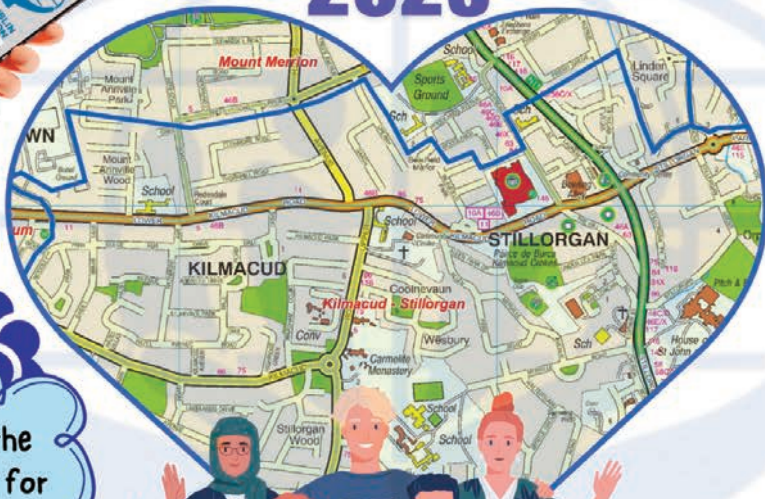


# SOUTH DUBLIN CREDIT UNION LTD.



## ANNUAL REPORT

# 2023



Serving the  
community for  
57 years!



NOTICE OF ANNUAL GENERAL MEETING  
THE TALBOT HOTEL, STILLORGAN  
JANUARY 30TH 2024 AT 8PM



**SOUTH DUBLIN  
CREDIT UNION**

**THINKING ABOUT  
A NEW CAR?**

**APPLY TODAY**

**7.8%  
APR**



**BORROW €10,000 FOR  
5 YEARS AT €200 PER MONTH AT  
7.8% APR**



**€200**

 01 2884877

 [LOANS@SOUTHDUBLINCUIE](mailto:LOANS@SOUTHDUBLINCUIE)

 [WWW.SOUTHDUBLINCUIE](http://WWW.SOUTHDUBLINCUIE)

APR  
**7.8%**

# Repayments  
**60**

Total  
**€12,023**

South Dublin Credit Union is regulated by the Central Bank Of Ireland

## **Notice of Annual General Meeting for the Year Ended 30th September 2023**

Notice is hereby given that the **Annual General Meeting of South Dublin Credit Union** will be held in the **Talbot Hotel, Stillorgan on Tuesday 30th January 2024 at 8.00pm.**

There will be a raffle for members present at the meeting. Lots of prizes to be won on the night!

### **AGENDA**

- (a) The Acceptance by the Board of Directors of the authorised representative of members that are not natural persons**
- (b) Ascertainment that a quorum is present**
- (c) Adoption of Standing Orders**
- (d) Reading and approval (or correction) of minutes of last AGM**
- (e) Report of the Board of Directors**
- (f) CEO Report**
- (g) Report of the Auditor**
- (h) Consideration and Proposal of Audited Accounts**
- (i) Report of the Oversight Committee**
- (j) Declaration of Dividend, Rebate of Interest, Affiliation fees approved**
- (k) Appointment of Tellers**
- (l) (i) Election of Auditor**
  - (ii) Election to fill vacancies on the Board of Directors**
  - (iii) Election to fill vacancy on the Board Oversight Committee**
- (m) Consideration and Proposal of Amendment to Standard Rules**
- (n) Any other Business**
- (o) Announcement of Election Results**
- (p) Close of Meeting**

Signed:  Jerry Crowley, Secretary



**SOUTH DUBLIN  
CREDIT UNION**

## **WHY CHOOSE TO SAVE WITH US?**

- **FREE ONLINE BANKING**
- **FREE MOBILE APP**
- **NO MAINTENANCE FEES**
- **NOT FOR PROFIT FINANCIAL INSTITUTION OWNED BY OUR MEMBERS**
- **SUPPORTING LOCAL COMMUNITY FOR 57 YEARS**
- **FREE LIFE SAVINGS INSURANCE (T&C'S APPLY)**
- **SECURE SAVINGS: COVERED BY THE SAVINGS GUARANTEE SCHEME & CU SAVINGS PROTECTION SCHEME**
- **FRIENDLY, PROFESSIONAL STAFF**
- **EASY ACCESS TO SAVINGS ONLINE OR IN BRANCH**
- **DOWNLOAD FREE E-STATEMENTS INSTANTLY**
- **GROUP DISCOUNTS FOR MEMBERS**
- **POTENTIAL ANNUAL DIVIDENDS**
- **NO TRANSACTION OR ADMIN FEES**
- **OPTION TO JOIN MEMBERS CASH DRAW**

**MAXIMUM SAVINGS LIMIT €40,000**

**Become a member today!**

**SOUTH DUBLIN CREDIT UNION IS REGULATED  
BY THE CENTRAL BANK OF IRELAND**



## **NOTICE OF ELECTIONS**

Due to the enactment of the provision relating to composition of Board of Directors and Oversight Committee in the 2012 Act, election of 3 directors and 1 Board Oversight Committee member will be held. Nominations for these elections will be presented to the meeting by the nomination committee.

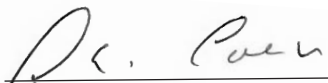
## **BOARD OVERSIGHT COMMITTEE REPORT 2023**

It is my pleasure to present the report of the Board Oversight Committee for the year ended 30th September 2023 to the members of South Dublin Credit Union. The role and responsibilities of the Board Oversight Committee are laid down in the Credit Union Act, 1997, as amended by the Credit Union and Co-operation with Overseas Regulators Act, 2012. The Board Oversight Committee is responsible to the members of the Credit Union and acts at all times in good faith to safeguard their interests. The Act stipulates that the Committee shall report to the members at the Annual General Meeting on whether the Board of Directors has operated in compliance with its legislative requirements as set out in Part IV and Part IVa of the Act, and regulations made thereunder, as well as any other matters prescribed by the Central Bank.

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

- meet at least monthly throughout the year;
- attend all board meetings;
- meet the board once a quarter;
- fulfil all reporting requirements;
- assess the performance of the board and the conduct of board meetings; and
- assess the Board's implementation of the strategy for the Credit Union.

I would like to express my heartfelt gratitude and appreciation to each of my fellow volunteers on the Board Oversight Committee, Donough O'Reilly and Paul Cooney. The diligence, commitment and teamwork have assured the committee's effectiveness throughout the past year. I also extend my thanks to the staff of the Credit Union whose unfailing help and support have been indispensable in carrying out our duties on behalf of the members, and to the Board of Directors for their continued openness and co-operation. We further recognise the extraordinary effort that the Board of Directors, volunteers and staff have put into the Credit Union during the past year.



*Bill Colman, Chair  
Board Oversight Committee*

## REPORT OF THE BOARD OF DIRECTORS, 2023

On behalf of the Board of Directors, I am pleased to present the Annual Report and Financial Statements for the year ending on the 30th September, 2023.

Towards the end of 2022 it was clear that, while the immediate impact of COVID was waning, many of the associated behavioural changes had become normalised; credit union members required improved remote secure access to accounts and services. In response to this growing demand for better on-line services the credit union completed an upgrade of its systems and is in the process of further expanding the range of facilities available via the internet or mobile devices.

International events over the past year have given rise to nervousness in financial markets amidst fears of entry into a period of global recession and resulted in poor rates of return on secure investments. Energy concerns and supply-chain impacts of the war in Ukraine precipitated a rapid rise in domestic price inflation and the consequent adoption of a high interest rate policy by central banks. In practice, this policy resulted in increased pressure on existing borrowers, deterred potential new borrowers, and promoted savings growth. It was necessary for credit unions to restrict excessive growth in deposits, through the imposition of limits, in order to maintain financial stability. Fortunately, recent months have seen a welcome improvement in investment returns, a continuing reduction in the rate of inflation and indications of a likely fall in interest rates. The credit union has used this period of market uncertainty to strengthen its financial position and, through a recent significant raising of the deposit limit (to €40,000), allow it to confidently respond to an evidently increasing lending demand.

Over the past year the asset base of the credit union has increased to €68.7m and a welcome surplus of €440,065 has been recorded. This good outcome is largely attributable to improved lending performance; loans to members have risen by 8.2% to €13.8m and have contributed to a 12.5% increase in loan interest earnings. The board is expected to use any generated surplus in the best interests of the membership of the credit union. However, current Central Bank guidelines only permit payment of a dividend or interest rebate for consideration in exceptional circumstances. Consequently, no dividend or rebate of interest will be paid for 2022/23 but the board anticipate a return to the provision of financial rewards to members in 2023/24. The generated surplus may be applied to increase reserves which are consequently valued at €9.77m, a healthy 14.2% of total assets and significantly higher than the minimum Statutory Reserve 10% figure established by the Central Bank.

Unfortunately, it has been apparent for some time that the Donnybrook branch of the credit union is non-viable. Consequently, in the best interests of the credit union as a whole, the board reluctantly decided to close the branch at the end of December with a possible sale of the premises in 2024.

Your credit union continues to adapt to meet the evolving needs of members and to respond effectively to the challenges of changing financial, legislative and regulatory environments while maintaining the core element of personal service within our community. The board of the credit union is comprised of 11 individuals who are directly elected by the membership and act in a voluntary capacity. We are fortunate to have the services of a remarkable group of hi-calibre and dedicated volunteers on the board to guide the progress of the credit union. On your behalf and personally I would like to thank them for their unselfish and professional support. Whilst the board is recognised as the governing body of the credit union, a 3-member Oversight Committee ensures that the board acts responsibly. This group of individuals have the benefit of vast experience of credit union operation and deserve our appreciation for their many years of voluntary contribution. Finally, but importantly, sincere thanks are due to our CEO, the management team and staff for their hard work and support, their dedication to the ethos and development of the credit union, and their commitment to the effective provision of a caring and personal service to members.



On behalf of the Board of Directors  
**Brendan O'Sullivan, Chairperson.**

## **NOMINATIONS**

We remind all members of the importance of keeping their nominations up to date. Please contact the office if you have any queries.

## **PHOTO IDENTIFICATION AND ADDRESS VERIFICATION**

We would like to remind all members of the requirement for current photo identification and address verification and we encourage everyone to keep their details up to date.

## **GOVERNMENT SAVINGS GUARANTEE**

All Credit Unions including South Dublin Credit Union Limited member's savings are currently guaranteed by the Irish Government Savings Guaranteed Scheme to a maximum of €100,000 per member.

## **REPORT OF THE CEO**

I am delighted to report a very successful financial year in SDCU with growth in membership, the loan book and services to our members as well as increases in our asset size and the reserves. A healthy positive surplus of €440,065 has been reported for financial year 2022/2023. South Dublin Credit Union is regulated by the Central Bank of Ireland. We maintain an excess over the minimum requirements for liquidity and hold stronger reserves as a result of this year's surplus.

We proudly serve 12,492 members and we welcomed 346 new members during the year who can enjoy the many benefits of SDCU membership including savings accounts with no transaction or maintenance fees, life savings and loan protection insurance (exclusive to Credit Unions), the option of in branch personal friendly service, free online banking through our website and mobile app, competitive loan interest rates and supporting the locality.

We need your savings! We are pleased to announce that our savings limit is increased to €40,000 per member account. Saving with your Credit Union helps us lend money to other members in the community at affordable rates. The Credit Union is 100% owned by the members and exists to serve the members. We are not-for-profit and the interest earned on loans is used amongst other purposes to fund sponsorships for local clubs & societies and charity donations. Your savings are safe and secure! Member savings are guaranteed under the Government Deposit Guarantee Scheme and the Irish League of Credit Unions Savings Protection Scheme.

We continue to provide Life Savings insurance cover up to a maximum of €5,000, under which the majority of our members are eligible. During the year 45 claims were settled to a total value of €54,133 to include both Life Savings cover and Loan Protection cover in the event of a member passing away with an outstanding loan balance. We offer our deepest sympathies to all the relatives of our members who passed away during the year.

We are committed to continuously improving services for our members and we have invested heavily over the past two years in upgrading our IT systems. In 2023 we upgraded our mobile app making it more accessible for members to now join online, upload documentation, make card payments to SDCU accounts, view balances and transactions on your account, transfer funds internally between your accounts and externally to other financial institutions. Our IT systems are secure and safeguarded with the most up to date cyber security and all is regularly tested.

Thank you to our members who have borrowed from us. Our loan book grew by €1,042,719 in the financial year. During the year 951 loan applications were approved. The total value of loans approved during the year was €7.6 million. Our loans to members as at 30th September 2023 stands at €13,803,631.

We rely on your ongoing support and loyalty in borrowing and saving to keep SDCU strong and provide financial services to the local community. Additional resources have been allocated to lending to improve member experience and turn around times on loan applications. We have a wide range of loan products available at very competitive rates from 6.5% APR to 12% APR. We welcome loans big and small so whether you are thinking of a small holiday loan or a larger home improvement loan for up to €100,000 – we want to lend to you! Our team are available in branch, over the phone and via online loan applications to assist you. We saw a significant uptake in loans drawn down online without the need to come into branch. €2,850,350 in funds were issued through DocuSign during the year.




Despite the prevailing economic difficulties facing many people with hikes in mortgage interest rates, increases in household utility bills and inflation, more than 90% of members are repaying their Credit Union loans on time. For those members who have fallen into difficulty our inhouse team empathically work with them to find solutions. €44,400 was charged off this year and €74,937 was recovered from bad debt loan repayments, which we are satisfied with. Please contact the Credit Union if you are experiencing difficulties repaying your loan. Challenges addressed quickly are the easiest to resolve. As a last resort legal action is undertaken to protect your Credit Union's resources but only after all other avenues have been exhausted.

SDCU strives to sponsor many local organisations projects and supports events in the community. There have also been many staff run events during the year for charity including coffee mornings and a steps challenge. Local schools who benefitted from donations during the year include Oatlands College, St. Benildus College, St. Raphaelas & St. Laurence's. Local clubs including Kilmacud Crokes, Mount Merrion Football club and Beechill United. SDCU continues to support local Resident Associations, Kilmacud Musical Society and annual St. Vincent De Paul appeal. We regularly run competitions and raffles on social media and in branch.

Throughout the year €60,000 was won in prizes in our Members Cash Draw. The entry cost is €52 per year with one lucky winner of €10,000 bi-monthly. Application forms available on our website [www.southdublincu.ie](http://www.southdublincu.ie)

I wish to thank you, our members for saving, borrowing and availing of the services of SDCU. Wishing all our members the very best in the year ahead and we encourage you to promote our services to family and friends who can also share in the continued success of your Credit Union. Membership is open to people who live or work in the area and for anyone who lives in the same household as an existing member, even if they have moved outside the locality.

A special thanks to the volunteers of SDCU who give their free time and expertise so willingly to serve on the Board of Directors and through committees. Thank you to the management team and the staff for their dedication and hard work in providing excellence in member services through the personal friendly touch that we pride ourselves on.

  
Caitriona Kelly Puca

Caitriona Kelly Puca  
CEO

## **RULE AMENDMENT**

### **RULE 30 (1)(A)**

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

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

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

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

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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 financial year. In preparing these financial statements the directors are required to:

- select suitable accounting policies and 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 confirm that they have complied with the above requirements in preparing the financial statements.

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 enable them 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.

## **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 Acts 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.

### **Directors**

Brendan O'Sullivan (Chairperson)  
Jerry Crowley (Secretary)  
Niamh O'Doherty  
Mairead Hennessy  
Maura Quill  
Noreen Roberts (co-opted)  
Gerry Mitchell  
Fergal Morris  
Paul O'Donoghue  
Ciaran Kane  
Cathal Gilbride (resigned 26.10.23)

### **Board Oversight Committee Members**

Bill Colman  
Donough O'Reilly  
Paul Cooney

### **Registered Office and Business Address:**

63-65 Lower Kilmacud Road  
Stillorgan  
Co. Dublin, Ireland

### **Potential New Directors**

At the credit union, our volunteers are unique. They do more than improve the lives of those around them. More than building leadership skills as board directors and gaining career experience, at the credit union, when our volunteers give back, they do something more: they build a better community, by supporting a vital, not-for-profit, local financial service. We are continuously seeking a stream of new directors and voluntary assistants for positions on the board of directors and committees of South Dublin Credit Union.

To find out how you can volunteer for your local credit union, enquire online at [info@southdublincu.ie](mailto:info@southdublincu.ie) or in person today.

## E-AGM Notice Consent

As a credit union, by law, we are obligated to send each of our eligible members a notice of when the Annual General Meeting (AGM) will be held and a copy of our financial statements.

Normally we do this by sending you an AGM booklet by post, but you can save members' money and help us Go Green by agreeing to receive this on your email.

Would you like to give your consent to receive the AGM booklet by email, or would you prefer to continue receiving it by post? (Please tick the box below)

**Member Number** \_\_\_\_\_

**Email**

Please enter below the email address you'd like us to send this to:

\_\_\_\_\_  
We'll send a thank you email to that address, just to check we have recorded it correctly.

We will not use this email for any other purpose unless you have given us further consent.

**Post**

Thank you, we'll mark on our system that you want to continue receiving the AGM booklet by post

---

## Online Statements and Electronic Statements Consent

If you are already registered for our Online Banking, you have the option to download statements on demand.

Tick the box to opt out of receiving paper account statements.

Yes, I would like to opt out of receiving paper statements.

No, I prefer to continue receiving paper statements.

Member name: \_\_\_\_\_

Account Number: \_\_\_\_\_ Date: \_\_\_\_ / \_\_\_\_ / \_\_\_\_\_

If at any time in the future you change your mind, please just get in contact with us, by phone, email or in branch.

- Return options: 1. Email a photo of this form to [info@southdublincu.ie](mailto:info@southdublincu.ie)  
2. Drop this form into our Stillorgan branch.

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOUTH DUBLIN CREDIT UNION LIMITED REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

## **Opinion**

We have audited the financial statements of South Dublin Credit Union Limited for the financial year ended 30 September 2023 which comprise the Income & Expenditure Account, the Balance Sheet, the Statement of Changes in Reserves, the Statement of Cash Flows and 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 including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued in the United Kingdom by the Financial Reporting Council and the Credit Union Acts 1997 (as amended).

In our opinion the financial statements:

- give a true and fair view of the state of the assets, liabilities, and financial position of the Credit Union as at 30 September 2023 and of its surplus for the financial 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 the ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Credit Union's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## **Other Information**

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



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 course of 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)**

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

- We have obtained all the information and explanations which we consider 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.
- 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.

### **Respective responsibilities**

#### **Responsibilities of directors for the financial statements**

As explained more fully in the Statement of Directors' Responsibilities as set out on page 3, 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 the directors either intend to liquidate the Credit Union or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

As part of an audit in accordance with ISAs (Ireland), we exercise professional judgement 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 directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Credit Union's ability to continue as a going concern. If 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 a going concern.

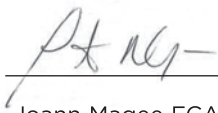
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

### **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 Acts 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.

6/12/2023



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Joann Magee FCA  
For and on behalf of  
COLLIGAN O CEARBHAILL & CO.  
Statutory Audit Firm  
Bri Chualann Court, Adelaide Road, Bray, Co. Wicklow, Ireland

**INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED  
30TH SEPTEMBER 2023**

	Notes	2023 €	2022 €
<b>INCOME</b>			
Interest on members' loans	4	920,794	818,480
Other interest income and similar income	5	598,787	368,914
Interest payable on members' deposits	6	-	-
		<hr/>	<hr/>
<b>NET INTEREST INCOME</b>		1,519,581	1,187,394
Other income	8	5,892	319,700
		<hr/>	<hr/>
<b>Total income</b>		<b>1,525,473</b>	<b>1,507,094</b>
		<hr/> <hr/>	<hr/> <hr/>
<b>EXPENDITURE</b>			
Employment costs	9	564,594	483,589
Other management expenses (Schedule 4)		655,497	680,572
Depreciation	13	80,461	83,183
Unrealised (gain)/loss on investment	10	(74,976)	579,249
Realised loss on sale of investments	10.1	65,938	-
Net impairment (gains)/losses on loans to members	14.4	(206,106)	(295)
		<hr/>	<hr/>
<b>TOTAL EXPENDITURE</b>		<b>1,085,408</b>	<b>1,826,298</b>
		<hr/> <hr/>	<hr/> <hr/>
<b>SURPLUS/(DEFICIT) FOR THE FINANCIAL YEAR</b>		<b>440,065</b>	<b>(319,204)</b>
OTHER COMPREHENSIVE INCOME		-	-
		<hr/>	<hr/>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>440,065</b>	<b>(319,204)</b>
		<hr/> <hr/>	<hr/> <hr/>

## BALANCE SHEET AS AT 30TH SEPTEMBER 2023

	Notes	2023	2022
		€	€
<b>ASSETS</b>			
Cash & bank balances	12	2,070,228	3,784,722
Deposits and investments receivable within 3 months	12	11,100,025	6,480,116
Tangible fixed assets	13	935,107	1,012,630
Loans to members	14.1	13,803,631	12,760,912
Provision for bad debts	14.3	(608,786)	(784,355)
Prepayments and other debtors	15	73,767	73,467
Deposits and investments receivable after 3 month	16	41,318,670	44,571,445
<b>TOTAL ASSETS</b>		<b>68,692,642</b>	<b>67,898,937</b>
<b>LIABILITIES</b>			
Members' shares	17	57,782,631	57,454,601
Members' deposits	18	706,366	729,501
Savings club accounts	19	259,112	283,325
Trade creditors and accruals	20	156,042	80,704
Other creditors	20	20,371	22,751
		<b>58,924,522</b>	<b>58,570,882</b>
<b>Members' Resources</b>			
Regulatory reserve	21	8,750,000	7,500,000
Other reserves - realised	21	515,671	1,328,757
Operational risk reserve	21	335,000	325,000
Unrealised income reserve	21	167,449	174,298
		<b>9,768,120</b>	<b>9,328,055</b>
<b>TOTAL LIABILITIES</b>		<b>68,692,642</b>	<b>67,898,937</b>

**STATEMENT OF CHANGES IN RESERVES FOR THE YEAR ENDED  
30TH SEPTEMBER 2023**

	Regulatory reserve	Realised reserve	Operational risk reserve	Unrealised Income reserve	Total
	€	€	€	€	€
At 1 October 2021	7,000,000	2,200,513	325,000	121,746	9,647,259
Surplus allocation in financial year	-	(319,204)	-	-	(319,204)
Surplus for the current year	500,000	(552,552)	-	52,552	-
<b>At 30 September 2022</b>	<b>7,500,000</b>	<b>1,328,757</b>	<b>325,000</b>	<b>174,298</b>	<b>9,328,055</b>
At 1 October 2022	7,500,000	1,328,757	325,000	174,298	9,328,055
Surplus for the current year	-	440,065	-	-	440,065
Transfers between reserves	1,250,000	(1,253,151)	10,000	(6,849)	-
<b>At 30 September 2023</b>	<b>8,750,000</b>	<b>515,671</b>	<b>335,000</b>	<b>167,449</b>	<b>9,768,120</b>

In accordance with S45 of the Credit Union Act 1997 (as amended), South Dublin Credit Union Ltd. maintained an Operational Risk reserve during the current period. Based on the Board's assessment it was deemed appropriate to hold an operational risk reserve of 0.487% of total assets (2022 - 0.48%).

The Regulatory reserve of the Credit Union as a percentage of total assets as at 30th September 2023 was 12.73%. (2022:11.04%). This meets legal and regulatory requirements and is in excess of the required limit.



## CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH SEPT 2023

	Notes	2023 €	2023 €	2022 €	2022 €
<b>Reconciliation of operating surplus to net cash inflow from operating activities</b>					
Operating surplus/ (deficit)			440,065		(319,204)
Depreciation	13		80,461		83,183
Provision for bad and doubtful debts	14.4		(175,569)		3,940
Loans written off	14.4		44,400		90,702
<b>Net cash inflow from trading activities</b>			<b>389,357</b>		<b>(141,379)</b>
New loans to granted members		(7,256,855)		(6,601,934)	
Repayment of members' loans		6,169,736		5,539,763	
Net movement in members' loans	14.1		(1,087,119)		(1,062,171)
Members shares and deposits received		20,245,179		18,395,206	
Members shares and deposits withdrawn		(19,964,497)		(19,200,975)	
Net movement in members' shares and deposits			280,682		(805,769)
Net movement in other assets			(300)		(195)
Net movement in other creditors			72,958		(78,320)
Net cash generated from operating activities			<b>(344,422)</b>		<b>(2,087,834)</b>
<b>Cash flows from investing activities</b>					
Capital expenditure	13		(2,938)		(144,078)
Net movement in investments			3,252,775		(2,402,943)
Net cash generated from investing activities			<b>3,249,837</b>		<b>(2,547,021)</b>
<b>Cash flows from financing activities</b>					
Dividends and interest rebate paid			-		-
<b>Net increase/(decrease) in cash and cash equivalents</b>			<b>2,905,415</b>		<b>(4,634,854)</b>
<b>Cash and cash equivalents at 1st October 2022</b>			<b>10,264,838</b>		<b>14,899,692</b>
<b>Cash and cash equivalents at 30th September 2023</b>	12		<b>13,170,253</b>		<b>10,264,838</b>

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2023**

### **1. LEGAL AND REGULATORY FRAMEWORK**

South Dublin 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 63-65 Lower Kilmacud Road, Stillorgan, Co. Dublin. The Credit Union also has offices on 59 Morehampton Road, Donnybrook, Dublin 4.

### **2. ACCOUNTING POLICIES**

The following principal accounting policies have been applied;

#### **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). The financial statements are prepared on the historical cost basis.

#### **Currency**

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

#### **Going concern**

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

#### **Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Credit Union and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received.

##### **(i) Interest on members' loans**

Interest on loans to members is calculated and accrued on a daily basis.

##### **(ii) Deposit and investment income**

Investment income is recognised when received or irrevocably receivable. Investments are recognised at cost less any permanent diminution in capital value but ignoring any increase in capital value or encashment value until realised in the form of cash or cash equivalents.

#### **Investments**

Investment income is recognised on an accruals basis.

#### **Cash and short-term deposits**

These are valued at the deposit amount plus any accrued interest and interest income is recognised in the income statement on an accruals (time) basis.

#### **Deposits and investments**

Term deposits and fixed interest investment bonds with fixed maturity dates are valued at the lower of cost or encashment value and interest is recognised in the income statement when it is received or irrevocably receivable.

### **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 un-collectability.

### **Central Bank deposits**

Credit Unions are obliged to maintain certain deposits with the Central Bank. These deposits are technically assets of the credit union but to which the Credit Union has restricted access. The funds on deposit with the Central Bank attract nominal interest and will not ordinarily be returned to the credit union while it is a going concern and is separately identified in note 16. The amounts are stated at the amount deposited plus accrued income and are not subject to impairment reviews.

### **Investments at fair value**

Investments held for trading and investment in stock market shares (i.e. non-convertible preference shares and non-puttable ordinary shares or preference shares) are included in this category. Financial assets at fair value are classified as held for trading if they are acquired for sale in the short term. They are valued at fair value (market value) at the year end date and all gains and losses are taken to the income and expenditure account. The fair value of quoted investments is determined by reference to bid prices at the close of business on the balance sheet date. Where there is no active market these assets will be carried at cost less impairment.

### **Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost or at valuation, less accumulated depreciation. The charge to depreciation is calculated to write off the original cost or valuation of tangible fixed assets, less their estimated residual value, over their expected useful lives as follows:

Land and buildings freehold	2% Straight line
Fixtures, fittings and equipment	20% Straight line
Computer equipment	33% Straight line
Improvements to premises	10% Straight line

### **Impairment of assets**

At each reporting date assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the income and expenditure account. If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the income and expenditure account.

### **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.

### **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.

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

#### **Bad debt provision**

Allowances for impaired loans represent reserves and/or provisions made during the year less amounts utilised or realised and charged against the surplus for the year. Allowances are created after a detailed review of individual loans and groups of loans. Allowances are established by reviewing the credit worthiness of individual borrowers and the value of collateral underlying the loan. General allowances are measured based on Resolution 49 of the Irish League of Credit Unions. Bad debts in the Credit Union are recognised when there is a reasonable doubt that the full amount of principal will not be collected, or the financial capacity of the borrower has deteriorated such that the recovery of the whole or part of an outstanding loan advanced is in doubt. In all cases where it is impractical to estimate the recoverable amount the carrying amount is reduced to zero.

### **Basic financial liabilities**

#### **Members' shares**

Members' shares in South Dublin Credit Union Limited are redeemable and therefore are classified as financial liabilities. They are recognised at the amount of cash deposited.

#### **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.

#### **Pensions**

The Credit Union operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Credit Union in an independently administered fund. Contributions to the scheme are charged to the income and expenditure account in the period to which they relate. The pension cost charge represents contributions payable by the Credit Union to the fund.

## **Distribution**

South Dublin Credit Union Limited's policy is to pay a reasonable rate of dividend and loan interest rebate subject to covering operating expenses and meeting reserve requirements as set out in the Credit Union's Reserve Management Policy.

## **Reserves**

### **Regulatory reserve**

The Credit Union Act, 1997 (Regulatory Requirements) Regulations 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.

### **Operational risk reserve**

Section 45(5)(a) of the Credit Union Acts 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.

### **Other Reserves**

Other reserves are the accumulated surpluses to date that have not been declared as dividends returnable to members. The other reserves are sub divided into realised and unrealised.

Investment and other 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 2022. A reclassification between non-distributable and distributable is made as investments and other income come to within 12 months of maturity date.

### **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 and deposits**

Members' shares and deposits 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.

## **Taxation**

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



### 3. CRITICAL ACCOUNTING JUDGEMENT AND ESTIMATES

The directors are required to make significant judgements and estimates when preparing the financial statements. The items in the financial statements where these judgments and estimates have been made include;

#### Provision for bad debts

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 quarterly basis. Key assumptions underpinning the Credit Union's estimates of collective provisions for loans with similar credit risk characteristics, and, Incurred But Not Reported provisions ("IBNR") are based on the historical experiences of the Credit Unions allied to the Credit Union's judgement 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.

#### Determination of depreciation, useful economic life and residual value of tangible assets

The annual depreciation charge depends primarily on the estimate useful 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.

### 4. INTEREST ON MEMBERS' LOANS

	2023	2022
	€	€
Loan interest received in financial year	<del>920,794</del>	<del>818,480</del>

## 5. OTHER INTEREST INCOME AND SIMILAR INCOME

	<b>2023</b>	<b>2022</b>
	€	€
Investment income received	451,395	286,622
Investment income receivable within 12 months	132,235	58,794
Investment income receivable after 12 months	15,157	23,498
	<u><b>598,787</b></u>	<u><b>368,914</b></u>

## 6. INTEREST PAYABLE AND DIVIDENDS

The interest expense for the Credit Union comprises of interest payable on deposits, and was as follows for the current and prior financial year:

	<b>2023</b>	<b>2022</b>
	€	€
<b>Interest payable for the financial year</b>	<u>-</u>	<u>-</u>

## 7. DIVIDENDS

The following distributions were made during the year:

	<b>2023</b>	<b>2023</b>	<b>2022</b>	<b>2022</b>
	%	€	%	€
Dividends on shares	-	<u>-</u>	-	<u>-</u>

The above dividends refer to those paid out in those years from the surplus earned in previous years.

At the financial year-end the directors have allocated the amount of €515,671 to the Distribution Reserve which may be returned to the members by way of dividend by way of resolution by a majority of the members at the annual general meeting. The directors do not propose to pay a dividend in respect of year ended 30th September 2023.

## 8. OTHER INCOME

	<b>2023</b>	<b>2022</b>
	€	€
Entrance fees	269	1,166
Cash over	3,288	5,941
Members DD reversal charges	2,335	124
ILCU SPS refund	-	290,538
E.C.C.U. claims experience refund fees	-	21,931
	<u><b>5,892</b></u>	<u><b>319,700</b></u>

## 9. EMPLOYEES AND REMUNERATION

The average monthly number of employees during the year was:

	<b>2023</b>	<b>2022</b>
	<b>Number</b>	<b>Number</b>
Management	3	2
General staff	14	17
	<b>17</b>	<b>19</b>
	<b>2023</b>	<b>2022</b>
	<b>€</b>	<b>€</b>
The staff costs comprise:		
Wages and salaries	527,069	453,337
Pension costs	37,525	30,252
	<b>564,594</b>	<b>483,589</b>

## 10. UNREALISED GAIN ON INVESTMENTS

During the financial year the credit union incurred an unrealised investment gain of €74,976 (2022 loss €579,249) due to the increase in value of its holding in a corporate bond fund (a UCITS holding).

Under accounting rules, the change in the market value of this fund needs to be recognised in the financial accounts.

This year the value of the fund increased and therefore an unrealised gain has been recorded within the accounts.

Both our investment advisor and the fund manager remain confident in the robustness of the fund's strategy, while the Central Bank is also fully aware of this fund.

As with all its investments the credit union continues to monitor this holding.

### 10.1 REALISED LOSS ON INVESTMENTS

During the financial year the credit union realised a loss of €65,938 on the sale of two bank bonds.

The Central Bank requires credit unions to maintain specific liquidity levels throughout the year to enable the credit union to meet its liabilities as they arise.

The credit union did not breach its minimum liquidity requirements during the year, however the board made the decision to sell the bank bonds early in order to ensure liquidity levels were maintained at all times.

The funds released from the early sale of these bonds have now been invested in shorter term higher return deposit accounts which will, in time, provide a greater return than the original investment.

## 11. KEY MANAGEMENT PERSONNEL

The directors of South Dublin Credit Union Limited are all unpaid volunteers. The management personnel compensation is as follows:

	<b>2023</b>	<b>2022</b>
	<b>€</b>	<b>€</b>
Short term employee benefits	264,559	152,138
Payments to defined contribution pension scheme	<del>20,958</del>	<del>16,440</del>
Total key management personnel compensation	<del><b>285,517</b></del>	<del><b>168,578</b></del>

## 12. CASH AND CASH EQUIVALENTS

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

	<b>2023</b>	<b>2022</b>
	€	€
Cash and bank balances	2,070,228	3,784,722
Deposits and investments	11,100,025	6,480,116
	<u><b>13,170,253</b></u>	<u><b>10,264,838</b></u>

## 13. TANGIBLE FIXED ASSETS

	Land and buildings freehold	Fixtures, fittings and equipment	Computer equipment	Improvements to premises	Total
	€	€	€	€	€
<b>Cost</b>					
At 1 October 2022	1,425,523	360,324	186,546	33,840	2,006,233
Additions	-	2,938	-	-	2,938
At 30 September 2023	<u>1,425,523</u>	<u>363,262</u>	<u>186,546</u>	<u>33,840</u>	<u>2,009,171</u>
<b>Depreciation</b>					
At 1 October 2022	520,818	358,526	88,241	26,018	993,603
Charge for the financial year	28,510	1,021	47,546	3,384	80,461
At 30 September 2023	<u>549,328</u>	<u>359,547</u>	<u>135,787</u>	<u>29,402</u>	<u>1,074,064</u>
<b>Net book value</b>					
<b>At 30 September 2023</b>	<u><b>876,195</b></u>	<u><b>3,715</b></u>	<u><b>50,759</b></u>	<u><b>4,438</b></u>	<u><b>935,107</b></u>
At 30 September 2022	<u>904,705</u>	<u>1,798</u>	<u>98,305</u>	<u>7,822</u>	<u>1,012,630</u>

On 20th March 2023 FH Estates carried out valuations on the land and buildings held by South Dublin Credit Union. The land and buildings were valued at €2,420,000.

## 14. LOANS TO MEMBERS - FINANCIAL ASSETS

### 14.1 LOANS TO MEMBERS

	<b>2023</b>	<b>2022</b>
	€	€
As at 1 October	12,760,912	11,789,443
Cash movement in the financial year	1,087,119	1,062,171
Loans written off	(44,400)	(90,702)
<b>Gross loans to members</b>	<u><b>13,803,631</b></u>	<u><b>12,760,912</b></u>

## 14.2 CREDIT RISK DISCLOSURES

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

The carrying amount of the loans to members represents South Dublin Credit Union Ltd.'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.

	<b>2023</b>	<b>2023</b>	<b>2022</b>	<b>2022</b>
	€	%	€	%
<b>Gross loans not impaired</b>				
Not past due	12,502,596	90.57	11,890,444	93.18
<b>Gross loans individually impaired</b>				
Up to 9 weeks past due	1,058,011	7.66	667,798	5.23
Between 10 and 18 weeks past due	37,323	0.27	18,478	0.15
Between 19 and 26 weeks past due	14,263	0.10	9,709	0.07
Between 27 and 39 weeks past due	52,390	0.39	34,713	0.28
Between 40 and 52 weeks past due	35,725	0.26	42,923	0.34
53 or more weeks past due	103,322	0.75	96,847	0.75
Total	1,301,035	9.43	870,468	6.82
<b>Total gross loans</b>	13,803,631	100.00	12,760,912	100.00
<b>Impairment allowance</b>				
Individually significant loans	(36,492)		(317,133)	
Collectively assessed loans	(572,294)		(467,222)	
<b>Total carrying value</b>	<b>13,194,845</b>		<b>11,976,557</b>	

## 14.3 LOAN PROVISION ACCOUNT FOR IMPAIRMENT LOSSES

	<b>2023</b>	<b>2022</b>
	€	€
As at 1 October	784,355	780,415
Provisions (reversed)/charged during the financial year	(44,400)	(90,702)
(Decrease)/Increase in loan provision during the financial year	(131,169)	94,642
<b>As at 30 September</b>	<b>608,786</b>	<b>784,355</b>

#### 14.4 NET IMPAIRMENT (GAINS)/LOSSES ON LOANS TO MEMBERS

	2023	2022
	€	€
Bad debts recovered	(74,937)	(94,937)
Increase/reduction in provision	(175,569)	3,940
	(250,506)	(90,997)
Loans written off	44,400	90,702
Net (recoveries)/losses on loans to members recognised for the financial year	<b>(206,106)</b>	<b>(295)</b>

#### 15. DEBTORS, PREPAYMENTS AND ACCRUED INCOME

	2023	2022
	€	€
Prepayments	44,713	44,413
ILCU SPS refund receivable	29,054	29,054
	<b>73,767</b>	<b>73,467</b>

#### 16. DEPOSITS AND INVESTMENTS

Investments by counterparty;

	2023	2022
	€	€
Irish Life & Permanent	1,548,731	2,052,387
Societe Generale	400,000	400,000
Caixabank	-	1,428,373
BNP Paribas	2,011,061	2,011,095
Natwest	504,219	504,250
Barclays	4,111,745	4,115,375
Goldman Sachs Group	6,447,939	6,432,665
Deutsche Bank	2,284,878	3,725,878
Lloyds Banking Group	4,218,377	4,218,377
Irish and EEA State Securities	5,424,420	5,419,044
Intesa Sanpaolo	3,229,762	3,200,043
Collective Investment Scheme	2,716,182	2,643,388
Sabadell Bank	2,021,942	2,032,219
Mediobanco	1,000,301	1,000,301
Central Bank Minimum Reserve	878,123	867,214
Commerzbank	4,520,990	4,520,836
<b>Total deposits and investments</b>	<b>41,318,670</b>	<b>44,571,445</b>

#### 17. MEMBERS' SHARES - FINANCIAL LIABILITIES

	2023	2022
	€	€
As at 1 October	57,454,601	58,151,174
Received during the financial year	20,099,435	18,248,714
Repaid during the financial year	(19,771,405)	(18,945,287)
<b>As at 30 September</b>	<b>57,782,631</b>	<b>57,454,601</b>

**18. MEMBERS' DEPOSITS - FINANCIAL LIABILITIES**

	<b>2023</b>	<b>2022</b>
	€	€
As at 1 October	729,501	831,467
Received during the financial year	-	-
Repaid during the financial year	(23,135)	(101,966)
<b>As at 30 September</b>	<b><u>706,366</u></b>	<b><u>729,501</u></b>

**19. SAVINGS CLUB ACCOUNTS**

	<b>2023</b>	<b>2022</b>
	€	€
As at 1st October	283,325	290,555
Received during the financial year	145,744	146,491
Repaid during the financial year	(169,957)	(153,721)
<b>As at 30th September</b>	<b><u>259,112</u></b>	<b><u>283,325</u></b>

**20. TRADE CREDITORS AND ACCRUALS**

	<b>2023</b>	<b>2022</b>
	€	€
Accruals	129,190	53,355
PAYE/PRSI	9,725	10,182
Holiday pay accrual	17,127	17,167
Other creditors	20,371	22,751
	<b><u>176,413</u></b>	<b><u>103,455</u></b>

**21. CREDIT UNION RESERVES**

	Balance 01/10/2022	Appropriation of current	Transfer between deficit	Balance 30/09/2023 reserves
	€	€	€	€
Regulatory reserve	7,500,000	-	1,250,000	8,750,000
Operational risk reserve	325,000	-	10,000	335,000
<b>Other reserves</b>				
<b>Realised</b>				
General reserve	1,328,757	440,065	(1,253,151)	515,671
<b>Unrealised reserves</b>				
Investment income reserve	145,244	-	(6,849)	138,395
SPS reserve	29,054	-	-	29,054
<b>Total unrealised reserves</b>	<b>174,298</b>	<b>-</b>	<b>(6,849)</b>	<b>167,449</b>
<b>Total reserves</b>	<b><u>9,328,055</u></b>	<b><u>440,065</u></b>	<b><u>-</u></b>	<b><u>9,768,120</u></b>

## 22. LIQUIDITY RISK DISCLOSURE

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

## 23. PENSION SCHEME

Staff pension costs under a defined contribution plan are charged to the Income and Expenditure account in the period to which they relate.

## 24. RELATED PARTY TRANSACTIONS

Directors and staff (and their family members) of the Credit Union during the financial year ended 30 September 2023 operated share and loan accounts with the Credit Union. All loans advanced to directors, staff and their family members are approved in accordance with Section 36(4) Credit Union Acts 1997 (as amended). The following transactions and balances existed with members who were officers (and their family members) during the financial year ended 30 September 2023:

	<b>No. of loans</b>	<b>2023 €</b>
Loans advanced to Related Parties during the year	<b>4</b>	<b>69,000</b>
Total loans outstanding to Related Parties at the financial year end	<b>12</b>	<b>165,542</b>
Total provisions for loans outstanding to Related Parties		<b>975</b>

The total amount of savings held by related parties at the year end was €431,457.

## 25. INSURANCE AGAINST FRAUD

The Credit Union has insurance against fraud in the amount of €5,200,000 (2022: €5,200,000) in compliance with Section 47 of the Credit Union Acts 1997 (as amended).

## 26. CAPITAL COMMITMENTS

The Credit Union had no material capital commitments at the financial year-ended 30 September 2023.

## 27. POST-BALANCE SHEET EVENTS

There have been no significant events affecting the Credit Union since the financial year-end.

## 28. RATES OF INTEREST CHARGED ON MEMBERS' LOANS

Interest was charged at rates of 11.39%, 10.035%, 9.50%, 9.119%, 8.5%, 7.50%, 7.674%, 6.9%, 6.33%, 5.366% and 4.900%.

The equivalent APR rates were 12%, 10.5%, 9.93%, 9.5%, 8.80%, 7.95%, 7.80%, 7.10%, 6.5%, 5.5% and 5.010%.

## 29. ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURES

### Financial risk management

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



**Credit risk:** Credit risk is the risk that a borrower will default on their contractual obligations relating to repayments to South Dublin Credit Union, resulting in financial loss to the Credit Union. In order to manage this risk the Board approves South Dublin Credit Union’s lending policy, and all changes to it. All loan applications are assessed with reference to the lending policy in force at the time. Subsequently loans are regularly reviewed for any factors that may indicate that the likelihood of repayment has changed. Credit risk mitigation may include the requirement to obtain collateral as set out in the Credit Union’s policies. The main types of collateral for loans are; shares pledged to loans, personal guarantees and charges over assets. The type of collateral required depends on the term of the loan and the amount of exposure.

**Liquidity risk:** South Dublin 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 objective of the Credit Union’s liquidity policy is to smooth the mismatches between maturing assets and liabilities and to provide a degree of protection against any unexpected developments that may arise.

**Market risk:** Market risk is generally comprised of interest rate risk, currency risk and other price risk. South Dublin Credit Union conducts all its transactions in Euro and does not deal in derivatives or commodity markets. Therefore South Dublin Credit Union is not exposed to any form of currency risk or other price risk.

**Interest rate risk:** South Dublin 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 when deciding on the dividend rate payable on members’ shares. South Dublin Credit Union does not use interest rate options to hedge its own positions.

### 30. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved, and authorised for issue, by the Board of Directors on 27/11/2023.

## SCHEDULES TO THE INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30th SEPTEMBER 2023

### SCHEDULE 1 - INTEREST ON LOANS

	2023	2022
	€	€
Interest on members’ loans	920,794	818,480
	<u>920,794</u>	<u>818,480</u>

### SCHEDULE 2 - INVESTMENT INCOME

	2023	2022
	€	€
Investment income received	598,787	368,914
	<u>598,787</u>	<u>368,914</u>

### SCHEDULE 3 - OTHER INCOME

	<b>2023</b>	<b>2022</b>
	<b>€</b>	<b>€</b>
Entrance fees	269	1,166
Cash over	3,288	5,941
Member DD reversal charges	2,335	124
ILCU SPS refund	-	290,538
E.C.C.U. claims experience refund fees	-	21,931
	<b>5,892</b>	<b>319,700</b>

### SCHEDULE 4 - OTHER MANAGEMENT EXPENSES

	<b>2023</b>	<b>2022</b>
	<b>€</b>	<b>€</b>
Training and seminars	8,989	13,241
Rent and rates payable	15,197	11,918
General insurance	28,977	27,467
Share and loan insurance	87,106	97,095
Risk and compliance	29,643	25,338
Security and cash transit	6,971	9,786
Light and heat	16,048	13,466
Cleaning and hygiene	4,653	5,808
Repairs and renewals	11,684	15,069
Computer and equipment maintenance	108,636	78,808
Printing and stationery	14,239	11,159
Promotion and education	6,927	9,575
Telephone and postage	5,592	8,061
AGM expenses	22,396	18,879
Convention expenses	888	1,894
Legal and debt recovery fees	32,024	45,676
Professional and internal audit fees	54,094	71,819
Audit fees	14,750	14,000
Credit agency fees	4,123	6,325
Bank interest and charges	22,875	66,464
Cash short	3,118	6,247
Affiliation fees	9,400	8,523
Saving protection scheme	3,628	4,495
Regulation levy	135,194	100,904
General expenses	8,345	8,555
	<b>655,497</b>	<b>680,572</b>

On behalf of the Credit Union:-

Caitriona Kelly Puca  
CEO

Date 27/11/2023

[Signature]  
Member of Oversight Committee

Date 27/11/2023

[Signature]  
Member of the Board of Directors

Date 27/11/2023



## SOUTH DUBLIN CREDIT UNION

### 2023 HIGHLIGHTS



346  
New  
Members



€57.7m  
Member's  
Savings



12,492  
Total  
Members



€13.8m  
Loan Book



926  
Loans  
Issued



€7.6m  
Value  
of Loans



€1m  
Loan Book  
Growth



€2.8m  
Online  
Loans



60 k  
Member's Cash  
Draw Payout

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CREDIT UNION**

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**APPLY NOW**

**8.8%  
APR**



**BORROW  
€20,000**

**(TERM)  
5 years**

**€410  
MONTHLY**

**TOTAL  
€24,619**

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BY THE CENTRAL BANK OF IRELAND**

**John Fahy & Co**  
SOLICITORS



*We are pleased to offer members of South Dublin Credit Union Limited a free consultation (comprising 15 minutes approx.) relating to non-contentious legal queries they may have in the context of Wills, Estate Planning, Capital Taxes, Enduring Powers of Attorneys or related areas. Please contact us in this regard.*

For more information contact:

John Fahy & Co. Solicitors

6 Lr. Kilmacud Rd., Stillorgan, Co. Dublin

Ph 01 283 2155 Fax 01 283 3089 Email [fahysolicitors@eircom.net](mailto:fahysolicitors@eircom.net)



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