

**SOUTH DUBLIN
CREDIT UNION LTD.**



Annual Report 2021

STILLORGAN BRANCH:
63-65 Lower Kilmacud Road,
Stillorgan, Co. Dublin.

Opening Hours

Monday Closed
Tuesday 9.30am - 4.00pm
Wednesday 9.30am - 4.00pm
Thursday 9.30am - 4.00pm
Friday 9.30am - 4.00pm
Saturday
10.00 a.m. - 12.30 p.m.

DONNYBROOK BRANCH:
59 Morehampton Road,
Donnybrook, Dublin 4

Opening Hours

Monday Closed
Tuesday Closed
Wednesday Closed
Thursday 10:30am - 2:30pm
Friday 10:30am - 2:30pm
Saturday
CLOSED

**NOTICE OF VIRTUAL
ANNUAL GENERAL MEETING
on 9th February 2022 at 7.30p.m.**

South Dublin Credit Union Ltd.
Tel: 01 288 4877 Email: info@southdublincu.ie

SOUTH DUBLIN CREDIT UNION LOANS

"Making more Possible..."

- *Car Loans*
- *Wedding Loans*
- *Home Improvement Loans*
- *Medical Expenses Loans*
- *Special Occasion Loans*
- *Switcher Loans*
- *Holiday Loans*
- *Express Loans*

*Loans for just
about anything!*

*From just
5.5% APR*



www.southdublincu.ie



01 2884877 / loans@southdublincu.ie



Stillorgan Branch

63/65 Lower Kilmacud Road
Stillorgan, Co Dublin

Donnybrook Branch

59 Morehampton Road
Donnybrook, Dublin 4



Notice of Annual General Meeting for the Year Ended 30th September 2021

Notice is hereby given that the **Annual General Meeting of South Dublin Credit Union** will be held **virtually on Wednesday 9th February 2022 at 7.30pm.**

South Dublin Credit Union will hold a VIRTUAL AGM via Zoom.

The AGM will follow the normal format with the Board, committees and Auditor presenting reports to members, including the financial statements. The meeting will facilitate virtual voting to approve those financial statements and other matters including to elect the auditor and election of members of the board of directors.

We encourage you to please submit questions in advance by emailing them to agm@southdublincu.ie and we will do our best to address them in advance or reply directly to you by return email or telephone call.

To attend this meeting, you will need an internet connection and members must register in advance. The sole purpose of this is to ensure that all persons attending are in fact members or other persons authorised to attend.

TO REGISTER YOUR INTEREST IN ATTENDING THE 2021 VIRTUAL AGM:

please email agm@southdublincu.ie confirming your interest to attend the virtual AGM along with your name, account number and date of birth.

Each member must register individually. In respect of multiple members in the one household each member will need to register individually and attend from a separate device - PC, laptop, tablet or smartphone.

The closing date for registration to attend the 2021 AGM is 5pm Friday 4th February 2022.

We are conscious of our responsibilities under Anti Money Laundering regulations, therefore we are continually updating members files. We request in date photographic ID and proof of current address as part of the verification of your registration for attending this year's AGM. We appreciate your cooperation in this matter.

Once your registration has been verified further instructions will be sent to you explaining the login details for the night of the AGM.

AGENDA

- 1. The Acceptance by the Board of Directors of the authorised representative of members that are not natural persons**
- 2. Ascertainment that a quorum is present**
- 3. Adoption of Standing Orders**
- 4. Reading and approval (or correction) of minutes of last AGM**
- 5. Report of the Board of Directors**
- 6. Report of the Auditor**
- 7. Consideration and Proposal of Audited Accounts**
- 8. Report of the Oversight Committee**
- 9. Report of the Credit Committee, Credit Control Committee, Membership Committee, Promotions Committee, Internal Audit, Insurance Report and Nominations Committee.**
- 10. Declaration of Dividend and Affiliation fees approved**
- 11. Consideration and Proposal of Amendment to Standard Rules**
- 12. Appointment of Tellers**
- 13. (i) Election of Auditor (conducted virtually)**
(ii) Election to fill vacancies on the Board (conducted virtually)
- 14. Any other Business**
- 15. Announcement of Election Results**
- 16. Close of Meeting**

Signed:  **Paul Cooney, Chairperson.**

DIRECTORS AND OTHER INFORMATION

Directors:	Paul Cooney (Chairperson) Cathal Gilbride (Vice Chairperson) Niamh O'Doherty (Secretary) Paula Mythen Paula Whelan (resigned 30th June 2021) Donough O'Reilly (co opted 9th June 2021) Mairead Hennessy David Brady Maura Quill (co opted 9th June 2021) Ray McMenamin (Resigned 26 May 2021)
Acting CEO:	Caitriona Kelly Puca
Counter Supervisor/Loan Officer:	Debbie Roche
Loan Officers:	Paula Weldon, Leona Stephenson, Janice Kelly
Office Staff:	Patricia Sweeney, Caroline Monson, Suzanne Farrell, Annette Duggan, Anne Polion, Oorla Rafter Joshua Reid (Resigned January 2021) Megan McConkey, Leanne Tooher
Board Oversight Committee Members:	Bill Colman (Chairperson) Carol Morris (Secretary) Noel Hayden
Registered Office and Business Address:	63-65 Lower Kilmacud Road Stillorgan Co. Dublin, Ireland
Stillorgan Branch:	63-65 Lower Kilmacud Road Stillorgan Co. Dublin, Ireland
Donnybrook Branch:	59 Morehampton Road Donnybrook Dublin 4
Auditors:	Colligan O Cearbhaill & Co. Chartered Accountants Registered Auditors BriChualann Court Adelaide Road Bray, Co. Wicklow, 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 2 Board members will be held. Nominations for these elections will be presented to the meeting by the Nomination Committee.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

for the year ended 30th September 2021

The Credit Union Act, 1997 (as amended) requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of 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;
- 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 COMMITTEES' RESPONSIBILITIES

for the year ended 30th September 2021

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

BOARD OVERSIGHT COMMITTEE REPORT 2021

It is my pleasure to present the report of the Board Oversight Committee for the year ended 30th September 2021 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, Carol Morris, and Noel Hayden. Their 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 which has been a very challenging one in the context of Covid-19. I remain confident in the strength of our credit union and its ability to continue to thrive and grow in the challenging years ahead.

REPORT OF THE BOARD OF DIRECTORS, 2021

This time last year I wrote what a year we had with Covid, little did I expect to be reporting on a Covid affected year again. Despite its continuous presence, your Credit Union remains strong. We managed to keep the offices open by creating two working pods working in our two branch locations and I thank the staff for their cooperation. We continue to build reserves which currently stand at €9,626 million, representing 13.93% of total assets.

We appointed a new CEO Caitriona Kelly Puca whom you all know from working in the Credit Union for over 11 years. I am confident she will lead the staff ensuring the Credit Union will continue to provide a quality service to you, the members.

Investment income has decreased as all banks are now charging the Credit Union for moneys sitting in current accounts. Our bank charges rose by 40K this year. Our main source of income is lending so it remains important that we increase our lending. The loan portfolio has, dropped compared to last year, due to nervousness in borrowing due to Covid-19. I would hope that any members thinking about borrowing next year, your first stop should be to your Credit Union.

Bad debt recovered was €104,184 for the year and staff continue to work with members to recover any outstanding debt. Members who were affected by Covid, were all treated with the respect they deserved and offered temporary arrangements where possible.

The net financial position is an excess of income over expenditure of €248,171 surplus. This is an exceptional performance, given the continuing exceptionally low interest rate environment and the effect of Covid 19.

We meet all statutory and regulatory requirements, both with regard to reserves and other obligations. The Board of Directors is not recommending a dividend this year due to the decrease in the loan book for the financial year.

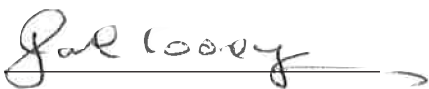
Savings have continued to increase during the year. Members' savings are guaranteed by the Irish Government Savings Guarantee scheme up to €100,000, while the maximum savings any member may hold in your credit union is €25,000 for new members. Credit Unions must hold a percentage of savings on reserve, so the more savings we have, the more we must on reserve, so less investment income. Many other Credit Unions have introduced a lesser Share Cap and in fact have returned savings to members. The board will continue to monitor this amount the current Share Cap.

All our investments are capital guaranteed and meet Central Bank Guidelines. Risk Management, Compliance and Internal Audit functions are fully functioning. We have both an Internal and External Auditor who keep a close eye on your Credit Union throughout the year.

Your credit union was actively involved with many local community groups and several local schools have savings schemes with us. We have been prominent in the campaign Shop Local spend local.

I would personally like to thank all Board Directors and Board Oversight Committee, those who had left and those on the Board for their input and total involvement at Board level. On behalf of my fellow Board members, I would also like to thank our staff for the excellent service and commitment provided, especially during the past year.

The Board will continue to govern your credit union to the best of their ability, keeping a close eye on overheads, and by prudent lending ensuring South Dublin Credit Union provides the most efficient and personable lending experience a member would wish for.



On behalf of the Board of Directors
Paul Cooney, Chairperson.

CREDIT CONTROL REPORT 2021

Despite the circumstances of the pandemic, credit control has stayed on track for the last year. The bad debt charged off for 2020-2021 was €57,631. The bad debt recovered was €104,184. This reflects members returning to and commencement of repayments on charged off loans.

Considerable operational resources are devoted to credit control and successful outcomes with members in difficulties, have been achieved. A systematic procedure is in place to engage with members who fall in arrears with their loan repayments at an early stage.

Provision for bad and doubtful debt stands at €780,415 a figure the Board of Directors considers extremely prudent.

The reserve is fully funded at year end and conforms fully to regulatory requirements. The reserve is held in the form of investments and is thus contributing an income return to your credit unions' overall income.

The credit control committee would like to stress the importance of contact with the credit union should any member have difficulties with their loan repayments. Difficulties which are addressed quickly are usually the easiest to solve. As a last resort court action is undertaken to protect your credit unions' resources but only after all other avenues have been exhausted.

MEMBERSHIP REPORT 2021

Membership continues to grow steadily. Total membership is 12,163 at year end.

INSURANCE REPORT 2021

During the year, 46 claims were settled to a total value of €87,276.21.

The Board of Directors, Supervisors and Staff wish to offer our deepest sympathies to the relatives of our members who passed away during the year.

PROMOTIONS REPORT 2021

The role of the marketing committee is to:

- Engage and connect regularly with members through active support of local events
- Utilise the various communication channels available to interact with members
- Actively promote the services and products of the credit union
- Promote and encourage the culture of savings within schools
- Develop and implement credit union product and service initiatives

South Dublin Credit Union have loved supporting many local organisations and their events over the year, this includes, but is not limited to, Kilmacud Musical Society, our local schools (Oatlands College, St Benildus, St Raphaela's, St Laurence's, Mount Anville), Kilmacud Crokes, Mount Merrion Football, Beechill United, Senior Citizens Society, SVP. The list goes on!

Our Credit Union was also actively involved in the Loving Local campaign to promote 'Stay Local, Borrow Local, Spend Local'. As part of that campaign, we collaborated with Two Mugs Coffee. Some of you may recognise this name from their pop-up unit on Kilmacud Road. We were so impressed with these two locals' entrepreneurship in setting up a business in the middle of the pandemic, all while maintaining a safe and responsible distance. If you're a small business in our local area and are looking for sponsorship or you are involved in a society or important project, please contact us on 01 288 4877 or info@southdublincu.ie and we will help where we can.

In 2021, South Dublin Credit Union were thrilled to share €60,000 in cash draw prizes to members of our Credit Union. There are six chances to win the cash prize of €10,000 throughout the year with just under 1,200 participants. If you are not a member of our Members Cash Draw and would like to join, application forms are available on our website and at the Donnybrook and Stillorgan Branches. Membership to the draw is limited so if you are not in, you can't win!

South Dublin Credit Union have also been working with Dublin Credit Unions, a collaboration between twenty different Credit Unions around County Dublin. They have offered great support, shared resources, and promoted working together to achieve more. Find out more on www.dublincreditunions.ie.

Overall, South Dublin Credit Union thrives when our community thrives, therefore we believe in investing in the communities we serve, helping families and businesses to grow and succeed. We support community-based causes and local education. We believe in local support for local communities, and what an amazing community we have.



CREDIT COMMITTEE REPORT 2021

Despite obstacles Covid 19 put in our way, during the year 776 loan applications were approved. The total value of loans approved during the year was €5,906,725. Thus, our total lending as at 30th September 2021 to members stands at €11,789,443 which equates to 1,440 Loans.

Our loan book grew slightly decreased by €402,385 mainly due to the fears of the ongoing pandemic. To attempt to approve our lending we have introduced a new Express loan which sped up an already fast practise of granting loans. Our loan products are very competitive, ranging from 5.5% APR to 12% APR. We strive to ensure a quick turnaround, and our goal is that when all documents are received, that approval can happen within the same day, unless for larger loans that have to go to the Credit Committee or Board.

We have noticed since the pandemic that many loan applications are now being received online via our website. Remember there are no hidden charges and your loan is protected by Loan Insurance* up to 70 years of age (*terms and conditions apply).

Your Credit Union is not like a Bank, it is here for the long run, and will continue to lend in the local community. Our Donnybrook Office is now the only Financial Institution on route from Leeson Street to Stillorgan.

The Credit Committee is available to discuss any members' queries or problems they may have with regard to their loan, please do not hesitate to call the office for more information.

Our latest loan product is our Express Loan, introduced in December 2021. This loan can be assessed on the spot and collected the same day. Members can borrow up to €5,000 by providing just one payslip. Terms and conditions, as with all loan products, apply.

Finally, we hope that South Dublin Credit Union will be your first choice for lending for you and all of your family.

NOMINATIONS COMMITTEE REPORT 2021

During the year, the Nominations Committee met as required. Efforts were made to identify suitable candidates from the membership to fill vacant positions on the board. Unfortunately, we are finding it difficult as all members we approached, replied, while they would love to help out the local community, they could not afford the time.

We also have some existing board members, who have indicated, that they feel after many years of diligent service to the Credit Union, they would like to see some other members take on the baton. So, we continue to look for new board members. The board responsibilities are increasing every year, so we would particularly welcome interest from members educated in Legal/HR/Marketing and other professional areas. Please contact the Credit Union to express your interest in joining the Board of Directors.

All nominees will be subject to Due Diligence and those having been co-opted during the year, will seek election at the AGM. This is the time to give something back to your local community. If you, or any of your family are interested, contact the Credit Union and a member of the Nominations Committee will contact you, and explain in detail the commitment that will be required.

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.

INTERNAL AUDIT

During the year ended 30 September 2021 we acted as Internal Auditor to South Dublin Credit Union Limited. We carried out our work in line with the Internal Audit Plan and Internal Audit Charter which were agreed with the Credit Union.

Tasks carried out by us included a review of the management accounts procedures, bank and investment reconciliations, share withdrawal procedures, credit control procedures and policy reviews.

We received full co-operation in the course of our work from the staff and volunteers of the Credit Union. We liaised with and reported to the Audit and Risk Committee in relation to our work.

McInerney Saunders

Chartered Accountants and Registered Auditors

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.

RULE AMENDMENT

Rule 63 (4)

That this Annual General Meeting agrees to delete Rule 63(4) of the Standard Rules for Credit Unions (Republic of Ireland) to remove the requirement for credit unions to complete and return the Return of Officers form to the Irish League of Credit Unions.

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

Opinion

We have audited the financial statements of South Dublin Credit Union Limited for the year ended 30 September 2021 which comprise the Income and 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 Act, 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 2021 and of its surplus for the year then ended;
- have been properly prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been properly prepared in accordance with the requirements of the Credit Union Act, 1997 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Credit Union in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other Information

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

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

knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, as set out on page 4 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors' are responsible for assessing the Credit Union's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless 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 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 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.

8/12/2021



COLLIGAN O'CEARBHAILL & CO.
CHARTERED ACCOUNTANTS AND REGISTERED AUDITORS
BRI CHUALANN COURT, ADELAIDE ROAD, BRAY, CO. WICKLOW

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30TH SEPTEMBER 2021

INCOME	Notes	2021 €	2020 €
Interest on members' loans	4	784,670	872,180
Other interest income and similar income	5	382,483	434,515
Interest payable on members' deposits	6	(1,578)	(2,362)
NET INTEREST INCOME		1,165,575	1,304,333
Other income	7	54,588	32,242
Total income		1,220,163	1,336,575
EXPENDITURE			
Employment costs	8	419,993	540,964
Other management expenses (Schedule 4)		685,807	562,990
Depreciation		46,607	52,670
Net (recoveries) or losses on loans to members	12.4	(180,415)	115,830
TOTAL EXPENDITURE		971,992	1,272,454
SURPLUS OF INCOME OVER EXPENDITURE		248,171	64,121
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME		248,171	64,121

BALANCE SHEET AS AT 30TH SEPTEMBER 2021

	Notes	2021		2020	
		€	€	€	€
ASSETS					
Cash & bank balances	10		2,968,739		6,978,211
Deposits and investments receivable within 3 months	10		11,930,953		7,315,967
Tangible fixed assets	11		951,736		987,701
Loans to members	12.1		11,789,443		12,191,828
Provision for bad debts	12.3		(780,415)		(914,277)
Prepayments and other debtors	13		73,272		102,413
Deposits and investments receivable after 3 months	14		42,168,502		39,630,853
TOTAL ASSETS			69,102,230		66,292,696
LIABILITIES					
Members' shares	15		58,151,174		55,162,291
Members' deposits	16		831,467		1,188,330
Savings Club Accounts	17		290,555		341,041
Trade creditors and accruals	18		96,300		163,751
Other creditors	18		85,475		38,195
TOTAL LIABILITIES			59,454,971		56,893,608
Members' Resources					
Regulatory reserve	19	7,000,000		6,750,000	
Distribution reserve	19	2,200,513		2,227,704	
Operational risk reserve	19	325,000		325,000	
Unrealised income reserve		121,746		96,379	
			9,647,259		9,399,088
TOTAL RESERVES AND LIABILITIES			69,102,230		66,292,696

**STATEMENT OF CHANGES IN RESERVES FOR THE YEAR ENDED
30TH SEPTEMBER 2021**

	Regulatory reserve	Distribution reserve	Operational income reserve	Unrealised risk reserve	Total
	€	€	€	€	€
At 1 October 2019	6,000,000	2,981,470	325,000	75,538	9,382,003
Dividends paid during the financial year	-	(47,041)		-	(47,041)
Surplus allocation in financial year	750,000	(770,841)	-	20,841	-
Surplus for the current year	-	64,121	-	-	64,121
At 30 September 2020	6,750,000	2,227,709	325,000	96,379	9,399,088
At 1 October 2020	6,750,000	2,227,709	325,000	96,379	9,399,088
Surplus allocation in financial year	250,000	(275,367)	-	25,367	-
Surplus for the current year	-	248,171	-	-	248,171
At 30 September 2021	7,000,000	2,200,513	325,000	121,746	9,647,259

(1) 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 0.47% of total assets (2020 - 0.49%)

(2) The Regulatory reserve of the Credit Union as a percentage of total assets as at 30th September 2021 was 10.13%. (2020: 10.18%). This meets legal and regulatory requirements.

CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH SEPT 2021

	Notes	2021 €	2021 €	2020 €	2020 €
Reconciliation of operating surplus to net cash inflow from operating activities					
Operating surplus			248,171		64,121
Depreciation	5		46,607		52,671
Provision for bad and doubtful debts			(133,862)		193,262
Loans written off			57,631		45,312
			<hr/>		<hr/>
Net cash inflow from trading activities			218,547		355,366
New loans granted to members		(5,906,725)		(6,649,154)	
Repayment of members' loans		6,251,479		6,502,246	
		<hr/>		<hr/>	
Net movement in members' loans	4		344,754		(146,908)
Members shares and deposits received		21,831,400		21,998,434	
Members shares and deposits withdrawn		(19,199,380)		(15,819,327)	
		<hr/>		<hr/>	
Net movement in members' shares and deposits			2,632,020		6,179,107
Net movement in other assets			29,141		13,155
Net movement in other creditors			(70,656)		164,380
			<hr/>		<hr/>
Net cash generated from operating activities			3,153,806		6,565,100
Cash flows from investing activities					
Capital expenditure	11		(10,644)		(15,496)
Net movement in investments			(2,537,649)		(10,060,765)
			<hr/>		<hr/>
Net cash generated from investing activities			(2,548,293)		(10,076,261)
Cash flows from financing activities					
Dividends and interest rebate paid			-		(47,041)
			<hr/>		<hr/>
Net increase/(decrease) in cash and cash equivalents					
Cash and cash equivalents at 1st October 2020			605,513		(3,558,202)
			14,294,178		17,852,380
			<hr/>		<hr/>
Cash and cash equivalents at 30th September 2021			14,899,692		14,294,178
			<hr/> <hr/>		<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPT 2021

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) 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 accrual basis.

Cash and short-term deposits

These are valued at the deposit amount plus any accrued interest and interest income is recognised in the 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. 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

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 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 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.

Non - Distributable Investment Income Reserve

Investment income that has been recognised in the financial statements but will not be received within 12 months of the Balance Sheet date is classified as “non-distributable” and is not distributable as a dividend in accordance with Section 31 of the Credit Union Act 1997 (Regulatory Requirements) Regulations 2020. A reclassification between non-distributable and distributable is made as investments 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.

3. CRITICAL ACCOUNTING JUDGEMENT AND ESTIMATES

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.

4. INTEREST ON MEMBERS' LOANS

	2021	2020
	€	€
Loan interest received in financial year	784,670	872,180

5. OTHER INTEREST INCOME AND SIMILAR INCOME

	2021	2020
	€	€
Investment income received	299,230	343,892
Investment income receivable within 12 months	43,036	69,782
Investment income receivable after 12 months	25,367	20,841
Unrealised gain on fair value investments	14,850	-
	382,483	434,515

6. INTEREST PAYABLE AND DIVIDENDS

	2021	2020
	€	€
Interest payable for the financial year	1,578	2,362

DIVIDENDS

The following distributions were made during the year:

	2021	2021	2020	2020
	%	€	%	€
Dividends on shares	-	-	-	47,041

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 €2,200,513 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 2021.

7. OTHER INCOME

	2021	2020
	€	€
Entrance fees	285	146
Cash over	119	-
Government grant income - TWSS	-	32,096
E.C.C.U. claims experience refund fees	54,184	-
	54,588	32,242

8. EMPLOYEES AND REMUNERATION

The average monthly number of employees during the year was:

	2021	2020
	Number	Number
Management	2	2
General Staff	15	14
	17	16

The staff costs comprise:

	2021	2020
	€	€
Wages and salaries	379,848	497,332
Pension costs	40,145	43,632
	419,993	540,964

9. KEY MANAGEMENT PERSONNEL

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

	2021	2020
	€	€
Short term employee benefits	118,001	168,466
Payments to defined contribution pension scheme	13,991	9,821
Total key management personnel compensation	131,992	178,287

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

10. 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.

	2021	2020
	€	€
Cash and bank balances	2,968,739	6,978,211
Deposits and investments	11,930,953	7,315,967
	14,899,692	14,294,178

11. TANGIBLE FIXED ASSETS

	Land and buildings freehold	Fixtures, fittings and equipment	Computer equipment	Improvements to premises	Total
	€	€	€	€	€
Cost					
At 1 October 2020	1,425,523	358,304	38,384	29,300	1,851,511
Additions	-	2,020	4,084	4,538	10,642
At 30 September 2021	1,425,523	360,324	42,468	33,838	1,862,153
Depreciation					
At 1 October 2020	463,798	357,127	20,705	22,180	863,810
Charge for the financial year	28,510	701	14,014	3,382	46,607
At 30 September 2021	492,308	357,828	34,719	25,564	910,417
Net book value					
At 30 September 2021	933,215	2,496	7,749	8,276	951,736
At 30 September 2020	961,725	1,177	17,679	7,120	987,701

On 13th October 2021 FH Estates carried out valuations on the land and buildings held by South Dublin Credit Union. The land and buildings were valued at €2,375,000.

12. LOANS TO MEMBERS - FINANCIAL ASSETS

12.1 LOANS TO MEMBERS

	2021	2020
	€	€
As at 1 October	12,191,828	12,090,232
Cash movement in the financial year	(344,754)	146,908
Loans written off	(57,631)	(45,312)
Gross loans to members	12.2 11,789,443	12,191,828

12.2 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.

	2021 €	2021 %	2020 €	2020 %
Gross loans not impaired				
Not past due	8,935,576	75.79	9,158,617	75.12
Gross loans individually impaired				
Up to 9 weeks past due	2,436,647	20.66	2,386,271	19.57
Between 10 and 18 weeks past due	204,681	1.73	267,723	2.19
Between 19 and 26 weeks past due	35,228	0.31	74,593	0.64
Between 27 and 39 weeks past due	44,574	0.38	110,392	0.90
Between 40 and 52 weeks past due	15,237	0.13	67,635	0.55
53 or more weeks past due	117,500	1.00	126,597	1.03
Total	2,853,867	24.21	3,033,211	24.88
Total gross loans	11,789,443	100.00	12,191,828	100.00
Impairment allowance				
Individually significant loans	(378,534)		(279,885)	
Collectively assessed loans	(401,881)		(634,392)	
Total carrying value	11,009,028		11,277,551	

12.3 LOAN PROVISION ACCOUNT FOR IMPAIRMENT LOSSES

	2021 €	2020 €
As at 1 October	914,277	721,015
Provisions charged/(reversed) during the financial year	(133,862)	193,262
Increase/(Decrease) in loan provision during the financial year	(133,862)	193,262
As at 30 September	780,415	914,277

12.4 NET RECOVERIES OR LOSSES RECOGNISED FOR THE FINANCIAL YEAR

	2021	2020
	€	€
Bad debts recovered	(104,184)	(122,744)
Increase/Reduction in provision	(133,862)	193,262
	(238,046)	70,518
Loans written off	57,631	45,312
Net (recoveries)/losses on loans to members recognised for the financial year	(180,415)	115,830

13. DEBTORS, PREPAYMENTS AND ACCRUED INCOME

	2021	2020
	€	€
Prepayments	73,272	102,417

14. DEPOSITS AND INVESTMENTS

Deposits and investments
Investments by counterparty;

	2021	2020
	€	€
AIB Group	-	518,273
Irish Life & Permanent	4,350,989	4,351,027
Ulster Bank	-	929,634
Societe Generale	1,406,206	1,408,382
Caixabank	1,442,178	1,455,983
Barclays	3,512,319	3,522,233
Goldman Sachs	6,842,663	7,859,751
Deutsche Bank	4,728,120	4,723,991
Lloyds	4,218,293	4,218,209
EEA State Securities	4,723,448	2,754,963
Credit Suisse	1,013,655	1,000,745
Sabadell Bank	2,042,487	-
Mediobanco	1,000,302	-
Central Bank Minimum Reserve	2,367,215	2,367,215
Commerzbank	4,520,268	4,520,447
Total deposits and investments	42,168,502	39,630,853

15. MEMBERS' SHARES - FINANCIAL LIABILITIES

	2021	2020
	€	€
As at 1 October	55,162,291	48,829,788
Received during the financial year	21,829,822	21,996,073
Repaid during the financial year	(18,840,939)	(15,663,570)
As at 30 September	58,151,174	55,162,291

16. MEMBERS' DEPOSITS - FINANCIAL LIABILITIES

	2021	2020
	€	€
As at 1st October	1,188,330	1,339,572
Received during the financial year	1,578	2,361
Repaid during the financial year	(358,441)	(153,603)
As at 30th September 2021	831,467	1,188,330

17. SAVINGS CLUB ACCOUNTS

	2021	2020
	€	€
As at 1st October	341,041	243,910
Received during the financial year	179,217	259,886
Repaid during the financial year	(229,704)	(162,755)
As at 30th September 2021	290,555	341,041

18. TRADE CREDITORS AND ACCRUALS

	2021	2020
	€	€
Accruals	96,300	163,417
Other creditors	85,475	38,195
	181,775	201,612

19. CREDIT UNION RESERVES

	Statutory reserve	Distribution reserve	Operational risk reserve	Unrealised Income reserve	Total
	€	€	€	€	€
At 1 October 2020	6,750,000	2,227,709	325,000	96,379	9,399,088
Surplus allocation in financial year	250,000	(275,367)	-	25,367	-
Other movement in reserves	-	248,171	-	-	248,171
As at 30th Sept 2021	7,000,000	2,200,513	325,000	121,746	9,647,259

20. LIQUIDITY RISK DISCLOSURE

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

21. 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.

22. RELATED PARTY TRANSACTIONS

Directors, supervisors and staff (i.e. officers) of the Credit Union during the financial year ended 30 September 2021 operated share and loan accounts with the Credit Union. All loans advanced to directors, board oversight committee members and staff 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 during the financial year ended 30 September 2021:

	No. of loans	2021 €
Loans advanced to Related Parties during the year	3	32,050
Total loans outstanding to Related Parties at the financial year end	7	126,231
Total provisions for loans outstanding to Related Parties		31,976

David Brady, a director of the credit union is also a director of Cabot Financial Ireland, a company which provides credit control services to the credit union. The total amount paid to Cabot Financial Ireland during the year was €15,189.

23. INSURANCE AGAINST FRAUD

The Credit Union has insurance against fraud in the amount of €5,200,000 (2020: €4,000,000) in compliance with Section 47 of the Credit Union Acts 1997 to 2012.

24. CAPITAL COMMITMENTS

The Credit Union had no material capital commitments at the financial year-ended 30 September 2021.

25. POST-BALANCE SHEET EVENTS

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

26. RATES OF INTEREST CHARGED ON MEMBERS' LOANS

Interest was charged at rates of 10.035%, 9.50%, 9.119%, 7.674%, 6.314%, 5.366% and 4.900%.

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

27. 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. FRS 102 Credit Union also monitors its banking arrangements closely in light of the current banking situation.

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.

28. BREXIT RISK

The UK has now exited the European Union block but the full impact of Brexit remains unclear, particularly in relation to Northern Ireland.

Brexit continues to give rise to risks for the credit union in particular where members have jobs in sectors that could be adversely impacted. The directors are closely monitoring the Brexit situation as it unfolds. To mitigate against any potential negative impact the credit union continues to maintain strong reserves.

29. COVID RISK

The Covid 19 pandemic is on-going. The directors and management of the credit union monitor the daily updates and work tirelessly to ensure they are compliant with all of the most up to date government guidelines with a view to keeping staff, members and the community as a whole safe and Covid free.

Management carry out regular reviews of the loan book on a loan by loan basis, with a view to identifying any members loans which could be in difficulty as a result of the pandemic. The Credit Union maintains a conservative provisioning policy. The Credit Union also holds an operational reserve of €325,000. This reserve serves to mitigate against any bad debts that may arise but have not been provided for.

As a result of all the above the directors are satisfied that the Credit Union has sufficient resources and will be able to absorb any loss that may arise as a result of the pandemic.

30. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved, and authorised for issue, by the Board of Directors on 6/12/2021

SCHEDULES TO THE INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30th SEPT 2021

SCHEDULE 1 - INTEREST ON LOANS

	2021	2020
	€	€
Interest on members' loans	784,670	872,180
	<u>784,670</u>	<u>872,180</u>

SCHEDULE 2 - INVESTMENT INCOME

	2021	2020
	€	€
Investment income received	367,633	434,515
Unrealised gain in fair value investments	14,850	-
	<u>382,483</u>	<u>434,515</u>

SCHEDULE 3 - OTHER INCOME

	2021	2020
	€	€
Entrance fees	285	146
Cash over	119	-
Grants received	-	32,096
E.C.C.U. claims experience refund fees	54,184	-
	<u>54,588</u>	<u>32,242</u>

SCHEDULE 4 - OTHER MANAGEMENT EXPENSES

	2021	2020
	€	€
Training and seminars	5,140	3,910
Rent and rates payable	11,766	6,525
General insurance	25,274	21,744
Share and loan insurance	119,671	97,706
Risk and compliance	22,055	35,017
Security and cash transit	6,206	5,025
Light and heat	6,722	6,945
Cleaning and hygiene	3,937	2,103
Repairs and renewals	12,592	15,919
Computer and equipment maintenance	58,976	45,745
Printing and stationery	3,310	6,021
Promotion and education	29,629	19,742
Telephone and postage	7,814	6,864
AGM expenses	17,934	17,083
Convention expenses	588	578
Legal and debt recovery fees	19,254	6,074
Professional and internal audit fees	85,033	64,619
Audit fees	14,000	14,000
Credit agency fees	6,953	6,909
Bank interest and charges	109,847	69,332
Cash short	209	100
Affiliation fees	8,937	14,365
Saving protection scheme	20,053	-
Regulation levy	84,264	93,311
General expenses	5,643	3,353
	<u>685,807</u>	<u>562,990</u>

On behalf of the Credit Union:-

Caitriona Kelly Purca

CEO

Date 6/12/2021

P. C. Purca

Member of Oversight Committee

Date 6/12/2021

Paul Looney

Member of the Board of Directors

Date 6/12/2021

REDUCTION IN LIFE SAVINGS INSURABLE COVER LIMIT

South Dublin Credit Union offers life savings insurance cover as a benefit of being a member. Your savings attracts FREE Life Savings Cover! There is no direct cost to credit union members for this unique benefit.

Life savings insurance is payable on the death of an eligible member subject to the policy terms and conditions. The amount of insurance benefit which an insurable member is entitled to is in direct proportion to their savings, age and savings pattern. In effect it means in addition to the savings in your account, your nominee(s) will receive an additional financial sum in the event of your death.

The maximum cover limits vary from Credit Union to Credit Union. South Dublin Credit Union is a safe, strong and secure financial institution and we have always adapted our business over the years to ensure we remain in this position. Every decision the Board of your Credit Union takes is done with the Members best interests in mind. In the current challenging economic environment of increasing costs, critically low investment returns and negative interest being applied by banks to funds held by Credit Unions, it has been necessary for our Board to review cost saving measures. Following a period of careful examination, the Board took the decision to reduce Members' life insurance benefits.

The Life Savings cover reduction is being implemented, as follows: From 1st March 2022, the maximum life savings insurance benefit payable that a member may be entitled to will reduce from €7,700 to €5,000.

DIRECT DEBIT REVERSAL FEES

Notice is hereby given to South Dublin Credit Union Members that as of 1st March 2022, bank fees incurred from Direct Debits reversals will be passed on to individual Members accounts.

INTRODUCING OUR *NEW*
**EXPRESS
LOAN**

ON THE SPOT ASSESSMENT

**12%
APR**

UP TO €5K, TODAY!



**SOUTH DUBLIN
CREDIT UNION**

**HASSLE FREE LOANS FROM
YOUR LOCAL CREDIT UNION**

Loans are subject to approval. If you do not meet the repayments on your loan your loan will go into arrears. This may affect your credit rating which may limit your ability to access credit in the future. Terms and conditions apply. Information correct at November 2021. South Dublin Credit Union Limited is regulated by the Central Bank of Ireland.



**SOUTH DUBLIN
CREDIT UNION**

Key Statistics Year End 2021

- **New Express Loan product**
- **3 new staff members**
- **A new CEO**
- **We welcomed 488 new members during the year**
- **Total members – 12,163**
- **New Loans issued during the year €5.9 million**
- **Surplus 2021 – €248,171**
- **Loan book – €11.7 million**
- **Total assets – €69 million**
- **Members shares – €58 million**
- **Reserves – €9.6 million**
- **Cash Draw payout – €60,000**
- **Promotions & Education Spend more than €29k**
- **Loan interest rates from 5.5% APR**



€50 MONTHLY LOANS PRIZE DRAW

Refer a friend and avail of a special monthly prize draw when they submit a loan application

You and your referred friend will be in with a chance to win a €50 One4All voucher each!

Referred must be a member or eligible for membership.
Terms and conditions apply.





HOME IMPROVEMENT LOAN



Make your
House
a Home!

No drawdown in
stages required

ONLY **7.95%** APR

eg. BORROW

€25,000

OVER 7 YEARS FOR LESS THAN

€89 p/w

Apply Today

WWW.SOUTHDUBLINCUIE

01 2884877 / info@southdublincui.ie

Sample Home Improvement Loan: €25,000 over 7 years costs €88.76 p/w. 7.95% APR. Total amount repayable: €32,604.20. Terms & conditions apply. South Dublin Credit Union is regulated 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

Thinking About A New Car?

We'd love to help

Talk to South Dublin Credit Union today, about a fair and flexible car loan*!

6.5% APR



AMOUNT	€5000
TERM	36 months
WEEKLY REPAYMENT	€35.21
TOTAL INTEREST	€491.26
TOTAL AMOUNT REPAYABLE	€5,491.26

This rate is applicable for approved Car Loans, with a minimum borrowing €5,000. Interest rate of 6.33%, a representative APR of 6.5%.



SOUTH DUBLIN
CREDIT UNION LTD

Your local, friendly Credit Union



01 288 4877



www.southdublincu.ie

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