



Your Local Credit Union

# Financial Accounts 2023/2024



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# ELEVATE CREDIT UNION LIMITED

## STATEMENT OF DIRECTORS' AND BOARD OVERSIGHT COMMITTEE'S RESPONSIBILITIES FOR THE YEAR ENDED 30 SEPTEMBER 2024

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### **Statement of Directors' Responsibilities**

The Credit Union Act 1997, as amended requires 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 the Income and Expenditure Account 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;
- prepare the financial statements on a 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 at any time the financial position of the Credit Union and to ensure that the financial statements are prepared in accordance with applicable Irish law and Generally Accepted Accounting Practice in Ireland, including the standards issued by the Financial Reporting Council, and in particular FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". They are 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.

On behalf of the Board of Directors

### **Member of the Board of Directors:**

***Michael O'Callaghan***

### **Member of the Board of Directors:**

***Gerry McDonogh***

### **Date signed:**

27th of November 2024

### **Statement of Board Oversight Committee's Responsibilities**

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 in respect of which they are to have regard in relation to the Board.

### **Chairperson of the Board Oversight Committee:**

***Gerry Whelan***

### **Date signed:**

27th of November 2024

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

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## Report on the audit of the financial statements

### Opinion

We have audited the financial statements of Elevate Credit Union Limited for the year ended 30 September 2024 which comprise the Income and Expenditure Account, the Balance Sheet, the Statement of Changes in Reserves, the Cash Flow Statement and the notes to the financial statements, including the summary of significant accounting policies set out in note 2. 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 state of the Credit Union's affairs as at 30 September 2024 and of its income and expenditure and cash flow 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 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.



# ELEVATE CREDIT UNION LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF ELEVATE CREDIT UNION LIMITED

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#### **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.

#### **Opinions 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 4, 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 a 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.

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

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**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.

Further details relating to our work as auditor is set out in the Scope of Responsibilities Statement contained in the appendix of this report, which is to be read as an integral part of our 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.

**Eoin Lehane**  
**for and on behalf of Moore Ireland Audit Partners Limited,**  
**Chartered Accountants and**  
**Statutory Auditors,**  
**83 South Mall,**  
**Cork.**

**Date signed:**  
28th of November 2024

## ELEVATE CREDIT UNION LIMITED APPENDIX TO THE INDEPENDENT AUDITOR'S REPORT

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### **Further information regarding the scope of our responsibilities as auditor**

As part of an audit in accordance with ISAs (Ireland), we exercise professional judgment and maintain professional scepticism throughout the audit. We 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 our opinion. The risk of not detecting a material 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 director's 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 going concerns. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Credit Union to cease to continue as going concerns.
- 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 fair presentation.

We communicate 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 we identify during our audit.

ELEVATE CREDIT UNION LIMITED  
**INCOME AND EXPENDITURE ACCOUNT**  
 FOR THE YEAR ENDED 30 SEPTEMBER 2024

	Notes	2024 €	2023 €
Interest on members' loans	5	3,128,354	2,132,242
Other interest income and similar income	6	1,469,977	867,848
<b>Net interest income</b>		<b>4,598,331</b>	<b>3,000,090</b>
Other income	8	100,662	81,346
Employment costs	10	(1,382,775)	(1,214,681)
Depreciation	12	(196,400)	(98,373)
Other management expenses (schedule 1)		(1,885,290)	(1,489,678)
Net recoveries or losses on loans to members	13	597,362	406,368
SPS Refund		-	39,776
<b>Surplus for the financial year</b>		<b>1,831,890</b>	<b>724,848</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>1,831,890</b>	<b>724,848</b>

The financial statements were approved and authorised for issue by the Board on the 27th of November 2024 and signed on its behalf by:

**CEO:**  
**Roy McKnight**

**Member of the Board of Directors:**  
**Michael O'Callaghan**



ELEVATE CREDIT UNION LIMITED  
**BALANCE SHEET**  
 FOR THE YEAR ENDED 30 SEPTEMBER 2024

	Notes	2024 €	2023 €
<b>Assets</b>			
Cash and balances at bank	11	4,848,033	3,018,107
Tangible fixed assets	12	1,954,507	988,266
Loans to members	13	50,153,115	29,162,562
Provision for bad debts	13	(2,283,085)	(2,030,576)
Prepayments and accrued income	14	2,375,340	200,101
Deposits and investments - cash equivalents	15	16,513,795	15,785,159
Deposits and investments - other	15	67,649,400	47,286,860
<b>Total Assets</b>		<b>141,211,105</b>	<b>94,410,479</b>
<b>Liabilities</b>			
Members' shares	16	114,625,930	75,156,466
Members' deposits	17	678,107	713,842
Members' current accounts	18	3,703,110	2,801,418
Other payables	19	349,377	301,413
<b>Total liabilities</b>		<b>119,356,524</b>	<b>78,973,139</b>
<b>Assets less liabilities</b>		<b>21,854,581</b>	<b>15,437,340</b>
<b>Reserves</b>			
Regulatory reserve		17,510,215	10,850,571
Operational risk reserve		150,000	100,000
Non-distributable investment income reserve		39,776	39,776
MPCAS Operational risk reserve		337,210	337,210
General reserve		3,609,412	3,900,243
Dormant accounts reserve		207,968	209,540
<b>Total reserves</b>		<b>21,854,581</b>	<b>15,437,340</b>

The financial statements were approved and authorised for issue by the Board on the 27th of November 2024 and signed on its behalf by:

**CEO:**

***Roy McKnight***

**Member of the Board of Directors:**

***Michael O'Callaghan***

**STATEMENT OF CHANGES IN RESERVES FOR THE YEAR ENDED 30 SEPTEMBER 2024**

	Regulatory reserve €	Dormant accounts reserve €	MPCAS Operational risk reserve €	Non distributable investment income reserve €	Operational risk reserve €	General reserve €	Transfer of engagement reserve €	Total reserves €
<b>Balance at 1 October 2022</b>	10,850,571	150,188	200,000	-	100,000	3,352,381	-	14,653,140
<b>Period ended 30 September 2023:</b>								
Total comprehensive income for the year	-	-	-	-	-	724,848	-	724,848
Dividend paid during the year (note 7)	-	59,352	137,210	39,776	-	(176,986)	-	59,352
Transfer between/to reserves	-	-	-	-	-	-	-	-
<b>Balance at 30 September 2023</b>	10,850,571	209,540	337,210	39,776	100,000	3,900,243	-	15,437,340
<b>Period ended 30 September 2024:</b>								
Total comprehensive income for the year	-	-	-	-	-	1,831,890	-	1,831,890
Dividend paid during the year (note 7)	-	-	-	-	-	-	-	-
Transfer of engagement (note 4)	6,659,644	(1,572)	-	-	50,000	(2,122,721)	4,267,579	4,267,579
Transfer between/to reserves	-	-	-	-	-	-	(4,267,579)	317,772
<b>Balance at 30 September 2024</b>	17,510,215	207,968	337,210	39,776	150,000	3,609,412	-	21,854,581

The Regulatory reserve of the Credit Union as % of total assets as at 30 September 2024 was 12.40% (2023 :11.50%)

## ELEVATE CREDIT UNION LIMITED

### STATEMENT OF CHANGES IN RESERVES (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2024

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In accordance with S45 of the Credit Union Act 1997 (as amended) Elevate Credit Union Limited put in place an Operational Risk reserve, following the completion of an internal process of assessing the level of the reserve required to cover the Operational Risk within the Credit Union. No allocations were made in either the current or prior periods to this reserve. The Operational Risk reserve as a % of total assets as at 30 September 2023 was 0.11% (2022: 0.11%).

In the year ended 30 September 2021, a new reserve, MPCAS Operational Risk Reserve, was created on the implementation of the new current account service in the Credit Union, to comply with the regulatory requirements set out in Section 49(3) of the Credit Union Act 1997 (as amended). Nothing was reallocated to this reserve from the General reserve in the current period (2023: €137,210).

In relation to the new reserve arising on the Transfer of Engagement in relation to Glanmire Credit Union, €5,159,644 of this was reallocated to the Regulatory Reserve, €50,000 to the Operational Risk Reserve and €701,090 (debit) to the General Reserve, being the amounts in those reserves in Glanmire Credit Union at the time the merger was effected.

## ELEVATE CREDIT UNION LIMITED

### STATEMENT OF CASH FLOWS

#### FOR THE YEAR ENDED 30 SEPTEMBER 2024

	Notes	2024		2023	
		€	€	€	€
<b>Cash flows from operating activities</b>					
Loans repaid by members	13	14,612,531		10,300,340	
Loans granted to members	13	(21,283,038)		(13,513,667)	
Loan interest received	5	3,068,294		2,119,163	
Investment income received	6	1,469,977		867,848	
Other income received	8	100,662		81,346	
Bad debts recovered	13	450,263		440,897	
Members' current accounts monies received	18	19,853,100		13,866,135	
Members' current accounts monies withdrawn	18	(18,951,408)		(12,898,416)	
Operating expenses paid to include employment costs		(4,733,196)		(2,706,721)	
<b>Net cash outflow from operating activities</b>		<b>(5,412,815)</b>		<b>(1,443,075)</b>	
<b>Cash flows from investing activities</b>					
Purchase of tangible fixed assets	12	(154,356)		(214,578)	
Cash and short term deposits acquired from TOE	4	9,653,025		-	
Movement in long term investments		(3,735,004)		4,447,360	
<b>Net cash flows from investing activities</b>		<b>5,763,665</b>		<b>4,232,782</b>	
<b>Cash flows from financing activities</b>					
Members' deposits received	17	73,650		55,780	
Members' deposits withdrawn	17	(109,385)		(115,928)	
Members' shares received	16	55,675,055		49,388,689	
Members' shares withdrawn	16	(53,431,608)		(49,723,533)	
<b>Net cash flows from financing activities</b>		<b>2,207,712</b>		<b>(394,992)</b>	
<b>Net increase in cash and cash equivalents</b>		<b>2,558,562</b>		<b>2,394,715</b>	
Cash and cash equivalents at beginning of year		18,803,266		16,408,551	
<b>Cash and cash equivalents at end of year</b>	<b>11</b>	<b>21,361,828</b>		<b>18,803,266</b>	

# ELEVATE CREDIT UNION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 SEPTEMBER 2024

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#### **1. Legal and regulatory framework**

Elevate Credit Union Limited is established under the Credit Union Act 1997, as amended. The Credit Union is registered with the Registrar of Credit Unions and is regulated by the Central Bank of Ireland. The principal place of business is West Douglas, Douglas, Cork.

#### **2. Accounting policies**

##### **2.1 Statement of compliance and basis of preparation**

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

The financial statements have been prepared on the historical cost convention.

##### **2.2 Currency**

The financial statements are prepared in euros, which is the functional currency of the Credit Union. Monetary amounts in these financial statements are rounded to the nearest €.

##### **2.3 Going concern**

The financial statements are prepared on the going concern basis. The directors of Elevate Credit Union Limited believe this is appropriate as the Credit Union;

- Is generating annual surpluses;
- Maintains an appropriate level of liquidity; and
- Has reserves that are currently above the minimum requirements of the Central Bank.

##### **2.4 Income**

###### *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 currently only has investments that are valued at amortised cost, and use 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.

ELEVATE CREDIT UNION LIMITED  
**NOTES TO THE FINANCIAL STATEMENTS**  
(CONTINUED)  
FOR THE YEAR ENDED 30 SEPTEMBER 2024

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**2. Accounting policies** (Continued)

**2.5 Dividends to members and interest on members' deposits and members' current accounts**

*Interest on members' deposits and members' current accounts*

Interest on members' deposits and members' current accounts is recognised using the effective interest method.

*Dividends on shares and loan interest rebates*

Dividends are made from current year's surplus or the dividend reserves 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. The Credit Union accounts for dividends and rebates of loan interest when members ratify such payments at the Annual General Meeting.

**2.6 Taxation**

The Credit Union is not subject to income tax or corporation tax on its activities as a Credit Union.

**2.7 Cash and cash equivalents**

Cash and cash equivalents comprises of operating cash on hand, cash deposited with banks and investments with original maturity of less than or equal to three months.

**2.8 Financial instruments**

The Credit Union has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised when the Credit Union becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when and only when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets and liabilities are classified according to the substance of the contractual arrangements entered into.

ELEVATE CREDIT UNION LIMITED  
**NOTES TO THE FINANCIAL STATEMENTS**  
(CONTINUED)  
FOR THE YEAR ENDED 30 SEPTEMBER 2024

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**2. Accounting policies** (Continued)

**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.

*- Investments held at amortised cost*

Investments 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 un-collectability. 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.

**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.

**Impairment of financial assets**

Financial assets, other than those held at fair value, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the expected cash flows discounted at the asset's original effective interest rate.

In the case of impairment of loans to members, the loans are assessed collectively in groups that share similar credit risk characteristics except for individually significant loans which are assessed on a loan by loan basis for impairment.

Any impairment losses is recognised in the Income and Expenditure Account.

ELEVATE CREDIT UNION LIMITED  
**NOTES TO THE FINANCIAL STATEMENTS**  
(CONTINUED)  
FOR THE YEAR ENDED 30 SEPTEMBER 2024

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**2. Accounting policies** (Continued)

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.

**Derecognition 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 transfers 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 third 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. Elevate Credit Union Limited does not transfer loans to third parties.

**Basic financial liabilities**

Basic financial liabilities are initially recognised at the transaction price, including transaction costs, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities are subsequently carried at amortised cost using the effective interest method.

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

- *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.

**Derecognition of financial liabilities**

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



ELEVATE CREDIT UNION LIMITED  
**NOTES TO THE FINANCIAL STATEMENTS**  
(CONTINUED)  
FOR THE YEAR ENDED 30 SEPTEMBER 2024

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**2. Accounting policies** (Continued)

**2.9 Tangible fixed assets**

Tangible fixed assets which comprises of the items below, 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 over its estimated useful life. The categories of property, plant and equipment are depreciated as follows:

Freehold premises	2% straight line
Plant, furniture & equipment	20% straight line
Computers	33.33% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the Income and Expenditure account.

**2.10 Impairment of tangible fixed assets**

At each reporting end date, the Credit Union reviews the carrying values 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.

# ELEVATE CREDIT UNION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2024

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## 2. Accounting policies (Continued)

### 2.11 Employee benefits

#### *Pension scheme*

Elevate Credit Union Limited participates in an industry-wide pension scheme for employees (The Irish League of Credit Unions Republic of Ireland Pension Scheme). This is a funded defined benefit scheme with assets managed by the Scheme's trustees.

The scheme is a multi-employer scheme and due to the nature of the scheme, it is not possible for Elevate Credit Union Limited to separately identify its share of the scheme's underlying assets and liabilities.

Consequently, it accounts for the scheme as a defined contribution plan.

The Credit Union also operates a defined contribution scheme. Retirement benefit contributions in respect of the scheme for employees are charged to the Income and Expenditure account as they become payable in accordance with the rules of the scheme. The assets are held separately from those of the Credit Union in an independently administered fund. Differences between the amounts charged in the Income and Expenditure account and payments made to the retirement benefit scheme are treated as assets or liabilities.

If an agreement is entered into with the Scheme that determines how Elevate Credit Union Limited will fund a past service deficit, Elevate Credit Union Limited shall recognise a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit).

#### *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.

### 2.12 Reserves

#### *Regulatory reserve*

The Credit Union is required to maintain and establish a minimum Regulatory reserve of at least 10% of the assets of the Credit Union in accordance with Credit Union Act 1997 (Regulatory Requirements) Regulations 2016.

#### *Operational risk reserve*

The Credit Union has established an Operational Risk reserve which is separate, distinct and in addition to the reserves the Credit Union is required to hold in its Regulatory reserve. The amount held in the Operational Risk reserve is the predicted impact of operational risk events that may have a material impact on the Credit Union's business.

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**2. Accounting policies** (Continued)

*General reserve*

General reserves are the accumulated surpluses to date that have not been declared as dividends or loan interest rebate returnable to members or set aside to the Regulatory, Operational Risk, Dormant Accounts reserves.

*Non-distributable investment income reserve*

Investment income that has been recognised in the financial statements but will not be received within 12 months of the Balance Sheet date is classified as “non-distributable” and is not distributable as a dividend in accordance with Section 31 of the Credit Union Act 1997 (Regulatory Requirements) Regulations 2016. A reclassification between non-distributable and distributable is made as investments come to within 12 months of maturity date.

*Dormant accounts reserve*

The Credit Union has established a Dormant accounts reserve which is separate, distinct and in addition to the reserves the Credit Union is required to hold in its Regulatory reserve. The amount held in the Dormant accounts reserve is the value of dormant accounts where there has been no reply from members’ for a period of three years and where no reply is received within 30 days of notice letter after that three years.

*Transfer of engagement reserve*

Transfer of engagement reserve relates to reserves that arise on the acquisition of other Credit Unions.

*MPCAS operational risk reserve*

MPCAS operational risk reserve relates to a reserve created on the implementation of the new current account service in the Credit Union, to comply with the regulatory requirements set out in Section 49(3) of the Credit Union Act 1997 (as amended).

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**3. 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 Elevate Credit Union Limited'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:

**Loan impairment**

The Credit Union's accounting policy for impairment of financial assets is set out in accounting policies 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. 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. 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 monthly 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 judgment of relevant conditions in the wider technological, market, economic or legal environment in which the Credit Union operates. 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.

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**3. Use of estimates and judgements** (Continued)

**Pensions**

Elevate Credit Union Limited participates in an industry-wide pension scheme for employees (The Irish League of Credit Unions Republic of Ireland Pension Scheme). This is a funded scheme of the defined benefit type, with assets invested in separate trustee administered funds. Judgement is required to assess whether Elevate Credit Union Limited has sufficient information to enable it to account for the plan as a defined benefit plan. An assessment has been performed of the information currently available and Elevate Credit Union Limited has determined that there is currently insufficient information available to provide an appropriate allocation of pension assets and liabilities due to the following:

- Scheme assets are not segregated or tracked by contributing employers. There is insufficient information to appropriately allocate the assets to individual employers as contributions paid are pooled in a single fund and none of the contributing employers have separately segregated asset pools.
- Orphan members are those members (including pensioners) who previously contributed to the scheme where their employer has paid an exit cost and as a result has no further liability to the scheme. A pension liability continues to exist for these individual members. There is uncertainty around where the obligation rests in respect of orphan members currently and into the future.
- The Funding Plan calculations are based on each employer's share of liabilities at a point in time. This does not infer that each employer is contributing towards its liabilities. The determination of the contribution rate is a point in time assessment and is not updated subsequently for changes in the employers' liability that may occur in the future. Subsequently, as the profile of the scheme continues to change, there will continue to be a natural cross subsidisation.

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**4. Transfer of engagement**

In February 2024, Douglas Credit Union Limited (now Elevate Credit Union Limited (“ECU”) accepted the Transfer of Engagement of Glanmire Credit Union Limited (“GCU”). The Assets and Liabilities of GCU at 29th February were incorporated into the Balance Sheet of ECU. ECU did not pay any consideration to the transferees or its members in respect of the Transfer of Engagements. On the date of transfer, the members of the transferor credit unions became members of ECU and thereby became entitled to member interest associated with such membership. In applying the acquisition method of accounting for this business combination, the members’ interests transferred by ECU represents the consideration transferred for the net assets acquired. This consideration has been estimated as equivalent to the acquisition date fair value of the member interests in the transferor credit unions at the date of transfer, and is reflected as an adjustment in the statement of changes in reserves.

The book values and fair values of the net assets acquired are detailed in the table below:

	Assets and liabilities prior to transfer	Fair value adjustments on transfer	Fair value of assets and liabilities acquired by Elevate Credit Union
	€	€	€
Tangible fixed assets	1,008,285	-	1,008,285
Other debtors	113,556	-	113,556
Cash balances	2,247,718	-	2,247,718
Short term deposits with bank	7,405,307	-	7,405,307
Investments	16,930,927	-	16,930,927
Loans to members	14,411,073	-	14,411,073
Provision for bad and doubtful debts	(491,011)	-	(491,011)
Members’ shares	(37,226,017)	-	(37,226,017)
Other creditors and accruals	(132,259)	-	(132,259)
	<u>4,267,579</u>	<u>-</u>	<u>4,267,579</u>

The corresponding credit entry to above figure of €4,267,579 was posted to the Transfer of Engagement reserve in the current period.

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**5. Interest on members' loans**

	2024	2023
	€	€
Closing accrued loan interest receivable	126,352	66,668
Loan interest received in year	3,068,294	2,119,163
Interest on impaired loans reclassified as bad debt recovered	376	1,250
Opening accrued loan interest receivable	(66,668)	(54,839)
<b>Total interest on members' loans</b>	<b>3,128,354</b>	<b>2,132,242</b>

**6. Other interest income and similar income**

	2024	2023
	€	€
Investment income and gains received by the balance sheet date	1,469,977	867,848
Receivable within 12 months of balance sheet date	-	-
Other investment income and gains	-	-
<b>Total investment income</b>	<b>1,469,977</b>	<b>867,848</b>

ELEVATE CREDIT UNION LIMITED  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**7. Interest payable and dividends**

The dividend and any loan interest rebate are formally proposed by the directors after the year end and are confirmed at an AGM of the members. As a result the proposed dividend for the current year does not represent a liability at the Balance Sheet date and the dividend included in the Statement of Reserves in the current year relates to dividends paid to members for the prior year.

The dividends and loan interest rebate for the current and prior year periods were as follows:

	2024	2023
	€	€
Dividends paid during the year	-	-
Dividend rate applied to members' shares	-	-
No loan interest rebate was paid for the current or prior year.		
Dividends proposed, but not recognised	270,000	-
Dividend rate to be applied to members' shares	0.25%	-
Loan interest rebate proposed, but not recognised	156,000	-
Loan interest rebate rate to be applied to members' shares	5.00%	-

**8. Other income**

	2024	2023
	€	€
Miscellaneous income	100,662	81,346
<b>Total other income</b>	<b>100,662</b>	<b>81,346</b>



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**NOTES TO THE FINANCIAL STATEMENTS**  
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## 9. Expenses

		2024	2023
	Note	€	€
Employment costs	10	1,382,775	1,214,681
Depreciation of owned tangible fixed assets	12	196,400	152,284
Other management expenses (Schedule 1)		1,885,290	1,489,678
		3,464,465	2,856,643

## 10. Employees and employment costs

### Number of employees

The average monthly number of employees during the year was:

	2024	2023
	Number	Number
	33	23

### Employment costs

	2024	2023
	€	€
Wages and salaries	1,217,691	1,052,941
Payments to pension schemes	165,084	161,740
	1,382,775	1,214,681

### Key management personnel

The remuneration of key management personnel was as follows;

	2024	2023
	€	€
Short term employee benefits	359,575	313,272
Payments to defined contribution pension scheme	64,759	56,420
Total key management personnel compensation	424,334	369,692

Short-term employee benefits include wages, salaries, social security contributions and paid annual leave.

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**11. Cash and cash equivalents**

	2024	2023
	€	€
Cash and bank balances	4,848,033	3,018,107
Deposits and investments	16,513,795	15,785,159
<b>Total cash and cash equivalents</b>	<b>21,361,828</b>	<b>18,803,266</b>

Deposits and investments categorised under cash and cash equivalents above are those with maturity of less than or equal to three months.

**12. Tangible fixed assets**

	Freehold premises	Plant, furniture & equipment	Computers	Total
	€	€	€	€
<b>Cost</b>				
At 1 October 2023	1,139,668	800,280	972,386	2,912,334
Additions	-	87,723	66,633	154,356
Transfer of engagement (Note 4)	934,796	41,182	32,307	1,008,285
<b>At 30 September 2024</b>	<b>2,074,464</b>	<b>929,185</b>	<b>1,071,326</b>	<b>4,074,975</b>
<b>Depreciation and impairment</b>				
At 1 October 2023	382,204	693,697	848,167	1,924,068
Depreciation charged in the year	44,049	60,062	92,289	196,400
<b>At 30 September 2024</b>	<b>426,253</b>	<b>753,759</b>	<b>940,456</b>	<b>2,120,468</b>
<b>Carrying amount</b>				
At 30 September 2024	1,648,211	175,426	130,870	1,954,507
At 30 September 2023	757,464	106,583	124,219	988,266

ELEVATE CREDIT UNION LIMITED  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**13. Loans to members - financial assets**

**13.1 Loans to members**

		2024	2023
	Note	€	€
At 1 October		29,162,562	25,982,513
Advanced during the year		21,283,038	13,513,667
Repaid during the year		(14,612,531)	(10,300,340)
Loans taken over from TOE	4	14,411,073	-
Loans written off		(91,027)	(33,278)
<b>Gross loans to members</b>	<b>13.2</b>	<b>50,153,115</b>	<b>29,162,562</b>
<b>Impairment allowances</b>			
Individual loans		(2,283,085)	(2,030,576)
Loan provision	13.3	(2,283,085)	(2,030,576)
<b>At 30 September</b>	<b>13.2</b>	<b>47,870,030</b>	<b>27,131,986</b>

Included in the gross loans to members of €50,153,115 (2023: €29,162,562) is an amount of €7,177,635 (2023: €2,822,481) which relates to mortgage loans.

**13.2 Credit risk disclosures**

Elevate Credit Union Limited had secured loans at 30 September 2024 of €10,766,896 (2023: €4,599,734). Secured loans include mortgage loans of €7,177,635 (2023: €2,822,431) secured on properties on which a first legal charge exists.

On some loans, there are restrictions on the extent to which borrowers may withdraw their savings whilst loans are outstanding (attached savings have been disclosed in note 16). 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 Elevate Credit Union Limited'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.

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 FOR THE YEAR ENDED 30 SEPTEMBER 2024

**13. Loans to members - financial assets** (Continued)

	2024		2023	
	€	%	€	%
<i>Gross loans not impaired:</i>				
Not past due	44,403,699	88.54%	25,753,234	88.31%
<i>Gross loans not impaired:</i>				
Not past due	2,742,093	5.47%	1,893,032	6.49%
Up to 9 weeks past due	1,731,495	3.45%	824,652	2.83%
Between 10 and 18 weeks past due	364,468	0.73%	139,447	0.48%
Between 19 and 26 weeks past due	166,722	0.33%	49,625	0.17%
Between 27 and 39 weeks past due	136,301	0.27%	48,797	0.17%
Between 40 and 52 weeks past due	92,842	0.18%	77,106	0.26%
53 or more weeks past due	515,495	1.03%	376,669	1.29%
Gross loans individually impaired	5,749,416	11.46%	3,409,328	11.69%
<i>Collectively impaired:</i>				
Total gross loans	50,153,115	100%	29,162,562	100%
<i>Impairment allowance</i>				
Individual loans	(2,283,085)		(2,030,576)	
Total carrying value	47,870,030		27,131,986	

**13.3 Loan provision account for impairment losses**

	Note	2024 €	2023 €
At 1 October		2,030,576	2,030,576
Allowances reversed during the year		(238,502)	-
Provisions taken over from TOE	4	491,011	-
Movement in loan provisions during the year	13.4	252,509	-
At 30 September		2,283,085	2,030,576

ELEVATE CREDIT UNION LIMITED  
**NOTES TO THE FINANCIAL STATEMENTS**  
 (CONTINUED)  
 FOR THE YEAR ENDED 30 SEPTEMBER 2024

**13. Loans to members - financial assets** (Continued)

**13.4 Net recoveries or losses recognised for the year**

	Note	2024 €	2023 €
Bad debts recovered		450,263	440,897
Reduction/(increase) in loan provisions during the year	13.3	238,502	-
Interest on impaired loans reclassified as bad debt recovered	5	(376)	(1,250)
		<u>688,389</u>	<u>439,647</u>
Loans written off		(91,027)	(33,278)
Net recoveries on loans to members recognised for the year		<u>597,362</u>	<u>406,369</u>

**13.5 Analysis of gross loans outstanding**

	2024		2023	
	Number of loans	€	Number of loans	€
Less than one year	725	1,159,008	495	905,511
Greater than 1 year and less than 3 years	1,429	7,368,672	1,035	5,006,876
Greater than 3 years and less than 5 years	1,629	18,390,400	1,023	11,105,581
Greater than 5 years and less than 10 years	412	16,287,896	271	9,421,382
Greater than 10 years and less than 25 years	24	4,790,534	12	1,669,690
Greater than 25 years	9	2,156,605	5	1,053,522
	<u>4,228</u>	<u>50,153,115</u>	<u>2,841</u>	<u>29,162,562</u>

ELEVATE CREDIT UNION LIMITED  
**NOTES TO THE FINANCIAL STATEMENTS**  
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 FOR THE YEAR ENDED 30 SEPTEMBER 2024

**14. Prepayments and accrued income**

		2024	2023
	Note	€	€
Prepayments		123,437	93,657
Accrued loan interest income		192,597	66,668
Intesa investment monies	21	2,000,000	-
Other debtors		59,306	39,776
		<u>2,375,340</u>	<u>200,101</u>

**15. Deposits and investments**

Deposits and investments at the current and prior Balance Sheet date were all measured at amortised cost as appropriate and comprised of the following:

**15.1 Cash equivalents (original maturity within 3 months)**

	2024	2023
	€	€
Deposits with banks	<u>16,513,795</u>	<u>15,785,159</u>
Total cash equivalents	<u>16,513,795</u>	<u>15,785,159</u>

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**15. Deposits and investments** (Continued)

**15.2 Other (original maturity after 3 months)**

	2024	2023
	€	€
Fixed term deposits with banks	37,706,971	34,930,862
Bonds	28,870,205	11,592,698
Central bank minimum deposits	<u>1,072,224</u>	<u>763,300</u>
<b>Total other</b>	<u><u>67,649,400</u></u>	<u><u>47,286,860</u></u>

The categories of counterparties with whom the deposits and investments were held were as follows:

	2024	2023
	€	€
A+	-	10,540,100
A1	36,385,302	11,920,550
A2	23,105,439	8,823,511
A3	752,708	6,808,511
Aa2	10,205,261	-
Aa3	5,514,363	7,058,532
Ba3	-	6,090,758
Baa1	4,014,150	4,514,900
Baa2	979,874	4,012,200
Baa3	2,103,875	-
BBB+	-	2,001,600
Not rated	<u>1,102,223</u>	<u>1,301,357</u>
<b>Total deposits and investments</b>	<u><u>84,163,195</u></u>	<u><u>63,072,019</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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 FOR THE YEAR ENDED 30 SEPTEMBER 2024

**16. Members' shares - Financial Liabilities**

	Notes	2024 €	2023 €
At 1 October		75,156,466	75,491,310
Received during the year		55,675,055	49,388,689
Received as part of TOE	4	37,226,017	-
Repaid during the year		(53,431,608)	(49,723,533)
<b>At 30 September</b>		<b>114,625,930</b>	<b>75,156,466</b>

Members' shares are repayable on demand except for shares attached to loans. The breakdown of the shares between attached and unattached is as follows:

	2024 €	2023 €
Unattached shares	97,651,675	64,438,141
Attached shares	16,974,255	10,718,325
<b>Total members' shares</b>	<b>114,625,930</b>	<b>75,156,466</b>

**17. Members' Deposits - Financial Liabilities**

	2024 €	2023 €
At 1 October	713,842	773,990
Received during the year	73,650	55,780
Repaid during the year	(109,385)	(115,928)
<b>At 30 September</b>	<b>678,107</b>	<b>713,842</b>

Funds held in members' deposits are repayable on demand.



ELEVATE CREDIT UNION LIMITED  
**NOTES TO THE FINANCIAL STATEMENTS**  
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 FOR THE YEAR ENDED 30 SEPTEMBER 2024

**18. Members' current accounts - financial liabilities**

	2024	2023
	€	€
At 1 October	2,801,418	1,833,699
Received during the year	19,853,100	13,866,135
Repaid during the year	(18,951,408)	(12,898,416)
<b>At 30 September</b>	<b>3,703,110</b>	<b>2,801,418</b>

Funds held in members' current accounts are repayable on demand.

Breakdown of members' current accounts by type as at 30 September 2024 is as follows:

	Number	Balance
	€	€
Credit	1,782	3,691,675
Debit	28	(10,890)
Permitted overdrafts	20	22,325

**19. Other payables**

	2024	2023
	€	€
Creditors and other accruals	349,377	301,413

**20 Additional financial instruments disclosures**

**20.1 Financial risk management**

Elevate Credit Union Limited is a provider of personal, business and mortgage (if applicable) loans and also provides savings products to its members. The Credit Union invests excess funds with a view to ensuring that the return from members' loans and investments is adequate to meet the overheads of the Credit Union and provide a reasonable return to members on shares and deposits. The Credit Union has a risk register in place to help the directors manage the various risks arising from its activities to include the issuing of loans to members and investing the excess funds of the Credit Union.

The main financial risks arising from Elevate Credit Union Limited's activities are credit risk, liquidity risk, market risk and interest rate risk. The Board reviews and agrees policies for managing each of these risks, which are summarised below.

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**20. Additional financial instruments disclosures** (Continued)

**Credit risk:**

Credit risk is the risk that a borrower will default on their contractual obligations relating to repayments to Elevate Credit Union Limited, resulting in financial loss to the Credit Union. In order to manage this risk the Board approves the Credit Union's credit policy, and all changes to it. All loan applications are assessed with reference to the credit 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 credit risk on members' loans is disclosed in Note 13.

The Credit Union's investments are also exposed to credit risk and the Credit Union mitigates the risk by only placing investments with financial institutions where the counterparties have strong credit ratings and using investment products authorised by the Central Bank. The credit ratings of the financial institutions where investments are held are disclosed in Note 15.

**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. Elevate 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.

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**20. Additional financial instruments disclosures** (Continued)

**20.2 Interest rate risk disclosures**

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

	2024		2023	
	Amount €	Average interest rate	Amount €	Average interest rate
<b>Financial assets</b>				
Gross loans to members (excluding mortgages)	42,975,480	7.13%	26,340,081	8.62%
Mortgage loans	7,177,635	3.75%	2,822,481	3.63%
	<u>50,153,115</u>		<u>29,162,562</u>	
<b>Financial liabilities</b>				
Members' shares	114,625,930	-	75,156,466	-
Members' deposits	678,107	-	713,842	-
Members' current accounts	3,703,110	-	2,801,418	-
	<u>119,007,147</u>		<u>78,671,726</u>	

**20.3 Liquidity risk disclosures**

All of the financial liabilities of the Credit Union are repayable on demand except for some members' shares attached to loans.

**20.4 Fair value of financial instruments**

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

**20.5 Capital**

The Credit Union maintains sufficient reserves to buffer the Credit Union against any losses on its members' loans and also its investments. The current Regulatory reserves are in excess of the minimum requirement set down by the Central Bank, and stand at 12.40% of the total assets of the Credit Union at the Balance Sheet date.

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**21. Contingent liabilities**

Included in debtors is an amount of €2,000,000 which relates to an investment that matured in June 2023. The investment was made in 2018 in the amount of €2,000,000 in a product called a “Protected Note 8”. The Protected Note 8 was a 5 year and 1 month investment with Banca IMI S.p.A., an Italian bank that subsequently merged with Intesa Sanpaolo S.p.A., also an Italian bank. The investment was capital protected. The investment was made via an Irish investment firm called Blackbee Investments Limited. BlackBee Investments Limited is a MiFID investment firm. MiFID refers to the European Union (Markets in Financial Instruments) Regulations 2017. Following an application by the Central Bank of Ireland, the High Court appointed liquidators to BlackBee Investments Limited in May 2023. Subsequent to this, in June 2023, the credit union investment with Banca IMI S.p.A. matured, and, the funds were returned by Intesa Sanpaolo S.p.A to BlackBee Investments Limited (at this point, in liquidation). At the year end, the funds had not yet been returned to the credit union by the liquidators of Blackbee Investments Limited. Regulation 49 of the Investment Firms Regulations sets out the requirements as regards segregation of client assets and sets out that an investment firm shall not use client assets for any purpose other than for the sole account of that client. On 3 July 2024, the liquidators of BlackBee Investments Limited wrote to the credit union and confirmed that funds received in relation to matured investments continue to be ring-fenced in a client bank account and will remain held to the Liquidators approval, and, made specific reference to the credit union investment as being a designated matured investment. While the Board is satisfied that the investment has matured and the funds will be returned to the credit union, and is taking active steps to pursue the funds, the timing of the return of the funds is uncertain. Furthermore, under MiFID regulations, liquidators can, in certain circumstances, seek to deduct reasonable costs from investment funds in the fulfilment of their function. At the year end date, there is no indication that the liquidators will seek to deduct costs, however this remains a possibility. Consequently, it is impracticable at this time to estimate the impact, financial or otherwise, of the delayed timing of the receipt of funds if any, and, the financial impact of the liquidation costs if any.

**22. Capital commitments**

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

ELEVATE CREDIT UNION LIMITED  
**NOTES TO THE FINANCIAL STATEMENTS**  
(CONTINUED)  
FOR THE YEAR ENDED 30 SEPTEMBER 2024

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**23. Pension scheme - Irish League of Credit Unions**

Elevate Credit Union Limited participates in an industry-wide pension scheme for employees (The Irish League of Credit Unions Republic of Ireland Pension Scheme) ("the Scheme"). This is a funded defined benefit scheme with assets managed by the Scheme's trustees.

On 31 March 2022, the Scheme closed to future accrual and although staff retained all the benefits that they had earned in the Scheme to that date, Elevate Credit Union Limited and its employees ceased making regular contributions to the Scheme and ceased earning any additional benefits from the Scheme.

At the date of closure of the Scheme, there was a past service deficit which was allocated to each individual credit union based on the total benefits earned by staff in each credit union. Elevate Credit Union Limited's allocation of that past service deficit was €1,639,750. This total cost was included in the Income & Expenditure account for the year ended 30 September 2022 and this deficit amount was paid to the trustees prior to 30 September 2022. During the year ending 30 September 2024 there were no contributions in respect of a past service deficit payable and hence no charge to the Income and Expenditure account.

As this is a pooled pension Scheme, Elevate Credit Union Limited remains liable to cover the cost of their shares of any future increase in the total cost of providing the pension payments to credit union employees who were part of the Scheme. Elevate Credit Union Limited could exit the Scheme and therefore never have to make a potential additional payment requirement but exiting the Scheme would incur a substantial additional cost.

If credit unions exit the Scheme, they are required to pay to the trustees the exit amount which the trustees determine is required to fund benefits in respect of their active, deferred and pensioner members on a "no risk" basis. The exiting credit union thereby settles any liability they have to contribute to the Scheme in the future without increasing the risk for the remaining credit unions.

The scheme is a multi-employer scheme and there is pooling of the assets, and the sharing of risks associated with the liabilities for all participating employers. Judgement is required to assess whether Elevate Credit Union Limited has sufficient information to provide an appropriate allocation of pension assets and liabilities. As assessment has been performed of the information available and Elevate Credit Union Limited has determined that there is currently insufficient information available. Consequently, Elevate Credit Union Limited continues to account for the Scheme as if it were a defined contribution plan.

ELEVATE CREDIT UNION LIMITED  
**NOTES TO THE FINANCIAL STATEMENTS**  
 (CONTINUED)  
 FOR THE YEAR ENDED 30 SEPTEMBER 2024

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**23. Pension scheme - Irish League of Credit Unions**  
 (Continued)

An actuarial review of the Scheme is normally carried out every three years by the Scheme's independent, professionally qualified actuary. The actuarial review considers the past and future service liabilities of the Scheme. The last completed triennial actuarial review was carried out with an effective date of 29 February 2020, using the Attained Age valuation method. In 2022, there was a review of the Scheme in conjunction with advisors independent trustees. The conclusion of this review was that the Scheme should close to future accrual and this occurred with effect from 31 March 2022 with an associated Funding Plan.

The assets and liabilities of the Scheme and key assumptions are included in the table below at the respective dates of the Funding Plan and the last triennial valuation date:

	<b>01 March 2023</b>	<b>31 March 2022</b>
	<b>€'m</b>	<b>€'m</b>
Assets	296.20	283.40
Liabilities	328.50	377.10
<b>Deficit</b>	<b>32.30</b>	<b>93.70</b>

ELEVATE CREDIT UNION LIMITED  
**NOTES TO THE FINANCIAL STATEMENTS**  
 (CONTINUED)  
 FOR THE YEAR ENDED 30 SEPTEMBER 2024

**23. Pension scheme - Irish League of Credit Unions (Continued)**

<b>Assumptions used</b>	<b>01 March 2023</b>	<b>31 March 2022</b>
Interest rate curve	Euribor interest rate swap rates (Single Equivalent Rate 2.57% per annum)	N/A
Investment return in the period pre-retirement	Interest rate curve less 0.50% p.a.	3.35%
Investment return while in receipt of pension	Interest rate curve less 0.50% p.a.	0.25%
Annual indexation of accrued pensions up to retirement	Euro HICPx inflation swap rates (Single Equivalent Rate 2.73% per annum)	2.05%
Annual increases to pension in payment	3%/0%	3%/0%
Life expectancy*		
65 year old male lives to age	89	87
65 year old female lives to age	91	89
Amount of pension exchanged for tax-free cash at retirement	0.00%	0.00%

\* Based on 58% of ILT15 (Males), 62% of ILT15 (Females) and annual improvement to annuity rates post retirement of : Males: 0.30%, Females: 0.25% (improvements from 2014).

The 1 March 2023 funding valuation was signed on 29 November 2023. Under the Scheme's governing documentation, the Trustees determine the contribution payable by the participating employers, having consulted the Actuary and the Principal Employer. Noting that contributions valued at €32.5m are due from participating employers and the ongoing funding level of 100.1% after allowing for these contributions, the Trustees have determined not to seek further contributions from participating employers at this time.

Elevate Credit Union's liability in the Balance Sheet in respect of the funding plan based on outstanding contributions payable under the funding plan is set out in the table below:

	<b>30 September 2024</b>	<b>30 September 2023</b>
Retirement benefit liability	-	-

ELEVATE CREDIT UNION LIMITED  
**NOTES TO THE FINANCIAL STATEMENTS**  
(CONTINUED)  
FOR THE YEAR ENDED 30 SEPTEMBER 2024

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**24. Events after the reporting date**

No matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Credit Union, the results of those operations or the state of affairs of the Credit Union in financial years subsequent to the financial period ended 30 September 2024.

**25. Insurance against fraud**

The Credit Union has insurance against fraud in the amount of €5,200,000 (2023: €5,200,000) in compliance with Section 47 of the Credit Union Act 1997, as amended.

**26. Related party transactions**

During the year loans were advanced to directors and the management team of the Credit Union (to include their family members or any business in which the directors or management team had a significant shareholding) in the amount of €93,519 (2023: €38,000), these loans were approved in accordance with the Standard Credit unions rules and the Credit Union Act 1997 (Regulatory Requirements) Regulations 2016

The loans outstanding from these parties at 30 September 2024 was €266,269 (2023: €124,113).

These loans amounted to 0.53% of total gross loans due at 30 September 2024 (2023: 0.25%).

There were €30,719 in provisions against these loans at 30 September 2024 (2023: €Nil).

The directors' and management teams' total share and deposit balances stood at €113,191 at 30 September 2024 (2023: €100,944).

The directors' and management teams' total current account balances stood at €4,083 at 30 September 2024 (2023: €5,128).

**27. Comparative information**

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

**28. Approval of financial statements**

The financial statements were approved, and authorised for issue, by the Board on the 27th of November 2024.



ELEVATE CREDIT UNION LIMITED  
**SCHEDULE NO 1:**  
**OTHER MANAGEMENT EXPENSES**  
 FOR THE YEAR ENDED 30 SEPTEMBER 2024

	2024 €	2023 €
<b>Other management expenses</b>		
Rent and rates	34,092	35,093
Lighting, heating and cleaning	38,456	33,707
Repairs and renewals	20,427	12,763
Security	36,320	39,793
Printing and stationery	30,476	21,484
Postage and telephone	31,838	25,731
Donations and sponsorship	-	13,546
Debt collection	14,585	11,808
Training costs	18,035	8,125
Convention expenses	10,815	3,693
AGM expenses	12,000	6,500
Travel and subsistence	4,261	8,569
Bank Charges	44,371	37,372
Audit Fees	36,776	31,500
Board oversight committee expenses	230	-
General insurance	44,458	44,193
Share and loan insurance	402,515	273,891
Legal & professional fees	108,665	55,620
Computer maintenance	277,140	201,136
Miscellaneous expenses	3,426	3,035
Death benefit insurance	128,224	87,379
Affiliation fees	74,243	127,709
Management charges	360	371
Marketing	49,269	49,305
Equipment repairs	11,326	10,380
TOE costs	79,872	65,069
Debit card costs	93,922	84,109
Central bank levies	225,150	150,135
Office supplies	54,038	47,662
<b>Total other management expenses</b>	<b>1,885,290</b>	<b>1,489,678</b>



**Elevate**  
CREDIT UNION

Your Local Credit Union



Our Current  
Account is **FREE** for  
Students



Email: [info@elevatecu.ie](mailto:info@elevatecu.ie)  
Phone: 021 489 4555  
Website: [www.elevatecu.ie](http://www.elevatecu.ie)

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Elevate Credit Union Ltd.  
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# Elevate

CREDIT UNION

Your Local Credit Union

## Elevate Your Journey



We have the perfect car loan for you!  
Car Loan from 5.99% (6.16% APR)



Email: [info@elevatecu.ie](mailto:info@elevatecu.ie)  
Phone: 021 489 4555  
Website: [www.elevatecu.ie](http://www.elevatecu.ie)

#### Green Car Loan Representative Example

Loan Amount: €10,000	Interest rate: 5.99% (6.16% APR)	Total amount repayable €11,596.45
Loan Length: 5 years (60 months)	Monthly Repayments: €193.29	Total cost of credit €1,596.45

#### Car Loan Representative Example

Loan Amount: €10,000	Interest rate: 7.90% (8.2% APR)	Total amount repayable: €12,136.56
Loan Length: 5 years (60 months)	Monthly Repayments: €202.29	Total cost of credit: €2,136.56

Figures correct as of 14.06.2024. Lending criteria, terms and conditions apply. Loans are subject to approval. Terms and conditions apply. 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.

Elevate Credit Union Limited is regulated by the Central Bank of Ireland. Reg No. 46CU

Elevate Credit Union Ltd.  
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Your Local Credit Union

# Financial Accounts 2023/2024

#wheremembersmatter



Email: [info@elevatecu.ie](mailto:info@elevatecu.ie)  
Phone: 021 489 4555  
Website: [www.elevatecu.ie](http://www.elevatecu.ie)

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