



PORTADOWN
CREDIT UNION
LIMITED

2020
ANNUAL REPORT
and ACCOUNTS

Registration number CU59

**Portadown Credit Union Limited Directors' report and
financial statements for the year ended 30 September 2020**

PORTADOWN CREDIT UNION LIMITED

Directors	Eamonn Fleming Bryan McLaughlin Bernadette McGinnell Geraldine Lawless Anita Tennyson Maria McGilly Bryan Murphy Conor McParland	President Vice President Treasurer Assistant Treasurer Resigned 02/07/2020
Secretary	Anita Tennyson Maria McGilly	(Appointed 30/11/19) (Resigned 30/11/19)
Supervisors	John McNally Mary Mackle	(Appointed 30/11/19) (Resigned 17/10/19)
Internal Auditors	PGM Chartered Accountants	
Company number	CU59	
Registered office	26 Market Street Portadown Craigavon Co. Armagh BT62 3LD	
Auditors	Cleaver Black Suite 5, Ormeau House 91-97 Ormeau Road Belfast BT7 1SH	
Business address	26 Market Street Portadown Craigavon Co. Armagh BT62 3LD	

PORTADOWN CREDIT UNION LIMITED

Bankers

Bank of Ireland
43 High Street
Portadown
BT62 1HY

First Trust Bank
4 Market Street
Lurgan
BT66 6AQ

Danske Bank
45-48 High Street
Portadown
BT62 1LB

Solicitors

R. M. Cullen & Son
16-22 Edward Street
Portadown
BT62 3NA



NOTICE OF ANNUAL GENERAL MEETING

*Annual General Meeting
Portadown Credit Union
26 Market Street, Portadown
On Thursday 3rd December 2020
At 7pm*

AGENDA

- (a) Ascertainment that a quorum is present;
- (b) Adoption of standing orders;
- (c) Approval of the minutes of the last annual general meeting
- (d) President's Address
- (e) Report of Directors;
- (f) Report of the treasurer and consideration of accounts;
- (g) Report of the auditor;
- (h) Report of the Internal Auditor
- (i) Declaration of dividend and rebate of interest
- (j) Report of the credit committee;
- (k) Report of the supervisory committee;
- (l) Report of credit control committee;
- (m) Report of membership officer;
- (n) Report of Marketing Committee incorporating Education and Training Committee;
- (o) Report of Insurance Committee
- (p) Report of the nominating committee;
- (p) Election of auditor;
- (r) Election of directors;
- (s) Election of supervisors;
- (t) Any other business;
- (u) Announcement of election results;
- (v) Adjournment or close of meeting.

Nominations for the position of Supervisors shall be in writing signed by a Proposer and Seconder who shall be members of the Credit Union and also by the Nominee so as to indicate his/her consent and shall be sent by hand or post so as to reach the registered Office of the Credit Union at least three days before the date of the Annual General Meeting. All such Nominees must be members of the Credit Union and of full legal age.

PRESIDENT'S ADDRESS

I am happy and honoured to report to you, the membership of Portadown Credit Union, that we have, in spite of many adverse influences, reached the end of another successful year. There have been a number of positive and negative elements which have combined to make this a most unusual twelve months.

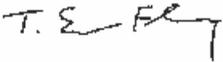
The most pervasive negative influence has been that caused by the Covid 19 worldwide pandemic. It has caused problems in every aspect of life including work practices. I am happy to assure you that our staff has been able to offer a full range of services throughout the period while taking all the necessary precautions to ensure the safety of staff and members. It is fair to say that there have been a number of modifications needed, from time to time, in response to the directions of the Health Authorities. At all times we have operated within the parameters of Credit Union principles. Some of our outreach programme to schools has been badly affected. We were able to organise the Schools Quiz in February but the Art competition had to be abandoned.

A very positive aspect has been our successful move to our new town centre premises in Market Street, Portadown. The project was completed on time and we have reason to be grateful to the architects (O'Hagan Associates, represented by Damian Morris), the main contractor (Eugene Duffy Construction Ltd. represented by Paul Duffy) and the full range of highly skilled sub-contractors. They have all created a wonderful project on our behalf. The actual transfer from William Street to Market Street, Portadown involved a massive effort on the part of our manager, staff and a number of volunteers. Co-ordination of the various elements needed was a huge undertaking and was completed willingly and cheerfully.

Management, staff and volunteers strive to safeguard the assets of your credit union. It is becoming more difficult, in the present low interest regime, to discover investment opportunities which will show a good return but our finance committee has striven to identify all such opportunities. We have to spread our investments, within ethical and financially secure organisations, to reduce the risk of loss. Our operations are subject to the oversight of the regulators, PRA and FCA. This oversight requires us to maintain a first-class system of operations in the areas of investing and lending. We are required to subject our activities to internal and external supervision. We have been using a mix of voluntary and professional internal audit. We have also appointed professional auditors, CleaverBlack (Statutory Auditors), to produce our annual accounts. The areas of Compliance and Risk Management are so vital that we have been using a specialised member of staff to advise other staff, management and the Board on the issues. This year we lost the services of Leanne Digney, due to ill-health. We have been able to recruit a successor namely, Rachel Wilson. We have great hopes that she will continue to keep us right regarding compliance and risk management.

It would be remiss of me to fail to acknowledge the debt of gratitude I owe to my fellow volunteers on the Board and the other committees of our Credit Union. During this year we lost the services of Conor McParland, who resigned for personal reasons. We were joined, in that capacity, by Brian Murphy, who has fitted in really well. Mary Mackle resigned from her position as Supervisor, having served for a number of years. We were delighted to welcome John McNally as a Supervisor and to benefit from his observations. Vincent Kelly continues to volunteer and we appreciate his efforts. We really do need more people to volunteer in various capacities. I can assure you of the warmest of welcomes to this hardworking group of people.

It only remains for me to thank you, the members of Portadown Credit Union, for maintaining your commitment to our wonderful co-operative organisation.

A handwritten signature in black ink, appearing to read 'T. E. Fleming'. The signature is written in a cursive style with a large, stylized 'F' at the end.

T Eamonn Fleming

President

PORTADOWN CREDIT UNION LIMITED

DIRECTORS' REPORT

for the year ended 30 September 2020

The directors have pleasure in submitting their annual report together with the audited financial statements of the Credit Union for the year ended 30 September 2020.

Principal activity

During the year the principal activities were the promotion of thrift amongst members through the accumulation of savings and the making available of credit to members at a reasonable rate of interest.

Business review and future developments

During the year the main activities of the Credit Union remained unchanged and the directors anticipate that any future developments will be related to these activities.

Results for the year

The income and expenditure account is set out on page 5. The directors propose a dividend of 0.1% amounting to £25,268 (2019: £137,588) and an interest rebate of 7.5% amounting to £103,724 (2019: £267,175).

Directors' responsibilities

The Credit Unions (Northern Ireland) Order 1985, and any amendments thereto requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the credit union and of the income and expenditure of the credit union for that year. In preparing these the directors are required to:

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

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

PORTADOWN CREDIT UNION LIMITED
DIRECTORS' REPORT

for the year ended 30 September 2020

Statement of disclosure of information to auditors

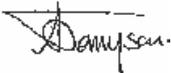
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- So far as that director is aware, there is no relevant audit information of which the Credit Union's auditors are unaware; and
- They have taken all the steps that they ought to have taken as directors in order to be aware of any information needed by the Credit Union's auditors in connection with preparing their report and to establish that the Credit Union's auditors are aware of that information.

Auditors

In accordance with the Credit Unions (Northern Ireland) Order 1985 (as amended), a resolution proposing that Cleaver Black be reappointed as auditors of the credit union will be put to the Annual General Meeting.

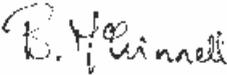
This report was approved by the Board on 4th November 2020 and signed on its behalf by



Anita Tennyson
Secretary



Eamonn Fleming
Director



Bernadette McGinnell
Treasurer

TREASURER'S REPORT

The financial report for the year ended 30th September 2020

	2020	2019
Member's Savings (shares)	30,935,971	28,211,578
Loans to members	10,990,297	11,652,531
Total income	1,584,267	1,525,632
Surplus income	132,518	445,400
Total assets	35,909,399	33,433,903

A full set of the audited accounts can be found in the AGM booklet and will be available to view on www.portadowncu.com. This report is for the purpose only of providing an overview of the financial results for the year.

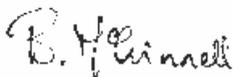
Members' shares amount to £30,935,971, £2.72 million more than last year. Minors' deposits now stand at £1,362,904. The continuing growth in this area reflects the confidence and trust that the local population has in our Credit Union, it also increases the amount to be invested. The biggest challenge for our Credit Union during the year has been the low interest rate environment which has resulted in a fall in our investment income. However, I am pleased to report that we have still managed to produce a satisfactory set of results for the financial year ended 30 September 2020.

This year the bad debt write-off amounted to £179,158 compared to £99,187 in 2019. The amount of bad debt recovered during the year was £26,093 and this is further proof of the extensive work carried out by the Credit Control team. Our provision for doubtful debts stands at £432,692, which is more than adequate.

This year the directors are recommending a dividend of 0.1% and a loan interest rebate of 7.5%. I would like to remind our members that funds can be transferred directly into your bank account, cleared on the same day, providing the transfer is affected before 3.30pm. This has proven to be a valuable benefit to members and has allowed us to reduce the risk posed by holding excessive cash on the premises.

Finally, I would like to thank you, the members of Portadown Credit Union, for your continued loyalty and support. I would also like to acknowledge the work of my colleagues on the Board of Directors and various Committees. My thanks must also be extended to the Management team and Staff for their ongoing support and continuous hard work during these challenging times which we all find ourselves in this year.

Signed



Bernadette McGinnell
Treasurer

Independent auditors' report to the members of
PORTADOWN CREDIT UNION LIMITED

Opinion

We have audited the financial statements of Portadown Credit Union Limited for the year ended 30 September 2020, which comprise the Income and Expenditure Account, the Balance Sheet, the Statement of Changes in Reserves, the Cash Flow Statement and notes to the financial statements including a summary of significant accounting policies. The financial reporting framework that has been applied in their presentation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements in all material aspects:

- give a true and fair view of the state of the Credit Union's affairs as at 30th September 2020 and of 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, issued by the Financial Reporting Council; and
- have been prepared in accordance with the requirements of the Credit Unions (Northern Ireland) Order 1985

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described 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 the financial statements in the UK, including the FRC's Ethical Standard, 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.

Conclusion relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Credit Union's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

Independent auditors' report to the members of
PORTADOWN CREDIT UNION LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Credit Unions (Northern Ireland) Order 1985 requires us to report to you if, in our opinion:

- proper books of account have not been kept by the Credit Union in accordance with the requirements of the legislation;
- a satisfactory system of control over transactions has not been maintained by the Credit Union in accordance with the requirements of the legislation;
- the income and expenditure account to which our report relates, and the balance sheet are not in agreement with the books of account of the Credit Union;
- we have not obtained all the information and explanations which we considered were necessary for the purposes of our audit.

Responsibilities of the directors

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 the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Credit Union's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Credit Union or to cease operations, or have 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 (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Credit Union's members, as a body, in accordance with Article 47 of the Credit Unions (Northern Ireland) Order 1985. 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.



Cleaver Black (Statutory Auditors)
Chartered Accountants and
Registered Auditors
Suite 5, Ormeau House
91-97 Ormeau Road
Belfast
BT7 1SH

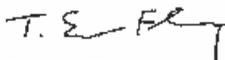
4th November 2020

INCOME AND EXPENDITURE ACCOUNT

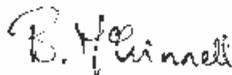
for the year ended 30 September 2020

	Notes	2020 £	2019 £
Interest from loans to members	4	1,386,265	1,298,256
Other interest income and similar income	5	215,524	232,441
Other interest payable on minors' deposits	6	<u>(17,522)</u>	<u>(5,065)</u>
Net interest income		1,584,267	1,525,632
Other Income	8	13,260	2,744
Employment Costs	9b	(341,960)	(320,660)
Depreciation	13	(68,749)	(51,845)
Other management expenses (schedule 1)		(661,684)	(550,062)
Exceptional item		(43,648)	-
Net (losses) on loans to members	14c	(358,020)	(116,231)
Surplus for the financial year before taxation		<u>123,466</u>	<u>489,578</u>
Taxation	10	9,052	(44,178)
Surplus for the financial year after taxation		<u>132,518</u>	<u>445,400</u>
Other comprehensive income		-	-
Total comprehensive income		<u>132,518</u>	<u>445,400</u>

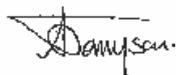
The financial statements were approved by the Board on 4th November 2020 and signed on its behalf by



Eamonn Fleming
Director



Bernadette McGinnell
Treasurer



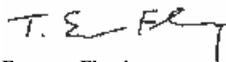
Anita Tennyson
Secretary

BALANCE SHEET

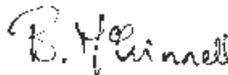
for the year ended 30 September 2020

	Notes	2020 £	2019 £
ASSETS			
Cash and balances at bank	11	1,095,364	784,277
Deposits and investments	12	22,273,566	20,056,992
Tangible assets	13	1,779,663	946,232
Loans to members - Gross	14	10,990,297	11,652,531
Provisions against loans to members	14	(432,692)	(227,737)
Prepayments and accrued income	15	203,201	221,608
Total Assets		35,909,399	33,433,903
 LIABILITIES			
Members' shares	16	(30,935,971)	(28,211,578)
Minors' deposits	17	(1,362,904)	(1,296,769)
Other payables	18	(134,528)	(177,316)
Net current liabilities		(32,433,403)	(29,685,663)
ASSETS LESS LIABILITIES		3,475,996	3,748,241
 Capital employed			
General reserve		3,334,000	3,334,000
Unappropriated surplus		141,996	414,241
TOTAL RESERVES		3,475,996	3,748,241

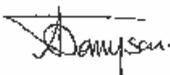
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Eamonn Fleming
Director



Bernadette McGinnell
Treasurer



Anita Tennyson
Secretary

STATEMENT OF CHANGES IN RESERVES

for the year ended 30 September 2020

	General Reserve £	Unappropriated Surplus £	Total Reserves £
Opening balance at 1 October 2018	3,232,000	715,943	3,947,943
Total comprehensive income for the year	102,000	343,400	445,400
Dividends and interest rebate paid during the year (note 7)	-	(645,102)	(645,102)
Transfer between reserves	-	-	-
Closing balance at 30 September 2019	<u>3,334,000</u>	<u>414,241</u>	<u>3,748,241</u>
Opening balance at 1 October 2019	3,334,000	414,241	3,748,241
Total comprehensive income for the year	-	132,518	132,518
Dividends and interest rebate paid during the year (note 7)	-	(404,763)	(404,763)
Transfer between reserves	-	-	-
Closing balance at 30 September 2020	<u>3,334,000</u>	<u>141,996</u>	<u>3,475,996</u>

- (1) The general reserve of the Credit Union as a percentage of total assets as at 30 September 2020 was 9.28% (2019: 10%). There was no transfer to the general reserve in the year (2019: £102,000).
- (2) The Unappropriated surplus is the accumulated surpluses to date that have not been declared as dividends or loan interest rebate returnable to members or set aside in the General Reserve.

CASH FLOW STATEMENT

for the year ended 30 September 2020

		2020	2019
		£	£
Cash Flows from operating activities			
Loans repaid by members	14	5,447,937	5,476,579
Loans granted to members	14	(4,964,861)	(6,447,788)
Loan interest received	4	1,382,976	1,291,516
Interest paid on minors' deposits	6	(6,347)	(5,065)
Investment income received		216,351	174,112
Other income received	8	13,260	2,744
Bad debts recovered	14	26,093	22,956
Dividends and interest rebate paid	7	(404,763)	(645,102)
Other operating expenses paid to include employment costs		(1,008,522)	(887,206)
Corporation tax paid		(19,164)	(22,850)
Net cash flows from operating activities		<u>682,960</u>	<u>(1,040,105)</u>
Cash Flows from investing activities			
Purchase of property, plant and equipment	13	(945,828)	(271,392)
Net movement in investments		(2,216,573)	131,935
Net cash flows from investing activities		<u>(3,162,401)</u>	<u>(139,457)</u>
Cash flows from financing activities			
Members' shares received	16/17	10,071,384	10,302,701
Members' shares withdrawn	16/17	(7,280,856)	(9,056,231)
Net cash flows from financing activities		<u>2,790,528</u>	<u>1,246,470</u>
Net increase / (decrease) in cash and cash equivalents		311,087	66,909
Cash and cash equivalents at beginning of year		784,277	717,368
Cash and cash equivalents at end of year		<u><u>1,095,364</u></u>	<u><u>784,277</u></u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2020

1 Legal and regulatory framework

Portadown Credit Union Ltd is established under the Credit Unions (Northern Ireland) Order 1985. The Credit Union is registered with the Department for the Economy, authorised by the Prudential Regulation Authority ("PRA"), and regulated by the Financial Conduct Authority (FCA). The principal place of business is 26 Market Street Portadown.

2 Accounting policies

2.1. Statement of compliance and basis of preparation

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

The financial statements have been prepared on the historical cost basis.

2.2. Currency

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

2.3. Going Concern

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

- (i) is generating annual surpluses;
- (ii) maintains an appropriate level of liquidity;
- (iii) has reserves that are above the minimum requirements of the PRA.

2.4. Income

Interest on members' loans

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

Investment income

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

Other income

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2020

2.5. **Interest on minors' deposits**

Interest on minors' deposits is recognised using the effective interest method.

2.6. **Dividends on shares and loan interest rebates**

Dividends are made from current year's surplus or the unappropriated surpluses set aside for that purpose. The Board's proposed distribution to members each year is based on the dividend and loan interest rebate policy of the Credit Union.

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

- (i) the risk profile of the Credit Union, particularly in its loan and investment portfolios;
- (ii) the Board's desire to maintain a stable rather than a volatile rate of dividend each year; and
- (iii) members legitimate dividend and loan interest rebate expectations;

all dominated by prudence and the need to sustain the long-term welfare of the Credit Union.

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

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

2.7. **Taxation**

Corporation tax is provided for on taxable interest from investments and non-mutual income. All other income of the Credit Union is exempt from Corporation Tax.

2.8. **Cash and cash equivalents**

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

2.9. **Basic financial assets**

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

Loans to members

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

Investments held at amortised cost

Investments comprise cash deposits which are initially measured at the amount deposited and are subsequently measured at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2020

2.10. Other receivables

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

2.11. Impairment of financial assets

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

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

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

Any impairment losses are recognised in the Income and Expenditure account.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in the income and expenditure account.

2.12. De-recognition of financial assets

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

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2020

2.13. **Basic financial liabilities**

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

Financial liabilities members' shares and deposits

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

Other payables

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

2.14. **De-recognition of financial liabilities**

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

2.15. **Tangible fixed assets**

Tangible fixed assets comprises items of property, plant and equipment, which are stated at cost, less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Depreciation is provided to write off the cost of each item of property, plant and equipment, less its estimated residual value over its estimated useful life. The categories of property, plant and equipment are depreciated as follows:

Land and buildings	straight line over 40 years
Computer equipment	straight line over 3 years
Fixtures, fittings and equipment	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the Income and Expenditure account.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2020

2.16. Impairment of tangible fixed assets

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

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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

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

2.17. Employee benefits

Pensions

The pension costs charged in the financial statements represent the contribution payable by the credit union during the year.

Other employee benefits

The costs of short-term employee benefits, including holiday pay, are recognised as a liability and as an expense (unless those costs are required to be recognised as part of the cost of fixed assets) over the period they are earned.

2.18. Reserves

General reserve

The Credit Union is required to maintain and establish a minimum General Reserve of at least 10% of the assets of the Credit Union in accordance with the PRA Rulebook: Non-CRR Firms: Credit Unions Instrument 2016.

Unappropriated surplus

The unappropriated surplus is the accumulated surpluses to date that have not been declared as dividends or loan interest rebate returnable to members or set aside to the General Reserve.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2020

3 Use of estimates and judgements

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

Impairment losses on loans to members

The estimation of loan losses is inherently uncertain and depends upon many factors, including loan loss trends, credit risk characteristics in loan classes, local and international economic climates, conditions in various sectors of the economy to which the Credit Union is exposed, and, other external factors such as legal and regulatory requirements. Credit risk is identified, assessed and measured through the use of rating and scoring tools with the emphasis on weeks in arrears and other observable credit risk metrics. The ratings influence the management of individual loans. The credit rating triggers the impairment assessment and if relevant the raising of specific provisions on individual loans where there is doubt about their recoverability. Loan loss provisioning is monitored by the Credit Union, and the Credit union assess and approves its provisions meet the minimum requirements contained within the PRA Credit Union Rule Book. Key assumptions underpinning the Credit Union's estimates of collective provisions for loans with similar credit risk characteristics, and, Incurred But Not Reported provisions ("IBNR") are based on historical experiences of the Credit Union's allied to the Credit Union's judgement of relevant conditions in the wider technological, market, economic or legal environment in which the Credit Union operates. If a loan is impaired, the impairment loss is the difference between the carrying amount of the loan and the present value of the expected cash flows discounted at the asset's original effective interest rate taking account of pledged shares and other security as appropriate. Assumptions are back tested with the benefit of experience. After a period of time, when it is concluded that there is no real prospect of recovery of loans/part of loans which have been subjected to a specific provision, the Credit Union writes off that amount of the loan deemed irrecoverable against the specific provision held against the loan.



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2020

4	Interest on members' loans	2020 £	2019 £
	Closing accrued loan interest receivable	60,059	56,770
	Loan interest received in year	1,382,976	1,291,516
	Opening accrued loan interest receivable	(56,770)	(50,030)
	Total Interest	1,386,265	1,298,256

5	Other interest income and similar income	2020 £	2019 £
	Closing accrued investment interest receivable	115,133	115,960
	Interest received in year	216,351	174,112
	Opening accrued investment interest receivable	(115,960)	(57,631)
	Total Investment income	215,524	232,441

6 **Interest payable**
The interest expense for the Credit Union comprises of interest payable on deposits from minors, and was as follows for the current year and prior year:

	2020 £	2019 £
Interest payable for the year	17,522	5,065

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2020

7 Dividends and Loan Interest Rebate

The dividend and any loan interest rebate are formally proposed by the directors after the year end and are confirmed at an AGM of the members. As a result the proposed dividend for the current year does not represent a liability at the Balance Sheet date and the dividend included in the Statement of Reserves in the current relates to dividends paid to members for the prior year.

The dividends and loan interest rebate for the current year and prior year periods were as follows:

	2020	2019
	£	£
<u>Appropriations paid during year</u>		
Dividend paid during the year	137,588	143,806
Interest rebate paid during the year	267,175	501,296
	<hr/>	<hr/>
	404,763	645,102
<u>Appropriations proposed, but not recognised</u>		
Dividend 0.1% (2019: 0.5%)	25,268	141,058
Interest rebate 7.5% (2019: 20%)	103,724	259,652
	<hr/>	<hr/>
	128,992	400,710

8 Other Income

	2020	2019
	£	£
Entrance fees	448	601
Affiliation fees	1,776	231
Forfeited shares	55	49
Grants received	10,981	1,863
	<hr/>	<hr/>
	13,260	2,744

9 Employees and employment costs

9a. Number of employees

	2020	2019
The average number of employees	14	12

9b. Employment costs

	2020	2019
	£	£
Wages and salaries	305,639	279,924
Social security costs	22,203	20,847
Pension costs	14,118	19,889
	<hr/>	<hr/>
	341,960	320,660

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2020

9c. Key management personnel

The remuneration of key management personnel was as follows:

	2020	2019
	£	£
Short term employee benefits	149,429	139,858
Pension costs	2,971	3,686
	<u>152,400</u>	<u>145,123</u>

Short-term employee benefits include wages, salaries, social security contributions and paid annual leave.

10 Taxation

	2020	2019
	£	£
Corporation tax charge in respect of current year - 19% tax rate	15,948	44,178
Corporation tax adjustment re Prior Year	(25,000)	-
	<u>(9,052)</u>	<u>44,178</u>

Reduction in corporation tax liability in year in the amount of £25,000 (2019: £25,000) as a result of qualifying for Community Investment Tax Relief.

11 Cash and cash equivalents

	2020	2019
	£	£
Cash and balances at bank	1,095,364	784,277
	<u>1,095,364</u>	<u>784,277</u>

12 Deposits and investments

	2020	2019
	£	£
Charity Bank Deposits maturing > 1 year	1,000,000	1,000,000
Bank Deposits	21,273,566	19,056,992
	<u>22,273,566</u>	<u>20,056,992</u>

Deposits with banks at the current and prior year Balance Sheet were all measured at amortised cost as appropriate.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2020

13	Tangible fixed assets	Land and buildings freehold £	Computer equipment £	Fixtures, fittings and equipment £	Total £
	Cost				
	At 1 October 2019	1,211,291	212,335	141,010	1,564,636
	Additions	923,440	22,388	-	945,828
	Disposals	-	-	-	-
	Impairment	(43,648)	-	-	(43,648)
	At 30 September 2020	2,091,083	234,723	141,010	2,466,816
	Depreciation				
	At 1 October 2019	302,360	199,796	116,248	618,404
	Charge for the year	46,139	16,418	6,192	68,749
	At 30 September 2020	348,499	216,214	122,440	687,153
	Net book values				
	At 30 September 2020	1,742,584	18,509	18,570	1,779,663
	At 30 September 2019	908,931	12,539	24,762	946,232

14 Loans to members - financial assets

14a.	Loans to members	2020 £	2019 £
	As at 1st October	11,652,531	10,707,773
	Advanced during the year	4,964,861	6,447,788
	Repaid during the year	(5,447,937)	(5,403,843)
	Loans written off	(179,158)	(99,187)
	Gross loans to members	10,990,297	11,652,531
	Loan provision	432,692	227,737

14b. Credit risk disclosures

Portadown Credit Union Ltd does not offer mortgages and as a result all loans to members are unsecured, except that there are restrictions on the extent to which the borrowers may withdraw their savings whilst the loans are outstanding. There are maximum amounts set down by the PRA in terms of what a member can borrow from the Credit Union.

14c.	Net recoveries or losses recognised for the year	2020 £	2019 £
	Bad debts recovered	26,093	22,956
	Movement in loan provisions during the year	(204,955)	(40,000)
	Loans written off	(179,158)	(99,187)
	Net recoveries on loans to members recognised for the year	(358,020)	(116,231)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2020

14d.	Analysis of Gross Loans outstanding	2020		2019	
		No of loans	£	No of loans	£
	Less than 1 year	97	50,541	133	65,790
	1 to 5 years	2,404	9,576,364	2,612	10,073,745
	5 to 10 years	155	1,330,326	171	1,467,149
	Greater than 10 Years	4	33,066	5	45,847
		<u>2,660</u>	<u>10,990,297</u>	<u>2,921</u>	<u>11,652,531</u>
15	Prepayments and accrued income			2020	2019
				£	£
	Prepayments			27,478	23,878
	Other Debtors			531	25,000
	Accrued income investments			115,133	115,960
	Accrued loan interest income			60,059	56,770
				<u>203,201</u>	<u>221,608</u>
16	Members' Shares - financial liabilities			2020	2019
				£	£
	As at 1st October			28,211,578	27,012,005
	Received during the year			9,803,475	10,014,450
	Repaid during the year			(7,079,082)	(8,814,877)
	As at 30th September			<u>30,935,971</u>	<u>28,211,578</u>
17	Minors' Deposit - financial liabilities			2020	2019
				£	£
	As at 1st October			1,296,769	1,249,872
	Received during the year			267,909	288,251
	Repaid during the year			(201,774)	(241,354)
	As at 30th September			<u>1,362,904</u>	<u>1,296,769</u>
	Minors' deposits are repayable on demand.				
18	Other payables			2020	2019
				£	£
	Payroll taxes			12,315	7,427
	Corporation tax			15,950	44,164
	Accruals			49,127	36,422
	Other creditors			57,136	89,303
				<u>134,528</u>	<u>177,316</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2020

19 Additional financial risk disclosures

19a. Financial risk management

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

The main financial risks arising from Portadown Credit Union's activities are credit risk, liquidity risk, market risk and interest rate risk. The Board reviews and agrees policies for managing each of these risks, which are summarised below.

Credit Risk

Credit risk is the risk that a borrower will default on their contractual obligations relating to repayments to Portadown Credit Union Ltd, resulting in a financial loss to the Credit Union. In order to manage this risk the Board approves the Credit Union's credit policy, and all changes to it. All loan applications are assessed with reference to the credit policy in force at the time. Subsequently loans are regularly reviewed for any factors that may indicate that the likelihood of repayment has changed.

The Credit Union's investments are also exposed to credit risk and the Credit Union mitigates the risk by only placing investments with financial institutions where the counterparties have strong credit ratings and using investment products authorised by the PRA.

Liquidity risk

The Credit Union's policy is to maintain sufficient funds in liquid form at all times to ensure that it can meet its liabilities as they fall due. The Credit Union adheres on an ongoing basis to the minimum liquidity ratio as set out by the PRA rulebook.

Market risk

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

Interest rate risk

The Credit Union's main interest rate risk arises from differences between the interest rate exposures on the receivables and payables that form an integral part of the Credit Union's operations. The Credit Union considers rates of interest rates receivable on investments and members' loans when deciding the dividend rate payable on shares and on any loan interest rebate.

COVID-19

The coronavirus pandemic has significantly disrupted individuals' personal lives and businesses' economic prospects in the UK and across the globe. The UK entered lockdown in March 2020 and some restrictions and social distancing provisions remain in place.

We have continued to prepare the accounts on a going concern basis and deem this appropriate. We do not consider that a material uncertainty about our going concern status currently exists. In making this assessment we have considered the likely trading conditions for a 12 month period from the date of our approval of these accounts.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2020

19b. Liquidity risk disclosures

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

19c. Fair value of instruments

Portadown Credit Union Ltd does not hold any financial instruments at fair value

19d. Capital

The Credit Union maintains sufficient reserves to buffer the Credit Union against any losses on its members' loans and also its investments. The current General Reserve stands at 10% of the total assets of the Credit Union at the Balance Sheet Date

20. Post Balance Sheet Events

There are no material events after the Balance Sheet date to disclose.

21. Contingent liabilities

Portadown Credit Union Ltd had no contingent liabilities at the current or prior Balance Sheet date.

22. Capital commitments

There are no capital commitments at the balance sheet date.

23. Insurance against fraud

The Credit Union has insurance against fraud in compliance with the PRA rulebook.

24. Related party transactions

During the year loans were advanced to directors and staff members of the Credit Union (to include their family members or any business in which the directors or staff had a significant shareholding) in the amount of £44,900 (2019: £20,920). The loans outstanding from these parties at 30th September 2020 were £66,226 (2019: £55,053). These loans amounted to 0.6% of total gross loans due at 30th September 2020 (2019: 0.5%)

There were no provisions against the loans due from the directors and staff members at the current or prior Balance Sheet date.

The directors and staff members share balances stood at £115,293 at 30th September 2020 (2019: £83,841).

25. APB Ethical Standards

In common with many other credit unions of our size and nature we use our auditors to assist in preparing our financial statements and submit our tax return.

26. Approval of Financial Statements

The financial statements were approved, and authorised for issue, by the board on 4th November 2020.

SCHEDULE TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2020

Schedule 1 - Other management expenses

	2020	2019
	£	£
Rates	27,675	16,735
Insurance	17,048	19,824
Light and heat	8,921	9,322
Repairs and maintenance	9,494	6,093
Loan and share insurance	171,207	145,392
Share Protection Scheme	2,324	3,538
Death Benefit Insurance	194,654	159,121
Staff training and uniforms	6,927	8,868
Annual meeting expenses	7,995	7,579
Directors expenses	473	641
Printing, postage and stationary	24,964	18,885
Advertising	13,051	13,096
Telephone	11,941	7,035
Computer costs	82,474	65,812
Legal and professional	4,315	5,911
Convention and chapter expenses	353	701
Unrecoverable grants receivable	25,000	-
Audit	19,281	17,635
Bank charges	17,337	17,453
Household & Cleaning	5,856	6,390
CU Compliance & Advisory	1,992	6,002
Staff travel	2,358	2,597
General expenses	2,483	2,621
Donations	2,200	4,470
Affiliation Fees	1,361	4,342
	<u>661,684</u>	<u>550,062</u>

PGM CHARTERED ACCOUNTANTS

*Internal Audit Report
For the year ended 30th September 2020*

We confirm that we have been engaged by Portadown Credit Union (PCU) to carry out the monthly Internal Audit function.

During the year we performed 61 tests on all of the key risk areas which were identified for PCU within the Internal Audit plan, these areas were Operational, Credit, Strategic, Fraud, Capital, Cyber, HR, Conduct and Governance.

We reported our findings to the PCU Board on a monthly basis.

At the year end we retested any area which had previously not gained a substantial assurance and we reported our year end findings to the Board.

The results of our testing are summarised below.

Design	Level of Assurance Issued During the Year	Level of Assurance Issued at the Year End
Substantial	59	60
Satisfactory	2	1
Limited	0	0
Unacceptable	0	0
Total	61	61

Operating	Level of Assurance Issued During the Year	Level of Assurance Issued at the Year End
Substantial	57	60
Satisfactory	4	1
Limited	0	0
Unacceptable	0	0
Total	61	61

We wish to thank the Board, the Supervisor and the Staff for their assistance and cooperation during the year whilst we carried out our work.

PGM Chartered Accountants

SUPERVISORY COMMITTEE REPORT

First, I would like to commend the Management and Staff for their commitment to members by maintaining their services to members throughout the challenging Covid 19 pandemic period, especially the initial lockdown. I would also like to congratulate them for the successful move to the new premises on Market Street, with minimal interruption to services.

The Supervisory Committee have the general duty of overseeing the performance of the Board of Directors in their functions regarding the general control, direction, operation and management of the affairs, funds, and records of the Credit Union. In fulfilling this role, I take due cognisance of the bodies that regulate us – the Financial Conduct Authority (FCA) and the Prudential Regulatory Authority (PRA) and the Irish League of Credit Unions (ILCU).

The Supervisory Committee has currently only one member and therefore the primary Internal Audit function is carried out by PGM, our Internal Auditors. I gain huge confidence and a high level of assurance from the positive feedback from PGM in relation to the Credit Union's compliance and performance during the year.

I carried out various checks during the year on different aspects of the Credit Union's operations. This included:

- Attendance at monthly and special meetings
- Review of Credit and Credit Control operations
- Bank reconciliations
- Policy reviews
- Verification of Credit Union Investments and bank account balances
- Reconciliation of share and loan listings to the general ledger accounts
- Reconciliation of claims paid by the ECCU Assurance

On the basis of these checks, I can confirm to members that the Board of Directors, Management and Staff are working proactively and diligently on your behalf. They are also focused on acting in your interest.

However, this is not the time to be complacent. The future of our Credit Union requires more members to become volunteers so as to increase the strength and foster the growth of the organisation. For example, a Supervisory Committee of 5 or even just 3 members would be able to do so much more for the wider membership in terms of the scope and scale of overseeing duties.

Finally, may I take the opportunity to thank the Board of Directors and extend my appreciation and gratitude to the Management and Staff for all their willing assistance and co-operation throughout the year.

John McNally

CREDIT CONTROL COMMITTEE REPORT

Portadown Credit Union Credit Control Committee plays an extremely important function within the Credit Union. The role of the Committee is to monitor the quality of loans to ensure that appropriate action is taken on delinquent loans as soon as possible.

Sometimes, a letter may be all that is necessary to remind the member of their legally binding agreement to repay their loan. In other cases, members may be asked to contact the office to arrange a private meeting to discuss any difficulties they are having in repaying their loan. Sadly, there are other cases where members do not engage with the Credit Control Committee and action may then have to be taken through the courts.

We do endeavour to recover any unpaid debts as they have a negative effect on the end of year surplus which is distributed to our members by way of a dividend and loan interest rebate. In this current and uniquely difficult year, the role of this Committee is even more vital than usual.

Loans Written-Off amounted to £179,158

Bad debt recovered totalled £26,093

In conclusion, I would remind members who find themselves in loan repayment difficulties that they should make contact with the Credit Control team as early as possible. Finally, the Credit Control Committee would like to thank all those members who are continuing to repay their loans according to their agreements. I would also like to thank the management and staff for their dedication and assistance throughout the year.

Bryan McLoughlan
Chair of the Credit Control Committee



REPORT OF THE MEMBERSHIP COMMITTEE

The Board of Directors appoint a Membership Committee to approve applications and admit new members to the Credit Union. To qualify for membership an individual must live or work in our geographical common bond or be part of a household where a qualifying member already resides.

In the year to 30th September 2020, our membership stands at 12,581. Juvenile accounts total 1,641.

Promoting juvenile accounts is vital for the future sustainability of our Credit Union and retaining these accounts for transfer to adult membership is even more important.

Saving with your Credit Union enables a community based and Member owned operates for the good of the community; it is not for profit but does help people to help themselves. Members can borrow at a reasonable rate of interest with the benefits of free loan protection, free life savings along with free Death Benefit Insurance. Members also receive a Dividend on Shares and a rebate on interest paid. Therefore, the quicker the loan is repaid, there will be less interest charged. There are no administration costs to our membership and you can be guaranteed of no hidden charges. Also, there is no penalty for an early settlement.

Other benefits for our Membership are the Easy Shares accounts, CU+ On line Banking and the CU mobile App which gives you the ability to access your accounts from anywhere 24/7, fast and secure access to your account and the facility to view all your account balances.

As a financial Services Provider operating within a regulatory framework, there are many requirements that must be satisfied in the membership application process including the transfer from juvenile to adult membership. These requirements include: Photographic proof of identify, address evidence, International Tax residency information and notifications related to the Financial Services Compensation Scheme, Privacy and Data Protection, Marketing options and permissions and information on the various insurance benefits.

In addition to all of this our counter staff must ensure that all forms including an account nomination are completed, signed and witnessed correctly. The process is somewhat complex and I would like to extend my sincere thanks to all counter staff for their continued due diligence in these matters. Their attention to detail ensures that the application process is as comprehensive as possible for the new member and that the paperwork provided to the Membership Committee is complete and correct.

At this point, I want to thank you the members of Portadown Credit Union for your continued loyalty. Most new applicants will say it was word of mouth, a recommendation from a friend, a colleague or a family member that encouraged them to seek membership of our Credit Union. Please continue to spread the word that we welcome new members and that we have money to lend.

Remember the advantages of Credit Union membership: A fair return on your savings, access to ethical lending, insurance benefits, member ownership and the opportunity to become involved in the governance of the organisation through volunteering onto one of our many working committees, including the Board of Directors.

Maria McGilly
Chair of the Membership Committee

INSURANCE OFFICER'S REPORT

One of the most unique benefits Portadown Credit Union can offer its members is a range of Insurance products through the ILCU. These insurance products are unsurpassed by any other financial institution.

For many years now, countless individuals and families have received benefits from:

- Life Insurance on their savings
- Loan Protection Insurance on their loans
- Disability Insurance
- Death Benefit Insurance

The vast majority of our Members are eligible for Life Insurance on their savings, Disability Insurance, Death Benefit Insurance and Loan Protection Insurance. All of these areas of cover are provided by the Credit Union at no extra cost to our Members.

Sadly, in the past year 80 of our Members have died. Insurance Claims totalling were paid out to their nominated beneficiaries.

This figure included:

- Life Savings of £82,392
- Loan Protection Insurance of £40,771
- Death Benefit Insurance of £146,000

Death Benefit Insurance: No one likes to think about death. But this Insurance cover of £2,000* can and does help to alleviate some of the distress surrounding a bereavement for adults and minors. This Death Benefit Insurance is straightforward in that it does not require a medical. To obtain cover, the Member must have joined the Credit Union before the age of 70 and be actively at work, or, if not working, be in good health at the time of joining. Cover will then continue with no upper age limit.

Financial support from these insurance funds can be very important for families at times of serious illness or death. But to ensure easy access to them, it is essential that each our Members should complete a Form of Nomination and should continue to update this form each time their circumstances change e.g. when events such as marriage, separation, divorce or the death of a partner takes place.

Finally, I want to express my thanks to the Staff of the Credit Union who have assisted me in every way with the work of the Insurance Administration over the past year. And also for collating the figures being presented to you in this Annual Report this evening.

Geraldine Lawless – Insurance Officer

*This amount may change from time to time

REPORT OF THE MARKETING, EDUCATION AND TRAINING COMMITTEES

Unfortunately, with the onset of Coronavirus and NI Executive imposed restrictions, our ability to engage directly with schools and to facilitate or participate in the normal annual events has been hugely impacted.

Credit Union Art Competition 2019

The art competition was very well supported in 2019. The theme was “Walk of Life” and as always, we saw some fantastic artwork. Congratulations to all those who entered. The six winning entries from each category went on to represent Portadown Credit Union at Chapter level.

A special congratulations to the winners in each category who received their prizes by post. Miss Haley Jeffers of St Brendan’s Primary School was awarded 1st place in the under 7 years Special Category at Chapter level.



A selection of artwork on display at our 2019 AGM.

Due to the uncertainty and restrictions in place, we decided not to participate in the 2020 National Art Competition. Fingers crossed that we can come back bigger and better next year.

AGM 2019: Members' Draw for those who attended AGM in The Millennium Centre on 27th November 2019



Members receiving their cheques from the President, Anita Tennyson.



Guests from some from local organisations who had received donations from Portadown Credit union in the year to 30th September 2019

THE ANNUAL SCHOOL QUIZ 2019

The quiz took place in the Drumcree Parochial Centre on Monday 3rd February 2020 and eleven local schools took part.

St Brendan's PS were triumphant with St Oliver Plunket's second and St John The Baptist third. The team from St Oliver Plunkett's went on to represent Portadown Credit Union at Chapter level on Friday 28th February in The Armagh City Hotel. They performed very well but unfortunately were unlucky on the night.



The National Final of the 2019 Schools Quiz, due to take place in April 2020 had to be postponed and due to the uncertainty surrounding gatherings and travel, we will not be holding a quiz in 2021.

Once again, fingers crossed that we will be able to facilitate an even bigger and better event the following year.

The move to Market Street: 7th July 2020



Some members receiving "spot prizes" on our first trading day in Market Street

TRAINING, EDUCATION, AND EVENTS.

The officers and staff of Portadown Credit Union are required to undertake training in a variety of subjects. Many of these are repeated annually and others form part of a program of continued professional development. In previous years, these courses as well as a variety of seminars, workshops, regional and national meetings, would happen internally, and throughout Ireland. However, this year we have undertaken most of our training and attended many of our meetings virtually. The requirements still exist, the methods have been different.

Examples of the topics covered this year to date include:

AML for Credit Unions

HR workshops/webinars

CV19 Safety for staff & members

Strategic planning and Risk Management

Cyber Security/Threat Awareness

Ethical Behaviour for Credit Unions

The Conduct Rules

Complaints Handling

LP/LS Insurance

Fraud Prevention Digital Marketing

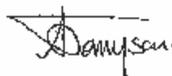
Effective Board Meetings

The Role of The Supervisory Committee

The Chairpersons Forum

Pathways Diploma in Financial Services which included modules in:

Data Protection Regulation, Strategic and Business Development, AML, Terrorist Financing and Fraud, Governance for Financial Services.



*Signed: Maria McGilly
Education & Training Officer*

*Anita Tennyson
Chair of The Marketing Committee*



*Portadown
Credit Union
wish all our
Members peace
and happiness
for Christmas
and the New Year*

*Merry
Christmas*

Christmas Opening Hours

Thursday	December 24th	Closed
Friday	December 25th	Closed
Saturday	December 26th	Closed
Monday	December 28th	Closed

Normal Opening Hours resume from
Tuesday 29th December 2020.

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