

**PUBLIC  
SERVICE  
CREDIT  
UNION LTD.**



*Working Together*

# Annual Report 2022

## **Annual General Meeting**

14th December 2022

**See details inside**

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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](mailto:info@pscui.ie) Web: [www.pscui.ie](http://www.pscui.ie)

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



## Notice of Annual General Meeting (in person and online)

Dear Member,

Notice is hereby given that the Annual General Meeting (AGM) of Public Service Credit Union Limited will be held on **Wednesday, 14th December 2022**, in the Radisson Blu Hotel, Golden Lane, Off George's Street, Dublin 2, commencing at **6:30pm**.

As the AGM will be held in hybrid format this year, members are also welcome to join the AGM online where they will be able to participate in the meeting by casting their votes online and by asking any questions they wish.

Members attending the AGM in person do not need to register prior to the meeting.

### The Registration and Attendance Process for Online Attendees

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 Thursday, 8th December 2022. Your email should include your name and telephone number, but you should not include your member number, for security reasons.

- Preferably, 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 online and containing a link that you can click to join the AGM on 14th 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 online by writing to the Secretary of the credit union at Public Service Credit Union, 1st Floor, St. Stephen's Green House, Earlsfort Terrace, Dublin 2, D02 PH42, by 5pm on Thursday, 8th December. The credit union will write to you enclosing a meeting link.
- A telephone number will be provided to all members who register for online attendance 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 6.30pm on 14th December, online attendees are asked to join the meeting from 6.00pm onwards to help with the process of verifying members' identities and admitting them to the AGM.

If you have any questions regarding attendance at the AGM, please call the credit union office on 01-6622177.

### Leo Bollins

Secretary

11th November 2022

There will be a prize draw for AGM attendees (both in person and online). Guest speaker will be **Sinead Ryan, broadcaster, and property & personal finance journalist** at Independent Newspapers.

## 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 2021 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. Report of the Board Oversight Committee (page 8)
11. Report of Nomination Committee (page 16)
12. Election of Auditor
13. Election of the Board of Directors
14. Election of the Board Oversight Committee
15. Any Other Business
16. Announcement of Election Results
17. Raffle Details
18. Close of Meeting

## BOARD OF DIRECTORS 2022

Leo Bollins, Secretary

Ben Byrne

Joe Carey

Brendan Doherty

Larry Dunne, Chairperson

Michael Flannery

Margot Loughman

Mary McKeon

Karen Murphy

Ciaran Rohan

Roisin Walsh

*Houses of the Oireachtas*

*Dublin Bus (retired)*

*Transport (retired)*

*Health*

*Public Expenditure and Reform (retired)*

*Dublin Bus*

*Children, Equality, Disability, Integration and Youth*

*Finance (retired)*

*Public Expenditure and Reform*

*AHCPS*

*Public Expenditure and Reform*

## BOARD OVERSIGHT COMMITTEE 2022

Anne McLaughlin

Annette Boyle

Dave Breslin, Chairperson

*Revenue Commissioners*

*Revenue Commissioners (retired)*

*Agriculture (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

On behalf of your Board of Directors, I am delighted to present to you our Annual Report & Accounts for the year ended 30th September 2022. I hope that you find the report both informative and interesting. The annual report is published each year in advance of the Annual General Meeting which takes place this year on 14 December.

The AGM, which will be held in hybrid form this year following two years of virtual meetings, is the single most important event for the credit union each year. It's where the Board and the Board Oversight Committee report back to the members on the development and operations of the credit union over the past twelve months.

This year has been an interesting one for the credit union movement in general. The dramatic change of direction for inflation and interest rates at the start of 2022 was quite a turning point, after so many years of low inflation and negative interest rates. It's a mixed development for credit unions. On the one hand, higher interest rates are very tough on members with mortgages or those who rely on fixed savings or fixed pensions. On the other hand, negative interest rates were difficult for credit unions to manage, given the amount of funds that were required to be maintained at negative rates for liquidity purposes.

Public Service Credit Union has performed well over the past year, from both a financial and development perspective. The report of the CEO on the next page will give you further details on both. Personally, I took great satisfaction from the development of the mortgage service, where there are twenty-eight mortgages in place at the date of writing.

The credit union was very pleased to accept a transfer of engagements from Citybus Employees' Credit Union in August 2019 and remains open to further collaborations with other credit unions over the next few years. Mergers of likeminded credit unions allow for services to members to be improved more rapidly, including the important digital transformation of services. In this regard, I am very pleased to let you know that we are in discussions with another credit union that may lead to a further transfer of engagements in the first half of 2023. The Board would warmly welcome that outcome if it proceeds.

A reminder that the credit union has social as well as economic goals. Examples of the social side in action includes the Charity of Choice, the Seamus P. MacEoin Third Level Education Prize Draw, the programme of charitable donations and the insurance benefits at no direct cost to the member. Members of PSCU can be rightly proud of this aspect of the credit union.

Finally, I wish to thank my colleagues on the Board and the Board Oversight Committee for all their work over the past year, all done on a voluntary basis with great dedication. I also wish to thank the staff of the credit union for their hard work on behalf of the members over the year.

I look forward to seeing as many of you as possible at the AGM, whether in person or remotely.

**LARRY DUNNE** | CHAIRPERSON

11th November 2022

## REPORT OF THE CEO

I am very pleased to report to you regarding the year ended 30 September 2022, another year of growth at the credit union. Members continued to use the credit union in large numbers with a healthy increase in the membership and in the total loan book, two useful indicators of how the credit union is progressing

Highlights of the year included:

- The introduction of online joining for new members, including ID, address and PPSN verifications.
- A new Green Home Improvement Loan, launched in March.
- A new Welcome Loan, introduced in July.
- The introduction of loan applications using the PSCU mobile phone app., complementing the existing online loan applications.
- A large number of new current accounts, many from members moving from Ulster Bank and KBC Bank as they prepare to exit the Irish market.
- Improvements in the current account service including the ability to suspend your own debit card and to turn on payment notifications to your mobile.
- An extension of DocuSign to allow the signing of credit agreements using an email link.
- The maturity of the first tranche of fixed term deposits launched in 2019.
- The embedding of mortgage lending.
- Further cash prizes added to the third level educational prize draw.
- Detailed analysis and reporting in relation to our risk management and operational resilience.

The financial highlights of the year were as follows:

- Loan interest income at €5.5M is ahead of last year by 6.8%.
- Salaries and management expenses, at €3.9M is largely unchanged on last year, although we can expect that inflation will have an impact over the next twelve months
- The resulting surplus at €2.95M is ahead of last year by 16.7%.
- At the end of the financial year, the loan book had increased by almost 13% over the same time last year.
- Total member savings increased by 5.9% to €203.1M, including members' shares, deposits, and current accounts.
- Total reserves increased by 5.9% to €46.8M, some 18.7% of assets. This is a great foundation that has been built up over the years and underpins the security of the credit union.

This year, the credit union had two very significant and unexpected financial events. Firstly, credit unions voted to take a refund of a large portion of the contributions made to the Irish League of Credit Unions Stabilisation Protection Scheme over the years – this resulted in a gain to the credit union of almost €995,000.

Secondly and completely separately, the very unexpected change in interest rates in early 2022 led to a big drop in the value of all types of investment bonds. For the first time in years,

Central Banks both in Europe and America felt the need to increase interest rates to combat rising inflation. That inflation has stayed higher than expected throughout 2022, in part due to the war in Ukraine that has squeezed commodity and energy prices. Higher interest rates usually impact negatively on bonds. While the book value of most of our investment bonds were unaffected, a corporate bond fund that we are invested in (with the giant French investment manager Amundi) saw heavy losses because of the accounting treatment of such funds under accounting standard FRS 102. The market value loss was just over 17.5% of the funds invested, or almost €878,000. While this was entirely unwelcome, the good news is that the fund is managed on an "invest and hold" basis so our investments committee expects most of these losses to be reversed over the next few years as the underlying corporate bonds, none of which are impaired at present, approach their maturity. These two significant financial events effectively cancelled each other out in our accounts for this year.

Last year, it was indicated that the credit union was open to investing a small portion of its reserves in a social housing fund, because such an investment would fit well with the ethos of the credit union. I am pleased to confirm that an amount of €2M was invested in one of the available credit union social housing investment funds.

This year the Board is recommending a dividend of 0.01% of members average shares during the year, the same as last year. The Board is also recommending a 7.5% loan interest rebate - this 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'm hoping to see a number of developments at the credit union, including further changes in the ongoing digital transformation of the loans service.

Finally, I wish to thank the Board of Directors and the Board Oversight Committee for their leadership and support during the year. I also wish to thank the other volunteers and my colleagues on the staff for their hard work and for delivering for the members.

**Paul Ryan** | CEO

Irish credit unions have topped the national CXi Ireland Customer Experience league table for an incredible eight successive year.

This is a prestigious and large-scale survey conducted annually by Amárach Research that carries great weight.



## Report of the Donations Committee

Donations were made to various charities and fund-raising events during the year including those listed below. Our annual Charity of Choice this year is the mental health charity Aware. A donation was made to the Irish Red Cross for their Ukraine emergency appeal in March and to Concern for their Pakistan emergency floods appeal in September.

- ILCU Foundation
- St. Vincent De Paul
- Simon Community
- Salvation Army
- Charlie Curran Memorial Run
- The Cavan Centre
- Kilkenny Great War Memorial Committee
- Irish Red Cross
- Pieta House
- Irish Motor Neurone Disease Association
- Irish Cancer Society
- St. Francis Hospice
- Our Lady's Hospice
- Alzheimer Society of Ireland
- Down Syndrome Ireland
- Safe Ireland
- Children's Health Foundation
- St Michael's House
- Dublin Bus Phibsboro FC
- RNLI
- Irish Community Air Ambulance
- Arc Cancer Support
- NBRU Pensioners Association
- Concern
- Aware

The **"Charity of Choice"** for 2021/22 is **Aware**. On 18 November 2022, Joe Carey from the Donations Committee and both Noel Cocoman and Fiona Butler from the PSCU staff are due to present the cheque to Aware at a presentation in the National Concert Hall. Expected in attendance are a representation from various Aware branches, PSCU Chairman Larry Dunne as well as some of the other PSCU board members and staff.



### Donations Committee

*John Kehoe, Fiona Butler, Louise Kennedy, Joe Carey*



## Seamus P. MacEoin Third Level Educational Prize Draw Winners



Congratulations to the six winners of the 2022/23 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 2022/2023

The draw took place for the 2021/22 Bursary on 2 November 2022. The lucky winners are:

#### 6 Bursary winners:

- **Lucy Sheridan**
- **Henry Reidy**
- **Orlaith Cadden**
- **Roisin Dawson**
- **Sarah DeLappe**
- **Moya Ibbotson**

#### 12 Extra Draw Winners:

For 2022/23, the credit union awarded 12 prizes of €1,000 to the extra prize draw.

- **Derek Keogh**
- **Maria O'Donohoe**
- **Katie Grogan**
- **Damien McGlynn**
- **Maura O'Connor**
- **Ryan Dwyer**
- **Fionn Murphy**
- **Adam Ronan**
- **Amy McGovern**
- **Helen Casey**
- **Hannah Grenville**
- **Evan Carney**

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.

Last year the credit union 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 this year is 28 February 2023 and entry forms will be available on [pscu.ie/downloads](https://pscu.ie/downloads).

## Report of the Board Oversight Committee

The Credit Union Act, 1997 (as amended) requires the appointment of a Board Oversight Committee (BOC) to assess whether the Board of Directors has operated in accordance with Part IV and Part IV (a) and any other regulations under the legislation and any other matter as prescribed by the Central Bank of Ireland.

The BOC works on behalf of the members of the credit union to ensure the members' interests are protected. They are independent from the Board of Directors.

The committee has discharged its obligations including the following:

- Met on a monthly basis.
- Reviewed reports and minutes for all Board meetings.
- Observed at all Board meetings.
- Attended at subcommittee meetings.
- Attended and participated in relevant training courses.
- Assessed and met with the Board of Directors on four occasions during the year as required under legislation.

The Board Oversight Committee is satisfied to report that the actions and decisions of the Board of Directors of Public Service Credit Union (PSCU) are compliant with current legislation and regulation.

A number of our meetings were held remotely and the BOC would like to acknowledge and thank the cooperation of the Board of Directors and the assistance of the staff of PSCU in accommodating the BOC in our role.

### Board Oversight Committee

*Dave Breslin, Annette Boyle, Anne McLaughlin*



**Celebrating the thirtieth anniversary of the credit union in June 2022, Ann Burke and Tony Quinlan, former Credit Union Directors at Citybus Employees' Credit Union**

## Report of the Credit Control Committee

The Board of Directors appoints the Credit Control Committee following the AGM each year. The Committee works to ensure that members repay their loans in accordance with the terms of their credit agreements. The committee met regularly throughout the year and reported to the board each month.

Most members repay their loans on time, and we thank them for this. Some members' 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.

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
2020	€185,729
2021	€161,287
2022	€183,280

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

### Credit Control Committee

*Anne Gallen, Angelina Cirillo, Kate Smith*  
[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 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, cyber security, Information Technology (IT), etc. All audit findings have been addressed or are in the process of being 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 COVID-19, the changing economic environment, IT systems and services and the threat of cyber-attacks. In addition, operational resilience has now to be closely monitored and reported on under the Central Bank guidelines. 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

*Mary McKeon, Karen Murphy, Ben Byrne, Brendan Doherty, Robert Butler*

## Report of the Membership Committee

Membership continued to grow in 2022 with 1,549 joining during the year. Credit must go to the credit union staff who continued to process applications promptly and to a high standard throughout the year. It is also encouraging to see so many new members joining the credit union. Total active membership now stands at 23,621.

The new credit union membership app has been very successful with the majority of new applications for membership now being received online. As a result, the processing of applications is much more efficient. Applicants for membership are encouraged to use it rather than submitting paper applications, although these will still continue to be accepted.

Members are also reminded that should they need to physically visit the credit union there are two public offices available, the original office in St. Stephens Green House, Earlsfort Terrace, Dublin 2 and another in Earl Place, Dublin 1 which is behind the old Clerys Department Store.

Noel Cocoman, Development Officer continued to maintain contact with departments and agencies through a large number of webinar presentations and physical visits throughout the year. Noel is happy to continue to provide the webinar service until circumstances permit a return to more physical presentations at staff meetings, induction courses, seminars, wellness days and network group meetings. Please contact Noel or the Membership Coordinator Angelina Cirillo at PSCU if you are interested in a presentation for your Department.

### Membership Committee

*Joe Carey, Phyllis Flynn, Michael Flannery  
[Convenor – Angelina Cirillo, Membership Coordinator]*



*Founder members celebrating the thirtieth anniversary of the credit union in June 2022, front row, from left to right, Jean O'Toole, Leo Bollins and Margaret Clerkin and back row, Ursula Nolan, Joan Larkin, Catherine Pedley, Anne McLaughlin and Annette Boyle.*

## Report of the Credit Committee

Lending to members remains to the forefront of what the credit union offers its members, with loans producing 92% of the credit union's income this year. Lending must be prudent and in compliance with the regulations as set out by the Central Bank with ability to repay and credit worthiness being the main considerations in granting a loan.

Once again, lending has grown during another very challenging year from COVID-19 to the war in Ukraine. In excess of 6,500 new loans were issued to the value of €42 million, an increase of 16% on last year. Our loan balance now stands at €79.2 million including personal loans of €76 million. We had 27 mortgages at 30 September 2022 totalling €3.2 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 2022.

Type of Loan	APR %	Number of Loans	% of Total Loans
Standard	8.68%	3,281	50.2%
Secure (within savings)	5.01%	1,513	23.2%
Car	7.12%	476	7.3%
Home Improvement	7.12%	358	5.5%
Green Home Improvement	6.06%	15	0.2%
Education	5.01%	144	2.2%
Holiday	6.06%	294	4.5%
Christmas	7.12%	205	3.2%
Welcome Loan	5.01%	224	3.4%
Mortgage	3.56%	22	0.3%

As you can see, Public Service Credit Union has very competitive interest rates with no hidden fees or charges.

**The credit union has paid a loan interest rebate back to members in each of the last several years (except for the year 2020, the first year of Covid-19) - the above rates do not reflect this annual rebate.**

### Loan Interest Rebate

The Board will recommend a loan interest rebate of 7.5%. 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 has been a factor of PSCU lending for some years and it shares the lending success with the members who have supported the credit union by borrowing during the year.

The average loan issued during 2021/2022 was for €6,400 and 96.4% of loans applied for have been approved.

Members can apply for a loan online and two thirds of all borrowers are now applying for their loans in this way. A document upload facility makes sending payslips and other supporting documents to the credit union much easier. The loan application and document upload facilities are now also available through our mobile phone App. When added to the DocuSign facility for signing credit agreements online and by email, borrowing from the credit union couldn't be simpler.

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 €2,000 must be cross referenced and checked to the Central Credit Register (CCR)
2. All loans, €500 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.

The committee 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]*



# **SEAMUS P. MacEOIN THIRD LEVEL EDUCATION PRIZE DRAW**

*Congratulations to our*  
**BURSARY WINNERS**



**LUCY SHERIDAN**  
WESTMEATH



**SARAH DELAPPE**  
MEATH



**ORLAITH CADDEN**  
CAVAN



**MOYA IBBOTSON**  
OFFALY



**HENRY REIDY**  
TIPPERARY



**ROISIN DAWSON**  
DUBLIN





# SEAMUS P. MACEOIN THIRD LEVEL EDUCATION PRIZE DRAW



*Congratulations to our*  
**EXTRA DRAW WINNERS**



**DEREK KEOGH**  
DUBLIN 15



**MARIA O'DONOHUE**  
WESTMEATH



**KATIE GROGAN**  
LUCAN, CO DUBLIN



**DAMIEN MCGLYNN**  
ROSCOMMON



**MAURA O'CONNOR**  
KERRY



**RYAN DWYER**  
DUBLIN 8



**FIONN MURPHY**  
LOUTH



**ADAM RONAN**  
DUBLIN 11



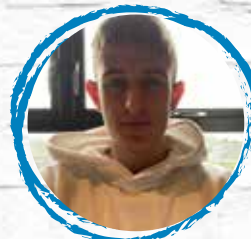
**AMY MCGOVERN**  
SLIGO



**HELEN CASEY**  
SLIGO



**HANNAH GRENVILLE**  
LUCAN, CO DUBLIN



**EVAN CARNEY**  
MAYO

## 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.

The term of office of four Board members expires at the AGM this year and all four are offering themselves for re-election. The term of office of one Board Oversight Committee member also expires at this AGM and that member is offering themselves for re-election. A final report will be presented to the members at the AGM 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, Margot Loughman, Mary McKeon, Ben Byrne, Karen Murphy*



**Celebrating the thirtieth anniversary of the credit union in June 2022, staff members  
Kate Smith and Dylan Costello**

### 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.





**Celebrating the thirtieth anniversary of the credit union in June 2022, staff members  
Laura Conlan and Louise Kennedy**



**Celebrating the thirtieth anniversary of the credit union in June 2022, from top left,  
Chairperson Larry Dunne, former Director Don Bailey and Director of the Irish League of  
Credit Unions Vanessa Foran**

# Directors' Report and Business Review

The Directors present their report and results with the audited financial statements for the year ended 30th September 2022.

## 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 7.50% 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 2022 has been very favorable, notwithstanding the ongoing Covid19 pandemic.
- The surplus delivered in 2022 added to the Credit Union's capital strength, with regulatory capital standing at 11.12% and total reserves of 18.68%. The surplus generated of €2,947,359 is after the Credit Union has made allowances for fair value losses on investments of €908,816 and a refund of contributions made to the Irish League of Credit Unions Stabilisation Protection Scheme, amounting to €994,840.

## Key Performance Indicators

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

	2022 €	2021 €	2020 €
Total assets	250,642,807	236,614,934	213,653,469
Regulatory capital	27,875,000	25,873,178	23,873,178
Total savings	203,135,484	191,721,847	171,229,446
Expense to Income	42%	59%	51%
Regulatory Capital	11.12%	10.93%	11.17%
Total Capital	18.68%	18.69%	19.52%

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 in this year it 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 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. Credit risk also arises in the form of investment management where an issuer may default on their contractual obligations. 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 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

Larry Dunne	Public Expenditure & Reform (Retired)
Mary McKeon	Finance (Retired)
Leo Bollins	Houses of the Oireachtas
Ciaran Rohan	AHCPS
Ben Byrne	Dublin Bus (Retired)
Joe Carey	Transport (Retired)
Brendan Doherty	Health
Michael Flannery	Dublin Bus
Roisin Walsh	Public Expenditure & Reform
Karen Murphy	Public Expenditure & Reform
Margot Loughman	Children, Equality, Disability, Integration and Youth

### BOC

Anne McLaughlin	Revenue Commissioners
Annette Boyle	Revenue Commissioners (Retired)
David Breslin	Agriculture (Retired)

In accordance with the Credit Union Act 1997, as amended, the following directors' members retire by rotation and are outgoing for the 2022 financial year. For the 2023 year, the following Directors offer themselves for re-election.

### Board

Leo Bollins	Ben Byrne
Margot Loughman	Karen Murphy

In accordance with the Credit Union Act 1997, as amended, the following BOC member retires by rotation and is outgoing for the 2022 financial year. For the 2023 year, the following BOC Member offers themselves for re-election.

### BOC

Annette Boyle

## 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

This year the prize fund is an amazing €87,000  
(the car draw surplus on 30 September 2022)

Car draw members in the September draw included automatically

## PRIZES:

**Draws from 1<sup>st</sup> December to 16<sup>th</sup>  
December, six prizes of €1,000  
each working day**

Building up to two extra, star prizes on the final two days

**11th Draw of Christmas - €5,000 extra star prize**

**12th Draw of Christmas - €10,000 extra star prize**

(The usual monthly car draw also takes place in December)





## Statement of Directors' Responsibilities

*For the year ended 30th September 2022*

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

**Larry Dunne**

*Chairperson*

# Statement of Board Oversight Committee Responsibilities

*For the year ended 30th September 2022*

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

**David Breslin**

*Chairperson*

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

*For the year ended 30th September 2022*

### Opinion

We have audited the financial statements of Public Service Credit Union Limited for the year ended 30th September 2022, 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 2022 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.

### **Graham Burke CPA**

*Statutory Auditor*

*For & on behalf of*

DBCO (Duffy Burke & Co)

Statutory Audit Firm & Certified Public Accountants, Galway

2nd November, 2022

## 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 2022

	Note	2022	2021
Interest on members' loans	2	5,490,141	5,141,559
Interest on investments	3	1,110,801	1,099,067
Interest Payable and Similar Charges		(91,677)	(94,561)
Net interest income		6,509,265	6,146,065
Fees and commissions receivable	4	57,656	32,724
Fees and commissions payable	4	371,858	(536,725)
Other Operating Income	5	147,979	205,161
<b>Total net income</b>		<b>7,086,758</b>	<b>5,847,225</b>
Employment costs	6	(1,553,090)	(1,609,547)
Management expenses	8	(1,655,674)	(1,646,118)
Depreciation and amortisation	11	(104,207)	(118,599)
Operating surplus before impairment losses and provisions		3,773,787	2,472,961
Net Impairments (recoveries) on loans to members	10	82,388	29,695
Gains (losses) on Investments		(908,816)	22,500
<b>Surplus for year</b>		<b>2,947,359</b>	<b>2,525,156</b>
Other comprehensive income		-	-
<b>Total income for year</b>		<b>2,947,359</b>	<b>2,525,156</b>

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 02/11/2022 signed on behalf of the Credit Union by:

**Larry Dunne**  
Chairperson

**Paul Ryan**  
CEO

**Annette Boyle**  
Board Oversight Committee

## Balance Sheet

as at 30th September 2022

	Note	2022	2021
		€	€
<b>ASSETS</b>			
Cash and cash equivalents	24	29,547,778	13,533,994
Deposits with Banks	24	103,078,631	102,579,900
Debt Securities	24	31,070,319	28,769,128
Central Bank	24	2,007,063	16,514,959
Loans to Members	9	76,959,828	67,799,778
Tangible fixed assets	11	127,360	210,473
Other receivables		7,851,828	7,206,702
<b>Total Assets</b>		<b>250,642,807</b>	<b>236,614,934</b>
<b>LIABILITIES</b>			
Members' shares	12	174,228,873	164,225,318
Members' Deposits	13	25,490,535	26,369,813
Members' Current Accounts	15	3,304,623	996,237
Members' Budget Scheme	14	111,453	130,479
Accruals and deferred income	16	346,456	357,177
Provisions for liabilities	20	345,396	312,448
<b>Total Liabilities</b>		<b>203,827,336</b>	<b>192,391,472</b>
<b>Assets less Liabilities</b>		<b>46,815,471</b>	<b>44,223,462</b>
<b>RESERVES</b>			
Regulatory reserve		27,875,000	25,873,178
Other reserves		18,940,471	18,350,284
<b>Total Reserves</b>		<b>46,815,471</b>	<b>44,223,462</b>

The annual accounts were approved by the board on the 02/11/2022 signed on behalf of the Credit Union by:

**Larry Dunne**  
Chairperson

**Paul Ryan**  
CEO

**Annette Boyle**  
Board Oversight Committee

## Statement of Reserves and Changes in Members' Interests

Balance	Regulatory Reserve €	Operational Risk Reserve €	Distributions Reserve €	Retained Earnings €	Total Reserves €
30/09/2021	25,873,178	1,248,660	16,372,603	729,021	44,223,462
Surplus				2,947,359	2,947,359
Allocations	2,001,822	67,248	878,289	(2,947,359)	-
Distributions	-	-	(355,350)	-	(355,350)
30/09/2022	27,875,000	1,315,908	16,895,542	729,021	46,815,471
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

### 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	30/09/2022
Regulatory Reserve	10% of assets	11.12%
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 €346,291.
- 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

	2022	2021
	€	€
<b>Cash flows from operating activities</b>		
Surplus for the financial year	2,947,359	2,525,156
Depreciation	104,207	118,599
Loan Impairments	(63,047)	(71,822)
<b>Total</b>	<b>2,988,519</b>	<b>2,571,933</b>
<b>Changes in operating assets and liabilities</b>		
Net Movements in prepayments and accrued income	(645,126)	(1,329,669)
Net Movements in accruals and other liabilities	2,311,587	683,712
Movements in net loans to members	(9,097,003)	(3,259,762)
Movements in members' shares	10,003,555	17,673,570
Movements in members' Deposits	(879,278)	2,079,027
<b>Net cash generated by operating activities</b>	<b>4,682,254</b>	<b>18,418,811</b>
<b>Cash flows from investing activities</b>		
Net Movement in investments and cash	11,708,661	(8,105,212)
Purchase of fixed assets	(21,781)	(30,556)
<b>Net cash generated by investing activities</b>	<b>11,686,880</b>	<b>(8,135,768)</b>
<b>Cash Flow from Financing Activities</b>		
Dividends and rebates paid in year	(355,350)	-
<b>Cash Flow from Financing Activities</b>	<b>(355,350)</b>	<b>-</b>
<b>Net (decrease) Increase in cash and cash equivalents</b>	<b>16,013,784</b>	<b>10,283,043</b>
Cash and cash equivalents at beginning of year	13,533,994	3,250,951
<b>Cash and cash equivalents at end of year</b>	<b>29,547,778</b>	<b>13,533,994</b>
<b>Analysis of the balances of cash and cash equivalents shown in the balance sheet</b>		
Cash in hand	6,006,636	4,786,718
Investments repayable within 3 months	23,541,142	8,747,276
<b>Total</b>	<b>29,547,778</b>	<b>13,533,994</b>

# Notes to the Financial Statements

For the year ended 30th September 2022

## 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.

#### **B) Determination of depreciation, useful economic life and residual value of tangible fixed assets**

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

#### **C) Interest on members loans is accrued regularly, loans are considered impaired when past due, the Credit Union uses judgment to determine the impairment amount on loan interest**

### **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

	2022	2021
	€	€
Loan interest received in year	5,449,662	5,088,377
Accrued interest at 30th September	40,479	53,182
<b>Total interest on members' loans</b>	<b>5,490,141</b>	<b>5,141,559</b>

Included within interest income is €10,681 (2021: €17,483) 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.

	2022	2021
	€	€
Interest received at Balance Sheet Date	683,119	813,118
Receivable within 12 months of the Balance Sheet Date	475,977	426,159
(Premiums) /discount amortisation	(48,295)	(140,210)
<b>Total Investment Income</b>	<b>1,110,801</b>	<b>1,099,067</b>

## 4. Fees and Commissions

<b>Fees Receivable</b>	€	€
Current Account Fees	50,144	25,667
Budget Account Fees	5,549	5,938
Entrance Fees	1,496	987
Other Commissions	467	132
<b>Total Receivable</b>	<b>57,656</b>	<b>32,724</b>

### **Fees and Commissions Payable**

Banking fees and charges	89,522	75,106
Regulatory fees and levies	337,171	288,639
ILCU, CUDA & other association costs	64,715	82,457
Current Account Costs	85,479	76,452
Mortgage costs	41,420	10,524
Other Commissions and subscriptions	4,675	3,547
ILCU Stabilisation Protection Scheme Refund*	(994,840)	-
<b>Total fees and commissions payable</b>	<b>(371,858)</b>	<b>536,725</b>

\*During the year the Credit Union received a refund from the ILCU Stabilisation Protection Scheme following a vote by members at the ILCU National Convention in April 2022



## 5. Other operating income

	2022	2021
	€	€
LP/LS Insurance rebate	147,979	202,141
Other Income	-	3,020
<b>Total</b>	<b>147,979</b>	<b>205,161</b>

## 6. Employees

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

	2022	2021
Full time staff	28	24
<b>Total</b>	<b>28</b>	<b>24</b>

	2022	2021
	€	€
<b>Total Staff Costs</b>	<b>1,553,090</b>	<b>1,609,547</b>

## 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.

	2022	2021
	€	€
Salaries	533,884	566,240
Pension costs	65,154	56,332
Tax and social welfare	59,317	65,176
<b>Total Compensation</b>	<b>658,355</b>	<b>687,748</b>

### Transactions with Officers

The Credit Union is prohibited from making 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.

	2022	2021
	€	€
Savings Balances	711,536	765,238
Loan Balances	154,233	126,674
Loans Issued	87,637	79,516
<b>Loans outstanding as a % of Overall Loans</b>	<b>0.19%</b>	<b>0.18%</b>

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

	2022	2021
	€	€
Loans to family members	109,127	81,471
Total	109,127	81,471
As a % of Total Loans	0.14%	0.12%

### 8. Management Expenses

	2022	2021
	€	€
Rent & Rates	8,633	5,783
Light, Heat & Cleaning	37,874	27,928
Repairs & Renewals	9,542	24,403
Printing & Stationary	27,666	14,764
Postage & Telephone	65,816	83,052
Donations & Sponsorship	75,000	50,000
Promotion & Advertising	65,931	101,841
Training Costs	25,564	21,143
AGM Expenses	26,603	31,786
Internal Audit fees	25,658	29,440
Audit Fees	28,800	28,782
General Insurance	95,340	85,612
Share & Loan Insurance	632,258	618,398
Legal & Professional Fees	165,085	144,143
Debt Collection	11,277	15,196
Computer Equipment & Licences	265,435	295,832
Security Expenses	10,974	11,922
PSCU Bursary	49,845	36,000
Miscellaneous Expenses	28,373	20,093
Total	1,655,674	1,646,118

## 9. Loans to Members

	2022	2021
	€	€
Loans secured by first legal charge (Mortgages)	3,277,284	468,828
Loans fully secured by savings	7,244,348	7,051,320
All other loans	68,680,210	62,584,691
<b>Total loans</b>	<b>79,201,842</b>	<b>70,104,839</b>
At 1st October	70,104,839	66,845,077
Loans advanced in year	42,015,614	36,081,510
Repaid in year	(32,754,672)	(32,618,334)
Written off in year	(163,939)	(203,414)
At September 30th, Gross Loans outstanding	79,201,842	70,104,839
Impairments (see note)	(2,242,014)	(2,305,061)
<b>Net loans outstanding</b>	<b>76,959,828</b>	<b>67,799,778</b>

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.

	2022	2021
	€	€
Not more than 1 year	3,186,821	3,098,922
More than 1 year, less than 3 years	19,512,756	19,781,933
More than 3 years, less than 5 years	36,616,079	31,384,707
More than 5 years, less than 10 years	16,746,442	15,205,772
More than 10 years	3,139,744	633,505
Less Impairments	(2,242,014)	(2,305,061)
<b>Total loans</b>	<b>76,959,828</b>	<b>67,799,778</b>

**€4 per month**

**Transparent Fees**

**Mastercard Debit Card**

**Contactless Payments**

**Easy to sign up**

**Overdraft Available**

Apple Pay

fitbit

G Pay

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## 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. At the year end there were no provisions in respect of mortgage balances. (2021, nil).

	2022	2021
	€	€
At 1 October		
Collective provision	1,229,345	1,129,514
Individual provision	1,075,716	1,247,369
<b>Total</b>	<b>2,305,061</b>	<b>2,376,883</b>
<b>Charges to provisions</b>		
Collective provision	(12,361)	99,831
Individual provision	113,253	31,761
	100,892	131,592
<b>Release of provisions</b>		
Collective provision	-	-
Individual provision	(163,939)	(203,414)
	(163,939)	(203,414)
At 30 September		
Collective provision	1,216,984	1,229,345
Individual provision	1,025,030	1,075,716
<b>Total</b>	<b>2,242,014</b>	<b>2,305,061</b>
<b>Net recoveries or losses recognised for the year</b>		
Bad Debts Recovered	183,280	161,287
Net movements in impairments	63,047	71,822
Bad Debts written off	(163,939)	(203,414)
<b>Net recoveries (losses) recognised in year</b>	<b>82,388</b>	<b>29,695</b>

## 11. Tangible Fixed Assets

	Intangible Assets	Office Equipment	Fixtures & Fittings	Computers	Total
	€	€	€	€	€
<b>Cost/Valuation</b>					
30/09/2021	135,788	83,153	110,714	466,947	796,602
Additions in year	-	10,263	3,971	7,547	21,781
On Transfer of Citybus	-	(20,393)	-	(1,736)	(22,129)
30/09/2022	135,788	73,023	114,685	472,758	796,254
<b>Depreciation</b>					
30/09/2021	130,924	74,709	88,702	291,794	586,129
Charge for the year	3,912	2,526	7,346	90,423	104,207
On Disposals	-	(20,393)	-	(1,049)	(21,442)
30/09/2022	134,836	56,842	96,048	381,168	668,894

**Net Book Values**

30/09/2022	952	16,181	18,637	91,590	127,360
30/09/2021	4,864	8,444	22,012	175,153	210,473

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. Inclusive of Budget and Current Accounts, savings are represented as follows.

	2022	2021
	€	€
Those committed	30,195,249	36,258,800
Those on demand	172,940,235	155,463,047
Total Savings	203,135,484	191,721,847
Shares at 1st October	164,225,318	146,551,748
Receipts	63,483,943	61,565,636
Withdrawals	(53,480,388)	(43,892,066)
Shares at 30th September	174,228,873	164,225,318

**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 €11,329 accrued on balances at year end is included in Creditors.

	2022	2021
	€	€
Deposits at 1st October	26,369,813	24,290,786
Receipts	13,436,329	9,051,499
Withdrawals	(14,315,607)	(6,972,472)
Deposits at 30th September	25,490,535	26,369,813

**14. Members Budget Accounts**

The credit union operates a budgeting account service on behalf of certain members who transferred from Citybus Employees' Credit Union.

	2022	2021
	€	€
Budget accounts at 1st October	130,479	127,646
Receipts	833,471	858,154
Withdrawals	(852,497)	(855,321)
Budget accounts at 30th September	111,453	130,479

## 15. Member Personal Current Accounts

	2022
	€
Debit Balances	34,215
Credit Balances	3,338,838
<b>Total</b>	<b>3,304,623</b>

	2022
	€
Permitted overdrafts	96,377
<b>Total</b>	<b>96,377</b>

Provisions held against overdrawn balances are included in Creditors and amount to €14,838, [2021 €10,461].

## 16. Accruals & deferred income

Amounts accrued and due within one year comprise

	2022	2021
	€	€
Members' Prize Draw	87,429	16,745
Creditors	56,726	42,230
Accruals	202,301	298,202
<b>Total</b>	<b>346,456</b>	<b>357,177</b>

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.

	2022	2021
	€	€
Short term payroll accruals	21,658	38,676
Central Bank levies	323,738	273,772
<b>Total</b>	<b>345,396</b>	<b>312,448</b>

### 21. Returns to Members

At the 30th of September the Directors have identified €423,200 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% (€16,100) and a rebate of loan interest at 7.50% (€407,100). Prior year distributions proposed amounted to dividends of €15,653, and rebates of €334,203.

### 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.

## Carrying value by category 30th September 2022

	Debt instruments at amortised cost	Debt instruments at fair value	Financial liabilities at amortised cost	Other financial instruments at amortised cost	Total
<b>ASSETS</b>					
Cash and equivalents	29,547,778	-	-	-	29,547,778
Bank Deposits	103,078,631	-	-	-	103,078,631
Debt Securities	24,971,523	6,098,796	-	-	31,070,319
Members loans	76,959,828	-	-	-	76,959,828
Central Bank	-	-	-	2,007,063	2,007,063
<b>Total financial assets</b>	<b>234,557,760</b>	<b>6,098,796</b>	<b>-</b>	<b>2,007,063</b>	<b>242,663,619</b>
Non-financial assets					7,979,188
<b>Total</b>	<b>234,557,760</b>	<b>6,098,796</b>	<b>-</b>	<b>-</b>	<b>250,642,807</b>
<b>LIABILITIES</b>					
Members Savings	-	-	199,830,861	-	199,830,861
Creditors and Provisions	-	-	691,852	-	691,852
Current Accounts	-	-	3,304,623	-	3,304,623
<b>Total financial liabilities</b>			<b>203,827,336</b>		<b>203,827,336</b>
Reserves					46,815,471
<b>Total</b>					<b>250,642,807</b>



**Celebrating International Credit Union Day in the Earl Place office, from left, staff member Elizabeth Singhatay, Satish Kumar and Jacinta Burke.**



## 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
<b>ASSETS</b>					
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
Other Loans	-	-	-	-	0
<b>Total financial assets</b>	<b>203,660,300</b>	<b>9,022,500</b>	<b>-</b>	<b>16,514,959</b>	<b>229,197,759</b>
<b>Non-financial assets</b>					<b>7,417,175</b>
<b>Total</b>	<b>203,660,300</b>	<b>9,022,500</b>	<b>-</b>	<b>16,514,959</b>	<b>236,614,934</b>
<b>LIABILITIES</b>					
Members Savings	-	-	190,725,610	-	190,725,610
Creditors and Provisions	-	-	669,625	-	669,625
Current Accounts	-	-	996,237	-	996,237
<b>Total financial liabilities</b>			<b>192,391,472</b>		<b>192,391,472</b>
Reserves					44,223,462
<b>Total</b>					<b>236,614,934</b>

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 2.

## 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 daily 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 monthly.

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 2022

	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	29,547,778					29,547,778
Bank Deposits	5,828,631	16,250,000	24,500,000	56,500,000	-	103,078,631
Debt Securities	5,002,197	6,913,919	11,166,986	6,033,271	1,953,946	31,070,319
Members loans	3,186,821	19,512,756	36,616,079	16,746,442	3,139,744	79,201,842
Funds at Central Bank	2,007,063	-	-	-	-	2,007,063
<b>Total financial assets</b>	<b>45,572,490</b>	<b>42,676,675</b>	<b>72,283,065</b>	<b>79,279,713</b>	<b>5,093,690</b>	<b>244,905,633</b>
Financial liabilities						
Savings	180,247,992	8,949,217	8,695,104	1,907,732	30,816	199,830,861
Current Accounts	3,304,623					3,304,623
<b>Total financial liabilities</b>	<b>175,494,009</b>	<b>9,791,062</b>	<b>15,911,865</b>	<b>1,907,732</b>	<b>30,816</b>	<b>203,135,484</b>

At the balance sheet date, the Credit Union had loan commitments of € 866,400 in the form of loans approved but undrawn/unissued in pipeline. Prior year amounts unissued € 832,354

## 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
<b>Total financial assets</b>	<b>44,904,589</b>	<b>52,245,005</b>	<b>61,487,146</b>	<b>72,210,075</b>	<b>633,505</b>	<b>231,480,320</b>
Financial liabilities						
Savings	170,646,988	9,993,595	7,859,293	2,165,408	60,326	190,725,610
Current Accounts	996,237					996,237
<b>Total financial liabilities</b>	<b>171,643,225</b>	<b>9,993,595</b>	<b>7,859,293</b>	<b>2,165,408</b>	<b>60,326</b>	<b>191,721,847</b>

## 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:

	2022	2021
	€	€
Cash and liquid assets	29,547,778	13,533,994
Investments	136,156,013	147,863,987
Members loans	76,959,828	67,799,778
Less savings attached to loans	(26,779,173)	(35,132,084)
<b>Total balance sheet exposure</b>	<b>215,884,446</b>	<b>194,065,675</b>
Off Balance Sheet Loans approved but unissued	866,400	832,354
<b>Total Exposure</b>	<b>216,750,846</b>	<b>194,898,029</b>

### 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.

	2022	2021
	€	€
A1	87,022,003	76,431,593
A2	21,522,817	29,685,656
A3	12,050,000	10,300,000
Aa3	7,758,622	11,456,098
Baa1	6,033,271	6,004,303
Baa2	25,218,282	22,497,830
BBB	4,144,850	5,022,500
Unrated*CU Approved Housing Fund	1,953,546	-
<b>Total</b>	<b>165,703,391</b>	<b>161,397,980</b>

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



**Celebrating the thirtieth anniversary of the credit union in June 2022, from left, retired staff member Margaret Brennan, Director Ciaran Rohan and Board Oversight Committee member, Anne McLaughlin**

## Credit Quality Analysis of Loans to Members

	Personal loans unsecured 2022 €	Personal loans unsecured 2021 €
Neither past due nor impaired	75,500,684	66,252,915
1 to 9 weeks	2,331,740	2,532,239
10 to 18 weeks	347,793	263,722
19 to 26 weeks	200,704	192,360
27 to 39 weeks	203,450	146,969
40 to 52 weeks	125,428	223,947
53 weeks plus	492,043	492,687
<b>Total</b>	<b>79,201,842</b>	<b>70,104,839</b>
Impairment Allowance		
Individual	1,025,030	1,075,716
Collective	1,216,984	1,229,345
<b>Total Allowance</b>	<b>2,242,014</b>	<b>2,305,061</b>

### 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.

# Deposit Guarantee Scheme

## Depositor Information Sheet

Basic information about the protection of your eligible deposits	
Eligible deposits in Public Service Credit Union Limited are protected by:	The Deposit Guarantee Scheme ("DGS") [1]
Limit of protection:	€100,000 per depositor per credit institution [2]
If you have more eligible deposits at the same credit institution:	All your eligible deposits at the same credit institution are 'aggregated' and the total is subject to the limit of €100,000 [2]
If you have a joint account with other person(s):	The limit of €100,000 applies to each depositor separately [3]
Reimbursement period in case of credit institution's failure:	10 working days [4]
Currency of reimbursement:	Euro
To contact Public Service Credit Union Limited for enquiries relating to your account:	Public Service Credit Union Limited, St. Stephen's Green House, Earsfort Terrace, Dublin 2 Tel: 01 6622177 www.pscu.ie
To contact the DGS for further information on compensation:	Deposit Guarantee Scheme, Central Bank of Ireland, New Wapping Street, North Wall Quay, Dublin 1 Tel: 01-224 5800 Email: info@depositguarantee.ie
More information:	www.depositguarantee.ie

### Additional information

#### 1. Scheme responsible for the protection of your deposit

Your deposit is covered by a statutory deposit guarantee scheme. If insolvency should occur, your eligible deposits would be repaid up to €100,000.

#### 2. General limit of protection

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

#### 3. Limit of protection for joint accounts

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

#### 4. Reimbursement

The responsible deposit guarantee scheme is: Deposit Guarantee Scheme, Central Bank of Ireland, New Wapping Street, North Wall Quay, Dublin 1. Tel: 01-224 5800. Email: info@depositguarantee.ie. Website: www.depositguarantee.ie. It will repay your eligible deposits (up to €100,000) within 10 working days from 1 January 2021 to 31 December 2023; and within 7 days from 1 January 2024 onwards, save where specific exceptions apply. Where the repayable amount cannot be made available within seven working days depositors will be given access to an appropriate amount of their covered deposits to cover the cost of living within five working days of a request. Access to the appropriate amount will only be made on the basis of data provided by the credit institution. If you have not been repaid within these deadlines, you should contact the deposit guarantee scheme.

#### 5. Temporary high balances

In some cases, eligible deposits which are categorised as “temporary high balances” are protected above €100,000 for six months after the amount has been credited or from the moment when such eligible deposits become legally transferable. These are eligible deposits relating to certain events which include: (a) certain transactions relating to the purchase, sale or equity release by the depositor in relation to a private residential property; (b) sums paid to the depositor in respect of insurance benefits, personal injuries, disability and incapacity benefits, wrongful conviction, unfair dismissal, redundancy, and retirement benefits; (c) the depositor’s marriage, judicial separation, dissolution of civil partnership, and divorce; (d) sums paid to the depositor in respect of benefits payable on death; claims for compensation in respect of a person’s death or a legacy or distribution from the estate of a deceased person. More information can be obtained at [www.depositguarantee.ie](http://www.depositguarantee.ie)

#### 6. Exclusions

A deposit is excluded from protection if: [1] The depositor and any beneficial owner of the deposit have never been identified in accordance with money laundering requirements. [2] The deposit arises out of transactions in connection with which there has been a criminal conviction for money laundering. [3] It is a deposit made by a depositor which is one of the following:

- credit institution
- financial institution
- investment firm
- insurance undertaking
- reinsurance undertaking
- collective investment undertaking
- pension or retirement fund (Deposits by Small Self-Administered Pension Schemes are not excluded)
- public authority Further information about exclusions can be obtained at [www.depositguarantee.ie](http://www.depositguarantee.ie)

### Other important information

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

## 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.

Dominic Barry	Alice Mary Griffin	Kieran O'Connor
Kathleen Bergin	Anne Halion	Noel Edmond O'Connor
Colm Birkett	Mary Hanley	Patrick Dwyer
Kathleen Bonar	Dave Hegarty	Eillis Oliver
Patrick Bradley	Evelyn Hobbs	Ann Olwill
Alan Brereton	Raymond Hudson	Christine O'Regan
Deirdre Brogan	Lisa Hughes Molloy	Thomas O'Reilly
Gabriel Burke	Jerry Hughes	Keith Pearson
Kevin Cahill	Martin Kane	Eileen Perry
Martha Canning	Michael Kavanagh	Hubert Pierce
Grainne Carty	Gerry Kelsh	Margaret Pillay
Patrick Casey	Brona Keogh	Thomas Pomphrett
Bernard Coleman	Fiona Lambert	Michael Prior
Tony Connolly	Aidan Lenehan	Donal Quigley
Dorothy Corr	Noirin Lynch	Tom Quigley
Declan Curley	Peter D Lynch	Noeleen Quinn
Margaret Devenney	Martin Madden	Sean Quinn
Dermot Donegan	Sinead Madden	Derek Reid
Patrick Dowling	Linda Maloney	Elizabeth Reynolds
Aedin Doyle	Frank Marshall	Martina Royal
Martin Doyle	Sheila McBride	James Rush
William Duffy	Kathleen McElligott	David Ryan
Michael Finglas	Eileen McGovern	Liam Ryan
John Fitzsimons	Helene McInerney	Thomas Ryan
James Flannery	Linda Meade	Declan Shiels
John Foley	Margaret Mernagh	Daniel Slattery
Joseph Foy	Liz Moore	Sandra Smith
Breda Furlong	Annette Murphy	Nora Thomas
Marian Garland	Michael Murphy	Susan Turley
Patrick Grace	Sinead O'Brien	Myra Wall

**Ar dheis Dé go raibh a n-anamacha dílse**

## PRIZE DRAW BANK ACCOUNT 2021/22

1 Oct 2021	Opening balance	B/F	16,744.96	
30 Sep 2022	Members' contributions		483,240.00	
	Prize payments			410,450.00
	Direct draw expenses			2,106.40
30 Sept 2022	Carried forward to Christmas Draw 2022	C/F		87,428.56
			<b>499,984.96</b>	<b>499,984.96</b>



**Carmel Meade,  
car draw winner in March 2022**



**Rosaleen Tubridy,  
car draw winner in June 2022**



### Christmas Opening Hours

Fri 23 December	9.00am – 2.30pm
Mon 26 December	Closed
Tue 27 December	Closed
Wed 28 December	Closed
Thu 29 December	9.00am – 3.00pm
Fri 30 December	9.00am – 2.30pm
Mon 2 January	Closed

*Public Service Credit Union wishes all its members  
peace and happiness at Christmas and the New Year*

# 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 four 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

[pscui.ie/downloads](https://pscui.ie/downloads)

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



## CAR DRAW WINNERS 2021-2022

Oct-21	Una McGovern, Department of Justice
Nov-21	Ken Boylan, Dublin Bus (retired)
Dec-21	Paul Sheridan, Central Statistics Office
Jan-22	Taiwo Shotunde, Department of Justice
Feb-22	Michelle Rana, Dublin Bus
Mar-22	Carmel Meade, Department of Social Protection (retired)
Apr-22	Helen Martin, Department of Education (retired)
May-22	Olwen Stafford, Department of Justice
Jun-22 2 car special	Rosaleen Tubridy, Department of Finance William Kavanagh, Department of Justice (retired)
Jul-22	Marguerite Ward, Data Protection Commission
Aug-22	Donna Kennedy, Department of Social Protection
Sep-22	Emma Higgins, Insolvency Service of Ireland
Oct-22	Breeda Shanley, Department of Justice

The draw continues to be run on a not-for-profit basis and is independently observed and audited.

**€410,450**  
**TOTAL PRIZES TO MEMBERS DURING THE YEAR**

# PSCU Car Loan

**PSCU** ✓  
**Finance**

Diesel?

Petrol?

?

Electric?

Hybrid?

Plug-in  
Hybrid?



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](mailto: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.

PUBLIC SERVICE CREDIT UNION LTD. IS REGULATED BY THE CENTRAL BANK OF IRELAND.