



PORTADOWN

CREDIT UNION

LIMITED



2019
ANNUAL REPORT
and ACCOUNTS

Credit Union 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.

PORTADOWN CREDIT UNION LIMITED

Directors	Anita Tennyson	President
	Eamonn Fleming	Treasurer
	Conor McParland	
	Bernadette McGinnell	
	Geraldine Lawless	
	Bryan McLaughlin	
	Maria McGilly	
Secretary	Maria McGilly	
Supervisors	Mary Mackle	
Internal Auditors	PGM Chartered Accountants	
Company number	CU59	
Registered office	51-52 William Street Portadown Craigavon Co. Armagh BT62 3NX	
Auditors	Cleaver Black Suite 5, Ormeau House 91-97 Ormeau Road Belfast BT7 1SH	
Business address	51-52 William Street Portadown Craigavon Co. Armagh BT62 3NX	

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
Millennium Court,
William Street, Portadown
On Wednesday 27th November 2019
At 8.00pm*

AGENDA

1. Ascertainment that a quorum is present
2. Adoption of standing orders
3. Minutes of last AGM
4. Presidents Address
5. Report of Directors
6. Report of Treasurer
7. Report of the Auditor
8. Declaration of Dividend & Rebate of Interest
9. Report of Credit Committee
10. Report of the Internal Auditor
11. Report of Credit Control Committee
12. Report of Membership Officer
13. Report of Marketing Committee combining
Education and Training Committee
14. Insurance Officer's Report
15. Report of Nominating Committee
16. Appointment of Tellers
17. Election of Auditor
18. Election of Directors and Supervisors
19. Any other Business
20. Announcement of Election Results
21. Adjournment or Close of Meeting

NOMINATIONS

Nominations for the position of Directors or 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 by 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 pleased to be able to report to you the members that despite another year of economic and political uncertainties, here at Portadown Credit Union, we continue to prosper and have had another successful year. Growth in membership and lending continues and investments have yielded some modest returns. These factors have again this year allowed us to secure a return on your shares.

The directors have recommended a dividend of 0.5% and an interest rebate of 20%. The financial results to back up this decision are illustrated in your booklets and will be outlined by our treasurer in his report later.

Our Vision at Portadown Credit Union is “to be the place people choose to go for Loans and Savings”. The core operating principals and the very basic ethos have remained unchanged in the last 56 years. The directors are charged with governance of the organisation and the responsibility of protecting members' shares, and putting them to use to facilitate growth through secure investments, ethical and prudent lending and sound credit control. The management and staff are charged with providing excellence in service to you the members. Our priority will always be to strive to provide this service in the best interests of each individual member, but also in the best interests of all the members as a whole. Every decision made at board level, by management or credit committee and by loans officers or counter staff, is based on that overriding priority.

Portadown Credit Union operates within a strict regulatory framework and whilst regulation is vital and welcomed, the costs of compliance are ever increasing. For example, in recent years the fact that the membership has been unable to form a Supervisory Committee has resulted in the board having to employ outside services to ensure that the mandatory oversight and internal audit function are adequately performed. The report from our Internal Auditors in your booklets will hopefully satisfy you the members that your Credit Union is in safe hands. However, more hands are required and as I have done in the last two years, I stand here and appeal to you the members; your Credit Union needs you to volunteer now. The spirit of volunteering is the backbone of a Credit Union; it is how Credit Unions were formed and how they are sustained. The risk of not being able to function as required at a Governance level is quite real where there are insufficient volunteers.

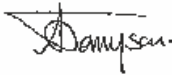
In July 2019 we successfully facilitated a visit from our Regulators the PRA and thankfully their findings were positive but they did refer to the continued need for more volunteers who can bring new ideas and new skills to the board of directors to ensure that the organisation is armed with the knowledge it needs to grow and provide the services required to move successfully into the future.

As is the case each year, I can report that the work of Portadown Credit Union does not just happen in William Street, Portadown or Dunbarton Street, Gilford. Throughout the year, directors, committee members, management team and staff have attended numerous meetings, conferences, forums and training events both locally and throughout Ireland. Our staff have visited several local schools to present prizes in relation to both the annual art competition and the schools quiz. Before you leave this evening, please have a look at the displays presented around the hall. We will continue to promote the Credit Union in the local community especially among the younger generation who we see as a vital part of the efforts required to secure a sustainable future for this organisation.

I am also pleased to report at this AGM that progress is well within schedule for completion and opening of the new premises on Market Street by March 2020. The floor plans can be viewed in the banking hall in the William Street where they are on display.

Finally, I want to take this opportunity to acknowledge the amount of work carried out by my fellow volunteers, the directors and committee members. I also want to send sincere thanks to the management team and all the staff who continue to provide the level of service demanded of them in a challenging and very busy environment.

And most importantly, I thank you the members of Portadown Credit Union for your continued and loyal support.



Anita Tennyson
President
Portadown Credit Union



3rd May 2019 – Signing of Contracts

In the photo:

Standing: Damian Morris (O'Hagan & Associates Architects), Datháí ó Bardáin (Cuilinn Group) and Ruairi Fegan (Hawthorn Consultancy)

Seated: Anita Tennyson (President) and Eamonn Fleming (Treasurer), signing the contracts with Paul Duffy of Eugene Duffy Construction Limited, the principal contractor who won the tender for refurbishment of the building and construction of our new offices.

PORTADOWN CREDIT UNION LIMITED

DIRECTORS' REPORT

for the year ended 30 September 2019

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 2019.

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 2019.

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. The credit union expect to move to Market Street in mid 2020

Results for the year

The income and expenditure account is set out on page 5. The directors propose a dividend of 0.5% per member's share amounting to £141,058 (2018: £145,930) and an interest rebate of 20% amounting to £259,652 £ (2018: £502,332)

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 2019

Statement of disclosure of information to auditors

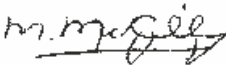
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- 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.

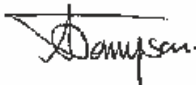
Auditors

In accordance with the Credit Unions (Northern Ireland) Order 1985 (as ammended), 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 25 October 2019 and signed on its behalf by



Maria McGilly
Secretary



Anita Tennyson
Director



Eamonn Fleming
Treasurer

TREASURER'S REPORT

The financial report for the year ended 30th September 2019

	2019	2018
Member's Savings (shares)	28,211,578	27,012,005
Minor Savings	1,296,769	1,249,872
Loans to members	11,652,531	10,707,773
Total income	1,525,632	1,374,504
Surplus income	445,400	538,539
Nett assets	3,748,241	3,947,943

A full set of the audited accounts can be found in the AGM booklet and this report is for the purpose s only of providing an overview of the financial results for the year.

One of the challenges for our Credit Union continues to be the low interest rate environment available to us to raise investment income.

However, I am pleased to report that we have again managed to produce a satisfactory set of results for the financial year ended 30th September 2019.

Members' shares amount to £28,211,578, £1.19 million more than last year. *Minor's deposits* now stand at £1,296,769.

Whilst 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.

This year the bad debt write off amounted to £99,187 compared to £104,288 in 2018.

The amount of bad debt recovered during the year was £22,956 and this continues to illustrate proof of the extensive work carried out by the credit control team.

Our provision for doubtful debts stands at £227,737, which, we have assessed, is more than adequate.

This year the directors are recommending a dividend of 0.50% and a loan interest rebate of 20%.

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 and my thanks must also be extended to the management team and staff for their continuous hard work during the year.

Signed



Eamonn Fleming
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 2019, 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 2019 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.

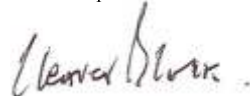
Auditor's responsibilities for the audit of the financial statements

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

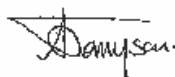
25 October 2019

INCOME AND EXPENDITURE ACCOUNT

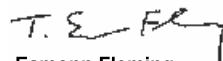
for the year ended 30 September 2019

	Notes	2019 £	2018 £
Interest from loans to members	4	1,298,256	1,264,160
Other interest income and similar income	5	232,441	120,188
Other interest payable on minors' deposits	6	<u>(5,065)</u>	<u>(9,844)</u>
Net interest income		1,525,632	1,374,504
Other Income	8	2,744	2,975
Employment Costs	9b	(320,660)	(316,061)
Depreciation	13	(51,845)	(55,622)
Other management expenses (schedule 1)		(550,062)	(346,051)
Impairment of Fixed assets		-	-
Net (losses) on loans to members	14c	(116,231)	(98,946)
Surplus for the financial year before taxation		<u>489,578</u>	<u>560,799</u>
Taxation	10	(44,178)	(22,260)
Surplus for the financial year after taxation		<u>445,400</u>	<u>538,539</u>
Other comprehensive income		-	-
Total comprehensive income		<u>445,400</u>	<u>538,539</u>

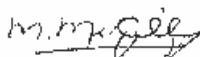
The financial statements were approved by the Board on 25 October 2019 and signed on its behalf by



Anita Tennyson
Director



Eamonn Fleming
Treasurer



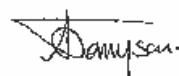
Maria McGilly
Secretary

BALANCE SHEET


for the year ended 30 September 2019

	Notes	2019 £	2018 £
ASSETS			
Cash and balances at bank	11	784,277	717,368
Deposits and investments	12	20,056,992	20,188,927
Tangible assets	13	946,232	726,685
Loans to members - Gross	14	11,652,531	10,707,773
Provisions against loans to members	14	(227,737)	(187,737)
Prepayments and accrued income	15	221,608	161,248
Total Assets		33,433,903	32,314,264
LIABILITIES			
Members' shares	16	(28,211,578)	(27,012,005)
Minors' deposits	17	(1,296,769)	(1,249,872)
Other payables	18	(177,316)	(104,444)
Net current liabilities		(29,685,663)	(28,366,321)
ASSETS LESS LIABILITIES		3,748,241	3,947,943
Capital employed			
General reserve		3,334,000	3,232,000
Unappropriated surplus		414,241	715,943
TOTAL RESERVES		3,748,241	3,947,943

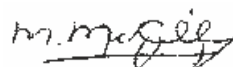
The financial statements were approved by the Board on 25 October 2019 and signed on its behalf by



Anita Tennyson
Director



Eamonn Fleming
Treasurer



Maria McGilly
Secretary

STATEMENT OF CHANGES IN RESERVES

for the year ended 30 September 2019

	General Reserve £	Unappropriated Surplus £	Total Reserves £
Opening balance at 1 October 2017	3,099,000	1,040,279	4,139,279
Total comprehensive income for the year	133,000	405,539	538,539
Dividends and interest rebate paid during the year (note 7)	-	(729,875)	(729,875)
Transfer between reserves	-	-	-
Closing balance at 30 September 2018	<u>3,232,000</u>	<u>715,943</u>	<u>3,947,943</u>
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>

- (1) The general reserve of the Credit Union as a percentage of total assets as at 30 September 2019 was 10% (2018: 10%). This was after transferring £102,000 (2018: £133,000) of the Credit Union's current year surplus to the General Reserve.
- (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 2019

		2019 £	2018 £
Cash Flows from operating activities			
Loans repaid by members	14	5,476,579	5,394,826
Loans granted to members	14	(6,447,788)	(5,965,237)
Loan interest received	4	1,291,516	1,255,830
Interest paid on minors' deposits	6	(5,065)	(13,416)
Investment income received		174,112	112,046
Other income received	8	2,744	2,975
Bad debts recovered	14	22,956	45,429
Dividends and interest rebate paid	7	(645,102)	(729,875)
Other operating expenses paid to include employment costs		(887,206)	(671,067)
Corporation tax paid		(22,850)	(22,310)
Net cash flows from operating activities		<u>(1,040,105)</u>	<u>(590,799)</u>
Cash Flows from investing activities			
Purchase of property, plant and equipment	13	(271,392)	(348,110)
Net movement in investments		131,935	(656,766)
Net cash flows from investing activities		<u>(139,457)</u>	<u>(1,004,876)</u>
Cash flows from financing activities			
Members' shares received	16/17	10,302,701	10,057,978
Members's shares withdrawn	16/17	(9,056,231)	(8,517,654)
Net cash flows from financing activities		<u>1,246,470</u>	<u>1,540,324</u>
Net increase / (decrease) in cash and cash equivalents		66,909	(55,351)
Cash and cash equivalents at beginning of year		717,368	772,719
Cash and cash equivalents at end of year		<u>784,277</u>	<u>717,368</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2019

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 51-52 William 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 2019

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 2019

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 2019

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 2019

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 2019

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 2019

4	Interest on members' loans	2019 £	2018 £
	Closing accrued loan interest receivable	56,770	50,030
	Loan interest received in year	1,291,516	1,255,830
	Opening accrued loan interest receivable	(50,030)	(41,700)
	Total Interest	<u>1,298,256</u>	<u>1,264,160</u>

5	Other interest income and similar income	2019 £	2018 £
	Closing accrued investment interest receivable	115,960	57,631
	Interest received in year	174,112	112,046
	Opening accrued investment interest receivable	(57,631)	(49,489)
	Total Investment income	<u>232,441</u>	<u>120,188</u>

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:

	2019 £	2018 £
Interest payable for the year	5,065	9,844

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2019

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:

	2019 £	2018 £
<u>Appropriations paid during year</u>		
Dividend paid during the year	143,806	244,740
Interest rebate paid during the year	501,296	485,135
	<u>645,102</u>	<u>729,875</u>
<u>Appropriations proposed, but not recognised</u>		
Dividend 0.5% (2018: .55%)	141,058	145,930
Interest rebate 20% (2018: 40%)	259,652	502,332
	<u>400,710</u>	<u>648,262</u>

8 Other Income

	2019 £	2018 £
Entrance fees	601	428
Affiliation fees	231	67
Forfeited shares	49	950
Grants received	1,863	1,530
	<u>2,744</u>	<u>2,975</u>

9 Employees and employment costs

9a. Number of employees

	2019 Number	2018 Number
The average number of employees	12	12

9b. Employment costs

	2019 £	2018 £
Wages and salaries	279,924	280,089
Social security costs	20,847	21,885
Pension costs	19,889	14,087
	<u>320,660</u>	<u>316,061</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2019

9c. Key management personnel

The remuneration of key management personnel was as follows:

	2019	2018
	£	£
Short term employee benefits	139,858	139,615
Pension costs	5,265	4,095
	<u>145,123</u>	<u>143,710</u>

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

10 Taxation

	2019	2018
	£	£
Corporation tax charge in respect of current year - 19% tax rate	44,178	22,260
	<u>44,178</u>	<u>22,260</u>

11 Cash and cash equivalents

	2019	2018
	£	£
Cash and balances at bank	784,277	717,368
	<u>784,277</u>	<u>717,368</u>

12 Deposits and investments

	2019	2018
	£	£
Charity Bank Deposits maturing > 1 year	1,000,000	0
Bank Deposits	19,056,992	20,188,927
	<u>20,056,992</u>	<u>20,188,927</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 2019

13	Tangible fixed assets	Land and buildings freehold £	Computer equipment £	Fixtures, fittings and equipment £	Total £
	Cost				
	At 1 October 2018	939,899	212,335	141,010	1,293,244
	Additions	271,392			271,392
	Disposals	-	-	-	-
	Impairment	-	-	-	-
	At 30 September 2019	1,211,291	212,335	141,010	1,564,636
	Depreciation				
	At 1 October 2018	277,613	180,952	107,994	566,559
	Charge for the year	24,747	18,844	8,254	51,845
	At 30 September 2019	302,360	199,796	116,248	511,278
	Net book values				
	At 30 September 2019	908,931	12,539	24,762	946,232
	At 30 September 2018	662,286	31,383	33,016	726,685

14 Loans to members - financial assets

14a.	Loans to members	2019 £	2018 £
	As at 1st October	10,707,773	10,241,650
	Advanced during the year	6,447,788	5,965,237
	Repaid during the year	(5,403,843)	(5,394,826)
	Loans written off	(99,187)	(104,288)
	Gross loans to members	11,652,531	10,707,773

Loan provision 227,737 187,737

Portadown Credit Union Ltd does not offer mortgages and as a result all loans to members

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	2019 £	2018 £
	Bad debts recovered	22,956	45,429
	Movement in loan provisions during the year	(40,000)	(40,088)
	Loans written off	(99,187)	(104,287)
	Net recoveries on loans to members recognised for the year	(116,231)	(98,946)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2019

14d.	Analysis of Gross Loans outstanding	2019		2018	
		No of loans	£	No of loans	£
	Less than 1 year	133	65,790	146	66,002
	1 to 5 years	2,612	10,073,745	2,593	9,524,906
	5 to 10 years	171	1,467,149	137	1,078,035
	Greater than 10 Years	5	45,847	3	38,830
		2,921	11,652,531	2,879	10,707,773
15	Prepayments and accrued income			2019	2018
				£	£
	Prepayments			23,878	28,587
	Other Debtors			25,000	25,000
	Accrued income investments			115,960	57,631
	Accrued loan interest income			56,770	50,030
				221,608	161,248
16	Members' Shares - financial liabilities			2019	2018
				£	£
	As at 1st October			27,012,005	25,550,922
	Received during the year			10,014,450	9,739,446
	Repaid during the year			(8,814,877)	(8,278,363)
	As at 30th September			28,211,578	27,012,005
17	Minors' Deposit - financial liabilities			2019	2018
				£	£
	As at 1st October			1,249,872	1,170,631
	Received during the year			288,251	318,532
	Repaid during the year			(241,354)	(239,291)
	As at 30th September			1,296,769	1,249,872
	Minors' deposits are repayable on demand.				
18	Other payables			2019	2018
				£	£
	Payroll taxes			7,427	4,446
	Corporation tax			44,164	22,836
	Accruals			36,422	40,417
	Other creditors			89,303	36,745
				177,316	104,444

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2019

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.

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2019

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

The credit union is committed to further capital expenditure on 26 Market Street of £500,000

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 £20,920 (2018: £19,300). The loans outstanding from these parties at 30th September 2019 were £55,053 (2018: £85,644). These loans amounted to 0.5% of total gross loans due at 30th September 2019 (2018: 0.8%)

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 £83,841 at 30th September 2019 (2018: £88,376).

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 25 October 2019.

SCHEDULE TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2019

Schedule 1 - Other management expenses

	2019 £	2018 £
Rates	16,735	8,143
Insurance	19,824	15,539
Light and heat	9,322	10,666
Repairs and maintenance	6,093	11,171
Loan and share insurance	145,392	139,455
Share Protection Scheme	3,538	3,315
Death Benefit Insurance	159,121	0
Staff training and uniforms	8,868	7,711
Annual meeting expenses	7,579	3,271
Directors expenses	641	1,496
Printing, postage and stationary	18,885	26,421
Advertising	13,096	14,451
Telephone	7,035	11,111
Computer costs	65,812	40,799
Legal and professional	5,911	2,665
Convention and chapter expenses	701	1,843
Audit	17,635	17,387
Bank charges	17,453	15,735
Household & Cleaning	6,390	5,762
CU Compliance & Advisory	6,002	118
Staff travel	2,597	1,073
General expenses	2,621	3,915
Donations	4,470	2,210
Affiliation Fees	4,342	1,794
	<u>550,062</u>	<u>346,051</u>

PGM CHARTERED ACCOUNTANTS

Internal Audit Report For the year ended 30th September 2019

During the course of 2018/2019 we have been engaged by Portadown Credit Union to carry out the Internal Audit function of the business.

During the year we performed 54 tests in all key risk areas, identified in the development of the internal audit plan.

We are pleased to report the Credit Union achieved the following results at year end:

Design Effectiveness	94%	Substantial assurance
	6%	Satisfactory assurance
Operating Effectiveness	100%	Substantial assurance

We would take this opportunity to thank the staff, management and the Board of Directors for their assistance during the course of the year.

Signed: Paul McAreavey

CREDIT COMMITTEE REPORT

Firstly, I would like to express my sincere thanks to my Credit Committee colleagues who make themselves available every week to assess the many loan applications. My thanks also to the management and Loan Officers for their effective and professional service throughout the year.

I am pleased to report that the Credit Committee, together with the Loans Officers, approved 3690 loans, totalling **£6,447,688**, during the financial year ending 30 September 2019.

Whilst most loan applications are made in person at one or other of the Credit Union's two offices, the initial stages of a loan application can also be made by telephone or by accessing the Credit Union website.

To increase the speed of decision making and improve the quality of service, Members are required to provide proof of income (payslips or confirmation of benefits) and bank statements along with their loan applications. Please note that an Experian credit check may also be carried out.

When assessing loan applications, the Credit Committee considers the credit history of the Member, the purpose of the loan and most importantly, the Member's ability to repay the loan.

Some loan applications may require a Guarantor. The Guarantor is also required to provide evidence that he/she has the financial means to repay the loan should the Member default on their loan repayments. Guarantors are made fully aware of the amount they are signing for and it is emphasized to them that they are signing a legally enforceable document. If they have any concerns, they are also advised to seek legal advice before signing such a promissory note.

The Lending Policy of the Credit Union is constantly undergoing review to ensure compliance with all legal requirements. It is also regularly adapted to improve the service to savers and borrowers and to ensure that it has robust arrangements in place to avoid bad debts.

We encourage all our Members to consider Portadown Credit Union as a place to borrow and do business. We have helped students go to college, couples to get married, provided loans for car purchases, holidays, home renovations and many, many other purposes. And in doing so, we all provide a great boost to our local economy.

Bryan McLaughlin
Chairman

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 the appropriate action is taken on delinquent loans at the earliest opportunity.

In certain circumstances a letter may be all that is needed to remind the member of their legally binding agreement to repay the loan. In some cases members may be asked to contact the office to arrange a private meeting to discuss any difficulties they may have in repaying their loan. Some members may receive a phone call or even a home visit.

In other cases, sadly where members do not engage with the Credit Control team, action may be taken through the courts. We have a duty to our members to recoup the unpaid loan as per our Credit Control Policy. We endeavour to recover the unpaid debt as loans not repaid have a negative impact on the end of year surplus, which is distributed to our members by way of a dividend and loan interest rebate.

Loans Written-Off amounted to £99,187.

Bad Debt recovered totalled £22,956.

In conclusion I would like to remind members who find themselves in difficulty with loan repayments to make contact with the Credit Control team at an early stage. Finally, the Credit Control Committee would like to thank all those members who continue 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.

Bernadette McGinnell



REPORT OF THE MEMBERSHIP COMMITTEE

The function of the Membership Committee, as delegated by The Board of Directors, is 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 2019, our membership grew by 4.3% to 11675; similar to last year's growth. Juvenile accounts now total 1604; a net increase of almost 8.5% compared to 5.8% growth last year. This must, in part, be attributed to the successful rollout of our pilot schools saving scheme.

I want to thank the staff who have operated that scheme and proved to be valuable ambassadors for Portadown Credit Union out in the community.

Once a child reaches 16 their account is closed for transfer to adult membership. We believe that encouraging and promoting juvenile accounts is vital for the future sustainability of our Credit Union. We place great value on the successful transfer of these 16 year olds into adult membership but we must still comply with regulatory identification requirements.

As part of our efforts towards retaining these young adults as members and encouraging new juvenile accounts, we have continued throughout the year to build upon our relationships with local schools and colleges. We hope to further build on this in the coming year through the art competition, the schools quiz, schools savings schemes and other Credit Union youth initiatives.

As a financial Services Provider who operates within an ever increasing regulatory framework, there are many requirements that must be satisfied in our membership application process. These include proof of identify and address evidence, International Tax residency information, Financial Services Compensation Scheme, Privacy and Data Protection notifications, as well as Marketing options and permissions. In addition to this our counter staff must ensure that all forms including an account nomination are completed; signed and witnessed correctly. The applicant must be provided with all the necessary information. The process is complex and I would like to extend my sincere thanks on behalf of the Membership Committee to all counter staff for their continued due diligence in these matters. Their continued high level of service provision 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 must thank you, the members of Portadown Credit Union, for your continued loyalty. Most new applicants will say that word of mouth, a recommendation from a friend or colleague or a family member is what encouraged them to seek membership of our Credit Union. Please continue to spread the word that we are open for membership 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 committees.

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 automatically by the Credit Union.

Sadly, in the past year **80** of our Members have passed away. Insurance Claims totalling **£269,435** were paid out to their nominated beneficiaries.

This figure included:

- Life Savings of **£82,664**
- 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.

Bryan McLaughlin – Insurance Officer

*This amount may change from time to time

REPORT OF THE MARKETING, EDUCATION AND TRAINING COMMITTEES

Our engagement with schools this year continued using the now proven and successful formula of the Art Competition, the Primary Schools' Quiz, the Peter Mulligan Bursary Award and the Tommy Hendron Memorial Cup.



November 2018 - Money Week Competition in Presentation Primary School

Credit Union Art Competition 2018

The art competition was well supported once again. The theme for this year's competition was *"Force of Nature"* and again we welcomed a broad range of excellent and highly imaginative entries. Thirteen students were awarded prizes at local level and one of our prize winners, Edera Neto, St John the Baptist College (11-13yr category) went on to receive an award at Chapter level.

Congratulations to all our successful entrants and our thanks to all those who took part. We wish to encourage you all to continue to enter the annual competition as you move through the different stages of school life



Bryan and Aisling met with the Teachers and Students of Presentation Primary School and St John the Baptist College to present the certificates and cash prizes to the winners of the recent School Poster Competition



INTERNATIONAL CREDIT UNION DAY 2018



Included are images of our young savers from Presentation Primary School along with their teacher and our Office Manager Mrs Elizabeth Donnelly. Also Lady Mayor, Councillor Julie Flaherty opening her account with Portadown Credit Union.

AGM 2018 – MILLENNIUM CENTRE MEMBERS' DRAW FOR THOSE WHO ATTENDED THE AGM 2018



Members receiving their cheques from the President, Anita Tennyson.



Ann McAlinden entertained the Members throughout the evening



St John the Baptist students, with their teacher, Manager E Donnelly, and Office Supervisor, A McConville

ANNUAL SCHOOL QUIZ

The annual school quiz took place in the St John the Baptist Parochial Centre on Monday 4th February 2019 and the winning team St Brendan's Primary School were triumphant on the night. They went on to represent Portadown Credit Union at the Chapter 4 round on Friday 1st March in the Armagh City Hotel and were place 3rd in their category.



*Jordan Stewart, Killlicomaine JHS,
receiving the Peter Mulligan Bursary Award*

Coffee Morning on 12/13th September 2019 in aid of Southern Area Hospice Services.



SPONSORSHIPS

We supported a number of sports initiatives and advertised via a number of local clubs including the following:

Portadown Rugby Club

Sean McDermotts GFC

Laurelvale Football Club

The Craigavon Cup

Dunbarton Bowling Club

Friends of FADD

Playing for the Future



A Selection of Events Attended and Training Courses Undertaken

AML for Credit Unions

Legal Clinics – Vulnerable Members

Ethical Behaviour for Credit Unions

Conduct Rules and New Accountability Regime

Compliance for Credit Unions

NI Committee - Summer Seminar

ICCA - Spring and Winter Seminars

Growing the Loan Book

Overseeing Effective Risk Management

LP/LS and DIB Insurance

Complaints Handling

HR Network 2019

Implementing and Building upon the Accountability Regime

CU Compliance & Risk Working Group

Chapter 4 Meetings/Training

Webcast – Credit Union Investments

SME Lending

ILCU AGM 2019

Pathways Certificate which included: CU Ethos, Structure & Core Activities

Legal & Regulatory Framework

CU Operations & Control

Signed: Conor McParland
Education & Training Officer

Bryan McLaughlin
Marketing Officer



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

*Merry
Christmas*

Christmas Opening Hours

Tuesday	December 24th	Closed
Wednesday	December 25th	Closed
Thursday	December 26th	Closed
Friday	December 27th	Closed

Normal Opening Hours resume from
Saturday 28th December 2019.

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