

# South Dublin Credit Union Annual Report 2022



**SOUTH DUBLIN CREDIT UNION**

**NOTICE OF  
ANNUAL  
GENERAL  
MEETING**  
on 25th January 2023  
at 8.00p.m.  
**The Talbot Hotel, Stillorgan.**



**SOUTH DUBLIN  
CREDIT UNION**

**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**

**South Dublin Credit Union Ltd.**  
**Tel: 01 288 4877 Email: [info@southdublincu.ie](mailto: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*



**Check out our new website and mobile app**

**[www.southdublincu.ie](http://www.southdublincu.ie)**

**01 2884877 / [loans@southdublincu.ie](mailto: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 2022**

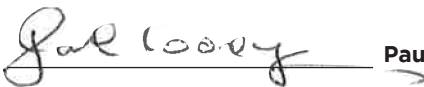
Notice is hereby given that the **Annual General Meeting of South Dublin Credit Union** will be held in the **Talbot Hotel, Stillorgan on Wednesday 25th January 2023 at 8.00pm.**

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

### **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, Risk & Compliance**
- 10. Declaration of Dividend, Rebate of Interest, Affiliation fees approved**
- 11. Appointment of Tellers**
- 12. (i) Election of Auditor**  
**(ii) Election to fill vacancies on the Board of Directors**  
**(iii) Election to fill vacancy on the Board Oversight Committee**
- 13. Any other Business**
- 14. Announcement of Election Results**
- 15. Close of Meeting**

Signed:



**Paul Cooney, Chairperson.**

## DIRECTORS AND OTHER INFORMATION

<b>Directors:</b>	Paul Cooney (Chairperson) Cathal Gilbride (Vice Chairperson) Niamh O'Doherty (Secretary) Mairead Hennessy Brendan O'Sullivan Ciaran Kane Jerry Crowley (co-opted 28th February 2022) Maura Quill Gerry Mitchell Fergal Morris Paul O'Donoghue Paula Mythen (Resigned) David Brady (Resigned)
<b>CEO:</b>	Caitriona Kelly Puca
<b>Finance Officer:</b>	Siobhán Byrnes
<b>Head of Operations:</b>	Debbie Roche
<b>Team Leader:</b>	Nicole Quinn
<b>Loan Officers:</b>	Paula Weldon Janice Kelly, Sinead O'Connor
<b>Office Staff:</b>	Patricia Sweeney, Caroline Monson, Anne Polion (Retired), Annette Duggan (Retired), Kate O'Farrell, Elena Maria Kelly, Fionn Barron
<b>Board Oversight Committee Members:</b>	Bill Colman (Chairperson), Donough O'Reilly Carol Morris (Resigned) Noel Hayden (Resigned)
<b>Registered Office and Business Address:</b>	63-65 Lower Kilmacud Road, Stillorgan, Co. Dublin, Ireland
<b>Stillorgan Branch:</b>	63-65 Lower Kilmacud Road, Stillorgan, Co. Dublin, Ireland
<b>Donnybrook Branch:</b>	59 Morehampton Road, Donnybrook, Dublin 4
<b>Auditors:</b>	Colligan O Cearbhaill & Co., Chartered Accountants, Registered Auditors

## **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 nominating committee.

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

for the year ended 30th September 2022

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 then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and reason for any material departure from those standards and;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the credit union will continue in business.

The directors 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 2022

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.

## **BOARD OVERSIGHT COMMITTEE REPORT 2022**

It is my pleasure to present the report of the Board Oversight Committee for the year ended 30th September 2022 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 volunteer on the Board Oversight Committee, Donough O'Reilly. 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. The state-of-the-art new IT system will ensure members can avail of the best service possible. I remain confident in the strength of our Credit Union and its ability to continue to thrive and grow in the challenging years ahead.

*Bill*

*Colman, Chair*

## **REPORT OF THE BOARD OF DIRECTORS, 2022**

Another challenging year for the Credit Union with the turbulence in the markets caused by the economic downturn due to the aftermath of Covid and the invasion of Ukraine. However, despite this, we managed to be in a stronger position despite an accounting loss of €319,204.

This year we had two major factors that affected this loss.

On the negative side we have an accounting loss in our investments. This relates to a particular investment, of which any losses in a particular year must be shown as a liability. At the 30th September this year this fund was down by €579K. Our total amount invested in this fund is €3.3 million out of our total investment assets of €51 million. This investment was highly recommended by our professional advisers Goodbodies who are also regulated by the Central Bank and the fund meets all Central Bank guidelines as explained in Note 10 of the Annual accounts.

A positive posting of €290K was the result of the Irish League of Credit Unions (ILCU) refunding SDCU. All Credit Unions affiliated to the ILCU pay into as a Special Savings Scheme (Stabilisation Protection Scheme) managed by the ILCU to help credit unions that get into difficulty. At the ILCU AGM earlier this year it was agreed that Credit Unions would receive a partial refund on contributions made into the scheme.

In the past, the ILCU offered a defined benefit pension scheme for Credit Union employees.

This year Credit Unions involved faced large bills to cover the scheme shortfall. Thankfully due to the foresight of previous Board and Management, South Dublin have their own private pension fund. I can guarantee that the South Dublin Credit Union pension fund is fully subscribed and managed by the largest pension provider that is Irish Life. Each staff member participating in the scheme receives a yearly statement of their individual pension fund.

We continue to build reserves which currently stand at €9,328 million.

Our bank charges decreased and the return of positive interest rates will further reduce bank charges in 2023. Our main source of income is lending so again it is of particular importance that we increase our lending. We did increase our lending by just under €1 million. We ask that members who find themselves in a position where they wish to borrow, that South Dublin Credit Union is your first option and please recommend us to friends and family.

Bad debt recovered was €94,937 for the year and staff continue to work with members to recover any outstanding debt.

We meet all the statutory and regulatory requirements, both with regard to reserves and other obligations. The Central Bank have suggested to all Credit Unions not to recommend a dividend this year due to the economic uncertainty.

Savings did decrease during the year but I remind you 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 have to keep on reserve, so less investment income. Many other Credit Unions have introduced a lower Share Cap and in fact have returned savings to members. The Board will continue to monitor the current Share Cap.

All our investments 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.

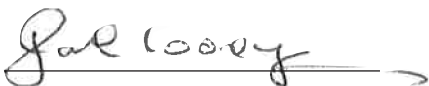
Your Credit Union was actively involved with many local community groups and several local schools have savings schemes with us. We have been prominent in the campaign Shop Local, Spend Local.

These are exciting times for the Credit Union as with the appointment of six new board members and new staff, the Credit Union is now in a great position to bring a new speedy and innovative service to you the members without of course losing the personal touch. We have invested heavily in a new IT system, which will enable us to provide a better service to you our member.

I would personally like to thank all Board Directors and the Board Oversight Committee, those who have 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 those presently working and those who retired during the year and especially our CEO Caitriona Kelly Puca for the excellent service and commitment provided.

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 along side very competitive rates.

Finally, as I have been the Chairperson for four years, in accordance with the Credit Union Act, I must resign from the post and I wish the incoming Chairperson the best of luck in their new position.



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

## **REPORT OF THE CEO**

I am pleased to confirm that your Credit Union remains strong, successful and financially stable.

It has been a busy and challenging year in South Dublin Credit Union with lots of positive changes including welcoming ten new employees to the team and the upgrade of the banking IT system to Progress Banking.

I am confident that following the restructuring of the team during the year including Debbie Roche appointed as Head of Operations and Nicole Quinn as Team Leader, coupled with our current dedicated team of thirteen employees we continue to serve our 12,356 members both in branch and online to the highest standards. We would like to welcome Siobhan Byrnes to the management team, newly appointed Finance Officer.

A special word of thanks to two long serving employees who retired during the year, Annette Duggan and Anne Polion formerly of St. Mary's Donnybrook Credit Union.

We have invested heavily in the future with the complete upgrade of the IT System including a new banking platform, new website, mobile app, strengthening of our IT hardware, upgrade to high speed internet and a new phone system. The new IT infrastructure safeguards members funds and data along with the most up to date cyber security in place.

We have seen improvements and efficiencies in our business, enhanced compliance, the automation of processes to run quicker and smoother and most importantly provide better services for you the members and attract new members /future borrowers.

There has been many improvements in member services since May 2022. We now offer a suite of new robust, resilient and modern services to members including individual IBANs per savings/loan account, secure document upload, instant online access to account statements, loan drawdown online through DocuSign, transfer between Credit Union accounts in real time over the SDCU mobile app.

Lending is key to our survival and success. We are lending and we do have the resources to do it! It is now easier than ever to apply for a loan through our new website and mobile app. We have also reduced the documents required to accompany most loan applications. (one recent payslip and one recent bank statement) \*( T&C's apply). Members can now opt to collect their loan online from the comfort of their home without the need to call into a branch. \*( T&C's apply).

Our year end loan book has increased from €11.7 million (2021) to €12.7 million (2022).

Thank you to all members who have borrowed from us.

We welcome and encourage members to borrow at our very competitive loan rates. Remember your Credit Union is not a bank, we are owned by the members and operate to serve the members of the community. We are non-for-profit and give back to the local community in the form of sponsorships and donations. If the Credit Union earns a surplus, it may be given back to the members in the form of dividends on savings or an interest rebate on loan interest paid.

Our most popular loans are:  
Home Improvement loans @ 7.95% APR  
Car Loans @ 6.5% APR  
Secured Shares Loans @ 5.5% APR



We welcome loans big and small. Whether you are thinking of a small holiday loan or a larger home extension loan for €100K - we want to lend to you!

We are always looking for new members to join, to save and borrow from 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. So for members who have moved outside the area, anyone living in the household is eligible to join.

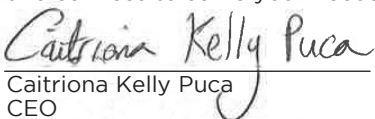
This year the Credit Union recorded a deficit in the year end financial statements of €319,204. This was not unexpected given the turmoil in the investment markets, the major investment in the future of your Credit Union in the new IT system and increases in the staff resources to ensure smooth and efficient services to members.

Your Savings are Safe and Secure! We operate in a highly regulated industry and we are fully compliant in all areas with the Central Bank including liquidity and reserve requirements. All savings in the Credit Union are guaranteed under the Government Deposit Guarantee Scheme and the ILCU SPS. (Savings Protection Scheme).

I wish to thank all of volunteers of the Credit Union who give so much of their free time and to my great team for their continued hard dedicated work throughout the year and the personal friendly touch to our members that we pride ourselves on.

I wish to thank our dedicated volunteers who give so much of their free time. Thank you to my great team for their committed, diligent work and the personal friendly touch given to our members that we pride ourselves on.

Wishing all our members the very best in the year ahead and to share in the continued success of your Credit Union offering additional modern products and services to serve your needs.

  
Caitriona Kelly Puca  
CEO

## **CREDIT CONTROL REPORT 2022**

As we exit the extreme pandemic environment, credit control continues to manage the repayment of loans. The bad debt charged off for 2021-22 was €90,702. The bad debt recovered was €94,937. This is a result of members and the Credit Union team working together to support 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 €784,355 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 2022**

We would like to welcome all our new members who joined during the year. We would also like to extend our thanks to all our members for their continued support. Membership continues to grow steadily. Total membership is 12,356 at year end.

## **INSURANCE REPORT 2022**

During the year 59 claims were settled to a total value of €76,662.27.

***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 2022**

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, St. Vincent De Paul. The list goes on! Over the years, we also supported many different family days organised by local Resident Associations.

Our Credit Union has been actively involved in the Loving Local campaign to promote Stay Local, Borrow Local, Spend Local.

Throughout the year South Dublin Credit Union were thrilled to share €60,000 in Member 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 at a cost of only €52 per year. 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 Unions Member Cash Draw has become a great source of enjoyment and excitement both in the community and in our Stillorgan and Donnybrook Branches.

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. If you're a small business, club or independent person in our local area and are looking for sponsorship, please contact us on 01 2884877 or [info@southdublincu.ie](mailto:info@southdublincu.ie)

We have launched a new website and phone app during the year and upgraded our core banking system. Members can now apply for and draw down loans online as well as real time bank transfers and download statements instantly. We continue to build on this with new members option to join online through our mobile app from December 2022.

We are actively promoting our products and services and amazingly great lending rates through social media, Facebook, Instagram and Tik Tok and we run regular competitions on these platforms.

Go Green: To sign up to receive obligatory notices by email please return a completed copy of "Your Marketing Consent" form to the Credit Union.



## **CREDIT COMMITTEE REPORT 2022**

During the year over 898 loan applications were approved. The total value of loans approved during the year was €6,601,394 thus, our total lending as at 30th September 2022 to members stands at €12,760,912.

Our loan book grew by €1 million, which is a great performance despite the uncertainty in the financial market. 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 of Directors. All decisions are made by the staff in the Credit Union branch rather than having to refer to a head office.

The Board of Directors has invested heavily during the year in a new IT system, which will enable you the members to apply for loans, through our website and mobile app, thus will ensure a speedier response to your application. Members can also sign for and drawdown their loans online without the requirement to call into a branch. (\*terms and conditions apply). Our new IT System went live in late May and already we had 108 Loans drawn down by DocuSign.

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, noting that two local financial institutions are closing its doors within the next few months. Our Donnybrook branch is still the only financial institution on route from Leeson street to Stillorgan.

The Credit Committee is available to meet any member to discuss queries or problems they may have with regard to their loan, just call the office to arrange an appointment.

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

## **NOMINATIONS COMMITTEE REPORT 2022**

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 of Directors and Board Oversight Committee.

Fortunately, we found six candidates who were keen to help out the local community and willing to give the time. They share HR, Marketing and Banking experience and are very welcome additions to the Board.

This year we also have a small number of 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. One of these is willing to join the Board and Oversight Committee. So, we continue to look for new Board members. The Board responsibilities are increasing every year, so we would particularly welcome interest from members with expertise in Legal/HR/Marketing and other professional areas.

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 2022 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, policy reviews and member account circularisation. 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



**SOUTH DUBLIN  
CREDIT UNION**

**FREE OF CHARGE  
TO MEMBERS**

- Life savings insurance\*
- Loan protection insurance\*
- Account Maintenance
- Lodgements and Withdrawals
- Online Banking
- Electronic fund transfers
- Online loan drawdown
- Certificates of interest
- Duplicate Statements
- Loan processing / administration
- No early redemption fees on loans
- Free Community Notice Board

\*(T&C'S APPLY)

## **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 financial year ended 30 September 2022 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 2022 and of its deficit 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.

12/11/2022



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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 2022**

	Notes	2022 €	2021 €
<b>INCOME</b>			
Interest on members' loans	<b>4</b>	818,480	784,670
Other interest income and similar income	<b>5</b>	368,914	367,633
Interest payable on members' deposits	<b>6</b>	-	(1,578)
		<hr/>	<hr/>
<b>NET INTEREST INCOME</b>		1,187,394	1,150,725
Other income	<b>8</b>	319,700	54,588
		<hr/>	<hr/>
<b>Total income</b>		<b>1,507,094</b>	<b>1,205,313</b>
		<hr/> <hr/>	<hr/> <hr/>
<b>EXPENDITURE</b>			
Employment costs	<b>9</b>	483,589	419,993
Other management expenses (Schedule 4)		680,572	685,807
Depreciation		83,183	46,607
Unrealised (gain)/loss on investment	<b>10</b>	579,249	(14,850)
Net impairment (gains)/losses on loans to members	<b>14.4</b>	(295)	(180,415)
		<hr/>	<hr/>
<b>TOTAL EXPENDITURE</b>		<b>1,826,298</b>	<b>957,142</b>
		<hr/> <hr/>	<hr/> <hr/>
<b>(DEFICIT)/SURPLUS FOR THE FINANCIAL YEAR</b>		<b>(319,204)</b>	<b>248,171</b>
OTHER COMPREHENSIVE INCOME		-	-
		<hr/>	<hr/>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>(319,204)</b>	<b>248,171</b>
		<hr/> <hr/>	<hr/> <hr/>



## BALANCE SHEET AS AT 30TH SEPTEMBER 2022

	Notes	2022	2021
		€	€
<b>ASSETS</b>			
Cash & bank balances	12	3,784,722	2,968,739
Deposits and investments receivable within 3 months	12	6,480,116	11,930,953
Tangible fixed assets	13	1,012,630	951,736
Loans to members	14.1	12,760,912	11,789,443
Provision for bad debts	14.3	(784,355)	(780,415)
Prepayments and other debtors	15	73,467	73,272
Deposits and investments receivable after 3 month	16	44,571,445	42,168,502
<b>TOTAL ASSETS</b>		<b>67,898,937</b>	<b>69,102,230</b>
<b>LIABILITIES</b>			
Members' shares	17	57,454,601	58,151,174
Members' deposits	18	729,501	831,467
Savings club accounts	19	283,325	290,555
Trade creditors and accruals	20	80,704	96,300
Other creditors	20	22,751	85,475
<b>TOTAL LIABILITIES</b>		<b>58,570,882</b>	<b>59,454,971</b>
<b>Members' Resources</b>			
Regulatory reserve	21	7,500,000	7,000,000
Other reserves - realised	21	1,328,757	2,200,513
Operational risk reserve	21	325,000	325,000
Unrealised income reserve	21	174,298	121,746
		<b>9,328,055</b>	<b>9,647,259</b>
<b>TOTAL RESERVES AND LIABILITIES</b>		<b>67,898,937</b>	<b>69,102,230</b>

**STATEMENT OF CHANGES IN RESERVES FOR THE YEAR ENDED  
30TH SEPTEMBER 2022**

	<b>Regulatory reserve</b>	<b>Distribution reserve</b>	<b>Operational risk reserve</b>	<b>Unrealised Income reserve</b>	<b>Total</b>
	<b>€</b>	<b>€</b>	<b>€</b>	<b>€</b>	<b>€</b>
At 1 October 2021	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
<b>At 30 September 2022</b>	<b>7,000,000</b>	<b>2,200,513</b>	<b>325,000</b>	<b>121,746</b>	<b>9,647,259</b>
At 1 October 2021	7,000,000	2,200,513	325,000	121,746	9,647,259
Deficit for the current year	-	(319,204)	-	-	(319,204)
Transfers between reserves	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>

(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 year. Based on the Board's assessment it was deemed appropriate to hold an operational risk reserve of 0.48% of total assets (2021 - 0.47%).

(2) The Regulatory reserve of the Credit Union as a percentage of total assets as at 30th September 2022 was 11.04%. (2021: 10.13%). This meets legal and regulatory requirements and is in excess of the required limit.

## CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH SEPT 2022

	Notes	2022 €	2022 €	2021 €	2021 €
<b>Reconciliation of operating surplus to net cash inflow from operating activities</b>					
Operating surplus/ (deficit)			(319,204)		248,171
Depreciation	13		83,183		46,607
Provision for bad and doubtful debts			3,940		(133,862)
Loans written off			90,702		57,631
			<hr/>		<hr/>
<b>Net cash inflow from trading activities</b>			(141,379)		218,547
New loans to granted members		(6,601,934)		(5,906,725)	
Repayment of members' loans		5,539,763		6,251,479	
		<hr/>		<hr/>	
Net movement in members' loans	14.1		(1,062,171)		344,754
Members shares and deposits received		18,395,206		21,831,400	
Members shares and deposits withdrawn		(19,200,975)		(19,199,380)	
		<hr/>		<hr/>	
Net movement in members' shares and deposits			(805,769)		2,632,020
Net movement in other assets			(195)		29,141
Net movement in other creditors			(78,320)		(70,656)
			<hr/>		<hr/>
Net cash generated from operating activities			(2,087,834)		3,153,806
			<hr/>		<hr/>
<b>Cash flows from investing activities</b>					
Capital expenditure	13		(144,078)		(10,644)
Net movement in investments			(2,402,943)		(2,537,649)
			<hr/>		<hr/>
Net cash generated from investing activities			(2,547,021)		(2,548,293)
			<hr/>		<hr/>
<b>Cash flows from financing activities</b>					
Dividends and interest rebate paid			-		-
			<hr/>		<hr/>
<b>Net increase/(decrease) in cash and cash equivalents</b>					
			(4,634,854)		605,513
<b>Cash and cash equivalents at 1st October 2021</b>			14,899,692		14,294,178
			<hr/>		<hr/>
<b>Cash and cash equivalents at 30th September 2022</b>	12		<b>10,264,838</b>		<b>14,899,692</b>
			<hr/> <hr/>		<hr/> <hr/>

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2022**

### **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 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 2021. 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

	2022	2021
	€	€
Loan interest received in financial year	<del>818,480</del>	<del>784,670</del>



## 5. OTHER INTEREST INCOME AND SIMILAR INCOME

	2022	2021
	€	€
Investment income received	286,622	299,230
Investment income receivable within 12 months	58,794	43,036
Investment income receivable after 12 months	23,498	25,367
	<u>368,914</u>	<u>367,633</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:

	2022	2021
	€	€
<b>Interest payable for the financial year</b>	<u>-</u>	<u>1,578</u>

## 7. DIVIDENDS

The following distributions were made during the year:

	2022	2022	2021	2021
	%	€	%	€
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 €1,328,657 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 2022.

## 8. OTHER INCOME

	2022	2021
	€	€
Entrance fees	1,290	285
Cash over	5,941	119
ILCU SPS refund	290,538	-
E.C.C.U. claims experience refund fees	21,931	54,184
	<u>319,700</u>	<u>54,588</u>

## 9. EMPLOYEES AND REMUNERATION

The average monthly number of employees during the year was:

	<b>2022</b>	<b>2021</b>
	<b>Number</b>	<b>Number</b>
Management	2	2
General staff	17	15
	<b>19</b>	<b>17</b>

The staff costs comprise:

	<b>2022</b>	<b>2021</b>
	<b>€</b>	<b>€</b>
Wages and salaries	453,337	379,848
Pension costs	30,252	40,145
	<b>483,589</b>	<b>419,993</b>

## 10. UNREALISED LOSS ON INVESTMENTS

During the financial year the Credit Union incurred an unrealised investment loss of €579,249 (2021: gain €14,850) due to the decline 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 declined and therefore an unrealised loss has been recorded within the accounts. The main reason for this decline has been the rapid rise in interest rates on the back of higher inflation. This has pushed the current market value of bonds lower but not their long-term expected value, which creates short-term unrealised losses but higher expected returns in future years. In future years, as interest rates settle, the fund is expected to recover in value which will lead to a positive contribution to the investment income. 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.

## 11. KEY MANAGEMENT PERSONNEL

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

	<b>2022</b>	<b>2021</b>
	<b>€</b>	<b>€</b>
Short term employee benefits	152,138	118,001
Payments to defined contribution pension scheme	16,440	13,991
	<b>168,578</b>	<b>131,992</b>

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

## 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>2022</b>	<b>2021</b>
	€	€
Cash and bank balances	3,784,722	2,968,739
Deposits and investments	6,480,116	11,930,953
	<b>10,264,838</b>	<b>14,899,692</b>

## 13. TANGIBLE FIXED ASSETS

	Land and buildings freehold	Fixtures, fittings and equipment	Computer equipment	Improvements to premises	Total
	€	€	€	€	€
<b>Cost</b>					
At 1 October 2021	1,425,523	360,324	42,468	33,840	1,862,155
Additions	-	-	144,078	-	144,078
At 30 September 2022	1,425,523	360,324	186,546	33,840	2,006,233
<b>Depreciation</b>					
At 1 October 2021	492,308	357,828	34,719	25,564	910,419
Charge for the financial year	28,510	698	53,522	454	83,183
At 30 September 2022	520,818	358,526	88,241	26,018	993,603
<b>Net book value</b>					
<b>At 30 September 2022</b>	<b>904,705</b>	<b>1,798</b>	<b>98,305</b>	<b>7,822</b>	<b>1,012,630</b>
At 30 September 2021	933,215	2,496	7,749	8,276	951,736

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.

## 14. LOANS TO MEMBERS - FINANCIAL ASSETS

### 14.1 LOANS TO MEMBERS

	<b>2022</b>	<b>2021</b>
	€	€
As at 1 October	11,789,443	12,191,828
Cash movement in the financial year	1,062,171	(344,754)
Loans written off	(90,702)	(57,631)
<b>Gross loans to members</b>	<b>14.2</b>	<b>11,789,443</b>

## 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>2022</b>	<b>2022</b>	<b>2021</b>	<b>2021</b>
	€	%	€	%
<b>Gross loans not impaired</b>				
Not past due	11,890,444	93.18	8,935,576	75.79
<b>Gross loans individually impaired</b>				
Up to 9 weeks past due	667,723	5.23	2,436,647	20.66
Between 10 and 18 weeks past due	18,478	0.15	204,681	1.73
Between 19 and 26 weeks past due	9,709	0.07	35,228	0.31
Between 27 and 39 weeks past due	34,713	0.28	44,574	0.38
Between 40 and 52 weeks past due	42,998	0.34	15,237	0.13
53 or more weeks past due	96,847	0.75	117,500	1.00
Total	870,468	6.82	2,853,867	24.21
<b>Total gross loans</b>	12,760,912	100.00	11,789,443	100.00
<b>Impairment allowance</b>				
Individually significant loans	(317,133)		(378,534)	
Collectively assessed loans	(467,222)		(401,881)	
<b>Total carrying value</b>	<b>11,976,557</b>		<b>11,009,028</b>	

## 14.3 LOAN PROVISION ACCOUNT FOR IMPAIRMENT LOSSES

	<b>2022</b>	<b>2021</b>
	€	€
As at 1 October	780,415	914,277
Provisions charged/(reversed) during the financial year	(90,702)	(57,631)
Increase/(decrease) in loan provision during the financial year	94,642	(76,231)
<b>As at 30 September</b>	<b>784,355</b>	<b>780,415</b>

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

	2022	2021
	€	€
Bad debts recovered	(94,937)	(104,184)
Increase/reduction in provision	3,940	(133,862)
	(90,997)	(238,046)
Loans written off	90,702	57,631
Net (recoveries)/losses on loans to members recognised for the financial year	<b>(295)</b>	<b>(180,415)</b>

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

	2022	2021
	€	€
Prepayments	44,413	73,272
ILCU SPS refund receivable	29,054	-
	<b>73,467</b>	<b>73,272</b>

#### 16. DEPOSITS AND INVESTMENTS

Investments by counterparty;

	2022	2021
	€	€
Irish Life & Permanent	2,052,387	4,351,348
Societe Generale	400,000	1,406,206
Caixabank	1,428,373	1,442,178
BNP Paribas	2,011,095	-
Natwest	504,250	-
Barclays	4,115,375	3,512,319
Goldman Sachs Group	6,432,665	6,842,663
Deutsche Bank	3,725,878	4,728,120
Lloyds Banking Group	4,218,377	4,218,293
Irish and EEA State Securities	5,419,044	4,723,448
Intesa Sanpaolo	3,200,043	-
Credit Suisse	-	1,013,655
Collective Investment Scheme	2,643,388	-
Sabadell Bank	2,032,219	2,042,487
Mediobanco	1,000,301	1,000,302
Central Bank Minimum Reserve	867,214	2,367,215
Commerzbank	4,520,836	4,520,268
<b>Total deposits and investments</b>	<b>44,571,445</b>	<b>42,168,502</b>

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

	2022	2021
	€	€
As at 1 October	58,151,174	55,162,291
Received during the financial year	18,248,714	21,829,822
Repaid during the financial year	(18,945,287)	(18,840,939)
<b>As at 30 September</b>	<b>57,454,601</b>	<b>58,151,174</b>

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

	<b>2022</b>	<b>2021</b>
	€	€
As at 1 October	831,467	1,188,330
Received during the financial year	-	1,578
Repaid during the financial year	(101,966)	(358,441)
<b>As at 30 September</b>	<b><u>729,501</u></b>	<b><u>831,467</u></b>

**19. SAVINGS CLUB ACCOUNTS**

	<b>2022</b>	<b>2021</b>
	€	€
As at 1st October	290,555	341,041
Received during the financial year	146,491	179,217
Repaid during the financial year	(153,721)	(229,704)
<b>As at 30th September</b>	<b><u>283,325</u></b>	<b><u>290,555</u></b>

**20. TRADE CREDITORS AND ACCRUALS**

	<b>2022</b>	<b>2021</b>
	€	€
Accruals	53,355	63,449
PAYE/PRSI	10,182	6,400
Holiday pay accrual	17,167	26,451
Other creditors	22,751	85,475
	<b><u>103,455</u></b>	<b><u>181,775</u></b>

**21. CREDIT UNION RESERVES**

	Balance 01/10/2021	Appropriation of current deficit	Transfer between reserves	Balance 30/09/2022
	€	€	€	€
Regulatory reserve	7,000,000	-	500,000	7,500,000
Operational risk reserve	<u>325,000</u>	-	-	<u>325,000</u>
<b>Other reserves</b>				
<b>Realised</b>				
General reserve	<u>2,200,513</u>	<u>(319,204)</u>	<u>(552,552)</u>	<u>1,328,757</u>
<b>Unrealised reserves</b>				
Investment income reserve	121,746	-	23,498	145,244
SPS reserve	-	-	29,054	29,054
<b>Total unrealised reserves</b>	<u>121,746</u>	<u>-</u>	<u>52,552</u>	<u>174,298</u>
<b>Total reserves</b>	<b><u>9,647,259</u></b>	<b><u>(319,204)</u></b>	<b><u>-</u></b>	<b><u>9,328,055</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 2022 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 2022:

	<b>No. of loans</b>	<b>2022 €</b>
Loans advanced to Related Parties during the year	<b>13</b>	<b>76,898</b>
Total loans outstanding to Related Parties at the financial year end	<b>14</b>	<b>135,278</b>
Total provisions for loans outstanding to Related Parties		<b><u>3,237</u></b>

The total amount of savings held by related parties at the year end was €296,827.

## 25. INSURANCE AGAINST FRAUD

The Credit Union has insurance against fraud in the amount of €5,200,000 (2021: €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 2022.

## 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 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%.

## 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 12/11/2022.

## SCHEDULES TO THE INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30th SEPTEMBER 2022

### SCHEDULE 1 - INTEREST ON LOANS

	2022	2021
	€	€
Interest on members’ loans	818,480	784,670
	<u>818,480</u>	<u>784,670</u>

### SCHEDULE 2 - INVESTMENT INCOME

	2022	2021
	€	€
Investment income received	368,914	367,633
	<u>368,914</u>	<u>367,633</u>



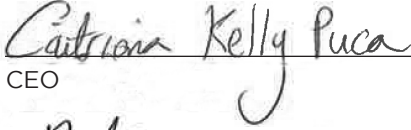
### SCHEDULE 3 - OTHER INCOME

	2022	2021
	€	€
Entrance fees	1,290	285
Cash over	5,941	119
ILCU SPS refund	290,538	-
E.C.C.U. claims experience refund fees	21,931	54,184
	<b>319,700</b>	<b>54,588</b>

### SCHEDULE 4 - OTHER MANAGEMENT EXPENSES

	2022	2021
	€	€
Training and seminars	13,241	5,140
Rent and rates payable	11,918	11,766
General insurance	27,467	25,274
Share and loan insurance	97,095	119,671
Risk and compliance	25,338	22,055
Security and cash transit	9,786	6,206
Light and heat	13,466	6,722
Cleaning and hygiene	5,808	3,937
Repairs and renewals	15,069	12,592
Computer and equipment maintenance	78,808	58,976
Printing and stationery	11,159	3,310
Promotion and education	9,575	29,629
Telephone and postage	8,061	7,814
AGM expenses	18,879	17,934
Convention expenses	1,894	588
Legal and debt recovery fees	45,676	19,254
Professional and internal audit fees	71,819	85,033
Audit fees	14,000	14,000
Credit agency fees	6,325	6,953
Bank interest and charges	66,464	109,847
Cash short	6,247	209
Affiliation fees	8,523	8,937
Saving protection scheme	4,495	20,053
Regulation levy	100,904	84,264
General expenses	8,554	5,643
	<b>680,572</b>	<b>685,807</b>

On behalf of the Credit Union:-

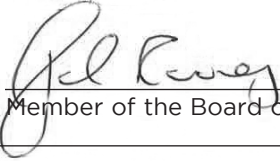
  
CEO

Date 12/11/2022



Member of Oversight Committee

Date 12/11/2022



Member of the Board of Directors

Date 12/11/2022



**SOUTH DUBLIN  
CREDIT UNION**

## **KEY STATISTICS YEAR END 2022**

- We welcomed 510 new members during the year
- Total members 12,356
- New Head of Operations
- New Team Leader
- New Finance Officer
- New loans issued during the year €6.6 million
- Loan Book €12,760,912
- New lending policy: 1 payslip & 1 bank statement \* (T&C'S APPLY)
- Total Assets €67 million
- Member Shares €57 million
- Reserves €9.3 million
- New phone system
- New Website
- Mobile App launched
- New Staff joined the team
- Launch of online drawdowns for loans
- Statements available online
- Real time fund transfers
- Members Cash Draw payout €60,000
- Loan interest rates from 5.5% APR
- Sponsorship in local community and schools



# 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



Please quote this  
ad when enquiring

*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\*!



You could own that car for less than €36\* per week!

#### \*Car Loan Sample Repayment Schedule

@6.33% (6.5%APR) per annum

AMOUNT	TERM	WEEKLY REPAYMENT	TOTAL INTEREST	TOTAL AMOUNT REPAYABLE
€5,000*	36 months	€35.21	€491.26	€5,491.26
€10,000	36 months	€70.41	€982.64	€10,982.64
€15,000	36 months	€105.61	€1,474.06	€16,474.06



**SOUTH DUBLIN**  
CREDIT UNION LTD

Your local, friendly Credit Union



01 288 4877



[www.southdublincu.ie](http://www.southdublincu.ie)

\*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.