ST. CANICE'S CREDIT UNION

Notice of AGM & Annual Report 2023

Honouring the past,
by protecting the Future.

ST. CANICE'S CREDIT UNION
YOU'RE IN GOOD HANDS

www.stcanicescu.ie

> 2023 has been a year of significant progress and change for lending in St. Canice's."

Notice is hereby given that the Annual General Meeting of St. Canice's Kilkenny Credit Union Limited will be held on ***Monday, 22nd January 2024 in Hotel Kilkenny, College Road, Kilkenny at 7.30pm.***

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ORDER OF BUSINESS

1. The acceptance by the Board of Directors of the authorised representatives of members that are not natural persons
2. Ascertainment that a quorum is present
3. Adoption of Standing Orders
4. Reading and approval (or correction) of the minutes of the last Annual General Meeting
5. CEO's Overview of Operational Matters incorporating the reports of:
   Finance Committee
   Credit Committee
   Membership Committee
   Community Development Committee
   Credit Control Committee
   IT Committee
6. Elections to appoint Auditor and to fill vacancies on the Board Oversight Committee and on the Board of Directors
7. Report of the Board of Directors incorporating the reports of:
   Nomination Committee
   Audit, Risk & Compliance Committee
8. Consideration of the Accounts and Report of the Auditor
9. Motions
10. Board Oversight Committee Report
11. Announcement of Election Results
12. Any other Business
13. Adjournment or close of meeting

Amber Women's Refuge
Community Connect Funding

Piltown Enterprise Board
Community Connect Funding

Cando visiting James Stephens Juniors

Molly Glennon, Art Competition Winner

Dunnamaggin GAA – Community Connect Funding, €10,000

Cultivate Week

Jimmy Connolly retires after 33 years

ST. CANICE'S
CREDIT UNION

CEO REPORT

CEO's Overview of Operational Matters

As CEO it is my pleasure to report to you on the operational developments and highlights of the last year along with updates from some of our committees. It has been a very positive year; in the last 12 months we have grown our lending book by 17% and granted loans to over 8,500 members. Our membership continues to grow with more and more members availing of new digital options. We have improved the processes around applying for a loan and opening accounts and we have diverted more resources to areas where demand is greatest. As climate change becomes one of the greatest threats to society, I am happy to share in this booklet the first steps St. Canice's is taking to be a leader in this area.

As we approach our 60th anniversary in 2024, I am pleased to advise that we have made a surplus of €2.85 million and that following a number of years without a dividend, the Board of Directors this year are proposing a dividend of 0.35%. The theme of our annual report is "Honouring the past by protecting the future" and reflects the upcoming 60th anniversary of St. Canice's, when we will celebrate and honour the work and successes of the past through an investment in community projects focusing on sustainability and environmental initiatives.

FINANCE COMMITTEE AND FINANCIAL PERFORMANCE

Following a challenging 2022 we are happy to report a strong financial performance in 2023 with a surplus posted at year end of €2.85 million. The impact of the rising interest rates globally has seen a positive increase in our investment income. Last year we saw a significant reduction in investment income due largely to the performance of one particular investment. During 2023 we saw a recovery of €272k in the Amundi bond which is in line with expectations and as the bond comes closer to maturity, we will see further recoveries from this source. Interest rates have increased and we are now receiving returns on our cash funds, where once we had to pay negative interest on same. This is all positive, however the nature of our investment portfolio is such that many funds are tied up for longer periods of time at lower rates and therefore the full portfolio does not benefit from rising interest rates. Overall investment income has increased to €5.76 million in the year.

Loan income grew by 6.3% during the year and totalled just over €7 million this year. Many of our loan products are priced at competitively low rates and we are delighted to be in a position to offer members these attractive rates from the start of their loan journey with us. Lending performance is strong and while repayment levels are good, we are conscious that the higher costs of living may impact many members and therefore we have prudently increased our bad debt provision for the year by €927k, which of course has had an impact on the final surplus figure. Indeed, we are not immune ourselves to rising costs and we continue to manage expenses carefully.

The total assets of St. Canice's at the end of the financial year are €474 million which is an increase of €11 million on last year. Our total reserves at the end of the year prior to distributions were a very strong 16.1%. A strong reserve position protects us in difficult times and we continue to hold a strong reserve position which makes us one of the safest and strongest credit unions in the country.

CREDIT COMMITTEE AND LOAN PERFORMANCE

2023 has been a year of significant progress and change for lending in St. Canice's. In February we introduced a new automated lending system which facilitates a prompt efficient application process with potential immediate automated decision making. This new process allows members to apply for a loan and have approval and receipt of funds without ever needing to call to our offices. We know

from member feedback that there is a strong demand for this type of service and in order to compete with other loan providers and stay relevant it was very important that we provide this channel. The process is simple and efficient to use and we would encourage members to try it out, however, rest assured that you can still apply for loans in the traditional face to face manner or over the phone if that is what you prefer.

2023 was a record-breaking year for the loans department in many ways. In November 2022 our loan book grew to €100 million for the first time in our 60-year history and by the end of our financial year this had grown to €115 million. Overall, in the year we issued €60 million in loans to our members. The greatest loan growth was seen in our house mortgage lending, as we issued 60 house loans to the value of just over €10.68 million. The growth in mortgage lending has largely come about due to our very competitive mortgage rates. While other financial institutions have increased their rates throughout the year, the Board of St. Canice's have delayed taking this action for as long as possible and as a result we have made the headlines in the national press as having one of the most competitive rates in the country. In addition to mortgage lending, we have lent over €2 million to local businesses and €48 million in personal lending, a breakdown of which is outlined on page 8. It is important to remember what impact this level of lending has on our local economies. Not only do the loan applicants benefit from the proceeds, but these funds go out into our local economy and help support local garages, shops and businesses, which in turn supports employment in these areas and growth in our communities.

MEMBER SERVICE AND MEMBERSHIP COMMITTEE

The last few years have been difficult, Covid introduced changes to how we carry out our business and the uncertain economic and political landscape meant that in order to protect our reserves and meet regulatory requirements we had to introduce a cap on the level of savings held by individual members. This year we were delighted to be able to remove that savings cap and to advise members that they can now hold up to €100k in the credit union, which is 100% covered by the Deposit Guarantee Scheme. In addition to the removal of the savings cap we are now introducing a new Deposit Account. This deposit account is for a two-year fixed term and will pay an interest rate of 2% per annum, further details are available on our website or in any of our branches.

How our members conduct business has also changed significantly in recent years. Prior to covid 67% of all member transactions were carried out electronically and 33% through our branch network. In the last year this has significantly increased to 83% digital and 17% in branches. With the footfall in offices halving, we have made changes to the opening hours in some locations, to match this change in member behaviour. These changes were important to allow us redirect resources to the digital services area to meet member needs. We have expanded our member services centre to ensure we have sufficient staff available to manage these electronic transactions. More than 3,700 members now hold current accounts with us and are able to use their current account to carry out all of their day-to-day financial transactions, with the support of

17%

Loan Book up by 17% in the year

€5.8M

Investment Income up 210% on 2022

83%

83% of all transactions are now carried out electronically

€115M

Record high Loan Book of €115 Million at 30.09.2023

online banking, an app and the ability to use Apple Pay, Fitbit Pay and Google Pay. We are committed to supporting and improving the digital options available for our members but we will also maintain a physical presence in our communities for those members for whom the face-to-face option is important.

We continue to see new members join our credit union with nearly 2,500 members joining in 2023, a third of whom were under the age of 18. In addition, nearly 3,000 members signed up for online banking.

This year Credit Unions won the most trusted brand in Ireland for a 9th successive year. This accolade is achieved due to a strong member service ethic. We are proud of our member service but we always want to improve and welcome your feedback on how we can make our services and products better. Our membership committee meets monthly. Engaging with members, developing services and providing financial education support is a key goal for the committee.

COMMUNITY DEVELOPMENT, MARKETING AND BUSINESS DEVELOPMENT

During the year we added an additional new Business Development Officer to the team, and both Development Officers are here to connect with our local community groups and businesses. We want to engage more with our local communities throughout our common bond and our Business Development Officers are keen to meet members and develop relationships in each of our locations. To maintain our presence in every town we do need the support of those locally, so please consider us for your financial needs and recommend us to family and friends. One of the key initiatives of the Community Development Committee this year was sourcing member feedback.

We were delighted with the response to our recent survey, following which member focus groups will take place in the coming months to help us understand what our members think and what they want from St. Canice's. Giving back to the community is a core principle of our credit union and in the coming year the Board have allocated additional Community Connect funds to support community projects. Please refer to our website for further details.

CREDIT CONTROL COMMITTEE

Our Credit Control committee meet monthly with our CFO to ensure we recover our members money in an empathetic and professional manner and that policies and procedures are closely adhered to. Our credit control team in the last 12 months have collected over €1.1 million in non-performing loans, which is largely in line with previous years. However, the impact of higher costs of living have seen the level of bad debts written off increased by €235k to €559k in the year. As outlined above we have prudently increased our bad debt provision in the year by €927k bringing the overall provisions to 8% of our gross loan book. As always, if you are in difficulty with loan repayments, please contact our credit control team who will help you to put a payment plan in place.

INFORMATION TECHNOLOGY AND SYSTEMS

The changing digital world and the need to adapt our services and delivery channels, is managed by our IT team. They are responsible for the changes to processes and in protecting our systems from cyber security threats. The IT Committee meet monthly to ensure that all regulatory and legal requirements are met and that St. Canice's have the controls and systems in place to protect our members, their money and data and, that we, as a credit union are responsive to change and strategically forward thinking in relation to digital development.

CONCLUSION

St. Canice's Credit Union now has just over 100 staff members. A number of staff left us during the year to start their retirement or to take on new opportunities. We wish everyone who has moved on the very best for their future and thank them for their many years of hard work. We also welcome our new colleagues who have joined us in the last 12 months. Our staff are our greatest asset and developing and training them is of the utmost importance.

As one of the largest credit unions in the country we are very cognisant of the importance of Governance and Compliance. In the last year we have made changes to the Risk and Compliance department to strengthen these areas even further.

I know that we have an excellent team here in St. Canice's and I see that in the professional and sensitive way the team interact with you; our members. Our ethos will always be to put you, our members, first and I want to thank every staff member in St. Canice's, who work hard every day to do that.

St Canice's Credit Union could not operate without the hard work and commitment of our exceptional volunteers. The Board of Directors, Board Oversight Committee and volunteer committee members, give a huge amount of their personal time for the benefit of the credit union. As always, their generosity of their time and dedication to the credit union is inspiring and especially so as the sole motivation is serving their communities by working on behalf of all members. I would like to thank them all for the support and help they give to the Executive Team and myself.

Finally, I would like to again thank you, our members, for your continued support. As we celebrate 60 years of serving our community, we will throughout the year be sponsoring initiatives and developing projects which focus on sustainable goals to protect the credit union for the future. I would like to wish you all a happy and prosperous 2024 as we look forward to another successful year.

Carmel Butler
CEO

BREAKDOWN OF LOANS ISSUED FROM 1ST OCTOBER 2022 TO 30TH SEPTEMBER 2023

- Farm Loans €1,331,600
- Business & Community Loans €957,400
- Home Improvement €9,542,184
- Mortgages €10,681,396
- Secured by Shares Loan €2,773,874
- Education Loans €1,730,490
- Personal Loans €12,823,163
- Car Loans €20,537,137

Total Loans issued in 2023

€60,377,244

25%

Surplus €2.85 Million

60 Mortgages issued €10.7 Million

5 Scholarship Winners at €3,000 each

Member Savings €395.5 Million Increase of €8.3 Million on 2022

- Total Assets €474 Million
- Dividend 0.35%
- Reserves 16.13%
- Members' Monthly Prize Draw Entries 12,127
- Total Current Accounts 3,505
- Loan Repayments €43 Million
- Bad Debt Recovered €1.1 Million
- New Members 2,500
- Average Loan Interest Rate 6.77%

Fixed Term Deposit Account Available in 2024

Our online service is available to our members via our website and our App

9 Branches across Kilkenny, Carlow & Laois

63,904 calls answered by our Member Service Centre

REPORT OF THE BOARD OF DIRECTORS

Vincent Kenrick

As Chairperson of the Board of Directors and on behalf of the Board it is my pleasure to present the 'Report of the Board of Directors' for the year ended 30th September 2023 to the membership of St. Canice's Kilkenny Credit Union Ltd and to the 2023 Annual General Meeting.

GENERAL

The Board of Directors is responsible for the effective, prudent and ethical oversight of the credit union and for ensuring the credit union has robust and well-designed structures in place, with clear, transparent and consistent lines of accountability. This includes oversight of the credit union's risk management framework, compliance framework and internal audit function. Monthly board meetings are held which are attended by the directors.

The oversight responsibility by those charged with governance is set out in the credit union's governance framework, which is aligned to the requirements of the Credit Union Act, 1997 (as amended). The Board of Directors oversees the sound management of the credit union and discharges their responsibilities in the best interests of the credit union and its members, taking into account the interests of employees, members and the community at large, and in so doing enhancing the long-term value of the credit union.

The Board are delighted to once again be in a position in 2023 to hold the St. Canice's Credit Union AGM 'in person' and not 'online' as has been required by the HSE for all of the years 2020 to 2022 inclusive. At the centre of the Board's concerns and strategic planning for the last year has been the expansion of services to better meet the needs of all members and to this end the growth in mortgage lending, particularly to assist first-time buyers, has been very pleasing. However, as ever the financial landscape continues to change and it is the responsibility of the Board to react to the external economic and monetary developments that occur, in order to keep St. Canice's Credit Union fully compliant with all of the requirements of the Credit Union Act, 1997 (as amended). This will be evident in a number of the financial changes that have occurred in 2023.

FINANCE

The financial year 2023 saw some big changes and challenges to the Credit Union financial operations. The number of interest rate increases put in place by the European Central Bank (ECB) especially towards the latter half of 2023 has put some members under pressure regarding loan repayments, however from the credit union point of view it has brought a positive variance to our investment portfolio income. Investment income has increased by 210% to €5.76m or 44% of our total income for 2023.

The overall surplus for 2023 is €2,855,986 representing once again a strong performance, carefully overseen by the Chief Financial Officer and the Finance Committee. The really good news was the increase in growth of the loan book by €16.7m to in excess of €115m, showing that members are once again, following the banking crises and the pandemic, back borrowing in a responsible manner to meet all of their needs, be they short or long term. Huge merit must be given to the Credit team, led by our new Credit Manager Gerard Holland, who have developed a rapid turnaround time for loan applications while adhering to full compliance demands, assisted by the use of the digitalised personal lending automation process.

This strong growth in lending has primarily been fuelled by a large increase in mortgage applications and St. Canice's Credit Union has sooner than anticipated reached its overall long term lending limit of 7.5% of assets. While we will meet the Central Bank requirements for an increase in potential long term lending to 10% of assets in January 2024 there will be a short respite in the issue of mortgages in January in order to remain within regulatory requirements. It is the intention of the Board to immediately apply for a further increase in long term lending to the overall regulatory maximum of 15% of total assets.

The provisioning requirement in 2023 has increased with the loan book growth resulting in an additional provision of €927k and an overall provisioning rate of 8% of the gross loan book being maintained.

These overall changes in the financial vista and the increased long term lending borrowing rate have increased our Regulatory Reserve requirement from 10% of total assets to 12.5% of total. The Board are happy to have been able to increase the 'Savings Cap' of €30k previously imposed back to the statutory maximum of €100k. This allows members once again to use the credit union for investment purposes and the Board wish to encourage this. Following careful consideration, the Board will be proposing a dividend payment of 0.35% on all shares for 2023, the first such dividend proposal since 2019, and the Board are (at the time of writing) finalising plans to put a deposit arrangement in place for members who wish to have a more structured savings facility available to them.

GOVERNANCE

Once again over the year 2023 the Board has worked to improve the overall governance structure in place within St. Canice's Credit Union. Following on from some excellent work in 2022 to improve risk awareness the Board have moved to split the Compliance and Risk departments with Marie Minogue retaining overall management of the Compliance function and the Board are delighted to welcome Fiona Lawlor as the new Head of Risk.

AUDIT, RISK & COMPLIANCE COMMITTEE (ARC)

This committee is concerned with the pillars of corporate governance, Internal Audit, Risk Management and Legislative and Regulative Compliance. High levels of corporate governance provide a structure through which strategic objectives of the organisation may be set and the performance in relation to those objectives can be monitored. This allows the credit union to trade with confidence that the possibilities of sanctions being imposed for non-compliance or ineffective risk control are mitigated as far as is possible. While the Internal Audit, Compliance and Risk functions are separate within the organisation, oversight for all three functions remain with this committee.

The Internal Audit function is outsourced and in conjunction with that service provider the committee develops an annual Internal Audit Plan. The areas selected for examination are audited with quarterly reports produced by the committee and presented to the Board. An ongoing monitoring process is in place to ensure that issues identified are allocated to an individual to address within a specified timeframe. This process allows the credit union Board to confidently sign-off on an Annual Compliance Statement for submission to the Central Bank.

The Compliance function is vital to the organisation in so far as it is required to monitor all internal credit union policy and process operations to ensure full compliance, and, externally to ensure that the Credit Union is fully compliant with all legislation and regulatory requirements, i.e., the Credit Union Act, 1997 (as amended), GDPR and Money Laundering legislation. This function is overseen by Marie Minogue and her team, and the work is demanding and complex.

The area of risk awareness, identification and mitigation was improved greatly during 2022 with the aid of Fiona Lawlor, who assisted the credit union with the introduction of a new Risk Management framework, a revised Risk Appetite Framework, Risk Register and Risk Reporting structure. The risk management process identifies the likelihood and possible impact of the risks involved in all business transactions, manual and/or electronic, and with the incorporation of

all technological advances. The Board's wish to assimilate all available technological advances into the credit union operations makes this a vital area and Fiona coming on board with St. Canice's Credit Union as a full time Risk Manager is a very welcome development.

NOMINATIONS COMMITTEE

The Nominations Committee is a committee consisting of all Board members and has responsibility for ensuring that the regulatory requirements governing the completion of annual 'Ethics' and 'Fitness and Probity' declarations by all credit union volunteers are met, retaining all documentation in relation to this, identifying and addressing the training needs of the Board and volunteers, and monitoring required CPD levels for Board members.

This committee is charged with ensuring that there are succession plans in place for all volunteer posts, and work with the Renumeration Committee, Board and Executive Management to ensure succession planning for the top-level executive management structure.

The Nominations Committee is also charged with the identification of possible credit union volunteers and proposing appointments to the Board. The need for additional volunteer workers in St. Canice's Credit Union continues to be pressing. Should any member feel that they would like to contribute to the on-going success of St. Canice's and wish to volunteer, they should leave their name and contact details with any of the credit union staff and the Nominations Committee will be informed.

There were a number of Board and Committee changes during the year with Veronica Swan stepping down from the Board while remaining a volunteer, and being replaced by Avilene Casey, John Galvin stepped down as Vice-President and was replaced by Stephen McLaughlin and Veronica was replaced on the Nominations Committee by Kaylan Ram Kusuma.

The Nominations Committee work is difficult and critical to the sound management of the credit union, and I would like to take this opportunity to thank all Nomination Committee members, past and current, during 2023, Veronica Swan, Geraldine Gannon, John Galvin and Kalyan Ram Kusuma for their diligence in executing their duties during the year.

CONCLUSION

An ever-increasing amount of time has been given by Directors, the Board Oversight Committee and volunteers throughout the year reflecting their commitment to the continued successful operation of St. Canice's Credit Union. All volunteers are fully aware of their regulatory responsibilities and have diligently attended all Board and committee meetings throughout the year, and having met all fitness and probity requirements, discharging their duties with integrity. I remain amazed and fully appreciative of the level of commitment shown by all volunteers to this credit union and to its continued growth and development.

My sincere thanks are also due to Carmel Butler, her Executive Management team and all of the staff of St. Canice's Credit Union. Their dedication in keeping all the doors open during the recent pandemic crises shows the enormous commitment that they have to delivering the best possible service to you, the members, and their ongoing contribution to the success of St. Canice's Credit Union.

Finally, I would like to thank you, the members, and owners of this institution. As ever the continued success of the credit union is contingent on your use of and support for the organisation and its facilities. Given the recent changes in the economic climate, and the removal of the €30k savings cap, I would like to encourage you all to once again use the credit union as a responsible and safe repository for your savings. On that basis we the directors and you the members can work together to provide as much assistance as possible to alleviate the pressures on first time property buyers and others in need of the services put in place by St. Canice's Credit Union.

Vincent Kenrick
Chairperson

BOARD OVERSIGHT COMMITTEE REPORT

Trevor Darlington

The role of the Board Oversight Committee (BOC), which is elected by the members at every AGM to protect members' interests and oversee the work of the Board is set out in the amended Credit Union Act 1997 (incorporating the Credit Union and Co-Operation with Overseas Regulators Act 2012). The BOC is required under Section 76 O (7) to determine that the Board of Directors is operating in accordance with Parts IV and IV A and any regulations made for the purposes of Part IV and IV A and any other matter prescribed by the Central Bank. This includes all other legislation and regulation to which our credit union must adhere.

We are required under the Act to report to the members at every AGM on the performance of the Board in carrying out their duties and responsibilities. The following is a report of how we performed our role and duties on your behalf during the year.

The first requirement of the BOC following the virtual 2022 AGM was to meet with the new Board for a short Organisational Meeting during which the Board Chairperson, Vice Chairperson and Secretary for 2023 were elected by secret ballot. The members of the new Nomination Committee and the senior Board Committee were also elected by secret ballot at this meeting.

During the year we closely monitored the performance of the Board paying particular attention to ensuring that:

1. The Board met monthly with a detailed timed agenda and sufficient time was given for each item with open and frank discussion and then decisions taken, and actions agreed.
2. Our Strategic Plan continued to be implemented and monitored on a monthly basis and amended and updated as required.
3. All the committees, statutory and non-statutory, report to the Board monthly or quarterly as required and appropriate minutes of all meetings are retained.
4. All Directors complete training in Ethics, Anti-Money Laundering, General Data Protection Regulation (GDPR), Lending and Risk which is required of all involved in our Credit Union.
5. All policies were reviewed and terms of reference for all committees were drawn up, signed off, owner noted and review date set.
6. All investments and financial dealings are in accordance with best practice and that the Board, management and our investment advisers work closely together and within the criteria set down by the Central Bank guidelines.
7. The Compliance Officer, Risk Management Officer, Money Laundering Officer, Data Protection Officer and the Internal Auditors report regularly and that any issues are dealt with appropriately by the Board.
8. Required regular reporting and updating to the Central Bank on existing risks such as COVID-19 (now thankfully a diminishing risk) and new and emerging risks such as increasing interest rates and general inflation, climate change, cyber crime, the changing geopolitical landscape and the impact these risks will have on the amount of new loans sought by members and the members ability to repay existing loans.
9. As part of the Continuous Professional Development (CPD) programme directors and all volunteers undertake, further training is also undertaken in various aspects of the business e.g., Compliance, Finance & Investments, Fitness & Probity, Audit, and Information Technology.

The BOC meets monthly and at least one member of the BOC attends the monthly Board of Directors meetings and any additional Board meetings

arranged. Board and committee meetings are now held in person with the option to attend virtually. The BOC also reports to the Board of Directors four times during the year and we appreciate the time given by the Board of Directors when considering and discussing the BOC reports and their action taken as agreed on the issues discussed.

The BOC also attends various other committee meetings during the year e.g., Finance, Audit Risk & Compliance, Nomination, Credit, Credit Control, Information Technology and a new committee set up during the year, ESG (Environmental Social & Governance). We wish to acknowledge the very detailed and comprehensive reports submitted by management to these meetings for discussion prior to recommendations being presented to and being discussed at Board meetings.

We also wish to acknowledge the dedicated work of the management and staff in maintaining a very high standard of service to our members at all times and we are delighted to be able to return to normal working arrangements post the recent restrictions. This dedication to service by all credit unions has once again been acknowledged in the recent national Customer Experience Survey in which credit unions have come out on top for the 9th year in a row - this is truly a wonderful achievement for what in many ways is a voluntary led organisation backed up by professional management and staff. We would also like to take this opportunity to remind our members that loans, big and small, are the lifeblood of every credit union and that we can compete very favourably with the main retail banks who continue to close branches around the country.

Just before we finish our report, we wish to acknowledge the work carried out on your behalf by our colleague, Paul Hetherington. He worked with us for over 20 years, firstly as a supervisor and in more recent years as a member of the BOC. Paul resigned earlier in the year due to work and family commitments and his contribution to the BOC and our credit union was immense over the years. His knowledge of the Credit Union Act and his work as an Internal Auditor with the HSE made him an invaluable asset and we wish him and his family good health and happiness in the years ahead. The new member of our committee who replaced Paul is Richard Dwyer. He worked with our credit union for many years having rejoined us during the merger with Bagenalstown and we hope he enjoys his time with us.

As we are elected by you the members - and owners of our credit union - to safeguard your interests, we take our role very seriously and are confident to confirm that in our opinion your credit union is extremely well run, with a very active and professional Board of Directors who have performed their duties to the best of their ability and in line with their legal obligations. Their commitment is even more noteworthy for the fact that their time is given voluntarily which is becoming much rarer in these difficult times.

We trust that our credit union will continue to grow and prosper in 2024.

Trevor Darlington
Sean Breathnach
Richard Dwyer

Board Oversight Committee

Scholarship Winners October 2022
Anna Phelan & Niamh Morrissey

DIRECTORS' REPORT

For the financial year ended 30 September 2023

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

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

Authorisation
The credit union is authorised as follows:
- Insurance/reinsurance or ancillary insurance intermediary under the European Union (Insurance Distribution) Regulations, 2018.
- Investment Intermediaries (Restricted Activity Investment Product Intermediary) pursuant to Section 26 of the Investment Intermediaries Act, 1995 (as amended).
- Entitled under the European 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
The directors are proposing a dividend in respect of the financial year ended 30 September 2023 of €1,328,419 (0.35%). (2022: The directors did not propose a dividend).

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 78 High Street, Kilkenny.

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:

Chairperson of the board of directors

Member of the board of directors

Date: 12th December 2023

DIRECTORS' RESPONSIBILITIES STATEMENT
For the financial year ended 30 September 2023

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

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

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

On behalf of the board:

Chairperson of the board of directors

Member of the board of directors

Date: 12th December 2023

BOARD OVERSIGHT COMMITTEE'S RESPONSIBILITIES STATEMENT
For the financial year ended 30 September 2023

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

Chairperson of the board oversight committee
Date: 12th December 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

of St. Canice's Kilkenny Credit Union Limited

Opinion

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

- the Income and expenditure account;
- the Statement of other comprehensive income;
- the Balance sheet;
- the Statement of changes in reserves;
- the Statement of cash flows; and
- the related notes 1 to 30, including the summary of significant accounting policies as set out in note 2.

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

In our opinion, St. Canice's Kilkenny 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 that we obtained prior to the date of this auditor's report, 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: 12th December 2023

INCOME & EXPENDITURE ACCOUNT

For the financial year ended 30 September 2023

	Schedule	2023 €	2022 €
Income			
Interest on members' loans	1	7,002,959	6,585,410
Other interest income and similar income	2	5,762,980	1,861,086
Net interest income		12,765,939	8,446,496
Other income		254,363	2,172,125
Total income		13,020,302	10,618,621
Expenditure			
Employment costs		4,382,408	4,081,640
Other management expenses	3	4,978,669	4,618,787
Pension funding deficit (note 27)		-	1,160,006
Depreciation		429,544	415,704
Impairment on properties		-	316,039
Net impairment loss/(gain) on loans to members (note 5)		373,695	(765,001)
Total expenditure		10,164,316	9,827,175
Surplus for the financial year		2,855,986	791,446

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

Member of the board of directors
Date: 12th December 2023

Member of the board oversight committee

CEO

STATEMENT OF OTHER COMPREHENSIVE INCOME

For the financial year ended 30 September 2023

	2023 €	2022 €
Surplus for the financial year	2,855,986	791,446
Other comprehensive income	-	-
Total comprehensive income for the financial year	2,855,986	791,446

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

Member of the board of directors
Date: 12th December 2023

Member of the board oversight committee

CEO

The notes on pages 25 to 39 form part of these financial statements.

BALANCE SHEET

As at 30 September 2023

	Notes	2023 €	2022 €
Assets			
Cash and balances at bank	6	7,951,999	6,533,552
Deposits and investments – cash equivalents	7	88,468,073	69,073,560
Deposits and investments – other	7	263,061,913	288,219,623
Loans to members	8	115,210,485	98,487,542
Provision for bad debts	9	(9,201,882)	(8,275,275)
Members' current accounts overdrawn	15	27,724	20,650
Tangible fixed assets	10	5,560,471	5,930,135
Investment in associates	11	265,000	265,000
Debtors, prepayments and accrued income	12	2,354,154	1,959,920
Total assets		473,697,937	462,214,707
Liabilities			
Members' shares	13	382,534,878	376,059,749
Members' deposits	14	7,520,589	6,831,426
Members' current accounts	15	5,411,249	4,300,086
Other liabilities, creditors, accruals and charges	16	1,747,246	1,212,281
Other provisions	17	76,538	68,714
Total liabilities		397,290,500	388,472,256
Reserves			
Regulatory reserve	19	59,250,000	48,280,000
Operational risk reserve	19	7,014,221	7,010,156
Other reserves			
- Realised reserves	19	8,718,343	17,481,841
- Unrealised reserves	19	1,424,873	970,454
Total reserves		76,407,437	73,742,451
Total liabilities and reserves		473,697,937	462,214,707

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

Member of the board of directors
Date: 12th December 2023

Member of the board oversight committee

CEO

The notes on pages 25 to 39 form part of these financial statements.

STATEMENT OF CHANGES IN RESERVES

For the financial year ended 30 September 2023

	Regulatory reserve €	Operational risk reserve €	Realised reserves €	Unrealised reserves €	Total €
As at 1 October 2021	**48,155,000**	**7,010,156**	**17,207,024**	**585,825**	**72,958,005**
Surplus for the financial year	100,000	-	252,817	438,629	791,446
Payment from reserves	-	-	(7,000)	-	(7,000)
Transfers between reserves	25,000	-	29,000	(54,000)	-
As at 1 October 2022	**48,280,000**	**7,010,156**	**17,481,841**	**970,454**	**73,742,451**
Surplus for the financial year	-	4,065	2,397,502	454,419	2,855,986
Payment from reserves	-	-	(191,000)	-	(191,000)
Transfers between reserves	10,970,000	-	(10,970,000)	-	-
As at 30 September 2023	**59,250,000**	**7,014,221**	**8,718,343**	**1,424,873**	**76,407,437**

- The regulatory reserve of the credit union as a percentage of total assets as at 30 September 2023 was 12.51% (2022: 10.45%).

- The operational risk reserve of the credit union as a percentage of total assets as at 30 September 2023 was 1.48% (2022: 1.52%).

The notes on pages 25 to 39 form part of these financial statements.

STATEMENT OF CASH FLOWS

For the financial year ended 30 September 2023

	Notes	2023 €	2022 €
Opening cash and cash equivalents		75,607,112	68,614,767
Cash flows from operating activities			
Loans repaid by members	8	43,095,273	42,234,908
Loans granted to members	8	(60,377,244)	(48,234,660)
Interest on members' loans		7,002,959	6,585,410
Other interest income and similar income		5,762,980	1,861,086
Bad debts recovered and recoveries		1,111,940	1,198,232
Other receipts		249,565	2,160,802
Members' current accounts lodgements	15	52,916,023	29,217,028
Members' current accounts withdrawals	15	(51,811,934)	(27,016,058)
Operating expenses		(9,552,077)	(9,867,433)
Movement in other assets and liabilities		148,555	454,240
Net cash flows from operating activities		(11,453,960)	(1,406,445)
Cash flows from investing activities			
Fixed asset (purchases)/disposals		(55,082)	(28,395)
Net cash flow from other investing activities		25,157,710	4,286,341
Net cash flows from investing activities		25,102,628	4,257,946
Cash flows from financing activities			
Members' shares received	13	194,228,331	182,721,093
Members' shares withdrawn	13	(187,753,202)	(178,940,380)
Members' deposits received	14	51,827,338	53,198,367
Members' deposits withdrawn	14	(51,138,175)	(52,838,236)
Net cash flow from financing activities		7,164,292	4,140,844
Net increase in cash and cash equivalents		20,812,960	6,992,345
Closing cash and cash equivalents	6	96,420,072	75,607,112

The notes on pages 25 to 39 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2023

1. Legal and regulatory framework

St. Canice's Kilkenny 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 78 High Street, Kilkenny.

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 loans to members is recognised using the effective interest method, and is calculated and accrued on a daily basis.

Deposit and investment income

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

Other income

Other income such as commissions receivable on insurance products and foreign exchange services arises in connection to specific transactions. Income relating to individual transactions is recognised when the transaction is completed.

2.5 Cash and cash equivalents

Cash and cash equivalents comprise operating cash on hand and cash deposited with banks with original maturity of less than or equal to three months.

2.6 Deposits and investments

Held at amortised cost

Investments held at amortised cost are measured at amortised cost using the effective interest method less impairment. This means that the investment is measured at the amount paid for the investment, minus any repayments of the principal; plus, or minus the cumulative amortisation using the effective interest method of any difference between the amount at initial recognition and the maturity amount; minus, in the case of a financial asset, any reduction for impairment or un-collectability. This effectively spreads out the return on such investments over time, but does take account immediately of any impairment in the value of the investment.

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, using the straight-line method.

Depreciation is provided on the following basis:

Premises	2% straight line per annum
Fixtures & fittings	10% straight line per annum
Computer equipment	20% 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 Investment in associates
Investment in associates are accounted for at cost less impairment

2.11 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.

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

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

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

2.16 Other payables
Other payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Other payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

2.17 Pension costs
St. Canice's Kilkenny Credit Union Limited participates in an industry-wide pension scheme for employees (The Irish League of Credit Unions Republic of Ireland Pension Scheme) ("the Scheme"). This is a funded defined benefit scheme with assets managed by the Scheme's trustees. The ILCU is the principal employer of the Scheme and St. Canice's Kilkenny Credit Union Limited is a participating employer. The Scheme is a multi-employer defined benefit scheme and there is insufficient information for the credit union to separately identify its share of the Scheme's underlying assets and liabilities. Consequently, the Scheme is currently accounted for as a defined contribution plan. If an agreement is entered into with the Scheme that determines how St. Canice's Kilkenny Credit Union Limited will fund a past service deficit, the credit union shall recognise a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit). Refer to note 27 for further detail.

The credit union also operates a defined contribution plan for certain employees. A defined contribution plan is a pension plan under which the credit union pays fixed contributions into a separate entity. Once the contributions have been paid the credit union has no further payments obligations. The contributions are recognised as an expense in the income and expenditure account when they fall due. Amounts not paid are shown in accruals as a liability on the balance sheet. The assets of the plan are held separately from the credit union in independently administered funds. The amount payable at the year end in respect of same was €52,363 (2022: €5,449).

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

2.19 Termination benefits
Termination benefits are included in employment costs where applicable and are expensed to the income and expenditure account on an accruals basis.

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

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

2.22 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.

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

2.24 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. The credit union has established a community reserve to be used by the credit union for social, cultural and charitable purposes in accordance with section 44 of the Credit Union Act, 1997 (as amended) and this is included in realised reserves. In accordance with the Central Bank guidance note for credit unions on matters relating to accounting for investments and distribution policy, investment income that has been recognised but will not be received within 12 months of the balance sheet date is classified as unrealised and is not distributable. A reclassification between unrealised and realised is made as investments come to within 12 months of maturity date. The directors have deemed it appropriate that interest on loans receivable at the balance sheet date and the balance of the SPS refund receivable is also classified as unrealised and is not distributable. All other income is classified as realised.

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

The rate of dividends 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 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 when members ratify such payments at the Annual General Meeting.

2.26 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 €5,560,471 (2022: €5,930,155).

Provision for bad debts
The credit union's accounting policy for impairment of loans is set out in note 2.8. The estimation of loan losses is inherently uncertain and depends upon many factors, including loan loss trends, credit risk characteristics in loan classes, local and international economic climates, conditions in various sectors of the economy to which the credit union is exposed, and, other external factors such as legal and regulatory requirements. The provision for bad debts in the financial statements at the year end was €9,201,882 (2022: €8,275,275) representing 7.99% (2022: 8.40%) of the total gross loan book.

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

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. In addition, the credit union has included in its operational risk reserve a Member Personal Current Account Service operational risk reserve, in accordance with Section 49(3) of the Credit Union Act, 1997 (as amended). The operational risk reserve of the credit union at the year end was €7,014,221 (2022: €7,010,156).

Pension
St. Canice's Kilkenny Credit Union Limited participates in an industry-wide pension scheme for employees (The Irish League of Credit Unions Republic of Ireland Pension Scheme). This is a funded scheme of the defined benefit type, with assets invested in separate trustee administered funds. Judgement is required to assess whether the credit union has sufficient information to enable it to account for the Scheme as a defined benefit plan. An assessment has been performed of the information currently available and St. Canice's Kilkenny Credit Union Limited has determined that there is currently insufficient information available to provide an appropriate allocation of pension assets and liabilities due to the following:

- Scheme assets are not segregated or tracked by contributing employers. There is insufficient information to appropriately allocate the assets to individual employers as contributions paid are pooled in a single fund and none of the contributing employers have separately segregated asset pools.
- Orphan members are those members (including

pensioners) who previously contributed to the scheme where their employer has paid an exit cost and as a result has no further liability to the scheme. A pension liability continues to exist for these individual members. There is uncertainty around where the obligation rests in respect of orphan members currently and into the future.

- The Funding Plan calculations are based on each employer's share of liabilities at a point in time. This does not infer that each employer is contributing towards its liabilities. The determination of the contribution rate is a point in time assessment and is not updated subsequently for changes in the employers' liability that may occur in the future. Subsequently, as the profile of the scheme continues to change, there will continue to be a natural cross subsidisation.

Consequently, St. Canice's Kilkenny Credit Union Limited continues to account for the plan as a defined contribution plan.

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	748,651	687,177
Payments to pension schemes	73,516	74,004
Total key management personnel compensation	822,167	761,181

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

	2023	2022
	€	€
Bad debts recovered	(877,148)	(967,518)
Impairment of loan interest reclassed as bad debt recoveries	(234,792)	(230,714)
Movement in bad debts provision during the year	926,607	109,620
Loans written off during the year	559,028	323,611
Net impairment loss/(gain) on loans to members	373,695	(765,001)

6. Cash and cash equivalents

	2023	2022
	€	€
Cash and balances at bank	7,951,999	6,533,552
Deposits and investments – cash equivalents (note 7)	88,468,073	69,073,560
Total cash and cash equivalents	96,420,072	75,607,112

7. Deposits and investments

	2023	2022
	€	€
Deposits and investments – cash equivalents		
Accounts in authorised credit institutions (Irish and non-Irish based)	87,784,038	47,903,072
Collective investment schemes	343,256	335,321
Central Bank deposits	340,779	20,835,167
Total deposits and investments – cash equivalents	88,468,073	69,073,560
Deposits and investments – other		
Accounts in authorised credit institutions (Irish and non-Irish based)	139,274,000	161,302,609
Irish and EEA state securities	2,737,768	4,219,324
Bank bonds	93,087,740	95,144,011
Collective investment schemes	9,877,024	9,612,319
Central Bank deposits	3,564,831	3,475,116
Other investments	14,520,550	14,466,244
Total deposits and investments – other	263,061,913	288,219,623
Total deposits and investments	351,529,986	357,293,183

8. Financial assets – loans to members

	2023	2022
	€	€
As at 1 October	98,487,542	92,811,401
Loans granted during the year	60,377,244	48,234,660
Loans repaid during the year	(43,095,273)	(42,234,908)
Gross loans and advances	115,769,513	98,811,153
Bad debts		
Loans written off during the year	(559,028)	(323,611)
As at 30 September	115,210,485	98,487,542

9. Provision for bad debts

	2023	2022
	€	€
As at 1 October	8,275,275	8,165,655
Movement in bad debts provision during the year	926,607	109,620
As at 30 September	9,201,882	8,275,275

The provision for bad debts is analysed as follows:

	2023	2022
	€	€
Provision on loans to members	9,194,501	8,271,939
Provision on other member advances	7,381	3,336
As at 30 September	9,201,882	8,275,275

The provision for bad debts is analysed as follows:

	2023	2022
	€	€
Grouped assessed loans	9,201,882	8,275,275
Provision for bad debts	9,201,882	8,275,275

10. Tangible fixed assets

	Premises €	Fixtures & fittings €	Computer equipment €	Total €
Cost				
1 October 2022	6,496,162	1,532,062	687,354	8,715,578
Additions	32,775	33,341	75,017	141,133
Disposals	(117,949)	-	(2,495)	(120,444)
As at 30 September 2023	**6,410,988**	**1,565,403**	**759,876**	**8,736,267**
Depreciation				
1 October 2022	1,634,587	708,594	442,262	2,785,443
Charge for the year	124,792	170,329	134,423	429,544
Disposals	(38,733)	-	(458)	(39,191)
As at 30 September 2023	**1,720,646**	**878,923**	**576,227**	**3,175,796**
Net book value				
As at 30 September 2023	**4,690,342**	**686,480**	**183,649**	**5,560,471**
As at 30 September 2022	4,861,575	823,468	245,092	5,930,135

11. Investments in associates

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

Interests in associate

The credit union has interests in the following associate:

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

The above financial information in respect of MetaCU Management Designated Activity Company was extracted from the audited financial statements for the year ended 31 December 2022.
The effect of including this investment as if it had been accounted for using the equity method would be as follows:

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

12. Debtors, prepayments and accrued income

	2023 €	2022 €
Prepayments and other receivables	461,351	267,651
Investment income receivable	1,453,674	1,312,297
Loan interest receivable	247,903	188,746
Other debtor – SPS refund	191,226	191,226
As at 30 September	**2,354,154**	**1,959,920**

13. Members' shares

	2023 €	2022 €
As at 1 October	376,059,749	372,279,036
Received during the year	194,228,331	182,721,093
Withdrawn during the year	(187,753,202)	(178,940,380)
As at 30 September	**382,534,878**	**376,059,749**

14. Members' deposits

	2023 €	2022 €
As at 1 October	6,831,426	6,471,295
Received during the year	51,827,338	53,198,367
Withdrawn during the year	(51,138,175)	(52,838,236)
As at 30 September	**7,520,589**	**6,831,426**

15. Members' current accounts

	2023 €	2022 €
As at 1 October	4,279,436	2,078,466
Lodgements during the year	52,916,023	29,217,028
Withdrawals during the year	(51,811,934)	(27,016,058)
As at 30 September	**5,383,525**	**4,279,436**

	2023 No. of Accounts	2023 Balance of Accounts	2022 No. of Accounts	2022 Balance of Accounts
Debit	349	27,724	223	20,650
Credit	3156	5,411,249	2739	4,300,086
Permitted overdrafts	71	52,264	48	32,185

16. Other liabilities, creditors, accruals and charges

	2023 €	2022 €
Accruals and other liabilities	1,650,062	1,128,181
PAYE/PRSI	95,042	81,916
Members' prize draw	2,142	2,184
As at 30 September	**1,747,246**	**1,212,281**

17. Other provisions

	2023 €	2022 €
Holiday pay accrual		
As at 1 October	68,714	68,837
Charged/(credited) to the income and expenditure account	7,824	(123)
As at 30 September	**76,538**	**68,714**

18. Financial instruments

18a. Financial instruments – measured at amortised cost

	2023 €	2022 €
Financial assets		
Financial assets measured at amortised cost	378,815,933	360,823,121
Financial liabilities		
Financial liabilities measured at amortised cost	397,290,500	388,472,256

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

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

18b. Financial instruments – fair value measurements

FRS 102 requires fair value measurements to be disclosed by the source of inputs, using a three level hierarchy:

- Quoted prices for identical instruments in active market (level 1);
- Prices of recent transactions for identical instruments and valuation techniques using observable market data (level 2); and
- Valuation techniques using unobservable market data (level 3).

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

At 30 September 2023	Total €	Level 1	Level 2	Level 3
Accounts in authorised credit institutions	49,497,059	-	49,497,059	-
Bank bonds	28,891,150	-	28,891,150	-
Collective investment schemes	10,224,070	10,224,070	-	-
Total	88,612,279	10,224,070	78,388,209	-

At 30 September 2022	Total €	Level 1	Level 2	Level 3
Accounts in authorised credit institutions	53,597,662		53,597,662	-
Bank bonds	31,456,063	-	31,456,063	-
Collective investment schemes	9,951,329	9,951,329	-	-
Total	95,005,054	9,951,329	85,053,725	-

The fair value adjustment recognised in the income and expenditure account for the financial year ended 30 September 2023 was €272,640 (2022: (€2,106,360)).

19. Reserves

	Balance 01/10/22 €	Payments from reserves €	Appropriation of current year surplus €	Transfers between reserves €	Balance 30/09/23 €
Regulatory reserve	48,280,000	-	-	10,970,000	59,250,000
Operational risk reserve	7,010,156	-	4,065	-	7,014,221
Other reserves					
Realised					
Dividend reserve	500,000	-	-	-	500,000
General reserve	16,682,637	-	2,397,502	(10,970,00)	8,110,139
Community reserve	299,204	(191,000)	-	-	108,204
Total realised reserves	17,481,841	(191,000)	2,397,502	(10,970,00)	8,718,343
Unrealised					
Investment income reserve	590,482	-	395,262	-	985,744
Interest on loans reserve	188,746	-	59,157	-	247,903
SPS reserve	191,226	-	-	-	191,226
Total unrealised reserves	970,454	-	454,419	-	1,424,873
Total reserves	73,742,451	(191,000)	2,855,986	-	76,407,437

20. Credit risk disclosures

In line with regulatory requirements, the credit union:

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

The carrying amount of the loans to members represents the credit union's maximum exposure to credit risk. The following provides information on the credit quality of loan repayments. Where loans are not impaired it is expected that the amounts repayable will be received in full.

Note 20. Credit risk disclosure (continued)	2023 €	2023 %	2022 €	2022 %
Loans not impaired				
Total loans not impaired, not past due	93,655,551	81.29%	78,642,893	79.85%
Impaired loans:				
Not past due	482,039	0.42%	651,172	0.66%
Up to 9 weeks past due	16,895,282	14.66%	14,809,826	15.04%
Between 10 and 18 weeks past due	996,797	0.87%	928,863	0.94%
Between 19 and 26 weeks past due	388,436	0.34%	582,118	0.59%
Between 27 and 39 weeks past due	575,211	0.50%	566,470	0.58%
Between 40 and 52 weeks past due	440,196	0.38%	490,246	0.50%
53 or more weeks past due	1,776,973	1.54%	1,815,954	1.84%
Total impaired loans	21,554,934	18.71%	19,844,649	20.15%
Total loans	115,210,485	100.00%	98,487,542	100.00%

21. Related party transactions

21a. Loans

	2023 No. of Loans	2023 €	2022 No. of Loans	2022 €
Loans advanced to related parties during the year	8	105,000	7	76,200
Total loans outstanding to related parties at the year end	18	159,696	19	133,341
Total provision for loans outstanding to related parties		15,523		1,481

The related party loans stated above comprise of loans outstanding to directors and the management team (to include their family members or any business in which the directors or management team had a significant shareholding). Total loans outstanding to related parties represents 0.14% of the total loans outstanding at 30 September 2023 (2022: 0.14%).

21b. Savings

The total amount of savings held by related parties at the year end was €702,691 (2022: €1,035,755).

22. Additional financial instruments disclosures

22a. Financial risk management

The credit union manages its members' savings and loans so that it earns income from the margin between interest receivable and interest payable. The main financial risks arising from the credit union's activities are credit risk, market risk, liquidity risk and interest rate risk. The board of directors reviews and agrees policies for managing each of these risks, which are summarised below.

Credit risk: Credit risk is the risk that a borrower will default on their contractual obligations relating to repayments to the credit union, resulting in financial loss. In order to manage this risk the board of directors regularly reviews and approves the credit union's credit policy. Credit risk mitigation may include the requirement to obtain collateral as set out in the credit union's loan 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.

Note 22. Additional financial instrument disclosures (Continued)

The principal collateral types for loans are: an attachment over members' pledged shares; personal guarantees; and charges over assets. The nature and level of collateral required depends on a number of factors such as the term of the loan and the amount of exposure. All loan applications are assessed with reference to the credit 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 union's main interest rate risk arises from adverse movements in interest rates receivable which would affect investment income. The credit union reviews any potential new investment product carefully to ensure that minimum funds are locked in low yielding long term investments yet at the same time maximising investment income receivable.

22b. 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.

22c. Interest rate risk disclosures

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

	2023 €	2023 Average interest rate %	2022 €	2022 Average interest rate %
Gross loans to members	115,210,485	6.77%	98,487,542	7.08%

23. Dividends

The following distributions were paid during the year:

	2023 %	2023 €	2022 %	2022 €
Dividend on shares	-	-	-	-

The directors propose the following distributions in respect of the year:

	2023 %	2023 €	2022 %	2022 €
Dividend on shares	0.35%	1,328,419	-	-

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

24. Interest on members' deposits	2023 %	2023 €	2022 %	2022 €
Interest on members' deposits	-	-	-	-

25. Events after the end of the financial year
There have been no significant events affecting the credit union since the year end.

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

27. Leasing commitments

The credit union's future minimum lease payments at the balance sheet date were as follows:	2023 €	2022 €
Less than 1 year	55,000	55,000
1 to 5 years	-	-
As at 30 September	55,000	55,000

28. The Irish League of Credit Unions Republic of Ireland Pension Scheme
St. Canice's Kilkenny Credit Union Limited participates in an industry-wide pension scheme for employees (The Irish League of Credit Unions Republic of Ireland Pension Scheme). This is a funded defined benefit scheme with assets managed by the Scheme's trustees.

On 31 March 2022, the defined benefit scheme closed to future accrual and although staff retained all the benefits that they had earned in the Scheme to that date, St. Canice's Kilkenny Credit Union Limited and its employees ceased making regular contributions to the Scheme and ceased earning any additional benefits from the Scheme.

At the date of closure of the Scheme, there was a past service deficit which was allocated to each participating credit union based on the total benefits earned by staff in each credit union. St. Canice's Kilkenny Credit Union Limited's allocation of that past service deficit was €1,160,006. This cost was included in the income and expenditure account for the financial year ended 30 September 2022. The deficit amount was paid to the trustees of the Scheme during the financial year ended 30 September 2022.

As this is a pooled pension scheme, St. Canice's Kilkenny Credit Union Limited remains liable to cover the cost of their share of any future increase in the total cost of providing the pension payments to credit union employees who were part of the Scheme. St. Canice's Kilkenny Credit Union Limited could exit the Scheme and therefore never have to make a potential additional payment requirement but exiting the Scheme may incur a substantial additional cost.

If credit unions exit the Scheme, they are required to pay to the trustees the exit amount which the trustees determine is required to fund benefits in respect of their active, deferred and pensioner members on a "no risk" basis. The exiting credit union thereby settles any liability they have to contribute to the Scheme in the future.

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

30. Approval of financial statements
The board of directors approved these financial statements for issue on 12th December 2023.

SCHEDULES TO THE INCOME AND EXPENDITURE ACCOUNT

For the financial year ended 30 September 2023

The following schedules do not form part of the statutory financial statements which are the subject of the Independent Auditor's Report on pages 18 to 20.

Schedule 1 – Other interest income and similar income

	2023 €	2022 €
Investment income received/receivable within 1 year	5,298,133	3,415,750
Investment income receivable outside of 1 year	395,262	242,037
Realised (loss)/gain on investments	(203,055)	309,659
Movement in unrealised gain/(loss) on investments	272,640	(2,106,360)
Total per income and expenditure account	5,762,980	1,861,086

Schedule 2 – Other income

	2023 €	2022 €
Miscellaneous income	91,482	67,656
Commissions and fees	19,809	15,160
MPCAS income	138,274	83,353
ECCU rebate	-	82,372
Gain on disposal of fixed assets	4,798	11,323
SPS refund	-	1,912,261
Total per income and expenditure account	254,363	2,172,125

Schedule 3 – Other management expenses

	2023 €	2022 €
AGM expenses	10,633	12,379
Audit fees - external	42,743	42,743
Audit fees - internal	25,985	30,750
Bank charges	180,966	249,378
Computer maintenance	751,532	647,056
Donations, sponsorship and community activities	68,019	79,833
General insurance	157,961	146,550
League fees	10,837	10,515
Legal fees	858	1,700
Lighting, heating and cleaning	200,465	177,735
Member initiatives	55,177	45,119
Miscellaneous expenses	42,146	27,616
Postage and telephone	195,911	165,023
Printing and stationery	89,747	102,880
Professional fees and repayment costs	474,790	454,739
Promotion and advertising	179,822	144,486
Rates	66,201	58,441
Rent	55,000	55,000
Repairs and renewals	51,566	41,617
Security	75,994	54,801
Shredding costs	1,289	2,521
Staff uniforms and general expenses	47,630	43,354
Subscriptions and levies	843,911	800,123
Training costs	45,004	34,932
Travel and subsistence	21,947	9,433
Share and loan insurance	1,087,320	1,030,386
Death benefit insurance	4,766	6,523
MPCAS costs	190,449	143,154
Total per income and expenditure account	4,978,669	4,618,787

SCHOLARSHIP WINNERS OCTOBER 2022

5 Winners each received €3,000 each

Niamh Morrissey, Ballyragget, Co Kilkenny
Anna Phelan, Castletown, Co Laois
Diarmuid O'Neill, Bagenalstown, Co Carlow
Cliona Dunne, Kilkenny
Alice Byrne, Dunmore, Co Kilkenny

STANDING ORDERS

Annual General Meeting, 22nd January 2024

1. VOTING

Each member shall be entitled to one vote irrespective of his/her shareholding, in accordance with section 82(2) of the Credit Union Act, 1997 (as amended)

2 - 3 ELECTION PROCEDURE

2. 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.
3. When nominations are announced tellers shall be appointed by the chair and ballot papers shall be distributed. Nominations shall be in the following order:
(a) nominations for auditor;
(b) nominations for members of the board oversight committee;
(c) nominations for directors.

When voting is completed, the votes shall be taken and tallied by the tellers. Any ballot paper which contains votes for more than the number required to be elected shall be void. All elections shall be by secret ballot and by majority vote. When the votes have been counted by the tellers, the results shall be announced by the chair. In the event that all vacancies are not filled by the first ballot further ballots shall be taken as required. In the event of an equality of votes between candidates for the remaining vacancies not filled in accordance with the above procedure one further ballot shall be taken and should that ballot fail to determine the issue, the vacancies shall be filled by lot from among such candidates having an equality of votes.

4 - 9 MOTIONS

4. 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.
5. A proposer of a motion may speak for such period as shall be at the discretion of the chair of the meeting and shall have the right of reply before the motion is put to the meeting for a vote.
6. In exercising his/her right of reply, a proposer may not introduce new material.
7. The seconder of a motion shall have such time as shall be allowed by the chair to second the motion.
8. Members are entitled to speak on any such motion and must do so through the chair. All speakers to any motion shall have such time as shall be at the discretion of the chair.
9. The chair shall have the absolute right to decide at any time when a motion has been sufficiently discussed and may put the motion to the meeting giving the proposer the right of reply before doing so.

10 - 15 MISCELLANEOUS

10. The chair of the board of directors shall be the chair of any general meeting, except where he/she is not available, in which case it shall be the vice-chair, except where he/she is not available, in which case the board shall decide amongst themselves who shall act as chair of any general meeting.
11. The chair may at his/her discretion, extend the privilege of the floor to any person who is not a member.
12. Matters not covered by the Agenda may be introduced under "Other Business" at the discretion of the chair.
13. The chairman's decision on any matter relating to these Standing Orders or interpretation of same shall be final.
14. 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.

15. 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.

16. 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.

17. 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.

18. ADJOURNMENTS

Adjournments of the AGM shall take place only in accordance with section 81(1) of the Credit Union Act, 1997 (as amended).

FRAUD AWARENESS, STAY SMART, STAY SAFE

Staying vigilant and informed is your best defence against fraud. Keep your account and log in details safe and secure. Never respond to an email or text asking for financial, personal or security information. St. Canice's Credit Union will never contact you by phone, text or email asking you to click a link to verify your account or to give personal account details over the phone. If you are in any doubt about an email, text or phone call in relation to your credit union account, always contact us directly and talk to a member of staff.

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ELECTIONS

RE-ELECTION OF AUDITOR
That this Annual General Meeting resolves that Grant Thornton being willing and eligible, be and are hereby appointed Auditors until the conclusion of the next Annual General Meeting.

ELECTION OF BOARD OVERSIGHT COMMITTEE
Three vacancies will arise on the Board Oversight Committee.
1. Trevor Darlington
2. Sean Breathnach
3. Richard Dwyer

ELECTION OF DIRECTORS
As prescribed under Rule 102 of the Standard Rules for Credit Unions, the Nomination Committee proposes the candidates for election. Existing directors, subject to fulfilling the criteria laid down under the Rule are eligible for re-election.

Five vacancies will arise on the Board of Directors.
1. Stephen McLaughlin
2. Avilene Casey
3. Kalyan Ram Kusuma
4. Padraic Treacy
5. Michael O'Brien

NOTICE OF MOTIONS

1. That the affiliation fee to the Irish League of Credit Unions for the year 2024 be paid by deduction of €0.90 from the shares of each member.
2. That a dividend of 0.35% be paid on members' shares and that the dividend will be applied to members' share accounts.

RULE AMENDMENTS

There was one amendment to the Standard Rules for Credit Unions (Republic of Ireland) arising from the League AGM 2023. The wording of the rule amendment is set out below.

Rule 30 (1)(a)
That this Annual General Meeting amends Rule 30 of the Standard Rules for Credit Unions (Republic of Ireland) by the deletion of the following Rule 30 (1)(a)

(1) (a) Provided a share dividend has been declared in accordance with the Act, the directors may recommend to the annual general meeting for approval a refund to the members on record as of the end of each financial year who have been borrowers during such year of a percentage of interest which such borrowers have paid during such year, and such rate of refund shall apply to all such member borrowers. Where a credit union operates a system whereby different rates of interest are charged for different classes of loans, the board of directors may recommend a different rate of refund applicable to each class of loan. Such refunds shall apply to all member borrowers in each class of loan.

And by the insertion of the following Rule 30 (1)(a) to read:

(1) (a) The directors may recommend to the annual general meeting for approval a refund to the members on record as of the end of each financial year who have been borrowers during such year of a percentage of interest which such borrowers have paid during such year, and such rate of refund shall apply to all such member borrowers. Where a credit union operates a system whereby different rates of interest are charged for different classes of loans, the board of directors may recommend a different rate of refund applicable to each class of loan. Such refunds shall apply to all member borrowers in each class of loan.

OFFICERS AT 30TH SEPTEMBER 2023

CHAIRPERSON	Vincent Kenrick
VICE CHAIRPERSON	Stephen McLaughlin
SECRETARY	John Galvin

BOARD OF DIRECTORS
Vincent Kenrick, John Galvin, Kalyan Ram Kusuma, Padraic Treacy, Avilene Casey, Stephen McLaughlin, Geraldine Gannon, Mark Higgins, Marie O'Gorman

BOARD OVERSIGHT COMMITTEE
Trevor Darlington, Sean Breathnach & Richard Dwyer

VOLUNTEERS
Eamonn McArdle, Denis Doheny, Brendan O'Connor, Kevin O'Neill, Michael O'Reilly, Ian Coulter, Michael O'Brien, Veronica Swan, Eimear Nic Conmhaic

ST. CANICE'S CREDIT UNION'S ESG COMMITMENT

As we approach the 60th anniversary of the formation of St. Canice's Credit Union, our theme for the coming year is "Honouring the Past through Protecting the Future". Never before in our living history has the need to actively work together to protect the future been so relevant. We are now confronted on a daily basis with the reality of climate change and the impact this will have on our loved ones and communities into the future.

ESG refers to Environmental, Social and Governance and these are standards for organisations to operate in relation to both the planet and the population. Central Bank regulators across the globe are tasking all financial institutions to drive the climate change agenda and be both educators and enablers in our communities. Credit unions are uniquely placed given their involvement in the community to help support these goals and earlier this year through the Irish League of Credit Unions, credit unions were appointed Sustainable Development Goal Champions. As an SDG Champion, we are committed to raising public awareness of sustainability and protecting the future for the next generations by minimising negative impacts and maximising positive impacts for our population. St. Canice's Credit Union has developed a Charter in this regard which commits to embedding sustainability as a core value.

There are a number of ways we have practically started to make a difference and these include;

- Increased electronic communication and processes to reduce our use of paper.
- Increased resources have been assigned to our digital areas to accommodate members wishing to choose more environmentally friendly options.
- Carrying out energy audits on all our buildings to allow us to improve our carbon footprint.
- We have installed both LED energy efficient lights and sensor light fittings.
- We have formed an ESG committee to drive all new ESG initiatives.
- Encouraged members to switch to paperless options for statements and AGM notifications.
- Carried out detailed ESG training for all staff and volunteers.

These initiatives while positive are just a starting point for us and our plans for 2024 include;

- Reviewing our product range and providing new "Green Loans" to help our members on their green journeys.
- Carrying out physical improvements to our buildings.
- Ensuring our investments are all compatible with our ESG values.

To celebrate our 60th Anniversary, we are keen to sponsor ESG related projects that will be a permanent commemoration of our ethos and legacy in the community for the last 60 years. Further details will be available on our website and social media. We are also keen to engage with our young people to help us deliver our promise to increase public awareness on the need for sustainability. Please reach out to us to share your own ideas on how we can all help to combat climate change.

REPRESENTATIVES FROM LOCAL COMMUNITY GROUPS AND CLUBS THAT RECEIVED FUNDING FROM THE COMMUNITY CONNECT FUND.

We're celebrating 60 years in the community and we want to celebrate it with you!

With a huge amount of activities, community projects, prizes and competitions, we have an exciting year ahead.

Main Branch **78 High Street, Kilkenny** Tel **(056) 772 2042** Email **info@stcanicescu.ie**

www.stcanicescu.ie

St. Canice's Kilkenny Credit Union Limited is regulated by the Central Bank of Ireland.