



DOUGLAS
CREDIT UNION
DOUGLAS | PASSAGE WEST | GRANGE



Annual Reports & Section 130 Pack

In relation to the proposed Transfer of Engagements of
Glanmire and District Credit Union Limited to Douglas Credit Union Limited



Virtual Annual General Meetings

The 2023 Annual General Meeting of the members of Douglas Credit Union Limited will take place via Zoom Webinar on Wednesday, January 31st, at 8.00pm. See notes on page 5.

The 2023 Annual General Meeting of the members of Glanmire and District Credit Union Limited will take place via Zoom Webinar on Wednesday, January 31st, at 6.30pm. See notes on page 47.

Message from Douglas Credit Union Limited and Glanmire and District Credit Union Limited

The Credit Union movement is based on the co-operation amongst each Credit Union. The proposed merger arises from the belief of the Boards of both Credit Unions that all of our members can be better served together, and we consider it an ideal opportunity to grow and develop our services to members in an enlarged and complementary common bond. The proposed Transfer of Engagements is subject to the approval of the Central Bank. The proposed name for the Combined Credit Union is Elevate Credit Union Limited. The proposed name change will be presented to the members of Douglas Credit Union by way of rule amendment at the forthcoming AGM.

The Boards of both Credit Unions are confident that the proposal to combine our Credit Unions will strengthen our position to be the most trusted, respected and preferred financial services provider for our members, providing good value, modern, accessible and tailored services. The benefits for members are that the enlarged Credit Union will protect the provision of Credit Union services in our common bond and allow for more investment in our community. It will allow access to a broader range of services including current accounts, savings and loan services at competitive and sustainable rates. The combined Credit Union will be a stronger, more viable Credit Union with healthy financial reserves, satisfaction of member expectations, security of savings and provide greater efficiencies through sharing costs resulting in better value for members. In these changing times Credit Unions offer a very different service to the other financial institutions. Our Credit Unions were set up with one aim in mind - to be of service to our members, never to profit from them. We hold in the highest regard the hard work and dedication that the volunteers and staff of our Credit Unions have invested into building up their Credit Unions since their inception.

Five staff members from Glanmire and District Credit Union Limited availed of a voluntary redundancy programme as part of this process. The remaining staff of Glanmire and District Credit Union Limited will transfer to Douglas Credit Union Limited under the Transfer of Undertakings (protection of employment) Regulations 2006.

We would like to take this opportunity to thank you the members for your continued loyalty to your Credit Union. In particular, we would like to acknowledge the voluntary contribution of the members of the Board of Directors, Board Oversight Committee, and volunteers of Glanmire and District Credit Union Limited over the years.

Michael Hourihan,
Chair,
Glanmire and District Credit Union Limited.

Michael O'Callaghan,
Chair,
Douglas Credit Union Limited.

Advantages of the Proposed Transfer

- 1** Members will have the choice of 4 offices for their credit union needs
- 2** Members of Glanmire Credit Union can access Mortgages
- 3** Members of Glanmire Credit Union can access Current Accounts.
- 4** Cultivate Loans will be available to members of Douglas Credit Union
- 5** All members will have access to Death Benefit Insurance
- 6** Improved online services via our website and mobile app





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Notice & Formal Invitation of Annual General Meeting (AGM)

8:00pm on Wednesday 31st January 2024

Douglas Credit Unions have decided to have their AGM online. Please note the following in relation to this Virtual AGM:

- The “Zoom” platform will be used to allow this virtual AGM – each member will be provided with their own **unique access link** – do not share this with others to allow you to be identified at the Virtual AGM;
- Members can email agm2023@douglascu.ie to receive a registration link - if possible, use the email you have registered with Douglas Credit Union for this. **Members should register by 6pm on Monday 29th of January 2024.**
- You may have to provide proof of your identity / membership of the Credit Union including your membership number;
- There will be resolutions that require a vote as well as elections for the position of Auditor, Board Oversight Committee and Board of Directors.
- Voting will be conducted by way of the online poll facility and Members will be asked to vote Yes/No electronically for the resolution or for candidates when instructed by the Chairperson
- Preferably any questions and comments should be submitted before the meeting, but members will also be able to put these forth during the meeting via the Zoom Platform.

Using Zoom:

Zoom has a very simple user interface and has become very familiar to the public during the recent COVID-19 event.

Zoom ensures security as each registered member will be sent an individual link and settings will ensure each person can only access from one device. A passcode will also be assigned for the meeting.

Video tutorial for all features of Zoom can be accessed at:



<https://support.zoom.us/hc/en-us/articles/206618765-Zoom-Video-Tutorials>

Lou-Ellen Kiely,
Hon Secretary,
Douglas Credit Union Limited

Agenda

1. The acceptance by the Board of Directors of the Authorised Representatives of Members that are not natural persons
2. Ascertainment of Quorum
3. Adoption of Standing Orders
4. Minutes of AGM 2022
5. Appointment of Tellers
6. Chairperson's Address
7. Financial Report of the Board of Directors
8. Financial Reports
 - (a) Board Financial Report
 - (b) Auditor's Report
 - (c) Declaration of Dividends and Interest Rebate
9. Board Oversight Committee Report
10. Report of Nominating Committee
11. Consideration of Special Resolution;
The members of Douglas Credit Union Limited resolve that the Credit Union accepts the Transfer of Engagements of Glanmire and District Credit Union Limited in accordance with the relevant provisions of the Credit Union Act 1997 (as amended)
12. Proposed Rule Amendment
– Name Change;
That the members of Douglas Credit Union Limited hereby resolve to change the name of Douglas Credit Union Limited to Elevate Credit Union Limited, subject to the approval of the Registry of Credit Unions, in accordance with the relevant provisions of the Credit Union Act 1997 (as amended)
13. Amendment to Standard Rules
14. Elections
15. Appointment of Auditor
16. Credit Committee Report
17. Membership Committee Report
18. Credit Control Committee Report
19. Election Results
20. Any Other Business
21. Adjournment

Notice of Elections

Elections will be held to fill 4 vacancies on the Board of Directors, 3 vacancies on the Board Oversight Committee, 1 Vacancy for the position of Auditor.

Candidates for all vacancies, except that for the Auditor, must be members of Douglas Credit Union and at least 18 years of age.

Members wishing to nominate candidates for election may do so by obtaining official nomination forms at the Credit Union office. Nomination forms must be signed by a proposer and seconder, and by the nominee giving consent to their nomination. The proposer and seconder must be members of Douglas Credit Union Ltd. Section 56B (5) Credit Union Act 1997 (as amended) and Central Bank fitness and probity will apply.

Standing Orders

1. Voting

Each member shall be entitled to one vote irrespective of his/her shareholding, in accordance with section 82(2) of the Credit Union Act, 1997 (as amended)

2-3 Election Procedure

2. Elections to the Board of Directors, to the Board Oversight Committee and the position of Auditor shall be by majority vote and by secret ballot.

3. When nominations are announced tellers shall be appointed by the Chair and ballot papers shall be distributed. Nominations shall be in the following order:

- (a) nominations for Auditor;
- (b) nominations for members of the Board Oversight Committee;
- (c) nominations for Directors.

When voting is completed, the votes shall be taken and tallied by the tellers. Any ballot paper which contains votes for more than the number required to be elected shall be void. All elections shall be by secret ballot and by majority vote. When the votes have been counted by the tellers, the results shall be announced by the Chair. In the event that all vacancies are not filled by the first ballot further ballots shall be taken as required. In the event of an equality of votes between candidates for the remaining vacancies not filled in accordance with the above procedure one further ballot shall be taken and should that ballot fail to determine the issue, the vacancies shall be filled by lot from among such candidates having an equality of votes.

4-9 Motions

4. All motions from the floor of the AGM must be proposed and seconded by members present at the AGM and moved by the proposer. If the proposer is absent when the motion is called, the motion shall be deemed to have failed.

5. A proposer of a motion may speak for such period as shall be at the discretion of the Chair of the meeting and shall have the right of reply before the motion is put to the meeting for a vote.

6. In exercising his/her right of reply, a proposer may not introduce new material.

7. The seconder of a motion shall have such time as shall be allowed by the Chair to second the motion.

8. Members are entitled to speak on any such motion and must do so through the Chair. All speakers to any motion shall have such time as shall be at the discretion of the Chair.

9. The Chair shall have the absolute right to decide at any time when a motion has been sufficiently discussed and may put the motion to the meeting giving the proposer the right of reply before doing so.

10-15 Miscellaneous

10. The Chair of the Board of Directors shall be the Chair of any general meeting, except where he/she is not available, in which case it shall be the vice-Chair, except where he/she is not available, in which case the Board shall decide amongst themselves who shall act as Chair of any general meeting.

11. The Chair may at his/her discretion, extend the privilege of the floor to any person who is not a member.

12. Matters not covered by the Agenda may be introduced under "Other Business" at the discretion of the Chair.

13. The Chairman's decision on any matter relating to these Standing Orders or interpretation of same shall be final.
14. No member shall have more than one vote on each question at any general meeting of the Credit Union or any adjournment thereof irrespective of his/her shareholding or the number of accounts in his/her name in the Credit Union provided, however, that except in voting at elections, the presiding member shall have a second or casting vote in the event of equality of voting. Voting by proxy shall be allowed only when a member other than a natural person votes through a representative, who is a member of the group, duly authorised in writing for that purpose and accepted as such by the Board of Directors.
15. Any matter to be decided upon by vote at the AGM shall, unless otherwise expressly provided for by law or the rules, be decided upon by simple majority.
- 16. Suspension of Standing Orders**
- Any one of these Orders or all of these Standing Orders may be suspended on a motion to this effect receiving a two-thirds majority of those present and entitled to vote.
- 17. Alteration of Standing Orders**
- Standing Orders may be amended or altered at a general meeting and only if a motion to this effect has received a two-thirds majority of those present and voting.
- 18. Adjournments**
- Adjournments of the AGM shall take place only in accordance with section 81(1) of the Credit Union Act, 1997 (as amended).

Rule Amendments

“Rule 2 (1)

That this Annual General Meeting amends Rule 2 (1) to read as follows:

The name of the Credit Union shall be Elevate Credit Union Limited

(hereinafter referred to as ‘the Credit Union’).”

“Rule 30 (1)(a)

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

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

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

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

Board of Directors

Michael O’Callaghan - *Chairperson*
Gerry McDonogh - *Vice Chairperson*
Lou-Ellen Kiely - *Secretary*
Gerry Brosnan
Fiachra Ó Súilleabháin
Ted O’Sullivan
Pat O’Sullivan
Tony Lehane
Peter McManamon
Julie Connelly
John Vaughan

Board Oversight

Gerry Whelan - *Chairperson*
Tony O’Mahony - *Secretary*
David Boyle
Marion Dower
Peter McSweeney

Staff

Roy McKnight - *CEO*
Anisa McCarthy - *COO*
Suzanne Kelly - *CFO*
Grace O’Neill - *Risk & Compliance Officer*
Mary Byrne - *Credit Control Manager*
Gary Hanrahan - *Marketing Manager*
Alec O’Connell
Sean O’Sullivan
Paul Cashman
Aileen O’Neill
Lyn O’Mahony
Emma Sheehan
David Cahill
Liz Kavanagh
Bernadette Murphy (Retired)
Marian Twomey

Juliette Ahern
Sinead Desmond
Clara O’Grady
Sam Mullen
Jody Healy O’Neill
Sarah Sheehan
Aidan Sheehan
Amy McCarthy
Alex McKnight
June Navarte

Volunteers

Deidre Murphy

Interests Rates*

Car 7.9% (8.2% APR)
Education 7.9% (8.2% APR)
Home Improvement 8.9% (9.3% APR)
Personal Loan 10.9% (11.5% APR)
Mortgage 3.75% (3.81% APR)

* Loans are subject to approval. Terms and Conditions apply. If you do not meet the repayments on your loan, your account will go into arrears. This may affect your credit rating which may limit your ability to access credit in the future. Douglas Credit Union Limited is regulated by the Central Bank of Ireland.

Chairpersons Annual Address

It is my privilege on behalf of the Board of Directors of Douglas Credit Union to present the annual report for the year ending 30th September 2023 to the AGM. The year was very good one for the Credit Union.

Our accounts show increased lending to our members from € 26 million at September 2022 to € 29 million at September 2023, an increase year on year of 12%, whilst over the same time member savings have remain steady. We finished in a very healthy financial position, with reserves of more than 16% of our assets at year end.

The Board of Directors of Douglas Credit Union actively considered making a distribution from the 2023 year-end surplus. However after fully evaluating this the Board of Directors felt that it would not be prudent to make a distribution in view of our contingent liabilities (see note 22 to the financial statements).

Since our last AGM we have been engaging with Glanmire & District Credit Union with a view to enlarging our membership, assets and range of services. The proposed involvement is part of our general strategic planning for a number of years now. When complete it will offer their members our full range of services: savings, loans, current accounts and mortgages.

The Board and senior management, in particular, our CEO Roy McKnight, have worked hard for 12 months now to bring the proposed Transfer of Engagements to you for approval. The Transfer of Engagements will be subject to approval by the membership at the respective AGMs and subsequently subject to the approval of the Central Bank.

The Irish Credit Union movement has retained the number one position for best customer service experience, 2015 – 2023. Our Credit Union is proud to be part of such a movement and thanks to our dedicated staff and management we'll continue to offer our members this high level of service.

Michael O'Callaghan
Chairperson of Board of Directors
Douglas Credit Union

Douglas Credit Union Name Change/Rebrand

Following our merger with Passage West/ Monkstown Credit Union in 2016, the “New” Board of Douglas Credit Union made a commitment to members that we would rename/rebrand the Credit Union, making it fully inclusive to all members throughout our new and enlarged common bond.

Since then, there has been an extensive process, with engagement from a cross section of all stakeholders, and following consultation, widespread member input, non-member surveys and professional opinion, we are finally in a position to propose a new name to the members for our Credit Union.

Review of the journey to date:

- Real Insight Ltd were engaged to conduct Surveys and Focus Groups. They deployed staff across our common bond conducting on-street interviews throughout Douglas, Passage West, Monkstown, Grange and Ringaskiddy.
- Members were also asked, and contributed a multitude of name suggestions, through our social media platforms and in-branch interactions.
- Staff & volunteers were given the opportunity to provide suggestions on potential names and logos, and they brought several to the table.
- Schools within our common bond contributed with many excellent names suggested. In fact, the final name arrived from a focus group involving local transition year students at Rochestown College.

- Another creative agency, Nutshell Ltd, were engaged and they developed various names with accompanying logos.
- Another focus group made up from a cross section of members, was given a shortlist of names before reaching our final conclusion.

“Elevate Credit Union” represents the culmination of this collaborative effort.

Elevate implies rising up, progressing, and improving, which has positive connotations, is memorable and distinctive, it aligns with the Credit Union's purpose and will evoke positive associations with financial stability and growth.





Douglas Credit Union Limited Annual Accounts Year ended 30 September 2023

Douglas Credit Union Independent Auditor's Report To the Members of Douglas Credit Union Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Douglas Credit Union Limited for the year ended 30 September 2023 which comprise the Income and Expenditure Account, the Balance Sheet, the Statement of Changes in Reserves, the Cash Flow Statement and the notes to the financial statements, including the summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is Irish law and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

In our opinion the financial statements:

- give a true and fair view of the state of the Credit Union's affairs as at 30 September 2023 and of its income and expenditure and cash flow for the year then ended;
- have been properly prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been properly prepared in accordance with the requirements of the Credit Union Act 1997, as amended.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described below in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are

independent of the Credit Union in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (Ireland) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate: or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Credit Union's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

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

Respective responsibilities

Responsibilities of Directors for the financial statements

The Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Credit Union's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Credit Union or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

Our report is made solely to the Credit Union's members, as a body, in accordance with section 120 of the Credit Union Act 1997, as amended. Our audit work has been undertaken so that we might state to the Credit Union's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Credit Union and the Credit Union's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Eoin Lehane

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

Date signed: 15 December 2023

Douglas Credit Union Limited

Balance Sheet as at 30th September 2023

	Notes	2023 €	2022 €
Assets			
Cash and balances at bank	12	4,049,688	6,777,464
Tangible fixed assets	13	988,266	872,061
Loans to members	14	29,162,562	25,982,513
Provision for bad debts	14	(2,030,576)	(2,030,576)
Prepayments and accrued income	15	200,101	146,411
Deposits and investments - cash equivalents	16	14,753,578	9,631,087
Deposits and investments - other	16	47,286,860	51,734,220
Total Assets		94,410,479	93,113,180
Liabilities			
Members' shares	17	75,156,466	75,491,310
Members' deposits	18	713,842	773,990
Members' current accounts	19	2,801,418	1,833,699
Other payables	20	301,413	361,041
Total liabilities		78,973,139	78,460,040
Assets less liabilities		15,437,340	14,653,140
Reserves			
Regulatory reserve		10,850,571	10,850,571
Operational risk reserve		100,000	100,000
Non-distributable income reserve		39,776	-
MPCAS Operational risk reserve		337,210	200,000
General reserve		3,900,243	3,352,381
Dormant accounts reserve		209,540	150,188
Total reserves		15,437,340	14,653,140

The financial statements were approved and authorised for issue by the Board on the 14th November 2023 and signed on its behalf by:



CEO



MEMBER
OF Board OF OVERSIGHT COMMITTEE



MEMBER
OF Board OF Directors

Douglas Credit Union Limited

Statement of Changes in Reserves

for the Year Ended 30th September 2023

	Regulatory reserve €	Dormant accounts reserve €	MPCAS Operational risk reserve €	Non distributable income reserve €	Operational risk reserve €	General reserve €	Total reserves €
Balance at 1 October 2021	10,850,571	126,415	200,000	-	100,000	4,042,020	15,319,006
Period ended 30 September 2022:							
Total comprehensive income for the year	-	-	-	-	-	(689,639)	(689,639)
Dividend paid during the year (note 6)	-	-	-	-	-	-	-
Transfer between/to reserves	-	23,773	-	-	-	-	23,773
Balance at 30 September 2022	10,850,571	150,188	200,000	-	100,000	3,352,381	14,653,140
Period ended 30 September 2023:							
Total comprehensive income for the year	-	-	-	-	-	724,848	724,848
Dividend paid during the year (note 6)	-	-	-	-	-	(176,986)	(176,986)
Transfer between/to reserves	-	59,352	137,210	39,776	-	3,900,243	59,352
Balance at 30 September 2023	10,850,571	209,540	337,210	39,776	100,000	3,900,243	15,437,340

The Regulatory reserve of the Credit Union as % of total assets as at 30 September 2023 was 11.50% (2022 : 11.65%)

Douglas Credit Union Limited Statement of Changes in Reserves (continued) for the Year Ended 30th September 2023

Following commencement of S13 of the 2012 Act, the requirement for Credit Unions to transfer 10% of their annual surplus to their statutory reserve (now known as Regulatory reserve) each year has been removed.

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

In the year ended 30 September 2021, a new reserve, MPCAS Operational Risk Reserve, was created on the implementation of the new current account service in the Credit Union, to comply with the regulatory requirements set out in Section 49(3) of the Credit Union Act 1997 (as amended). €137,210 was reallocated to this reserve from the General reserve in the current period (2022: €Nil).

Douglas Credit Union Limited Statement of Cash Flows for the Year Ended 30th September 2023

	Notes	2023 €	€	2022 €	€
Cash flows from operating activities					
Loans repaid by members	14	10,300,340		10,300,518	
Loans granted to members	14	(13,513,667)		(12,396,576)	
Loan interest received	4	2,140,008		2,015,222	
Investment income received	5	867,848		498,821	
Other income received	7	81,346		76,261	
Bad debts recovered	14	440,897		459,041	
Members' current accounts monies received	19	13,866,135		7,466,295	
Members' current accounts monies withdrawn	19	(12,898,416)		(6,330,575)	
Pension deficit fund paid	8	-		(1,639,750)	
SPS Refund received	9	-		357,979	
Operating expenses paid to include employment costs		(2,727,566)		(2,264,226)	
Net cash outflow from operating activities			(1,443,075)		(1,456,990)
Cash flows from investing activities					
Purchase of tangible fixed assets	13	(214,578)		(48,092)	
Movement in long term investments	16	4,447,360		3,721,199	
Net cash flows from investing activities			4,232,782		3,673,107
Cash flows from financing activities					
Members' deposits received	18	55,780		38,740	
Members' deposits withdrawn	18	(115,928)		(147,694)	
Members' shares received	17	49,388,689		32,612,823	
Members' shares withdrawn	17	(49,723,533)		(34,463,497)	
Net cash flows from financing activities			(394,992)		(1,959,628)
Net increase in cash and cash equivalents			2,394,715		256,489
Cash and cash equivalents at beginning of year			16,408,551		16,152,062
Cash and cash equivalents at end of year		12	18,803,266		16,408,551

Douglas Credit Union Limited

Notes to the Financial Statements

for the Year Ended 30th September 2023

1 Legal and regulatory framework

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

2 Accounting policies

2.1 Statement of compliance and basis of preparation

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

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

2.2 Currency

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

2.3 Going concern

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

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

2.4 Income

Interest on members' loans

Interest on loans to members is recognised using the effective interest method, and is calculated and accrued on a daily basis.

Investment income

The Credit Union currently only has investments that are valued at amortised cost, and use the effective interest method to recognise investment income.

Other income

Other income such as commissions receivable on insurance products and foreign exchange services arises in connection to specific transactions. Income relating to individual transactions is recognised when the transaction is completed.

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

Interest on members' deposits and members' current accounts

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

Dividends on shares and loan interest rebates

Dividends are made from current year's surplus or the dividend reserves set aside for that purpose. The Board's proposed distribution to members each year is based on the dividend and loan interest rebate policy of the Credit Union.

The rate of dividend and loan interest rebate recommended by the Board will reflect:

- the risk profile of the Credit Union, particularly in its loan and investment portfolios;
- the Board's desire to maintain a stable rather than a volatile rate of dividend each year; and
- members' legitimate dividend and loan interest rebate expectations; all dominated by prudence and the need to sustain the long-term welfare of the Credit Union. For this reason the Board will seek to build up its reserves to absorb

unexpected shocks and still remain above minimum regulatory requirements. The Credit Union accounts for dividends and rebates of loan interest when members ratify such payments at the Annual General Meeting.

2.6 Taxation

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

2.7 Cash and cash equivalents

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

2.8 Financial instruments

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

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

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

Basic financial assets

Basic financial assets are initially measured at the transaction price, including transaction costs, and are subsequently carried at amortised cost using the effective interest method. Basic financial instruments include the following:

- Loans to members

Loans to members are financial assets with fixed or determinable payments. Loans are recognised when cash is advanced to members and measured at amortised cost using the effective interest method.

- Investments held at amortised cost

Investments held at amortised cost are measured at amortised cost using the effective interest method less impairment. This means that the investment is measured at the amount paid for the investment, minus any repayments of the principal; plus or minus the cumulative amortisation using the effective interest method of any difference between the amount at initial recognition and the maturity amount; minus, in the case of a financial asset, any reduction for impairment or un-collectability. This effectively spreads out the return on such investments over time, but does take account immediately of any impairment in the value of the investment.

Other receivables

Other receivables such as prepayments are initially measured at transaction price including transaction costs and are subsequently measured at amortised cost using the effective interest method.

Impairment of financial assets

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

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

Douglas Credit Union Limited

Notes to the Financial Statements (continued)

for the Year Ended 30th September 2023

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

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

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in the Income and Expenditure Account.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Credit Union transfers to another party substantially all the risks and rewards of ownership of the financial asset, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

In the case of loans to members, loans are derecognised, when the right to receive cash flows from the loans have expired, usually when all amounts outstanding have been repaid by the member. Douglas Credit Union Limited does not transfer loans to third parties.

Basic financial liabilities

Basic financial liabilities are initially recognised at the transaction price, including transaction costs, unless the arrangement constitutes a financing

transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities are subsequently carried at amortised cost using the effective interest method.

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

- *Other payables*
Other payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Other payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

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

2.9 Tangible fixed assets

Tangible fixed assets which comprises of the items below, are stated at cost, less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Depreciation is provided to write off the cost of each item of property, plant and equipment, less its estimated residual value over its estimated useful life. The categories of property, plant and equipment are depreciated as follows:

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

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

2.10 Impairment of tangible fixed assets

At each reporting end date, the Credit Union reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Credit Union estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the Income and Expenditure Account.

Recognised impairment losses are reversed if, and only if, the reasons for the

impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the Income and Expenditure Account.

2.11 Employee benefits

Pension scheme

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

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

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

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

Douglas Credit Union Limited

Notes to the Financial Statements (continued)

for the Year Ended 30th September 2023

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

Other employee benefits

The costs of short-term employee benefits, including holiday pay, are recognised as a liability and as an expense (unless those costs are required to be recognised as part of the cost of fixed assets) over the period they are earned.

2.12 Reserves

Regulatory reserve

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

Operational risk reserve

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

General reserve

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

Non-distributable income reserve

Investment income that has been recognised in the financial statements but will not be received within 12

months of the Balance Sheet date is classified as "non-distributable" and is not distributable as a dividend in accordance with Section 31 of the Credit Union Act 1997 (Regulatory Requirements) Regulations 2016. A reclassification between non-distributable and distributable is made as investments come to within 12 months of maturity date.

Dormant accounts reserve

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

3 Use of estimates and judgements

The preparation of financial statements requires the use of certain Accounting estimates. It also requires the Directors to exercise judgement in applying Douglas Credit Union Limited's accounting policies. The areas requiring a higher degree of judgement, or complexity, and areas where assumptions or estimates are most significant to the financial statements are disclosed below:

Loan impairment

The Credit Union's accounting policy for impairment of financial assets is set out in accounting policies in Note 2.8. The estimation of loan losses is inherently uncertain and depends upon many factors, including loan loss trends, credit risk characteristics in loan classes, local and international economic climates, conditions in various sectors of the economy to which the Credit Union is exposed and other external factors such

as legal and regulatory requirements. Credit risk is identified, assessed and measured through the use of rating and scoring tools with emphasis on weeks in arrears and other observable credit risk metrics. The ratings influence the management of individual loans. The credit rating triggers the impairment assessment and if relevant the raising of specific provisions on individual loans where there is doubt about their recoverability. Loan loss provisioning is monitored by the Credit Union and the Credit Union assesses and approves its provisions and provision adequacy on a monthly basis. Key assumptions underpinning the Credit Union's estimates of collective provisions for loans with similar credit risk characteristics and Incurred But Not Reported provisions ("IBNR") are based on the historical experiences of the Credit Union allied to the Credit Union's judgment of relevant conditions in the wider technological, market, economic or legal environment in which the Credit Union operates. If a loan is impaired, the impairment loss is the difference between the carrying amount of the loan and the present value of the expected cash flows discounted at the asset's original effective interest rate taking account of pledged shares and other security as appropriate. Assumptions are back tested with the benefit of experience. After a period of time, when it is concluded that there is no real prospect of recovery of loans/part of loans which have been subjected to a specific provision, the Credit Union writes off that amount of the loan deemed irrecoverable against the specific provision held against the loan.

Pensions

Douglas Credit Union Limited participates in an industry-wide pension scheme for employees (The Irish League of Credit Unions Republic of Ireland Pension

Scheme). This is a funded scheme of the defined benefit type, with assets invested in separate trustee administered funds. Judgement is required to assess whether Douglas Credit Union Limited has sufficient information to enable it to account for the plan as a defined benefit plan. An assessment has been performed of the information currently available and Douglas Credit Union Limited has determined that there is currently insufficient information available to provide an appropriate allocation of pension assets and liabilities due to the following:

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

Douglas Credit Union Limited

Notes to the Financial Statements (continued)

for the Year Ended 30th September 2023

4 Interest on members' loans	2023	2022
	€	€
Closing accrued loan interest receivable	57,652	54,839
Loan interest received in year	2,140,008	2,015,222
Interest on impaired loans reclassified as bad debt recovered	(21,856)	(20,683)
Opening accrued loan interest receivable	(66,668)	(62,002)
Total interest on members' loans	2,109,136	1,987,376
5 Other interest income and similar income	2023	2022
	€	€
Investment income and gains received by the balance sheet date	867,848	498,821
Receivable within 12 months of balance sheet date	-	-
Other investment income and gains	-	-
Total investment income	867,848	498,821
6 Interest payable and dividends		
The dividend and any loan interest rebate are formally proposed by the Directors after the year end and are confirmed at an AGM of the members. As a result the proposed dividend for the current year does not represent a liability at the Balance Sheet date and the dividend included in the Statement of Reserves in the current year relates to dividends paid to members for the prior year.		
The dividends and loan interest rebate for the current and prior year periods were as follows:		
	2023	2022
	€	€
Dividends paid during the year	-	-
Dividend rate applied to members' shares	-	-
No loan interest rebate was paid for the current or prior year.		
Dividends proposed, but not recognised	-	-
Dividend rate to be applied to members' shares	-	-
Loan interest rebate proposed, but not recognised	-	-
Loan interest rebate rate to be applied to members' shares	-	-

7 Other income	2023	2022
	€	€
Miscellaneous income	81,346	76,261
Total other income	81,346	76,261
8 Exceptional costs - ILCU Pension Fund	2023	2022
	€	€
Pension fund (see note 24 for further details)	-	1,639,750
9 Exceptional income - Stabilisation Protection Scheme		
During the prior financial year Douglas Credit Union received a credit note of €397,755 from credit note from the SPS fund was provided as a support to Credit Unions towards the deficit arising in the ILCU pension fund and other recent environment factors. The credit note each Credit Union received from the SPS Fund was based on the asset size as at 30th September 2021 of each Credit Union in the scheme. €357,979 of the credit note was discharged by way of a payment made by the SPS fund to Douglas Credit Union before the end of the prior financial year with the balance of €39,776 included in Prepayments and Accrued income and due to be paid by 31st December 2025.		
10 Expenses	2023	2022
	€	€
	Note	
Employment costs	11	1,214,681
Depreciation of owned tangible fixed assets	13	98,373
Other management expenses (Schedule 1)		1,489,678
		2,802,732
		2,388,710
11 Employees and employment costs		
Number of employee		
The average monthly number of employees during the year was:		
	2023	2022
	Number	Number
	23	22

Douglas Credit Union Limited

Notes to the Financial Statements (continued)

for the Year Ended 30th September 2023

11 Employees and employment costs

(Continued)

Employment costs	2023 €	2022 €
Wages and salaries	1,052,941	904,549
Payments to pension schemes	161,740	125,028
	<u>1,214,681</u>	<u>1,029,577</u>
Key management personnel		
The remuneration of key management personnel was as follows;		
	2023 €	2022 €
Short term employee benefits	313,272	237,438
Payments to defined contribution pension scheme	56,420	50,169
Total key management personnel compensation	<u>369,692</u>	<u>287,607</u>

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

12 Cash and cash equivalents

	2023 €	2022 €
Cash and bank balances	4,049,688	6,777,464
Deposits and investments	14,753,578	9,631,087
Total cash and cash equivalents	<u>18,803,266</u>	<u>16,408,551</u>

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

13 Tangible fixed assets

Current financial year

	Freehold premises €	Plant, furniture & equipment €	Computers €	Total €
Cost				
At 1 October 2022	1,139,668	724,730	833,358	2,697,756
Additions	-	75,550	139,028	214,578
At 30 September 2023	<u>1,139,668</u>	<u>800,280</u>	<u>972,386</u>	<u>2,912,334</u>
Depreciation and impairment				
At 1 October 2022	359,415	659,580	806,700	1,825,695
Depreciation charged in the year	22,789	34,117	41,467	98,373
At 30 September 2023	<u>382,204</u>	<u>693,697</u>	<u>848,167</u>	<u>1,924,068</u>
Carrying amount				
At 30 September 2023	<u>757,464</u>	<u>106,583</u>	<u>124,219</u>	<u>988,266</u>
At 30 September 2022	<u>780,259</u>	<u>65,149</u>	<u>26,653</u>	<u>872,061</u>

14 Loans to members - financial assets

14.1 Loans to members

	Note	2023 €	2022 €
At 1 October		25,982,513	23,893,884
Advanced during the year		13,513,667	12,396,576
Repaid during the year		(10,300,340)	(10,300,518)
Loans written off		(33,278)	(7,429)
Gross loans to members	14.2	<u>29,162,562</u>	<u>25,982,513</u>
Impairment allowances			
Individual loans		(2,030,576)	(2,030,576)
Loan provision	14.3	<u>(2,030,576)</u>	<u>(2,030,576)</u>
At 30 September	14.2	<u>27,131,986</u>	<u>23,951,937</u>

Included in the gross loans to members of €29,162,562 (2022: €25,982,513) is an amount of €2,822,481 (2022: €1,785,943) which relates to mortgage loans.

Douglas Credit Union Limited

Notes to the Financial Statements (continued)

for the Year Ended 30th September 2023

14 Loans to members - financial assets

(Continued)

14.2 Credit risk disclosures

Douglas Credit Union Limited had secured loans at 30 September 2023 of €4,599,734 (2022: €3,536,588). Secured loans include mortgage loans of €2,822,431 (2022: €1,785,943) secured on properties on which a first legal charge exists.

On some loans, there are restrictions on the extent to which borrowers may withdraw their savings whilst loans are outstanding (attached savings have been disclosed in note 18). 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 Douglas Credit Union Limited's maximum exposure to credit risk. The following table provides information on the credit quality of loan repayments. Where loans are not impaired it is expected that the amounts repayable will be received in full.

	2023 €	%	2022 €	%
<i>Gross loans not impaired:</i>				
Not past due	25,753,234	88.31%	20,143,729	77.53%
<i>Gross loans individually impaired:</i>				
Not past due	1,893,032	6.49%	4,225,916	16.26%
Up to 9 weeks past due	824,652	2.83%	929,418	3.58%
Between 10 and 18 weeks past due	139,447	0.48%	63,407	0.24%
Between 19 and 26 weeks past due	49,625	0.17%	51,726	0.20%
Between 27 and 39 weeks past due	48,797	0.17%	54,637	0.21%
Between 40 and 52 weeks past due	77,106	0.26%	66,522	0.26%
53 or more weeks past due	376,669	1.29%	447,158	1.72%
Gross loans individually impaired	3,409,328	11.69%	5,838,784	22.47%
<i>Collectively impaired:</i>				
Total gross loans	29,162,562	100.00%	25,982,513	100%
<i>Impairment allowance</i>				
Individual loans	(2,030,576)		(2,030,576)	
Total carrying value	27,131,986		23,951,937	

14.3 Loan provision account for impairment losses

	2023 €	2022 €
At 1 October	2,030,576	2,078,588
Allowances for the loan losses made during the year	-	(48,012)
Decrease/(Increase) in loan provisions during the year	14.4	(48,012)
At 30 September	2,030,576	2,030,576

14.4 Net recoveries or losses recognised for the year

	2023 €	2022 €
Bad debts recovered	440,897	459,041
Interest on impaired loans reclassified as bad debt recovered	4	20,683
	462,752	479,724
Loans written off	(33,278)	(7,429)
Net recoveries on loans to members recognised for the year	429,474	472,295

14.5 Analysis of gross loans outstanding

	2023 Number of loans	€	2022 Number of loans	€
Less than one year	495	905,511	520	981,177
Greater than 1 year and less than 3 years	1,035	5,006,876	1,020	4,744,333
Greater than 3 years and less than 5 years	1,023	11,105,581	1,009	10,764,444
Greater than 5 years and less than 10 years	271	9,421,382	230	7,815,818
Greater than 10 years and less than 25 years	12	1,669,690	9	790,391
Greater than 25 years	5	1,053,522	4	886,350
	2,841	29,162,562	2,792	25,982,513

15 Prepayments and accrued income

	2023 €	2022 €
Prepayments	93,657	91,572
Accrued loan interest income	66,668	54,839
Other income	39,776	-
	200,101	146,411

Douglas Credit Union Limited

Notes to the Financial Statements (continued)

for the Year Ended 30th September 2023

16 Deposits and investments

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

16.1 Cash equivalents (original maturity within 3 months)

	2023 €	2022 €
Deposits with banks	14,753,578	9,631,087
Total cash equivalents	<u>14,753,578</u>	<u>9,631,087</u>

16.2 Other (original maturity after 3 months)

	2023 €	2022 €
Fixed term deposits with banks	34,930,862	36,384,413
Bonds	11,592,698	11,604,772
Central bank minimum deposits	763,300	3,745,035
Total other	<u>47,286,860</u>	<u>51,734,220</u>

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

	2023 €	2022 €
A+	10,540,100	10,543,900
A1	10,888,969	8,662,668
A2	8,823,511	5,772,411
A3	6,808,511	7,796,035
Aa3	7,058,532	5,048,380
Ba3	6,090,758	7,005,252
Baa1	4,514,900	4,764,900
Baa2	4,012,200	6,023,524
BBB+	2,001,600	2,003,200
Not rated	1,301,357	3,745,037
Total deposits and investments	<u>62,040,438</u>	<u>61,365,307</u>

17 Members' shares - Financial Liabilities

	2023 €	2022 €
At 1 October	75,491,310	77,341,984
Received during the year	49,388,689	32,612,823
Repaid during the year	(49,723,533)	(34,463,497)
At 30 September	<u>75,156,466</u>	<u>75,491,310</u>

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

	2023 €	2022 €
Unattached shares	64,438,141	64,689,548
Attached shares	10,718,325	10,801,762
Total members' shares	<u>75,156,466</u>	<u>75,491,310</u>

18 Members' Deposits - Financial Liabilities

	2023 €	2022 €
At 1 October	773,990	882,944
Received during the year	55,780	38,740
Repaid during the year	(115,928)	(147,694)
At 30 September	<u>713,842</u>	<u>773,990</u>

Funds held in members' deposits are repayable on demand.

Douglas Credit Union Limited

Notes to the Financial Statements (continued)

for the Year Ended 30th September 2023

19 Members' current accounts - financial liabilities

	2023 €	2022 €
At 1 October	1,833,699	697,979
Received during the year	13,866,135	7,466,295
Repaid during the year	(12,898,416)	(6,330,575)
At 30 September	2,801,418	1,833,699

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

Breakdown of members' current accounts by type as at 30 September 2023 is as follows

	Number	Balance €
Credit	1,522	2,807,339
Debit	68	(6,691)
Permitted overdrafts	16	15,625

20 Other payables

	2023 €	2022 €
Creditors and other accruals	301,413	361,041

21 Additional financial instruments disclosures

21.1 Financial risk management

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

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

21 Additional financial instruments disclosures

Credit risk:

Credit risk is the risk that a borrower will default on their contractual obligations relating to repayments to Douglas Credit Union Limited, resulting in financial loss to the Credit Union. In order to manage this risk the Board approves the Credit Union's credit policy, and all changes to it. All loan applications are assessed with reference to the credit policy in force at the time. Subsequently loans are regularly reviewed for any factors that may indicate that the likelihood of repayment has changed. The credit risk on members' loans is disclosed in Note 14.

The Credit Union's investments are also exposed to credit risk and the Credit Union mitigates the risk by only placing investments with financial institutions where the counterparties have strong credit ratings and using investment products authorised by the Central Bank. The credit ratings of the financial institutions where investments are held are disclosed in Note 16.

Liquidity risk:

The Credit Union's policy is to maintain sufficient funds in liquid form at all times to ensure that it can meet its liabilities as they fall due. The Credit Union adheres on an ongoing basis to the minimum liquidity ratio and minimum short term liquidity ratio as set out in the Credit Union Act 1997 (Regulatory Requirements) Regulations 2016.

Market risk:

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

Interest rate risk:

The Credit Union's main interest rate risk arises from differences between the interest rate exposures on the receivables and payables that form an integral part of a Credit Union's operations. The Credit Union considers rates of interest receivable on investments and members' loans when deciding on the dividend rate payable on shares and on any loan interest rebate.

Douglas Credit Union Limited

Notes to the Financial Statements (continued)

for the Year Ended 30th September 2023

21 Additional financial instruments disclosures (Continued)

21.2 Interest rate risk disclosures

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

	2023 Amount €	Average interest rate	2022 Amount €	Average interest rate
Financial assets				
Gross loans to members (excluding mortgages)	26,340,081	8.62%	24,196,570	8.45%
Mortgage loans	2,822,481	3.63%	1,785,943	3.89%
Financial liabilities				
Members' shares	75,156,466	-	75,491,310	-
Members' deposits	713,842	-	773,990	-
Members' current accounts	2,801,418	-	1,833,699	-
	78,671,726		78,098,999	

21.3 Liquidity risk disclosures

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

21.4 Fair value of financial instruments

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

21.5 Capital

The Credit Union maintains sufficient reserves to buffer the Credit Union against any losses on its members' loans and also its investments. The current Regulatory reserves are in excess of the minimum requirement set down by the Central Bank, and stand at 11.50% of the total assets of the Credit Union at the Balance Sheet date.

22 Contingent liabilities

Included in investments is an amount of €2,000,000 which relates to an investment that matured in June 2023. The investment was made in 2018 in the amount of €2,000,000 in a product called a "Protected Note 8". The Protected Note 8 was a 5 year and 1 month investment with Banca IMI S.p.A., an Italian bank that has since merged with Intesa Sanpaolo S.p.A., also an Italian bank. The investment was capital protected. The investment was made through an Irish investment firm called BlackBee Investments Limited. BlackBee Investments Limited is a MiFID investment firm. MiFID refers to the European Union (Markets in Financial Instruments) Regulations 2017. Following an application by the Central Bank of Ireland, the High Court appointed liquidators to BlackBee Investments Limited in May 2023. Subsequent to this, in June 2023, the €2,000,000 investment with Banca IMI S.p.A. matured, and, the funds were returned by Intesa Sanpaolo S.p.A to BlackBee Investments Limited (at this point, in liquidation). At the year end, the funds had not yet been returned to the Credit Union by the liquidators of BlackBee Investments Limited. Regulation 49 of the Investment Firms Regulations sets out the requirements as regards segregation of client assets and sets out that an investment firm shall not use client assets for any purpose other than for the sole account of that client. The Credit Union has no reason to believe that the matured investment that is now held by the liquidators has mingled with any other BlackBee Investments Limited funds. The Credit Union has sought legal advice in this regard. Following this, while the Board is satisfied that the investment has matured and the funds will be returned to the Credit Union, the timing of the return of the funds is uncertain. Furthermore, under MiFID regulations, liquidators can, in certain circumstances, seek to deduct reasonable costs from investment funds in the fulfilment of their function. At the year end date, there is no indication that the liquidators will seek to deduct costs, however this remains a possibility. Consequently it is impracticable at this time to estimate the impact, financial or otherwise, of the delayed timing of the receipt of funds if any, and, the financial impact of the liquidation costs if any.

23 Capital commitments

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

Douglas Credit Union Limited

Notes to the Financial Statements (continued)

for the Year Ended 30th September 2023

24 Pension scheme - Irish League of Credit Unions

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

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

At the date of closure of the Scheme, there was a past service deficit which was allocated to each individual Credit Union based on the total benefits earned by staff in each Credit Union. Douglas Credit Union Limited's allocation of that past service deficit was €1,639,750. This total cost was included in the Income & Expenditure account for the year ended 30 September 2022 and this deficit amount was paid to the trustees prior to 30 September 2022. During the year ending 30 September 2023 there were no contributions in respect of a past service deficit payable and hence no charge to the Income and Expenditure account.

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

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

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

An actuarial review of the Scheme is normally carried out every three years by the Scheme's independent, professionally qualified actuary. The actuarial review considers the past and future service liabilities of the Scheme. The last completed triennial actuarial review was carried out with an effective date of 29 February 2020, using the Attained Age valuation method.

In 2022, there was a review of the Scheme in conjunction with advisors independent trustees. The conclusion of this review was that the Scheme should close to future accrual and this occurred with effect from 31 March 2022 with an associated Funding Plan.

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

	31 March 2022	29 February 2020
	€'m	€'m
Assets	283.40	250.00
Liabilities	377.10	291.80
Deficit	93.70	41.80

24 Pension scheme - Irish League of Credit Unions

(Continued)

Assumptions used

	31 March 2022	29 February 2020
Investment return in the period pre-retirement	3.35%	3.50%
Investment return while in receipt of pension	0.25%	0.40%
Annual indexation of accrued pensions up to retirement	2.05%	1.25%
Annual increases to pension in payment	3%/0%	3%/0%
Life expectancy*		
65 year old male lives to age	87	86
65 year old female lives to age	89	88
Amount of pension exchanged for tax-free cash at retirement	0.00%	25.00%

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

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

	30 September 2023	30 September 2022
	€	€
Retirement benefit liability	-	-

There is an ongoing process to sign-off on the 28 February 2023 actuarial valuation. Under the Pensions Act, there is a 9 month period allowed to sign off an actuarial valuation. The formal process is on track to conclude within the required timescales - there is a deadline for finalisation of the report of 30 November 2023.

Given the progress to date in respect of the actuarial valuation, it is the clear understanding at this point that there will be no additional contributions recommended, over and above those contributions payable per the table above.

25 Events after the reporting date

No matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Credit Union, the results of those operations or the state of affairs of the Credit Union in financial years subsequent to the financial period ended 30 September 2023.

26 Insurance against fraud

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

Douglas Credit Union Limited

Notes to the Financial Statements (continued)

for the Year Ended 30th September 2023

27 Related party transactions

During the year loans were advanced to Directors and the management team of the Credit Union (to include their family members or any business in which the Directors or management team had a significant shareholding) in the amount of €466,938 (2022: €1,067,633), these loans were approved in accordance with the Standard Credit Unions rules and the Credit Union Act 1997 (Regulatory Requirements) Regulations 2016.

The loans outstanding from these parties at 30 September 2023 was €1,302,954 (2022: €1,308,188). These loans amounted to 4.47% of total gross loans due at 30 September 2023 (2022: 5.03%).

There were €132,270 in provisions against these loans at 30 September 2023 (2022: €47,284).

The Directors' and management teams' total share and deposit balances stood at €100,944 at 30 September 2023 (2022: €354,523).

The Directors' and management teams' total current account balances stood at €5,128 at 30 September 2023 (2022: €5,307).

28 Merger

Douglas Credit Union is in advanced merger discussions with Glanmire and District Credit Union. These discussions involve significant pieces of due diligence work. The merger will be presented to members for approval at the 2023 AGM. The process will also require confirmation by the Central Bank in line with regulatory and legislative requirements.

29 Comparative information

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

30 Approval of financial statements

The financial statements were approved, and authorised for issue, by the Board on the 14th November 2023.

Douglas Credit Union Limited

Schedule No 1: Other Management Expenses

for the Year Ended 30th September 2023

	2023 €	2022 €
Other management expenses		
Rent and rates	35,093	34,349
Lighting, heating and cleaning	33,707	39,409
Repairs and renewals	12,763	10,919
Security	39,793	32,448
Printing and stationery	21,484	19,694
Postage and telephone	25,731	25,235
Donations and sponsorship	13,546	14,662
Debt collection	11,808	10,497
Training costs	8,125	7,654
Convention expenses	3,693	5,030
AGM expenses	6,500	9,832
Travel and subsistence	8,569	5,163
Bank Charges	37,372	55,331
Audit Fees	31,500	31,862
Board Oversight Committee expenses	-	500
General insurance	44,193	40,542
Share and loan insurance	273,891	280,821
Legal & professional fees	55,620	64,399
Computer maintenance	201,136	178,795
Miscellaneous expenses	3,035	3,014
Death benefit insurance	87,379	83,008
Affiliation fees	127,709	59,866
Management charges	371	395
Marketing	49,305	68,977
Equipment repairs	10,380	9,925
TOE costs	65,069	-
Debit card costs	84,109	74,578
Central bank levies	150,135	121,712
Office supplies	47,662	33,113
	<hr/>	<hr/>
Total other management expenses	1,489,678	1,321,730

Douglas Credit Union Limited

Deposit Guarantee Scheme

Depositor Information

Eligible deposits in Douglas Credit Union are protected by:

the Deposit Guarantee Scheme ("DGS") (1)

Limit of protection:

€100,000 per depositor per credit institution (2)

If you have more eligible deposits at the same credit institution:

All your eligible deposits at the same credit institution are 'aggregated' and the total is subject to the limit of €100,000 (2)

If you have a joint account with other people:

The limit of €100,000 applies to each depositor separately (3)

Reimbursement period in case of credit institution's failure:

10 working days (4)

The currency of reimbursement:

Euro or, for branches of Irish banks operating in another member state of the EEA, the currency of that member state.

To contact Douglas Credit Union for enquiries relating to your account:

Douglas Credit Union Douglas West Douglas, Cork

To contact the DGS for further information on compensation:

Tel: 021 4894555

Email: info@douglascu.ie

Deposit Guarantee Scheme
Central Bank of Ireland
New Wapping Street,
North Wall Quay,
Dublin 1

Tel: 0818-681681

Email: info@depositguarantee.ie

More information:

www.depositguarantee.ie

Douglas Credit Union Limited

Unaudited Accounts

for the 2 Months ended 30th November 2023

Income & Expenditure

Income		€
Interest Income		375,167
Investment Income	Rec'd/Receivable within 1 year	158,598
Bad Debts Recovered		79,202
Other Income		21,133
Total Income		634,100
Expenditure		€
Net Loan Protection / Life Savings Insurance		45,231
Salaries and Related Expenses		198,874
Bad Debts Written Off		(2,353)
Other Expenses		216,123
Total Expenditure		457,875
YTD Surplus		176,225

Douglas Credit Union Limited
Unaudited Accounts
at 30th November 2023



Balance Sheet

Notice of Virtual AGM
Glanmire and District Credit Union Limited

Virtual AGM to be held on Wednesday, 31 January 2024.
 The 2023 Annual General Meeting of the members of Glanmire and District Credit Union Limited will take place via **Zoom Webinar** on Wednesday, 31 January 2024 at 6.30 p.m.

Members wishing to attend the Virtual AGM need to request an invitation to join and apply via email to: **agm@glanmirecu.ie** and include the following information in your email:

Name
 Member Number
 Member Address

The request for attendance must be received by Monday 29 January 2024 at 7p.m.

- Glanmire and District Credit Union Ltd. will be using Zoom Webinar as the electronic platform for the meeting.
- To gain access to the meeting a member must request an invitation to the virtual meeting by emailing agm@glanmirecu.ie. This request must be received by Monday 29 January 2024 at 7 p.m. Following the request the member will receive an invitation on Tuesday 30 January 2024. This will allow the member to join the meeting.
- The information required to request an invitation is your name, member number and address. The Credit Union will be verifying members details prior to issuing invitations.
- In order to register for the Virtual AGM, each member will require a personal email. Please note that a group or general mailbox will not be accepted (e.g. info@club.ie, team1@xyzltd.ie)
- All non-presenting participants will have their microphones muted and have their cameras switched off to allow the smooth running of the meeting.
- If a member wishes to submit a question this can be typed to the host by clicking on the "chat" button on the bottom of the screen.
- There will be resolutions that require a vote as well as elections for the position of Auditor and both Board of Directors and Board Oversight Committee members.
- Voting will be conducted by way of the online poll facility and Members will be asked to vote Yes/No electronically for the resolution or for each candidate when instructed by the Chairperson.
- Votes will be tallied electronically, verified by our Internal Auditor, and recorded by the meeting Secretary.
- This virtual AGM meeting will be recorded and members who register for the meeting will be agreeing to the recording of the meeting and their participation in it, by registering.

Total Assets		€
Cash and Current Accounts		2,893,807
Minimum Reserve Deposit Held		763,300
Investments		
Accounts in Authorised Credit Institutions		49,193,210
Bank Bonds		12,559,084
Total Assets		65,409,401
Loans		29,962,677
Less Provision For Bad Debts		(2,030,577)
Fixed Assets less Depreciation		1,015,838
Other Assets		258,990
Total Assets		94,616,329

Liabilities		€
Member Shares	Regular	75,046,747
Member Deposits		702,227
Other Member Funds		2,956,004
Other Liabilities		294,882
Total Liabilities		78,999,860
Net Worth		15,616,469

Represented By:		
Reserves		€
Regulatory Reserve		10,850,571
Operational Risk Reserve		437,210
Undistributed Surplus Brought Forward		3,900,248
YTD Surplus (Deficit)		176,225
Other Reserves	Realised	-
	Unrealised	252,215
Total Reserves		15,616,469

Agenda

1. The acceptance by the Board of Directors of the authorised representatives 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 the minutes of the last annual general meeting, and any intervening special general meeting;
5. Report of the Chair of the Board of Directors;
6. Amendment to Standard Rules
7. Consideration of Special Resolution *The members of Glanmire and District Credit Union Limited resolve that the Credit Union transfers its engagements to Douglas Credit Union Limited in accordance with the relevant provisions of the Credit Union Act 1997 (as amended).*
8. Report of the Board Oversight Committee;
9. Report of the Credit Committee;
10. Report of the Credit Control Committee;
11. Report of the Membership Committee;
12. Report of the Investment Committee;
13. Report of the Nomination Committee;
14. Consideration of accounts;
15. Report of the Auditor;
16. Declaration of Dividend & Interest Rebate (if any)
17. Election of Auditor;
18. Election to fill Two (2) vacancies on the Board of Directors.
19. Election to fill One (1) vacancy on the Board Oversight Committee.
20. Announcement of election results;
21. Adjournment or close of meeting;

Notice of Elections

The Nomination Committee consists entirely of Directors and is a requirement as per Section 56(b) of the Credit Union Act 1997 (as amended). Elections will be held to fill the following vacancies:

- The Position of Auditor.
- Two (2) vacancies on the Board of Directors.
- One (1) vacancy on the Board Oversight Committee

NOMINATION FORMS:

All members over the age of 16 years may nominate in writing any person or persons to receive the proceeds of their Credit Union account at the time of their death. Such a nomination, which may be changed during the account holders' lifetime, shall supersede any will made by the account holder. At present the maximum amount to be nominated is €23,000. In the case of joint accounts, the surviving joint account holder receives the proceeds of the account.

Statement of the Board Oversight Committee for Year Ended 30th September 2023

The Board Oversight Committee is comprised of Mr. Gerard Heavey (Chairperson), Mr. Martin McDermott, and Mr. Hugh Cronin (Recording Secretary). At least one member of the Committee attended each general meeting of the Board of Directors. The Committee met regularly and issued quarterly reports to the Board of Directors throughout the year.

It is our view that:

- That the Directors are overseeing accounting records and reports.
- That the Directors are being suitably informed of all relevant aspects of the running of GDCU by the Manager, and both internal and external auditors.
- Internal Controls were effectively maintained, and that there is a strong emphasis on risk awareness and risk mitigation.
- The Directors are overseeing that the plans, policies and procedures of the Credit Union were properly reviewed and implemented.
- The Directors engage in robust discussion and ensure that practice reflects the ethos of the organisation.

The Board Oversight Committee are aware that an ongoing Transfer of Engagements process is in place in accordance with the Strategic Development Plan and that the Directors are acting at all times in the interests of the members of GDCU.

The Board Oversight Committee is satisfied that the Board of Directors has performed its functions in an effective and proactive manner and has operated in accordance with

- Part IV and Part V (a) of the Credit Union Act, 1997 (as amended)
- Directions and guidelines prescribed by the Central Bank of Ireland relating to Credit Unions, in general

We would like to thank the Board of Directors for carrying out their duties in an efficient manner and for having the books and records readily available to us.

We would like to take this opportunity to thank the Manager and Staff for the professional service they provide to the members.

For, and on behalf of the Board Oversight Committee,
Mr. Hugh Cronin

Report of the Nomination Committee for Year Ended 30th September 2023

The Nomination Committee consists entirely of Directors and is a requirement as per Section 56(b) of the Credit Union Act 1997 (as amended).

The Main Functions of the Committee Include:

- Identifying and Interviewing Candidates to be nominated for appointment to the Board of Directors.
- Accepting nominations of candidates proposed to be appointed to the Board of Directors.
- Proposing Candidates for election by a General Meeting.
- Ensuring there is an appropriate Succession Plan in place for the Board of Directors.
- Ensuring that no material Conflict of Interest exists and where any potential conflict could arise this conflict must be brought to the attention of the membership at AGM.

The following Directors are seeking election:

Tony O'Sullivan
Jim Long

The following Board Oversight Committee member is seeking election:

Hugh Cronin

We would like to ask you to consider volunteering with Glanmire Credit Union. We need people with the following skills: marketing, IT, HR, Accounting, Business experience. We have a lot to offer suitable candidates, the Irish League of Credit Unions offers excellent courses for staff and volunteers. If you are interested please call in or telephone for an Application Form.

Nomination Committee:

Jane Ryan, Michael Hourihan, Jo Henchin

Chairpersons Annual Address

On behalf of Glanmire & District Credit Union Ltd I would like to welcome you all to our 38th Annual general meeting. Our Credit Union aims to offer our members the best possible service and continues to look for opportunities to expand this service even further. The Credit Union will change over time and we as Directors are constantly exploring various avenues to enable us to do this.

The past year returned an operating surplus of €233,196 but this was impacted by two exceptional items namely, a write-down on the valuation of the building by €186,457 and in 2023 the Directors of Glanmire & District took the decision to exit the Defined Benefit Pension scheme which resulted in a liability of €114,600. The Defined Benefit scheme has been replaced by a Defined Contribution Scheme. The effect those two transactions was to yield a net deficit of €67,861. As a result of this deficit no dividend will be paid this year.

The past year has seen inflation gradually reducing each month from the highs we experienced this time last year. As a result, we hope to see an end to the interest rates increases which were a common feature in 2023. Indeed current indications are that we may see interest rates starting to decline in 2024.

One of the prime functions of the Credit Union is the provision of loans to its members and at the end of September 2023 our total loans to members stood at €13,219,325. This is up 9% on the previous year and represents a new record for Glanmire Credit Union.

The staff of the Credit Union and the CEO Chris Smith are the reason for these excellent figures and I and my fellow Directors would like to thank each of them for their enthusiasm and work commitment.

We are delighted with the response from the local schools in their participation in the Irish League of Credit Unions Quiz and Art competitions. Some of our schools went on to achieve national awards in these competitions.

I would also like to thank my fellow Directors and members of the Board Oversight Committee for their work and commitment over the past year and also thank the members for their loyalty and support. We look forward to continuing to serve you into the future.

Michael Hourihan

**Chairperson of Board of Directors
Glanmire and District Credit Union Limited**

Glanmire and District Credit Union Limited Annual Accounts 2023

Glanmire and District Credit Union Limited Directors' Responsibilities Statement for the Year Ended 30th September 2023

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 the Income and Expenditure Account of the Credit Union for that period. In preparing those financial statements, the Directors are required to:

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

The Directors are responsible for 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 in the prevention and detection of fraud and other irregularities.

On behalf of the Board

Michael Hourihan
Chairperson

Tony O'Sullivan
Director

25 October 2023

Statement of Board Oversight Committee Responsibilities

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

On behalf of the Board Oversight Committee

Gerry Heavey
Chairperson

25 October 2023

Glanmire and District Credit Union Limited

Independent Auditors' Report to the Members of Glanmire and District Credit Union Limited

Opinion on Financial Statements

We have audited the financial statements of Glanmire and District Credit Union Limited for the year ended 30 September 2023 which comprise the Income And Expenditure Account, the Balance Sheet, the Statement of Changes in Reserves, the Cash Flow Statement and the notes to the financial statements, including the summary of significant accounting policies. The relevant financial reporting framework that has been applied in their preparation is Irish law and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council.

In our opinion the financial statements:

- give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland of the state of the Credit Union's affairs as at 30 September 2023 and of its income and expenditure and cashflows 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 so as to conform with the requirements of the Credit Union Act, 1997 (as amended).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described below in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Credit Union in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by

the Irish Auditing and Accounting Supervisory Authority (IAASA), and the provisions available to small entities, in the circumstances set out in Note 22 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions Relating to Going Concern

We have nothing to report in respect of the following matters in relation to which ISAs (Ireland) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate: or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Credit Union's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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 Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements which give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland, including FRS 102, and for such internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Directors are responsible for assessing the Credit Union's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intends to liquidate the Credit Union or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: [http://www.iaasa.ie/Publications/Auditing-standards/International-Standards-on-Auditing-for-use-in-Ire/International-Standards-on-Auditing-\(Ireland\)/ISA-700-\(Ireland\)](http://www.iaasa.ie/Publications/Auditing-standards/International-Standards-on-Auditing-for-use-in-Ire/International-Standards-on-Auditing-(Ireland)/ISA-700-(Ireland)). This description forms part of our Auditor's report.

The Purpose of Our Audit Work and to Whom We Owe Our Responsibilities

Our report is made solely to the Credit Union's members, as a body, in accordance with section 120 of the Credit Union Act 1997, as amended. Our audit work has been undertaken so that we might state to the Credit Union's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Credit Union and the Credit Union's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Crowley & McCarthy

Chartered Accountants and Statutory Audit Firm

6th Floor
26/27 South Mall
Cork

25 October 2023

Glanmire and District Credit Union Limited Income And Expenditure Account For the Year Ended 30th September 2023

	Schedule	2023 €	2022 €
Interest on Members' Loans		1,021,459	970,563
Other Interest Receivable and Similar Income	1	351,599	260,371
Net Interest Income		1,373,058	1,230,934
Other Income	2	43,307	235,584
Total Income		1,416,365	1,466,518
Expenditure			
Employment Costs		445,509	431,395
Other Management Expenses	3	699,732	687,249
Depreciation		82,213	88,738
Net Recoveries on Loans to Members		(44,285)	(30,013)
Total Expenditure Before Exceptional Items		1,183,169	1,177,369
Surplus for the Year Before Exceptional Items		233,196	289,149
ILCU Pension Deficit Contribution	6	(114,600)	(365,430)
Death Benefit Insurance Member Refunds	6	-	(98,208)
Revaluation of property		(186,457)	-
Deficit for the Year After Exceptional Items		(67,861)	(174,489)

There is no other comprehensive income, other than that passing through the income and expenditure account.

The financial statements were approved, and authorised for issue, by the Board on 25 October 2023 and signed on its behalf by:

Michael Hourihan
Chairperson

Gerry Heavey
Board Oversight Committee

Chris Smith
Chief Executive Officer

Glanmire and District Credit Union Limited Balance Sheet For the Year Ended 30th September 2023

	Notes	€	2023 €	€	2022 €
Assets					
Cash and Balances at Bank			1,270,688		2,069,857
Deposits and Investments - Cash Equivalents	8		6,622,090		3,748,707
Deposits and Investments - Other	8		20,811,669		22,897,666
Loans to Members	9		13,219,325		12,177,991
Less: Provision for Bad and Doubtful Debts	10		(491,010)		(490,928)
Tangible Assets	11		1,038,979		1,304,869
Prepayments and Accrued Income			114,935		133,652
Total Assets			42,586,676		41,841,814
Liabilities					
Members' Shares	14		36,581,391		35,678,552
Other Liabilities, Creditors, Accruals and Charges	15		226,434		316,550
Total Liabilities			36,807,825		35,995,102
Assets Less Liabilities			5,778,851		5,846,712
Reserves					
Regulatory Reserves			5,159,644		5,159,644
Operational Risk Reserve			50,000		50,000
Unrealised Income Reserve			18,656		18,656
Reorganisation Reserve			98,148		98,148
Retained Earnings			452,403		520,264
Total Reserves			5,778,851		5,846,712

The financial statements were approved, and authorised for issue, by the Board on 25 October 2023 and signed on its behalf by:

Michael Hourihan
Chairperson

Gerry Heavey
Board Oversight Committee

Chris Smith
Chief Executive Officer

25 October 2023

Glanmire and District Credit Union Limited

Cashflow Statement

For the Year Ended 30th September 2023

	2023 €	2022 €	€
Cash flows from operating activities			
Members' Loans Repaid	5,325,567		4,892,598
Members' Loans Granted	(6,378,177)		(6,092,388)
Members' Loan Interest Received	1,021,459		970,563
Investment Interest Received	351,599		260,371
Bad Debts Recovered	55,645		55,073
Operating Expenses	(1,145,242)		(1,118,644)
ILCU Pension Deficit Contribution	(114,600)		(365,430)
Death Benefit Insurance Member Refunds	-		(98,208)
Other Receipts	43,307		235,584
Increase in Prepayments	18,717		(29,868)
(Decrease)/increase in Other Liabilities, Accruals and Charges	(90,116)		75,683
Net cash outflow from operating activities	(911,841)		(1,214,666)
Cashflows from Investing Activities			
Purchase of Tangible Fixed Assets	(2,781)	(11,552)	
Proceeds on Disposal of Tangible Fixed Assets	-	2,178	
Net Cash Outflow From Managing Liquid Deposits	2,085,997	2,450,929	
Net Cash Generated from Investing Activities		2,083,216	2,441,555
Financing Activities			
Members' Shares Received	16,963,774	13,693,785	
Members' Shares Withdrawn	(16,060,935)	(16,125,822)	
Net Cash Generated from/(used in) Financing Activities		902,839	(2,432,037)
Net Increase/(Decrease) in Cash and Cash Equivalents		2,074,214	(1,205,148)
Cash and Cash Equivalents at Beginning of Year	5,818,564		7,023,712
Cash and Cash Equivalents at End of Year	7,892,778		5,818,564
Relating to:			
Cash and Balances at Bank	1,270,688		2,069,857
Deposits and Investments With Original Maturity Within Three Months	6,622,090		3,748,707

Glanmire and District Credit Union Limited

Statement of Changes in Reserves

For the Year Ended 30th September 2023

	Notes	Retained Earnings €	Unrealised Income €	Regulatory Reserve €	Reorganisation Reserve €	Operational Risk Reserve €	Total €
Balance at 1 October 2021		713,409	-	5,159,644	98,148	50,000	6,021,201
Year ended 30 September 2022:		(174,489)	-	-	-	-	(174,489)
Loss and Total Comprehensive Income for the year		(18,656)	18,656	-	-	-	-
Transfers to Unrealised Investment Income Reserve		520,264	18,656	5,159,644	98,148	50,000	5,846,712
Balance at 30 September 2022		520,264	18,656	5,159,644	98,148	50,000	5,846,712
Balance at 1 October 2022		520,264	18,656	5,159,644	98,148	50,000	5,846,712
Year ended 30 September 2023:		(67,861)	-	-	-	-	(67,861)
Deficit and Total Comprehensive Income for the year		452,403	18,656	5,159,644	98,148	50,000	5,778,851
Balance at 30 September 2023		452,403	18,656	5,159,644	98,148	50,000	5,778,851

Note

(1) The Regulatory reserve of the Credit Union as a percentage of total assets as at 30th September 2023 was 12.12% (2022: 12.33%).

(2) In accordance with S45 of the Credit Union Act 1997 (as amended) Glanmire and District Credit Union Ltd. have put in place an Operational Risk reserve. The Board has not transferred additional

funds to the Operational Risk reserve in the current period, following the completion of an internal process of assessing the level of the reserve required to cover the operational risk within the Credit Union. The Operational Risk reserve as a % of the total assets as at 30th September 2023 was 0.12% (2022: 0.12%).

(3) Following commencement of S13 of the 2012 Act, the requirement for Credit Unions to transfer 10% of their annual surplus to their statutory reserve (now known as the Regulatory reserve) each year has been removed. The Regulatory Reserve stands at 12.12% at current year end. In excess of the required limit of 10%.

Glanmire and District Credit Union Limited

Notes to the Financial Statements

for the Year Ended 30th September 2023

1 Legal and Regulatory Framework

Glanmire and District Credit Union Limited is established under the Credit Union Act 1997, as amended. Glanmire and District Credit Union Limited is registered with the Registrar of Credit Unions and is regulated by the Central Bank of Ireland. The principal place of business of the Credit Union is Crestfield Centre, Glanmire, Co. Cork.

2 Accounting Convention and Basis of Preparation

Statement of Compliance and Basis of Preparation

The financial statements have been prepared on the going concern basis and in accordance with the historical cost convention. They have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102").

Currency

The financial statements are prepared in euros, which is the functional currency of the Credit Union.

Going Concern

The financial statements are prepared on the going concern basis. The Directors of Glanmire and District Credit Union Limited believe this is appropriate as the Credit Union:

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

At 30 September 2023 the Credit Union is at an advanced stage of a possible Transfer of Engagements with Douglas Credit Union Limited.

3 Accounting Policies

3.1 Income

Interest on Members' Loans
Interest on loans to members is recognised using the effective interest method, and is calculated and accrued on a daily basis. An approximation of the effective interest rate method is calculated by taking the interest accrual at the reporting period adjusted for any accrual relating to impaired loans.

Investment Income

The Credit Union currently only has investments that are valued at amortised cost, and use the effective interest method to recognise investment income.

The Credit Union is obliged to maintain certain deposits with the Central Bank to which the Credit Union has restricted access. The funds on deposit with the Central Bank attract nominal interest. The deposits will not ordinarily be returned to the Credit Union while it is a going concern. The balances stated are at amounts deposited plus nominal interest earned and are not subject to impairment reviews.

Other Income

Other income such as commissions receivable on insurance products and foreign exchange services arises in connection to specific transactions. Income relating to individual transactions is recognised when the transaction is completed.

3.2 Tangible Fixed Assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold buildings	2% straight line
Office equipment	20% straight line
Fixtures and fittings	10% straight line
Computers	20% straight line

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

3.3 Impairment of Fixed Assets

Where there is objective evidence that the recoverable amount of an asset is less than its carrying value the carrying amount of the asset is reduced to its recoverable amount resulting in an impairment loss. Impairment losses are recognised immediately in the income and expenditure account, with the exception of losses on previously revalued tangible fixed assets, which are recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in reserves, in respect of that asset.

Where the circumstances causing an impairment of an asset no longer apply, then the impairment is reversed through the income and expenditure account, except for impairments on previously revalued tangible assets, which are treated as revaluation increases to the extent that the revaluation was recognised in equity.

The recoverable amount of tangible fixed assets is the higher of the fair value less cost to sell the asset and its value in use. The value in use of these assets is the present value of the cash flows expected to be derived from those assets. This is determined by reference to the present

value of the future cash flows of the Credit Union which is considered by the Directors to be a single cash generating unit

3.4 Cash and Cash Equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

3.5 Financial Instruments

The Credit Union has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Credit Union's statement of financial position when the Credit Union becomes party to the contractual provisions of the instrument.

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

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

3.6 Basic financial assets

Basic financial assets are initially measured at the transaction price, including transaction costs, and are subsequently carried at amortised cost using the effective interest method. Basic financial instruments include the following:

Glanmire and District Credit Union Limited

Notes to the Financial Statements (continued)

for the Year Ended 30th September 2023

Loans to Members

Loans to members are financial assets with fixed or determinable payments. Loans are recognised when cash is advanced to members and measured at amortised cost using the effective interest method.

Investments Held at Amortised Cost

Investments 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.

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.

3.7 Impairment of Financial Assets

Financial assets, other than those held at fair value, are assessed for indicators of impairment at each reporting end date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the expected cash flows discounted at the asset's original effective interest rate. Any impairment losses are recognised in the Income and Expenditure account. If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised,

the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in the Income and Expenditure account.

Bad and Doubtful Debts

The Credit Union assesses if there is objective evidence that any of its loans are impaired with due consideration of environmental factors. The loans are assessed collectively in groups that share similar credit risk characteristics. Individually significant loans are assessed on a loan by loan basis. In addition, if there is objective evidence that any individual loan is impaired, a specific loss will be recognised. Bad debt provisioning is monitored by the Credit Union, and the Credit Union assesses and approves its provisions and the adequacy of same on a regular basis.

Any bad debts/impairment losses are recognised in the income and expenditure account.

3.8 Derecognition of Financial Assets

Financial assets are de-recognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Credit Union transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

In the case of loans to members, loans are de-recognised when the right to receive cash flows from the loans have expired, usually when all amounts outstanding have been repaid by the member. Glanmire and District Credit Union Limited does not transfer loans to third parties.

3.9 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, money management accounts 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.

3.10 Derecognition of Financial Liabilities

Financial liabilities are derecognised when, and only when, the Credit Union's obligations are discharged, cancelled, or they expire.

3.11 Taxation

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

3.12 Employee Benefits

Defined Contribution Plan: The amounts charged as expenditure for the defined contribution plan are the contributions payable by the Credit Union for the relevant period.

Defined Benefit Retirement Plan: Glanmire and District Credit Union Limited participated in an industry-wide pension scheme for employees (The Irish League of Credit Unions Republic of Ireland Pension Scheme). This is a funded defined benefit scheme with assets managed by the Scheme's trustees. The scheme is a multi-employer Scheme and due to the nature of the Scheme, it was not possible for Glanmire and District Credit Union Limited to separately identify its share of the Scheme's underlying assets and liabilities. Consequently, it accounted for the Scheme as a defined contribution plan. There is an agreed funding plan in respect of the Pension Scheme as a result of a Minimum Funding Standard deficit certified by the Scheme's Actuary in 2009. Consequently, Glanmire and District Credit Union Limited recognised a liability at each balance sheet date for its outstanding contributions payable under the agreed funding plan to the extent that they relate to committed funding in respect of the deficit to which the funding plan relates. Glanmire and District Credit Union Limited exited the The Irish League of Credit Unions Republic of Ireland Pension Scheme in the year ended 30th September 2023.

Other Employee Benefits: Other short and long term employee benefits, including holiday pay, are recognised as an expense over the period they are earned.

3.13 Reserves

Retained earnings are the accumulated surpluses to date that have not been declared as dividends returnable to members. The retained earnings are subdivided into realised and unrealised in accordance with the Central Bank Guidance Note for Credit Unions on Matters Relating to Accounting for Investments and Distribution Policy. Investment income that has been

Glanmire and District Credit Union Limited

Notes to the Financial Statements (continued)

for the Year Ended 30th September 2023

recognised but will not be received within 12 months of the balance sheet date is classified as “unrealised” and is not distributable as a dividend in accordance with the Central Bank direction. All other income is classified as “realised”. A reclassification between unrealised and realised is made as investments come to within 12 months of maturity date.

Regulatory Reserve

The Credit Union Act 1997 (Regulatory Requirements) Regulations 2016 requires Credit Unions to establish and maintain a minimum regulatory reserve requirement of at least 10 per cent of the assets of the Credit Union. This reserve is to be perpetual in nature, freely available to absorb losses and comprise realised financial reserves that are unrestricted and non-distributable. This reserve is similar in nature and replaces the Statutory Reserve which was a requirement of previous legislation.

Operational Risk Reserve

Section 45(5)(a) of the 1997 Act requires each Credit Union to maintain an additional reserve that it has assessed is required for operational risk having regard to the nature, scale and complexity of the Credit Union. Credit Unions are required to maintain a minimum operational risk reserve having due regard for the sophistication of the business model. The definition of operational risk is the risk of losses stemming from inadequate or failed internal processes, people and systems or from external events. The Directors have considered the requirements of the Act and have considered an approach to calculation of the operational risk reserve based on indicative guidance issued by the Central Bank.

Unrealised Income Reserve

Income that has been recognised in the financial statements but will not

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

3.14 Interest on Members’ Deposits and Dividends to Members

Interest on members’ deposits

Interest on members’ deposits is recognised using the effective interest method.

Dividends on shares and loan interest rebates

Dividends are made from current year’s surplus or the dividend reserves set aside for that purpose. The Board’s proposed distribution to members each year is based on the dividend and loan interest rebate policy of the Credit Union.

The rate of dividend and loan interest rebate recommended by the Board will reflect:

- The requirements as set out in the Credit Union’s Liquidity Management Policy;
- Legal and regulatory requirements and guidance, including those relating to liquidity, lending, savings, borrowings and investments;
- The Credit Union’s strategic plan taking account of the funding strategy proposed to support the projected balance sheet structure;
- The current economic climate and business operating environment;
- The nature, scale and complexity of the Credit Union;
- The risk profile of the Credit Union including the level of credit and market risk;
- The risk tolerance of the Credit Union

as decided by the Directors and set out in the risk management policy; and

- The Credit Union’s policy in relation to the type, maturity and limits for lending, borrowing, savings and investments and pricing strategies for lending and saving.

4 Judgements and Key Sources of Estimation Uncertainty

In the application of the Credit Union’s accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods. The following are the Credit Union’s key sources of estimation uncertainty:

Going concern

At the time of approving the financial statements, the Directors have a reasonable expectation that the Credit Union has adequate resources to continue in operational existence for the foreseeable future. Thus the Directors continue to adopt the going concern basis of accounting in preparing the financial statements. At 30 September 2023 the Credit Union is at an advanced stage of a possible Transfer of Engagements with Douglas Credit Union Limited.

Impairment of members loans

The Credit Union’s accounting policy for impairment of financial assets is set out in accounting policy in Note 3.8. The estimation of loan losses is inherently uncertain and depends upon many factors, including loan loss trends, credit risk characteristics in loan classes, local and international economic climates, conditions in various sectors of the economy to which the Credit Union is exposed and other external factors such as legal and regulatory requirements. The total amount of members loans and the impairment charge at financial year end is disclosed in notes 9 and 10.

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

Tangible fixed assets represent a significant portion of total assets. The annual depreciation charge depends primarily on the estimated lives of each type of asset and, in certain circumstances, estimates of residual values. The Directors review these useful lives and change them if necessary to reflect current conditions. In determining these useful lives, the Directors consider technological change, patterns of consumption, physical condition, and expected economic utilisation of the assets. Changes in the useful lives can have a significant impact on the depreciation charge for the financial year. The net book value of tangible fixed assets subject to depreciation at the financial year end is disclosed in note 11.

Operational risk reserve

The Directors have considered the requirements of the Credit Union Act, 1997 (as amended) and have developed an approach to the calculation of the operational risk reserve. The operational risk reserve of the Credit Union at 30 September 2023 was €50,000 (2022: €50,000).

Glanmire and District Credit Union Limited

Notes to the Financial Statements (continued)

for the Year Ended 30th September 2023

5 Interest on Members' Loans

	2023 €	2022 €
Closing Accrued Loan Interest Receivable	26,554	23,493
Loan interest Received in the Year	1,018,398	965,920
Opening Accrued Loan Interest Receivable	(23,493)	(18,850)
	1,021,459	970,563

6 Exceptional costs

	2023 €	2022 €
ILCU Pension Deficit Contribution	114,600	365,430
Death Benefit Insurance Member Refunds	-	98,208
Property Revaluation	186,457	-
	301,057	463,638

ILCU Pension Deficit Contribution

On 31 March 2022, The Irish League of Credit Unions Republic of Ireland Pension Scheme defined benefit scheme closed to future accruals. Glanmire and District Credit Union Limited's allocation of the past service deficit at that date was €365,430. The Directors of Glanmire and District Credit Union Limited took the decision to exit the scheme in 2023 which resulted in a liability of €114,600 crystallising. Further details are disclosed in note 17.

Death Benefit Insurance Member Refunds

In 2011 a motion was passed at the Credit Union's AGM to share the cost of this service with our members and this motion continued at every AGM up to and including 2017. Whilst the scheme continued for a number of years beyond 2017 these costs were carried in full by the Credit Union and no deductions were made from members accounts.

Under the new EU legislation referred to as, the Payment Services Directive, a Credit Union is required to obtain written consent from its members before it can deduct any funds from a Member's Account other than the ILCU Affiliation fee. As a result, the Board of Glanmire & District Credit Union Limited took the decision to refund in full all contributions made by our members to the scheme. The refund was made on the 12th September 2022.

Property Revaluation

Land and buildings with a carrying amount of €950,000 were revalued at 30 September 2023 by Savills independent valuers not connected with the Credit Union on the basis of market value. This resulted in a reduction of €186,462 in the carrying value of the property.

7 Employees

The average monthly number of persons employed by the Credit Union during the year was:

	2023 Number	2022 Number
Full Time Employee	7	7
Part Time Employee	5	4
	12	11

Their aggregate remuneration comprised:

	2023 €	2022 €
Wages and Salaries	413,023	403,082
Pension Costs	32,486	28,313
	445,509	431,395

8 Deposits and Investments

The Credit Union holds investments with the following underlying counterparties:

	Credit rating	2023 €	2022 €
Bank and Government Bonds			
Lloyds Bank	A1	3,377,700	3,412,765
Deutsche Bank	A3	2,043,289	2,056,237
Natwest	A1	769,813	776,211
Banco Sabadell	Baa3	2,323,780	2,335,810
Commerzbank AG	A2	2,051,834	2,061,860
EU Treasury	Aaa	348,627	-
UniCredit Bank AG	A2	2,001,793	2,001,629
Italian Government Senior Bond	Baa3	2,451,001	2,442,678
French Government Senior Bond	Aa2	2,488,100	-
Nomura	A-	752,700	752,702
		18,608,637	15,839,892
Deposits			
KBC Bank Ireland PLC	BBB	-	991,172
Permanent TSB PLC	A2	3,505	1,000,516
Rabo Direct	Aa2	1,000,000	1,000,000
Deutsche Bank	A3	1,009,628	1,009,627
Royal Bank of Scotland PLC	A1	2,510,085	2,511,106
BNP Paribas	Aa3	500,516	500,485
BBVA S.A.	a2	774,690	785,861
Norddeutsche Landesbank Girozentrale	Aa1	2,717,775	1,005,675
		8,516,199	8,804,442

Glanmire and District Credit Union Limited

Notes to the Financial Statements (continued)

for the Year Ended 30th September 2023

8 Deposits and Investments

	2023 €	2022 €
Central Bank	308,923	2,002,039
Total Deposits and Investments	<u>27,433,759</u>	<u>26,646,373</u>

Deposits and investments comprise of the following:

	2023 €	2022 €
Cash Equivalents (Original Maturity within 3 months)		
Fixed Term Deposits with Banks	6,622,090	3,748,707
Total Cash Equivalents	<u>6,622,090</u>	<u>3,748,707</u>
Other (Original Maturity after 3 months)		
Bank Bonds	18,608,637	15,839,892
Fixed Term Deposits with Banks	1,948,563	6,812,754
Central Bank Minimum Deposits	254,469	245,020
	<u>20,811,669</u>	<u>22,897,666</u>

9 Loans to Members

	2023 €	2022 €
At 1 October	12,177,991	10,982,693
Advanced During the Year	6,378,177	6,092,387
Repaid During the Year	(5,325,566)	(4,892,596)
Loans Reclassified/Impaired During the Year	(11,278)	(4,493)
At 30 September	<u>13,219,324</u>	<u>12,177,991</u>

10 Provision for Doubtful Debts

	2023 €	2022 €
Opening Provision for Doubtful Debts	490,928	470,361
Increase/(Decrease) in Provision in the Year	82	20,567
Closing Provision for Doubtful Debts	<u>491,010</u>	<u>490,928</u>

11 Tangible Fixed Assets

	Leasehold buildings €	Office equipment €	Fixtures and fittings €	Computers €	Total €
Cost or valuation					
At 1 October 2022	1,824,805	62,143	131,220	357,192	2,375,360
Additions	-	2,781	-	-	2,781
Disposals	-	31,424	-	-	31,424
Revaluation	(186,457)	-	-	-	(186,457)
At 30 September 2023	<u>1,638,348</u>	<u>96,348</u>	<u>131,220</u>	<u>357,192</u>	<u>2,223,108</u>
At 1 October 2022	651,852	57,254	81,457	279,928	1,070,491
Depreciation Charged in the Year	36,496	1,984	9,792	33,942	82,214
Eliminated in Respect of Disposals	-	31,424	-	-	31,424
At 30 September 2023	<u>688,348</u>	<u>90,662</u>	<u>91,249</u>	<u>313,870</u>	<u>1,184,129</u>
Carrying Amount					
At 30 September 2023	<u>950,000</u>	<u>5,686</u>	<u>39,971</u>	<u>43,322</u>	<u>1,038,979</u>
At 30 September 2022	<u>1,172,953</u>	<u>4,889</u>	<u>49,763</u>	<u>77,264</u>	<u>1,304,869</u>

12 Credit risk disclosures

Glanmire and District Credit Union Limited does not offer mortgages. There are restrictions on the extent to which borrowers may withdraw their savings whilst loans are outstanding.

The Credit Union complies with Section 12 of the Credit Union Act 1997 (Regulatory Requirements) Regulations 2016. This Regulation:

- restricts the concentration of lending by the Credit Union within certain sectors or to connected persons or groups (concentration limits);
- restricts the absolute amount of lending to certain sectors to a set percentages of the regulatory reserve (large exposure limit)
- require specified lending practices to be in place where loans are made to certain sectors such as commercial loans, community loans or loans to another Credit Union.
- restricts the loan duration of certain loans to specified limits (maturity limits)

The carrying amount of the loans to members represents Glanmire and District Credit Union Limited's maximum exposure to credit risk. The following table provides information on the credit quality of loan repayments. Where loans are not impaired/bad it is expected that the amounts repayable will be received in full.

Glanmire and District Credit Union Limited

Notes to the Financial Statements (continued)

for the Year Ended 30th September 2023

12 Credit risk disclosures

	2023 Amount €	2023 Proportion %	2022 Amount €	2022 Proportion %
Not impaired / fully recoverable:				
Not Past Due	11,519,405	87.14%	10,323,457	84.77%
Up to 9 Weeks Past Due	34,441	0.26%	39,926	0.33%
Between 10 and 18 Weeks Past Due	379	-	-	-
Between 19 and 26 Weeks Past Due	-	-	-	-
Between 27 and 39 Weeks Past Due	-	-	-	-
Between 40 and 52 Weeks Past Due	-	-	-	-
53 or more weeks past due	-	-	5,540	0.05%
Sub-total: Loans not Impaired	11,554,225	87.40%	10,368,923	85.14%
Individually Impaired				
Not Past Due	710,084	5.37%	796,065	6.54%
Up to 9 Weeks Past Due	623,249	4.71%	642,670	5.28%
Between 10 and 18 Weeks Past Due	164,651	1.25%	233,163	1.91%
Between 19 and 26 Weeks Past Due	36,315	0.27%	10,548	0.09%
Between 27 and 39 Weeks Past Due	19,282	0.15%	60,641	0.50%
Between 40 and 52 Weeks Past Due	63,286	0.48%	30,778	0.25%
53 or more weeks past due	48,233	0.36%	35,203	0.29%
Total Loans	13,219,324	100.00%	12,177,991	100.00%
Bad Debt Provision	(491,010)		(490,928)	
Total Carrying Value	12,728,314		11,687,063	

13 Net Recoveries on Loans to Members

	2023 €	2022 €
Bad Debts Recovered (Increase)/reduction in Loan Provisions During the Year	55,645 (82)	55,073 (20,567)
Loans Written Off	55,563 (11,278)	34,506 (4,493)
Net Recoveries on Loans to Members Recognised for the Year	44,285	30,013

14 Members' Shares

	2023 €	2022 €
At 1 October	35,678,552	38,110,589
Received During the Year	16,963,774	13,693,785
Repaid During the Year	(16,060,935)	(16,125,822)
At 30 September	36,581,391	35,678,552

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

	2023 €	2022 €
Unattached Shares	35,040,351	34,051,497
Attached Shares	1,541,040	1,627,055
	36,581,391	35,678,552

15 Other Liabilities, Creditors, Accruals and Charges

	2023 €	2022 €
PAYE/PRSI	16,005	7,510
Holiday Pay Accrual	3,142	3,329
Pension and Other Payroll Accruals	12,048	11,337
Creditors and Other Accruals	195,239	294,374
	226,434	316,550

16 Cash and Cash Equivalents

	2023 €	2022 €
Cash and Current Account Balances	1,270,688	2,069,857
Deposits with Banks and Other Investments	27,433,759	26,646,373
Less: Amounts Invested Originally Maturing After Three Months	(20,811,669)	(22,897,666)
	7,892,778	5,818,564

Glanmire and District Credit Union Limited

Notes to the Financial Statements (continued)

for the Year Ended 30th September 2023

17 Retirement Benefit Schemes

The Credit Union participated in an industry-wide pension scheme for employees (The Irish League of Credit Unions Republic of Ireland Pension Scheme). This is a funded scheme of the defined benefit type, with assets invested in separate trustee administered funds. However, Glanmire and District Credit Union Limited was unable to identify its share of the underlying assets and liabilities. Consequently, Glanmire and District Credit Union Limited accounted for its contributions to the scheme as if it were a defined contribution scheme. Contributions payable to the scheme were recognised in the income and expenditure account. Glanmire and District Credit Union Limited exited The Irish League of Credit Unions Republic of Ireland Pension Scheme on 31 March 2023 and paid an exit cost of €114,600 thereby extinguishing all future liability to contribute to the scheme.

Following the exit from the defined benefit scheme, Glanmire and District Credit Union Limited operates a defined contribution pension scheme for all qualifying employees. The total pension charge payable by the Credit Union to all pension schemes amounted to €32,486 (2022: €28,313). Contributions totalling €6,149 (2022: €6,501) were outstanding at the year end and are included in creditors.

18 Financial instruments

Financial assets

Measured at amortised cost:

	2023 €	2022 €
Cash at Bank and in Hand	1,270,688	2,069,857
Deposits and Investments	27,433,759	26,646,373
Loans to Members (Net of Bad Debts Provision)	12,728,315	11,687,063
Prepayments and Accrued Income	114,935	133,652
	<hr/>	<hr/>
Total measured at amortised cost	41,547,697	40,536,945
	<hr/> <hr/>	<hr/> <hr/>

Financial liabilities

Measured at amortised cost:

Members' Shares	36,581,391	35,678,552
Other Liabilities, Creditors, Accruals and Charges	226,434	316,550
	<hr/>	<hr/>
Total measured at amortised cost	36,807,825	35,995,102
	<hr/> <hr/>	<hr/> <hr/>

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

19 Additional Financial Instruments Disclosures

Financial Risk Management

Glanmire and District Credit Union Limited manages its members' shares and loans to members so that it earns income from the margin between interest receivable and dividends payable. The main financial risks arising from Glanmire and District Credit Union Limited'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 Glanmire and District Credit Union Limited, resulting in financial loss to the Credit Union.

In order to manage this risk, the Board approves Glanmire and District Credit Union Limited'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.

Liquidity Risk:

Glanmire and District Credit Union Limited'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.

All of Glanmire and District Credit Union Limited's financial liabilities are repayable on demand except for some members' shares attached to loans. The Credit Union retains, at all times, liquid assets amounting to a minimum of 20% of unattached savings.

Market Risk:

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

Interest Rate Risk:

Glanmire and District Credit Union Limited'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. Glanmire and District Credit Union Limited does not use interest rate options to hedge its own positions.

Glanmire and District Credit Union Limited

Notes to the Financial Statements (continued)

for the Year Ended 30th September 2023

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

	2023 Amount	2023 Average interest rate	2022 Amount	2022 Proportion
Financial Assets	€	%	€	%
Loans to members	13,219,325	8.04%	12,177,991	8.38%

Capital

The Credit Union maintains sufficient reserves to buffer the Credit Union against any losses on its members' loans and also its investments. The current Regulatory reserve is in excess of the minimum requirement set down by the Central Bank and stand at 12.12% of the total assets of the Credit Union at the Balance Sheet date.

20 Insurance Against Fraud

Glanmire and District Credit Union Limited has insurance against fraud in the amount of €5.2 million in compliance with Section 47 of the Credit Union Act, 1997, as amended.

21 Rates of interest charged on Members' Loans (before loan interest rebate)

	Per month	APR
Standard Loan Rate	0.90%	11.35%
Loans Within Shares(Secured)	0.53%	6.49%
Education/Christmas	0.63%	7.76%
First Time Borrowers (UnSecured)	0.63%	7.76%
First Time Borrowers (Secured)	0.33%	3.97%
Home Improvement Loans (<€10,000) - Up to 5 Years	0.90%	11.35%
Home Improvement Loans (>€10,000 but <€25,000) - Up to 10 Years	0.90%	11.35%
Home Improvement Loans (>€25,000 but <€50,000) - Up to 10 Years	0.66%	8.25%
Home Improvement Loans (>€50,000 but <€100,000) - Up to 10 Years	0.56%	6.96%
Energy Upgrade Loan	0.58%	7.14%
Agri Loan	0.55%	6.75%
SME Loan	0.55%	6.75%
Community Loan	0.49%	6.00%

22 Post Balance Sheet Events

At 30 September 2023 the Credit Union is at an advanced stage of a possible Transfer of Engagement with Douglas Credit Union Limited. This process has continued since the balance sheet date.

23 Related Party Transactions

During the year loans amounting to €20,021 (2022: €185,393) were approved for officers of the Credit Union. These loans were in accordance with Standard Credit Union Rules. The aggregate amount of loans owed by officers at 30 September 2023 was €217,984 (2022: €308,978). The total bad debts provisions held against these loans at 30 September 2023 was €Nil (2022: €Nil). The aggregate amount of shares held by officers at 30 September 2023 was €123,573 (2022: €125,621).

Remuneration of Key Management Personnel

Executive Directors and certain senior employees who have authority and responsibility for planning, directing and controlling activities of the Credit Union are considered to be key management personnel. Total remuneration in respect of these individuals in the year was €233,154 (2022 - €231,681), which included pension contributions of €16,894 (2022: €19,029). The Directors of Glanmire and District Credit Union Limited are all unpaid volunteers.

24 Non-audit services provided by Auditor

As a small entity, under the provisions of the ISA (Ireland) Ethical Standards we engage our Auditor to provide assistance with financial statements preparation.

25 Approval of Financial Statements

The Directors approved the financial statements on the 25 October 2023

Glanmire and District Credit Union Limited Schedules to the Financial Statements for the Year Ended 30th September 2023

	2023 €	2022 €
1. Other Interest Receivable and Similar Income		
Income Received at the Balance Sheet Date	304,738	199,927
Income Receivable Within Twelve Months of the Balance Sheet Date	46,861	60,444
Total per Income and Expenditure Account	351,599	260,371
2. Other Income		
Commission	7,770	5,550
ECCU Rebate		17,932
Gains on disposal of investments	-	25,539
Release of savings stamps liability	35,537	-
SPS Refund	-	186,563
Total per Income and Expenditure Account	43,307	235,584
3. Other Management Expenses		
Staff Training	7,005	5,908
Rates	16,614	12,972
Share and Loan Insurance	92,946	92,260
Savings Protection Fund	3,458	3,427
General Insurance	27,252	27,415
Security Costs	13,101	13,474
Power, Light and Heat	31,230	15,978
Repairs and Renewals	22,799	15,517
Computer and Equipment Costs	106,201	91,380
Travelling and Subsistence	1,308	1,093
Chapter and Education Expenses	281	625
AGM Expenses	10,933	12,671
Affiliation Fees	5,566	6,847
Regulatory Fees	29,307	36,346
Deposit Guarantee Scheme	57,900	57,900
Legal and Professional Fees	76,246	97,731
Internal Audit Fees	15,866	14,760
Risk Management Costs	4,400	4,435
Compliance Management Costs	7,380	8,580
Merger Expenses	80,977	56,150
Audit Fees	21,940	20,227
Bank Charges	7,866	7,328
CUSOP Charges	11,752	19,868
Negative interest	953	15,221
Printing, Postage and Stationery	14,990	20,237
Promotion and Advertising	15,447	15,355
Telephone	9,214	8,858
Sundry Expenses	6,730	4,686
Total per Income and Expenditure Account	699,732	687,249

Glanmire and District Credit Union Limited – Unaudited Management Accounts 30th November 2023

Income & Expenditure

Income	€
Interest Income	181,243
Investment Income	72,780
Rec'd/Receivable within 1 year	8,235
Bad Debts Recovered	811
Other Income	
Total Income	263,069
Expenditure	€
Net Loan Protection / Life Savings Insurance	16,366
Salaries and Related Expenses	84,950
Other Expenses	1,506,491
Total Expenditure	1,607,807
YTD Surplus (Deficit)	(1,344,738)

Glanmire and District Credit Union Limited continues to trade well as a credit union. We had an operating surplus of €78,145 in our unaudited management accounts as at 30th November 2023. In the context of the Transfer of Engagements, and to comply with acquisition accounting methods, we are required to transfer assets at fair value and show other Transfer of Engagements related costs in our unaudited accounts.

Other Expenses:

Glanmire and District Credit Union Limited continues to trade well as a credit union. We had an operating surplus of €78,145 in our unaudited management accounts as at 30th November 2023. In the context of the Transfer of Engagements, and to comply with acquisition accounting methods, we are required to transfer assets at fair value and show other Transfer of Engagements related costs in our unaudited accounts.

Included in this amount is:

Bank Bonds of €1,019,675. In a Transfer of Engagements, assets and liabilities of the transferor credit union (Glanmire and District Credit Union Limited) transfer to the transferee credit union (Douglas Credit Union Limited) at true and fair value, or otherwise known as market value. As a result Bank Bonds held by Glanmire and District Credit Union Limited, with a book value of €19,617,112 need to be re-valued at their current market value as at the 30th November 2023. This results in a loss on investments of €1,019,675. This is a notional loss as Douglas Credit Union will fully recover this loss by holding the bank bonds to maturity and thereby making a gain of €1,019,675 and recovering the full value of the original investment. The balance of the amount covers a voluntary redundancy scheme together with other merger costs and ancillary accruals.

Glanmire and District Credit Union Limited – Unaudited Management Accounts (continued) 30th November 2023



Benefits of Merger to members of Glanmire and District Credit Union Limited

Balance Sheet

Assets	€
Cash and Current Accounts	963,388
Minimum Reserve Deposit Held	308,923
Investments	
Irish and EEA State Securities	5,940,537
Accounts in Authorised Credit Institutions	7,408,166
Bank Bonds	13,338,175
Other	347,537
Total Investments	27,034,415
Loans	13,508,458
Less Provision For Bad Debts	(491,010)
Fixed Assets less Depreciation	1,026,669
Other Assets	130,641
Total Assets	42,481,483
Liabilities	€
Member Shares	Regular 36,808,995
Other Liabilities	218,700
Total Liabilities	37,027,696
Net Worth	5,453,788
Represented By:	
Reserves	€
Regulatory Reserve	5,159,644
Operational Risk Reserve	50,000
Undistributed Surplus Brought Forward	63,202
YTD Surplus (Deficit)	(1,344,738)
Other Reserves	Realised 487,349
	Unrealised 18,656
Total Reserves	4,434,113

Glanmire and District Credit Union Limited was founded in December 1985 and has grown to now having almost 10,000 members and an asset base of c.€42 million. We offer a broad range of Loans, including, Home Improvement of up to €75k, Motor of up to €50k Energy of up to €50k along with many others. Some loans now have a repayment term of 10 years.

However, despite our asset base of c.€42 million we are a small Credit Union and the introduction of new loans and services which we believe our members are demanding are beyond us. The Board over the past months have been exploring the possibility of finding a suitable partner to help us deliver on our desires.

So, following a long process we are delighted to recommend to you a Transfer of Engagements to Douglas Credit Union Limited.

The Key Benefits of this Merger for you Our members are:

- Mortgages of up to €500,000 over 35 years
- Debit Cards will be available that you can use anywhere in the world;
- You will be able to open a Current Account with us and operate an overdraft;
- Death Benefit Insurance of €1,000 will be available;
- You will be able to transact in any of the Douglas Credit Union branches as well as in Glanmire;
- New Enhanced On-Line Services will be rolled out, such as, on-line membership;
- New and improved loan offering and interest rates

As well as the above the Combined Credit Union which will then be €140 million in size will be more resilient and will ensure that a Credit Union offering continues to be available to the community in Glanmire for decades to come.

We want to provide the community of Glanmire both present and future with a viable financial alternative to the commercial banks. By joining with Douglas Credit Union we believe that we are delivering that. We look forward to you supporting this merger.

Michael Hourihan,
Chair,
Glanmire and District Credit Union Limited.

Benefits of Merger to members of Douglas Credit Union Limited

Douglas Credit Union Limited was founded in 1964 and it has grown significantly and seen many changes since then. However, the ethos of Douglas Credit Union Limited has remained the same; to serve our members. Due to a demand for services, a second branch was opened in Grange in 2007. In 2016, Douglas Credit Union completed its first merger, joining with Passage West/Monkstown Credit Union. This move expanded the common bond, the area in which anyone living or working can become a member. Our common bond currently stretches from Douglas to Ringaskiddy. We currently have assets of over €94 million with almost 20,000 members.

The primary function of Douglas Credit Union Limited has always been to provide accessible financial services to our members. Due to progression within the commercial sector and our member needs, we have altered and advanced our available services to stay relevant to members throughout the years. We constantly strive to provide our members with the best possible service and keep them at the centre of everything we do. We introduced current accounts in 2019 and mortgages in 2020.

The merger with Glanmire and District Credit Union Limited will see us become a major provider of these new services as our assets grow to c€140 million allowing us to lend far more while staying within our restrictive regulatory requirements. The merger will see Douglas Credit Union Limited become a stronger more robust Credit Union with healthy reserves.

We will have instant access to the “Cultivate” product which are specialised lending facilities for the farming community which form a large part of our common bond. We will see our common bond spread through Glanmire and include Little Island, Carrigtwohill to Watergrasshill and Carrignavar. This larger geographic common bond will enhance our growth opportunities. The merger will provide us with further cost efficiencies as well as ensuring the continuation of competent and committed Board and Management which will help secure the future of the Credit Union and enable us to keep the high level of service in each of our four offices into the future.

I would like to take this opportunity to thank you for your continued loyalty and support as we look forward to a bright future for Douglas Credit Union Limited.

Michael O’Callaghan,
Chair,
Douglas Credit Union.

Proposed Transfer of Engagements Douglas Credit Union Limited

The Board of Douglas Credit Union Limited is pleased to present the following Special Resolution to the members for consideration at the Special General Meeting:

Proposed Special Resolution

The members of Douglas Credit Union Limited resolve that the Credit Union accepts the Transfer of Engagements of Glanmire and District Credit Union Limited in accordance with the relevant provisions of the Credit Union Act 1997 (as amended).

Lou-Ellen Kiely,
Secretary,
Douglas Credit Union Limited

Douglas Credit Union Limited Statement required under Section 130 of the Credit Union Act 1997 (as amended) in respect of Glanmire and District Credit Union Limited

In accordance with Section 130 of the Credit Union Act, 1997 (as amended), the following matters are required to be stated:

1. The financial position of Douglas Credit Union Limited and of Glanmire and District Credit Union Limited is set out in the form of the audited accounts for Douglas Credit Union Limited as at 30th September 2023 and the most recent unaudited Income & Expenditure Account and Balance Sheet as at 30th November 2023, and the audited accounts for Glanmire and District Credit Union Limited as at 30th September 2023 and the most recent unaudited Income & Expenditure Account and Balance Sheet as at 30th November 2023.

2. No payment is proposed to be made to the members of Glanmire and District Credit Union Limited or Douglas Credit Union Limited in consideration of the proposed transfer.
3. There will be no change to the terms governing outstanding loans currently held by members in Glanmire and District Credit Union Limited or Douglas Credit Union Limited. Members with current loans in Douglas Credit Union and Glanmire and District Credit Union will continue to repay loans under the existing terms of their credit agreements. New loans issued after the Transfer of Engagements will be at the then prevailing loan rate in Douglas Credit Union Limited.
4. Staff at Glanmire and District Credit Union Limited and Douglas Credit Union Limited have been fully appraised of all aspects of the Transfer of Engagements and are very much involved in the Transfer of Engagements process. Five staff members from Glanmire and District Credit Union Limited availed of a redundancy programme as part of this process. The remaining staff of Glanmire and District Credit Union Limited will transfer to Douglas Credit Union Limited under the Transfer of Undertakings (Protection of Employment) regulations 2003.

Proposed Transfer of Engagements Glanmire and District Credit Union Limited

The Board of Glanmire and District Credit Union Limited is pleased to present the following Special Resolution to the members for consideration at the Special General Meeting:

Proposed Special Resolution

The members of Glanmire and District Credit Union Limited resolve that the Credit Union Transfers its Engagements to Douglas Credit Union Limited in accordance with the relevant provisions of the Credit Union Act 1997 (as amended).

John Culhane,
Secretary,
Glanmire and District Credit Union Limited

Glanmire and District Credit Union Limited Statement required under Section 130 of the Credit Union Act 1997 (as amended)

In accordance with Section 130 of the Credit Union Act, 1997 (as amended), the following matters are required to be stated:

1. The financial position of Douglas Credit Union Limited and of Glanmire and District Credit Union Limited is set out in the form of the audited accounts for Douglas Credit Union Limited as at 30th September 2023 and the most recent unaudited Income & Expenditure Account and Balance sheet as at 30th November 2023, and the audited accounts for Glanmire and District Credit Union Limited as at 30th September 2023 and the most recent unaudited Income & Expenditure Account and Balance sheet as at 30th of November 2023.
2. No payment is proposed to be made to the members of Glanmire and District Credit Union Limited or Douglas Credit Union Limited in consideration of the proposed transfer.
3. There will be no change to the terms governing outstanding loans currently held by members in Glanmire and District Credit Union Limited or Douglas Credit Union Limited. Members with current loans in Douglas Credit Union and Glanmire and District Credit Union will continue to repay loans under the existing terms of their credit agreements. New loans issued after the Transfer of Engagements will be at the then prevailing loan rate in Douglas Credit Union Limited.
4. Staff at Glanmire and District Credit Union Limited and Douglas Credit Union Limited have been fully appraised of all aspects of the Transfer of Engagements and are very much involved in the Transfer of Engagements process. Five staff members from Glanmire and District Credit Union Limited availed of a redundancy programme as part of this process. The remaining staff of Glanmire and District Credit Union Limited will transfer to Douglas Credit Union Limited under the Transfer of Undertakings (Protection of Employment) regulations 2003.

A New Partnership, A New Beginning

Why is this necessary?

The Board of Glanmire and District Credit Union Limited has spent considerable time examining how their members could be better served into the future. Being a smaller Credit Union inevitably restricts the range and access to services that we can offer to members. The decision to seek a Transfer of Engagements was made in order to offer additional services to the members whilst ensuring compliance with all relevant legislation and regulations. There is also increased financial strength in combining with a larger Credit Union.

What does a Transfer of Engagements mean?

A Transfer of Engagement means that Glanmire and District Credit Union Limited will transfer their assets and liabilities to Douglas Credit Union Limited. Members in Douglas and Glanmire and District can continue in exactly the same way as before with the added advantage of access to all of the services that the combined Credit Union can offer.

What will happen next?

We envisage that, if the Transfer of Engagements is approved by the Central Bank, the affairs of Glanmire and District Credit Union Limited will be transferred to Douglas Credit Union Limited before the end of February 2024. All Credit Union offices may need to close for a short period in order to facilitate the transfer, and members will be kept informed of developments closer to the time. Until then, it is business as usual at both Credit Unions.

How will this change affect me?

For existing members there will be no noticeable change. The offices in Douglas, Grange, Passage West and Glanmire will all remain open for members.

All members will have the added advantage of being able to transact their business, if it is convenient for them to do so, in all four offices when the transfer takes operational effect.

- If you are a member of Glanmire and District Credit Union Limited, a new account number will be issued to you. All of your account balances and information will remain exactly the same.
- Members with current loans in Douglas Credit Union Limited and Glanmire and District Credit Union Limited will continue to repay loans under the existing terms of their credit agreements. New loans issued after the Transfer of Engagements will be at the then prevailing loan rate in Douglas Credit Union Limited.
- If you are a member of Glanmire and District Credit Union Limited, you qualify for Death Benefit Insurance cover will €1,000, subject to certain terms and conditions, once the Transfer of Engagements takes effect.

Do I have to do anything?

We do welcome any views that any member may have on the proposed Transfer of Engagements. Members may write to the secretary of either Credit Union or email info@douglascu.ie or info@glanmirecu.ie with any views, comments or queries they may have.

Loan Application

How to apply?



Online



Call Us



Email us



Visit us

SUPPORTING DOCUMENTATION REQUIRED FOR ALL LOAN TYPES

- 3 MONTHS UP TO DATE BANK STATEMENTS
- 3 MOST RECENT PAYSLIPS
- VALID PHOTO ID - A PASSPORT OR DRIVER'S LICENCE
- PROOF OF ADDRESS - A BANK STATEMENT OR UTILITY BILL DATED WITHIN THE PAST 6 MONTHS
- SELF-EMPLOYED – MOST RECENT SET OF FINANCIAL ACCOUNTS & NOTICE OF SELF ASSESSMENT
- EVIDENCE OF OTHER INCOME E.G. RENTAL INCOME

** MORTGAGE STATEMENT SHOWING MORTGAGE PAID UP TO DATE OR STATEMENT OF THE BANK ACCOUNT USED TO PAY THE MORTGAGE (IF APPLICABLE)

NOTE: ID AND ADDRESS MUST BE UP TO DATE AS DESCRIBED ABOVE.

LOANS ARE SUBJECT TO APPROVAL. TERMS AND CONDITIONS APPLY.

WARNING: IF YOU DO NOT MEET THE REPAYMENTS ON YOUR LOAN, YOUR ACCOUNT WILL GO INTO ARREARS.

THIS MAY AFFECT YOUR CREDIT RATING WHICH MAY LIMIT YOUR ABILITY TO ACCESS CREDIT IN THE FUTURE. DOUGLAS CREDIT UNION LIMITED IS REGULATED BY THE CENTRAL BANK OF IRELAND



Douglas Credit Union

Mortgages available up to a value of €500,000



0214894555



WWW.DOUGLASCU.IE



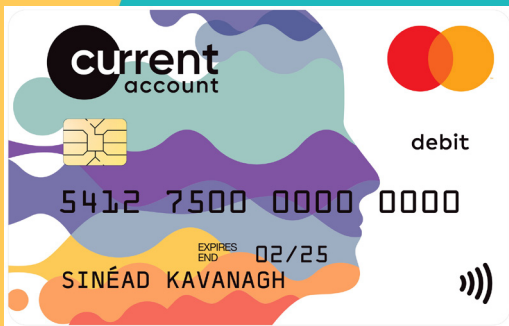
info@douglascu.ie

Loans are subject to approval. Terms & Conditions apply.

WARNING: If you do not meet the repayments on your loan your account will go into arrears.

This may affect your credit rating which may limit your ability to access credit in the future

WARNING: YOUR HOME IS AT RISK IF YOU DO NOT KEEP UP PAYMENTS ON A MORTGAGE OR ANY OTHER LOAN SECURED ON IT.



Need a new Current Account? Switching is Easy

with Current Account
from your Credit Union



Talk to us today
to find out more.

Mastercard is a registered trademark and the circles design is a trademark of Mastercard International Incorporated. This card is issued by Transact Payments Malta Limited pursuant to licence by Mastercard International. Transact Payments Malta Limited is duly authorised and regulated by the Malta Financial Services Authority as a Financial Institution under the Financial Institution Act 1994. Registration number C 91879. Credit Unions are regulated by the Central Bank of Ireland.