



60 years Serving the community



Annual Accounts 2023

The Annual General Meeting of Clonmel Credit Union Limited
will take place on
**Wednesday December 13th, 2023 at 7:00pm in Talbot Hotel,
Cahir Road Roundabout, Clonmel.**

Clonmel Credit Union Limited is regulated by the Central Bank of Ireland.



President 2023 Mr Terry Stafford



Board Of Directors 2023

Back Row L-R: C. Carroll, B. Lennon, D. O' Callaghan, F. Bermingham,
J. Courtney (Vice President), W. Butler

Seated L -R A. Brett, F. Guida, T. Stafford President, K. Halpin, E. O' Mara

OFFICERS 2023/2024

PRESIDENT
VICE-PRESIDENT
HON. SECRETARY
DIRECTORS

TERRY STAFFORD
JOHN COURTNEY
FIL GUIDA

DES O CALLAGHAN
KATHLEEN HALPIN
ANNETTE BRETT
EAMONN O MARA
CHRISTY CARROLL
WILLIAM BUTLER
BERNIE LENNON
FRANK BERMINGHAM

OVERSIGHT COMMITTEE	T. COLEMAN, S. ALTON B. MOFFETT, P. KELLY, S. RYAN
VOLUNTEER COMMITTEE MEMBERS	C HALPIN, S FAHEY, P KENRICK, L HENRYS, P LONERGAN, M NOLAN, E O DONNELL
AUDIT COMMITTEE	T. STAFFORD, J. COURTNEY, F BERMINGHAM
CREDIT COMMITTEE	B LENNON, P KENRICK, M NOLAN, D O CALLAGHAN, P LONERGAN, F BERMINGHAM, S. FAHEY
CREDIT OFFICERS	G HYLAND, R O GORMAN, P HALLY, A CONWAY, S LEAHY, F BARRETT
RISK COMMITTEE	C CARROLL, T STAFFORD, W BUTLER
INVESTMENT COMMITTEE	K HALPIN, T HOGAN, P ENRIGHT, W BUTLER, C CARROLL
CREDIT CONTROL COMMITTEE	C HALPIN, C CARROLL, E O DONNELL, P KENRICK, A QUIRKE, M NOLAN, L HENRYS
MEMBERSHIP COMMITTEE	P KENRICK, A QUIRKE, M NOLAN, L HENRYS
NOMINATIONS COMMITTEE	F BERMINGHAM, K HALPIN, A BRETT
PROMOTIONS COMMITTEE	J COURTNEY, C SCULLY, B LENNON, K HALPIN
REMUNERATION COMMITTEE	F GUIDA, T STAFFORD J COURTNEY
HEALTH & SAFETY COMMITTEE	J RYAN, J HEALY B LENNON, M MCHUGH, P ENRIGHT,
STRATEGIC PLANNING COMMITTEE	E O MARA, T STAFFORD, W BUTLER,
ESG & SPECIAL PROJECTS COMMITTEE	D O CALLAGHAN, W BUTLER, C CARROLL
I.T COMMITTEE	P ENRIGHT, T HOGAN, J HEALY M MCHUGH, C HORGAN
CHAPTER DELEGATES	K HALPIN, C CARROLL
CHAPTER ALTERNATIVES	C HALPIN, J COURTNEY
COMPLAINTS OFFICER NO 1	J HEALY
COMPLAINTS OFFICER NO 2	P ENRIGHT
COMPLAINTS OFFICER NO 3	C HORGAN
COMPLAINTS COMMITTEE	AUDIT COMMITTEE

ANNUAL GENERAL MEETING NOTICE

The Annual General Meeting of Clonmel Credit Union Limited will take place on **Wednesday December 13th, 2023 at 7:00pm in Talbot Hotel, Cahir Road Roundabout, Clonmel.**

AGENDA

1. Invocation
2. Presidents Address of Welcome
3. The acceptance by the Board of Directors of the authorised representatives of members that are not natural persons (if any)
4. Ascertain that a quorum is present
5. Adoption of Standing Orders
6. Approval of the minutes of last Annual General Meeting
7. Report of the Board of Directors
8. Report of the Auditor and Consideration of Accounts
9. Declaration of Dividend and Interest Rebate
 - (a) "The Board of Directors recommend that a dividend of 0.4% be declared and sanctioned by members at the Annual General Meeting on Wednesday the 13th of December 2023, on all shares".
 - (b) "The Board of Directors recommend that an interest rebate of 20% be paid to members, calculated on Gross Interest paid in the Financial Year ended 30th September 2023".
10. Committee Reports
 - (i) Report of the Credit committee
 - (ii) Report of the Credit Control Committee
 - (iii) Report of the Membership committee
 - (iv) Report of the Nominating Committee
 - (v) Report of the Oversight Committee
11. Appointment of Tellers
12. Election Process
 - (i) Election of Auditors
 - (ii) Election to fill vacancies on the Board Oversight Committee
 - (iii) Election to fill vacancies on the Board of Director's
13. Draw for members attending
14. Rule Changes
15. Announcement of election results
16. Any other Business
17. Adjournment of meeting

The members assembled at the Annual General Meeting may suspend the order of business upon a two-thirds (2/3) vote of members present at the meeting.

CONFIDENTIALITY OF MEMBERS AFFAIRS

The Directors, committee members, voluntary helpers and employees in a credit union shall hold in strictest confidence all transactions of the credit union with its members and all information respecting their personal affairs.

The importance of this rule is paramount. Every Director, committee member, voluntary helper and employee before entering upon the duties of their office, and annually thereafter execute a written undertaking to observe this rule

Election of Officers 2023

Annual General Meeting 2023

Directors eligible for election are:

Terry Stafford
John Courtney
Des O' Callaghan

BOC eligible for election are:

Paul Kelly
Seamus Alton
Seamus Ryan

Auditors For Election:
O'Gorman Brannigan Purtill & Co.

Annual Report of Nominating Committee 2023

The Credit Union and Cooperation with Overseas Regulators Act 2012 has made many changes in law to the way the Nominating Committee must operate. The committee is now charged with carrying out Due Diligence on all members volunteering their services to the Credit Union.

Members offering their services for election to the Board of Directors and Board Oversight Committee must be proposed and seconded by two members. All applicants must complete an Individual Questionnaire to show that they comply with the Fitness & Probity requirements set out by the Central Bank.

Directors who wish to serve as Chair of the Board must be pre-approved by the Central Bank before the Nominating Committee can nominate him or her for that position.

This year we have 3 Directors that are eligible for re-election and have offered their services. We must elect 3 members for 3 years each.

We also have 3 board oversight members going forward for election with one current member seeking re-election and two new members seeking election. Of these three positions, one requires a 1-year term, one a 2-year term and one a 3-year term.

O' Gorman, Brannigan Purtill & Co. are our proposed Auditors for 2024. Instructions on how to vote will be provided on the night.

Annette Brett

Kathleen Halpin

Frank Bermingham

Proposed Dividend
0.4%

Proposed Interest Rebate
20%

YEAR IN NUMBERS



31,298
TOTAL
MEMBERSHIPS



€274M
TOTAL
IN ASSETS



1040
NEW
MEMBERS



6,566
LOANS
ISSUED



€67.9M
LOAN
BOOK



€26.7M
ISSUED
IN LOANS



10.1K
ONLINE
BANKING



2K
INSTAGRAM
FOLLOWERS



6.5K
FACEBOOK
FOLLOWERS



€305K
ISSUED IN
MEMBER
DRAW PRIZES



35
DEDICATED
STAFF
MEMBERS



60 YEARS
SERVING
THE
COMMUNITY

Directors Report 2023

Introduction

On behalf of the Board of Directors of Clonmel Credit Union Limited, I am pleased to present the annual report on the activities undertaken by the Credit Union during the year ended September 30th, 2023.

Overview

2023 was an exciting year for all of us in Clonmel Credit Union as we celebrated our 60th year of service. This was a wonderful achievement and a celebration of all that your Credit Union has brought to the communities across South Tipperary for the past 6 decades. However, the occasion was tinged by sadness as we had lost three of our credit union stalwarts, Jimmy Ahearne, Tony Brosnan and Noel Cosgrave, each of whom passed away in the early part of the year. Their respective contributions to Clonmel Credit Union were immense and they will long be remembered.

On June 1st, we held an official opening of our newly refurbished premises and celebrated our 60th anniversary. The official opening was done by Ms Jennifer Carroll MacNeill, Minister of State at the Department of Finance, with responsibility for Financial Services, Credit Unions and Insurance. We were joined by many friends and supporters along with representatives of local bodies, organisations and public representatives. Colleagues from the broader credit union movement locally and nationally were also in attendance.

I extend a very warm welcome to the 1,040 new members who joined the Credit Union during the year, bringing our overall membership in excess of 31,000.

The Board of Directors is primarily focused on good governance of the Credit Union, ensuring prudent management and protection of member's funds. This is the primary function of the board in any financial services company. We are pleased to report that the Credit Union's financial reserves were further strengthened in 2023, as we have done for many years. Our overall financial position is very strong as a result of the prudent and very conservative approach we continue to take, in line with direction from the Central Bank of Ireland to financial management within Clonmel Credit Union.

We are always mindful of the potential economic challenges that may emerge and the potential impact such factors might have on our Credit Union. This is a core part of the board's agenda, reviewed on a monthly basis through our Risk Committee that makes recommendations to the board. In addition, our internal and external auditors provide critical insight, analysis and advice to us in this regard. While the Irish economy continues to be remarkably resilient and strong employment rates are maintained, there is a level of economic uncertainty emerging internationally that we are cognisant of. The interest rate environment has changed and we are once again generating reasonable returns from our investment portfolio.

The Board ensures that key policies of the Credit Union are reviewed annually, enabling us to respond in a timely manner to changes that impact our business. Systems, structures, processes and procedures are reviewed and tested constantly to ensure we are operating to highest regulatory, legal and statutory standards. Our Internal Auditors completed quarterly audits and reviews were completed by our Statutory Auditors, all ensuring that we meet the requisite standards set out in legislation and regulation. We undertake a regular cycle of internal review and inspection across all facets of our business operations, enabling us to identify and address emerging issues in a structured manner.

Directors Report 2023 (continued)

Strategic Plan 2023- 2026

Our overarching goal is to provide a comprehensive range of financial services to meet the needs of our members and the communities we serve. We completed an in-depth review and refreshed the CCU Strategic Plan for the period out to 2026. During the review, we identified opportunities for sustainable growth and set out objectives for recruitment of new members, new lending volumes and development of new services to members. These were developed in the context of what is happening in the broader financial services and consumer environment.

In line with the new Strategic Plan, in June 2023 we launched a range of new, keenly priced loan offerings; Green Loan, larger Car Loan, SME Loan and a new Secured Loan offering. The member response has been positive and these offers have attracted new members for Clonmel Credit Union. We have clear objectives in each of these segments to generate loan growth in coming years.

The introduction of a full – service current account has proven to be an excellent development for the sustainability of our Credit Union and developing of the membership base. The response from existing and new members has been very positive and we currently have 1,492 Current Accounts operating as at 30th Sept 2023. The advances in technology associated with such accounts allow us to broaden our appeal among younger people and respond to their lifestyle banking needs. This is good for sustainability as it builds relevance with emerging generations.

Demand for Clonmel Credit Union Mortgage has been very strong, particularly since members with variable rate or tracker mortgages elsewhere, have seen their repayments increase significantly. We provide a fair and reasonably priced alternative. Our average mortgage is circa €140,000.

Investing for Sustainability

Clonmel Credit Union is committed to providing a first-class member experience and delivering all the financial services of members. We have invested in modern branch facilities that enable us to better service our members and attract new membership from our extended Common Bond. Our premises now conforms to modern energy efficient standards and we have already seen substantially reduced running costs at a time of surging energy cost inflation. Our carbon footprint has reduced and we are now formulating a robust ESG Plan that will see us move to being a paperless organisation among other initiatives.

We continue to invest annually in user-friendly digital service offerings enabling members to fulfil their banking needs remotely from their mobile devices. These developments are critical to our sustainability. We are committed to providing a range of digital enablement that positions us a true financial partner for life.

Banks are withdrawing and curtailing their services locally, while we are investing in new services, and in turn the future of our Credit Union and our communities. That's the Credit Union difference!

2023 Financial Performance

The enduring impact of the pandemic was still apparent in the early part of the year, particularly as members continued to make repayments faster than scheduled, contributing to a reduction in the loan book and resultant loss in income.

However, 2023 saw a return to loan growth and mortgage lending was a contributor. The book increased to €67.897 million, a slight increase on the previous year.

The drop in our investment income seen in previous years was arrested as growth in interest rates enables us to rebuild income streams. Investment income from this source is at €2.425m. Bad debts written off amounted to €893k, but with a renewed focus on recoveries, we were successful in recovering a very healthy €944k from loans previously written off.

Overall, the Credit Union is in a very strong and healthy financial position. This is as a result of prudent and conservative management of the business over the years. We hold €41.823m in our Regulatory Reserves, with a ratio of 15.26% which is well in excess of the required 10% set out by the regulator. We also hold €197 million in investments so our members can be confident that their credit union is very well structured and positioned for the future.

The surplus generated in 2023 was €4.2 million.

- Member's savings grew to €214,664,781; an increase of €10.66m;
- Assets grew to €273,984,118; an increase of €14.46 m
- Outstanding gross loans were €67,897,276
- Statutory Reserves were at €41.82m or 15.26%. The Central Bank Requirement is 10%
- Members resources now stand at €55,903,181; an increase of €2.849m

Directors Report 2023 (continued)

Governance Structures

There was no change in the membership of the Board of Directors during the year. Terry Stafford was elected Chairperson after AGM 2020 and John Courtney was appointed Vice Chairperson.

The Board Oversight Committee, which performs a key function in the governance structure of the Credit Union, continued to provide vital support and oversight in the year.

On behalf of the board, we would like to sincerely acknowledge and thank all our volunteers for their ongoing contribution. They are critical to the professional functioning of our organisation and their contribution is enormous. These people give of their time freely and generously in the service of our Credit Union and its members.

Thank you to O 'Gorman, Brannigan, Purtill Accountants, our statutory auditors and to Moores, our internal auditors, for their assistance, support and advice during the year.

Cygnus Investment Advisors provided independent advice and guidance to the Board of Directors in the management of our investment portfolio.

Finally

We extend our sincere sympathies to the families and friends of our members who died during the year. They were all prayed for, along with all members past and present at our special annual mass on the 21st of October in St Peter and Paul's.

We would like to extend a special "thank you" for a job well done in 2023 to our management and staff. They perform their tasks admirably, with diligence and competence and are a credit to us.

Fil Guida

Secretary, Clonmel Credit Union

Membership Committee 2023 Report

During the financial year of 2023 we welcomed **1040** new members bringing our current membership to **31,298** members.

Common Bond

Our common bond extends to a radius of 20miles from the Clonmel office.

All new members must be either living or working within this area.

Ease of joining

Joining the credit union has never been easier. You can now apply online, through the Clonmel CU phone app or by calling into any of our three offices where our friendly and dedicated staff are happy to assist you.

What you need to open an account/reactivate a dormant account

1. Confirmation of your identity,

- Valid Passport
- Valid Driving licence
- Please Note that only valid passport and card form driving licence can be used when joining online.

2. Confirmation of your address, (dated within the last six months), typical forms of address proof:

- Utility bill i.e., telephone, gas, electricity, broadband, etc in your own name
- Bank statement or statement from regulated financial institution
- Motor/ household insurance statement
- Dated document from a government department.

3. Confirmation of your PPS number,

- Revenue Letter
- P60
- Payslip
- European Health Insurance card

NOTE: The green Public Services Card cannot be used as ID or as proof of PPS number.

For a Joint Account you need all these documents for both people.

Current Accounts

Our current accounts have increased by 552 this year. Our current account is extremely competitive with concessions made for students, youths and members aged 66 and over. Members aged 12–15 years can apply a current account with parental consent. Members aged 16 years and over can apply independently. You will find a breakdown of the fees on our website clonmelcu.com

Dormant Accounts

Under the Standard rules for Credit Unions (ROI), and in line with Government Legislation, an account is classified as dormant if there hasn't been any member-initiated transaction in the last 3 years. Clonmel Credit Union will issue a letter to the last known address 30 days before the account goes dormant to notify members of this.

C. MORRISSEY, A. QUIRKE, P. KENRICK, M. NOLAN, L. HENRYS

Credit Committee 2023 report

The past year has seen some excellent developments on the credit front in our Credit Union. The period from February 2020 to June 2022 was challenging with the advent of the pandemic, the associated lockdowns and the drop in consumer credit demand. While demand had fallen in that period, members also began to pay down their loans at a faster pace than scheduled and this in turn impacted the loan book. However, the year to September 2023 was positive as we began to recover lending volumes, embed mortgage lending and introduce new products for members.

During the financial Year to 30th September 2023, the Credit function assessed 8,231 loan applications and issued a very substantial €26,713,170, an increase of 4.6% on 2022. The loan book volume at year end was €67,897,276.

A review of the member lending proposition was undertaken during the strategic planning process for the new Strategic Plan 2023 – 2026. The review identified segments where the proposition needed refreshing and also growth opportunities for more recently launched products such as mortgages. From the successful Loan Sale campaign in 2022 that generated €4m+ in new lending, we received valuable feedback from 174 members who began to borrow again, not having done so in recent years. As part of the revised Strategic Plan and using this feedback, in June 2023 we launched a number of new loan offerings; Green Loan, larger Car Loan, SME Loan and a new Secured Loan. The reaction from members has been very positive and we have also attracted new members. The Strategic Plan also sets out clear growth objectives in each of these loan segments.

Having launched our Mortgage in December 2021, we have had very positive member feedback. During the year to September 2023, we lent a further 16 mortgages with an overall value of €1,986,835; an average mortgage value of €140,000. With upward movements in the ECB rate, members with variable or tracker mortgages elsewhere have seen their monthly mortgage repayments spike. We offer a good value alternative and, as an added bonus for members, we provide free insurance. We currently have a mortgage pipeline of circa €2.4 million that should issue over coming months.

Green and Eco segments is an area where we see potential for loan growth in coming years. We had been approved by the SBCI under the auspices of the Minister for Enterprise and Employment, as a lender for the SBCI Retrofit Loan Guarantee Scheme. However, the scheme did not proceed nationally and a replacement scheme was announced in late October 2023. We are currently preparing a submission for inclusion in the new scheme which will finance a broad range of house renovations and associated green upgrades.

SME is another area of opportunity for Clonmel Credit Union. Our experience to date has been very positive in this segment with all such loans performing well. We provide a timely and professional service to business owners and our response rate is better than that provided by retail banks.

It should be noted that our stated risk appetite as a credit union is medium to low and all loan applications are rigorously assessed in line with our stated credit policies. Larger volume loans are subject to heightened and detailed underwriting and approval processes.

Our lending team assesses circa 30 cases per day and we have an approval rate in excess of 90%. The average loan amount issued was up on previous years at €4,084. Home Improvements is the largest category of loan issues at 23%, while Car Loans represent 19%.

The Credit Union's Credit Policy is reviewed annually in the context of a changing economic environment and other external and internal factors. The policies are updated in conjunction with our auditors, to ensure that our lending practices are prudent and serving us well. We also have specific credit policies for SME, Mortgage and Overdraft lending. We have implemented processes, procedures and governance structures to enable us to prudently manage these more complex and detailed areas of credit. We have strong capability and expertise on our team of experienced lenders, some of whom have a background in SME, Mortgage and Agri lending. All lending staff undergo ongoing professional development training and are QFA qualified. We also invest in a number of technology platforms to support the underwriting and management of these loans, as well as the ongoing management of the overall loan book.

In line with other lenders, loan applications undergo a credit check through the Central Credit Register, a national database under the auspices of the CBOI. This is an invaluable tool to assist us as lenders as it holds detailed records of a consumer's previous credit history.

Delivering an excellent Member Experience is at the core of what we do. We provide a very effective Loans Line service on free phone 1800 94 59 87 where current or prospective members speak directly with a lending officer. We currently process circa 70% of applications through this channel. We have seen a very significant uplift in Online applications over the past 2 years and currently circa 20% of all applications come through this channel. Most loans can be fulfilled by using our DocuSign service with the funds issued to an IBAN enabled account. It is the member's choice whether they wish to transfer the funds or call to collect.

We believe we are very well positioned to serve the evolving needs of our diverse membership and the broader community. Lending money for the betterment of individuals, families, businesses and local organisations, enriches and supports the community and is at the core of what the credit union is all about.

B. Lennon F. Bermingham D O' Callaghan M. Nolan P. Kendrick S. Fahy P. Lonergan

Credit Control Committee 2023 Report

The Credit Control function closely monitors all accounts in arrears and in particular those that are greater than 9 weeks behind schedule. The Credit Unions Pearls Ratio used for measuring such loans more than 9 weeks in arrears currently stands at 3.72%. While the impact of the Covid-19 pandemic has largely subsided, a significant increase in the cost of living and energy inflation in particular, has had an impact on all consumers. This places pressure on certain cohorts of members. Our approach is simple; we endeavour to support members experiencing financial difficulty and will do so by putting temporary arrangements in place where a borrower needs to reduce outgoings for a period.

The rules of the Credit Union require us to make provision for loans on an increasing scale depending on the extent of the arrears. Changes in the accounting policy have altered the level of provisioning that can be maintained to what is specifically needed only. The amount required changes in line with loan book trends and the provision at year end was **€4,950,041**.

All loans issued to members are from funds lodged in savings share accounts by our members funds. We reviewed Credit Control policy, processes and procedures over the last 2 years and revised the model we use to manage this critical activity effectively. We engaged the services of Cabot, who are expert in the field and used by over 80 large Credit Unions across the country. They support us on managing arrears cases, with interventions after 4 weeks arrears on an account. They also support us on recovering loans written off. Written off loans are pursued vigorously up to and including taking legal proceedings through the courts. While loans written off in the year amounted to €893,729, we recovered €944,418 from our debt collection and recovery activities. This demonstrates the level of commitment we have to the recovery agenda and our success in pursuing this. Current recovery trends based on our revised model are very satisfactory, indicating that recoveries will increase in the current year to Sept 2024.

We utilise data analytics to assist in measurement, trend and forecast analysis of the loan book. In addition, plans for 2024 include the launch of Open Banking that enables sharing of banking and credit data with member consent. This will enhance decision making and management of credit.

At time of writing, all arrears trends up to 26 weeks are much improved and in line with our revised model. The expectation is that write offs will much reduce out over the coming years. Clonmel Credit Union actively encourages all members to make contact at an early stage if they are encountering financial difficulties impacting on their ability to meet the loan repayments. We also recommend the use of reputable advice agencies such as the Money Advice and Budgeting Service (M.A.B.S).

C. Carroll C. Halpin E. O'Donnell

Looking after you – Buying your own Home

Clonmel Credit Union now provides mortgages in response to feedback from our members who wanted good value rates and professional advice. This is an excellent example of a Credit Union looking after the needs of a community, providing finance for family homes.

The really good news is that the credit union insures the members mortgage for free, subject to terms and conditions. This is a very valuable feature that no other lender provides and, when combined with our rate of 4%, Clonmel Credit Union's mortgage package is one of the best.

GREAT VALUE WITH PROFESSIONAL, FRIENDLY MORTGAGE ADVICE;

That's the **Credit Union**
Difference!

Contact Audrey, your professional Mortgage Adviser,
at mortgages@clonmelcu.com



Looking after Small Business Owners

At Clonmel Credit Union we understand that local small businesses are the backbone of the economy, creating employment and fuelling growth. Every €10 spent locally can generate up to €40 in additional economic value so as your local lender, it makes sense for us to support your business. After all, we are locally owned, by our members.

We lend to sole traders, partnerships or limited companies, providing good value, flexible finance for businesses. Whatever stage an enterprise is at and regardless of what sector, be it retail, manufacturing, hospitality, construction, IT, trades, professional practices or transport, but to name a few, we provide professional friendly and professional SME lending.

Our promise

- Decision is made locally (and quickly!)
- Our process is straightforward
- Our lenders are very experienced, professional and qualified
- We offer competitive rates and flexible repayment terms of up to 10 years
- You will benefit from free loan protection insurance; this is valuable.
- There are no arrangement fees or penalties for early repayments.

Business loans with your Credit Union are not just about the balance sheet and profit & loss.

We look at the member, the track record, their experience, qualifications and so much more.

SUPPORTING SMALL BUSINESS

That's the **Credit Union**
Difference!

Looking after you – The Member's Draw

Another unique feature of your Credit Union membership is the monthly Member's Draw. You can join for €33 per annum and in the last year our Member Draw paid out €305,000 in prizes to members.

That's the Credit Union *Difference!*

Clonmel Credit Union Members Draw 2022 – 2023 77 winners with €305,000 paid out

12 Winners of the €15,000 Monthly Draw from October 2022 to September 2023

M. Cahill
N. Sealy
J. Sweeney
A. Pollard

M. Burke
C. Ryan
M. Fitzpatrick
J. O' Connor

E. Kennelly
L. Foley
M. Chadfield
B. Hallahan

Winners of the 12 days of Christmas draws worth €1,000 each

D. McMahon
D. Saurus
C. Ryan
P. & B. Hyland

B. O' Grady
C. Moylan
R. Loneragan
P. Dee

M. Gerard
E. Cooney
C. O Keeffe
M. Stapelton

Special 60th Anniversary Draw worth €5,000 each:

R. Walsh
K. O'Keeffe

September Extra Draw worth €4,000 each:

M. Tobin
M. Fitzpatrick
R. Kilgallen
P. Brett

September Extra Draw worth €5,000:
J. Kelleher

Winners in the 3-2-1 Special draws

Winners of € 3k

C. Milling
C. McGrath
T. O' Reilly
P. Morris
S. Tobin
M. Whelan
D. & P. Aherne
A. Brennan
J. O' Loughlin
A. Murphy
R. Ormonde
E. Burke McGrath

Winners of € 2k

M. O' Leary
A. Horan
M. Slattery
J. Wyse
B. Lennon
S. Power
A. Cunningham
L. Buchanan
D. Millea
M. Hickey
M. & S. Hallinan
C. Doyle

Winners of € 1k

G. Grant
N. Collum
C. Cooney
L. Ryan
A. McInerney
C. Moloney
T. Drohan
E. Grace
J. Kelly
C. Morrissey
C. Morrissey
N. O' Brien

Winners of Credit Union Day Draw worth €1000 each

P. Lynch
D. Duggan

H. Kelleher
P. O'Brien

V. O'Meara

Winners of Special Easter Draw worth €1000 each

H. Manning
J. Doyle

J. Dunne
D. & C. Farrell

A. Drohan

Members Draw for the 12 Months ended 30th September 2023

	12 Months to 30/09/2023	12 Months to 30/09/2022
INCOME		
Deductions	€ 303,813	€ 297,645
Savings Dividend	€ -	€ 18
	<hr/> € 303,813	<hr/> € 297,663
EXPENDITURE		
Cost of Draws	€ 289,318	€ 299,000
Advertising	€ -	€ 449
	<hr/> € 289,318	<hr/> € 299,449
(Deficit) / Surplus	€ 14,495	-€ 1,786
Balance Brought Forward	€ 20,057	€ 21,843
Balance Carried Forward	€ 34,552	€ 20,057

Clonmel Credit Union Limited

MEMBERS MONTHLY DRAW

Monthly Draw - First week of each month

(€33.00 per Annum)

Twelve €15K WINNERS THIS YEAR (1 pending) +
58 PRIZES OF €1K TO €10K (5 PMTS PENDING (€17K)

- * The €33 deduction occurs in October of each year.

If you haven't adequate funds in your account for the deduction, you will no longer be included in the draw.

If you want to be included again at some future date, you will need to re-enter the draw by signing our member draw form. The entrance fee is a non-refundable flat fee for annual membership of the draw.

Oversight Committee 2023 Report

The Credit Union & Co-operation with overseas regulators Act 2012 requires the appointment of an Oversight Committee which will oversee the Directors in the performance of their functions. The committee will consist of 3 or 5 members elected by the membership.

The Oversight committee is elected by and responsible to the members of Clonmel Credit Union. Like many organisations, Credit Unions have a separation between those who own the organisation i.e. the members and those who run it, thus an overview element that represents the best interests of the members and the Credit Union are needed.

Under the Credit Union Acts 2012 & 1997 the main functions and duties carried out by the Oversight committee during the year are outlined as follows.

Under section 76 O of the Act

- 1) Meet with the Board at least 4 times in every year to facilitate it carrying out its assessment of the board Performance. Will attend meetings of the various committees
- 2) Attend all Board meetings on a monthly basis
- 3) The committee will itself meet on a monthly basis
- 4) To submit a report as to its assessment as to the board of Directors being in compliance with Part 1V of the Act.

In review of its findings the Oversight committee is happy to report that the Board of Clonmel Credit Union has materially adhered to the laws, policies and procedures of the Irish League of Credit Unions (ILCU) and The Central Bank being the Regulatory Authority.

The role of the committee did change following the 2012 Credit Union Act with its primary function being Board oversight. The name of the committee will reflect this change. The previous function of verification and auditing aspect of the current role will be taken up by the newly introduced Internal Audit function.

T. Coleman B. Moffett S. Alton S. Ryan P. Kelly



Board Oversight Committee 2023

L-R: T. Coleman, S. Alton, B. Moffett, P. Kelly.
Missing from Photo: S. Ryan

Looking after you - Nominations

A Nomination is a unique facility available to credit union members that you will find nowhere else.

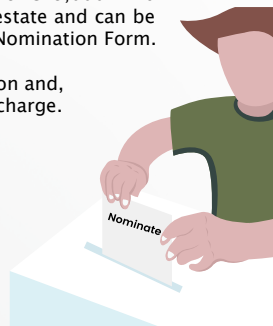
Simply put, a Nomination is a legally binding, written instruction that tells the Credit Union what to do with your money after your death.

If you are over 16 years of age, you can nominate a family member or loved one to receive the balance of your credit union account upon your death to a maximum of €23,000. This means that on your death, your savings will not form part of your estate and can be distributed without delay to the person(s) you have named on your Nomination Form.

This is another unique feature of being a member of your credit union and, as you would expect, it is a service provided to all members free of charge.

NOMINATIONS

That's the **Credit Union**
Difference!



Looking after you – Free Insurances

At Clonmel Credit Union, we provide a range of valuable insurance benefits to members absolutely free of charge, subject to terms and conditions. In fact, we pay over €1.2 million annually in insurance premia to ensure our members are protected and these benefits are available to you whether you are a borrower or a saver.

1. When you save with Clonmel Credit Union, you immediately qualify for Life Savings Insurance. The insurance benefit payable is in proportion to the amount of savings a member has accumulated during the term of their membership and the member's age. Your dependents could get a sum of up to €10,200 when you pass away. In this past year, Clonmel Credit Union paid out €369,443 on this insurance alone.
2. To protect our members and their families, Clonmel Credit Union provides loan protection insurance free of charge. When you borrow, the insurance is put in place immediately by the lender. This means that if you pass away, your loan is cleared in full and not left to your family as an additional burden they need to deal with. In the past year, Clonmel Credit Union paid out €264,801 on this insurance alone. This is a very valuable and unique free benefit; one that is not provided by any other lender.
3. We also provide free Death Benefit insurance to our members. All eligible members of Clonmel Credit Union can apply for insurance covered under our Death Benefit Insurance Policy. This means in the event of your death, a lump sum of €2,600 will be paid to your family to help with the cost of funeral expenses, thereby easing the financial burden of bereavement. In this past year, Clonmel Credit Union paid out €429,000 directly towards funeral expenses to provide financial support to our member's families.

Please visit our website

www.clonmelcu.com

or ask in branch about eligibility and terms and conditions of the benefits listed above.

Note that Disability Cover insurance no longer applies to either existing or new loans from September 30th, 2023.

FREE INSURANCE
That's the **Credit Union**
Difference!

Looking after the Community

The aim of our promotions committee is to be pro-active in the community while building membership within Clonmel Credit Union. The committee met regularly during the past year.

We have continued existing sponsorships supporting various sporting teams and competitions in the locality. We have contributed to new causes and events this year as we actively support the community.

During the year we sadly lost a valuable member of our promotions committee. Mr Tony Brosnan, who was a Clonmel Credit Union Stalwart passed away in April of this year. His contribution to the promotions committee over the years was phenomenal and we will endeavour to continue his good work in the community.

This year we have introduced some exciting new products for our members. We now offer very a competitive car loan rate, home improvement rate and green rate, as well as Mortgages for our members. We have conducted site visits to Boston Scientific promoting our Mortgages and if you have a Business or school and would like us to visit you, please get in touch. Clonmel Credit Union is one of the largest and most successful in Ireland and we continue to participate in the Tipperary Credit Union Alliance Group.

We would encourage all members to like our social media channels to keep up to date with everything we do in the Community.

LOOKING AFTER THE COMMUNITY

That's the **Credit Union** **Difference!**

C Scully K Halpin B Lennon J Courtney

Environmental, Social and Governance Committee Report

Clonmel Credit Union and its officers are mindful of the current environment we are living in and the part we can play in making the environment a better place for current and future generations. This year we formed an Environmental, Social and Governance committee comprised of members of our board of directors. Our staff have already begun adopting processes and habits to make Clonmel Credit Union a 'greener' one.

After our premises refurbishment which concluded in 2022, we now conform to modern energy efficient standards. The measures below have seen a significant saving in energy use and carbon footprint reduction.

- New solar panels have been installed on the roof.
- New Gas boiler installed providing on average 30% more efficiency than the previous boiler.
- Removal of old air handling unit and replaced with new heat recovery AHU
- Latest technology LED lighting installed.
- New Building Management System to control heating more efficiently and reduce energy use.

We are now formulating a robust ESG Plan that will see us move to being a paperless organisation among other initiatives.

2023 in Pictures

Looking after the Community





REMEMBERS ALL THOSE WHO SERVED SO WELL

A special year for Clonmel Credit Union, as it marked its 60th anniversary, got off to a sad start with the death of three stalwarts, Jimmy Ahearne, Noel Cosgrave and Tony Brosnan.

After a lifetime of service to Clonmel Credit Union, Jimmy Ahearne, Cherrymount, and late of Griffith Avenue, died on January 11. Jimmy served as a volunteer and staff member and will always be remembered as a font of information about the Credit Union ideals, knowledgeable and informative, and always ready to give advice when needed.

Highly regarded staff member Noel Cosgrave, The Arch, Marlfield, and late of Cappamore, County Limerick, died on April 5. Noel is sadly missed by all his work colleagues and volunteers in the organisation. Outside of the Credit Union, Noel was highly respected as a hurling and football referee.

Long serving Clonmel Credit Union manager, Tony Brosnan, Anfield, Chestnut Drive, died on April 8. His lifetime of service to the Credit Union began when he joined as a volunteer in 1967, serving behind the counter in the former Irishtown office. He went on to serve terms as president, treasurer and secretary, before he was appointed manager in 1980, a role he filled until his retirement in 2010.

Jimmy
Ahearne



Noel
Cosgrave



Tony
Brosnan



Looking after you – Service & Trust

When you phone Clonmel Credit Union, we always answer the phone and you get through to one of our friendly, professional team members.

This year, we answered 94% of all calls that came through within 6 rings; that's over 27,000 calls where our members got served immediately!

There is always a staff member available to meet you and look after you! We serve around 4,500 members per week through our branches and our average queueing time when a member visits the branch is less than 3 minutes. That level of service is better than any other financial services outlet and we also open late on Thursday and are open on Saturdays.

For a ninth straight year, your Credit Union was voted as the Best Customer Experience in Ireland.

We were also voted as the most trusted brand; an organisation that is truly focussed on looking after the needs of its members.

However, we are not complacent and we are always seeking to improve on how we deliver for our members; whether it is new and better products or the quality of member service and experience we deliver every day.

WE PUT THE MEMBER AT THE CENTRE OF EVERYTHING WE DO

That's the **Credit Union**
Difference!



**Credit Union CXI Survey
Overall Customer Experience
Champion 2015–2023**

Looking after you – Digital & Online

We have invested in online and digital services in response to consumer trends and member demand. Research is clear; emerging generations live life on their mobile devices and if we are to be sustainable, we need to deliver a really good online experience.

Members use our digital services to carry out over 6,000 transactions every single week and this is growing. 1,600 members have availed of our full – service current account and feedback from these has been excellent in terms of service and functionality.

In addition, 30% of our members now apply for loans online, with many applying through their mobile phone.

We are just launching Open Banking as a service to our members. This means members can complete the loan application journey super-fast without the need to provide bank statements as this information will now be captured digitally. This will significantly improve turnaround times for borrowing members.

Premises

Re-Opening

June 1st 2023



60th Anniversary

60th Anniversary

Civic Reception May 26th 2023



DIRECTORS REPORT 2023

For the year ended 30 September 2023

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

Principal Risks and Uncertainties

The principal risks and challenges facing the credit union include loan default, not lending a sufficient proportion of funds so that too much of the credit unions resources are tied up in investment products, poor performance of investments, liquidity management, control of costs and continuous monitoring of compliance with regulatory and legislative requirements.

Business Review

Both the level of business and the year-end financial position were satisfactory. The directors expect to develop and expand the credit unions current activities and they are confident of its ability to operate successfully in the future.

Directors and Board Oversight Committee Members

The current directors and board oversight committee members are as set out on page 3.

Accounting Records

The directors believe that they comply with the requirements of section 108 of the Credit Union Acts 1997 to 2018 with regard to books of accounts by employing accounting personnel with appropriate expertise and by providing adequate resources to the financial function. The books of account of the Credit Union are maintained at the Credit Union's premises at Parnell St, Clonmel, Co. Tipperary.

Post Balance Sheet Events

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

Auditors

The auditors, O'Gorman Brannigan Purtill & Co. Limited, have indicated their willingness to continue in office in accordance with Section 115 of the Credit Union Acts 1997 to 2018.

Approved by the Board of Directors and signed on its behalf by:

TERRY STAFFORD

Member of the Board of Directors

WILLIAM BUTLER

Member of the Board of Directors

Date: 7th November 2023

STATEMENT OF DIRECTORS' AND BOARD OVERSIGHT COMMITTEE'S RESPONSIBILITIES

For the year ended 30 September 2023

Statement of directors' responsibilities

The Credit Union Acts 1997 to 2018 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 financial year. In preparing these financial statements the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the credit union will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Credit Union and enable them to ensure that the financial statements are prepared in accordance with applicable Irish law and Generally Accepted Accounting Practice in Ireland, including the standards issued by the Financial Reporting Council, and in particular FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". They are responsible for safeguarding the assets of the Credit Union and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Board of Directors and signed on its behalf by:

TERRY STAFFORD

Member of the Board of Directors

WILLIAM BUTLER

Member of the Board of Directors

Date: 7th November 2023

Statement of Board Oversight Committee's Responsibilities

The Credit Union Acts 1997 to 2018 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 Acts 1997 to 2018 and any other matter prescribed by the Central Bank in respect of which they are to have regard in relation to the board.

TOMMY COLEMAN

Chairperson of the Board Oversight Committee

Date: 7th November 2023

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CLONMEL CREDIT UNION LIMITED

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Clonmel Credit Union Limited for the financial year ended 30 September 2023 which comprise the Income & Expenditure Account, the Balance Sheet, the Statement of Changes in Reserves, the Statement of Cash Flows and notes to the financial statements, including the summary of significant accounting policies set out in note 3. The financial reporting framework that has been applied in their preparation is Irish law including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued in the United Kingdom by the Financial Reporting Council and the Credit Union Acts 1997 to 2018.

In our opinion the financial statements:

- give a true and fair view of the state of the assets, liabilities, and financial position of the Credit Union as at 30 September 2023 and of its surplus for the financial year then ended;
- have been properly prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been properly prepared in accordance with the requirements of the Credit Union Acts 1997 to 2018.

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 described below in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Credit Union in accordance with the ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' 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

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Credit Union Acts 1997 to 2018

In our opinion, based on the work undertaken in the course of the audit, we report that:

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion proper accounting records have been kept by the Credit Union.
- Properly audited and the financial statements are in agreement with the accounting records.

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities as set out on page 25, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: <www.iaasa.ie/wp-content/uploads/2022/10/Description_of_auditors_responsibilities_for_audit.pdf> The description forms part of our Auditor's Report.

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

Our report is made solely to the Credit Union's members, as a body, in accordance with section 120 of the Credit Union Acts 1997 to 2018. 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.

O'GORMAN BRANNIGAN PURTILL & CO.

Certified Public Accountants & Registered Auditors

Anglesea House
Anglesea Street
Clonmel
Co. Tipperary
Ireland

Date: 7th November 2023

INCOME AND EXPENDITURE ACCOUNT

Year ended 30 September 2023

	Notes	2023 €	2022 €
Income			
Interest on members' loans	5	6,544,083	6,695,559
Deposit Interest and investment income	6	2,424,820	1,253,863
Net interest income		8,968,903	7,949,422
Other income	7	148,627	978,696
Change in fair value of investments	10	-	(31,280)
Total income		9,117,530	8,896,838
Expenditure			
Employment costs	8	2,103,538	3,682,760
Other management expenses		2,079,860	1,878,025
Share and loan insurance		783,647	787,866
Death benefit insurance	9	452,609	239,589
Depreciation	13	280,921	247,153
Net recoveries on loans to members	11(d)	(797,697)	(339,917)
Total expenditure		4,902,877	6,495,476
Surplus of income over expenditure		4,214,653	2,401,362
Other comprehensive income		-	-
Total comprehensive income		4,214,653	2,401,362

STATEMENT OF OTHER COMPREHENSIVE INCOME

The credit union has no gains or losses in the financial year or the proceeding financial year other than those dealt with in the Income and Expenditure account. Accordingly, no Statement of Other Comprehensive Income is presented.

On behalf of the Credit Union

Manager: PADRAIG ENRIGHT

Member of Board Oversight Committee: TOMMY COLEMAN

Member of the Board of Directors: TERRY STAFFORD

Date: 7th November 2023

BALANCE SHEET

30 September 2023

	Notes	2023 €	2022 €
Assets			
Cash at bank and on hand		6,717,913	4,823,905
Investments and deposits	10	197,130,951	188,458,411
Loans to members	11	62,947,235	61,344,415
Tangible fixed assets	13	3,752,567	3,873,594
Debtors and prepaid expenses	12	3,435,452	1,020,058
Total Assets		273,984,118	259,520,383
Liabilities			
Members' shares		214,664,781	204,002,870
Members' current accounts	17	2,442,074	1,439,314
Accrued expenses	14	974,082	1,023,771
Total Liabilities		218,080,937	206,465,955
Assets less liabilities		55,903,181	53,054,428
Members' Resources			
Statutory reserve		41,823,645	39,827,180
Other reserves		14,079,536	13,227,248
Total Members' Resources		55,903,181	53,054,428

On behalf of the Credit Union

Manager: PADRAIG ENRIGHT

Member of Board Oversight Committee: TOMMY COLEMAN

Member of the Board of Directors: TERRY STAFFORD

Date: 7th November 2023

STATEMENT OF CHANGES IN RESERVES

Year Ended 30 September 2023

	Surplus	Statutory reserve	Operational risk	Dividend and other reserve	Distributable reserve	Undistributable reserve	Total
	€	€	€	€	€	€	€
At 1 October 2021		38,737,044	7,925,042	3,900,000	771,460	31,280	51,364,826
Surplus for the year	2,401,362	-	-	-	-	-	2,401,362
Dividends paid					(27,961)		(27,961)
Interest Rebate paid					(683,799)		(683,799)
Transfer to statutory reserve	(1,090,136)	1,090,136					
Transfer to operational risk	(30,000)		30,000				
Transfer to undistributable reserve	31,280					(31,280)	
Transfer to distributable reserve	(1,312,506)				1,312,506		
At 30 September 2022	-	39,827,180	7,955,042	3,900,000	1,372,206	-	53,054,428
At 1 October 2022		39,827,180	7,955,042	3,900,000	1,372,206	-	53,054,428
Surplus for the year	4,214,653	-	-	-	-	-	4,214,653
Dividends paid					(19,871)		(19,871)
Interest Rebate paid					(1,346,029)		(1,346,029)
Transfer to statutory reserve	(1,996,465)	1,996,465					
Transfer to operational risk	(100,000)		100,000				
Transfer to undistributable reserve							
Transfer to distributable reserve	(2,118,188)				2,118,188		
At 30 September 2023	-	41,823,645	8,055,042	3,900,000	2,124,494	-	55,903,181

The statutory reserve of the credit union as % of total assets as at 30 September 2023 was 15.26% (2022:15.35%).

STATEMENT OF CASH FLOWS

Year Ended 30 September 2023

	2023 €	2022 €
Operating surplus	4,214,653	2,401,362
Depreciation charge	280,921	247,153
Increase/(decrease) in bad debt provision	(747,009)	146,349
Increase/(decrease) in debtors and prepaid expenses	(2,415,394)	(74,120)
(Decrease)/increase in accrued expenses	(49,689)	(244,434)
Dividends paid	(19,871)	(27,961)
Interest rebate paid	(1,346,029)	(683,799)
(Increase)/decrease in loans to members	(855,811)	(1,154,552)
Net cash flows generated from operating activities	(938,228)	609,998
Cash flows from investing activities		
Purchase of tangible fixed assets	(159,894)	(1,346,536)
Net cash flow from investing activities	(8,672,540)	(9,643,540)
Net cash flows generated from investing activities	8,832,434)	(10,990,076)
Cash flows from financing activities		
Increase in members' shares and current accounts	11,664,670	11,285,284
Net cash flows generated from financing activities	11,664,670	11,285,284
Net increase/(decrease) in cash and cash equivalents	1,894,008	905,206
Cash and cash equivalents at start of year	4,823,905	3,918,699
Cash and cash equivalents at end of year	6,717,913	4,823,905
Cash and cash equivalents consist of:		
Cash at bank and in hand	6,717,913	4,823,905
Cash and cash equivalents at end of financial year	6,717,913	4,823,905

NOTES TO THE FINANCIAL STATEMENTS

1. LEGAL AND REGULATORY FRAMEWORK

Clonmel Credit Union Limited is established under the Credit Union Acts 1997 to 2018. The Credit Union is registered with the Registrar of Credit Unions and is regulated by the Central Bank of Ireland. The principal place of business is Parnell Street, Clonmel, Co. Tipperary.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements have been prepared in accordance with applicable Irish accounting standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102).

3. ACCOUNTING POLICIES

The following principal accounting policies have been applied;

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the measurement of certain financial assets and liabilities at fair value through profit and loss.

The preparation of financial statements in conformity with FRS 102 requires the use of certain key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the financial period. It also requires the directors to exercise its judgement in the process of applying the group's accounting policies.

The areas involving higher degree of judgement or areas where assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed In note 4.

(b) Going concern

The financial statements are prepared on a going concern basis. The directors of Clonmel Credit Union Limited believe this is appropriate as the Credit Union:

- Is generating annual surpluses;
- maintains the appropriate level of liquidity; and
- has reserves that are currently above the minimum requirements of the Central Bank.

The directors are satisfied that the credit union has adequate resources to meet obligations for the foreseeable future, from the date of approval of these financial statements.

(c) Income recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Credit Union and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received. The following criteria must also be met before revenue is recognised:

(i) Interest on members' loans

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

(ii) Investment income

Clonmel Credit Union Limited uses the effective interest method to recognise investment income.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

(iii) Other income

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

(d) Tangible fixed assets

Tangible fixed assets are carried at cost (or deemed cost) less accumulated depreciation and accumulated losses. Costs include the original purchase price, costs directly attributable to bringing the asset to the location and condition necessary for its intended use, applicable dismantling, removal and restoration costs and borrowing costs capitalised.

(i) Premises

Premises are carried at cost less accumulated depreciation and accumulated impairment losses.

(ii) Fixtures, Computer fittings and computer equipment

Fixtures and fittings and equipment are carried at cost less accumulated depreciation and accumulated impairment losses.

(iii) Depreciation

Depreciation on other assets is calculated, using the straight-line method over their estimated useful lives, as follows:

Premises	2% Straight line
Fixtures, fittings and equipment	20% Straight line
Computer equipment	20% Straight line

(iv) Derecognition

Tangible fixed assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the profit and loss.

(e) Taxation

The Credit Union is not subject to income tax or corporation tax on its activities as a Credit Union.

(f) Dividend and loan interest rebates to members

The Board's proposed distribution to members each year is based on the dividend and loan interest rebate policy of the Credit Union.

The rate of dividend and loan interest rebate recommended by the Board will reflect:

- The risk profile of the credit union, particularly in its loan and investment portfolios;
- The Board's desire to maintain a stable rather than a volatile rate of dividend each year; and
- Members' legitimate dividend and loan interest rebate expectations;

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

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

The Credit Union's accounts for dividends and rebates of loan interest when members ratify such payments at the Annual General Meeting.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

(g) **Cash and cash equivalents**

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

(h) **Employee Benefits**

The credit union provides a range of benefits to employees, including short term employee benefits such as annual bonus arrangements and paid holiday arrangements and post-employment benefits (in the form of defined contribution pension plans).

(i) Short term benefits

Short term employee benefits, including wages and salaries, paid holiday arrangements and other similar non-monetary benefits, are recognised as an expense in the financial year in which employees render the related service.

(ii) Post-employment benefits

Clonmel 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. The ILCU is the principal employer of the Scheme and Clonmel Credit Union Limited is a participating employer.

The scheme is a multi-employer defined benefit Scheme and there is insufficient information for Clonmel Credit Union Limited 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 Clonmel Credit Union Limited will fund a past service deficit, Clonmel Credit Union Limited shall recognise a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit).

(i) **Financial Instruments**

The Credit Union has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised when the Credit Union becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when, and only when, there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets and liabilities are classified according to the substance of the contractual arrangements entered into.

(i) **Basic financial assets**

Basic financial assets are initially measured at the transaction price, including transaction costs, and are subsequently carried at amortised cost using the effective interest rate method. Basic financial instruments include the following:

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 rate method.

Investments held at amortised cost

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

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.

(ii) Investments held at fair value

The credit union initially recognises its non-basic investments at fair value. At the end of each reporting period, the credit union measures these investments at fair value and recognises changes in fair value in the Income & Expenditure account. The credit union uses the following hierarchy to estimate fair value of these investments:

Level 1 fair values

The best evidence of fair value is a quoted price for an identical asset in an active market. Quoted in an active market in this context means quoted prices are readily and regularly available and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted price is usually the current bid price.

Level 2 fair values

When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse in times since the transaction took place. If the entity can demonstrate that the transaction price is not a good estimate of fair value (e.g., because it reflects the amount that an entity would receive or pay in a forced transaction, involuntary liquidation or distress sale), that price is adjusted.

Level 3 fair values

If the market for the asset is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, an entity estimates the fair value by using a valuation technique. The objective of using a valuation technique is to estimate what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal business considerations.

If the range of reasonable fair value estimates is significant and the probabilities of the various estimates cannot be reasonably assessed, an entity is precluded from measuring the asset at fair value. If a reliable measure of fair value is no longer available for an asset measure at fair value, its' carrying amount at the last date the asset was reliably measured becomes its new cost. The entity shall measure the asset at this cost amount less impairment, if any, until a reliable measure of fair value becomes available.

(iii) Basic financial instruments

Basic financial instruments are initially recognised at the transaction price, including transaction costs, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities are subsequently carried at amortised cost using the effective interest rate method.

Financial liabilities members' shares & current accounts

Members' shares and current account balances are redeemable and therefore classified as financial liabilities. They are initially recognised at the amount of cash deposited and subsequently members' deposits are measured at amortised cost. Members' shares and current account balances are repayable on demand except for any shares attached to loans.

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 rate method.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

De-recognition of financial liabilities

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

(j) Other receivables

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

(k) Impairment of financial assets

Financial assets, other than those held at fair value, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the expected cash flows discounted at the asset's original effective interest rate.

In the case of impairment of loans to members, the loans are assessed collectively in groups that share similar credit risk characteristics except for individually significant loans which are assessed on a loan-by-loan basis for impairment.

Any 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 impairment reversal is recognised in the Income and Expenditure account.

(l) De-recognition of financial assets

Financial assets are derecognised only when contractual rights to the cash flows from the asset expire or are settled, or when the credit union transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or if some significant risk and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

(m) Reserves

Statutory reserve

The credit union is required to maintain and establish a minimum Statutory reserve of at least 10% of the assets of the credit union in accordance with the Credit Union Act 1997 – 2012 (Regulatory Requirements) Regulations 2018.

Operational risk reserve

Section 45(5)(a) of the Credit Union Acts 1997 to 2018 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.

Dividend and other reserves and distributable reserves

Dividend and other reserves and the distributable reserve are the accumulated surpluses to date that have not been declared as dividends or loan interest rebate returnable to members or set aside to the Statutory or Operational Risk reserves.

Undistributable reserves

Unrealised gains and losses on financial instruments held under fair value are transferred into a undistributable reserve.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

4. CRITICAL ACCOUNTING JUDGEMENT AND ESTIMATION UNCERTAINTY

Estimates and judgements made in the process of preparing the entity financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) **Critical accounting estimates and assumptions**

The directors make estimates and assumptions concerning the future in the process of preparing the entity financial statements. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities within the next financial year are addressed below.

(i) **Useful economic lives of tangible assets**

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancements, future investments, economic utilisation and the physical condition of the asset. See note 13 for the carrying amount of tangible fixed assets and note 3d (iii) for the useful economic lives for each class of tangible fixed assets.

(ii) **Impairment losses on loans to members**

The credit union's accounting policy for impairment of financial assets is set out in accounting policy in Note 3(k). 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. Credit risk is identified, assessed and measured through the use of rating and scoring tools with emphasis on weeks in arrears and other observable credit risk metrics. The ratings influence the management of individual loans. The credit rating triggers the impairment assessment and if relevant the raising of specific provisions on individual loans where there is a doubt about their recoverability. Loan loss provisioning is monitored by the credit union, and the credit union assesses and approves its provisions and provision adequacy on a quarterly basis. Key assumptions underpinning the credit union's estimate of collective provisions for loans with similar credit risk characteristics and Incurred But Not Reported provisions ("IBNR") are based on historical experiences of the credit union allied to the credit union's judgement of relevant conditions in the wider technological, market, economic or legal environment in which the credit union operates. If a loan is impaired, the impairment loss is the difference between the carrying amount of the loan and expected cash flows, taking into account pledged shares and other security as appropriate.

(iii) **Pensions**

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

(b) **Critical accounting judgements**

Under the requirements for FRS 102 non basic financial instruments are required to be carried at fair value. Judgement is applied by the directors in determining best evidence of fair value of the credit union's non basic financial assets (investments), and these judgements are set out in note 10.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

5. INTEREST ON MEMBERS' LOANS

	2023 €	2022 €
Closing accrued interest receivable	113,318	116,856
Loan interest received in financial year	6,547,621	6,718,634
Opening accrued loan interest receivable	(116,856)	(139,931)
	<u>6,544,083</u>	<u>6,695,559</u>

6. OTHER INTEREST INCOME AND SIMILAR INCOME

	2023 €	2022 €
Investment income received	1,393,785	652,782
Investment income receivable within 12 months	1,031,036	601,081
	<u>2,424,820</u>	<u>1,253,863</u>

7. OTHER INCOME

	2023 €	2022 €
Foreign exchange	15,310	16,145
Pension refund	-	933,859
Insurance commission	37,119	13,866
Investment commission	4,000	-
Profit on maturity of investment	20,135	-
MPCAS current account fee income	70,290	13,808
Miscellaneous income	1,772	1,017
	<u>148,627</u>	<u>978,696</u>

8. EMPLOYEES AND EMPLOYMENT COSTS

(i) The average monthly number of employees during the financial year was:

	2023 Number	2022 Number
Manager	1	1
Other Staff	38	38
	<u>39</u>	<u>39</u>

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

8. EMPLOYEES AND EMPLOYMENT COSTS (continued)

(ii)	Employment costs:	2023	2022
		€	€
	Wages and salaries	1,722,206	1,402,528
	Social security costs	179,607	164,830
	Pension deficit	–	1,920,158
	Payments to pension schemes	201,725	195,244
		<u>2,103,538</u>	<u>3,682,760</u>

(iii) Key management personnel

The remuneration of the 6 (2022:7) key management personnel compensation is as follows:

	2023	2022
	€	€
Short term employee benefits	573,125	573,527
Payments to pension scheme	<u>35,973</u>	<u>69,554</u>
Total key management personnel compensation	<u>609,098</u>	<u>643,081</u>

Short-term employee benefits include wages, salaries, social security contributions and paid annual leave. The Board of Directors act on a voluntary basis.

(iv) Pension deficit

In the comparative year 2022 Clonmel Credit Union Limited received confirmation from the Irish League of Credit Unions (ILCU) that the credit union's share of the total deficit contribution amounted to €2,023,920. During the comparative year 2022 Clonmel Credit Union Limited paid the full deficit amount and there is no further no liability recognised at year end.

The total cost of the deficit has been recognised in the Income and Expenditure account in the comparative year 2022.

Pension refund

At the ILCU AGM 2022 the members approved to utilise the Stabilisation Protection Scheme (SPS) to support affiliated credit unions with their pension deficit liabilities. Clonmel Credit Union Limited's refund amounted to €1,037,621. During the comparative year 2022 the Credit Union received 90% of the refund (€933,859).

The outstanding payment owed to the credit union, €103,762 continues to be held in debtors as set out in Note 12.

9. DEATH BENEFIT INSURANCE

	2023	2022
	€	€
Death benefit insurance expense	452,609	439,274
Claims experience refund –ECCU	–	(199,685)
	<u>452,609</u>	<u>239,589</u>

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

10 INVESTMENTS AND DEPOSITS

	2023 €	2022 €
Basic Financial Instruments		
Fixed Term Deposits with banks	78,767,341	85,266,223
Bank and Government Bonds	78,473,802	56,886,278
Central Bank minimum deposits	2,089,808	4,505,910
Total investment at amortised cost	159,330,951	146,658,411
Other Financial Instruments		
Other structured bonds and deposits	37,800,000	41,800,000
Total investment at fair value	37,800,000	41,800,000
Total investments (basic and other)	197,130,951	188,458,411
Other financial instruments – fair value		
Cost	37,800,000	41,800,000
Capital Guaranteed	37,800,000	41,800,000
Fair Value	37,800,000	41,800,000

Estimation of fair values

The principal methods and assumptions used in estimating the fair values of 'other investments' are explained below.

Level 3

The level 3 fair value for investment products classified as 'other investments' is based on valuations received from a professional valuer using valuation techniques, for example discounted cashflow models. In this instance, it has not been possible for a professional valuer to provide an accurate valuation due to the nature of these products. As these are non-traded capital guaranteed investments, the fair values are deemed to be their nominal values (cost), with no unrealised gain/loss in the financial statements for the year ending 30th September 2023.

The category of counterparties with whom the investments were held was as follows:

Rank of tiers	2023 €	2022 €
1 Aaa	–	1,998,207
2 Aa2	48,433,994	21,202,080
3 Aa3	10,531,213	10,721,424
4 A1	103,118,198	99,443,975
5 A2	14,161,368	12,097,671
6 A3	14,796,370	32,489,144
7 Baa1	4,000,000	6,000,000
Non-Rated (Central Bank Minimum Reserve)	2,089,808	4,505,910
	197,130,951	188,458,411

Prior Year Comparative

Prior year comparatives have been amended where appropriate to assist comparability.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

11 LOANS TO MEMBERS

	2023 €	2022 €
(a) Loans to members		
Gross Loans to members	67,897,276	67,041,465
Impairment Allowances		
Individual Loans	3,141,528	3,552,529
Groups of Loans	1,808,513	2,144,521
Loan Provision	4,950,041	5,697,050
Net Loan 30 September	62,947,235	61,344,415

(b) Credit risk disclosures

Clonmel Credit Union Limited offers mortgages to its members. All mortgages issued by Clonmel Credit Union Limited are secured by first legal charge as outlined in the terms and conditions of the mortgage product. At the 30 September 2023 there were 18 mortgages outstanding amounting to €2,450,161 (2022: €799,990). Clonmel Credit Union Limited also holds first legal charge over 3 business loans with outstanding amounts of €404,734 at the 30 September 2023.

The carrying amount of the loans to members represents Clonmel Credit Union Limited's maximum exposure to credit risk. The following table provides information on the credit quality of loan repayments.

	2023 €	2022 €
Gross Loan less Provision		
Not passed Due	60,210,345	57,362,711
Up to 9 Weeks passed due	5,196,591	6,832,172
Between 10 and 18 weeks passed due	754,763	728,725
Between 19 and 26 weeks passed due	382,273	407,514
Between 27 and 39 weeks passed due	448,502	374,013
Between 40 and 52 weeks passed due	179,702	311,977
53 or more weeks due	725,100	1,024,353
Total Gross Loans	67,897,276	67,041,465
Loan Provision	(4,950,041)	(5,697,050)
Total Carrying Value	62,947,235	61,344,415

Factors that are considered in determining whether loans are impaired are discussed in Note 4, dealing with estimates.

	2023 €	2022 €
(c) Loan provision account for impairment losses		
As at 1 October	5,697,050	5,550,701
Increase/(Decrease) in loan provision in the year	(747,009)	146,349
At 30 September	4,950,041	5,697,050
(d) Net recoveries or losses recognised for the year		
Bad Debt Recovered	944,418	872,314
(Increase)/Decrease in loan provision during the year	747,009	(146,349)
Loans written off	(893,730)	(386,048)
Net Recoveries on loans to members recognised in the year	797,697	339,917

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

12 DEBTORS AND PREPAID EXPENSES

	2023 €	2022 €
Prepayments and other debtors	187,336	198,359
Blackbee Investments Limited	2,000,000	–
Accrued income investments	1,031,036	601,081
ILCU rebate receivable	103,762	103,762
Accrued loan interest income	113,318	116,856
	<u>3,435,452</u>	<u>1,020,058</u>

13 TANGIBLE FIXED ASSETS

	Premises €	Fixtures & fittings €	Computer equipment €	Total €
Cost				
At 1 October 2022	4,213,723	1,673,395	723,447	6,610,565
Additions	90,808	47,513	21,573	159,894
At 30 September 2023	<u>4,304,531</u>	<u>1,720,908</u>	<u>745,020</u>	<u>6,770,459</u>
Depreciation				
At 1 October 2022	986,560	1,319,789	430,622	2,736,971
Charge for the financial year	83,522	94,129	103,271	280,921
At 30 September 2023	<u>1,070,082</u>	<u>1,413,918</u>	<u>533,893</u>	<u>785,135</u>
Net book value				
At 30 September 2022	<u>3,227,163</u>	<u>353,606</u>	<u>292,825</u>	<u>3,873,594</u>
At 30 September 2023	<u>3,234,450</u>	<u>4,353,606</u>	<u>211,128</u>	<u>3,752,567</u>

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

14	ACCRUED EXPENSES	2023 €	2022 €
	PAYE/PRSI	42,116	52,086
	Creditors and other accruals	931,966	971,685
		<u>974,082</u>	<u>1,023,771</u>

15 FINANCIAL RISK MANAGEMENT

Clonmel Credit Union Limited is a provider of personal, business loans and mortgages and also provides savings products to its members. The credit union invests excess funds with a view to ensuring that the return from members' loans and investments is adequate to meet the overheads of the credit union and provide a reasonable return to members on shares and deposits. The credit union has a risk register in place to help the directors manage the various risks arising from its activities to include the issuing of loans to members and investing the excess funds of the credit union.

The main financial risks arising from Clonmel Credit Union Limited's activities are credit risk, liquidity risk and interest rate risk. The Board 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 Clonmel Credit Union Limited, resulting in financial loss to the credit union. To manage this risk, the Board approves the credit union's credit policy, and all changes to it. All loan applications are assessed with reference to the credit policy in force at the time. Subsequently, loans are regularly reviewed for any factors that may indicate that the likelihood of repayment has changed. The credit risk on members' loans is disclosed in Note 11.

The credit union's investments are also exposed to credit risk and the credit union mitigates the risk by only placing investments products with financial institutions authorised by the Central Bank. The investments held are disclosed in Note 10 including the various counterparties to help alleviate this risk.

Liquidity risk: The credit union's policy is always to maintain sufficient funds in liquid form 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 the Credit Union Act 1997–2018 (Regulatory Requirements) Regulations 2020.

Market Risk: Market risk is generally comprised of interest rate risk, currency risk and other price risk. Clonmel Credit Union Limited conducts all its transactions in Euro and does not deal in derivatives or commodity markets. Therefore, Clonmel Credit Union Limited is not exposed to any form of currency risk or other price risk.

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

15 FINANCIAL RISK MANAGEMENT CONTINUED

Interest rate risk disclosures

The following table shows the average interest rates applicable to relevant financial assets:

	2023		2022	
	Amount €	Interest rate %	Amount €	Interest rate %
Financial assets				
Gross loans to members	58,079,829	10.49%	60,691,626	10.49%
Gross Agri Loan	354,499	5.99%	217,148	5.99%
Gross Green Loan B+	192,646	5.80%	61,568	5.80%
Gross Business Loan	1,272,209	5.25%	842,330	5.25%
Gross SBCI special Covid Loan	77,695	5.00%	104,845	5.00%
Gross Loan sale loan	2,513,130	4.99%	4,259,805	4.99%
Gross green loan A	73,529	4.79%	64,152	4.79%
Gross Home Loan	2,450,161	4.00%	799,990	4.00%
Gross Green Loan	113,844	5.25%		
Gross Green Loan	75,397	7.70%		
Gross Secured Loan	956,207	5.25%		
Gross Home Improvements	828,229	5.25%		
Gross Car Loan	909,901	6.50%		

16 PENSION SCHEME

The Irish League of Credit Unions Republic of Ireland Pension Scheme

Clonmel 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, Clonmel 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 individual credit union based on the total benefits earned by staff in each credit union. Clonmel Credit Union Limited's allocation of that past service deficit is €2,023,920. This total cost is included in the Income & Expenditure account for the comparative year ended 30 September 2022. The deficit amount was paid to the trustees of the scheme during the year.

As this is a pooled pension scheme, Clonmel 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. Clonmel Credit Union Limited could exit the scheme and therefore never have to make a potential additional payment requirement but exiting the scheme would 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 without increasing the risk for remaining credit unions. During the year ending 30 September 2023, there were no contributions in respect of a past service deficit payable and hence no charge to the Income and Expenditure account.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

17. MEMBERS' CURRENT ACCOUNTS

		2023 €
	No. of accounts	Balance of Accounts
Debit	164	(12,575)
Credit	1314	2,454,649
At 30 September 2023		2,442,074
Permitted Overdrafts	14	38,500

18. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

Blackbee Investments Limited

Included in the debtors is an amount of €2m which relates to an investment that matured in June 2023. The investment was made in 2018 in the amount of €2m in a product called 'Protected Note 8'. The Protected Note 8 was a 5 year and 1 month investment with Banca IMI S.p.A. an Italian bank that has since merged with Intesa Sanpaolo S.p.A., also an Italian bank. The investment was capital protected. The investment was made with an Irish firm called Blackbee Investments Limited. Blackbee Investments Limited is a MiFID investment firm. MiFID refers to the European Union (Markets in Financial Instruments) Regulations 2017.

Following an application by the Central Bank of Ireland, the High Court appointed liquidators to Blackbee Investments Limited in May 2023. Subsequent to this, in June 2023, the credit union investment with Banca IMI S.p.A. matured, and the funds were returned by Intesa Sanpaolo S.p.A. to Blackbee Investments Limited (at this point, in liquidation).

At the year end, the funds had not yet been returned to the credit union by the liquidators of Blackbee Investments Limited. Regulation 49 of the Investment Firms Regulations sets out the requirements as regards segregation of client assets and sets out that an investment firm shall not use client assets for any purpose other than for the sole account for that client. The credit union has no reason to believe that the matured investment that is now held by the liquidators has mingled with any other Blackbee Investments Limited funds.

The credit union has sought legal advice in this regard. While the board is satisfied that the investment has matured and the funds will be returned to the credit union, the timing of the return of the funds is uncertain. Furthermore, under MiFID regulations, liquidators can, in certain circumstances, seek to deduct reasonable costs from the investment funds in the fulfilment of their function. At the year-end date, there is no indication that the liquidators will seek to deduct costs, however this remains a possibility.

Consequently, it is impracticable at this time to estimate the impact, financial or otherwise, of the delayed timing of the receipts of funds if any, and the financial impact of the liquidation costs if any.

Other contingent liabilities

There is a contingent liability with Bank of Ireland in the sum of €50,000, taken out on 19 May 2014, in respect of payment by means of EFT.

Capital commitments

Clonmel Credit Union Limited has no capital commitments at 30th September 2023.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

19. DIVIDEND AND INTEREST REBATE

The dividend and interest rebate paid and accounted for during the year ended 30 September 2023 was proposed at the 2022 Annual General Meeting in respect of the year ended 30th September 2022.

Please see the Statement of Changes in Reserves for details of amounts paid.

No dividend or interest rebate in respect of the year ended 30 September 2023 is recognised in these financial statements, in line with FRS 102. The proposed final dividend of 0.4% (€839,565) and proposed interest rebate of 20% (€1,265,240) for the year end 30 September 2023 will, if it is approved at the Annual General Meeting, be recognised in the year ending 30 September 2024.

20. RELATED PARTY TRANSACTIONS

During the year loans were advanced to directors and key management team of Clonmel Credit Union Limited (to include their family members or any business in which the directors or management team had a significant shareholding) in the amount of €145,900 (2022: €257,790). These loans were approved in accordance with the Standard Credit Union rules and the Credit Union Act, 1997 (Regulatory Requirements) Regulations 2016. The loans outstanding from these parties at 30 September 2023 were €482,385 (2022: €436,390). These loans amounted to 0.71% of total gross loans due at 30 September 2023 (2022: 0.65%).

There were no provisions against loans due from the directors and the management team on the current or prior year balance sheet.

The directors and management team (and their family members or any business in which the directors or management team had a significant shareholding) shares and deposits balances stood at €1,128,865 at 30 September 2023 (2022: €1,221,516).

21. INSURANCE AGAINST FRAUD

The Credit Union has insurance against fraud in the amount of €2,600,000 (2022: €2,600,000) in compliance with Section 47 of the Credit Union Acts 1997 to 2012.

22. POST-BALANCE SHEET EVENTS

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

23. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved, and authorised for issue, by the Board of Directors on 7th November 2023.

SCHEDULE TO THE FINANCIAL STATEMENTS

SCHEDULE 1- OTHER MANAGEMENT EXPENSES

	2023 €	2022 €
Rates	11,859	14,531
Lighting, heating and cleaning	96,163	90,088
Repairs and renewals	20,929	9,949
Computer maintenance	296,625	223,573
Security	42,534	70,224
Printing and stationery	35,027	47,421
Postage and telephone	19,054	26,118
Promotion and advertising	100,397	79,707
Training costs	17,881	19,496
Subscriptions and levies	246,104	219,051
Convention expenses	2,646	2,306
Credit control collection	209,538	134,540
Central credit register	30,128	24,931
AGM expenses	34,218	32,695
Travelling and subsistence	3,365	1,410
ATM card cost	4,594	6,782
Bank charges/interest	115,431	201,475
Audit fees – external	42,371	41,820
Audit fees – internal	30,677	20,162
Legal and professional fees	139,122	79,029
General insurance	111,140	101,143
MPCAS current account costs	76,735	66,987
Charge on deposit protection account	221,053	209,675
Broadband and telephone	70,624	77,195
Staff recruitment	2,606	4,975
Miscellaneous expenses	99,040	72,742
	2,079,860	1,878,025

This page does not form part of the audited financial statements.

MINUTES OF 2022 VIRTUAL AGM MEETING ATTENDEES

MINUTES OPENING NOTES

Isobel Moore

Board Administrator Date and Time: 2022 AGM– March 28th 2023

Venue: Virtually– From Clonmel Credit Union Boardroom at 7pm

The Chairman gave the members a rundown of the format in relation to questions and answers. As all members had been previously asked prior to the AGM to submit any questions they may wish to bring forward to the AGM an accessible forum was available to all. He briefed the members that as he would work through the motions there was an option for members to submit questions via the Q&A function on the webinar.

The Chairman outlined the order of business : Financial Performance Dividend & Interest Rebate Election of officers All reports were sent to members via the AGM booklet prior to the meeting, the chairman noted that they would now be taken as read.

He addressed panellists– Siobhan Collier, External Auditor from PWC and Brian Hayes, Lead Auditor of Moore Ireland our incoming internal Auditors. He described the past year as unique and stated that he would keep proceedings as focused as possible to cover the agenda items. He thanked those in attendance and said that each would receive and Easter egg by way of thanks in the coming days. The Directors Report: Please see copy attached.

The Chairman opened the meeting with his address to the members and the directors report He explained the decision for a virtual meeting and stated that it felt unwise to bring a large group of people into a room together and that the board decided to act cautiously to protect our management and staff and also our members.

A Quorum was established Auditors Report: Siobhan Collier of PWC delivered the auditor's report. Thanking the members through all aspects it. She paid particular attention to the investments decision on the part of PWC and also that of the decision of the board as outlined in the directors report earlier. She thanked the board and senior management.

The Chairman moved forward with the motions for vote Adoption of standing orders Poll– 97% **Proposed** Celine Scully **Seconded** Ger Hyland

Adoption of the minutes of AGM 2021 Poll 100% **Proposed** Claire Halpin **Seconded** Conor Horgan

Report of the board of Directors Poll 100% **Proposed** Ian Healy **Seconded** Ger Hyland

Report of the Auditor Poll 88% **Proposed** Jim Healy **Seconded** Ger Hyland

Payment of Dividend of 01% Poll 91% **Proposed** Judy Healy **Seconded** Conor Horgan

Payment of interest rebate of 20% Poll 94% **Proposed** Rachel O' Gorman **Seconded** Daniel D'arcy

Report of the Credit Committee Poll 97% **Proposed** Conor Horgan **Seconded** Ian Healy

Report of the Credit Control committee Poll 94% **Proposed** Damien O' Keeffe **Seconded** Ger Hyland

Report of the Membership committee Poll 97% **Proposed** Rachel O' Gorman **Seconded** Claire Halpin

Report of the Nominating Committee Poll 94% **Proposed** Martina O' Mahoney **Seconded** Judy Healy

Report of the Oversight Committee Poll 100% **Proposed** Conor Horgan **Seconded** Jack Ryan

Appointment of tellers– Jim Healy & Tracy Hogan Poll 97%

Proposed Claire Halpin **Seconded** Rachel O' Gorman

Election of the External Auditors O Gorman, Brannigan Purtill Poll 94%

Proposed Conor Horgan **Seconded** Damien O' Keeffe

Election to fill BOC vacancies **Proposed** Rachel O' Gorman **Seconded** Jack Ryan

Tommy Coleman – 93% – 28 votes Bill Moffett – 79% – 24 votes

Election to Fill vacancies on the Board of Directors **Proposed** Jim Healy **Seconded** Ger Hyland

Annette Brett – 76%– 26 votes Fil Gudia – 85% – 29 votes Kathleen Halpin – 85% – 29 votes

Eamon O' Meara – 85% – 29 votes

The Chairman thanks all those who took part in the voting, he opened the floor to questions.

As there were none, he drew the meeting to a close.

Meeting ended 7.55pm Isobel Moore Recording Secretary



**APPLY FOR YOUR LOAN ONLINE,
upload your documents,
and sign for your loan
without leaving your home.**

DocuSign is the most widely used electronic signature which members of Clonmel Credit Union can now avail of as part of their online services.

- You can upload documents from your mobile device
- Sign documents anywhere from any desktop device
- Documents are uploaded within your secure member's area for instant digital signature and automatic return.



How to use DocuSign when applying for a loan


Ensure you have online access (six digit secure PIN) and your mobile number is up to date and verified. If not an online member Click here to register (link to register for online access please)

- Apply for loan online, ensure you are logged into our members area and select Make Online Loan Application
- Complete loan application, you will be asked how to receive your payment - select EFT
- Upload your proof of income documents as required, usually the most recent proof of payment, this can be screen grab of your bank transactions, very recent bank statement or most recent payslip
- Submit Loan.

Signing:

- Receive a text notification to review and sign a document
- Verify your identity (using your secure login for online access)
- Review the document and complete any necessary fields
- Adopt the signature style you want to use (the first time you use a service)
- Sign the document (by clicking where directed to sign)

Once recipients have signed a document, they're notified, and the document is stored electronically where it can be viewed and downloaded. All of this is done safely due to the built-in security features and the processes that e-signature providers follow.

 (052) 612 5292

 www.clonmelcu.com

Warning: If you do not meet the repayments on your loan, your account will go into arrears. This may affect your credit rating which may limit your ability to access credit in the future. Terms & Conditions Apply. All loans subject to Approval. Clonmel Credit Union Ltd. is regulated by the Central Bank of Ireland



Deposit Guarantee Scheme Depositor Information Sheet

Basic information about the protection of your eligible deposits.

Eligible deposits in Clonmel Credit Union Limited are protected by:	the Deposit Guarantee Scheme {"DGS"}. ⁽¹⁾
Limit of protection:	Eligible deposits up to €100,000 per depositor per institution. ⁽²⁾
If you have more eligible deposits at Clonmel Credit Union Limited	All your eligible deposits at Clonmel Credit Union Limited: are 'aggregated' and the total is subject to the limit of €100,000. ⁽²⁾
If you have a joint account with other person{s}:	The limit of €100,000 applies to each depositor separately. ⁽³⁾
Reimbursement period in case of Clonmel Credit Union Limited's failure:	Within 10 working days ⁽⁴⁾
Currency of reimbursement:	Euro
To contact Clonmel Credit Union Limited for enquiries relating to your account:	Parnell Street, Clonmel, Co.Tipperary Tel. (052) 612 5292 Email: admin@clonmelcu.com
To contact the DGS for further information on compensation:	Deposit Guarantee Scheme, Central Bank of Ireland, New Wapping Street, North Wall Quay, Dublin 1. Tel: 0818 681 681 Email: info@depositguarantee.ie
More information:	www.depositguarantee.ie

Additional information

(1) Scheme responsible for the protection of your deposit
Your deposit is covered by a statutory deposit guarantee scheme. If insolvency should occur, your eligible deposits would be repaid up to €100,000.

(2) General limit of protection
If a covered deposit is unavailable because a credit institution is unable to meet its financial obligations, depositors are repaid by the DGS. This repayment covers at maximum €100,000 per person per credit institution. This means that all eligible deposits at the same credit institution are added up in order to determine the coverage level. If, for instance, a depositor holds a savings account with €90,000 and a current account with €20,000, he or she will only be repaid €100,000.

(3) Limit of protection for joint accounts
In case of joint accounts, the limit of €100,000 applies to each depositor. However, eligible deposits in an account to which two or more persons are entitled as members of a business partnership, association or grouping of a similar nature, without legal personality, are aggregated and treated as if made by a single depositor for the purpose of calculating the limit of €100,000.

In some cases eligible deposits which are categorised as "temporary high balances" are protected above €100,000 for six months after the amount has been credited or from the moment when such eligible deposits become legally transferable. These are eligible deposits relating to certain events which include:

- (a) certain transactions relating to the purchase, sale or equity release by the depositor in relation to a private residential property;
- (b) sums paid to the depositor in respect of insurance benefits, personal injuries, disability and incapacity benefits, wrongful conviction, unfair dismissal, redundancy, and retirement benefits;
- (c) the depositor's marriage, judicial separation, dissolution of civil partnership, and divorce;
- (d) sums paid to the depositor in respect of benefits payable on death; claims for compensation in respect of a person's death or a legacy or distribution from the estate of a deceased person.

More information can be obtained at www.depositguarantee.ie

(4) Reimbursement
The responsible deposit guarantee scheme is:

Deposit Guarantee Scheme, Central Bank of Ireland,
New Wapping Street, North Wall Quay, Dublin 1.
Tel: 0818 681 681. Email: info@depositguarantee.ie.
Website: www.depositguarantee.ie.

It will repay your eligible deposits (up to €100,000); within 10 working days from 1 January 2021 to 31 December 2023; and within 7 days from 1 January 2024 onwards, save where specific exceptions apply.

Where the repayable amount cannot be made available within seven working days depositors will be given access to an appropriate amount of their covered deposits to cover the cost of living within five working days of a request. Access to the appropriate amount will only be made on the basis of data provided by the credit institution. If you have not been repaid within these deadlines, you should contact the deposit guarantee scheme.

Other important information
In general, all retail depositors and businesses are covered by the Deposit Guarantee Scheme. Exceptions for certain deposits are stated on the website of the Deposit Guarantee Scheme. Your credit institution will also inform you on request whether certain products are covered or not. If deposits are eligible, the credit institution shall also confirm this on the statement of account.

AMENDMENTS TO STANDARD RULES ARISING FROM LEAGUE AGM 2023

Please note that there has been one amendment to the Standard Rules for Credit Unions arising from 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.”



2023 **ANNUAL REPORT**