



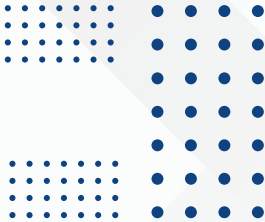
FIRST CHOICE
Credit Union

MAKING MORE POSSIBLE

2025

ANNUAL *REPORT*

MEMBER OWNED,
COMMUNITY FOCUSED!



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**VOLUNTEER,
YOU CAN MAKE A
DIFFERENCE!**

Go to WWW.FCCU.IE or visit your local FCCU Office for more info.

NOTICE OF AGM

Notice is hereby given that the 2025 Virtual Annual General Meeting of the members of First Choice Credit Union Limited will take place **via Zoom Webinar** on **Tuesday 9th December 2025 @ 7.00pm**.

Marie Quinn
Secretary, First Choice Credit Union Limited.

REGISTRATION

Members wishing to attend the Virtual AGM need to request an invitation to join and apply by visiting www.firstchoicecreditunion.ie or emailing agm@fccu.ie and include the following:



- Member Name
- Member Number
- Member Address
- Member email Address

A link to the AGM Zoom Webinar will be forwarded to the email address you provided at registration, prior to the meeting. Additionally, you will also receive a link to access AGM 2025 reports, biographies of those standing for election and additional information.

Please note: Registration must be submitted no later than midnight Friday 5th December 2025.

THE FOLLOWING INFORMATION IS PERTINENT TO THIS NOTICE

- First Choice Credit Union will be using Zoom Webinar as the electronic platform for the meeting.
- We invite members to register for our virtual AGM on our website, www.firstchoicecreditunion.ie or by emailing agm@fccu.ie.
- The information required to request an invitation is your name, member number, address and email address. The Credit Union will validate members details prior to issuing invitations.
- Please note that registration for the AGM will close at midnight Friday 5th December 2025 to allow us sufficient time to validate all registrations.
- All non-presenting participants will be muted and will have their cameras switched off to allow the smooth running of the meeting. However, you can type a question to the host by clicking on the "Q&A" button on the bottom of the screen.
- Elections for the Board of Directors, Board Oversight Committee, Auditor and Rule Amendments will take place. Voting will be conducted by way of online poll and each member will be asked to vote Yes/No electronically for each of the above, when instructed by the Chairperson. The votes will be tallied electronically, verified and recorded by the meeting Secretary & Internal Auditor.
- The AGM meeting will be recorded for minute taking purposes. Members who register for the meeting will be agreeing to the recording of the meeting and their participation in it, on registering.

ORDER OF BUSINESS

- | | |
|---|--|
| a) Invocation | j) Declaration of Dividend and Rebate of Interest (if any) |
| b) Acceptance of Proxies, if any, by the Board of Directors | k) Approval of Affiliation Fees |
| c) Ascertainment that a quorum is present | l) Report of the Nomination Committee |
| d) Adoption of Standing Orders | m) Appointment of Tellers |
| e) Approval (or correction) of the minutes of the 2024 AGM and any intervening special general meeting | n) Election to fill vacancies on the Board of Directors |
| f) Report of the Board Oversight Committee | o) Election to fill vacancies on the Board Oversight Committee |
| g) Report of the Board of Directors; incorporating the reports of the Credit Committee, Credit Control Committee and Membership Committee | p) Election of the Auditor |
| h) Consideration of Accounts | q) Rule Amendments Ballot |
| i) Report of the Auditor | r) Announcement of Election Results |
| | s) Results of Rule Amendments Ballot |
| | t) Any Other Business |
| | u) Adjournment or Close of Meeting |

ELECTIONS

Election of Directors under Section 53 of the Credit Union Act 1997 (As Amended)

The following directors, having served the full term, offer themselves for re-election on the proposal of the Nomination Committee:

- Michael Howley
- Maura McGuinness

Election of Board Oversight Committee Members under Section 76N of the Credit Union Act 1997 (As Amended)

There are two vacancies to be filled on the Board Oversight committee at AGM 2025.

The following candidate offers themselves for election to fill the vacancies:

- Aidan Staunton
- Kevin Dunleavy

Election of Auditor under Section 115 of the Credit Union Act 1997 (As Amended)

The Auditors Grant Thornton, Penrose One, Penrose Dock, Cork, being eligible, offer themselves for election.

Rule Amendments

Motion 1

Rule 14(1)

That this Annual General Meeting agrees to amend Rule 14(1) of the Standard Rules for Credit Unions (Republic of Ireland) by the insertion of the word “natural” to read as follows:

Rule 14. Person under age 16

(1) A natural person under the age of sixteen:

- may be a member of the credit union, and
- subject to paragraph (2), may enjoy all the rights of membership, other than voting rights, and can give all necessary receipts.

Motion 2

Rule 109

That this Annual General Meeting agrees to amend Rule 109 of the Standard Rules for Credit Unions (Republic of Ireland) by the deletion of Rule 109(3) (a) to (f) inclusive and replacing it with the following:

(3) All complaints under this rule shall be decided in the following manner:

(a) For the purposes of this rule the complaining party or parties described under paragraph (1) shall be referred to as the complainant.

(b) The board of directors shall appoint a complaints officer who is suitably qualified and authorised to investigate, and wherever possible resolve complaints, received from complainants.

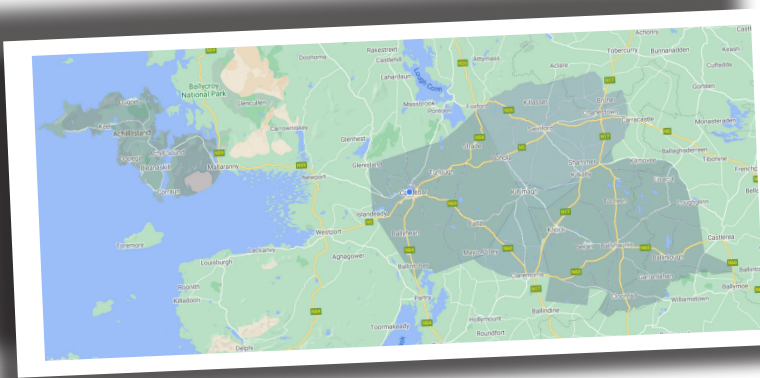
(c) In the event that a complaint is not resolved to the satisfaction of the complainant, the complainant may refer the complaint to the Financial Services & Pensions Ombudsman, or other adjudication body as appropriate.

(d) Nothing in this rule shall prevent the Financial Services & Pensions Ombudsman from investigating and adjudicating a complaint made against a credit union about the provision of, or failure to provide, a financial service, so long as the complaint:

(a) falls within the jurisdiction of that Ombudsman, and

(b) does not relate to a matter that involves only the governance of the credit union.

FIRST CHOICE CREDIT UNION COMMON BOND



In order to become a member of First Choice Credit Union, you must satisfy the common bond criteria by either living or working in any of the areas highlighted in the map above. With six offices, our common bond covers the areas, and surrounding areas, of Achill, Balla, Ballyhaunis, Castlebar, Kiltimagh and Swinford. Anyone who would like to join, can apply for membership in any First Choice Credit Union office or apply online at www.firstchoicecreditunion.ie.

The common bond is the factor which unites the members of a Credit Union together. It defines the area in which a credit union can operate. For further information on our common bond, please don't hesitate to contact us on 094 9022969, visit any of our offices or go to www.firstchoicecreditunion.ie.

ILCU INTERNATIONAL DEVELOPMENT FOUNDATION

It is proposed that €2,000 be donated to the Irish League of Credit Unions International Development Foundation. The Foundation supports dedicated local partners to develop and strengthen the credit union movement in three core countries – Ethiopia, Sierra Leone and The Gambia.

AFFILIATION FEES

It is proposed that an affiliation fee of €1.50 for the year end 30th September 2025 be paid by deduction from the share account of each member. Affiliation fees are paid to the Irish League of Credit Unions to assist in its functioning.

NOMINATION ON ACCOUNTS

This is a unique facility for credit union members. If you are over 16 years of age you can nominate who is to receive the monies in your accounts with the credit union upon your death, which includes shares, deposits and insurance proceeds.

You may nominate a person(s) of choice to receive your property presently up to a maximum value of €27,000. Any amount in excess of this balance will form part of your estate.

We ask members to review their Nomination arrangements, particularly if you have not done so in the last five years, have married or have reached the age of 16 years. For more information visit any First Choice Credit Union office, call us on 094 9022969 or email us at info@fccu.ie.



Irish Life Financial Services helping
First Choice Credit Union Members
build better futures

Speak to us today to plan ahead for your future

Irish Life Financial Services is an insurance intermediary that can review your protection, retirement, savings and investment needs.

PERSONAL LOANS

FROM

5.90%

(6.06% APR*)

Borrow up to
€80,000.

Find out more



094 902 2969



firstchoicecreditunion.ie



Achill, Balla, Ballyhaunis
Castlebar, Kiltimagh &
Swinford.



* Annual Percentage Rate.

Warning: If you do not meet the repayments on your loan, your account will go into arrears. This may affect your credit rating which may limit your ability to access credit in the future.

Loans are subject to approval. Terms & Conditions apply.
First Choice Credit Union Limited is regulated by the Central Bank of Ireland.

BE FRAUD AWARE!



Please remain vigilant at all times!

Please remember :



Your Credit Union will never call you asking for personal financial details.



If you are in doubt about a message or phone call in relation to your Credit Union account, do not engage.



Always contact us directly on 094 9022969 to talk to a member of staff or visit your local Credit Union Office.



Directors' report

For the financial year ended 30 September 2025

The directors present their annual report and the audited financial statements for the financial year ended 30 September 2025.

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:

- Entitled under the European Community (Payment Services) Regulations 2018 to provide 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 and loan interest rebates

The directors are proposing dividends in respect of the financial year ended 30 September 2025 of €281,647 (0.125%) (2024: €262,819 (0.125%)) and loan interest rebates on the standard rate loans of €57,943 (10.00%) (2024: €74,410 (10.00%)).

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 it 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 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 2025

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 loan policy. All loan applications are assessed with reference to the loan policy 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 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 Market Square, Castlebar, Co. Mayo.

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), Grant Thornton offer themselves for re-election.

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

Joe Butler

Chairperson of the board of directors

Marie Quinn

Member of the board of directors

Date: 20 November 2025

Directors' responsibilities statement

For the financial year ended 30 September 2025

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 (as amended) "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 of directors:

Joe Butler

Chairperson of the board of directors

Marie Quinn

Member of the board of directors

Date: 20 November 2025

Board oversight committee's responsibilities statement

For the financial year ended 30 September 2025

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:

Brendan Coyne

Chairperson of the board oversight committee

Date: 20 November 2025

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

Opinion

We have audited the financial statements of First Choice Credit Union Limited for the financial year ended 30 September 2025, 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 32, including a 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 (as amended) "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (Generally Accepted Accounting Practice in Ireland).

In our opinion, First Choice 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 2025 and of its income and expenditure 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 'Auditor's responsibilities 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 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.

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

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 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;
- 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 (as amended), 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.

Auditor's responsibilities 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.

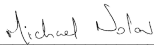
Independent auditor's report to the members of First Choice Credit Union Limited (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

A further description of our responsibilities for the audit of the financial statements is located on the Irish Auditing and Accounting Supervisory Authority's website at: http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf. This description forms part of our auditor's report.

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

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.



Michael Nolan FCA
for and on behalf of

Grant Thornton
Chartered Accountants
& Statutory Audit Firm
Cork

Date: 20 November 2025

Income and expenditure account

For the financial year ended 30 September 2025

| | | 2025 | 2024 |
|--|----------|------------------|------------------|
| | Schedule | € | € |
| Income | | | |
| Interest on members' loans | | 3,772,141 | 3,301,212 |
| Other interest income and similar income | 1 | 3,937,061 | 3,923,420 |
| Net interest income | | 7,709,202 | 7,224,632 |
| Other income | 2 | 323,726 | 293,198 |
| Total income | | 8,032,928 | 7,517,830 |
| | | | |
| Expenditure | | | |
| Employment costs | | 2,149,501 | 2,097,787 |
| Other management expenses | 3 | 3,174,404 | 3,075,984 |
| Depreciation | | 228,636 | 202,558 |
| Net impairment movement on loans to members (note 5) | | 125,874 | (284,770) |
| Total expenditure | | 5,678,415 | 5,091,559 |
| | | | |
| Surplus for the financial year | | 2,354,513 | 2,426,271 |

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

Joe Butler

Member of the board of
directors

Anne King

CEO

Date: 20 November 2025

The notes on pages 20 to 37 form part of these financial statements.

Statement of other comprehensive income

For the financial year ended 30 September 2025

| | 2025 | 2024 |
|--|-------------------------|-------------------------|
| | € | € |
| Surplus for the financial year | 2,354,513 | 2,426,271 |
| Other comprehensive income | - | - |
| Total comprehensive income for the financial year | <u>2,354,513</u> | <u>2,426,271</u> |

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

Joe Butler

 Member of the board of
 directors

Anne King

 CEO

Date: 20 November 2025

The notes on pages 20 to 37 form part of these financial statements.

Balance sheet

As at 30 September 2025

| | Notes | 2025 | 2024 |
|--|-------|--------------------|--------------------|
| | | € | € |
| Assets | | | |
| Cash and balances at bank | 6 | 9,457,689 | 8,651,918 |
| Deposits and investments – cash equivalents | 7 | 59,174,111 | 44,112,571 |
| Deposits and investments – other | 7 | 155,724,254 | 163,236,466 |
| Loans to members | 8 | 52,574,813 | 48,297,888 |
| Provision for bad debts | 9 | (3,560,123) | (3,344,966) |
| Tangible fixed assets | 10 | 2,162,323 | 2,186,056 |
| Equity investment | 11 | 50,000 | 50,000 |
| Investments in associates | 12 | 296,250 | 296,250 |
| Debtors, prepayments and accrued income | 13 | 2,286,098 | 3,863,708 |
| Total assets | | 278,165,415 | 267,349,891 |
| Liabilities | | | |
| Members' shares | 14 | 219,201,961 | 210,926,528 |
| Members' deposits | 15 | 169,575 | 406,645 |
| Members' current accounts | 16 | 7,732,548 | 7,144,032 |
| Other liabilities, creditors, accruals and charges | 17 | 1,281,259 | 1,018,233 |
| Other provisions | 18 | 39,131 | 38,529 |
| Total liabilities | | 228,424,474 | 219,533,967 |
| Reserves | | | |
| Regulatory reserve | 20 | 28,567,860 | 28,567,860 |
| Operational risk reserve | 20 | 1,403,926 | 1,403,926 |
| Other reserves | | | |
| - Realised reserves | 20 | 19,067,785 | 17,195,073 |
| - Unrealised reserves | 20 | 701,370 | 649,065 |
| Total reserves | | 49,740,941 | 47,815,924 |
| Total liabilities and reserves | | 278,165,415 | 267,349,891 |

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

Joe Butler

Member of the board of directors

Anne King

CEO

Date: 20 November 2025

The notes on pages 20 to 37 form part of these financial statements.

Statement of changes in reserves

For the financial year ended 30 September 2025

| | Regulatory reserve | Operational risk reserve | Realised reserves | Unrealised reserves | Total |
|--|-----------------------|-----------------------------|----------------------|------------------------|-------------------|
| | € | € | € | € | € |
| As at 1 October 2023 | 25,704,819 | 1,293,326 | 13,974,994 | 351,820 | 41,324,959 |
| Transfer of engagements | 2,863,041 | 110,600 | 1,066,479 | 24,574 | 4,064,694 |
| Surplus for the financial year | - | - | 2,003,600 | 272,671 | 2,276,271 |
| Community fund reserve | - | - | 150,000 | - | 150,000 |
| As at 1 October 2024 | 28,567,860 | 1,403,926 | 17,195,073 | 649,065 | 47,815,924 |
| Payment of dividend and loan interest rebate | - | - | (333,298) | - | (333,298) |
| Surplus for the financial year | - | - | 2,045,415 | 159,098 | 2,204,513 |
| Community fund reserve | - | - | 150,000 | - | 150,000 |
| Transfers between reserves | - | - | 106,793 | (106,793) | - |
| Payments from reserves | - | - | (96,198) | - | (96,198) |
| As at 30 September 2025 | 28,567,860 | 1,403,926 | 19,067,785 | 701,370 | 49,740,941 |

- The regulatory reserve of the credit union as a percentage of total assets as at 30 September 2025 was 10.27% (2024 10.69%).
- The operational risk reserve of the credit union as a percentage of total assets as at 30 September 2025 was 0.5% (2024: 0.53%).

The notes on pages 20 to 37 form part of these financial statements.

Statement of cash flows

For the financial year ended 30 September 2025

| | Notes | 2025 € | 2024 € |
|---|-------|-------------------|--------------------|
| Opening cash and cash equivalents | | 52,764,489 | 47,862,701 |
| Cash flows from operating activities | | | |
| Loans repaid by members | 8 | 21,336,117 | 18,944,738 |
| Loans granted to members | 8 | (25,953,318) | (24,467,301) |
| Interest on members' loans | | 3,772,141 | 3,301,212 |
| Other interest income and similar income | | 3,937,061 | 3,923,420 |
| Bad debts recovered and recoveries | | 429,559 | 367,207 |
| Other income | | 323,726 | 293,198 |
| Dividends paid | 24 | (259,228) | - |
| Interest rebates paid | 24 | (74,070) | - |
| Other disbursements | | (96,198) | - |
| Members' current account lodgements | 16 | 62,858,300 | 55,173,137 |
| Members' current account withdrawals | 16 | (62,270,580) | (54,431,755) |
| Operating expenses | | (5,323,109) | (5,173,189) |
| Movement in other assets and liabilities | | 1,841,238 | (77,253) |
| Net cash flows from operating activities | | 521,639 | (2,146,586) |
| Cash flows from investing activities | | | |
| Cash and investments introduced from transfers of engagements | | - | 21,598,939 |
| Fixed assets purchases | | (204,903) | (22,969) |
| Investments in associates | | - | (31,250) |
| Equity investment | | - | (50,000) |
| Net cash flow from other investing activities | | 7,512,212 | (15,920,591) |
| Net cash flows from investing activities | | 7,307,309 | 5,574,129 |
| Cash flows from financing activities | | | |
| Members' shares received | 14 | 212,575,670 | 140,460,121 |
| Members' shares withdrawn | 14 | (204,300,237) | (138,903,182) |
| Members' deposits received | 15 | 98,443 | 95,900 |
| Members' deposits withdrawn | 15 | (335,513) | (178,594) |
| Net cash flow from financing activities | | 8,038,363 | 1,474,245 |
| Net increase in cash and cash equivalents | | 15,867,311 | 4,901,788 |
| Closing cash and cash equivalents | 6 | 68,631,800 | 52,764,489 |

The notes on pages 20 to 37 form part of these financial statements.

Notes to the financial statements

For the financial year ended 30 September 2025

1. Legal and regulatory framework

First Choice 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 located at Market Square, Castlebar, Co. Mayo.

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 significant accounting policies have been applied:

2.2 Statement of compliance

The financial statements have been prepared in accordance with FRS 102 (as amended) “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 a 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

Deposits 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.

Notes to the financial statements (continued)

For the financial year ended 30 September 2025

2. Accounting policies (continued)

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.

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.

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 economic 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. Loans are written off when there is no reasonable expectation of recovery.

Any bad debts/impairment losses are recognised in the income and expenditure account. To provide more meaningful information about the performance of the credit union loan portfolio, it presents the net impairment movement on loans to members in the income and expenditure account, which includes both:

- the movement in bad debts provision during the year, and
- the loans written off during the year.

This presentation is considered to offer more transparent insight into the credit quality of the portfolio and the effectiveness of credit risk management.

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.

Notes to the financial statements (continued)

For the financial year ended 30 September 2025

2. Accounting policies (continued)

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.

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:

| | |
|-------------------------|------------------------|
| Premises | 40 years straight line |
| Computers and equipment | 5 years straight line |
| Fixtures and fittings | 7 years straight line |

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 fixed 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 account.

2.11 Equity investment

Equity investment made by the credit union is accounted for at cost less impairment.

2.12 Investments in associates

Investments in associates are accounted for at cost less impairment.

2.13 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.

Notes to the financial statements (continued)

For the financial year ended 30 September 2025

2. Accounting policies (continued)

2.14 Financial liabilities – members' shares and members' 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.

2.15 Interest on members' deposits

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

2.16 Members' current accounts

Credit balances on members' current accounts are recognised as financial liabilities when funds are received from members. These balances are repayable on demand. They are initially measured at the amount deposited and subsequently measured at amortised cost.

Debit balances on members' current accounts represent amounts advanced to members, which are classified as financial assets measured at amortised cost. These balances are assessed for impairment at each reporting date. Any impairment losses identified are recognised in the income and expenditure account.

2.17 Other payables

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

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 Pension

The credit union operates a defined contribution pension scheme. The assets of this scheme are held separately from those of the credit union in independently administered funds. Employer contributions to the pension scheme are charged to the income and expenditure account in the period to which they relate. The amount payable at the year end in respect of same was €23,979 (2024: €19,950).

2.20 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.

2.21 Derecognition of financial liabilities

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

2.22 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 2025

2. Accounting policies (continued)

2.23 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.

2.24 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 fund 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 be classified as unrealised and therefore not distributable. All other income, including the SPS refund receivable, is classified as realised.

2.25 Distribution policy

Dividends and loan interest rebates are made from the current year's surplus or reserves set aside for that purpose. The board's proposed dividends and loan interest rebates to members each year is based on the distribution policy of the credit union.

The rate of dividends and loan interest rebates 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 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 loan interest rebates when members ratify such payments at the Annual General Meeting.

Notes to the financial statements (continued)

For the financial year ended 30 September 2025

2. Accounting policies (continued)

2.26 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 union (the fair value of the transferor credit union) at the date of the transfer, and is reflected as an adjustment in reserves.

2.27 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 €2,162,323 (2024: €2,186,056).

Provision for bad debts

The credit union's accounting policy for impairment of loans is set out in the accounting policy 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 €3,560,123 (2024: €3,344,966) representing 6.77% (2024: 6.93%) of the total gross loan book.

Equity investment

The credit union holds an unlisted equity investment in CU Mortgage Services Designated Activity Company. This investment was made for operational purposes and is not held for trading. The investment is classified as a basic financial instrument in accordance with FRS 102 (as amended) and is measured at cost less impairment. The directors have assessed that the fair value of this investment cannot be reliably measured, due to the absence of an active market and the lack of recent observable transactions for similar instruments. The directors have carried out an impairment review as at the financial year end and are satisfied that there is no objective evidence of impairment. No impairment losses have been recognised during the financial year.

Investments in associates

The investments in associates represents the credit union's investment in Metacu Management Designated Activity Company. This investment was made for operational purposes. The credit union holds 6.25% Redeemable A Ordinary shares in the company and through the terms of the shareholders agreement agreed between each of the participating credit unions, the credit union is deemed to have influence over the operations of this company. Therefore the investment has been accounted for as an investment in an associate.

Notes to the financial statements (continued)

For the financial year ended 30 September 2025

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

Operational risk reserve

The directors have considered the requirements of the Credit Union Act, 1997 (as amended) and 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 estimated impact of operational risk events that may have a material impact on the credit union's business. The operational risk reserve of the credit union at the year end was €1,403,926 (2024: €1,403,926).

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.

Notes to the financial statements (continued)

For the financial year ended 30 September 2025

4. Key management personnel compensation

The directors of the credit union service on a voluntary basis and do not receive any remuneration for services performed in that capacity. The compensation for key management personnel is as follows:

| | 2025 | 2024 |
|---|----------------|----------------|
| | € | € |
| Short term employee benefits paid to key management | 640,126 | 537,514 |
| Payments to pension schemes | 54,852 | 47,203 |
| Total key management personnel compensation | 694,978 | 584,717 |

5. Net impairment movement on loans to members

| | 2025 | 2024 |
|---|----------------|------------------|
| | € | € |
| Bad debts recovered | (383,131) | (325,485) |
| Impairment of loan interest reclassified as bad debt recoveries | (46,428) | (41,722) |
| Movement in bad debts provision during the year | 215,157 | (245,085) |
| Loans written off during the year | 340,276 | 327,522 |
| Net impairment movement on loans to members | 125,874 | (284,770) |

6. Cash and cash equivalents

| | 2025 | 2024 |
|--|-------------------|-------------------|
| | € | € |
| Cash and balances at bank | 9,457,689 | 8,651,918 |
| Deposits and investments – cash equivalents (note 7) | 59,174,111 | 44,112,571 |
| Total cash and cash equivalents | 68,631,800 | 52,764,489 |

7. Deposits and investments

| | 2025 | 2024 |
|--|--------------------|--------------------|
| | € | € |
| Deposits and investments – cash equivalents | | |
| Accounts in authorised credit institutions (Irish and non-Irish based) | 47,575,115 | 34,429,988 |
| Irish and EEA state securities | 8,851,530 | 8,867,951 |
| Bank bonds | 2,000,000 | - |
| Central Bank deposits | 747,466 | 814,632 |
| Total deposits and investments – cash equivalents | 59,174,111 | 44,112,571 |
| Deposits and investments – other | | |
| Accounts in authorised credit institutions (Irish and non-Irish based) | 56,430,100 | 81,308,507 |
| Irish and EEA state securities | 10,653,467 | 3,211,242 |
| Bank bonds | 86,520,394 | 76,663,590 |
| Central Bank deposits | 2,120,293 | 2,053,127 |
| Total deposits and investments – other | 155,724,254 | 163,236,466 |
| Total deposits and investments | 214,898,365 | 207,349,037 |

Notes to the financial statements (continued)

For the financial year ended 30 September 2025

7. Deposits and investments (continued)

The rating category of counterparties with whom the investments were held at 30 September 2025 and 30 September 2024 is as follows:

| | 2025 | 2024 |
|--------------|---------------------------|---------------------------|
| | € | € |
| Aa2 | 2,029,764 | 8,867,926 |
| Aa3 | 43,720,530 | 47,761,134 |
| A1 | 128,250,022 | 115,233,494 |
| A2 | 9,869,600 | 8,527,602 |
| A3 | 21,948,766 | 18,879,881 |
| Baa1 | 6,211,924 | 5,211,241 |
| Central bank | 2,867,759 | 2,867,759 |
| Total | <u>214,898,365</u> | <u>207,349,037</u> |

8. Financial assets – loans to members

| | 2025 | 2024 |
|--|--------------------------|--------------------------|
| | € | € |
| As at 1 October | 48,297,888 | 37,013,941 |
| Loans arising on transfer of engagements | - | 6,088,906 |
| Loans granted during the year | 25,953,318 | 24,467,301 |
| Loans repaid during the year | <u>(21,336,117)</u> | <u>(18,944,738)</u> |
| Gross loans and advances | <u>52,915,089</u> | <u>48,625,410</u> |
| Bad debts | | |
| Loans written off during the year | <u>(340,276)</u> | <u>(327,522)</u> |
| As at 30 September | <u>52,574,813</u> | <u>48,297,888</u> |

9. Provision for bad debts

| | 2025 | 2024 |
|---|-------------------------|-------------------------|
| | € | € |
| As at 1 October | 3,344,966 | 3,206,154 |
| Provision arising on transfer of engagements | - | 383,897 |
| Movement in bad debts provision during the year | <u>215,157</u> | <u>(245,085)</u> |
| As at 30 September | <u>3,560,123</u> | <u>3,344,966</u> |

The provision for bad debts is analysed as follows:

| | 2025 | 2024 |
|--------------------------------|-------------------------|-------------------------|
| | € | € |
| Grouped assessed loans | <u>3,560,123</u> | <u>3,344,966</u> |
| Provision for bad debts | <u>3,560,123</u> | <u>3,344,966</u> |

Notes to the financial statements (continued)

For the financial year ended 30 September 2025

10. Tangible fixed assets

| | Premises € | Computers and equipment € | Fixtures and fittings € | Total € |
|--------------------------------|-------------------------|------------------------------------|-------------------------------|-------------------------|
| Cost | | | | |
| As at 1 October 2024 | 4,853,955 | 1,226,588 | 313,954 | 6,394,497 |
| Additions | - | 99,976 | 104,927 | 204,903 |
| Disposals | - | - | - | - |
| As at 30 September 2025 | <u>4,853,955</u> | <u>1,326,564</u> | <u>418,881</u> | <u>6,599,400</u> |
| Depreciation | | | | |
| As at 1 October 2024 | 2,769,659 | 1,139,865 | 298,917 | 4,208,441 |
| Charge for the year | 124,842 | 72,590 | 31,204 | 228,636 |
| Disposals | - | - | - | - |
| As at 30 September 2025 | <u>2,894,501</u> | <u>1,212,455</u> | <u>330,121</u> | <u>4,437,077</u> |
| Net book value | | | | |
| As at 30 September 2025 | <u>1,959,454</u> | <u>114,109</u> | <u>88,760</u> | <u>2,162,323</u> |
| As at 30 September 2024 | <u>2,084,296</u> | <u>86,723</u> | <u>15,037</u> | <u>2,186,056</u> |

Arising from the Ballyhaunis & District Credit Union Limited voluntary transfer of engagement on 8 May 2015, the credit union entered into a Transfer of Rights Agreement with the Irish League of Credit Unions (“ILCU”) in relation to the two transferred premises. Material benefits accrue to the ILCU on any sale of the transferred premises where the sale proceeds exceed the transferred values. One of these premises was sold during 2020 and the other premises remains retained by the credit union at 30 September 2025.

Notes to the financial statements (continued)

For the financial year ended 30 September 2025

11. Equity investment

| | € |
|--------------------------------|---------------|
| Cost | |
| As at 1 October 2024 | 50,000 |
| Additions | - |
| As at 30 September 2025 | 50,000 |
| Accumulated impairment | |
| As at 30 September 2025 | - |
| Net book value | |
| As at 30 September 2025 | 50,000 |
| As at 30 September 2024 | 50,000 |

Interests in equity investment

The credit union has interests in the following equity investment:

| Entity name | Registered address | Type of shares held | Proportion held % |
|---|--|------------------------|-------------------|
| CU Mortgage Services Designated Activity Company (Register number: 755686) | Suite 27-29 Morrison Chambers, 32 Nassau Street, Dublin 2, D02 XF22 | Ordinary share capital | 2.54% |

12. Investments in associates

| | € |
|--|----------------|
| Cost | |
| As at 1 October 2024 | 296,250 |
| Additions | - |
| As at 30 September 2025 | 296,250 |
| Accumulated impairment | |
| As at 1 October 2024 and 30 September 2025 | - |
| Net book value | |
| As at 30 September 2025 | 296,250 |
| As at 30 September 2024 | 296,250 |

Notes to the financial statements (continued)

For the financial year ended 30 September 2025

12. Investments in associates (continued)

Interests in associate

The credit union has interests in the following associate:

| Associate | Registered address | Type of shares held | Proportion held % | Net assets € | Profit or (loss) € |
|---|-------------------------------------|--------------------------|-------------------|--------------|--------------------|
| MetaCU Management Designated Activity Company | 14 Ely Place Dublin 2 Ireland | Redeemable A Ordinary | 6.25% | 4,618,650 | 62,347 |

The above financial information in respect of MetaCU Management Designated Activity Company was extracted from the audited financial statements for the year ended 31 December 2024.

The effect of including this investment as if it had been accounted for using the equity method would be as follows:

| | Share of net assets € |
|--|--------------------------|
| As at 1 January 2024 | 253,518 |
| Additional investment during the year | 31,250 |
| Share of profit for the financial year after tax | 3,898 |
| As at 31 December 2024 | 288,666 |

13. Debtors, prepayments and accrued income

| | 2025 € | 2024 € |
|---------------------------|------------------|------------------|
| Prepayments | 180,450 | 218,752 |
| Other debtors | 106,793 | 2,106,793 |
| Accrued investment income | 1,886,490 | 1,434,590 |
| Loan interest receivable | 112,365 | 103,573 |
| As at 30 September | 2,286,098 | 3,863,708 |

14. Members' shares

| | 2025 € | 2024 € |
|--|--------------------|--------------------|
| As at 1 October | 210,926,528 | 185,884,873 |
| Members' shares arising on transfer of engagements | - | 23,484,716 |
| Received during the year | 212,575,670 | 140,460,121 |
| Withdrawn during the year | (204,300,237) | (138,903,182) |
| As at 30 September | 219,201,961 | 210,926,528 |

15. Members' deposits

| | 2025 € | 2024 € |
|---------------------------|----------------|----------------|
| As at 1 October | 406,645 | 489,339 |
| Received during the year | 98,443 | 95,900 |
| Withdrawn during the year | (335,513) | (178,594) |
| As at 30 September | 169,575 | 406,645 |

Notes to the financial statements (continued)

For the financial year ended 30 September 2025

16. Members' current accounts

| | 2025 | 2024 |
|-----------------------------|-------------------------|-------------------------|
| | € | € |
| As at 1 October | 7,144,032 | 6,402,068 |
| Lodgements during the year | 62,858,300 | 55,173,137 |
| Withdrawals during the year | (62,270,580) | (54,431,755) |
| Provision movement | 796 | 582 |
| As at 30 September | <u>7,732,548</u> | <u>7,144,032</u> |

| | 2025 | | 2024 | |
|--------------------------|--------------------|-----------------------------|--------------------|-----------------------------|
| | No. of Accounts | Balance of Accounts € | No. of Accounts | Balance of Accounts € |
| Debit | 74 | 5,547 | 101 | 4,751 |
| Debit (net of provision) | 74 | - | 101 | - |
| Credit | 2,916 | 7,732,548 | 2,786 | 7,144,032 |
| Permitted overdrafts | <u>38</u> | <u>16,142</u> | <u>37</u> | <u>15,142</u> |

17. Other liabilities, creditors, accruals and charges

| | 2025 | 2024 |
|--------------------------------|-------------------------|-------------------------|
| | € | € |
| Accruals and other liabilities | 1,237,659 | 979,474 |
| PAYE/PRSI | 43,600 | 38,759 |
| As at 30 September | <u>1,281,259</u> | <u>1,018,233</u> |

18. Other provisions

| | 2025 | 2024 |
|---|----------------------|----------------------|
| | € | € |
| Holiday pay accrual | | |
| At 1 October | 38,529 | 24,711 |
| Charged to the income and expenditure account | 602 | 13,818 |
| As at 30 September | <u>39,131</u> | <u>38,529</u> |

19. Financial instruments – measured at amortised cost

| Financial assets | 2025 | 2024 |
|--|--------------------|--------------------|
| | € | € |
| Financial assets measured at amortised cost | <u>275,710,277</u> | <u>264,841,510</u> |
| Financial liabilities | 2025 | 2024 |
| | € | € |
| Financial liabilities measured at amortised cost | <u>228,424,474</u> | <u>219,533,967</u> |

Notes to the financial statements (continued)

For the financial year ended 30 September 2025

19. Financial instruments – measured at amortised cost (continued)

Financial assets measured at amortised cost comprise of cash and balances at bank, deposits and investments, loans, members' current accounts overdrawn, accrued investment income, equity investment, investments in associates and other debtors.

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

20. Reserves

| | Balance 01/10/24 | Payment of dividend and loan interest rebate | Appropriation of current year surplus | Transfers between reserves | Payments from reserves | Balance 30/09/25 |
|--------------------------------------|---------------------|---|---|----------------------------------|------------------------------|---------------------|
| | € | € | € | € | € | € |
| Regulatory reserve | 28,567,860 | - | - | - | - | 28,567,860 |
| Operational risk reserve | 1,403,926 | - | - | - | - | 1,403,926 |
| Other reserves | | | | | | |
| Realised | | | | | | |
| Community fund | 150,000 | - | 150,000 | - | (96,198) | 203,802 |
| General reserve | 17,045,073 | (333,298) | 2,045,415 | 106,793 | - | 18,863,983 |
| Total realised reserves | 17,195,073 | (333,298) | 2,195,415 | 106,793 | (96,198) | 19,067,785 |
| Unrealised | | | | | | |
| Interest on loans reserve | 103,573 | - | 8,792 | - | - | 112,365 |
| Investment income reserve | 438,699 | - | 150,306 | - | - | 589,005 |
| SPS reserve | 106,793 | - | - | (106,793) | - | - |
| Total unrealised reserves | 649,065 | - | 159,098 | (106,793) | - | 701,370 |
| Total reserves | 47,815,924 | (333,298) | 2,354,513 | - | (96,198) | 49,740,941 |

Notes to the financial statements (continued)

For the financial year ended 30 September 2025

21. Credit risk disclosures

In line with regulatory reporting, 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 percentage 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's 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.

| | 2025 | | 2024 | |
|--|-------------------|----------------|-------------------|----------------|
| | € | % | € | % |
| Loans not impaired | | | | |
| Total loans not impaired, not past due | 48,172,153 | 91.63% | 44,064,100 | 91.24% |
| Impaired loans: | | | | |
| Not past due | 299,272 | 0.57% | 150,060 | 0.31% |
| Up to 9 weeks past due | 2,805,870 | 5.33% | 2,832,272 | 5.86% |
| Between 10 and 18 weeks past due | 366,682 | 0.70% | 396,390 | 0.82% |
| Between 19 and 26 weeks past due | 195,403 | 0.37% | 315,907 | 0.65% |
| Between 27 and 39 weeks past due | 215,592 | 0.41% | 163,364 | 0.34% |
| Between 40 and 52 weeks past due | 203,913 | 0.39% | 139,497 | 0.29% |
| 53 or more weeks past due | 315,928 | 0.60% | 236,298 | 0.49% |
| Total impaired loans | 4,402,660 | 8.37% | 4,233,788 | 8.76% |
| Total loans | 52,574,813 | 100.00% | 48,297,888 | 100.00% |

22. Related party transactions

22a. Loans

| | 2025 | | 2024 | |
|--|--------------|--------|--------------|--------|
| | No. of loans | € | No. of loans | € |
| Loans advanced to related parties during the year | 2 | 11,500 | 2 | 4,200 |
| Total loans outstanding to related parties at the year end | 7 | 68,083 | 9 | 90,679 |
| Total provisions for loans outstanding to related parties | | 2,130 | | 3,241 |
| Total interest income received from loans to related parties | | 6,443 | | 9,224 |

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 0.13% of the total loans outstanding at 30 September 2025 (2024: 0.19%).

22b. Savings

The total amount of savings held by related parties at the year end was €580,965 (2024: €551,047).

Notes to the financial statements (continued)

For the financial year ended 30 September 2025

23. Additional financial instruments disclosures

23a. 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 unions 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 loan policy. Credit risk mitigation may include the requirement to obtain collateral as set out in the credit union's loan policy. 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 loan 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 union is also exposed to counterparty credit risk pertaining to its deposit and investment portfolio. In order to manage this 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.

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.

23b. 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 the minimum short term liquidity ratio as set out in regulatory requirements.

Notes to the financial statements (continued)

For the financial year ended 30 September 2025

23c. Interest rate risk disclosures

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

| | 2025 | | 2024 | |
|------------------------|-------------------|-------------------------|-------------------|-------------------------|
| | € | Average interest rate % | € | Average interest rate % |
| Gross loans to members | <u>52,574,813</u> | <u>7.50%</u> | <u>48,297,888</u> | <u>7.81%</u> |

Any distributions payable are at the discretion of the directors and are therefore not a financial liability of the credit union until declared and approved at the AGM.

24. Dividends and loan interest rebates

The following distributions were paid during the year:

| | 2025 | | 2024 | |
|----------------------|---------------|----------------|-------|-------|
| | % | € | % | € |
| Dividend on shares | <u>0.125%</u> | <u>259,228</u> | ===== | ===== |
| Loan interest rebate | <u>10.00%</u> | <u>74,070</u> | ===== | ===== |

The directors are proposing dividends in respect of the financial year ended 30 September 2025 of €281,647 (0.125%) (2024: €262,819 (0.125%)) and loan interest rebates on the standard rate loans of €57,943 (10.00%) (2024: €74,410 (10.00%)).

25. Rate of interest paid on members' deposit accounts

| | 2025 | | 2024 | |
|-------------------------------|-------|-------|-------|-------|
| | % | € | % | € |
| Interest on members' deposits | ===== | ===== | ===== | ===== |

26. Events after the end of the financial year

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

27. Insurance against fraud

The credit union has Insurance against fraud in the amount of €5,200,000 (2024: €5,200,000) in compliance with Section 47 of the Credit Union Act, 1997 (as amended).

28. Commitments under operating leases

The credit union had future minimum lease payments under operating leases as follows:

| | 2025 | 2024 |
|--------------------|----------------|----------------|
| | € | € |
| Less than 1 year | 25,609 | 25,609 |
| 1 to 5 years | 76,825 | 102,434 |
| As at 30 September | <u>102,434</u> | <u>128,043</u> |

Notes to the financial statements (continued)

For the financial year ended 30 September 2025

29. Contingent Liabilities

The contingent liability disclosed in prior periods, relating to funds not yet returned by the liquidators of BlackBee Investments Limited, was fully resolved during the financial year. All funds have now been received by the credit union, with no further financial obligations arising. The contingent liability has therefore been derecognised, and the matter is closed.

30. Capital commitments

There were no capital commitments at 30 September 2025.

31. Comparative information

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

32. Approval of financial statements

The board of directors approved these financial statements for issue on 20 November 2025.

Schedules to the income and expenditure account

For the financial year ended 30 September 2025

The following schedules do not form part of the statutory financial statements which are the subject of the Independent Auditor's report on pages 12 to 14.

Schedule 1 – Other interest income and similar income

| | 2025 | 2024 |
|---|-------------------------|-------------------------|
| | € | € |
| Investment income received/receivable within 1 year | 3,786,755 | 3,674,377 |
| Investment income receivable outside of 1 year | 150,306 | 249,043 |
| Total per income and expenditure account | <u>3,937,061</u> | <u>3,923,420</u> |

Schedule 2 – Other income

| | 2025 | 2024 |
|---|-----------------------|-----------------------|
| | € | € |
| Commissions, fees and charges | 102,579 | 95,555 |
| Miscellaneous income | 15,368 | 18,744 |
| Current account services income | 205,779 | 178,899 |
| Total per income and expenditure account | <u>323,726</u> | <u>293,198</u> |

Schedules to the income and expenditure account (continued)

For the financial year ended 30 September 2025

Schedule 3 – Other management expenses

| | 2025 | 2024 |
|---|-------------------------|-------------------------|
| | € | € |
| Rent and rates | 47,705 | 35,577 |
| Lighting, heating and cleaning | 112,318 | 101,222 |
| Repairs and renewals | 61,311 | 16,989 |
| Security costs | 50,321 | 40,455 |
| Printing and stationery | 68,645 | 60,105 |
| Postage, telephone and broadband | 80,356 | 92,815 |
| Donations and sponsorship | 23,738 | 16,183 |
| Promotion and advertising | 171,661 | 161,282 |
| Training costs | 23,742 | 19,698 |
| AGM and convention expenses | 39,487 | 30,754 |
| Travel expenses | 21,199 | 18,620 |
| Bank and cash handling charges | 172,421 | 165,200 |
| Audit fee | 37,672 | 34,379 |
| Board oversight committee expenses | 600 | 600 |
| Operating lease - rental charge | 2,664 | 27,920 |
| General insurance | 112,910 | 93,573 |
| Share and loan insurance | 306,463 | 254,699 |
| Legal and professional costs | 409,868 | 362,987 |
| Computer maintenance | 534,804 | 489,753 |
| League affiliation fees and SPS fund | 41,868 | 38,076 |
| Regulatory levies | 478,174 | 710,193 |
| Subscriptions | 76,155 | 65,464 |
| Other expenses | 76,887 | 40,982 |
| Current account services charges | 222,639 | 197,876 |
| Provision on current accounts | 796 | 582 |
| Total per income and expenditure account | <u>3,174,404</u> | <u>3,075,984</u> |

MEMBERS DRAW

The operation of the Members' cash draw is fully financed by the draw entry fee of €1 per week paid by each entrant. The cash draw is operated on a non-profit basis - all entry fees are used for the provision of prizes. There are 6 draws each year with a top prize of €10,000 cash, with other cash prizes to be won from €500 to €5,000. The results of each draw are published on our website and each winner receives a confirmation letter in the post.

If you are not part of the draw and would like to sign up, please contact our office or go to <https://firstchoicecreditunion.ie/members-draw/> where you can download an entry form.



FIRST CHOICE CREDIT UNION

Members Draw Year Ended September 30th 2025

2025

| | |
|---|---------------|
| Opening Balance as at 1st October 2024 | € 170.75 |
| Lodgements - Entries | 318,376.24 |
| Less Withdrawals - Prizes | (318,000.00) |
| Miscellaneous | 6.09 |
| | <hr/> |
| Closing Balance as at 30th September 2025 | <u>153.08</u> |

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COMMUNITY FUND

The First Choice Credit Union Community Fund is an initiative designed to support projects within our common bond of Achill, Balla, Ballyhaunis, Castlebar, Kiltimagh, Swinford and surrounding areas, for Social, Cultural or Charitable purposes (including Community Development).

The Community Fund is for larger scale projects and initiatives that will benefit the wider community and is separate to the sponsorship and financial supports that First Choice Credit Union has long been associated with. These smaller sponsorships and financial supports will continue to be issued by the Credit Union.

IN 2025, WE AWARDED €150,000 to 18 very worthy recipients through our Community Fund. Applications for our next round of funding will open early in the new year. To those who were unsuccessful last time around, we would encourage all to apply again in the future.

2025 COMMUNITY FUND RECIPIENTS

- Ballyglass F.C.
- Balla G.A.A. & L.G.F.A.
- Ballyheane, Ballintubber, Carnacon First Responders
- Ballyvary Central N.S.
- Bohola Community Park
- Castlebar Celtic F.C.
- Castlebar Community First Responders
- Castlebar Stingers Ice & Inline Hockey
- Gráine Mhaol Dragon Boat Club
- Killasser Community Centre CLG
- Kiltimagh Community First Responders Group
- Kinaffe Community Action Group
- Mayo Darts Organisation
- Parke N.S.
- Snugboro United F.C.
- Ss. Peter & Paul N.S. Straide
- Tonragee Community Room
- Tooreen Community Group



GRÁINE MHAOL DRAGON BOAT CLUB



Ballyheane, Ballintubber, Carnacon First Responders



BOHOLA COMMUNITY PARK



SNUGBORO UNITED F.C.



PARKE NATIONAL SCHOOL



KILTIMAGH COMMUNITY FIRST RESPONDERS



MAYO DARTS ORGANISATION



TONRAGEE COMMUNITY ROOM



TOOREEN COMMUNITY GROUP



CASTLEBAR COMMUNITY FIRST RESPONDERS



CASTLEBAR STINGERS ICE & INLINE HOCKEY



KILLASSER COMMUNITY CENTRE



SS. PETER & PAUL N.S. STRAIDE



BALLYGLASS F.C.



KINAFFE COMMUNITY ACTION GROUP



BALLYVARY CENTRAL NATIONAL SCHOOL



BALLA G.A.A. & L.G.F.A.



CASTLEBAR CELTIC F.C.



COMMUNITY SPONSORSHIPS

Whilst our Community Fund is aimed at larger projects and initiatives, we continue to provide smaller sponsorships to many clubs, community groups, schools and more, throughout our common bond. In 2025, we provided over 70 such sponsorships and we encourage all to apply to help support your goals.

A sponsorship application form can be completed in any First Choice Credit Union Office. Alternatively, a form can be downloaded from our website www.firstchoicecreditunion.ie.



ACHILL ISLAND SURF CLUB



BALLA GOLF CLUB



CLOONFAD DEFIB GROUP



BALLYVARY BLUE BOMBERS & BALLYVARY HURLING CLUB



RACE 2 GLORY KILTIMAGH



SWINFORD SIAMSA SRAIDE FESTIVAL

BRENDAN HOPKINS BURSARY

Each year we award 5 x €1,000 Bursaries to student members of First Choice Credit Union who are continuing their education to third level. Applications for next year's Brendan Hopkins Bursary, in memory of former Director Brendan Hopkins, will open during the summer of 2026 and we do encourage all student members to apply. Applications can be made via a short, simple form on our website www.firstchoicecreditunion.ie.

The bursaries are exclusive to First Choice Credit Union members to assist them with their chosen education path and is not based on academic results which means that all entries have an equal chance of winning.

The 2025 Brendan Hopkins Bursary Winners were as follows: James McManamon, Joy Osolamhe Okosodo, Gift Okolie, Méabh Roper and Laura Gallagher.



Back Row L to R: James McLoughlin, FCCU; Prince Okosodo; James McManamon; Joe Butler, FCCU; Shane Melia, FCCU; Sitting L to R: Aishat Okosodo; Méabh Roper; Aoife Gordon; Therese Gordon (nee Hopkins). Missing from photo: Laura Gallagher and Gift Okolie.



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*Annual Percentage Rate



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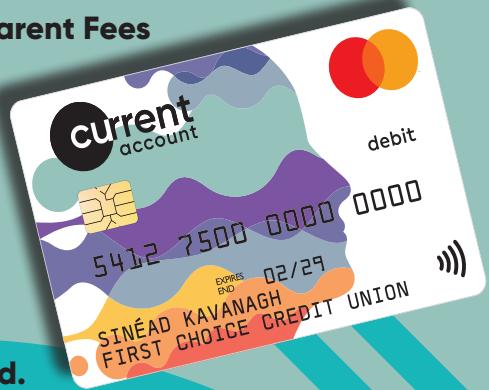
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 Achill, Balla, Ballyhaunis, Castlebar, Kiltimagh & Swinford.



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Castlebar, Kiltimagh &
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Warning: The cost of your repayments may increase.

* Annual Percentage Rate.

Loans are subject to approval. Terms & Conditions apply.
First Choice Credit Union Limited is regulated by the Central Bank of Ireland.

Warning: If you do not keep up your repayments you may lose your home.