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DIRECTORS AND OTHER INFORMATION

Directors

Chris Gallagher (Chair)
Austin O'Keeffe (Vice-Chair)
Saskia Vandeweert (Secretary)
Paul Fahy
Darmah Chirombo
Junior Chapwanya
Thomas Bradley
Karen Bougueroua
Ben Murahwi

Board Oversight Committee

Sophie Awani-Gold
Mary Needham
Louise Drumm

CEO

Paula Maguire

Operations Manager

Tracey Thunder

Registered Office

3 The Mall, Main Street, Lucan, Co Dublin

Independent Auditors

Grant Thornton
Mill House, Henry Street, Limerick

Investment Advisors

Goodbody
2 Ballsbridge Park, Ballsbridge, Dublin 4

Solicitors

Dermot P Coyne
Liffey Bridge House, Main Street,
Lucan, Co Dublin

LUCAN DISTRICT CREDIT UNION LIMITED NOTICE OF ANNUAL GENERAL MEETING 2023

Notice is hereby given that the Annual General Meeting of Lucan District Credit Union Ltd will take place Monday the 18th December 2023 at 7.30pm in

The Spa Hotel Lucan.

Members are invited to attend.

There will be spot prizes on the night and refreshments provided at the end of the meeting.

ELECTION TO THE BOARD AND BOARD OVERSIGHT COMMITTEE

Any vacancies on the Board and Board Oversight Committee will be filled on the night of the AGM by member vote. Vacancies and candidates will be announced on the night, if any.

Grant Thornton have again put themselves forward for the position of auditor.

Nominations can no longer be accepted from the floor at the AGM. Members who would like to put themselves forward for the panel from which candidates are selected, must complete a Nominations form and hand in before the 9th December 2023. The forms are available from the Finnstown office or online at www.lucancu.ie/application-forms.

We do hope you can join us on the 18th December.

Saskia Vandeweert

Secretary

ANNUAL GENERAL MEETING 2023

ORDER OF BUSINESS

1. Acceptance of any Proxies
2. Ascertainment that a quorum is present
3. Adoption of Standing Orders
4. Minutes of previous AGM
5. Report of the Board of Directors
6. Report on the accounts by the board
7. Report of the Auditor
8. Declaration of Dividend
9. Declaration of Dividend
10. Report of the Board Oversight Committee
11. Report of the Credit Committee
12. Report of the Credit Control Committee
13. Report of the Membership Committee
14. Report of the Nominations Committee
15. Report of the Investment Committee
16. Appointment of Tellers
17. Election of Auditor
18. Election to Board Oversight Committee
19. Election to Board of Directors
20. Any other business
21. Announcement of Election Results
22. Close of business

BOARD OF DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 30TH SEPTEMBER 2023

The Directors of Lucan District Credit Union are pleased to present the annual report and audited accounts for year ended 30th September 2023.

We have seen an overall improvement in our performance this year when compared to the last few difficult years. This was helped by the much-improved investment environment and the growing loan book.

There remain significant headwinds for the credit union over the coming year with the ongoing geopolitical turmoil, inflation, and very real possibility of a recession. The Board remain very mindful of the ongoing challenges and the impact this could have on our members as we head into a new business year.

We continued working through the year to improve the products and services that we can offer. In February 2023, we were delighted to introduce some additional savings products to give you more options, with the launch of our notice and term deposit products. These products will provide you with a better return on your savings when you put your funds away for longer. The interest rates are set based on a review of the rates currently available for credit union investments and considering the administration costs of the credit union. For more information about these products, visit www.lucancu.ie/TermDeposits.

In May 2023, we launched a mortgage product for members, specifically targeting members who wish to switch from their current provider to the credit union, who wish to move home, or who would like to purchase their council home. As we are a credit union, we have limited funds available for mortgages.

Our mortgage is a uniquely credit union loan, with a fixed interest rate of 3.95% for the full term.

This will give you certainty, as your repayments will not change for the term. You will have the flexibility to pay more off the mortgage when you have it, to save money on interest and pay the loan back quicker. In fact, we encourage our members to do that.

We are happy to talk to any member who would like to make an enquiry about moving their mortgage. For more information about the mortgage product visit www.lucancu.ie/Flexible-Mortgage.

Results for the year

The credit union produced a surplus this year of €575.6k. This is an increase on last year of €112k which is due to improved loan interest income, and investment income.

Total assets increased by €2m to €89m an increase of 2.3% on last year. This growth was due primarily to the growth in shares and other savings. Shares increased this year by €801k (up 1.1%) to €73.6m. Due to the new deposit accounts and interest rates, deposits grew by €548k in the year to €3.8m.

We saw good growth in the loan book this year, finishing the year at €24.8m up €1.7m (7.4%) on last year. This growth was most notable in the latter half of the year. This bodes very well for a continued improvement in loan interest income over the coming year.

We returned to investment income growth this year, for the first time in nearly a decade. The credit union availed of the now positive rates available for on-demand funds, and better deposit rates and bond yields available for placing maturing investments. We also took the opportunity to strengthen the investment portfolio with the purchase of AAA-rated EU government bonds at good yields. This will protect our portfolio and investment yield into the future.

We had an average return on investment of 1.2% this year (0.53% last year) with total investment income of €770k.

We continue to build a third income stream for the credit union with our financial services. We encourage members to avail of the complimentary financial review with our in-house Financial Advisor. We have agencies with the six major life companies, so we are not tied to one company. We can provide advice on life assurance, retirement planning, mortgage protection, income protection, serious illness cover, and unit-linked savings and investments. Importantly, commissions earned from this business remain in the credit union for the benefit of members.

Transfers to provisions and reserves

The Board continue to take a very prudent approach to the credit unions reserves, to strengthen the balance sheet and to protect the business into the future for members. Based on this requirement, the Board took the decision to apply most the surplus to build the reserves. Total Realised Reserves are now at 12.6% of Total Assets (12.3% last year). The Board intend to continue building the reserves to bring us inline with the industry average.

The Board is pleased to announce a return to member distribution this year. This will be a nominal distribution but is a step in the right direction. The Board propose a dividend of 0.025% (of dividend points earned in the year) on shares and a 1% loan interest rebate on the standard variable rate loans only.

Acknowledgements

I would like to thank the Staff, Management, Board and Board Oversight Committee for the great work done over the last year.

I would also like to thank all of you for your continued support over the year and I wish you and your family a peaceful Christmas and a Happy New Year.

On behalf of the Board

Chris Gallagher
CHAIRMAN

DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 30TH 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);
- Service Providers holding appointments from IIA product producers, including intermediaries that may issue appointments, appearing in the register maintained under Section 31 of the investment Intermediaries Act, 1995 (as amended); and
- Entitled under the European Union (Payment Services) Regulations 2018 to provide payment services.

BUSINESS REVIEW

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

DIVIDENDS AND LOAN INTEREST REBATE

The directors are proposing a dividend of €18,154 (0.025%) and a loan interest rebate (on standard variable loans), of €15,970 (1.00%) in respect of the financial year ended 30 September 2023. (2022: The directors did not propose a dividend or loan interest rebate).

PRINCIPAL RISKS AND UNCERTAINTIES

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

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

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.

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 policy. All loan applications are assessed with reference to the credit policy in force at the time. Subsequently loans are regularly reviewed for any factors that may indicate that the likelihood of repayment has changed.

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.

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 3 The Mall, Main Street, Lucan, Co. Dublin.

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:

Chris Gallagher
MEMBER OF THE BOARD OF DIRECTORS

Austin O'Keeffe
MEMBER OF THE BOARD OF DIRECTORS

Date: 9th November 2023

DIRECTORS' RESPONSIBILITIES STATEMENT

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 of directors:

Chris Gallagher

MEMBER OF THE BOARD OF DIRECTORS

Austin O'Keeffe

MEMBER OF THE BOARD OF DIRECTORS

Date: 9th November 2023

BOARD OVERSIGHT COMMITTEE'S RESPONSIBILITIES STATEMENT

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:

Louise Drumm

MEMBER OF THE BOARD OVERSIGHT COMMITTEE

Date: 9th November 2023

REPORT OF THE BOARD OVERSIGHT COMMITTEE

The Board Oversight Committee has a statutory role on behalf of the members of Lucan District Credit Union Ltd. to ensure that the governance of the Credit Union is carried out in accordance with the provisions of the Credit Union Act 1997-2012.

The committee had full access to all Board documents during the year. A member of the committee attended every Board meeting to observe and overall, we are satisfied that the Board is compliant with the provisions of the Act.

The Board work well together and get through a significant body of work at every meeting. The meetings are efficient, and the agenda is fully completed each month. All members of the Board are encouraged to participate, and we note that all members of the Board add to the discussion each month.

The BOC were included in the Board training programme for 2023 and we were happy to be able to avail of this training. Each training session was conducted online and was well attended.

The committee would like to thank the Board and management for their support and assistance over the last year and we look forward to working with everyone again through the coming year.

Finally, we actively encourage any members who have some time to volunteer, to put yourselves forward for the panel of volunteers. The credit union draws on this panel to fill vacancies on both the Board and the BOC during the year or at the AGM.

The Board Oversight Committee

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LUCAN DISTRICT CREDIT UNION LIMITED

OPINION

We have audited the financial statements of Lucan District Credit Union Limited, which comprise the income and expenditure account, the statement of other comprehensive income, the balance sheet, the statement of changes in reserves and the statement of cash flows for the financial year ended 30 September 2023, and the related notes 1 to 28 to the financial statements, including the summary of significant accounting policies.

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, Lucan District 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 the 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.

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 auditor's 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 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.

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:

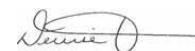
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for their opinion. The risk of not detecting 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 auditor's 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 auditor's report. However, future events or conditions may cause the credit union to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves 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 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.



Denise O'Connell FCA
for and on behalf of
Grant Thornton
Chartered Accountants
& Statutory Audit Firm
Limerick

Date: 9th November 2023

INCOME & EXPENDITURE ACCOUNT FOR THE FINANCIAL YEAR ENDED 30TH SEPTEMBER 2023

		2023	2022
	Schedule	€	€
INCOME			
Interest on members' loans		1,938,193	1,838,526
Interest payable and similar charges (note 22)		(4,025)	-
Other interest income and similar income	1	770,730	331,857
Net interest income		2,704,898	2,170,383
Other income	2	56,822	84,783
Total income		2,761,720	2,255,166
EXPENDITURE			
Employment costs		825,346	803,348
Other management expenses	3	1,154,383	1,026,327
Depreciation		109,746	123,141
Net impairment (gain)/loss on loans to members (note 5)		96,639	(161,503)
Total expenditure		2,186,114	1,791,313
Surplus for the financial year		575,606	463,853

STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30TH SEPTEMBER 2023

	2023	2022
	€	€
Surplus for the financial year	575,606	463,853
Other comprehensive income	-	-
Total comprehensive income for the financial year	575,606	463,853

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

Chris Gallagher
MEMBER OF THE BOARD
OF DIRECTORS

Louise Drumm
MEMBER OF THE BOARD
OVERSIGHT COMMITTEE

Paula Maguire
CEO

Date: 9th November 2023

The notes on pages 18 - 32 form part of these financial statements

BALANCE SHEET FOR THE FINANCIAL YEAR ENDED 30TH SEPTEMBER 2023

		2023	2022
	Notes	€	€
ASSETS			
Cash and balances at bank	6	1,530,407	1,453,344
Deposits and investments – cash equivalents	7	9,107,454	7,983,585
Deposits and investments – other	7	54,128,469	54,934,247
Loans to members	8	24,835,389	23,120,798
Provision for bad debts	9	(1,176,922)	(1,189,642)
Tangible fixed assets	10	428,902	529,131
Debtors, prepayments and accrued income	11	187,734	210,611
Total Assets		89,041,433	87,042,074
LIABILITIES			
Members' shares	12	73,553,050	72,751,730
Members' deposits	13	3,813,649	3,265,132
Other liabilities, creditors, accruals and charges	14	308,143	234,804
Other provisions	15	1,624	1,047
Total liabilities		77,676,466	76,252,713
RESERVES			
Regulatory reserve	17	9,967,306	9,352,127
Operational risk reserve	17	200,000	300,000
Other reserves			
- Realised reserves	17	1,072,893	1,061,810
- Unrealised reserves	17	124,768	75,424
Total reserves		11,364,967	10,789,361
Total liabilities and reserves		89,041,433	87,042,074

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

Chris Gallagher
MEMBER OF THE BOARD
OF DIRECTORS

Louise Drumm
MEMBER OF THE BOARD
OVERSIGHT COMMITTEE

Paula Maguire
CEO

Date: 9th November 2023

The notes on pages 18 - 32 form part of these financial statements

STATEMENT OF CHANGES IN RESERVES FOR THE FINANCIAL YEAR ENDED 30TH SEPTEMBER 2023

Movements on Reserves

	Regulatory Reserve	Operational Risk Reserve	Realised reserves	Unrealised reserves	Total
	€	€	€	€	€
As at 1 October 2021	9,194,759	300,000	749,997	80,752	10,325,508
Surplus for the financial year	-	-	460,817	3,036	463,853
Transfer between reserves	157,368	-	(149,004)	(8,364)	-
As at 1 October 2022	9,352,127	300,000	1,061,810	75,424	10,789,361
Surplus for the financial year	-	-	526,262	49,344	575,606
Transfer between reserves	615,179	(100,000)	(515,179)	-	-
As at 30 September 2023	9,967,306	200,000	1,072,893	124,768	11,364,967

- The regulatory reserve of the credit union as a percentage of total assets as at 30 September 2023 was 11.19% (2022: 10.74%).
- The operational risk reserve of the credit union as a percentage of total assets as at 30 September 2023 was 0.22% (2022: 0.34%).

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30TH SEPTEMBER 2023

	Notes	2023	2022
		€	€
Opening cash and cash equivalents		9,436,929	8,994,737
Cash flows from operating activities			
Loans repaid by members	8	11,540,900	10,930,944
Loans granted to members	8	(13,551,400)	(11,964,625)
Interest on members' loans		1,938,193	1,838,526
Interest payable and other similar charges	22	(4,025)	-
Other interest income and similar income		770,730	331,857
Other income		56,822	84,783
Bad debts recovered and recoveries		186,550	209,232
Operating expenses		(1,979,729)	(1,829,675)
Movement in other assets and liabilities		96,793	1,880
Net cash flows from operating activities		(945,166)	(397,078)
Cash flows from investing activities			
Fixed asset (purchases)/disposals		(9,517)	(177,731)
Net cash flow from other investing activities		805,778	57,139
Net cash flows from investing activities		796,261	(120,592)
Cash flows from financing activities			
Members' shares received	12	25,540,616	24,885,045
Members' deposits received	13	2,819,284	2,261,695
Members' shares withdrawn	12	(24,739,296)	(23,918,400)
Members' deposits withdrawn	13	(2,270,767)	(2,268,478)
Net cash flow from financing activities		1,349,837	959,862
Net increase in cash and cash equivalents		1,200,932	442,192
Closing cash and cash equivalents	6	10,637,861	9,436,929

NOTES TO THE ACCOUNTS FOR THE FINANCIAL YEAR ENDED 30TH SEPTEMBER 2023

1. LEGAL AND REGULATORY FRAMEWORK

Lucan District 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 3 The Mall, Main Street, Lucan, Co. Dublin.

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.

The following principal accounting policies have been applied:

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.

2.6 Deposits and 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.

2.9 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 buildings	2% straight line per annum
Freehold improvements	10% straight line per annum
Leasehold buildings	Over remaining term of lease
Leasehold improvements	Over remaining term of lease
Computer equipment	20% straight line per annum
Furniture & office equipment	12.50% straight line 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 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.

2.12 Interest on members' deposits

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

2.13 Financial liabilities – members' shares and members' deposits

Members' shares and members' deposits 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 Other payables

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

2.15 Pension costs

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. Employer contributions to the 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 same was €11,570 (2022: €10,780).

2.16 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.

2.17 Operating leases

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

2.18 Finance leases and hire purchase

Assets obtained under hire purchase contract and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the credit union. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the income and expenditure account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.19 Derecognition of financial liabilities

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

2.20 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.

2.21 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.

2.22 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 is also classified as unrealised and is not distributable. All other income is classified as realised.

2.23 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.

2.24 Taxation

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

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 €428,092 (2022: €529,131).

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 €1,176,922 (2022: €1,189,642) representing 4.74% (2022: 5.15%) of the total gross loan book.

Operational risk reserve

The directors have considered the requirements of the Credit Union Act, 1997 (as amended) and have developed an approach to the calculation of the operational risk reserve. The operational risk reserve of the credit union at the year end was €200,000 (2022: €300,000).

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	429,415	363,818
Payments to pension schemes	45,704	36,593
Total key management personnel compensation	475,119	400,411

5. NET IMPAIRMENT (GAIN)/LOSS ON LOANS TO MEMBERS

	2023	2022
	€	€
Bad debts recovered	(154,063)	(164,726)
Impairment of loan interest reclassified as bad debt recoveries	(32,487)	(44,506)
Movement in bad debts provision during the year	(12,720)	(250,802)
Loans written off during the year	295,909	298,531
Net impairment gains on loans to members	96,639	(161,503)

6. CASH AND CASH EQUIVALENTS

	2023	2022
	€	€
Cash and balances at bank	1,530,407	1,453,344
Deposits & investments - cash equivalents (note 7)	9,107,454	7,983,585
Total cash and cash equivalents	10,637,861	9,436,929

7. DEPOSITS AND INVESTMENTS

	2023	2022
	€	€
Deposits and investments – cash equivalents		
Accounts in authorised credit institutions (Irish and non-Irish based)	9,106,404	7,983,585
Central Bank deposits	1,050	-
Total deposits and investments – cash equivalents	9,107,454	7,983,585

Deposits and investments – other

Accounts in authorised credit institutions (Irish and non-Irish based)	38,254,154	38,464,589
Bank bonds	12,060,280	14,599,398
Irish and EEA state securities	1,898,918	-
Collective investment schemes	1,296,272	1,261,692
Central Bank deposits	618,845	608,568
Total deposits and investments – other	54,128,469	54,934,247
Total deposits and investments	63,235,923	62,917,832

8. FINANCIAL ASSETS – LOANS TO MEMBERS

	2023	2022
	€	€
As at 1 October	23,120,798	22,385,648
Loans granted during the year	13,551,400	11,964,625
Loans repaid during the year	(11,540,900)	(10,930,944)
Gross loans and advances	25,131,298	23,419,329

Bad debts

Loans written off during the year	(295,909)	(298,531)
As at 30 September	24,835,389	23,120,798

9. PROVISION FOR BAD DEBTS

	2023	2022
	€	€
As at 1 October	1,189,642	1,440,444
Movement in bad debts provision during the year	(12,720)	(250,802)
As at 30 September	1,176,922	1,189,642

The provision for bad debts is analysed as follows:

	2023	2022
	€	€
Grouped assessed loans	1,176,922	1,189,642
Provision for bad debts	1,176,922	1,189,642

10. TANGIBLE FIXED ASSETS

	Freehold Buildings	Freehold Improv.	Leasehold Buildings	Leasehold Improv.	Computer Equipment	Furniture & Office Equipment	Total
	€	€	€	€	€	€	€
Cost							
1 October 2022	362,791	363,154	232,647	70,847	348,568	89,380	1,467,387
Additions	-	-	-	-	9,517	-	9,517
Disposals	-	-	-	-	(9,143)	(12,007)	(21,150)
Reclassification	(1,348)	1,348	-	-	-	-	-
At 30 September 2023	361,443	364,502	232,647	70,847	348,942	77,373	1,455,754
Depreciation							
1 October 2022	201,462	143,452	232,647	62,975	227,908	69,812	938,256
Charge for year	7,229	36,447	-	7,872	52,749	5,449	109,746
Disposals	-	-	-	-	(9,143)	(12,007)	(21,150)
Reclassification	(245)	245	-	-	-	-	-
At 30 September 2023	208,446	180,144	232,647	70,847	271,514	63,254	1,026,852
Net book value							
At 30th September 2023	152,997	184,358	-	-	77,428	14,119	428,902
At 30th September 2022	161,329	219,702	-	7,872	120,660	19,568	529,131

Computer equipment with a net book value of €Nil (2022: €301) is held under a finance lease.

11. DEBTORS, PREPAYMENTS AND ACCRUED INCOME

	2023	2022
	€	€
Loan interest receivable	54,304	52,438
Prepayments	77,803	104,206
Other debtors and associated interest amounts	55,627	53,967
As at 30 September	187,734	210,611

12. MEMBERS' SHARES

	2023	2022
	€	€
As at 1 October	72,751,730	71,785,085
Received during the year	25,540,616	24,885,045
Withdrawn during the year	24,739,296	(23,918,400)
As at 30 September	73,553,050	72,751,730

13. MEMBERS' DEPOSITS

	2023	2022
	€	€
As at 1 October	3,265,132	3,271,915
Received during the year	2,819,284	2,261,695
Withdrawn during the year	(2,270,767)	(2,268,478)
As at 30 September	3,813,649	3,265,132

14. OTHER LIABILITIES, CREDITORS, ACCRUALS AND CHARGES

	2023	2022
	€	€
Prize draw	44,743	46,071
PAYE/PRSI	15,781	16,120
Accruals and other creditors	247,619	172,613
As at 30 September	308,143	234,804

15. OTHER PROVISIONS

	2023	2022
	€	€
Holiday pay accrual		
At 1 October	1,047	1,231
Charged/(credited) to the income and expenditure account	577	(184)
At 30 September	1,624	1,047

16. FINANCIAL INSTRUMENTS

16a. Financial instruments – measured at amortised cost

	2023	2022
	€	€
Financial assets		
Financial assets measured at amortised cost	79,656,079	78,076,275
Financial liabilities		
Financial liabilities measured at amortised cost	77,676,466	76,252,713

Financial assets measured at amortised cost comprise of cash and balances at bank, deposits and investments, loans and other debtors and associated interest amounts.

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

16b. 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:

As at 30 September 2023	Total	Level 1	Level 2	Level 3
	€	€	€	€
Accounts in authorised credit institutions	6,513,504	-	6,513,504	-
Bank Bonds	1,014,569	-	1,014,569	-
Collective investment scheme	1,296,272	1,296,272	-	-
Total	8,824,345	1,296,272	7,528,073	-

As at 30 September 2022	Total	Level 1	Level 2	Level 3
	€	€	€	€
Accounts in authorised credit institutions	6,514,388	-	6,514,388	-
Bank Bonds	503,944	-	503,944	-
Collective Investment Scheme	1,261,692	1,261,692	-	-
Total	8,280,024	1,261,692	7,018,332	-

There was a fair value movement in the amount of €34,580 recognised in the income and expenditure account for the year ended 30 September 2023 (2022: (€244,560)).

17. RESERVES

	Balance 01/10/22	Appropriation of current year surplus	Transfers between reserves	Balance 30/09/23
	€	€	€	€
Regulatory reserve	9,352,127	-	615,179	9,967,306
Operational risk reserve	300,000	-	(100,000)	200,000

Other reserves

Realised

Undistributed surplus	1,061,810	526,262	(515,179)	1,072,893
Total realised reserves	1,061,810	526,262	(515,179)	1,072,893

Unrealised

Interest on loans reserve	52,458	1,846	-	54,304
Investment income reserve	22,966	47,498	-	70,464
Total unrealised reserves	75,424	49,344	-	124,768
Total reserves	10,789,361	575,606	-	11,364,967

18. 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 percentages 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	21,126,910	85.07%	19,000,178	82.18%
IMPAIRED LOANS:				
Not past due	1,673,728	6.74%	1,513,739	6.55%
Up to 9 weeks past due	1,448,724	5.83%	1,836,092	7.94%
Between 10 and 18 weeks past due	294,196	1.18%	224,600	0.97%
Between 19 and 26 weeks past due	57,678	0.23%	103,745	0.45%
Between 27 and 39 weeks past due	53,869	0.22%	137,393	0.59%
Between 40 and 52 weeks past due	103,823	0.42%	92,089	0.40%
53 or more weeks past due	76,461	0.31%	212,962	0.92%
Total impaired loans	3,708,479	14.93%	4,120,620	17.82%
TOTAL LOANS	24,835,389	100.00%	23,120,798	100.00%

19. RELATED PARTY TRANSACTIONS

19a. Loans

	2023		2022	
	No. of loans	€	No. of loans	€
Loans advanced to related parties during the year	19	208,100	28	176,400
Total loans outstanding to related parties at the year end	22	373,617	26	279,060
Total Provisions for Loans Outstanding to Related Parties		7,509		4,752

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 1.50% of the total loans outstanding at 30 September 2023 (2022: 1.21%).

19b. Savings

The total amount of savings held by related parties at the year end was €357,403 (2022: €359,203).

20. ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURES

20a. 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 unions 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 policy. Credit risk mitigation may include the requirement to obtain collateral as set out in the credit union's credit policy. 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 and personal guarantees. 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 policy 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 unions 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.

20b. 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 minimum short term liquidity ratio as set out in regulatory requirements.

20c. Interest rate risk disclosures

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

	2023		2022	
	Amount €	Av. Interest Rate %	Amount €	Av. Interest Rate %
Gross loans to members	24,835,389	8.67%	23,120,798	8.91%

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.

21. DIVIDENDS AND LOAN INTEREST REBATES

The following distributions were paid during the year:

	2023		2022	
	%	€	%	€
Dividend on shares	-	-	-	-
Loan interest rebate (on standard rate loans)	-	-	-	-

The directors are proposing a dividend of €18,154 (0.025%) and a loan interest rebate (on standard variable loans), of €15,970 (1.00%) in respect of the financial year ended 30 September 2023. (2022: The directors did not propose a dividend or loan interest rebate).

22. INTEREST PAYABLE AND SIMILAR CHARGES

	2023		2022	
	%	€	%	€
Deposit interest payable for the year				
On-demand deposit accounts	0.10	3,447	-	-
90 day notice deposit accounts	0.50	61	-	-
1-year term deposit accounts	1.00	35	-	-
3-year term deposit accounts	1.50	224	-	-
5-year term deposit accounts	1.75	251	-	-
10-year term deposit accounts	2.25	7	-	-
TOTAL		4,025		-

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 €1,500,000 (2022: €1,500,000) 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 non-cancellable operating leases as follows:

	2023	2022
	€	€
Less than 1 year	41,115	36,996
1 to 5 years	71,580	7,495
At 30 September	112,695	44,491

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 9th November 2023.

**SCHEDULES TO THE INCOME AND EXPENDITURE ACCOUNT
FOR THE FINANCIAL YEAR ENDED 30TH SEPTEMBER 2022**

The following schedules do not form part of the statutory financial statements which are the subject of the Independent Auditor's Report on pages 10 to 13.

SCHEDULE 1 - OTHER INTEREST INCOME AND SIMILAR INCOME

	2023	2022
	€	€
Investment income received/receivable within 1 year	743,042	512,445
Investment income receivable outside of 1 year	12,918	3,036
Realised gain/(loss) on investments	(19,810)	60,936
Movement in unrealised gain/(loss) on investments	34,580	(244,560)
Total per income and expenditure account	770,730	331,857

SCHEDULE 2 - OTHER INCOME

	2023	2022
	€	€
Insurance commission	4,894	4,439
Foreign exchange commission	5,142	5,354
Life & pensions commission	46,786	74,990
Total per income and expenditure account	56,822	84,783

SCHEDULE 3 - OTHER MANAGEMENT EXPENSES

	2023	2022
	€	€
Loans and savings insurance costs	204,572	195,416
Printing, postage and stationery	42,034	54,127
Computer costs	129,477	115,332
AGM and other meeting costs	18,367	20,766
Bank charges	33,074	33,054
Sundry expenses	31,001	27,383
Telephone	13,554	15,190
Cash security	6,849	5,831
Advertising and marketing	51,263	48,777
Donations and sponsorship	27,540	20,790
Legal and professional fees	188,553	153,610
Debt collection	5,920	11,428
Audit fees	19,680	18,142
Regulatory levies	233,610	162,377
Rent and rates	47,390	46,244
Repairs and maintenance	19,904	25,347
General insurance	50,369	47,770
Light and heat	19,480	14,844
Staff training	9,019	7,202
Travel and subsistence	2,727	2,697
Total per income and expenditure account	1,154,383	1,026,327



FINANCIAL ADVICE AVAILABLE NOW

Avail of a complimentary review of your current financial arrangements with our in-house Financial Advisor, John Miller.

John can provide advice in the following areas:

- Life assurance
- Serious illness cover
- Income protection
- Mortgage protection insurance
- Retirement planning/Pensions
- Self-employed pensions
- Post retirement advice
- Savings & Investments
- Business protection/employee benefits

Lucan District Credit Union has agencies with Irish Life, Zurich, Aviva Life & Pensions, Royal London, Standard Life, and New Ireland.

For more information or to make an appointment visit www.lucanccu.ie Financial Advice or contact John at 0818 297 007

REPORT OF THE CREDIT COMMITTEE

The Credit Committee is appointed annually by the Board of Directors of the Credit Union.

The committee is delighted to report loan book growth this year of €1.7m (up 7.4% on last year). In May we launched a mortgage product for members who wish to switch provider, move home, or purchase their council houses. We have several mortgages in the pipeline, two were issued in this business year. We have limited funds available for mortgages. If any members wish to speak to us about moving a mortgage to the credit union, please contact us. For more information about this product visit www.lucancu.ie/flexible-mortgage.

The following is a breakdown of the loans issued over the past year by amount and purpose:

By Amount	Number	Amount E	Loan Purpose	Number	Amount
€1 - €500	291	€114,223	Car Purchase	252	€2,446,691
€500 - €2,000	1,036	€1,355,889	Bills/Debt consolidation	92	€554,870
€2,000 - €5,000	730	€2,630,589	Go Green	15	€306,000
€5,000 - €10,000	346	€2,728,010	Christmas	154	€233,390
€10,000 -€15,000	134	€1,749,610	Education	132	€374,473
€15,000 - €25,000	76	€1,557,618	Dental/Medical	122	€336,885
€25,000 - €50,000	50	€1,783,000	Holidays	289	€768,020
€50,000 - €100,000	18	€1,320,461	Home Improvements - 25k	409	€2,283,824
€100,00+	2	€312,000	Home Improvements - 25k-40k	47	€637,718
Total	2,683	€13,551,400	Home Improvements - 40k-75k	33	€1,140,561
			Home Improvements - 75k-00k	11	€787,927
			Wedding	33	€257,300
			Within Shares (fully secured)	855	€2,477,513
			Funeral	28	€150,000
			Members Flexible Mortgage	2	€312,000
			Other purpose	209	€484,228
			Total	2,683	€13,551,400

Members can apply for a loan and upload documents securely through online banking. If you are not already registered for online banking you can do so through our website, top right-hand corner. Once the loan is approved, the credit union will issue the documents through DocuSign and you can sign for and drawdown the loan remotely with no need to attend the office. If you need any assistance with this, please contact our member support hub on 0818 297 007.

For more information on our loans visit our website www.lucancu.ie or ask at the counter. Check out the loan calculator on our website for estimated costs and repayments.

The Credit Committee

REPORT OF THE CREDIT CONTROL COMMITTEE

The Credit Control Committee is appointed annually by the Board of Directors to oversee Credit Control within Lucan District Credit Union.

The arrears position of the loan book remained stable over the last year. The committee continue to monitor the book closely for any signs of deterioration.

The committee is aware of the continued pressures on our members due to inflation, rising costs, and increasing mortgage interest rates. The prospect remains that the economy could potentially enter recession over the coming months, and we will continue to monitor this and work with management to provide for any forecast losses.

We encourage members who find themselves getting into financial difficulty to come to us at the earliest possible stage so that we can assist you, and hopefully avoid or limit the impact on your credit rating. Whether this is a short-term financial difficulty, or a longer-term issue, we will work with you to find a solution. We have several tools at our disposal, including rescheduling the loan to reduce the repayment and repay over a longer-term. However, we can only help where we are aware that there is an issue. We encourage members to help yourselves by contacting us at the earliest opportunity. Arrears on a loan will impact your credit rating and may prevent you from accessing credit in the future, not just from the credit union, but all other financial institutions.

Where the member does not contact us or will not work with us, the credit union will utilise our collections partner, Cabot Financial Services, and our legal team to recover our members funds. We always prefer members to contact us and work with us when they run into difficulties. Even putting a temporary arrangement in place means that you can keep saving and return to borrowing with us at some time in the future when the arrears have been cleared.

Unlike the banks, the credit union is willing to overlook past arrears where the member has cleared them in full. We will grant further credit, where the member can show that they can afford the repayments.

If you would like to speak with credit control at any stage, please call 0818 297 007 and press option 3, you will be put straight through.

The Credit Control Committee

REPORT OF THE MEMBERSHIP COMMITTEE

The role of the membership committee is to consider applications for membership of the credit union. This year we were delighted to welcome 701 fully approved new members and 93 pending members. Pending members are new members who have not yet fully completed the joining process by providing all the required documentation by the year end.

Out of the fully approved members, 190 are aged 19 or under. That is 27% of the new members. These are the borrowers of the future.

Members are joining us now specifically for our loans. We have a very high level of new members taking up loans quickly after joining. This is great news and shows that our loan products are competitive and attractive to members of the community. We have happy to talk to anyone thinking of joining to take up our loans, mortgage product, savings products, or financial services. As always, the key criterion for assessing loans will be affordability of the repayments and credit history.

We are happy to welcome anyone who lives or works in Lucan or Adamstown, or members of the household of anyone who works in Lucan or Adamstown. To join you can complete a membership application form available from the Finnstown office or through our website. Or you can download our app, Lucan Credit Union, from Google Play or the App Store and follow the on-screen instructions to join.

Under the Criminal Justice Act 2013 S33 (8a) we are legally required to maintain current documentation on all member accounts. We have been actively contacting members who do not have up-to-date documentation on their accounts over the last year, and we will continue to do this. Please ensure that you regularly update your photo ID and proof of address (current utility bill/bank statement) on your account to assist us in meeting our obligations or provide these in a timely manner when requested by a member of staff.

We would advise members that where there is no member-initiated transaction conducted on your account for 36 months, your account will fall dormant and be locked for security reasons. You will not be able to transact on the account until it has been reactivated. You will need to present up to date photo ID and proof of address at the counter. It is easy to maintain your account by setting up a standing order for savings every week or month, even for a very small amount.

The Membership Committee

REPORT OF THE NOMINATIONS COMMITTEE

The Nomination Committee has the responsibility to ensure that the Board of Directors and committees have the necessary representation to carry out their duties and serve the members. A Fitness & Probity regime was introduced for Credit Unions in 2013 by the Central Bank of Ireland and in line with this the committee must ensure that each candidate for vacancies on the Board have been vetted and approved by the nominations committee, to go forward for election. In addition, the committee is responsible for ensuring that all Board/Board oversight committee members have adequate training to assist them in fulfilling their roles.

In 2023, in conjunction with the management team, a full Board training programme was offered through Teams, to make the training accessible to all Board/BOC members. These training sessions were well attended with the Teams sign in retained as the attendance log.

Although Board and BOC roles are voluntary, you can extend your skills in leadership, governance, strategy, and finance by serving some time with your credit union. You will improve your visibility and impact by adding the role to your CV and LinkedIn profile. You can also avail of our education programme to gain a transferable qualification(s) while you serve. You can also give back to your credit union and the wider community by volunteering for a few years.

Any member who would like to put their name forward for the panel, from which members are put forward for the Board or BOC as vacancies arise, should complete a nomination form which is available in either office or from our website www.lucancu.ie/Application-forms. This should be signed by the nominee and by a proposer and seconder, who should also be members of Lucan District Credit Union.

Any member wishing to go on the panel for consideration in advance of the AGM, should there be vacancies, must ensure that their nominations form is submitted by Monday 9th December at the latest. If you are not put forward at this AGM, we will place you on the panel to be called up at a future date as vacancies arise.

If you are thinking about volunteering to help govern your credit union or you would like more information, please visit our website www.lucancu.ie/volunteering.

The Nominations Committee

REPORT OF THE INVESTMENT COMMITTEE

There was a marked reversal in fortunes this year for the investment portfolio, with a return to positive rates, after several years of negative or zero rates.

The committee had managed to lock in a reasonable return over the last few years, but it had become more difficult to place funds as investments matured. This all changed from July 2022.

The ECB continued to raise interest rates throughout the last year. While this was not good for members and impacted on mortgage repayments for many members, the increase in rates offered us an opportunity to place funds with a reasonable rate of return. We could also take up government and bank bonds at higher yields than were previously available.

Crucially, we are getting a positive return for liquid funds, after many years of negative rates. We are required by regulation to hold a percentage of our unattached shares as liquid. This placed considerable pressure on the credit union over recent years as this was costing us money.

It is worth noting that, at time of writing, two of the Irish pillar banks, BOI and AIB, will still not accept credit union funds. We continue to utilise EU banks and PTSB for our deposits.

The committee managed to increase the average return on investment this year to 1.2% on the investment portfolio (0.53% last year). We will continue to focus on improving the return and quality of the portfolio over the coming year.

The Investment Committee

STANDING ORDERS

1. VOTING

Each member shall be entitled to one vote irrespective of his/her shareholding, in accordance with Section 82(2).

2 - 4 ELECTION PROCEDURE.

2. Nominations for election must be in accordance with Section 56B.
3. Elections to the Board of Directors, to the Board Oversight Committee and the position of Auditor shall be by majority vote and by secret ballot.
4. A Ballot Paper for the election of the Board and Board Oversight Committee, where applicable, will be distributed to each member at the AGM.

5 - 10 MOTIONS.

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

6. A proposer of a motion may speak for such period as shall be at the discretion of the Chairman of the meeting and shall have the right of reply before the motion is put to the meeting for a vote.
7. In exercising his/her right of reply, a proposer may not introduce new material.
8. The seconder of a motion shall have such time as shall be allowed by the Chairman to second the motion.
9. 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 Chairman.
10. The Chairman 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.

11 - 16 MISCELLANEOUS.

11. The Chairman of the Board of Directors shall be the Chairman of any general meeting, except where he/she is not available, in which case it shall be the Vice-Chairman, except where he/she is not available, in which case the Board shall decide amongst themselves who shall act as Chairman of any general meeting.
12. The Chairman may at his/her discretion, extend the privilege of the floor to any person who is not a member.
13. Matters not covered by the Agenda may be introduced under "Other Business" at the discretion of the Chairman.
14. The Chairman's decision on any matter relating to these Standing Orders or interpretation of same shall be final.
15. In accordance with Section 82(2) no member shall have more than one vote on each question at any general meeting of the credit union or any adjournment thereof irrespective of his/her shareholding or the number of accounts in his/her name in the credit union provided, however, that except in voting at elections, the presiding member shall have a second or casting vote in the event of equality of voting. Voting by proxy shall be allowed only when a member other than a natural person votes through a representative, who is a member of the group, duly authorised in writing for that purpose and accepted as such by the Board of Directors. Acceptance of proxies is in accordance with Section 82(4).
16. Any matter to be decided upon by vote at the AGM shall, unless otherwise expressly provided for by law or the rules, be decided upon by simple majority.

17. SUSPENSION OF STANDING ORDERS.

Any one of these Orders or all of these Standing Orders may be suspended on a motion to this effect receiving a two-thirds majority of those present and entitled to vote.

18. ALTERATION OF STANDING ORDERS.

Standing Orders may be amended or altered at a general meeting and only if a motion to this effect has received a two-thirds majority of those present and voting.

19. ADJOURNMENTS.

Adjournments of the AGM shall take place only in accordance with Section 81.

MEMBERS PRIZE DRAW INCOME AND EXPENDITURE ACCOUNT FOR THE FINANCIAL YEAR ENDED 30TH SEPTEMBER 2023

INCOME		€
Opening Balance 01/10/2022		46,071.00
Cash Draw Member Entry fees for calendar year 2023		154,648.00
Refund		52.00
Total Entry Fees and Opening Balance		200,771.00
EXPENDITURE		
Prizes paid out		156,000.00
Bank Charges related to the Prize Draw Account		28.11
Total Expenditure		156,028.11
Total Audited Remaining Funds		44,742.89

PRIZE DRAW WINNERS 2023

Prizes each month Oct 2022 - Sept 2023 - 1st €10,000 – 2nd €2,000 – 3rd €1,000

October 2022	November 2022	December 2022
1st John Gorry	1st Caroline Carabini	1st Jennifer Winters
2nd Patricia Carroll	2nd Dara Keegan	2nd Olga Long
3rd Able Manlogo	3rd Fiona Brady	3rd Anthony Doody
January 2023	February 2023	March 2023
1st Damien McCarthy	1st Tina Walker	1st Paul Henry
2nd Ann Fagan Ryan	2nd Ciara O'Mara	2nd Rita O'Connor
3rd Paul Murray	3rd Ivita Banga	3rd Jacqueline Tate
April 2023	May 2023	June 2023
1st Olivia McLoughlin	1st Mary McManus	1st Craig Doran
2nd Mark Kehoe	2nd Stephan Thomas	2nd Jason Drumm
3rd Pol O'Dalaigh	3rd John Farrell	3rd Mohammad Memon
July 2023	August 2023	September 2023
1st Eireann Gilbert	1st Ciaran Byrne	1st Carol Byrne
2nd Myra Ryan	2nd Angela O'Flynn	2nd Elizabeth Gallagher
3rd Jonathon Farrelly	3rd Edel Simpson	3rd Caroline Carpenter

DONATIONS AND SPONSORSHIP

Your credit union engages with the local community by providing some financial support to local groups, charities, schools, events and individuals through sponsorship and donations, on your behalf. Listed below are the main recipients of our support this year. There were also many smaller donations made for various events and activities through the year.

Charities

- Focus Ireland
- Build for the Boys
- Jack & Jill Foundation
- Unicef
- Our Lady's Hospice
- Alone
- Irish Heart Foundation
- Irish Red Cross
- Pieta House

Groups/clubs/schools

- Red Cross Lucan – Pensioners Christmas dinner
- Esker Celtic – kids academy
- Lucan St Patrick's Day Parade
- St Joseph's College – TY charity calendar
- Academy Twirlers
- Lucan Pitch n Putt
- Lucan Men's Shed
- Adamstown Community college - charity 10k
- Sarsfields GAA – Kids academy
- Lucan Festival
- Beechpark FC
- Aontas Youth Choir
- Scoil Aine Naofa – sensory garden
- Lucan Harriers – Lucan road race
- McKinley School of Dance
- Lucan Live – Liffey Sound FM
- Peamount Utd
- 23rd Lucan Scout Group

Local Athletes representing Ireland

- Jenny Egan – Canoeist
- The Wade Family – Kickboxing
- Jade Kavanagh – Football

MEASURING OUR CARBON FOOTPRINT

In 2023, your credit union commenced a programme of addressing our carbon emissions. The first step in this programme was to measure our current level of carbon emissions. The credit union engaged Climate Accountability to assist us with our programme. This will include initial and ongoing measurement, staff training, climate risk management, and preparation of a mitigation plan to reduce our impact on the environment over the coming years.

Business Area	tCO2eq per million € in loans	Peer Comparison
Operational emissions	1.50	Emissions ratio lower than peer average
Emissions attributed to loan book	57.11	Emissions ratio lower than peer average
Total emissions of the Credit Union	229.17	Emissions ratio higher than peer average