



**Clonakilty &
Dunmanway
Credit Union**

ANNUAL REPORT 2025

Accounts & Notice of AGM 2025

Date:
Tuesday December 2nd 2025

Venue:
Fernhill House Hotel, Clonakilty at 7.30pm



Clonakilty Office (023) 883 3842
Dunmanway Office (023) 884 5787



info@cdcreditunion.ie



www.cdcreditunion.ie



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Notice of Annual General Meeting at Fernhill House Hotel, Clonakilty on Tuesday 2nd December 2025 at 7.30pm

Order of Business

- (a) The acceptance by the board of directors of the authorised representatives of members that are not natural persons;
- (b) Ascertain that a quorum is present;
- (c) Adoption of Standing Orders;
- (d) Reading and approval (or correction) of the minutes of the last annual general meeting, and any intervening special general meeting;
- (e) Report of Board of Directors
- (f) Consideration of Accounts;
- (g) Report of the Auditor;
- (h) Report of the Board Oversight Committee;
- (i) Motions and declaration of dividend and loan interest rebate;
- (j) Report of the Credit Committee;
- (k) Report of the Credit Control Committee;
- (l) Report of the Membership Committee;
- (m) Report of the Marketing & Education Committee;
- (n) Report of the Nomination Committee;
- (o) Appointment of Tellers;
- (p) Elections
- (q) Any other business;
- (r) Announcement of election results
- (s) Adjournment or close of meeting.

Elections will be held to fill 1 vacancy on the Board of Directors, 2 vacancies on the Board Oversight Committee and the position of Auditor.

STANDING ORDERS

1. VOTING:

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

2-3. ELECTION PROCEDURE

2. Elections to the board of directors, to the board oversight committee and the position of auditor shall be by majority vote and by secret ballot.

3. When nominations are announced tellers shall be appointed by the chair and ballot papers shall be distributed. Nominations shall be in the following order:

- (a) nominations for auditor;
- (b) nominations for members of the board oversight committee;
- (c) nominations for directors.

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

4-9 MOTIONS

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

5. A proposer of a motion may speak for such period as shall be at the discretion of the chair of the meeting and shall have the right of reply before the motion is put to the meeting for a vote.

6. In exercising his/her right of reply, a proposer may not introduce new material.

7. The seconder of a motion shall have such time as shall be allowed by the chair to second the motion.

8. Members are entitled to speak on any such motion and must do so through the chair. All speakers to any motion shall have such time as shall be at the discretion of the chair.

9. The chair shall have the absolute right to decide at any time when a motion has been sufficiently discussed and may put the motion to the meeting giving the proposer the right of reply before doing so.

10-15 MISCELLANEOUS

10. The chair of the board of directors shall be the chair of any general meeting, except where he/she is not available, in which case it shall be the vice-chair, except where he/she is not available, in which case the board shall decide amongst themselves who shall act as chair of any general meeting.

11. The chair may at his/her discretion, extend the privilege of the floor to any person who is not a member.

12. Matters not covered by the Agenda may be introduced under "Other Business" at the discretion of the chair.

13. The chairman's decision on any matter relating to these Standing Orders or interpretation of same shall be final.

14. No member shall have more than one vote on each question at any general meeting of the credit union or any adjournment thereof irrespective of his/her shareholding or the number of accounts in his/her name in the credit union provided, however, that except in

voting at elections, the presiding member shall have a second or casting vote in the event of equality of voting. Voting by proxy shall be allowed only when a member other than a natural person votes through a representative, who is a member of the group, duly authorised in writing for that purpose and accepted as such by the board of directors.

15. Any matter to be decided upon by vote at the AGM shall, unless otherwise expressly provided for by law or the rules, be decided upon by simple majority.

16. SUSPENSION OF STANDING ORDERS

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

17. ALTERATION OF STANDING ORDERS

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

18. ADJOURNMENTS

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

DIRECTORS AND OTHER INFORMATION

Directors

Ms. Martina Connolly (Chairperson)

Ms. Arran White (Secretary)

Ms. Mary Gallwey

Mr. Bernard McCarthy

Ms. Eileen Sheppard

Mr. Tomás Ahern

Ms. Noreen Burke

Mr. John Moloney

Mr. Kieran Farr

Ms. Kay Keohane

Mr. Jerry McCarthy

Board Oversight Committee Members

Mr. Micheal McCarthy

Ms. Karen Lehane

Ms. Fiona Barry

Chief Executive Officer

Mr. Anthony Forde

Business Address

Credit Union Centre

Kent Street

Clonakilty

Co. Cork

P85 CD93

Auditors

Cuddy, O'Leary & Rigney

Chartered Accountants & Statutory Audit Firm

3003 Euro Business Park

Little Island

Co. Cork

T45 FX94

Bankers

Bank Of Ireland

Pearse Street

Clonakilty

Co. Cork

P85 NY32

Ireland

Solicitors

McCarthy & Co. Solicitors

Ashe Street

Clonakilty

Co. Cork

Pierse & Fitzgibbon

Market Street

Listowel

Co. Kerry

Ireland

CHAIRPERSON'S REPORT

It is my pleasure as chairperson of Clonakilty and Dunmanway Credit Union Ltd. to present the report of the board of directors for the financial year ended 30th September 2025.

At year end I am pleased to report another very successful year for the credit union. Members shares now total €83.17m, an increase of 4.32 % and our loan book increased by 6.05 % to €34.67m

Our reserves now stand at €21.04m, an increase of 5.18%

The main income for our credit union is interest payable on loans and investment interest. In 2025 loan interest received amounted to €2.89m, an increase of 9.63% on 2024 and Investment income amounted to €0.94m.

Overall our total income amounted to €3.82m. From the accounts presented here you will see we achieved a surplus amounting to €1.42m, representing an increase of 21.76% on 2024. Given the strong financial performance the board of directors are proposing a dividend of 0.15% and an interest rebate of 10%. A rebate on interest is payable on all interest on loans paid during the financial year and we thank all members who borrow from the credit union and pay their loan as agreed.

As a credit union we are acutely aware of the impact the current financial environment may have on future repayment capabilities of our members. Our credit control team work to identify any repayment issues as early as possible and support members who are experiencing difficulties repaying their loans. The financial accounts include a Bad Debt Provision of €2.62m, which represents 7.57% of the net loan book.

Membership of our credit union is now in excess of 17,500. In 2025, 550 new members joined and we look forward to having a long standing relationship with them.

We continue to support and sponsor many community events and organisations in our common bond and we look forward to continuing to support our communities.

This year we had a team reach the national final of the Credit Union National Schools Quiz and we congratulate Gaelscoil Mhichil Ui Choileain on a wonderful achievement. Our website and app have become very popular and are a very easy and convenient way to access the many services we offer. Please visit cdcreditunion.ie or talk to staff to access these services.

SEPA instant payments are now fully operational with members able to send or receive instant payments in and out of their account.

This year we continued to adopt policies and procedures in line with ESG principles. This means we invest and make decisions based on environmental, social and governance principles e.g we now have members receiving statements and annual reports by email therefore cutting down on paper use and postage. We encourage any member who hasn't provided us with their email address to do so.

We also encourage member to complete a Nomination Form. This form is a legal document that allows a member to designate a person(s) to receive their credit union funds up to €27,000 after their death. This form is unique to credit unions and bypasses the probate process for that portion of their estate. This form is available in our offices.

We would also like to bring members attention to the Credit Union Loan Protection Cover. Again this is unique to credit unions. It provides financial protection and peace of mind to members when borrowing from us at no cost to the member. Loan Protection Cover means that should a member with an outstanding loan balance pass away, their loan balance is repaid in full subject to policy terms and conditions and certain cover limits that will be explained during your loan application. The credit union covers the cost of the premium for this insurance cover.

We also provide Life Savings/Death Benefit Insurance again at no cost to the member. This unique service provided by the credit union pays a life savings benefit on the death of an eligible member. Please talk to staff members if you have any queries regarding these services which are provided free of charge.

With the strength of our common bond membership, our balance sheet and our strategic planning, our future looks bright. However we are always conscious of global events, inflation and environmental factors that can affect all our lives and business and any decisions the board will make will be prudent and take all factors into account in order to achieve a meaningful surplus and distribution to our members. We will continue to work hard to achieve continued growth in our loan book and our membership.

On behalf of the board of directors I would like to thank all our staff for their tremendous work and dedication. I would also like to thank all those who volunteer and give of their time and expertise.

I would like to thank my fellow directors and the members of the Board Oversight Committee for their time and work throughout the year. The board works extremely hard and diligently, undertaking training and courses to be compliant with all Central Bank requirements and giving generously of their time to the credit union.

This year Jerry McCarthy is stepping down from the board of directors. Fiona Barry and Micheal McCarthy are stepping down from the Board Oversight Committee. I would like to thank them for their many years of dedication and commitment to the credit union. Finally, I would like to thank all our members for their continued loyalty and support to our credit union.

Martina Connolly

Chairperson

Board of Directors

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the financial year ended 30 September 2025.

Principal Risks and Uncertainties

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

Credit Risk

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

Lack of Loan Demand

Lending is the principal activity of the credit union and the credit union is reliant on it for generating income to cover costs and generate a surplus.

Market Risk

Market risk is the risk that the value of an investment will decrease. This risk can arise from fluctuations in values of, or income from, assets or changes in interest rates.

Liquidity Risk

Liquidity risk is the risk that the credit union will not have sufficient cash resources to meet day to day running costs and repay Members' savings when demanded.

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed processes or systems of the credit union, any failure by persons connected with the credit union or from external events.

Global Macro-Economic Risk

This is an Economic and operational risk relating to the rising inflation rates, disruption to global supply chains and general uncertainty in the markets as a result of the pandemic and ongoing war in Eastern Europe. These risks are managed by the Board of Directors as follows:

Credit Risk

In order to manage this risk, the Board of Directors regularly reviews and approves the credit union's loans policy. All loan applications are assessed with reference to the loans policy in force at the time. Subsequently loans are regularly reviewed for any factors that may indicate that the likelihood of repayment has changed.

Lack of Loan Demand

The credit union provide lending products to its Members and promote these products through various marketing initiatives.

Market Risk

The Board of Directors regularly reviews and approves the credit union's investment policy and funds are invested in compliance with this policy and regulatory guidance.

Liquidity Risk

The credit union's policy is to maintain sufficient funds in liquid form at all times to ensure that it can meet its liabilities as they fall due.

Operational Risk

The operational risk of the credit union is managed through the employment of suitably qualified staff to ensure appropriate processes, procedures and systems are implemented and are further supported with a robust reporting structure.

Global Macro-Economic Risk

The board of directors and management closely monitor the developments of the rising inflation rates and disruption to global supply chains and markets, and continue to take appropriate actions to mitigate any possible adverse effects on the Credit Union.

Business Review

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

Directors and Board Oversight Committee Members

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

Authorisation

The Credit Union is authorised as follows:

Entitled under the European Union (Payment Services) Regulations 2018 to provide payment services.

Accounting Records

The directors believe that they comply with the requirements of section 108 of the Credit Union Act, 1997 (as amended) with regard to books of accounts by employing accounting personnel with appropriate expertise and by providing adequate resources to the financial function. The books of account of the Credit Union are maintained at the Credit Union's premises at Credit Union Centre, Kent Street, Clonakilty, Co. Cork, P85 DC93.

Post Balance Sheet Events


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

Auditors

The auditors, Cuddy, O'Leary & Rigney, have indicated their willingness to continue in office in accordance with Section 115 of the Credit Union Act, 1997 (as amended).

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

Chairperson of the Board of Directors


Ms. Martina Connolly

Secretary of the Board of Directors


Ms. Arran White

Date 21/10/2025

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Credit Union Act, 1997 (as amended) requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Credit Union and of the income and expenditure of the Credit Union for that financial year. In preparing these financial statements the directors are required to:

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

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

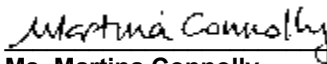
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Credit Union and enable them to ensure that the financial statements are prepared in accordance with applicable Irish law and Generally Accepted Accounting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

In so far as the directors are aware:

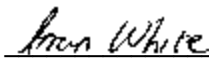
- there is no relevant audit information (information needed by the Credit Union's auditor in connection with preparing the auditor's report) of which the Credit Union's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant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

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

Chairperson of the Board of Directors


Ms. Martina Connolly

Secretary of the Board of Directors


Ms. Arran White

Date 21/10/2025

STATEMENT OF BOARD OVERSIGHT COMMITTEE'S RESPONSIBILITIES

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 in respect of which they are to have regard in relation to the board.

Approved on behalf of the Board Oversight Committee:

Chairperson of the Board Oversight Committee


Mr. Micheal McCarthy

Secretary of the Board Oversight Committee


Ms. Karen Lehane

Date

21/10/2025

INDEPENDENT AUDITOR'S REPORT

to the Members of Clonakilty and Dunmanway Credit Union Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Clonakilty and Dunmanway Credit Union Limited for the financial year ended 30 September 2025 which comprise the Income & Expenditure Account, the Statement of Other Comprehensive Income, the Balance Sheet, the Statement of Changes in Reserves, the Statement of Cash Flows and notes to the financial statements, including the summary of significant accounting policies set out in note 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 Act, 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 2025 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 Act, 1997 (as amended).

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Credit Union's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other Information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially

misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Credit Union Act, 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 as set out on page 10, 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 Act, 1997 (as amended). Our audit work has been undertaken so that we might state to the Credit Union's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Credit Union and the Credit Union's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Richard Cuddy

CUDDY, O'LEARY & RIGNEY

Chartered Accountants and Statutory Audit Firm

3003 Euro Business Park

Little Island

Co. Cork

T45 FX94



Date: 21/10/2025

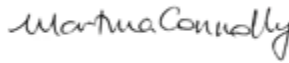
INCOME & EXPENDITURE ACCOUNT

for the financial year ended 30 September 2025

	Notes	2025 €	2024 €
Income			
Interest on members' loans	4	2,866,124	2,614,469
Other interest income and similar income	5	934,300	1,009,668
		<u>3,800,424</u>	<u>3,624,137</u>
Net interest income			
Other income	7	20,059	20,562
		<u>3,820,483</u>	<u>3,644,699</u>
Total income			
		<u>3,820,483</u>	<u>3,644,699</u>
Expenditure			
Employment costs		865,974	785,641
Other management expenses (Schedule 4)		1,384,037	1,371,630
Depreciation		79,817	77,024
Net (recoveries) or losses on loans to members	11.4	75,235	247,937
		<u>2,405,063</u>	<u>2,482,232</u>
Total expenditure			
		<u>2,405,063</u>	<u>2,482,232</u>
Surplus of income over expenditure		1,415,420	1,162,467
Other comprehensive income		-	-
		<u>1,415,420</u>	<u>1,162,467</u>
Total comprehensive income			
		<u>1,415,420</u>	<u>1,162,467</u>

The financial statements were approved and authorised for issue by the Board of Directors on 21/10/2025 and signed on its behalf by;

Chairperson



Ms. Martina Connolly

Chief Executive Officer



Mr. Anthony Forde

Date: 21/10/2025

STATEMENT OF OTHER COMPREHENSIVE INCOME

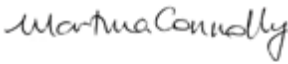
for the financial year ended 30 September 2025

	2025 €	2024 €
Surplus for the financial year	1,415,420	1,162,467
Other comprehensive income	-	-

Note of historical cost gains and losses

The difference between the results as disclosed in the Revenue Account and the result on an unmodified historical cost basis is not material.

Chairperson



Ms. Martina Connolly

Chief Executive Officer



Mr. Anthony Forde

Date: 21/10/2025

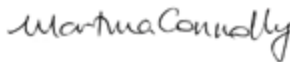
BALANCE SHEET

as at 30 September 2025


		2025	2024
	Notes	€	€
Assets			
Cash and cash equivalents	9	22,116,298	16,168,696
Property, plant and equipment	10	1,244,658	1,286,914
Loans to members	11	34,667,158	32,689,059
Provision for bad debts	11	(2,623,020)	(2,473,380)
Prepayments and other debtors	12	22,227	17,800
Accrued income	12	242,622	286,701
Deposits and investments	13	48,665,485	51,853,544
Total Assets		104,335,428	99,829,334
Liabilities			
Members' shares	14	83,167,063	79,725,760
Trade creditors and accruals	15	125,512	96,113
Other creditors	15	6,377	6,938
Total Liabilities		83,298,952	79,828,811
Net Assets		21,036,476	20,000,523
Members' Resources			
Regulatory reserve	16	11,476,897	11,015,566
Distribution reserve	16	410,540	381,325
Operational risk reserve	16	590,193	590,193
Other reserves		8,558,846	8,013,439
Total Members' Resources		21,036,476	20,000,523

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

Chairperson


 Ms. Martina Connolly

Chief Executive Officer


 Mr. Anthony Forde

Date: 21/10/2025

Clonakilty and Dunmanway Credit Union Limited

STATEMENT OF CHANGES IN RESERVES

for the financial year ended 30 September 2025

	Regulatory reserve €	Distribution reserve €	Operational risk reserve €	Other reserves €	Unrealised income reserve €	ESG reserve €	IT reserve €	Realised reserve €	Total €
At 1 October 2023	11,015,566	358,508	590,193	2,524,099	56,343	50,000	50,000	4,549,830	19,194,539
Dividends paid during the financial year	-	(120,174)	-	-	-	-	-	-	(120,174)
Loan interest rebate paid during the financial year	-	(236,309)	-	-	-	-	-	-	(236,309)
Surplus allocation in financial year	-	379,300	-	-	-	-	-	-	379,300
Other movement in reserves	-	-	-	783,167	-	-	-	-	783,167
At 30 September 2024	11,015,566	381,325	590,193	3,307,266	56,343	50,000	50,000	4,549,830	20,000,523
At 1 October 2024	11,015,566	381,325	590,193	3,307,266	56,343	50,000	50,000	4,549,830	20,000,523
Dividends paid during the financial year	-	(118,529)	-	-	-	-	-	-	(118,529)
Loan interest rebate paid during the financial year	-	(260,938)	-	-	-	-	-	-	(260,938)
Surplus allocation in financial year	461,331	408,682	-	-	-	-	-	-	870,013
Other movement in reserves	-	-	-	545,407	-	-	-	-	545,407
At 30 September 2025	11,476,897	410,540	590,193	3,852,673	56,343	50,000	50,000	4,549,830	21,036,476

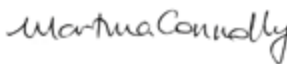
STATEMENT OF CASH FLOWS

for the financial year ended 30 September 2025

	Notes	2025 €	2024 €
Opening cash and cash equivalents		16,168,696	10,883,678
Cash flows from operating activities			
Loans repaid		11,992,826	10,480,975
Loans granted		(14,167,872)	(14,152,251)
Loan interest income		2,866,124	2,614,469
Investment income		934,300	1,009,668
Other income received		20,059	20,562
Bad debts recovered		271,352	203,271
Dividends paid		(118,529)	(120,174)
Loan interest rebate		(260,938)	(236,309)
Operating expenses		(2,250,011)	(2,157,271)
Movement in other assets		39,652	(21,512)
Movement in other liabilities		28,838	(2,988)
Net cash used in operating activities		<u>(644,199)</u>	<u>(2,361,560)</u>
Cash flows from investing activities			
Purchase of property, plant and equipment		(37,561)	(50,011)
Net cash flow from other investing activities		3,188,059	7,646,254
Net cash generated from investing activities		<u>3,150,498</u>	<u>7,596,243</u>
Cash flows from financing activities			
Members' shares received		41,841,161	38,017,475
Members' shares withdrawn		(38,399,858)	(37,967,140)
Net cash generated from financing activities		<u>3,441,303</u>	<u>50,335</u>
Net increase in cash and cash equivalents		<u>5,947,602</u>	<u>5,285,018</u>
Cash and cash equivalents at end of financial year	9	<u><u>22,116,298</u></u>	<u><u>16,168,696</u></u>

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

Chairperson



Ms. Martina Connolly

Chief Executive Officer



Mr. Anthony Forde

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 September 2025

1. LEGAL AND REGULATORY FRAMEWORK

Clonakilty and Dunmanway Credit Union Limited is registered with the Registry of Credit Unions and is regulated by the Central Bank of Ireland. The registered office of the Credit Union is located at Credit Union Centre, Kent Street, Clonakilty, Co. Cork, P85 DC93.

2. ACCOUNTING POLICIES

The following principal accounting policies have been applied;

Statement of compliance and basis of preparation

These financial statements have been prepared in accordance with FRS 102 (The Financial Reporting Standard applicable in the UK and Republic of Ireland). The financial statements are 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

After reviewing the Credit Union's projections, the directors have reasonable expectation that the Credit Union has adequate resources to continue in operational existence for the foreseeable future. The Credit Union therefore continues to adopt the going concern basis in preparing its financial statements.

Income recognition

(i) Interest on members' loans

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

(ii) Investment income

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

(iii) Other income

Investment income is recognised when received or irrevocably receivable. Investments are recognised at cost less any permanent diminution in capital value but ignoring any increase in capital value or encashment value until realised in the form of cash or cash equivalents.

Investments

Held at amortised cost

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

Central Bank deposits

Credit Unions are obliged to maintain certain 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 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.

NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 30 September 2025

Property, plant and equipment and depreciation

Tangible fixed assets are stated at cost or at valuation, less accumulated depreciation. The charge to 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

At each reporting end date, the Credit Union reviews the carrying value of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Credit Union estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell 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 the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the Income and Expenditure account.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the Income and Expenditure account.

Impairment of tangible fixed assets

Tangible fixed assets are stated at cost or at valuation, less accumulated depreciation. The charge to 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:

Cash and cash equivalents

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

Basic financial assets

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 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 are financial assets with fixed or determinable payments. Loans are recognised when cash is advanced to members and measured at amortised cost. Loans are derecognised when the right to receive cash flows from the asset have expired, usually when all amounts outstanding have been repaid by the member.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 September 2023

continued

Other Debtors

Bank deposits held at amortised cost.

Term deposits and fixed interest investments are measured at amortised cost using the effective interest method less impairment. This means the investment is measured at the amount paid for the investment, minus any repayments for the principal; plus or minus the cumulative amortisation using the effective interest method of any difference between the amount of initial recognition and the maturity amount; minus, in the case of a financial asset, any reduction for impairment or uncollectability. 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.

Government and bank bonds with capital guaranteed

Irish government and senior bank bonds are designated on initial recognition as held to maturity investments as the Credit Union intends, and is able to, hold to maturity. These are carried at amortised cost using the effective interest method. The fair value of these products will change during their life, but they have a fixed maturity value at a future date. When designated as held to maturity, any change in the fair value during the term of the investment is ignored, with the Credit Union only accounting for interest received. Gains and losses are recognised in income when the investments are derecognised or impaired, as well as through the amortisation process. Investments intended to be held for an undefined period are not included in this classification.

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 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.

Impairment of financial assets

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

In the case of impairment of loans to members, the loans are assessed collectively in groups that share similar credit risk characteristics except for individually significant loans which are assessed on a loan by loan basis for impairment. Any impairment losses are recognised in the Income and Expenditure account.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The 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.

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 in Clonakilty and Dunmanway Credit Union Limited are redeemable and therefore are classified as financial liabilities. They are recognised at the amount of cash deposited.

NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 30 September 2025

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

The Credit Union operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the Credit Union. Annual contributions payable to the Credit Union's pension scheme are charged to the Revenue Account in the period to which they relate.

Distribution

Clonakilty and Dunmanway Credit Union Limited's policy is to pay a reasonable rate of dividend and loan interest rebate subject to covering operating expenses and meeting reserve requirements as set out in the Credit Union's Reserve Management Policy.

Reserves

Regulatory reserve

The Credit Union Act, 1997 (Regulatory Requirements) Regulations 2016 requires Credit Unions to establish and maintain a minimum Regulatory Reserve requirement of at least 10 per cent of the assets of the credit union. This Reserve is to be perpetual in nature, freely available to absorb losses, realised financial reserves that are unrestricted and nondistributable.

Operational risk reserve

Section 45(5)(a) of the Credit Union Act, 1997 (as amended) requires each credit union to maintain an additional reserve that it has assessed is required for operational risk having regard to the nature, scale and complexity of the credit union. Credit Unions are required to maintain a minimum operational risk reserve having due regard for the sophistication of the business model.

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".

Dividend and loan interest rebate

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

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

- the risk profile of the Credit Union, particularly in its loan and investment portfolios;
 - the Board's desire to maintain a stable rather than a volatile rate of dividend each year; and
 - members' legitimate dividend and loan interest rebate expectations;
- all dominated by prudence and the need to sustain the long-term welfare of the Credit Union.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 September 2025

continued

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

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

Use of Estimates and Judgements

The preparation of financial statements required the use of certain accounting estimated. It also requires the Directors to exercise judgement in applying Clonakilty & Dunmanway 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:

Impairment losses on loans to members

The Credit Union's accounting policy for impairment of financial assets is set out above. The estimation of loan losses is inherently uncertain and depends upon many factors, including loan loss trends, credit risk characteristics in loan classes, local and international economic climates, conditions in various sectors of the economy to which the Credit Union is exposed, and, other external factors such as legal and regulatory requirements. Credit risk is identified, assessed and measured through the use of rating and scoring tools with emphasis on weeks in arrears and other observable credit risk metrics. The ratings influence the management 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 similar credit risk characteristics, and, Incurred But Not Reported provisions ("IBNR") are based on the historical experiences of the Credit Union's allied to the Credit Union's judgment 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 loans deemed irrecoverable against the specific provision held against the loan.

3. GOING CONCERN

The financial statements are prepared on the going concern basis. The directors of Clonakilty and Dunmanway Credit Union 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.

4. INTEREST ON MEMBERS' LOANS

	2025 €	2024 €
Loan interest received in financial year	<u>2,866,124</u>	<u>2,614,469</u>

5. OTHER INTEREST INCOME AND SIMILAR INCOME

	2025 €	2024 €
Investment income received	713,681	766,743
Investment income receivable within 12 months	<u>220,619</u>	<u>242,925</u>
	<u>934,300</u>	<u>1,009,668</u>

6. INTEREST PAYABLE AND DIVIDENDS

The interest expense for the Credit Union comprises of interest payable on deposits for the current and prior financial year:

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 September 2025

continued

Dividends and loan interest rebate

The following distributions were made during the financial year:

	2025 %	2025 €	2024 %	2024 €
Dividends on shares	0.15	118,529	0.15	120,174
Loan interest rebate	10.00	260,938	10.00	236,309
		<u>379,467</u>		<u>356,483</u>

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

Proposed dividends and loan interest rebate

At the financial year-end the directors have allocated the amount of €410,540 to the Distribution Reserve which may be returned to the members by way of dividend and a loan interest rebate by way of resolution by a majority of the members at the annual general meeting. The proposed distribution is as follows:

	2025 %	2025 €	2024 %	2024 €
Dividends on shares	0.15	121,750	0.15	119,878
Loan interest rebate	10.00	288,790	10.00	261,447
		<u>410,540</u>		<u>381,325</u>

7. OTHER INCOME

	2025 €	2024 €
Insurance commission	-	538
Foreign exchange commission	11,111	10,980
Entrance Fees	548	644
Rent received	8,400	8,400
	<u>20,059</u>	<u>20,562</u>

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 September 2025

continued

8. KEY MANAGEMENT PERSONNEL

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

	2025 €	2024 €
Short term employee benefits	209,943	224,480
Payments to pension scheme	16,627	22,448
Total key management personnel compensation	226,570	246,928

9. 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.

	2025 €	2024 €
Cash and bank balances	1,861,198	1,136,583
Cash equivalents	20,255,100	15,032,113
	22,116,298	16,168,696

10. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings freehold €	Fixtures, fittings and equipment €	Computer equipment €	Total €
Cost				
At 1 October 2024	2,414,556	672,331	116,904	3,203,791
Additions	-	37,561	-	37,561
At 30 September 2025	2,414,556	709,892	116,904	3,241,352
Depreciation				
At 1 October 2024	1,199,968	600,028	116,881	1,916,877
Charge for the financial year	48,291	31,506	20	79,817
At 30 September 2025	1,248,259	631,534	116,901	1,996,694
Net book value				
At 30 September 2025	1,166,297	78,358	3	1,244,658
At 30 September 2024	1,214,588	72,303	23	1,286,914

11. LOANS TO MEMBERS - FINANCIAL ASSETS

11.1 LOANS TO MEMBERS

	2025 €	2024 €
As at 1 October	32,689,059	29,203,991
Advanced during the financial year	14,167,872	14,152,251
Repaid during the financial year	(11,992,826)	(10,480,975)
Loans written off	(196,947)	(186,208)
Gross loans to members	11.2 34,667,158	32,689,059

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 September 2025

continued

11.2 CREDIT RISK DISCLOSURES

The majority of loans offered by Clonakilty and Dunmanway Credit Union Limited are unsecured, except that there are restrictions on the extent to which the borrowers may withdraw their savings when loans are outstanding. There are maximum amounts set down by the Central Bank in terms of what amount a member can borrow from the Credit Union.

The carrying amount of the loans to members represents Clonakilty and Dunmanway Credit Union Limited's maximum exposure to credit risk. The following table 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.

	2025 €	2025 %	2024 €	2024 %
Gross loans not impaired				
Not past due	31,130,090	89.80	28,996,219	88.70
Gross loans collectively impaired				
Up to 9 weeks past due	1,988,224	5.74	1,864,655	5.70
Between 10 and 18 weeks past due	263,088	0.76	378,415	1.16
Between 19 and 26 weeks past due	184,181	0.53	184,725	0.57
Between 27 and 39 weeks past due	189,900	0.55	200,836	0.61
Between 40 and 52 weeks past due	116,903	0.34	208,032	0.64
53 or more weeks past due	794,772	2.28	856,178	2.62
Total	3,537,068	10.20	3,692,841	11.30
Total gross loans	34,667,158	100.00	32,689,060	100.00
Impairment allowance				
Individually significant loans	(1,259,849)		(1,001,445)	
Collectively assessed loans	(1,363,171)		(1,471,935)	
Total carrying value	32,044,138		30,215,680	

11.3 LOAN PROVISION ACCOUNT FOR IMPAIRMENT LOSSES

	2025 €	2024 €
As at 1 October	2,473,380	2,208,380
Allowances reversed during the financial year	149,640	265,000
Increase in loan provision during the financial year	149,640	265,000
As at 30 September	2,623,020	2,473,380

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 September 2025

continued

11.4 NET RECOVERIES OR LOSSES RECOGNISED FOR THE FINANCIAL YEAR

	2025 €	2024 €
Bad debts recovered	(271,352)	(203,271)
Reduction	149,640	265,000
	(121,712)	61,729
Loans written off	196,947	186,208
Net (recoveries)/losses on loans to members recognised for the financial year	75,235	247,937

The current bad debt provision in the financial statements amounts to €2,623,020 which represents 7.57% of the gross loan book. This amount exceeds the Resolution 49 requirement by €1,742,208.

11.5 ANALYSIS OF GROSS LOANS OUTSTANDING

	2025 Number of loans	2025 €	2024 Number of loans	2024 €
Less than one year	451	944,328	447	939,613
Greater than 1 year and less than 3 years	1,079	6,166,155	1,099	5,871,003
Greater than 3 years and less than 5 years	1,097	13,519,315	1,130	13,369,173
Greater than 5 years and less than 10 years	428	13,757,384	363	11,923,352
Greater than 10 years and less than 25 years	4	279,976	9	585,918
	3,059	34,667,158	3,048	32,689,059

12. DEBTORS, PREPAYMENTS AND ACCRUED INCOME

	2025 €	2024 €
Prepayments	5,537	-
Other Debtors	16,690	17,800
Accrued Investment interest income	220,619	242,925
Accrued Loan Interest Income	22,003	43,776
	264,849	304,501

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 September 2025

continued

13. DEPOSITS AND INVESTMENTS

	2025 €	2024 €
Fixed-term deposit accounts	30,834,554	35,917,147
Investment bonds with profit	13,828,119	11,933,589
Government bonds	4,002,812	4,002,808
	<u>48,665,485</u>	<u>51,853,544</u>

14. MEMBERS' SHARES - FINANCIAL LIABILITIES

	2025 €	2024 €
As at 1 October	79,725,760	79,675,425
Received during the financial year	41,841,161	38,017,475
Repaid during the financial year	(38,399,858)	(37,967,140)
As at 30 September	<u>83,167,063</u>	<u>79,725,760</u>

15. OTHER CREDITORS AND ACCRUALS

	2025 €	2024 €
Accruals	125,512	96,113
Other creditors	6,377	6,938
	<u>131,889</u>	<u>103,051</u>

16. CREDIT UNION RESERVES

	Regulatory reserve €	Distribution reserve €	Operational risk reserve €	Other reserves €	Total €
At 1 October 2024	11,015,566	381,325	590,193	8,013,439	20,000,523
Distribution in financial year	-	(379,467)	-	-	(379,467)
Surplus allocation in financial year	461,331	408,682	-	-	870,013
Other movement in reserves	-	-	-	545,407	545,407
At 30 September 2025	<u>11,476,897</u>	<u>410,540</u>	<u>590,193</u>	<u>8,558,846</u>	<u>21,036,476</u>

Regulatory reserve

The regulatory reserve of the credit union as a percentage of total assets as at 30 September 2025 was 11% (2024: 11.03%).

Operational risk reserve

The operation risk reserve of the credit union as a percentage of total assets as at 30 September 2025 was 0.57% (2024: 0.59%).

17. FINANCIAL INSTRUMENTS

Clonakilty and Dunmanway Credit Union Limited manages its members' shares and loans so that it earns income from the margin between interest receivable and interest payable. The main financial risks arising from Clonakilty and Dunmanway 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

continued

for the financial year ended 30 September 2025

Credit Risk:

Credit risk is the risk that a borrower will default on their contractual obligations relating to repayments to Clonakilty and Dunmanway Credit Union Limited, resulting in financial loss to the Credit Union. In order to manage this risk the Board of Directors approves Clonakilty and Dunmanway Credit Union Limited's lending policy, and all changes to it. 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 that the likelihood of repayment has changed.

Liquidity Risk:

Clonakilty and Dunmanway 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 Credit Union's 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.

Market Risk:

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

17.1 INTEREST RATE RISK DISCLOSURE

	2025	Average interest rate	2024	Average interest rate
	€	%	€	%
Financial assets				
Gross loans to members	<u>34,667,158</u>	<u>8.60</u>	<u>32,689,060</u>	<u>8.54</u>
Financial liabilities				
Members' shares	<u>83,167,064</u>	<u>-</u>	<u>79,725,760</u>	<u>-</u>

17.2 LIQUIDITY RISK DISCLOSURE

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

18. PENSION SCHEME

The Credit Union operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Credit Union in an independently administered fund.

19. RELATED PARTY TRANSACTIONS

The related party loans stated below comprise of loans to Members of the Board of Directors, the management team and Members of the family of Members of the Board of Directors and the management team of Clonakilty and Dunmanway Credit Union Limited.

	No. of loans	2025 €
Loans advanced to Related Parties during the year	15	128,375
Total loans outstanding to Related Parties at the financial year end	16	<u>249,321</u>

Total loans outstanding to related parties represents 0.72% of the total loans outstanding at 30 September 2025 (2024:0.86%).

20. INSURANCE AGAINST FRAUD

The Credit Union has insurance against fraud in the amount of €5,200,000 in compliance with Section 47 of the Credit Union Act 1997.

NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 30 September 2025

21. CAPITAL COMMITMENTS

The Credit Union is to replace computers in both Clonakilty and Dunmanway offices costing approximately €23,000.

22. POST-BALANCE SHEET EVENTS

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

23. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved, and authorised for issue, by the Board of Directors on 21/10/25.

SCHEDULES TO THE INCOME & EXPENDITURE ACCOUNT

for the financial year ended 2025

Schedule 1 - Interest on Loans

	2025 €	2024 €
Interest on Loans		
Interest on members' loans	2,866,124	2,614,469
	<u>2,866,124</u>	<u>2,614,469</u>

Schedule 2 - Investment Income

	2025 €	2024 €
Investment Income		
Investment income received	713,681	766,743
Investment income receivable within 12 months	220,619	242,925
	<u>934,300</u>	<u>1,009,668</u>

Schedule 3 - Other Income

	2025 €	2024 €
Other Income		
Insurance commission	-	538
Foreign exchange commission	11,111	10,980
Entrance Fees	548	644
Rent received	8,400	8,400
	<u>20,059</u>	<u>20,562</u>

Schedule 4 - Other Management Expenses

	2025 €	2024 €
Other Management Expenses		
Training and seminars	17,899	11,672
General insurance	47,963	43,898
Share and loan insurance	311,653	274,569
Death benefit insurance	177,512	175,370
Light and heat	30,865	28,196
Rates and refuse	18,114	13,074
Repairs and renewals	42,722	32,645
Computer costs	153,968	99,888
Printing and stationery	23,908	20,623
Promotion and advertising	72,034	59,403
Telephone and postage	27,360	24,340
AGM expenses	15,535	17,349
Convention expenses	31,840	32,068
Travelling and subsistence	13,606	12,932
Office Expenses	59,829	48,043
Legal and professional fees	124,944	76,464
Audit fees	24,500	24,500
Risk compliance & Internal Audit	58,857	44,280
Bank charges	66,492	57,800
Affiliation fees	32,018	39,171
Saving protection scheme	3,944	10,501
Regulation levy	28,474	34,719
Credit Institution Resolution Fund	-	22,102
DGS Contributory Fund	-	168,023
	<u>1,384,037</u>	<u>1,371,630</u>



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Credit Union**

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023 88 45787



loans@cdcreditunion.ie



www.cdcreditunion.ie



Warning: If you do not meet the repayments on your loan, your account will go into arrears. This may affect your credit rating, which may limit your ability to access credit in the future. T&C's Apply. All loans are subject to approval. Credit Unions are regulated by the Central Bank of Ireland.

REPORT OF THE BOARD OVERSIGHT COMMITTEE 2025

The role of the BOC is to oversee the functioning of the Board of Directors and report directly to the membership on its operation relative to current legislation.

The members of the Board Oversight Committee as elected for the year 2024-25 at last year's AGM were Mícheál McCarthy (Chair), Karen Lehane (Secretary) and Fiona Barry.

During the year the Committee met regularly with the majority of these meetings taking place online. The Committee was represented at all Board of Director meetings.

The Committee is satisfied that, during its attendance, the meetings were conducted in accordance with the provisions of Part IVA of the 2012 Act.

The Committee have also attended a number of training courses over the course of the year.

Throughout the year, the Board Oversight Committee held 4 meetings with the Board of Directors, where the Board's performance of its duties were reviewed. These meetings covered the following topics:

- Board Evaluations
- Minimum Competency Requirements
- Strategy
- Risk
- Compliance

Based on the compliance, risk and governance assessments undertaken and reports provided, together with the reviews held with the Board of Directors in 2024-25, the Board Oversight Committee concludes that in the year 2024-25 the Board of Directors of Clonakilty and Dunmanway Credit Union Ltd was compliant with Part IV of the 1997 Act, as amended by Part IVA of 2012 Act, whereby any non-material breaches that were identified were either addressed or mitigated.

MEMBERSHIP COMMITTEE REPORT 2025

Applications for membership of our Credit Union are reviewed by the membership officer and approved by the Board of Directors at their monthly meeting.

To qualify for membership a person must be resident or employed within the common bond of the credit union. We are pleased to report that our membership continues to grow. This year 550 new accounts were opened. We thank you our members for your continued support without which this would not have been possible. Our total membership now stands at over 17,500

We would like to remind members of the importance of completing a Nomination Form. This is a legally binding document that in the event of a member's death saves family members much inconvenience and expense. Forms can be completed in the office.

On behalf of the Membership Committee.



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CREDIT COMMITTEE REPORT 2025

The Credit Committee consider and make decisions on applications for credit within the framework and policies drawn up by the Board of Directors.

2025 has been a successful year for Clonakilty and Dunmanway Credit Union in terms of lending. We have observed continuous growth in both secured and unsecured lending.

The Credit Committee met throughout the past year and dealt with over 2,374 applications. 2,097 loans, to the value of €14,397,341, were approved and issued to members in the communities within our Common Bond.

These loans were for a wide selection of purposes i.e., Educational, home improvements, cars, holidays, etc. However, we have seen a shift towards larger and longer-term loans due to the impact of inflation on the prices of home renovations and motor vehicles.

The most important factor is that a member should consider is to borrow wisely and repay regularly as per their credit agreement.

Clonakilty and Dunmanway Credit Union Ltd always works to assist members with their applications. At the heart of everything we do is our commitment to you, our valued members.

Individual applications are judged on their own merits, and the Credit Union tries to take an objective and fair view. Our competitive interest rates, with no hidden fees or charges, continue to attract new borrowers. Our excellent member service makes the process as easy as possible. Members can now apply for a loan in person, by phone or on-line.

The Credit Committee would like to take this opportunity to express our thanks to our CEO and Assistant Manager and all the staff of the Clonakilty and Dunmanway Credit Union who through their various roles assist the Credit Committee in carrying out its function.

Credit Committee Members

Tomas Ahern, Noreen Burke, Arran O'Driscoll & Martin Collins



SEPA Instant and Verification of Payee (VOP)

With the introduction of Instant Payments Regulation in 2025, sending and receiving funds with your Credit Union will be faster than ever. SEPA Instant is a payments scheme that lets you send and receive euro payments in under 10 seconds, 24/7, 365 days a year.

There will be no need to install extra apps, as the additional functionality will be available in your online or mobile banking access to allow you to send and receive euro payments across the Single European Payments Area (SEPA Zone) in under 10 seconds. You can send and receive payments instantly at any time, including weekends.

You will receive immediate confirmation on successful completion of the payment, giving you peace of mind that your payment has been delivered successfully. SEPA Instant makes managing your money faster, easier, and more convenient than ever.

There are no cut-off times for Instant Payments made through online banking. Subject to internal controls and validations, you can set up a payment on any day, at any time, and it will be processed instantly.

What's changing?

- Instant Euro Transfers: Real-time payments across participating European banks.
- Always Available: No more waiting—payments available anytime, even outside business hours.
- Simple Access: Use your existing online banking or mobile app. Just choose "Instant Transfer" when sending euros. Or you can call into any of our branches during their opening hours.

What stays the same?

- Your account number and login details remain the same.
- Your existing payment options will not change.
- Our commitment to a secure, reliable service.

REPORT FROM EDUCATION AND MARKETING COMMITTEE

The duties and goals of the Committee include engaging and increasing our membership and supporting our local communities.

There was a good start to the Credit Union financial year, the Cash for College draw took place in October, in total there were 147 entries which was up substantially from 64 entries in 2023, the committee were delighted with the increased participation, with €1,500 going to each of the 3 winners.

We also attended Clonakilty Community College in October to deliver a Fraud Awareness Talk to 5th & 6th year students along with the local Gardai and we did a leaflet drop advertising the Credit Unions services in Dunmanway and Clonakilty towns.

The Credit Union had a remarkable 800 entries into the annual Art Competition in November which was a fabulous uplifting event as always. It was a great opportunity to acknowledge the amazing artists and talent that exists within our common bond and we're delighted to report that we had 4 winners at Chapter Level and 3 Winners at National Level.

Clonakilty and Dunmanway Credit Union also got involved with Cork Credit Unions which saw us coming together to promote Credit Unions and become involved with the Cork Ladies Football and sponsorship of the Cork LGFA league & championship.

At the Credit Unions AGM in Dunmanway in December, the Credit Union confirmed that a Rebate and Dividend would be distributed to members and we took the opportunity to promote same via our social media channels and in the banking hall.

Clonakilty and Dunmanway Credit Union were one of the main sponsors of the Clon 5-mile race together with the Clonakilty Park Hotel, the event was sold out again and took place Sunday 26th of January.

The Annual Credit Union quiz took place in Ahamilla GAA Complex in February, there was a great turnout and competition was tough. The Gaelscoil in Clonakilty made it to the National final of the Credit Union Schools Quiz which took place in Dublin on Sunday 8th of April. Thank you to the staff and volunteers who helped out on the day and to our Quiz Master Therina O Mahony.

Also in February two of our Credit Unions members who took a loan for their home improvements featured on RTEs The Great House Revival which was a great opportunity to promote our Credit Unions home improvement loans which are available to members up to €70,000.

In March, Clonakilty and Dunmanway Credit Union continued to support the arts culture and heritage in our Common Bond by sponsoring the inaugural Clonakilty Arts and Minds Festival and the West Cork Drama Festival.

We also continued our support of the St Patricks Day Parade in Clonakilty, with the choice of Betty Hennessy as Grand Marshall being a huge success and a wise choice.

We attended the presentation of jerseys to the Doheny GAA club and also attended the Carbery GAA launch along with sponsoring the Feel the Force festival in Dunmanway which was in its second year.

June was a busy month which saw the appointment of two local Brand ambassadors Maurice Shanley player with Clonakilty GAA and Cork GAA and Melissa Duggan player with Dohenys GAA and Cork LGFA to build awareness of the Credit Union within our common bond.

The Credit Union supported the West Cork Jesters, who took part in the International Mixed Ability Rugby Tournament in Pampalona in Spain, as well as the Dunmanway 10K road race, which saw the community show up in full force to support all the participants, and we were in attendance at the Dunmanway Agricultural Show encouraging new members to join and promoting the Credit Union as an organisation they could trust.

In August, the Credit Union continued to support local by sponsoring Nicola Nyhan in the Belle of Ballabuidhe and in September, we continued our efforts to promote the Credit Union as the corner stone of the local community and reminding people that the Credit Union is always here to help, we were happy to deliver this message by participating in the We Act Community Video.

For and on behalf of the Marketing Committee:

Martina Connolly, Arran O'Driscoll, Noreen Burke, Sinead McCarthy, Marie Cahalane, Aoife O'Brien, Tomas Aherne, Hazel Lavery, and Sinead Crowley.

CREDIT CONTROL COMMITTEE REPORT

The Credit Control Function is closely monitored by our Credit Control Committee who meet on a regular basis to oversee the repayment of loans and to ensure that Clonakilty & Dunmanway Credit Unions policies and procedures are implemented.

Credit unions pride themselves on putting the needs of their members first. In times of need, members have always turned to their local credit union for support. And during these challenging time, amidst the (geopolitical) uncertainty and rising energy prices, Clonakilty & Dunmanway Credit Union will be on hand to help you. You'll find a listening ear, a reassuring voice and you'll be dealing with someone who will do what they can to provide you with the support that you need.

Our Credit Control Department is committed to working with members who find themselves in financial difficulty. Whilst most members maintain their agreed repayments, we would urge any member experiencing financial difficulty to contact our Credit Control Officers, Marie Cahalane and Sinead McCarthy. We can assure members that they will be treated fairly and with empathy.

In the last year, we transferred €196,947 to our Bad Debt Category. We would like to point out, however, that this transfer is only an accounting exercise and the member is obliged to make regular repayments thereafter. Clonakilty & Dunmanway Credit Union requires a robust effort to recover these loans. A total of €271,352 was recovered in the last year from this and previous years transfers.

We would like to thank the Credit Control Department, CEO, Assistant Manager, Staff, Board of Directors, Board Oversight Committee and all other committee members for their help and commitment throughout the last year.

We would especially like to thank all Clonakilty & Dunmanway Credit Union members, especially borrowers who make regular repayments in accordance with the agreed terms of their loan. This is what makes the work of the Credit Union possible and maintains in services within the community.

Credit Control Committee: Richard Barrett, Gerard Peppard, Liam Santry, Sandra Stanley, Noel Tobin, Alma Murphy & Margaret Hennessy

NOMINATION COMMITTEE REPORT

Under the Credit Union Act 1997 as amended, the Nomination Committee is responsible for identifying, proposing and accepting candidates for election to the Board of Directors and to ensure Fitness and Probity standards are met by candidates.

The following Board Members are seeking election/re-election at the AGM ;

- Noreen Burke
- Kay Keohane
- Arran O'Driscoll
- John Moloney
- Tomás Ahern

The position of external Auditor to be voted on;
Cuddy O'Leary Foley are seeking re-election.

1 Vacany arises on the Board of Directors

2 Vacancies arise on the Board Oversight Committee

The nomination committee take this opportunity to encourage and welcome volunteering to our credit union. It is essential that we have a good cross section of experience, expertise, age, gender, culture and perspective amongst our Board of Directors and various committee members. Experience can be gained in many areas on your Credit Union journey. If you are interested in volunteering with us, please submit your name to a staff member.

Thank You,

Nomination Committee Members : Martina Connolly, John Moloney (Chair) Kay Keohane (Secretary)

MOTIONS

Motion1

That is Annual General Meeting approves the payment of a Dividend of 0.15% and a Loan Interest Rebate of 10%, as recommended by the Board of Directors

Motion 2

Rule 14. Person under age 16

That this Annual General Meeting agrees to amend Rule 14(1) of the Standard Rules for Credit Unions (Republic of Ireland) by the insertion of the word “natural” to read as follows:

(1) A natural person under the age of sixteen:

- a) may be a member of the credit union, and
- b) subject to paragraph (2), may enjoy all the rights of membership, other than voting rights, and can give all necessary receipts.

Motion 3

Rule 109. Settlement of disputes

That this Annual General Meeting agrees to amend Rule 109 of the Standard Rules for Credit Unions (Republic of Ireland) by the deletion of Rule 109(3) (a) to (f) inclusive and replacing it with the following:

(3) All complaints under this rule shall be decided in the following manner:

(a) For the purposes of this rule the complaining party or parties described under paragraph (1) shall be referred to as the complainant.

(b) The board of directors shall appoint a complaints officer who is suitably qualified and authorised to investigate, and wherever possible resolve complaints, received from complainants.

(c) In the event that a complaint is not resolved to the satisfaction of the complainant, the complainant may refer the complaint to the Financial Services & Pensions Ombudsman, or other adjudication body as appropriate.

(d) Nothing in this rule shall prevent the Financial Services & Pensions Ombudsman from investigating and adjudicating a complaint made against a credit union about the provision of, or failure to provide, a financial service, so long as the complaint:

- (a) falls within the jurisdiction of that Ombudsman, and
- (b) does not relate to a matter that involves only the governance of the credit union.

*Everyone at Clonakilty
& Dunmanway Credit Union
would like to wish all our
members a Merry Christmas
& Happy New Year.*



**Clonakilty &
Dunmanway
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