



HEARTLAND CREDIT UNION

Annaduff, Carrick-on-Shannon, Mohill

THE ANNUAL GENERAL MEETING

of Heartland Credit Union will take place on
Tuesday January 30th at 7.30pm
in **Carrick on Shannon Business Campus,**
Attifinlay, Carrick on Shannon, Co. Leitrim.
Eircode: N41N1F2



Heartland Credit Union Ltd

Directors

Micheal Doherty (Chairperson)
James Mc Keon (Vice Chairperson) (Appointed 1 April 2023)
Olive Flynn (Secretary) (Appointed 1 April 2023)
Damian Brennan (Appointed 1 April 2023)
Eileen Boyle (Appointed 1 April 2023)
Joseph Lowe (Resigned 1 April 2023)
Joe Mulvey
Teresa Gibbons (Resigned 1 April 2023)
Ann Horan (Resigned 1 April 2023)
Agnes Collins
Kathleen Ellis (Appointed 1 April 2023)
Jacinta Sharkey (Appointed 1 April 2023)
Michael Gillooly
Bridie Shanley (Appointed 1 April 2023)

Board Oversight Committee Members

Teresa Gibbons (Appointed 1 April 2023)
Ursula Crossan (Resigned 1 April 2023)
John Russell (Appointed 1 April 2023)
Attracta O'Connor (Resigned 1 April 2023)
Dolores Tiernan (Appointed 1 April 2023)
Joseph Gilhooly (Resigned 1 April 2023)

Registered Office and Business Address

Summerhill
Carrick on Shannon
Co Leitrim

Auditors

Mulhern Leonard & Associates
Chartered Accountants and Statutory Audit Firm
Elphin Street
Boyle
Co Roscommon

Bankers

Allied Irish Bank
Main Street,
Carrick-on-Shannon,
Co. Leitrim

Agenda for Annual General Meeting

1. Credit Union Invocation
2. Acceptance of proxies (if any) by the Board of Directors
3. Ascertainment that a Quorum is present
4. Adoption of Standing Orders
5. Reading and Approval (or correction) of Minutes of last Annual General Meeting
6. Chairpersons Report
7. Report of the Auditor (Consideration of Accounts)
8. Report of Board of Directors
9. Report of the Membership Committee
10. Report of the Credit Committee
11. Report of the Credit Control Committee
12. Report of the Investment Committee
13. Report of the Marketing, Development & Strategic Committee
14. Report of the Board Oversight Committee
15. Report of the Nomination Committee
16. Appointment of Tellers
17. Balloting on Vacancies Board of Directors and the Board Oversight Committee & Auditor
18. Election Results
19. Amendment to Standard Rules arising from League AGM
20. That this Credit Union set the affiliation fees payable to the Irish League of Credit Unions at €1.75 per member over the age of 16 years old for the calendar year 2023/2024
21. Any other Business
22. Close of Meeting

Notice of Elections
Elections will be held to fill the following vacancies:
• 3 vacancies on the Board of Directors.
• 3 vacancies on the Board Oversight Committee &
• the position of Auditor.

Invocation/ Credit Union Prayer

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.

Heartland Credit Union Ltd

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Chairpersons Report

It was a historic year for Annaduff, Carrick on Shannon and Mohill Credit unions as they came together to form a new Credit union called Heartland. As its first Chairperson I am very proud of the work done behind the scenes to make this happen and I thank most sincerely everyone who played their part in achieving this merger. Everyone knows who played their part and all should take a bow.

Our hope and expectations is that Heartland Credit Union will grow bigger and better, improving our services and enable our members to enjoy a more modern and cost effective service. Making comparisons with last year is not easy as it was a totally different setup but looking at the figures for the past six months growth in every sector has improved.

The board has made a decision not to pay a dividend this year but we look forward to the day when things return to normal. Heartland has invested in new systems so that all branches (Annaduff, Carrick on Shannon and Mohill) are working so that members from any branch can carry out their business in all three branches at any given time.

Members can now apply for loans online and check their accounts also online.

I am relevantly new to the position of Chair of our Credit union and so I was dependent on others to help me out when issues arose. I want to thank Joe Mulvey fellow director and treasurer of the League of Credit unions for his valuable advice Collette Brennan our CEO for her hard work and devotion to see the task of the merger through and assisting me in my role. Thanks to our Secretary Olive Flynn for her excellent minutes, to the various committees for their dedication in a voluntary capacity. I thank the staff past and present for their good work ethic and their refreshing and relaxing way they deal with our members.

Heartland Board is made up of people from all walks of life and it makes for very interesting and informative meetings. I thank all who attended our meeting in person or by zoom and I also wish those stepping down from the board the best of luck in the future.

Finally I want to take this opportunity to sympathise with all who lost loved ones in the year just passed, I would especially thank you, our members for your continued support and on behalf of Heartland Credit Union may I wish you all the best for 2024.

Micheal Doherty
Chairperson.

Heartland Credit Union Ltd

DIRECTORS' REPORT

for the financial year ended 30 September 2023

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

Objects

The principal activity of the credit union involves the acceptance of members' share/ savings and lending to members in accordance with legislation and criteria determined by the Irish League of Credit Unions and the Credit Union itself.

Principal Risks and Uncertainties

The purpose of our Credit Union is to allow members save together and lend to each other at a fair and reasonable rate of interest.

The Credit Union is fully aware of its principal risks. It monitors these constantly and does everything in its power to minimise all risks and to handle prudently those residual risks over which it has little control.

The principal areas currently requiring risk management include:

Credit risk:

The risk of financial loss arising from a borrower, issuer, guarantor or counter party, which may fail to meet its obligations in accordance with agreed terms.

Liquidity risk:

The risk that a credit union will not be able to fund its current and future expected and unexpected cash outflows as they fall due, without incurring significant losses.

Capital risk:

The risk of a change in the quality or quantity of capital available, the credit union's exposure to external shocks and noticeable changes in the level of capital planning and in the capital management process.

Operational risk:

The risk of loss (financial or otherwise) resulting from inadequate or failed internal processes or systems of the credit union, any failure by persons connected with the credit union, legal risk or external events.

Interest rate risk:

The risk arising from differences between the interest rate exposures on loans and investments receivable, as offset by the cost of capital, which is typically that of distributions to members, payable in the form of dividends and interest rebates.

Strategy/business model risk:

The risk which the credit union faces if they cannot compete effectively or operate a viable business model and the inherent risk in the credit union's strategy.

Business Review

The directors acknowledge the results for the year and the year-end financial position of the credit union. The directors expect to develop and expand the credit union's current activities and they are confident of its ability to continue to operate successfully in the future.

Directors and Board Oversight Committee Members

The current directors and board oversight committee members are as set out on page 4.

Accounting Records

Heartland Credit Union Ltd comply with the requirements of section 108 of the Credit Union Act, 1997 (as amended) with regard to books of accounts by employing accounting personnel with appropriate expertise and by providing adequate resources to the financial function. The accounting records of the Credit Union are maintained at the Credit Union's premises at Main Street Upper, Mohill, Co. Leitrim.

Post Balance Sheet Events

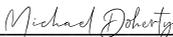
There have been no significant events affecting the Credit Union since the financial year-end.

Auditors

The auditors, Mulhern Leonard & Associates, have indicated their willingness to continue in office in accordance with Section 115 of the Credit Union Acts 1997 to 2018.

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

Member of the Board of Directors


Micheal Doherty

Member of the Board of Directors


James Mc Keon

Date

21 December 2023

Heartland Credit Union Ltd

for the financial year ended 30 September 2023

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Credit Union Acts 1997 to 2018 requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Credit Union and of the income and expenditure of the Credit Union for that financial year. In preparing these financial statements the directors are required to:

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

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

In so far as the directors are aware:

- there is no relevant audit information (information needed by the Credit Union's auditor in connection with preparing the auditor's report) of which the Credit Union's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Credit Union's auditor is aware of that information.

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

Member of the Board of Directors


Micheal Doherty

Member of the Board of Directors


James Mc Keon

Date

21 December 2023

STATEMENT OF BOARD OVERSIGHT COMMITTEE'S RESPONSIBILITIES

The Credit Union Acts 1997 to 2018 requires the appointment of a Board Oversight Committee to assess whether the board of directors has operated in accordance with Part IV, Part IV (a) and any regulations made for the purposes of Part IV or Part IV(a) of the Credit Union Acts 1997 to 2018 and any other matter prescribed by the Bank in respect of which they are to have regard in relation to the board.

Approved on behalf of the Board Oversight Committee

Member of the Board Oversight Committee


Teresa Gibbons

Member of the Board Oversight Committee


John Russell

Date

21 December 2023

INDEPENDENT AUDITOR'S REPORT to the Members of Heartland Credit Union Ltd

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Heartland Credit Union Ltd for the financial year ended 30 September 2023 which comprise the Income & Expenditure Account, the Balance Sheet, the Statement of Changes in Reserves, the Statement of Cash Flows and notes to the financial statements, including the summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is Irish law including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued in the United Kingdom by the Financial Reporting Council and the Credit Union Acts 1997 to 2018.

In our opinion the financial statements:

- give a true and fair view of the state of the assets, liabilities, and financial position of the Credit Union as at 30 September 2023 and of its results for the financial year then ended;
- have been properly prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been properly prepared in accordance with the requirements of the Credit Union Acts 1997 to 2018.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other Information

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

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

Opinions on other matters prescribed by the Credit Union Acts 1997 to 2018

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

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

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities as set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT

to the Members of Heartland Credit Union Ltd

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

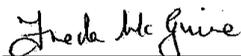
Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: www.iaasa.ie/wp-content/uploads/2022/10/Description_of_auditors_responsibilities_for_audit.pdf. The description forms part of our Auditor's Report.

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

Our report is made solely to the Credit Union's members, as a body, in accordance with section 120 of the Credit Union Acts 1997 to 2018. 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.



Freda McGuire F.C.P.A.

for and on behalf of

MULHERN LEONARD & ASSOCIATES

Chartered Accountants and Statutory Audit Firm

Elphin Street

Boyle

Co Roscommon

21 December 2023

Heartland Credit Union Ltd

INCOME & EXPENDITURE ACCOUNT

for the financial year ended 30 September 2023

| | | 2023 | 2022 |
|--|--------------|-----------------|-----------------|
| | | € | € |
| Income | Notes | | |
| Interest on members' loans | 5 | 666,611 | 465,628 |
| Other interest income and similar income | 6 | 101,484 | 35,857 |
| | | <hr/> | <hr/> |
| Net interest income | | 768,095 | 501,485 |
| Other income | 8 | 6,120 | 91,218 |
| | | <hr/> | <hr/> |
| Total income | | 774,215 | 592,703 |
| | | <hr/> <hr/> | <hr/> <hr/> |
| Expenditure | | | |
| Employment costs | 9 | 273,553 | 215,048 |
| Other management expenses (Schedule 1) | | 498,212 | 262,321 |
| Depreciation | | 29,240 | 17,021 |
| Net (recoveries) or losses on loans to members | 13.4 | (8,799) | 176,327 |
| | | <hr/> | <hr/> |
| Total expenditure | | 792,206 | 670,717 |
| | | <hr/> <hr/> | <hr/> <hr/> |
| Surplus of expenditure over income | | (17,991) | (78,014) |
| Other comprehensive income | | - | - |
| | | <hr/> | <hr/> |
| Total comprehensive income | | (17,991) | (78,014) |
| | | <hr/> <hr/> | <hr/> <hr/> |

The financial statements were approved and authorised for issue by the Board of Directors on 21 December 2023 and signed on its behalf by;

Chairperson

Michael Doherty

Micheal Doherty

Manager

Collette Brennan

Collette Brennan

Member of the Board Oversight
 Committee

Teresa Gibbons

Teresa Gibbons

Date

21 December 2023

Heartland Credit Union Ltd**BALANCE SHEET**

as at 30 September 2023

| | | 2023 | 2022 |
|-------------------------------------|-------|-------------------|-------------------|
| | Notes | € | € |
| Assets | | | |
| Bank and cash | 11 | 1,488,130 | 451,028 |
| Property, plant and equipment | 12 | 709,952 | 241,521 |
| Loans to members | 13 | 13,340,304 | 7,696,865 |
| Provision for bad debts | 13 | (760,554) | (476,641) |
| Prepayments and other debtors | 14 | 27,828 | 29,948 |
| Accrued income | 14 | 67,222 | 47,511 |
| Cash equivalents | 15 | 6,571,612 | 2,114,267 |
| Fixed term deposits and investments | 15 | 12,855,351 | 6,748,064 |
| Total Assets | | 34,299,845 | 16,852,563 |
| Liabilities | | | |
| Members' shares | 16 | 27,373,435 | 13,272,750 |
| Trade creditors and accruals | 17 | 173,131 | 35,691 |
| Other creditors | 17 | 66,058 | 72,220 |
| Total Liabilities | | 27,612,624 | 13,380,661 |
| Net Assets | | 6,687,221 | 3,471,902 |
| Members' Resources | | | |
| Regulatory Reserve | 18 | 4,050,919 | 2,026,991 |
| Distribution Reserve | 18 | 2,223,725 | 1,099,069 |
| Operational Risk reserve | 18 | 136,361 | 72,496 |
| Other reserves | | 276,216 | 273,346 |
| Total Members' Resources | | 6,687,221 | 3,471,902 |

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

Chairperson

Micheal Doherty

Manager

Collette Brennan

Member of the Board Oversight Committee

Teresa Gibbons

Date

21 December 2023

Heartland Credit Union Ltd

STATEMENT OF CHANGES IN RESERVES

for the financial year ended 30 September 2023

| | Regulatory Reserve | Distribution Reserve | Operational Risk reserve | Unrealised income Reserve | General Reserve | Total |
|--------------------------------------|--------------------|----------------------|--------------------------|---------------------------|-----------------|------------------|
| | € | € | € | € | € | € |
| At 1 October 2021 | 2,026,991 | 1,184,313 | 72,496 | - | 266,116 | 3,549,916 |
| Surplus allocation in financial year | - | (85,244) | - | 7,230 | - | (78,014) |
| At 30 September 2022 | <u>2,026,991</u> | <u>1,099,069</u> | <u>72,496</u> | <u>7,230</u> | <u>266,116</u> | <u>3,471,902</u> |
| At 1 October 2022 | 2,026,991 | 1,099,070 | 72,496 | 7,230 | 266,116 | 3,471,903 |
| Surplus allocation in financial year | - | (17,991) | - | - | - | (17,991) |
| Transfer of engagements | 2,023,928 | 1,142,646 | 63,865 | 2,870 | - | 3,233,309 |
| At 30 September 2023 | <u>4,050,919</u> | <u>2,223,725</u> | <u>136,361</u> | <u>10,100</u> | <u>266,116</u> | <u>6,687,221</u> |

The Regulatory Reserve of the Credit Union as a % of the total assets as at 30th September 2023 was 11.81% which is in excess of the Credit Union's Regulatory Reserve requirement of 10%.

In accordance with section 45 of the Credit Union Act 1997 (as amended) Heartland Credit Union Ltd have put in place an Operational Risk Reserve.

Following the commencement of Section 13 of the 2012 Act, the requirement for Credit Unions to transfer 10% of their annual surplus to their Statutory Reserve (now known as the Regulatory Reserve) each year has been removed. The Board of Heartland Credit Union Ltd has transferred €0.00 of its current year deficit to its regulatory reserve.

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

Michael Doherty
Michael Doherty
 Chairperson

Teresa Gibbons
Teresa Gibbons
 Member of the Board Oversight Committee

Collette Brennan
Collette Brennan
 Manager

Heartland Credit Union Ltd
STATEMENT OF CASH FLOWS

for the financial year ended 30 September 2023

| | Notes | 2023 € | 2022 € |
|---|-----------|-------------------------|-------------------------|
| Opening cash and cash equivalents | | 2,565,295 | 4,477,657 |
| Cash flows from operating activities | | | |
| Loans repaid | | 4,275,524 | 3,034,616 |
| Loans granted | | (4,761,834) | (3,621,599) |
| Loan interest income | | 669,348 | 467,608 |
| Investment income | | 86,544 | 30,933 |
| Other income received | | 21,060 | 96,143 |
| Bad debts recovered | | 32,755 | 98,183 |
| Operating expenses | | (771,765) | (477,369) |
| Movement in other assets | | 22,954 | (4,658) |
| Movement in other liabilities | | 48,105 | (27,354) |
| Net cash used in operating activities | | <u>(377,309)</u> | <u>(403,497)</u> |
| Cash flows from investing activities | | | |
| Cash and cash equivalents introduced from transfer of engagements | | 12,694,208 | - |
| Purchase of property, plant and equipment | | (97,994) | (2,232) |
| Net cash flow from other investing activities | | <u>(6,107,287)</u> | <u>(1,269,222)</u> |
| Net cash used in investing activities | | <u>6,488,927</u> | <u>(1,271,454)</u> |
| Cash flows from financing activities | | | |
| Members' shares received | | 16,880,068 | 6,251,161 |
| Members' shares withdrawn | | (17,497,239) | (6,488,572) |
| Net cash used in financing activities | | <u>(617,171)</u> | <u>(237,411)</u> |
| Net decrease in cash and cash equivalents | | <u>5,494,447</u> | <u>(1,912,362)</u> |
| Cash and cash equivalents at end of financial year | 11 | <u><u>8,059,742</u></u> | <u><u>2,565,295</u></u> |

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

Chairperson 
Micheal Doherty

Manager 
Collette Brennan

Member of the Board Oversight Committee 
Teresa Gibbons

Date 21 December 2023

Heartland Credit Union Ltd

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 September 2023

1. LEGAL AND REGULATORY FRAMEWORK

Heartland Credit Union Ltd is established under the Credit Union Acts 1997 to 2018. The Credit Union is registered with the Registrar of Credit Unions and is regulated by the Central Bank of Ireland. The principal place of business is Summerhill, Carrick on Shannon, Co Leitrim.

2. ACCOUNTING POLICIES

The following principal accounting policies have been applied:

Statement of compliance and basis of preparation

The financial statements of the Credit Union for the year ended 30th September 2023 have been prepared on the going concern basis and in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102) and Irish statute comprising of the Credit Union Act, 1997 (as amended). The financial statements have been prepared on the historical cost basis.

Currency

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

Going concern

The financial statements are prepared on the going concern basis. The directors of Heartland Credit Union Ltd believe this is appropriate as the Credit Union:

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

This illustrates that the Credit Union has sufficient resources to continue to operate for the foreseeable future. On this basis, the directors of Heartland Credit Union Ltd believe it appropriate to prepare the financial statements on a going concern basis.

Income recognition

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

(i) Interest on members' loans

Interest on loans to members is recognised using the effective interest method and is calculated and accrued on a daily basis. An adjustment is made to the year-end amount receivable for any irrecoverable amounts or amounts written off for whatever reason.

(ii) Investment income

Investment income is recognised when received or irrevocably receivable. Investments are recognised at cost less any permanent diminution in capital value but ignoring any increase in capital value or encashment value until realised in the form of cash or cash equivalents.

Dividend and loan interest rebate

Dividends on shares and loan interest rebates

Dividends are made from current year's surplus or the dividend reserves 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.

Heartland Credit Union Ltd

NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 30 September 2023

Investments

Investment income is recognised on an accrual basis.

Cash and short-term deposits

These are valued at the deposit amount plus any accrued interest and interest income is recognised in the statement on an accruals (time) basis.

Fixed-term deposit accounts & Bank Bonds

Term deposits and fixed interest investment bonds with fixed maturity dates are valued at the lower of cost or encashment value and interest is recognised in the income statement when it is received or irrevocably receivable. Investments with return of capital guarantee are valued at the lower of cost or market value but not lower than the capital guaranteed amount and dividend or other income is recognised in the income statement when it is received or irrevocably receivable.

Listed equity shares

Unit funds, property funds and other stock market investments are valued at the lower of cost or market value and dividend or other income is recognised in the income statement when it is received or irrevocably receivable. Increases in capital value are not recognised until the asset is sold or matures. Decreases in market value are recognised immediately.

Held at amortised cost

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

Central Bank deposits

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

Investments at fair value

Investments held for trading (i.e. non-convertible preference shares and non-puttable ordinary shares or preference shares) are included in this category. Financial assets at fair value are classified as held for trading if they are acquired for sale in the short term. They are valued at fair value (market value) at the year-end date and all gains and losses are taken to the income and expenditure account. The fair value of quoted investments is determined by reference to bid prices at the close of business on the balance sheet date. Where there is no active market these assets will be carried at cost less impairment.

Property, plant and equipment and depreciation

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

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

| | |
|----------------------------------|-------------------|
| Land and buildings freehold | 4% Straight line |
| Office furniture | 15% Straight line |
| Fixtures, fittings and equipment | 15% Straight line |
| Computer equipment | 25% 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.

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

Heartland Credit Union Ltd

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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.

Cash and cash equivalents

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

Basic financial assets

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.

Other Debtors

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.

De-recognition of financial assets

Financial assets are de-recognised 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 de-recognised when the right to receive cash flows from the loans have expired, usually when all amounts outstanding have been repaid by the member. Heartland Credit Union Ltd does not transfer loans to third parties.

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.

Heartland Credit Union Ltd

NOTES TO THE FINANCIAL STATEMENTS

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for the financial year ended 30 September 2023

Investments held at amortised cost

Investments held at amortised cost are measured at amortised cost using the effective interest method less impairment. This means that the investment is measured at the amount paid for the investment, minus any repayments of the principal; plus or minus the cumulative amortisation using the effective interest method of any difference between the amount at initial recognition and the maturity amount; minus, in the case of a financial asset, any reduction for impairment or un-collectability. This effectively spreads out the return on such investments over time, but does take account immediately of any impairment in the value of the investment.

Bad debt provision

Loan impairment

Heartland Credit Union Ltd assesses if there is evidence that any of its loans are impaired with consideration of environmental factors including loan loss trends, credit risk characteristics in loan classes, economic climates both local and international, conditions in various sectors of the economy to which the Credit Union is exposed, and, other legal and regulatory factors .

Loans are assessed collectively in groups that share similar credit risk characteristics. Individually significant loans are assessed on a case by case basis. Key assumptions underpinning the Credit Union's estimates of collective provisions for loans with similar credit risk characteristics, and, Incurred But Not Reported provisions (IBNR) are based on the historical experiences of the Credit Union , together with the Credit Unions judgement of relevant conditions in the current, economic and legal environment in which it operates. If there is objective evidence that any individual loan is impaired, a specific loss will be recognised. Bad debt provisioning is monitored by Heartland Credit Union Ltd through the use of regular loan book reviews, and provisions are made for any loans not performing, in line with regulatory requirements and FRS 102. Any movement in bad debts, including provisions, are accounted for 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.

Basic financial liabilities

Members' shares

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 deposits

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

Other creditors

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.

De-recognition of financial liability

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

Holiday pay

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

Pensions

Heartland Credit Union Ltd operates a defined contribution pension scheme available to all employees of the Credit Union.

The contributions to the pension scheme are charged to the income and expenditure account in the period to which it relates.

Heartland Credit Union Ltd

NOTES TO THE FINANCIAL STATEMENTS

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for the financial year ended 30 September 2023

Distribution

Heartland Credit Union Ltd's policy is to pay a reasonable rate of dividend and loan interest rebate subject to covering operating expenses and meeting reserve requirements as set out in the Credit Union's Reserve Management Policy.

Reserves

Regulatory reserve

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

Operational risk reserve

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

Other reserves

Distribution reserves

The Credit Union maintains a distribution reserve which is maintained to fund the development of the Credit Union and to pay dividends in the future, if recommended by the Board of Directors and approved at the Annual General Meeting.

Non-Distributable Investment Income reserve

Investment income that has been recognised in the financial statements but will not be received within 12 months of the Balance Sheet date is classified as "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 to within 12 months of maturity date.

Dividend reserve

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

Transfer of engagements

Transfers of engagements are accounted for using the acquisition method of accounting. This involves recognising identifiable assets and liabilities of the acquired credit unions at fair value. In applying the acquisition method of accounting for these business combinations, the member interests transferred by the credit union represents the consideration transferred for the net assets acquired. The consideration has been estimated as equivalent to the acquisition date fair value of the members' interests in the transferor credit unions (the fair value of the transferor credit unions) at the date of the transfer, and is reflected as an adjustment in reserves.

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.

Heartland Credit Union Ltd

NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 30 September 2023

3. CRITICAL ACCOUNTING JUDGEMENT AND ESTIMATES

The preparation of financial statements requires the use of certain accounting estimates. It also requires the directors to exercise judgement in applying the 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:

Provision for bad debts

The Credit Union's accounting policy for impairment of loans is set out in the accounting policy on page 18. The estimation of loan losses is inherently uncertain and depends upon many factors, including loan loss trends, credit risk characteristics in loan classes, local and international economic climates, conditions in various sectors of the economy to which the Credit Union is exposed, and, other external factors such as legal and regulatory requirements. The provision for bad debts in the financial statements at the year end was €760,554 (2022: €476,641) representing 5.7% (2022: 6.2%) of the total gross loan book.

4. TRANSFER OF ENGAGEMENTS

On 1st April 2023 Carrick on Shannon Credit Union accepted the transfer of Mohill Credit Union and Annaduff Credit Union.

The assets and liabilities of both Mohill and Annaduff at the date of transfer were incorporated into the balance sheet of Carrick on Shannon at that date. The new credit union name of The Heartland Credit Union was adopted from this date.

Carrick on Shannon Credit union did not pay any consideration in respect of the Transfer of Engagements. On the date of transfer, the members of the transferor Credit Unions became members of The Heartland Credit Union, and thereby became entitled to member interest associated with such membership. In applying the acquisition method of accounting for this business combination, the members' interests transferred by Carrick on Shannon Credit Union represents the consideration transferred for the net assets acquired. This consideration has been estimated as equivalent to the acquisition date fair value of the members' interests in the transferor Credit Union (the fair value of the transferor Credit Unions) at the date of transfer and is reflected as an adjustment in reserves in the Statement of Changes in Equity on page 11.

| | Fair value of Mohill CU assets and liabilities acquired by HCU 2023 € | Fair value of Annaduff CU assets and liabilities acquired by HCU 2022 € | Total € |
|---|--|--|------------------|
| Tangible fixed assets | 191,154 | 208,523 | 399,677 |
| Cash on hand and at bank | 230,906 | 529,167 | 760,073 |
| Deposits and investments | 7,647,895 | 4,286,240 | 11,934,135 |
| Loans | 3,415,249 | 1,782,139 | 5,197,388 |
| Provision for bad debts | (150,000) | (150,216) | (300,216) |
| Member savings | (9,216,055) | (5,501,801) | (14,717,856) |
| Prepayments, accrued income, liabilities, creditors, and accruals | (42,396) | 2,504 | (39,892) |
| | <u>2,076,753</u> | <u>1,156,556</u> | <u>3,233,309</u> |

5. INTEREST ON MEMBERS' LOANS

| | 2023 € | 2022 € |
|--|----------------|----------------|
| Closing accrued interest receivable | 8,548 | 11,285 |
| Loan interest received in financial year | 669,348 | 467,608 |
| Opening accrued loan interest receivable | (11,285) | (13,265) |
| | <u>666,611</u> | <u>465,628</u> |

Heartland Launch Day

Annaduff • Carrick on



October 19th 2023

Shannon • Mohill



Heartland Credit Union Ltd
NOTES TO THE FINANCIAL STATEMENTS

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for the financial year ended 30 September 2023

| 6. OTHER INTEREST INCOME AND SIMILAR INCOME | 2023 | 2022 |
|--|-----------------------|---------------|
| | € | € |
| Investment income received | 52,018 | 10,826 |
| Investment income receivable within 12 months | 34,526 | 20,106 |
| Dividends received | 14,940 | 4,925 |
| | <u>101,484</u> | <u>35,857</u> |

7. INTEREST PAYABLE AND DIVIDENDS

The interest expense for the Credit Union comprises of interest payable on deposits, and is included as part of bank interest and charges within other management expenses.

The dividend on member's shares and interest rebate on loan interest charged to members are formally proposed by the directors after the year-end and are confirmed at the following AGM. As a result, it does not represent a liability at the balance sheet date. The directors are not proposing a dividend to be issued to members for the year ended 30 September 2023 (2022: Nil).

| 8. OTHER INCOME | 2023 | 2022 |
|--|---------------------|---------------|
| | € | € |
| Entrance fees | 2,092 | 1,000 |
| Affiliation fees received | 4,028 | 3,817 |
| SPS refund receivable | - | 72,297 |
| E.C.C.U. claims experience refund fees | - | 14,104 |
| | <u>6,120</u> | <u>91,218</u> |

9. EMPLOYEES AND REMUNERATION

The average monthly number of employees during the year was:

| | 2023 | 2022 |
|-------------|------------------|---------------|
| | Number | Number |
| Manager | 3 | 1 |
| Other staff | 8 | 3 |
| | <u>11</u> | <u>4</u> |

| The staff costs comprise: | 2023 | 2022 |
|-----------------------------------|-----------------------|----------------|
| | € | € |
| Wages and salaries | 125,398 | 81,329 |
| Key management personnel salaries | 123,145 | 53,732 |
| Pension costs | 25,010 | 79,987 |
| | <u>273,553</u> | <u>215,048</u> |

Heartland Credit Union Ltd

NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 30 September 2023

10. KEY MANAGEMENT PERSONNEL

The directors of Heartland Credit Union Ltd are all unpaid volunteers. The management personnel remuneration is as follows:

| | 2023 | 2022 |
|---|----------------|---------------|
| | € | € |
| Short term employee benefits | 123,145 | 53,731 |
| Payments to pension scheme | 25,010 | 10,133 |
| | <u>148,155</u> | <u>63,864</u> |
| Total key management personnel compensation | <u>148,155</u> | <u>63,864</u> |

11. CASH AND CASH EQUIVALENTS

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

| | 2023 | 2022 |
|--------------------------|------------------|------------------|
| | € | € |
| Cash and bank balances | 1,488,130 | 392,148 |
| Cash equivalents | - | 58,880 |
| Deposits and investments | 6,571,612 | 2,114,267 |
| | <u>8,059,742</u> | <u>2,565,295</u> |

12. PROPERTY, PLANT AND EQUIPMENT

| | Land and buildings freehold | Office furniture | Fixtures, fittings and equipment | Computer equipment | Total |
|-------------------------------|-----------------------------------|---------------------|--|-----------------------|------------------|
| | € | € | € | € | € |
| Cost | | | | | |
| At 1 October 2022 | 319,753 | 59,412 | 42,718 | 115,554 | 537,437 |
| Additions | - | 2,895 | 1,239 | 93,860 | 97,994 |
| Transfer of engagement | 370,000 | 822 | 23,319 | 5,536 | 399,677 |
| | <u>689,753</u> | <u>63,129</u> | <u>67,276</u> | <u>214,950</u> | <u>1,035,108</u> |
| At 30 September 2023 | 689,753 | 63,129 | 67,276 | 214,950 | 1,035,108 |
| Depreciation | | | | | |
| At 1 October 2022 | 106,128 | 56,940 | 40,427 | 92,421 | 295,916 |
| Charge for the financial year | 10,095 | 1,389 | 2,744 | 15,012 | 29,240 |
| | <u>116,223</u> | <u>58,329</u> | <u>43,171</u> | <u>107,433</u> | <u>325,156</u> |
| At 30 September 2023 | 116,223 | 58,329 | 43,171 | 107,433 | 325,156 |
| Net book value | | | | | |
| At 30 September 2023 | <u>573,530</u> | <u>4,800</u> | <u>24,105</u> | <u>107,517</u> | <u>709,952</u> |
| At 30 September 2022 | <u>213,625</u> | <u>2,472</u> | <u>2,291</u> | <u>23,133</u> | <u>241,521</u> |

A valuation of Annaduff and Mohill's premises' was carried out by a professional firm of valuers and estate agents as part of the transfer of engagement. The premises' were valued at €190,000 and €180,000 respectively.

Heartland Credit Union Ltd

NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 30 September 2023

13. LOANS TO MEMBERS - FINANCIAL ASSETS

13.1 LOANS TO MEMBERS

| | 2023 | 2022 |
|------------------------------------|------------------------|------------------|
| | € | € |
| As at 1 October | 7,696,865 | 7,121,243 |
| Advanced during the financial year | 4,761,834 | 3,621,599 |
| Repaid during the financial year | (4,275,524) | (3,034,616) |
| Transfer of engagement movement | 5,197,388 | - |
| Loans written off | (40,259) | (11,361) |
| Gross loans to members | 13.2 13,340,304 | 7,696,865 |
| Impairment allowances | | |
| Impaired loans | (760,554) | (476,641) |
| Loan provision | 13.3 (760,554) | (476,641) |
| As at 30 September | 13.2 12,579,750 | 7,220,224 |

13.2 CREDIT RISK DISCLOSURES

| | 2023 | 2023 | 2022 | 2022 |
|--|-------------------|---------------|------------------|---------------|
| | € | % | € | % |
| Gross loans not impaired | | | | |
| Not past due | 11,771,080 | 95.58 | 6,755,788 | 88.76 |
| Gross loans individually impaired | | | | |
| Up to 9 weeks past due | 376,664 | 3.06 | 740,135 | 9.63 |
| Between 10 and 18 weeks past due | 41,951 | 0.34 | 4,003 | 0.05 |
| Between 19 and 26 weeks past due | 39,999 | 0.32 | 14,536 | 0.18 |
| Between 27 and 39 weeks past due | 9,904 | 0.08 | - | - |
| Between 40 and 52 weeks past due | 18,701 | 0.15 | 8,081 | 0.10 |
| 53 or more weeks past due | 57,015 | 0.47 | 98,346 | 1.28 |
| Total | 544,234 | 4.42 | 865,101 | 11.24 |
| Total gross loans | 12,315,314 | 100.00 | 7,620,889 | 100.00 |
| Impairment allowance | | | | |
| Individually significant loans | - | | 30,120 | |
| Collectively assessed loans | 1,024,989 | | 45,854 | |
| Total carrying value | 13,340,303 | | 7,696,863 | |

13.3 LOAN PROVISION ACCOUNT FOR IMPAIRMENT LOSSES

| | 2023 | 2022 |
|--|----------------|----------------|
| | € | € |
| As at 1 October | 476,641 | 213,492 |
| Allowances reversed during the financial year | (16,303) | 263,149 |
| Transfer of engagement movement | 300,216 | - |
| Increase in loan provision during the financial year | 283,913 | 263,149 |
| As at 30 September | 760,554 | 476,641 |

Heartland Credit Union Ltd
NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 30 September 2023

13.4 NET RECOVERIES OR LOSSES RECOGNISED FOR THE FINANCIAL YEAR

| | 2023 | 2022 |
|---------------------|------------------------|----------------|
| | € | € |
| Bad debts recovered | (32,755) | (98,183) |
| Increase/Reduction | (16,303) | 263,149 |
| | <u>(49,058)</u> | <u>164,966</u> |
| Loans written off | 40,259 | 11,361 |
| | <u>(8,799)</u> | <u>176,327</u> |

13.5 ANALYSIS OF GROSS LOANS OUTSTANDING

| | 2023 | 2023 | 2022 | 2022 |
|---|---------------------|--------------------------|--------------------|------------------|
| | Number of loans | € | Number of loans | € |
| Less than one year | 202 | 352,348 | 38 | 119,120 |
| Greater than 1 year and less than 3 years | 482 | 2,424,457 | 91 | 226,179 |
| Greater than 3 years and less than 5 years | 526 | 5,149,320 | 500 | 3,116,330 |
| Greater than 5 years and less than 10 years | 228 | 5,414,178 | 219 | 4,235,236 |
| | <u>1,438</u> | <u>13,340,303</u> | <u>848</u> | <u>7,696,865</u> |

14. DEBTORS, PREPAYMENTS AND ACCRUED INCOME

| | 2023 | 2022 |
|---|----------------------|---------------|
| | € | € |
| Prepayments | 13,925 | 17,816 |
| SPS refund receivable | 10,100 | 7,230 |
| Bond costs deferred | 3,803 | 4,902 |
| Investment income receivable within 12 months | 34,526 | 36,226 |
| Accrued income | 32,696 | 11,285 |
| | <u>95,050</u> | <u>77,459</u> |

15. DEPOSITS AND INVESTMENTS

| | 2023 | 2022 |
|--|--------------------------|------------------|
| | € | € |
| Cash and short-term deposits | 6,571,612 | 2,114,267 |
| Fixed-term deposit accounts & Bank Bonds | 12,854,437 | 6,747,410 |
| Listed equity shares | 914 | 654 |
| | <u>19,426,963</u> | <u>8,862,331</u> |
| | 2023 | 2022 |
| | € | € |
| Deposits and investments - cash equivalents | | |
| Cash and short-term deposits | <u>6,571,612</u> | <u>2,114,267</u> |

Heartland Credit Union Ltd
NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 30 September 2023

| | 2023 | 2022 |
|---|-------------------|------------------|
| | € | € |
| Deposits and investments - other | | |
| Fixed term deposits with banks | 8,994,748 | 4,685,000 |
| Bank Bonds | 3,501,691 | 2,014,580 |
| Central Bank minimum deposits | 357,998 | 47,830 |
| Listed equity shares | 914 | 654 |
| Total deposits and investments - other | 12,855,351 | 6,748,064 |

16. MEMBERS' SHARES - FINANCIAL LIABILITIES

| | 2023 | 2022 |
|--|-------------------|-------------------|
| | € | € |
| As at 1 October | 13,272,750 | 13,510,161 |
| Received during the financial year | 16,880,068 | 6,251,161 |
| Repaid during the financial year | (17,497,239) | (6,488,572) |
| Members' shares transfer of engagement | 14,717,856 | - |
| As at 30 September | 27,373,435 | 13,272,750 |

| | 2023 | 2022 |
|------------------------|-------------------|-------------------|
| | € | € |
| Regular share accounts | 24,815,912 | 12,038,304 |
| Attached shares | 2,557,523 | 1,234,446 |
| Total | 27,373,435 | 13,272,750 |

17. OTHER CREDITORS AND ACCRUALS

| | 2023 | 2022 |
|-----------------|----------------|----------------|
| | € | € |
| PAYE/PRSI | 10,058 | 16,220 |
| Accruals | 173,131 | 35,691 |
| Other creditors | 56,000 | 56,000 |
| | 239,189 | 107,911 |

18. CREDIT UNION RESERVES

| | Regulatory Reserve | Distribution Reserve | Operational Risk reserve | Other reserves | Total |
|--------------------------------------|--------------------|----------------------|--------------------------|----------------|------------------|
| | € | € | € | € | € |
| At 1 October 2022 | 2,026,991 | 1,099,070 | 72,496 | 273,346 | 3,471,903 |
| Surplus allocation in financial year | - | (17,991) | - | - | (17,991) |
| Transfer of engagement | 2,023,928 | 1,142,646 | 63,865 | 2,870 | 3,233,309 |
| At 30 September 2023 | 4,050,919 | 2,223,725 | 136,361 | 276,216 | 6,687,221 |

Heartland Credit Union Ltd

NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 30 September 2023

19. FINANCIAL INSTRUMENTS

Heartland Credit Union Ltd manages its members' shares and loans so that it earns income from the margin between interest receivable and interest payable. The main financial risks arising from Heartland Credit Union Ltd's activities are credit risk, market risk, liquidity risk and interest rate risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

| | 2023 | 2022 |
|--|------------|------|
| | € | € |
| Financial assets at fair value through profit or loss | | |
| Investments in Equities (Note 10) | 914 | 654 |

Credit Risk:

Credit risk is the risk that a borrower will default on their contractual obligations relating to repayments to Heartland Credit Union Ltd, resulting in financial loss to the Credit Union. In order to manage this risk the Board of Directors approves Heartland Credit Union Ltd's lending policy, and all changes to it. All loan applications are assessed with reference to the lending policy in force at the time. Subsequently loans are regularly reviewed for any factors that may indicate that the likelihood of repayment has changed.

Liquidity Risk:

Heartland Credit Union Ltd's policy is to maintain sufficient funds in liquid form at all times to ensure that it can meet its liabilities as they fall due. The objective of the 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. Heartland Credit Union Ltd conducts all its transactions in Euro and does not deal in derivatives or commodity markets. Therefore Heartland Credit Union Ltd is not exposed to any form of currency risk or other price risk.

Interest Rate Risk:

Heartland Credit Union Ltd'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.

Liquidity risk disclosures:

All of the financial liabilities of the Credit Union are repayable on demand except for some members' shares attached to loans and members' deposits which have a fixed maturity date.

19.1 LIQUIDITY RISK DISCLOSURE

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

20. PENSION SCHEME

Carrick on Shannon & District Credit Union Limited and Annaduff Credit Union Ltd participated in an industry-wide pension scheme for employees (The Irish League of Credit Unions Republic of Ireland Pension Scheme). This is a funded defined benefit scheme with assets managed by the Scheme's trustees.

On 31st March 2022, the defined benefit scheme closed to future accrual and although staff retained all the benefits that they had earned in the scheme to that date, both credit unions and its employees ceased making regular contributions to the scheme and ceased earning any additional benefits from the scheme.

At the date of closure of the scheme, there was a past service deficit which was allocated to each individual credit union based on the total benefits earned by staff in each credit union. The allocation of that past service deficit is €103,020 for both Credit Unions. This total cost was included in the Income & Expenditure account for each Credit Union for the year ended 30th September 2022. The deficit amount was paid to the trustees of the scheme during that year.

As this is a pooled pension scheme, the Credit Union remains liable to cover the cost of their share of any future increase in the total cost of providing the pension payments to credit union employees who were part of the scheme. The Credit Union could exit the scheme and therefore never have to make a potential additional payment requirement but exiting the scheme would incur a substantial additional cost.

If credit unions exit the Scheme, they are required to pay to the trustees the exit amount which the trustees determine is required to fund benefits in respect of their active, deferred and pensioner members on a "no risk"

Heartland Credit Union Ltd

NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 30 September 2023

basis. The exiting credit union thereby settles any liability they have to contribute to the Scheme in the future without increasing the risk for remaining credit unions.

The Scheme is a multi-employer scheme and there is pooling of the assets, and the sharing of risks associated with the liabilities for all participating employers. Judgement is required to assess whether Heartland Credit Union Ltd has sufficient information to provide an appropriate allocation of pension assets and liabilities. An assessment has been performed of the information available and the Credit Union has determined that there is currently insufficient information available. Consequently, Heartland Credit Union Ltd continues to account for the plan as a defined contribution plan.

An actuarial review of the fund is normally carried out every three years by the Scheme's independent, professionally qualified actuary. The actuarial review considers the past and future liabilities of the scheme. There was a review of the Scheme in conjunction with advisors independent of the trustees. The conclusion of this review was that the Scheme should close to future accrual and this occurred with effect from 31st March 2022 with an associated Funding Plan. The principal actuarial assumption used in the valuation was the investment return in the years before members retire would be 2.05% higher than the annual salary increases. The market value of the scheme's assets at 31st March 2022 was €283.4m. The actuarial valuation disclosed a past service deficit of €93.7m at 31st March 2022 calculated under the Ongoing Actuarial Valuation method. This valuation method assumes that the Scheme will continue in existence for the foreseeable future. The assumptions used in the actuarial review to determine the past service deficit differ from the assumptions that would be used to determine the liabilities for defined benefit obligations under FRS102.

Defined Contribution Pension Scheme

In addition to the Irish League of Credit Unions Republic of Ireland Pension Scheme, Carrick on Shannon & District Credit Union Limited contributed to up to 31st March 2022 and ceased contributions then. Heartland Credit Union Ltd operates a defined contribution pension plan for its employees. 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.

21. RELATED PARTY TRANSACTIONS

During the year loans were advanced to directors and the management team of the Credit Union (to include their family members or any business in which the directors or management team had a significant shareholding) in the amount of €150,200 (2022: €33,850). These loans were approved in accordance with the Standard Credit Union rules and the Credit Union Act 1997 (Regulatory Requirements) Regulations 2016. The loans outstanding from these parties as at 30th September 2023 were €259,960 (2022: €165,668).

There were no provisions against the loans due from the directors and the management team at the current or prior Balance Sheet date.

The directors and management team share balances (to include their family members or any business in which the directors or management team had a significant shareholding) stood at €234,373 as at 30th September 2023 (2022: €147,745).

22. INSURANCE AGAINST FRAUD

Heartland Credit Union Ltd has insurance against fraud in the amount of €2,600,000 (2022: €2,600,000) in compliance with Section 47 of the Credit Union Acts 1997 - 2012.

23. CAPITAL COMMITMENTS

The Credit Union had no material capital commitments at the financial year-ended 30 September 2023.

24. POST-BALANCE SHEET EVENTS

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

Heartland Credit Union Ltd

NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 30 September 2023

| 25. DEPOSITS & INVESTMENTS BY COUNTERPARTY | 2023 | 2022 |
|--|-------------------|------------------|
| | € | € |
| An Post & Bank of Montreal | 2,955,066 | - |
| Barclays & BCP | 3,900,000 | 1,300,000 |
| Bank of Ireland, KBC, AIB, & PTSB Deposits | 3,164,294 | 1,014,267 |
| Goldman Sachs & Societe Generale | 1,302,000 | - |
| BNP | 1,550,000 | 1,100,000 |
| Investec, Intes Bank, & NatWest | 2,010,000 | 1,800,000 |
| Central Bank Deposits | 357,998 | 47,830 |
| Deutsche Bank | 1,042,699 | 1,585,000 |
| HSBC, ABN, & Commerzbank | 3,143,992 | 2,014,580 |
| Listed Equities | 914 | 654 |
| | <u>19,426,963</u> | <u>8,862,331</u> |

26. CAPITAL

Heartland Credit Union Ltd maintains sufficient reserves to buffer the Credit Union against any losses on its members' loans and also its investments. The current Regulatory reserve is in excess of the minimum requirement set down by the Central Bank and is stated at 11.81% (2022: 12.03%) of the total assets of the Credit Union at the Balance Sheet date.

27. COMPARATIVES

Comparative information disclosed in the notes to the financial statements has been re-stated where necessary to adhere to the current year presentation. Comparative figures for the financial statements represents financial results for Carrick on Shannon Credit union only for 30th September 2022.

Current year results represents Carrick on Shannon Credit Union to the 1st April 2023 and the combined results for The Heartland Credit Union thereafter.

28. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved, and authorised for issue, by the Board of Directors on 21 December 2023.

Heartland Credit Union Ltd

SCHEDULE TO THE INCOME & EXPENDITURE ACCOUNT

for the financial year ended 2023

Schedule 1 - Other Management Expenses

| | 2023 | 2022 |
|---|----------------|----------------|
| | € | € |
| Other Management Expenses | | |
| Training and seminars | 730 | 759 |
| Rent and rates payable | 4,525 | 2,762 |
| Director & Staff expenses | 17,387 | 5,359 |
| General insurance | 12,102 | 14,766 |
| Share and loan insurance | 126,473 | 80,329 |
| Light and heat | 8,164 | 4,654 |
| Cleaning and hygiene | 1,170 | 427 |
| Repairs and renewals | 10,424 | 106 |
| Computer and equipment maintenance | 111,275 | 30,021 |
| Printing and reproduction | 786 | 1,137 |
| Postage and stationery | 16,231 | 6,375 |
| Promotion and education | 4,588 | 1,692 |
| Telephone | 3,888 | 2,395 |
| AGM expenses | 16,375 | 8,837 |
| Chapter expenses | 840 | 222 |
| Legal and Professional fees | 3,085 | 11,606 |
| Risk Management & Compliance & Internal Audit | 84,051 | 6,396 |
| Audit fees | 18,147 | 13,530 |
| Central Bank of Ireland | 24,069 | 21,836 |
| Credit agency fees | 2,240 | 1,435 |
| Bank interest and charges | 10,333 | 9,972 |
| Subscriptions and donations | 1,000 | - |
| Affiliation fees | 9,983 | 8,476 |
| Saving protection scheme | 1,409 | 470 |
| Regulation levies | 1,786 | 494 |
| Merger costs | 3,600 | 24,554 |
| General expenses | 2,712 | 2,758 |
| Loss/(gain) on investments | (260) | (146) |
| Amortisation of bond costs | 1,099 | 1,099 |
| | <u>498,212</u> | <u>262,321</u> |

Committee Reports

Nomination Committee Report.

The Nomination Committee consists of 3 members of the board of directors, who are elected each year at a special meeting following the AGM. The Committee has several important functions including:

Identifying candidates, accepting written nominations & proposing candidates in respect of vacancies. The fitness & Probity reviewing of each candidate in line with the current legal and central bank requirements. Ensuring that our succession planning, nominations & volunteer policies are fully incorporated & remain valid and up to date.

In so doing, the committee must consider the balance of skills, experience & knowledge on the board. Under current legislation, a credit union board must consist of an odd number of directors, either seven (7), nine (9), or eleven (11).

Our board presently consists of eleven (11) members, but the law limits the number of years which directors may serve. We thank the board of directors who are now stepping down for their tremendous commitment and contribution to our credit union. We express our gratitude to James Mc Keon & Jessie Sharkey on the occasion of their retirement and for their dedication & drive throughout many years of service in credit unions.

Each person carrying out a controlled function within our credit union has agreed to abide by the standards of fitness & Probity and additional guidance issued by Central Bank of Ireland to all credit union requires in connection therewith.

Heartland Credit Union requires that all directors, board oversight, committee's, members and staff complete Continuing Professional Development (CPD) hours each calendar year. We remain committed to have greater diversity across the board & committee's and such consideration is to be the force in our deliberations.

Nominations Committee

Credit Control Committee Report

The Credit Control Committee is appointed by the Board of Directors and their role is to ensure that loans are repaid by members in accordance with the terms of their credit agreements.

The aim of the Credit Control Committee is to work with and help members who fall into financial difficulties to find a solution to ensure loans are being repaid in accordance with agreed credit agreements.

The Credit Control Committee monitors all loans and proactively engages with members from the onset of arrears with a view to putting the most suitable repayment plan in place to help bring the account back in order. This may involve a phone call, text message, letter, email or being visited in their home. The Credit Control staff operating under the Credit Control Committee carry out the daily management of the Credit Control function, meets on a regular basis and in turn reports monthly to the Board of Directors and undertakes a review of the Credit Control Policy, at least annually, to ensure that it complies with legislation, standard rules, and best practice.

We understand that some members encounter genuine difficulties in meeting their repayments and we urge any member who is experiencing financial difficulties to contact the credit union at the earliest opportunity to avoid any negative impact on their credit rating into the future. We would like to stress that we are happy to meet and talk to any members who find themselves in difficulty to find a solution that works for both parties. We thank all members who pay their loans on time and in accordance with the agreed schedule of payments.

Unfortunately, some members do not co-operate with the Credit Union in honouring their debts and ignore all communication. In these circumstances, their loan account details are sent to our solicitors with instructions to commence legal proceedings, leading to court action if necessary. All costs involved are bore by the member. While this action is taken as a last resort, the Credit Union will not hesitate to use this option should the need arise.

The committee are pleased to report that the loan repayment performance of our members is both positive and encouraging. During the year, 9 non-performing loans amounting to €40,259.38 were charged off the balance sheet. This figure reflects Carrick branch and Heartland Credit Union only. No write offs occurred in Annaduff or Mohill branches pre merger.

The bad debt recovered for Annaduff and Mohill Branches Pre merger, was €3,991.79 and this was transferred to our reserves to comply with accounting policy for Merger. Bad debt recovery from previously charged off loans amounted to €32,755 during the financial year. This figure reflects Carrick branch and Heartland Credit Union only.

The credit union continually reviews the adequacy of provisions for doubtful debts against the outstanding loan book. A review of the loan book is completed on a quarterly basis by the credit union to ensure the adequacy of the provision held. The Credit Control Committee main objective is to minimise the level of bad debt.

Our sincere thanks to the Manager, Directors, Staff and Volunteers who have helped in the Credit Control function during the year.

Credit Control Committee

Credit Committee Report

The Credit Committee is appointed annually by the Board of Directors to review and decide on loan applications from our members. The Committee is accountable for the assessing and approval of loans within the guidelines of our credit policy. The Credit Committee meet regularly to review applications and report monthly to the Board of Directors.

All loan applications are considered fairly and in full confidence. The main criteria is the ability of the member to repay the loan without stress. We offer our members competitive loan rates, with the option of early repayment without penalty.

While every effort is made to approve each application, the committee must ensure that there is no risk to the member or to the Credit Union as a whole. When assessing the loan applications, we are always conscious of the fact that we are lending members shares. The credit history of all members are checked on the Central Credit Register as part of the lending process. Loan

applications must be accompanied by proof of income, up to date three months bank statements and up to date ID. Terms and Conditions apply to each loan.

Our Loans issued qualify for life cover free of charge subject to age and health restrictions to protect the borrower and their families in the unlikely event of a tragedy subject to underwriter's approval.

Current loans rates on offer include – Secured loan rate 5%, Car loan rate 6.95%, Student loan rate 6%, Green Rate Loans 6.36%, Home Improvement & General-Purpose Loan Rates are tiered – €0-€12,500 9.95%, €12,501 – €25,000 7.95% and €25,001+ 5.95%.

The Credit Union always aims to offer a fast, efficient, and personal service to our members.

In September 2023 we launched our Heartland app allowing our members to apply for loans on line, uploading required documents, manage their credit union accounts and we are now glad to announce we have the facility of loan drawdown via DocuSign. This means the member can electronically sign their loan from the comfort of their own home and have their funds transferred directly to their bank account once loan is approved. To date the app has proven very popular with all our members.

For the Financial year ending the 30th September 2023 loans to the value of €6,003,638 were issued - €4,761,834 were issued by Carrick on Shannon Credit Union & Heartland Credit Union and the remaining balance of €1,241,804 was issued by Annaduff Credit Union & Mohill Credit Union prior to the Transfer of Engagement. Loan Book Growth to 30/09/2023 - €823,250 (representing 5.1% growth collectively for the financial year).

We, the Credit Committee would like to thank all our members who have borrowed from our Credit Union and who will continue to borrow in the future. We encourage our members to avoid other money lenders and consider their local credit union as a source of finance

Finally, many thanks to our fellow Board Members, Management and staff for their co-operation and work throughout the past year.

Credit Committee

Membership Report

We the Membership Committee are glad to welcome each and everyone of our members from Annaduff, Carrick on Shannon & Mohill Credit Unions to Heartland Credit Union. We look forward to serving old and new members in Heartland for many years to come in. The good news for current and future member is that they now can transact in any one of our three offices located in Annaduff (Dromod), Carrick on Shannon & Mohill. Please see our opening hours on the cover sheet of our booklet for further details.

The Membership Committee is responsible for ensuring the continued growth of our membership within our common bond. The Membership Committee approve membership applications in accordance with Section 5 Rules 10 to 22 of the Standard Rules for Credit Unions, registered under the Credit Union Act, 1997 (as amended). Applicants seeking membership of the credit union must be resident or employed in the common bond of the credit union or hold the common bond of Heartland Credit Union Ltd by association with an existing member. In the year ended 30th September 2023, Heartland Credit Union Ltd were delighted to welcome 253 new members with 50% of those new members under the age of 30. We would like to extend a warm welcome to our new members and thank our existing members for their continued support.

All membership applications must comply with the Criminal Justice Act 2010 (as amended) which requires the application to be supported by photo identification, verification of address and PPS number of the individual. We are obliged to verify and maintain up to date proof of both your identity and your current permanent address while you are a member of our credit union.

Therefore, from time to time you may receive correspondence from us requesting updated verification or a member of our staff may request this if you visit our branch to complete a counter or other transaction. We appreciate your assistance in fulfilling our legal obligations by providing your information at your earliest convenience and we thank you for your continued co-operation in this regard. We may also contact our members in the event of their credit union account going dormant if it is three years or more since there was a transaction on the account.

Members should always bring current ID with them when making a withdrawal. You may also be asked by the teller the source of funds for the money that you are lodging if the lodgment is larger than the normal activity on your account. We would ask for members continued understanding in this matter.

Nomination Forms

All members should ensure that they have signed a 'Nomination Form' for disbursement of their savings in the event of their death. A Nomination enables the member to name a person(s) of their choice who will receive whatever property and insurance held by them in the credit union in the event of their death to a maximum of €23,000.00. This ensures the nominee(s) on the account can access funds in a swift and straightforward manner, reducing stress and costs at a difficult time.

Members are reminded to change/update their nomination should their circumstances change i.e., marriage, or death of nominated person etc. This can be done at any time and can save the family members untold stress later.

We recommend that all members visit our website www.heartlandcu.ie, download our app and like our face book page/Instagram/ Tiktok to check out the list of services and promotions available and to enter our competitions. We are delighted that so many people from the community have chosen to join our credit union.

Finally, many thanks to our fellow Board Members, Management and staff for their co-operation and work throughout the past year.

Membership Committee

Investment Committee Report

The committee meets regularly, collaborating with Davys – our current Investment Advisors - to carefully assess the performance of the credit union's investments and liquidity needs. Our goal is to offer guidance to the Board of Directors on the purchase of investment products, always ensuring compliance with Central Bank guidelines, Trustees Investment Orders, and capital guarantee requirements.

Throughout the year, the Committee, alongside Management, has been dedicated to transitioning individual investment names to reflect the character and ethos of Heartland Credit Union. Our Investment Income for Heartland & Carrick on Shannon Credit Union in the financial year amounted to €101,484, with an investment portfolio totaling €19,426,963.10. Post-merger, any investment income from Annaduff and Mohill was redirected to our Reserves to align with current accounting policies. We are optimistic about seeing continued enhanced returns on investments in the coming year, thanks to recent strategic and investment product decisions.

A sincere thank you to our fellow Board Members, Management, and staff for their continuous cooperation throughout the past year.

Investment Committee

Report of the Marketing Promotion & Strategy Committee

The aim of the Marketing, Promotion & Strategy Committee is to promote Heartland Credit Union as the financial provider of choice to our members, to increase awareness of our credit union and its many services, to grow our loans and membership and to put forward new ideas to the Board for consideration to include in our Strategic Plan. The committee meets monthly and reports to the Board of Directors. 2023 in particular was a busy year for our credit union as the credit unions of Annaduff, Carrick on Shannon & Mohill merged and became Heartland Credit Union on 1st April 2023.

Introducing a new Progress computer system into the Credit Union has streamlined our operations and we are happy to report that not only are we reaping the benefits but our members are also enjoying the positive impact. This new system incorporates an app which members can download to their phones and we rolled this new service out to members in September 2023

This new service allows members to view their account balances, do transactions and apply for loans – all from the comfort of your own home. In late September we launched our Digi Sign for loans this is proving a very popular among our members who wish to draw down their loans remotely with the click of a button without having to attend the office. The loan is transferred to the members account as soon as the paperwork is completed electronically. In early 2024 we will be launching our online application for new members. Members will have to attend the office to finalise opening the account and then once account is opened they can benefit from all our credit union services mentioned above.

We know that not all our members wish to avail of the online services and our staff are on hand at each of our branches to welcome, help and support members should they wish to apply for membership, apply or simply have a query. Members can now visit any of our three offices to transact just simply bring photo identification. Members can avail of a personal credit union service 6 days a week. Check out our opening hours at the back of our AGM Booklet or online.

Our Strategic Plan tasked the Marketing Committee with increasing new members by almost 150 this year. We are proud to report that this target was achieved and we welcomed 253 collectively during the financial year of which 50% of those new members were under 30 years old. We are now in the process of discussing the introduction of “Clued In” in two of our local Secondary Schools which aims to promote the habit of saving to our younger members and what their local credit union has to offer on their doorstep. We are also delighted to be part of the Josie Martin Scholarship of €1,000 – this provides one lucky student with €1,000 to help toward their College expenses. Our extensive marketing campaign on Social Media continues throughout the year to promote all our services our recently launched App, Docusign, benefits of our local Credit Union, Opening hours and our loans. We continue to offer loans from €500 up to the maximum.

See rate table of our new “tiered” loans and interest rates

| Loan Amount | 25,001+ | 12,501 to 25k | 0-12.5k | Reason | Maximum |
|--------------------|----------------|----------------------|----------------|-------------------|----------------|
| Rates | 5.95% | 7.95% | 9.95% | Home Improvements | |
| Rates | 6.95% | 6.95% | 6.95% | Car | max 50k |
| Rates | 5.95% | 7.95% | 9.95% | Wedding | |
| Rates | 5.95% | 7.95% | 9.95% | Consolidation | |
| Rates | 5.95% | 7.95% | 9.95% | General Purpose | |
| Rates | | | 5% | Secure | max 16k |
| Rates | 6% | 6% | 6% | Education | max 50k |
| Rates | 5.95% | 7.95% | 9.95% | Community | |

Our Social Media presence continues to grow - Our numbers on Facebook, Instagram and Tictok we are glad to report both our followers and the likes continue to grow. The “did you know?” campaign we added to our online platforms to clear outdated perceptions about the services of credit unions was a great hit with our members. In recent times we have introduced “reels” to communicate and reach out to the younger generation. The content to date has reached over 2000 views which is fantastic engagement. During the year we surveyed our members and the responses provided us with valuable information for our Heartland Strategic Plan which we plan on launching shortly. Many thanks to all who took the time to complete same.

Finally we are looking forward to 2024 and to rolling out more of our plans. We are very grateful to the management and staff of Heartland Credit Union for their assistance throughout the year.

STANDING ORDERS FOR CREDIT UNIONS FOR - ANNUAL GENERAL MEETING (ROI)

1. Voting

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

2 – 3 Election Procedure

2. 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.

3. When nominations are announced tellers shall be appointed by the chair and ballot papers shall be distributed. Nominations shall be in the following order:

(a) nominations for auditor;

(b) nominations for members of the board oversight committee;

(c) nominations for directors.

When voting is completed, the votes shall be taken and tallied by the tellers. Any ballot paper which contains votes for more than the number required to be elected shall be void. All elections shall be by secret ballot and by majority vote. When the votes have been counted by the tellers, the results shall be announced by the chair. In the event that all vacancies are not filled by the first ballot further ballots shall be taken as required. In the event of an equality of votes between candidates for the remaining vacancies not filled in accordance with the above procedure one further ballot shall be taken and should that ballot fail to determine the issue, the vacancies shall be filled by lot from among such candidates having an equality of votes.

4 – 9 Motions

4. All motions from the floor of the AGM must be proposed and seconded by members present at the AGM and moved by the proposer. If the proposer is absent when the motion is called, the motion shall be deemed to have failed.

5. A proposer of a motion may speak for such period as shall be at the discretion of the chair of the meeting and shall have the right of reply before the motion is put to the meeting for a vote.

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

7. The seconder of a motion shall have such time as shall be allowed by the chair to second the motion.

8. 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 chair.

9. 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 the meeting giving the proposer the right of reply before doing so.

10 – 15 Miscellaneous

10. The chair of the board of directors shall be the chair of any general meeting, except where he/she is not available, in which case it shall be the vice-chair, except where he/she is not available, in which case the board shall decide amongst themselves who shall act as chair of any general meeting.

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

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

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

14. 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 presiding member 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.

15. Any matter to be decided upon by vote at the AGM shall, unless otherwise expressly provided for by law or the rules, be decided upon by simple majority.

16. 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.

17. 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.

18. Adjournments

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

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HEARTLAND CREDIT UNION
Annaduff, Carrick-on-Shannon, Mohill

CARRICK ON SHANNON CU,
SUMMERHILL, CARRICK ON SHANNON,
CO. LEITRIM. N41 TF62

OPEN HOURS

| | |
|-----------|----------------|
| MONDAY | 10 - 1 & 2 - 5 |
| TUESDAY | 10 - 1 & 2 - 5 |
| WEDNESDAY | 10 - 1 & 2 - 5 |
| THURSDAY | 10 - 1 & 2 - 5 |
| FRIDAY | 10 - 1 & 2 - 5 |
| SATURDAY | Closed |
| SUNDAY | Closed |

www.heartlandcu.ie

ANNADUFF CU,
DROMOD, CO. LEITRIM.
N41 P227

OPEN HOURS

| | |
|-----------|----------------|
| MONDAY | Closed |
| TUESDAY | Closed |
| WEDNESDAY | 10 - 1 & 2 - 6 |
| THURSDAY | Closed |
| FRIDAY | 10 - 1 & 2 - 5 |
| SATURDAY | Closed |
| SUNDAY | Closed |

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MOHILL CU,
MAIN ST. UPPER, MOHILL,
CO. LEITRIM. N41 X0H2

OPEN HOURS

| | |
|-----------|----------------------|
| MONDAY | Closed |
| TUESDAY | 11 - 3 |
| WEDNESDAY | Closed |
| THURSDAY | 11 - 3 |
| FRIDAY | 10.30 - 1.30 & 2 - 5 |
| SATURDAY | 10.30 - 12.30 |
| SUNDAY | Closed |

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