



RTÉ
Credit Union

2020
2021
2022

Moving Forward Together ANNUAL REPORT

RTÉ Credit Union Annual General Meeting 2022

Tuesday 31st January 2023 at 5pm

in Bite Café, RTÉ Sports & Social Club, RTÉ Campus



rtecu.ie



NOTICE OF ANNUAL GENERAL MEETING

The 2022 Annual General meeting of RTÉ Credit Union will take place on **Tuesday 31st January** in Bites Restaurant, RTÉ Sports and Social Club, RTÉ Campus at 5pm.

There will be a draw for members attending the AGM.

AGENDA

1. The acceptance by the board of directors of the authorised representatives of members that are not natural persons
2. Ascertainment that a quorum is present
3. Adoption of standing orders
4. Reading and approval (or correction) of the minutes of the 2019 annual general meeting
5. Report of the Board of Directors
6. Consideration of accounts
7. Report of the Auditor
8. Report of the Chief Executive Officer
9. Report of the Board Oversight Committee
10. Report of the Nomination Committee
 - a. Election of Auditor
 - b. Election to fill vacancies on Board Oversight Committee
 - c. Election to fill vacancies on the Board of Directors
11. Report of the Audit, Risk and Compliance Committee
12. Motions and Rule Amendments
13. AGM Cash Draw
14. John Kelly Scholarship
15. Announcement of election results
16. Any other business
17. Adjournment or close of business

NOTICE OF ELECTIONS

Elections will be held to fill **nine** vacancies on the Board of Directors, **one** vacancy on the Board Oversight Committee and for the position of Auditor.

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CAR LOANS



Whether you're dreaming of an upgrade, a hybrid or your very first car – for a fair, flexible loan you won't have to look far.

At RTÉ Credit Union we offer car loans for new, secondhand, personal and commercial vehicles.

- ✓ Competitive loan rates
- ✓ Flexible Repayments
- ✓ Free Loan Protection Insurance
- ✓ No hidden fees
- ✓ No penalties for early payment

APPLY NOW

www.rtecu.ie/loans 🔍

MYTH BUSTERS

People have some funny ideas about credit unions! They are old-fashioned, you have to save for years before you can get a loan, they only lend small amounts. Not true!

Did you know that:

- ✓ Anyone who works in RTE can join – and your family members are welcome too
- ✓ It's easy to open an account – just bring picture ID, proof of your address and your PPSN
- ✓ There's no waiting time to apply for a loan – join today, borrow tomorrow – and if you're a new borrower, ask about our new 5% Welcome Loan
- ✓ Most loans are approved within one day, and our great value interest rates won't be beaten (4.95% to 7.5%)
- ✓ You can borrow for just about any purpose – we have special rate loans for cars, energy efficiency, home renovations and more up to €75,000 with flexible repayments.

DIRECTORS AND OTHER INFORMATION

Directors

Denis Foley	Chairperson
Joseph Kavanagh	Vice-chairperson
Vera Butler	Secretary
Patrick Kinsella	Resigned 30 May 2021 / Co-opted 28 July 2022
Claire Byrne	Resigned 6 June 2022
Kieran Dempsey	Resigned 17 November 2021
Enda Hayden	
Rena Allen	Resigned 16 June 2021
Aoife Devane	Co-opted 25 November 2021
Sharon Carroll	Resigned 31 October 2021
Daniel Coady	Co-opted 28 October 2021
Claire O' Loughlin	Co-opted 28 April 2022 / Resigned 6 June 2022
Niall O' Flynn	Co-opted 28 April 2022
Peter Leonard	Co-opted 28 July 2022

Board Oversight Committee

Keith Hyland	Co-opted October 2022 - Chairperson
Claire Byrne	Appointed June 2022
Claire O'Loughlin	Appointed June 2022
David Madden	Resigned 30 September 2021
Patrick Goode	Resigned 6 June 2022
Niamh While	Appointed June 2022 / Resigned October 2022
Ray Maguire	Co-opted November 2021 / Resigned June 2022
Norma O'Connor	Resigned June 2022

Volunteers

Margaret Hayes-Claffey and **Sharon Carroll**

CEO

Vivienne Keavey

Internal Auditor

Moore

Registered Number

60CU

Registered Office

Stage 7, New Programmes Building, RTE, Donnybrook, D4

Independent Auditor

FMB Advisory Limited, 4 Ormond Quay Upper, Dublin 7

Bankers

Bank of Ireland, Montrose, Stillorgan Road, Co. Dublin

Solicitors

O'Donnells Solicitors, Wroxtton, Brighton Rd, Foxrock, D18

STANDING ORDERS

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).

REPORT OF THE BOARD OF DIRECTORS

Welcome

It is my privilege as Chair of RTÉ Credit Union to present to you the Annual Reports and financial statements for the years ended 30th September 2020, 30th September 2021 and 30th September 2022.



Communication with Members

As you are aware, RTÉ Credit Union is holding the 2020, 2021 and 2022 AGMs at the same time. As a result of Covid-19 and the Member Prize Draw Refund, it has been a very challenging period for our credit union and at times the Board of Directors was limited in what it could communicate with members. I therefore welcome this opportunity to set out for you some of the challenges faced by RTÉ Credit Union over the past three years, and some of our achievements over that same period.

Financial Health of RTÉ Credit Union

I am pleased to confirm that RTÉ Credit Union is well capitalised and all statutory reserves are in keeping with regulatory requirements. Credit Unions are required to maintain minimum reserves as a percentage of total assets of at least 10%. Reserves at the end of 2022 equate to 14.7% of total assets. In order to remain prudent in these challenging times ahead, the Board of Directors are not recommending a dividend for 2020, 2021 or 2022.

Member Prize Draw

The refund to affected members took place in September and over 98% of members have received their refund. We continue to manage the remaining refunds which relate to deceased and closed accounts. The prize draw was suspended pending conclusion of the refund process. The Credit Union have launched the new Member Prize Draw and I would encourage all members to join it.

The Operating Environment

RTÉ Credit Union currently faces two major challenges which are significantly eroding the generation of surplus funds. These are a reduction in borrowing by members and reduced investment returns. Although interest rates have increased in recent times an increase in investment income will take some to materialise. Complying with additional regulation has driven costs up, investment income has declined and overall borrowing by members, whilst growing, is still very low compared to the level of borrowing seen prior to the recession and the pandemic. It is by increasing our loan book that will ensure the continuing success of your credit union.

Governance of RTÉ Credit Union

Credit Union legislation imposes many requirements on credit unions and I am very confident that the Board of Directors and Board Oversight Committee discharged their statutory responsibilities in a competent manner. The Board of Directors have worked tirelessly on behalf of the members to continually improve the governance and risk management framework. We have highly qualified and capable people on the Board of Directors and Board Oversight Committee.

RTÉ Credit Union is open for business

I am proud that RTÉ Credit Union, like so many credit unions in Ireland today, continues to enjoy exceptional loyalty and a relationship of trust with our members. We hope to build upon that relationship into the future. In view of our reducing loan book and investment returns, RTÉ Credit Union will endeavour to develop other surplus generating activities, particularly in the provision of additional financial services to members.

New Strategic Plan

The Board of Directors are currently developing a new Strategic Plan for the credit union. As part of this process, we will engage with members through a survey and we would welcome any suggestions from members on how the credit union can serve you in the future.

I would ask you to make RTÉ Credit Union your preferred choice for all of your financial requirements. Don't forget that our common bond includes your family members, so please, consider encouraging your relatives to join RTÉ Credit Union. We can only continue to achieve profitability and success with the full backing and support of you, the members, and with the addition of new members.

New Volunteers

Volunteers are critical to the success of our Credit Union. To function effectively, we rely on the voluntary input from individuals, on the Board, the Board Oversight Committee and the various other committees. If any current member would like to learn more about participating in the running of our credit union, please contact the Credit Union office and we will provide additional information on how you might get involved.

Conclusion

Over the last three years we have faced challenges, which we have met, and achieved many milestones, some of which I have noted here. I wish to thank my fellow Directors and the members of the Board Oversight Committee for their support. I acknowledge the unity at Board level which I cannot overstate. Thanks also to all the Volunteers who give of their time to assist with the smooth running of the organisation, and to our Chief Executive Officer, Vivienne Keavey and our Staff who have continued to work so hard on your behalf. In addition, I would like to acknowledge the contributions of former Directors and members of the Board Oversight Committee who stepped down in the period under review.

And finally, I thank you, the members, again, for your continued support and loyalty towards RTÉ Credit Union. We look forward to doing business with you and being the location of first choice for all your financial requirements for many years ahead. The Board of Directors, the Board Oversight Committee, Volunteers, Management and Staff will all continue to work hard on your behalf into the future to ensure that RTÉ Credit Union remains a vital and progressive organisation.

On behalf of the Board of Directors,



Denis Foley,
Chair

ANNUAL REPORT OF THE BOARD OVERSIGHT COMMITTEE

It is my pleasure to present the report of the Board Oversight Committee for the year ended 30th September 2022 to the members of RTÉ Credit Union. We were elected by the members of the credit union at the Special General Meeting in June 2022. Since then, we have met on a regular basis, participated in extensive induction training and prepared an annual work plan for the Board Oversight Committee.

The role and responsibilities of the Board Oversight Committee are laid down in the Credit Union Act, 1997, as amended by the Credit Union and Co-operation with Overseas Regulators Act, 2012. The Board Oversight Committee is responsible to the members of the credit union, and acts at all times in good faith to safeguard their interests. The Act stipulates that the committee shall report to the members at the annual general meeting on whether the Board of Directors has operated in compliance with its legislative requirements as set out in Part IV and Part IVa of the Act, and regulations made thereunder, as well as any other matters prescribed by the Central Bank.

The committee is pleased to report that, in its view and based on the specific reviews carried out by the committee, there is no material deviation by the board in the discharge of their legal and regulatory obligations. This finding is based on a systematic, evidence-based methodology whereby each of the legal requirements of the board is individually assessed. The Board Oversight Committee has also discharged all of its own legal obligations, including:

- Meet at least monthly since our appointment;
- Attend all board meetings;
- Meet the board once a quarter;
- Fulfil all reporting requirements;
- Assess the performance of the board and the conduct of board meetings, and
- Assess the board's implementation of the strategy for the credit union.

I would like to express my heartfelt gratitude and appreciation to each of my fellow volunteers on the Board Oversight Committee, Claire O Loughlin and Claire Byrne. Their diligence, commitment and teamwork have assured the committee's effectiveness. I also extend my thanks to the staff of the credit union whose unfailing help and support have been indispensable in carrying out our duties on behalf of the members, and to the board of directors for their continued openness and co-operation. We further recognise the extraordinary effort that the Board of Directors, volunteers and staff have put in to the credit union during the past few years which has been a very challenging one in the context of Covid-19. I remain confident in the strength of our credit union and its ability to continue to thrive and grow in the challenging years ahead.

Keith Hyland,
Chair, Board Oversight Committee



REPORT OF THE CHIEF EXECUTIVE OFFICER

I am delighted to finally have an opportunity to communicate directly with you. It is now three years since I presented my first CEO's report and a huge amount has happened in the interim, not least Covid-19 which arrived two months after our last AGM. As I said in 2020, it quickly became apparent to me that everyone in RTÉ is very proud of their credit union, which has been an integral part of the organisation

for almost 60 years, and which was open for business all through the pandemic. Like you I have a strong belief in the cooperative ethos and operating principles that make credit unions different – and better. You may have seen in October that credit unions topped the National Customer Experience league table for an incredible eighth consecutive year.

Our objective is to ensure that RTÉ continues to be a successful, sustainable, financially strong and independent credit union providing top quality, top value services. Of course, our continued success is dependent on our members doing more of their business with us, particularly their borrowing. If you look at our Balance Sheet you will see that just 15% of our €84m of assets are devoted to loans to members, with most of the remaining 85% being made up of low-earning Deposits and Investments. We would really like to see more of these funds working for the benefit of our members rather than for the banks! If you need a loan, please think of us first and encourage your friends and family to do the same. Our average loan interest rate is just over 6%, which won't be beaten for personal loans - and we have lots of funds available to lend.

From a financial and operational perspective, the three years to September 2022 have been challenging for a variety of reasons. Our underlying Surplus has been falling for a number of years due mainly to a stagnant loan book and a reduced rate of return on our invested funds; this has been offset by one-off items such as adjustments to bad debt provision and a refund of €320k from the ILCU Savings Protection Scheme in 2022. We have also incurred some one-off costs, mainly as part of the prize draw refund, but that process is now at an end.

The draw refund process took up a huge amount of our time in 2021 and 2022 and prevented us holding AGMs in those years. In the end, we refunded almost €1.2m to over 2,000 members who had contributed to the draw since 2010. We acknowledge that our record keeping procedures around member consent were not what they should have been over the years and in the circumstances, we had no option but to make the refunds. We hope that we can now draw a line under this issue and get back to business as usual.

In 2020 the Board engaged external consultants to assist with a thorough review of all our operations and procedures to ensure your credit union continues to operate efficiently, effectively and in accordance with best practice for our sector. One outcome was a new structure of office roles and responsibilities, and a voluntary severance scheme for existing staff. The new system and new personnel are in place and working well.

During the year we granted 650 loans for all kinds of purposes to a value of €7 million. Our Green Loan (5.07% APR) and Placelift Loan (6.12% APR) are especially popular, representing 40% of all loans granted in the year. We really want to help our younger members (and potential members) to make a good start on their 'financial journey', to establish a savings habit and borrowing record that will stand to them when they need to make their big financial decisions, such as a mortgage. We have an excellent, low-cost Budget Account service that can be of great assistance in managing your finances, especially in these turbulent inflationary times.

We are working hard to improve the way we interact with our members, especially with our on-line offering, to make it as easy as possible for you to do all of your business with us, 24/7. Half of all loan applications are now completed online. Coupled with our friendly, face to face service and convenient opening hours, we believe that our products and services are second to none. In the last three years 248 new members joined us, bringing our total membership to 4,556. Please continue to encourage your colleagues and family members to join the Credit Union.

Finally, can I take this opportunity to wish all of our members, volunteers, staff and their families a very happy and prosperous New Year.



Vivienne Keavey,
CEO

REPORT OF THE CREDIT COMMITTEE 2022

The Board of RTÉ Credit Union is responsible for all Loans granted by the Credit Union and to assist in this matter they appoint a Credit Committee and Credit Officers annually to consider and decide on loan applications in accordance with the Board's Credit Policy. During the year, the Board of Directors revised and updated RTÉ Credit Union's Credit Policy.

We continue to offer extremely competitive interest rates as follows:

- ✓ Reboot Loan at 5% APR
- ✓ Welcome Loan at 5.07% APR
- ✓ Covered Loan (borrow within shares) at 5.07% APR
- ✓ Green Loan at 5.07% APR
- ✓ Car Loan / Place Lift Loan at 6.12% APR
- ✓ Switch and Save Loan at 7.78% APR
- ✓ Personal Loan at 7.78% APR

In the year to the end of September 2022 we issued 650 new loans with a value of €7m. Our total loans outstanding now stands at €12,737,670.

Our Loan rates continue to be attractive which include Loan Protection Insurance at no extra cost. This means that if a member's loan is outstanding at the time of death, the loan is cleared in full. This makes our Credit Union one of the cheapest places from which to borrow.

If you are thinking about a loan of any kind i.e. Car, Holiday, Education or Home Improvements, please talk to any of our Loan Officers who will be delighted to help you find the best package suitable for you.

The Committee would sincerely like to thank all members who borrowed from RTÉ Credit Union during the year and for their continued loyalty in honouring their commitments. We would also like to express our thanks to the Board of Directors, all the staff, especially the loan officers, for all their co-operation and assistance during the year.

Vera Butler,
Chair, Credit Committee

REPORT OF THE CREDIT CONTROL COMMITTEE

The Credit Control Committee oversees the Credit Control function within RTÉ Credit Union.

The committee met regularly throughout the year and reported to the board each month.

We constantly monitor loan arrears, ensuring members repayments are in accordance with their agreements. We are happy to report that the vast majority of members are keeping to their agreed repayments, and the number and amounts of loans in arrears over 9 weeks has continued to reduce again this year, to 1.44% at the end of September 2022.

The Credit Control Committee has an obligation to ensure that every effort is made to:

- ✓ Minimise the level of bad debts.
- ✓ Reduce the risk of loan delinquency.
- ✓ Make adequate provision for non-performing loans.

Some members' financial circumstances change, and RTÉ Credit Union is committed to assisting members in financial difficulty with a solution based on the member's circumstances. Members experiencing financial difficulty are encouraged to contact the office to seek assistance at the earliest opportunity. Members should note we are obliged to register all loans in excess of €500 with the Central Credit Register, who will hold loan information on file for five years after the completion date. Missed payments may impact on your ability to obtain credit in the future from both the credit union and other financial institutions.

The credit union aims to manage overdue loans directly with members. In a minority of cases where members have not engaged with the credit union, the credit union may use solicitors or a debt collection agency to recover outstanding loans, in a very small minority of cases.

The committee are satisfied that the credit control function is operating efficiently and properly and that all efforts are made to receive full payment for outstanding loans.

We would like to thank the Board of Directors, the Management Team, and Staff for their continued support throughout the past year.

Joe Kavanagh

Aoife Devane

Daniel Coady

Credit Control Committee

AUDIT RISK & COMPLIANCE COMMITTEE REPORT

The Board of Directors have overall responsibility for ensuring RTÉ Credit Union has appropriate policies, procedures and controls in place to manage risk and ensure compliance with statutory and regulatory requirements. The Audit, Risk and Compliance Committee assists the Board of Directors in carrying out its statutory and regulatory obligations in respect of risk management, compliance, and internal audit to safeguard the funds of the members of the Credit Union.

The Committee held monthly meetings with the Risk Management and Compliance Officer and with Internal Audit as required. The Risk Management Framework is now fully embedded in RTÉ Credit Union. During the year, the Committee ensured that the key risks facing the Credit Union were being appropriately monitored and managed with relevant mitigating measures in place. The annual compliance statement was submitted to the Central Bank. This confirmed that RTÉ Credit Union was compliant with credit union legislation and Central Bank regulations.

Our Internal Auditor, Moore play a key role in ensuring the proper evaluation of the effectiveness of the Credit Union's risk management, policies, internal controls and governance processes including assessing the effectiveness of the compliance programme in meeting legal and regulatory requirements. Independence is recognised as an important control element of the Internal Audit Function which reports directly to the Audit, Risk and Compliance Committee. The Committee oversaw and monitored the implementation of improvements to controls based on recommendations from these key functions and reported to Board.

We the Committee would like to express our appreciation to Management and Staff for their outstanding support and assistance to the Committee over the past year.

Enda Hayden, Daniel Coady and Aoife Devane, Audit, Risk and Compliance Committee

PLACE LIFT LOAN

6.5% - 6.71% APR



Place Lift Loan

Fed up looking at the same four walls?

6.5%
6.71% APR

Representative Sample	Amount	Term	Fortnightly Repayment	Total Amount Repaid	Cost of Credit
	€20,000	5 years	€188.30	€23,437.73	€3,437.73
	€40,000	7 years	€273.46	€49,800.10	€9,800.10
	€60,000	10 years	€313.81	€81,587.76	€21,587.76

Loans are subject to approval. Terms and Conditions apply. RTÉ Credit Union is regulated by the Central Bank of Ireland and is a member of the CCU.

NOMINATION COMMITTEE REPORT

The Nomination Committee of RTÉ Credit Union, have responsibility for identifying suitable candidates, accepting nominations and carrying out fitness and probity due diligence on persons wishing to join the Board of Directors or Board Oversight Committee in RTÉ Credit Union.

Members of the Board of Directors, Board Oversight Committee and Nomination Committee have undergone relevant training to assist in their ability to comply with existing and new legislation regarding Credit Unions.

As we have not held an Annual General Meeting since 2019, all members of the Board of Directors are due for election at the forthcoming Annual General Meeting. The Nomination Committee are pleased to be in a position to recommend an effective number of Candidates for Election to the Board of Directors at this AGM. Great care has been taken in sourcing the best people available and the committee have every confidence in all of those standing for election.

The Nomination Committee would like to thank all volunteers for their dedication to the ethos of our Credit Union. We would like to encourage all members to come forward or recommend a person as a volunteer in RTÉ Credit Union. Information on criteria and process is available from the staff in the RTÉ Credit Union office.

Enda Hayden,

Chair – Nominations Committee.

NOTICE OF ELECTIONS

Election of Auditor

The Board of Directors is nominating FMB Advisory Limited for election.

Board Oversight Committee - Election to fill one vacancy on the Board Oversight Committee

Keith Hyland was co-opted on to the Board Oversight Committee since the Special General Meeting and now offers himself for election to the Board Oversight Committee.

Board of Directors - Election to fill nine vacancies on the Board of Directors

There are nine vacancies on the Board of Directors. The following members are presenting themselves for election to the Board of Directors at the Annual General Meeting.

Vera Butler, Daniel Coady, Aoife Devane, Denis Foley, Enda Hayden, Joe Kavanagh, Patrick Kinsella, Peter Leonard, and Niall O'Flynn.

**Financial Statements
RTÉ Credit Union**

**FOR THE FINANCIAL
YEAR ENDED 30 SEPTEMBER**

2020

RTÉ

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DIRECTORS' REPORT

for the year ended 30 September 2020

The directors present their report and audited financial statements for the year ended 30 September 2020.

Principal Activity and Review of Business

On review of the credit union's financial results the following key performance indicators were identified:

	2020	2019
Members Savings movement %	+5.62%	+4.17%
Gross Loan movement %	-6.72%	+0.69%
Regulatory Reserve % of total assets	12.50%	10.99%

The credit union continued to attract additional members' savings during the financial year with member shares having increased from the prior year. Lending activity has been impacted during the financial year by the Covid-19 pandemic which has resulted in a decrease in the gross loan book of 6.72% in the financial year. The credit union continues to maintain regulatory reserves in excess of the regulatory minimum of 10%.

Results for the year and State of Affairs at 30 September 2020

The income and expenditure account and the balance sheet for the year ended 30 September 2020 are set out on pages 28 and 29.

Principal Risks and Uncertainties

The credit union, as with many other financial institutions, continues to face uncertainties arising from the general economic conditions. The board are actively monitoring the effects of these conditions on the daily operations of the credit union.

The principal areas currently requiring risk management include:

Credit risk: The risk of financial loss arising from a borrower, issuer, guarantor or counterparty that may fail to meet its obligations in accordance with agreed terms. In order to manage this risk the Board approves the credit unions 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 impairment. The Board approves the credit union's credit control policy which monitors the procedures for the collection of loans in arrears and also the basis for impairment on loans.

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. This may occur even where the credit union is solvent. The credit union's policy is to maintain sufficient funds in liquid form at all times to ensure that it can meet its obligations as they fall due. The objective of the liquidity policy is to smooth the timing between maturing assets and liabilities and to provide a degree of protection against any unexpected developments that may arise.

Capital risk: Capital is required to act as a cushion to absorb losses arising from business operations and to allow a credit union to remain solvent under challenging conditions. Capital risk arises mainly as a result of the quality or quantity of capital available, the sensitivity of the credit union exposures to external shocks, the level of capital planning and the capital management process. Capital risk could potentially impair a credit union's ability to meet its obligations in an adverse situation. The board manage this risk by ensuring that sufficient reserves are set aside each year to absorb any potential losses.

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 (including exposure to fines, penalties or damages as well as associated legal costs); or external events; but does not include reputational risk. Examples of operational risks include hardware or software failures, cyber risk, inadequate business continuity plans, misuse of confidential information, data entry errors and natural disasters.

Interest rate risk: The interest rate risk arises 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. The credit union considers rates of interest receivable when deciding on the appropriation of income and its returns to members. The Board monitors such policy in line with the Credit Union Act, 1997 (as amended) and guidance notes issued by the Central Bank of Ireland.

Strategy/business model risk: This refers to the risk which credit unions face if they cannot compete effectively or operate a viable business model. Strategy/business model risk also includes the inherent risk in the credit union's strategy. The board have developed and approved a detailed strategic plan to formulate the short term direction of the credit union operations.

Covid-19 risk: The credit union, along with financial institutions and other entities in the marketplace and in the wider national and worldwide economy, faced significant short-term exposure to the economic effects of Covid-19 which emerged as a worldwide viral pandemic in early 2020. The specific conditions associated with restrictions on the movement of people in the Republic of Ireland resulted in both a decrease in loan demand and an increase in member savings levels, particularly in the period March to August 2020 when compared to prior periods. In the noted period, the board of directors and management team took steps, which include the provision of temporary loan repayment agreement facilities to impacted members and continuing to closely monitor overhead expenditure levels, to both ensure that the credit union continues to be in a position to provide a full suite of services to its membership and to limit any short-term impact on the credit union. In addition, the directors continue to actively review overall members saving levels in order to ensure the maintenance of reserve levels within the credit union, which continue to be significantly in excess of minimum regulatory levels.

Dividends

The directors recommend payment of a dividend of €- (-) for the year, (2019 - 0.4%).

Post Balance Sheet Events

Significant events subsequent to the financial year end are disclosed in Note 22 to the financial statements.

Internal Audit Function

In accordance with Section 76K of the Credit Union Act, 1997 (as amended) the board have appointed an internal audit function to provide for independent internal oversight and to evaluate and improve the effectiveness of the credit union's risk management, internal controls and governance process.

Accounting Records

The Directors believe that they comply with the requirements of Section 108 of the Credit Union Act, 1997 (as amended) with regard to books of account by employing accounting personnel with appropriate expertise and by providing adequate resources to the financial function. The books of account of the credit union are maintained at the credit union's premises at Stage 7, New Programmes Building, RTE, Donnybrook, Dublin 4.

Approved by the Board on: 16 December 2022



Denis Foley

Member of the Board of Directors



Joseph Kavanagh

Member of the Board of Directors

STATEMENT OF DIRECTORS' RESPONSIBILITIES

for the year ended 30 September 2020

The Credit Union Act, 1997 (as amended) requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the credit union and of the income and expenditure of the credit union for that year. In preparing those 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 are responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the credit union and which enables them to ensure that the financial statements comply with the Credit Union Act, 1997 (as amended). They are also responsible for safeguarding the assets of the credit union and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

On behalf of the credit union: 16 December 2022.



Denis Foley

Member of the Board of Directors



Joseph Kavanagh

Member of the Board of Directors

STATEMENT OF BOARD OVERSIGHT COMMITTEE'S RESPONSIBILITIES

for the year ended 30 September 2020

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

On behalf of the credit union: 16 December 2022.



Keith Hyland

Member of Board Oversight Committee

RTÉ CREDIT UNION LIMITED INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RTÉ CREDIT UNION LIMITED

Report on the audit of the financial statements

Opinion

We have audited the financial statements of RTE Credit Union Limited for the year ended 30 September 2020 which comprise the Income and Expenditure Account, the Balance Sheet, the Statement of Changes in Reserves, the Cash Flow Statement and notes to the financial statements, including the summary of significant accounting policies set out on pages 24 - 27. The financial reporting framework that has been applied in their preparation is Irish Law and FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described 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 ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard 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

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Credit Union Act 1997, (as amended).

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

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion proper accounting records have been kept by the credit union, and
- the financial statements are in agreement with the accounting records.

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set on page 21, 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.

In preparing the financial statements, the directors are responsible for assessing the credit union's ability to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends 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 http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf. This 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 Act, 1997 (as amended). Our audit work has been undertaken so that we might state to the credit union's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the credit union and the credit union's members, as a body, for our audit work, for this report, or for the opinions we have formed.

**FMB Advisory Limited, Statutory Audit Firm,
4 Ormond Quay Upper, Chartered Accountants Dublin 7**

Date signed: 16/12/2022

ACCOUNTING POLICIES

for the year ended 30 September 2020

Statement of Compliance

The financial statements of the credit union for the year ended 30 September 2020 have been prepared on the going concern basis and in accordance with generally accepted accounting principles in Ireland and Irish statute comprising the Credit Union Act 1997 (as amended) and in accordance with the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS 102) issued by the Financial Reporting Council.

Basis of Preparation

The financial statements have been prepared under the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the credit union's financial statements.

1. Going Concern

The financial statements are prepared on the going concern basis. The directors believe this is appropriate as the credit union:

- is consistently generating annual surpluses;
- is maintaining appropriate levels of liquidity in excess of minimum legislative requirements; and
- has reserve levels which are significantly above the minimum requirements of the Central Bank.

2. Income Recognition

Income 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. Income is measured at the fair value of the consideration received. The following criteria must also be met before revenue is recognised:

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. Loan interest income from members greater than 26 weeks in arrears is classified as bad debts recovered.

Investment Income

The credit union uses the effective interest method to recognise investment income.

Other Income

Other income such as entrance fees and budget fee income arise in connection with specific transactions. Income relating to individual transactions is recognised when the transaction is completed.

3. Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and loans and advances to banks (i.e. cash deposited with banks) with maturity of less than or equal to three months.

4. 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.

Loans are derecognised when the right to receive cash flows from the asset have expired, usually when all amounts outstanding have been repaid by the member.

Investments 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. 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.

Held to Maturity Investments

Investments designated on initial recognition as held-to-maturity are investments that the credit union intends, and is able to, hold to maturity. These are carried at amortised cost using the effective interest method. The fair value of some investment products will change during their life, but they will have a fixed maturity value at some future date. When designated as held-to-maturity, any change in the fair value during the term of the investment is ignored, with the credit union only accounting for interest received. Gains and losses are recognised in income when the investments are derecognised or impaired, as well as through the amortisation process. Investments intended to be held for an undefined period are not included in this classification.

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. In accordance with the direction of the Central Bank the amounts are shown as current assets and are not subject to impairment reviews.

5. De-recognition of Financial Assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the credit union transfer to another party substantially all 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 party.

In the case of loans to members, loans are derecognised when the right to receive cash flows from the loans have expired, usually when all amounts outstanding have been repaid by the member.

6. Other Receivables

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.

7. Other Payables

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.

8. Tangible Fixed Assets

Tangible fixed assets comprises 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, on a straight line basis over its estimated useful life. The categories of property, plant and equipment are depreciated as follows:

Computer equipment	-	20% Straight Line
Fixtures & fittings	-	12.5% Straight Line
Office equipment	-	12.5% Straight Line

Gains or losses arising on the disposal of an asset are determined as the difference between the sale proceeds and the carrying value of the asset, and are recognised in the Income and Expenditure account.

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 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.

9. Employee Benefits

Pension Costs

The credit union operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the credit union in an independently administered fund. The pension charge represents contributions payable by the credit union to the scheme.

Other Employee Benefits

The costs of short-term employee benefits, including holiday pay, are recognised as a liability and as an expense (unless those costs are required to be recognised as part of the cost of fixed assets) over the period they are earned. Termination benefits are recognised immediately as an expense when the Credit Union is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Termination Benefits

Termination benefits are recognised immediately as an expense when the credit union is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

10. Impairment of Members Loans

The credit union assesses, at each balance sheet date, if there is objective evidence that any of its loans to members are impaired. The loans are assessed collectively in groups that share similar credit risk characteristics. Individually significant loans are assessed on a loan by loan basis. In addition, if, during the course of the year, there is objective evidence that any individual loan is impaired, a specific loss will be recognised.

Bad debts/impairment losses are recognised in the Income and Expenditure Account, as the difference between the carrying value of the loan and the net present value of the expected cash flows.

11. Financial Liabilities - Members' Shares and Deposits

Members' shareholdings and deposits are redeemable and therefore are classified as financial liabilities. They are initially recognised at the amount of cash deposited and subsequently measured at the nominal amount.

12. De-recognition of Financial Liabilities

Financial liabilities are derecognised only when the obligations of the credit union specified in the contract are discharged, cancelled or expired.

13. Dividends and Other Returns to Members

Dividends are made from current year's surplus or a dividend reserve set aside for that purpose. The Board's proposed distribution to members each year is based on the dividend policy of the credit union.

The rate of dividend 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 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. Final dividends and other returns to members are accounted for as a liability after they are approved by the members in general meeting.

14. Taxation

The credit union is not subject to income tax or corporation tax on its activities as a credit union.

15. Reserves

Retained earnings are the accumulated surpluses to date that have not been declared as dividends returnable to members. The retained earnings are subdivided into realised and unrealised in accordance with the Central Bank Guidance Note for Credit Unions on Matters Relating to Accounting for Investments and Distribution Policy'.

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% 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. This reserve is similar in nature and replaces the Statutory Reserve which was a requirement of previous legislation.

Operational Risk Reserve

Section 45(5)(a) of the 1997 Act 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.

The definition of operational risk is the risk of losses stemming from inadequate or failed internal processes, people and systems or from external events. The directors have considered the requirements of the Act and have considered an approach to calculation of the operational risk reserve based on indicative guidance issued by the Central Bank.

Transformation Reserve

The Board agreed in the previous financial year to establish a Transformation Reserve. Funds have been released from the Transformation Reserve to cover non-recurring expenditure required for the implementation of the Strategic Plan.

INCOME AND EXPENDITURE ACCOUNT

For the year ended 30 September 2020

	Schedule	2020 €	2019 € (As restated)
INCOME			
Interest on loans	1	854,207	906,493
Other interest income and similar income	2	582,482	744,455
Net Interest Income		1,436,689	1,650,948
Other income	3	21,880	18,496
Other gains	4	141,400	66,372
TOTAL INCOME		1,599,969	1,735,816
EXPENDITURE			
Salaries		450,898	316,953
Other management expenses	5	1,142,598	895,160
Depreciation		20,286	17,156
Bad debts provision		(105,384)	(122,700)
Bad debts recovered		(50,412)	(62,141)
Bad debts written off		26,437	32,123
Exceptional cost on member draw redress		98,121	101,430
TOTAL EXPENDITURE		1,582,544	1,177,981
EXCESS OF INCOME OVER EXPENDITURE FOR THE YEAR		17,425	557,835
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME		17,425	557,835

On behalf of the Credit Union: 16 December 2022.



Denis Foley
Member of Board
of Directors



Keith Hyland
Member of the
Board Oversight Committee



Vivienne Keavey
CEO

The accompanying notes form part of these financial statements.

BALANCE SHEET

As at 30 September 2020

	Notes	2020 €	2019 € (As restated)
ASSETS			
Cash and cash equivalents	7	10,247,957	10,661,206
Investments	8	57,462,741	52,438,849
Loans	9	12,980,301	13,914,879
Less provision for bad debts	12	(732,916)	(838,300)
Tangible fixed assets	13	50,524	58,027
Debtors, prepayments and accrued income	14	361,290	417,275
TOTAL ASSETS		80,369,897	76,651,936
LIABILITIES			
Members' shares	15	64,691,025	61,247,590
Budget accounts	16	2,639,142	2,191,446
Members' draw account		1,258,171	1,178,067
Other liabilities, creditors, accruals and charges	17	269,725	300,351
TOTAL LIABILITIES		68,858,063	64,917,454
RESERVES			
Regulatory reserve	19	10,046,237	8,423,576
Operational risk reserve	19	200,000	200,000
Other reserves			
- Realised reserves	19	1,265,597	3,110,906
TOTAL RESERVES		11,511,834	11,734,482
		<u>80,369,897</u>	<u>76,651,936</u>

On behalf of the Credit Union: 16 December 2022.



Denis Foley
Member of Board
of Directors



Keith Hyland
Member of the
Board Oversight Committee



Vivienne Keavey
CEO

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN RESERVES

For the year ended 30 September 2020

	Regulatory Reserve €	Operational Risk Reserve €	Undistributed Surplus €	Transformation Reserve €	Dividend Reserve €	Total Reserves €
Opening balance at 1 October 2018 as previously stated	7,558,802	172,500	-	-	4,802,040	12,533,342
Prior financial year correction (Note 3)	-	-	(1,016,199)	-	-	(1,016,199)
Opening balance at 1 October 2018	7,558,802	172,500	(1,016,199)	-	4,802,040	11,517,143
Total comprehensive income	-	-	557,835	-	-	557,835
Dividend paid	-	-	(274,515)	-	-	(274,515)
Interest rebate paid	-	-	(65,981)	-	-	(65,981)
Transfer between reserves	864,774	27,500	(318,769)	300,000	(873,505)	-
Closing balance at 30 September 2019	8,423,576	200,000	(1,117,629)	300,000	3,928,535	11,734,482
Total comprehensive income	-	-	17,425	-	-	17,425
Dividend paid	-	-	(240,073)	-	-	(240,073)
Transfer between reserves	1,622,661	-	2,605,874	(300,000)	(3,928,535)	-
Closing balance at 30 September 2020	10,046,237	200,000	1,265,597	-	-	11,511,834

The balance on the regulatory reserve represents 12.50% of total assets as at 30 September 2020 (10.99% as at 30 September 2019).

On behalf of the Credit Union: 16 December 2022.



Denis Foley
Member of Board
of Directors



Keith Hyland
Member of the
Board Oversight Committee



Vivienne Keavey
CEO

The accompanying notes form part of these financial statements.

CASH FLOW STATEMENT

For the year ended 30 September 2020

	Note	2020 €	2019 €
Opening cash and cash equivalents		10,661,206	19,837,307
Cash flows from operating activities			
Loans repaid		5,407,297	5,650,651
Loans granted		(4,499,156)	(5,777,920)
Loan interest received		871,417	872,522
Investments interest received		616,394	415,803
Bad debts recovered		50,412	62,141
Dividends paid		(240,073)	(274,515)
Interest rebate paid		-	(65,981)
Operating expenses		(1,593,496)	(1,212,113)
Exceptional cost on member draw redress		(98,121)	(101,430)
Net cash flows from operating activities		514,674	(430,842)
Cash flows from investing activities			
Fixed assets purchased		(12,783)	(38,232)
Net cash flow from investments		(5,023,892)	(11,487,047)
Other gains		141,400	66,372
Net cash flows from investing activities		(4,895,275)	(11,458,907)
Cash flows from financing activities			
Members' shares received		15,000,731	15,773,612
Members' budget account paid in		5,876,187	5,987,248
Members' shares withdrawn		(11,557,296)	(13,322,646)
Members' budget account withdrawn		(5,428,491)	(5,924,262)
Net cash flows from financing activities		3,891,131	2,513,952
Other			
Other receipts		21,880	18,496
Decrease/(Increase) in prepayments		4,863	642
(Increase)/Decrease in other liabilities		49,478	180,558
		76,221	199,696
Cash and cash equivalents at end of year	7	10,247,957	10,661,206

On behalf of the Credit Union: 16 December 2022.



Denis Foley
Member of Board
of Directors



Keith Hyland
Member of the
Board Oversight Committee



Vivienne Keavey
CEO

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2020

1. GENERAL INFORMATION

RTE Credit Union Limited is a credit union incorporated under the Credit Union Act 1997 (as amended) in the Republic of Ireland. RTE Credit Union Limited is registered with the Registrar of Credit Unions and is regulated by the Central Bank of Ireland, with a registered number of 60CU. The financial statements have been presented in Euro (€) which is also the functional currency of the credit union.

2. USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of certain accounting estimates. It also requires the Directors to exercise judgement in applying the credit union's accounting policies. The areas requiring a higher degree of judgement, or complexity, and areas where assumptions or estimates are most significant to the financial statements are disclosed below:

Bad debts/Impairment losses on loans to members

The credit union's accounting policy for impairment of financial assets is set out in accounting policies on pages 24 - 27 of the financial statements. 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.

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

Loan loss provisioning is monitored by the credit union, and the credit union assesses and approves its provisions and provision adequacy on a quarterly 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 allied to the credit union's judgement of relevant conditions in the wider technological, market, economic or legal environment in which the credit union currently operates which impact on current lending activity and loan underwriting. If a loan is impaired, the impairment loss is the difference between the carrying amount of the loan and the present value of the expected cash flows discounted at the asset's original effective interest rate taking account of pledged shares and other security as appropriate. Assumptions are back tested with the benefit of experience. After a period of time, when it is concluded that there is no real prospect of recovery of loans/part of loans which have been subjected to a specific provision, the credit union writes off that amount of the loan deemed irrecoverable against the specific provision held against the loan.

Useful lives of tangible fixed assets

Long-lived assets comprising primarily of fixtures and fittings, office equipment and computer equipment represent a portion of total assets. The annual depreciation charge depends primarily on the estimated lives of each type of asset and, in certain circumstances, estimates of residual values. The directors regularly review these useful lives and change them if necessary to reflect current conditions. In determining these useful lives management consider technological change, patterns of consumption, physical condition and expected economic utilisation of the assets. Changes in the useful lives can have a significant impact on the depreciation charge for the financial year.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 30 September 2020

3. PRIOR YEAR ADJUSTMENT - REFUND OF MEMBER DRAW CONTRIBUTIONS

During the financial year ended 30 September 2021, the credit union, following consultations with the Central Bank and professional advisers, identified that, in certain circumstances, some members' explicit written consent was not obtained for the deduction, by the credit union, of the members' participation fee for the draw. The credit union commenced a review in 2021 and identified the in-scope members. Following further consideration and professional advice, the credit union decided to refund the relevant amounts repayable to the affected members. The credit union is in the process of refunding all affected members. The total refunds amount to €1,263,375 and the associated amounts are reflected in the financial statements for the year ended 30 September 2020 and associated relevant prior periods.

As a significant amount of the original member contributions, totalling €1,016,199, were originally deducted prior to 1 October 2018, in conjunction with the processing of the required correction in the current financial year the directors consider that it is appropriate to recognise a prior period adjustment to include the relevant proportion of the associated refunds payable to members effective for financial periods to 30 September 2018. The inclusion of this prior year adjustment has resulted in the following adjustments being reflected in the financial statements:

- A reduction in the opening reserves on 01 October 2018 of €1,016,199 being the first date in the comparative financial year, from €12,533,342 to €11,517,143.
- The recognition of an exceptional item expense in the comparative financial year to 30 September 2019 of €101,430, in respect of member deductions originally taken in this period which are refundable.
- A corresponding decrease in closing reserve levels in the comparative financial statements to 30 September 2019, from €12,852,111 to €11,734,482.
- An increase in the member draw liability of €1,016,199 outstanding as payable by the credit union on 01 October 2018, from €87,354 to €1,103,553.
- A corresponding increase in the closing member draw liability payable to by the credit union on 30 September 2019, from €60,438 to €1,178,067.

The amendments to opening and closing reserve levels are referenced in the Statement of Changes in Reserves on page 30 of the financial statements. The noted increases in the balances payable arising from the refunding of member draw contributions have been recognised in the Balance Sheet on page 29 to the financial statements and the outstanding liabilities are considered repayable in full in the short term.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 30 September 2020

4. EMPLOYEES

Number of employees

The average monthly numbers of employees during the year were:

	2020	2019
	Number	Number
Employees	6	8
	<u>6</u>	<u>8</u>

Employment costs

	2020	2019
	€	€
Wages and salaries	450,898	316,953
Pension costs	31,111	20,387
Voluntary parting costs	322,408	-
	<u>804,417</u>	<u>337,340</u>

4.1. KEY MANAGEMENT PERSONNEL COMPENSATION

The Directors of RTE Credit Union Limited are all unpaid volunteers. The key management team for RTE Credit Union Limited would include the directors, the credit union manager and other senior staff. The number of key management for the financial year to 30 September 2020 amount to 12 (2019 - 10).

	2020	2019
	€	€
Short term employee benefits paid to key management	201,132	65,170
Payments to defined contribution pension schemes	14,544	-
	<u>215,676</u>	<u>65,170</u>

5. PENSION COSTS

Pension costs amounted to €31,111 (2019 - €20,387).

6. ANALYSIS OF INVESTMENT INCOME

	2020	2019
	€	€
Received during the year	287,742	415,803
Receivable within 12 months	294,740	328,652
Other investment income	-	-
	<u>582,482</u>	<u>744,455</u>

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 30 September 2020

7. CASH AND CASH EQUIVALENTS

	2020	2019
	€	€
Cash and bank balances	3,124,770	1,280,354
Short term deposits	7,123,187	9,380,852
	<u>10,247,957</u>	<u>10,661,206</u>

Short term deposits are deposits with maturity of less than or equal to three months.
All other deposits are included in Investments in the Balance sheet and disclosed in note 8.

8. INVESTMENTS

	2020	2019
	€	€
Investments are classified as follows:		
Fixed term deposits maturing after 3 months	30,000,000	31,687,042
Deposit Protection Account	3,550,954	500,968
Accounts in authorised credit institutions	9,500,000	8,500,000
Investment bonds	14,411,787	11,750,839
	<u>57,462,741</u>	<u>52,438,849</u>

The market valuation of investment bonds at 30 September 2020 amounts to €14,542,771.
The directors have confirmed that they are satisfied that all fixed term investments will be held to maturity. The categories of counterparties with whom the investments are held is as follows: -

	2020	2019
	€	€
A1	23,611,025	20,854,796
Aa3	4,047,534	-
A2	3,550,955	8,492,591
A3	7,739,759	7,759,218
Baa1	5,500,000	3,250,000
Baa2	13,013,468	3,145,203
Baa3	-	8,937,041
	<u>57,462,741</u>	<u>52,438,849</u>

9. LOANS TO MEMBERS

	2020	2019
	€	€
Opening Balance at 1 October	13,914,879	13,819,733
Loans granted	4,499,156	5,777,920
Loans repaid	(5,407,297)	(5,650,651)
Other movements	(26,437)	(32,123)
Gross Loan Balance at 30 September	<u>12,980,301</u>	<u>13,914,879</u>
<i>Impairment allowances</i>		
Individual loans	(564,576)	(663,364)
Groups of loans	(168,340)	(174,936)
Loan provision	(732,916)	(838,300)
Net loans as at 30 September	<u>12,247,385</u>	<u>13,076,579</u>

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 30 September 2020

10. ANALYSIS OF GROSS LOANS OUTSTANDING

	2020		2019	
	No.	€	No.	€
Less than one year	166	392,081	203	585,883
Greater than 1 year and less than 3 years	443	3,246,857	391	2,856,817
Greater than 3 years and less than 5 years	388	5,909,600	443	6,703,487
Greater than 5 years and less than 10 years	93	3,016,750	94	3,276,220
Greater than 10 years and less than 25 years	10	415,013	12	492,472
Greater than 25 years	-	-	-	-
Total Gross Loans	1,100	12,980,301	1,143	13,914,879

11. CREDIT RISK DISCLOSURES

RTE Credit Union Limited does not offer mortgages and as a result all loans to members are unsecured, except that there are restrictions on the extent to which borrowers may withdraw their savings whilst loans are outstanding. There are maximum amounts set down by the Central Bank in terms of what amount a member can borrow from the credit union.

The carrying amount of the loans to members represents the credit union's maximum exposure to credit risk. The following table provides information on the credit quality of loan repayments. Where loans are not impaired it is expected that the amounts repayable will be received in full.

	2020		2019	
	€	%	€	%
Gross Loans Not Impaired	10,860,117	83.67%	11,970,436	86.03%
Gross Loans Impaired				
Up to 9 weeks past due	1,615,252	12.44%	1,447,334	10.40%
Between 10 and 18 weeks past due	124,799	0.96%	121,585	0.87%
Between 19 and 26 weeks past due	65,477	0.50%	94,773	0.68%
Between 27 and 39 weeks past due	79,804	0.61%	13,215	0.09%
Between 40 and 52 weeks past due	16,781	0.13%	150,930	1.08%
53 or more weeks past due	218,071	1.68%	116,606	0.84%
Total Gross Loans	12,980,301	100.00%	13,914,879	00.00%
Impairment Allowance				
Individual loans	(564,576)		(663,364)	
Collectively assessed loans	(168,340)		(174,936)	
Loan provision	(732,916)		(838,300)	
Net loans as at 30 September	12,247,385		13,076,579	

Factors that are considered in determining whether loans are impaired are discussed in Note 2, dealing with estimates.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 30 September 2020

12. LOAN PROVISION ACCOUNT FOR IMPAIRMENT LOSSES

	2020	2019
	€	€
Opening balance 1 October	838,300	961,000
Net movement during the year	(78,947)	(90,577)
Decrease as a result of loan write offs previously provided for	(26,437)	(32,123)
Closing provision balance 30 September	<u>732,916</u>	<u>838,300</u>

13. TANGIBLE FIXED ASSETS

	Computer equipment €	Office equipment €	Fixtures and fittings €	Total €
Cost				
At 1 October 2019	428,961	159,789	71,230	659,980
Additions	12,420	-	363	12,783
At 30 September 2020	<u>441,381</u>	<u>159,789</u>	<u>71,593</u>	<u>672,763</u>
Depreciation				
At 1 October 2019	389,533	152,161	60,259	601,953
Charge for the year	13,700	2,119	4,467	20,286
At 30 September 2020	<u>403,233</u>	<u>154,280</u>	<u>64,726</u>	<u>622,239</u>
Net book values				
At 30 September 2020	<u>38,148</u>	<u>5,509</u>	<u>6,867</u>	<u>50,524</u>
At 30 September 2019	<u>39,428</u>	<u>7,628</u>	<u>10,971</u>	<u>58,027</u>

14. PREPAYMENTS AND ACCRUED INCOME

	2020	2019
	€	€
Prepayments	49,788	54,651
Accrued investment income	294,740	28,652
Member Loan interest receivable	16,762	33,972
	<u>361,290</u>	<u>417,275</u>

15. MEMBERS' SHARES

	2020	2019
	€	€
Opening Balance at 1 October	61,247,590	58,796,624
Shares paid in	15,000,731	15,773,612
Shares withdrawn	(11,557,296)	(13,322,646)
Closing Balance at 30 September	<u>64,691,025</u>	<u>61,247,590</u>

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 30 September 2020

Members' shares are repayable on demand except for shares attached to loans.

The breakdown of the shares between attached and unattached is as follows:

	€	€
Unattached Shares	61,571,273	57,663,948
Attached Shares	3,119,752	3,583,642
	<u>64,691,025</u>	<u>61,247,590</u>

16. MEMBERS' BUDGET ACCOUNTS

	2020	2019
	€	€
Opening balance 1 October	2,191,446	2,128,460
Received during the year	5,876,187	5,987,248
Paid out during the year	(5,428,491)	(5,924,262)
Closing balance 30 September	<u>2,639,142</u>	<u>2,191,446</u>

Budget accounts are repayable on demand.

17. OTHER LIABILITIES AND CHARGES

	2020	2019
	€	€
PAYE/PRSI control account	7,143	15,327
DIRT tax payable	2,133	-
Wages and salaries control	-	1,421
Accruals	260,449	283,603
	<u>269,725</u>	<u>300,351</u>

18. ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURES

1. Financial risk management

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

Credit risk:

Credit risk is the risk that a borrower will default on their contractual obligations relating to repayments to RTE Credit Union Limited, resulting in financial loss to the credit union. In order to manage this risk the Board approves the credit union'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. The board have considered the impact of the Covid-19 pandemic on the credit union's membership and loan book in conjunction with their review of the lending policy during the financial year.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 30 September 2020

Liquidity risk:

The credit union'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 credit union adheres on an ongoing basis to the minimum liquidity ratio and minimum short term liquidity ratio as set out in the Credit Union Act 1997 (Regulatory Requirements) Regulations 2016.

Market risk:

Market risk is generally comprised of interest rate risk, currency risk and other price risk. RTE Credit Union Limited conducts all its transactions in Euro and does not deal in derivatives or commodity markets. Therefore the credit union is not exposed to any form of currency risk or other price risk.

Interest rate risk:

The credit union'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 and on any loan interest rebate.

Capital risk:

The credit union maintains sufficient reserves to buffer against losses on members' loan and investments. The current Regulatory Reserve is in excess of the minimum level set down by the Central Bank of Ireland, and stands at 12.50% of the total assets of the credit union at the balance sheet date.

2. Interest rate risk disclosures

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

	2020 Amount €	2020 Average Interest Rate	2019 Amount €	2019 Average Interest Rate
Financial Assets				
Loans to members	<u>12,980,301</u>	<u>6.29%</u>	<u>13,914,879</u>	<u>6.52%</u>

The dividend payable is at the discretion of the Directors and is therefore not a financial liability of the credit union until declared and approved at the AGM.

3. 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.

4. Fair value of financial instruments

RTE Credit Union Limited does not hold any financial instruments at fair value.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 30 September 2020

19. TOTAL RESERVES

	(As restated) Balance 01/10/19 €	Dividend & loan interest rebate paid €	Appropriation of current year surplus €	Transfers between reserves €	Balance 30/09/20 €
Total Regulatory Reserve	8,423,576	-	-	1,622,661	10,046,237
Operational Risk Reserve	200,000	-	-	-	200,000
Other Realised Reserves					
Undistributed Surplus	(1,117,629)	(240,073)	17,425	2,605,874	1,265,597
Transformation reserve	300,000	-	-	(300,000)	-
Dividend reserve	3,928,535	-	-	(3,928,535)	-
Total reserves	11,734,482	(240,073)	17,425	-	11,511,834

The credit union is required to maintain a Regulatory Reserve that support the credit union's operations, provide a base for future growth and protect against the risk of unforeseen losses. The credit union needs to maintain sufficient reserves to ensure continuity and to protect members' savings. The Central Bank expects that credit unions whose total regulatory reserves are currently in excess of 10 per cent of total assets will continue to maintain reserves at existing levels on the basis that these continue to reflect the board of directors' assessment of the appropriate level of reserves for the credit union.

The balance on the regulatory reserve represents 12.50% of total assets as at 30 September 2020 (10.99% as at 30 September 2019).

An operational risk reserve has been calculated, based on an assessment by the board of the predicted impact on the business of the credit union, of the occurrence of a material operational risk event. The balance on the operational risk reserve represents 0.25% of total assets as at 30 September 2020.

20. DIVIDENDS, LOAN INTEREST REBATE AND OTHER RETURNS TO MEMBERS

The directors recommend the following distributions:

	2020		2019	
	Rate %	€	Rate %	€
Dividend on shares	-%	-	0.40%	244,090

In accordance with FRS102 "Events after the End of the Reporting Period", dividends and returns to members are accounted for in the financial statements after they are approved by the members in general meeting.

The returns to members paid in the current and prior year periods were as follows:

	2020	2019
	€	€
Dividend paid during the year	240,073	274,515
Dividend rate	0.40%	0.50%
Loan interest rebate paid during the year	-	65,981
Loan interest rebate rate	-%	7.50%

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 30 September 2020

21. RATE OF INTEREST CHARGED ON MEMBERS' LOANS

The credit union currently charge interest on outstanding loan balances to members, as follows:

Green Loan and Loan Within Shares	4.95%
Special Car Loan and Educational Loan	5.95%
Personal Loan	7.50%
Welcome Loan	4.95%
Place Lift Loan	6.50%
Switch and Save and Holiday Loan	7.50%

22. POST BALANCE SHEET EVENTS

In November 2021, the board of directors decided to refund previously received member draw contributions and a resultant liability has been included in the financial statements. Additional detail in this respect is included in Note 3 to the financial statements. Following a period of consultation with external advisors and the Central Bank, the credit union finalised the member draw redress in July 2022 and has processed associated payments to effected members.

23. CONTINGENT LIABILITIES

Interest earned and accrued to date on term deposit accounts, bank bonds and other accounts in authorised institutions is guaranteed only if the account is held to maturity and no default events occur. In the unlikely event of early encashment or of a default event, there may exist early settlement penalties, loss of capital and loss of interest. The board of directors have confirmed that these investments are intended to be held until their maturity dates and that they are not aware of any default event occurring.

On 17 September 2018, the Registry of Credit Unions informed credit unions in the Republic of Ireland that it had become aware of a potential matter that may impact certain credit unions in respect of accrued interest outstanding on loans where additional credit is extended to a member by way of a top-up-loan.

In the intervening period, legal advice has been sought and communicated between the Registry of Credit Unions and credit union representative bodies with the goal of reaching a consensus on the required treatment steps. RTE Credit Union Limited having completed an assessment of a sample of historical loan credit agreements and management are satisfied that the total loan amount payable by members were adequately and appropriately communicated. The board of directors have reviewed recent legal advice received by the credit union, as a member of the CUDS Progress user group, and are satisfied that in conjunction with a sample loan document review that there is no evidence of the existence of a potential liability associated with the recognition of accrued interest income on top-up lending undertaken. As a result, no provision in this respect has been recognised in the financial statements to 30 September 2021.

24. CAPITAL COMMITMENTS

There were no capital commitments either contracted for or approved by the Board at the year end.

25. INSURANCE AGAINST FRAUD

The credit union has insurance against fraud in the amount of €5,200,000 in compliance with Section 47 of the Credit Union Act, 1997 (as amended).

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 30 September 2020

26. RELATED PARTY TRANSACTIONS

The credit union has identified the following transactions which are required to be disclosed under the terms of FRS102 'Related Party Disclosures':

The following details relate to officers and related party accounts with the credit union. Related parties include the board of directors and the management team of the credit union, their family members or any business in which the director or management team had a significant shareholding.

		2020	2019
	No. of loans	€	€
Total savings held by related parties		429,676	339,885
Total loans outstanding by related parties	6	59,664	86,395
% of gross loan book		0.46%	0.62%
Loans advanced to related parties during the year	3	18,750	39,200
Total provisions for loan outstanding to related parties at year end		-	-
Total provision charge during the year for loans outstanding to related parties		-	-

27. GOING CONCERN

The financial statements have been prepared on the going concern basis which assumes that the credit union will continue in operational existence for the foreseeable future with no intention to significantly curtail its activities in the next 12-month period.

The directors confirm that RTE Credit Union Limited continued to fully operate and actively engage in the provision of services to its members during the financial year but has experienced a fall in the level of its loan book, and loans issued to members, partially because of the impact of the Covid-19 pandemic. In addition, as further detailed in Note 3 to the financial statements, the credit has agreed to complete a redress of its member draw account which has negatively impacted on its reserve levels. Despite the above issues, the credit union generated a surplus of €17,425 for the financial year and its reserves as a percentage of total assets at 30 September 2020 amount to 14.3%, which continues to be significantly in excess of the 10% minimum legal limit.

On this basis the directors consider it appropriate to prepare the financial statements on a going concern basis.

28. COMPARATIVE FIGURES

Presentational adjustments have been recorded in the Income and Expenditure account of the comparative financial year to represent certain income and expenditure items in conformity with prescribed Central Bank formats. In addition, classification changes have been reflected on the Balance Sheet for the comparative period, including the reclassification of accrued investment income from investments to debtors, prepayment and accrued income. These adjustments are purely presentation in nature and have not resulted in changes in reported surplus or overall reserve position for the previous financial year.

29. AUTHORISATION AND APPROVAL OF FINANCIAL STATEMENTS

The board of directors authorised and approved these financial statements for issue on 16 December 2022.

ADDITIONAL INFORMATION (NOT FORMING PART OF THE STATUTORY AUDITED FINANCIAL STATEMENTS)

For the year ended 30 September 2020

SCHEDULE 1. INTEREST ON LOANS	2020	2019
	€	€
Loan interest received	871,417	872,522
Loan interest receivable	(17,210)	33,971
Total per Income and Expenditure Account	854,207	906,493
SCHEDULE 2. OTHER INTEREST INCOME AND SIMILAR INCOME	2020	2019
	€	€
Investment income	582,482	744,455
Total per Income and Expenditure Account	582,482	744,455
	2020	2019
	€	€
Entrance fees	24	35
Budget accounts income	19,536	18,461
Other income	2,320	-
Total per Income and Expenditure Account	21,880	18,496
SCHEDULE 4. OTHER GAINS	2020	2019
	€	€
Gains on Investments	141,400	66,372
Total per Income and Expenditure Account	141,400	66,372

ADDITIONAL INFORMATION (NOT FORMING PART OF THE STATUTORY AUDITED FINANCIAL STATEMENTS)

For the year ended 30 September 2020

SCHEDULE 5. OTHER MANAGEMENT EXPENSES	2020	2019
	€	€
Staff pension costs	31,111	20,387
Voluntary parting costs	322,408	-
Staff training	7,114	17,158
E.C.C.U. Insurance	217,246	185,991
General insurance	38,874	37,977
Repairs and maintenance	1,182	136
Printing, postage and stationery	4,073	8,788
Advertising	27,360	30,583
Computer costs	71,328	62,840
AGM expenses	10,115	7,706
Travelling and subsistence	15,419	28,203
Legal and professional	130,519	264,475
SPS fund	36,000	34,496
Audit	24,049	23,982
Bank charges	30,256	31,250
General expenses	19,840	10,943
Affiliation fees	11,293	11,149
Regulatory levy	136,906	108,239
Promotion and donations	7,505	10,857
Total per Income and Expenditure Account	<u>1,142,598</u>	<u>895,160</u>
SCHEDULE 6. OTHER LOSSES	2020	2019
	€	€
Total per Income and Expenditure Account	<u>-</u>	<u>-</u>



Financial Statements
RTÉ Credit Union
FOR THE FINANCIAL
YEAR ENDED 30 SEPTEMBER
2021

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DIRECTORS' REPORT

for the year ended 30 September 2021

The directors present their report and audited financial statements for the year ended 30 September 2021.

Principal Activity and Review of Business

On review of the credit union's financial results the following key performance indicators were identified:

	2021	2020
Members Savings movement %	+5.38%	+5.62%
Gross Loan movement %	-6.63%	-6.72%
Regulatory Reserve % of total assets	12.00%	12.50%

The credit union continued to attract additional members' savings during the financial year with member shares having increased from the prior year. Lending activity continued to be impacted during the financial year by the Covid-19 pandemic which, despite the increase in the level of loans issued from the previous financial year, has resulted in a decrease in the gross loan book of 6.63% in the financial year. The credit union continues to maintain regulatory reserves significantly in excess of the regulatory minimum of 10%.

Results for the year and State of Affairs at 30 September 2021

The income and expenditure account and the balance sheet for the year ended 30 September 2021 are set out on pages 57 and 58.

Principal Risks and Uncertainties

The credit union, as with many other financial institutions, continues to face uncertainties arising from the general economic conditions. The board are actively monitoring the effects of these conditions on the daily operations of the credit union.

The principal areas currently requiring risk management include:

Credit risk: The risk of financial loss arising from a borrower, issuer, guarantor or counterparty that may fail to meet its obligations in accordance with agreed terms. In order to manage this risk the Board approves the credit unions 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 impairment. The Board approves the credit union's credit control policy which monitors the procedures for the collection of loans in arrears and also the basis for impairment on loans.

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. This may occur even where the credit union is solvent. The credit union's policy is to maintain sufficient funds in liquid form at all times to ensure that it can meet its obligations as they fall due. The objective of the liquidity policy is to smooth the timing

between maturing assets and liabilities and to provide a degree of protection against any unexpected developments that may arise.

Capital risk: Capital is required to act as a cushion to absorb losses arising from business operations and to allow a credit union to remain solvent under challenging conditions. Capital risk arises mainly as a result of the quality or quantity of capital available, the sensitivity of the credit union exposures to external shocks, the level of capital planning and the capital management process. Capital risk could potentially impair a credit union's ability to meet its obligations in an adverse situation. The board manage this risk by ensuring that sufficient reserves are set aside each year to absorb any potential losses.

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 (including exposure to fines, penalties or damages as well as associated legal costs); or external events; but does not include reputational risk. Examples of operational risks include hardware or software failures, cyber risk, inadequate business continuity plans, misuse of confidential information, data entry errors and natural disasters.

Interest rate risk: The interest rate risk arises 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. The credit union considers rates of interest receivable when deciding on the appropriation of income and its returns to members. The Board monitors such policy in line with the Credit Union Act, 1997 (as amended) and guidance notes issued by the Central Bank of Ireland.

Strategy/business model risk: This refers to the risk which credit unions face if they cannot compete effectively or operate a viable business model. Strategy/business model risk also includes the inherent risk in the credit union's strategy. The board have developed and approved a detailed strategic plan to formulate the short term direction of the credit union operations.

Covid-19 risk: The credit union continued to face exposure to the economic effects of Covid-19 during the current financial year. The specific conditions associated with restrictions on the movement of people in the Republic of Ireland have resulted in both a decrease in loan demand and an increase in member savings levels. The directors continue to actively review overall members saving levels to ensure the maintenance of reserve levels within the credit union, which continue to be significantly in excess of minimum regulatory levels.

Dividends

The directors recommend payment of a dividend of €- (-%) for the year, (2020 - -%).

Post Balance Sheet Events

Significant events subsequent to the financial year end are disclosed in Note 21 to the financial statements.

Internal Audit Function

In accordance with Section 76K of the Credit Union Act, 1997 (as amended) the board have appointed an internal audit function to provide for independent internal oversight and to evaluate and improve the effectiveness of the credit union's risk management, internal controls and governance process.

Accounting Records

The Directors believe that they comply with the requirements of Section 108 of the Credit Union Act, 1997 (as amended) with regard to books of account by employing accounting personnel with appropriate expertise and by providing adequate resources to the financial function. The books of account of the credit union are maintained at the credit union's premises at Stage 7, New Programmes Building, RTE, Donnybrook.

Approved by the Board on: 16 December 2022



Denis Foley

Member of the Board of Directors



Joseph Kavanagh

Member of the Board of Directors

STATEMENT OF DIRECTORS' RESPONSIBILITIES

for the year ended 30 September 2021

The Credit Union Act, 1997 (as amended) requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the credit union and of the income and expenditure of the credit union for that year. In preparing those 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 are responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the credit union and which enables them to ensure that the financial statements comply with the Credit Union Act, 1997 (as amended). They are also responsible for safeguarding the assets of the credit union and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

On behalf of the credit union: 16 December 2022.



Denis Foley

Member of the Board of Directors



Joseph Kavanagh

Member of the Board of Directors

STATEMENT OF BOARD OVERSIGHT COMMITTEE'S RESPONSIBILITIES

for the year ended 30 September 2021

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

On behalf of the credit union: 16 December 2022.



Keith Hyland

Member of Board Oversight Committee

RTÉ CREDIT UNION LIMITED INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RTÉ CREDIT UNION LIMITED

Report on the audit of the financial statements

Opinion

We have audited the financial statements of RTE Credit Union Limited ('the Credit Union') for the year ended 30 September 2021 which comprise the Income and Expenditure Account, the Balance Sheet, the Statement of Changes in Reserves, the Cash Flow Statement and notes to the financial statements, including the summary of significant accounting policies set out on pages 53 - 56. The financial reporting framework that has been applied in their preparation is Irish Law and FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Credit Union as at 30 September 2021 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been properly prepared in accordance with the requirements of the Credit Union Act, 1997 (as amended).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described 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 ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard 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.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained

in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Credit Union Act 1997, (as amended).

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

- We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.
- In our opinion the accounting records of the Credit Union were sufficient to permit the financial statements to be readily and properly audited. In our opinion the financial statements are in agreement with the accounting records.

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement set on page 50, the directors are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that 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.

In preparing the financial statements, the directors are responsible for assessing the Credit Union's ability to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends 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 http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf. This 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 Act, 1997 (as amended). Our audit work has been undertaken so that we might state to the Credit Union's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Credit Union and the Credit Union's members, as a body, for our audit work, for this report, or for the opinions we have formed.

**FMB Advisory Limited, Statutory Audit Firm,
4 Ormond Quay Upper, Chartered Accountants Dublin 7**

Date signed: 16/12/2022

ACCOUNTING POLICIES

for the year ended 30 September 2021

Statement of Compliance

The financial statements of the credit union for the year ended 30 September 2021 have been prepared on the going concern basis and in accordance with generally accepted accounting principles in Ireland and Irish statute comprising the Credit Union Act 1997 (as amended) and in accordance with the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS 102) issued by the Financial Reporting Council.

Basis of Preparation

The financial statements have been prepared under the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the credit union's financial statements.

1. Going Concern

The financial statements are prepared on the going concern basis. The directors believe this is appropriate as the credit union:

- is consistently generating annual surpluses;
- is maintaining appropriate levels of liquidity in excess of minimum legislative requirements; and
- has reserve levels which are significantly above the minimum requirements of the Central Bank.

2. Income Recognition

Income 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. Income is measured at the fair value of the consideration received. The following criteria must also be met before revenue is recognised:

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.

Investment Income

The credit union uses the effective interest method to recognise investment income.

Other Income

Other income such as commissions receivable on insurance products and foreign exchange services arises in connection to specific transactions. Income relating to individual transactions is recognised when the transaction is completed.

3. Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and loans and advances to banks (i.e. cash deposited with banks) with maturity of less than or equal to three months.

4. 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.

Loans are derecognised when the right to receive cash flows from the asset have expired, usually when all amounts outstanding have been repaid by the member.

Investments 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. 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.

Held to Maturity Investments

Investments designated on initial recognition as held-to-maturity are investments that the credit union intends, and is able to, hold to maturity. These are carried at amortised cost using the effective interest method. The fair value of some investment products will change during their life, but they will have a fixed maturity value at some future date. When designated as held-to-maturity, any change in the fair value during the term of the investment is ignored, with the credit union only accounting for interest received. Gains and losses are recognised in income when the investments are derecognised or impaired, as well as through the amortisation process. Investments intended to be held for an undefined period are not included in this classification.

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. In accordance with the direction of the Central Bank the amounts are shown as current assets and are not subject to impairment reviews.

5. De-recognition of Financial Assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the credit union transfer to another party substantially all 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 party.

In the case of loans to members, loans are derecognised when the right to receive cash flows from the loans have expired, usually when all amounts outstanding have been repaid by the member.

6. Other Receivables

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.

7. Other Payables

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.

8. Tangible Fixed Assets

Tangible fixed assets comprises 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, on a straight line basis over its estimated useful life. The categories of property, plant and equipment are depreciated as follows:

Computer equipment	-	20% Straight Line
Fixtures & fittings	-	12.5% Straight Line
Office equipment	-	12.5% Straight Line

Gains or losses arising on the disposal of an asset are determined as the difference between the sale proceeds and the carrying value of the asset, and are recognised in the Income and Expenditure account.

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 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.

9. Employee Benefits

Pension Costs

The credit union operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the credit union in an independently administered fund. The pension charge represents contributions payable by the credit union to the scheme.

Other Employee Benefits

The costs of short-term employee benefits, including holiday pay, are recognised as a liability and as an expense (unless those costs are required to be recognised as part of the cost of fixed assets) over the period they are earned.

10. Impairment of Members Loans

The credit union assesses, at each balance sheet date, if there is objective evidence that any of its loans to members are impaired. The loans are assessed collectively in groups that share similar credit risk characteristics. Individually significant loans are assessed on a loan by loan basis. In addition, if, during the course of the year, there is objective evidence that any individual loan is impaired, a specific loss will be recognised.

Bad debts/impairment losses are recognised in the Income and Expenditure Account, as the difference between the carrying value of the loan and the net present value of the expected cash flows.

11. Financial Liabilities - Members' Shares and Deposits

Members' shareholdings and deposits are redeemable and therefore are classified as financial liabilities. They are initially recognised at the amount of cash deposited and subsequently measured at the nominal amount.

12. De-recognition of Financial Liabilities

Financial liabilities are derecognised only when the obligations of the credit union specified in the contract are discharged, cancelled or expired.

13. Dividends and Other Returns to Members

Dividends are made from current year's surplus or a dividend reserve set aside for that purpose. The Board's proposed distribution to members each year is based on the dividend policy of the credit union.

The rate of dividend 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 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.

Final dividends and other returns to members are accounted for as a liability after they are approved by the members in general meeting.

14. Taxation

The credit union is not subject to income tax or corporation tax on its activities as a credit union.

15. Reserves

Retained earnings are the accumulated surpluses to date that have not been declared as dividends returnable to members. The retained earnings are subdivided into realised and unrealised in accordance with the Central Bank Guidance Note for Credit Unions on Matters Relating to Accounting for Investments and Distribution Policy'.

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% 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. This reserve is similar in nature and replaces the Statutory Reserve which was a requirement of previous legislation.

Operational Risk Reserve

Section 45(5)(a) of the 1997 Act 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.

The definition of operational risk is the risk of losses stemming from inadequate or failed internal processes, people and systems or from external events. The directors have considered the requirements of the Act and have considered an approach to calculation of the operational risk reserve based on indicative guidance issued by the Central Bank.

INCOME AND EXPENDITURE ACCOUNT

For the year ended 30 September 2021

	Schedule	2021 €	2020 €
INCOME			
Interest on loans	1	750,986	854,207
Other interest income and similar income	2	582,597	582,482
Net Interest Income		1,333,583	1,436,689
Other income	3	76,326	21,880
Other gains	4	85,200	141,400
TOTAL INCOME		1,495,109	1,599,969
EXPENDITURE			
Salaries		380,048	450,898
Other management expenses	5	729,295	1,142,598
Depreciation		14,206	20,286
Bad debts provision		(173,021)	(105,384)
Bad debts recovered		(71,589)	(50,412)
Bad debts written off		139,149	26,437
Exceptional cost on member draw redress		47,625	98,121
TOTAL EXPENDITURE		1,065,713	1,582,544
EXCESS OF INCOME OVER EXPENDITURE FOR THE YEAR		429,396	17,425
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME		429,396	17,425

On behalf of the Credit Union: 16 December 2022.



Denis Foley
Member of Board
of Directors



Keith Hyland
Member of the
Board Oversight Committee



Vivienne Keavey
CEO

The accompanying notes form part of these financial statements.

BALANCE SHEET

As at 30 September 2021

	Notes	2021 €	2020 € (As restated)
ASSETS			
Cash and cash equivalents	6	13,930,319	10,247,957
Investments	7	58,608,537	57,462,741
Loans	8	12,119,663	12,980,301
Less provision for bad debts	11	(559,894)	(732,916)
Tangible fixed assets	12	40,216	50,524
Debtors, prepayments and accrued income	13	318,092	361,290
TOTAL ASSETS		<u>84,456,933</u>	<u>80,369,897</u>
LIABILITIES			
Members' shares	14	68,168,291	64,691,025
Budget accounts	15	2,825,390	2,639,142
Members' draw account		1,275,368	1,258,171
Other liabilities, creditors, accruals and charges	16	246,654	269,725
TOTAL LIABILITIES		<u>72,515,703</u>	<u>68,858,063</u>
RESERVES			
Regulatory reserve	18	10,134,832	10,046,237
Operational risk reserve	18	200,000	200,000
Other reserves			
- Realised reserves	18	1,606,398	1,265,597
TOTAL RESERVES		<u>11,941,230</u>	<u>11,511,834</u>
		<u>84,456,933</u>	<u>80,369,897</u>

On behalf of the Credit Union: 16 December 2022.



Denis Foley
Member of Board
of Directors



Keith Hyland
Member of the
Board Oversight Committee



Vivienne Keavey
CEO

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN RESERVES

For the year ended 30 September 2021

	Regulatory Reserve €	Operational Risk Reserve €	Undistributed Surplus €	Transformation Reserve €	Dividend Reserve €	Total Reserves €
Opening balance at 1 October 2019	8,423,576	200,000	(1,117,629)	300,000	3,928,535	11,734,482
Total comprehensive income	-	-	17,425	-	-	17,425
Dividend paid	-	-	(240,073)	-	-	(240,073)
Transfer between reserves	1,622,661		2,605,874	(300,000)	(3,928,535)	-
Closing balance at 30 September 2020	10,046,237	200,000	1,265,597	-	-	11,511,834
Total comprehensive income	-	-	429,396	-	-	429,396
Transfer between reserves	88,595	-	(88,595)	-	-	-
Closing balance at 30 September 2021	10,134,832	200,000	1,606,398	-	-	11,941,230

The balance on the regulatory reserve represents 12.00% of total assets as at 30 September 2021 (12.50% as at 30 September 2020).

On behalf of the Credit Union: 16 December 2022.



Denis Foley
Member of Board
of Directors



Keith Hyland
Member of the
Board Oversight Committee



Vivienne Keavey
CEO

The accompanying notes form part of these financial statements.

CASH FLOW STATEMENT

For the year ended 30 September 2021

	Note	2021 €	2020 €
Opening cash and cash equivalents		10,247,957	11,164,791
Cash flows from operating activities			
Loans repaid		6,449,425	5,407,297
Loans granted		(5,727,936)	(4,499,156)
Loan interest received		750,296	871,417
Investments interest received		635,861	616,394
Bad debts recovered		71,589	50,412
Dividends paid		-	(240,073)
Operating expenses		(1,593,496)	(1,593,496)
Exceptional cost on member draw redress		(47,625)	(98,121)
Net cash flows from operating activities		1,022,267	514,674
Cash flows from investing activities			
Fixed assets purchased		(3,898)	(12,783)
Net cash flow from investments		(1,145,796)	(5,527,477)
Other gains		85,200	141,400
Net cash flows from investing activities		(1,064,494)	(5,398,860)
Cash flows from financing activities			
Members' shares received		16,716,715	15,000,731
Members' budget account paid in		5,742,314	5,876,187
Members' shares withdrawn		(13,239,449)	(11,557,296)
Members' budget account withdrawn		(5,556,066)	(5,428,491)
Net cash flows from financing activities		3,663,514	3,891,131
Other			
Other receipts		76,326	21,880
Decrease/(Increase) in prepayments		(9,377)	4,863
(Increase)/Decrease in other liabilities		(5,874)	49,478
		61,075	76,221
Cash and cash equivalents at end of year	6	13,930,319	10,247,957

On behalf of the Credit Union: 16 December 2022.



Denis Foley
Member of Board
of Directors



Keith Hyland
Member of the
Board Oversight Committee



Vivienne Keavey
CEO

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2021

1. GENERAL INFORMATION

RTE Credit Union Limited is a credit union incorporated under the Credit Union Act 1997 (as amended) in the Republic of Ireland. RTE Credit Union Limited is registered with the Registrar of Credit Unions and is regulated by the Central Bank of Ireland, with a registered number of 60CU. The financial statements have been presented in Euro (€) which is also the functional currency of the credit union.

USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of certain accounting estimates. It also requires the Directors to exercise judgement in applying the credit union's accounting policies. The areas requiring a higher degree of judgement, or complexity, and areas where assumptions or estimates are most significant to the financial statements are disclosed below:

Bad debts/Impairment losses on loans to members

The credit union's accounting policy for impairment of financial assets is set out in accounting policies on pages 53 - 56 of the financial statements. 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.

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

Loan loss provisioning is monitored by the credit union, and the credit union assesses and approves its provisions and provision adequacy on a quarterly 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 allied to the credit union's judgement of relevant conditions in the wider technological, market, economic or legal environment in which the credit union currently operates which impact on current lending activity and loan underwriting. If a loan is impaired, the impairment loss is the difference between the carrying amount of the loan and the present value of the expected cash flows discounted at the asset's original effective interest rate taking account of pledged shares and other security as appropriate. Assumptions are back tested with the benefit of experience. After a period of time, when it is concluded that there is no real prospect of recovery of loans/part of loans which have been subjected to a specific provision, the credit union writes off that amount of the loan deemed irrecoverable against the specific provision held against the loan.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 30 September 2021

3. EMPLOYEES

Number of employees

The average monthly numbers of employees during the year were:

	2021 Number	2020 Number
Employees	6	6
	<u>6</u>	<u>6</u>

Employment costs

	2021 €	2020 €
Wages and salaries	380,048	450,898
Pension costs	19,735	31,111
Voluntary parting costs	-	322,408
	<u>399,783</u>	<u>804,417</u>

3.1. KEY MANAGEMENT PERSONNEL COMPENSATION

The Directors of RTE Credit Union Limited are all unpaid volunteers. The key management team for RTE Credit Union Limited would include the directors, the credit union manager and other senior staff. The number of key management for the financial year to 30 September 2021 amount to 13 (2020 - 12).

	2021 €	2020 €
Short term employee benefits paid to key management	254,272	201,132
Payments to defined contribution pension schemes	17,093	14,544
	<u>271,365</u>	<u>215,676</u>

4. PENSION COSTS

Pension costs amounted to €19,735 (2020 - €31,111).

5. ANALYSIS OF INVESTMENT INCOME

	2021 €	2020 €
Received during the year	341,121	287,742
Receivable within 12 months	241,476	294,740
Other investment income	-	-
	<u>582,597</u>	<u>582,482</u>

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 30 September 2021

6. CASH AND CASH EQUIVALENTS

	2021	2020
	€	€
Cash and bank balances	6,377,400	3,124,770
Short term deposits	7,552,919	7,123,187
	<u>13,930,319</u>	<u>10,247,957</u>

Short term deposits are deposits with maturity of less than or equal to three months. All other deposits are included in Investments in the Balance sheet and disclosed in note 7.

7. INVESTMENTS

	2021	2020
	€	€
Investments are classified as follows:		
Fixed term deposits maturing after 3 months	35,000,000	30,000,000
Deposit Protection Account	3,550,954	3,550,954
Accounts in authorised credit institutions	10,500,000	9,500,000
Investment bonds	9,557,583	14,411,787
	<u>58,608,537</u>	<u>57,462,741</u>

The market valuation of investment bonds at 30 September 2021 amounts to €9,670,055. The directors have confirmed that they are satisfied that all fixed term investments will be held to maturity. The categories of counterparties with whom the investments are held is as follows: -

	2021	2020
	€	€
A1	30,183,567	23,611,025
Aa3	1,042,109	4,047,534
A2	12,550,954	3,550,955
A3	2,321,238	7,739,759
Baa1	7,500,000	5,500,000
Baa2	5,010,669	13,013,468
	<u>58,608,537</u>	<u>57,462,741</u>

8. LOANS TO MEMBERS

	2021	2020
	€	€
Opening Balance at 1 October	12,980,301	13,914,879
Loans granted	5,727,936	4,499,156
Loans repaid	(6,449,425)	(5,407,297)
Other movements	(139,149)	(26,437)
Gross Loan Balance at 30 September	<u>12,119,663</u>	<u>12,980,301</u>
Impairment allowances		
Individual loans	(387,343)	(564,576)
Groups of loans	(172,551)	(168,340)
Loan provision	(559,894)	(732,916)
Net loans as at 30 September	<u>11,559,769</u>	<u>12,247,385</u>

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 30 September 2021

9. ANALYSIS OF GROSS LOANS OUTSTANDING

	2021		2020	
	No.	€	No.	€
Less than one year	177	393,275	166	392,081
Greater than 1 year and less than 3 years	432	3,254,356	443	3,246,857
Greater than 3 years and less than 5 years	303	4,822,272	388	5,909,600
Greater than 5 years and less than 10 years	115	3,442,336	93	3,016,750
Greater than 10 years and less than 25 years	5	207,424	10	415,013
Greater than 25 years	-	-	-	-
Total Gross Loans	1,032	12,119,663	1,100	12,980,301

10. CREDIT RISK DISCLOSURES

RTE Credit Union Limited does not offer mortgages and as a result all loans to members are unsecured, except that there are restrictions on the extent to which borrowers may withdraw their savings whilst loans are outstanding. There are maximum amounts set down by the Central Bank in terms of what amount a member can borrow from the credit union.

The carrying amount of the loans to members represents the credit union's maximum exposure to credit risk. The following table provides information on the credit quality of loan repayments. Where loans are not impaired it is expected that the amounts repayable will be received in full.

	2021		2020	
	€	%	€	%
Gross Loans Not Impaired	11,400,431	94.07%	10,860,117	83.67%
Gross Loans Impaired				
Up to 9 weeks past due	452,217	3.73%	1,615,252	12.44%
Between 10 and 18 weeks past due	97,508	0.80%	124,799	0.96%
Between 19 and 26 weeks past due	28,764	0.24%	65,477	0.50%
Between 27 and 39 weeks past due	-	-%	79,804	0.61%
Between 40 and 52 weeks past due	-	-%	16,781	0.13%
53 or more weeks past due	140,743	1.16%	218,071	1.68%
	719,232	5.93%	2,120,184	16.33%
Total Gross Loans	12,119,663	100.00%	12,980,301	100.00%

Impairment Allowance

Individual loans	(387,343)	(564,576)
Collectively assessed loans	(172,551)	(168,340)
Loan provision	(559,894)	(732,916)
Net loans as at 30 September	11,559,769	12,247,385

Factors that are considered in determining whether loans are impaired are discussed in Note 2, dealing with estimates.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 30 September 2021

11. LOAN PROVISION ACCOUNT FOR IMPAIRMENT LOSSES

	2021	2020
	€	€
Opening balance 1 October	732,916	838,300
Net movement during the year	(33,873)	(78,947)
Decrease as a result of loan write offs previously provided for	(139,149)	(26,437)
Closing provision balance 30 September	<u>559,894</u>	<u>732,916</u>

12. TANGIBLE FIXED ASSETS

	Computer equipment €	Office equipment €	Fixtures and fittings €	Total €
Cost				
At 1 October 2020	441,381	159,789	71,593	672,763
Additions	3,898	-	-	3,898
At 30 September 2021	<u>445,279</u>	<u>159,789</u>	<u>71,593</u>	<u>676,661</u>
Depreciation				
At 1 October 2020	403,233	154,280	64,726	622,239
Charge for the year	11,229	1,128	1,849	14,206
At 30 September 2021	<u>414,462</u>	<u>155,408</u>	<u>66,575</u>	<u>636,445</u>
Net book values				
At 30 September 2021	<u>30,817</u>	<u>4,381</u>	<u>5,018</u>	<u>40,216</u>
At 30 September 2020	<u>38,148</u>	<u>5,509</u>	<u>6,867</u>	<u>50,524</u>

13. PREPAYMENTS AND ACCRUED INCOME

	2021	2020
	€	€
Prepayments	59,165	49,788
Accrued investment income	241,476	294,740
Member Loan interest receivable	17,451	16,762
	<u>318,092</u>	<u>361,290</u>

14. MEMBERS' SHARES

	2021	2020
	€	€
Opening Balance at 1 October	64,691,025	61,247,590
Shares paid in	16,716,715	15,000,731
Shares withdrawn	(13,239,449)	(11,557,296)
Closing Balance at 30 September	<u>68,168,291</u>	<u>64,691,025</u>

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 30 September 2021

Members' shares are repayable on demand except for shares attached to loans.

The breakdown of the shares between attached and unattached is as follows:

	€	€
Unattached Shares	65,682,755	61,571,273
Attached Shares	2,485,536	3,119,752
	<u>68,168,291</u>	<u>64,691,025</u>

15. MEMBERS' BUDGET ACCOUNTS

	2021	2020
	€	€
Opening balance 1 October	2,639,142	2,191,446
Received during the year	5,742,314	5,876,187
Paid out during the year	(5,556,066)	(5,428,491)
Closing balance 30 September	<u>2,825,390</u>	<u>2,639,142</u>

Budget accounts are repayable on demand.

16. OTHER LIABILITIES AND CHARGES

	2021	2020
	€	€
PAYE/PRSI control account	9,897	7,143
DIRT tax payable	-	2,133
Accruals	236,757	260,449
	<u>246,654</u>	<u>269,725</u>

17. ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURES

1. Financial risk management

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

Credit risk:

Credit risk is the risk that a borrower will default on their contractual obligations relating to repayments to RTE Credit Union Limited, resulting in financial loss to the credit union. In order to manage this risk the Board approves the credit union'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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 30 September 2021

Liquidity risk:

The credit union'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 credit union adheres on an ongoing basis to the minimum liquidity ratio and minimum short term liquidity ratio as set out in the Credit Union Act 1997 (Regulatory Requirements) Regulations 2016.

Market risk:

Market risk is generally comprised of interest rate risk, currency risk and other price risk. RTE Credit Union Limited conducts all its transactions in Euro and does not deal in derivatives or commodity markets. Therefore the credit union is not exposed to any form of currency risk or other price risk.

Interest rate risk:

The credit union'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 and on any loan interest rebate.

Capital risk:

The credit union maintains sufficient reserves to buffer against losses on members' loan and investments. The current Regulatory Reserve is in excess of the minimum level set down by the Central Bank of Ireland, and stands at 12.00% of the total assets of the credit union at the balance sheet date.

2. Interest rate risk disclosures

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

	2021 Amount €	2021 Average Interest Rate	2020 Amount €	2020 Average Interest Rate
Financial Assets				
Loans to members	<u>12,119,663</u>	<u>6.26%</u>	<u>12,980,301</u>	<u>6.29%</u>

The dividend payable is at the discretion of the Directors and is therefore not a financial liability of the credit union until declared and approved at the AGM.

3. 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.

4. Fair value of financial instruments

RTE Credit Union Limited does not hold any financial instruments at fair value.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 30 September 2021

18. TOTAL RESERVES

	(As restated) Balance 1/10/20 €	Dividend & loan interest rebate paid €	Appropriation of current year surplus €	Transfers between reserves €	Balance 30/09/21 €
Total Regulatory Reserve	10,046,237	-	-	88,595	10,134,832
Operational Risk Reserve	200,000	-	-	-	200,000
Other Realised Reserves					
Undistributed Surplus	1,265,597	-	340,801	-	1,606,398
Total reserves	11,511,834	-	340,801	88,595	11,941,230

The credit union is required to maintain a Regulatory Reserve that support the credit union's operations, provide a base for future growth and protect against the risk of unforeseen losses. The credit union needs to maintain sufficient reserves to ensure continuity and to protect members' savings. The Central Bank expects that credit unions whose total regulatory reserves are currently in excess of 10 per cent of total assets will continue to maintain reserves at existing levels on the basis that these continue to reflect the board of directors' assessment of the appropriate level of reserves for the credit union.

The balance on the regulatory reserve represents 12.00% of total assets as at 30 September 2021 (12.50% as at 30 September 2020).

An operational risk reserve has been calculated, based on an assessment by the board of the predicted impact on the business of the credit union, of the occurrence of a material operational risk event.

The balance on the operational risk reserve represents 0.24% of total assets as at 30 September 2021.

19. DIVIDENDS, LOAN INTEREST REBATE AND OTHER RETURNS TO MEMBERS

The directors recommend the following distributions:

	2021	2020
	Rate %	Rate %
Dividend on shares	-%	-%
	€	€
	-	-

In accordance with FRS102 "Events after the End of the Reporting Period", dividends and returns to members are accounted for in the financial statements after they are approved by the members in general meeting.

The returns to members paid in the current and prior year periods were as follows:

	2021	2020
	€	€
Dividend paid during the year	-	240,073
Dividend rate	-%	0.40%

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 30 September 2021

20. RATE OF INTEREST CHARGED ON MEMBERS' LOANS

The credit union currently charge interest on outstanding loan balances to members, as follows:

Green Loan and Loan Within Shares	4.95%
Educational Loan	5.95%
Personal Loan	7.50%
Welcome Loan	4.95%
Place Lift Loan	5.95%
Switch and Save and Holiday Loan	7.50%

21. POST BALANCE SHEET EVENTS

In November 2021, the board of directors decided to refund previously received member draw contributions and a resultant liability has been included in the financial statements. Following a period of consultation with external advisors and the Central Bank, the credit union finalised the member draw redress in July 2022 and has processed associated payments to effected members.

22. CONTINGENT LIABILITIES

Interest earned and accrued to date on term deposit accounts, bank bonds and other accounts in authorised institutions is guaranteed only if the account is held to maturity and no default events occur. In the unlikely event of early encashment or of a default event, there may exist early settlement penalties, loss of capital and loss of interest. The board of directors have confirmed that these investments are intended to be held until their maturity dates and that they are not aware of any default event occurring.

On 17 September 2018, the Registry of Credit Unions informed credit unions in the Republic of Ireland that it had become aware of a potential matter that may impact certain credit unions in respect of accrued interest outstanding on loans where additional credit is extended to a member by way of a top-up-loan.

In the intervening period, legal advice has been sought and communicated between the Registry of Credit Unions and credit union representative bodies with the goal of reaching a consensus on the required treatment steps. RTE Credit Union Limited having completed an assessment of a sample of historical loan credit agreements and management are satisfied that the total loan amount payable by members were adequately and appropriately communicated. The board of directors have reviewed recent legal advice received by the credit union, as a member of the CUDS Progress user group, and are satisfied that in conjunction with a sample loan document review that there is no evidence of the existence of a potential liability associated with the recognition of accrued interest income on top-up lending undertaken. As a result, no provision in this respect has been recognised in the financial statements to 30 September 2021.

23. CAPITAL COMMITMENTS

There were no capital commitments either contracted for or approved by the Board at the year end.

24. INSURANCE AGAINST FRAUD

The credit union has insurance against fraud in the amount of €5,200,000 in compliance with Section 47 of the Credit Union Act, 1997 (as amended).

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 30 September 2021

25. RELATED PARTY TRANSACTIONS

The credit union has identified the following transactions which are required to be disclosed under the terms of FRS102 'Related Party Disclosures':

The following details relate to officers and related party accounts with the credit union. Related parties include the board of directors and the management team of the credit union, their family members or any business in which the director or management team had a significant shareholding.

		2021	2020
	No. of loans	€	€
Total savings held by related parties		394,713	429,676
Total loans outstanding by related parties	4	68,870	59,664
% of gross loan book		0.57%	0.46%
Loans advanced to related parties during the year	2	-	42,000
Total provisions for loan outstanding to related parties at year end		-	-
Total provision charge during the year for loans outstanding to related parties		-	-

26. GOING CONCERN

The financial statements have been prepared on the going concern basis which assumes that the credit union will continue in operational existence for the foreseeable future with no intention to significantly curtail its activities in the next 12-month period.

The financial statements have been prepared on the going concern basis which assumes that the credit union will continue in operational existence for the foreseeable future with no intention to significantly curtail its activities in the next 12-month period. The directors confirm that RTE Credit Union Limited continued to fully operate and actively engage in the provision of services to its members during the financial year but has experienced a further fall in the level of its loan book and loan to asset ratio.

From a positive perspective, the credit union has generated a surplus of €429,396 in the current financial year and its reserves as a percentage of total assets at 30 September 2021 amount to 14.1%, which continues to be significantly in excess of the 10% minimum legal limit. On this basis the directors consider it appropriate to prepare the financial statements on a going concern basis. On this basis the directors consider it appropriate to prepare the financial statements on a going concern basis.

27. AUTHORISATION AND APPROVAL OF FINANCIAL STATEMENTS

The board of directors authorised and approved these financial statements for issue on 16 December 2022.

ADDITIONAL INFORMATION (NOT FORMING PART OF THE STATUTORY AUDITED FINANCIAL STATEMENTS)

For the year ended 30 September 2021

	2021	2020
SCHEDULE 1. INTEREST ON LOANS	€	€
Loan interest received	750,296	871,417
Loan interest receivable	690	(17,210)
Total per Income and Expenditure Account	<u>750,986</u>	<u>854,207</u>
SCHEDULE 2. OTHER INTEREST INCOME AND SIMILAR INCOME	€	€
Investment income	582,597	582,482
Total per Income and Expenditure Account	<u>582,597</u>	<u>582,482</u>
SCHEDULE 3. OTHER INCOME	€	€
Entrance fees	17	24
E.C.C.U. rebate	53,168	-
Budget accounts income	20,453	19,536
Other income	2,688	2,320
Total per Income and Expenditure Account	<u>76,326</u>	<u>21,880</u>
SCHEDULE 4. OTHER GAINS	€	€
Gains on Investments	85,200	141,400
Total per Income and Expenditure Account	<u>85,200</u>	<u>141,400</u>

ADDITIONAL INFORMATION (NOT FORMING PART OF THE STATUTORY AUDITED FINANCIAL STATEMENTS)

For the year ended 30 September 2021

SCHEDULE 5. OTHER MANAGEMENT EXPENSES	2021	2020
	€	€
Staff pension costs	19,735	31,111
Voluntary parting costs	-	322,408
Staff training	12,417	7,114
E.C.C.U. Insurance	247,804	217,246
General insurance	27,442	38,874
Repairs and maintenance	961	1,182
Printing, postage and stationery	6,215	4,073
Advertising	18,261	27,360
Telephone	2,690	1,382
Computer costs	64,972	71,328
SGM / AGM expenses	12,238	10,115
Travelling and subsistence	2,256	15,419
Legal and professional	118,865	130,519
SPS fund	27,276	36,000
Audit	26,891	24,049
Bank charges	20,628	30,256
General expenses	4,947	18,458
Affiliation fees	11,294	11,293
Regulatory levy	102,203	136,906
Promotion and donations	2,200	7,505
Total per Income and Expenditure Account	<u>729,295</u>	<u>1,142,598</u>
SCHEDULE 6. OTHER LOSSES	2021	2020
	€	€
Total per Income and Expenditure Account	<u>-</u>	<u>-</u>

Financial Statements RTÉ Credit Union

FOR THE FINANCIAL
YEAR ENDED 30 SEPTEMBER

2022



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DIRECTORS' REPORT

for the year ended 30 September 2022

The directors present their report and audited financial statements for the year ended 30 September 2022.

Principal Activity and Review of Business

On review of the credit union's financial results the following key performance indicators were identified:

	2022	2021
Members Savings movement	+0.99%	+5.38%
Gross Loan movement	+5.10%	-6.63%
Regulatory Reserve % of total assets	12.07%	12.00%

The credit union continued to attract additional members' savings during the financial year with member shares having increased from the prior year. Lending activity has increased with growth of 5.10% in the gross loan book in the financial year indicative of underlying loan demand. The credit union continues to maintain regulatory reserves in excess of the regulatory minimum of 10%.

Results for the year and State of Affairs at 30 September 2022

The income and expenditure account and the balance sheet for the year ended 30 September 2022 are set out on pages 84 and 85.

Principal Risks and Uncertainties

The credit union, as with many other financial institutions, continues to face uncertainties arising from the general economic conditions. The board are actively monitoring the effects of these conditions on the daily operations of the credit union.

The principal areas currently requiring risk management include:

Credit risk: The risk of financial loss arising from a borrower, issuer, guarantor or counterparty that may fail to meet its obligations in accordance with agreed terms. In order to manage this risk the Board approves the credit unions 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 impairment. The Board approves the credit union's credit control policy which monitors the procedures for the collection of loans in arrears and also the basis for impairment on loans.

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. This may occur even where the credit union is solvent. The credit union's policy is to maintain sufficient funds in liquid form at all times to ensure that it can meet its obligations as they fall due. The objective of the liquidity policy is to smooth the timing between maturing assets and liabilities and to provide a degree of protection against any unexpected developments that may arise.

Capital risk: Capital is required to act as a cushion to absorb losses arising from business operations and to allow a credit union to remain solvent under challenging conditions.

Capital risk arises mainly as a result of the quality or quantity of capital available, the sensitivity of the credit union exposures to external shocks, the level of capital planning and the capital management process. Capital risk could potentially impair a credit union's ability to meet its obligations in an adverse situation. The board manage this risk by ensuring that sufficient reserves are set aside each year to absorb any potential losses.

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 (including exposure to fines, penalties or damages as well as associated legal costs); or external events; but does not include reputational risk. Examples of operational risks include hardware or software failures, cyber risk, inadequate business continuity plans, misuse of confidential information, data entry errors and natural disasters.

Interest rate risk: The interest rate risk arises 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. The credit union considers rates of interest receivable when deciding on the appropriation of income and its returns to members. The Board monitors such policy in line with the Credit Union Act, 1997 (as amended) and guidance notes issued by the Central Bank of Ireland.

Strategy/business model risk: This refers to the risk which credit unions face if they cannot compete effectively or operate a viable business model. Strategy/business model risk also includes the inherent risk in the credit union's strategy. The board have developed and approved a detailed strategic plan to formulate the short term direction of the credit union operations.

Dividends

The directors do not recommend the payment of a dividend in the current year. No dividend was similarly recommended in the previous financial year.

Internal Audit Function

In accordance with Section 76K of the Credit Union Act, 1997 (as amended) the board have appointed an internal audit function to provide for independent internal oversight and to evaluate and improve the effectiveness of the credit union's risk management, internal controls and governance process.

Accounting Records

The Directors believe that they comply with the requirements of Section 108 of the Credit Union Act, 1997 (as amended) with regard to books of account by employing accounting personnel with appropriate expertise and by providing adequate resources to the financial function. The books of account of the credit union are maintained at the credit union's premises at Stage 7 New Programmes Building, RTE, Donnybrook, Dublin 4.

Approved by the Board on: 21 December 2022



Denis Foley
Member of the Board of Directors



Joseph Kavanagh
Member of the Board of Directors

STATEMENT OF DIRECTORS' RESPONSIBILITIES

for the year ended 30 September 2022

The Credit Union Act, 1997 (as amended) requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the credit union and of the income and expenditure of the credit union for that year. In preparing those 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 are responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the credit union and which enables them to ensure that the financial statements comply with the Credit Union Act, 1997 (as amended). They are also responsible for safeguarding the assets of the credit union and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

On behalf of the credit union :- 21 December 2022



Denis Foley

Member of the Board of Directors



Joseph Kavanagh

Member of the Board of Directors

STATEMENT OF BOARD OVERSIGHT COMMITTEE'S RESPONSIBILITIES

for the year ended 30 September 2022

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

On behalf of the credit union: 21 December 2022.



Keith Hyland

Member of Board Oversight Committee

RTÉ CREDIT UNION LIMITED INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RTÉ CREDIT UNION LIMITED

Report on the audit of the financial statements

Opinion

We have audited the financial statements of RTE Credit Union Limited ('the Credit Union') for the year ended 30 September 2022 which comprise the Income and Expenditure Account, the Balance Sheet, the Statement of Changes in Reserves, the Cash Flow Statement and notes to the financial statements, including the summary of significant accounting policies set out on pages 80 - 83. The financial reporting framework that has been applied in their preparation is Irish Law and FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Credit Union as at 30 September 2022 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been properly prepared in accordance with the requirements of the Credit Union Act, 1997 (as amended).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described 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 ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard 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.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained

in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Credit Union Act 1997, (as amended).

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

- We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.
- In our opinion the accounting records of the Credit Union were sufficient to permit the financial statements to be readily and properly audited. In our opinion the financial statements are in agreement with the accounting records.

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement set on page 77, the directors are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that 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.

In preparing the financial statements, the directors are responsible for assessing the Credit Union's ability to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends 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 http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf. This 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 Act, 1997 (as amended). Our audit work has been undertaken so that we might state to the Credit Union's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Credit Union and the Credit Union's members, as a body, for our audit work, for this report, or for the opinions we have formed.

**FMB Advisory Limited, Statutory Audit Firm,
4 Ormond Quay Upper, Chartered Accountants Dublin 7**

Date signed: 21/12/2022

ACCOUNTING POLICIES

for the year ended 30 September 2022

Statement of Compliance

The financial statements of the credit union for the year ended 30 September 2022 have been prepared on the going concern basis and in accordance with generally accepted accounting principles in Ireland and Irish statute comprising the Credit Union Act 1997 (as amended) and in accordance with the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS 102) issued by the Financial Reporting Council.

Basis of Preparation

The financial statements have been prepared under the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the credit union's financial statements.

1. Going Concern

The financial statements are prepared on the going concern basis. The directors believe this is appropriate as the credit union:

- is consistently generating annual surpluses;
- is maintaining appropriate levels of liquidity in excess of minimum legislative requirements; and
- has reserve levels which are significantly above the minimum requirements of the Central Bank.

2. Income Recognition

Income 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. Income is measured at the fair value of the consideration received. The following criteria must also be met before revenue is recognised:

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.

Investment Income

The credit union uses the effective interest method to recognise investment income.

Other Income

Other income such as relating to fee income on budget account transactions, entrance fees and insurance rebates, arise in connection to specific transactions. Income relating to individual transactions is recognised when the transaction is completed.

3. Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and loans and advances to banks (i.e. cash deposited with banks) with maturity of less than or equal to three months.

4. 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.

Loans are derecognised when the right to receive cash flows from the asset have expired, usually when all amounts outstanding have been repaid by the member.

Investments 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. 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.

Held to Maturity Investments

Investments designated on initial recognition as held-to-maturity are investments that the credit union intends, and is able to, hold to maturity. These are carried at amortised cost using the effective interest method. The fair value of some investment products will change during their life, but they will have a fixed maturity value at some future date. When designated as held-to-maturity, any change in the fair value during the term of the investment is ignored, with the credit union only accounting for interest received. Gains and losses are recognised in income when the investments are derecognised or impaired, as well as through the amortisation process. Investments intended to be held for an undefined period are not included in this classification

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. In accordance with the direction of the Central Bank the amounts are shown as current assets and are not subject to impairment reviews.

5. De-recognition of Financial Assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the credit union transfer to another party substantially all 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 party.

In the case of loans to members, loans are derecognised when the right to receive cash flows from the loans have expired, usually when all amounts outstanding have been repaid by the member.

6. Other Receivables

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.

7. Other Payables

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.

8. Tangible Fixed Assets

Tangible fixed assets comprises 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, on a straight line basis over its estimated useful life. The categories of property, plant and equipment are depreciated as follows:

Computer equipment	-	20% Straight Line
Fixtures & fittings	-	12.5% Straight Line
Office equipment	-	12.5% Straight Line

Gains or losses arising on the disposal of an asset are determined as the difference between the sale proceeds and the carrying value of the asset, and are recognised in the Income and Expenditure account.

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 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.

9. Employee Benefits

Pension Costs

The credit union operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the credit union in an independently administered fund. The pension charge represents contributions payable by the credit union to the scheme.

Other Employee Benefits

The costs of short-term employee benefits, including holiday pay, are recognised as a liability and as an expense (unless those costs are required to be recognised as part of the cost of fixed assets) over the period they are earned.

10. Impairment of Members Loans

The credit union assesses, at each balance sheet date, if there is objective evidence that any of its loans to members are impaired. The loans are assessed collectively in groups that share similar credit risk characteristics. Individually significant loans are assessed on a loan by loan basis. In addition, if, during the course of the year, there is objective evidence that any individual loan is impaired, a specific loss will be recognised.

Bad debts/impairment losses are recognised in the Income and Expenditure Account, as the difference between the carrying value of the loan and the net present value of the expected cash flows.

11. Financial Liabilities - Members' Shares and Deposits

Members' shareholdings and deposits are redeemable and therefore are classified as financial liabilities. They are initially recognised at the amount of cash deposited and subsequently measured at the nominal amount.

12. De-recognition of Financial Liabilities

Financial liabilities are derecognised only when the obligations of the credit union specified in the contract are discharged, cancelled or expired.

13. Dividends and Other Returns to Members

Dividends are made from current year's surplus or a dividend reserve 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.

Final dividends and other returns to members are accounted for as a liability after they are approved by the members in general meeting.

14. Taxation

The credit union is not subject to income tax or corporation tax on its activities as a credit union.

15. Reserves

Retained earnings are the accumulated surpluses to date that have not been declared as dividends returnable to members. The retained earnings are subdivided into realised and unrealised in accordance with the Central Bank Guidance Note for Credit Unions on Matters Relating to Accounting for Investments and Distribution Policy'.

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% 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. This reserve is similar in nature and replaces the Statutory Reserve which was a requirement of previous legislation.

Operational Risk Reserve

Section 45(5)(a) of the 1997 Act 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.

The definition of operational risk is the risk of losses stemming from inadequate or failed internal processes, people and systems or from external events. The directors have considered the requirements of the Act and have considered an approach to calculation of the operational risk reserve based on indicative guidance issued by the Central Bank.

INCOME AND EXPENDITURE ACCOUNT

For the year ended 30 September 2022

	Schedule	2022 €	2021 €
INCOME			
Interest on loans	1	752,060	750,986
ther interest income and similar income	2	455,365	582,597
Net Interest Income		1,207,425	1,333,583
Other income (See Note 6 disclosure)	3	379,532	76,326
Other gains	4	-	85,200
TOTAL INCOME		1,586,957	1,495,109
EXPENDITURE			
Salaries		420,389	380,048
Other management expenses	5	867,128	729,295
Depreciation		23,312	14,206
Bad debts provision		(52,790)	(173,021)
Bad debts recovered		(33,685)	(71,589)
Bad debts written off		6,392	139,149
Exceptional cost on member draw redress		-	47,625
TOTAL EXPENDITURE		1,230,746	1,065,713
EXCESS OF INCOME OVER EXPENDITURE FOR THE YEAR		356,211	429,396
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME		356,211	429,396

On behalf of the Credit Union: 21 December 2022.



Denis Foley
Member of Board
of Directors



Keith Hyland
Member of the
Board Oversight Committee



Vivienne Keavey
CEO

The accompanying notes form part of these financial statements.

BALANCE SHEET

As at 30 September 2022

	Notes	2022 €	2021 €
ASSETS			
Cash and cash equivalents	7	10,232,205	13,930,319
Investments	8	61,049,036	58,608,537
Loans	9	12,737,670	12,119,663
Less provision for bad debts	12	(507,105)	(559,894)
Tangible fixed assets	13	52,584	40,216
Debtors, prepayments and accrued income	14	385,432	318,092
TOTAL ASSETS		83,949,822	84,456,933
LIABILITIES			
Members' shares	15	68,839,993	68,168,291
Budget accounts	16	2,513,868	2,825,390
Members' draw account		94,125	1,275,368
Other liabilities, creditors, accruals and charges	17	204,395	246,654
TOTAL LIABILITIES		71,652,381	72,515,703
RESERVES			
Regulatory reserve	19	10,134,832	10,134,832
Operational risk reserve	19	306,000	200,000
Other reserves			
- Realised reserves	19	1,856,609	1,606,398
TOTAL RESERVES		12,297,441	11,941,230
		<u>83,949,822</u>	<u>84,456,933</u>

On behalf of the Credit Union: 21 December 2022.



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STATEMENT OF CHANGES IN RESERVES

For the year ended 30 September 2022

	Regulatory Reserve €	Operational Risk Reserve €	Undistributed Surplus €	Total Reserves €
Opening balance at 1 October 2020	10,046,237	200,000	1,265,597	11,511,834
Total comprehensive income	-	-	429,396	429,396
Transfer between reserves	88,595	-	(88,595)	-
Closing balance at 30 September 2021	10,134,832	200,000	1,606,398	11,941,230
Total comprehensive income	-	-	356,211	356,211
Transfer between reserves	-	106,000	(106,000)	-
Closing balance at 30 September 2022	10,134,832	306,000	1,856,609	12,297,441

The balance on the regulatory reserve represents 12.07% of total assets as at 30 September 2022 (12.00% as at 30 September 2021).

On behalf of the Credit Union: 21 December 2022.



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The accompanying notes form part of these financial statements.

CASH FLOW STATEMENT

For the year ended 30 September 2022

	Note	2022 €	2021 €
Opening cash and cash equivalents		13,930,319	13,009,207
Cash flows from operating activities			
Loans repaid		6,380,427	6,449,425
Loans granted		(7,004,826)	(5,727,936)
Loan interest received		751,338	750,296
Investments interest received		437,039	635,861
Bad debts recovered		33,685	71,589
Operating expenses		(1,287,517)	(1,156,968)
Net cash flows from operating activities		(689,854)	1,022,267
Cash flows from investing activities			
Fixed assets purchased		(35,680)	(3,898)
Net cash flow from investments		(2,440,499)	(3,907,046)
Other gains		-	85,200
Net cash flows from investing activities		(2,476,179)	(3,825,744)
Cash flows from financing activities			
Members' shares received		17,556,183	16,716,715
Members' budget account paid in		5,475,543	5,742,314
Members' shares withdrawn		(16,884,481)	(13,239,449)
Members' budget account withdrawn		(5,787,065)	(5,556,066)
Net cash flows from financing activities		360,180	3,663,514
Other			
Other receipts		379,532	76,326
Decrease/(Increase) in prepayments		(48,291)	(9,377)
(Increase)/Decrease in other liabilities		(1,223,502)	(5,874)
		(892,261)	61,075
Closing cash and cash equivalents	7	10,232,205	13,930,319

On behalf of the Credit Union: 21 December 2022.



Denis Foley
Member of Board
of Directors



Keith Hyland
Member of the
Board Oversight Committee



Vivienne Keavey
CEO

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2022

1. GENERAL INFORMATION

RTE Credit Union Limited is a credit union incorporated under the Credit Union Act 1997 (as amended) in the Republic of Ireland. RTE Credit Union Limited is registered with the Registrar of Credit Unions and is regulated by the Central Bank of Ireland. The financial statements have been presented in Euro (€) which is also the functional currency of the credit union.

USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of certain accounting estimates. It also requires the Directors to exercise judgement in applying the credit union's accounting policies. The areas requiring a higher degree of judgement, or complexity, and areas where assumptions or estimates are most significant to the financial statements are disclosed below:

Bad debts/Impairment losses on loans to members

The credit union's accounting policy for impairment of financial assets is set out in accounting policies on pages 80 - 83 of the financial statements. 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.

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

Loan loss provisioning is monitored by the credit union, and the credit union assesses and approves its provisions and provision adequacy on a quarterly 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 allied to the credit union's judgement of relevant conditions in the wider technological, market, economic or legal environment in which the credit union currently operates which impact on current lending activity and loan underwriting. If a loan is impaired, the impairment loss is the difference between the carrying amount of the loan and the present value of the expected cash flows discounted at the asset's original effective interest rate taking account of pledged shares and other security as appropriate. Assumptions are back tested with the benefit of experience. After a period of time, when it is concluded that there is no real prospect of recovery of loans/part of loans which have been subjected to a specific provision, the credit union writes off that amount of the loan deemed irrecoverable against the specific provision held against the loan.

3. EMPLOYEES

Number of employees

The average monthly numbers of employees during the year were:

	2022	2021
	Number	Number
Employees	<u>7</u>	<u>7</u>
	<u>7</u>	<u>7</u>

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 30 September 2022

Employment costs

	2022	2021
	€	€
Wages and salaries	420,389	380,048
Pension costs	25,336	19,735
	<u>445,725</u>	<u>399,783</u>

3.1. KEY MANAGEMENT PERSONNEL COMPENSATION

The Directors of RTE Credit Union Limited are all unpaid volunteers. The key management team for RTE Credit Union Limited includes the directors, the credit union manager and other senior staff. The number of key management for the financial year to 30 September 2022 amount to 13 (2021 - 13).

Remuneration to key management personnel staff members is as follows:

	2022	2021
	€	€
Short term employee benefits paid to key management	309,632	282,369
Payments to defined contribution pension schemes	20,846	17,093
	<u>330,478</u>	<u>299,462</u>

4. PENSION COSTS

Pension costs amounted to €25,336 (2021 - €19,735).

5. ANALYSIS OF INVESTMENT INCOME

	2022	2021
	€	€
Received during the year	195,563	341,121
Receivable within 12 months	259,802	241,476
Other investment income	-	-
	<u>455,365</u>	<u>582,597</u>

6. EXCEPTIONAL INCOME - SPS REFUND

Included in Other Income in the Income and Expenditure account is an amount of €355,093 which relates to a refund receivable by the credit union from the Irish League of Credit Unions 'Stabilisation Protection Scheme'. This refund arose as a result of a decision taken by the board of Irish League of Credit Unions in April 2022 to make payments to all affiliated credit unions on a proportionate basis linked to their asset size. The credit union's board of directors do not believe that similar income is receivable in future.

7. CASH AND CASH EQUIVALENTS

	2022	2021
	€	€
Cash and bank balances	1,151,376	6,377,400
Short term deposits	9,080,829	7,552,919
	<u>10,232,205</u>	<u>13,930,319</u>

Short term deposits are deposits with maturity of less than or equal to three months.

All other deposits are included in Investments in the Balance sheet and disclosed in note 8.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 30 September 2022

8. INVESTMENTS

	2022	2021
	€	€
Investments are classified as follows:		
Fixed term deposits maturing after 3 months	31,000,000	35,000,000
Deposit Protection Account	3,551,360	3,550,954
Accounts in authorised credit institutions	10,500,000	10,500,000
Investment bonds	15,997,676	9,557,583
	<u>61,049,036</u>	<u>58,608,537</u>

The market valuation of investment bonds at 30 September 2022 amounts to €14,790,623. The directors have confirmed that they are satisfied that all fixed term investments will be held to maturity and therefore the recognition of an impairment is not required.

Included within "Accounts in authorised credit institutions" is a product held at a carrying value of €1 million which is 100% capital protected if held to maturity. This guarantee is subject to no credit event occurring which affects either the counterparty which issued the bond or other related financial institutions linked to the products issue. A credit event would occur on the insolvency or the failure of one of the participant participators. At 30 September 2022 no credit event affecting the participating financial institutions was identified as having occurred. No partial withdrawals are allowed and there is no immediate access to the funds invested prior to maturity, without penalty. The directors are satisfied that all long-term investment products will all be held until their respective maturity dates. The categories of counterparties with whom the investments and short term deposits are held is as follows: -

	2022	2021
	€	€
A1	30,694,218	30,183,567
Aa3	4,036,684	1,042,109
A2	11,493,757	12,550,954
A3	6,316,508	4,875,077
Baa1	7,500,000	7,500,000
Baa2	10,088,698	10,009,749
	<u>70,129,865</u>	<u>66,161,456</u>

The split of investments by rating above includes short-term deposits products as disclosed in Note 7 to the financial statements.

9. LOANS TO MEMBERS

	2022	2021
	€	€
Opening Balance at 1 October	12,119,663	2,980,301
Loans granted	7,004,826	5,727,936
Loans repaid	(6,380,427)	(6,449,425)
Other movements	(6,392)	(139,149)
Gross Loan Balance at 30 September	<u>12,737,670</u>	<u>12,119,663</u>
Impairment allowances		
Individual loans	(341,197)	(387,343)
Groups of loans	(165,908)	(172,551)
Loan provision	(507,105)	(559,894)
Net loans as at 30 September	<u>12,230,565</u>	<u>11,559,769</u>

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 30 September 2022

10. ANALYSIS OF GROSS LOANS OUTSTANDING

	2022		2021	
	No.	€	No.	€
Less than one year	181	422,692	177	393,275
Greater than 1 year and less than 3 years	374	2,815,864	432	3,254,356
Greater than 3 years and less than 5 years	342	4,922,920	303	4,822,272
Greater than 5 years and less than 10 years	124	4,407,239	115	3,442,336
Greater than 10 years and less than 25 years	4	168,955	5	207,424
Greater than 25 years	-	-	-	-
Total Gross Loans	1,025	12,737,670	1,032	12,119,663

11. CREDIT RISK DISCLOSURES

RTE Credit Union Limited does not offer mortgages and as a result all loans to members are unsecured, except that there are restrictions on the extent to which borrowers may withdraw their savings whilst loans are outstanding. There are maximum amounts set down by the Central Bank in terms of what amount a member can borrow from the credit union.

The carrying amount of the loans to members represents the credit union's maximum exposure to credit risk. The following table provides information on the credit quality of loan repayments. Where loans are not impaired it is expected that the amounts repayable will be received in full.

	2022		2021	
	€	%	€	%
Gross Loans Not Impaired	11,762,230	92.34%	11,400,431	94.07%
Gross Loans Impaired				
Up to 9 weeks past due	787,546	6.18%	452,217	3.73%
Between 10 and 18 weeks past due	38,850	0.31%	97,508	0.80%
Between 19 and 26 weeks past due	6,669	0.05%	28,764	0.24%
Between 27 and 39 weeks past due	6,615	0.05%	-	-%
Between 40 and 52 weeks past due	10,651	0.08%	-	-%
53 or more weeks past due	125,109	0.98%	140,743	1.16%
	975,440	7.66%	719,232	5.93%
Total Gross Loans	12,737,670	100.00%	12,119,663	100.00%

Impairment Allowance

Individual loans	(341,197)	(387,343)
Collectively assessed loans	(165,908)	(172,551)
Loan provision	(507,105)	(559,894)
Net loans as at 30 September	12,230,565	11,559,769

Factors that are considered in determining whether loans are impaired are discussed in Note 2, dealing with estimates.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 30 September 2022

12. LOAN PROVISION ACCOUNT FOR IMPAIRMENT LOSSES

	2022	2021
	€	€
Opening balance 1 October	559,894	732,916
Net movement during the year	(46,397)	(33,873)
Decrease as a result of loan write offs previously provided for	(6,392)	(139,149)
Closing provision balance 30 September	<u>507,105</u>	<u>559,894</u>

13. TANGIBLE FIXED ASSETS

	Computer equipment €	Office equipment €	Fixtures and fittings €	Total €
Cost				
At 1 October 2021	445,279	159,789	71,593	676,661
Additions	32,477	3,203	-	35,680
At 30 September 2022	<u>477,756</u>	<u>162,992</u>	<u>71,593</u>	<u>12,341</u>
Depreciation				
At 1 October 2021	414,462	155,408	66,575	636,445
Charge for the year	15,867	2,934	4,511	23,312
At 30 September 2022	<u>430,329</u>	<u>158,342</u>	<u>71,086</u>	<u>659,757</u>
Net book values				
At 30 September 2022	<u>47,427</u>	<u>4,650</u>	<u>507</u>	<u>52,584</u>
At 30 September 2021	<u>30,817</u>	<u>4,381</u>	<u>5,018</u>	<u>40,216</u>

14. PREPAYMENTS AND ACCRUED INCOME

	2022	2021
	€	€
Prepayments	107,456	59,165
Accrued investment income	259,802	241,476
Member Loan interest receivable	18,174	17,451
	<u>385,432</u>	<u>318,092</u>

15. MEMBERS' SHARES

	2022	2021
	€	€
Opening Balance at 1 October	68,168,291	64,691,025
Shares paid in	17,556,183	16,716,715
Shares withdrawn	(16,884,481)	(13,239,449)
Closing Balance at 30 September	<u>68,839,993</u>	<u>68,168,291</u>

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 30 September 2022

Members' shares are repayable on demand except for shares attached to loans.

The breakdown of the shares between attached and unattached is as follows:

	€	€
Unattached Shares	66,815,827	65,682,755
Attached Shares	2,024,166	2,485,536
	<u>68,839,993</u>	<u>68,168,291</u>

16. MEMBERS' BUDGET ACCOUNTS

	2022	2021
	€	€
Opening balance 1 October	2,825,390	2,639,142
Received during the year	5,475,543	5,742,314
Paid out during the year	(5,787,065)	(5,556,066)
Closing balance 30 September	<u>2,513,868</u>	<u>2,825,390</u>

Budget accounts are repayable on demand.

17. OTHER LIABILITIES AND CHARGES

	2022	2021
	€	€
PAYE/PRSI control account	17,122	9,897
Accruals	187,273	236,757
	<u>204,395</u>	<u>246,654</u>

18. ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURES

1. Financial risk management

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

Credit risk:

Credit risk is the risk that a borrower will default on their contractual obligations relating to repayments to RTE Credit Union Limited, resulting in financial loss to the credit union. In order to manage this risk the Board approves the credit union'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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 30 September 2022

Liquidity risk:

The credit union'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 credit union adheres on an ongoing basis to the minimum liquidity ratio and minimum short term liquidity ratio as set out in the Credit Union Act 1997 (Regulatory Requirements) Regulations 2016.

Market risk:

Market risk is generally comprised of interest rate risk, currency risk and other price risk. RTE Credit Union Limited conducts all its transactions in Euro and does not deal in derivatives or commodity markets. Therefore the credit union is not exposed to any form of currency risk or other price risk.

Interest rate risk:

The credit union'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 and on any loan interest rebate.

Capital risk:

The credit union maintains sufficient reserves to buffer against losses on members' loan and investments. The current Regulatory Reserve is in excess of the minimum level set down by the Central Bank of Ireland, and stands at 12.07% of the total assets of the credit union at the balance sheet date.

2. Interest rate risk disclosures

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

	2022 Amount €	2022 Average Interest Rate	2021 Amount €	2021 Average Interest Rate
Financial Assets				
Loans to members	<u>12,737,670</u>	<u>6.18%</u>	<u>12,119,663</u>	<u>6.26%</u>

The dividend payable is at the discretion of the Directors and is therefore not a financial liability of the credit union until declared and approved at the AGM.

3. 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.

4. Fair value of financial instruments

RTE Credit Union Limited does not hold any financial instruments at fair value.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 30 September 2022

19. TOTAL RESERVES

	(As restated) Balance 1/10/20 €	Dividend & loan interest rebate paid €	Appropriation of current year surplus €	Transfers between reserves €	Balance 30/09/21 €
Total Regulatory Reserve	10,134,832	-	-	-	10,134,832
Operational Risk Reserve	200,000	-	-	106,000	306,000
Other Realised Reserves					
Undistributed Surplus	1,606,398	-	356,211	(106,000)	1,856,609
Total reserves	11,941,230	-	356,211	-	12,297,441

The credit union is required to maintain a Regulatory Reserve that support the credit union's operations, provide a base for future growth and protect against the risk of unforeseen losses. The credit union needs to maintain sufficient reserves to ensure continuity and to protect members' savings. The Central Bank expects that credit unions whose total regulatory reserves are currently in excess of 10 per cent of total assets will continue to maintain reserves at existing levels on the basis that these continue to reflect the board of directors' assessment of the appropriate level of reserves for the credit union.

The balance on the regulatory reserve represents 12.07% of total assets as at 30 September 2022 (12.00% as at 30 September 2021).

An operational risk reserve has been calculated, based on an assessment by the board of the predicted impact on the business of the credit union, of the occurrence of a material operational risk event.

The balance on the operational risk reserve represents 0.36% of total assets as at 30 September 2022.

20. DIVIDENDS, LOAN INTEREST REBATE AND OTHER RETURNS TO MEMBERS

The directors do not recommend the payment of a dividend in the current year.

In accordance with FRS102 "Events after the End of the Reporting Period", dividends and returns to members are accounted for in the financial statements after they are approved by the members in general meeting.

There were no returns to members paid in the current or prior year

21. RATE OF INTEREST CHARGED ON MEMBERS' LOANS

The credit union currently charge interest on outstanding loan balances to members, as follows:

Green Loan and Loan Within Shares	4.95%
Educational Loan and Car Loan	5.95%
Personal Loan and Switch and Save	7.50%
Welcome Loan	5.00%
Christmas Loan	6.00%
Reboot Loan	4.89%

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 30 September 2022

22. POST BALANCE SHEET EVENTS

There are no material events after the Balance Sheet date to disclose.

23. CONTINGENT LIABILITIES

Interest earned and accrued to date on term deposit accounts, bank bonds and other accounts in authorised institutions is guaranteed only if the account is held to maturity and no default events occur. In the unlikely event of early encashment or of a default event, there may exist early settlement penalties, loss of capital and loss of interest. The board of directors have confirmed that these investments are intended to be held until their maturity dates and that they are not aware of any default event occurring.

24. CAPITAL COMMITMENTS

There were no capital commitments either contracted for or approved by the Board at the year end.

25. INSURANCE AGAINST FRAUD

The credit union has insurance against fraud in the amount of €5,200,000 in compliance with Section 47 of the Credit Union Act, 1997 (as amended).

26. RELATED PARTY TRANSACTIONS

The credit union has identified the following transactions which are required to be disclosed under the terms of FRS102 'Related Party Disclosures':

The following details relate to officers and related party accounts with the credit union. Related parties include the board of directors and the management team of the credit union, their family members or any business in which the director or management team had a significant shareholding.

		2022	2021
	No. of loans	€	€
Total savings held by related parties		605,589	394,713
Total loans outstanding by related parties	7	117,522	68,870
% of gross loan book		0.92%	0.57%
Loans advanced to related parties during the year	2	50,000	-
Total provisions for loan outstanding to related parties at year end		9,773	-
Total provision charge during the year for loans outstanding to related parties		9,773	-

27. AUTHORISATION AND APPROVAL OF FINANCIAL STATEMENTS

The board of directors authorised and approved these financial statements for issue on 21 December 2022.

ADDITIONAL INFORMATION (NOT FORMING PART OF THE STATUTORY AUDITED FINANCIAL STATEMENTS)

For the year ended 30 September 2022

	2022	2021
SCHEDULE 1. INTEREST ON LOANS	€	€
Loan interest received	751,338	750,296
Loan interest receivable	722	690
Total per Income and Expenditure Account	<u>752,060</u>	<u>750,986</u>
SCHEDULE 2. OTHER INTEREST INCOME AND SIMILAR INCOME	€	€
Investment income	455,365	582,597
Total per Income and Expenditure Account	<u>455,365</u>	<u>582,597</u>
SCHEDULE 3. OTHER INCOME	€	€
Entrance fees	16	17
E.C.C.U. rebate	3,024	53,168
Budget accounts income	21,399	20,453
Other income	-	2,688
SPS refund	355,093	-
Total per Income and Expenditure Account	<u>379,532</u>	<u>76,326</u>
SCHEDULE 4. OTHER GAINS	€	€
Gains on Investments	-	85,200
Total per Income and Expenditure Account	<u>-</u>	<u>85,200</u>

ADDITIONAL INFORMATION (NOT FORMING PART OF THE STATUTORY AUDITED FINANCIAL STATEMENTS)

For the year ended 30 September 2022

SCHEDULE 5. OTHER MANAGEMENT EXPENSES	2022	2021
	€	€
Staff pension costs	25,336	19,735
Staff training	7,861	12,417
E.C.C.U. insurance	238,512	247,804
General insurance	30,801	27,442
Repairs and maintenance	655	961
Printing, postage and stationery	11,433	6,215
Advertising	28,127	18,261
Budget account expenditure	1,933	-
Telephone	2,819	2,690
Computer costs	83,944	64,972
SGM / AGM expenses	8,115	12,238
Convention and seminar expenses	2,538	-
Travelling and subsistence	3,124	2,256
Legal and professional	207,642	118,865
SPS fund	5,749	27,276
Audit	29,580	26,891
Bank charges	31,967	20,628
General expenses	5,856	4,947
Affiliation fees	15,656	11,294
Regulatory levy	121,396	102,203
Promotion and donations	4,084	2,200
Total per Income and Expenditure Account	<u>867,128</u>	<u>729,295</u>
SCHEDULE 6. OTHER LOSSES	2022	2021
	€	€
Total per Income and Expenditure Account	<u>-</u>	<u>-</u>



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RTÉ Credit Union Ltd is Regulated by the Central Bank of Ireland. Loans are subject to approval. Warning: If you do not meet the repayments on your loan, your account will go into arrears. This may affect your credit rating which may limit your ability to access credit in the future. Changing your loans may result in you paying over a longer term and/or paying more interest over the life of your loan.

LOAN APPLICATIONS

Experience the power of our new Online Loan Application, an innovative way to secure your great value credit union loan efficiently and without any hassle.

Members can apply for a loan the following ways:



MOBILE APP

Members can now apply for their RTÉ CU loan through their mobile phone using our Mobile App.



WEBSITE

If you're registered for Online Banking you can now apply using our online loan application form.



IN OFFICE

Pop into our office at Stage 7 and chat to our friendly staff to start your application.



OVER THE PHONE

Call us between 10:00AM to 4:00PM (01 208 2628)



www.rtecu.ie



OPENING HOURS 2023

Mon: 10am - 4pm

Tue: 10am - 4pm

Wed: 10am - 4pm

Thu: 10am - 4pm

Fri: 10am - 4pm

Sat/Sun: Closed

RTÉ Credit Union Ltd, Donnybrook, Dublin 4

tel: 01 208 2628 **fax:** 01 208 2128 **email:** info@rtecu.ie

rtecu.ie



RTÉ Credit Union Limited is regulated by the Central Bank of Ireland.