

**Inishowen Credit Union Limited 52<sup>nd</sup>**  
**Annual General Meeting Monday**  
**23<sup>rd</sup> January 2023**

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The 52<sup>nd</sup> Annual General Meeting of Inishowen Credit Union Limited was held virtually on Monday 23<sup>rd</sup> January 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 via the chat function.
- The decision of the Chairperson is to be regarded as final.

Proposed by Sean Breslin, Seconded by Claire Grant

d) **Reading and approval of the 51st Annual General Meeting minutes**

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

Proposed by: Donna Gill, Seconded by: Stella Lynch

A minute's silence was observed as a mark of respect for all deceased members.

e) **Report of the Chairperson**

The Chairman Paul Brogan read this report, noting that ICU has prospered over 53 years as our Audited Accounts and strong Balance Sheet confirm. He also noted that with the ever-increasing costs imposed on the Credit Unions the credit union remains safe and strong and will continue to do so long into the future because of what they and the members do for their mutual benefit.

Proposed by Brian Barr, Seconded by Charolette Crawford

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

Paul Brogan presented the Report noting that the Board of Directors are satisfied with the current year results and the year-end financial position of the Credit Union. Directors are aware of the challenges caused by lower investment income combined with increased costs. They are confident that the Credit Union is well positioned to face these challenges to operate successfully in the future.

Proposed by Orla Devlin, Seconded by Gemma Gallagher

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

The Finance Report, including the accounts, was presented by Paul Brogan noting that the balance sheet is in a strong position with total assets of €106.13 million and total reserves of €16.86 million.

Proposed by Edel Lafferty, Seconded by Seam McMenamin

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 2022.

Proposed by Grainne Gillen, Seconded by Josephine Doherty

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

This report was presented by Shane Crossan stating that ICU maintains a healthy and robust financial strategy and that the Board of Directors is carrying out its work within the CU ethos and legal framework.

Proposed by Brenda McGrenaghan, Seconded by John Mc Laughlin

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

Paul Brogan announced that sadly there will be no dividend or Interest Rebate to declare due to the pension deficit and Central Bank restrictions.

**k) Credit Committee Report**

This report was presented by Paul Brogan noting that the loan book of ICU stands at almost €26M on 30 September 2022 and loans issued were €13,081,737. This continued loan growth is very positive and shows a proactive approach by the credit union to be ambitious in a competitive market. The 5% Loan, new farming loan and online loan applications have all contributed to this success.

Proposed by Donna Gill, Seconded by Deirdre Forbes

**l) Credit Control Committee Report**

The report was presented by Stella Lynch. During the year €83,536 was offset but ICU is committed, wherever possible, to recover this over the next few years. €167,332 in bad debt was recovered in the past year. At the year-end the bad debt provision was €2,108,090.

Proposed by Joe Bonner, Seconded by Bernadette Skinnader

**m) Membership Committee Report**

Report presented by Randal Tate. Inishowen Credit Union membership, as of 30<sup>th</sup> September 2022 stands at 25,304. They advised that ICU is currently updating the account details and there may be the need for some members to provide their photographic ID and proof of address.

Proposed by Margaret Doherty, Seconded by Luca Zaltron

**n) Marketing Committee Report**

This report was presented by Kevin Helferty. The activities of the Credit Union for the past year were presented also noting the objectives for 2023. Inishowen credit union is committed to going green by reducing paper waste.

Proposed by Edel Lafferty Seconded by Grainne Gillen

**o) Nomination Committee Report**

The report was presented by Ann Marie Gleeson who noted that training has been organised to ensure the continual upskilling and monitoring of the Board members and its volunteers.

Proposed by Charolette Crawford, Seconded by Christine Butler

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

The report was presented by Eoghan Gleeson. 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. The Committee notes the proactive management of regulation set out by the Central Bank with the risks associated and is pleased that the actions took place successfully.

Proposed by Gemma Gallagher, Seconded by Josephine Doherty

**q) Strategy Committee Report**

This report was presented by Kevin Helferty. The merger of Buncrana and Foyle Credit Unions and rebranding to Inishowen Credit Union in September 2021 was an important milestone in the credit union movement on the Inishowen peninsula. The merger has allowed both credit unions to pool resources, which are used to broaden and enhance the services that we offer to all members.

Proposed by Christine Butler, Seconded by Sean McMenamin

**r) Insurance Report**

The report was presented by Randal Tate, who explained Life Savings Insurance and Loan Protection Insurance.

Proposed by Deirdre Forbes, Seconded by Joe Bonner

**s) Appointment of Tellers for Elections**

Joanne McCormick and Brendan Malone were appointed as tellers for the electronic voting.

**t) Election of Auditor**

The Board recommended Seamus Devine of SMC Chartered Accountants Ltd, as auditor. Paul Brogan announced that Seamus Devine of SMC Chartered Accountants Ltd, was appointed as auditor.

Proposed by Claire Grant Seconded by Gary Doherty

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

Jason Lemasurier was proposed to be elected to the Board Oversight Committee.

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

Frank Togher and Victoria Coleman were proposed to be elected to the Board Of Directors. The electronic voting took place on Zoom. John McGonigle is up for re-election as he has 3 years completed.

w) **Annual Draw**

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

1. Gemma Gallagher
2. Niall McCormick
3. Claire Doherty
4. Stella Lynch
5. Una McDermott
6. Catherine Gillespie
7. Ryan Barr
8. Maria McLaughlin
9. Roisin Henderson
10. Sarah Shovelin

x) **AOB**

There is a Proposal in to reduce the Number of the Board of Directors from 11 to 9 and to reduce the number on the Board Oversight committee from 5 to 3.

Proposed Shane Crossan, Seconded Helen McIntyre.

## **Q & A Session.**

1. Online loan applications – is there any increase in fraudulent documents? more specifically about members submitting documents online without staff seeing the original documents.

### **Reply from Inishowen CU.**

ICU has a number of checks in place for both online and In-person loan applications.

## **2. Policy of blank cheques**

What is the policy in connection with blank cheques and electronic transfers? In media last week it was reported that the Chair of the BOD of a Credit Union got blank cheques signed for the purposes of buying the prizes members draw and would then make the cheque payable to himself at an inflated value and then purchase the prizes at a lower value. This gave rise to a fraud loss value of 100k. Does this CU sign blank cheques at all? And for bank transfers, are all transfers requiring dual authorisation?

### **Reply from Inishowen CU.**

We have a robust policy in place for depository of funds in cheque signatures which has been under review by both Internal and External Auditors. CU aims to make most payments by EFT or Bank Transfer rather than cheque but where a cheque is required, it must be signed by 2 signatories and supporting documentation. All bank transfers require dual authorisation. New payees must have bank accounts verified by phone, back-up documentation must be viewed before authorisation.

## **3. Muff Office query regarding the cost of running this office.**

I have asked about the cost and benefits of operating the *Muff* office for 3.5 hours one day per week over the past number of years. We were told during the 2021 AGM that there were only 50 transactions per week. Why has a cost benefit analysis not been done on maintaining this office? I would expect the costs to significantly exceed the benefits – but this exercise would need to be done.

### **Reply from Inishowen CU.**

This review has commenced recently, and we are reviewing the financial costs alongside the Member needs and reputation of the credit union.

4. Employment costs and employee numbers. Why have they increased so significantly compared to prior year? Is this because of the merger with Foyle that the 2021 numbers do not include full year for Foyle?

**Reply from Inishowen CU.**

Employee numbers have increased significantly during the year due to this being the first full year of Inishowen Credit Union which now serves the full peninsula of Inishowen. As the merger occurred in late September 2021 the full employee numbers of Foyle Credit union would not be reflected in the 2021 accounts.

In relation to the Employment costs, the value of Employment costs excluding pensions is below projected due to the turnover in staff during the year and some of the costs being absorbed in Consultancy.

5. Note 10b, Key Management remuneration.

- a. Why have salary costs declined by 30k?
- b. Why have pension contributions declined by 20k? The caption states defined benefit (now closed), but should this also be defined contribution pension scheme also as the staff are now in the DC scheme?

**Reply from Inishowen CU.**

- a. Key management Salary costs have declined during the year due to a change in the management team and the fact that there were periods during the recruitment of new management staff where external consultants were undertaking some of the tasks.
- b. The Defined Benefit scheme closed for contributions in April 2022 and the figure in note 10c represent the payments to the scheme (excluding the lump sum paid for the past service Pension Deficit). Due to the change in management personnel no further contributions were paid to management during the year ended 30/09/2022.

6. Note 20 – Closure of the defined benefit pension scheme.

The note states that to exit the scheme would incur a substantial additional cost. What was the estimated value of this substantial additional cost?

**Reply from Inishowen CU.**

The exit costs available were indicative and not exact as the final cost could only be determined on the day the exit from the scheme was executed. The indicative exit costs provided were more than double paid and therefore not an appropriate option for Inishowen CU.

7. Schedule 1 - Other Management expenses.

- a. Why the large increase over the previous year? Is this due to 2021 only including 13 days of Foyle CU since date of transfer? Are there any unusual costs in here (if the 2 years are not directly comparable)? Perhaps you could explain some of the larger cost items please?
- b. Irish Credit Bureau costs - ICB no longer operates. Is this really CCR fees and just incorrectly captioned?
- c. Donations and sponsorship – why declined to €3,955 from €19,900?
- d. Consultancy and professional fees 269,552 – What is included here and why the increase?
- e. General expenses – why the large increase?

**Reply from Inishowen CU.**

Increase in management expenses in general relates to the merger and the costs of Inishowen Credit Union being shown for a full year. The consultancy fee increased from 184,000 in 2021 to 270,000 in 2022. Made up of a number of items. An organisational review took place carried out by PINTA Consultancy, changes in Mgt personnel and our Interim CEO is a consultant. External accountant assisted the finance dept. during the induction of the new finance manager.

Member Survey – relates to donations and sponsorship, penetration test, one off cost of joining cultivate, and registering our interest in home loans in the future is also carried here.

There was significant work post-merger on computer systems and ensuring that the credit union was operating efficiently. Share and loan insurance increased due to the increase in the number of members.

ICB relates to credit checks in general and the wording will be changed in the future.

Donations and sponsor shop included the ILCU foundation costs in the previous year, however this year they were included in General expenses and make up over €10,000 of the general expenses.

Other expenses include in General expenses are staff uniforms which were changed during the year to incorporate the merged offices, subscriptions and convention expenses.

8. No disclosures on operating lease commitments

- a. There is no disclosure for any future operating lease commitments under non-cancellable leases. Is this because there are no such leases?
- b. If all the properties are owned, is there any evidence of building defects (e.g., Mica, etc) in any of the owned buildings?



**Reply from Inishowen CU.**

There are no operating lease commitments.

The property in Carndonagh is rented, all other properties are owned and there is no evidence of MICA. The office in Muff requires evaluation.

9. Merger with Letterkenny Credit Union

Are there any considerations being given to merging with Letterkenny Credit Union which would create a super credit union in Donegal of assets over 220 million?

**Reply from Inishowen CU**

There is no consideration being given to any further mergers currently. We are Inishowen Credit Union.

10. What about dividend and rebate coming back?

**Reply from Inishowen CU**

While we understand that our non-declaration of a dividend and interest rebate is disappointing for members, this action will place us in a better position going forward. We are prioritising strengthening the credit union for the future so we will be there for our members when they need us.

11. Need more privacy in the office when dealing with a loan or a problem with an account.

**Reply from Inishowen CU**

Inishowen Credit Union has made Significant changes in the past 6 month to our lending practices and all members who wish to apply for an unsecured loan can meet in a private office with a member of our lending team in our Bunrana, Merville and Carndonagh branches.

12. Do you have any plans for low mica loan rate as Inishowen Credit Union has its part to play in rebuilding the community?

**Reply from Inishowen CU.**

We will pass this to the Board of Directors for consideration.

**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**

Jason Lemasurier has been elected to the Board Oversight Committee. Victoria Coleman and Frank Togher have been elected to the Board of Directors. John McGonigle has been re-elected to the Board of Directors.

**Closure of meeting**

Paul Brogan thanked everyone involved for the preparation and the delivery of the virtual AGM especially Joanne, Randal, Brendan, Liam and AVC. A special word of thanks was expressed to retiring Directors, BOC member and Volunteers for their tremendous contribution in these years.

Thanks to all staff and members and to those who have left over the past 12 months. Thanks to Maeve out past CEO who helped the Inishowen CU to get where it is today.

Paul Brogan thanked everyone for attending the virtual AGM.

Concluded at 8:49PM.