

Annual Report and Financial Statements

For the year ended 30 September 2023



20
23

Annual General Meeting
Seven Oaks Hotel, Carlow
Monday 22nd January 2024 at 7pm



Carlow
Credit Union



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DIRECTORS & OTHER INFORMATION

Directors	Elaine Grant (Chairperson), PJ Hickson (Vice Chairperson), Neil Campion (Secretary), Michael Curran, Colm Haughney, Larry McNally, Clive Waldron, Jeremy Keogh, Pat Deering, Mary Kinsella, Sean Jones.
Board Oversight Committee	Amanda Sheehan, Jean McCarthy, AN Other (Casual Vacancy).
Credit Committee	Pat Deering, Michael Hynds, Colette Mannion, Kathleen Hogan, Tom O’Neill.
Credit Control Committee	Michael Curran, Mary Kinsella, Elaine Grant.
Investment Committee	Larry McNally, Colm Haughney, Bridget Kinsella.
Nominations Committee	Elaine Grant, PJ Hickson, Jeremy Keogh.
Membership Committee	Ultan Ryan, Linda Finn.
Audit Committee	Neil Campion, PJ Hickson, Larry McNally.
Remuneration Committee	Clive Waldron, Colm Haughney, Larry Mcnally.
Promotions Committee	Elain Grant, Clive Waldron, Joan Curran.
Auditors	Moore Ireland Audit Partners Limited Chartered Accountants & Statutory Audit Firm 3rd Floor, Foley Street, Ulysses House, Dublin 1, Ireland.
Bankers	AIB Bank, 36/37 Tullow Street, Carlow.
Credit Union Number	185CU
Registered Office and Business Address	Credit Union House, Askea, Carlow.

NOTICE OF MEETING & AGENDA

Notice is hereby given that the Annual General Meeting of Carlow District Credit Union Limited will take place in the Seven Oaks Hotel, Carlow on 22nd January, 2024 at 7pm.

- (a) The acceptance by the board of directors of the authorised representatives of members that are not natural persons;
- (b) Ascertainment that a quorum is present;
- (c) Adoption of Standing Orders;
- (d) Reading and approval (or correction) of the minutes of the last annual general meeting,
and any intervening special general meeting;
- (e) Report of the Board of Directors;
- (f) Consideration of accounts;
- (g) Report of the Auditor;
- (h) Report of the Board Oversight Committee;
- (i) Declaration of dividend and rebate of interest (if any);
- (j) Report of the Nomination Committee;
- (k) Appointment of Tellers;
- (l) Election of Auditor;
- (m) Election to fill vacancies on the Board Oversight Committee;
- (n) Election to fill vacancies on the Board of Directors;
- (o) Report of the Credit Committee;
- (p) Report of Credit Control Committee;
- (q) Report of Membership Committee;
- (r) Report of Promotions Committee;
- (s) Notice of Motion - Amendment to Rules;
- (t) Any other business;
- (u) Announcement of election results;
- (v) Adjournment or close of meeting.

Notes

1. Nominations must be in writing and signed by both the proposer and seconder and may only be made through the nominating committee;
2. The proposer, seconder and nominee must be members of Carlow District Credit Union Limited
3. The nomination must be signed by the nominee who must consent to the nomination.
4. Neither a body corporate nor a person who is under the age of 18 may be a director/board oversight committee member of the Credit Union
5. Due to Fitness & Probity requirements nominations for any vacancy must be made through the nominating committee.



**Neil Champion,
Honorary Secretary
Carlow District Credit Union Limited**

2nd January 2024

STANDING ORDERS FOR CREDIT UNIONS FOR ANNUAL GENERAL MEETING (ROI)

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

- 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.
- When nominations are announced tellers shall be appointed by the chair and ballot papers shall be distributed. Nominations shall be in the following order:
 - nominations for auditor;
 - nominations for members of the board oversight committee;
 - 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

- 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.
- 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.
- In exercising his/her right of reply, a proposer may not introduce new material.
- The seconder of a motion shall have such time as shall be allowed by the chair to second the motion.
- 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.

- 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

- 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.
- The chair may at his/her discretion, extend the privilege of the floor to any person who is not a member.
- Matters not covered by the Agenda may be introduced under "Other Business" at the discretion of the chair.
- The chairman's decision on any matter relating to these Standing Orders or interpretation of same shall be final.
- 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.
- 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).

MINUTES OF THE AGM OF CARLOW DISTRICT CREDIT UNION LIMITED OF 23RD JANUARY 2022

1. **Opening of Meeting**

The Chairperson opened the meeting and welcomed everyone in person. She thanked the committees and volunteers as well as the new directors joining and the staff of the credit union for their work during the year. The Board established that there were no authorised representatives of members that are not natural persons. She confirmed that a quorum was present and proposed that the Standing Orders be adopted.

2. **Approval of Minutes from last year's Annual General Meeting**

The Chairperson tabled the minutes of the previous Annual General Meeting of 31st January 2022. There being no matters arising they were proposed for adoption by PJ Hickson and seconded by Aidan Fleming

3. **Appointment of Tellers and Election to fill vacancies**

The Chairperson appointed the tellers for the election for the three vacancies on the Board Oversight Committee and the six vacancies on the Board of Directors. Ballot papers were distributed, and the Chairperson explained the voting process.

4. **Chairperson Report**

The Chairperson tabled her report which had been circulated in advance. The challenges of the previous years were acknowledged, and the staff and management were thanked for their support through difficult times. The Board and volunteers were thanked for providing their time with the ethos of the credit union movement in mind. She explained that the time commitments and responsibilities accepted are not insignificant. The impact of the pandemic was widespread, and she welcomed being able to complete an AGM in person. The upgrades and enhancements in technology were highlighted. The changes to the member insurance limits and the rationale for these changes were explained. She explained the negative impact that the pandemic had on the investment landscape particularly in relation to bond funds. The Chairperson expressed sympathy to the families of members who had lost loved ones during the year. She looked forward to supporting the credit union in the coming year ahead.

Report Proposed by – Larry McNally

Seconded by – Tom O'Neill

5. **Director's Report**

Colm Haughney tabled the Report of the Board of Directors which had been circulated in advance. He explained the principal risks and uncertainties being faced by the credit union. He highlighted the reduced take up in loans, the cost-of-living challenges, and the war in Ukraine. He explained how the Board constantly reviews and manages all risks. He addressed the changes in Board composition during the year. He explained why the Board did not propose to pay a dividend. He stated that there were no significant events since the end of the financial year and confirmed that the Auditor, Moore Ireland, were proposed for re-election. He thanked all the members for their support during the year.

Report Proposed by – Aidan Fleming

Seconded by – PJ Hickson

6. **CEO Report**

Deirdre Roche, CEO reported to the meeting a summary of the key challenges and achievements during the year. She reiterated the importance of growing the loan book. She thanked those members who chose to borrow from the credit union and outlined the upcoming technology enhancements to improve the lending process. She explained the need for continued financial prudence in managing costs. She presented the case for introducing the share caps and the impact this has on reserve levels. She welcomed the improvements being made in the marketing and business development areas. She thanked all those that had contributed to the success of the credit union during the year.

Report Proposed by – PJ Hickson

Seconded by – Patricia Strong

7. **Consideration of Accounts**

Colm Haughney, Director, presented the accounts to the members which had been circulated in advance. He highlighted the key movements in the Income and Expenditure account and the Balance Sheet. He explained the marginal fall in interest on members loans due to the fall in members loans outstanding. He explained the challenges in managing costs due to the impact of higher inflation. He noted that members savings had decreased and this was matched by a similar fall in the value of the investment portfolio. The value of investments was negatively impacted further by the fall in value of a corporate bond fund. This was expected to recover in the current year. He drew members

MINUTES OF THE AGM OF CARLOW DISTRICT CREDIT UNION LIMITED OF 23RD JANUARY 2022 CONTINUED

attention to the impact of bad debt recoveries and provisions on the expenditure account. He highlighted the impact the savings limit was having on reserves and the impact it was having on members wishing to save with the credit union. He noted that the Board were considering changes in light of an improving economic environment which would be communicated to members in due course. He drew members attention to the death benefit insurance which was still retained by the credit union. He finally noted the surplus for the year.

Report Proposed by – Mary Kinsella

Seconded by – Aidan Fleming

8. **Declaration of Dividend and interest rebate**

Colm Haughney declared that the credit union would not be proposing a dividend or interest rebate for 2022. This was in line with industry norms for this year.

Motion proposed by – Larry McNally

Seconded by – Lee Mulhall

9. **Report of the Auditor**

Cormac Reilly, Partner of Moore, and auditor of the credit union presented the Report of the Auditor which had been circulated in advance. He explained the role of the auditor in reporting to the members and the auditor's responsibilities. He explained to the members each section of the report. He reported that the financial statements, as presented, give a true and fair view of the credit unions affairs as at 30th September 2022, that they had been properly prepared in accordance with FRS102 and had been properly prepared in accordance with the requirement of the Credit Union Act 1997, as amended.

Report Proposed by – Patricia Strong

Seconded by – Linda Finn

10. **Board Oversight Committee Report**

Amanda Sheehan, chair of the committee, presented the report of the Board Oversight Committee. She explained the function of the committee is to report and oversee the Board's decisions in protecting the members' interests. She confirmed that at least one member of the committee was present at all meetings of the Board of Directors. She reported that the committee were satisfied that the Board have acted in accordance with Part IV and Part IVa of the Credit Union Act 1997, as amended.

Report Proposed by – Tom O'Neill

Seconded by – PJ Hickson

11. **Credit Committee Report**

Aidan Fleming, Chair of the committee, present the report of the Credit Committee. He explained the role of the credit committee was to supervise and oversee the lending process of the credit union. He outlined that the credit union had approved and issued 1,680 loans in the year to a value of €10.7m. He outlined the enhancements in the online processes to improve the borrowing experience for members. He thanked his fellow committee members, Board and staff for their assistance throughout the year. He encouraged members to use their credit union for their borrowing needs.

Report Proposed by – Larry McNally

Seconded by – Mary Kinsella

12. **Credit Control Committee Report**

Colm Haughney, Chair of the committee, presented the report of the Credit Control Committee. He explained that the role of the committee was to ensure repayment of loans in accordance with loan agreements and to ensure policies and procedures governing the pursuit and recovery are implemented.

He explained that the credit control staff carry out the daily functions of credit control assisted by Cabot Financial, a third-party partner. The committee meets monthly to review the actions of the staff and what future actions need to be taken. He reported that the majority of members pay their loan as per their agreement. He encouraged members to contact the credit control staff at an early stage if they are finding it difficult to repay their loans. He noted our staff are very experienced and helpful in assisting members. He reported the value of charged off loans and the amount of bad debt recoveries in the year. He thanked his fellow committee members, the Board and staff for their hard work throughout the year.

Report Proposed by – Aidan Fleming

Seconded by – Clive Waldron

13. **Membership Committee Report**

Anna Hanley presented the report of the Membership Committee. She welcomed all the new members and reported that the membership stood at 29,729 at the year end. She explained the process

MINUTES OF THE AGM OF CARLOW DISTRICT CREDIT UNION LIMITED OF 23RD JANUARY 2022 CONTINUED

for opening an account and the compliance requirements. She reported that more enhancements would be implemented to allow for online membership applications. She encouraged members to consider making Nominations and explained the implications of same. She asked for member understanding in updating member records which is necessary due to regulatory and legislative requirements. She thanked all members for their support during the year and the staff who provided a professional and courteous assistance to existing and prospective new members.

Report Proposed by – PJ Hickson

Seconded by – Patricia Strong

14. **Nominations Committee Report**

Elaine Grant, Chairperson of the committee, presented the Nominations Committee Report. She explained the role of the committee in identifying suitable candidate for vacancies on the Board and committees. She noted the requirements for becoming a volunteer and the process around Fitness & Probity. She called on any member with relevant skills and experience and the time to commit to express interest to the committee. She thanked her fellow committee members, the Board and staff for all their assistance during the year. She acknowledged the commitment that everyone has made when becoming a volunteer for the credit union.

Report Proposed by – Tom O'Neill

Seconded by – Michael Curran

15. **Announcement of Election Results**

The Chairperson announced the results of the election. There were three vacancies on the Board Oversight Committee and the following individuals were deemed elected: Michael Lyons, Amanda Sheehan and Damien Walsh. There were six vacancies on the Board of Directors and the following individuals were deemed elected: Neil Campion, Michael Curran, Pat Deering, PJ Hickson, Jeremy Kehoe and Clive Waldron.

16. **Promotions Committee Report**

Deirdre Roche presented the report on behalf of the promotions committee. She thanked her colleagues on the committee and highlighted the role of the committee. She reported the success of programs to support local charities and organisations, particularly Carlow Women's Aid. She outlined that the new Charity of the year would be announced in the coming weeks. She congratulated all the winners in the various member draws throughout the year. She welcomed the interns from SETU.

Report Proposed by – Mary Kinsella

Seconded by – Tom Cullen

17. **Motions to be approved**

It was proposed that Moore be appointed as Auditors for the coming year. This was confirmed by a show of hands showing a 2/3 majority in favour.

18. **Any Other Business**

The Chairperson opened the floor to questions.

A member queried why the process in relation to payroll deductions had changed and suggested that it would be best for the credit union to make it easy for members to lodge funds to their accounts to avoid the business going elsewhere. Anna Hanley, Head of Operations, explained the process by which all payments are processed in the credit union and the challenges in correctly directing payments to the correct loan and share account. She explained that the priority must be to protect the credit history of borrowing members to ensure loan repayments are correctly processed. Deirdre Roche, CEO, requested that the member call in to discuss the situation and explained that the credit union would endeavour to find a solution to his and all members requirements.

A member queried how the cap on shares worked in practice. Deirdre Roche, CEO, explained why the cap was introduced and outlined the current caps in place. She stated that the current caps were being reviewed on an ongoing basis. Bridget Kinsella, Head of Finance, explained the impact of negative interest rates and the requirements to hold funds in liquid form as per regulations.

A member queried the nature of the funding received from the ILCU Stabilisation Protection Scheme. Bridget Kinsella, Head of Finance, drew the members attention to Note 8 of the Financial Statements where this was outlined in detail.

19. **Close of Meeting**

There being no other business the meeting then concluded at 8.25pm.

CHAIRPERSON'S REPORT

I am delighted to present to you the Annual Report of Carlow District Credit Union Limited for the year ended 30th September 2023.

Carlow District Credit Union is still proudly the preferred option for financial services for the over 30,000 members serviced by our offices in Carlow, Rathvilly, Mayo-Donnane and on-line.

We continue to aspire to be our members' trusted financial institution bringing innovative product offerings without losing our personal touch. We strive to earn the loyalty of members and the community by operating with integrity and fairness at all times.

This year we welcomed an additional 1,025 new members. The combined savings of all our members now stands at over €114.4m. The level of savings has remained steady throughout the year despite the ever-increasing impact of the cost-of-living challenges. While we still retain the maximum savings levels for adults at €30,000 and minors at €10,000, we have removed all the monthly saving restrictions. The Board will continue to review savings limits as the new financial year progresses.

We have seen a very welcome increase in the value of gross loans outstanding to members. At the year end this amounted to €29.6m, an increase of over 10% compared to last year. There was a significant increase in the value of loans issued during the year. These amounted to €14.3m this year compared to €10.7m last year. I would like to thank those members who chose us for their borrowing needs this year. We have invested in on-line services to make the borrowing process simpler and faster while also maintaining the in-person experience at our offices. We have committed the resources to now allowing members to draw down their loans in all our offices. We hope to be able to offer home loans to our members in 2024 as we develop that part of our loan offering.

Some of our members have experienced financial hardship during the year and the Board have been prudent in making provisions for potential loan losses. As always, we ask borrowing members in financial difficulty to engage with us as early as possible so we can provide the best assistance possible.

Those funds which you lodge with us that are not given out as loans are invested by the Board in deposits and investments primarily in Ireland and the EU. The interest rate environment has been favourable during the year for deposits. The deposit and investments amounted to €101.9m at the year end. The total assets of the credit union amounted to €134.3m at the year end with regulatory reserve ratios now standing at 12.5% of total assets.

This year was a successful for our credit union. While we have had challenges, we have continued to meet the financial needs of many of our members and have generated a surplus of €762,946 for the year. We are happy to be able to propose a dividend distribution to members this year that will return over €200,000 back to our members.

We have supported local community organisations and individuals throughout the year, in particular, the Samaritans.

Each year is not without loss and for those we have sadly lost this year, some of our members, close relatives of our staff and volunteers and our friends. We remember them all at this time. Our success this year has been down to the commitment of our members, our Board, Board Oversight, volunteers and employees. I would like to take this opportunity to thank everyone for their hard work and commitment this year in making our credit union the successful local

CHAIRPERSON’S REPORT CONTINUED

community organisation that it has become.

All our Board members, Board Oversight Committee members and many of our committee members are volunteers. I would like to thank them for the time and commitment they have given to the credit union this year. While we welcome our new members, volunteers and employees, I would like to thank those who have left us during the year. Your contributions have made us what we are today. I would particularly like to thank Clive Waldron for his unwavering support over the last 7 years.

Finally, I would like to thank you all for your continued support to Carlow District Credit Union and it is my honour to serve in maintaining its proud ethos and tradition of Mutual Respect and Member Welfare.

Elaine Grant, Chairperson, Carlow District Credit Union Limited

Don't Dream it, Drive it!



Great value Car Loans from 7% (APR 7.25%)

Loan Amount	Loan Term	Monthly Repayment
€5,000	3 years	€154
Rate of interest - APR	Total interest	Total Cost of Credit
7.25%	€558	€5,558

Loan samples are for illustration purposes only, to give you, the borrower, an overview of the potential cost of borrowing. The credit Union, or any of its staff, cannot be held responsible for any errors.

DIRECTORS' REPORT

for the financial Year ended 30th September 2023

Principal activity

The principal activity of the business continues to be the operation of a credit union.

Authorisation

The credit union is authorized as follows:

- Registered as a Credit Union under the Credit Union Act, 1997, (as amended)
- Entitled under the European Union (Payment Services) Regulations 2018 to provide payment services.

Business Review

The directors acknowledge the results for the year and the year-end financial position of the credit union. The directors expect to develop and expand the credit union's current activities and they are confident of its ability to continue to operate successfully in the future.

Dividends and loan interest rebates

The directors are proposing a dividend for the year ended 30th September 2023 (2022: the directors did not propose a dividend or loan interest rebate).

Principal risks and uncertainties

The principal risks and uncertainties faced by the credit union are:

Credit Risk

Credit risk is the risk that a borrower will default on their contractual obligations relating to repayments to the credit union, resulting in financial loss. In order to manage this risk, the board of directors regularly reviews and approves the credit union's credit policy. 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.

Interest Rate Risk

Interest rate risk is the risk arises from differences between the interest rate exposures on the receivables and payables that form an integral part of the 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.

Liquidity Risk

Liquidity risk is the risk that the credit union will not have sufficient cash resources to meet day to day running costs and repay members' savings when demanded. The Credit Union 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 2018.

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed processes or systems of the credit union, any failure by persons connected with the credit union or from external events. The operational risk of the credit union is managed through the employment of suitably qualified staff to ensure appropriate processes, procedures and systems are implemented and are further supported with a robust reporting structure.

DIRECTORS' REPORT CONTINUED

for the financial Year ended 30th September 2023

Global Macro-Economic Risk

There is an economic and operational risk relating to rising inflation rates, disruption to global supply chains and a general uncertainty in the markets as a result of the pandemic and the on-going war in Eastern Europe. The board of directors and management closely monitor the developments of rising inflation rates and disruption to global supply chains and markets and continue to take appropriate actions to mitigate any possible side effects on the credit union.

Accounting Records

The directors believe that they comply with the requirements of Section 108 of the Credit Union Act 1997, as amended, with regard to books of account by employing accounting personnel with appropriate expertise and by providing adequate resources to the finance function. The books of account of the credit union are maintained at the credit union's premises at Askea, Carlow.

Events after the end of financial year

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


Auditors

In accordance with Section 115 of the Credit Union Act 1997, as amended, Moore Ireland Audit Partners Limited, trading as Moore, have indicated their willingness to continue in office. It is proposed that the audit partner be rotated and that Eoin Lehane be appointed as auditor for the coming year.

Signed on Behalf of the Board of Directors;



Elaine Grant
Chairperson



Neil Campion
Hon. Secretary

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Credit Union Act 1997, as amended requires 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 and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on a 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 to enable them to ensure that the financial statements are prepared in accordance with applicable Irish law and Generally Accepted Accounting Practice in Ireland, including the standards issued by the Financial Reporting Council, and in particular FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". They are responsible for safeguarding the assets of the Credit Union and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the Board of Directors

Member of the Board of Directors:



Elaine Grant

Member of the Board of Directors:



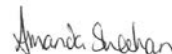
PJ Hickson

Date Signed: 12th December 2023

STATEMENT OF BOARD OVERSIGHT COMMITTEE'S RESPONSIBILITIES

The Credit Union Act 1997, as amended requires the appointment of a Board Oversight Committee to assess whether the Board of Directors has operated in accordance with Part IV, Part IV(a) and any regulations made for the purposes of Part IV or Part IV(a) of the Credit Union 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.

Chairperson of the Board Oversight Committee:



Amanda Sheehan

Date Signed: 12th December 2023

INCOME AND EXPENDITURE ACCOUNT

for the year ended 30 September 2023

	Notes	2023 €	2022 €
Income			
Interest on members' loans	4	2,162,463	2,205,044
Other interest income and similar income	5	1,528,123	1,011,124
Net interest income		3,690,586	3,216,168
Other income	7	78,537	106,160
Employment costs	11	(1,435,624)	(1,271,612)
Depreciation	13	(228,012)	(227,783)
Other management expenses (schedule 1)		(1,514,803)	(1,673,635)
Exceptional Gains		-	590,315
Net recoveries or losses on loans to members	14	161,258	587,534
Other gains and losses	9	11,004	(1,274,558)
Surplus for the financial year		762,946	52,590
Other comprehensive income		-	-
Total comprehensive income for the year		762,946	52,590

The financial statements were approved and authorised for issue by the Board on the 12th December 2023 and signed on its behalf by:

Manager:



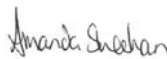
Ultan Ryan

Member of the Board of Directors:



Elaine Grant

Member of the Board Oversight Committee:



Amanda Sheehan


BALANCE SHEET

as at 30 September 2023

	Notes	2023 €	2022 €
Assets			
Cash and balances at bank	12	2,564,343	1,570,862
Tangible fixed assets	13	2,021,411	2,175,547
Loan to members	14	26,967,822	24,566,755
Prepayments and accrued income	15	796,942	625,911
Deposits and investments - cash equivalents	16	22,057,537	16,110,203
Deposits and investments - other	16	79,882,333	88,467,938
Total Assets		<u>134,290,388</u>	<u>133,517,216</u>
Liabilities			
Members' shares	17	102,304,431	100,972,566
Members' deposits	18	12,115,737	13,418,650
Other payables	19	961,155	982,187
Total liabilities		<u>115,381,323</u>	<u>115,373,403</u>
Assets less liabilities		<u>18,909,065</u>	<u>18,143,813</u>
Reserves			
Regulatory reserve		16,786,299	15,805,438
Operational risk reserve		1,093,022	1,042,016
Non-distributable investment income reserve		83,405	43,318
Dividend reserve		857,790	1,166,800
Other non-distributable reserve		88,549	86,241
Total reserves		<u>18,909,065</u>	<u>18,143,813</u>

The financial statements were approved and authorised for issue by the Board on the 12th December 2023 and signed on its behalf by:

Manager:



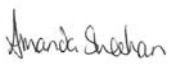
Ultan Ryan

Member of the Board of Directors:



Elaine Grant

Member of the Board Oversight Committee:



Amanda Sheehan

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 September 2023

	Regulatory reserve	Dividend reserve	Non distributable investment income reserve	Operational risk reserve	Other non distributable reserve	Total reserves
Balance at 1 October 2021	15,805,438	1,173,242	43,318	1,042,016	-	18,091,786
As restated	15,805,438	1,173,242	43,318	1,042,016	27,771	18,091,786
Period ended 30 September 2022:						
Total comprehensive income for the year		(6,442)	-	-	59,032	52,590
Dividend paid during the year (note 6)	-	-	-	-	-	-
Transfer between reserves	-	-	-	-	(563)	(563)
Balance at 30 September 2022	15,805,438	1,166,800	43,318	1,042,016	86,240	18,143,813
Period ended 30 September 2023:						
Total comprehensive income for the year	-	762,946	-	-	-	762,946
Dividend paid during the year (note 6)	-	-	-	-	-	-
Transfer between reserves	980,861	(1,071,956)	40,087	51,006	2,308	2,306
Balance at 30 September 2023	16,786,299	857,790	83,405	1,093,022	88,548	18,909,065

The Regulatory reserve of the Credit Union as % of total assets as at 30 September 2023 was 12.50% (2022 : 11.84%)

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. €980,861 was moved from the dividend reserve to the regulatory reserve.

In accordance with S45 of the Credit Union Act 1997 (as amended), Carlow District Credit Union Limited put in place an Operational Risk reserve in 2016. The Board approved a transfer of €51,006 from the Dividend Reserve to the Operational Risk reserve and €40,089 was moved from dividend reserve to the Non distributable investment income reserves. The Operational Risk reserve as a % of total assets as at 30 September 2023 was 0.81% (2022 : 0.78%).

CASH FLOW STATEMENT

for the year ended 30 September 2023

	Notes	2023		2022	
		€	€	€	€
Cash flows from operating activities					
Loans repaid by members	14		11,463,012		11,651,141
Loans granted to members	14		(14,263,469)		(10,684,229)
Loan interest received	4		2,164,182		2,219,081
Investment income received			1,528,123		1,011,124
SPS Refund Received			-		590,315
Other income received	7		78,537		106,160
Bad debts recovered	14		546,825		503,456
Other Gains/(losses)	9		11,004		(1,274,558)
Operating expenses paid to include employment costs			(3,128,081)		(2,904,530)
			<u>(1,599,867)</u>		<u>1,217,960</u>
Net cash (outflow)/inflow from operating activities					
Cash flows from investing activities					
Purchase of tangible fixed assets	13		(73,877)		(4,175)
Proceeds on disposal of tangible fixed assets			-		101,871
Movement in long term investments	16		<u>8,585,605</u>		<u>3,300,306</u>
Net cash flows from investing activities			8,511,728		3,398,002
Cash flows from financing activities					
Members' shares received	17		44,011,393		41,493,918
Members' shares withdrawn	17		(42,679,528)		(43,792,338)
Members' deposits received	18		634,464		116,347
Members' deposits withdrawn	18		(1,937,375)		(4,824,920)
Net cash flows from financing activities			28,954		(7,006,993)
Net increase/(decrease) in cash and cash equivalents			6,940,815		(2,391,031)
Cash and cash equivalents at beginning of year			<u>17,681,065</u>		<u>20,072,096</u>
Cash and cash equivalents at end of year	12		<u>24,621,880</u>		<u>17,681,065</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2023

1 Legal and regulatory framework

Carlow District 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 Credit Union House, Askea, Carlow.

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, modified to include certain items at fair value.

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 Carlow District Credit Union Limited believe this is appropriate as the Credit Union;

- maintains an appropriate level of liquidity; and
- has reserves that are currently above the minimum requirements of the Central Bank.
- has the means to mitigate the immediate impact of the covid-19 pandemic on its operations in medium term.

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 uses the effective interest method to recognise investment income on investments measured at amortised cost. In relation to any investments held at fair value, the Credit Union recognises changes in fair value in the Income & Expenditure Account.

Other income

Other income such as commissions receivable on 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

Interest on members' deposits

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 September 2023

2. Accounting policies (Continued)

2.5 Dividends to members and interest on members' deposits (continued)

Dividends on shares and loan interest rebates

Dividends are distributed from the 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 policy of the Credit Union is to pay a reasonable and consistent rate of dividend. The Board of directors must first ensure that sufficient transfers are made to ensure the minimum requirement for the Regulatory and Operational Risk Reserves are complied with in full before any consideration to payment of dividend or interest rebate can be proposed, as set out in our Reserve Management Policy.

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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 September 2023

2. Accounting policies (Continued)

2.8 Financial instruments (continued)

- 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.

Other Financial Assets

- Investments held at fair value

The Credit Union initially recognises its complex instruments at fair value. At the end of each reporting period, the Credit Union measures these investments at fair value and recognises changes in fair value in the Income and Expenditure account. The Credit Union uses the following hierarchy to estimate the fair value of these investments:

Level 1 fair values. The best evidence of fair value is a quoted price for an identical asset in an active market. Quoted in an active market in this context means quoted prices are readily and regularly available and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted price is usually the current bid price.

Level 2 fair values. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the entity can demonstrate that the last transaction price is not a good estimate of fair value (e.g. because it reflects the amount that an entity would receive or pay in a forced transaction, involuntary liquidation or distressed sale), that price is adjusted.

Level 3 fair values. If the market for the asset is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, an entity estimates the fair value by using a valuation technique. The objective of using a valuation technique is to estimate what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal business considerations.

Impairment of financial assets

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 September 2023

2. Accounting policies (Continued)

2.8 Financial instruments (continued)

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.

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 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.

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. Carlow District 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 and deposits

Members' shares and Deposits are redeemable and therefore are classified as financial liabilities. They are initially recognised at the amount of cash deposited and subsequently members' deposits are measured at amortised cost.

- Other payables

Other payables are classified as current liabilities if payment is due within one year or

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 September 2023

2. Accounting policies (Continued)

2.8 Financial instruments (continued)

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 comprise 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 land and buildings	4% Straight Line
Fixtures and fittings	15% Straight Line
Computers	25% 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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 September 2023

2. Accounting policies (Continued)

2.10 Impairment of tangible fixed assets (continued)

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

The Credit Union contributes to a defined contribution scheme operated by Aviva. 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.

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.

Dividend reserve

Dividend reserves and distributable 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 or Operational Risk reserves.

Non-distributable investment income reserve

Investment income that has been recognised in the financial statements but will not be received within 12 months of the Balance Sheet date is classified as "non-distributable" and is not distributable as a dividend in accordance with Section 31 of the Credit Union Act 1997 (Regulatory Requirements) Regulations 2016. A reclassification between non-distributable and distributable is made as investments come to within 12 months of maturity date.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 September 2023

2. Accounting policies (Continued)

Other reserves

Other reserves can relate to reserves brought in through Transfers of Engagement as well as other general reserves. The Credit Union will aim to keep the reserve types held to a minimum.

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 Carlow District 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:

Impairment losses on loans to members

In determining whether an impairment loss should be recorded in the Income and Expenditure Account, the Credit Union makes judgements on whether objective evidence of impairment exists individually for financial assets that are individually significant. Where this does not exist the Credit Union uses its judgement to group member loans with similar credit risk characteristics to allow a collective assessment of the group to determine the impairment loss.

In determining the collective loan loss provision management uses estimates based on historical loss experience for assets with similar risk characteristics and objective evidence of impairment.

Establishing useful economic lives for depreciation purposes of tangible fixed assets

Long-lived assets, consisting primarily of tangible fixed assets, comprise a portion of the total assets. The annual depreciation charge depends primarily on the estimated useful economic lives of each type of asset and estimates of residual values. The directors regularly review these assets' useful economic lives and change them as necessary to reflect current thinking on remaining lives in light of prospective economic utilisation and physical condition of the assets concerned. Changes in assets' useful lives can have a significant impact on depreciation and amortisation charges for the period. Detail of the useful economic lives is included in the accounting policies.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 September 2023

4 Interest on members' loans

	2023 €	2022 €
Closing accrued loan interest receivable	59,481	47,376
Loan interest received in year	2,164,182	2,219,081
Interest on impaired loans reclassified as bad debt recovered	(13,824)	(17,417)
Opening accrued loan interest receivable	<u>(47,376)</u>	<u>(43,996)</u>
Total interest on members' loans	<u><u>2,162,463</u></u>	<u><u>2,205,044</u></u>

5 Other interest income and similar income

	2023 €	2022 €
Investment income and gains received by the balance sheet date	939,471	589,619
Receivable within 12 months of balance sheet date	<u>588,652</u>	<u>421,505</u>
Total investment income	<u><u>1,528,123</u></u>	<u><u>1,011,124</u></u>

6 Interest payable and dividends

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

	2023 €	2022 €
Interest payable for the year	-	-
Interest rate applied to members' deposits	<u>-</u>	<u>-</u>

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	<u>-</u>	<u>-</u>
No loan interest rebate was paid for the current or prior year.		
Dividends proposed, but not recognised	203,225	-
Dividend rate to be applied to members' shares	<u>0.2%</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 September 2023

7. Other income

	2023	2022
	€	€
Miscellaneous income	78,537	106,160
Total other income	78,537	106,160

8 Exceptional costs/(income)

	2023	2022
	€	€
Exceptional Gain	-	(590,315)

During the year, Carlow District Credit Union received a credit note of € nil (2022: €590,315) from the Stabilisation Protection Scheme (SPS) Fund of the Irish League of Credit Unions (ILCU). This 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. €531,283 of the credit note was discharged by way of a payment made by the SPS fund to Carlow District Credit Union with the balance of of €59,032 included in Other Debtor and due to be paid by 31st December 2025.

9 Other gains or losses

Other gains during the year	2023	2022
	€	€
Gains on investments measured at fair value	100,297	-
	100,297	-
Other losses during the year	2023	2022
	€	€
Amounts written off investments measured at fair value	-	1,111,695
Diminution in value of investments	89,293	162,863
	89,293	1,274,558

In 2023, the credit union's investments held in Amundi saw a reversal in its fair value resulting in a gain on investment during the year. This was preceded by a decline in the value of the investment it held in Amundi in 2022

The main reason for this decline in the 2022 financial year was the rapid rise in interest rates on the back of higher inflation. This has pushed the current market value of bonds lower but not their long-term expected value, which creates short-term unrealised losses but higher expected returns in future years.

As anticipated, the fund recorded gradual recovery in its value which contributed to the gains on investment realised in 2023.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 September 2023

10 Expenses

	Note	2023 €	2022 €
Employment costs	11	1,435,624	1,271,612
Depreciation of owned tangible fixed assets	13	228,013	227,783
Other management expenses (Schedule 1)		1,514,803	1,673,635
		<u>3,178,440</u>	<u>3,173,030</u>

11 Employees and employment costs

Number of employees

The average monthly number of employees during the year was

	2023 Number	2022 Number
Management	6	6
Other Staff	32	27
	<u>38</u>	<u>33</u>

Employment costs

	2023 €	2022 €
Wages and salaries	1,393,952	1,230,145
Payments to pension schemes	41,672	41,467
	<u>1,435,624</u>	<u>1,271,612</u>

Key management personnel

The remuneration of key management personnel was as follows:

	2023 €	2022 €
Short term employee benefits	226,200	204,478
Payments to defined contribution pension scheme	8,989	9,526
Total key management personnel compensation	<u>235,189</u>	<u>214,004</u>

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 September 2023

12 Cash and cash equivalents

	2023 €	2022 €
Cash and bank balances	2,564,343	1,570,862
Deposits and investments	22,057,537	16,110,203
Total cash and cash equivalents	<u>24,621,880</u>	<u>17,681,065</u>

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

13. Tangible fixed assets

Current Financial year

	Freehold Land and buildings €	Fixtures, and fittings €	Computers €	Total €
Cost				
At 1 October 2022	5,099,693	748,211	863,408	6,711,312
Additions	-	9,228	64,649	73,877
At 30 September 2023	<u>5,099,693</u>	<u>757,439</u>	<u>928,057</u>	<u>6,785,189</u>
Depreciation and impairment				
At 1 October 2022	2,952,099	742,350	841,316	4,535,765
Depreciation charged in the year	203,988	3,308	20,717	228,013
At 30 September 2023	<u>3,156,087</u>	<u>745,658</u>	<u>862,033</u>	<u>4,763,778</u>
Carrying amount				
At 30 September 2023	<u>1,943,606</u>	<u>11,781</u>	<u>66,024</u>	<u>2,021,411</u>
At 30 September 2022	<u>2,147,594</u>	<u>5,861</u>	<u>22,092</u>	<u>2,175,547</u>

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 September 2023

14 Loans to members - financial assets

14.1 Loans to members

	Notes	2023 €	2022 €
At 1 October		26,919,366	27,986,336
Advanced during the year		14,263,469	10,684,229
Repaid during the year		(11,463,012)	(11,651,141)
Loans written off		(101,176)	(100,058)
Gross loans to members	14.2	29,618,647	26,919,366
Impairment allowances Individual loans			-
-			
Group loans		(2,650,818)	(2,352,610)
Loan provision	14.3	(2,650,818)	(2,352,610)
At 30 September	14.2	<u>26,967,829</u>	<u>24,566,756</u>

14.2 Credit risk disclosures

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

The carrying amount of the loans to members represents Carlow 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 it is expected that the amounts repayable will be received in full.

	2023		2022	
	€	%	€	%
<i>Gross loans not impaired:</i>				
Not past due	1,153,484	3.89%	1,103,485	4.10%
Up to 9 weeks past due	404,491	1.37%	271,656	1.01%
Between 10 and 18 weeks past due	370	-	19,482	0.07%
Between 19 and 26 weeks past due	3,787	0.01%	7,550	0.03%
Between 27 and 39 weeks past due	2,716	0.01%	8,675	0.03%
Between 40 and 52 weeks past due	668	-	1,581	0.01%
53 or more weeks past due	<u>3,389</u>	<u>0.01%</u>	<u>-</u>	<u>-</u>
Gross loans not impaired	1,568,905	5.29%	1,412,429	5.25%
<i>Gross loans individually impaired:</i>				
Not past due	-	-	74,434	-
Up to 9 weeks past due	-	-	22,990	-
Gross loans individually impaired	-	-	<u>97,424</u>	-

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 September 2023

14 Loans to members - financial assets (continued)

<i>Collectively impaired:</i>				
Not past due	25,945,481	87.60%	24,072,678	89.43%
Up to 9 weeks past due	1,533,895	5.18%	925,517	3.44%
Between 10 and 18 weeks past due	232,554	0.79%	193,325	0.72%
Between 19 and 26 weeks past due	138,256	0.47%	25,830	0.10%
Between 27 and 39 weeks past due	58,448	0.20%	74,161	0.28%
Between 40 and 52 weeks past due	73,073	0.25%	64,480	0.24%
53 or more weeks past due	68,035	0.23%	53,522	0.20%
Gross loans collectively impaired	28,049,742	94.72%	25,409,513	94.41%
Total gross loans	29,618,647	100%	26,919,366	100%
Impairment allowance		2023		2022
	€	%	€	%
Group loans	(2,650,818)		(2,352,610)	
Total carrying value	26,967,829		24,566,756	

14.3 Loan provision account for impairment losses

	2023	2022
	€	€
At 1 October	2,352,610	2,519,329
Increase/(Decrease) in loan provisions during the year	298,214	(166,719)
At 30 September	(2,650,824)	(2,352,610)

14.4 Net recoveries or losses recognised for the year

	2023	2022
	€	€
Bad debts recovered	546,825	503,456
Increase/(reduction) in loan provisions during the year	14.3 (298,214)	166,719
Interest on impaired loans reclassified as bad debt recovered	4 13,824	17,417
	262,435	687,592
Loans written off	(101,176)	(100,058)
Net recoveries on loans to members recognised for the year	161,259	587,534

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 September 2023

14 Loans to members - financial assets (continued)

14.5 Analysis of gross loans outstanding

	2023		2022	
	Number of Loans	€	Number of Loans	€
Less than one year	597	908,904	553	766,121
Greater than 1 year and less than 3 years	1,400	7,555,907	1,456	7,753,941
Greater than 3 years and less than 5 years	1,096	12,571,592	962	10,780,663
Greater than 5 years and less than 10 years	246	7,736,426	210	6,397,006
Greater than 10 years and less than 25 years	17	845,817	26	1,221,634
Greater than 25 years	-	-	-	-
	<u>3,356</u>	<u>29,618,646</u>	<u>3,207</u>	<u>26,919,365</u>

15 Prepayments and accrued income

	2023 €	2022 €
Prepayments	148,808	141,185
Accrued income investments	588,652	421,505
Accrued loan interest income	59,482	63,221
	<u>796,942</u>	<u>625,911</u>

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 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	22,002,546	10,034,563
Central Bank minimum deposits	<u>54,991</u>	<u>6,075,640</u>
Total cash equivalents	<u>22,057,537</u>	<u>16,110,203</u>

16.2 Other (original maturity after 3 months)

	2023 €	2022 €
Fixed term deposits with banks	31,750,000	37,750,000
Bonds	47,159,689	49,742,382
Central Bank minimum deposits	<u>972,644</u>	<u>975,556</u>
Total other	<u>79,882,333</u>	<u>88,467,938</u>

The breakdown of the above investments (with maturity after 3 months) between basic and non basic was as follows:

	2023 €	2022 €
Investments measured at amortised cost	<u>79,882,333</u>	<u>88,467,938</u>
	<u>79,882,333</u>	<u>88,467,938</u>

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

	2023 €	2022 €
Aa2	1,000,000	1,000,000
A1	65,138,463	66,098,692
A2	4,500,000	12,963,961
Aa3	16,905,787	9,575,987
Baa2	5,535,985	-
Baa3	-	5,388,305
Not rated	<u>8,859,635</u>	<u>9,551,196</u>
Total deposits and investments	<u>101,939,870</u>	<u>104,578,141</u>

Investments at the current Balance Sheet date were all measured at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 September 2023

17 Members' shares - Financial Liabilities

	2023 €	2022 €
At 1 October	100,972,566	103,270,986
Received during the year	44,011,393	41,493,918
Repaid during the year	<u>(42,679,528)</u>	<u>(43,792,338)</u>
At 30 September	<u>102,304,431</u>	<u>100,972,566</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	104,745,323	104,979,467
Attached shares	<u>9,674,846</u>	<u>9,411,749</u>
Total members' shares	<u>114,420,169</u>	<u>114,391,216</u>

18 Members' Deposits - Financial Liabilities

	2023 €	2022 €
At 1 October	13,418,650	18,127,222
Received during the year	634,464	116,347
Repaid during the year	<u>(1,937,375)</u>	<u>(4,824,920)</u>
At 30 September	<u>12,115,739</u>	<u>13,418,649</u>

Members' deposits are repayable on demand.

19 Other payables

	2023 €	2022 €
Creditors and other accruals	<u>961,155</u>	<u>982,187</u>

Included in the above balance is an amount held by the Credit Union in relation to the monthly car draws. The car draws are typically held on the last Friday of every month in the Carlow District Credit Union offices. The car draws are held publicly with a video of the live draw posted on Carlow District Credit Union's Facebook page announcing the winners. The balance relating to the car draws at the year end is as follows:

	2023 €	2022 €
Balance at 1 October	186,654	161,462
Contributions during the year	187,565	187,532
Administration Expenses	(826)	(840)
Less payments draws	(195,000)	(150,000)
Surplus Funds - Extra Draws	<u>(7,000)</u>	<u>(11,500)</u>
Balance at 30 September	<u>171,393</u>	<u>186,654</u>

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 September 2023

20 Additional financial instruments disclosures

20.1 Financial risk management

Carlow District Credit Union Limited is a provider of personal 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 Carlow District 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.

Credit risk:

Credit risk is the risk that a borrower will default on their contractual obligations relating to repayments to Carlow District 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 2018.

Market risk:

Market risk is generally comprised of interest rate risk, currency risk and other price risk. Carlow District 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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 September 2023

20.2 Interest rate risk disclosures

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

	2023		2022	
	Amount €	Average interest rate	Amount €	Average interest rate
Financial assets				
Gross loans to members	29,618,646	7.96%	26,919,365	8.29%
Financial liabilities				
Members' shares	102,304,431	-	100,972,566	-
Members' deposits	12,115,737	-	13,418,650	-
	<u>114,420,168</u>		<u>114,391,216</u>	

20.3 Liquidity risk disclosures

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

20.4 Fair value of financial instruments

As at 30 September 2023 Carlow District Credit Union Limited did not hold any financial instruments at fair value.

20.5 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 12.50% of the total assets of the Credit Union at the Balance Sheet date.

21 Capital commitments

A capital commitment of €94,796 approved by the Board but not contracted for during the year.

22 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.

23 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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 September 2023

24 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 €62,700 (2022: €16,000). These loans were approved in accordance with the Standard Credit Union rules and the Credit Union Act 1997 (Regulatory Requirements) Regulations 2016.

The balance of loans outstanding from these parties at 30 September 2023 was €91,947 (2022: €42,155). These loans amounted to 0.31% of total gross loans due at 30 September 2023 (2022: 0.16%).

There were provisions of €7,254 against the loans due from the directors and the management team at the current year Balance Sheet date (2022: €4,294).

The directors and management team share balances stood at € 55,074 at 30 September 2023 (2022: €70,991).

The directors and management had €8.42 Money Management Accounts at the current Balance Sheet date (2022: €9.19).

25 Comparative information

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

26 Approval of financial statements

The financial statements were approved, and authorised for issue, by the Board on the 12th December 2023.

SCHEDULES TO THE INCOME & EXPENDITURE ACCOUNT

for the year ended 2023

Schedule 1 - Other Management Expenses

	2023 €	2022 €
Other Management Expenses		
Rent and rates	32,513	30,716
Lighting and heating	62,577	61,571
Repairs and renewals	19,035	6,652
Security	711	-
Printing and stationery	21,433	20,474
Postage and telephone	96,725	83,877
Donations and sponsorship	11,045	6,906
Debt collection	57,264	31,027
Promotion and advertising	41,147	35,205
Training costs	16,371	10,302
AGM Expenses	23,758	24,285
Travel & Subsistence including travel to sub-offices	7,586	10,701
Bank Charges	65,071	93,343
Audit Fee	30,000	29,750
Internal Audit Fees	18,438	18,528
General Insurance	49,964	47,192
Share and loan insurance (Gross)	285,495	334,703
Legal & professional fees	23,753	33,618
Miscellaneous expenses	16,965	6,448
Death benefit insurance	154,125	133,581
Affiliation fees	52,101	51,419
SPS contribution	10,383	9,534
Deposit Guarantee Scheme	177,993	205,840
Stabilisation Fund Levy	21,946	28,431
Bank Resolution Fund Levy	24,715	76,081
Industry Funding Levy	36,102	70,381
Other Regulatory Levies	4,221	5,526
Service Contracts	139,383	149,487
Cleaning	21,811	19,700
ATM costs	800	797
Project costs	(8,628)	18,574
Sundry expenses	-	18,986
Total other management expenses	1,514,803	1,673,635

INDEPENDENT AUDITOR'S REPORT

to the Members of Carlow District Credit Union Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Carlow 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 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.

INDEPENDENT AUDITOR'S REPORT CONTINUED

to the Members of Carlow District Credit Union Limited

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

As explained more fully in the directors' responsibilities statement set on page 1, 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.



Moore Ireland Audit Partners Limited
Chartered Accountants &
Statutory Audit Firm
3rd Floor
Foley Street
Ulysses House
Dublin 1

Date signed: 12th December 2023

APPENDIX TO THE INDEPENDENT AUDITOR'S REPORT

Further information regarding the scope of our responsibilities as auditor

As part of an audit in accordance with ISAs (Ireland), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Credit Union's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Credit Union's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Credit Union to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

REPORT OF THE BOARD OVERSIGHT COMMITTEE

The function of the Board Oversight Committee is one of oversight and support. In the interests of members, the Committee assesses, evaluates, and reports on whether the Board of Directors is operating in accordance with the Credit Union Act and in the best interests of members when performing their governance duties.

Members of the Board Oversight Committee are entitled to attend Board and Committee meetings, to keep themselves informed and where appropriate, request documentation and or information relating to their responsibilities under the Act. Members of the committee are only entitled to speak on points of law, or points of information. They must never attempt to influence the Board of Directors or participate in decision making.

The Board Oversight Committee held regular meetings to review the effectiveness of the Board of Directors and at least one member of the Committee was present for all Board Meetings. We have reported our findings to the Board of Directors.

The Board Oversight Committee confirm to you, the members, that the Board of Directors have acted in accordance with Part IV and Part IVa of the Credit Union Act 1997; these being the sections regulating governance.

The Board Oversight Committee very much appreciate the commitment and dedication of all volunteers to the Credit Union and, on your behalf, take this opportunity to acknowledge the role of all involved and to thank them for their service during the year.

The Board Oversight Committee is satisfied that the method of continual reviews of the Credit Union's processes and procedures, as employed by the Board, ensures that Carlow District Credit Union meets all of the requirements laid down from a legal and regulatory perspective. We would like to extend our thanks to the Board of Directors, Management and Staff of Carlow District Credit Union for their assistance and support throughout the year as we fulfilled our function.

Amanda Sheehan, Chairperson, Board Oversight Committee

REPORT OF THE PROMOTIONS COMMITTEE

The members of the Promotions Committee for 2022 - 2023 were Clive Waldron, Elaine Grant and Joan Doyle. We continue to work hard to continue to contribute to our community via various initiatives.

We were delighted to support the Samaritans this year for our local charity. Credit Union staff completed a 10k walk in aid of the Samaritans. We are delighted to confirm that we raised almost €5k for them. Throughout the year we had donation boxes in our branches to allow our members to support this worthy charity.

This year all our members monthly draws took place in our main office in Carlow. These were streamed live for all our members to view on Face-book and Instagram. We also had additional draws as part of our 60th Anniversary celebrations. I would encourage members to follow us on social media. This will allow everyone to be kept up to date with promotions, etc throughout the year. I want to congratulate all our winners in 2023 and look forward to many more winners in 2024.

Many local charities and businesses would have sought support from us during the year and we have contributed generously to them on your behalf.

Finally, I would like to thank everyone for their help and support throughout the year and look forward to supporting our community in 2024. We will be announcing our charity of the year for 2024 in the coming weeks.

Elaine Grant, Committee member, Promotions Committee

REPORT OF THE NOMINATIONS COMMITTEE

The Nomination Committee of Carlow District Credit Union is responsible for identifying suitable candidates for nomination, accepting nominations of candidates, carrying out Fitness and Probity Due Diligence on any candidate and making proposals for election to the Board of Directors.

Full information in relation to Fitness and Probity for Credit Unions can be found on the following website: <https://www.centralbank.ie/regulation/how-weregulate/fitnessprobity/credit-unions>.

Under the current legislative requirements, the Nomination Committee has primary responsibility for succession planning i.e., to ensure there are sufficient volunteers with the necessary skills, expertise, and knowledge available to fill any vacancies that may arise on the Board of Directors.

Members of Carlow District Credit Union can apply at any time of the year to serve as a volunteer on Sub Committees of the Credit Union. The Sub Committees are an excellent starting point for new volunteers as they provide volunteers with experience, learning and an active role within the Credit Union. Potential volunteers must complete the Volunteers Application Form which is available in any of the Credit Union offices.

A member of the Nomination Committee would be pleased to meet with anyone interested in volunteering, to outline what is involved in being a volunteer and to answer any questions the potential volunteer may have.

The procedures regarding nominations to the Board of Directors of Carlow District Credit Union are as follows:

- The nominee must be a member of the Credit Union and be 18 years of age or over.
- Nominations must be in writing and be signed by the proposer and the seconder.
- Both the proposer and the seconder must be members of the Credit Union.
- The nomination must also be signed by the nominee, who must agree to the nomination.

Nomination forms are available at the Credit Union offices.

The Committee also has responsibility for the continual up-skilling of Board members and volunteers, through various education programmes designed for credit unions. Credit union committees offer an excellent starting point for new volunteers by providing experience, learning and an active role within the credit union and personal and professional development.

We actively encourage any members with IT, business, marketing, HR, legal, banking, investment and any other relevant skills to consider putting themselves forward for election as either a Director, a member of the Board Oversight Committee or as a Volunteer Committee member. This is an excellent way to give back to your community and we look forward to speaking with you soon.

At this AGM the following candidates will seek re-election to the Board of Directors on the expiry of their previous term; Colm Haughney and Mary Kinsella. Sean Jones will seek election for the first time having been co-opted during the year. Tom O'Neill will also seek election, having served on the Board in the past.

Jean McCarthy will seek election to the Board Oversight Committee having been co-opted during the year. Rory Hennessy will seek election for the first time.

The closing date for acceptance of nominations for the vacancies arising at the AGM 2023 was 22nd December 2023. The Nomination Committee has assessed the applications for Board membership. The necessary due diligence has been performed and the Committee is satisfied that all candidates are fit and proper to be put forward for election at the AGM.

The Committee takes this opportunity to thank management, staff, and fellow volunteers for all assistance during the past year.

Elaine Grant, Chairperson, Nominations Committee

REPORT OF THE CREDIT COMMITTEE

The Credit Committee is appointed annually by the Board of Directors to manage and supervise the lending process. The provision of loans at a fair and reasonable rate to members is a core function of our Credit Union. Loan interest is the Credit Union's main source of income. It is vital that we continue to grow our loan book in a prudent manner for the long-term sustainability and viability of the Credit Union.

In 2022/2023 the credit union issued 1,982 loans to the value of €14,263,469 compared to €10,684,228 in 2021/2022, an increase of 34% on last year. The total loans outstanding at the yearend amounted to €29,618,739 compared to €26,919,365 at the end of the previous year, an increase of 10%. At the yearend there were 3,356 borrowing members in the credit union.

Almost 50% of lending last year was for Home Improvements and 35% were for Motor related purposes.

During the year, the credit union further enhanced its online loan offering developing on the improvements made in the previous year. The goal of these changes is to make it easier for you the member to apply and draw down your loan with us in a convenient and timely manner.

The credit union is planning to launch a Home Loan product in the coming year.

The Credit Committee and the Credit Team would encourage our members to please tell family, friends, colleagues about our loan facilities which are competitively priced and now readily available in all of our offices. Any member of the credit team would love to chat to any current or potential members about their lending needs whether now or in the future and provide advice.

I would like to extend a sincere thank you to my fellow committee members, the loan officers and the team in CDCU for all their support during the past year.

Finally, I wish to thank all our members who borrowed during the year and to encourage as many members as possible to use the Credit Union for their future borrowing requirements. Members can call to any of our offices, no appointment necessary, by applying online on carlowcreditunion.ie or by phoning one of our loan officers on 059 9131994.

Pat Deering, Chairperson

We can get you there!



Straightforward and flexible Student Loans

Loan Amount	Loan Term	Monthly Repayment
€5,000	3 years	€153
Rate of Interest - APR	Total Interest	Total Cost of Credit
6.71%	€517	€5,517

Loan samples are for illustration purposes only, to give you, the borrower, an overview of the potential cost of borrowing. The credit Union, or any of its staff, cannot be held responsible for any errors.

REPORT OF THE CREDIT CONTROL COMMITTEE

The role of the Credit Control Committee is to seek to ensure the repayment of loans by members in accordance with their loan agreement. The Committee seeks to ensure that the policies and procedures adopted by the Board of Directors governing the pursuit and recovery of loans are implemented. The Committee reports to the Board of Directors at their monthly meetings.

The Credit Control Staff, operating under the supervision of the Credit Control Committee, carry out the daily management of the credit control function. The Committee meets on a regular basis to review work undertaken by the Credit Control Staff and decide on appropriate actions to be taken. The successful operation of Carlow Credit Union depends on the prompt repayment of loans by our members in accordance with their agreed loan term. While the majority of members are compliant with their agreed repayments, an increasing number of members are allowing arrears to build up and some are defaulting on their loans.

For some members this has been another tough year. Although, the majority of borrowers have diligently repaid their loans in these difficult circumstances. We would encourage members in any difficulty to contact our Credit Control Staff at an early stage. The Credit Control Staff are very experienced, confidential, helpful, and sympathetic in assisting members. Every effort is made to try and reach a solution that is suitable for both the member and the Credit Union. We continue to work with Cabot Financial, a third-party agency, to support re-engagement of arrears and bad debt account holders.

For the financial year ending 30th September 2023 we have charged off loans totalling €101,176. This is similar to the amount charged off in the previous year. It is also important to emphasise that the Credit Union will continue to strenuously pursue repayment of these loans through all available means. The Credit Union has recovered €546,825 of previously written off bad debts in this financial year, with recoveries in the region of almost €3m over the last 5 years.

The committee and Board have deemed it prudent to increase the bad debt provision on the balance sheet to €2,650,824 in respect of bad and doubtful debts. This provision is made based on an analysis of the risk associated with the total loans outstanding. As the loan book continues to grow, we believe it will be prudent to increase the bad and doubtful provision.

To conclude, I would like to thank my fellow Directors, Committee Members, the Management and Staff for all their hard work, dedication, and support throughout the year.

Michael Curran, Chairperson

REPORT OF THE MEMBERSHIP COMMITTEE

During the year, we welcomed 1,025 new members, comprising of 239 under 16 years and 786 adult accounts. At the end of the year our total membership was 30,158 - comprising of 27,293 adult members, 2,636 members under the age of 16, and 229 group and club accounts.

We would like to remind our members that in order to retain the rights of membership of the credit union you must maintain a minimum balance of €5 in your account. Should your balance fall below this threshold your account will be closed.

Opening an account is simple and straightforward and can be facilitated in any of our branches and now can be done exclusively online for adult members for single accounts. We operate an appointment system for account opening for minors, adult joint and group accounts. To open an account, you will require proof of ID, proof of address and proof of your PPS Number and to make a minimum lodgement of €5.63. The €0.63 is a membership fee which will be deducted once you become a member. For further details of the documentation that you require please visit our website <https://www.carlowcreditunion.ie/membership/how-to-join>

Nominations – All members over the age of 18 are reminded to complete a nomination form. This allows the credit union to pay savings and insurance up to €23,000 to one or more nominees on death of the member. Any balance over €23,000 is payable to the estate of the deceased.

The committee wish to remind members of the many benefits of having a credit union account especially the free insurance to members on shares, loans and death benefit insurance. Members must maintain a balance of €100 to be eligible for our Death Benefit Insurance.

In compliance with the Criminal Justice legislation, we are obliged to verify and maintain up to date proof of both your identity and your current permanent address while you are a member of Carlow Credit Union. Therefore, from time to time you may receive correspondence from us requesting updated verification or a member of our staff may request this if you visit one of our branches to complete a counter or other transaction. We appreciate your assistance in fulfilling our legal obligations by providing your information at your earliest convenience.

A Dormant account is when a member has not initiated a transaction in 36-month period. Notification is issued to members in the 35th month to advise of pending dormancy, with an expiry timeframe to carry out a transaction on the account. If a transaction is not carried out within that timeframe the account will be classified as dormant and you will be asked to refresh documentation the next time you initiate a transaction on your account.

We would like to thank our members for their loyal support during the year.

Ultan Ryan

AMENDMENTS TO STANDARD RULES ARISING FROM THE LEAGUE AGM 2023

Motion 1

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.

Home Improvements?



Make it more comfortable or energy efficient

Loan Amount	Loan Term	Monthly Repayment
€25,000	5 years	€494
Rate of interest - APR	Total Interest	Total Cost of Credit
7.12%	€4,632	€29,632

Loan samples are for illustration purposes only, to give you, the borrower, an overview of the potential cost of borrowing. The credit Union, or any of its staff, cannot be held responsible for any errors.

DEPOSIT GUARANTEE SCHEME DEPOSITOR INFORMATION SHEET

Basic information about the protection of your eligible deposits.

Eligible deposits in Carlow District Credit Union Limited are protected by:	the Deposit Guarantee Scheme (“DGS”). ⁽¹⁾
Limit of protection:	Eligible deposits up to €100,000 per depositor per institution. ⁽²⁾
If you have more eligible deposits at Carlow District Credit Union Limited:	All your eligible deposits at Carlow District Credit Union Limited are ‘aggregated’ and the total is subject to the limit of €100,000. (2)
If you have a joint account with other person{s}:	The limit of €100,000 applies to each depositor separately. ⁽³⁾
Reimbursement period in case of Carlow District Credit Union Limited’s failure:	Within 7 working days ⁽⁴⁾
Currency of reimbursement:	Euro
To contact Carlow District Credit Union Limited for enquiries relating to your account:	Carlow District Credit Union Limited, Credit Union House, Askea, Carlow, R93 VW59 Tel: (059) 913 1994 Email: info@carlowcreditunion.ie Web: www.carlowcreditunion.ie
To contact the DGS for further information on compensation:	Deposit Guarantee Scheme, Central Bank of Ireland, New Wapping Street, North Wall Quay, Dublin 1. Tel: 0818 681 681 Email: info@depositguarantee.ie
More information:	www.depositguarantee.ie

ADDITIONAL INFORMATION

(1) Scheme responsible for the protection of your deposit

Your deposit is covered by a statutory deposit guarantee scheme. If insolvency should occur, your eligible deposits would be repaid up to €100,000.

(2) General limit of protection

If a covered deposit is unavailable because a credit institution is unable to meet its financial obligations, depositors are repaid by the DGS. This repayment covers at maximum €100,000 per person per credit institution. This means that all eligible deposits at the same credit institution are added up in order to determine the coverage level. If, for instance, a depositor holds a savings account with €90,000 and a current account with €20,000, he or she will only be repaid €100,000.

(3) Limit of protection for joint accounts

In case of joint accounts, the limit of €100,000 applies to each depositor. However, eligible deposits in an account to which two or more persons are entitled as members of a business partnership, association or grouping of a similar nature, without legal personality, are aggregated and treated as if made by a single depositor for the purpose of calculating the limit of €100,000.

In some cases eligible deposits which are categorised as “temporary high balances” are protected above €100,000 for six months after the amount has been credited or from the moment when such eligible deposits become legally transferable. These are eligible deposits relating to certain events which include:

- (a) certain transactions relating to the purchase, sale or equity release by the depositor in relation to a private residential property;
- (b) sums paid to the depositor in respect of insurance benefits, personal injuries, disability and incapacity benefits, wrongful conviction, unfair dismissal, redundancy, and retirement benefits;
- (c) the depositor’s marriage, judicial separation, dissolution of civil partnership, and divorce;
- (d) sums paid to the depositor in respect of benefits payable on death; claims for compensation in respect of a person’s death or a legacy or distribution from the estate of a deceased person.

More information can be obtained at www.depositguarantee.ie

(4) Reimbursement

The responsible deposit guarantee scheme is:

Deposit Guarantee Scheme, Central Bank of Ireland,
New Wapping Street, North Wall Quay, Dublin 1.
Tel: 0818 681 681. Email: info@depositguarantee.ie.
Website: www.depositguarantee.ie.

It will repay your eligible deposits (up to €100,000); within 7 days from 1 January 2024 onwards, save where specific exceptions apply.

Where the repayable amount cannot be made available within seven working days depositors will be given access to an appropriate amount of their covered deposits to cover the cost of living within five working days of a request. Access to the appropriate amount will only be made on the basis of data provided by the credit institution. If you have not been repaid within these deadlines, you should contact the deposit guarantee scheme.

OTHER IMPORTANT INFORMATION

In general, all retail depositors and businesses are covered by the Deposit Guarantee Scheme. Exceptions for certain deposits are stated on the website of the Deposit Guarantee Scheme. Your credit institution will also inform you on request whether certain products are covered or not. If deposits are eligible, the credit institution shall also confirm this on the statement of account.

Supporting Our Community



Carlow womens aid donation.



Proud sponsors of the Carlow Pride Festival 2023.



Sponsorship of the annual Carlow Regatta - June 2023.



Proud sponsors of the Fighting Cocks LGFA.



Sponsored set of new jerseys for Castle Rangers FC.



Supporting our long standing member & Carlow rose for 2023 - Caoimhe Deering.



10k fundraiser walk for the Carlow Samaritans.



Tullow Community School - under 16 girls basketball team.



Sponsored jerseys for Asca GAA boys and girls.



Credit Union AArTT Competition winner - Fiona Gallagher.



Carlow GA raffle sponsorship NFL vs Laois 2023.



Monthly members draw winner (March 2023) - Amy Walsh.

#WeSupportLocal



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