

CHAIR'S REPORT

For year ended 30th September 2022

I am delighted to welcome you to our AGM and to present you, the members, the Chair's report for the year ended September 2022. I am sorry we have been unable to meet in person due to the possibility of risks associated with covid at this time of year.

This is a historic business of great tradition dating back to 1968. Each year brings its own challenges. I wish to advise that the board, management and staff, have worked very hard on your behalf to meet the challenges of the past twelve months.

During last year's AGM the external auditor advised that risks associated with the Irish League of Credit Union's Defined Benefit Pension Scheme needed to be sorted. We are participants in the scheme along with many other credit unions. By late February 2022 we were told that a thorough independent investigation of the Pension Scheme had been carried out. That showed that whilst the scheme was solvent, there was no doubt that in a few years' time, it was very likely the scheme would run into financial difficulty unless immediate action was taken. Following discussions involving interested parties including the Pensions Authority, Trustees of the Scheme, and The Irish League of Credit Unions, it was decided to close the scheme to accrual from 31st March 2022 and to request significant contributions from participating credit unions. We were asked to contribute an amount of €356,000. Your board considered this very carefully and decided to pay that amount into the scheme as it closed to accrual. We did this as we believed we had a duty to do so to protect those members of our staff that were in the scheme. From April onwards the staff involved were offered the opportunity of joining a new Defined Contribution Pension Scheme and this offer was taken up.

It is to be hoped that by closing the Defined Benefit Pension Scheme and topping it up, it will be sufficient to meet future liabilities. At this stage we are optimistic about this, and the recent interest rate increases should help a lot.

In April 2022 the Irish League of Credit Unions held their annual AGM in Belfast. There was a lot of discussion about the pension situation and reference was made to the SPS scheme (The Savings Protection Scheme), which is used to assist credit unions in financial difficulty. The view of that AGM was that that scheme was overfunded, and money could be released back to credit unions. A motion to that effect was carried at the AGM and as a result an amount of €232,000 is being returned to us.

Despite all the above it has still been a good year for us. Loan production has again been good and investment figures were better than expected.

We have a new strategic plan in place and much emphasis will be placed on further increasing the amount of loans on our books. We are hopeful that interest rate increases will soon start to show through in our investment returns. We are awaiting new credit union legislation from government, and it is likely that co-operation and consistency between credit unions will form part of government requirements. We are also expecting government to introduce a national auto enrolment pension scheme within the next twelve months.

We will continue to be mindful of the needs of members and make sure we have the right blend of online and offline services available to you.

You will see in our balance sheet that your Credit Union continues to be in a strong position. Despite it being a challenging year, we have produced a small surplus, and our reserves are strong.

This year the Board are once again not proposing a dividend or rebate. Instead, we are again increasing our reserves as the financial climate continues to be uncertain. This decision will help ensure that your Credit Union will remain in a secure position, and it aligns with the Central Bank advice to credit unions that we should take a cautious approach to reserve management.

The Board wish to take this opportunity to congratulate Sean O'Brien and our excellent staff for all their hard work over the year. We wish to mention the frontline staff at both branches in coping with the COVID situation and providing an excellent service to the members.

I want to thank our volunteers who give freely of their time in the community spirit that is the hallmark of the credit union movement. We need more volunteers with IT, Marketing and Financial skills. Please, don't be shy, we are waiting to hear from you.

I also wish to say thank you to our Risk Officer, Keith Winters, our Compliance Officer, Owen Barrett, our Internal Auditor, T J Fitzgerald, and our Board Oversight Committee, all whose advice and recommendations are very much appreciated and help us in so many ways.

Next year will be another challenging one. You have my assurance that the Board, Management and Staff, will continue to be prudent in handling the affairs of the Credit Union, as has been done since 1968. Protecting members' interests will always be at the forefront of our decision making.

We wish all our members the best in the coming year. On behalf of the Board, I wish to extend our sympathies to the families and friends of members who died during the past year.

Thank you,

John Buckley

Chair