



ANNUAL REPORT

ACCOUNTS & NOTICE OF AGM 2024

DATE: MONDAY DECEMBER 9TH 2024

VENUE: VIRTUAL MEETING @ 7PM



061-392237



memberservices@cscdcu.ie



www.cscdcu.ie

COIS SIONNA DESMOND CREDIT UNION LTD.

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, 9th December, 2024 at 7.00 p.m.

Notice of Elections

- Elections will be held to fill the following vacancies:-
- 4 vacancies on the Board of Directors
- 1 vacancy on the Board Oversight
- Position of Auditor

Mary O'Malley, 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 4.**

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 2023 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



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

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). 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

- 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 twenty (20) 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:
 - nominations for auditor
 - nominations for members of the board oversight committee
 - 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

- 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.
- The Chairman's decision on any matter relating to these Standing Orders or interpretation of same shall be final.

5 - 9 Miscellaneous

- 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.
- The Chairman 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 Chairman. At a virtual AGM in the current circumstances, this may not be practical, however, the option may be invoked if required.
- 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)).
- 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.

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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 2024 Annual General Meeting of the members of Cois Sionna Desmond Credit Union Limited will take place via Zoom Webinar on Monday, 9th December, 2024 at 7.00 p.m.

Members wishing to attend the Virtual AGM need to apply via email to agm@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 5th December 2024
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 agm@csdcu.ie. This request must be received by close of business on Thursday, 5th December 2024. Following the request for invitation, the member will receive an invitation by email to join the meeting on Monday 9th 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 2024

On behalf of the Board of Directors, I would like to welcome everyone to the 2024 AGM and to present the 5th 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.

In 2024, we have seen a strong performance for the Irish economy, with lower interest rates and the inflation rate decreasing to near normal levels. These factors combined, has resulted in a very successful year both financially and operationally for the credit union.

Cois Sionna Desmond Credit Union is in a very strong financial position with our members' savings and deposits now standing at €201.6M and with a loan book of €55.4M. Cois Sionna Desmond Credit Union has €191.7M of deposits and investments with total reserves of €38.5M (15.9% of assets) not including the provision for bad and doubtful debts at €6.6M (12% of loans). The Board were prudent in writing down €264,117 this year while bad debts of €289,415 were recovered.

Dividend and interest rebate

On the basis of a surplus of €2,620,225 before transfers to reserves the Board is recommending to this AGM that the surplus be distributed as follows:

A dividend of 0.25% or €487,230 and an Interest rebate of 15% or €295,095.
The remaining balance of €1,837,900 will be allocated to Reserves.

Following a number of years of consolidating our reserves the board recommends the distribution of 30% (2023: 29%) of the surplus back to our members while also maintaining and building adequate levels of reserves.

CSDCU also 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.

The former Rathkeale & District Credit Union is now fully integrated with the policies and systems of CSDCU. The enlarged credit union has allowed for a significant investment in our IT infrastructure which has strengthened our risk management framework, enhanced our online banking functionality and introduced a lending decision support tool, to speed up the loan process. We are planning a new and innovative payments app suitable for members aged between 8 – 16 which will be available early next year. With our partners in PAYAC, we are also currently developing an instant payments system which will be available in early 2025, as we continually look to expanding the services to our members to meet all their banking needs.

This year, we have seen a substantial increase in our loan book and interest earned from our investments has recovered. There continues to be substantial risks to our business from cyber threats, continuing wars in Ukraine and the Middle East and the uncertainty regarding

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the outcome of the elections in the United States. However, the prudent management of our reserves over many years will allow the credit union to deal with any issues which may arise.

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

Operational Resilience

Work on the Operational Resilience framework is now complete and any gaps in operations which were identified are being addressed. A programme has been drafted that will continuously test and seek to improve the resilience of the credit union operation.

Environmental Social Governance (ESG)

The climate and environmental committee commissioned an Energy Audit on all buildings. Arising from this report, a scope of works for the buildings is now being considered by the Board.

Lending

CSDCU is actively lending and open for business. We offer personal loans for car finance, holidays, college fees, home improvements and renovations.

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 is very flexible and is offered at a rate that is very competitive when compared against market alternatives.

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. We are like a bank, but we are different in that we put people first and it's a member led service.

Current Accounts

CSDCU offer full personal current 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.

COIS SIONNA DESMOND CREDIT UNION LTD.

We would like to thank Pat Power who is retiring from the Board for his contribution during his 17 years of service to the credit union. Also, to Padraig Smyth 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. We extend our sincere sympathy to their families and friends.

Ar dheis Dé go raibh a n-anamacha

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.

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 2025.

Thank you.

Michael McMahon, Chairman

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

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.

COIS SIONNA DESMOND CREDIT UNION LTD.

Directors

Anthony Prendiville
Elizabeth Blackwell
Maria Moran
Michael McMahon (Chairperson)
Pat Power
Tony Nunan
Patrick Dooley
Mary O'Malley
Nora Fitzgerald
Patrick Magner
Michael Stackpoole

Board Oversight Committee Members

Mary Barry
Padraig Smith
Ted Behan
Catherine Brassill
Noreen Stokes

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

The directors present their report and the audited financial statements for the year ended 30 September 2024.

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. 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 €487,230 at the rate of 0.25% (2023: €269,420).

The directors propose an interest rebate of €295,095 at the rate of 15% (2023: €138,893).

Directors and Board Oversight Committee Members

The current directors and board oversight committee members are as set out on page 8.

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:

Michael McMahon
Maria Moran
Patrick Dooley

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

Pat Power

In accordance with Section 76(N) of the Credit Union Act, 1997 (as amended) the following retire from the Board Oversight Committee and does not offer himself for re-election to the Board Oversight Committee: -

Padraig Smith

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.

COIS SIONNA DESMOND CREDIT UNION LTD.

Post Balance Sheet Events

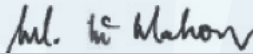
There have been no significant events affecting the Credit Union since the financial year-end.

Auditors

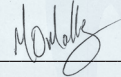
The board have undertaken a competitive tendering process to fill the role of external auditors. After reviewing the relevant submissions, the board have nominated Grant Thornton for the position of statutory auditor which is to be ratified by the members at the Annual General Meeting.

Approved on behalf of the Credit Union Board

Member of the Board of Directors



Member of the Board of Directors



Date **22nd October 2024**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

for the financial year ended 30 September 2024

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.

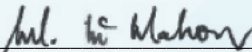
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Credit Union and to enable them to ensure that the financial statements are prepared in accordance with applicable Irish law and Generally Accepted Accounting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



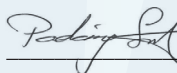
Date: 22nd October 2024

STATEMENT OF BOARD OVERSIGHT COMMITTEE'S RESPONSIBILITIES

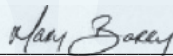
The Credit Union Acts 1997, as amended require the appointment of a Board Oversight Committee to assess whether the board of directors has operated in accordance with Part IV, Part IV (a) and any regulations made for the purposes of Part IV or Part IV(a) of the Credit Union Act, 1997 (as amended) and 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: 22nd October 2024

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 2024 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 2024 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 12, 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.

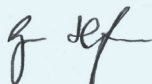
Auditor's responsibilities for the audit of the financial statements

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: 30th October 2024

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 2024

		2024 €	2023 €
Income			
Interest on members' loans	1	3,788,088	3,342,905
Investment income	2	2,926,780	2,008,462
		<hr/>	<hr/>
Net interest income		6,714,868	5,351,367
Other income	3	73,262	53,493
		<hr/>	<hr/>
Total income		<u>6,788,130</u>	<u>5,404,860</u>
Expenditure			
Employment costs		1,749,872	1,501,760
Other management expenses	4	2,914,004	2,543,811
Interest on impaired loans	1	(124,863)	(106,474)
Depreciation		144,765	144,136
Movement in Bad Debt Provision		(226,458)	209,782
Bad Debts Recovered		(289,415)	(323,113)
		<hr/>	<hr/>
Total expenditure		<u>4,167,905</u>	<u>3,969,902</u>
		<hr/>	<hr/>
Surplus of income over expenditure		2,620,225	1,434,958
Other comprehensive income		-	-
		<hr/>	<hr/>
Total comprehensive income		<u>2,620,225</u>	<u>1,434,958</u>

The financial statements were approved and authorised for issue by the Board on 22nd October 2024 and signed on its behalf by;

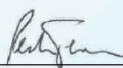
On behalf of the Credit Union

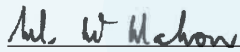
Chief Executive Officer:

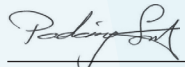
Member Board of Directors

Member Board Oversight Committee

Date: 22nd October 2024







COIS SIONNA DESMOND CREDIT UNION LTD.

BALANCE SHEET

as at 30th September 2024

	Notes	2024 €	2023 €
Assets			
Cash and balances at bank	10	8,337,170	7,164,806
Deposits and investments - cash equivalents	10	35,360,204	35,700,727
Deposits and investments - other	11.1	148,032,878	147,550,665
Loans to members	12	55,404,366	50,389,879
Provision for bad debts	12	(6,636,322)	(6,862,780)
Overdrawn Members current accounts	13.1	6,075	3,067
	19	240,504,371	233,946,364
Other Assets			
Tangible fixed assets	14	1,206,109	1,383,734
Assets held for sale	14	120,000	20,000
Prepayments and accrued income	16	342,285	274,005
Investment in associate undertaking	15	40,000	-
Total Assets		242,212,765	235,624,103
Liabilities			
Members' deposits		-	58,714
Members' shares	13	201,627,806	197,539,984
Members' current accounts	13.1	1,497,960	1,212,142
Creditors and accruals	17	544,792	487,107
Total Liabilities	19	203,670,558	199,297,947
Net Assets		38,542,207	36,326,156
Members' Resources			
Regulatory reserve	18	24,967,049	24,467,049
Distribution reserve	18	782,325	408,313
Operational risk reserve	18	1,254,417	1,172,681
Unrealised income reserve	18	95,649	95,649
General reserve	18	11,442,767	10,182,464
Total Members' Resources		38,542,207	36,326,156

The financial statements were approved, and authorised by the Board on 22nd October 2024 and signed on its behalf by

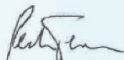
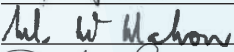
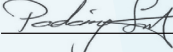
On behalf of the Credit Union

Chief Executive Officer:

Member Board Of Directors

Member Board Oversight Committee

Date: 22nd October 2024

Cois Sionna Desmond Credit Union Ltd.

STATEMENT OF CHANGES IN RESERVES

for the financial year ended 30 September 2024

	Regulatory reserve	Distribution reserve	Operational risk reserve	Unrealised income reserve	General reserve	Total
	€	€	€	€	€	€
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
At 1 October 2023	24,467,049	408,313	1,172,681	95,649	10,182,464	36,326,156
Dividends paid during the financial year	-	(265,508)	-	-	-	(265,508)
Loan interest rebate paid during the financial year	-	(138,666)	-	-	-	(138,666)
Surplus allocation in financial year	500,000	782,325	-	-	1,337,900	2,620,225
Other movement in reserves	-	(4,139)	81,736	-	(77,597)	-
At 30 September 2024	24,967,049	782,325	1,254,417	95,649	11,442,767	38,542,207

The Regulatory Reserve of the Credit Union as a % of the total assets as at 30th September 2024 was 10.31% 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 2024

		2024	2023
		€	€
Opening cash and cash equivalents	10	42,865,533	23,343,882
Cash and cash equivalents introduced from transfer of engagements		-	1,374,127
Cash flows from operating activities			
Other cash assets introduced from transfer of engagements		-	(17,824)
Loans introduced on transfer of engagement		-	(11,378,914)
Loans repaid	12	19,705,928	17,751,116
Loans granted	12	(24,720,415)	(20,860,058)
Loan interest income	12	3,912,951	3,449,379
Investment income	5	2,926,780	2,008,462
Other income		73,262	53,493
Bad debts recovered		289,415	323,113
Dividends paid	21	(265,508)	-
Loan interest rebate paid	21	(138,666)	-
Operating expenses		(4,663,876)	(4,045,569)
Movement in other assets		(88,280)	87,076
Movement in other liabilities		57,685	127,279
Net cash generated from operating activities		(2,910,724)	(12,502,447)
Cash flows from investing activities			
Investments introduced from transfer of engagements		-	38,609,194
Purchase of tangible fixed assets		(87,140)	-
Net cash flow from other investing activities		(87,140)	(57,105,686)
Net cash used in investing activities		(569,353)	(18,496,492)
Cash flows from financing activities			
Members' shares introduced transfer of engagement		-	45,322,600
Members' shares received	13	142,191,707	126,583,475
Members' deposits received		1,962	1,000
Members' current account deposits received	13.1	17,091,502	12,548,394
Members' shares withdrawn	13	(138,103,885)	(123,202,807)
Members' deposits withdrawn		(60,676)	(18,656)
Members' current account withdrawals	13.1	(16,808,692)	(12,087,543)
Net cash generated from financing activities		4,311,918	49,146,463
Net Increase(Decrease) in cash and cash equivalents		831,841	18,147,524
Cash and cash equivalents at end of financial year	10	43,697,374	42,865,533

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 September 2024

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 2024 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 designated on initial recognition as non basic are recognised at fair value. They are subsequently measured at fair value (market value) at the financial year-end date and all gains and losses are taken to the income and expenditure account. Where there is no active market, these assets will be carried at amortised 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. INCOME FROM INVESTMENTS	2024	2023
	€	€
Investment income received/receivable	2,926,780	2,008,462
	<u>2,926,780</u>	<u>2,008,462</u>
6. BAD AND DOUBTFUL DEBTS	2024	2023
	€	€
Movement in provision for bad and doubtful debts	(226,458)	209,782
	<u>(226,458)</u>	<u>209,782</u>

COIS SIONNA DESMOND CREDIT UNION LTD.

7. RATES OF INTEREST CHARGED ON MEMBERS' LOANS

The rate of interest charged on members' loans during the year by the Credit union varied between 2% p.a. to 12% p.a. (APR 2.02% to 12.69%). This interest is calculated on a reducing balance basis

8. KEY MANAGEMENT PERSONNEL

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

	2024	2023
	€	€
Short term employee benefits	291,781	306,489
Payments to pension scheme	34,641	28,431
Total key management personnel compensation	<u>326,422</u>	<u>334,920</u>

9. EMPLOYEES AND REMUNERATION

The staff costs comprise:

	2024	2023
	€	€
Wages and salaries	1,649,140	1,427,034
Pension costs	100,732	74,726
	<u>1,749,872</u>	<u>1,501,760</u>

10. CASH AND CASH EQUIVALENTS

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

	2024	2023
	€	€
Cash and bank balances	8,337,170	7,164,806
Deposits and investments	35,360,204	35,700,727
	<u>43,697,374</u>	<u>42,865,533</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 11.1.

COIS SIONNA DESMOND CREDIT UNION LTD.

11. DEPOSITS AND INVESTMENTS

	2024	2023
	€	€
Deposit and investments - cash equivalents	35,360,204	35,700,727
Accounts in authorised credit institutions (Irish and non-Irish based)	89,964,447	89,677,615
Central Bank deposits	2,397,298	2,397,298
Irish and EEA State Securities	4,436,377	4,428,341
Bank bonds	47,718,278	47,541,578
Other Investment Bonds	3,516,478	3,505,833
	<u>183,393,082</u>	<u>183,251,392</u>

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

	2024	2023
	€	€
11.1 Deposits and investments - cash equivalents		
Accounts in authorised credit institutions (Irish and non-Irish based)	35,360,204	35,700,727
Central Bank deposits	-	-
	<u>35,360,204</u>	<u>35,700,727</u>
Total deposits and investments - cash equivalents	<u>35,360,204</u>	<u>35,700,727</u>

	2024	2023
	€	€
Deposits and investments - other		
Accounts in authorised credit institutions (Irish and non-Irish based)	89,964,447	89,677,615
Central Bank deposits	2,397,298	2,397,298
Irish and EEA State Securities	4,436,377	4,428,341
Bank bonds	47,718,278	47,541,578
Other Investment Bonds	3,516,478	3,505,833
	<u>148,032,878</u>	<u>147,550,665</u>
Total deposits and investments - other	<u>148,032,878</u>	<u>147,550,665</u>

COIS SIONNA DESMOND CREDIT UNION LTD.

12. MEMBERS' LOANS

	2024	2023
	€	€
Loans to members	55,404,366	50,389,879
Provision for bad and doubtful debts	(6,636,322)	(6,862,780)
	<u>48,768,044</u>	<u>43,527,099</u>
Movement on members loans	2024	2023
	€	€
As at 1 October	50,389,879	35,902,023
Advanced during the financial year	24,720,415	20,860,058
Repaid during the financial year	(19,705,928)	(17,751,116)
Transfer of Engagement	-	11,378,914
	<u>55,404,366</u>	<u>50,389,879</u>
Gross loans to members		
Movement on provision for doubtful debts	2024	2023
	€	€
Opening provision	6,862,780	5,726,857
Movement in year	(226,458)	209,782
Transfer of Engagement	-	926,141
	<u>6,636,322</u>	<u>6,862,780</u>
Closing balance		
Interest on member's loans	2024	2023
	€	€
Loan interest received	3,912,951	3,449,379
Less interest on impaired loans	(124,863)	(106,474)
	<u>3,788,088</u>	<u>3,342,905</u>

13. MEMBERS' SHARES

	2024	2023
	€	€
Opening Balance	197,539,984	148,836,716
Shares Deposited	142,191,707	126,583,475
Shares Withdrawn	(138,103,885)	(123,202,807)
Transfer of Engagement	-	45,322,600
Total	<u>201,627,806</u>	<u>197,539,984</u>

13.1 MEMBERS' CURRENT ACCOUNTS

	2024	2023
	€	€
Opening Balance	1,209,075	748,224
Deposited	17,091,502	12,548,394
Withdrawn	(16,808,692)	(12,087,543)
Total	<u>1,491,885</u>	<u>1,209,075</u>
	No. of Accounts	Balance on Accounts €
Debit	111	(6,075)
Credit	976	1,497,960
Permitted overdrafts	15	8,550

COIS SIONNA DESMOND CREDIT UNION LTD.

14. TANGIBLE FIXED ASSETS

	Freehold Premises	Leasehold Premises	Computer Equipment	Fixtures, Fittings and Equipment	Total
	€	€	€	€	€
Cost					
At 1 October 2023	2,703,053	19,046	280,175	636,572	3,638,846
Additions	-	-	67,066	20,074	87,140
Transfer to Assets held for sale	(150,000)	-	-	-	(150,000)
At 30 September 2024	2,553,053	19,046	347,241	656,646	3,575,986
Depreciation and impairments					
At 1 October 2023	1,401,320	19,046	248,188	586,558	2,255,112
Depreciation for the financial year	97,233	-	28,377	19,155	144,765
Transfer to Assets held for sale	(30,000)	-	-	-	(30,000)
At 30 September 2024	1,468,553	19,046	276,565	605,713	2,369,877
Net book value					
At 30 September 2024	1,084,500	-	70,676	50,933	1,206,109
At 30 September 2023	1,301,733	-	31,987	50,014	1,383,734

A property has been transferred from Tangible Fixed Assets to Assets Available for Sale. The book cost of the assets was €150,000 and the accumulated depreciation to date was €30,000.

15. Equity Investment

	2024	2023
	€	€
Cost		
At 1 October 2023	-	-
Initial investment	40,000	-
At 30 September 2024	40,000	-
Accumulated impairment		
At 30 September 2024	-	-
Net book value		
At 30 September 2024	40,000	-

The equity investment represents an investment made by the Credit union in CU Mortgage Service Designated Activity Company, a company with registered number 755686 and having its registered office a 5 High Street, Dublin 8, D08 X7T1.

16. PREPAYMENTS AND ACCRUED INCOME

	2024	2023
	€	€
Prepayments	99,803	38,188
Accrued Interest on members loans	146,833	140,168
SPS Refund due	95,649	95,649
	342,285	274,005

COIS SIONNA DESMOND CREDIT UNION LTD.

17. CREDITORS AND ACCRUALS

	2024	2023
	€	€
Creditors and accruals	544,792	487,107

18. CREDIT UNION RESERVES

Regulatory reserve

The Regulatory Reserve of the Credit Union as a percentage of the total assets as at 30th September 2024 was 10.31% (30th September 2023: 10.39%) which is in excess of the Credit Union's Regulatory Reserve requirement of 10%.

Distribution reserve

The Board of Directors has decided to transfer, €782,325 to the Distribution Reserve in relation to the proposed Dividend and Loan Interest Rebate for the year ended 30th September 2024.

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 0.52% 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 December 2025.

19. FINANCIAL INSTRUMENTS

	2024	2023
	€	€
Financial Assets		
Financial assets measured at amortised cost	240,504,371	233,946,364
	240,504,371	233,946,364
Financial liabilities		
Financial liabilities measured at amortised cost	203,670,558	199,297,854

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:

	2024	Average interest rate %	2023	Average interest rate %
Gross loans to members	55,404,366	7.71%	50,389,879	7.84%
Deposits and investments	183,393,082	1.59%	183,251,392	1.09%

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 fourteen investment products (nominal value of €22,343,000) 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.

COIS SIONNA DESMOND CREDIT UNION LTD.

20.1 CREDIT RISK DISCLOSURES (Continued)

	2024 €	2024 %	2023 €	2023 %
Gross loans not impaired				
Not past due	48,604,775	87.73	42,147,907	83.64
Gross loans individually impaired				
Not past due	250,753	0.45	297,548	0.59
Up to 9 weeks past due	4,346,080	7.84	5,606,031	11.13
Between 10 and 18 weeks past due	427,562	0.77	378,786	0.75
Between 19 and 26 weeks past due	222,861	0.40	354,739	0.70
Between 27 and 39 weeks past due	209,184	0.38	254,013	0.50
Between 40 and 52 weeks past due	213,960	0.39	401,925	0.80
53 or more weeks past due	1,129,191	2.04	948,930	1.88
Total	6,799,591	12.27	8,241,972	16.36
Total gross loans	55,404,366	100.00	50,389,879	100.00
Impairment allowance				
Individually significant loans	971,311	14.64	199,760	2.91
Collectively assessed loans	5,423,174	81.72	6,370,619	92.83
Other impaired loans	241,837	3.64	292,401	4.26
Total Provision	6,636,322	100.00	6,862,780	100.00

21. DIVIDENDS AND LOAN INTEREST REBATE AS PAID

The following distributions were made during the year:

	2024 %	2024 €	2023 %	2023 €
Dividends on shares	0.15%	265,508	-	-
Loan interest rebate	7.5%	138,666	-	-
		404,174		-

22. PROPOSED DIVIDENDS AND LOAN INTEREST REBATE

At the year-end the Directors have allocated the amount of €782,325 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:

	2024 %	2024 €	2023 %	2023 €
Dividends on shares	0.25%	487,230	0.15%	269,420
Loan interest rebate	15%	295,095	7.5%	138,893
		782,325		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	2024 €
Loans advanced to Related Parties during the year	5	122,455
Total loans outstanding to Related Parties at the financial year end	11	<u>215,465</u>

Loans to related parties represent 0.39% of total loans outstanding at the 30th September 2024. Total Provision against related party loans is €21,234 (2023 - €8,144). There was an increase of €13,090 on the provision during the year.

As at 30th September 2024, there were no loans to related parties more than 90 days in arrears. The provision of €21,234 as at 30th September 2024 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

There were no post events which would require disclosure in the financial statements.

28. CONTINGENT LIABILITIES

No contingent liabilities existed at year ended 30th September 2024.

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 22nd October 2024

SCHEDULES TO THE INCOME & EXPENDITURE ACCOUNT

for the financial year ended 2024

Schedule 1 - Interest on Loans

	2024 €	2023 €
Interest on Loans		
Interest on members' loans	3,788,088	3,342,905
Interest on impaired members' loans	124,863	106,474
	<u>3,912,951</u>	<u>3,449,379</u>

Schedule 2 - Investment Income

	2024 €	2023 €
Investment Income		
Investment income received/receivable within one year	2,926,780	2,008,462
Investment losses	-	-
	<u>2,926,780</u>	<u>2,008,462</u>

Schedule 3 - Other Income

	2024 €	2023 €
Other Income		
Commission	26,788	23,011
ECCU Refund	-	-
Other Income	5,621	5,620
MYCU Fee Income	40,853	24,862
	<u>73,262</u>	<u>53,493</u>

Schedule 4 - Other Management Expenses

	2024 €	2023 €
Other Management Expenses		
Training and staff recruitment costs	26,558	15,768
Rent and rates payable	13,526	24,836
General insurance	82,858	79,438
Share and loan insurance	348,084	333,360
Death Benefit Insurance	167,663	145,808
Bad Debts Written Off	264,117	152,977
Security	50,462	38,265
Light, heating and cleaning	78,711	166,733
Repairs and renewals	50,104	58,481
Computer and equipment maintenance	442,172	350,697
Printing and stationery	53,274	72,548
Promotion & Advertising	152,912	134,034
Telephone and postage	21,338	24,746
AGM expenses	53,003	68,804
Travelling and subsistence	25,032	27,117
Legal & Professional	253,285	167,479
Audit fees	30,135	27,290
Bank interest and charges	90,520	72,446
Miscellaneous expenses	37,981	16,159
Debt Collection	32,436	36,720
Donations & Sponsorship	48,852	27,634
Affiliation fees	50,000	49,597
SPS Contributions	18,199	17,255
MYCU Fees & Charges	96,923	82,288
Regulation levy	425,859	353,331
	<u>2,914,004</u>	<u>2,543,811</u>

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 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@cscdu.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:

- (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: 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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Warning: If you do not meet the repayments on your loan, your account will go into arrears. This may affect your credit rating, which may limit your ability to access credit in the future. T&C's Apply. All loans are subject to approval. Cois Sionna Desmond Credit Union Limited is regulated by the Central Bank of Ireland.