

**PUBLIC
SERVICE
CREDIT
UNION LTD.**



Working Together

Annual Report **2021**

Annual General Meeting

15th December 2021

Online

See details inside

**Special Cash Draw
for those attending**



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Public Service Credit Union Limited

St. Stephen's Green House, Earlsfort Terrace, Dublin 2, D02 PH42

Earl Place Office, Dublin 1, D01 P7K8

Tel: 01 6622 177 Fax: 01 6622 861 Email: info@pscui.ie Web: www.pscui.ie

Public Service Credit Union Ltd is regulated by the Central Bank of Ireland. Reg No. 455CU.



Notice of Online Annual General Meeting

Dear Member,

Notice is hereby given that the Annual General Meeting (AGM) of Public Service Credit Union Limited will be held on **Wednesday, 15th December 2021**, commencing at **7pm**. The meeting will be held online.

The Registration and Attendance Process

- To join the meeting online on the evening of the AGM, you can request to register by sending an email from your personal email account to **agm@pscu.ie** by 5.30pm on Friday, 10th December 2021. Your email should include your name and telephone number, but you should not include your member number, for security reasons.
- Alternatively, you can request to register using an online form that can be accessed on **www.pscu.ie/agm**
- In advance of the AGM, you will receive a notification by email confirming that you are registered to attend the AGM and containing a link that you can click to join the AGM on 15th December. You will also receive some other information that will be helpful to you while attending the AGM.
- You can also register to attend the AGM by writing to the Secretary of the credit union at 1st Floor, St. Stephen's Green House, Earlsfort Terrace, Dublin 2, D02 PH42, before Friday, 10th December. The credit union will write to you enclosing a meeting link.
- A telephone number will be provided to all members who register that you may use to listen to the AGM if you have any connection difficulties. Any member who listens on a telephone line will not be considered part of the formal AGM attendance and will not be able to vote.
- While the AGM starts at 7pm on 15th December, members are asked to join the meeting from 6.30pm to help with the process of verifying members' identities and admitting them to the AGM.

Leo Bollins

Secretary

17th November 2021

AGENDA

1. Credit Union Invocation (page 54)
2. Acceptance of Proxies (if any) by the Board of Directors
3. Ascertainment that a quorum is present
4. Adoption of Standing Orders
5. Approval of the Minutes of the 2020 AGM
6. Chairman's Address (page 3)
7. Report of the CEO (page 4)
8. Report of the Auditor (page 24)
9. Appointment of Tellers
10. Amendments to Rules (page 15)
11. Report of the Board Oversight Committee (page 8)
12. Report of Nomination Committee (page 16)
13. Election of Auditor
14. Election of the Board of Directors
15. Election of the Board Oversight Committee
16. Any Other Business
17. Announcement of Election Results
18. Raffle Details
19. Close of Meeting

BOARD OF DIRECTORS 2021

Don Bailey, Chairman

Leo Bollins, Secretary

Ben Byrne

Joe Carey

Brendan Doherty

Larry Dunne

Michael Flannery

Mary McKeon

Anne McLaughlin

Ciaran Rohan

Noel Waters, Vice Chairman

Agriculture, Food and Marine

Houses of the Oireachtas

Dublin Bus (retired)

Transport, Tourism and Sport (retired)

Health

Public Expenditure and Reform (retired)

Dublin Bus

Finance (retired)

Revenue Commissioners

AHCPS

Justice (retired)

BOARD OVERSIGHT COMMITTEE 2021

Bernie Kennedy, Chairman

Annette Boyle

Dave Breslin

Revenue Commissioners (retired)

Revenue Commissioners (retired)

Agriculture, Food and Marine (retired)

BANKERS - Allied Irish Bank

7-12 Dame Street, Dublin 2, D02 KX20.

AUDITORS - DBCO (Duffy Burke & Co)

Liosbain Business Park, Tuam Road, Galway, H91 V3VH.

SOLICITORS - OCWM Law

Kilmore House, Spencer Dock, Dublin 1, D01 E8R2.

SOLICITORS - Pierse & Fitzgibbon

Market Street, Listowel, Co. Kerry, V31 DK38.

INTERNAL AUDITORS - RBK

RBK House, Irishtown, Athlone, Co. Westmeath, N37 XP52.

ONLINE MEETING FACILITATION - AVC Limited

E10, Calmount Park, Ballymount, Dublin, D12 X259

CHAIRMAN'S ADDRESS

As this address goes to press, much has changed with the availability of Covid Vaccines - we are safer, yet we do not seem to have progressed a lot since our 1st remote AGM back in February of this year. Déjà vu, but can I extend a similar greeting “stay safe, try to abide by all the public health guidelines and look out for each other”.

I am pleased to report good financial outcomes and that we continue to implement all the set national regulatory standards with no material items to report to you. Our external and internal auditors found similar findings. Our internal controls and policy reviews are working well. Our multi annual strategic plan is also progressing and producing visible results e.g. improved technology (allowing smoother interfacing with members), introduction of mortgages, and a return of disbursement to members.

Much of the non-routine work by staff was taken up with checking, securing and updating our data protection protocols following the experience within the HSE. **Nothing detrimental** was found by our consultants, but as a result, our systems are now more robust. To complete this never-ending task and maintain the regular workload during Covid disrupted work schedules and was some feat and I thank everybody involved.

Until recently, in PSCU, our personnel team has been very stable, we have had very few departures, but over the last few months “three” have departed. There are many good reasons for moving on, and I wish all well. But I personally feel that the work pattern, and team structure, in a world where Covid is highly likely to continue, should be urgently examined by the new board to aid existing staff retention. Our Unique Selling Point is not the products we offer (any Auld Bank can sell money) but the effort we put into matching product to our members and the after-sale service offered. Skilled staff are essential and the oxygen of PSCU.

My term as chair and member of the Board of Directors will end after this AGM, I wish the incoming Board every good wish. Over the last thirty odd years the Credit Union Movement has socialised me, given me an interest and an education. I will be forever grateful to both AGRI and PSCU Credit Unions and the friends I made here.

Don Bailey | CHAIRMAN

17th November 2021

REPORT OF THE CEO

I am pleased to report that the year to 30th September 2021 has been another year of steady progress at the credit union.

Despite the challenge of Covid-19 in the first half of 2021, the credit union demonstrated a high degree of resilience and forward thinking during the year. Highlights of the year included:

- The continuing response of the credit union staff to the pandemic – everybody’s flexibility and hard work ensured that member services remained uninterrupted during rolling lockdowns.
- An extension of the PSCU “common bond” to allow the extended family members of public servants to join the credit union once they live on the island of Ireland.
- The development and introduction of mortgage loans at the credit union. We have issued nine mortgages at the date of writing.
- The further development of our current accounts and debit cards by the introduction of Apple Pay, Google Pay and Fitbit Pay.
- The preparation for online joining of new members, with a go-live date of November 2021.
- The introduction of a €5,000 per month savings cap as a further measure to help protect the balance sheet of the credit union.
- A relaunch of the ever-popular car draw to increase the monthly subscription to €4 and to refresh the rules.
- The addition to the Seamus P. MacEoin education bursary of nine prizes of €1,000 for non-first year, third level students and a commitment for a prize draw for school children’s summer courses in 2022.
- The introduction of a managed network provider and a focus on reviewing and developing our cyber security measures in the wake of high-profile ransomware attacks.
- The strengthening of the Risk & Regulatory unit by the creation of a new Compliance Officer position to complement existing risk and compliance resources.

The financial highlights of the year were as follows:

- Loan interest income at €5.14M is slightly ahead of last year. Falling investment returns means that net interest income is down by 2.5% from last year.
- Expenditure, including depreciation and loan impairment, at €3.9M has increased only marginally on last year, largely due to the absence of any further loan impairment charges this year.
- A surplus of €2.5M was generated during the year, down slightly from €2.8M last year.
- Despite the reduced lending needs of members from January to March 2021 because of lockdowns, the loan book at year end was 4.9% higher than last year. This was a very pleasing outcome in the circumstances.
- Total member savings have increased by 11.6% to €191.7M, including both shares and deposits.

- Reserves have increased by 6.1% to €44.2M, although the reserves to assets ratio declined from 19.5% of assets to 18.7% of assets, due to the strong savings inflows. The minimum level of reserves set by the Central Bank is 10% of assets, with no allowance yet for risk weighting.

This year the Board is recommending a dividend of 0.01% of members' average shares during the year. After the effective ban on such payments in the euro area last year, it is a welcome return of dividends, albeit at a very low level, reflecting the low interest rate environment we are living through and the need to avoid attracting too much savings from members. The Board is also recommending a 6.5% loan interest rebate this year. The rebate is a great way of rewarding the members who borrow from the credit union and, unlike the dividend, it does not attract DIRT tax.

Looking at the year ahead, I am expecting some further development of the online facilities available to members and some new loan products. The credit union is also planning to make some investments in social housing using one of the dedicated credit union funds becoming available – an investment of this type would fit very well with the ethos of credit unions. Although we are not in discussions with any other credit unions regarding further transfers of engagements, the credit union remains open to considering any opportunities that emerge.

Finally, I wish to thank the Board, Board Oversight Committee, volunteers and my colleagues on the staff for their commitment during the year to the credit union and to the services offered to the members, the owners of the credit union.

Paul Ryan | CEO



Ireland Customer Experience

For an unprecedented seventh consecutive year, Irish credit unions have claimed the top position for the best customer experience in Ireland (October 2021). This has been mirrored in the annual REPTRAK Survey.

Report of the Donations and Sponsorship Committee

Donations were made to many charities, organisation and fund-raising events during the year including those listed below. Including the Charity of Choice, the credit union fund for donations and sponsorships for the year was €50,000. If you include the Seamus P.MacEoin Bursary and the other education prizes added this year, the annual fund is currently running at €100,000.

- Jack and Jill Foundation
- Geashill Community Playground
- ILCU Foundation
- COPD Ireland
- St. Vincent De Paul
- Simon Community
- Charlie Curran Memorial Run
- Salvation Army
- Blossom Ireland
- Corporate Gifts of Hope Donation
- Tech2Students: Trinity Foundation
- Alzheimer Society of Ireland
- Cats and Dogs Association of Ireland
- Coolmine: Overcoming Addiction
- A day in my wheels
- Dublin Metropolitans
- Trocaire
- Irish Red Cross
- Debra Ireland
- Concern
- St. Francis Hospice
- Women's Aid
- Our Lady's Hospice and Care Service
- Threshold
- Dublin Eagles
- Gavin Glynn Foundation
- Irish Deaf Women's Association
- MS Ireland

The **"Charity of Choice"** for 2020/21 is **MS Ireland**. On 3 November 2021, Joe Carey from the Donations Committee and both Noel Cocoman and Fiona Butler from PSCU staff presented the cheque to Ava Battles, CEO of MS Ireland at the MS Ireland Care Centre, Bushy Park, Rathfarnham, Dublin 16. Also in attendance was a small representation in person (and some online) from various MS Ireland branches, PSCU Chairman Don Bailey and some Volunteers, Directors, and staff.



Donations and Sponsorship Committee

*John Kehoe, Joe Carey
[Convenor – Fiona Butler]*

Seamus P. McEoin Bursary Award Winners



Congratulations to the six winners of the 2021/22 Bursary Award who each will receive a total of €6,000 over the period of their studies. That is a total of €36,000.

Winners 2020/2021

Mark Keane, Aoife Corcoran, Joseph Finnegan O'Brien, Hannah Cully, Gary Martin and Sarah Lynch



Winners of the Seamus P. McEoin Bursary Awards 2020.

Winners 2021/2022

The draw took place for the 2021/22 Bursary on 4 November 2021. The lucky winners are:

6 Bursary winners:

- **Freya Nelson, Dublin** - Chemical Sciences
- **Lily Boyle, Cork** - Social Science
- **Kieran Morrissey, Waterford** - Arts
- **Julven Ndombele, Dublin** - Business Marketing
- **Daniel O'Sullivan, Laois** - Business Studies
- **Aine Healy, Cork** - Arts

9 Extra Draw Winners:

For 2021/22, the credit union is adding 9 prizes of €1,000 to third level students other than 1st years

- **Maria O'Donohoe, Westmeath** - Accounting
- **Lucy O'Malley, Mayo** - Chemical Science
- **Sarah Murphy, Dublin** - Pharmacy
- **Dylan Williams, Dublin** - Computer Science
- **Aoife Howley, Galway** - Commerce
- **Shane Campbell, Longford** - Construction Management
- **Adam Malone, Dublin** - Stage Mgmt & Theatre
- **Alan O'Malley, Dublin** - Management Strategy
- **Dylan Lyons, Tipperary** - Law

All the main third level colleges were represented as well as students attending Colleges abroad from Edinburgh to Spain and from Warsaw to New York.

Launched in recent weeks for 2022, the credit union has introduced a further educational prize draw to provide 10 prizes of up to €500 to support attendance at **summer courses for school children**, usually residential. The closing date for entries is 28 February 2022 and entry forms are available on pscu.ie/downloads.

Report of the Board Oversight Committee

The role and responsibilities of the Board Oversight Committee are laid down in the Credit Union Act, 1997 as amended by the Credit Union and Co-Operation with Overseas Regulators Act, 2012. The Board Oversight Committee is responsible to the members of the credit union and always acts in good faith to safeguard their interests.

The Act stipulates that the committee shall report to the members at the Annual General Meeting on whether the Board of Directors has operated in compliance with its legislative requirements as set out in Part IV and IVA of the Act and regulations made thereunder as well as any other matters prescribed by the Central Bank.

This Committee is pleased to report, that in its view and based on the specific reviews carried out by the Board Oversight Committee, there is no material deviation by the Board in the discharge of their legal and regulatory obligations. This finding is based on a systematic, evidence-based methodology whereby each of the legal requirements of the Board is individually assessed over the course of the year.

The Board Oversight Committee has also discharged all its own legal obligations, including

- Met at least monthly throughout the year
- Attended all Board meetings
- Met the Board formally four times during the year.
- Fulfilled all reporting requirements
- Attended meetings of sub committees including meetings where both Internal and External Auditors were present.
- Assessed the performance of the Board and the conduct of Board meetings
- Assessed the Board's implementation of the strategy for the credit union

Members of the Board Oversight Committee undertook training and professional development throughout the year to ensure that we have the skills and knowledge to discharge our duties.

We would also like to pay tribute to the outgoing Directors for their very considerable contributions and efforts over the last few years.

Finally, we would like to thank the Board of Directors, volunteers, the CEO, his management team, and the staff of the credit union for their dedication, commitment and support throughout the last twelve months which was a particularly challenging year for all.

Board Oversight Committee

Bernie Kennedy, Annette Boyle, Dave Breslin

Report of the Credit Control Committee

The Credit Control Committee works to ensure that members repay their loans in accordance with the terms of the credit agreements. The committee met twenty-seven times this financial year and reported to the board each month.

Most members repay their loans on time and we thank them for this. Some member's financial circumstances change, and Public Service Credit Union is committed to assisting members in financial difficulty with a solution based on the member's circumstances. Members experiencing financial difficulty are encouraged to contact the credit controller to seek assistance at the earliest opportunity.

The credit union has been fortunate that the number of members whose loan repayments were affected by Covid-19 remained reasonably low throughout the year. As a result, the impact of the pandemic on overall loan performance has not been material to date.

Members should note we are obliged to register all loans in excess of €500 with the Central Credit Register, who will hold loan information on file for five years after the completion date. Missed payments may impact on your ability to obtain credit in the future from both the credit union and other financial institutions.

The credit union aims to manage overdue loans directly with members. In a minority of cases where members have not engaged with the credit union, the credit union may use solicitors or a debt collection agency to recover outstanding loans. In this regard, the committee is pleased to report continued significant recovery of accounts previously charged off.

YEAR	RECOVERED DURING YEAR
2018	€75,542
2019	€100,791
2020	€185,729
2021	€161,287

The Committee would like to thank the management team, staff, and Board of Directors for their commitment to credit control.

Credit Control Committee

Gerard Cuddihy, Angelina Cirillo, and Anne Gallen
[Convenor – William White, Credit Controller]

Report of the Audit and Risk Committee

The Credit Union Act 1997 (as amended) requires that a credit union must have a compliance function, an internal audit function and risk management function in place as part of its overall governance structure. The PSCU has a Risk Management and Regulatory team reporting to the Risk and Regulatory Manager and has outsourced its Internal Audit Function to Russell Brennan Keane (RBK). The Board is strongly committed to a strong governance and compliance environment and has during the year approved the recruitment of extra resources for the Risk Management and Regulatory Function. The Board of Directors has delegated to the Audit and Risk Committee the task of the ongoing monitoring of the Compliance, Internal Audit and Risk Management Functions.

The Committee, in co-operation with the Management Team, agreed compliance and risk management work programmes and an internal audit plan with the Internal Audit Function, all of which were approved by the Board of Directors. Progress on the programmes and plan was monitored by the Committee and monthly reports were submitted to the Board for their approval.

Compliance:

The Committee working with the Compliance Officer ensured that the credit union was operating in compliance with Credit Union legislation and Central Bank regulations and had appropriate policies and procedures in place. The annual compliance statement was submitted to the Central Bank. This confirmed that the PSCU was compliant with credit union legislation and Central Bank regulations.

Internal Audit:

The Internal Audit Function completed five audit reports where each audit report covered several policy areas. All reports were reviewed and signed off by the Committee. The reports covered governance, lending, financial controls, membership, anti-money laundering (AML), data protection, IT, etc. All audit findings relating to the Board, the Board Oversight Committee and the Management Team were appropriately addressed.

Risk Management:

During the year, the Risk Register was updated to reflect the challenges and key risks that could have impacted on the credit union. All risks were monitored, and appropriate mitigating measures put in place. Some of the key risks monitored included the impact of Covid-19, IT systems and services and the threat of cyber-attacks. The Committee, working with the Management Team, ensured that appropriate procedures were in place to ensure the safety of the Credit Union's staff and the continuity of services to the Members.

The Committee, in compliance with legislation, has submitted to the Board, annual reports on the Compliance, Internal Audit and Risk Management Functions and the reports have been approved by the Board. The Committee thanks the Management Team and staff of the credit union and RBK for their assistance and co-operation during the year.

Audit and Risk Committee

Noel Waters, Mary McKeon, Ben Byrne, Brendan Doherty, Robert Butler

Report of the Membership Committee

Membership continued to grow in 2021 with 931 joining during the year or 78 per month on average. This growth is impressive considering the ongoing limitations imposed by Covid-19. Great credit must go to the Credit Union staff who continued to process applications promptly and to a high standard in difficult circumstances during the year. It is also encouraging to see so many new members joining the Credit Union.

Total active membership now stands at 22,619.

Following on from the membership survey in 2020 and the acceptance of a motion to do so at the 2020 AGM, the common bond was extended this year to include family members who are not resident in the same household. Grandparents can also now set up accounts for grandchildren. However, only the child's parents or legal guardian can operate the account.

Applicants for membership can now apply to join the Credit Union online if they wish to do so via an app which can be downloaded.

Noel Cocoman, Development Officer continued to maintain contact with departments and agencies through a number of webinar presentations throughout the year due to the ongoing Covid restrictions. Noel is happy to continue to make contact of this nature with the agencies concerned until circumstances permit a return to physical presentations at staff meetings, induction courses and seminars. Please contact Noel or the Membership Officer Angelina Cirillo at PSCU if you are interested in a presentation.

Annette Boyle left the Membership Committee to take up a new role within the Credit Union during the year. We would like to thank her and acknowledge her wonderful contribution to the Membership Committee during her tenure and wish her well in her new role. We were pleased to welcome Michael Flannery to the Membership Committee this year also.

Membership Committee

*Joe Carey, Chairperson, Phyllis Flynn, Secretary, Michael Flannery
[Convenor – Angelina Cirillo, Membership Officer]*



Report of the Credit Committee

Lending to members has and will remain to the forefront of what we do in the credit union. Loans produced 79% of the credit union's income. Lending must be prudent and in compliance with the regulations set out by the Central Bank with ability to repay and credit worthiness the main considerations in granting a loan.

Once again, our lending has grown during another very difficult year defined by Covid-19. In excess of 5,400 new loans were issued to the value of €36 million, an increase of 7% on last year. This brings our loan balance to €70.1 million.

This strong loan demand is driven by the very good value of loans at Public Service Credit Union.

Below is a breakdown of the types and rates of loans issued in the year ended 30 September 2021.

Type of Loan	APR %	Number of Loans	% of Total Loans
Standard	8.68%	2,633	48.4%
Secure	5.01%	1,314	24.2%
Car	7.12%	538	9.9%
Home Improvements	7.12%	355	6.5%
Education	5.01%	139	2.6%
Holiday	6.06%	104	1.9%
Christmas	7.12%	152	2.8%
Helping Hand (COVID-19)	6.06%	199	3.6%
Mortgage	3.56%	5	0.1%

As you can see, Public Service Credit Union has very competitive interest rates with no hidden fees or charges. The above rates do not reflect that a loan interest rebate that is paid most years which reduces the effective interest rate.

Loan Interest Rebate

The Board will recommend a loan interest rebate of 6.5% this year. This is based on interest paid. If passed at the AGM, the rebate will be added to members' savings during December with members welcome to withdraw their rebate from savings. This shares the lending success with the members who have supported the credit union by borrowing during the year.

The average loan issued during 2020/21 was for €6,600 and in excess of 97% of loans applied for have been approved.

Members can apply for a loan online and more than half of all borrowers are now applying for their loans this way. A document upload facility makes sending payslips and other supporting documents to the credit union much easier than previously. When added to the DocuSign facility for signing credit agreements online, borrowing from the credit union has become very simple.

Finally, a few useful reminders:

Credit Reporting Act 2013

The Act came into force during 2017. The impact for borrowers is as follows..

1. All loans over €500 must be cross referenced and checked to the Central Credit Register [CCR]
2. All loans, €2,000 and over, must be registered on the CCR.
3. Members cannot opt out of this requirement unlike the previous ICB credit check arrangements.
4. Members seeking a loan must also supply their PPSN.

Criminal Justice Acts

The credit union will not issue a loan without first having the necessary current anti-money laundering documentation (Proof of ID and proof of residence/address) on file. It is in the borrower's interest to supply the documentation prior to seeking a loan to ensure your loan can be dealt with quickly.

We would like to thank the Board, loan officers and all the staff for their assistance during the year.

Credit Committee

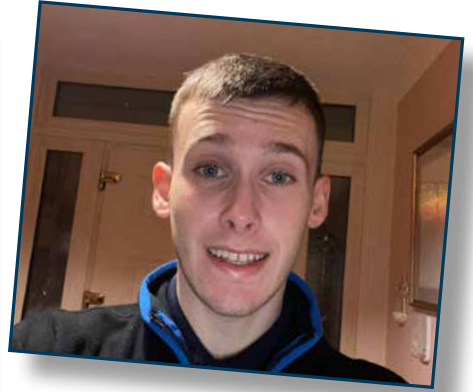
Áine Quigley, Louise Kennedy, Fiona Butler

[Convenor – Dylan Costello]

Photos of Education Draw Winners 2021



Aine Healy



Daniel O'Sullivan



Julven Ndombele



Kieran Morrissey



Lily Boyle

Notice of Motions to Annual General Meeting

Notice is hereby given that a number of motions shall be brought to the Annual General Meeting (“AGM”) of Public Service Credit Union Limited (“the credit union”) to be held online on Wednesday, 15th December 2021, at 7.00pm.

Motion 1 – Change to the Standard Rules for Credit Unions agreed at the 2020 Annual General Meeting of the Irish League of Credit Unions

Background:

In order to comply with the Standard Rules for Credit Unions, the credit union must reflect any changes made to the Standard Rules at the Irish League of Credit Unions Annual General Meetings. At the 2020 AGM of the League held on 20th March 2021, a motion was passed to delete Rule 63(4) regarding the Return of Officers Form. This change needs to be put to the members.

Proposer:

Leo Bollins, Secretary of the credit union on behalf of the Board of the credit union.

Proposal:

That this Annual General Meeting agrees to delete Rule 63(4) of the Rules of the credit union to remove the requirement for credit unions to complete and return the Return of Officers form to the Irish League of Credit Unions.

Motion 2 – Change to the Rules of the credit union in relation to virtual/ hybrid AGMs to synchronise the Rules with the Standard Rules for Credit Unions

Background:

A motion was passed at the 2020 AGM of the credit union held on 24th February 2021 to enable virtual/ hybrid AGMs to be held in future years. Subsequently, the Irish League of Credit Unions incorporated a different wording into the Standard Rules for Credit Unions for the same purpose and the credit union must now synchronise its Rules with the Standard Rules. This involves changes to Rules 1, 96, 98 and 99.

Proposer:

Leo Bollins, Secretary of the credit union on behalf of the Board of the credit union.

Proposal:

Wording to be supplied to attendees in advance of the meeting.

Leo Bollins

Secretary

17th November 2021

Report of the Nomination Committee

The role of the Nomination Committee is to ensure that there are suitable candidates to fill vacancies as they arise on the Board of the credit union and to work towards having a blend of skills and characteristics on the Board. The committee also has a role in administering the Central Bank fitness and probity regime for Board members/ senior staff, maintaining the credit union succession plan and contributing to the oversight of training and development for Board members.

While the Nomination Committee does not have any responsibilities in relation to the Board Oversight Committee, it assists that committee whenever needed.

A number of Board members are stepping down at this year's Annual General Meeting. The Nomination Committee has held discussions with some potential candidates and is finalising the required fitness and probity due diligence process with those members at present. A final report will be presented to the members at the Annual General Meeting before elections take place.

The Committee would like to thank the members of the Board of Directors, Board Oversight Committee, and the management team for their assistance during the year.

Nomination Committee

Leo Bollins, Larry Dunne, Noel Waters, Ben Byrne, Mary McKeon
17th November 2021

Photos of Education Prize Draw Winners 2021



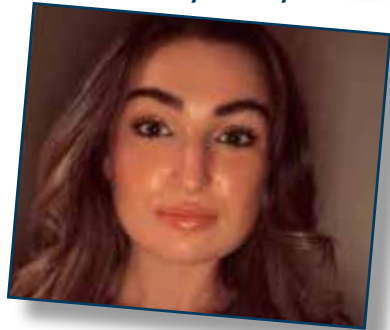
Dylan Lyons



Lucy O'Malley



Maria O'Donohoe



Sarah Murphy



Shane Campbell

Have you received this annual report in printed form?

The credit union encourages you to opt for electronic AGM notifications and annual reports going forward, to try to help environmental sustainability. To choose electronic communications, you can update your personal settings in the members' online banking (laptop and desktop versions) - personal settings are located at the top right-hand corner when you login to online banking.



Directors' Report and Business Review

The Directors present their report and results with the audited financial statements for the year ended 30th September 2021.

Principal Activities

The principal activity of Public Service Credit Union 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.

Results and Distributions to Members

The Board are proposing distributions to members of 0.01% dividend and 6.50% rebate of interest paid in the year on all loans.

Credit Union Performance and Business Review

We are pleased to report that the performance of the Credit Union in 2021 has been very favorable, notwithstanding the Covid-19 pandemic.

The surplus delivered in 2021 added to the Credit Union's capital strength, with regulatory capital standing at 10.93% and total reserves of 18.69%. The distributions of surplus has ensured capital reserves remain strong at €44.2m.

Covid-19 continues to pose a threat to credit unions. The threat to Public Service Credit Union is reduced because a high proportion of the credit union's membership is employed in the public sector and by the widespread payroll deduction arrangements in place. The credit union is mindful of the potential effects on its members, service providers and suppliers and monitors both internal and external risks relating to Covid-19 on an on-going basis. The credit union will continue to measure these risks and the possible impacts on its financial performance in the following key areas:

- Operational interference leading to changes in the business model due to falling demand, reduced member interaction, supply chain disruptions, employee absenteeism, & the work-from-home, environment which is now more commonplace.
- Increased Member saving balances, the escalating mismatch in Credit Unions asset and liability maturity levels, and the impact of negative interest rates.
- Member capacity to maintain their commitments to the Credit Union and the forbearance options it may offer to minimise loan losses. Increased stress testing of borrowers in non-essential service environments, and reduced cash flows in general of many members.
- Downward asset valuations, such investment returns and those of the Credit Unions property and equipment, and the Credit Unions use of judgement and estimates in its financial reporting.

Key Performance Indicators

The table below shows some of the KPIs over the past three years:

	2021 €	2020 €	2019 €
Total assets	236,614,934	213,653,469	199,277,511
Regulatory capital	25,873,178	23,873,178	21,973,178
Total savings	191,721,847	171,229,446	158,752,934
Expense to Income	59%	51%	53%
Regulatory Capital	10.93%	11.17%	11.03%
Total Capital	18.69%	19.52%	19.94%

Various key performance indicators are used to measure and monitor periodic progress and some of these are shown in the table above. As well as showing the movement in business volumes they also include performance measures, which are explained more fully below.

- Expense to income measures the Credit Unions' efficiency and the increase this year reflects the additional spend on staff, training and systems, representing an investment that the Credit Union is making in the future sustainability of the business.
- Regulatory capital is the reserve expressed as a percentage of total assets. It is an indication of the Credit Unions' financial strength, which has improved over the last 3 years through increased allocations and income margins.

Going Concern

The board prepare the accounts on the going concern basis having consideration for its risks and uncertainties and its capacity to actively manage those risks through appropriate policy, procedure and professional advice.

The Directors are required to consider whether the Credit Union will continue as a going concern for a period of 12 months from date of approval of these financial statements. In making the assessment the Directors have reviewed the Credit Unions strategic plan and considered risks that could impact on the Credit Unions reserve position, financial position, and liquidity over that period. The Directors have also prepared forecasts which considered the effect of operating under stressed but plausible events that would impact on the Credit Union's business, financial position, capital, and liquidity.

A range of sensitivities has been considered or applied to these forecasts, including scenarios relating to Covid-19, the outlook for interest rates, growth in members savings and loan demand. Furthermore, the Credit Union is required to regularly review its capital and liquidity positions in relation to its uncommitted or on demand savings and consider at least quarterly the various stress testing scenarios applicable against borrowers' propensity to default, interest rates and circumstances that may give rise to funding outflows.

After considering all of this information, the Directors' knowledge and experience of the Credit Union and the markets in which it operates, the Directors are satisfied that the Credit Union has adequate resources to continue in business for the foreseeable future and for a period of at least 12 months from the date of signing the financial statements.

Financial Risk Management, Objectives and Policies

The Credit Union has a formal structure for managing risk, including procedures for identifying and measuring risks, establishing risk limits, reporting lines, mandates and other control procedures. The Board is responsible for managing and controlling the balance sheet exposures and the use of financial instruments for risk management purposes.

Principal Risks and Uncertainties

The Credit Union operates within a conservative, Board approved risk appetite. Protecting members' interests is paramount, and the credit union contributes to various regulatory levies and compensation schemes. The principal business risks to which the Credit Union is exposed are considered the main financial risks arising from Public Service Credit Unions activities. The Board reviews and agrees policies for managing each of these risks, which are summarised below.

Credit Risk: Credit risk is the risk that a borrower will default on their contractual obligations relating to repayments to the Credit Union resulting in financial loss. In order to manage this risk the Board approves the Credit Unions 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 impairment on loans advanced. The Board approves the Credit Union's Credit Control policy which monitors the procedures for the collection of loans in arrears and also the basis for impairments on loans.

Liquidity Risk: Public Service Credit Union's policy is to maintain sufficient funds in liquid form at all times to ensure that it can meet its liabilities as they fall due. The 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 and those not an demand are identified as liabilities, other shares which are held as member's resources, are not available for withdrawal in accordance with the Credit Union Act 1997,as amended.

Market Risk: Public Service Credit Union conducts all its transactions in euro, accordingly the Credit Union is not exposed to any currency risk or other such direct market risk. The Credit Union considers its potential exposure to overall market risk in the banking sector and seeks to minimise such risk through its investment policy.

Interest Rate Risk: Public Service Credit Union'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. Public Service Credit Union 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.

Deposit Protection Scheme: being the risk of higher financial levies being imposed on the Credit Union for further claims relating to the failure of other financial organisations. Costs associated with the DGS continue to represent an ongoing burden on the Credit Union. Membership of the scheme remains compulsory for all financial institutions.

Operational Risk: This is the risk of direct or indirect loss resulting from inadequate or failed internal processes, people and systems or from external events. The operational risks faced by the Credit Union are assessed on a regular basis and an appropriate system of control exists to mitigate these risks. The Board, through its committee structures is responsible for assessing the effectiveness of the system of inspection and control. The controls are reviewed by the Credit Unions internal auditors on an ongoing basis.

Regulatory Risk: This is the risk that changing laws and the volume and complexity of regulatory requirements may impact the Credit Unions ability to compete and grow. This risk is regularly reviewed by the Board.

Conduct Risk: This is the risk that actual or potential member detriment arises, or may arise, from the way the Credit Union conducts its business. The Board has primary responsibility for ensuring that the manner in which the Credit Union conducts dealings with its members is fair and in their interests. This culture is embedded throughout the business and the Credit Union considers all matters that impact upon the fair treatment of our members, including product design and terms and conditions, complaints, fees and charges and ensuring that staff are trained and suitably qualified.

Directors

The Directors and Board Oversight Committee (BOC) who served during the year are:

Board

Don Bailey	Agriculture, Food and Marine
Leo Bollins	Houses of the Oireachtas
Ben Byrne	Dublin Bus (retired)
Joe Carey	Transport, Tourism and Sport (retired)
Brendan Doherty	Health
Larry Dunne	Public Expenditure and Reform (retired)
Michael Flannery	Dublin Bus
Mary McKeon	Department of Finance (retired)
Anne McLaughlin	Revenue Commissioners
Ciaran Rohan	AHCPS/formerly C&AG
Noel Waters	Justice (retired)

BOC

David Breslin	Agriculture, Food and Marine (retired)
Annette Boyle	Revenue Commissioners (retired)
Bernie Kennedy	Revenue Commissioners (retired)

Auditors

The Auditors, being eligible, have indicated their willingness to continue in office in accordance with section 151 of the Credit Union Act 1997, as amended.

The 12 Draws of Christmas

Daily Draws for at least two prizes of €500.
Draws from 1st December to 16th December, each working day.
(Car draw members at 30th September included automatically)

PRIZES:

**At Least two Prizes
of €500 each day**

The usual monthly car draw also takes place in December.



Statement of Directors' Responsibilities

For the year ended 30th September 2021

The directors are responsible for preparing the Annual Report, Directors' Report and the annual accounts in accordance with applicable laws and regulations.

The Credit Union Act 1997 as amended requires the directors to prepare the Credit Union annual accounts for each financial year. Under that law they have elected to prepare the Credit Union annual accounts in accordance with accounting Standards and applicable law (Irish and UK generally Accepted Accounting Practice), including FRS102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

The Credit Union annual accounts are required by law to give a true and fair view of the state of the affairs of the Credit Union as at the end of the financial year and of the income and expenditure of the Credit Union for the financial year.

In preparing these annual accounts, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable Irish Accounting Standards have been followed, subject to any material departures disclosed and explained in the annual accounts; and
- prepare the annual accounts on the going concern basis, unless it is inappropriate to presume that the Credit Union will continue in business.

In addition to the annual accounts, Statutory Instrument 1 of 2016 requires the directors to prepare and include, for each financial year, additional disclosures and statements, each containing prescribed information relating to the business of the Credit Union.

Directors' Responsibilities for Accounting Records and Internal Controls

The directors are responsible for ensuring that the Credit Union:

- keeps proper accounting records that disclose with reasonable accuracy at any time the financial position of the Credit Union, in accordance with the Act; and
- takes reasonable care to establish, maintain, document and review such systems and controls as are appropriate to its business, in accordance with the legislation and guidance from the Central Bank of Ireland under the Credit Unions Acts and Statutory Instruments.

The directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Credit Union and to prevent and detect fraud and other irregularities.

On behalf of the Board of Directors

Don Bailey

Chairman

Statement of Board Oversight Committee Responsibilities

For the year ended 30th September 2021

The Credit Union Act 1997, as amended require the appointment of a Board Oversight Committee.

The board oversight committee of a credit union shall assess whether the board of directors has operated in accordance with:

- Part IV of the Credit Union Act 1997, as amended and any regulations made for the purposes of Part IV, and
- Any other matter prescribed by the Central Bank in respect of which they are to have regard to in relation to the board of directors.

On behalf of the Committee

Bernie Kennedy

Chairman

Independent Auditors Report to the Members of Public Service Credit Union Limited

For the year ended 30th September 2021

Opinion

We have audited the financial statements of Public Service Credit Union Limited for the year ended 30th September 2021, which comprise the Income and Expenditure Account, Balance Sheet, Statement of Changes in Reserves and 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 and FRS 102. The Financial Reporting Standard applicable in the UK and Republic of Ireland.

In our opinion the financial statements:

- give a true and fair view of the state of the Credit Union's affairs as at 30th September 2021 and its income and expenditure and cash flows for the 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 ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard 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 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

Based solely 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, 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 directors' responsibilities statement, 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 management either intends 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.

Further details relating to our work as auditor is set out in the Scope of Responsibilities Statement contained in the appendix of this report, which is to be read as an integral part of our 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.

Gavan Duffy CPA

Statutory Auditor

For & on behalf of

DBC0 (Duffy Burke & Co)

Statutory Audit Firm & Certified Public Accountants, Galway

3rd November, 2021

Appendix to the Independent Auditors' Report

Further information regarding the scope of our responsibilities as auditor

As part of an audit in accordance with ISAs (Ireland), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Credit Union's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Credit Union's ability to continue as going concerns. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Credit Union to cease to continue as going concerns.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Income & Expenditure Account

For the year ended 30th September 2021

	Note	2021	2020
Interest on members' loans	2	5,141,559	5,103,425
Interest on investments	3	1,099,067	1,298,417
Interest Payable and Similar Charges		(94,561)	(92,697)
Net interest income		6,146,065	6,309,145
Fees and commissions receivable	4	43,185	21,199
Fees and commissions payable	4	(536,725)	(439,793)
Other Operating Income	5	205,161	264,158
Total net income		5,857,686	6,154,709
Employment costs	6	(1,609,547)	(1,286,537)
Management expenses	8	(1,656,579)	(1,620,170)
Depreciation and amortisation	11	(118,599)	(121,145)
Operating surplus before impairment losses and provisions		2,472,961	3,126,857
Net Impairments (recoveries) on loans to members		29,695	(363,838)
Gains (losses) on Investments		22,500	-
Surplus for year		2,525,156	2,763,019
Other comprehensive income		-	-
Total income for year		2,525,156	2,763,019

Surplus for the financial year represents the Credit Union's total comprehensive income and is attributable to the members of the Credit Union. Surplus for the year is derived from continuing operations.

The annual accounts were approved by the board on the 03/11/2021 signed on behalf of the Credit Union by:

Don Bailey
Chairman

Paul Ryan
CEO

Bernie Kennedy
Board Oversight Committee

Balance Sheet

as at 30th September 2021

	Note	2021	2020
		€	€
ASSETS			
Cash and cash equivalents	24	13,533,994	3,250,951
Deposits with Banks	24	102,579,900	103,020,750
Debt Securities		28,769,128	29,063,090
Central Bank		16,514,959	7,674,935
Loans to Members	9	67,799,778	64,468,194
Tangible fixed assets	11	210,473	298,516
Other receivables		7,206,702	5,877,033
Total Assets		236,614,934	213,653,469
LIABILITIES			
Members' shares	12	164,225,318	146,551,748
Members' Deposits	13	26,369,813	24,290,786
Members' Current Accounts	15	996,237	259,266
Members' Budget Scheme	14	130,479	127,646
Accruals and deferred income	16	346,716	502,500
Provisions for liabilities	20	322,909	223,217
Total Liabilities		192,391,472	171,955,163
Assets less Liabilities		44,223,462	41,698,306
RESERVES			
Regulatory reserve		25,873,178	23,873,178
Other reserves		18,350,284	17,825,128
Total Reserves		44,223,462	41,698,306

The annual accounts were approved by the board on the 03/11/2021 signed on behalf of the Credit Union by:

Don Bailey
Chairman

Paul Ryan
CEO

Bernie Kennedy
Board Oversight Committee

Statement of Reserves and Changes in Members' Interests

Balance	Regulatory Reserve €	Operational Risk Reserve €	Distributions Reserve €	Retained Earnings €	Total Reserves €
30/09/2020	23,873,178	405,710	16,690,553	728,865	41,698,306
Surplus				2,525,156	2,525,156
Allocations	2,000,000	842,950	(317,950)	(2,525,000)	-
Distributions	-	-	-	-	-
30/09/2021	25,873,178	1,248,660	16,372,603	729,021	44,223,462
30/09/2019	21,973,178	305,710	16,734,368	715,846	39,729,102
Surplus				2,763,019	2,763,019
Allocations	1,900,000	100,000	750,000	(2,750,000)	-
Distributions	-	-	(793,815)	-	(793,815)
30/09/2020	23,873,178	405,710	16,690,553	728,865	41,698,306

Statutory Percentages and Regulatory Capital

The Credit Union Acts and regulations require the Credit Union to maintain statutory capital and ratios in relation to its assets and liabilities.

	Requirement	30/09/2021
Regulatory Reserve	10% of assets	10.93%
Operational Risk Reserve	As determined by the Board	0.53%
Lending concentrations	10% of regulatory capital	0.00%

- i. The Credit Union policy is to maintain sufficient capital resources in order to support its growth, continue its lending and exceed the minimum capital requirements set by the Central Bank of Ireland. The Credit Unions related policies on strategy, risk and financial management set out the governance processes which are followed in order to ensure these requirements are met. There have been no reported breaches of capital requirements during the year, and there have been no material changes to the way in which the Credit Union manages its capital compared to the prior year.
- ii. Reserves contributing to regulatory capital must be realised unrestricted and non-distributable. The Board must maintain regulatory capital at or above 10% of assets. Regulatory capital excludes amounts set aside for impairments.
- iii. The Board determines from ongoing risk assessments the amount held as an operational risk reserve, and must be expressed as a percentage of assets. Included in Operational Risk is a Central Bank requirement to hold a minimum reserve for its Member Personal Current Account (MPCAS) this amount shall be determined from time to time based on the present value of obligations to the members as advised by the Central Bank. The current MPCAS risk amount is €334,393.
- iv. Where the credit union has lending concentrations to connected parties greater than 10% of its regulatory capital, the credit union must hold the amount of the exposure that is in excess of the limit in a realised reserve separate from the regulatory reserve.

Cash Flow Report

	2021	2020
	€	€
Cash flows from operating activities		
Surplus for the financial year	2,525,156	2,763,019
Depreciation	118,599	121,145
Loan Impairments	(71,822)	307,840
Total	2,571,933	3,192,004
Changes in operating assets and liabilities		
Net Movements in prepayments and accrued income	(1,329,669)	(968,357)
Net Movements in accruals and other liabilities	683,712	216,099
Movements in net loans to members	(3,259,762)	(1,748,983)
Movements in members' shares	17,673,570	15,676,533
Movements in members' Deposits	2,079,027	(3,485,878)
Net cash generated by operating activities	18,418,811	12,881,418
Cash flows from investing activities		
Net Movement in investments and cash	(8,105,212)	(23,068,955)
Purchase of fixed assets	(30,556)	(57,928)
Transfer of Engagements	-	-
Net cash generated by investing activities	(8,135,768)	(23,126,883)
Cash Flow from Financing Activities		
Dividends and rebates paid in year	-	(793,815)
Cash Flow from Financing Activities	-	(793,815)
Net (decrease) Increase in cash and cash equivalents	10,283,043	(11,039,280)
Cash and cash equivalents at beginning of year	3,250,951	14,290,231
Cash and cash equivalents at end of year	13,533,994	3,250,951
Analysis of the balances of cash and cash equivalents shown in the balance sheet		
Cash in hand	4,786,718	2,405,530
Investments repayable within 3 months	8,747,276	845,421
Total	13,533,994	3,250,951

Notes to the Financial Statements

For the year ended 30th September 2021

1. Principal Accounting Policies and Information

1.1. General Information

The Credit Union is registered under the Credit Union Act 1997, as amended. The address of the main office is St Stephens Green House, Earlsfort Terrace, Dublin 2, D02 PH42.

1.2. Statement of Compliance

The financial statements of the Credit Union are prepared in accordance with the Credit Union Act 1997, as amended incorporating the Credit Union Act 1997 (Regulatory Requirements) Regulations 2016, Ireland UK applicable accounting standards including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ["FRS 102"].

1.3. Accounting Convention

The Credit Union has prepared the annual accounts in accordance with the Credit Union Act 1997, as amended to include Statutory Instrument 1 of 2016 and Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) as issued in September 2016. In preparing the annual accounts under FRS 102, the use of certain critical account estimates and judgments has been required. The areas involving a higher degree of judgement or areas where assumptions and estimates are significant to the annual accounts, are set out in note 1.16.

The annual accounts have been prepared under the historical cost convention, which the exception of certain investments which are held at fair value through the income statement. The presentation currency of the annual accounts is euro.

1.4. Going Concern

The current economic conditions present risks and uncertainties for all businesses. The Directors have carefully considered the risks and uncertainties and the extent to which they might affect the preparation of the financial statements on a going concern basis. The Directors consider that:

- the Credit Union maintains an appropriate level of liquidity sufficient to meet the normal demands of the business and the requirements which might arise in stressed circumstances
- the availability and quality of liquid assets is such that it ensures funds are available to repay exceptional demand from its members
- other assets are primarily in the form of personal loans both secured and unsecured. Regular assessment of the recoverability of all loans is undertaken and provision made where appropriate, and
- reasonable surpluses have and will be generated in order to keep capital at a suitable level to meet regulatory requirements

As discussed in the director's report, The Directors are satisfied that the Credit Union has adequate resources to continue in business for the foreseeable future. For this reason, the accounts are prepared on a going concern basis.

1.5. Interest Income and Expense

Interest income and interest expense for all interest bearing financial instruments are recognised in 'interest receivable and similar income' or 'interest payable and similar charges' using the effective interest rates of the financial assets or financial liabilities to which they relate. The effective interest rate is the rate that discounts the expected future cash flows, over the expected life of the financial instrument, to the net carrying amount of the financial asset or liability.

There are no fees receivable or payable in relation to members' loan advances or settlements. Interest on impaired financial assets is recognised at the original effective interest rate of the financial asset applied to the carrying amount as reduced by an allowance for impairment.

1.6. Commissions

Commission receivable from the sale of third party products is recognised on fulfilment of contractual obligations, that is when products are completed.

1.7. Cash and Cash Equivalents

For the purpose of the cash flow statement, cash comprises cash in hand and amounts with banks repayable on demand. Cash equivalents comprise highly liquid, unrestricted investments that are readily convertible into cash with an insignificant risk of changes in value with original maturities of less than three months. The cash flow statements has been prepared using the indirect method.

1.8. Financial assets

The Credit Union initially recognises loans, deposits and debt securities on the date on which they originated. All other financial instruments are recognised on the trade date, being the date on which the Credit Union becomes a party to the contractual provision of the instrument.

A) Loan commitments

The Credit Union's loans and advances to members are classified as loan commitments. Loans and advances are non- derivative financial assets with fixed or determinable payments that are not quoted in an active market.

The Credit Union measures its loans and advances at amortised cost less impairment provisions. The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition, minus principal repayments, plus the cumulative amortisation using the effective interest rate method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment. The initial value recognised is the amount of the contractual loan issued to the borrower.

B) Debt instruments

Debt instruments are non-derivative assets with fixed or determinable payments and fixed maturity that the Credit Union has the positive intent and ability to hold to maturity, and which unless otherwise stated, are not designated as at fair value through the income statement. Debt investments are carried at amortised cost using the effective interest rate method (see above), less any impairment losses.

The Credit Union derecognises a financial asset when its contractual rights to a cash flow are discharged or cancelled, or expire or substantially all the risk and rewards of ownership have been transferred.

1.9. Financial Liabilities Measured At Amortised Cost

The Credit Union classifies its financial liabilities, other than financial guarantees and loan commitments, as measured at amortised cost. The Credit Union derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

1.10. Impairment of Financial Assets

a) Assets carried at amortised cost

A financial asset or group of financial assets are impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset(s) and that the loss event has an impact on the future cash flows of the asset(s) that can be estimated reliably. Throughout the year and at each year end individual assessments are made of all loans and advances and also against properties which are in possession or in arrears by three months or more and/or are subject to forbearance activities. Individual impairment provisions are made against those loans and advances where there is objective evidence of impairment.

Objective evidence of impairment may include:

- Significant financial difficulty of the borrower/issuer;
- Deterioration in payment status;
- Renegotiation of the terms of an asset due to financial difficulty of the borrower or issuer, including granting a concession/forbearance to the borrower or issuer;
- Becoming probable that the borrower or issuer will enter bankruptcy or other financial reorganisation; and
- Any other information discovered during regular review suggesting that a loss is likely in the short to medium term.

The Credit Union considers evidence of impairment for assets carried at amortised cost at both an individual asset and a collective level. Those found not to be individually impaired are then collectively assessed for any impairment that has been incurred but not yet identified by grouping together loans and advances and held to maturity investments with similar risk characteristics.

In assessing collective impairment, the Credit Union uses its historical loss experience and

certain observable local data to build a risk weighted modelling of historical trends of the probability of default, the timing of recoveries and the amount of loss incurred. Default rates, loss rates and the expected timing of future recoveries are regularly benchmarked against actual outcomes to ensure that they remain appropriate.

Impairment losses on assets measured at amortised cost are calculated as the difference between the carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate.

In considering expected future cash flows, account is taken of any discount which may be needed against the value of any property or guarantee at the balance sheet date thought necessary to achieve a sale. The Credit Union participates in an industry wide insurance scheme for the recovery of certain loans on the death or disability of its members. The costs of the insurance is funded by the Credit Union as an operational expense.

Where certain emerging impairment characteristics are considered significant but not assessed as part of the impairment calculation, the Board may elect to apply an override to the impairment provision. The amount of impairment loss is recognised immediately through the income statement and a corresponding reduction in the value of the financial asset is recognised through the use of provisions.

b) Forbearance strategies and renegotiated loans

A range of forbearance options are available to support members who are experiencing financial difficulty. The purpose of forbearance is to support members who have temporary financial difficulties and help them enter into payment arrangements which are mutually beneficial to the member and the Credit Union.

The main options offered by the Credit Union include:

- Reduced monthly payment;
- An arrangement to clear outstanding arrears; and
- Extension of loan term.

Members requesting a forbearance option will need to provide information to support the request which is likely to include a budget planner, statement of assets and liabilities, bank/credit card statements, payslips etc. in order that the request can be properly assessed. If the forbearance request is granted, the account is monitored in accordance with Central Bank Requirements. The Credit Union is obligated to retain specific provisions against rescheduled loans until the maturity of the balance. At the appropriate time, the forbearance option that has been implemented is cancelled and the member's normal contractual payment is restored, however provisions are retained on the account.

1.11. Tangible Assets – Office and IT Equipment, Fixtures and Fittings

Additions and improvements to office premises and equipment, including costs directly attributable to the acquisition of the asset, are capitalised at cost. In the balance sheet,

the value of property, plant and equipment represents the original cost, less cumulative depreciation.

The costs, less estimated residual values of assets, are depreciated on a straight-line basis over their estimated useful economic lives as follows:

- Office and IT equipment, fixtures and fittings – two to five years

Assets are reviewed for impairment at each balance sheet date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and its value in use.

1.12. Intangible Assets - Computer Software

Purchased software licences, and costs directly associated with the development of computer software are capitalised as intangible assets where the software is an identifiable asset controlled by the Credit Union which will generate future economic benefits and where costs can be reliability measured. Costs incurred to establish technological feasibility or to maintain existing levels of performance are recognised as an expense as incurred.

Intangible assets are stated at cost less cumulative amortisation and impairment losses.

Amortisation begins when the asset becomes available for operational use and is charged to the income statement on a straight-line basis over the estimated useful life of the software, which is between 3 and 7 years. The amortisation period used is reviewed annually.

Assets are reviewed for impairment at each balance sheet date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and its value in use.

1.13. Retirement Benefits

The Credit Union operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Credit Union pays fixed contributions into a separate entity. Once the contributions have been paid the Credit Union has no further payments obligations. The contributions are recognised as an expense in the Income and Expenditure Account when they fall due. Amounts not paid are shown in accruals as a liability on the Balance Sheet. The assets of the plan are held separately from the Credit Union in independently administered funds.

1.14. Taxation

The Credit Union is not liable to income tax on its activities as a Credit Union.

1.15. Provisions and Contingent Liabilities

The Credit Union has an obligation to contribute to the Deposit Guarantee Scheme to enable the Central Bank to meet compensation claims from, in particular, retail depositors of failed financial institutions. A provision is recognised to the extent it can be reliably estimated and when the Credit Union has an obligation in accordance with International Financial Reporting Interpretation Committee, Interpretation 21: Levies. The amount provided is based on information received from the Central Bank of Ireland and the Credit Unions covered share balances at its year end. Contingent liabilities are potential obligations from past events which shall be confirmed by future events. Contingent liabilities are not recognised in the balance sheet.

1.16. Accounting Estimates and Judgements

The Credit Union makes estimates and judgements that affect the reported amounts of assets and liabilities. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. These are described below:

A) Impairment losses on loans and advances to members

The Credit Union reviews its loan book at least on a quarterly basis to assess impairment. In determining whether an impairment loss should be recorded, the Credit Union is required to exercise a degree of judgement. Impairment provisions are calculated using historical arrears experience, modelled credit risk characteristics and expected cash flows.

1.17. Dividends and Returns to Members

The Credit Union determines its distributions to members annually based on its policy statement which reflects that distributions are made from current year's surplus or reserves set aside for that purpose. The Board in determining the level of distribution considers its ongoing capital requirements, budgetary needs and financial risks. It is the policy of the board to then propose a return to members. The Credit Union accounts for dividends and rebates of loan interest when members ratify such payments at the Annual General Meeting. No liability to pay a distribution exists until the majority of members vote at the AGM.

2. Interest on members' loans

	2021	2020
	€	€
Loan interest received in year	5,088,377	4,964,302
Accrued interest at 30th September	53,182	139,123
Total interest on members' loans	5,141,559	5,103,425

Included within interest income is €17,483 (2020: €26,726) in respect of interest income accrued on impaired loans one or more weeks in arrears. The credit union impairs loan interest accrued until received in cash.

3. Investment Income

Interest receivable and accrued in the annual accounts is due as follows at the year end. Other accrued income refers to amounts earned but unrealised at the balance sheet date, not being distributable by the Credit Union and is placed to the investment reserves, and released to distributable reserves when it becomes realised.

	2021	2020
	€	€
Interest received at Balance Sheet Date	813,118	423,221
Receivable within 12 months of the Balance Sheet Date (Premiums) /discount amortisation	426,159 (140,210)	967,811 (92,615)
Total Investment Income	1,099,067	1,298,417

4. Fees and Commissions

Fees Receivable	€	€
Current Account Fees	36,128	12,648
Budget Account Fees	5,938	6,576
Entrance Fees	987	1,286
Other Commissions	132	689
Total Receivable	43,185	21,199
Fees and Commissions Payable		
Banking fees and charges	(75,106)	(114,440)
Regulatory fees and levies	(288,639)	(222,705)
ILCU, CUDA and other association costs	(82,457)	(58,556)
Current Account Costs	(76,452)	(40,133)
Mortgage costs	(10,524)	(196)
Other Commissions and subscriptions	(3,547)	(3,763)
Total fees and commissions payable	(536,725)	(439,793)

5. Other operating income

	2021	2020
	€	€
LP/LS Insurance rebate	202,141	-
Other Income - Insurance claim	3,020	264,158
Total	205,161	264,158

6. Employees

The average number of persons employed by the Credit Union during the year was as follows:

	2021	2020
Full time staff	24	23
Total	24	23

	2021	2020
	€	€
Total Staff Costs	1,609,547	1,286,537

7. Remuneration of and Transaction with Officers and Related Parties

Key management compensation

Key management includes the Officers (directors and those staff members) with responsibility for specific aspects of the Credit Unions business on an individual or committee basis. Under Sec 68 [1] of the Credit Union Acts, Directors are prohibited from earning any compensation directly or indirectly in the performance of their function as a director or member of a principal committee. The section also prohibits payments to members of the Board Oversight Committee. The compensation paid or payable to key management for employee services is shown below.

	2021	2020
	€	€
Salaries	566,240	514,737
Pension costs	56,332	47,306
Tax and social welfare	65,176	57,558
Total Compensation	687,748	619,601

Transactions with Officers

The Credit Union is prohibited from making a loans to a related party which would provide that party with more favourable terms than a loan by the credit union to non-related parties (including, without limitation, terms as to credit assessment, duration, interest rates, amortisation schedules, collateral requirements). Officers of the Credit Union under arm's length transactions and in the normal course of business in their capacity as members of the Credit Union, had the following transactions and balances at the year end.

	2021	2020
	€	€
Savings Balances	765,238	608,167
Loan Balances	126,674	123,653
Loans Issued	79,516	60,673
Loans outstanding as a % of Overall Loans	0.18%	0.18%

There were no transactions outside the course of normal business with any related party during the year. Officers of the Credit Union contributed €nil to the provision for bad and doubtful debt at the year end.

Transactions with family members of officers

SI of 2019 requires the disclosure of loans to a member of the family of a member of the board of directors or the management team of a credit union; or (c) a business in which a member of the board of directors or the management team of a credit union has a significant shareholding;(10%) A family member means in relation to any person, that person's father, mother, spouse or Public partner, cohabitant, son, daughter, brother, or sister

Loans outstanding

	2021	2020
	€	€
Loans to family members	81,471	75,427
Total	81,471	75,427
As a % of Total Loans	0.12%	0.11%

8. Management Expenses

	2021	2020
	€	€
Board oversight committee expenses	-	1,592
Rent & Rates	5,783	10,010
Light, Heat & Cleaning	27,928	31,273
Repairs & Renewals	19,232	10,722
Printing & Stationary	14,764	20,528
Postage & Telephone	83,052	73,305
Donations & Sponsorship	50,000	50,000
Promotion & Advertising	137,841	134,134
Training Costs	21,143	26,578
Convention Expenses	-	4,501
AGM Expenses	31,786	30,531
Travel & Subsistence	-	176
Internal Audit fees	29,440	30,098
Audit Fees	28,782	29,020
General Insurance	85,612	70,544
Share & Loan Insurance	618,398	632,288
Legal & Professional Fees	144,143	155,846
Debt Collection	15,196	10,502
Equipment Maintenance	5,171	7,276
Computer Equipment & Licences	295,832	266,180
Provision for current accounts	10,461	-
Security Expenses	11,922	10,306
Entertainment Costs	-	2,056
Miscellaneous Expenses	20,093	12,704
Total	1,656,579	1,620,170

9. Loans to Members

	2021	2020
	€	€
Loans fully secured by savings	7,051,320	8,833,774
All other loans	63,053,519	58,011,303
Total loans	70,104,839	66,845,077
At 1st October	66,845,077	65,096,094
Loans advanced in year	36,081,510	33,598,993
Repaid in year	(32,618,334)	(31,608,283)
On transfer of engagements	-	-
Written off in year	(203,414)	(241,727)
At September 30th, Gross Loans outstanding	70,104,839	66,845,077
Impairments (see note)	(2,305,061)	(2,376,883)
Net loans outstanding	67,799,778	64,468,194

The remaining contractual maturity of loans to members from the balance sheet date is as follows, though this may not reflect the actual pattern of repayments as loans may be prepaid or fall into arrears.

	2021	2020
	€	€
Not more than 1 year	3,098,922	3,642,169
More than 1 year, less than 3 years	19,781,933	20,809,278
More than 3 years, less than 5 years	31,384,707	32,525,422
More than 5 years, less than 10 years	15,205,772	9,686,814
More than 10 years	633,505	181,394
Less Impairments	(2,305,061)	(2,376,883)
Total loans	67,799,778	64,468,194

€4 per month

Mastercard Debit Card

current account

debit

5167 4700 0000 0000

EXPIRES END 02/21

SINEAD KAVANAGH
PUBLIC SERVICE CU

Transparent Fees

Apple Pay

fitbit

G Pay

Overdraft Available

Easy to sign up

CONTACTLESS PAYMENTS

PUBLIC SERVICE CREDIT UNION LTD.
Working Together

10. Impairment Provisions for Loans to Members

The Credit Union accounts for impairments on loans as outlined in note 1. The movement in provisions during the year is outlined as follows.

	2021	2020
	€	€
At 1 October		
Collective provision	1,129,514	1,134,370
Individual provision	1,247,369	934,673
Total	2,376,883	2,069,043
Charges to provisions		
Collective provision	99,831	(4,856)
Individual provision	31,761	554,423
	131,592	549,567
Release of provisions		
Collective provision	-	-
Individual provision	(203,414)	(241,727)
	(203,414)	(241,727)
At 30 September		
Collective provision	1,229,345	1,129,514
Individual provision	1,075,716	1,247,369
Total	2,305,061	2,376,883
Net recoveries or losses recognised for the year		
Bad Debts Recovered	161,287	185,729
Net movements in impairments	71,822	(307,840)
Bad Debts written off	(203,414)	(241,727)
Net recoveries (losses) recognised in year	29,695	(363,838)

11. Tangible Fixed Assets

	Intangible Assets	Office Equipment	Fixtures & Fittings	Computers	Total
	€	€	€	€	€
Cost/Valuation					
30/09/2020	135,788	90,414	105,934	447,247	779,383
Additions in year	-	5,221	5,635	19,700	30,556
On Transfer of Citybus	-	(12,482)	(855)	-	(13,337)
30/09/2021	135,788	83,153	110,714	466,947	796,602

Depreciation

30/09/2020	119,464	79,788	83,201	198,414	480,867
Charge for the year	11,460	7,403	6,356	93,380	118,599
On Disposals	-	[12,482]	[855]	-	[13,337]
30/09/2021	130,924	74,709	88,702	291,794	586,129

Net Book Values

30/09/2021	4,864	8,444	22,012	175,153	210,473
30/09/2020	16,324	10,626	22,733	248,833	298,516

Intangible fixed assets comprise purchased software and licenses that are not an integral part of a related hardware.

12. Members Shares

Members' shares/savings are distinguished between those which are unconditionally repayable on demand and those which are committed or otherwise pledged to the credit union by virtue of loans or guarantees. The Credit Union retains rights to exercise liens over shares/savings where a member has an outstanding liability to the Credit Union in accordance with Section 20 of the Credit Union Act 1997, as amended.

	2021	2020
	€	€
On Demand	35,132,084	40,157,593
Committed Shares	155,463,047	130,684,941
Total Savings	190,595,131	170,842,534
Shares at 1st October	146,551,748	130,875,215
Receipts	61,565,636	56,222,596
Withdrawals	[43,892,066]	[40,546,063]
Shares at 30th September	164,225,318	146,551,748

13. Members Deposits

The Credit Union offers on demand and term deposits to members with existing funds, on a share transfer basis. At the year end the Credit Union offered two such fixed term accounts. Interest of €13,696 accrued on balances at year end is included in Creditors.

	2021	2020
	€	€
Deposits at 1st October	24,290,786	27,776,664
Receipts	9,051,499	10,155,387
Withdrawals	[6,972,472]	[13,641,265]
Deposits at 30th September	26,369,813	24,290,786

14. Members Budget Accounts

The credit union operates a budgeting account service on behalf of certain members who transferred from Citybus Employees' Credit Union. Members are required to clear/ close-off their budget account balances at 30 September each year. At the time of the transfer of undertakings from Citybus Employees' Credit Union on 31 August 2019, it was agreed that Public Service Credit Union would complete a review of the service within the following twelve months. The review was delayed because of the Covid-19 pandemic but was completed in July 2021. The review recommended that the credit union retain the existing budget service for the existing users, only allowing new members to join in the case of financial hardship where a budget account might be deemed to be useful. This recommendation was accepted by the Board.

	2021	2020
	€	€
Budget accounts at 1st October	127,646	101,080
Receipts	858,154	922,297
Withdrawals	(855,321)	(895,731)
Budget accounts at 30th September	130,479	127,646

15. Member Personal Current Accounts

		2021	2020
	Accounts	€	€
Debit Balances	138	25,605	21,698
Credit Balances	461	1,021,842	280,964
Total		996,237	259,266

		2021	2020
	Accounts	€	€
Permitted overdrafts	142	71,850	40,950
Total		71,850	40,950

		2021	2020
		€	€
Provisions held against current accounts		10,461	-
Total		10,461	-

16. Accruals & deferred income

Amounts accrued and due within one year comprise

	2021	2020
	€	€
Members' Prize Draw	16,745	94,572
Creditors	31,769	37,732
Accruals	298,202	370,196
Total	346,716	502,500

Liabilities under the Prize Draw account refer to draw members' only, in the event of the draw discontinuing funds are raffled among paid up members.

17. Insurance against Fraud

The Credit Union has insurance against fraud in the amount of €5,200,000 (2020: €5,200,000) in compliance with Section 47 of the Credit Union Act 1997, as amended.

18. Interest Charged on Members Loans

Interest on Members Loans is charged in accordance with the Credit Unions registered rules and the Credit Union Act 1997, as amended.

19. Pension liabilities

The Credit Union operates a defined contribution scheme on behalf of its employees. The current scheme costs are charged to the income and expenditure account in the period to which they relate. There were no outstanding pension amounts due at the year end.

20. Provision for Liabilities

Provision for liabilities include the following:

Deposit guarantee scheme and Levies

The Credit Union is obliged to hold minimum deposits with the Central Bank of Ireland in the form of minimum reserves and deposits under the Deposit Guarantee Scheme. In 2019 funds in the account were converted to a charge on the Credit Union, and balances held within the legacy account continue to fund the Credit Union charge until expiry. The Credit Union is liable for the charge at 0.02% of covered savings until 2024.

Provision for Employee Benefits

Provision for Employee Benefits relate to Holiday Pay. The holiday year runs from January to December each year and at 30th September the credit union employees have accrued holiday entitlements which will be paid to them in the following financial year.

	<i>2021</i>	<i>2020</i>
	€	€
Short term payroll accruals	38,676	18,520
Provisions held against current accounts	10,461	-
Central Bank levies	284,233	204,697
Total	322,909	223,217

21. Returns to Members

At the 30th of September the Directors have identified €349,856 in the dividend reserves of the Credit Union which they propose to return to members. The amounts are in respect of dividends and a rebate of loan interest which may be paid by resolution of the majority of members voting, at the Annual General Meeting. The Amounts represent a dividend on shares of 0.01% (€15,653) and a rebate of loan interest at 6.50% (€334,203). No distribution was proposed to be made to members in the September 2020 year end.

22. Capital commitments

There were no capital commitments at the balance sheet date.

23. Post Balance Sheet Events

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

24. Financial instruments

The Credit Union is a retailer of financial instruments in the form of mortgages, personal loans and savings products, and also uses financial instruments to invest in liquid assets and manage its surplus funds. The Credit Union does not raise funds from wholesale money markets in support of its retail operations. The Credit Union has a formal structure for managing risk, including formal risk policies, risk limits, reporting structures, mandates and other control procedures. This structure is reviewed regularly by the Board. The Credit Union does not use any derivative financial instruments, not enter into any financial instruments for trading or speculative purposes. The Credit Unions assets and liabilities are measured on an ongoing basis at amortised cost. The table below analyses the Credit Unions assets and liabilities by category to which they are recognised and measured in accordance with accounting policies in note 1.



At the presentation to Charity of Choice 2021 MS Ireland on 3rd November, from left Noel Cocoman, Mary McKeon, Fiona Butler, Joe Carey (all PSCU) and Ava Battles, MS Ireland



At the presentation to Charity of Choice 2021 MS Ireland on 3rd November, PSCU Chairman Don Bailey joins the presentation & presents the cheque remotely

Carrying value by category 30th September 2021

	Debt instruments at amortised cost	Debt instruments at fair value	Financial liabilities at amortised cost	Other financial instruments at amortised cost	Total
ASSETS					
Cash and equivalents	13,533,994	-	-	-	13,533,994
Bank Deposits	102,579,900	-	-	-	102,579,900
Debt Securities	19,746,628	9,022,500	-	-	28,769,128
Members loans	67,799,778	-	-	-	67,799,778
Central Bank	-	-	-	16,514,959	16,514,959
Total financial assets	203,660,300	9,022,500	-	16,514,959	229,197,759
Non-financial assets					7,417,175
Total	203,660,300	9,022,500	-	16,514,959	236,614,934
LIABILITIES					
Members Savings	-	-	191,721,847	-	191,721,847
Creditors and Provisions	-	-	669,625	-	669,625
Total financial liabilities			192,391,472		192,391,472
Reserves					44,223,462
Total					236,614,934

At the year end, the Credit Union has loan commitments of €832,354 (2020: €173,950) in the form of loans approved but undrawn/unissued pipeline.



At the presentation to Charity of Choice 2021 MS Ireland on 3rd November

Carrying value by category 30th September 2020

	Debt instruments at amortised cost	Debt instruments at fair value	Financial liabilities at amortised cost	Other financial instruments at amortised cost	Total
ASSETS					
Cash and equivalents	3,250,951	-	-	-	3,250,951
Bank Deposits	103,020,750	-	-	-	103,020,750
Debt Securities	25,063,090	4,000,000	-	-	29,063,090
Members loans	64,468,194	-	-	-	64,468,194
Central Bank	-	-	-	7,674,935	7,674,935
Other Loans	-	-	-	-	0
Total financial assets	195,802,985	4,000,000	-	7,674,935	207,477,920
Non-financial assets					6,175,549
Total	-	4,000,000	-	7,674,935	213,653,469
LIABILITIES					
Members Savings	-	-	171,229,446	-	171,229,446
Creditors and Provisions	-	-	725,717	-	725,717
Total financial liabilities			171,955,163		171,955,163
Reserves					41,698,306
Total					213,653,469

Fair value is the value for which an asset or liability could be exchanged or settled in an arm's length transaction. The Credit Union measures fair value using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: quoted prices (unadjusted) in active markets for identical instruments
- Level 2: valuation techniques for which all significant inputs are based on observable market data.
- Level 3: valuation techniques for which significant inputs are not based on observable market data

Where applicable, the Credit Union measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions take place with sufficient frequency and volume to provide pricing information on an ongoing basis. For all other financial instruments the Credit Union determines fair values using other appropriate valuation techniques. The Credit Union holds structured bonds not exchangeable in an active market, valuations are obtained periodically, and measured at surrender values through the income statement. Current valuations are all obtained under level 3.

Liquidity Risk

Liquidity risk is the risk that the Credit Union will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Credit Union monitors liquidity requirements on a daily basis in line with specific policies in this area, approved by the Board and in line with Central Bank requirements. The liquidity risk appetite is supported by qualitative and quantitative measures that are monitored by the Board on a monthly basis.

The Credit Union's policy is to maintain sufficient funds in a liquid form at all times to ensure that the Credit Union can cover all fluctuations in funding, retain public confidence in the solvency of the Credit Union and to enable the Credit Union to meet its financial obligations and regulatory ratios.

The following table analyses the remaining contractual maturity of the Credit Union's financial assets and liabilities. In practice the contractual maturities are not always reflected in actual experience. For example loans to members can repay ahead of contractual maturity or fall into arrears beyond that date. Members savings accounts which are typically on demand can also be repaid later than on the earliest date on which repayment can be requested.

At 30th September 2021

	Less than 1 year	More than 1 year, but not more than 3 years	More than 3 years but not more than 5 years	More than 5 year but not more than 10 years	More than 10 years	Total
	€	€	€	€	€	€
Financial assets						
Cash & Cash Equivalents	13,533,994					13,533,994
Bank Deposits	10,001,269	13,078,631	28,500,000	51,000,000	-	102,579,900
Debt Securities	1,755,445	19,384,441	1,602,439	6,004,303	-	28,746,628
Members loans	3,098,922	19,781,933	31,384,707	15,205,772	633,505	70,104,839
Funds at Central Bank	16,514,959	-	-	-	-	16,514,959
Total financial assets	44,904,589	52,245,005	56,487,146	77,210,075	181,394	231,480,320
Financial liabilities						
Savings	171,643,225	9,993,595	7,859,293	2,165,408	60,326	191,721,847
Total financial liabilities	171,643,225	9,993,595	7,859,293	2,165,408	60,326	191,721,847

At 30th September 2020

	Less than 1 year	More than 1 year, but not more than 3 years	More than 3 years but not more than 5 years	More than 5 year but not more than 10 years	More than 10 years	Total
	€	€	€	€	€	€
Financial assets						
Cash & Cash Equivalents	3,250,951					3,250,951
Bank Deposits	21,942,119	10,828,631	21,750,000	48,500,000	-	103,020,750
Debt Securities	9,683,613	10,829,582	8,549,895	-	-	29,063,090
Members loans	3,642,169	20,809,278	32,525,422	9,686,814	181,394	66,845,077
Funds at Central Bank	7,674,935	-	-	-	-	7,674,935
Total financial assets	46,193,787	42,467,491	62,825,317	58,186,814	181,394	209,854,803
Financial liabilities						
Savings	147,727,928	11,907,855	9,918,590	1,631,251	43,822	171,229,446
Total financial liabilities	147,727,928	11,907,855	9,918,590	1,631,251	43,822	171,229,446

Credit Risk

The Credit Union's credit risk arises from its portfolio of loans to members and from potential losses on investments with other financial institutions that could result from the failure of treasury counterparties to observe the terms of the contract entered into. The Credit Union has no risk appetite for material credit losses, this is controlled through observations of legislation and regulations, the appointment of committees, credit quality rules, underwriting standards and counterparty limits.

All loan applications are assessed with reference to the Credit Union's lending policy. Changes to policy are approved by the Board and the approval of loan applications is mandated. Appropriate credit limits have been established by the Board for individual exposures and together with Central Bank guidelines on credit exposures. Policies are continually monitored by the Board, Board Oversight Committee and internal audit.

Credit risk in respect of treasury counterparties is assessed using a number of methodologies to include rating agencies and Central Bank Regulations. For treasury related counterparties, the Credit Union is limited to a maximum 25% exposure to any one counterparty of investments made.

The Credit Union's maximum credit risk exposure is detailed in the table below:

	2021	2020
	€	€
Cash and liquid assets	13,533,994	3,250,951
Investments	147,863,987	139,758,775
Members loans	67,799,778	64,468,194
Less savings attached to loans	(35,132,084)	(40,157,593)
Total balance sheet exposure	194,065,675	167,320,327
Off Balance Sheet Loans approved but unissued	832,354	173,950
Total Exposure	194,898,029	167,494,277

Credit Quality Analysis of Counterparties

The table below sets out information about the exposure the Credit Union has to counterparties for debt securities, and other investments/liquid cash deposits with credit institutions. Amounts held with financial institutions are analysed by their Moodys Credit rating at the year-end.

	2021	2020
	€	€
A	-	5,200,000
A1	76,431,593	44,815,321
A2	29,685,656	31,137,121
A3	10,300,000	18,311,980
Aa3	11,456,098	29,506,938
Baa1	6,004,303	-
Baa2	22,497,830	14,038,365
BBB	5,022,500	-
Total	161,397,980	143,009,725

At the balance sheet date there are no provisions for impairment against any investment made by the Credit Union.

Credit Quality Analysis of Loans to Members

	Personal loans unsecured 2021 €	Personal loans unsecured 2020 €
Neither past due nor impaired	66,252,915	61,468,091
1 to 9 weeks	2,532,239	3,731,774
10 to 18 weeks	263,722	365,395
19 to 26 weeks	192,360	260,535
27 to 39 weeks	146,969	334,714
40 to 52 weeks	223,947	112,347
53 weeks plus	492,687	572,221
Total	70,104,839	66,845,077
Impairment Allowance		
Individual	1,075,716	1,247,369
Collective	1,229,345	1,129,514
Total Allowance	2,305,061	2,376,883

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency risk, interest rate risk and other price risk. Of these, only interest rate risk is significant for the Credit Union. The Credit Union is not directly exposed to currency risk as it deals only with products in euro, and its products are only interest orientated so are not exposed to other pricing risks.

The Credit Union is exposed to movements in interest rates reflecting the mismatch between the dates on which interest receivable on assets and interest payable on liabilities are next reset to market rates or if earlier, the dates on which the instruments mature. The Credit Union manages this exposure on a regular basis, within the limits set by the Board, however as the Credit Union only declares its dividends at the year-end based on such market rates, the board considers its sensitivity to such rates as marginal.

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T&C's apply

Public Service Credit Union is regulated by the Central Bank of Ireland



Carol Timmins leaves the Earl Place office in June 2021



Siobhán Cuddihy (left) presented with flowers by Fiona Butler as she goes on maternity leave in November 2021. Baby Óisín has arrived safely



New Lending Manager, Dylan Costello, joins PSCU in October 2021

Invocation

Lord,

Make me an instrument of Thy peace;
Where there is hatred, let me sow love;
 Where there is injury, pardon;
 Where there is doubt, faith;
 Where there is despair, hope;
 Where there is darkness, light;
and where there is sadness, joy.

O Divine Master,

Grant that I may
not so much seek to be consoled as to console;
 to be understood as to understand;
 to be loved as to love;
 for it is in giving that we receive,
 it is in pardoning that we are pardoned,
and it is in dying that we are born to eternal life.

In memory of our members who died during the year

On behalf of the members we would like to extend our sincerest sympathies to their families, friends and colleagues.

Michael Anthony Farmer	Dymphna Dykes
Maura McQuaid	Rita Rocca
Denis Byrne	Thomas Gallagher
John O'Connor	Gregory O'Connor
Donal Kivlehan	John Byrne
Martin Kilbane	Deirdre Bridger
Brian Minnock	Eamon Mullen
Denise Logue-Meehan	Patrick James Lynam
Joseph Monaghan	Mary Carney
Michael McDonnell	Desmond Shanley
Michael Organ	Breeda Kennedy
Joseph Tierney	Maria O'Brien
Mary Gallagher	Philip Jackson
Colm Casey	Nancy Heaney
Susan Kane	Chris Kelly
Jimmy Cunningham	Niall Elmes
Grainne Dockery	Peter Lalor
Austin Cunningham	John Jones
John P. Franklin	Bernard Read
Jimmy Clarke	Gerry Noctor
Patrick Quinn	Kenneth Cole
Patricia Dowling	Michael Clare
Damien Walker	Grace McHugh
Michael Murphy	

Ar dheis Dé go raibh a n-anamacha dílse

CAR DRAW BANK ACCOUNT 2020/21

1 Oct 2020	Opening balance	B/F	94,571.73	
30 Sep 2021	Members' contributions		388,596.17	
	Prize payments			465,000.00
	Direct draw expenses			1,422.94
30 Sept 2021	Carried forward to Christmas Draw 2021	C/F		16,744.96
			483,167.90	483,167.90



**Cora O'Sullivan,
car draw winner in
February 2021**



**Iva Collins,
car draw winner in
March 2021**



**David Clarke,
car draw winner in
April 2021**

MONTHLY CAR DRAW

MAKE SURE YOU ARE A MEMBER OF THE MONTHLY CAR DRAW.

For less than €1 per week, you get the chance to drive away a Toyota Corolla Hybrid each month. There are also three runner-up cash prizes each month and a monster draw from time to time to distribute any surplus in the draw.

Download the application form

pscu.ie/downloads

Cars are supplied by **Denis Mahony Toyota Kilbarrack**



CAR DRAW WINNERS 2020-2021

Oct-20	Kay Dowling, Dept. of Defence, retired
Nov-20	Patrick J. Hammond, Dept. of Defence, retired
Dec-20	Declan Wilson, Dept. of Agriculture, Food and the Marine
Jan-21	Denise Hanrahan, Dept. of Foreign Affairs
Feb-21	Cora O'Sullivan, Dept of Justice, retired
Mar-21	Iva Collins, Central Statistics Office
Apr-21	David Clarke, Dublin Bus
May-21	Terry Tierney, Dept. of Social Protection
Jun-21	No draw due to switch to new look draw
Jul-21	Monster draw for old car draw surplus
Aug-21	Brenda McCormack, Dept. of Education
Sep-21	Brendan Coogan, Dept. of Finance

TOTAL PRIZES TO MEMBERS €465,000 DURING THE YEAR!

PSCU Car Loan



Interest rate of just 6.9% (7.12% APR)*

Representative repayments over 5 years.

Car Loan	Term	130 Fortnightly Repayments	Total Amount Payable
€10,000	5 years	€91.00	€11,829.73
€15,000	5 years	€136.50	€17,744.59
€20,000	5 years	€182.00	€23,659.45

All figures are for illustrative purposes only.
Variable Representative Example as at 01/12/2020.

Call 01 662 2177 or
email: loans@pscui.ie

WARNING: If you do not meet the repayments on your credit agreement, your account will go into arrears. This may affect your credit rating, which may limit your ability to access credit in the future.

*Variable Rate of Interest. Loans are subject to approval. APR means annual percentage rate. Terms and conditions apply.

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