



ACCOUNTS & NOTICE OF AGM **2023**

Date: Monday 11th December, 2023
Time: 7.00pm
Location: Virtual AGM

**ANNUAL
REPORT
2023**

Notice and Agenda of the Virtual Annual General Meeting of Cois Sionna Desmond Credit Union Limited

**Notice is hereby given that the Annual General Meeting
of Cois Sionna Desmond Credit Union Limited
will be held VIRTUALLY on
Monday, 11th December, 2023 at 7.00 p.m.**

Notice of Elections

- Elections will be held to fill the following vacancies:-
- 5 vacancies on the Board of Directors
- 3 vacancies on the Board Oversight
- Position of Auditor

Patrick Dooley, Secretary

Cois Sionna Desmond Credit Union Limited

**Only those who have reached the age of 16 may participate in the business of the A.G.M.
See details of log on on page 5.**

AGENDA

Invocation – Credit Union Prayer

1. Acceptance of Proxies (if any) by the Board of Directors
2. Ascertaining that a Quorum is present
3. Adoption of Standing Orders
4. Reading and approval of the minutes of the 2022 Annual General Meeting
5. Report of the Board of Directors
6. Report of the Financial Statements and consideration of accounts
7. Report of the Auditor
8. Report of the Board Oversight Committee
9. Declaration of Dividend and Interest Rebate
10. Report of the Credit Committee
11. Report of the Credit Control Committee
12. Reports of the other Committees
 - (a) Membership Committee
 - (b) Marketing Committee
 - (c) Nominations Committee
13. Election of Auditor, Board of Directors and Board Oversight Committee
14. Notice of Motions (amendments to rules)
15. Announcement of Elections
16. Any other Business
17. Close of meeting

Front Cover: Cois Sionna Desmond Credit Union, Askeaton. Photo Courtesy of Mike McCarthy

Amendment to the Standard Rules for Credit Unions (Republic of Ireland) arising from League AGM 2023.

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.

IMPORTANT INFORMATION ON ACCOUNT STATEMENTS

If you have any questions about the statements you received with this Report
Please contact **Cois Sionna Desmond Credit Union staff on 061/392237**
in the first instance.

**If you are not satisfied that your query has been satisfactorily resolved
Please contact the Credit Union Internal Auditors,
MOET Accountants on 061/335574**

Standing Orders for Credit Unions for Virtual - Annual General Meeting (Republic of Ireland)

1. Voting

1. 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). Since this year's AGM will be a virtual meeting, voting on motions and elections will be by electronic means. Each member will be given the opportunity to exercise their vote virtually during the meeting.

2. Election Procedure - Electronic Voting

2. Following the announcement of nominations attendees will be given the opportunity to vote electronically "Yes" or "No" for each candidate. Those in attendance will be given thirty (30) seconds to record their vote. The mechanics of the virtual voting process will be explained in more detail at the AGM by the Chairman. Elections shall be in the following order:
 - a) nominations for auditor
 - b) nominations for members of the board oversight committee
 - c) nominations for directors.

The votes will be tallied electronically and verified by our Internal Auditor. When all elections have been completed and results become available the Chairman will announce the results.

3 - 4 Motions

3. All motions from the meeting must be inputted in the Q&A box. This must be proposed and seconded by members virtually present at the AGM using the raised hand function in zoom and moved by the proposer. 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. Members will be invited to submit questions to the board via the Q&A box on the toolbar in Zoom Webinar and the board will address these during the AGM.
4. The Chairman's decision on any matter relating to these Standing Orders or interpretation of same shall be final.

5 - 9 Miscellaneous

5. The Chairperson of the credit union shall be the Chairperson 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.
6. The Chairman may at his/her discretion, extend the privilege of the floor to any person who is not a member.
7. Matters not covered by the Agenda may be introduced under "Other Business" at the discretion of the Chairman. At a virtual AGM in the current circumstances, this may not be practical, however, the option may be invoked if required.
8. The Chairperson shall have a second or casting vote in addition to his/her own vote on matters other than voting at elections where there is an equality of votes (Standard Rule 99(1)).
9. Any matter to be decided upon by a vote at the AGM shall, unless otherwise expressly provided for by law or the rules be decided upon by majority vote.

10. Adjournments

Adjournments of the AGM shall take place only in accordance with section 81(1) and the provisions concerning notice, voting and quorum are also set out in section 81.

11-18 Virtual Meeting Items

11. All non-presenting participants will be muted and have their cameras switched off to allow the smooth running of the meeting.
12. A member shall only address the meeting when called upon by the Chairman to do so, when invited to contribute.
13. All members are asked to utilise the “chat” button on the bottom of the toolbar in Zoom Webinar to ask questions.
14. All members are reminded to conduct themselves in a professional manner. Please refrain from sharing any explicit, violent or inappropriate content.
15. Provision shall be made for the protection of the Chairperson from vilification (personal abuse)
16. All members are requested to show respect when they are asking or replying to questions during the meeting. This includes tone and content of the words used.
17. All members are asked to keep their mobile phone silent. The vibrate setting can also cause disruptions.
18. The AGM will be recorded.

VIRTUAL AGM LOG ON INFORMATION **Cois Sionna Desmond Credit Union Limited** **Notice of Annual General Meeting**

The 2023 Annual General Meeting of the members of Cois Sionna Desmond Credit Union Limited will take place via Zoom Webinar on Monday, 11th December, 2023 at 7.00 p.m.

Members wishing to attend the Virtual AGM need to apply via email to agm2023@csdcu.ie and include the following information on your email.

• Name • Member Number • Member address

The request for attendance must be received by close of business on Thursday 7th December 2023
A link to the AGM Zoom Webinar will be forwarded to your email address in time for the meeting.

The following information is pertinent to this notice.

- Cois Sionna Desmond Credit Union will be using Zoom Webinar as the electronic platform for the meeting.
- To gain access to the meeting a member must request an invitation to the virtual meeting by emailing agm2023@csdcu.ie. This request must be received by close of business on Thursday, 7th December 2023. Following the request for invitation, the member will receive an invitation by email to join the meeting on Monday 11th December at 7 p.m.
- The information required to request an invitation is your name, member number and address. The Credit Union will be verifying members details prior to issuing invitations.
- All non-presenting participants will be muted to allow the smooth running of the meeting. However, you can type a question to the host by clicking on the “chat” button on the bottom of the screen.
- A vote on elections for the position of Auditor, Board Oversight Committee and Board of Directors will take place. Voting will be conducted by way of online Poll and member will be asked to vote Yes/No electronically for each candidate when instructed by the Chairperson. The votes will be tallied electronically, verified by the Internal Auditor, and recorded by the meeting Secretary.

Chairmans Address 2023

On behalf of the Board of Directors I would like to welcome everyone to the 2023 AGM and to present the 4th Annual report of Cois Sionna Desmond Credit Union (CSDCU) . This AGM will be held online and the information will be circulated as to how to apply for a login. If you have any difficulty or concerns, please contact any of the offices.

Despite the challenges posed this year from the war in Ukraine and negative interest rates in the earlier part of the year, I can inform you that your credit union has had a very successful year both financially and operationally.

Cois Sionna Desmond Credit Union is in a very strong financial position with our members' savings and deposits now standing at €197M and with a loan book of €50.4M. Cois Sionna Desmond Credit Union has €190.4M of deposits and investments with total reserves of €36.3M (15.4% of assets) not including the provision for bad and doubtful debts at €6.8M (13.6% of loans). The Board were prudent in writing down €152,977 this year while bad debts of €323,113 were recovered.

Dividend and interest rebate

On the basis of a surplus of €1,434,958 before transfers to reserves the Board is recommending to this AGM that the surplus be distributed as follows:

A dividend of 0.15% or €269,420 and an Interest rebate of 7.5% or €138,893.
The remaining balance of €1,026,645 will be allocated to the General reserve.

Following a number of years of consolidating our reserves the board are recommending the distribution of 29% of the surplus back to our members while also maintaining and building adequate levels of reserves.

Also CSDCU continues to support its members by way of donations and sponsorships to local charities, cultural events, sporting organisations and through the payment of life savings, loan protection and death benefit insurance.

2023 has been a very successful year for the credit union. The merger with Rathkeale and District was completed in early 2023 and the integration into our policies and procedures has been successfully progressed over the last number of months. CSDCU is now the largest credit union in the Limerick region which will allow for the expansion of services to meet the banking requirements of our members while also preserving the ethos of the credit union movement.

We have continued to see an improvement in our investment income, expansion of our loan book and a more manageable increase in our shares. However there continues to be substantial risks with the increased threat from cyber attacks, the continued high level of inflation, the continuing war in Ukraine and most recently the severe unrest in the Middle East. The recent announcement of the closure of the Nestle factory will also have a severe economic impact on our wider common bond. However the prudent management of our

reserves over the years will allow the credit union to deal with any issues which may arise in the event of closure.

The board of directors of CSDCU will continue to monitor closely all the risks of the credit union and take whatever action is necessary to mitigate all risks.

Operational Resilience (OR)

OR is the ability of the Credit Union and the financial services sector as a whole to identify, prepare for, respond to, adapt to, recover and learn from any operational disruption. CSDCU are on track to have an Operational Resilience framework in place by the end of 2023, which will identify any gaps in our operations which need to be addressed.

Environmental Social Governance (ESG)

CSDCU Board are very much aware of their obligations with regard to climate change. The credit union has made a substantial investment with the installation of solar panels in our Askeaton offices. CSDCU have established a climate and environmental committee to examine what future changes can be made to advance the ESG agenda within the credit union.

Lending

CSDCU is actively lending and open for business. We offer personal loans for cars, holidays, education and home improvements etc.

We provide excellent loan products for farming and agriculture with our Cultivate loan and also a low interest Green loan for all house improvement projects that increase the BER value of your house.

Our mortgage product (CUSO home loan) is very flexible and offers a competitive rate.

CSDCU has funds to lend to its members at competitive rates and we strongly encourage our members to contact the credit union about your future borrowing requirements either through our online Loan process or in person at our Local offices.

Current Accounts

CSDCU now offer full personal CCurrent account services to all members over 12 Years of age with a debit Mastercard. This local service has been very well received by our members where we offer very competitive rates.

Volunteers

Cois Sionna Desmond are constantly looking for volunteers who have a contribution to make to their Credit Union and to their community. Volunteers serve on committees and on the Board of Directors and Board Oversight Committee. If you are interested, please contact a member of the Board or a Staff member.

During the year Tommy Devine retired from the Board Oversight. Tommy has given long service to the Board of Directors and Board Oversight and the Board of Directors would like to thank him for his contribution and wish him the best for the future.

We would like to thank Berna Scanlon who is retiring from the Board for her contribution to the Board, and also Caroline Considine who is retiring from the Board Oversight Committee.

The vision, hard work and values of our founding members laid the foundation that has influenced successive boards, directors and volunteers who have worked tirelessly to build a thriving organisation that we can all be proud of. Thanks to my fellow Directors, Board Oversight Committee members, committee members and other volunteers for their commitment to the Credit Union. All valuable volunteer time is given without cost and helps to direct and control all aspects of your credit union.

We remember at this time our deceased members, staff and volunteers especially Dermot Gallagher RIP a long time Member of the supervisory committee. We extend our sincere sympathy to their families and friends.

Ar dheis Dé go raibh a n-anamacha dilis.

The success of our Credit Union over the years could not have taken place without the commitment and hard work of all the management and staff, both past and present, who represent Cois Sionna Desmond Credit Union on a daily basis. Thanks to all our staff for their exceptional professional courteous and dedicated service provided to all members.

A very special thanks to our CEO Bernie O'Dea who retired recently. For the past 30 years Bernie has overseen the development of our credit union from a relatively small operation to one of the largest and best regulated credit unions in the country. Bernie has managed the successful merger and integration of three neighboring credit unions and her legacy will be recognized long into the future of CSDCU. We wish Bernie a long and happy retirement. We also welcome our new CEO Declan Benson and wish him every success in guiding our credit union in the next phase of development.

I wish to thank the schools and teachers in our common bond and finally thank you, the members of Cois Sionna Desmond Credit Union for your continued loyalty and support and we look forward to continuing to serve our members well into the future and I wish you all a Happy and Peaceful Christmas and Prosperous 2024.

Thank you.

Michael McMahon, Chairman

CREDIT UNION INVOCATION

Lord, make me an instrument of thy peace
Where there is hatred, let me sow love;
Where there is injury, pardon;
Where there is doubt, faith;
Where there is despair, hope;
Where there is darkness, light; and
Where there is sadness, joy.

O divine Master, grant that I may not
So much seek to be consoled as to console;
To be understood as to understand;
To be loved as to love;
For its is in giving that we receive;
And it is in dying that we are born to eternal
life.

Directors	Anthony Prendiville Elizabeth Blackwell Maria Moran Michael McMahan (Chairperson) Pat Power Tony Nunan Thomas Barrett (Resigned) Patrick Dooley Berna Scanlan Mary O'Malley Nora Fitzgerald Patrick Magner (Co-opted)
Board Oversight Committee Members	Mary Barry Thomas Devine (Resigned) Padraig Smith Thomas O'Brien (Resigned) Ted Behan Caroline Considine (Co-opted) Michael Stackpoole (Co-opted)
Registered Office/Business Address	Church Street Askeaton Co. Limerick Ireland
Auditors	Moore Business Advisors UC T/A Moore Chartered Certified Accountants and Statutory Auditors, Pamdohlen House Dooradoyle Road Limerick V94 XE61 Ireland
Bankers	Bank of Ireland Newcastlewest Co. Limerick Ireland
Solicitors	Dundon Callanan Solicitors 17 The Crescent Co. Limerick Ireland

DIRECTORS' REPORT

for the financial year ended 30 September 2023

The directors present their report and the audited financial statements for the year ended 30 September 2023.

Objects

The objects of the Credit Union are the acceptance of member' shares/savings and lending to members in accordance with legislation and criteria determined by the Credit Union itself.

Principal Risks and Uncertainties

The purpose of our Credit Union is to allow members save together and lend to each other at a fair and reasonable rate of interest.

The principal risks and challenges facing this Credit Union are loan default; not lending a sufficient proportion of funds so that too much of the Credit Union's resources are tied up in investment products and the risk that we will not have sufficient cash resources to meet day to day running costs and repay members savings when demanded (liquidity risk). These risks are managed by the Credit Union so as to achieve an acceptable balance of growth and security for members' resources.

The principal areas currently requiring risk management and in respect of which the Board has rigorous monitoring and procedures in place so as to minimise exposure to such risks include:

Credit risk:

The risk of financial loss arising from a borrower, issuer, guarantor, or counter party, which may fail to meet its obligations in accordance with agreed terms.

Liquidity risk:

The risk that a credit union will not be able to fund its current and future expected and unexpected cash outflows as they fall due, without incurring significant losses.

Lack of loan demand risk:

The risk arising from the fact that lending is the principal activity of the credit union and the credit union is significantly reliant on such lending for generating income to cover costs and generate a surplus.

Operational risk:

The risk of loss (financial or otherwise) resulting from inadequate or failed internal processes or systems of the credit union, any failure by persons connected with the credit union, legal risk, or external events.

Viability risk:

The risk to the credit union's ongoing future operating surpluses arising from the loan book returning to a declining position, further and/or continuing reductions in the rate of return on its investments portfolio and/or increased operating costs.

Market risk:

The risk that the value of the credit unions investments will decrease. This risk can arise from fluctuations in values of or income from assets or changes in interest rates.

Interest rate risk:

The risk arising from differences between the interest rate exposures on loans and investments receivable, as offset by the cost of capital which is typically that of distributions to members, payable in the form of dividends and interest rebates.

Strategy/business model risk:

The risk which the credit union faces if they cannot compete effectively or operate a viable business model and the inherent risk in the credit union's strategy.

Business Review

The Board is conscious of the current economic environment in which the Credit Union is now operating. That said it remains vigilant in monitoring potential adverse impact on bad debts, income and year end results. During the year, the Credit Union had a successful Transfer of Engagement with Rathkeale and District Credit Union Ltd. Detail of the transfer can be found at note 5 to the financial statements. The year-end financial position was satisfactory. No material change in the Credit Union's core operational approach is expected in the foreseeable future.

Future Developments

The directors expect to develop and expand the Credit Union's current activities and they are confident of its ability to operate successfully in the future.

Dividends and Interest Rebate

The directors propose a dividend of €269,420 at the rate of 0.15% (2022: Nil).

The directors propose an interest rebate of €138,893 at the rate of 7.5% (2022: Nil).

Directors and Board Oversight Committee Members

The current directors and board oversight committee members are as set out on page 3.

In accordance with Section 53(6) of the Credit Union Act, 1997 (as amended) the following directors must step down at this year's AGM and, being eligible, offers themselves for re-election:

Nora Fitzgerald
Mary O'Malley
Patrick Power

The following Director was co-opted during the year and therefore retires from the Board and being eligible, offers himself for re-election: -

Patrick Magner

The following Director retires from the Board and does not offer herself for re-election: -

Berna Scanlan

In accordance with Section 76(N) of the Credit Union Act, 1997 (as amended) the following retire from the Board Oversight Committee and being eligible, offer herself for re-election to the Board Oversight Committee: -

Mary Barry

The following retire from the Board Oversight Committee and does not offer themselves for re-election: -

Michael Stackpoole
Caroline Considine

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 financial function. The books of account of the Credit Union are maintained at the Credit Union's premises at Church Street, Askeaton, Co. Limerick.

Post Balance Sheet Events

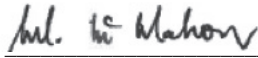
There have been no significant events affecting the Credit Union since the financial year-end.

Auditors


The auditors, Moore Business Advisors UC, have indicated their willingness to continue in office in accordance with Section 115 of the Credit Union Acts 1997(as amended).

Approved on behalf of the Credit Union Board

Member of the Board of Directors



Member of the Board of Directors



Date: 2nd November 2023

STATEMENT OF DIRECTORS' RESPONSIBILITIES

for the financial year ended 30 September 2023

The Credit Union Acts 1997, as amended requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Credit Union and of the income and expenditure of the Credit Union for that year. In preparing these financial statements the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the credit union will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

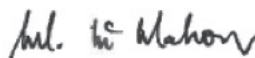
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Credit Union and to enable them to ensure that the financial statements are prepared in accordance with applicable Irish law and Generally Accepted Accounting 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.

In so far as the directors are aware:

- there is no relevant audit information (information needed by the Credit Union's auditor in connection with preparing the auditor's report) of which the Credit Union's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Credit Union's auditor is aware of that information.

Approved on behalf of the Credit Union Board

Member of the Board of Directors



Member of the Board of Directors



Date: 2nd November 2023

STATEMENT OF BOARD OVERSIGHT COMMITTEE'S RESPONSIBILITIES

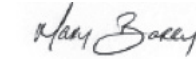
The Credit Union Acts 1997, as amended require the appointment of a Board Oversight Committee to assess whether the board of directors has operated in accordance with Part IV, Part IV (a) and any regulations made for the purposes of Part IV or Part IV(a) of the Credit Union Act, 1997 (as amended) and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

Approved on behalf of the Board Oversight Committee

Member of the Board Oversight Committee



Member of the Board Oversight Committee



Date: 2nd November 2023

Independent Auditor's Report

to the Members of Cois Sionna Desmond Credit Union Ltd.

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Cois Sionna Desmond Credit Union Ltd. for the financial year ended 30 September 2023 which comprise the Income & Expenditure Account, the Balance Sheet, the Statement of Changes in Reserves, the Statement of Cash Flows and notes to the financial statements, including the summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is Irish law including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Credit Union Acts 1997(as amended).

In our opinion the financial statements:

- give a true and fair view of the state of the assets, liabilities, and financial position of the Credit Union as at 30 September 2023 and of its surplus for the financial year then ended;
- have been properly prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been properly prepared in accordance with the requirements of the Credit Union Acts 1997(as amended).

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which IAASA require us to report to you where:

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

Other Information

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

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

financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities as set out on page 6, 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 going concern basis of accounting unless the directors either intend to liquidate the Credit Union or to cease operations, or has no realistic alternative but to do so.

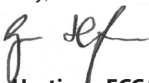
Auditor's responsibilities for the audit of the financial statements

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



Ryan Hartigan FCCA CPA
MOORE BUSINESS ADVISORS UC
T/A MOORE

Chartered Certified Accountants and Statutory Auditors,
Pamdohlen House
Dooradoyle Road
Limerick
V94 XE61

Ireland

Date: 24th November 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 judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Credit Union's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Credit Union's ability to continue as going concerns. 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 going concerns.
- 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.

INCOME & EXPENDITURE ACCOUNT

for the year ended 30th September 2023

		2023 €	2022 €
Income			
Interest on members' loans	1	3,342,905	2,693,181
Interest payable on members' deposits		-	-
Investment income	2	2,008,462	1,173,235
Loss on disposal of investment	2	-	(351,918)
		<hr/>	<hr/>
Net interest income		5,351,367	3,514,498
Other income	3	53,493	78,194
SPS Refund	3	-	732,490
		<hr/>	<hr/>
Total income		5,404,860	4,325,182
		<hr/> <hr/>	<hr/> <hr/>
Expenditure			
Employment costs		1,501,760	1,195,263
Other management expenses	4	2,543,811	2,068,871
Interest on impaired loans	1	(106,474)	(81,679)
Depreciation		144,136	123,433
Movement in Bad Debt Provision		209,782	126,338
Bad Debts Recovered		(323,113)	(232,507)
		<hr/>	<hr/>
Total expenditure		3,969,902	3,199,719
		<hr/> <hr/>	<hr/> <hr/>
Surplus of income over expenditure		1,434,958	1,125,463
Other comprehensive income		-	-
		<hr/>	<hr/>
Total comprehensive income		1,434,958	1,125,463
		<hr/> <hr/>	<hr/> <hr/>

The financial statements were approved and authorised for issue by the Board on 2nd November 2023 and signed on its behalf by;

On behalf of the Credit Union

Manager:



Member Board of Directors



Member Board Oversight Committee



Date: 2nd November 2023

BALANCE SHEET

as at 30th September 2023

	Notes	2023 €	2022 €
Assets			
Cash and balances at bank	11	7,164,806	4,143,331
Deposits and investments - cash equivalents	11	35,700,727	19,200,551
Deposits and investments - other	12	147,550,665	124,541,593
Loans to members	13	50,389,879	35,902,023
Provision for bad debts	13	(6,862,780)	(5,726,857)
Overdrawn Members current accounts	14.1	3,067	1,066
	19	<u>235,624,103</u>	<u>179,169,005</u>
Other Assets			
Tangible fixed assets	15	1,383,734	900,369
Assets held for sale	27	20,000	
Prepayments and accrued income	16	274,005	206,929
Total Assets		<u>235,624,103</u>	<u>179,169,005</u>
Liabilities			
Members' deposits		58,714	75,144
Members' shares	14	197,539,984	148,836,716
Members' current accounts	14.1	1,212,142	749,289
Creditors and accruals	17	487,107	359,828
Total Liabilities	19	<u>199,297,854</u>	<u>150,020,977</u>
Net Assets		<u>36,326,156</u>	<u>29,148,028</u>
Members' Resources			
Regulatory reserve	18	24,467,049	18,606,852
Distribution reserve	18	408,313	-
Operational risk reserve	18	1,172,681	1,294,925
Unrealised income reserve	18	95,649	73,249
General reserve	18	10,182,464	9,173,002
Total Members' Resources		<u>36,326,156</u>	<u>29,148,028</u>

The financial statements were approved, and authorised by the Board on 2nd November 2023 and signed on its behalf by

On behalf of the Credit Union

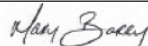
Manager

Member Board Of Directors

Member Board Oversight Committee

Date: 2nd November 2023





Cois Sionna Desmond Credit Union Ltd.

STATEMENT OF CHANGES IN RESERVES

for the financial year ended 30 September 2023

	Regulatory reserve	Distribution reserve	Operational risk reserve	Unrealised income reserve	General reserve	Total
	€	€	€	€	€	€
At 1 October 2021	18,606,852	-	1,538,886	14,850	7,861,977	28,022,565
Surplus allocation in financial year	-	-	-	73,249	1,052,214	1,125,463
Other movement in reserves	-	-	(243,961)	(14,850)	258,811	-
At 30 September 2022	18,606,852	-	1,294,925	73,249	9,173,002	29,148,028
At 1 October 2022	18,606,852	-	1,294,925	73,249	9,173,002	29,148,028
Transfer of Engagement	5,860,197	-	100,000	22,400	(239,427)	5,743,170
Surplus allocation in financial year	-	408,313	-	-	1,026,645	1,434,958
Other movement in reserves	-	-	(222,244)	-	222,244	-
At 30 September 2023	24,467,049	408,313	1,172,681	95,649	10,182,464	36,326,156

The Regulatory Reserve of the Credit Union as a % of the total assets as at 30th September 2023 was 10.39% which is in excess of the Credit Union's Regulatory Reserve requirement of 10%.

In accordance with section 45 of the Credit Union Act 1997 (as amended) Cois Sionna Desmond Credit Union Ltd. put in place an Operational Risk Reserve.

STATEMENT OF CASH FLOWS

for the year ended 30th September 2023

		2023	2022
		€	€
Opening cash and cash equivalents	11	23,343,882	21,794,146
Cash and cash equivalents introduced from transfer of engagements	5	1,374,127	
Cash flows from operating activities			
Other cash assets introduced from transfer of engagements	5	(17,824)	-
Loans introduced on transfer of engagement		(11,378,914)	
Loans repaid	13	17,751,116	14,674,763
Loans granted	13	(20,860,058)	(16,368,409)
Loan interest income	13	3,449,379	2,693,181
Interest paid on members' deposits		-	-
Investment income	6	2,008,462	1,173,235
Investment losses	6	-	(351,918)
Other income		53,493	78,194
SPS Refund		-	732,490
Bad debts recovered		323,113	232,507
Operating expenses		(4,045,569)	(3,182,455)
Movement in other assets		87,076	169,960
Movement in other liabilities		127,279	63,877
Net cash generated from operating activities		<u>(12,502,447)</u>	<u>(84,575)</u>
Cash flows from investing activities			
Investments introduced from transfer of engagements	5	38,609,194	-
Net cash flow from other investing activities		<u>(57,105,686)</u>	<u>(2,127,382)</u>
Net cash used in investing activities		<u>(18,496,492)</u>	<u>(2,127,382)</u>
Cash flows from financing activities			
Members' shares introduced transfer of engagement	5	45,322,600	-
Members' shares received	14	126,583,475	110,626,806
Members' deposits received		1,000	600
Members' current account deposits received	14.1	12,548,394	4,544,041
Members' shares withdrawn	14	(123,202,807)	(107,540,346)
Members' deposits withdrawn		(18,656)	(7,646)
Members' current account withdrawals	14.1	(12,087,543)	(3,861,762)
Net cash generated from financing activities		<u>49,146,463</u>	<u>3,761,693</u>
Net Increase(Decrease) in cash and cash equivalents		<u>18,147,524</u>	<u>1,549,736</u>
Cash and cash equivalents at end of financial year	11	<u><u>42,865,533</u></u>	<u><u>23,343,882</u></u>

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 September 2023

1. LEGAL AND REGULATORY FRAMEWORK

Cois Sionna Desmond Credit Union Ltd. is registered with the Registry of Credit Unions and is regulated by the Central Bank of Ireland. The registered office of the Credit Union is located at Church Street, Askeaton, Co. Limerick.

2. ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have been prepared in accordance with applicable Irish accounting standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and Irish statute comprising of the Credit Union Act, 1997 (as amended). The financial statements have been prepared on the historical cost basis.

The financial statements are presented in Euro (€) which is also the functional currency of the Credit Union.

The following principle accounting policies have been applied;

2.2 Statement of compliance

The financial statements of the Credit Union for the year ended 30th September 2023 have been prepared on the going concern basis and in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102).

2.3 Going concern

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

2.4 Interest on members' loans

Interest on Members' Loans is recognised on the accrual's basis using the effective interest method,

2.5 Investment income

Investment income is recognised on an accrual's basis using the effective interest method. The specific investments held by the Credit Union are accounted for as follows:

Held at amortised cost

Investments designated on initial recognition as held at amortised cost are measured at amortised cost using the effective interest method less impairment. This means that the investment is measured at the amount paid for the investment, minus any repayments of the principal; plus or minus the cumulative amortisation using the effective interest method of any difference between the amount at initial recognition and the maturity amount, minus, in the case of a financial asset, any reduction for impairment or un-collectability.

Central Bank deposits

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

Investments at fair value

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

2.6 Tangible fixed assets and depreciation

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

Freehold Premises	5% Straight Line
Leasehold Premises	4% Straight line
Computer Equipment	20% Straight Line
Fixtures, Fittings and Equipment	15% Straight Line

2.7 Impairment of tangible fixed assets

The carrying values of tangible fixed assets are reviewed when appropriate for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

2.8 Cash and cash equivalents

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

2.9 Financial assets

Loans to members

Loans are financial assets with fixed or determinable payments. Loans are recognised when cash is advanced to members and measured at amortised cost. Loans are de-recognised when the right to receive cash flows from the asset have expired, usually when all amounts outstanding have been repaid by the member.

2.10 Bad debt provision

Allowances for impaired loans represent reserves and/or provisions made during the year less amounts utilised or realised charged against the surplus for the year. Amounts are created after a detailed review of individual loans and groups of loans. Key assumptions underpinning the Credit Union's estimates of collective provisions for

loans with credit risk characteristics, and, Incurred But Not Reported (IBNR) are based on historical experiences of the Credit Union's allied to the Credit Union's judgement of relevant conditions in the wider technological, market, economic or legal environment in which the Credit Union operates. If the loan is impaired, the impairment loss is the difference between the carrying amount of the loan and the present value of the expected cash flows discounted at the asset's original effective interest rate taking account of pledged shares and other security as appropriate. Bad debts in the Credit Union are recognised when there is a reasonable doubt that the full amount of principal will not be collected, or the financial capacity of the borrower has deteriorated such that the recovery of the whole or part of an outstanding loan advanced is in doubt. In all cases where it is impractical to estimate the recoverable amount the carrying amount is reduced to zero.

2.11 Financial liabilities

Members' shares

Members' shares in Cois Sionna Desmond Credit Union Ltd. are redeemable and therefore are classified as financial liabilities. They are recognised at the amount of cash deposited.

2.12 Holiday pay

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Balance Sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Balance Sheet date.

2.13 Pensions

The Credit Union operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the Credit Union. Annual contributions payable to the Credit Union's pension scheme are charged to the Revenue Account in the period to which they relate.

Therefore, no adjustments have been required in this regard in accordance with FRS 102.

The Credit Union has complied with all the necessary requirements under the PRSA scheme obligations.

2.14 Distribution

Cois Sionna Desmond Credit Union Ltd.'s policy is to pay, when appropriate, a reasonable rate of dividend and loan interest rebate subject to covering operating expenses and meeting reserve requirements as set out in the Credit Union's Reserve Management Policy.

2.15 Reserves

Regulatory reserve

The Credit Union Act, (Regulatory Requirements) (Amendment) Regulations 2018 requires Credit Unions to establish and maintain a minimum Regulatory Reserve requirement of at least 10% of the assets of the credit union. This Reserve is to be perpetual in nature, freely available to absorb losses, realised financial reserves that are unrestricted and non-distributable.

Operational risk reserve

Section 45(5)(a) of the Credit Union Act, 1997 (as amended) requires each credit union to maintain an additional reserve that it has assessed is required for operational risk having regard to the nature, scale and complexity of the credit union. Credit Unions are required to maintain a minimum operational risk reserve having due regard for the sophistication of the business model.

General reserve

The General Reserve is the accumulated surpluses to date that have not been declared as dividends returnable to members. If required, investment income that has been recognised but will not be received within 12 months of the balance sheet date is classified as “unrealised” and is not distributable. A reclassification between unrealised and realised is made as investments come to within 12 months of maturity date. All other income is classified as “realised”.

3. CRITICAL ACCOUNTING JUDGEMENT AND ESTIMATES

The preparation of financial statements requires the use of certain accounting estimates. It also requires the Directors to exercise judgement in applying Cois Sionna Desmond Credit Union’ 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 discussed below:

Bad Debts/Impairment losses on loans to members

Loan loss provisioning is monitored by Cois Sionna Desmond Credit Union and the Credit Union assesses and approves its provisions and provision adequacy on a quarterly basis. The Credit Union accounting policy for the impairment of loans is set out in the accounting policies, Note. 2.10.

In assessing loans, the Credit Union carries out a review of loans (with particular emphasis on significant loans) on both an individual basis and on a group basis. The analysis and the summary of these credit risks is set out in note 20.

Operational Risk Reserve

Section 45(5)(a) of the Credit Union Act 1997 (as amended) requires each credit union to maintain an operational risk reserve having regard to the nature, scale and complexity of the Credit Union. The directors have considered the requirements of the Act and have developed an approach to the calculation of the operational risk reserve.

4. GOING CONCERN

The directors have prepared projected accounts and cash flows as part of its strategic plan which demonstrate that there is no material uncertainty regarding the credit union’s ability to meet its liabilities as they fall due and therefore continue as a going concern

5. TRANSFER OF ENGAGEMENTS

In January 2023 Cois Sionna Desmond Credit Union Limited accepted the transfer of engagement of Rathkeale and District Credit Union Limited. The Assets and Liabilities of Rathkeale and District Credit Union at the 20th January 2023 were incorporated into the Balance Sheet of Cois Sionna Desmond Credit Union at this date.

COIS SIONNA DESMOND CREDIT UNION LTD.

Cois Sionna Desmond Credit Union Ltd did not pay any consideration in respect of the transfer of engagement. On the date of transfer, the members of the transferor credit union became members of Cois Sionna Desmond Credit Union Ltd, and thereby became entitled to member interest associated with such membership. In applying the acquisition method of accounting for these business combinations, the members interests transferred by Cois Sionna Desmond Credit Union Ltd represents the consideration transferred for the net assets acquired. This consideration has been estimated as equivalent to the acquisition date fair value of the member interests in Rathkeale and District Credit Union Ltd (the fair value of Rathkeale and District Credit Union Ltd) at the date of transfer, and the net difference is reflected as an adjustment in reserves in the Statement of Changes in Reserves on page 12.

The fair values of the net assets acquired are detailed below:

	2023	
	€	
Tangible fixed assets	627,501	
Assets available for sale	20,000	
Cash on hand and at bank	1,374,127	
Deposits and investments	38,609,194	
Loans	11,378,914	
Debtors and prepayments	175,310	
Provision for bad debts	(926,141)	
Member savings	(45,322,600)	
Other liabilities, creditors, accruals and charges	(193,134)	
	<u>5,743,171</u>	
6. INCOME FROM INVESTMENTS	2023	2022
	€	€
Investment income received	2,008,462	1,173,235
Investment losses	-	(351,918)
	<u>2,008,462</u>	<u>821,317</u>
7. BAD AND DOUBTFUL DEBTS	2023	2022
	€	
Movement in provision for bad and doubtful debts	209,782	126,338
	<u>209,782</u>	<u>126,338</u>

8. RATES OF INTEREST CHARGED ON MEMBERS' LOANS

The rate of interest charged on members' loans during the year by the Credit union varied between 3% p.a. to 12% p.a. (APR 3.97% to 12.69%). This interest is calculated on a reducing balance basis

9. KEY MANAGEMENT PERSONNEL

The directors of Cois Sionna Desmond Credit Union Ltd. are all unpaid volunteers. The management personnel compensation is as follows:

	2023	2022
	€	€
Short term employee benefits	306,489	311,253
Payments to pension scheme	28,431	28,889
	<u>334,920</u>	<u>340,142</u>
Total key management personnel compensation	<u><u>334,920</u></u>	<u><u>340,142</u></u>

10. EMPLOYEES AND REMUNERATION

The staff costs comprise:

	2023	2022
	€	€
Wages and salaries	1,427,034	1,134,049
Pension costs	74,726	61,214
	<u>1,501,760</u>	<u>1,195,263</u>
	<u><u>1,501,760</u></u>	<u><u>1,195,263</u></u>

11. CASH AND CASH EQUIVALENTS

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

	2023	2022
	€	€
Cash and bank balances	7,164,806	4,143,331
Deposits and investments	35,700,727	19,200,551
	<u>42,865,533</u>	<u>23,343,882</u>
	<u><u>42,865,533</u></u>	<u><u>23,343,882</u></u>

Deposits and investments categorised under cash and cash equivalents above are those with maturity of less than or equal to three months. These have been analysed in Note 12.1

12. DEPOSITS AND INVESTMENTS

	2023	2022
	€	€
Deposit and investments - cash equivalents	35,700,727	19,200,551
Accounts in authorised credit institutions (Irish and non-Irish based)	89,677,615	70,308,172
Central Bank deposits	2,397,298	1,341,098
Irish and EEA State Securities	4,428,341	5,228,597
Bank bonds	47,541,578	44,168,332
Other Investment Bonds	3,505,833	3,495,394
	<u>183,251,392</u>	<u>143,742,144</u>

With the exception of the Central Bank deposits and Collective Investment, all of the above deposits and investments, both cash equivalents and others, are held at amortised cost.

12.1 Deposits and investments - cash equivalents

	2023	2022
	€	€
Accounts in authorised credit institutions (Irish and non-Irish based)	35,700,727	18,337,288
Central Bank deposits	-	863,263
Total deposits and investments - cash equivalents	<u>35,700,727</u>	<u>19,200,551</u>

Deposits and investments - other

	2023	2022
	€	€
Accounts in authorised credit institutions (Irish and non-Irish based)	89,677,615	70,308,172
Central Bank deposits	2,397,298	1,341,098
Irish and EEA State Securities	4,428,341	5,228,597
Bank bonds	47,541,578	44,168,332
Collective Investment	-	-
Other Investment Bonds	3,505,833	3,495,394
Total deposits and investments - other	<u>147,550,665</u>	<u>124,541,593</u>

13. MEMBERS' LOANS

	2023	2022
	€	€
Loans to members	50,389,879	35,902,023
Provision for bad and doubtful debts	(6,862,780)	(5,726,857)
	43,527,099	30,175,166

Movement on members loans

	2023	2022
	€	€
As at 1 October	35,902,023	34,208,377
Advanced during the financial year	20,860,058	16,368,409
Repaid during the financial year	(17,751,116)	(14,674,763)
Transfer of Engagement	11,378,914	-
	50,389,879	35,902,023

Gross loans to members

Movement on provision for doubtful debts

	2023	2022
	€	€
Opening provision	5,726,857	5,600,518
Movement in year	209,782	126,339
Transfer of Engagement	926,141	-
	6,862,780	5,726,857

Interest on member's loans

	2023	2022
	€	€
Loan interest received	3,449,379	2,774,860
Less interest on impaired loans	(106,474)	(81,679)
	3,342,905	2,693,181

14. MEMBERS' SHARES

	2023	2022
	€	€
Opening Balance	148,836,716	145,750,256
Shares Deposited	126,583,475	110,626,806
Shares Withdrawn	(123,202,807)	(107,540,346)
Transfer of Engagement	45,322,600	-
Total	197,539,984	148,836,716

14.1 MEMBERS' CURRENT ACCOUNTS

	2023	2022
	€	€
Opening Balance	748,224	65,944
Deposited	12,548,394	4,554,041
Withdrawn	(12,087,543)	(3,861,762)
Total	1,209,075	748,223

	No. of Accounts	Balance on Accounts €
Debit	114	(3,067)
Credit	981	1,212,142
Permitted overdrafts	3	(944)

15. TANGIBLE FIXED ASSETS

	Freehold Premises	Leasehold Premises	Computer Equipment	Fixtures, Fittings and Equipment	Total
	€	€	€	€	€
Cost					
At 1 October 2022	2,131,733	19,046	269,154	591,412	3,011,345
Additions	-	-	-	-	-
Transfer of Engagement	571,320	-	11,021	45,160	627,501
	<u>2,703,053</u>	<u>19,046</u>	<u>280,175</u>	<u>636,572</u>	<u>3,638,846</u>
Depreciation and impairments					
At 1 October 2022	1,299,646	19,046	224,296	567,988	2,110,976
Depreciation for the financial year	101,674	-	23,892	18,570	144,136
	<u>1,401,320</u>	<u>19,046</u>	<u>248,188</u>	<u>586,558</u>	<u>2,255,112</u>
Net book value					
At 30 September 2023	<u>1,301,733</u>	<u>-</u>	<u>31,987</u>	<u>50,014</u>	<u>1,383,734</u>
At 30 September 2022	<u>832,087</u>	<u>-</u>	<u>44,858</u>	<u>23,424</u>	<u>900,369</u>

16. PREPAYMENTS AND ACCRUED INCOME

	2023 €	2022 €
Prepayments	38,188	33,270
Accrued Interest on members loans	140,168	100,410
SPS Refund due	95,649	73,249
	<u>274,005</u>	<u>206,929</u>

17. CREDITORS AND ACCRUALS

	2023 €	2022 €
Creditors and accruals	487,107	359,828

18. CREDIT UNION RESERVES

Regulatory reserve

The Regulatory Reserve of the Credit Union as a percentage of the total assets as at 30th September 2023 was 10.39% (30th September 2022: 10.38%) which is in excess of the Credit Union's Regulatory Reserve requirement of 10%.

Distribution reserve

The Board of Directors has decided to transfer, €408,313 to the Distribution Reserve in relation to the proposed Dividend and Loan Interest Rebate for the year ended 30th September 2023.

Operational risk reserve

Section 45(5)(a) of the Credit Union Act 1997 requires each credit union to maintain an additional reserve that it has assessed is required for operational risk having regard to the nature, scale and complexity of the Credit Union. Credit Unions are required to maintain a minimum operational risk reserve having due regard for the sophistication of the business model. The definition of operational risk is the risk of losses stemming from inadequate or failed internal processes, people and systems or external events. The directors have considered the requirements of the Act and have developed an approach to calculation of the operational risk reserve. The operational risk reserve represents 0.49% of total assets.

General reserve

The General Reserve is the accumulated surpluses to date that have not been declared as dividends returnable to members. If required, investment income that has been recognised but will not be received within 12 months of the balance sheet date is classified as “unrealised” and is not distributable. A reclassification between unrealised and realised is made as investments come to within 12 months of maturity date. All other income is classified as “realised”. The Board of Directors have determined that this reserve is also being designated as available for distribution as dividends and/or loan interest rebate in future years.

Unrealised income reserve

In accordance with the Central Bank guidance note for credit union on matters relating to accounting for investments and distribution policy, income that has been recognised but will not be received within 12 months of the balance sheet date is classified as “unrealised” and is not distributable. The Unrealised Income Reserve relates to SPS Refund of which 10% is retained by ILCU until 2025.

19 FINANCIAL INSTRUMENTS

	2023	2022
	€	€
Financial Assets		
Financial assets measured at amortised cost	233,946,364	178,061,707
	<u>233,946,364</u>	<u>178,061,707</u>
Financial liabilities		
Financial liabilities measured at amortised cost	199,297,854	150,020,977
	<u>199,297,854</u>	<u>150,020,977</u>

Financial assets measured at amortised cost comprise cash and balances at bank, deposits and investments, members' loans less provision for bad debts and accrued income on investments.

Financial liabilities measured at amortised cost comprise member savings, members' deposits, members' current accounts, creditors and accruals.

19.1 ADDITIONAL FINANCIAL INSTRUMENTS AND RISK MANAGEMENT DISCLOSURES

Cois Sionna Desmond Credit Union Ltd. manages its members' shares and loans so that it earns income from the margin between interest receivable and interest payable. The main risks arising from Cois Sionna Desmond Credit Union Ltd.'s activities are credit risk, liquidity risk, lack of loan demand risk, interest rate risk, operational risk, viability risk, market risk and strategy/business risk model risk. The Board of Directors 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 Cois Sionna Desmond Credit Union Ltd., resulting in financial loss to the Credit Union. In order to manage this risk, the Board of Directors approves Cois Sionna Desmond Credit Union Ltd.'s lending policy, and all changes to it. All loan applications are assessed with reference to the lending policy in force at the time. Subsequently loans are regularly reviewed for any factors that may indicate that the likelihood of repayment has changed.

Liquidity risk:

Cois Sionna Desmond Credit Union Ltd.'s policy is to maintain sufficient funds in liquid form at all times to ensure that it can meet its liabilities as they fall due. The objective of the Credit Union's liquidity policy is to smooth the mismatches between maturing assets and liabilities and to provide a degree of protection against any unexpected developments that may arise.

Lack of loan demand risk:

The credit union provides lending products to its members and promotes these products through various marketing initiatives. In recent years, the credit union has significantly increased the resources that it allocates to its marketing function.

Operational risk:

The operational risks of the credit union are 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.

Viability risk:

The credit union; (1) has a strategy as regards growing its loan book in a safe and secure manner; (2) engages investment advisors to ensure that it obtains the best rates of return possible taking into account its prudent approach to managing its investment portfolio; (3) monitors its expenses on an on-going basis and (4) prepares four-year financial projections at least annually.

Market risk:

Market risk is generally comprised of interest rate risk, currency risk and other price risk. Cois Sionna Desmond Credit Union Ltd. conducts all its transactions in Euro and does not deal in derivatives or commodity markets. Therefore, Cois Sionna Desmond Credit Union Ltd. is not exposed to any form of currency risk. The board of directors regularly reviews and approves the credit union's investment policy and funds are invested in compliance with this policy and regulatory guidance

Interest Rate Risk

The main interest rate risks arise from differences between interest rate exposure on receivables and on amounts payable which form an integral part of the Credit Union's Day to day operations. Before making decisions in regard to dividends and loan interest rebates, the Credit Union takes account of the rates it is earning on its investments.

The following are the average interest rates applicable to the relevant financial assets and financial liabilities:

	2023	Average interest rate %	2022	Average interest rate %
Gross loans to members	50,389,879	7.84%	35,902,023	7.73%
Deposits and investments	183,251,392	1.09%	143,742,144	0.57%

The dividend payable is at the discretion of the directors and is therefore not a financial liability of the credit union until declared and approved at the AGM.

Strategy/business model risk:

The credit union prepares and/or reviews its strategic plan and its strategic implementation plan as least annually and the board of directors monitors this plan on an on-going basis for subsequent implementation.

Liquidity Risk Disclosures

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

Market Risk Disclosure

The Credit Union holds nineteen investment products (nominal value of €26,500,000) which are deemed complex. The terms of investment do not allow for early encashment and the products are not actively traded on a market. These investments are being held to maturity (using Amortised Cost) at which point the capital is 100% guaranteed. The product issuers have provided indicative valuations at or in excess of the nominal or carrying cost hence the basis upon which the Credit Union has determined it is appropriate to hold these investments at amortised cost.

20 CREDIT RISK DISCLOSURES

The Credit Union complies with Section 12 of the Credit Union Act, 1997 (Regulatory Requirements) (Amendment) Regulations 2018. This Regulation:

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

The carrying amount of the loans to members represents Cois Sionna Desmond Credit Union Ltd.'s maximum exposure to credit risk. The following 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.

20.1 CREDIT RISK DISCLOSURES (Continued)

	2023 €	2023 %	2022 €	2022 %
Gross loans not impaired				
Not past due	42,147,907	83.64	30,554,778	85.11
Gross loans individually impaired				
Not past due	297,548	0.59	299,707	0.83
Up to 9 weeks past due	5,606,031	11.13	3,563,233	9.92
Between 10 and 18 weeks past due	378,786	0.75	272,582	0.76
Between 19 and 26 weeks past due	354,739	0.70	191,335	0.53
Between 27 and 39 weeks past due	254,013	0.50	210,857	0.59
Between 40 and 52 weeks past due	401,925	0.80	179,609	0.50
53 or more weeks past due	948,930	1.88	629,922	1.75
Total	8,241,972	16.36	5,347,245	14.89
Total gross loans	50,389,879	100.00	35,902,023	100.00
Impairment allowance				
Individually significant loans	199,760	2.91	205,155	2.27
Collectively assessed loans	6,370,619	92.83	5,273,875	92.72
Other impaired loans	292,401	4.26	247,827	5.01
Total Provision	6,862,780	100.00	5,726,857	100.00

21. DIVIDENDS AND LOAN INTEREST REBATE AS PAID

No distributions were made during the year.

22. PROPOSED DIVIDENDS AND LOAN INTEREST REBATE

At the year-end the Directors have allocated the amount of €408,313 to the Distribution Reserve which may be returned to the members by way of dividend and a loan interest rebate by way of resolution by a majority of the members at the annual general meeting. The proposed distribution is as follows:

	2023 %	2023 €	2022 %	2022 €
Dividends on shares	0.15%	269,420	-	-
Loan interest rebate	7.5%	138,893	-	-
		408,313		-

23. PENSION SCHEME

Pension benefits for employees are met by payments to defined contribution pension schemes, operated by major life assurances companies. Contributions to such schemes are charged to the Income and Expenditure Account in the year in which they fall due.

The Credit Union has complied with all necessary requirements under the PRSA scheme obligations.

24. RELATED PARTY TRANSACTIONS

The Related Party Loans stated below comprise of the loans to members of the Board of Directors, the Management Team and members of the family of a member of the Board of Directors and the Management Team of Cois Sionna Desmond Credit Union Ltd. Related parties have been identified in line with the definition in the Credit Union Act, (Regulatory Requirements) (Amendment) Regulations 2018.

	No. of loans	2023 €
Loans advanced to Related Parties during the year	4	71,100
Total loans outstanding to Related Parties at the financial year end	7	<u>80,403</u>

Loans to related parties represent 0.084% of total loans outstanding at the 30th September 2023. Total Provision against related party loans is €8,144 (2022 - €5,808). There was an increase of €2,336 on the provision during the year.

As at 30th September 2023, there were no loans to related parties more than 90 days in arrears. The provision of €8,144 as at 30th September 2023 relates to standard provisioning levels required under the Cois Sionna Desmond Credit Union's Bad Debt Provisioning Policy.

25. INSURANCE AGAINST FRAUD

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

26. CAPITAL COMMITMENTS

No material capital expenditure is envisaged by the directors in the foreseeable future.

27. POST-BALANCE SHEET EVENTS

In October 2023, the Credit Union agreed the sale of an asset held for sale. There was no material difference in net proceeds from the sale and the carrying value of the asset on the balance sheet at 30th September 2023

28. CONTINGENT LIABILITIES

No contingent liabilities existed at year ended 30th September 2023.

29. NON AUDIT SERVICES

During the year, the auditor provided assistance to the Credit Union with regard to information requests and confirmations received from the Registry of Credit Unions (Central Bank of Ireland).

30. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved, and authorised for issue, by the Board of Directors on 2nd November 2023.

SCHEDULES TO THE INCOME & EXPENDITURE ACCOUNT

for the financial year ended 2023

Schedule 1 - Interest on Loans

Interest on Loans

Interest on members' loans

Interest on impaired members' loans

2023 €	2022 €
3,342,905	2,693,181
106,474	81,679
<u>3,449,379</u>	<u>2,774,860</u>

Schedule 2 - Investment Income

Investment Income

Investment income received/receivable within one year

Investment losses

2023 €	2022 €
2,008,462	1,173,235
-	(351,918)
<u>2,008,462</u>	<u>821,317</u>

Schedule 3 - Other Income

Other Income

Commission

ECCU Refund

Other Income

MYCU Fee Income

2023 €	2022 €
23,011	20,156
-	42,381
5,620	5,620
24,862	10,037

SPS Refund

53,493	78,194
-	732,490
<u>53,493</u>	<u>810,684</u>

Schedule 4 - Other Management Expenses

Other Management Expenses

Training and staff recruitment costs

Rent and rates payable

General insurance

Share and loan insurance

Death Benefit Insurance

Bad Debts Written Off

Security

Light, heating and cleaning

Repairs and renewals

Computer and equipment maintenance

Printing and stationery

Promotion & Advertising

Telephone and postage

AGM expenses

Travelling and subsistence

Legal & Professional

Audit fees

Bank interest and charges

Miscellaneous expenses

Debt Collection

Donations & Sponsorship

Affiliation fees

SPS Contributions

MYCU Fees & Charges

Regulation levy

2023 €	2022 €
15,768	13,580
24,836	17,621
79,438	63,539
333,360	276,324
145,808	142,993
152,977	93,215
38,265	30,464
166,733	66,573
58,481	47,309
350,697	282,419
72,548	38,601
134,034	119,535
24,746	17,786
68,804	33,440
27,117	20,522
167,479	170,709
27,290	28,290
72,446	96,101
16,159	11,233
36,720	27,858
27,634	51,929
49,597	47,803
17,255	11,715
82,288	43,475
353,331	315,837

<u>2,543,811</u>	<u>2,068,871</u>
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Deposit Guarantee Scheme – Depositor Information Sheet

Basic information about the protection of your eligible deposits

Eligible deposits in Cois Sionna Desmond Credit Union Limited are protected by:	the Deposit Guarantee Scheme (“DGS”) ⁽¹⁾
Limit of protection:	€100,000 per depositor per credit institution ⁽²⁾
If you have more eligible deposits at the same credit institution:	All your eligible deposits at the same credit institution are ‘aggregated’ and the total is subject to the limit of €100,000 ⁽²⁾
If you have a joint account with other person(s):	The limit of €100,000 applies to each depositor separately ⁽³⁾
Reimbursement period in case of credit institution’s failure:	Within 10 working days until 31st December 2023 and within 7 days from 1 January 2024 onwards ⁽⁴⁾
Currency of reimbursement:	Euro or, for branches of Irish banks operating in another member state of the EEA, the currency of that member state.
To contact Cois Sionna Desmond Credit Union Limited for enquiries relating to your account:	Cois Sionna Desmond Credit Union Ltd., Church Street, Askeaton, Co Limerick Tel: (061) 392237 e-mail: info@csdcu.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: 1890-777777 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:
- certain transactions relating to the purchase, sale or equity release by the depositor in relation to a private residential property;
 - sums paid to the depositor in respect of insurance benefits, personal injuries, disability and incapacity benefits, wrongful conviction, unfair dismissal, redundancy, and retirement benefits;
 - the depositor’s marriage, judicial separation, dissolution of civil partnership, and divorce;
 - 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: 1890-777777. Email: info@depositguarantee.ie. Website: www.depositguarantee.ie.
It will repay your eligible deposits (up to €100,000) within 15 working days from 1 January 2019 until 31 December 2020; within 10 working days from 1 January 2021 to 31 December 2023; and 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 responsible 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.

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The Board of Directors and Staff of Cois Sionna Desmond Credit Union welcomes our new CEO Declan Benson and wish him every success in guiding the credit union in the next phase of development.

Cois Sionna Desmond Credit Union Staff 2023

