

Annual Report 2023 & AGM Notification



From First Steps to Golden Years

**Broadcast via Zoom on
11th December 2023 at 7:00pm**

New PCU Current Account Online Loan

To avail of this reduced rate loan, members must first have a PCU Current Account.

**6.17%
APR**

SCAN THE QR CODE TO
LEARN MORE



**Terms &
Conditions
Apply**

Repayments Example

BORROW	TERM	APR	REPAYMENTS	COST/TOTAL REPAID
€15,000	60 MONTHS	6.17%	€290	€2,399.78/ €17,399.78

Progressive Credit Union Limited

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Notice of Meeting

Dear Member

Notice is hereby given that the Annual General Meeting of Progressive Credit Union will take place online via Zoom on 11 December 2023 at 7.00pm. Please register to attend the Annual General Meeting online at www.progressivecu.ie by close of business on 7 December 2023.

Elections will be held to fill six vacancies on the Board of Directors, two vacancies on the Board Oversight Committee and the position of Auditor.

FINIAN KILTY
Secretary

Order of Business

- Ascertainment that a quorum is present
- Adoption of Standing Orders
- Reading and Approval (or correction) of Minutes of 2023 Annual General Meeting
- Proposed Rule Change
- Report of the Board of Directors
- Presentation of Financial Statements
- Report of the Auditor
- Appointment of Tellers
- Report of the Nominations Committee
- Balloting
- Report of the Board Oversight Committee
- Report of the Internal Audit and Risk Management Committee
- Announcement of Election Results
- Any other business
- Adjournment of meeting

List of Directors

- Aidan McGuinness (Chair)
- Julian Rouchy Kelly (Vice Chair)
- Finian Kilty (Secretary)
- Elizabeth Boylan
- Paul Buffini (co-opted during the year)
- Tracey Dempsey
- Abhijeet Harollikar
- Bonnie Hickey
- Barry Kearney (Co-opted during the year)
- Harry Keegan (resigned during the year)
- Neil MacDermott
- Mary Phelan
- David Waldron (resigned during the year)

Virtual AGM

We have taken the decision to hold our Annual General Meeting (AGM) by virtual means again this year. In order to attend and participate in this year's AGM please see instructions below; -

- 1) Please register to attend the Annual General Meeting online at www.progressivecu.ie by close of business on 7 December 2023.
- 2) Your login details will be emailed to you once you are verified as a member that is eligible to attend.
- 3) We will also email you a copy of the minutes of last year's AGM and Standing Orders for this year's AGM. Please read these before the meeting.
- 4) Please submit questions to the Board in advance of the AGM by e-mailing agm@progressivecu.ie and the Board will address these during the AGM
- 5) Before the date of the AGM, we would advise you to familiarise yourself with Zoom and prepare for the event ahead of time.
- 6) The starting time will be at 7pm on 11 December 2023. However, we suggest you login a little bit earlier to avoid any last minute technical issues.
- 7) Please click on the link provided. Please note that your login details are specific to you and can only be used on one device.
- 8) Please wait for the host (Chair) to start the meeting. While you are waiting, you can test your computer audio. Please make sure it is turned on and at the right volume.
- 9) You will be asked your name before joining the meeting. Please fill in the field with Name and Surname. This information will be used to identify you for the purposes of determining a quorum.
- 10) Please select "Join with Computer Audio", so that you will be able to see and hear the Chair and any persons presenting.
- 11) All non-presenting participants will be muted to allow the smooth running of the meeting. However, you can type a question to the host by clicking on the "Chat" button at the bottom of the page.
- 12) During the meeting you will be given the option to vote anonymously online for the election of officers and on resolutions proposed to be passed at the meeting. A screen will pop up and you will be asked to vote.
- 13) Please note that the Virtual AGM will be recorded for minute-taking and archiving purposes, so any contribution you make will be recorded.
- 14) At the end of the AGM, the host will close the Zoom Meeting.

Year in Review

We would like to present to you our Annual Report and Financial Statements for the year ended 30 September 2023.

True to our name, we are continuously evolving to provide the best financial services to our members. It is our vision that we will support our members through every milestone in their lives. We envision a future where your credit union is your first stop for all your financial needs which will continue to be accessible, ethical, and sustainable, while ensuring that every member of our community has access to fair and transparent financial services.

We are very aware of our Environmental, Social and Governance responsibilities. With this in mind we reviewed our suite of loan products during the year to ensure they meet all of our members' needs. We offer loans at 6% that are used for "Green" home renovations or to purchase electric or hybrid cars. We continue to seek other means through which Progressive Credit Union can make a green transition for our members financially viable and easily accessible. We also understand that education is essential to the ongoing growth of our members and our society. Therefore, we offer free banking to students, offer a student loan rate of 6% and have awarded education bursaries to the value of €14,000 this year.

Our Community and Social Responsibility Reserve was set up to support, on behalf of you the member, the social, cultural, educational and charitable endeavours of those who offer support to voluntary organisations providing community wide benefits. As one of Ireland's largest community based credit unions, Progressive Credit Union prides itself on always being here for all our local communities. With this in mind we propose to transfer a further €200,000 to the Community and Social Responsibility Reserve this year, to continue your support for these community-wide and beneficial initiatives.

Progressive Credit Union was one of the first credit unions to invest in the Credit Union Approved Housing Body Fund. This is a regulated investment vehicle that lends to Housing Bodies to provide social rented housing for people who cannot afford to pay private sector rents or buy their own homes. This is an investment that will hopefully support those not only nationwide but locally as well. It is also noteworthy that Progressive Credit Union also offer mortgages to members that start at a very competitive rate of 3.5%.

Progressive Credit Union has always prided itself as being a safe, stable and financially sound institution in which you can borrow and save with confidence. All savings held with the credit union are covered by the Deposit Guarantee Scheme. Total assets now stand at €217 million, making us one of the largest credit unions in the country. Our surplus for the year was €1.8 million.

Adequate reserves are the foundation on which the financial stability of a credit union rests. Our reserves at 30 September 2023 amounted to €33.5 million which is a healthy 15.4% of total assets and above the minimum requirement of 10%.

Given the uncertainty in the current economic environment we are proposing to pay a modest dividend of 0.1% on member's shares this year. We are also proposing that the Annual General Meeting agrees that the sum of €1.00 be deducted from each adult member share account by way of an Affiliation Fee to cover the cost of membership of the Irish League of Credit Unions.

Total membership is now at 60,432 and total member savings are €182.7 million. During the year the Board also increased the savings cap to €100,000.

Our Loan Book is €63.1 million as at 30 September 2023. Progressive Credit Union is actively lending and very much open for business. It is very encouraging to see that the vast majority of our members are still honouring their loan repayment commitments and repaying their loans as agreed. Arrears on loans are relatively low and under constant review. As always we ask that any member who may experience difficulties contact us as soon as possible to review your repayment options.

In summary Progressive Credit Union is well positioned for the future. We have been and will remain committed to your service. We hope that our strong financial performance, community engagement, service performance and the range of services, from our current account right through our general loan offerings to our very competitive mortgage product might justify you making Progressive Credit Union your primary financial service provider.

Finally, we would like to thank every member of the PCU Team, the Board of Directors, Board Oversight Committee, Staff, Management and all of our Committee Volunteers who have given generously of their time, energy and experience so willingly. Most especially, we wish to thank you our loyal members for your support and trust throughout the year.

AIDAN MCGUINNESS
CHAIRMAN

SEAN STAUNTON
CEO



MDBI

Member Death Benefit Insurance Programme

The current premium is €78.00 per annum for €3,500.00 benefit. Members can sign up at any time during 2024 provided they meet the eligibility criteria at the time of their entry into the scheme. The following are the cut off dates for new entrants:

- Q1** 31 December 2023 – Deduction of €78.00 will be made after 1 January 2024
- Q2** 31 March 2024– Deduction of €58.50 will be made after 1 April 2024
- Q3** 30 June 2024 – Deduction of €39.00 will be made after 1 July 2024
- Q4** 30 September 2024 – Deduction of €19.50 will be made after 1 October 2024

**** Members must ensure they have sufficient funds in their shares to facilitate the deduction**



*For more information scan
the QR code.*





Deposit Guarantee Scheme Depositor Information Sheet

BASIC INFORMATION ABOUT THE PROTECTION OF YOUR ELIGIBLE DEPOSITS	
Eligible deposits in Progressive Credit Union are protected by:	the Deposit Guarantee Scheme ("DGS") ⁽¹⁾
Limit of protection:	€100,000 per depositor per credit institution ⁽²⁾
If you have more eligible deposits at the same credit institution:	All your eligible deposits at the same credit institution are 'aggregated' and the total is subject to the limit of €100,000 ⁽²⁾
If you have a joint account with other person(s):	The limit of €100,000 applies to each depositor separately ⁽³⁾
Reimbursement period in case of credit institution's failure:	10 working days ⁽⁴⁾
Currency of reimbursement:	Euro or, for branches of Irish banks operating in another member state of the EEA, the currency of that member state.
To contact Progressive Credit Union for enquiries relating to your account:	<p>Progressive Credit Union Harper House 43-45 Dublin Street Balbriggan Co. Dublin</p>
To contact the DGS for further information on compensation:	<p>Deposit Guarantee Scheme Central Bank of Ireland New Wapping Street North Wall Quay Dublin 1 D01 57X3</p> <p>Tel: 0818 681 681</p> <p>Email: info@depositguarantee.ie</p>
More information:	www.depositguarantee.ie

Additional information

⁽¹⁾ **Scheme responsible for the protection of your deposit**

Your deposit is covered by a statutory deposit guarantee scheme. If insolvency should occur, your eligible deposits would be repaid up to €100,000.

⁽²⁾ **General limit of protection**

If a covered deposit is unavailable because a credit institution is unable to meet its financial obligations, depositors are repaid by the DGS. This repayment covers a maximum €100,000 per person per credit institution. This means that all eligible deposits at the same credit institution are added up in order to determine the coverage level. If, for instance, a depositor holds a savings account with €90,000 and a current account with €20,000, he or she will only be repaid €100,000.

⁽³⁾ **Limit of protection for joint accounts**

In case of joint accounts, the limit of €100,000 applies to each depositor. However, eligible deposits in an account to which two or more persons are entitled as members of a business partnership, association or grouping of a similar nature, without legal personality, are aggregated and treated as if made by a single depositor for the purpose of calculating the limit of €100,000.

In some cases eligible deposits which are categorised as “temporary high balances” are protected above €100,000 for six months after the amount has been credited or from the moment when such eligible deposits become legally transferable. These are eligible deposits relating to certain events which include:

- (a) certain transactions relating to the purchase, sale or equity release by the depositor in relation to a private residential property;
- (b) sums paid to the depositor in respect of insurance benefits, personal injuries, disability and incapacity benefits, wrongful conviction, unfair dismissal, redundancy, and retirement benefits;
- (c) the depositor's marriage, judicial separation, dissolution of civil partnership, and divorce;
- (d) sums paid to the depositor in respect of benefits payable on death; claims for compensation in respect of a person's death or a legacy or distribution from the estate of a deceased person.

More information can be obtained at www.depositguarantee.ie

⁽⁴⁾ **Reimbursement**

The responsible deposit guarantee scheme is:

Deposit Guarantee Scheme, Central Bank of Ireland, New Wapping Street, North Wall Quay, Dublin 1.

Tel: 0818 681 681. Email: info@depositguarantee.ie. Website: www.depositguarantee.ie.

It will repay your eligible deposits (up to €100,000) within 10 working days to 31 December 2023; and within 7 days from 1 January 2024 onwards, save where specific exceptions apply.

Where the repayable amount cannot be made available within seven working days, depositors will be given access to an appropriate amount of their covered deposits to cover the cost of living within five working days of a request. Access to the appropriate amount will only be made on the basis of data provided by the credit institution. If you have not been repaid within these deadlines, you should contact the deposit guarantee scheme.

OTHER IMPORTANT INFORMATION

In general, all retail depositors and businesses are covered by the Deposit Guarantee Scheme. Exceptions for certain deposits are stated on the website of the Deposit Guarantee Scheme. Your credit institution will also inform you on request whether certain products are covered or not. If deposits are eligible, the credit institution shall also confirm this on the statement of account.

Progressive Credit Union Limited

Community and Social Responsibility Reserve

To remain at the heart of the community, Progressive Credit Union provides financial assistance to groups and clubs within our common bond and other charitable causes. At our Annual General Meeting on 2 December 2014, we established a Community and Social Responsibility Reserve to be used for social, cultural or charitable purposes, including community development. This reserve is maintained separately from our other finances.

Every year we allocate a portion of our surplus to this Reserve. Since its inception in 2014 we have given approximately €1.4 million back to our local community through this Reserve. Your continued support results in our continued support within the local community.

During the year we approved €218,444 in sponsorship applications to fund events and groups, promoting social, cultural and educational activities within our common bond.

To apply for sponsorship please complete the application form that can be found at <https://www.progressivecu.ie/content.asp?section=377> and return to sponsorship@progressivecu.ie



Progressive Credit Union Limited



Together We're Better

Progressive Credit Union Limited

Proposed Rule Change

Amendment to Rule 30(1) (a) arising from League AGM 2023. The wording of the rule amendment is set out below.

Rule 30 (1)(a)

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

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

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

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

PCU Student Loan

SCAN THE QR CODE TO
LEARN MORE

At Progressive Credit Union we know that going to college can be an expensive time. Talk to us at PCU about a Student loan TODAY and have one less worry this back-to-school term!



Directors' report

For the financial year ended 30 September 2023

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

Principal activity

The principal activity of the business continues to be the operation of a credit union.

Authorisation

The credit union is authorised as follows:

- Insurance, reinsurance or ancillary insurance intermediary under the European Union (Insurance Distribution) Regulations, 2018.
- Investment Intermediaries (Restricted Activity Investment Product Intermediary) pursuant to Section 26 of the Investment Intermediaries Act, 1995 (as amended).
- Entitled under the European Union (Payment Services) Regulations 2018 to provide payment services.
- To act on behalf of a payment institution in providing payment services.

Business review

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

Dividends

The directors are proposing a dividend in respect of the financial year ended 30 September 2023 of €165,700 (0.10%) (2022: The directors did not propose a dividend).

Principal risks and uncertainties

The principal risks and uncertainties faced by the credit union are:

Credit risk

Credit risk is the risk that a borrower will default on their contractual obligations relating to repayments to the credit union, resulting in financial loss.

Lack of loan demand

Lending is the principal activity of the credit union and the credit union is reliant on lending for generating income to cover costs and generate a surplus.

Market risk

Market risk is the risk that the value of an investment will decrease. This risk can arise from fluctuations in values of, or income from, assets or changes in interest rates.

Liquidity risk

Liquidity risk is the risk that the credit union will not have sufficient cash resources to meet day to day running costs and repay members' savings when demanded.

Operational risk

Operational risk is the risk of loss resulting from inadequate or failed processes or systems of the credit union, any failure by persons connected with the credit union or from external events.

Global macro-economic risk

There is an economic and operational risk relating to rising inflation rates, disruption to global supply chains and a general uncertainty in the markets as a result of the changing geopolitical landscape.

Directors' report (continued)

For the financial year ended 30 September 2023

These risks and uncertainties are managed by the board of directors as follows:

Credit risk

In order to manage this risk, the board of directors regularly reviews and approves the credit union's lending policies. All loan applications are assessed with reference to the lending policies in force at the time. Subsequently loans are regularly reviewed for any factors that may indicate that the likelihood of repayment has changed.

Lack of loan demand

The credit union provide lending products to its members and promote these products through various marketing initiatives.

Market risk

The board of directors regularly reviews and approves the credit union's investment policy and funds are invested in compliance with this policy and regulatory guidance.

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.

Operational risk

The operational risk of the credit union is managed through the employment of suitably qualified staff to ensure appropriate processes, procedures and systems are implemented and are further supported with a robust reporting structure.

Global macro-economic risk

The board of directors and management closely monitor the developments of rising inflation rates and disruption to global supply chains and markets, and continue to take appropriate actions to mitigate any possible adverse effects on the credit union.

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 finance function. The books of account of the credit union are maintained at the credit union's premises at Harper House, 43-45 Dublin Street, Balbriggan, Co. Dublin.

Events after the end of the financial year

There have been no significant events affecting the credit union since the year end.

Auditors

In accordance with Section 115 of the Credit Union Act, 1997 (as amended), the auditors Grant Thornton offer themselves for re-election.

This report was approved by the board and signed on its behalf by:

AIDAN MCGUINNESS
Chairperson of The Board Of Directors

FINIAN KILTY
Member of The Board Of Directors

DATE: 9 November 2023

Directors' responsibilities statement

For the financial year ended 30 September 2023

The directors are responsible for preparing the financial statements in accordance with applicable Irish law and regulations. The directors have elected to prepare the financial statements in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102). The directors are also responsible for preparing the other information included in the annual report. 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 affairs of the credit union and of the income and expenditure of the credit union for that period.

In preparing those financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and reason for any material departure from those standards; and
- 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 ensuring that the credit union keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the credit union, enable at any time the assets, liabilities, financial position and income and expenditure of the credit union to be determined with reasonable accuracy, enable them to ensure that the financial statements comply with the Credit Union Act, 1997 (as amended) and enable the financial statements to be audited. 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. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the credit union's website.

On behalf of the board:

AIDAN McGUINNESS
Chairperson of The Board Of Directors

FINIAN KILTY
Member of The Board Of Directors

DATE: 9 November 2023

Board oversight committee's responsibilities statement

For the financial year ended 30 September 2023

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 iv(a) and any regulations made for the purposes of part iv or part iv(a) of the Credit Union Act, 1997 (as amended) and any other matter prescribed by the Central Bank of Ireland in respect of which they are to have regard to in relation to the board of directors.

On behalf of the board oversight committee:

CIARAN MCLOUGHLIN
Chairperson of the board oversight committee

DATE: 9 November 2023

Independent auditor's report to the members of Progressive Credit Union Limited

Opinion

We have audited the financial statements of Progressive Credit Union Limited for the financial year ended 30 September 2023, which comprise:

- the Income and expenditure account;
- the Statement of other comprehensive income;
- the Balance sheet;
- the Statement of changes in reserves;
- the Statement of cash flows; and
- the related notes 1 to 29, including the summary of significant accounting policies as set out in note 2.

The financial reporting framework that has been applied in the preparation of the financial statements is Irish law including the Credit Union Act, 1997 (as amended) and accounting standards issued by the Financial Reporting Council including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (Generally Accepted Accounting Practice in Ireland).

In our opinion, Progressive Credit Union Limited's financial statements:

- give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland of the state of the credit union's affairs as at 30 September 2023 and of its income and expenditure and cash flows for the year then ended; and
- have been properly prepared so as to conform 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 in the 'responsibilities of the auditor for the audit of the financial statements' section of our report. We are independent of the credit union in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the entity. 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 director's 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

Other information comprises information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on

Independent auditor's report to the members of Progressive Credit Union Limited (continued)

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 on the other information, 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.

Matters on which we are required to report 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, to the best of our knowledge and belief, were necessary for the purposes of our audit;
- in our opinion proper accounting records have been kept by the credit union;
- the financial statements are in agreement with the accounting records of the credit union; and
- the financial statements contain all primary statements, notes and significant accounting policies required to be included in accordance with section 111(1)(c) of the Act.

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements which give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland, including FRS 102, and for such internal control as they determine 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 a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intends to liquidate the credit union or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the auditor for the audit of the financial statements

The auditor's 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 their 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.

As part of an audit in accordance with ISAs (Ireland), the auditor will exercise professional judgement and maintain professional scepticism throughout the audit. The auditor will also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material

Independent auditor's report to the members of Progressive Credit Union Limited (continued)

misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the credit union's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the credit union's ability to continue as a going concern. If they conclude that a material uncertainty exists, they are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify their opinion. Their conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the credit union to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

The auditor communicates with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that may be identified during the audit.

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

This 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.

Denise O'Connell FCA
for and on behalf of
Grant Thornton
Chartered Accountants
& Statutory Audit Firm
Limerick

DATE: 9 November 2023

Income and expenditure account

For the financial year ended 30 September 2023

		2023	2022
	Schedule	€	€
Income			
Interest on members' loans		4,504,327	4,357,556
Other interest income and similar income	1	1,865,158	979,460
Net interest income		6,369,485	5,337,016
Other income	2	344,248	1,620,840
Total income		6,713,733	6,957,856
Expenditure			
Employment costs		2,441,005	2,497,675
Other management expenses	3	2,867,908	2,852,040
Pension exit costs		-	158,500
Depreciation		327,067	288,745
Net impairment gains on loans to members (note 5)		(772,341)	(354,429)
Total expenditure		4,863,639	5,442,531
Surplus for the financial year		1,850,094	1,515,325

Statement of other comprehensive income

For the financial year ended 30 September 2023

	2023	2022
	€	€
Surplus for the financial year	1,850,094	1,515,325
Other comprehensive income	-	-
Total comprehensive income for the year	1,850,094	1,515,325

The financial statements were approved and authorised for issue by the board and signed on behalf of the credit union by:

AIDAN MCGUINNESS
Member of the Board of
Directors

CIARAN MCLOUGHLIN
Member of the Board Oversight
Committee

SEÁN STAUNTON
CEO

Date: 9 November 2023

The notes on pages 21 to 36 form part of these financial statements.

Balance sheet

As at 30 September 2023

	Notes	2023 €	2022 €
Assets			
Cash and balances at bank	6	5,245,760	5,035,519
Deposits and investments – cash equivalents	7	36,435,807	28,774,759
Deposits and investments – other	7	111,906,144	116,169,871
Loans to members	8	63,103,688	59,375,980
Provision for bad debts	9	(3,651,085)	(4,038,968)
Members' current accounts overdrawn	13	6,442	3,325
Tangible fixed assets	10	3,803,759	4,609,752
Debtors, prepayment and accrued income	11	477,875	452,680
Total assets		217,328,390	210,382,918
Liabilities			
Members' shares	12	171,590,666	166,939,414
Members' deposits	12	5,210,036	4,859,763
Members' current accounts	13	5,893,187	5,468,209
Other liabilities, creditors, accruals and charges	14	1,117,583	1,209,657
Other provisions	15	41,921	62,528
Total liabilities		183,853,393	178,539,571
Reserves			
Regulatory reserve	17	26,079,407	25,499,820
Operational risk reserve	17	1,414,948	1,148,570
Other reserves			
- Realised reserves	17	5,313,197	4,689,653
- Unrealised reserves	17	667,445	505,304
Total reserves		33,474,997	31,843,347
Total liabilities and reserves		217,328,390	210,382,918

The financial statements were approved and authorised for issue by the board and signed on behalf of the credit union by:

AIDAN MCGUINNESS
Member of the Board of
Directors

CIARAN MCLOUGHLIN
Member of the Board Oversight
Committee

SEÁN STAUNTON
CEO

Date: 9 November 2023

The notes on pages 21 to 36 form part of these financial statements.

Statement of changes in reserves

For the financial year ended 30 September 2023

	Regulatory reserve	Operational risk reserve	Realised reserves	Unrealised reserves	Total
	€	€	€	€	€
As at 1 October 2021	24,371,963	1,043,650	3,709,629	334,719	29,459,961
Surplus for the financial year	-	-	1,300,067	215,258	1,515,325
Transfers of engagements	1,127,857	10,000	11,484	-	1,149,341
Payments from reserves	-	-	(281,280)	-	(281,280)
Transfers between reserves	-	94,920	(50,247)	(44,673)	-
As at 1 October 2022	25,499,820	1,148,570	4,689,653	505,304	31,843,347
Surplus for the financial year	579,587	266,378	841,988	162,141	1,850,094
Payments from reserves	-	-	(218,444)	-	(218,444)
As at 30 September 2023	26,079,407	1,414,948	5,313,197	667,445	33,474,997

- The regulatory reserve of the credit union as a percentage of total assets as at 30 September 2023 was 12.00% (2022: 12.12%).
- The operational risk reserve of the credit union as a percentage of total assets as at 30 September 2023 was 0.65% (2022: 0.55%).

The notes on pages 21 to 36 form part of these financial statements.

Statement of cash flows

For the financial year ended 30 September 2023

	Notes	2023 €	2022 €
Opening cash and cash equivalents		33,810,278	32,497,680
Cash flows from operating activities			
Loans repaid by members	8	26,424,835	26,240,655
Loans granted to members	8	(30,387,131)	(31,716,540)
Interest on members' loans		4,504,327	4,357,556
Members' current accounts lodgements	13	38,828,649	26,618,339
Members' current accounts withdrawals	13	(38,407,203)	(25,455,612)
Other interest income and similar income		1,865,158	979,460
Bad debts recovered and recoveries		619,046	627,745
Other receipts		175,527	1,015,233
Other disbursements		(218,444)	(281,280)
Operating expenses net of movement in other assets and liabilities		(5,446,789)	(4,565,146)
Net cash flows from operating activities		(2,042,025)	(2,179,590)
Cash flows from investing activities			
Cash and investments introduced from transfer of engagements		-	6,794,673
Fixed assets (purchases)/disposals		648,062	751,594
Net cash flow from other investing activities		4,263,727	(656,970)
Net cash flows from investing activities		4,911,789	6,889,297
Cash flows from financing activities			
Members' savings received	12	79,307,586	67,151,397
Members' savings withdrawn	12	(74,306,061)	(70,548,506)
Net cash flow from financing activities		5,001,525	(3,397,109)
Net increase in cash and cash equivalents		7,871,289	1,312,598
Closing cash and cash equivalents	6	41,681,567	33,810,278

The notes on pages 21 to 36 form part of these financial statements.

Notes to the financial statements

For the financial year ended 30 September 2023

1. Legal and regulatory framework

Progressive Credit Union Limited is registered with the Registry of Credit Unions and is regulated by the Central Bank of Ireland. The registered office of the credit union is Harper House, 43-45 Dublin Street, Balbriggan, Co. Dublin.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with applicable Irish accounting standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and Irish statute comprising of the Credit Union Act, 1997 (as amended). The financial statements have been prepared on the historical cost basis.

The financial statements are presented in Euro (€) which is also the functional currency of the credit union.

The following principal accounting policies have been applied:

2.2 Statement of compliance

The financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102).

2.3 Going concern

After reviewing the credit union's projections, the directors have reasonable expectation that the credit union has adequate resources to continue in operational existence for the foreseeable future. The credit union therefore continues to adopt the going concern basis in preparing its financial statements.

2.4 Income

Interest on members' loans

Interest on members' loans is recognised on an accruals basis using the effective interest method.

Deposit and investment income

Deposit and investment income is recognised on an accruals basis using the effective interest method.

Other income

Other income is recognised on an accruals basis.

2.5 Cash and cash equivalents

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

2.6 Deposits and 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.

Notes to the financial statements (continued)

For the financial year ended 30 September 2023

2. Accounting policies (continued)

Central Bank deposits

Credit unions are obliged to maintain certain minimum deposits with the Central Bank but may also hold an excess over the regulatory minimum. The regulatory minimum deposits are technically assets of the credit union but to which the credit union has restricted access. The regulatory minimum portion will not ordinarily be returned to the credit union while it is a going concern and is separately identified in note 7, Deposits and investments - other. Funds held with the Central Bank in excess of the regulatory minimum requirements are fully available to the credit union and are therefore treated as cash equivalents and are separately identified in note 7, Deposits and investments – cash equivalents. The amounts held on deposit with the Central Bank are not subject to impairment reviews.

Investments at fair value

Investments designated on initial recognition as non basic are recognised at fair value. They are subsequently measured at fair value (market value) at the year-end date and all gains and losses are taken to the income and expenditure account.

2.7 Financial assets – loans to members

Loans 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 has expired, usually when all amounts outstanding have been repaid by the member.

2.8 Provision for bad debts

The credit union assesses if there is objective evidence that any of its loans are impaired with due consideration of environmental factors. 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 there is objective evidence that any individual loan is impaired, a specific loss will be recognised. Bad debt provisioning is monitored by the credit union, and the credit union assesses and approves its provisions and the adequacy of same on a regular basis.

Any bad debts/impairment losses are recognised in the income and expenditure account.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in the income and expenditure account.

2.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The credit union adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the credit union. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the income and expenditure account during the period in which they are incurred.

Notes to the financial statements (continued)

For the financial year ended 30 September 2023

2. Accounting policies (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold premises	2% straight line per annum
Leasehold improvements	Over the lesser of the useful economic life and the remaining term of the lease
Motor vehicles	25% straight line per annum
Fixtures, fittings and equipment	20% straight line per annum
Computer equipment	33.33% straight line per annum

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the income and expenditure account.

2.10 Impairment of assets

At each reporting date assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the income and expenditure account. If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the 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 accounts.

2.11 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.

2.12 Financial liabilities – members' shares and member's deposits

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

2.13 Members deposits

Interest on members' deposits is recognised on an accruals basis using the effective interest method.

Notes to the financial statements (continued)

For the financial year ended 30 September 2023

2. Accounting policies (continued)

2.14 Members' current accounts

The credit union provides Member Personal Current Account Services in accordance with Section 49(3) of the Credit Union Act, 1997 (as amended).

2.15 Other payables

Short term other liabilities, creditors, accruals and charges are measured at the transaction price.

2.16 Pension

The credit union operates a defined contribution pension plan for its employees. A defined contribution plan is a pension plan under which the credit union pays fixed contributions into a separate entity. Once the contributions have been paid the credit union has no further payment obligations.

The contributions are recognised as an expense in the income and expenditure account when they fall due. Amounts not paid are shown in accruals as a liability on the balance sheet. The assets of the plan are held separately from the credit union in independently administered funds. The amount payable at the year end in respect of same was €18,535 (2022: €25,035).

2.17 Holiday pay

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

2.18 Operating leases

Rentals payable under operating leases are charged to the income and expenditure account on a straight line basis over the lease term.

2.19 Termination benefits

Termination benefits are included in employments costs where applicable and are expensed to the income and expenditure account on an accruals basis.

2.20 Derecognition of financial liabilities

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

2.21 Regulatory reserve

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

Notes to the financial statements (continued)

For the financial year ended 30 September 2023

2. Accounting policies (continued)

2.22 Operational risk reserve

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

The directors have considered the requirements of the Act and have calculated the operational risk reserve requirement by reference to the predicted impact of operational risk events that may have a material impact on the credit union's business.

In addition, the credit union has included in its operational risk reserve a Member Personal Current Account Service operational risk reserve, in accordance with Section 49(3) of the Credit Union Act, 1997 (as amended).

2.23 Other reserves

Other reserves are the accumulated surpluses to date that have not been declared as dividends returnable to members. The other reserves are subdivided into realised and unrealised. The credit union has a community and social responsibility reserve to be used by the credit union for social, cultural and charitable purposes in accordance with section 44 of the Credit Union Act, 1997 (as amended) and this is included in realised reserves. In accordance with the Central Bank guidance note for credit unions on matters relating to accounting for investments and distribution policy, investment income that has been recognised but will not be received within 12 months of the balance sheet date is classified as unrealised and is not distributable. A reclassification between unrealised and realised is made as investments come to within 12 months of maturity date. The directors have deemed it appropriate that interest on loans receivable at the balance sheet date and the balance of the SPS refund receivable is also classified as unrealised and is not distributable. All other income is classified as realised.

2.24 Distribution policy

Dividends are made from the current year's surplus or reserves set aside for that purpose. The board's proposed dividend to members each year is based on the distribution 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 investments 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.

The credit union accounts for dividends when members ratify such payments at the Annual General Meeting.

Notes to the financial statements (continued)

For the financial year ended 30 September 2023

2. Accounting policies (continued)

2.25 Transfer of engagements

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

2.26 Taxation

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

3. Judgements in applying accounting policies and key source of estimation uncertainty

Preparation of the financial statements requires the directors to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

Determination of depreciation, useful economic life and residual value of tangible 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. The net book value of tangible fixed assets subject to depreciation at the year end was €3,803,759 (2022: €4,609,752).

Provision for bad debts

The credit union's accounting policy for impairment of loans is set out in note 2.8. The estimation of loan losses is inherently uncertain and depends upon many factors, including loan loss trends, credit risk characteristics in loan classes, local and international economic climates, conditions in various sectors of the economy to which the credit union is exposed, and, other external factors such as legal and regulatory requirements. The provision for bad debts in the financial statements at the year end was €3,651,085 (2022: €4,038,968) representing 5.79% (2022: 6.80%) of the total gross loan book.

Operational risk reserve

The directors have considered the requirements of the Credit Union Act, 1997 (as amended) and have developed an approach to the calculation of the operational risk reserve. In addition, the credit union has included in its operational risk reserve a Member Personal Current Account Service operational risk reserve, in accordance with Section 49(3) of the Credit Union Act, 1997 (as amended). The operational risk reserve of the credit union at the year end was €1,414,948 (2022: €1,148,570).

Progressive Credit Union Limited

Notes to the financial statements (continued)

For the financial year ended 30 September 2023

3. Judgements in applying accounting policies and key source of estimation uncertainty (continued)

Adoption of going concern basis for financial statements preparation

The credit union continue to closely monitor developments within the global macro-economic environment. The directors have prepared projections and cash flows for a period of at least twelve months from the date of the approval of the financial statements which demonstrate that there is no material uncertainty regarding the credit union's ability to meet its liabilities as they fall due, and to continue as a going concern. On this basis the directors consider it appropriate to prepare the financial statements on a going concern basis. Accordingly, these financial statements do not include any adjustments to the carrying amounts and classification of assets and liabilities that may arise if the credit union was unable to continue as a going concern.

4. Key management personnel compensation

The directors of the credit union are all unpaid volunteers. The key management personnel compensation is as follows.

	2023	2022
	€	€
Short term employee benefits paid to key management	531,335	646,610
Payments to pension schemes	57,000	66,807
Total key management personnel compensation	588,335	713,417

5. Net impairment gains on loans to members

	2023	2022
	€	€
Bad debts recovered	(579,511)	(581,104)
Impairment of loan interest reclassified as bad debt recoveries	(39,535)	(46,641)
Movement in bad debts provision during the year	(387,883)	52,255
Loans written off during the year	234,588	221,061
Net impairment gains on loans to members	(772,341)	(354,429)

6. Cash and cash equivalents

	2023	2022
	€	€
Cash and balances at bank	5,245,760	5,035,519
Deposits and investments – cash equivalents (note 7)	36,435,807	28,774,759
Total cash and cash equivalents	41,681,567	33,810,278

Progressive Credit Union Limited

Notes to the financial statements (continued)

For the financial year ended 30 September 2023

7. Deposits and investments

	2023 €	2022 €
Deposits and investments – cash equivalents		
Accounts in authorised credit institutions (Irish and non-Irish based)	24,451,083	20,377,180
Central Bank deposits	15,574	8,397,579
Irish and EEA state securities	11,969,150	-
Total deposits and investments – cash equivalents	36,435,807	28,774,759
Deposits and investments – other		
Accounts in authorised credit institutions (Irish and non-Irish based)	75,050,606	82,199,790
Irish and EEA state securities	4,926,935	4,917,158
Bank bonds	27,371,436	24,544,044
Other investments	2,947,890	2,944,317
Central Bank deposits	1,609,277	1,564,562
Total deposits and investments – other	111,906,144	116,169,871
Total deposits and investments	148,341,951	144,944,630

8. Financial assets – loans to members

	2023 €	2022 €
As at 1 October	59,375,980	52,786,325
Loans arising on transfer of engagements	-	1,334,831
Loans granted during the year	30,387,131	31,716,540
Loans repaid during the year	(26,424,835)	(26,240,655)
Gross loans and advances	63,338,276	59,597,041
Bad debts		
Loans written off during the year	(234,588)	(221,061)
As at 30 September	63,103,688	59,375,980

9. Provision for bad debts

	2023 €	2022 €
As at 1 October	4,038,968	3,897,912
Provision arising on transfer of engagements	-	88,801
Movement in bad debts provision during the year	(387,883)	52,255
As at 30 September	3,651,085	4,038,968

Progressive Credit Union Limited

Notes to the financial statements (continued)

For the financial year ended 30 September 2023

9. Provision for bad debts (continued)

The provision for bad debts is analysed as follows:

	2023 €	2022 €
Grouped assessed loans	3,651,085	4,038,968
Provision for bad debts	3,651,085	4,038,968

10. Tangible fixed assets

	Freehold premises €	Lease- hold improve- ments €	Motor vehi- cles €	Fixtures, fittings and equipment €	Computer equipment €	Total €
Cost						
As at 1 October 2022	6,593,888	713,356	48,250	248,836	181,989	7,786,319
Additions	-	-	-	39,802	21,992	61,794
Disposals	(977,933)	(24,720)	-	(26,794)	(106,586)	(1,136,033)
As at 30 September 2023	5,615,955	688,636	48,250	261,844	97,395	6,712,080
Depreciation						
As at 1 October 2022	2,750,893	226,295	7,036	89,766	102,577	3,176,567
Charge for year	74,484	135,133	12,063	53,834	51,553	327,067
Disposals	(461,933)	-	-	(26,794)	(106,586)	(595,313)
As at 30 September 2023	2,363,444	361,428	19,099	116,806	47,544	2,908,321
Net book value						
As at 30 September 2023	3,252,511	327,208	29,151	145,038	49,851	3,803,759
As at 30 September 2022	3,842,995	487,061	41,214	159,070	79,412	4,609,752

11. Debtors, prepayments and accrued income

	2023 €	2022 €
Prepayments	242,927	233,724
Other debtors	97,780	97,687
Loan interest receivable	137,168	121,269
	477,875	452,680

Progressive Credit Union Limited

Notes to the financial statements (continued)

For the financial year ended 30 September 2023

12. Members' savings

	2023 €	2022 €
As at 1 October	171,799,177	167,491,358
Members' savings arising on transfer of engagements	-	7,704,928
Received during the year	79,307,586	67,151,397
Withdrawn during the year	(74,306,061)	(70,548,506)
As at 30 September	176,800,702	171,799,177
Members' savings are analysed as follows:		
Members' shares	171,590,666	166,939,414
Members' deposits	5,210,036	4,859,763
Total members' savings	176,800,702	171,799,177

13. Members' current accounts

	2023 €	2022 €
As at 1 October	5,464,884	4,298,255
Lodgements during the year	38,828,649	26,618,339
Withdrawals during the year	(38,407,203)	(25,455,612)
Provision movement	415	3,902
As at 30 September	5,886,745	5,464,884

	2023		2022	
	No. of Accounts	Balance of Accounts €	No. of Accounts	Balance of Accounts €
Debit	201	14,858	154	11,326
Debit (net of provision)	201	6,442	154	3,325
Credit	2017	5,893,187	1776	5,468,209
Permitted overdrafts	68	69,360	55	43,369

14. Other liabilities, creditors, accruals and charges

	2023 €	2022 €
Other creditors and accruals	1,045,969	1,118,365
Members' draw balance	14,962	11,572
PAYE/PRSI	56,652	79,720
As at 30 September	1,117,583	1,209,657

Notes to the financial statements (continued)

For the financial year ended 30 September 2023

15. Other provisions

	2023	2022
	€	€
Holiday pay accrual		
As at 1 October	62,528	63,246
Charged/(credited) to the income and expenditure account	(20,607)	(718)
As at 30 September	41,921	62,528

16. Financial instruments

16a. Financial instruments – measured at amortised cost

Financial assets	2023	2022
	€	€
Financial assets measured at amortised cost	180,493,710	169,640,143
Financial liabilities	2023	2022
	€	€
Financial liabilities measured at amortised cost	183,853,393	178,539,571

Financial assets measured at amortised cost comprise cash and balances at bank, deposits and investments, loans to members, members' current accounts overdrawn and other debtors.

Financial liabilities measured at amortised cost comprise members' savings, members' current accounts, other liabilities, creditors, accruals and charges and other provisions.

16b. Financial instruments – fair value measurements

FRS 102 requires fair value measurements to be disclosed by the source of inputs, using a three level hierarchy:

- Quoted prices for identical instruments in active market (level 1);
- Prices of recent transactions for identical instruments and valuation techniques using observable market data (level 2); and
- Valuation techniques using unobservable market data (level 3).

The table below sets out fair value measurements using the fair value hierarchy:

As at 30 September 2023	Total	Level 1	Level 2	Level 3
	€	€	€	€
Accounts in authorised credit institutions	31,361,615	-	31,361,615	-
Bank bonds	2,000,822	-	2,000,822	-
Other investments	2,947,890	-	2,947,890	-
Total	36,310,327	-	36,310,327	-

Progressive Credit Union Limited

Notes to the financial statements (continued)

For the financial year ended 30 September 2023

16b. Financial instruments – fair value measurements (continued)

As at 30 September 2022	Total	Level 1	Level 2	Level 3
	€	€	€	€
Accounts in authorised credit institutions	34,879,860	-	34,879,860	-
Bank bonds	2,000,822	-	2,000,822	-
Other investments	2,944,317	-	2,944,317	-
Total	39,824,999	-	39,824,999	-

There were fair value adjustments recognised in the income and expenditure account for the year ended 30 September 2023 of €3,573 (2022: (€33,182)).

17. Reserves

	Balance 01/10/22	Payments from reserves	Appropriation of current year surplus	Balance 30/09/23
	€		€	€
Regulatory reserve	25,499,820	-	579,587	26,079,407
Operational risk reserve	1,148,570	-	266,378	1,414,948
Other reserves				
Realised				
General reserve	4,329,063	-	641,988	4,971,051
Community and social responsibility reserve	360,590	(218,444)	200,000	342,146
Total realised reserves	4,689,653	(218,444)	841,988	5,313,197
Unrealised				
Interest on loans reserve	121,269	-	15,899	137,168
Investment income reserve	295,098	-	146,242	441,340
SPS reserve	88,937	-	-	88,937
Total unrealised reserves	505,304	-	162,141	667,445
Total reserves	31,843,347	(218,444)	1,850,094	33,474,997

Progressive Credit Union Limited

Notes to the financial statements (continued)

For the financial year ended 30 September 2023

18. Credit risk disclosures

In line with regulatory requirements, the credit union:

- restricts the concentration of lending by the credit union within certain sectors or to connected persons or groups (concentration limits);
- restricts the absolute amount of lending to certain sectors to a set percentages of the regulatory reserve (large exposure limit);
- restricts the loan duration of certain loans to specified limits (maturity limits); and
- requires specified lending practices to be in place where loans are made to certain sectors such as house loans, business loans, community loans or loans to another credit union.

The carrying amount of the loans to members represents the credit union maximum exposure to credit risk. The following 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.

	2023		2022	
	€	%	€	%
Total loans not impaired, not past due				
Loans not impaired				
Total loans not impaired, not past due	57,412,500	90.98%	53,760,958	90.54%
Impaired loans:				
Not past due	403,617	0.64%	494,265	0.83%
Up to 9 weeks past due	4,066,948	6.45%	3,854,120	6.50%
Between 10 and 18 weeks past due	390,681	0.62%	663,825	1.12%
Between 19 and 26 weeks past due	330,720	0.52%	66,374	0.11%
Between 27 and 39 weeks past due	126,673	0.20%	155,413	0.26%
Between 40 and 52 weeks past due	93,826	0.15%	55,208	0.09%
53 or more weeks past due	278,723	0.44%	325,817	0.55%
Total impaired loans	5,691,188	9.02%	5,615,022	9.46%
Total loans	63,103,688	100.00%	59,375,980	100.00%

19. Related party transactions

19a. Loans

	2023		2022	
	No. of loans	€	No. of loans	€
Loans advanced to related parties during the year	1	20,000	8	90,700
Total loans outstanding to related parties at the year end	6	74,524	11	164,824
Total provision for loans outstanding to related parties		3,119		6,088

The related party loans stated above comprise of loans outstanding to directors and the management team (to include their family members or any business in which the directors or management team had a significant shareholding). Total loans outstanding to related parties represents 0.12% of the total loans outstanding at 30 September 2023 (2022: 0.28%).

Notes to the financial statements (continued)

For the financial year ended 30 September 2023

19b. Savings

The total amount of savings held by related parties at the year end was €230,639 (2022: €287,453).

20. Additional financial instruments disclosures

20a. Financial risk management

The credit union manages its members' savings and loans 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, market risk, liquidity risk and interest rate risk. The board of directors reviews and agrees policies for managing each of these risks, which are summarised below.

Credit risk: Credit risk is the risk that a borrower will default on their contractual obligations relating to repayments to the credit union, resulting in financial loss. In order to manage this risk the board of directors regularly reviews and approves the credit union's lending policies. Credit risk mitigation may include the requirement to obtain collateral as set out in the credit union's lending policies. Where collateral or guarantees are required, they are usually taken as a secondary source of repayment in the event of the borrower's default. The credit union maintains policies which detail the acceptability of specific classes of collateral. The principal collateral types for loans are: an attachment over members' pledged shares; personal guarantees; and charges over assets. The nature and level of collateral required depends on a number of factors such as the term of the loan and the amount of exposure. All loan applications are assessed with reference to the lending policies in force at the time. Subsequently loans are regularly reviewed for any factors that may indicate that the likelihood of repayment has changed.

Market risk: Market risk is the risk that the value of an investment will decrease. This risk can arise from fluctuations in values of, or income from, assets or changes in interest rates. The board of directors regularly reviews and approves the credit union's investment policy and funds are invested in compliance with this policy and regulatory guidance.

Liquidity risk: Liquidity risk is the risk that the credit union will not have sufficient cash resources to meet day to day running costs and repay members' savings when demanded. 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.

Interest rate risk: The credit union's main interest rate risk arises from adverse movements in interest rates receivable which would affect investment income. The credit union reviews any potential new investment product carefully to ensure that minimum funds are locked in low yielding long term investments yet at the same time maximising investment income receivable.

20b. Liquidity risk disclosures

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 regulatory requirements.

Progressive Credit Union Limited

Notes to the financial statements (continued)

For the financial year ended 30 September 2023

20c. Interest rate risk disclosures

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

	2023		2022	
	€	Average interest rate %	€	Average interest rate %
Gross loans to members	63,103,688	7.54%	59,375,980	7.61%

Any 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.

21. Dividends

The following distributions were paid during the year:

	2023		2022	
	%	€	%	€
Dividend on shares	-	-	-	-

The directors propose the following distributions in respect of the year:

	2023		2022	
	%	€	%	€
Dividend on shares	0.10%	165,700	-	-

22. Rate of interest paid on members' deposit accounts

	2023		2022	
	%	€	%	€
Interest on deposits	-	-	-	-

23. Events after the end of the financial year

There have been no significant events affecting the credit union since the year end.

24. Insurance against fraud

The credit union has Insurance against fraud in the amount of €5,200,000 (2022: €5,200,000) in compliance with Section 47 of the Credit Union Act, 1997 (as amended)

25. Capital commitments

There were no capital commitments at 30 September 2023.

26. Contingent liabilities

There is a contingent liability included in the letter of authority held by Bank of Ireland with regard to a VISA Business Card 12/2008 in the sum of €22,500 and Electronic Funds Transfer in the sum of €40,000.

Progressive Credit Union Limited

Notes to the financial statements (continued)

For the financial year ended 30 September 2023

27. Leasing commitments

The credit union entered into a 20 year lease on 8 October 2019 which has a break clause after 5 years. The credit union had future minimum lease payments under a non-cancellable operating lease as follows:

	2023	2022
	€	€
Less than 1 year	35,000	35,000
1 to 5 years	-	35,000
As at 30 September	35,000	70,000

28. Comparative information

Comparative information has been reclassified where necessary to conform to current year presentation.

29. Approval of financial statements

The board of directors approved these financial statements for issue on 9 November 2023.

Schedules to the income and expenditure account

For the financial year ended 30 September 2023

The following schedules do not form part of the statutory financial statements which are the subject of the Independent Auditor's report on pages 14 to 16.

SCHEDULE 1 – OTHER INTEREST INCOME AND SIMILAR INCOME

	2023	2022
	€	€
Investment income received/receivable within 1 year	1,715,343	879,842
Investment income receivable outside of 1 year	146,242	126,321
Realised gains/(loss) on investments	-	6,479
Movement in unrealised gain/(loss) on investments	3,573	(33,182)
Total per income and expenditure account	1,865,158	979,460

SCHEDULE 2 – OTHER INCOME

	2023	2022
	€	€
Commissions, fees and sundry income	19,615	7,949
Rental income	20,468	26,500
MPCAS income	135,444	91,410
Gain on disposal of fixed assets	168,721	605,607
SPS refund	-	889,374
Total per income and expenditure account	344,248	1,620,840

Progressive Credit Union Limited

Schedules to the income and expenditure account (continued)

For the financial year ended 30 September 2023

SCHEDULE 3 – OTHER MANAGEMENT EXPENSES

	2023	2022
	€	€
Affiliation fees	(10,115)	1,495
Savings protection scheme	15,809	15,497
Education and training	38,864	33,245
Rent and rates	123,398	95,058
General insurance	96,030	92,571
LPLS insurance	362,283	449,478
AGM and convention expenses	50,548	48,909
Light and heat	74,223	64,227
Risk, internal audit and compliance	121,202	59,952
Office cleaning	39,205	48,872
Repairs and maintenance	85,839	34,839
Printing and stationery	64,854	161,237
Advertising and marketing	123,115	131,563
Postage	28,412	26,988
Telephone	26,340	16,990
Computer maintenance	460,574	384,627
Legal and professional fees	325,229	343,178
Audit fees	46,371	44,834
Bank charges	86,044	100,466
Office administration and general expenses	127,307	147,082
Regulatory levies	415,175	341,150
Restructuring and reorganisational costs	32,500	92,015
Provision on current accounts	415	3,902
MPCAS charges	134,286	113,865
Total per income and expenditure account	2,867,908	2,852,040

Nominations Committee Report

The role of the Nominations Committee under 56B of the Credit Union Act 1997 (as amended) include:

- Reviewing and amending the Succession Plan and presenting to the Board for approval.
- Reviewing the composition of the Board and identifying any gaps in the skill set training needs for the Board.

Training was identified in the areas of Introductions to Credit Union Boards for new volunteers, along with GDPR, Ethics and AML and this training was organised and completed.

There were two resignations from the Board, one in April and one in May.

As part of the Board renewal plan and to ensure the high standard of volunteers, the Nominations Committee considered the balance of skills, knowledge and experience on the Board. E-mails, in branch and social media videos were used to advertise for the positions, as well as the use of a volunteer board site called Boardmatch.

We currently have a panel of suitably skilled and experienced candidates for nomination to the Board, as vacancies arise. However in time, further additions to the panel will be required. If that is something that would interest you, as a member of Progressive Credit Union, and you feel you have the commitment to give to your credit union, then please send your CV by email to: nominations@pcuboard.ie

Board of Directors' Elections

This year two Directors will be resigning from the Board.

There are four Directors up for re-election to the Board of Directors as well as two new candidates for election.

- 3 positions are for three years in duration
- 3 positions are for two years in duration

Every candidate nominated for appointment as a member of the Board, are proposed through the Nominations Committee only.

Board Oversight Committee

There are two vacancies on the Board Oversight Committee

- One vacancy is for 2 years duration
- One vacancy is for 3 years duration

Auditor

Grant Thornton Chartered Accountants is proposed for election as Auditor

TRACEY DEMPSEY (Chair)

ABHIJEET HAROLIKAR (Secretary)

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**8.03%
APR**

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LEARN MORE



**Terms &
Conditions
Apply**

Repayments Example

BORROW	TERM	APR	REPAYMENTS	COST/TOTAL REPAID
€15,000	60 MONTHS	8.03%	€302.37	€3141.50/ €18,141.50

PROGRESSIVE CREDIT UNION LIMITED IS REGULATED BY THE CENTRAL BANK OF IRELAND

Internal Audit, Risk and Compliance Committee Report

The role of the Internal Audit, Risk and Compliance Committee is to assist the Board of Directors fulfil its governance and oversight responsibilities regarding the safeguarding of assets and members' deposits, and to ensure compliance with regulatory requirements. Committee responsibilities include:

- Ensuring the independence, and ongoing effectiveness of the Internal Audit function and its compliance with the Credit Union Act.
- Reviewing the internal audit charter, annual plan, and audit reports on a regular basis, and taking appropriate actions.
- Overseeing the risk management function and ensuring key risks to Progressive Credit Union are identified and managed, consistent with risk tolerance levels agreed with the Board.
- Overseeing the compliance function to ensure that all regulatory requirements are complied with.
- Engaging with external auditors regarding the financial reporting process.

Internal Audit Function

Moore Ireland continues to act as Progressive Credit Union's Internal Audit Function. In agreement with the committee and approved by the Board, Moore's work plan for the year included areas that could have been adversely impacted by the economic situation, the war in Ukraine, and other topical risk related areas, including lending administration, anti-money laundering monitoring, outsourcing etc.

Every quarter, Moore actively engaged with the Internal Audit, Risk and Compliance Committee through the provision of detailed reports and presentation of their audit findings. This allowed the Committee to satisfy themselves that Moore carried out their work independently and reported substantially and effectively on all findings. In addition, the Committee had visibility to corrective active plans and recommendations made by Moore and actioned appropriately by the Management Team.

The Committee can confirm the Internal Audit function is independent and has a reporting line and unfettered access to the Internal Audit, Risk and Compliance Committee.

External Auditor

Grant Thornton continues to act as Progressive Credit Union's external audit partner. To ensure greater inclusion in, and oversight of, the financial reporting process, the full Board engaged with them on the audited financial statements and the Committee can confirm their independence and the constructiveness of their interaction with the Board. We are satisfied that Grant Thornton's activities during the year supported the delivery of their responsibilities.

Risk Management Function

The role of the Internal Audit, Risk and Compliance Committee is to ensure the risk management framework works effectively and allows the Board to fulfil its oversight responsibilities regarding financial risks; the safeguarding of assets and members' deposits; and remain in compliance with regulatory requirements of the Credit Union Act.

Progressive Credit Union Limited

Whelan Dowling Associates acts as the Risk Management Officer and Compliance Officer for Progressive Credit Union. Through monthly meetings with the Risk Management Officer and periodic meetings with the Compliance Officer, the committee has consistently assured the Board that the risk management framework is operating effectively, key risks to Progressive Credit Union are identified promptly, and are managed within thresholds documented in the Risk Appetite Statement and approved by the Board.

The Committee assures the Board that Progressive Credit Union is in full regulatory compliance and responds appropriately to recommendations issued by the Central Bank. In addition, we confirm all necessary policies are in place and reflect adherence to best practices as they evolve. The Committee will continue to work closely with the internal audit, risk management, and compliance functions to ensure systems and controls continue to remain robust.

We believe we have, with the assistance of external partners and the Management Team, adequately carried out our duties and responsibilities in accordance with the Credit Union Act and have satisfied our obligations to the members of Progressive Credit Union.

Finally, thanks to the management and staff for all assistance provided during the year.

Abhijeet Arun Harolikar (Chairperson)

Mary Phelan (Secretary)

Aidan McGuinness

Bonnie Hickey

Paul Buffini

Report of the Board Oversight Committee for the year ending 30th September 2023

The functions of the Board Oversight Committee are set out in Part IVA of the Credit Union and Co-operation with Overseas Regulators Act 2012 (CUCORA).

The Board Oversight Committee is not directly involved in the operation of the Credit Union. Its role is to assess whether the Board of Directors has operated in accordance

with,

(a) Part IV and Part IVA of the Credit Union Act, 1997 (as amended) and

(b) Any other matter prescribed by the Central Bank in relation to the Board of Directors.

The Board Oversight Committee attended every meeting of the Board.

The Committee met the Board of Directors four times during the year and provided them with a written assessment.

The Board Oversight Committee acknowledge that the Board of Progressive Credit Union continues to act in accordance with Part IV of the CU Act.

During the year we have obtained information and explanations, which, to the best of our knowledge and belief, we consider, assures the Board Oversight Committee that the Board of Progressive Credit Union continually strive for and maintain a robust governance structure in order to protect the members' assets.

The Committee would like to thank the Board of Directors, the CEO and the Staff for the co-operation shown to us throughout the year.

Brian Connaughton will step down from the Board Oversight Committee at the AGM. Brian also served previously on the Board of Progressive Credit Union. The Board Oversight Committee thanks Brian for his dedication and commitment to Progressive Credit Union and the credit union movement and wish him well for the future.

Board Oversight Committee

Ciaran McLoughlin, Chair

Mairead Mac Quaille, Secretary

Brian Connaughton, Member

Prize Draw Report

All members are welcome to join our Prize Draw at a cost of €5.50 every two months. The Prize Draw is held every month and any surplus funds are distributed by way of additional draws. At 30 September 2023 there were 6,376 members in the Prize Draw.

The Income and Expenditure of the Prize Draw is as follows; -

		€	€
Opening Balance at 1 October 2022			11,572
Income			
Oct 22 to Sep 23	Prize Draw Subscriptions		209,468
Expenditure			
Oct 22 to Sep 23	Cash Prizes	206,000	
	Bank Fees, Printing and Advertising Costs	78	206,078
Closing Balance at 30 September 2023			14,962

The Winners of the Prize Draw during the year were as follows; -

September 2023	Member did not give permission to publish name
August 2023	Michelle O'Reilly
July 2023	Brian Keating
June 2023	Member did not give permission to publish name
May 2023	David Orr
April 2023	Patrick Whelan
March 2023	Philomena Redmond
February 2023	Eileen Rosney
January 2023	Alan Delaney
Christmas 2022 Bumper Draw	Erin Kavanagh
	Vincent Maguire
	Terry Coombes
	William Murphy
	Adrienne McLoughlin
	Niamh Ni Liathain
	Deborah Kearns
	Valentine Gaye
	Brian King
	Thomas Delaney
November 2022	Richard Fallon
October 2022	Maureen Bewley

AML Requirements

Identification Requirements

In order to comply with legislation to combat money laundering and terrorist financing, Progressive Credit Union is obliged to verify and maintain up to date proof of both your identity and your current permanent address whilst you are an active account holder.

You may have received a letter requesting this documentation or a member of staff may have advised you that your account documentation requires updating. If so, please assist the credit union in fulfilling its legal obligations by providing your information at your earliest convenience. You are required to provide the original of one Photo ID and one Proof of Address as outlined below. You can provide documents in branch or you may also upload this information through our secure portal on your online banking account.

Suitable Proof of Photographic Identification:

- Current valid signed Passport
- Passport Card
- Current valid EU driving Licence – must contain photograph (Irish Learner Permit accepted)
- National Identity Cards

Suitable Proof of Address:

Documents must be issued to you at your home address within the past 6 months

- Utility Bill e.g., telephone, mobile, gas, electricity, heating, oil, waste collection, etc.
- Correspondence from a regulated financial institution operating in the Republic of Ireland (Insurance / Assurance Company, Bank, Building Society, Credit Union, Credit Card Company)
- Correspondence from a government department / body

Note

The name on your photographic identification (e.g. name on your passport) must exactly match the name on your proof of address.

Failure to provide requested identification and proof of address may lead to the suspension of some services on your account.

Data Protection

Progressive Credit Union is fully committed to protecting our members' privacy. In accordance with the General Data Protection Regulations, we have updated all our privacy notices which sets out the basis on which any personal data we collect from and about you, or that you provide, will be processed, used and stored by us. These privacy notices are available to all members. If you would like to view these notices you can request a copy from any of our branches or alternatively you can view these privacy notices on our website, please see link below.

<https://www.progressivecu.ie/privacy-notices>

PCU GREEN LOAN



**6.17%
APR**

SCAN THE QR CODE TO
LEARN MORE



**Terms &
Conditions
Apply**

Repayments Example

BORROW	TERM	APR	REPAYMENTS	COST/TOTAL REPAID
€15,000	60 MONTHS	6.17%	€290.01	€2,400.22/ €17,400.22