

Lucan District
CREDIT UNION
Financial Services you can Trust



ANNUAL REPORT
2024

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DIRECTORS AND OTHER INFORMATION

Directors

Chris Gallagher	Chair
Austin O'Keeffe	Vice-Chair
Louise Drumm	Secretary (Co-opted Jan24)
Saskia Vandeweert	Resigned Jan24
Paul Fahy	
Darmah Chirombo	
Junior Chapwanya	
Thomas Bradley	
Karen Bougueroua	
Ben Murahwi	Resigned Aug24

Board Oversight Committee

Sophie Awani-Gold	
Mary Needham	
Louise Drumm	Resigned Jan24
Saskia Vandeweert	Co-opted Jan24

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 2024

Notice is hereby given that the Annual General Meeting of Lucan District Credit Union Ltd will take place Monday the 16th December 2024 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 6th December 2024. The forms are available from the Finnstown office or online at www.lucancu.ie/about-us/downloads

We do hope you can join us on the 16th December.

Louise Drumm

Secretary

ANNUAL GENERAL MEETING 2024

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 loan interest rebate
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 2024

The Directors of Lucan District Credit Union are pleased to present the annual report and audited accounts for year ended 30th September 2024.

The Board are pleased to advise that we have had another successful year which saw significant loan book growth, mainly due to the issuing of mortgages to members. This product has been so successful that we had to cease taking applications for mortgages in April this year. We hope to have additional funding available for mortgages in early 2025.

We have a waiting list for members who would like to switch their mortgage to the credit union. We will contact those on the waiting list as we have funds available. If any member is interested in switching their mortgage to the credit union, please contact us on 0818 297 007 or email help@lucancu.ie with your contact details.

IT upgrades

Our IT systems and network was fully upgraded from June to September this year. Our computer costs include our threat management solution, annual anti-infiltration testing, and annual disaster recovery testing. The Board will continue to invest in our IT infrastructure to ensure that our member data is protected from potential cyber-attack and that we are operationally resilient.

New operating facility

During the year, in line with our strategic plan, the Board approved the purchase of a half-acre site in Lucan for the development of a new operating facility for the credit union over the next few years. This is subject to planning permission.

The current building in the village was purchased by the credit union in 1977 and is not suitable for a modern banking hall. We are very close to

outgrowing our existing facilities. We have been searching for a suitable alternative premises in Lucan for the last six years to no avail. The current building has served us well for 44 years; however, the time has come to move to a more suitable location.

The new operating facility will be high-profile, and accessible. It will allow us to co-locate all staff to work together, and it will future proof the credit union for the next 50+ years, with plenty of additional space for possible future expansion. It will be a valuable new asset that will be owned by you, our members.

Results for the year

On behalf of the Board, I'm delighted to present our results for this business year.

The credit union produced a surplus this year of €691k. This is an increase on last year of €115.4k, mainly due to the improved loan and investment income.

Total assets increased by €2.5m to €91.5m, an increase of 2.8% on last year. This growth was due primarily to the growth in the loan book which is up 24.6% on last year. Shares increased this year by €1.2m (up 1.7%).

Due to the growth in loans, we saw a decrease in the investment portfolio this year as more member funds were applied to loans rather than investments.

Transfers to provisions and reserves

The Board have again prioritised the building of our reserves this year. While we appreciate that our members would like to see a better return, we continue to take a very prudent view to protect the credit union. After many years of challenges, from the great recession to negative interest rates, to Covid, the board now have an opportunity to strengthen the balance sheet by building the reserves and we have opted to do this.

In addition, we are considerably out of step with

the industry average reserves of 16.1%, with total reserves this year at 13.1% (12.8% last year).

We used some of our retained earnings to build our Regulatory Reserve to 12.5% of total assets (11.2% last year). The purpose of this is to allow us avail of the higher limit for mortgage funding in early 2025. We will build back our retained earnings over the coming years.

Based on the above commentary, the Board propose a dividend of 0.05% (0.025% last year) on shares and a 1% (1% last year) loan interest rebate on the standard variable rate loans only. This represents a small increase on last year. It is the intention of the Board that we will work to improve the percentage of our annual surplus returned to members every year, as we achieve our reserves goals.

Acknowledgements

We could not be successful without the cooperation of the entire team, governance and operations working together. I would like to thank the Staff, Management, Board and Board Oversight Committee for the achievements 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 2024

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

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 €36,465 (0.05%) (2023: €18,154 (0.025%)) and a loan interest rebate (on standard variable loans), of €15,409 (1.00%) (2023: €15,970 (1.00%)) in respect of the financial year ended 30 September 2024.

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 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 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: 5th November 2024

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: 5th November 2024

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:

Saskia Vandeweert

MEMBER OF THE BOARD OVERSIGHT COMMITTEE

Date: 5th November 2024

REPORT OF THE BOARD OVERSIGHT COMMITTEE

The Board Oversight Committee (BOC) 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 is happy to report that the Board operated in full compliance with Section IV of the Act throughout the year.

The BOC had full access to all Board documents during the year. A member of the committee attended every Board meeting to observe.

The Board work well together and get through a significant body of work at every meeting. All members of the Board contribute at each meeting.

The BOC were included in the Board training programme for 2024, and we were happy to be able to avail of this training.

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 for the financial year ended 30 September 2024, 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 a 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 (as amended) "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 2024 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.

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;
- 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 (as amended), 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.



Colin Feely FCA
for and on behalf of
Grant Thornton
Chartered Accountants
& Statutory Audit Firm
Limerick

Date: 5th November 2024

INCOME & EXPENDITURE ACCOUNT FOR THE FINANCIAL YEAR ENDED 30TH SEPTEMBER 2024

		2024	2023
	Schedule	€	€
INCOME			
Interest on members' loans		2,145,043	1,938,193
Interest payable and similar charges (note 22)		(11,549)	(4,025)
Other interest income and similar income	1	872,752	770,730
Net interest income		3,006,246	2,704,898
Other income	2	107,323	56,822
Total income		3,113,569	2,761,720
EXPENDITURE			
Employment costs		849,764	825,346
Other management expenses	3	1,212,845	1,154,383
Depreciation		114,588	109,746
Net impairment loss on loans to members (note 5)		245,356	96,639
Total expenditure		2,422,553	2,186,114
Surplus for the financial year		691,016	575,606

STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30TH SEPTEMBER 2024

	2024	2023
	€	€
Surplus for the financial year	691,016	575,606
Other comprehensive income	-	-
Total comprehensive income for the financial year	691,016	575,606

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

Paula Maguire
CEO

Date: 5th November 2024

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

BALANCE SHEET FOR THE FINANCIAL YEAR ENDED 30TH SEPTEMBER 2024

		2024	2023
	Notes	€	€
ASSETS			
Cash and balances at bank	6	1,642,319	1,530,407
Deposits and investments – cash equivalents	7	16,074,959	9,107,454
Deposits and investments – other	7	42,619,561	54,128,469
Loans to members	8	30,934,331	24,835,389
Provision for bad debts	9	(1,250,111)	(1,176,922)
Tangible fixed assets	10	1,300,021	428,902
Debtors, prepayments and accrued income	11	233,770	187,734
Total Assets		91,554,850	89,041,433
LIABILITIES			
Members' shares	12	74,782,807	73,553,050
Members' deposits	13	4,470,775	3,813,649
Other liabilities, creditors, accruals and charges	14	276,794	308,143
Other provisions	15	2,249	1,624
Total liabilities		79,532,625	77,676,466
RESERVES			
Regulatory reserve	17	11,444,356	9,967,306
Operational risk reserve	17	200,000	200,000
Other reserves			
- Realised reserves	17	280,840	1,072,893
- Unrealised reserves	17	97,029	124,768
Total reserves		12,022,225	11,364,967
Total liabilities and reserves		91,554,850	89,041,433

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

Paula Maguire
CEO

Date: 5th November 2024

STATEMENT OF CHANGES IN RESERVES FOR THE FINANCIAL YEAR ENDED 30TH SEPTEMBER 2024

Movements on Reserves

	Regulatory Reserve	Operational Risk Reserve	Realised reserves	Unrealised reserves	Total
	€	€	€	€	€
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 1 October 2023	9,967,306	200,000	1,072,893	124,768	11,364,967
Surplus for the financial year	-	-	657,614	33,402	691,016
Payment of dividend and loan interest rebate	-	-	(33,758)	-	(33,758)
Transfer between reserves	1,477,050	-	(1,415,909)	(61,141)	-
As at 30 September 2024	11,444,356	200,000	280,840	97,029	12,022,225

- The regulatory reserve of the credit union as a percentage of total assets as at 30 September 2024 was 12.50% (2023: 11.19%).
- The operational risk reserve of the credit union as a percentage of total assets as at 30 September 2024 was 0.22% (2023: 0.22%).

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30TH SEPTEMBER 2024

	Notes	2024 €	2023 €
Opening cash and cash equivalents		10,637,861	9,436,929
Cash flows from operating activities			
Loans repaid by members	8	11,410,788	11,540,900
Loans granted to members	8	(17,791,669)	(13,551,400)
Interest on members' loans		2,145,043	1,938,193
Interest payable and other similar charges	22	(11,549)	(4,025)
Other interest income and similar income		872,752	770,730
Other income		107,323	56,822
Dividends paid	21	(18,011)	-
Interest rebates paid	21	(15,747)	-
Bad debts recovered and recoveries		109,772	186,550
Operating expenses		(2,062,609)	(1,979,729)
Movement in other assets and liabilities		(76,760)	96,793
Net cash flows from operating activities		(5,330,667)	(945,166)
Cash flows from investing activities			
Fixed asset (purchases)/disposals		(985,707)	(9,517)
Net cash flow from other investing activities		11,508,908	805,778
Net cash flows from investing activities		10,523,201	796,261
Cash flows from financing activities			
Members' shares received	12	27,459,106	25,540,616
Members' deposits received	13	3,481,409	2,819,284
Members' shares withdrawn	12	(26,229,349)	(24,739,296)
Members' deposits withdrawn	13	(2,824,283)	(2,270,767)
Net cash flow from financing activities		1,886,883	1,349,837
Net increase in cash and cash equivalents		7,079,417	1,200,932
Closing cash and cash equivalents	6	17,717,278	10,637,861

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

NOTES TO THE ACCOUNTS FOR THE FINANCIAL YEAR ENDED 30TH SEPTEMBER 2024

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:

Land	Not depreciated
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 €10,375 (2023: €11,570).

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. In instances where the credit union has been approved for long term lending, a minimum regulatory reserve of 12.5 per cent is required. 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 €445,261 (2023: €428,092).

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 €1,250,111 (2023: €1,176,922) representing 4.04% (2023: 4.74%) 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 (2023: €200,000).

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.

	2024	2023
	€	€
Short term employee benefits paid to key management	436,220	429,415
Payments to pension schemes	45,203	45,704
Total key management personnel compensation	481,423	475,119

5. NET IMPAIRMENT LOSS ON LOANS TO MEMBERS

	2024	2023
	€	€
Bad debts recovered	(94,709)	(154,063)
Impairment of loan interest reclassified as bad debt recoveries	(15,063)	(32,487)
Movement in bad debts provision during the year	73,189	(12,720)
Loans written off during the year	281,939	295,909
Net impairment loss on loans to members	245,356	96,639

6. CASH AND CASH EQUIVALENTS

	2024	2023
	€	€
Cash and balances at bank	1,642,319	1,530,407
Deposits & investments - cash equivalents (note 7)	16,074,959	9,107,454
Total cash and cash equivalents	17,717,278	10,637,861

7. DEPOSITS AND INVESTMENTS

	2024	2023
	€	€
Deposits and investments – cash equivalents		
Accounts in authorised credit institutions (Irish and non-Irish based)	16,072,161	9,106,404
Central Bank deposits	2,798	1,050
Total deposits and investments – cash equivalents	16,074,959	9,107,454
Deposits and investments – other		
Accounts in authorised credit institutions (Irish and non-Irish based)	32,683,303	38,254,154
Bank bonds	8,414,804	12,060,280
Irish and EEA state securities	898,686	1,898,918
Collective investment schemes	-	1,296,272
Central Bank deposits	622,768	618,845
Total deposits and investments – other	42,619,561	54,128,469
Total deposits and investments	58,694,520	63,235,923

The rating category of counterparties with whom the investments were held at 30 September 2024 and 30 September 2023 is as follows:

	2024	2023
	€	€
AAA	898,686	878,067
AA	-	1,020,851
A+	28,153,318	22,643,558
A	17,362,017	18,697,178
A-	-	5,526,580
BBB+	4,627,145	4,513,378
BBB	5,021,062	6,319,510
NR	2,006,726	3,016,906
Central Bank	625,566	619,895
Total	58,694,520	63,235,923

8. FINANCIAL ASSETS – LOANS TO MEMBERS

	2024	2023
	€	€
As at 1 October	24,835,389	23,120,798
Loans granted during the year	17,791,669	13,551,400
Loans repaid during the year	(11,410,788)	(11,540,900)
Gross loans and advances	31,216,270	25,131,298
Bad debts		
Loans written off during the year	(281,939)	(295,909)
As at 30 September	30,934,331	24,835,389

9. PROVISION FOR BAD DEBTS

	2024	2023
	€	€
As at 1 October	1,176,922	1,189,642
Movement in bad debts provision during the year	73,189	(12,720)
As at 30 September	1,250,111	1,176,922

The provision for bad debts is analysed as follows:

	2024	2023
	€	€
Grouped assessed loans	1,250,111	1,176,922
Provision for bad debts	1,250,111	1,176,922

10. TANGIBLE FIXED ASSETS

	Freehold Buildings	Freehold Improv.	Leasehold Buildings	Leasehold Improv.	Computer Equipment	Furniture & Office Equipment	Total
	€	€	€	€	€	€	€
Cost							
1 October 2023	361,443	364,502	232,647	70,847	348,942	77,373	1,455,754
Additions	854,760	-	-	-	125,065	5,882	985,707
Disposals	-	-	(232,647)	-	(75,288)	(11,417)	(319,352)
At 30 September 2024	1,216,203	364,502	-	70,847	398,719	71,838	2,122,109
Depreciation							
1 October 2023	208,446	180,144	232,647	70,847	271,514	63,254	1,026,852
Charge for year	7,229	36,639	-	-	66,866	3,854	114,588
Disposals	-	-	(232,647)	-	(75,288)	(11,417)	(319,352)
At 30 September 2024	215,675	216,783	-	70,847	263,092	55,691	822,088
Net book value							
At 30th September 2024	1,000,528	147,719	-	-	135,627	16,147	1,300,021
At 30th September 2023	152,997	184,358	-	-	77,428	14,119	428,902

11. DEBTORS, PREPAYMENTS AND ACCRUED INCOME

	2024	2023
	€	€
Loan interest receivable	67,089	54,304
Prepayments	85,194	77,803
Other debtors and associated interest amounts	81,487	55,627
As at 30 September	233,770	187,734

12. MEMBERS' SHARES

	2024	2023
	€	€
As at 1 October	73,553,050	72,751,730
Received during the year	27,459,106	25,540,616
Withdrawn during the year	(26,229,349)	(24,739,296)
As at 30 September	74,782,807	73,553,050

13. MEMBERS' DEPOSITS

	2024	2023
	€	€
As at 1 October	3,813,649	3,265,132
Received during the year	3,481,409	2,819,284
Withdrawn during the year	(2,824,283)	(2,270,767)
As at 30 September	4,470,775	3,813,649

14. OTHER LIABILITIES, CREDITORS, ACCRUALS AND CHARGES

	2024	2023
	€	€
Prize draw	46,503	44,743
PAYE/PRSI	15,616	15,781
Accruals and other creditors	214,675	247,619
As at 30 September	276,794	308,143

15. OTHER PROVISIONS

	2024	2023
	€	€
Holiday pay accrual		
At 1 October	1,624	1,047
Charged to the income and expenditure account	625	577
At 30 September	2,249	1,624

16. FINANCIAL INSTRUMENTS

16a. Financial instruments – measured at amortised cost

	2024	2023
	€	€
Financial assets		
Financial assets measured at amortised cost	90,102,546	87,184,152
Financial liabilities		
Financial liabilities measured at amortised cost	79,532,625	77,676,466

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 2024	Total	Level 1	Level 2	Level 3
	€	€	€	€
Accounts in authorised credit institutions	-	-	-	-
Bank Bonds	-	-	-	-
Collective investment scheme	-	-	-	-
Total	-	-	-	-
As at 30 September 2023	Total	Level 1	Level 2	Level 3
	€	€	€	€
Accounts in authorised credit institutions	-	-	-	-
Bank Bonds	-	-	-	-
Collective Investment Scheme	1,296,272	1,296,272	-	-
Total	1,296,272	1,296,272	-	-

There was a fair value movement in the amount of €Nil recognised in the income and expenditure account for the year ended 30 September 2024 (2023: €34,580).

17. RESERVES

	Balance 01/10/23	Payment of dividend and interest loan rebate	Appropriation of current year surplus	Transfers between reserves	Balance 30/09/24
	€	€	€	€	€
Regulatory reserve	9,967,306	-	-	1,477,050	11,444,356
Operational risk reserve	200,000	-	-	-	200,000
Other reserves					
Realised					
Undistributed surplus	1,072,893	(33,758)	657,614	(1,415,909)	280,840
Total realised reserves	1,072,893	(33,758)	657,614	(1,415,909)	280,840
Unrealised					
Interest on loans reserve	54,304	-	12,785	-	67,089
Investment income reserve	70,464	-	20,617	(61,141)	29,940
Total unrealised reserves	124,768	-	33,402	(61,141)	97,029
Total reserves	11,364,967	(33,758)	691,016	-	12,022,225

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.

	2024		2023	
	€	%	€	%
LOANS NOT IMPAIRED				
Total loans not impaired, not past due	27,392,938	88.55%	21,126,910	85.07%
IMPAIRED LOANS:				
Not past due	1,915,667	6.20%	1,673,728	6.74%
Up to 9 weeks past due	1,225,557	3.96%	1,448,724	5.83%
Between 10 and 18 weeks past due	171,694	0.56%	294,196	1.18%
Between 19 and 26 weeks past due	73,561	0.24%	57,678	0.23%
Between 27 and 39 weeks past due	53,452	0.17%	53,869	0.22%
Between 40 and 52 weeks past due	35,564	0.11%	103,823	0.42%
53 or more weeks past due	65,898	0.21%	76,461	0.31%
Total impaired loans	3,541,393	11.45%	3,708,479	14.93%
TOTAL LOANS	30,934,331	100.00%	24,835,389	100.00%

19. RELATED PARTY TRANSACTIONS

19a. Loans

	2024		2023	
	No. of loans	€	No. of loans	€
Loans advanced to related parties during the year	16	67,250	19	208,100
Total loans outstanding to related parties at the year end	25	353,383	23	376,755
Total Provisions for Loans Outstanding to Related Parties		7,082		7,587

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 1.14% of the total loans outstanding at 30 September 2024 (2023: 1.50%).

19b. Savings

The total amount of savings held by related parties at the year end was €491,243 (2023: €357,518).

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. The credit union is also exposed to counterparty credit risk pertaining to its deposit and investment portfolio. In order to manage this 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.

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.

	2024		2023	
	Amount	Av. Interest	Amount	Av. Interest
	€	Rate %	€	Rate %
Gross loans to members	30,934,331	7.98%	24,835,389	8.67%

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:

	2024		2023	
	%	€	%	€
Dividend on shares	0.025%	18,011	-	-
Loan interest rebate (on standard rate loans)	1.00%	15,747	-	-

The directors are proposing a dividend of €36,465 (0.05%) (2023: €18,154 (0.025%)) and a loan interest rebate (on standard variable loans), of €15,409 (1.00%) (2023: €15,970 (1.00%)) in respect of the financial year ended 30 September 2024.

22. INTEREST PAYABLE AND SIMILAR CHARGES

	2024		2023	
Deposit interest payable for the year	%	€	%	€
On-demand deposit accounts	0.10	3,712	0.10	3,447
90 day notice deposit accounts	0.80	362	0.50	61
1-year term deposit accounts	1.75	1,105	1.00	35
3-year term deposit accounts	2.25	2,168	1.50	224
5-year term deposit accounts	3.00	3,275	1.75	251
10-year term deposit accounts	3.25	927	2.25	7
TOTAL		11,549		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 (2023: €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 2024.

26. LEASING COMMITMENTS

The credit union had future minimum lease payments under non-cancellable operating leases as follows:

	2024	2023
	€	€
Less than 1 year	34,498	41,115
1 to 5 years	29,333	71,580
At 30 September	63,831	112,695

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 5th November 2024.

SCHEDULES TO THE INCOME AND EXPENDITURE ACCOUNT FOR THE FINANCIAL YEAR ENDED 30TH SEPTEMBER 2024

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 to13.

SCHEDULE 1 - OTHER INTEREST INCOME AND SIMILAR INCOME

	2024	2023
	€	€
Investment income received/receivable within 1 year	903,325	743,042
Investment income receivable outside of 1 year	20,617	12,918
Realised loss on investments	(51,190)	(19,810)
Movement in unrealised gain on investments	-	34,580
Total per income and expenditure account	872,752	770,730

SCHEDULE 2 - OTHER INCOME

	2024	2023
	€	€
Insurance commission	2,675	4,894
Foreign exchange commission	6,733	5,142
Life & pensions commission	97,915	46,786
Total per income and expenditure account	107,323	56,822

SCHEDULE 3 - OTHER MANAGEMENT EXPENSES

	2024	2023
	€	€
Loans and savings insurance costs	220,145	204,572
Printing, postage and stationery	47,319	42,034
Computer costs	151,625	129,477
AGM and other meeting costs	17,067	18,367
Bank charges	36,707	33,074
Sundry expenses	28,554	31,001
Telephone	15,934	13,554
Cash security	6,812	6,849
Advertising and marketing	64,151	51,263
Donations and sponsorship	29,320	27,540
Legal and professional fees	250,432	188,553
Debt collection	6,976	5,920
Audit fees	19,680	19,680
Regulatory levies	155,982	233,610
Rent and rates	47,465	47,390
Repairs and maintenance	31,180	19,904
General insurance	51,177	50,369
Light and heat	17,072	19,480
Staff training	11,997	9,019
Travel and subsistence	3,250	2,727
Total per income and expenditure account	1,212,845	1,154,383



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.lucancu.ie Financial Advice or contact John at 0818 297 007 or John.Miller@lucancu.ie

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 €6m (up 24.5% on last year). This loan growth is primarily due to the success of our mortgage product, launched in May 2023. We had limited funds available for this product and due to the level of applications received we ceased taking new applications in April this year. We should have additional funds available in early 2025. If any member wishes to be added to the waiting list to switch their mortgage to the credit union, please email loans@lucancu.ie and we will be in touch.

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

By Amount	Number	Amount €	Loan Purpose	Number	Amount
€1 - €500	317	€121,799	Car Purchase	309	€3,024,830
€500 - €2,000	1,023	€1,327,047	Bills/Debt consolidation	88	€323,300
€2,000 - €5,000	694	€2,552,555	Go Green	9	€192,500
€5,000 - €10,000	317	€2,458,600	Christmas	152	€217,310
€10,000 - €15,000	150	€1,972,103	Education	102	€337,397
€15,000 - €25,000	114	€2,309,255	Dental/Medical	96	€318,890
€25,000 - €50,000	47	€1,621,710	Holidays	292	€725,320
€50,000 - €100,000	22	€1,546,100	Home Improvements - €25k	415	€2,381,475
€100,00+	19	€3,882,500	Home Improvements - €25k-€40k	70	€965,010
Total	2,703	€17,791,669	Home Improvements - €40k-€75k	42	€1,439,934
			Home Improvements - €75k-€100k	12	€756,600
			Wedding	37	€222,700
			Within Shares (fully secured)	805	€2,338,830
			Car repairs	124	€232,960
			Members Flexible Mortgage	20	€3,982,500
			Other purpose	130	€332,113
			Total	2,703	€17,791,669

For more information on our loans visit our website www.lucancu.ie, call us on 0818 297 007 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 has been at its lowest point in many years with arrears remaining relatively stable throughout the business year.

We are happy to work with our members where financial circumstances may have changed since taking out the loan. We encourage members who find themselves in this situation 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. 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 prefer if members contact us and work with us, in the first instance. 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 799 fully approved new members and 52 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, 207 are aged 19 or under. That is 25.9% of the new members. This bodes well for the future of the credit union.

We are open to membership from anyone who lives or works in the Lucan and Adamstown area and members of the household of anyone who works in Lucan or Adamstown.

New members can join by completing a new member application form for either an individual member or for joint members. The forms are available from the Finnstown office or on our website www.lucancu.ie/about-us/downloads.

Or you can now join through our mobile app. The app Lucan Credit Union is available from the Google Playstore or from the Apple store. Simply download and follow the onscreen instructions to join.

Under the Criminal Justice Act 2013 S33 (8a) we are legally required to maintain current documentation on all member accounts. Please ensure that you regularly update you 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.

It is advisable to update your ID and proof of address regularly, to prevent your account from being marked dormant. This is an automatic process that happens for security reasons where there has been no member-initiated transaction on your account for 36 months. The easiest way to prevent this from happening is to set up a DD or standing order to your savings account every week or month, even for a small amount of money.

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 2024, a full Board training programme was offered to the Board and Board Oversight Committee (BOC). These training sessions were well attended.

The Board and BOC roles are volunteer roles. However, serving a few years as a volunteer will raise your profile on LinkedIn and improve your CV. You will gain valuable experience of corporate governance and how a large member-based organisation is run.

Although these roles are unpaid, you may avail of our education programme, through which you can gain transferable qualifications.

Volunteering is a good way to give back to your credit union and the wider community, should you have time to spare each month to attend our Board meetings.

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/About-us/Downloads. 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 before Friday 6th 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/about-us/volunteering.

The Nominations Committee

REPORT OF THE INVESTMENT COMMITTEE

The interest rates available to the credit union this year boosted our investment income considerably during the business year.

The committee had fresh challenges this year, due to the growth in the loan book, driven primarily by the popularity of the new mortgage product.

The significant growth in the loan book meant that the investment portfolio decreased during the year. This was expected. In addition, due to the increase in the maturity profile of the loan book, due to longer term loans, we are required to hold more funds as liquid (available within 3 months). This meant that we were required to hold more of the portfolio in short-term deposits.

The overall maturity profile of the investment portfolio has, therefore, shortened with less funds out over 5 years.

The committee managed to increase the average return on investment this year to 1.5% on the investment portfolio (1.2% last year).

Focus over the coming year will continue to be on managing our liquidity and getting the best return on our investment portfolio.

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 there of 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 2024

INCOME

Opening Balance 01/10/2023	€ 44,742.89
Cash Draw Member Entry fees for calendar year 2024	153,288.00
Total Entry Fees and Opening Balance	198,030.89

EXPENDITURE

Prizes paid out	151,500.00
Bank Charges related to the Prize Draw Account	28.02
Total Expenditure	151,528.02
Total Audited Remaining Funds	46,502.87

PRIZE DRAW WINNERS 2024

Prizes Oct23 – Dec23: 1st €10,000 – 2nd €2,000 – 3rd €1,000

October 2023

1st Alain Kabusanti
2nd James Banim
3rd Caroline Griffin

November 2023

1st Sarah Drew
2nd Louise Duffy
3rd Emmanuel Ibitola

December 2023

1st Violeta Pasca
2nd Terry Henry
3rd Eileen McBrearty

Prizes Jan24 - Sep24: 1st €8,000 – 2nd €2,500 – 3rd €1,000 – 4th & 5th €500

January 2024

1st Ann O'Kelly
2nd Helen Dowling
3rd Hannah Farrelly
4th Mark Kelly
5th Helen Castelino

April 2024

1st Sarpreet Kaur &
Amanjeet Singh
2nd Seamus Kelly
3rd Fiona Brady
4th Deirdre Walsh
5th Gillian O'Driscoll

July 2024

1st Clive Swindell
2nd Anne Heffernan
3rd Charles Bradley
4th Akbar Hossain
5th Greg Tierney

February 2024

1st Esther Beirne
2nd Aideen McCarthy
3rd Aisling Boxwell
4th Bernadette Dunne
5th Mary Carty

May 2024

1st Simon Collins
2nd Camelia McAvinue
3rd Michael Morris
4th Laura Murphy
5th Olive McCormack

August 2024

1st Liam Keegan
2nd Carmel Ball
3rd Catriona McCord
4th Tracey Kelly
5th Angela Prizeman

March 2024

1st Aurimas Gagys
2nd Ross Brannigan
3rd Brendan Maher
4th Michael Shannon
5th Mary Crosby

June 2024

1st Sarah Biggins
2nd Lynsey Malone
3rd Edward Waters
4th William Harrison
5th Aine McKinlay

September 2024

1st Amanda Scully
2nd Carmel Grahame
3rd Thomas Bradley
4th Mary McCarthy
5th Michael Stratford

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
- Unicef
- Our Lady's Hospice
- Alone
- Pieta House
- Lucan Festival
- Women's Collective Lucan
- Peamount united
- Esker Amateur Boxing Club
- Lucan Community College

Groups/clubs/schools/athletes

- Irish Red Cross Lucan
- Esker Celtic FC
- Lucan St Patrick's Day Parade
- St Joseph's College
- Academy Twirlers
- Lucan Pitch n Putt Club
- Adamstown Community college
- Sarsfields GAA
- St Thomas School
- Colaiste Phadraig
- Lucan Harriers
- St Andrews Parents Assoc
- Aontas Youth Choir
- Beechpark FC
- Adamstown Youth & Community Centre
- The Wade Family – kickboxing
- Laraghcon Residents Assoc.
- Liffey Sound FM – Lucan Live



Lucan District
CREDIT UNION

Financial Services you can Trust

Phone: 0818 297 007
Email: help@lucancu.ie
webchat: 9.30am to 4.30pm
Monday to Friday