



**ANNUAL REPORT &
ACCOUNTS 2023**



Kildare

CREDIT UNION

...AT THE HEART OF THE COMMUNITY

**56th Annual
General Meeting**

Wednesday 13th December 2023

Kildare Credit Union Ltd., Rea House Bride Street, Kildare.



GENERAL INFORMATION

Directors

Judith Boyle (Chairperson)
Mark McLoughlin (Vice Chairperson)
Seamus McDonnell (Secretary)
Aidan Broughall
Martin Burke
Olivia Byrne
Sandra Doolan
Peadar Kearney
Aidan McKeown

Board Oversight Committee

Noel McLoughlin
Canice Keane
Patricia Kelly

CEO

Michelle Kemmy

Staff

Justin Blennerhassett (*Compliance & Risk Officer*)
Amanda McCullagh (*Office Supervisor, Kildallen*)
Pauline Mooney (*Office Supervisor, Narraghmore*)
Patricia Clarke (Retired Feb 2023)
Veronica O'Toole (Retired Sept 2023)
Madeline Purcell, Annette Irwin, Annette Byrne, Colette Phelan, Yvonne Stynes, Paul Loughman, Teresa Kelly, Fiona Duffey, Sarah Comerford, Jacqueline Brady.

Credit Union Number

43CU

Registered Address

Rea House, Bride Street, Kildare, Ireland.

Auditor

BCA Tax & Business Consultants Limited
Chartered Accountants and Statutory Auditors
Clonminch Hi Technology Park, Clonminch,
Tullamore, Offaly, Ireland.

Bankers

Bank of Ireland, The Square, Kildare.

Solicitors

Deirdre K. Ryan & Company Solicitors,
Main Street, Roscrea, Co Tipperary.

Pierse Fitzgibbon Solicitors
Market Street, Listowel, Co Kerry.

Sub Offices

Kilcullen Office

Credit Union House, Main Street, Kilcullen

Narraghmore Office

Narraghmore, Ballytore, Co. Kildare.

Opening Hours

Kildare office

Tues - Thurs 9am to 4pm, Fri 9am to 5pm,
Sat 9am to 1pm.

Open through lunch Tues - Fri

Kilcullen office

Tues - Fri 9am to 4pm, Sat 9am - 1pm
Closed for Lunch 1pm - 2pm

Narraghmore office

Mon, Tues, Fri 9am to 4pm,
Closed for Lunch 1pm - 2pm

Email Addresses:

Kildare office: info@kildarecu.ie

Kilcullen office: kilcullenbranch@kildarecu.ie

Narraghmore office:
narraghmorebranch@kildarecu.ie

Telephone: 045-521928

Website: www.kildarecu.ie



CONTENTS

| | Page Number |
|--|-------------|
| Agenda of the Meeting | 2 |
| Standing Orders | 3-4 |
| Operating Principles | 5 |
| Chairperson's Address | 6 |
| Report of the Board of Directors and Consideration of Accounts | 7-8 |
| Statement of Directors' Responsibilities | 9 |
| Statement of Board Oversight Committee Responsibilities | 10 |
| Independent Auditor's Report | 11-12 |
| Income and Expenditure Account | 13 |
| Balance Sheet | 14 |
| Statement of Changes in Reserves | 15 |
| Cash Flow Statement | 16 |
| Notes to Financial Statements | 17-36 |
| Schedules 1 to 3: Income Schedules | 36 |
| Schedules 4: Other Management Expenses | 37 |
| Report of the Board Oversight Committee | 38 |
| Credit Committee Report | 39 |
| Credit Control Committee Report | 40 |
| Membership Committee Report | 41 |
| Promotion and Development Report | 42 |
| Nomination Committee Report and Rule Amendment | 43 |
| Commitment to Climate Action | 44 |
| Deposit Guarantee Scheme | 45-46 |
| European Communities (Payment Services) Regulations | 47-51 |
| Politically Exposed Person | 52-53 |
| Important Information to Note | 54-57 |
| Data Privacy Notice | 58-61 |



AGENDA OF THE MEETING

1. Welcome and Invocation
2. Acceptance of representatives of members that are not natural persons
3. Ascertainment that a quorum is present
4. Adoption of standing orders
5. Reading, approval (or correction) of the minutes of the 2022 Annual General Meeting
6. Report of the Board of Directors and consideration of accounts
7. Report of the Auditor
8. Report of the Board Oversight Committee
9. Recommendation of dividend and loan interest rebate
10. Report of the Credit Committee
11. Report of the Credit Control Committee
12. Report of the Membership Committee
13. Promotion and Development Report
14. Report of the Nomination Committee
15. Consideration and approval of rule amendments
16. Elections
 - a) Auditor
 - b) Board Oversight Committee members
 - c) Board of Directors
17. Any other business
18. Announcement of election results
19. Adjournment or close of meeting

STANDING ORDERS FOR KILDARE CREDIT UNION LIMITED



1. VOTING

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

2-3 ELECTION PROCEDURE

2. Elections to the Board of Directors, to the Board Oversight Committee and the position of Auditor shall be by majority vote and by secret ballot.
3. When nominations are announced tellers shall be appointed by the Chair and ballot papers shall be distributed. Nominations shall be in the following order:
 - (a) nominations for Auditor;
 - (b) nominations for members of the Board Oversight Committee;
 - (c) nominations for Directors.

When voting is completed, the votes shall be taken and tallied by the tellers. Any ballot paper which contains votes for more than the number required to be elected shall be void. All elections shall be by secret ballot and by majority vote. When the votes have been counted by the tellers, the results shall be announced by the Chair.

In the event that all vacancies are not filled by the first ballot further ballots shall be taken as required. In the event of an equality of votes between candidates for the remaining vacancies not filled in accordance with the above procedure one further ballot shall be taken and should that ballot fail to determine the issue, the vacancies shall be filled by lot from among such candidates having an equality of votes.

4 - 9 MOTIONS

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



STANDING ORDERS FOR KILDARE CREDIT UNION LIMITED

10 - 15 MISCELLANEOUS

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

16. SUSPENSION OF STANDING ORDERS

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

17. ALTERATION OF STANDING ORDERS

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

18. ADJOURNMENTS

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



OPERATING PRINCIPLES

Statement of Credit Union Operating Principles as adopted at Annual General Meeting of the Irish League of Credit Unions 1984

- 1. Open and voluntary membership.** Membership is voluntary and open to all within the common bond.
- 2. Democratic control.** Members enjoy equal rights to vote (one member, one vote). The autonomous nature of the Credit Union recognises, within the framework of law and regulation, the cooperative enterprise serving its members and which is controlled by them.
- 3. Limited dividends on capital.** Permanent equity capital, where it exists in the Credit Union, receives limited dividends.
- 4. Return on savings and deposits.** To encourage thrift through savings and thus provide loans and other member services, a fair rate of interest is paid on savings and deposits, within the capability of the Credit Union.
- 5. Return of surplus to members.** Any surplus arising after ensuring appropriate reserve levels and after payment of dividends belongs to and benefits all members, with no member or group of members benefiting to the detriment of others.
- 6. Non-discrimination in race, religion and politics.** Operating decisions and the conduct of business are based on member needs, economic factors and sound management principles and are non-discriminatory in relation to race, nationality, sex, religion and politics.
- 7. Service to members.** Credit Union services are directed towards improving the economic and social well-being of all members whose needs shall be a permanent paramount consideration rather than towards the maximising of surpluses.
- 8. On-going education.** Credit Unions actively promote the education of their members, officers and staff along with the public in general, in the economic, social democratic and mutual self-help principles of Credit Unions. The promotion of thrift and the wise use of credit, as well as education on the rights and responsibilities of members are essential to the dual social and economic character of Credit Unions in serving member needs.
- 9. Co-operation among co-operatives.** Credit Unions, within their capability, actively co-operate with other Credit Unions, co-operatives and their associations at local, national and international level in order to best serve the interest of their members and their community.
- 10. Social responsibility.** Credit Unions seek to bring about human and social development. Their vision of social justice extends both to the individual members and to the larger community in which they work and reside. The Credit Union ideal is to extend service to all who need and can use it. Every person is either a member or a potential member and appropriately part of the Credit Union sphere of interest and concern. Decisions should be taken with full regard for the interests of the broader community within which the Credit Union and its members reside.



REPORT OF THE BOARD OF DIRECTORS

CHAIRPERSON'S ADDRESS

On behalf of the Board of Directors of Kildare Credit Union, I welcome you to our 56th AGM. I extend a very warm welcome to members, the auditor Paul Kelly from BCA and to representatives from neighbouring credit unions.

The annual report shows Kildare Credit Union to be in a strong position with prudent reserves of €13.3m resulting in capital levels of 15.66% of total assets. A surplus of €863,009 was achieved, aided by an increased loan book, much improved investment returns and very good bad debt recoveries. These results have been achieved, despite cost increases, by the continued support from the members and the hard work and commitment by the volunteers, management and staff across the three offices.

Loans are the most important asset to the credit union, they are its lifeblood. By borrowing and repaying the loans, members are ensuring the continued success and future of Kildare Credit Union. The loan book increased this year by 10% from €16,861,266 to €18,572,246. Many thanks to the strategic plan committee members who devoted many hours to market research and brainstorming to achieve loan growth. Also, many thanks to the members for choosing Kildare Credit Union for their financial needs and I would urge this continued consideration.

As we noted in last years report, unforeseen risks and challenges are becoming more frequent in their occurrence. This is now evident with the unrest in the Middle East and the continued war in Ukraine which has a direct impact on our members through the price of goods. After significant consideration of the current economic environment, the outlook for interest rates and the prudence in maintaining strong reserves, the Board of Directors recommend a dividend distribution of 0.20% which will cost €142,342 and a loan interest rebate of 4%, a cost of €54,437.

The Board of Directors will always act in a prudent manner to protect members' savings. This year €228,000 was transferred to reserves to maintain the regulatory reserve ratio. The Board of Directors removed the monthly lodgement limit from the 1st October 2023 but kept the overall savings level at €40,000 for now to maintain the regulatory reserve ratio. The Board of Directors is fully committed to reviewing the savings limit in 2024 as part of their strategic objectives.

The Board of Directors and management hoped to introduce current account facilities for members in 2023. Due to unforeseen circumstances, outside of our control, this project was paused. Our payment service provider CUSOP were in merger talks with Payac, the only provider of current account services now in the credit union sector. Those merger talks were unsuccessful. We are aware that CUSOP has developed an alternative business solution in conjunction with Payac which will shortly be presented to credit unions. At this point, the Board of Directors and management will revisit the project as providing current account facilities to members remains a strategic objective of the credit union.

The Board of Directors manage your credit union with great care and professionalism. I thank my fellow board of directors for their diligence, commitment but most of all for giving up of their free time to attend board meetings and to serve on the various committees. I thank the Board Oversight Committee who oversee the Board to ensure that it adheres to the regulations of the Credit Union Act 1997 (as amended). We are always looking for interested and qualified members to volunteer for various governance roles. If any of our members are interested in volunteering with Kildare Credit Union, please ask the CEO and staff to pass your details on to the Nomination Committee.

I would also like to take this opportunity to extend thanks to our CEO Michelle, the management team and all the staff for their continued hard work and dedication to Kildare Credit Union. Without their hard work and dedication, Kildare Credit Union would not be in the position that it is in today.

As the promotion and development report outlines, the community outreach programme and 3rd level bursary are some examples of how the credit union gives back and supports members and the community. Kildare Credit Union is your credit union, it has been supporting the communities of Kildare, Kilcullen and Narraghmore for 56 years. Be proud to be a credit union member. The Board of Directors would like to thank the members for your continued support as Kildare Credit Union would not be the credit union it is without that support.

REPORT OF THE BOARD OF DIRECTORS



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.

Objects

The principal activity of Kildare Credit Union Limited is the provision of savings and loans to members in its common bond. The Credit Union manages its members' shares, capital and loans to members so that it earns income from the margin between interest receivable and interest payable.

Principal Risks and Uncertainties

The main financial risks arising from the activities of Kildare Credit Union Limited are credit risk, liquidity risk, interest rate risk and continuous compliance with regulatory and legislative requirements. The Board reviews and agrees policies for managing each of these risks.

Business Review

The directors are satisfied with both the level of business and the year-end financial position. The directors expect to develop and expand the current activities of the Credit Union and they are confident of its ability to operate successfully into the future. The unrest in the Middle East, the war in Ukraine, high inflation, the costs of living, the interest rate environment, the volatility of gas prices are all factors affecting the real disposable incomes of households. These factors may have implications on the credit union's ability to grow its loan book and generate income.

Directors and Board Oversight Committee Members

The current directors and board oversight committee members are as set out on the inside of the front cover.

In accordance with Section 53 of the Credit Union Act 1997 (as amended) three directors of the Credit Union are required to retire from the Board at this year's Annual General Meeting, and being eligible, three directors will offer themselves for re-election.

Authorisation

The Credit Union is authorised as follows:

- A Credit Union entitled under the European Union (Payment Services) Regulations 2018 to provide payment services.

Accounting Records

The measures taken by the directors to ensure compliance with the requirements of Section 108 of the Credit Union Act 1997 (as amended), regarding proper books of account are the implementation of necessary policies and procedures for recording transactions, the employment of competent accounting personnel with appropriate expertise and the provision of adequate resources to the financial function. The books of account of the Credit Union are maintained at the Credit Union's premises at Rea House, Bride Street, Kildare.



REPORT OF THE BOARD OF DIRECTORS

For the year ended 30 September 2023

Post Balance Sheet Events

There were no significant events affecting the Credit Union since the balance sheet date.

Auditors

The auditors, BCA Tax & Business Consultants Limited, have indicated their willingness to continue in office in accordance with Section 115 of the Credit Union Acts 1997as amended.

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

Judith Boyle

Director

Date: 17th October 2023

Mark McLoughlin

Director

Date: 17th October 2023



*Alyssa Abbey, winner of the Chris Kelly Bursary Draw 2023
collecting her cheque from CEO Michelle Kemmy*

STATEMENT OF DIRECTORS' RESPONSIBILITIES



The Credit Union Acts 1997 (As amended) requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Credit Union and of the income and expenditure of the Credit Union for that 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 are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Credit Union and to 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.

In so far as the directors are aware:

- there is no relevant audit information (information needed by the Credit Union's auditor in connection with preparing the auditor's report) of which the Credit Union's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Credit Union's auditor is aware of that information.

On behalf of the Board of Directors

Judith Boyle
Director

Mark McLoughlin
Director

Date: 17th October 2023

Date: 17th October 2023



STATEMENT OF BOARD OVERSIGHT COMMITTEE'S RESPONSIBILITIES

For the year ended 30 September 2023

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

Noel McLoughlin
Chairperson of the Board Oversight Committee

Date: 17th October 2023

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



For the year ended 30 September 2023

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Kildare 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 Cash Flow Statement and notes to the financial statements, including the summary of significant accounting policies set out in note 2. 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 (As amended).

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 (As amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are 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 group and parent company's ability to continue as a going concern for a period of at least twelve months from 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,



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

For the year ended 30 September 2023

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 (As amended)

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, 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 (As amended). Our audit work has been undertaken so that we might state to the Credit Union's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Credit Union and the Credit Union's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Paul Kelly F.C.A
For & on behalf of

BCA Tax & Business Consultants Limited

Chartered Accountants and Statutory

Auditors

Clonminch House

Clonminch Hi-Technology Park

Tullamore

Co. Offaly

17th October 2023

INCOME AND EXPENDITURE ACCOUNT



For the year ended 30 September 2023

| | | 2023 | 2022 |
|---|----------|------------------|------------------|
| | | € | € |
| Income: | Schedule | | |
| Interest on members' loans | 1 | 1,356,140 | 1,324,048 |
| Income from investments | 2 | 849,727 | 406,217 |
| Interest payable on members' deposits | | (7,007) | (3,768) |
| Net interest income | | 2,198,860 | 1,726,497 |
| Other income | 3 | 7,661 | 365,762 |
| Total income | | 2,206,521 | 2,092,259 |
| | | | |
| Expenditure | | | |
| Employment costs | | 514,285 | 810,608 |
| Other management expenses | 4 | 898,012 | 814,164 |
| Depreciation | | 72,274 | 67,049 |
| Provision for bad debts | | 79,054 | - |
| Loans written off | | 6,563 | 8,150 |
| Bad debts recovered | | (226,676) | (365,872) |
| Total expenditure | | 1,343,512 | 1,334,099 |
| | | | |
| Surplus of income over expenditure | | 863,009 | 758,160 |
| Other comprehensive income | | - | - |
| Total comprehensive income | | 863,009 | 758,160 |

The financial statements were approved and authorised for issue by the Board of Directors on 17 October 2023 and signed on its behalf by;

Signed on Behalf of the Credit Union

Michelle Kemmy, CEO

Date: 17th October 2023

Noel McLoughlin, Member of the Board Oversight Committee

Date: 17th October 2023

Judith Boyle, Member of the Board of Directors

Date: 17th October 2023

The notes on pages 13 to 26 form part of the financial statements



BALANCE SHEET

For the year ended 30 September 2023

| | | 2023 | 2022 |
|---|-------------|-------------------|-------------------|
| | | € | € |
| Assets: | Note | | |
| Cash and cash equivalents | 11 | 844,684 | 1,357,679 |
| Tangible fixed assets | 13 | 1,443,515 | 1,451,658 |
| Loans to members | 12 | 18,570,246 | 16,861,266 |
| Provision for bad debts | 12 | (1,101,300) | (1,124,361) |
| Prepayments and other debtors | 14 | 1,055,774 | 81,755 |
| Accrued income | 14 | 446,604 | 220,979 |
| Deposits and investments - cash equivalents | 15 | 13,598,342 | 13,352,958 |
| Deposits and investments - other | 15 | 50,224,235 | 51,068,651 |
| Total Assets | | 85,082,100 | 83,270,585 |
| Liabilities | | | |
| Members' shares | 16 | 67,985,078 | 66,786,461 |
| Members' deposits | 17 | 3,437,529 | 3,565,786 |
| Deposit interest due to members | | 4,695 | 2,525 |
| Trade creditors and accruals | 18 | 315,853 | 339,566 |
| Other creditors | 18 | 12,657 | 12,384 |
| Total Liabilities | | 71,755,812 | 70,706,722 |
| Net Assets | | 13,326,288 | 12,563,863 |
| Members' Resources | | | |
| Regulatory reserve | | 10,815,000 | 10,587,000 |
| Operational risk reserve | | 630,000 | 600,000 |
| Other reserves | | 1,881,288 | 1,376,863 |
| Total Members' Resources | | 13,326,288 | 12,563,863 |

These financial statements were approved and authorised for issue by the Board on 17th October 2023

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

Michelle Kemmy, CEO

Date: 17th October 2023

Noel McLoughlin, Member of the Board Oversight Committee

Date: 17th October 2023

Judith Boyle, Member of the Board of Directors

Date: 17th October 2023

The notes on pages 13 to 26 form part of the financial statements

STATEMENT OF CHANGES IN RESERVES



For the year ended 30 September 2023

| | Regulatory Reserve | Operational Risk Reserve | Other Reserves | Unrealised Income Reserve | Total Reserves |
|---|--------------------|--------------------------|------------------|---------------------------|-------------------|
| | € | € | € | € | € |
| Balance 1 October 2021 | 10,587,000 | 600,000 | 618,703 | - | 11,805,703 |
| Surplus allocation in financial year | - | - | 723,112 | 35,048 | 758,160 |
| At 30 September 2022 | 10,587,000 | 600,000 | 1,341,815 | 35,048 | 12,563,863 |
| At 1 October 2022 | 10,587,000 | 600,000 | 1,341,815 | 35,048 | 12,563,863 |
| Dividends paid during the financial year | - | - | (67,220) | - | (67,220) |
| Loan interest rebate paid during the financial year | - | - | (33,366) | - | (33,366) |
| Surplus allocation in financial year | 228,000 | 30,000 | 605,011 | - | 863,011 |
| At 30 September 2023 | 10,815,000 | 630,000 | 1,846,240 | 35,048 | 13,326,288 |

1 The Regulatory Reserve of the Credit Union as a % of the total assets as at 30th September 2023 was 12.72% (2022: 12.72%) which is more than the Credit Union's Regulatory Reserve requirement of 10%.

2 In accordance with section 45 of the Credit Union Acts 1997 (As amended) Kildare Credit Union Limited put in place an Operational Risk Reserve. The Board has transferred €30,000 additional funds to the Operational Risk reserve in the current period, following the completion of an internal process of assessing the level of the reserve required to cover the operational risk within the Credit Union.

3 Following the commencement of Section 13 of the 2012 Act, the requirement for Credit Unions to transfer 10% of their annual surplus to their Statutory Reserve (now known as the Regulatory Reserve) each financial year has been removed.

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

Michelle Kemmy

CEO
Member of the Board
Oversight Committee

Judith Boyle

Member of the Board
of Directors

Date: 17th October 2023



CASH FLOW STATEMENT

For the year ended 30 September 2023

| | 2023 | 2022 |
|---|--------------------|--------------------|
| | € | € |
| Opening cash and cash equivalents | 14,710,637 | 16,871,596 |
| Cash flows from operating activities | | |
| Loans repaid | 7,615,452 | 7,525,545 |
| Loans granted | (9,433,109) | (7,858,324) |
| Loan interest income | 1,353,139 | 1,324,405 |
| Interest paid on members' deposits | (7,007) | (3,768) |
| Investment income | 849,727 | 406,217 |
| Other income received | 7,661 | 365,762 |
| Bad debts recovered | 226,676 | 365,872 |
| Dividends paid | (67,220) | - |
| Loan interest rebate | (33,366) | - |
| Operating expenses | (1,412,297) | (1,624,772) |
| Movement in other assets | (1,196,643) | (15,663) |
| Movement in other liabilities | (23,440) | 280,142 |
| Movement in provisions | 2,170 | 2,525 |
| Net cash (used in)/generated from operating activities | (2,118,257) | 767,941 |
| Cash flows from investing activities | | |
| Purchase of tangible fixed assets | (64,130) | (14,592) |
| Net cash flow from other investing activities | 844,416 | (1,785,994) |
| Net cash generated from/(used in) investing activities | 780,286 | (1,800,586) |
| Cash flows from financing activities | | |
| Members' shares received | 21,757,388 | 20,898,844 |
| Members' deposits received | 1,745,068 | 1,704,249 |
| Members' shares withdrawn | (20,558,771) | (21,614,393) |
| Members' deposits withdrawn | (1,873,325) | (2,117,014) |
| Net cash generated from/(used in) financing activities | 1,070,360 | (1,128,314) |
| Net decrease in cash and cash equivalents | (267,611) | (2,160,959) |
| Cash and cash equivalents at end of financial year 11 | 14,443,026 | 14,710,637 |

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

Michelle Kemmy, CEO

Date: 17th October 2023

Noel McLoughlin, Member of the Board Oversight Committee

Date: 17th October 2023

Judith Boyle, Member of the Board of Directors

Date: 17th October 2023

NOTES TO THE FINANCIAL STATEMENTS



For the year ended 30 September 2023

1. **Legal and regulatory framework**

Kildare Credit Union Limited is established under the Credit Union Acts 1997 (As amended). 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 Rea House, Bride Street, Kildare, Co. Kildare.

2. **Accounting policies**

The following principal accounting policies have been applied;

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) and Irish statute comprising of the Credit Union Acts 1997 (As amended). The financial statements have been prepared on the historical cost basis.

Currency

The financial statements are prepared in Euro, which is the functional currency of the Credit Union. Monetary amounts in these financial statements are rounded to the nearest Euro.

Going concern

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

- Is generating annual surpluses;
- Maintains an appropriate level of liquidity; and
- Has reserves that are currently above the minimum requirements of the Central Bank of Ireland.

Currency

The financial statements are prepared in Euro, which is the functional currency of the Credit Union. Monetary amounts in these financial statements are rounded to the nearest Euro.

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 on an accruals basis using the effective interest rate method in accordance with FRS 102 and Section 110(1)(D) of the Credit Union Acts 1997 (as amended). An approximation of the effective interest rate method is calculated by taking the interest accrual at the reporting period adjusted for any accrual relating to impaired loans

(ii) Investment Income

The Credit Union currently only has investments that are valued at amortised cost, and uses the effective interest rate method to recognise investment income.

(iii) Other Income

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



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2023

Investments

Investment income is recognised on an accrual basis.

Deposits and investments - cash and cash equivalents

These are valued at the deposit amount plus any accrued interest and interest income is recognised in the statement on an accruals (time) basis.

Deposits and investments - other

Term deposits and fixed interest investment bonds with fixed maturity dates are valued at the lower of cost or encashment value and interest is recognised in the income statement when it is received or irrevocably receivable.

Held at amortised cost

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

Central Bank deposits

Credit Unions are obliged to maintain certain deposits with the Central Bank. These deposits are technically assets of the credit union but to which the Credit Union has restricted access. The funds on deposit with the Central Bank attract nominal interest and will not ordinarily be returned to the credit union while it is a going concern. The amounts are stated at the amount deposited plus accrued income and are not subject to impairment reviews.

Investments at fair value

Investments held for trading and investment in stock market shares (i.e. non-convertible preference shares and non-puttable ordinary shares or preference shares) are included in this category. Financial assets at fair value are classified as held for trading if they are acquired for sale in the short term. They are valued at fair value (market value) at the financial yearend date and all gains and losses are taken to the income and expenditure account. The fair value of quoted investments is determined by reference to bid prices at the close of business on the balance sheet date. Where there is no active market these assets will be carried at cost less impairment.

Tangible fixed assets and depreciation

Tangible Fixed Assets are initially stated at cost or at valuation, less accumulated depreciation and impairment losses. The charge for depreciation is calculated to write off the original cost or valuation of tangible fixed assets, less their estimated residual value, over their expected useful lives as follows:

| | |
|----------------------------------|-------------------|
| Land and buildings freehold | 2% Straight line |
| Fixtures, fittings and equipment | 20% Straight line |
| Computer equipment | 25% Straight line |

Tangible fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that carrying values may not be recoverable. If any such indication exists and where the carrying value exceeds the net recoverable amount,

NOTES TO THE FINANCIAL STATEMENTS



For the year ended 30 September 2023

the assets are written down to their recoverable amount. The recoverable amount of tangible assets, property, plant and equipment is the greater of open market value and value in use. In assessing value in use the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined by the income generating unit to which the asset belongs. When the recoverable amount of the income generating unit is less than the carrying amount, an impairment loss is recognised

Cash and cash equivalents

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

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.

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 method. Basic financial instruments include the following:

Loans to members

Loans to members are financial assets with fixed or determinable payments. Loans are recognised when cash is advanced to members and measured at amortised cost using the effective interest method.

Other Debtors

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

De-recognition of financial assets

Financial assets are derecognised only when the 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 risks 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.

In the case of loans to members, loans are derecognised, when the right to receive cash flows from the loans have expired, usually when all amounts outstanding have been repaid by the member. Kildare Credit Union Limited does not transfer loans to third parties.



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2023

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.

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 reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in the Income and Expenditure account.

Bad debt provision

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.

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 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 estimates of collective provisions for loans with similar credit risk characteristics, and, Incurred But Not Reported provisions ("IBNR") are based on the 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 the present value of the expected cash flows discounted at the asset's original effective interest rate taking account of pledged shares and other security as appropriate. Assumptions are back tested with the benefit of experience. After a period of time, when it is concluded that there is no real prospect of recovery of loans/part of loans which have been subjected to a specific provision, the Credit Union writes off that amount of the loan deemed irrecoverable against the specific provision held against the loan.

Basic financial liabilities

Basic financial liabilities 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 method.

Members' shares

Members' shares, money management accounts and deposits are redeemable and therefore are classified as financial liabilities. They are initially recognised at the amount of cash deposited and subsequently measured at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS



For the year ended 30 September 2023

Other creditors

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

De-recognition of financial liability

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

Holiday pay

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

Pensions

Kildare 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 scheme is a multi-employer Scheme and due to the nature of the Scheme, it is not possible for Kildare Credit Union Limited to separately identify its share of the Scheme's underlying assets and liabilities.

Consequently, it accounts for the Scheme as a defined contribution plan.

The Credit Union also funds pension benefits for certain other employees over the employees' period of service by way of defined contributions paid to approved PRSA's held with Zurich Life Assurance plc and New Ireland plc. Contributions to both pension schemes are based on a fixed percentage of employee's annual salary and the charge in the Income and Expenditure Account reflects contributions paid and payable in respect of the year ended 30 September 2023.

Distribution

In respect of each financial year, the Credit Union will allocate surplus funds to the Regulatory Reserve and other reserves in accordance with the provisions of the Credit Union Act 1997 (as amended) and guidance issued by the Central Bank of Ireland. The Board of directors may also decide to hold reserves in excess of minimum statutory requirements, taking prudent account of the scale and complexity of the Credit Union's business, its risk profile and prevailing market conditions. The dividend payment is based on the distributable income of the Credit Union after meeting its reserve requirements. Dividends to the Credit Union's members are recognised as a liability of the Credit Union when approved by the Credit Union's shareholders at the Annual General Meeting.

Reserves

Regulatory reserve

The Credit Union is required to maintain and establish a minimum Regulatory reserve of at least 10% of the assets of the Credit Union in accordance with Credit Union Act 1997 (Regulatory Requirements) Regulations 2016.



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2023

Operational risk reserve

The Credit Union has established an Operational Risk reserve which is separate, distinct and in addition to the reserves the Credit Union is required to hold in its Regulatory reserve. The amount held in the Operational Risk reserve is the predicted impact of operational risk events that may have a material impact on the Credit Union's business.

Other reserves

Other Reserves are the accumulated surpluses to date and Reserves arising on the Transfer of Engagements that have not been declared as dividends returnable to members. The Other Reserves are subdivided into realised and unrealised. In accordance with the Central Bank Guidance Note for Credit Unions on Matters Relating to Accounting for Investments and Distribution Policy, investment income that has been recognised but will not be received within 12 months of the balance sheet date is classified as "unrealised" and is not distributable. A reclassification between unrealised and realised is made as investments come to within 12 months of maturity date. Interest on Loans receivable at the balance sheet date is also classified as "unrealised" and is not distributable. All other income is classified as "realised".

Non-Distributable Investment Income reserve

Investment income that has been recognised in the financial statements but will not be received within 12 months of the Balance Sheet date is classified as "non-distributable" and is not distributable as a dividend in accordance with Section 31 of the Credit Union Act 1997 (Regulatory Requirements) Regulations 2016. A reclassification between non-distributable and distributable is made as investments come to within 12 months of maturity date.

Taxation

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

3. CRITICAL ACCOUNTING JUDGEMENT AND ESTIMATES

The preparation of financial statements requires the use of certain accounting estimates. It also requires the Directors to exercise judgement in applying Kildare Credit Union Limited's accounting policies. The areas requiring a higher degree of judgement, or complexity, and areas where assumptions or estimates are most significant to the financial statements are disclosed below:

Determination of depreciation, useful economic life and residual value of tangible assets

The annual depreciation charge depends primarily on the estimated lives of each type of asset and, in certain circumstances, estimates of residual values. The directors regularly review these useful lives and change them if necessary to reflect current conditions. In determining these useful lives, management consider technological change, patterns of consumption, physical condition and expected economic utilisation of the assets. Changes in the useful lives can have a significant impact on the depreciation charge for the financial year.

Impairment losses on loans to members

The Credit Union's accounting policy for impairment of financial assets is set out in

NOTES TO THE FINANCIAL STATEMENTS



For the year ended 30 September 2023

the accounting policy in Note 2. 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

Impairment of buildings

The carrying value of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable. In the event, an impairment loss is recognised as the difference between the carrying amount and the assets market value. The impairment charge, if applicable is charged to the Income and Expenditure Account in the period in which the related events or changes in circumstances occur.

Operational risk reserve (ORR)

The directors have considered the requirements of the Credit Union Act 1997 (as amended) and have considered an approach to the calculation of the ORR. Kildare Credit Union Limited uses the Basic Indicator Approach as set out in the operational risk measurements techniques proposed under Basel II capital adequacy rules for banking institutions in calculating the minimum ORR.

Pensions

The ILCU Group and credit unions participate in an industry-wide pension scheme for employees (The Irish League of Credit Unions Republic of Ireland Pension Scheme). This is a funded scheme of the defined benefit type, with assets invested in separate trustee administered funds. Judgement is required to assess whether the ILCU Group 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 the ILCU Group has determined that there is currently insufficient information available to provide an appropriate allocation of pension assets and liabilities due to the following:

- Scheme assets are not segregated or tracked by contributing employers. There is insufficient information to appropriately allocate the assets to individual employers as contributions paid are pooled in a single fund and none of the contributing employers have separately segregated asset pools.
- Orphan members are those members (including pensioners) who previously contributed to the scheme where their employer has paid an exit cost and as a result has no further liability to the scheme. A pension liability continues to exist for these individual members. There is uncertainty around where the obligation rests in respect of orphan members currently and into the future.
- The Funding Plan calculations are based on each employer's share of liabilities at a point in time. This does not infer that each employer is contributing towards its liabilities. The determination of the contribution rate is a point in time assessment and is not updated subsequently for changes in the employers' liability that may occur in the future. Subsequently, as the profile of the scheme continues to change, there will continue to be a natural cross subsidisation.



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2023

4. INCOME FROM INVESTMENTS

| | 2023 € | 2022 € |
|---|----------------|----------------|
| Investment income received | 484,382 | 231,246 |
| Investment income receivable within 12 months | 377,345 | 189,796 |
| Losses on Investments | (12,000) | (14,825) |
| | 849,727 | 406,217 |

5. DIVIDENDS AND LOAN INTEREST REBATE

The following distributions were made during the financial year:

| | 2023 % | 2023 € | 2022 % | 2022 € |
|----------------------|-----------|----------------|-----------|-----------|
| Dividends on shares | 0.10 | 67,220 | - | - |
| Loan interest rebate | 2.50 | 33,366 | - | - |
| | | 100,586 | | |

The above dividends refer to those paid out in those financial years from the surplus earned in previous financial years.

6. PROPOSED DIVIDENDS AND LOAN INTEREST REBATE

The directors recommend the following distributions, subject to agreement by the membership at the Annual General Meeting:

| | 2023 % | 2023 € | 2022 % | 2022 € |
|----------------------|-----------|----------------|-----------|----------------|
| Dividends on shares | 0.20 | 142,342 | 0.10 | 67,220 |
| Loan interest rebate | 4.00 | 54,437 | 2.50 | 33,364 |
| | | 196,779 | | 100,584 |

NOTES TO THE FINANCIAL STATEMENTS



For the year ended 30 September 2023

7. BAD AND DOUBTFUL DEBTS

| | 2023 | 2022 |
|--------------------------------------|---------------|--------------|
| | € | € |
| Provision for bad and doubtful debts | 79,054 | - |
| Loans written off | 6,563 | 8,150 |
| | 85,617 | 8,150 |

8. RATES OF INTEREST CHARGED ON MEMBERS' LOANS

The Credit Union charges rates of interest as follows:

| | Per Month | APR |
|----------------------------------|-----------|------|
| | % | % |
| Standard Loans 8.9% per annum | 0.74 | 9.30 |
| Community Loans 6.9% per annum | 0.58 | 7.12 |
| Student Loans 6.5% per annum | 0.54 | 6.70 |
| Home Renovation Loans 6.25% | 0.52 | 6.45 |
| Share Secured Loans 6% per annum | 0.50 | 6.20 |

9. EMPLOYEES AND REMUNERATION

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

| | 2023 | 2022 |
|---------------------------|----------------|----------------|
| | Number | Number |
| Management and Staff | 14 | 14 |
| The staff costs comprise: | 2023 | 2022 |
| | € | € |
| Wages and salaries | 447,029 | 414,322 |
| Social security costs | 45,805 | 43,874 |
| Pension costs | 21,451 | 352,412 |
| | 514,285 | 810,608 |



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2023

10. KEY MANAGEMENT PERSONNEL

The directors of Kildare Credit Union Limited are all unpaid volunteers. The management personnel compensation is as follows:

| | 2023 € | 2022 € |
|---|----------------|----------------|
| Remuneration | 244,469 | 218,441 |
| Payments to pension scheme | 14,697 | 17,306 |
| Total key management personnel compensation | 259,166 | 235,747 |

11. CASH AND CASH EQUIVALENTS

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

| | 2023 € | 2022 € |
|--------------------------|-------------------|-------------------|
| Cash and bank balances | 844,684 | 1,357,679 |
| Deposits and investments | 13,598,342 | 13,352,958 |
| | 14,443,026 | 14,710,637 |

NOTES TO THE FINANCIAL STATEMENTS



For the year ended 30 September 2023

| | | |
|--|-------------------|-------------------|
| 12. MEMBERS' LOANS | 2023 | 2022 |
| | € | € |
| Loans to members | 18,570,246 | 16,861,266 |
| Provision for bad and doubtful debts | (1,101,300) | (1,124,361) |
| | 17,468,946 | 15,736,905 |
| | | |
| Movement in members' loans | 2023 | 2022 |
| | € | € |
| Opening balance | 16,861,266 | 16,633,758 |
| Cash movement in financial year | 1,817,657 | 332,779 |
| Loans written off | (108,677) | (105,271) |
| | 18,570,246 | 16,861,266 |
| | | |
| Movement in provision for doubtful debts | 2023 | 2022 |
| | € | € |
| Opening provision | 1,124,361 | 1,221,482 |
| Movement in financial year | 79,054 | - |
| Loans written off against provision | (102,115) | (97,121) |
| | 1,101,300 | 1,124,361 |
| | | |
| The provision for bad debts is analysed as follows; | 2023 | 2022 |
| | € | € |
| Individually significant loans | 266,261 | 261,843 |
| Other impaired loans | 646,605 | 455,947 |
| Collectively assessed loans | 188,434 | 406,571 |
| | 1,101,300 | 1,124,361 |
| | | |
| Interest on members' loans € | 2023 | 2022 |
| | € | € |
| Loan interest received | 1,321,956 | 1,292,865 |
| Loan interest receivable | 34,184 | 31,183 |
| | 1,356,140 | 1,324,048 |



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2023

13. Tangible Fixed Asset

| | Land and buildings freehold | Fixtures, fittings and equipment | Computer equipment | Total |
|---------------------------|-----------------------------------|--|-----------------------|------------------|
| € | € | € | € | € |
| Cost | | | | |
| At 1 October 2022 | 1,548,500 | 455,330 | 576,927 | 2,580,757 |
| Additions | - | 14,851 | 49,279 | 64,130 |
| At 30 September 2023 | <u>1,548,500</u> | <u>470,181</u> | <u>626,206</u> | <u>2,644,887</u> |
| Depreciation | | | | |
| At 1 October 2022 | 153,512 | 435,009 | 540,578 | 1,129,099 |
| Charge for financial year | 30,970 | 11,704 | 29,599 | 72,273 |
| At 30 September 2023 | <u>184,482</u> | <u>446,713</u> | <u>570,177</u> | <u>1,201,372</u> |
| Net book value | | | | |
| At 30 September 2023 | <u>1,364,018</u> | <u>23,468</u> | <u>56,029</u> | <u>1,443,515</u> |
| At 30 September 2022 | <u>1,394,988</u> | <u>20,321</u> | <u>36,349</u> | <u>1,451,658</u> |

Tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate that their carrying value may be impaired. During the year ended 30 September 2023, the Credit Union carried out an impairment review of the carrying value of its freehold premises. This review indicated that the recoverable amount is greater than the carrying value of the freehold premises, and therefore no impairment is recognised.

14. Debtors, Prepayments and Accrued Income

| | 2023 | 2022 |
|---------------------------------|------------------|----------------|
| | € | € |
| Prepayments | 45,774 | 81,755 |
| Other debtors | 1,010,000 | - |
| Loan Interest Income Receivable | 34,184 | 31,183 |
| Investment Income Receivable | 377,372 | 189,796 |
| SPS Refund | 35,048 | - |
| | <u>1,502,378</u> | <u>302,734</u> |

NOTES TO THE FINANCIAL STATEMENTS



For the year ended 30 September 2023

| 15. DEPOSITS AND INVESTMENTS | 2023 | 2022 |
|--|-------------------|-------------------|
| | € | € |
| Deposits and investments - cash and cash equivalents | 13,598,342 | 13,352,958 |
| Deposits and investments - other | 50,224,235 | 51,068,651 |
| | <u>63,822,577</u> | <u>64,421,609</u> |

| | 2023 | 2022 |
|--|-------------------|-------------------|
| | € | € |
| Deposits and investments - cash equivalents | | |
| Irish & EEA State Securities | 2,040,251 | 1,352,754 |
| Accounts in Authorised Credit Institutions | 40,456,601 | 44,656,084 |
| Central Bank Deposits | 671,847 | 656,460 |
| Bank Bonds | 20,653,878 | 17,756,311 |
| Total deposits and investments - cash equivalents | <u>63,822,577</u> | <u>64,421,609</u> |

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

| | 2023 | 2022 |
|---------------------------------------|-------------------|-------------------|
| | € | € |
| Deposits and investments | | |
| Aa2 | 1,998,986 | 1,009,068 |
| Aa3 | 15,328,415 | 4,993,710 |
| A1 | 35,252,658 | 23,392,287 |
| A2 | 4,513,091 | 25,914,954 |
| A3 | 4,729,427 | 2,000,000 |
| Baa1 | 2,000,000 | 3,000,000 |
| Baa2 | - | 4,111,590 |
| Total deposits and investments | <u>63,822,577</u> | <u>64,421,609</u> |



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2023

| | | |
|--|-------------------|-------------------|
| 16. MEMBERS' SHARES - FINANCIAL LIABILITIES | 2023 | 2022 |
| | € | € |
| As at 1 October | 66,786,461 | 67,502,010 |
| Received during the financial year | 21,757,388 | 20,898,844 |
| Repaid during the financial year | (20,558,771) | (21,614,393) |
| As at 30 September | 67,985,078 | 66,786,461 |
| 17. MEMBERS' DEPOSITS - FINANCIAL LIABILITIES | 2023 | 2022 |
| | € | € |
| As at 1 October | 3,565,786 | 3,978,551 |
| Received during the financial year | 1,745,068 | 1,704,249 |
| Repaid during the financial year | (1,873,325) | (2,117,014) |
| As at 30 September | 3,437,529 | 3,565,786 |
| 18. OTHER CREDITORS AND ACCRUALS | 2023 | 2022 |
| | € | € |
| PAYE/PRSI | 9,012 | 11,141 |
| Accruals | 315,853 | 339,566 |
| Other creditors | 1,333 | - |
| DIRT | 2,312 | 1,243 |
| | 328,510 | 351,950 |
| 19. FINANCIAL INSTRUMENTS | | |

Kildare Credit Union Limited is a provider of personal and business loans 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 Kildare Credit Union Limited's activities are credit risk, market risk, liquidity risk and interest rate risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

NOTES TO THE FINANCIAL STATEMENTS



For the year ended 30 September 2023

Credit Risk:

Credit risk is the risk that a borrower will default on their contractual obligations relating to repayments to the Credit Union resulting in financial loss. In order to manage this risk the Board approves the Credit Union's Lending policy, and all amendments thereto. All loan applications are assessed with reference to the lending policy in force at the time. Subsequently, loans are regularly reviewed for any factors that may indicate impairment on loans advanced. The Board approves the Credit Union's Credit Control policy which lays down the procedures for the collection of loans in arrears together with the basis for recording impairments on loans. The credit risk on members' loans is disclosed in Notes.

The Credit Union's investments are also exposed to credit risk and the Credit Union mitigates the risk by only placing investments with financial institutions where the counterparties have strong credit ratings and using investment products authorised by the Central Bank of Ireland. The credit risk on deposits and investments is disclosed in Notes.

Liquidity Risk:

Kildare Credit Union Limited's policy is to maintain sufficient funds in liquid form at all times to ensure that it can meet its liabilities as they fall due. The objective of the liquidity policy is to smooth the mismatches between maturing assets and liabilities and to provide a degree of protection against any unexpected developments that may arise. Members' shares which are available on demand are identified as liabilities, other shares which are held as members' resources, are not available for withdrawal in accordance with the Credit Union Act 1997 (as amended). 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 (Regulatory Requirements) Regulations 2016.

Market Risk:

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

Interest Rate Risk:

Kildare Credit Union Limited main interest rate risk arises from differences between the interest rate exposures on loans and investments receivable, as offset by its cost of capital, which is typically that of distributions to members payable in the form of dividends and interest rebates. Kildare Credit Union Limited considers rates of interest receivable when deciding on the appropriation of income and its returns to members. The Board monitors such policy in line with the Credit Union Act 1997 (as amended) and guidance notes issued by the Central Bank of Ireland.



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2023

Fair value of financial instruments:

Kildare Credit Union Limited does not hold any financial instruments at fair value.

19.1 INTEREST RATE RISK DISCLOSURE

Kildare Credit Union Limited's main interest rate risk arises from differences between the interest rate exposures on loans and investments receivable, as offset by its cost of capital, which is typically that of distributions to members payable in the form of dividends and interest rebates. Kildare Credit Union Limited considers rates of interest receivable when deciding on the appropriation of income and its returns to members. The Board monitors such policy in line with the Credit Union Act 1997 (as amended) and guidance notes issued by the Central Bank of Ireland.

| | 2023 | Average interest rate | 2022 | 2022 interest rate |
|------------------------------|-------------------|-----------------------------|-------------------|--------------------------|
| | € | % | € | % |
| Financial assets | | | | |
| Gross loans to members | 18,570,246 | 7.90 | 16,861,266 | 7.90 |
| Financial liabilities | | | | |
| Members' shares | 67,985,078 | 0.20 | 66,786,461 | 0.10 |
| Members' deposits | 3,437,529 | 0.20 | 3,565,786 | 0.10 |
| | 71,422,607 | | 70,352,247 | |

The interest rates applicable to loans to members are fixed and range from 6% to 12%. The dividend on shares is determined on the basis of income less administrative expenses and, as can be seen above, a consistent margin is maintained between interest receivable and dividend on shares. As a result, the surplus for the year is not particularly sensitive to interest rate risk and no sensitivity analysis is presented.

19.2 LIQUIDITY RISK DISCLOSURE

All of the financial liabilities of the Credit Union are repayable on demand except for some members' shares attached to loans.

NOTES TO THE FINANCIAL STATEMENTS



For the year ended 30 September 2023

20. CREDIT RISK DISCLOSURE

The Credit Union complies with Section 12 of the Credit Union Act, 1997 (Regulatory Requirements) Regulations 2016. This Regulation:

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

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

20.1 CREDIT RISK DISCLOSURE (CONTINUED)

| | 2023 | 2023 | 2022 | 2022 |
|------------------------------|-------------------|--------|-------------------|--------|
| | € | % | € | % |
| Loans not impaired | | | | |
| Not Impaired | 16,745,419 | 90.18 | 15,122,564 | 89.70 |
| Impaired loans | | | | |
| Not past due | 711,360 | 3.83 | 706,879 | 4.18 |
| Up to 9 weeks past due | 399,107 | 2.15 | 334,844 | 1.99 |
| Between 10-18 weeks past due | 215,623 | 1.16 | 143,504 | 0.85 |
| Between 19-26 weeks past due | 15,304 | 0.08 | 54,716 | 0.32 |
| Between 27-39 weeks past due | 93,754 | 0.50 | 80,712 | 0.48 |
| Between 40-52 weeks past due | 73,025 | 0.39 | 50,947 | 0.30 |
| 53 or more weeks past due | 316,653 | 1.71 | 367,100 | 2.18 |
| Total impaired loans | 1,824,826 | 9.82 | 1,738,702 | 10.30 |
| Total loans | 18,570,245 | 100.00 | 16,861,266 | 100.00 |



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2023

21. PENSION SCHEME

The ILCU Group and individual credit unions participate 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 for the Scheme. In this role it consents to the participation of employees in the Scheme, it appoints 2 of the 4 trustees to the Scheme and is consulted on the setting of the contribution rate. 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. The exiting credit union thereby settles any liability they have to contribute to the Scheme in the future.

The Scheme is a multi-employer scheme and there is pooling of the assets, and the sharing of risks associated with the liabilities for all participating employers. Judgement is required to assess whether the Group has sufficient information to provide an appropriate allocation of pension assets and liabilities. An assessment has been performed of the information available and the ILCU Group has determined that there is currently insufficient information available. Consequently, the ILCU Group continues to account for the plan as a defined contribution plan.

An actuarial review of the Scheme is normally carried out every three years by the Scheme's independent, professionally qualified actuary. The actuarial review considers the past and future service liabilities of the Scheme. The last completed triennial actuarial review was carried out with an effective date of 29 February 2020, using the Attained Age valuation method.

The ILCU, as principal employer, commenced a review of the Scheme in conjunction with advisors independent of the trustees. The conclusion of this review was that the Scheme should close to future accrual and this occurred with effect from 31 March 2022 with an associated Funding Plan.

The assets and liabilities of the Scheme and the key assumptions are included in the table below at 31 March 2022 of the Funding Plan and the last triennial valuation date in the table below:

Assets €283.4m

Liabilities €377.1m

Deficit €93.7

Assumptions used

- Investment return in the period pre-retirement 3.35%
- Investment return while in receipt of pension 0.25%
- Investment return while in receipt of pension 2.05%
- Annual increases to pension in payment 3%/0%

NOTES TO THE FINANCIAL STATEMENTS



For the year ended 30 September 2023

Life expectancy*

- 65 year old male lives to age 87
- 65 year old female lives to age 89
- Amount of pension exchanged for tax-free cash at retirement 0%

* Based on 58% of ILT15 (Males), 62% of ILT15 (Females) and annual improvement to annuity rates post retirement of: Males: 0.30%, Females: 0.25% (improvements from 2014)

The ILCU Group's liability in respect of the funding plan based on outstanding contributions payable under the funding plan is set out in the table below:

Retirement Benefit Liability at 31 December 2022, €10.3M

Kildare Credit Union Limited paid €38,150 in part payment of the deficit funding plan during the year ended 30 September 2023. The total liability of Kildare Credit Union Limited at the beginning of the year was €289,800 and a balance of €251,650 is owed at the 30 September 2023.

22. RELATED PARTY TRANSACTIONS

Related parties comprise the directors and the management team of the Credit Union, their family members or any business in which the directors or management team had a significant shareholding. Total loans to Related Parties represent 1.81% of the total loan book at 30 September 2023 (30 September 2022: 1.47%).

| | No. of loans | 2023 € |
|---|--------------|-----------|
| Loans advanced to Related Parties during the financial year | 11 | 158,800 |
| Total loans outstanding to Related Parties at the financial year end | 17 | 335,602 |
| Total provisions for loans outstanding to Related Parties | | 30,471 |
| Total provision charge during the financial year for loans outstanding to Related Parties | | (710) |

23. INSURANCE AGAINST FRAUD

The Credit Union has insurance against fraud in compliance with Section 47 of the Credit Union Act, 1997(as amended) in the amount of €5.2 million.

24. CAPITAL COMMITMENTS

There were no known capital commitments that would require disclosure in the financial statements.

25. POST-BALANCE SHEET EVENTS

There were no significant events affecting the Credit Union since the balance sheet date.



NOTES AND SCHEDULES TO THE INCOME & EXPENDITURE ACCOUNT

For the year ended 30 September 2023

26. CONTINGENT LIABILITIES

Kildare Credit Union Limited discloses a debtor in these financial statements for €1,010,000 in relation to a matured investment held by BlackBee Investments Limited (In Liquidation), At this time the funds are controlled by the Liquidator in a client fund bank account. It is expected that these funds will be recovered by the Credit Union in due course and there is currently no evidence to imply impairment of funds. We continue to work with the liquidators to fully recoup all funds due to the Credit Union.

27. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved, and authorised for issue, by the Board of Directors on 17 October 2023.

SCHEDULES TO THE INCOME & EXPENDITURE ACCOUNT for the year ended 30 September 2023

Schedule 1 - Interest on Loans

| | 2023 | 2022 |
|--------------------------------------|------------------|------------------|
| | € | € |
| Interest on Loans | | |
| Interest on members loans | 1,321,956 | 1,292,865 |
| Interest on members loans receivable | 34,184 | 31,183 |
| | 1,356,140 | 1,324,048 |

Schedule 2 - Investment Income

| | 2023 | 2022 |
|---|----------------|----------------|
| | € | € |
| Investment Income | | |
| Investment income received | 484,355 | 231,246 |
| Investment income receivable within 12 months | 377,372 | 189,796 |
| Losses on Investments | (12,000) | (14,825) |
| | 849,727 | 406,217 |

Schedule 3 - Other Income

| | 2023 | 2022 |
|--|--------------|----------------|
| | € | € |
| Other Income | | |
| Insurance commission | 3,743 | 3,991 |
| Entrance fees | 498 | 519 |
| Rent received | 3,420 | - |
| SPS Refund | - | 350,477 |
| Other fees received | - | 153 |
| E.C.C.U. claims experience refund fees | - | 10,622 |
| | 7,661 | 365,762 |

SCHEDULES TO THE INCOME & EXPENDITURE ACCOUNT



For the year ended 30 September 2023

Schedule 4 - Other Management Expenses

| | 2023 | 2022 |
|------------------------------------|----------------|----------------|
| | € | € |
| Other Management Expenses | | |
| Training and education | 7,174 | 6,700 |
| Rent and rates payable | 9,193 | 6,710 |
| General insurance | 36,811 | 34,760 |
| Share and loan insurance | 254,080 | 262,493 |
| Security | 5,245 | 3,863 |
| Light, Heat and Cleaning | 59,793 | 30,715 |
| Repairs and renewals | 32,918 | 11,033 |
| Computer and equipment maintenance | 71,533 | 71,548 |
| Printing and stationery | 10,011 | 10,157 |
| Promotion and advertising | 20,220 | 17,667 |
| Telephone and postage | 33,018 | 29,111 |
| AGM expenses | 15,732 | 14,216 |
| Chapter expenses | 745 | - |
| Convention expenses | 564 | 613 |
| Travelling and subsistence | 2,769 | 2,015 |
| Legal and debt recovery fees | 20,623 | 29,240 |
| Professional fees | 38,675 | 38,231 |
| Internal audit fees | 14,145 | 14,145 |
| Audit fees | 18,378 | 18,450 |
| Bank interest and charges | 61,405 | 44,933 |
| Subscriptions and donations | 23,490 | 17,157 |
| Affiliation fees | 22,914 | 22,914 |
| Saving protection scheme | 6,045 | 5,422 |
| Regulatory levy | 21,782 | 21,918 |
| Deposit Protection Account Charges | 110,749 | 105,575 |
| | 898,012 | 814,164 |



REPORT OF THE BOARD OVERSIGHT COMMITTEE

For the year ended 30 September 2023

It is with pleasure that we present the annual report of the Board Oversight Committee to the members of Kildare Credit Union.

The role of the Board Oversight Committee is as follows:

- to assess whether the Board of Directors has operated in accordance with parts IV and IV A of the Credit Union and Co-operation with Overseas Regulators Act (the "2012 Act").
- to notify the Central Bank of any concern that the Board of Directors may not have acted in accordance with the requirements as laid down; and
- to report to the members at the Annual General Meeting and, if it thinks fit, at a Special General Meeting on whether the Board has operated in accordance with the requirements of the Act.

The Board Oversight Committee is elected by the Members at the Annual General Meeting and is independent of the Board of Directors. The purpose of this is to ensure that the members' rights are protected.

Activities of the Board Oversight Committee included overseeing the election of the Principal Officers after the AGM and attendance at all Board Meetings. The Committee met frequently during the past year and met the Board of Directors separately on four occasions during the year to assess their performance and to confirm that the Board of Directors was acting in accordance with the relevant regulations. Following such meetings, the Committee issued written reports to the Board outlining its findings and making recommendations where necessary.

In the course of their work, the Board Oversight Committee considered and reviewed important aspects of the Credit Union which included the management of risk, strategic planning as well as the governance and operation of Board meetings. Similar to last year, In discussions with the Nomination Committee, the shortage of volunteers remains a matter of concern for the future of Kildare Credit Union.

The Committee is satisfied that the Board of Directors has operated in accordance with Part IV and IV A of the Credit Union and Co-operation with Overseas Regulators Act 2012 ("the 2012 Act").

The Committee would like to thank the Management and Staff for their co-operation and assistance throughout the year. The Committee also wishes to thank the Board of Directors and the members of the various constituent Committees, all of whom give their time voluntarily for Kildare Credit Union.

Committee Members:

Noel McLoughlin, Patricia Kelly, Canice Keane

CREDIT COMMITTEE REPORT



For the year ended 30 September 2023

The provision of loans to members is a primary service of our Credit Union. The function of the credit committee is to consider loan applications, oversee the loans approved by the loans officers and prepare a monthly report for the Board.

1,842 loans with a value of €9,433,109 were issued within our community in this financial year showing significant loan growth of 20% on last year. The overall loan book at the year-end stood at €18,570,246, an increase of 10% on last year. These results are strong and positive indicators of our position within the community as a preferred lender for affordable financial services.

Benefits of borrowing from your local credit union include our community commitment, and the positive economic plus social change that make credit unions different from traditional for-profit banks and other financial institutions. With access to a safe, convenient place to save and secure affordable loans, members can realize their dreams and create new opportunities for themselves, from educating their children, improving their homes, buying an electric car. Another benefit of borrowing from the credit union is the Loan Protection Insurance at no extra cost, a social dividend for members.

Our online facilities were improved and enhanced in July 2023 where members can apply for a loan, submit supporting documentation, and receive the loan by Docusign all from the comfort of their homes without the need to call to the office. There are many ways members can apply for loans – in person, by phone, on the mobile app or online.

All loan applications are individually assessed and whilst every effort is made to approve each application, the process must ensure that there is no undue risk to the individual borrower or to the Credit Union as a whole. When evaluating loan applications, we are always conscious of the fact that we are lending members' savings. The member's ability to repay the loan is therefore the most important consideration when assessing a loan. Members' history of borrowing is checked on the Central Credit Register as part of the lending process. Loan applications must be accompanied by proof of income and up to date three months bank statements to comply with Section 35 of the Credit Union Act 1997 (as amended).

We would like to thank the Board of Directors, Management and Staff for their help and co-operation during the past year. Without loans we, as a Credit Union, wouldn't exist so we thank all our members for choosing to borrow from us. As the national advertising campaign says, the credit union is FOR YOU the member, for the community, for borrowing, not profit.

Committee Members:

Colette Phelan, Michelle Kemmy, Seamus McDonnell



CREDIT CONTROL COMMITTEE REPORT

For the year ended 30 September 2023

The role of the Credit Control Committee involves monitoring all loan accounts within the Credit Union to ensure that loans are repaid as per their Credit Agreements. The Credit Control Committee submits a monthly report to the Board of Directors, oversees loan book reviews and undertakes an annual review of the Credit Control Policy to ensure that it complies with legislation, standard rules and best practice.

We are very aware of the ongoing financial difficulties that face many of the members, in particular, the impact of the number of interest rate increases in the year. The committee would always be conscious of members' financial circumstances and balance these with the protection of members' savings and regulatory requirements. Early intervention, ongoing interaction with members in financial difficulty and following a well-established, robust, step by step procedure are key elements of the credit union's efforts to minimise arrears and bad debts. The committee would strive to reduce the number of instances where the services of a debt collection agency and in exceptional circumstances, the pursuit of the debt through the courts would be needed.

It is important to note that failure to honour your credit agreement with the Credit Union will affect your personal credit rating with the Central Credit Register which will have a negative impact on future borrowing needs, both with the credit union and with other financial institutions. The Central Credit Register is a national mandatory database maintained by the Central Bank of Ireland. It is the member's responsibility to ensure arrears are cleared as soon as possible.

In a small number of instances, where members are unable to make payments to cover loan and interest, these loans are transferred to the Bad Debt Ledger which is a statutory requirement. These members are encouraged to repay the loan capital outstanding within their financial means. The commitment by members to honour their agreements and the hard work of the Credit Control Officer, supported by the Credit Control Committee is evidenced in the recovery of previously charged off accounts of €226,676 this year.

The Credit Control Committee extends their appreciation to all members making repayments and especially those keeping their repayments in line with their signed credit agreement. The Credit Control Committee would also like to thank the credit control officer Amanda, the Board, Management and Staff for their help and assistance throughout the year.

Committee members:

Martin Burke, Peadar Kearney, Olivia Byrne

MEMBERSHIP COMMITTEE REPORT



For the year ended 30 September 2023

The role of the membership committee is to oversee and implement the credit union's membership policy. The committee submits a membership report to the Board of Directors each month. The consideration and approval of membership applications is conducted by the Membership Officers in our three offices.

In the financial year, 529 accounts were approved for membership and 196 members reactivated their accounts. We had 15,906 members as at the 30th of September 2023. Membership is voluntary and open to people who live or work in our common bond. All membership applications must be accompanied by photographic identification; evidence of address dated within the last six months and sight of PPS number to comply with Revenue legislation.

We would like to thank our members for their co-operation in providing photographic identification and address verification to meet our regulatory obligations under the Criminal Justice Act 2010-2021. Members can now securely upload supporting I.D. documentation to update their accounts through the website or the mobile app.

We would ask existing members who have changed address, marital status and/or telephone numbers to update their records with the credit union. This also applies to clubs and associations when new officers are elected at annual general meetings.

Kildare Credit Union provides Loan Protection Insurance Cover and Life Savings Insurance Cover free of charge to eligible members. Cover provided by Loan Protection Insurance means that any outstanding loan balance will be repaid in full on the death of an eligible member. This year, 10 loans to the value of €54,566 were repaid under this policy. The benefit of Life Savings Insurance is to cover up to €12,700 of a member's savings in the event of their death. In the financial year, 59 Life Savings claims were paid under this policy totalling €159,692.

Should you have any queries regarding membership of the credit union please call into any of the offices and our staff will be happy to help.

The committee would like to thank Veronica O'Toole for all her hard work with keeping the membership committee compliant in their duties. The committee wishes Veronica all the very best in her retirement.

Committee Members:

Paul Loughman, Michelle Kemmy and Veronica O'Toole



PROMOTION AND DEVELOPMENT REPORT

For the year ended 30 September 2023

2023 has been another busy year for Kildare Credit Union. We have seen growth in member savings and loans, and in the total assets of the credit union. Membership is up on last year and we are now close to having 16,000 members. We were delighted to return to a physical AGM in 2022, presenting members with the opportunity to interact in-person with their elected Board of Directors.

Kildare Credit Union has a strategic plan in place to meet the changing needs of our members. We are investing significantly in our online offerings while maintaining the high level of in-office service to our members. We launched a new website in August that contains lots of useful information about our services. The following new services were added during the past year:

- Card payments through the app – pay into your account with your debit card through the Kildare CU app
- Online loan application – a fully integrated loan application was added, allowing members to apply for a loan in the secure area of the website or through the app
- Document uploader – members can now securely upload supporting documentation for their loan application or records updates through the website or app
- DocuSign – members can now draw down their loan without having to call to the office
- Direct Debits – members now have the ability to repay their loans by direct debit. Members can also set up direct debits to third parties from their credit union account

Kildare Credit Union would not be able to grow and offer new services without investing in our IT security. This year we have completed projects to upgrade our firewalls, our connectivity and office cabling. Annual testing of the security of our systems is conducted using external IT security professionals. All users of our internal IT systems undergo continuous cybersecurity training and keep informed of current fraud threats.

The three offices of Kildare Credit Union were brightened up this year with fresh coats of paint. We were delighted when the Kilcullen office received a highly commended Pride of Premises award from Kildare County Council following the work.

The Community Outreach Programme was a great success again in 2023, with €20,000 distributed among many groups doing great voluntary work throughout our common bond. A gallery of pictures of some of the recipients is available on the News section of our website. The Outreach Programme will run again in 2024, with application forms available in our offices and on our website in February.

We were delighted to continue our involvement with the local schools this year. The winners of the annual Art Competition were announced at the end of October, and we wish these artists success as they represent Kildare Credit Union at Chapter level (and hopefully national level thereafter!). The Schools Quiz was popular again this year. The level of general knowledge of the participating children continues to amaze.

Finally, congratulations to Alyssa Abbey who won the Chris Kelly Bursary 2023. Alyssa will receive €1,000 per year for up to three years to help towards the cost of her 3rd level education. We wish Alyssa and all the students who applied for the Bursary success in their studies.

NOMINATION COMMITTEE REPORT AND RULE AMENDMENT



For the year ended 30 September 2023

The Nomination Committee is responsible for identifying candidates to be nominated for election to the Board of Directors and to the Board Oversight Committee. The committee is also responsible for overseeing succession planning for the directors and the management team; arranging continuous volunteer training; monitoring ongoing fitness and probity compliance standards and overseeing the skills set of directors, volunteers and staff.

Unlike other financial institutions, the Board of Directors in the credit union are made up of volunteer members who have the skills and knowledge to lead and manage. Whether you are looking for a leadership role, to gain experience and training or want to give something back to your community and meet like-minded people; Kildare Credit Union can offer invaluable volunteering opportunities. If you feel that you have the appropriate skills and experience to bring to a volunteer role, please leave your name with any staff member or director and the Nomination Committee will be delighted to contact you.

The present membership of the Board is nine directors. As nominations cannot be accepted from the floor at the Annual General Meeting, nominations have already been received for three vacancies on the Board of Directors. The current membership of the Board Oversight Committee is three members. There is one vacancy to be filled on the Board Oversight Committee at this Annual General Meeting. The position of external auditor is up for election. BCA Tax & Business Consultants Limited will be seeking re-election for the coming year.

At the heart of Kildare Credit Union is its volunteers, therefore the nomination committee wish to thank all our volunteers for their contributions to Kildare Credit Union Limited.

Nomination Committee Members:

Martin Burke, Mark McLoughlin, Aidan Broughall

Rule Amendment

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.



COMMITMENT TO CLIMATE ACTION

For the year ended 30 September 2023

Kildare Credit Union's Commitment to Climate Action

Kildare Credit Union puts the Credit Union Operating Principles at the heart of everything we do. Never has the principle of social responsibility been more important than now as the world faces a climate crisis. We all must acknowledge that our actions have an impact that reaches beyond our communities, our common bond and even our country. We are determined to move to a more sustainable way to do business and to play our part in the fight against climate change.

The Board of Directors maintains a strategic plan for Kildare Credit Union. The plan outlines the strategies and objectives of the credit union for the next three years. These strategies and objectives will be focussed on the services that we deliver to our members. Climate action forms part of the strategic planning process and no strategy will be pursued without evaluating its environmental impact. Kildare Credit Union will be transparent in all dealings with our shareholders and will never engage in greenwashing. As a strategic measure this year, The Board of Directors introduced an electric vehicle loan product at a same rate as the home renovation loan rate of 6.25%. This lower rate for green initiatives allows members to be climate conscious when making decisions to buy an electric vehicle or improving their homes.

The community outreach programme for 2023 had a focus on climate change and how to reduce the carbon footprint in our community. Successful applications resulted in the purchase of a composter; creation of a wellbeing & bio-diversity school and community garden; educational signage; creation of green spaces; upgrade to the Valley Fairy trail; purchases of bee friendly plants; establishment of a Junior Tidy Towns; education about wildlife pollinator friendly plants & trees and the purchase of an Energy Efficient Burco Boiler.

For the last number of years, we have encouraged members to sign up to receive the AGM booklet by email to help the planet and to reduce postage and printing costs. 37% of members have opted for e-AGM Notifications. It is hoped that the government will shortly approve a Credit Union (Amendment) Bill which will remove the requirement to send out AGM booklets to all members. The AGM booklet will be published on the credit union website and will be made available to members on request. It is changes such as this that will play a vital part in Kildare Credit Union's efforts to reduce our own carbon footprint.

In addition, Kildare Credit Union recognises that timely, habit-forming changes play an important role in combatting climate change. For this reason, the staff have developed a climate action plan this year which has resulted in planting and rewilding areas at each office location, being more conscious of recycling and what we print, and opting for energy efficient lighting. Our staff will strive to expand on this plan over the coming year.

We would encourage all members to share ideas with us on how to help in the fight against climate change.

DEPOSIT GUARANTEE SCHEME – DEPOSITOR INFORMATION SHEET



| Basic information about the protection of your eligible deposits | |
|---|---|
| Eligible deposits in Kildare Credit Union Limited are protected by: | the Deposit Guarantee Scheme ("DGS") ⁽¹⁾ |
| Limit of protection: | €100,000 per depositor per credit institution ⁽²⁾ |
| If you have more eligible deposits at the same credit institution: | All your eligible deposits at the same credit institution 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 credit institution's failure: | 10 working days ⁽⁴⁾ |
| Currency of reimbursement: | Euro or, for branches of Irish banks operating in another member state of the EEA, the currency of that member state. |
| To contact Kildare Credit Union Limited for enquiries relating to your account: | Kildare Credit Union Ltd. Rea House, Bride Street, Kildare, Co. Kildare. Tel: 045-521928 Email: info@kildarecu.ie |
| To contact the DGS for further information on compensation: | Deposit Guarantee Scheme Central Bank of Ireland New Wapping Street, North Wall Quay, Dublin 1, D01 F7X3. Tel: 0818 681 681 Email: info@depositguarantee.ie |
| More information: | www.depositguarantee.ie |
| Acknowledgement of receipt by the depositor: | |

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.



DEPOSIT GUARANTEE SCHEME – DEPOSITOR INFORMATION SHEET

⁽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, D01 F7X3.

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.

EUROPEAN COMMUNITIES (PAYMENT SERVICES) REGULATIONS 2018



This is your 'Framework Contract' with us in relation to the particular payment account referenced below and for the purposes of the Regulations)

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

Contact details for the Central Bank of Ireland are:

Address: PO Box 559, Dublin 1
Telephone: 01 224 6000
Fax: 01 224 5550
Website: www.centralbank.ie

Contact Details for Kildare Credit Union are:

Address: Rea House, Bride Street, Kildare, Co Kildare, R51 KF44
Telephone: 045-521928
Website: www.kildarecu.ie
Email: info@kildarecu.ie
Register Number: 43CU (Central Bank register can be accessed on www.centralbank.ie).
Our Business Days are as follows: Monday - Saturday (excluding Bank holidays)

Branch offices:

- Narraghmore Office, Ballitore, Athy, Co Kildare, R14 NY97
- Kilcullen Office, Credit Union House, Main Street, Kilcullen, Co Kildare, R56 X076

YOUR ACCOUNT

The following is a description of the main characteristics of the account and payment services on the account:

Kildare Credit Union Limited offers saving and loan accounts to its members with the following capabilities:

- Lodgment and withdrawal of funds.
- Receipt and disbursement of funds through Electronic Funds Transfer and Direct Debit.
- Transfer of funds internally to nominated accounts.
- Online account access.

- 1. Giving an order for payment from your account:** When you give us an order to make a payment from your account, we will need you to provide us with the details of the beneficiary of the payment (i.e. their IBAN, together with any relevant identification details for the payment service provider ('PSP') with which they hold their account). Depending on how you place your order with us (i.e. online, in our offices) we may also need you to verify that order by signature, by use of a password, or by use of a PIN, depending on the type of account that you hold. All of this information, taken together, is known as the 'unique identifier' that you must give us. In giving us that unique identifier, you will be consenting to our execution of that order for you. You cannot withdraw that consent after you have given it to us. However, if the order is for a direct debit to be taken from your account, you can revoke that order and your consent by notice to the beneficiary of that direct debit up to close of business on the business day before the funds are to be debited from your account. In exceptional cases, we may allow you to withdraw your consent after the times specified above, but our specific agreement will be required and we will not be obliged to do this. Kildare Credit Union does not offer outbound standing orders from member accounts.



EUROPEAN COMMUNITIES (PAYMENT SERVICES) REGULATIONS 2018

2. **Cut-off times:** When we are given an order in relation to a payment on your account, we must be given that order before 3.30pm on one of our Business Days. If we are given that order after that time, we will be deemed to have received that order on our next Business Day. If we agree with you that an order is to be executed on a particular Business Day, then we will be deemed to have received that order on that particular Business Day.
3. **Execution times:** We confirm that we have up to the end of the first Business Day following the date of deemed receipt under 2 above to so credit that amount. If the order is initiated by paper we will have an extra Business Day to do this.
4. **Spending limits and payment instruments:** If we give you a payment instrument on your account (i.e. use of online banking with a password etc.) you will have the same spending limits as all other members of Kildare Credit Union. Kildare Credit Union will set this spending limit and review it as appropriate. If we give you such a payment instrument for your account, you must, as soon as you receive it, take all reasonable steps to keep its personalised security features safe. If the payment instrument is lost, stolen, misappropriated or used in an unauthorised manner, you should notify us by contacting our office at 045-521928. We reserve the right to block your use of a payment instrument for any of the following reasons:
 - (a) the security of the payment instrument;
 - (b) if we suspect that it is, or has been, used in an unauthorised or fraudulent manner;
 - (c) (if the payment instrument is connected with the provision by us of credit to you) a significantly increased risk that you may be unable to fulfil your obligations to pay; and
 - (d) our legal or regulatory obligations, including our national or European Union obligations.

If we block your use of a payment instrument, we will tell you about it and the reasons for it by letter, email, secure online account messaging, text or telephone unless giving you that information would compromise our security or would be prohibited by law. You may request that we unblock the payment instrument and we will do so, or replace the payment instrument, once the reason for blocking no longer exists.

5. **Charges:** We only levy a limited number of charges in connection with the accounts that we offer. Details of these charges are set out below:
 - Initial membership fee of €1.00
 - An affiliation fee to the Irish League of Credit Unions (affiliation fee will be notified to members in our Annual Report and agreed by members at the Annual General Meeting.)
 - You shall be liable for any charges incurred by the credit union in relation to returned cheques on your accounts. Charges incurred in this manner will be notified to you in writing on the business day that they are debited from our bank account. Details of these charges are available on request.
6. **Interest rates:** If an interest rate applies to your account, you are told this when



you open your account and that interest rate is incorporated by reference into this Framework Contract. You can obtain confirmation of that interest rate by contacting us as set out above.

7. **Exchange rates:** No exchange rates will apply on your account as all payments from your account (including withdrawals by you) will be in Euro and will not involve a currency conversion being made by us. All foreign exchange transactions are separate from the operation of your account.
8. **Giving you information:** If we need to give you information or notice of any matters relating to this Framework Contract, we will do so in writing unless we state otherwise herein. Such information or notice will be given to you promptly upon the requirement to do so arising. You may request that we provide or make available to you certain information (prescribed by law) relating to individual payment transactions executed on your account at least once a month and free of charge, in a manner that allows you to store and reproduce the information unchanged.
9. **Copy of Framework Contract:** For as long as you hold this account with us, you have the right to receive, at any time and on request by you, a copy of this Framework Contract on paper or, if possible, by secure email.
10. **Unauthorised transactions:** If you become aware of a transaction on your account that is unauthorised or incorrectly executed, or if your payment instrument is lost, stolen or misappropriated, you must tell us without undue delay and, in any event, within thirteen months of that transaction being debited from your account. You will be entitled to rectification from us if that transaction was unauthorised or incorrectly executed. If the transaction was unauthorised, we will refund the amount of it to you and, if necessary, restore your account to the state that it would have been in if the unauthorised transaction had not taken place **PROVIDED THAT:**
 - (a) you will bear the loss of an unauthorised transaction on your account, up to a total of €50, if the unauthorised transaction resulted from the use of a lost, stolen or misappropriated payment instrument unless (i) the loss, theft or misappropriation was not detectable to you prior to the payment and you have not acted fraudulently, or (ii) the loss was caused by actions or lack of action by us or any of our employees, agents or third parties acting on our behalf.
 - (b) you will bear all losses relating to an unauthorised transaction on your account if you incurred those losses by acting fraudulently or by failing, intentionally or with gross negligence, or if you failed to take all reasonable steps to keep the payment instrument and personalised security credentials safe, to use the payment instrument in accordance with any terms that we tell you are applicable to it, and to notify us without undue delay of it being lost, stolen, misappropriated or used in an unauthorised manner;
 - (c) so long as you have not acted fraudulently you will not bear any financial consequences resulting from the use of a lost, stolen or misappropriated payment instrument once you have notified us in accordance with this Framework Contract that it has been lost, stolen or misappropriated;



EUROPEAN COMMUNITIES (PAYMENT SERVICES) REGULATIONS 2018

- (d) if we have not required strong customer authentication, in accordance with applicable legal or regulatory standards, you will not bear any financial losses unless you have acted fraudulently.

11. Refunds of Direct Debits: If a direct debit is taken from your account but:

- (a) your direct debit authorisation did not specify the exact amount of the payment; and
- (b) the amount of the payment exceeded the amount you could reasonably have expected taking into account your previous spending patterns, this Framework Contract and other relevant circumstances; and
- (c) you give us such factual information as we may require; and
- (d) you did not give us consent in advance to the direct debit being taken from your account; and
- (e) neither we nor the beneficiary of the direct debit made information available to you about the transaction at least four weeks before the debit date,

then you may request a refund from us of that direct debit for an eight week period following the debit date. We will then have ten Business Days to refund you, or give you reasons for our refusal to refund you and that your right to refer the matter to the Financial Services and Pensions Ombudsman. See clause 17 below for further details.

12. Unique identifier: If you give us an order to make a payment from your account and we execute it in accordance with the correct unique identifier, we will be taken to have executed it correctly as regards the beneficiary of that order. If you give us an incorrect unique identifier, we will not be liable for the non-execution, or defective execution, of the order. We will, however, make reasonable efforts to recover the funds involved.

13. Our liability if you make a payment out of your account: If you give us an order to make a payment from your account, we are liable to you for its correct execution unless we can prove to you (and if necessary to the beneficiary's PSP) that the beneficiary's PSP received the payment. If we are so liable to you for a defective or incorrectly executed order, we will refund the amount of it to you and, if applicable, restore your account to the state that it would have been in if the defective or incorrect transaction had not taken place. Irrespective of whether we are liable to you or not in these circumstances, we will try to trace the transaction and notify you of the outcome. If we refuse to execute a payment transaction we will provide the reasons to you and the procedure for correcting any factual mistakes that may have led to the refusal unless prohibited by law or regulatory requirements.

14. Our liability if you receive a payment into your account: If the payer's PSP can prove that we received the payment for you, then we will be liable to you. If we are liable to you we will immediately place the amount of the transaction at your disposal and credit the amount to your account. If we are not liable as set out above, the payer's PSP will be liable to the payer for the transaction. Regardless of whether we are liable or not, we will immediately try to trace the transaction and notify you of the outcome.



- 15. Duration, changes and termination:** Your contract with us, as detailed in this Framework Contract, is of indefinite duration. If we want to change any part of the information provided herein which is required by Regulation 76, we will give you at least two months' written notice of the proposed change where required by law to do so. If you do not notify us within that two month period that you do not accept the proposed change, you will be deemed to have accepted it. If you do not want to accept the proposed change, you must notify us in writing and you will be allowed to terminate your contract with us in relation to the account to which this Framework Contract relates immediately and without charge before the end of that two month period. If we change an interest rate in a way that is more favourable to you, we have the right to apply that change immediately and write to you soon afterwards confirming that change. You may terminate your contract with us in relation to the account to which this Framework Contract relates on one month's notice in writing. We may terminate our contract with you in relation to the account to which this Framework Contract relates on giving you two month's notice in writing.
- 16. Governing law and language:** This Framework Contract shall be governed by and construed in accordance with the laws of Ireland, and all communication between us and you during our contractual relationship shall be conducted in English.
- 17. Redress:** If you have a complaint in relation to the matters governed by this Framework Contract, you can write to us and we will deal with your complaint in accordance with our obligations under the Regulations. If you are not satisfied with the outcome of this internal process, you may refer your complaint to the Financial Services and Pensions Ombudsman.

Contact details for the FSPO are as follows: Financial Services and Pensions Ombudsman, Lincoln House, Lincoln Place, Dublin 2, D02 VH29. Tel. (01) 567 7000. email: info@fspoi.ie



'POLITICALLY EXPOSED PERSON' (PEP)

Kildare Credit Union has an obligation under the Criminal Justice (Money Laundering and Terrorist Financing) Acts 2010-2021 to identify our members who fit the description of a Politically Exposed Person (PEP), an immediate family member of a PEP or a close associate of a PEP as set out below. If you are at present or become a PEP, an immediate family member of a PEP or a close associate of a PEP, please notify Kildare Credit Union.

'Politically Exposed Person' (PEP)

Politically Exposed Person means an individual who is, or has at any time in the preceding 12 months been, entrusted with a prominent public function, including any of the following individuals (but not including any middle ranking or more junior official):

- (a) a specified official;
- (b) a member of the administrative, management or supervisory body of a state-owned enterprise;
- (c) any individual performing a prescribed function.

Section 37 (10) of the CJA 2010-2021

'Specified official' means any of the following officials (including any such officials in an institution of the European Communities or an international body):

- (a) a head of state, head of government, government minister or deputy or assistant government minister;
- (b) a member of a parliament or a similar legislative body;
- (c) a member of the governing body of a political party;
- (d) a member of a supreme court, constitutional court or other high level judicial body whose decisions, other than in exceptional circumstances, are not subject to further appeal;
- (e) a member of a court of auditors or of the board of a central bank;
- (f) an ambassador, chargé d'affaires or high-ranking officer in the armed forces.
- (g) a director, deputy director or member of the board of, or person performing the equivalent function in relation to, an international organisation.

Section 37 (10) of the CJA 2010-2021

The Minister may, with the consent of the Minister for Finance, issue guidelines to the competent authorities in respect of functions in the State that may be considered to be prominent public functions and each competent authority shall have regard to any such guidelines.

Section 37 (12) Of the CJA 2010-2021

Close Associate of a politically exposed person includes any of the following persons:

- a) Any individual who has joint beneficial ownership of a legal entity or legal arrangement, or any other close business relations, with the politically exposed person;
- b) Any individual who has sole beneficial ownership of a legal entity or legal arrangement set up for the actual benefit of the politically exposed person;

Section 37 (10) of the CJA 2010-2021

'POLITICALLY EXPOSED PERSON' (PEP)



Immediate Family Member of a politically exposed person includes any of the following persons:

- a) Any spouse of the politically exposed person;
- b) Any person who is considered to be equivalent to a spouse of the politically exposed person under the national or other law of the place where the person or politically exposed person resides;
- c) Any child of the politically exposed person;
- d) Any spouse of a child of the politically exposed person;
- e) Any person considered to be equivalent to a spouse of a child of the politically exposed person under the national or other law of the place where the person or child resides;
- f) Any parent of the politically exposed person;
- g) Any other family member of the politically exposed person who is of a prescribed class;

Section 37 (10) of the CJA 2010-2021

'The Minister may prescribe a class of family member of a politically exposed person, for the purposes of paragraph (g) of the definition of "immediate family member" of a politically exposed person in subsection (10), only if the Minister is satisfied that it would be appropriate for the provisions of this section to be applied in relation to members of the class, having regard to any heightened risk, arising from their close family relationship with the politically exposed person, that such members may be involved in money laundering or terrorist financing'.

Section 37 (11) of the CJA 2010-2021



IMPORTANT INFORMATION TO NOTE

SAVINGS AND LOAN INSURANCES

Life Savings Insurance is the life insurance cover Kildare Credit Union Ltd provides for eligible members as an additional incentive for regular saving. The amount of insurance benefit to which a member is entitled is in proportion to the amount of savings the member has at date of death and depends on the member's age at date of lodgement.

All savings lodged before age 55 are eligible for 100% insurance after death, up to a limit of €12,700. Once over the age of 55 each €1 saved with Kildare Credit Union Ltd provides the following benefit:

- €1 saved between ages 55-59 provides €0.75 insurance
- €1 saved between ages 60-64 provides €0.50 insurance
- €1 saved between ages 65-69 provides €0.25 insurance
- No insurance is payable on amounts saved after your 70th birthday.

Your insurance remains in force as long as you leave your savings in Kildare Credit Union Ltd.

All loans with Kildare Credit Union Ltd are automatically covered by Loan Protection Insurance at no additional cost. Loans outstanding at the time of death are cleared providing the deceased met eligibility conditions when the loan was granted.

Example: If a member dies at age of 72 and no withdrawals were made from shares after age 55 and balance at age 55 is €3,000; balance at age 60 is €3,800; balance at age 65 is €4,400; Balance at age 70 is €5,200 and the balance is €5,600 at date of death, the calculations are as follows:

| AGE | BALANCE | CALCULATIONS | RATE | BENEFIT |
|-----|---------|---|-------------------------|---------------|
| 55 | €3,000 | Share balance on 55th birthday or lowest balance thereafter | €3,000 @100% | €3,000 |
| 60 | €3,800 | Share balance on 60th birthday or lowest balance thereafter | €3,800 less €3,000 @75% | €600 |
| 65 | €4,400 | Share balance on 65th birthday or lowest balance thereafter | €4,400 less €3,800 @50% | €300 |
| 70 | €5,200 | Share balance on 70th birthday or lowest balance thereafter | €5,200 less €4,400 @25% | €200 |
| | | | TOTAL | €4,100 |

Total shares at time of death €5,600 + Life Savings benefit of €4,100 equals €9,700 due to nominee.

Withdrawals after the age of 55 would affect the above calculation.

IMPORTANT INFORMATION TO NOTE



NOMINATION FORM

A “Nomination” is a unique facility available only to Credit Union members and could be described as a “Mini Will”.

A nomination must be in writing. You may obtain a nomination form in your Credit Union office.

The statutory maximum amount that can pass under a nomination is currently €23,000. Any amount in excess of this balance will form part of your estate.

If you elect not to complete a nomination, the proceeds of your account will form part of your estate on your death and will be dealt with under the terms of your will, under the rules of intestacy if you make no will, or under the small payments provision*.

You may revoke or vary your nomination at any time by completing a new nomination form.

A nomination is not revocable or variable by the terms of your will or by a codicil to your will.

A nomination is automatically revoked when your nominee dies before you. In this case, you should consider completing a new nomination. If you do not, your property in the Credit Union will form part of your estate.

A nomination is automatically revoked by your subsequent marriage.

Where your personal circumstances change (e.g. marriage, divorce or separation) you should review your nomination at that time.

The nominated property does not form part of a deceased person’s estate. A person under 16 years of age cannot make a valid nomination.

***Small Payments Provision:** Where no valid nomination exists and the amount in your account is under €15,000 in total (including insurance etc) the Board of Directors of the Credit Union may, without letters of administration or probate of any will, distribute your property in the Credit Union to such persons as appears to the Board to be entitled by law to receive it.

MONEY LAUNDERING

Under the Criminal Justice Acts (ML & TF) 2010 – 2021, all financial institutions, including Credit Unions, are legally obliged to assist in the prevention of money laundering. Credit Unions are obliged to verify the identity of new members availing of Credit Union services and to ensure that all existing accounts are bona fide.

To assist in complying with this requirement, Kildare Credit Union Ltd would appreciate if you would make available, when requested, up to date proof of identity and proof of address. Occasionally you may be asked to update your full membership file if your circumstances have changed. Your cooperation in this matter is greatly appreciated.

Kildare Credit Union Limited’s focus is always to protect members’ money against the ever-increasing threat of financial crime. As a member, you should never allow third parties to have access to your Credit Union account online nor should you permit any other person to lodge funds that do not belong to you into your account. In certain circumstances, such activity may be classed as money muling and can be subject to a criminal conviction. Also, you should never reveal any of your member details to a third party over the phone unless you are wholly satisfied that you are dealing with a staff member of the Credit Union.



IMPORTANT INFORMATION TO NOTE

REVENUE REPORTING

Under the Return of Payments Regulations 2008 - 2015, all financial institutions including Credit Unions are obliged to report certain details in respect of dividend and interest to the Revenue Commissioners.

In summary, Credit Unions are obliged to report annually certain details in respect of dividend or interest payments to members in excess of €300. They also have to report the first relevant dividend or interest payment on new accounts opened after 1st January 2008 irrespective of the size of the payment.

VOLUNTARY DISCLOSURE INITIATIVE

If you have tax issues relating to underlying funds held within the Credit Union or the interest or dividend payments, you may qualify for an unprompted voluntary disclosure under Revenue's Code of Practice. You can contact Revenue about this initiative.

D.I.R.T.

All Credit Union share dividend (whether paid into regular share or special share accounts) and deposit interest paid to members (including children) will be subject to D.I.R.T., with the exception of dividend or interest paid to members who are exempt from D.I.R.T.

The only members who can be exempt are:

- Members aged over 65 whose income is less than the relevant limit, currently €18,000 for an individual and €36,000 for a married couple. For married couples, only one of the spouses needs to be over 65. To avail of this exemption, you must sign a self-declaration form DE1. This form is available in your Credit Union and is a declaration that you (or your spouse) are aged over 65 and that your total income is less than the relevant limit.
- Members who are permanently incapacitated. Such members should either contact their local Revenue Commissioners office directly or contact a service body such as the Irish Wheelchair Association. Credit Unions have no role in approving the exemption in these cases.

If you do not complete the self-declaration form, the Credit Union is obliged to deduct D.I.R.T. from your dividend or interest. You will then have to apply directly to the Revenue Commissioners for a refund of D.I.R.T. (if you are eligible).

The current D.I.R.T. rate is 33%.

THE ASSISTED DECISION-MAKING (CAPACITY) ACT 2015

Members should be aware that the Assisted Decision-Making (Capacity) Act 2015 commenced on the 26th April 2023. The focus of this Act is to provide a framework for adults who may need support in making decisions. The Decision Support Service (www.decisionsupportservice.ie) works to ensure that this legislation is implemented correctly and oversees the various decision support arrangements that can be put in place.

The introduction of the Assisted Decision-Making (Capacity) Act 2015 has led to the repeal of Section 24 of the Credit Union Act 1997 (as amended). This means that the Board of Directors can no longer permit a third party to have access to an account solely for the member's benefit, based on the medically proven capacity issues of that member.

Should a decision support arrangement exist that relates directly to the financial decisions of a member of Kildare Credit Union, it is vital that we are informed as soon as possible.

IMPORTANT INFORMATION TO NOTE



MINOR ACCOUNTS

Where minors qualify for membership, they may open and operate accounts provided they can sign for themselves (which is generally considered to be around the age of 7).

Where the minor cannot sign for themselves, then a parent or guardian must do so. The parent must sign a declaration with each withdrawal stating the monies withdrawn are for the sole benefit of the child. Funds in minor accounts are the sole property of the minor and the minor will be required to sign for the withdrawal once capable of doing so. Minor accounts must comply with Money Laundering regulations.

LOAN INTEREST CALCULATIONS

Loan interest is calculated on a daily basis which is considered to be the fairest calculation method and in the best interest of members.

ON-LINE BANKING SERVICES

www.kildarecu.ie

You can...

- Transfer money to and from your Credit Union Account
- Transfer money from your Credit Union Account to other Financial Institutions
- Pay bills online
- Check your account balances and transactions
- Apply for a loan online
- Print statements
- Calculate loan repayments
- Send secure messages to your Credit Union

Call into one of our offices for your Secure PIN.

Our website has the latest and most secure features to ensure the safety and protection of your data.

MOBILE BANKING APP

The mobile app banking facility is available to all members who have registered at www.kildarecu.ie and received their PIN.

Search for Kildare Credit Union in the App Store or on Google play. Download the App to your mobile device. Follow on-screen steps to activate the App on your mobile device.



ONLINE PAYMENTS

Online Debit Card Payments facilities available on our website www.kildarecu.ie
Use your Debit Card to lodge or pay online 24/7

SAVE YOUR CREDIT UNION POSTAGE COSTS

- Sign up for e-statements
- Sign up for E-AGM booklets

Email us at info@kildarecu.ie to sign up for e-AGM booklets



SUMMARY OF DATA PRIVACY NOTICE

What personal data do we use?

We may collect, store, and use the following categories of personal information about you:

- Copy of identification documents such as passport/driving license.
- Copy of proof of address such as utility bill, bank statement, letter from a government department
- Personal Public Service Number (PPSN)
- Name, address, date of birth, telephone number, email address, politically exposed status, source of wealth, tax identification number (if applicable), nomination details
- Loan history, income, expenditure, mortgage/rent details, marital status, gender, number of dependents, employment details, copies of loan application related documentation.
- Correspondence with members
- Associated IBAN and BIC details for EFT transactions, debit card receipt information
- Declaration of health forms
- CCTV footage
- Record telephone conversations.
- Personnel records for Board of Directors, Board Oversight Committee, Management, Staff and Volunteers which would include name, contact details, family information, skills, qualifications, service record, wage and pension details, bank account information.

Purpose.

We need all the categories of information in the list above to allow us to identify you and contact you and in order that we perform our contract with you.

We also need your personal identification data to enable us to comply with legal obligations. Some of the above grounds for processing will overlap and there may be several grounds which justify our use of your personal information.

If you fail to provide personal information:

If you fail to provide certain information when requested, we may not be able to perform the contract we have entered into with you or we may be prevented from complying with our legal obligations.

Change of purpose:

You can be assured that we will only use your data for the purpose it was provided and in ways compatible with that stated purpose. If we need to use your personal information for an unrelated purpose, we will notify you and we will explain the legal basis which allows us to do so.

How we use particularly sensitive personal information:

"Special categories" of particularly sensitive personal information require higher levels of protection. We need to have further justification for collecting, storing and using this type of personal information. We may process special categories of personal information in the following circumstances:

1. In limited circumstances, with your explicit written consent.
2. Where we need to carry out our legal obligations and in line with our data protection policy.
3. Where it is needed in the public interest, and in line with our data protection policy.

SUMMARY OF DATA PRIVACY NOTICE



Less commonly, we may process this type of information where it is needed in relation to legal claims or where it is needed to protect your interests (or someone else's interests) and you are not capable of giving your consent, or where you have already made the information public.

Profiling

We sometimes use systems to make decisions based on personal information we have (or are allowed to collect from others) about you. This information is used for loans assessment and anti-money laundering purposes and compliance with our legal duties in that regard.

Data Retention Periods

We will only retain your personal information for as long as necessary to fulfill the purpose(s) for which it was obtained, taking into account any legal/contractual obligation to keep it. Once the retention period has expired, the respective data will be permanently deleted. Please see our retention periods below.

- Accounting records required to be kept further to the Credit Union Act, 1997 (as amended) must be retained for not less than six years from the date to which it relates.
- The money laundering provisions of Anti-Money Laundering legislation require that certain documents must be retained for a period of five years after the relationship with the member has ended.
- We keep income tax records for a period of six years after completion of the transactions to which they relate.
- Credit agreements are retained for 6 years following the end of loan repayment or top-up of loan.
- Under the Credit Union Act 1997(as amended) we are obliged to retain member's data permanently. This data is held in a Members Register located in the Kildare Office. It is available for inspection by authorised bodies and other members of Kildare Credit Union. Members of Kildare Credit Union are permitted to view the number, name, address, date joined and date left of all members of Kildare Credit Union where they have a legitimate interest in doing so.
- CCTV footage which is used in the normal course of business (i.e. for security purposes) for one month.

Fulfilling Contracts

This basis is appropriate where the processing for us to manage your accounts and credit union services to you:

- 1. Administrative Purposes:** We will use the information provided by you, for the purpose of assessing applications, processing applications you make and to maintaining any accounts you have with the credit union.
- 2. Foreign Exchange:** If you use our foreign exchange services, we are required to share some of your personal data with our foreign exchange provider – **FEXCO**
- 3. Third parties:** We may appoint external third parties to undertake operational functions on our behalf. We will ensure that any information passed to third parties conducting operational functions on our behalf will do so with respect for the security of your data and will be protected in line with data protection law.



SUMMARY OF DATA PRIVACY NOTICE

Our use and sharing of your information

We will collect and use relevant information about you, your transactions, your use of our products and services, and your relationships with us, for many reasons:

- Irish League of Credit Union (ILCU) Affiliation:
- CUSOP
- Insurance.
- Electronic Payments
- Credit Assessment and Credit Reporting.
- Customer Service.
- Debit or Charge Card.
- Legal Duty
- Tax Liability.
- Regulatory and statutory requirements.
- Compliance with our anti-money laundering and combating terrorist financing obligations.
- Audit.
- Nominations.
- Marketing and Market Research.

You have a right to:

1. Request a copy of your data.
2. Request correction of the personal information that we hold about you. This enables you to have any incomplete or inaccurate information we hold about you rectified.
3. Request erasure of your personal information.
4. Object to processing of your personal information where we are relying on a legitimate interest (or those of a third party) and there is something about your particular situation which makes you want to object to processing on this ground. You also have the right to object where we are processing your personal information for direct marketing purposes.
5. Request the restriction of processing of your personal information. You can ask us to suspend processing personal information about you, in certain circumstances
6. Where we are processing your data based solely on your consent you have a right to withdraw that consent at any time and free of charge.
7. Request that we: a) provide you with a copy of any relevant personal data in a reusable format; or b) request that we transfer your relevant personal data to another controller where it's technically feasible to do so.

You have a right to complain to the Data Protection Commissioner (DPC) in respect of any processing of your data by:

Telephone +353 01 765 0100
or 1800 437737
Website dataprotection.ie

Postal Address
Data Protection Commissioner
21 Fitzwilliam Square South
Dublin 2
D02 RD28

SUMMARY OF DATA PRIVACY NOTICE



CONTACT KILDARE CREDIT UNION BY:

E-Mail **Info@kildarecu.ie**

Tel: **045 521928**

Web: **www.kildarecu.ie**

Data Protection Email: **dataprotection@kildarecu.ie**

Addresses:

Kildare Office:
'Rea House', Bride Street, Kildare Town,
Co. Kildare, R51 KF44.
Email: **info@kildarecu.ie**

Kilcullen Office:
Credit Union House, Kilcullen,
Co Kildare, R56 X076.
Email: **kilcullenbranch@kildarecu.ie**

Narraghmore Office:
Narraghmore, Ballytore, Athy,
Co Kildare, R14 NY97.
Email: **narraghmorebranch@kildarecu.ie**

The full Data Privacy Notice can be found on our website **www.kildarecu.ie**

**Please sign up to receive your booklet
by email instead of by post in future.**

This not only helps the planet but it saves on our costs.

**Please email info@kildarecu.ie with your name,
email address and account number.**

Many thanks with your assistance in this matter.

Kildare

CREDIT UNION

