Past Due	405,950	1.33%	233,780	0.80%
Between 40 and 52 Weeks Past Due	76,872	0.25%	110,601	0.38%
53 or more Weeks Past Due	<u>293,598</u>	<u>0.96%</u>	<u>355,081</u>	<u>1.22%</u>
Total Impaired Loans	<u>2,404,176</u>	<u>7.87%</u>	<u>2,597,214</u>	<u>8.90%</u>
Total Gross Loans	<u>30,539,118</u>	<u>100%</u>	<u>29,180,359</u>	<u>100%</u>

Notes to the Financial Statements continued

for the year ended 30th September 2020

13. Additional financial instruments disclosures

13a. Financial risk management

Detailed budgets are set by Blanchardstown & District Credit Union Limited for the entire duration of its Strategic Plan, and updated annually based on any changes in circumstances. These budgets seek to maximise returns on investments and loans, minimise the cost of operating a significant branch operation while providing a return to members in a low interest rate environment. This manages any potential interest rate risk that the credit union might possibly be exposed to.

The main financial risks arising from the Credit Union's activities are credit risk, market risk, liquidity 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 the Credit Union, resulting in financial loss to the Credit Union.

BDCU has invested in putting in place a team in lending with strong underwriting experience to manage credit risk, and ensure that assessments in relation to loans are sufficiently robust. There are detailed policies and procedures in place to ensure these assessments can be measured constantly.

The first port of call for ensuring loans are repaid is to lend to members who can repay loans, this is noted above in the quality of lending section. When members encounter difficulty in paying loans, they have the option of discussing alternatives with our team. When members do not pay their loans, they are contacted regularly to ensure they are aware of their commitments. Monitoring of loans in arrears is carried out daily, with policies and procedures in place to deal with all scenarios.

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 Central Bank.

Liquidity Risk: The policy of Blanchardstown & District Credit Union Limited is to maintain sufficient funds in liquid form at all times to ensure that it can meet its liabilities as they fall due. The objective of the Credit Union's liquidity policy is to smooth the mismatches between maturing assets and liabilities and to provide a degree of protection against any unexpected developments that may arise.

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

Interest Rate Risk: Blanchardstown & District Credit Union Limited 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 when deciding on the dividend rate payable on members' shares. Blanchardstown & District Credit Union Limited does not use interest rate options to hedge its own positions.

Notes to the Financial Statements continued

for the year ended 30th September 2020

14. Interest rate risk disclosures

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

Loan Type	2020		2019	
	Interest Rate	APR	Interest Rate	APR
Standard Loans	8.95%	9.33%	8.95%	9.33%
Student Loans	5.50%	5.64%	5.50%	5.64%
Promotional Loan	6.95%	7.18%	6.95%	7.18%
Community Loan	5.00%	5.12%	5.00%	5.06%
Mortgage	4.95%	5.06%	4.95%	5.10%
Secured Small Business Loan	5.50%	5.64%	-	-
Unsecured Small Business Loan	6.95%	7.18%	-	-

15. Pensions

Blanchardstown & District Credit Union Limited operates a defined contribution pension scheme available to all employees of the Credit Union. Contributions payable to the scheme are held separately from those of the credit union in an independently administered fund. The contributions to the pension scheme are charged to the income and expenditure account in the period to which they relate.

16. Related Party Transactions

	2020		2019	
	No of Loans	€	No of Loans	€
Loans advanced to related parties during the year	3	90,500	7	45,580
Total loans outstanding to related parties at year end	10	145,035	15	97,996

The related party loans stated above comprise loans to members of the Board of Directors, the management team and members of the family of a member of the Board of Directors and the management team of Blanchardstown & District Credit Union.

Total Loans outstanding to related parties represents 0.47% of the total loans outstanding at 30 September 2020 (2019: 0.34%)

17. Insurance against Fraud

The Credit Union has Insurance against fraud in the amount of €2,000,000 in compliance with Section 47 of the Credit Union Act 1997 (as amended).

18. Post Balance Sheet Events

In March 2020, the World Health Organisation declared Covid-19 a global pandemic. The Irish Government declared Credit Unions as an essential service and all Credit Unions remained open and operational during the lockdown period. The Board of Directors and the Management Team have undertaken risk assessments in relation to the impact of Covid-19 and have contingency plans in place to ensure that services will remain available to members. These plans are set against the backdrop of the Government's Roadmap for Living with Covid and the continuation of services to members is facilitated in line with ongoing public health advice.

19. Comparative information

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

Schedule 1

Loan Interest

	2020 €	2019 €
Loan interest received	2,405,422	2,276,403
Loan interest receivable	(12,199)	-
Total	2,393,223	2,276,403

Schedule 2

Other interest receivable and similar income

	2020 €	2019 €
Investment income and gains received	490,281	373,037
Investment income receivable within 12 months	(120,294)	49,310
Total	369,987	422,347

Schedule 3 - Other Income

	2020 €	2019 €
Entrance fees	902	791
Commissions	7,240	11,885
Total	8,142	12,676

Schedule 4

Other Management Expenses:

	2020 €	2019 €
Rates	17,969	23,364
Lighting, Heating and Cleaning	15,664	13,678
Repairs and Renewals	32,872	33,045
Security	25,403	23,245
Service Charges	12,616	15,206
Printing and Stationery	17,702	22,484
Postage and Telephone	20,756	21,085
Donations and Sponsorship	21,830	33,180
Debt Collection	63,299	74,410
Lending Credit Checks and Software	38,509	16,198
Promotion and Advertising	43,435	41,707
Training Costs	20,897	15,965
Board Oversight	455	892
AGM and Convention Expenses	22,702	23,746
Travel and Subsistence	4,591	11,249
PAYAC Once Off Contribution	-	7,500
Bank Charges	25,338	27,327
Laser Machine Rental & Maintenance	13,823	15,364
Central Bank and Levy Fees	119,890	146,819
Audit Fee	22,202	23,185
Internal Audit	14,760	14,760
Risk & Compliance Fee	2,813	-
General Insurance	43,512	36,516
Share and Loan insurance	288,697	285,458
Death Benefit Insurance	136,998	131,618
Legal and Professional Fees	67,193	85,357
Computer Maintenance	144,579	108,462
Miscellaneous Expenses	14,055	13,132
Anniversary Expenses	11,936	-
Annual Subscriptions	13,758	15,378
CUDA	48,911	46,392
Staff Uniforms	1,402	6,032
Total	1,328,567	1,332,754

Report of the Credit Committee

The Credit Committee is responsible for ensuring that compliance by the credit officers and staff is within Blanchardstown and District Credit Union's (BDCU) lending policies. These lending policies are aligned to BDCU's risk appetite statement and strategic goals as set out in the Annual Strategic Plan.

The Committee met on a regular basis during the year to supervise all loan applications received from members in order to ensure adherence to BDCU lending policies. The committee periodically make recommendations on policies, issues and CBI Guidelines to the Board of Directors for consideration. In 2019/20 the credit union processed 2,962 successful loan applications to the value of €16.157 million. This result must be considered in the context of the pandemic and the various restrictions that were put in place.

In excess of 80% of these Loans were for personal purposes, including Home Improvements, Holidays, Education, ProEnergy and Car Purchase.

Community loans represented a small portion of the total applications assessed in 2019/20.

This overall figure also included applications for home mortgages, to increase the credit union's portfolio to almost €2m.

This year BDCU has developed a range of new business loan products to cater for the needs of the local business community. Considerable training and development have taken place to enable the Credit Committee and staff to assist members with their applications.

Over the last number of years, BDCU has invested in new technology and, out of the 2,962 loans issued this year, in the region of 40% were delivered online where applications were received online, digitally signed off and the funds directly transferred to the member's account on completion of the underwriting and approval processes. This was driven by Covid-19 restrictions and the availability of latest technology and was in response to feedback from members seeking this type of service.

During the year, a comprehensive review of BDCU's underwriting policies was carried out. This review considered the risk assessment of each loan application in the context of latest available sector information, current economic trends and financial industry computer modelling processes.

Finally, in a very challenging year for all of us, we would like to acknowledge and thank you for your continued support. Your contribution will enable the credit union enhance our services to the wider membership of over 20,000 and to develop new products and services.

John McGrath
Chairperson

Report of the Credit Control Committee

The main functions of the Credit Control committee are to monitor loans in arrears, to assist our Credit Controller in the support of members experiencing difficulty with their loan repayments and to recover any debts that are owed to the Credit Union. In most cases, a satisfactory arrangement can be arrived at to help the member through their difficulty. Over the past number of years, substantial improvements have been made in the profile of the Credit Union's loan portfolio, and this positive trend has continued. This improvement has been an ongoing process, and its success has been due to the continued commitment and engagement of our members.

The majority of our members have continued to meet their repayments but with the COVID-19 experience some members have been negatively impacted and have made applications for temporary arrangements in their loan repayments. To ensure a prudent approach to our loan book management, loan provisions have been increased during the year from €1,241,758 to €1,496,830. This represents approximately 5% of the total loan portfolio.

In the past year, a total of €308,786 in bad debts was recovered. In collecting this figure, a total of €63,299 was paid to debt collection professionals on behalf of the Credit Union.

Mary Kellett
Chairperson

Report of the Investment Committee

The impact of Covid has been felt far and wide, we all need to remain vigilant and continue to protect ourselves and others. In Blanchardstown & District Credit Union we have taken every precaution to protect our staff and members and to ensure that we are able to maintain the valuable services our credit union provides to our community. We must acknowledge the great work of the health services and commend our members working in this area who have worked so hard and diligently since March.

In economic terms the effects of Covid have also been unprecedented and we acknowledge the difficulties some of our members are facing particularly those working in some of the most affected sectors including the tourism, airline, entertainment, hotels and restaurant sectors. We have been supportive and will continue to be supportive of all members negatively impacted.

In global economic terms, central banks globally reacted swiftly and on a massive scale in March with additional bond purchase programs being added to existing mechanisms in order to support the financial system and the economy, ensuring that banks and businesses had access to cheap funding. The government also rowed in hard and fast in coming up with various support programs for jobs and businesses which have helped to ameliorate the worst effects of the spike in unemployment for some, albeit this may be seen as a temporary fix.

Central banks have continued to purchase various categories of bonds (including sovereigns, bank and corporate bonds) directly from banks and companies in order to inject liquidity and keep interest rates and bond yields as low as possible and for as long as possible. This flooding of the financial system with cash means that the returns available to credit unions on investments have been under unprecedented pressure and negative rates on both deposits and bonds have become the norm.

In spite of these ultra-low rates, it is perhaps no surprise that with the economic uncertainty resulting from Covid, consumers and businesses have continued their precautionary saving trends which has seen household and business deposits increase to record levels, a phenomenon not unfamiliar to credit unions as member savings continue to grow significantly.

Despite this, the investment portfolio generated income of €369,987 in the financial year ending 30 September 2020 which is a result of active portfolio management by the investment committee and Board working with our Investment Advisers. This represents a solid return against a backdrop of a persistently adverse investment environment. As a result of record low interest rates and bond yields, options available to credit unions remain extremely limited.

Looking ahead we see the current conditions continuing for an extended period. The European Central Bank have in fact now signalled that extraordinary measures of bond buying will be operational for as long as necessary and at a scale that reflects the severity of the current crisis. Forward interest rate markets are indicating that any rate increases will be slow and negative wholesale rates are expected to persist for at least the next 8-9 years.

Considering the challenges being faced, we believe that the investment portfolio of Blanchardstown & District Credit Union is as well positioned as possible. We have worked with our Investment Advisor to place a prudent proportion of the portfolio in medium / long term investments, while at the same time ensuring that liquidity levels remain appropriate. The portfolio also remains fully compliant with all investment regulations under Central Bank rules.

Given the current financial climate and against a backdrop of negative interest rates we feel it is prudent not to pay a dividend to members but rather to retain reserves in the Credit Union as recommended by the Regulator. The Board and Investment Committee will continue to ensure that members savings remain safe and secure, and that investment performance is optimised within the context of the low risk mandate which underpins our investment objectives.

Donal O'Sullivan
Chairman

Report of the Membership Committee

The purpose of our Committee is to encourage potential members to join the Credit Union and also to ensure that all applicants are eligible for membership.

In the past year 1210 new members joined our credit union.

In May 2020 we successfully launched Online Onboarding.

Members can join the Credit Union once they live, work or study in Dublin 15 (Common Bond).

They fill in an online membership form on our website www.blanchardstowncu.ie and upload their documents securely for review.

Members have found the new system very fast and efficient.

We would ask members to encourage their family and friends to become members and avail of all our services and products.

Please keep the Credit union informed of any change in your personal or contact details. If you have changed address in the last year, please provide proof of your new address.

We would also like to remember our members who have passed away this year, may they rest in peace.

Frances Maher
Chairperson

Report of the Nomination Committee

Under current legislation, the Nomination Committee has primary responsibility for:

- The identification of suitable candidates for election to the Board of Directors and Board Oversight Committee
- The recruitment of volunteers to assist in the running of the Credit Union
- The fulfilment of its obligations under the Central Bank of Ireland's Fitness and Probity regulations.

The committee ran a recruitment campaign for new volunteers recently and a number of these applicants have been selected to become involved in the running of the Credit Union. These applicants have been assessed for Fitness and Probity requirements and they will now take part in an induction programme prior to taking up their positions. Volunteers are a vital part of the credit union particularly in ensuring a strong community aspect to our organisation.

The Nomination Committee carried out a skills audit of our Directors, Board Oversight Committee and volunteers during the year and this indicated a balance of skills in line with legislative requirements. The Committee continues to monitor the skills required and will organise training for Directors, Board Oversight Committee and volunteers as required.

The Committee has reviewed relevant policies to ensure that we are in compliance with Credit Union legislation.

Elections:

The Board of Directors must be elected in accordance with section 53(6)(b) of the Credit Union Act, 1997 as amended. Nominations for directors have been conducted in accordance with the policy of Blanchardstown and District Credit Union.

All nominees have complied with the appropriate Fitness and Probity requirements.

John McGrath
Chairperson

Community Report

As a local Credit Union, the local community is at the very heart of our organisation. In 2020 we committed to a donation and sponsorship budget of €30,000 to support and invest in local community organisations from schools, sports clubs, and local organisations and societies.

2020 was a difficult year with COVID 19 for many of these organisations, which do so much in supporting our local community and we give our continued commitment for the coming year and look forward to contributing to the recovery of our local community and those organisations who support it

Our primary school quiz in 2020 was a great success, unfortunately, due to the COVID impact, the national finals were cancelled but we look forward to the return of the school quiz in the coming year.

Our primary schools programme is a source of immense pride and we relish in the promotion of financial wellbeing from a young age. We are

currently partnered with 6 local primary schools with our school saving scheme and would like to take this opportunity to thank the schools for their continued cooperation and support of this valuable scheme for pupils.

Our €1000 third level education award in 2020 went to supporting one student with their further education. In addition, we support our local community and students with low-rate education loans for back to school expenses, third level education costs, iPad, laptops and much more.

List of School, Clubs & Organisations supported by BDCU in 2020:

Schools

- Castleknock Educate Together National School
- Castleknock Main St National School
- Scoil Bhride Buachailli
- Scoil Bhride Cailini
- Scoil Ghrainne National School
- Scoil Mhuire National School
- St Mochtas N.S
- Scoil Olibheir
- Mary Mother of Hope
- Scoil Thomas National School
- St. Brigid's National School
- St. Francis Xavier National School
- St. Patricks National School
- Hope Montessori School
- Corduff FC
- St. Mochtas FC
- St. Brigid's GAA

Sport Clubs

- Verona Sports Club
- Clonee United FC
- Coolmine Panto Group
- Coolmine Musical Society
- Sli Dhalha CCE
- Crosscare Donation
- Blanchardstown Hospital
- Womens Refuge
- Irish Red Cross Sponsorship
- Special Olympics
- Village Tidy Towns
- St Vincent de Paul
- St. Francis Hospice
- St. Johns Ambulance Sponsorship
- Polio Survivors Ireland

Deposit Guarantee Scheme Depositor Information Sheet

Basic information about the protection of your eligible deposits.

Eligible deposits in Blanchardstown & District Credit Union are protected by:	the Deposit Guarantee Scheme {"DGS"}. ⁽¹⁾
Limit of protection:	Eligible deposits up to €100,000 per depositor. ⁽²⁾
If you have more eligible deposits at the Blanchardstown & District Credit Union:	All your eligible deposits at Blanchardstown & District Credit Union are 'aggregated' and the total is subject to the limit of €100,000. ⁽²⁾
If you have a joint account with other person{s}:	The limit of €100,000 applies to each depositor separately. ⁽³⁾
Reimbursement period in case of Blanchardstown & District Credit Union's failure:	Within 10 working days ⁽⁴⁾
Currency of reimbursement:	Euro
To contact Blanchardstown & District Credit Union for enquiries relating to your account:	Blanchardstown & District Credit Union Limited Unit 9, Blanchardstown Business Centre, Clonsilla Road, Blanchardstown Dublin 15 Tel. 01 8203495 Email: info@blanchardstownncu.ie Web: www.blanchardstownncu.ie
To contact the DGS for further information on compensation:	Deposit Guarantee Scheme, Central Bank of Ireland, New Wapping Street, North Wall Quay, Dublin 1. Tel: 1890-777777 Email: info@depositguarantee.ie
More information:	www.depositguarantee.ie

Deposit Guarantee Scheme Additional Information

(1) Scheme responsible for the protection of your deposit

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

(2) General limit of protection

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

[Only where applicable:] This method will also be applied if a credit institution operates under different trademarks. The [insert name of the account-holding credit institution] also trades under [insert all other trademarks of the same credit institution]. This means that all eligible deposits with one or more of these trademarks are in total covered up to €100,000.

(3) Limit of protection for joint accounts

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

In some cases eligible deposits which are categorised as "temporary high balances" are protected above €100,000 for six months after the amount has been credited or from the moment when such eligible deposits become legally transferable. These are eligible deposits relating to certain events which include:

- (a) certain transactions relating to the purchase, sale or equity release by the depositor in relation to a private residential property;
- (b) sums paid to the depositor in respect of insurance benefits, personal injuries, disability and incapacity benefits, wrongful conviction, unfair dismissal, redundancy, and retirement benefits;
- (c) the depositor's marriage, judicial separation, dissolution of civil partnership, and divorce;
- (d) sums paid to the depositor in respect of benefits payable on death; claims for compensation in respect of a person's death or a legacy or distribution from the estate of a deceased person.

More information can be obtained at www.depositguarantee.ie

(4) Reimbursement

The responsible deposit guarantee scheme is:

Deposit Guarantee Scheme, Central Bank of Ireland, New Wapping Street, North Wall Quay, Dublin 1. Tel: 1890-777777. Email: info@depositguarantee.ie. Website: www.depositguarantee.ie.

It will repay your eligible deposits (up to €100,000); within 10 working days from 1 January 2021 to 31 December 2023; and within 7 days from 1 January 2024 onwards, save where specific exceptions apply.

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

OTHER IMPORTANT INFORMATION

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

50TH ANNIVERSARY



**STAY LOCAL
BORROW LOCAL
SPEND LOCAL**



CU DRIVE YOUR OWN

Apply Before You Buy

Online or in the Office

Support Your Local Credit Union

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

Blanchardstown
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Fair Life Insurance

- Excellent cover at a fantastic price, for Term Life, your Mortgage or Serious Illness cover, at market leading prices.
- We offer the longest terms available, up to 51 years, and can provide cover up to the age of 91.
- Immediate Quote and if you like our rates, we can provide cover on the same day.
- Select from our Term Life, Mortgage Protection or Serious Illness covers.

blanchardstowncu.ie
0818 293 449



Blanchardstown
& District
Credit Union

Blanchardstown and District Credit Union Limited is regulated by the Central Bank of Ireland. Reg. No.291CU
CUI Financial Services DAC, t/a Peopl is regulated by the Central Bank of Ireland, Ref No.C182485

WE'RE GOING GREEN, ARE YOU?

Many of our members prefer to communicate through email and transact online, to reduce the amount of paper and their carbon footprint. Our "We're going GREEN" campaign is asking you to update your preferences and switch to receiving certain communications via email or access to banking services online. By signing up to electronic notifications, you can help us save the thousands of euros that printing and posting these booklets cost each year. Plus, you'll be doing your bit for our environment. Switching is quick and costs nothing!

Save Money & Save on Waste

It's your Credit Union! Help us to save money and to save on waste by going paperless for our **Annual General Meeting (AGM)** Notification and Report. Opt-in below to receive your AGM documents electronically via email.

☐

Electronic AGM Notice & Annual Report



Like to stay in the know?

We want to keep in touch! From time to time we would like to inform you of goods, services, competitions and/or promotional offers available from us. Opt-in for Marketing Communications (as many as you like):



Email



Text



Post



Phone call



Online Banking and E-Statements – Just a tick Away!

Make life easier! Register for Online Banking Access to your accounts with E-Statements available on demand. You could be online today! You can then download and start using our **Mobile App** too.

☐

Online Banking Access PIN with E-Statements



Member No:

Full name:

Email address:

Mobile No:

Date:

Signature:

You may withdraw your consent at any time by contacting the Credit Union at (01) 820 3495 or info@blanchardstowncu.ie
Blanchardstown & District Credit Union is regulated by the Central Bank of Ireland.



Blanchardstown
& District
Credit Union

STAY LOCAL

BORROW LOCAL

SPEND LOCAL



Unit 9/10 Blanchardstown Business Centre
Clonsilla Road,
Blanchardstown, Dublin 15
D15 FP92, Ireland

01 820 3495

info@blanchardstowncu.ie

loans@blanchardstowncu.ie

WWW.BLANCHARDSTOWNCU.IE

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