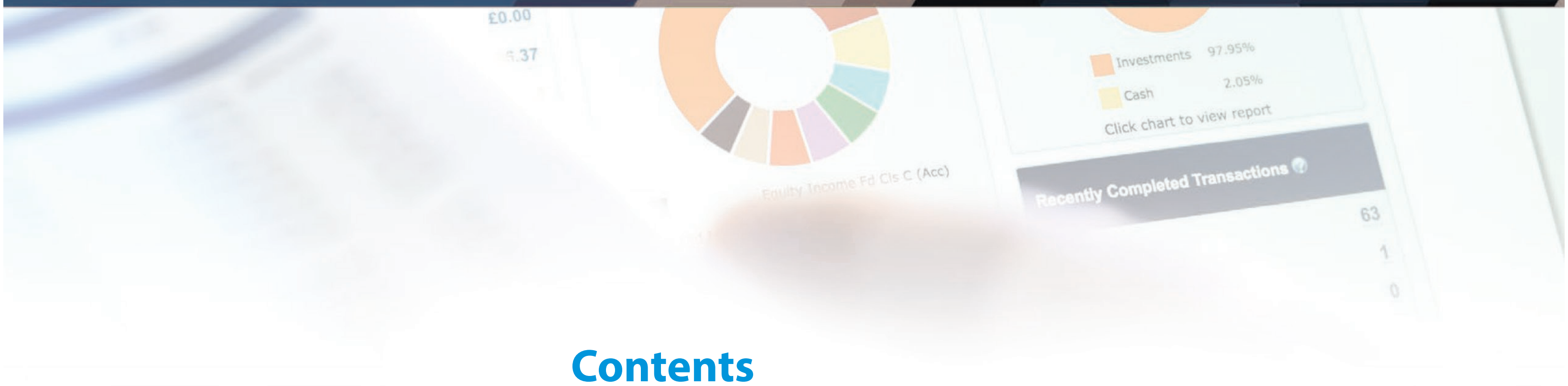
ST PAUL'S
Garda Credit Union Ltd.

ANNUAL REPORT & ACCOUNTS 2023

Your Nationwide Credit Union

www.stpaulscu.ie

St. Paul's Garda Credit Union Limited is regulated by the Central Bank of Ireland.



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St. Paul's Garda Credit Union Limited

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Email: enquiries@stpaulscu.ie
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ST. PAUL'S GARDA CREDIT UNION LIMITED
ANNUAL GENERAL MEETING (AGM)

The 2023 Annual General Meeting of St. Paul's Garda Credit Union Ltd. will take place via Zoom Webinar on 23rd January 2024 at 7.00pm.

Members will receive Notification of the Virtual AGM by letter/email in January with instructions on how to register.

Dividends and loan interest rebates.

The Board of Directors is very satisfied with the financial performance of the credit union over the past year and are proposing a Dividend in respect of the year ended 30 September 2023 of 0.40% and a Loan Interest Rebate of 5.00% on all personal loans.

NOTICES TO MEMBERS

Personal Lending

We are delighted to report that St. Paul's Garda Credit Union have once again had a fantastic year with our lending growing by a phenomenal 27%. You, our members, are at the front and centre of St. Paul's Garda Credit Union and we wish to thank each and every one of YOU for availing of our services throughout the year, and for choosing us as your trusted credit institution.

As you know, St. Paul's Garda Credit Union is one of the most progressive credit unions in the country with unparalleled growth in our financial performance and loan book. We are here to serve the needs of our members and being a nationwide credit union we can cater for all members in our common bond across the nation of Ireland.

We have continued to keep our already low interest rates steady for the benefit of You, our members, while other institutions increased theirs and we have the most competitive loan rates for everything you need, be it a new car, your holidays, home improvements, your children's education, family events, your big day, dental work and so much more! Why not visit our website now where you can explore the vast array of loan products and services – all just a click away!

Don't keep us a secret – share the great news with your family!

We rely on you to be our ambassadors and spread the word about St. Paul's to your family. If you have been satisfied with us then tell your family, they can also benefit from all our loan rates and services.

You can join St. Pauls on our website stpaulscu.ie, by simply clicking on the "Join" Tab. You can also Join St. Paul's on the St. Paul's Garda Credit Union App by clicking "Join our Credit Union".

Open Banking

Open Banking- Faster approval for your personal lending

In 2023 we launched a new way to share your financial information with us via 'open banking'.

Our open banking partner, Plaid, allows you to securely share your information without printing, photocopying, downloading, or emailing bank statements.

As a result of choosing this option, your loan application with St. Paul's Garda Credit Union will be processed faster.

Visit our website to find out more.

Current account and St. Paul's Garda Credit Union APP

- Worldwide recognised Mastercard Debit Card, with Apple Pay, Google Pay and Fitbit Pay.

- 24/7 Secure on-line account access via our St. Paul's Garda Credit Union App or website.
  - Online loan application
  - Quick transfer functionality
  - Secure Biometric fingerprint or facial recognition access

Deposit Interest Retention Tax (DIRT)

Your shares/savings in St Paul's are treated as being a Special Share Account which means DIRT is applied and deducted at the prevailing rate (currently 33% since 1st Jan 2020). This satisfies your liability to Revenue in respect of any Dividend paid to your account in St Paul's. To find out about exemptions from DIRT, please visit the Downloads section of our website and click on the "Deposit Interest Retention Tax (DIRT)" document.

Keeping your ID up to date & Source of Funds documentation

St. Paul's must comply with all regulatory requirements applicable to credit unions which includes Anti Money Laundering Legislation. For our Credit Union this involves:

- The continual update of identification and verification of member accounts as we must hold up to date photo and address verification documents for all our members.
- Ensuring we receive Source of Funds documentation from our members for the identification of all applicable lodgements / transfers into the Credit Union.

Nominations of Property in Credit Unions

A completed nomination form ensures that the funds in your account on your death are paid to the nominated person(s) up to a threshold of €23,000 irrespective of any existing will or probate. You may update the nomination at any stage by completing a new nomination form.

You should update your nomination if you get married, divorced, separated or re-married, or if the person(s) you have nominated pre-decease you. Forms available from our website and office.

Sadly, Denis O Shea - our friend, colleague, and member of the Board of Directors, passed away in July of 2023. Denis was an integral part of St. Paul's for over 25 years and served as Treasurer, Chairman and Deputy CEO. He spearheaded many initiatives and projects over the years and was always enthusiastic in providing for the needs of our members.

We extend our sincere condolence to Veronica, Peter, Kate and the extended O Shea family.

St. Paul's Garda Credit Union also extend our deepest sympathies to the family and friends of our 174 members who departed from this world in 2022/2023.

OFFICERS OF THE BOARD

Chair:	**Mr Conor Kirwan**, Ballincollig
Vice Chair:	**Mr Pat Murphy**, Anglesea Street
Secretary:	**Mr Tom Melia**, Cork
Board Members:	**Ms Claire Healy**, Anglesea Street
	Mr Denis O'Shea, RIP
	Mr Tim O'Sullivan, Retired
	Mr Ger O'Callaghan, Douglas
	Mr Alan Cronin, Bridewell
	Mr John O'Connor, Retired
Board Oversight Committee:	**Ms Jacinta O'Leary**, Bandon
	Mr Brendan Kelly, Gurranebraher
	Mr Shane Ellis, Anglesea Street
Chief Executive Officer:	**Mr Brendan O'Leary**
Operations Manager:	**Mr Simon Foley**
Auditors:	**Grant Thornton** Mill House, Henry Street, Limerick.
Solicitors:	**Carey Murphy & Partners** 23 Marlboro Street, Cork.

DIRECTORS' REPORT
For the financial year ended 30 September 2023

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

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

Authorisation
The credit union is authorised as follows:

- Insurance, reinsurance or ancillary insurance intermediary under the European Union (Insurance Distribution) Regulations, 2018.
- Investment Intermediaries (Restricted Activity Investment Product Intermediary) pursuant to Section 26 of the Investment Intermediaries Act, 1995 (as amended).
- Entitled under the European Community (Payment Services) Regulations 2018 to provide payment services.

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

Dividends and loan interest rebates
The directors are proposing a dividend in respect of the financial year ended 30 September 2023 of €1,434,354 (0.40%) (2022: €34,593 (0.01%)) and a loan interest rebate of €348,152 (5.00% on all personal loans) (2022: €364,180 (5.00% on all loans)).

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

Credit risk
Credit risk is the risk that a borrower will default on their contractual obligations relating to repayments to the credit union, resulting in financial loss.

Lack of loan demand
Lending is the principal activity of the credit union and the credit union is reliant on it for generating income to cover costs and generate a surplus.

Market risk
Market risk is the risk that the value of an investment will decrease. This risk can arise from fluctuations in values of, or income from, assets or changes in interest rates.

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

DIRECTORS' REPORT (continued)
For the financial year ended 30 September 2023

Operational risk

Operational risk is the risk of loss resulting from inadequate or failed processes or systems of the credit union, any failure by persons connected with the credit union or from external events.

Global macro-economic risk

There is an economic and operational risk relating to rising inflation rates, disruption to global supply chains and a general uncertainty in the markets as a result of the changing geopolitical landscape.

These risks and uncertainties are managed by the board of directors as follows:

Credit risk

In order to manage this risk, the board of directors regularly reviews and approves the credit union's credit policies. All loan applications are assessed with reference to the credit policies in force at the time. Subsequently loans are regularly reviewed for any factors that may indicate that the likelihood of repayment has changed.

Lack of loan demand

The credit union provide lending products to its members and promote these products through various marketing initiatives.

Market 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.

Liquidity risk

The credit union's policy is to maintain sufficient funds in liquid form at all times to ensure that it can meet its liabilities as they fall due.

Operational risk

The operational risk of the credit union is managed through the employment of suitably qualified staff to ensure appropriate processes, procedures and systems are implemented and are further supported with a robust reporting structure.

Global macro-economic risk

The board of directors and management closely monitor the developments of rising inflation rates and disruption to global supply chains and markets, and continue to take appropriate actions to mitigate any possible adverse effects on the credit union.

DIRECTORS' REPORT (continued)

For the financial year ended 30 September 2023

Accounting records

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

Events after the end of the financial year

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

Auditors

In accordance with Section 115 of the Credit Union Act, 1997 (as amended), the auditors Grant Thornton offer themselves for re-election.

This report was approved by the board and signed on its behalf by:

Conor Kirwan	John O'Connor
Chairperson of the board of directors	Member of the board of directors

Date: 15th December 2023

DIRECTORS' RESPONSIBILITIES STATEMENT

For the financial year ended 30 September 2023

The directors are responsible for preparing the financial statements in accordance with applicable Irish law and regulations. The directors have elected to prepare the financial statements in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102). The directors are also responsible for preparing the other information included in the annual report. The Credit Union Act, 1997 (as amended) requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the credit union and of the income and expenditure of the credit union for that period.

In preparing those financial statements the directors are required to:

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

The directors are responsible for ensuring that the credit union keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the credit union, enable at any time the assets, liabilities, financial position and income and expenditure of the credit union to be determined with reasonable accuracy, enable them to ensure that the financial statements comply with the Credit Union Act, 1997 (as amended) and enable the financial statements to be audited. They are also 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. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the credit union's website.

On behalf of the board:

Conor Kirwan	John O'Connor
Chairperson of the board of directors	Member of the board of directors

Date: 15th December 2023

BOARD OVERSIGHT COMMITTEE'S RESPONSIBILITIES STATEMENT

For the financial year ended 30 September 2023

The Credit Union Act, 1997 (as amended) requires the appointment of a board oversight committee to assess whether the board of directors has operated in accordance with part iv, part iv(a) and any regulations made for the purposes of part iv or part iv(a) of the Credit Union Act, 1997 (as amended) and any other matter prescribed by the Central Bank of Ireland in respect of which they are to have regard to in relation to the board of directors.

On behalf of the board oversight committee:

Jacinta O'Leary
Chairperson of the board oversight committee

Date: 15th December 2023

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST. PAUL'S GARDA CREDIT UNION LIMITED

Opinion

We have audited the financial statements of St. Paul's Garda Credit Union Limited for the financial year ended 30 September 2023, which comprise:

- the Income and expenditure account;
- the Statement of other comprehensive income;
- the Balance sheet;
- the Statement of changes in reserves;
- the Statement of cash flows; and
- the related notes 1 to 28, including the summary of significant accounting policies as set out in note 2.

The financial reporting framework that has been applied in the preparation of the financial statements is Irish law including the Credit Union Act, 1997 (as amended) and accounting standards issued by the Financial Reporting Council including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (Generally Accepted Accounting Practice in Ireland).

In our opinion, St. Paul's Garda Credit Union Limited's financial statements:

- give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland of the state of the credit union's affairs as at 30 September 2023 and of its income and expenditure and cash flows for the year then ended; and
- have been properly prepared so as to conform with the requirements of the Credit Union Act, 1997 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ('ISAs (Ireland)') and applicable law. Our responsibilities under those standards are further described in the 'responsibilities of the auditor for the audit of the financial statements' section of our report. We are independent of the credit union in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the entity. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the credit union's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

Other information comprises information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST. PAUL'S GARDA CREDIT UNION LIMITED (continued)

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 on the other information, 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.

Matters on which we are required to report by the Credit Union Act, 1997 (as amended)

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

- we have obtained all the information and explanations which, to the best of our knowledge and belief, were 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 of the credit union; and
- the financial statements contain all primary statements, notes and significant accounting policies required to be included in accordance with section 111(1)(c) of the Act.

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements which give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland, including FRS 102, and for such internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Responsibilities of the auditor for the audit of the financial statements

The auditors' 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 auditors' report that includes their opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST. PAUL'S GARDA CREDIT UNION LIMITED (continued)

As part of an audit in accordance with ISAs (Ireland), the auditor will exercise professional judgement and maintain professional scepticism throughout the audit. The auditor will 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 their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the credit union's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the credit union's ability to continue as a going concern. If they conclude that a material uncertainty exists, they are required to draw attention in the auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify their opinion. Their conclusions are based on the audit evidence obtained up to the date of the auditors' report. However, future events or conditions may cause the credit union to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

The auditor communicates 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 may be identified during the audit.

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

This report is made solely to the credit union's members, as a body, in accordance with section 120 of the Credit Union Act, 1997 (as amended). Our audit work has been undertaken so that we might state to the credit union's members those matters we are required to state to them in an auditors' 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.

Denise O'Connell FCA
for and on behalf of
Grant Thornton
Chartered Accountants
& Statutory Audit Firm
Limerick
Date: 15th December 2023

INCOME AND EXPENDITURE ACCOUNT

For the financial year ended 30 September 2023

		2023	2022
Income	**Schedule**	**€**	**€**
Interest on members' loans		7,791,126	7,153,024
Other interest income and similar income	1	2,794,971	1,737,071
Net interest income		**10,586,097**	**8,890,095**
Other income	2	175,341	125,222
SPS refund		-	1,774,652
Total income		**10,761,438**	**10,789,969**
Expenditure			
Employment costs		2,353,128	2,330,249
Other management expenses	3	4,261,663	3,707,565
Depreciation		176,241	178,329
Net impairment loss/(gain) on loans to members (note 5)		838,242	(121,833)
Total expenditure		**7,629,274**	**6,094,310**
Surplus for the financial year		**3,132,164**	**4,695,659**

The financial statements were approved and authorised for issue by the board and signed on behalf of the credit union by:

John O'Connor
Member of the board of directors

Jacinta O'Leary
Member of the board oversight committee

Brendan O'Leary
CEO

Date: 15th December 2023

STATEMENT OF OTHER COMPREHENSIVE INCOME

For the financial year ended 30 September 2023

	2023	2022
	€	**€**
Surplus for the financial year	3,132,164	4,695,659
Other comprehensive income	-	-
Total comprehensive income for the financial year	**3,132,164**	**4,695,659**

The financial statements were approved and authorised for issue by the board and signed on behalf of the credit union by:

John O'Connor
Member of the board of directors

Jacinta O'Leary
Member of the board oversight committee

Brendan O'Leary
CEO

Date: 15th December 2023

The notes on pages 16 to 31 form part of these financial statements.

BALANCE SHEET

As at 30 September 2023

	Notes	2023 €	2022 €
Assets			
Cash and balances at bank	6	4,531,195	5,534,155
Deposits and investments – cash equivalents	7	89,958,374	70,832,185
Deposits and investments – other	7	179,853,699	217,942,979
Loans to members	8	189,852,959	149,564,020
Provision for bad debts	9	(9,788,317)	(8,432,619)
Members' current accounts overdrawn	14	71,548	52,347
Tangible fixed assets	10	3,695,286	3,814,551
Investments in associates	11	265,000	265,000
Debtors, prepayments and accrued income	12	403,879	358,897
Total assets		**458,843,623**	**439,931,515**
Liabilities			
Members' shares	13	363,805,903	350,586,062
Members' deposits	13	483,956	553,464
Members' budget accounts	13	13,380,547	12,389,768
Members' payment accounts	13	5,149,293	4,785,820
Members' current accounts	14	6,051,082	4,222,313
Other liabilities, creditors, accruals and charges	15	1,801,223	1,965,860
Other provisions	16	48,743	43,731
Total liabilities		**390,720,747**	**374,547,018**
Reserves			
Regulatory reserve	18	58,000,000	55,000,000
Operational risk reserve	18	1,951,150	1,755,150
Other reserves			
- Realised reserves	18	7,541,836	8,067,744
- Unrealised reserves	18	629,890	561,603
Total reserves		**68,122,876**	**65,384,497**
Total liabilities and reserves		**458,843,623**	**439,931,515**

The financial statements were approved and authorised for issue by the board and signed on behalf of the credit union by:

John O'Connor
Member of the board of directors

Jacinta O'Leary
Member of the board oversight committee

Brendan O'Leary
CEO

Date: 15th December 2023

The notes on pages 16 to 31 form part of these financial statements.

STATEMENT OF CHANGES IN RESERVES

For the financial year ended 30 September 2023

	Regulatory reserve €	Operational risk reserve €	Realised reserves €	Unrealised reserves €	Total €
As at 1 October 2021	**52,800,000**	**1,605,528**	**6,329,672**	**346,327**	**61,081,527**
Surplus for the year	-	122,506	4,338,265	234,888	4,695,659
Dividends and loan interest rebates paid	-	-	(392,689)	-	(392,689)
Transfers between reserves	2,200,000	27,116	(2,207,504)	(19,612)	-
As at 1 October 2022	**55,000,000**	**1,755,150**	**8,067,744**	**561,603**	**65,384,497**
Surplus for the financial year	-	-	2,970,113	162,051	3,132,164
Dividends and loan interest rebates paid	-	-	(393,785)	-	(393,785)
Transfers between reserves	3,000,000	196,000	(3,102,236)	(93,764)	-
As at 30 September 2023	**58,000,000**	**1,951,150**	**7,541,836**	**629,890**	**68,122,876**

- The regulatory reserve of the credit union as a percentage of total assets as at 30 September 2023 was 12.64% (2022: 12.50%).
- The operational risk reserve of the credit union as a percentage of total assets as at 30 September 2023 was 0.43% (2022: 0.40%).

The notes on pages 16 to 31 form part of these financial statements.

STATEMENT OF CASH FLOWS

For the financial year ended 30 September 2023

	Notes	2023 €	2022 €
Opening cash and cash equivalents		**76,366,340**	**66,687,210**
Cash flows from operating activities			
Loan repaid by members	8	53,927,426	51,382,489
Loan granted to members	8	(94,258,275)	(55,535,321)
Interest on members' loans		7,791,126	7,153,024
Other interest income and similar income		2,794,971	1,737,071
Bad debts recovered and recoveries		559,366	592,079
Other income		175,341	1,899,874
Dividends paid		(34,336)	(32,879)
Loan interest rebates paid		(359,449)	(359,810)
Members' budget accounts lodgements	13c	41,369,270	38,187,173
Members' budget accounts withdrawals	13c	(40,378,491)	(38,152,843)
Members' payment accounts lodgements	13d	74,224,212	63,676,290
Members' payment accounts withdrawals	13d	(73,860,739)	(62,961,600)
Members' current accounts lodgements	14	125,320,174	69,454,143
Members' current accounts withdrawals	14	(123,510,606)	(67,467,693)
Operating expenses		(6,614,791)	(6,037,814)
Movement in other assets and liabilities		(204,607)	(422,157)
Net cash flows from operating activities		**(33,059,408)**	**3,112,026**
Cash flows from investing activities			
Fixed assets (purchases)/disposals		(56,976)	(9,730)
Net cash flow from other investing activities		38,089,280	(4,574,748)
Net cash flows from investing activities		**38,032,304**	**(4,584,478)**
Cash flows from financing activities			
Members' shares received	13a	118,855,213	104,911,738
Members' shares withdrawn	13a	(105,635,372)	(93,793,625)
Members' deposits received	13b	377,342	444,204
Members' deposits withdrawn	13b	(446,850)	(410,735)
Net cash flow from financing activities		**13,150,333**	**11,151,582**
Net increase in cash and cash equivalents		**18,123,229**	**9,679,130**
Closing cash and cash equivalents	6	**94,489,569**	**76,366,340**

The notes on pages 16 to 31 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2023

1. Legal and regulatory framework

St. Paul's Garda Credit Union Limited is registered with the Registry of Credit Unions and is regulated by the Central Bank of Ireland. The registered office of the credit union is located at Boreenmanna Road, Cork.

2. Accounting policies

2.1 Basis of preparation of financial statements

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.

<u>The following principal accounting policies have been applied:</u>

2.2 Statement of compliance

The financial statements have been prepared 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 Income

Interest on members' loans
Interest on members' loans is recognised on an accruals basis using the effective interest method.

Deposit and investment income
Deposit and investment income is recognised on an accruals basis using the effective interest method.

Other income
Other income is recognised on an accruals basis.

2.5 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. Accounting policies (continued)

2.6 Investments

Held at amortised cost

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

Central Bank deposits

Credit unions are obliged to maintain certain minimum deposits with the Central Bank but may also hold an excess over the regulatory minimum. The regulatory minimum deposits are technically assets of the credit union but to which the credit union has restricted access. The regulatory minimum portion will not ordinarily be returned to the credit union while it is a going concern and is separately identified in note 7, Deposits and investments - other. Funds held with the Central Bank in excess of the regulatory minimum requirements are fully available to the credit union and are therefore treated as cash equivalents and are separately identified in note 7, Deposits and investments – cash equivalents. The amounts held on deposit with the Central Bank 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 year-end date and all gains and losses are taken to the income and expenditure account.

2.7 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 using the effective interest method.

Loans are derecognised when the right to receive cash flows from the asset has expired, usually when all amounts outstanding have been repaid by the member.

2.8 Provision for bad debts

The credit union assesses if there is objective evidence that any of its loans are impaired with due consideration of environmental factors. The loans are assessed collectively in groups that share similar credit risk characteristics. Individually significant loans are assessed on a loan by loan basis. In addition, if there is objective evidence that any individual loan is impaired, a specific loss will be recognised. Bad debt provisioning is monitored by the credit union, and the credit union assesses and approves its provisions and the adequacy of same on a regular basis. Any bad debts/impairment losses are recognised in the income and expenditure account. If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in the income and expenditure account.

2. Accounting policies (continued)

2.9 Tangible fixed assets
Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The credit union adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the credit union. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the income and expenditure account during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Freehold premises	2% straight line per annum
Fixtures & fittings	20% reducing balance per annum
Computer equipment	20% reducing balance per annum

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the income and expenditure account.

2.10 Impairment of assets
At each reporting date assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the income and expenditure account. If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the income and expenditure account.

2.11 Investments in associates
Investments in associates are accounted for at cost less impairment.

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

2. Accounting policies (continued)

2.13 Financial liabilities – members' savings

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

2.14 Interest on members' deposits

Interest on members' deposits is recognised on an accruals basis using the effective interest method.

2.15 Members' current accounts

The credit union provides Member Personal Current Account Services in accordance with Section 49(3) of the Credit Union Act, 1997 (as amended).

2.16 Other payables

Short term other liabilities, creditors, accruals and charges are measured at the transaction price.

2.17 Pension

The credit union operates a defined contribution pension scheme. The assets of this scheme are held separately from those of the credit union in independently administered funds. As an alternative, staff may opt to have the equivalent of pension contributions accumulated as a lump sum receivable on retirement and which is taxable in accordance with revenue calculations prevailing. Employer contributions to the pension scheme are charged to the income and expenditure account in the period to which they relate. The amount payable at the year end in respect of the defined contribution pension scheme was €nil (2022: €nil).

2.18 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.

2.19 Operating leases

Rentals payable under operating leases are charged to the income and expenditure account on a straight line basis over the lease term.

2.20 Derecognition of financial liabilities

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

2.21 Regulatory reserve

The Credit Union Act, 1997 (Regulatory Requirements) Regulations 2016 requires credit unions to establish and maintain a minimum regulatory reserve requirement of at least 10 per cent of the assets of the credit union. This reserve is to be perpetual in nature, freely available to absorb losses, realised financial reserves that are unrestricted and non-distributable.

2. Accounting policies (continued)

2.22 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.

The directors have considered the requirements of the Act and have calculated the operational risk reserve requirement by reference to the predicted impact of operational risk events that may have a material impact on the credit unions' business.

In addition, the credit union has included in its operational risk reserve a Member Personal Current Account Service operational risk reserve, in accordance with Section 49(3) of the Credit Union Act, 1997 (as amended).

2.23 Other reserves

Other reserves are the accumulated surpluses to date that have not been declared as dividends returnable to members. The other reserves are subdivided into realised and unrealised. In accordance with the Central Bank guidance note for credit unions on matters relating to accounting for investments and distribution policy, investment income that has been 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. The directors have deemed it appropriate that interest on loans receivable at the balance sheet date and the balance of the SPS refund receivable is also classified as unrealised and is not distributable. All other income is classified as realised.

2.24 Distribution policy

Dividends and loan interest rebates are made from the current year's surplus or reserves set aside for that purpose. The board's proposed dividends and loan interest rebates to members each year is based on the distribution policy of the credit union.

The rate of dividends and loan interest rebates recommended by the board will reflect:
- the risk profile of the credit union, particularly in its loan and investments portfolios;
- the board's desire to maintain a stable rather than a volatile rate of dividend each year; and
- members' legitimate dividend and loan interest rebate expectations;

all dominated by prudence and the need to sustain the long-term welfare of the credit union.

For this reason the board will seek to build up its reserves to absorb unexpected shocks and still remain above minimum regulatory requirements.

The credit union accounts for dividends and loan interest rebates when members ratify such payments at the Annual General Meeting.

2.25 Taxation

The credit union is not subject to income tax or corporation tax on its activities.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 30 September 2023

3. Judgements in applying accounting policies and key source of estimation uncertainty

Preparation of the financial statements requires the directors to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

Determination of depreciation, useful economic life and residual value of tangible assets
The annual depreciation charge depends primarily on the estimated lives of each type of asset and, in certain circumstances, estimates of residual values. The directors regularly review these useful lives and change them if necessary to reflect current conditions. In determining these useful lives management consider technological change, patterns of consumption, physical condition and expected economic utilisation of the assets. Changes in the useful lives can have a significant impact on the depreciation charge for the financial year. The net book value of tangible fixed assets subject to depreciation at the year end was €3,695,286 (2022: €3,814,551).

Provision for bad debts
The credit union's accounting policy for impairment of loans is set out in note 2.8. The estimation of loan losses is inherently uncertain and depends upon many factors, including loan loss trends, credit risk characteristics in loan classes, local and international economic climates, conditions in various sectors of the economy to which the credit union is exposed, and, other external factors such as legal and regulatory requirements. The provision for bad debts in the financial statements at the year end was €9,788,317 (2022: €8,432,619) representing 5.16% (2022: 5.64%) of the total gross loan book.

Investments in associates
The investments in associates represents the credit union's investment in Metacu Management Designated Activity Company. This investment was made for operational purposes. The credit union holds 6.25% Redeemable A Ordinary shares in the company and through the terms of the shareholders agreement agreed between each of the participating credit unions, the credit union is deemed to have influence over the operations of this company. Therefore the investment has been accounted for as an investment in an associate.

Other liabilities, creditors, accruals and charges
Included in accruals is an amount for a retirement fund for staff who have opted to have the equivalent of pension contributions accumulated as a lump sum receivable on retirement, and which is taxable in accordance with revenue calculations prevailing, as an alternative to participating in the defined contribution pension scheme. The timing and amount of any payment for the participating staff is uncertain and is contingent on future events. Consequently, it is impracticable at this time to estimate whether or not any adjustments may need to be made to the amount currently included in accruals.

Operational risk reserve
The directors have considered the requirements of the Credit Union Act, 1997 (as amended) and have considered an approach to the calculation of the operational risk reserve. In addition, the credit union has included in its operational risk reserve a Member Personal Current Account Service operational risk reserve, in accordance with Section 49(3) of the Credit Union Act, 1997 (as amended). The operational risk reserve of the credit union at the year end was €1,951,150 (2022: €1,755,150).

Adoption of going concern basis for financial statements preparation
The credit union continue to closely monitor developments within the global macro-economic environment. The directors have prepared projections and cash flows for a period of at least twelve months from the date of the approval of the financial statements which demonstrate that there is no material uncertainty regarding the credit union's ability to meet its liabilities as they fall due, and to continue as a going concern. On this basis the directors consider it appropriate to prepare the financial statements on a going concern basis. Accordingly, these financial statements do not include any adjustments to the carrying amounts and classification of assets and liabilities that may arise if the credit union was unable to continue as a going concern.

4. Key management personnel compensation

The directors of the credit union are all unpaid volunteers. The key management personnel compensation is as follows.

	2023 €	2022 €
Short term employee benefits paid to key management	282,292	271,686
Payments to pension schemes	29,301	27,972
Total key management personnel compensation	**311,593**	**299,658**

5. Net impairment loss/(gain) on loans to members

	2023 €	2022 €
Bad debts recovered	(540,657)	(575,775)
Impairment of loan interest reclassed as bad debt recoveries	(18,709)	(16,304)
Movement in bad debts provision during the year	1,355,698	347,781
Loans written off during the year	41,910	122,465
Net impairment loss/(gain) on loans to members	**838,242**	**(121,833)**

6. Cash and cash equivalents

	2023 €	2022 €
Cash and balances at bank	4,531,195	5,534,155
Deposits and investments – cash equivalents (note 7)	89,958,374	70,832,185
Total cash and cash equivalents	**94,489,569**	**76,366,340**

7. Deposits and investments

	2023 €	2022 €
Deposits and investments – cash equivalents		
Accounts in authorised credit institutions (Irish and non-Irish based)	56,020,923	48,587,845
Bank bonds	1,993,496	-
Central Bank deposits	191,690	20,248,628
Irish and EEA state securities	28,752,265	1,995,712
Other investments	3,000,000	-
Total deposits and investments – cash equivalents	**89,958,374**	**70,832,185**
Deposits and investments – other		
Accounts in authorised credit institutions (Irish and non-Irish based)	77,314,879	96,326,501
Irish and EEA state securities	9,228,185	8,679,959
Bank bonds	86,687,525	99,174,100
Central bank deposits	3,623,110	3,468,419
Other investments	3,000,000	10,294,000
Total deposits and investments – other	**179,853,699**	**217,942,979**
Total deposits and investments	**269,812,073**	**288,775,164**

8. Financial assets – loans to members

	2023 €	2022 €
As at 1 October	149,564,020	145,533,653
Loans granted during the year	94,258,275	55,535,321
Loans repaid during the year	(53,927,426)	(51,382,489)
Gross loans and advances	**189,894,869**	**149,686,485**
Bad debts		
Loans written off during the year	(41,910)	(122,465)
As at 30 September	**189,852,959**	**149,564,020**

9. Provision for bad debts

	2023 €	2022 €
As at 1 October	8,432,619	8,084,838
Movement in bad debts provision during the year	1,355,698	347,781
As at 30 September	**9,788,317**	**8,432,619**

The provision for bad debts is analysed as follows:

	2023 €	2022 €
Provision on loans to members	9,767,594	8,414,818
Provision on other member advances	20,723	17,801
	9,788,317	**8,432,619**

	2023 €	2022 €
Grouped assessed loans	9,788,317	8,432,619
Provision for bad debts	**9,788,317**	**8,432,619**

10. Tangible fixed assets

	Freehold premises €	Fixtures & fittings €	Computer equipment €	Total €
Cost				
1 October 2022	6,444,243	416,238	563,272	7,423,753
Additions	8,568	196	48,212	56,976
At 30 September 2023	**6,452,811**	**416,434**	**611,484**	**7,480,729**
Depreciation				
1 October 2022	2,831,834	363,417	413,951	3,609,202
Charge for the year	133,605	10,576	32,060	176,241
At 30 September 2023	**2,965,439**	**373,993**	**446,011**	**3,785,443**
Net book value				
30 September 2023	**3,487,372**	**42,441**	**165,473**	**3,695,286**
30 September 2022	3,612,409	52,821	149,321	3,814,551

11. Investments in associates

	€
Cost	
At 1 October 2022 and 30 September 2023	**265,000**
Accumulated impairment	
At 1 October 2022 and 30 September 2023	-
Net book value	
At 30 September 2023	**265,000**
At 30 September 2022	265,000

Interests in associate

The credit union has interests in the following associate:

Associate	Registered Address	Type of shares held	Proportion held (%)	Net Assets €	Profit or (loss) €
Metacu Management Designated Activity Company	14 Ely Place Dublin 2 Ireland	Redeemable A Ordinary	6.25%	4,048,205	18,198

The above financial information in respect of Metacu Management Designated Activity Company was extracted from the audited financial statements for the year ended 31 December 2022.

The effect of including this investment as if it had been accounted for using the equity method would be as follows:

	Share of net assets €
At 1 October 2022	251,875
Share of profit for the financial year after tax	1,137
At 30 September 2023	**253,012**

12. Debtors, prepayments and accrued income

	2023 €	2022 €
Prepayments	50,855	58,303
Loan interest receivable	175,559	123,129
Other debtor – SPS refund*	177,465	177,465
As at 30 September	**403,879**	**358,897**

*Receivable in December 2025

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the financial year ended 30 September 2023

13. Members' savings

Members' savings are analysed as follows:	2023	2022
	€	€
Members' shares	363,805,903	350,586,062
Members' deposits	483,956	553,464
Members' budget accounts	13,380,547	12,389,768
Members' payment accounts	5,149,293	4,785,820
Total members' savings	**382,819,699**	**368,315,114**

13a. Members' shares

	2023	2022
	€	€
As at 1 October	350,586,062	339,467,949
Received during the year	118,855,213	104,911,738
Withdrawn during the year	(105,635,372)	(93,793,625)
As at 30 September	**363,805,903**	**350,586,062**

13b. Members' deposits

	2023	2022
	€	€
As at 1 October	553,464	519,995
Received during the year	377,342	444,204
Withdrawn during the year	(446,850)	(410,735)
As at 30 September	**483,956**	**553,464**

13c. Members' budget accounts

	2023	2022
	€	€
As at 1 October	12,389,768	12,355,438
Lodgements during the year	41,369,270	38,187,173
Withdrawals during the year	(40,378,491)	(38,152,843)
As at 30 September	**13,380,547**	**12,389,768**

13d. Members' payment accounts

	2023	2022
	€	€
As at 1 October	4,785,820	4,071,130
Lodgements during the year	74,224,212	63,676,290
Withdrawals during the year	(73,860,739)	(62,961,600)
As at 30 September	**5,149,293**	**4,785,820**

14. Members' current accounts

	2023	2022
	€	€
As at 1 October	4,169,966	2,183,516
Lodgements during the year	125,320,174	69,454,143
Withdrawals during the year	(123,510,606)	(67,467,693)
As at 30 September	**5,979,534**	**4,169,966**

	2023		2022	
	No. of Accounts	Balance of Accounts €	No. of Accounts	Balance of Accounts €
Debit	267	71,548	180	52,347
Credit	12549	6,051,082	2260	4,222,313
Permitted overdrafts	195	218,120	170	176,000

15. Other liabilities, creditors, accruals and charges

	2023	2022
	€	€
Creditors and other accruals	1,434,444	1,600,832
PAYE/PRSI	67,915	72,957
Members' draw balance	298,864	292,071
As at 30 September	**1,801,223**	**1,965,860**

16. Other provisions

	2023	2022
Holiday pay accrual	€	€
At 1 October	43,731	*51,867*
Charged/(credited) to the income and expenditure account	5,012	(8,136)
As at 30 September	**48,743**	**43,731**

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the financial year ended 30 September 2023

17. Financial instruments

17a. Financial instruments – measured at amortised cost

Financial assets	**2023**	**2022**
	€	**€**
Financial assets measured at amortised cost	417,347,560	391,323,304

Financial liabilities	**2023**	**2022**
	€	**€**
Financial liabilities measured at amortised cost	390,720,747	374,547,018

Financial assets measured at amortised cost comprise of cash and balances at bank, deposits and investments, loans to members, members' current accounts overdrawn, investments in associates and other debtors.

Financial liabilities measured at amortised cost comprise of members' savings, members' current accounts, bank overdraft, other liabilities, creditors, accruals and charges and other provisions.

17b. Financial instruments – fair value measurements

FRS 102 requires fair value measurements to be disclosed by the source of inputs, using a three level hierarchy:
- Quoted prices for identical instruments in active market (level 1);
- Prices of recent transactions for identical instruments and valuation techniques using observable market data (level 2), and
- Valuation techniques using unobservable market data (level 3).

The table below sets out fair value measurements using the fair value hierarchy:

At 30 September 2023	**Total**	**Level 1**	**Level 2**	**Level 3**
	€	**€**	**€**	**€**
Accounts in authorised credit institutions	26,564,478	-	26,564,478	-
Bank bonds	5,009,885	-	5,009,885	-
Other investments	6,000,000	-	6,000,000	-
Total	**37,574,363**	**-**	**37,574,363**	**-**

At 30 September 2022	**Total**	**Level 1**	**Level 2**	**Level 3**
	€	**€**	**€**	**€**
Accounts in authorised credit institutions	33,602,341	-	33,602,341	-
Bank bonds	5,009,887	-	5,009,887	-
Other investments	6,000,000	-	6,000,000	-
Total	**44,612,228**	**-**	**44,612,228**	**-**

There was no fair value adjustments recognised in the income and expenditure account for the year ended 30 September 2023 (2022: €nil).

18. Reserves

	Balance 01/10/22 €	Payment of dividends and loan interest rebates €	Appropriation of current year surplus €	Transfers between reserves €	Balance 30/09/23 €
Regulatory reserve	**55,000,000**	**-**	**-**	**3,000,000**	**58,000,000**
Operational risk reserve	**1,755,150**	**-**	**-**	**196,000**	**1,951,150**
Other reserves					
Realised					
General reserve	8,067,744	(393,785)	2,970,113	(3,102,236)	7,541,836
Total realised reserves	**8,067,744**	**(393,785)**	**2,970,113**	**(3,102,236)**	**7,541,836**
Unrealised					
Interest on loans reserve	123,129	-	52,430	-	175,559
Investment income reserve	261,009	-	109,621	(93,764)	276,866
SPS reserve	177,465	-	-	-	177,465
Total unrealised reserves	**561,603**	**-**	**162,051**	**(93,764)**	**629,890**
Total reserves	**65,384,497**	**(393,785)**	**3,132,164**	**-**	**68,122,876**

19. Credit risk disclosures

In line with regulatory requirements, the credit union:

- 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 house loans, business loans, community loans or loans to another credit union.

The carrying amount of the loans to members represents the credit union'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.

	2023		2022	
	€	%	€	%
Loans not impaired				
Total loans not impaired, not past due	177,698,003	93.60%	140,675,218	94.06%
Impaired loans:				
Not past due	1,455,776	0.77%	1,508,370	1.01%
Up to 9 weeks past due	9,917,749	5.22%	6,794,890	4.54%
Between 10 and 18 weeks past due	298,677	0.16%	178,891	0.12%
Between 19 and 26 weeks past due	113,714	0.06%	196,281	0.13%
Between 27 and 39 weeks past due	85,222	0.04%	20,931	0.01%
Between 40 and 52 weeks past due	71,462	0.04%	27,692	0.02%
53 or more weeks past due	212,356	0.11%	161,747	0.11%
Total impaired loans	12,154,956	6.40%	8,888,802	5.94%
Total loans	**189,852,959**	**100.00%**	**149,564,020**	**100.00%**

20. Related party transactions

20a. Loans

	2023		2022	
	No. of loans	**€**	**No. of loans**	**€**
Loans advanced to related parties during the year	14	1,356,835	22	511,700
Total loans outstanding to related parties at the year end	22	975,930	22	739,718
Total provision for loans outstanding to related parties		45,542		25,705

The related party loans stated above comprise of loans outstanding to directors and the management team (to include their family members or any business in which the directors or management team had a significant shareholding). Total loans outstanding to related parties represents 0.51% of the total loans outstanding at 30 September 2023 (2022: 0.49%).

20b. Savings

The total amount of savings held by related parties at the year end was €912,322 (2022: €1,100,712).

21. Additional financial instruments disclosures

21a. Financial risk management

The credit union manages its members' savings and loans so that it earns income from the margin between interest receivable and interest payable. The main financial risks arising from the credit union's activities are credit risk, market risk, liquidity risk and interest rate 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 the credit union, resulting in financial loss. In order to manage this risk the board of directors regularly reviews and approves the credit union's credit policies. Credit risk mitigation may include the requirement to obtain collateral as set out in the credit union's credit policies. Where collateral or guarantees are required, they are usually taken as a secondary source of repayment in the event of the borrower's default. The credit union maintains policies which detail the acceptability of specific classes of collateral. The principal collateral types for loans are: an attachment over members' pledged shares; personal guarantees; and charges over assets. The nature and level of collateral required depends on a number of factors such as the term of the loan and the amount of exposure. All loan applications are assessed with reference to the credit policies in force at the time. Subsequently loans are regularly reviewed for any factors that may indicate that the likelihood of repayment has changed.

Market risk: Market risk is the risk that the value of an investment will decrease. This risk can arise from fluctuations in values of, or income from, assets or changes in interest rates. 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.

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

Interest rate risk: The credit union's main interest rate risk arises from adverse movements in interest rates receivable which would affect investment income. The credit union reviews any potential new investment product carefully to ensure that minimum funds are locked in low yielding long term investments yet at the same time maximising investment income receivable.

21b. Liquidity risk disclosures

The credit union's policy is to maintain sufficient funds in liquid form at all times to ensure that it can meet its liabilities as they fall due. The credit union adheres on an ongoing basis to the minimum liquidity ratio and the minimum short term liquidity ratio as set out in regulatory requirements.

21c. Interest rate risk disclosures

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

	2023		2022	
	€	Average interest rate %	€	Average interest rate %
Gross loans to members	189,852,959	4.63%	149,564,020	4.95%

Any distributions payable are at the discretion of the directors and are therefore not a financial liability of the credit union until declared and approved at the AGM.

22. Dividends and loan interest rebates

The following distributions were paid during the year:

	2023		2022	
	%	€	%	€
Dividend on shares	0.01%	34,336	0.01%	32,879
Loan interest rebates	5.00%	359,449	5.00%	359,810

The directors are proposing distributions in respect of the year:

	2023		2022	
	%	€	%	€
Dividend on shares	0.40%	1,434,354	0.01%	34,593
Loan interest rebates*	5.00%	348,152	5.00%	364,180

** Payable on all personal loans in 2023 and on all loans in 2022*

23. Events after the end of the financial year

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

24. Insurance against fraud

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

25. Capital commitments

There were no capital commitments at 30 September 2023.

26. Leasing commitments

The credit union had future minimum lease payments under an operating lease as follows:

	2023	2022
	€	€
Less than 1 year	19,133	19,133
1 to 5 years	8,988	28,121
As at 30 September	**28,121**	**47,254**

27. Comparative information

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

28. Approval of financial statements

The board of directors approved these financial statements for issue on 15th December 2023.

SCHEDULES TO THE INCOME AND EXPENDITURE ACCOUNT
For the financial year ended 30 September 2023

The following schedules do not form part of the statutory financial statements which are the subject of the Independent Auditor's report on pages 9 to 11.

Schedule 1 – Other interest income and similar income

	2023 €	2022 €
Investment income received/receivable within 1 year	3,244,178	1,598,303
Investment income receivable outside of 1 year	109,621	57,423
Realised (loss)/gain on investments	(558,828)	81,345
Total per income and expenditure account	**2,794,971**	**1,737,071**

Schedule 2 – Other income

	2023 €	2022 €
Commissions and fees	9,072	5,757
MPCAS fees	138,340	94,462
Miscellaneous income	27,929	25,003
Total per income and expenditure account	**175,341**	**125,222**

SCHEDULES TO THE INCOME AND EXPENDITURE ACCOUNT

For the financial year ended 30 September 2023 (continued)

Schedule 3 – Other management expenses

	2023	2022
	€	€
Rates	41,890	40,328
Share and loan insurance	1,278,163	1,085,986
General insurances	138,228	126,610
Light, heat and cleaning	48,765	39,102
Repairs and renewals	87,060	176,915
Printing and stationery	37,087	43,422
Postage and telephone	42,655	67,593
Training	23,902	19,364
Promotions and advertising	198,417	166,761
Travel and subsistence	37,492	26,081
Donations and sponsorship	29,725	27,700
Legal and professional	391,108	299,583
Audit fee	34,379	31,980
Bank charges	41,232	41,617
MPCAS costs	178,476	128,714
Central bank levies, SPS and affiliation fees	762,890	654,696
Computer maintenance	379,466	330,195
Miscellaneous	80,728	57,168
ILCU development fund	6,000	6,000
Michael O'Halloran fund	24,000	27,750
Death grant	400,000	310,000
Total per income and expenditure account	**4,261,663**	**3,707,565**