

**Inishowen Credit Union Limited 53<sup>rd</sup>**  
**Annual General Meeting Monday**  
**18<sup>th</sup> December 2023**

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The 53rd Annual General Meeting of Inishowen Credit Union Limited was held in the Inishowen Gateway, Buncrana and virtually on Monday 18<sup>th</sup> December 2023 at 7.30pm.

Paul Brogan addressed the meeting and welcomed everyone.

a) **The Acceptance by the Board of Directors of the Authorised Representatives of Members that are not Natural Persons**

Paul Brogan welcomed any representatives of clubs, associations, etc. who attended on behalf of their associations.

b) **Ascertainment that a Quorum is Present**

Paul Brogan ascertained that a quorum was present. This was confirmed by the panelists.

c) **Adoption of Standing Orders**

The following standing orders were adopted:

- One member, one vote.
- Any member can ask questions.
- The decision of the Chairperson is to be regarded as final.

Approved. Proposed by William McCorkell, Seconded by Denis Kelly

d) **Reading and approval of the 52<sup>nd</sup> Annual General Meeting minutes**

The minutes of the last A.G.M. were read by Kevin Helferty and were communicated to all attendees and they were approved by those present as an accurate record of the previous A.G.M.

Approved. Proposed by: Denis Kelly, Seconded by: Tony Harrigan

A question was asked if members of the committees can propose and second. This was confirmed by Paul Brogan that this was correct.

A minute's silence was observed as a mark of respect for all deceased members, especially Danny McGeoghan who was one of our volunteers.

**e) Report of the Chairperson**

The Chairperson Paul Brogan read this report. He was pleased to be able to report that the Credit Union has had a good year during 2022/23, despite difficult circumstances. He noted that they are optimistic about the future, the Credit Union is not complacent but striving to constantly improve our financial performance, and much more importantly, improve the positive impact that our Credit Union has on the lives of our members, their families and the wider community here in Inishowen. He thanked the Volunteers and Staff, especially his fellow Directors, Board Oversight Committee, our CEO and his team plus advisors and all who have helped in any way, for their support during the past year. He also thanked the members and co-owners of this credit Union, for their ongoing support.

**f) Report of the Board of Directors**

Paul Brogan presented the Report noting that the directors are aware of the challenges posed by Global economic change plus significantly increased costs. Lending activity is very encouraging and the return on investments has improved, therefore the directors are of the opinion that the credit union is well positioned to meet these challenges and are confident of its ability to continue to operate successfully in the future.

Approved. Proposed by Eamonn Porter, Seconded by Deirdre Forbes

There was a question from a member about when the Board of Directors would reduce to 9 and the Board Oversight committee would reduce to 3. Paul Brogan advised that this applies post AGM 2023.

**g) Consideration of Accounts – Finance Report**

The Finance Report, including the accounts, was presented by Eoghan Gleeson noting that the balance sheet is in a strong position with total assets of €106.8 million and total reserves of €17.3 million which is well in excess of the 10% minimum regulatory requirement required by the Central Bank for all Irish Credit Unions. There was a growth in loans of 16.89%. The introduction of the new savings and lodgment caps has helped to reach these figures.

Approved. Proposed by Bridie Helferty, Seconded by Claire Grant

**h) Report of the Independent Auditor**

This report was presented by Seamus Devine. He noted that the financial statements give a true and fair view of ICU affairs on 30<sup>th</sup> September 2023.

Approved. Proposed by Orla Devlin, Seconded by Donna Gill

A member asked about Rates and rents. Paul advised that the premises in Carndonagh are rented, the Merville and Buncrana premises are owned by the Credit Union. The Muff premises is up for sale. The Reason that the Rates were up was that there was a rates waiver during covid, but these rates have now been reinstated. There was a Suggestion to buy a premises for Carndonagh and a question asked how much the rent for the Carndonagh premises is. This is €17,420 per year. The building is leased for 5 years. They may look at securing a building after this period.

A member asked who the Auditor was and Seamus himself, confirmed his name and Company (SMC Chartered Accountants) name and advised that he was an Independent Auditor and had his own company in Letterkenny.

**i) Report of the Board Oversight Committee**

This report was presented by Shane Crossan noting that they are very happy to report that the Inishowen Credit Union Board maintains a healthy and robust financial strategy and are ensuring policies and procedures that are appropriate for the success of the Credit Union. They believe the Board of Directors, Management and Staff of Inishowen Credit Union carry out their duties with the ethos of the Credit Union and the overall sound financial welfare of the Members at the heart of each decision.

Approved. Proposed by Tony Harrigan, Seconded by Sean McMenamin

**j) Declaration of Dividend and Loan Interest Rebate**

Paul Brogan announced that there will be no dividend or Interest Rebate to declare due to macro-economic instability and to enable the credit union to make responsible and prudent decisions to further strengthen the Organisation.

### **k) Credit Committee Report**

This report was presented by Paul Brogan. The Credit Committee is happy to report that during the financial year ended 30 September 2023, Inishowen Credit Union issued loans totalling €17,246,951 to our members. Our gross loan book grew by 16% in the past year, standing at over €30 million at the year end.

This continued loan growth is very positive and shows a proactive approach by the credit union to be ambitious in a competitive market. More of our members both existing and new are borrowing locally and this contributes to and strengthens the local economy.

The launch of Open Banking, Carndonagh office open 5 days per week, first time borrowers up from 381 in 2022 to 464 in 2023 and the success of the Agri Cultivate Loan have all contributed to this success.

Approved. Proposed by William McCorkell, Seconded by Denis Kelly

### **l) Credit Control Committee Report**

The report was presented by Frank Togher. During the year €138,251 was offset during the year but ICU is committed, wherever possible, to recover this over the next few years. €161,254 in bad debt was recovered in the past year. At the year-end the bad debt provision was €2,074,318

Approved. Proposed by Joe Doherty, Seconded by Eamonn Porter

A member asked how they came up with the Bad debt provision figure – Seamus Devine advised that this is a calculation based on a formula.

### **m) Membership Committee Report**

This report was presented by Jonathan Coyle. Inishowen Credit Union membership, as of 30<sup>th</sup> September 2023 stands at 25,725. We would like to advise our members that we are currently updating our account details and we may need to obtain the following information: Photographic ID (driving license or passport) and Proof of Address (official document such as a utility bill dated within the last six months). It is a regulatory requirement that we hold this information and access to your account may be restricted without it.

Approved. Proposed by Brian Barr, Seconded by Tony Harrigan

n) **Marketing Committee Report**

This report was presented by Kevin Helferty. Kevin noted that the Inishowen Credit Union is committed to the improvement of the economic and social wellbeing of members across the whole of Inishowen, and as always, they are proud to sponsor and support local groups, clubs, and community initiatives. They have sponsored many local organisations over the last year and every decision is made carefully and fairly to ensure that we can help as many as possible. They are also promoting “going green” `by promoting online and app loan applications, along with E-statements and E-AGM sign-ups.

Approved. Proposed by Denis O’Donnell, Seconded by Denis Kelly

**o) Nomination Committee Report**

The report was presented by Helen McIntyre. The Nomination Committee engages with Board match and Volunteer Ireland (Donegal) in an ongoing effort to recruit suitable volunteers. This year the Nomination Committee also organised a social event with the purpose of leveraging our volunteer's excellent business and personal networks to help identify potential candidates for future volunteers/Directors of the Inishowen Credit Union. The Nomination Committee are pleased to report that we had a very positive response to this initiative and are in the process of onboarding 4 new volunteers in the coming 6-12 months. One of these volunteers was co-opted to replace a retiring Director on the board in Oct 23, 2 new Volunteers will be proposed to join the marketing Committee in Oct 23 and a new Volunteer ready to start as Director in Jan 2024. The BOD will be reduced to 9 Directors in 2024.

Approved. Proposed by Margaret Doherty, Seconded by Bridie Helferty

**p) Report of the Risk & Compliance Committee**

The report was presented by Eoghan Gleeson. The Committee promotes a strong risk and compliance culture at all levels within the Credit Union and, in this regard, work very closely with the Risk Management Officer and the Compliance officer. During the year, the Committee monitored their work and ensured that appropriate actions were put in place by the Management team to mitigate risks where necessary and ensure compliance with regulations.

Approved. Proposed by Eamonn Porter, Seconded by Charlette Crawford

**q) Strategy Committee Report**

This report was presented by Helen McIntyre. The Strategy Committee is responsible for considering strategies to sustain ICU's success, putting these to the board of directors for approval in the form of a strategic plan, monitoring the implementation of the strategic plan, and reporting on progress to the Board of Directors. In early 2024, the Strategy committee together with the CEO/Management team will create a new 3-year plan 2024-2027 which will set out a new strategy building upon our strong foundations and the growing strength of the Inishowen Brand.

Approved. Proposed by Eddie Porter, Seconded by William McCorkell

r) **Insurance Report**

The report was presented by Brendan Malone, who explained Life Savings Insurance and Loan Protection Insurance and how it protects our members.

Approved. Proposed by Eamonn Porter, Seconded by Denis Kelly

A member asked how the Board came to a decision on whether or not to pay a dividend and when did they last pay a dividend.

Kevin Helferty provided the response. Kevin explained that this year, the ICU had made a decent surplus, however the Central Bank has advised all credit unions that the macroeconomic scene throughout the world is turbulent and uncertain, and they recommended that credit unions focus on building up their reserves to meet any risks that might arise for credit unions in the year and years ahead. ICU has very strong reserves, well above the 10% required. The Central Bank have strongly advised Credit Unions that the 10% was a minimum requirement. Kevin advised that this year, ICU could have applied for a dividend, but the Board took the view that the Central Bank would not have given approval to pay a dividend and therefore, we did not seek approval. They did seek approval last year, but this was not granted. The last dividend and Interest rebate was paid in Jan 2022 for the 2021 year. The member was satisfied with the answer.

Another member asked for clarification on the dormancy letters that are been sent out. Brendan Malone gave the response. These are pre-dormancy letters. The regulation is that if an account hasn't been active for 3 years, they have to bring in updated ID. The letters are sent to prevent this and the member needs to make a lodgment or withdrawal to re-activate the account and this then prevents the account from going dormant.

There was a query about the merger between Foyle and Inishowen. A question was raised should there have been extraordinary general meetings held. Paul Brogan advised that there were 2 such meetings online due to covid. The members queried, "was this legal" and it was confirmed that it was. Face to face meetings were not allowed during Covid.

s) **Appointment of Tellers for Elections**

Claire Grant, Deirdre Forbes and Josephine Doherty were appointed as tellers for the voting.

t) **Election of Auditor**

The Board recommended Seamus Devine of SMC Chartered Accountants Ltd, to continue as our External Independent Auditor. Paul Brogan announced that Seamus Devine of SMC Chartered Accountants Ltd, was appointed as auditor.

Proposed by Brian Barr, Seconded by Tony Harrigan

**u) Election to fill vacancies on the Board Oversight Committee**

Anne Parker was proposed to be re-elected to the Board Oversight Committee.

**v) Election to fill vacancies on the Board of Directors**

Colm Mc Colgan and David Doherty were proposed to be elected to the Board of Directors. Nadean Cavanagh is up for re-election as she has 3 years done.

**w) Annual Draw**

The draw took place, and the following members were the lucky winners of €100:

1. Martin McGrenaghan
2. Anne Parker
3. Grainne Gillen
4. Lucy Porter
5. Edel Lafferty
6. Margaret Doherty
7. Brid Grant
8. Mary Grant
9. Catherine O Donnell
10. Orla Devlin

**x) AOB**

**“Rule 30 (1)(a)**

That this Annual General Meeting amends Rule 30 of the Standard Rules for Credit Unions (Republic of Ireland) by the deletion of the following Rule 30 (1)(a)

(1) (a) Provided a share dividend has been declared in accordance with the Act, the directors may recommend to the annual general meeting for approval a refund to the members on record as of the end of each financial year who have been borrowers during such year of a percentage of interest which such borrowers have paid during such year, and such rate of refund shall apply to all such member borrowers. Where a credit union operates a system whereby different rates of interest are charged for different classes of loans, the board of directors may recommend a different rate of refund applicable to each class of loan. Such refunds shall apply to all member borrowers in each class of loan.

And by the insertion of the following Rule 30 (1)(a) to read:

(1) (a) The directors may recommend to the annual general meeting for approval a refund to the members on record as of the end of each financial year who have been borrowers during such year of a percentage of interest which such borrowers have paid during such year, and such rate of refund shall apply to all such member borrowers. Where a credit union operates a system whereby different rates of interest are charged for different classes of loans, the board of directors may recommend a different rate of refund applicable to each class of loan. Such refunds shall apply to all member borrowers in each class of loan.”



Approved. Proposed William McCorkell, Seconded Bridie Helferty.

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## Q & A Session.

1. There were a few questions on the Muff Office which were asked online, which Jonathan Coyle - CEO answered.

On the impairment of €45k and how it was recognised on our accounts. The Impairment of the premises in Muff was accounted for in the 2023 financial statements. The value of the property was reduced to the current market value. Due to the property currently being on the market for sale, it is commercially sensitive to comment on the market value held in the accounts, however, offers received to date are in the region of the carrying value. He also advised that we are inviting final offers for the property up to the 19<sup>th</sup> of January. It is currently being marketed by McCauley properties and Alexander Gourley Estate Agents.

There was also a query on, as the office is no longer in use, is it appropriate for the property to be classified as fixed assets held for use or should it be reclassified out of tangible fixed assets into another asset category e.g. asset held for sale depending on what the planned future is.

Question on the presentation of the asset on the balance sheet. The property in Muff was not listed for sale at the financial year end was therefore classified as a fixed asset.

An impairment was recognised for the buildings but why was there no accompanying adjustment for the asset categories such as fixture and fittings, office equipment and computer equipment. Much of the fixtures and fittings were transferred and are being utilised in other offices. Due to the inactivity in the muff office, there has been little to no capital expenditure for a number of years.

When was the last time a full review of the fixed assets to write off old obsolete assets with a zero-netbook value that are no longer in use? This is a book-keeping exercise only for zero netbook value assets with no P&L impact which is required to be done manually. A detailed fixed asset register is held, we agree that items be included may no longer be in use and are obsolete. A process to remove such equipment is currently ongoing and a review of the fixed assets will also be completed.

2. Q on loss of investment that was shown on the Income and expenditure account.

Eva Quinn- Finance Manager answered this question. An offer was made by Deutsche Bank in May 2023 to buy back this bond that was due for maturity in March 2025. The return on the bond was 1.125% and there were significantly better offerings in the market to reinvest that money in.

There was a question on the Investment Committee and Investment advisors and ensuring that everyone is fulfilling their roles in those positions. On the sale of the Investment, there was a full Finance Audit Remuneration committee held, and the Board reviewed all the options in relation to the Sale of that Investment. The Credit Union was satisfied that the correct decision was made to ensure that we can continue to achieve the best returns on our investments.

Another question was asked whether there were any further losses on any investments being considered, there is not.

3. A question was asked if there were any future mergers being considered and at the moment, Inishowen is not considering any mergers. Our focus is to grow the Inishowen Credit Brand and making it the No 1 financial institution in the peninsula.
4. Recording rent paid in Carn – how is it recorded, is it rent paid or an operating lease. It was advised that to Eva's knowledge that the rent can be cancelled at any time so therefore it is not an operating lease. Eva will confirm this.

A member on the floor asked if in future years, could the AGM be held in Moville and Carndonagh? Paul Brogan advised that there was an issue with venues in other locations. A bus was to bring anyone from Moville/Carndonagh. Good internet is also a requirement. This can be considered in the future.

**ILCU Foundation – a year in review** - The BOD approved a contribution of 50c per member to be paid as operational expenses. A short video was displayed.

y) **Announcement of Election Results**

Anne Parker was elected to the Board Oversight Committee. Colm McColgan and David Doherty have been elected to the Board of Directors. Nadean Cavanagh was re-elected to the Board of Directors.

**Closure of meeting**

Paul Brogan thanked everyone involved for the preparation and the delivery of the hybrid AGM Shane and Kevin from AVC, The Inishowen Gateway Hotel, Staff especially Joanne McCormick. A special word of thanks was expressed to retiring Directors and Volunteers for their tremendous contribution in these years, Helen McIntyre, William McCorkell, Eoghan Gleeson and Anne Marie Gleeson, Carol Irwin, Jason LeMasurier, Fionan Bradley and Sean Muphy.

He welcomed our new Directors and Volunteers - Mairead Diggin, Colm McColgan, David Doherty and Elizabeth Lynch.

Thanks to all staff and members and to those who have left over the past 12 months.

Paul Brogan thanked everyone for attending the AGM.

Concluded at 9:10PM.