



Staycation Loan



Current Account



HSSCU App



HSSCU

ANNUAL REPORT

2020

AGM NOTIFICATION

Student Lifestyle Loan
Student Account



Virtual AGM 24th March 2021 6.30pm



SCAN QR CODE ON
SMART PHONE TO
REGISTER



VIRTUAL AGM



Virtual AGM to be held on Wednesday 24th March 2021 @ 6.30 p.m.

Notice is hereby given that the 2020 Virtual Annual General Meeting of the members of Health Services Staffs Credit Union Limited will take place via Zoom Webinar on Wednesday 24th March 2021 @ 6.30 p.m.



Geraldine Higgins,
Secretary

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& Development
Committee

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Donations

Members wishing to attend HSSCU's Virtual AGM need to request an invitation from their personal email address (not work email) by emailing: agmreg@hsscu.ie with the following information:

- Name
- Account Number (in subject line)
- Date of Birth

The request for attendance must be received by 6pm on Sunday, 21st March 2021 at the latest. Registrations will close after this point and the AGM prize draw will be based upon registered members.

The following information is pertinent to this notice:

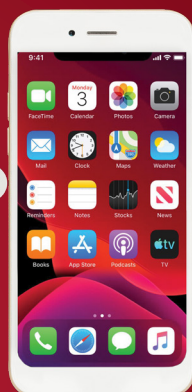
- Health Services Staffs Credit Union (HSSCU) will be using Zoom Webinar as the electronic platform for the meeting.
- To gain access to the meeting, a member must request an invitation by emailing agmreg@hsscu.ie. This request must be received by 6pm on 21st March 2021. Once registration has been approved, the member will receive an email invitation with a link to join the meeting.
- The information required to request an invitation is your name, account number (in subject line), date of birth and personal email address.
- HSSCU will be verifying member details prior to issuing invitations.
- In order to register for the Virtual AGM, each member will require a personal email address. Group or general mailboxes will not be accepted (e.g., info@club.ie, team1@xyzltd.ie).
- All non-presenting participants will have their microphones muted and cameras switched off to allow the smooth running of the meeting.
- Voting will be required for resolutions and elections.
- Voting will be conducted by way of the online poll facility and members will be asked to vote for the resolution or candidates when instructed by the Chairperson.
- Votes will be tallied electronically, verified and recorded by the meeting Secretary.

HSSCU has provided all Virtual AGM information along with links to setting up an email address, using Zoom, our 49th AGM meeting minutes, our full AGM book and more on our website at the link: www.hsscu.ie/virtual-agm-2020/

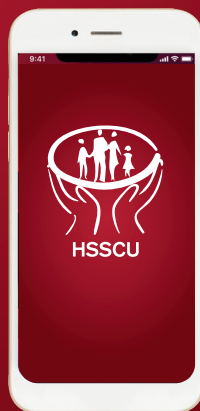



Download The Improved 'HSSCU App!' for Apple and Android Devices

**Uninstall
CUAnywhere
App**



**Download the
New 'HSSCU'
App From
Google Play or
Apple's App
Store**



- 
- Login with Face ID & Touch ID
 - View statements
 - Set up payees & transfer funds
 - Google Pay & FitBit Pay (with the HSSCU Current Account)
 - Apply for loans
 - Open your current account
 - Send messages to HSSCU
 - Access important forms
 - Change PINs & Passwords to memorable options for you

Register for HSSCU's online account
access by March 24th

to be in a draw to be

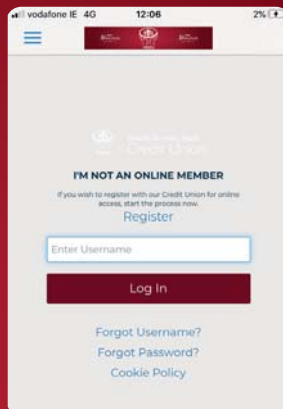
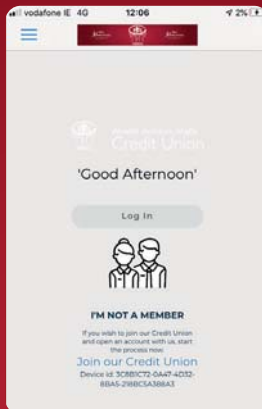
1 OF 5 WINNERS OF
€50!

**Please note: the CUAnywhere app
will no longer function for HSSCU
members after March 24th**



Below is a guide to setting up your HSSCU App!

Have not registered for online access yet?



1 Download the 'HSSCU App' in Google Play or Apple's App Store

2 Open the app and click 'Log In'

3 Click 'Register'

Complete all the details below to register. Please ensure all details entered are accurate as incorrect information may delay the process.

25/01/2021

Username can only consist of letters and numbers

Create Username

Enter Credit Union Account No

Enter Your Name As It Appears On V

Enter Your Date of Birth dd/mm/yyyy

Enter Your Mobile Number

Enter Your Email Address

Confirm Your Email Address

Enter Your Email Address

Confirm Your Email Address

Create Your Password

Confirm Your Password

Register

Note: Once registration is complete and your online account has been approved you will be issued a PIN via SMS. You will require your Username, PIN and Password to log in.

4 Fill in the fields and click 'Register'

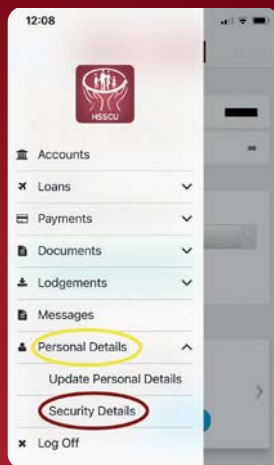
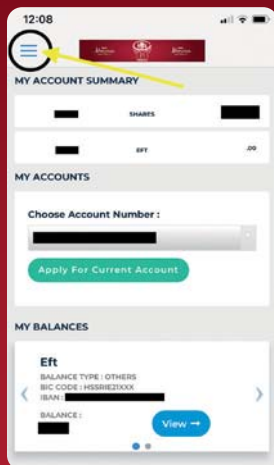
Remember to make a note of your chosen username and password. You will receive your PIN by SMS message once approved.

If you do not know your credit union account number, you can find this on any of your HSSCU statements or call us on 01 677 8648 and a member of our team can let you know your account number.

Now registered, but need to set up the 'HSSCU App'?

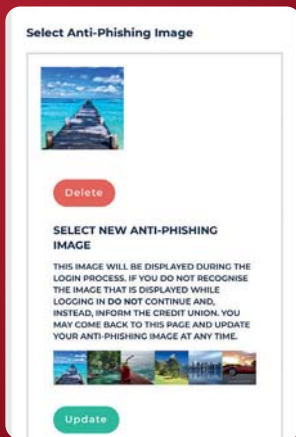
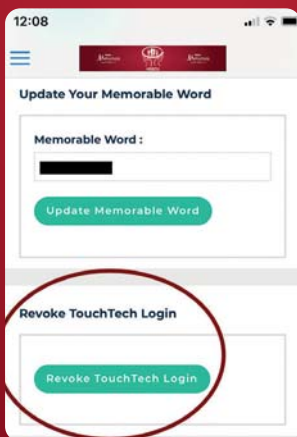
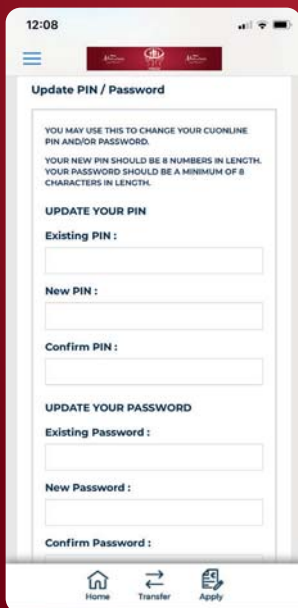
① Login to your account with your Username, Password and PIN

(if you do not remember these, please call us on 01 677 8648 and a member of the team will help reset these for you)



② Click the 3 blue lines on the top left of the screen

③ Click 'Personal Details' and then 'Security Details'



④ From here, you can change your PIN and Password, choose an anti-phishing image and MOST IMPORTANTLY - you can sign up for Touch ID/Face ID!

CHAIRPERSON'S ADDRESS

A warm welcome to all HSSCU members to our first remote AGM. At the outset,

I must express a special word of thanks to all our frontline members who have worked tirelessly to keep us safe and well throughout the pandemic. HSSCU staff have endeavoured to service your needs throughout this period. This is the 50th AGM for our credit union and while planned celebrations were cancelled or postponed in the light of the pandemic, we hope to celebrate this milestone in the coming year.

Once the pandemic hit, the main objective of your Board of Directors was to maintain the provision of services to all our members. In doing so, we were particularly aware of our vulnerable and elderly members and a determined effort was made to contact and reassure these members. The manner in which we delivered our service had to change and, for this, ***we thank the staff and management for the resilience shown in this ever-changing and difficult environment.***

Our Board of Directors and committee meetings have now all moved online. While losing out on face-to-face contact, this model has the advantage of reducing travelling time for directors while enabling us to continue to hold regular meetings. During the year, your Board, Board Oversight Committee and management team worked remotely to complete our latest Strategic Plan; 2020-2022. This plan, and the underlying business model, was developed using a structured, risk-based approach, as recommended by the Central Bank of Ireland. The plan sets out the development of services and products for the next couple of years. Given the continually changing environment in which we operate, we believe that the plan will continue to change as we progress.

The Board also implemented recommendations from a Governance Review carried out in 2019. These included a new board agenda which refocused on risk, compliance and strategic matters. All matters brought to our attention in the Central Bank Prism engagement of 2019 have now been agreed and implemented. As we would expect, Central Bank sectoral oversight increased dramatically during the early months of the pandemic when all financial institutions were closely monitored.

Staff working arrangements have also changed with about 60% of our staff working from home. Remote meetings using Zoom or Microsoft Teams are now commonplace. Policies and procedures were continuously updated to meet the changing working environment. COVID-19 and Health and Safety guidelines were amended and implemented in all HSSCU offices and a dual team model was introduced to branch working teams. During the ongoing restrictions, we have maintained in-branch member service to the best of our ability, whilst always enabling members to do all of their HSSCU business from home. During this time, vulnerable members were contacted to ensure their needs were addressed. ***HSSCU's debit card, electronic banking, online applications and new HSSCU app all contributed to changing member engagement patterns with the credit union.*** Internally, our risk, compliance and internal audit functions continuously monitored all changes to policies and processes to ensure a safe and compliant service delivery. Our Loans Committee initiated the Stay at Home, Staycation and Elevate loans, which proved very popular during the pandemic.

The pandemic had a major impact on our economy, which resulted in a dramatic reduction in lending and a more dramatic increase in savings in the credit union sector. In May 2020, we saw a savings growth of €7.2 million while loan demand fell by 30 %. Requests for payments breaks, while willingly agreed to did have an impact on our bad debt provision. The increase in savings required us to provide 10% of the growth into our regulatory reserve. The Board had no option but to introduce a savings cap of €40,000 in an effort to reduce our savings levels. This would affect approximately 1,200 members and reduce our savings by €24 million, thus reducing the regulatory reserve we needed to carry.

At year end, I am delighted to announce a solid financial performance by our credit union. Income for the year was up 8% while there was an increase in expenditure of 26%. This large increase is due to the decision of the Board to increase our loan provisioning amount this year by €2.58 million. Regardless of this, I am delighted to announce a surplus of €272,472 and while this falls well short of last year's €2.1 million, these figures must be taken in the light of this extraordinary year. Following the advice of the Central Bank, your Board of Directors will not be recommending a dividend or interest rebate this year. Instead, surpluses generated will be used prudently to increase credit union reserves due to the current evolving macro-economic climate in the country.

On a national basis, we were delighted to see the introduction of a Minister for Credit Unions in the new government. Our representative body, the ILCU, postponed their 2020 AGM and have recently amended their rules to allow for online AGMs. This year's online credit union AGM was also facilitated by a change in legislation. The World Council of Credit Unions cancelled their annual conference, which was due to be held in Los Angeles last summer. Your credit union contributed to many of the charities for the frontline heroes and contributed to a specific pandemic fund for the ILCU Foundation to help our fellow credit unions in West Africa during the pandemic.

At this stage, I would like to extend my thanks to all our staff for the tremendous work they have done this year, to Sean our CEO, and to the management team who have worked tirelessly to keep the business going through this difficult time. Finally, I would like to thank my fellow directors, volunteers and the Oversight Committee for their work and commitment throughout the year.

Wishing all the best for 2021.

Marie Mc Bryan
Chairperson HSSCU

56,384
MEMBERS 

€272,472
Surplus 



REPORT OF THE BOARD OVERSIGHT COMMITTEE

In 2020, the Board Oversight Committee consisted of John Keppel, Chairman, Shay Torsney, Secretary and Noel West.

The Committee met on twelve occasions in the year ended 30 September 2020.

The Committee was represented at all Board of Director meetings in the last year. The Committee also attended a number of Board Sub-Committee meetings.

The Committee was satisfied during their attendance, that these meetings were conducted in accordance with the legislation, the rules of the credit union and the Board's Strategic Plan. Furthermore, in 2020, the Committee held four meetings with the Board under Rule 59; where the performance by the Board of its duties was reviewed. The Committee had no occasion to bring any matters to the Board's attention.

It should be acknowledged that the year gone by has been a very difficult year for the management of our credit union because of the COVID epidemic. As a result of COVID, from March 2020 onwards, all meetings were held electronically using MS Teams. Despite not being able to meet in the normal way and the odd IT glitch, the Committee wishes to acknowledge the huge efforts of all involved in guiding the credit union through this difficult year.

The Committee wishes to thank the Directors, management and staff of the credit union for their courtesy and co-operation in the last year and for the huge efforts made by those working both from home and manning offices.

John Keppel
Chairperson

Shay Torsney
Secretary

Noel West
Committee Member

NEED TO CONSOLIDATE DEBTS THIS YEAR?

Contact HSSCU to turn multiple debts into 1 easy repayment*

Call 1890 677 864
Email info@hsscu.ie

Make
Memories



WARNING: If you do not meet the repayments on your loan, your account will go into arrears. This may affect your credit rating, which may limit your ability to access credit in the future. This new loan may take longer to pay off than your previous loans. This means you may pay more than if you paid over a shorter term. Lending terms and conditions apply.

*Terms & conditions apply. Check out our Online Loan Calculator at:
www.hsscu.ie and see for yourself how low our rates are!

Health Services Staffs Credit Union is regulated by the Central Bank of Ireland

NOTICE OF ELECTIONS

It is the responsibility of the Nominations Committee to ensure that there are sufficient qualified candidates for the Elected Officer vacancies in Health Services Staffs Credit Union.

The committee was delighted that several members expressed an interest in participating as a volunteer. New candidates participated in a training program, which saw them partake in at-home eLearning and online discussions while also pairing up with current elected volunteers as mentors and shadowing them, including attending some committee meetings. This was very successful with three of the participants standing in today's elections. This is hugely satisfying, particularly with the socially tough year we have seen.

If you are interested in participating as a volunteer, please contact the Nominations Committee, via info@hsscu.ie for the attention of Catherine Byrne, General Manager. Catherine will engage with you to discuss what is involved. We would particularly reach out to those with skills in the area of Strategic Planning, Financial Planning and IT Cyber Security Management.

ELECTIONS

Elections will be held to fill the position of Auditor, 1 vacancy on the Board Oversight Committee and 5 vacancies on the Board of Directors.

The Nominations Committee have identified candidates to stand for the above positions, and assessed them under the fitness & probity regime, as required by the Central Bank, with satisfaction.

AUDITOR ELECTION

There is 1 candidate proposed by the Board of Directors standing for the vacancy of Auditor:

- Grant Thornton Chartered Accountants

You can vote for 1 candidate in this election

BOARD OVERSIGHT COMMITTEE ELECTION

There is 1 candidate standing for 1 vacancy for the Board Oversight Committee:



John Keppel,
Retired, HSE Park House

You can vote for 1 candidate in this election

NOTICE OF ELECTIONS (Continued)

DIRECTOR ELECTIONS

There are 7 candidates standing for 5 vacancies for the Board of Directors:



Shane Hamilton,
Community Resource
Officer, Chime



Geraldine Higgins,
Financial Officer,
Mater Hospital



Jane Joyce,
Clerical Officer,
James's Hospital



Katriona Lawler,
HEO IT Services,
Department of Social
Protection



Suzanne McGarry,
Local System
Administrator, Tusla



Damien McKeown,
Director & Project Co-
Ordinator, Holles Street
Hospital



**Claire O'Donovan
Connolly,**
Home Support Worker,
HSE Cork

You can vote for up to 5 candidates in this election

We would like to extend our thanks to outgoing elected volunteers. David O'Brien, whose term has expired and has indicated he is not going to seek re-election, and Pat O'Neill, who has tendered his resignation from the Board of Directors. We have enjoyed working with you over many years and wish you the best in the next chapter.

We would also like to thank all our colleagues and the management team for their assistance throughout the year.

Amanda Buggle
Chairperson

Pascal Keeve
Secretary

Pat O'Neill
Committee Member

AGENDA

- (a) The acceptance by the Board of Directors of the authorised representatives of members that are not natural persons; Housekeeping matters;
- (b) Ascertainment that a quorum is present;
- (c) Adoption of Standing Orders; Page 12
- (d) Approval (or correction) of the minutes of the last annual general meeting;
- (e) Report of the Nominations Committee; Page 09
- (f) Appointment of Tellers;
- (g) Election of Auditor; Page 09
- (h) Election to fill vacancies on the Board Oversight Committee; Page 09
- (i) Election to fill vacancies on the Board of Directors; Page 10
- (j) Chairperson's Address Page 06
- (k) Report of the Board of Directors; Page 15
- (l) Consideration of accounts; Report of the Auditor; Page 18
- (m) Report of the Board Oversight Committee; Page 17
- (n) Proposed Rule Amendment for Rule 98 Page 14
- (o) Report of the Credit Committee; Page 46
- (p) Report of the Credit Control Committee; Page 48
- (q) Report of the Membership, Education and Development Committee; Page 50
- (r) Announcement of election results;
- (s) Any other business/Unfinished business;
- (t) Adjournment of meeting



BE MORE GREEN!

Sign up to eNotifications and eStatements by messaging us in cuOnline+ or the HSSCU App

STANDING ORDERS

1. VOTING

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

Due to the fact that this year's AGM will be a virtual meeting, voting on motions and elections will be by electronic means.

Members who have registered using the registration link provided in HSSCU's AGM Notification before 6pm on Sunday, March 21st will be issued with AGM login details to their chosen, personal email address.

2. ELECTION PROCEDURE

ELECTRONIC VOTING

When nominations are announced tellers shall be appointed by the Chairperson and voting procedures and instructions shall be distributed. The mechanics of the virtual voting process will be explained in more detail at the AGM by the Chairperson. Elections shall be in the following order:

- (a) Election of auditor;
- (b) Election for membership of the board of directors; and
- (c) Election for membership of the board oversight committee.

Voting links will be provided by HSSCU in the chat section of the virtual AGM. Members then click the relevant link(s), which will be hosted on Survey Monkey and will have a specified amount of time to vote for their preferred party/parties. Please note, all voting will remain anonymous to the credit union. The mechanics of the virtual voting process will be explained in more detail at the AGM by the Chairperson. When the votes have been counted by the tellers, the results shall be announced by the Chairperson.

3 - 4 MOTIONS

3. Due to the specific difficulties we are facing in holding an Annual General Meeting this year due to Covid-19, the purpose of this year's AGM is to deal with the essential business of the credit union. This includes reporting to members on the financial status of the credit union, declare a dividend/interest rebate, and elect officers. Any other non-urgent matters will be dealt with at next year's AGM.

As such, there will be no motions from the floor due to the difficulties in managing same remotely.

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

STANDING ORDERS (CONTINUED)

5 - 9 MISCELLANEOUS

5. The Chairperson of the credit union shall be the Chairperson of any general meeting, except where he/she is not available, in which case it shall be the Vice-Chairperson, except where he/she is not available, in which case the Board shall decide amongst themselves who shall act as Chairperson of any general meeting.
6. The Chairperson may at his/her discretion, extend the privilege of the floor to any person who is not a member.
7. Matters not covered by the Agenda may be introduced under "Other Business" at the discretion of the Chairperson. At a virtual AGM in the current circumstances, this may not be practical, however, the option may be invoked if required.
8. The Chairperson shall have a second or casting vote in addition to his/her own vote on matters other than voting at elections where there is an equality of votes (Standard Rule 99(1)).
9. Any matter to be decided upon by a vote at the AGM shall, unless otherwise expressly provided for by law or the rules be decided upon by majority vote.

10. Adjournments

Adjournments of the AGM shall take place only in accordance with section 81(1) and the provisions concerning notice, voting and quorum are also set out in section 81 (and the new section 80A inserted by the Finance (Miscellaneous Provisions) Bill 2020).

PROPOSED RULE AMENDMENT FOR RULE 98 OF STANDARD RULES OF HEALTH SERVICES STAFFS CREDIT UNION LIMITED

That this Annual General Meeting agrees to amend Rule 98 of the Standard Rules of Health Services Staffs Credit Union Limited by the inclusion of a new sub rule (8) to read as follows;

Rule 98. Notice of general meetings

- (1) Before a general meeting of the credit union is held, the secretary of the credit union shall, in accordance with paragraph (2), give notice of the meeting to the Bank, to the auditor of the credit union, to the Irish League of Credit Unions and to every member of the credit union who, at the beginning of the relevant period, is eligible to vote at the meeting.
- (2) Subject to paragraph (4), the notice required by paragraph (1):
 - (a) shall state the date, time and place of the general meeting;
 - (b) shall be accompanied by the agenda for the meeting;
 - (c) in the case of a notice of a special general meeting, shall contain a statement that the annual accounts for the most recent financial year may be obtained, not later than seven days before the date of the general meeting, at the registered office of the credit union;
 - (d) shall, within the relevant period, be delivered personally or by post to the Bank, to the auditor, to the Irish League of Credit Unions and to each member of the credit union and, if delivered by post to any member, shall be so delivered to the address of that member as recorded in the books of the credit union; and
 - (e) shall be displayed in the public office or offices of the credit union.
- (3) References in paragraphs (1) and (2) to the relevant period are references to the period which begins twenty one days before and ends seven days before the date of the general meeting.
- (4) With the consent of the Bank, given where the Bank considers there are exceptional circumstances justifying the application of section 80(4) of the Act, the notice required by paragraph (1) shall be given by publishing a notice, in accordance with paragraph (5), at such times (or within such period) and in such form as the Bank may require.
- (5) Where paragraph (4) applies, the notice, which shall include the agenda for the meeting, shall be published:
 - (a) in at least two appropriate newspapers published in the State and circulating in the area of the common bond of the credit union and in the area in which the registered office of the credit union is situated, and
 - (b) in any other manner which the Bank requires as being necessary for bringing the notice to the attention of the persons entitled to attend the meeting, and, for the purposes of paragraph (5)(a), the two appropriate newspapers are a local newspaper and a national daily newspaper or, if there is no local newspaper circulating in the area concerned, two national daily newspapers.
- (6) The proceedings at a general meeting shall not be invalidated by:
 - (a) the accidental omission to give notice to any member entitled to receive notice of the meeting; or
 - (b) the non-receipt by any member of notice of the meeting.
- (7) A general meeting of which notice is given less than seven days before the meeting but otherwise in accordance with paragraph (2) shall not be invalid if not less than two-thirds of the members entitled to vote at the meeting and the auditor so agree in writing either before or during the meeting.

“(8) A Credit Union need not hold a general meeting at a physical venue but may conduct the meeting wholly or partly by the use of electronic communications technology as long as all attendees have a reasonable opportunity to participate in the meeting in accordance with this section.”

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2020

The directors present their annual report and the audited financial statements for the financial year ended 30 September 2020.

PRINCIPAL ACTIVITY

The principal activity of the business continues to be the operation of a credit union.

AUTHORISATION

The credit union is authorised as follows:

- Insurance/reinsurance or ancillary insurance intermediary under the European Union (Insurance Distribution) Regulations, 2018 (as amended).
- Investment Intermediaries (Restricted Activity Investment Product Intermediary) pursuant to Section 26 of the Investment Intermediaries Act, 1995 (as amended).
- Entitled under the European Union (Payment Services) Regulations 2018 to provide payment services.

BUSINESS REVIEW

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

DIVIDENDS AND LOAN INTEREST REBATES

The directors are not proposing a dividend or loan interest rebate in respect of the year ended 30 September 2020 (2019: proposed dividend of €290,123 (0.10%) and a proposed loan interest rebate of €132,532 (1.00%)).

PRINCIPAL RISKS AND UNCERTAINTIES

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

Credit risk

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

Lack of loan demand

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

Market risk

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

Liquidity risk

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

Operational risk

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

DIRECTORS' REPORT (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2020

These risks are managed by the board of directors as follows:

Credit risk

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

Lack of loan demand

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

Market risk

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

Liquidity risk

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

Operational risk

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

ACCOUNTING RECORDS

The directors believe that they comply with the requirements of Section 108 of the Credit Union Act, 1997 (as amended) with regard to books of account by employing accounting personnel with appropriate expertise and by providing adequate resources to the finance function. The books of account of the credit union are maintained at the credit union's premises at 5 High Street, Christchurch, Dublin 8.

EVENTS AFTER THE END OF THE FINANCIAL YEAR

Since the year end, the COVID-19 pandemic has continued to have a direct effect on the credit union, the economy and the general population. The directors and management are closely monitoring the evolution of the pandemic, and while there is no clear indication as to when the impact will be curtailed or eliminated, they will continue to take appropriate actions to mitigate any possible adverse effects on the credit union, on its officers and on its members.

AUDITORS

In accordance with Section 115 of the Credit Union Act, 1997 (as amended), the auditors Grant Thornton offer themselves for re-election.

This report was approved by the board on 18 November 2020 and signed on its behalf by:

Marie Mc Bryan

Chairperson HSSCU

Date: 18 November 2020

Amanda Buggle

Vice President HSSCU

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2020

The directors are responsible for preparing the financial statements in accordance with applicable Irish law and regulations. The directors are also responsible for preparing the other information included in the annual report. The Credit Union Act, 1997 (as amended) requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the credit union and of the income and expenditure of the credit union for that period.

In preparing those financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and reason for any material departure from those standards; and
- 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 ensuring that the credit union keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the credit union, enable at any time the assets, liabilities, financial position and income and expenditure of the credit union to be determined with reasonable accuracy, enable them to ensure that the financial statements comply with the Credit Union Act, 1997 (as amended) and enable the financial statements to be audited. They are also 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.

This statement was approved by the Board on 18 November 2020 and signed on its behalf by:

Marie Mc Bryan
Chairperson HSSCU

Amanda Buggle
Vice President HSSCU

Date: 18 November 2020

BOARD OVERSIGHT COMMITTEE'S RESPONSIBILITIES STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2020

The Credit Union Act, 1997 (as amended) requires the appointment of a Board Oversight Committee to assess whether the Board of Directors has operated in accordance with part iv, part iv(a) and any regulations made for the purposes of part iv or part iv(a) of the Credit Union Act, 1997 (as amended) and any other matter prescribed by the Central Bank of Ireland in respect of which they are to have regard to in relation to the Board of Directors.

This statement was approved by the Board Oversight Committee on 18 November 2020 and signed on its behalf by:

John Keppel
Chairperson Board Oversight Committee

Date: 18 November 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HEALTH SERVICES STAFFS CREDIT UNION LIMITED

OPINION

We have audited the financial statements of Health Services Staffs Credit Union Limited, which comprise the income and expenditure account, the statement of other comprehensive income, the balance sheet, the statement of changes in reserves and the statement of cash flows for the financial year ended 30 September 2020, and the related notes to the financial statements, including the summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is Irish law including the Credit Union Act, 1997 (as amended) and accounting standards issued by the Financial Reporting Council including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (Generally Accepted Accounting Practice in Ireland).

In our opinion, Health Services Staffs Credit Union Limited's financial statements:

- give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland of the state of the credit union's affairs as at 30 September 2020 and of its income and expenditure and cash flows for the year then ended; and
- have been properly prepared so as to conform with the requirements of the Credit Union Act, 1997 (as amended).

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (Ireland) ('ISAs (Ireland)') and applicable law. Our responsibilities under those standards are further described in the 'responsibilities of the auditor for the audit of the financial statements' section of our report. We are independent of the credit union in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, namely the Irish Auditing and Accounting Supervisory Authority (IAASA) Ethical Standard concerning the integrity, objectivity and independence of the auditor, and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the entity. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (Ireland) 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HEALTH SERVICES STAFFS CREDIT UNION LIMITED (CONTINUED)

OTHER INFORMATION

Other information comprises 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 on the other information, 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.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY THE CREDIT UNION ACT, 1997 (AS AMENDED)

Based solely on the work undertaken in the course of the audit, we report that:

- we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
- in our opinion proper accounting records have been kept by the credit union;
- the financial statements are in agreement with the accounting records of the credit union; and
- the financial statements contain all primary statements, notes and significant accounting policies required to be included in accordance with section 111(1)(c) of the Act.

RESPONSIBILITIES OF DIRECTORS FOR THE FINANCIAL STATEMENTS

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements which give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland, including FRS 102, and for such internal control as they determine 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 intends to liquidate the credit union or to cease operations, or has no realistic alternative but to do so.

RESPONSIBILITIES OF THE AUDITOR FOR THE AUDIT OF THE FINANCIAL STATEMENTS

The auditor's 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 their opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HEALTH SERVICES STAFFS CREDIT UNION LIMITED (CONTINUED)

As part of an audit in accordance with ISAs (Ireland), the auditor will exercise professional judgement and maintain professional scepticism throughout the audit. The auditor will also:

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

The auditor communicates with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that may be identified during the audit.

THE 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 section 120 of the Credit Union Act, 1997 (as amended). Our audit work has been undertaken so that we might state to the credit union's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the credit union and the credit union's members as a body, for our audit work, for this report, or for the opinions we have formed.

Denise O'Connell FCA
for and on behalf of
Grant Thornton
Chartered Accountants
& Statutory Audit Firm
Mill House, Henry Street, Limerick

Date: 18 November 2020

INCOME AND EXPENDITURE ACCOUNT

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2020

		2020	2019
	Schedule	€	€
Income			
Interest on members' loans		13,688,304	12,644,255
Members' deposit and other interest expense and similar charges		(29,493)	(37,594)
Other interest income and similar income	1	1,039,037	875,081
Net interest income		14,697,848	13,481,742
Other income	2	139,073	223,650
Total income		14,836,921	13,705,392
Expenditure			
Employment costs		4,623,678	4,130,215
Other management expenses	3	6,071,728	5,970,780
Depreciation		886,175	716,019
Impairment of premises		252,807	-
Fair value movement on investment property		60,000	-
Net impairment losses on loans to members (note 5)		2,670,061	724,564
Total expenditure		14,564,449	11,541,578
Surplus for the financial year		272,472	2,163,814

The financial statements were approved and authorised for issue by the board on 18 November 2020 and signed on behalf of the credit union by:

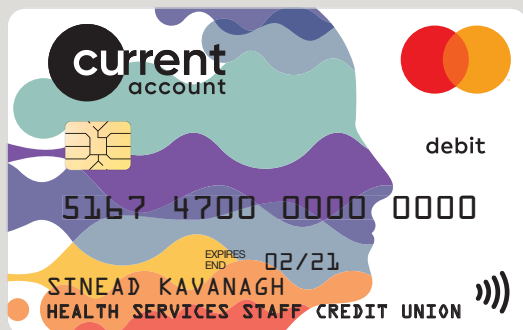
Marie Mc Bryan
Chairperson HSSCU

John Keppel
Chairperson Board Oversight Committee

Sean Hosford
CEO

Date: 18 November 2020

The notes on pages 26 to 45 form part of these financial statements.



STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2020

	2020	2019
	€	€
Surplus for the financial year	272,472	2,163,814
Other comprehensive income	-	-
Total comprehensive income for the financial year	272,472	2,163,814

The financial statements were approved and authorised for issue by the board on 18 November 2020 and signed on behalf of the credit union by:

Marie Mc Bryan
Chairperson HSSCU

John Keppel
Chairperson Board Oversight Committee

Sean Hosford
CEO

Date: 18 November 2020

The notes on pages 26 to 45 form part of these financial statements.



Health Services Staffs
Credit Union

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BALANCE SHEET

AS AT 30 SEPTEMBER 2020

	Notes	2020 €	2019 €
Assets			
Cash and balances at bank		7,610,079	6,107,635
Deposits and investments – cash equivalents	7	46,774,158	56,628,477
Deposits and investments – other	7	149,397,987	133,148,604
Loans to members	8	189,150,876	180,705,986
Provision for bad debts	9	(11,213,204)	(8,630,269)
Members' current accounts	15	21,535	-
Tangible fixed assets	10	4,208,856	4,475,933
Investment property	11	507,500	567,500
Debtors, prepayments and accrued income	12	4,346,549	3,762,336
Total assets		390,804,336	376,766,202
Liabilities			
Members' shares	13	318,770,606	302,085,906
Members' deposits	13	13,112,746	16,478,087
Other members' funds	13	3,281,751	2,818,495
Members' budget accounts	14	1,044,151	1,053,683
Members' current accounts	15	228,632	515
Other liabilities, creditors, accruals and charges	16	1,972,972	1,769,159
Other provisions	17	36,375	56,006
Total liabilities		338,447,233	324,261,851
Reserves			
Regulatory reserve	19	41,031,369	39,556,369
Operational risk reserve	19	3,340,593	3,165,251
Other reserves			
- Realised reserves	19	7,550,033	9,401,370
- Unrealised reserves	19	435,108	381,361
Total reserves		52,357,103	52,504,351
Total liabilities and reserves		390,804,336	376,766,202

The financial statements were approved and authorised for issue by the board on 18 November 2020 and signed on behalf of the credit union by:

Marie Mc Bryan
Chairperson HSSCU

John Keppel
Chairperson Board Oversight Committee

Sean Hosford
CEO

Date: 18 November 2020

The notes on pages 26 to 45 form part of these financial statements.

STATEMENT OF CHANGES IN RESERVES

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2020

	Regulatory reserve €	Operational risk reserve €	Realised reserves €	Unrealised reserves €	Total €
As at 1 October 2018	33,477,072	2,594,164	9,043,977	383,555	45,498,768
Surplus for the financial year	1,500,000	200,000	451,287	12,527	2,163,814
Dividends and loan interest rebates paid	-	-	(770,899)	-	(770,899)
Transfers of engagements	4,579,297	330,000	701,303	2,068	5,612,668
Transfers between reserves	-	41,087	(24,298)	(16,789)	-
As at 1 October 2019	39,556,369	3,165,251	9,401,370	381,361	52,504,351
Surplus for the financial year	200,000	-	18,725	53,747	272,472
Dividends and loan interest rebates paid	-	-	(419,720)	-	(419,720)
Transfers between reserves	1,275,000	175,342	(1,450,342)	-	-
As at 30 September 2020	41,031,369	3,340,593	7,550,033	435,108	52,357,103

- The regulatory reserve of the credit union as a percentage of total assets as at 30 September 2020 was 10.50% (2019: 10.50%).
- The operational risk reserve of the credit union as a percentage of total assets as at 30 September 2020 was 0.85% (2019: 0.84%).

The notes on pages 26 to 45 form part of these financial statements.

HSSCU INSTAGRAM ACCOUNT



Health Services Staff's
Credit Union



Instagram

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STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2020

	Notes	2020 €	2019 €
Opening cash and cash equivalents		62,736,112	49,818,199
Cash flows from operating activities			
Loans repaid by members	8	77,498,411	73,993,019
Loans granted to members	8	(87,067,209)	(90,481,833)
Interest on members' loans		13,688,304	12,644,255
Members' deposit and other interest expense and similar charges		(29,493)	(37,594)
Other interest income and similar income		1,039,037	875,081
Bad debts recovered and recoveries		1,036,782	891,405
Dividends paid		(287,184)	(478,335)
Loan interest rebates paid		(132,536)	(292,564)
Other income		139,073	223,650
Members' budget account lodgements	14	3,908,336	4,285,052
Members' budget account withdrawals	14	(3,917,868)	(4,223,319)
Members' current account lodgements	15	1,538,097	525
Members' current account withdrawals	15	(1,331,515)	(10)
Operating expenses		(10,695,406)	(10,100,995)
Movement in other assets and liabilities		(400,031)	(753,233)
Net cash flows from operating activities		(5,013,202)	(13,454,896)
Cash flows from investing activities			
Cash and investments introduced from transfers of engagements		-	29,751,304
Fixed assets (purchases)/disposals		(871,905)	(907,924)
Net cash flow from other investing activities		(16,249,383)	(24,855,711)
Net cash flows from investing activities		(17,121,288)	3,987,669
Cash flows from financing activities			
Members' savings received	13	173,105,859	146,140,782
Members' savings withdrawn	13	(159,323,244)	(123,755,642)
Net cash flow from financing activities		13,782,615	22,385,140
Net (decrease)/increase in cash and cash equivalents		(8,351,875)	12,917,913
Closing cash and cash equivalents	6	54,384,237	62,736,112

The notes on pages 26 to 45 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2020

1. LEGAL AND REGULATORY FRAMEWORK

Health Services Staffs Credit Union Limited is registered with the Registry of Credit Unions and is regulated by the Central Bank of Ireland. The registered office of the credit union is located at 5 High Street, Christchurch, Dublin 8.

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with applicable Irish accounting standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and Irish statute comprising of the Credit Union Act, 1997 (as amended). The financial statements have been prepared on the historical cost basis except for the valuation of the investment property as specified in the accounting policies below.

The financial statements are presented in Euro (€) which is also the functional currency of the credit union.

The following principal accounting policies have been applied:

2.2 Statement of compliance

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

2.3 Going concern

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

2.4 Income

Interest on members' loans

Interest on members' loans is recognised on an accruals basis using the effective interest method.

Deposit and investment income

Deposit and investment income is recognised on an accruals basis using the effective interest method.

Other income

Other income is recognised on an accruals basis.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2020

2. ACCOUNTING POLICIES (CONTINUED)

2.5 Cash and cash equivalents

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

2.6 Investments

The specific investment products held by the credit union are accounted for as follows:

Held at amortised cost

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

Central Bank deposits

Credit unions are obliged to maintain certain deposits with the Central Bank. These deposits are technically assets of the credit union but to which the credit union has restricted access. The funds on deposit with the Central Bank attract nominal interest and will not ordinarily be returned to the credit union while it is a going concern. The amounts are stated at the amount deposited plus accrued income and are not subject to impairment reviews.

Investments at fair value

Investments held for trading and investment in stock market shares (i.e. non-convertible preference shares and non-puttable ordinary shares or preference shares) are included in this category. Financial assets at fair value are classified as held for trading if they are acquired for sale in the short term. They are valued at fair value (market value) at the year-end date and all gains and losses are taken to the income and expenditure account.

The fair value of quoted investments is determined by reference to bid prices at the close of business on the balance sheet date. Where there is no active market these assets will be carried at cost plus accrued income less impairment.

2.7 Financial assets – loans to members

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

Loans are derecognised when the right to receive cash flows from the asset has expired, usually when all amounts outstanding have been repaid by the member.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2020

2. ACCOUNTING POLICIES (CONTINUED)

2.8 Bad debts provision

The credit union assesses if there is objective evidence that any of its loans are impaired with due consideration of environmental factors. The loans are assessed collectively in groups that share similar credit risk characteristics. Individually significant loans are assessed on a loan by loan basis. In addition, if there is objective evidence that any individual loan is impaired, a specific loss will be recognised. Bad debt provisioning is monitored by the credit union, and the credit union assesses and approves its provisions and the adequacy of same on a regular basis.

Any bad debts/impairment losses are recognised in the income and expenditure account.

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

2.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The credit union adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the credit union. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the income and expenditure account during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Premises	6.18% straight line per annum
Construction work in progress	Not depreciated
Leasehold improvements	Over the lesser of the useful economic life and the remaining term of the lease
Computer and office equipment	20% straight line per annum
Fixtures and fittings	20% straight line per annum
Software	25% straight line per annum
Motor vehicles	25% straight line per annum

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2020

2. ACCOUNTING POLICIES (CONTINUED)

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the income and expenditure account.

2.10 Impairment of assets

At each reporting date assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the income and expenditure account. If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the 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 accounts.

2.11 Investment properties

Investment properties for which fair value can be measured reliably without undue cost or effort are measured at fair value at each reporting date with changes in fair value recognised in the income and expenditure account. No depreciation is provided.

2.12 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.

2.13 Financial liabilities – members' savings

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

2.14 Members' deposits

Interest on members' deposits is recognised on an accruals basis using the effective interest method.

2.15 Members' current accounts

The credit union provides Member Personal Current Account Services in accordance with Section 49(3) of the Credit Union Act, 1997 (as amended).

2.16 Other payables

Short term other liabilities, creditors, accruals and charges are measured at the transaction price.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2020

2. ACCOUNTING POLICIES (CONTINUED)

2.17 Pension costs

The credit union operates a defined contribution pension scheme. The assets of this scheme are held separately from those of the credit union in independently administered funds. Employer contributions to the pension scheme are charged to the income and expenditure account in the period to which they relate.

2.18 Holiday pay

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

2.19 Operating leases

Rentals payable under operating leases are charged to the income and expenditure account on a straight line basis over the lease term.

2.20 Derecognition of financial liabilities

Financial liabilities are derecognised when the obligations of the credit union specified in the contract are discharged, cancelled or expired.

2.21 Regulatory reserve

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

2.22 Operational risk reserve

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

The directors have considered the requirements of the Act and have considered an approach to the calculation of the operational risk reserve. The credit union uses the Basic Indicator Approach as set out in the operational risk measurements techniques proposed under Basel II capital adequacy rules for banking institutions in calculating the Operational Risk Reserve. Therefore the credit union will hold an operational risk reserve which will at a minimum equal 15% of the average positive gross income for the previous three years. For any year in which there was a deficit, this will be excluded from the calculation.

In addition, the credit union has included in its operational risk reserve a Member Personal Current Account Service operational risk reserve, in accordance with Section 49(3) of the Credit Union Act, 1997 (as amended).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2020

2. ACCOUNTING POLICIES (CONTINUED)

2.23 Other reserves

Other reserves are the accumulated surpluses to date that have not been declared as dividends returnable to members. The other reserves are subdivided into realised and unrealised. In accordance with the Central Bank guidance note for credit unions on matters relating to accounting for investments and distribution policy, investment income that has been recognised but will not be received within 12 months of the balance sheet date is classified as “unrealised” and is not distributable. A reclassification between unrealised and realised is made as investments come to within 12 months of maturity date. The directors have deemed it appropriate that interest on loans receivable at the balance sheet date is also classified as “unrealised” and is not distributable. All other income is classified as “realised”.

2.24 Distribution policy

Dividends and loan interest rebates are made from the current year’s surplus or reserves set aside for that purpose. The board’s proposed dividends and loan interest rebates to members each year is based on the distribution policy of the credit union.

The rate of dividends and loan interest rebates recommended by the board will reflect:

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

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

The credit union accounts for dividends and loan interest rebates when members ratify such payments at the Annual General Meeting.

2.25 Taxation

The credit union is not subject to income tax or corporation tax on its activities.

3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCE OF ESTIMATION UNCERTAINTY

Preparation of the financial statements requires the directors to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2020

3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCE OF ESTIMATION UNCERTAINTY (CONTINUED)

Determination of depreciation, useful economic life and residual value of tangible assets

The annual depreciation charge depends primarily on the estimated lives of each type of asset and, in certain circumstances, estimates of residual values. The directors regularly review these useful lives and change them if necessary to reflect current conditions. In determining these useful lives management consider technological change, patterns of consumption, physical condition and expected economic utilisation of the assets. Changes in the useful lives can have a significant impact on the depreciation charge for the financial year. The net book value of tangible fixed assets subject to depreciation at the year end was €4,208,856 (2019: €4,475,933).

Provision for bad debts

The credit union's accounting policy for impairment of loans is set out in the accounting policy in note 2.8. 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. The provision for bad debts in the financial statements at the year end was €11,213,204 (2019: €8,630,269) representing 5.93% (2019: 4.78%) of the total gross loan book.

Operational risk reserve

The directors have considered the requirements of the Credit Union Act, 1997 (as amended) and have developed an approach to the calculation of the operational risk reserve. The credit union uses the Basic Indicator Approach as set out in the operational risk measurements techniques proposed under Basel II capital adequacy rules for banking institutions in calculating the operational risk reserve. In addition, the credit union has included in its operational risk reserve a Member Personal Current Account Service operational risk reserve, in accordance with Section 49(3) of the Credit Union Act, 1997 (as amended). The operational risk reserve of the credit union at the year end was €3,340,593 (2019: €3,165,251).

Adoption of going concern basis for financial statements preparation

The directors have prepared projections and cash flows for a period of at least twelve months from the date of the approval of the financial statements which demonstrate that there is no material uncertainty regarding the credit union's ability to meet its liabilities as they fall due, and to continue as a going concern. On this basis the directors consider it appropriate to prepare the financial statements on a going concern basis. Accordingly, these financial statements do not include any adjustments to the carrying amounts and classification of assets and liabilities that may arise if the credit union was unable to continue as a going concern.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2020

4. KEY MANAGEMENT PERSONNEL COMPENSATION

The directors of the credit union are all unpaid volunteers. The key management personnel compensation is as follows.

	2020	2019
	€	€
Short term employee benefits paid to key management	565,327	535,910
Payments to pension schemes	84,703	80,694
Total key management personnel compensation	650,030	616,604

5. NET IMPAIRMENT LOSSES ON LOANS TO MEMBERS

	2020	2019
	€	€
Bad debts recovered	(814,582)	(702,013)
Impairment of loan interest reclassified as bad debt recoveries	(222,200)	(189,392)
Movement in bad debts provision during the year	2,582,935	594,116
Loans written off during the year	1,123,908	1,021,853
Net impairment losses on loans to members	2,670,061	724,564

6. CASH AND CASH EQUIVALENTS

	2020	2019
	€	€
Cash and balances at bank	7,610,079	6,107,635
Deposits and investments (note 7)	196,172,145	189,777,081
Less: Deposit and investment amounts maturing after three months	(149,397,987)	(133,148,604)
Total cash and cash equivalents	54,384,237	62,736,112

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2020

7. DEPOSITS AND INVESTMENTS

	2020 €	2019 €
Deposits and investments – cash equivalents		
Accounts in authorised credit institutions (Irish and non-Irish based)	46,554,158	55,686,326
Irish and EEA state securities	20,000	20,000
Bank bonds	200,000	-
Collective investment schemes	-	922,151
Total deposits and investments – cash equivalents	46,774,158	56,628,477
Deposits and investments – other		
Accounts in authorised credit institutions (Irish and non-Irish based)	98,010,685	105,832,035
Irish and EEA state securities	9,575,720	4,616,009
Bank bonds	22,487,551	17,056,147
Central Bank deposits	16,280,309	2,591,319
Other investments	3,043,722	3,053,094
Total deposits and investments – other	149,397,987	133,148,604
Total deposits and investments	196,172,145	189,777,081

8. FINANCIAL ASSETS – LOANS TO MEMBERS

	2020 €	2019 €
As at 1 October	180,705,986	158,513,993
Loans arising on transfer of engagements	-	6,725,032
Loans granted during the year	87,067,209	90,481,833
Loans repaid during the year	(77,498,411)	(73,993,019)
Gross loans and advances	190,274,784	181,727,839
Bad debts		
Loans written off during the year	(1,123,908)	(1,021,853)
As at 30 September	189,150,876	180,705,986

TOTAL LOANS
AS AT 30 SEPTEMBER 2020
€189,150,876



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2020

9. PROVISION FOR BAD DEBTS

	2020 €	2019 €
As at 1 October	8,630,269	7,369,432
Provisions arising on transfer of engagements	-	666,721
Movement in bad debts provision during the year	2,582,935	594,116
As at 30 September	11,213,204	8,630,269

The provision for bad debts is analysed as follows:

	2020 €	2019 €
Grouped assessed loans	11,213,204	8,630,269
Provision for bad debts	11,213,204	8,630,269

10. TANGIBLE FIXED ASSETS

	Premises €	Construction work in progress €	Leasehold improve- ments €	Computer and office equipment €	Fixtures and fittings €	Software €	Motor vehicles €	Total €
Cost								
1 October 2019	6,883,358	138,780	485,680	1,687,092	546,575	235,940	24,500	10,001,925
Additions	-	652,637	-	126,002	13,584	79,682	-	871,905
At 30 September								
2020	6,883,358	791,417	485,680	1,813,094	560,159	315,622	24,500	10,873,830
Depreciation								
1 October 2019	3,952,602	-	62,007	978,123	333,875	174,885	24,500	5,525,992
Charge for year	466,080	-	48,568	288,201	58,423	24,903	-	886,175
Impairment of premises	252,807	-	-	-	-	-	-	252,807
At 30 September								
2020	4,671,489	-	110,575	1,266,324	392,298	199,788	24,500	6,664,974
Net book value								
30 September								
2020	2,211,869	791,417	375,105	546,770	167,861	115,834	-	4,208,856
30 September 2019	2,930,756	138,780	423,673	708,969	212,700	61,055	-	4,475,933

The impairment recognised in the income and expenditure account for the year ended 30 September 2020 represents the difference between the previous carrying values for the Limerick premises and Ranelagh premises and the market values for same by reference to independent valuations.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2020

11. INVESTMENT PROPERTIES

	2020	2019
	€	€
Balance at 1 October	567,500	567,500
Fair value adjustment	(60,000)	-
As at 30 September	507,500	567,500

Investment properties consist of two properties which were acquired by way of Transfer of Engagements. The fair value movement recognised in the income and expenditure account for the year ended 30 September 2020 represents the difference between the previous carrying value for the Ranelagh investment property and the market value for same by reference to an independent valuation.

12. DEBTORS, PREPAYMENTS AND ACCRUED INCOME

	2020	2019
	€	€
Loan interest receivable	422,907	381,361
Prepayments	417,904	288,482
Other debtors	3,505,738	3,092,493
As at 30 September	4,346,549	3,762,336

13. MEMBERS' SAVINGS

	2020	2019
	€	€
As at 1 October	321,382,488	266,706,542
Members' savings arising on transfer of engagements	-	32,290,806
Received during the year	173,105,859	146,140,782
Withdrawn during the year	(159,323,244)	(123,755,642)
As at 30 September	335,165,103	321,382,488

Members' savings are analysed as follows:

	2020	2019
	€	€
Members' shares	318,770,606	302,085,906
Members' deposits	13,112,746	16,478,087
Other members' funds	3,281,751	2,818,495
Total members' savings	335,165,103	321,382,488

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2020

14. MEMBERS' BUDGET ACCOUNTS

	2020	2019
	€	€
As at 1 October	1,053,683	991,950
Lodgements during the year	3,908,336	4,285,052
Withdrawals during the year	(3,917,868)	(4,223,319)
As at 30 September	1,044,151	1,053,683

15. MEMBERS' CURRENT ACCOUNTS

	2020	2019
	€	€
As at 1 October	515	-
Lodgements during the year	1,538,097	525
Withdrawals during the year	(1,331,515)	(10)
As at 30 September	207,097	515

	No. of Accounts	Balance of Accounts €
Debit balances	101	21,535
Credit balances	292	228,632
Permitted overdrafts	46	57,850

16. OTHER LIABILITIES, CREDITORS, ACCRUALS AND CHARGES

	2020	2019
	€	€
Members' draw balance	405,834	332,487
PAYE/PRSI	137,732	102,856
Other creditor and accruals	1,429,406	1,333,816
As at 30 September	1,972,972	1,769,159

17. OTHER PROVISIONS

	2020	2019
	€	€
Holiday pay accrual		
At 1 October	56,006	59,517
Charged to the income and expenditure account	(19,631)	(3,511)
As at 30 September	36,375	56,006

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2020

18. FINANCIAL INSTRUMENTS

18a. Financial instruments – measured at amortised cost

Financial assets	2020	2019
	€	€
Financial assets measured at amortised cost	368,906,963	373,987,976

Financial liabilities	2020	2019
	€	€
Financial liabilities measured at amortised cost	338,447,233	324,261,851

Financial assets measured at amortised cost comprise of cash and balances at bank, deposits and investments, members' current accounts (debit balances), loans and other debtors.

Financial liabilities measured at amortised cost comprise of members' savings, members' budget accounts, members' current accounts (credit balances), other liabilities, creditors, accruals and charges and other provisions.

18b. Financial instruments – fair value measurements

FRS 102 requires fair value measurements to be disclosed by the source of inputs, using a three level hierarchy:

- Quoted prices for identical instruments in active market (level 1);
- Prices of recent transactions for identical instruments and valuation techniques using observable market data (level 2); and
- Valuation techniques using unobservable market data (level 3).

The table below sets out fair value measurements using the fair value hierarchy:

At 30 September 2020	Total	Level 1	Level 2	Level 3
	€	€	€	€
Accounts in authorised credit institutions	21,045,612	-	21,045,612	-
Bank bonds	6,507,798	-	6,507,798	-
Total	27,553,410	-	27,553,410	-

At 30 September 2019	Total	Level 1	Level 2	Level 3
	€	€	€	€
Accounts in authorised credit institutions	767,813	-	767,813	-
Collective investment schemes	922,151	-	922,151	-
Bank bonds	4,005,255	-	4,005,255	-
Total	5,695,219	-	5,695,219	-

There were no fair value adjustments recognised in the income and expenditure account for the year ended 30 September 2020 (2019: €nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2020

19. RESERVES

	Balance 01/10/19	Payment of dividends and loan interest rebates	Appropriation of current year surplus	Transfers between reserves	Balance 30/09/20
	€	€	€	€	€
Regulatory reserve	39,556,369	-	200,000	1,275,000	41,031,369
Operational risk reserve	3,165,251	-	-	175,342	3,340,593
Other reserves					
Realised					
General reserve	8,678,715	-	18,725	(1,147,407)	7,550,033
Special reserve: proposed dividends and loan interest rebates	422,655	(419,720)	-	(2,935)	-
Future dividend reserve	300,000	-	-	(300,000)	-
Total realised reserves	9,401,370	(419,720)	18,725	(1,450,342)	7,550,033
Unrealised					
Interest on loans reserve	381,361	-	41,546	-	422,907
Investment income reserve	-	-	12,201	-	12,201
Total unrealised reserves	381,361	-	53,747	-	435,108
Total reserves	52,504,351	(419,720)	272,472	-	52,357,103

20. CREDIT RISK DISCLOSURES

In line with regulatory requirements, the credit union:

- restricts the concentration of lending by the credit union within certain sectors or to connected persons or groups (concentration limits);
- restricts the absolute amount of lending to certain sectors to a set percentage of the regulatory reserve (large exposure limit)
- restricts the loan duration of certain loans to specified limits (maturity limits)
- requires specified lending practices to be in place where loans are made to certain sectors such as business loans, community loans or loans to another credit union.

The carrying amount of the loans to members represents the credit union's maximum exposure to credit risk. The following provides information on the credit quality of loan repayments. Where loans are not impaired it is expected that the amounts repayable will be received in full.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2020

20. CREDIT RISK DISCLOSURES (CONTINUED)

	€	2020 %	€	2019 %
Loans not impaired				
Total loans not impaired, not past due	130,529,917	69.01%	126,770,466	70.15%
Impaired loans:				
Not past due	1,603,831	0.85%	3,748,356	2.07%
Up to 9 weeks past due	49,658,008	26.25%	44,167,873	24.45%
Between 10 and 18 weeks past due	2,923,011	1.55%	2,200,309	1.22%
Between 19 and 26 weeks past due	1,198,324	0.63%	1,173,961	0.65%
Between 27 and 39 weeks past due	1,305,591	0.69%	888,148	0.49%
Between 40 and 52 weeks past due	627,082	0.33%	494,231	0.27%
53 or more weeks past due	1,305,112	0.69%	1,262,642	0.70%
Total impaired loans	58,620,959	30.99%	53,935,520	29.85%
Total loans	189,150,876	100.00%	180,705,986	100.00%

21. RELATED PARTY TRANSACTIONS

21a. Loans

	No. of loans	2020 €	No. of loans	2019 €
Loans advanced to related parties during the year	8	122,500	21	368,156
Total loans outstanding to related parties at the year end	26	737,448	28	770,818
Total provision for loans outstanding to related parties		48,520		25,247

The related party loans stated above comprise of loans outstanding to directors and the management team (to include their family members or any business in which the directors or management team had a significant shareholding).

Total loans outstanding to related parties represents 0.39% of the total loans outstanding at 30 September 2020 (2019: 0.43%).

21b. Savings

The total amount of savings held by related parties at the year end was €566,510 (2019: €868,205).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2020

22. ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURES

22a. Financial risk management

The credit union manages its members' savings and loans so that it earns income from the margin between interest receivable and interest payable. The main financial risks arising from the credit union's activities are credit risk, market risk, liquidity risk and interest rate risk. The board of directors reviews and agrees policies for managing each of these risks, which are summarised below.

Credit risk: Credit risk is the risk that a borrower will default on their contractual obligations relating to repayments to the credit union, resulting in financial loss. In order to manage this risk the board of directors regularly reviews and approves the credit union's loans policies. All loan applications are assessed with reference to the loans policies in force at the time. Subsequently loans are regularly reviewed for any factors that may indicate that the likelihood of repayment has changed.

Market risk: Market risk is the risk that the value of an investment will decrease. This risk can arise from fluctuations in values of, or income from, assets or changes in interest rates. The board of directors regularly reviews and approves the credit union's investment policy and funds are invested in compliance with this policy and regulatory guidance.

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

Interest rate risk: The credit union's main interest rate risk arises from adverse movements in interest rates receivable which would affect investment income. The credit union reviews any potential new investment product carefully to ensure that minimum funds are locked in low yielding long term investments yet at the same time maximising investment income receivable.

22b. Liquidity risk disclosures

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 and minimum short term liquidity ratio as set out in regulatory requirements.

22c. Interest rate risk disclosures

The following shows the average interest rates applicable to relevant financial assets and financial liabilities.

	2020		2019	
	Average interest rate		Average interest rate	
	€	%	€	%
Gross loans to members	189,150,876	7.48%	180,705,986	7.62%

Any dividend payable is at the discretion of the directors and is therefore not a financial liability of the credit union until declared and approved at the AGM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2020

23. DIVIDENDS AND INTEREST REBATES

The following distributions were paid during the year:

		2020		2019
	%	€	%	€
Dividend on shares	0.10%	287,184	0.20%	478,335
Loan interest rebates	1.00%	132,536	2.50%	292,564

The directors propose the following distributions in respect of the year:

		2020		2019
	%	€	%	€
Dividend on shares	0.00%	-	0.10%	290,123
Loan interest rebate	0.00%	-	1.00%	132,532

24. RATE OF INTEREST PAID ON MEMBERS' DEPOSIT ACCOUNTS

		2020		2019
	%	€	%	€
Interest on regular deposits	0.10%	13,353	0.10%	12,394
5 year lump sum deposits	0.00%	-	1.00%	1,037
Christmas savings' deposits	0.10%	1,351	0.10%	1,179

25. EVENTS AFTER THE END OF THE FINANCIAL YEAR

Since the year end the COVID-19 pandemic has continued to have a direct effect on the credit union, the economy and the general population. The directors and management are closely monitoring the evolution of the pandemic, and while there is no clear indication as to when the impact will be curtailed or eliminated, they will continue to take appropriate actions to mitigate any possible adverse effects on the credit union, on its officers and on its members.

26. INSURANCE AGAINST FRAUD

The credit union has insurance against fraud in the amount of €5,200,000 (2019: €5,200,000) in compliance with Section 47 of the Credit Union Act, 1997 (as amended).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2020

27. CAPITAL COMMITMENTS

There is a capital commitment at year end pertaining to refurbishment works to the High Street premises. Refurbishment works commenced during the third quarter of 2020 with estimated costs to completion at 30 September 2020 amounting to circa €3 million.

28. COMMITMENTS UNDER OPERATING LEASES

The credit union had future minimum lease payments under a non-cancellable operating lease as follows:

	2020	2019
	€	€
Less than 1 year	49,200	49,200
1 to 5 years	196,800	196,800
Greater than 5 years	102,500	151,700
At 30 September	348,500	397,700

The credit union had future minimum lease payments under an operating lease as follows:

	2020	2019
	€	€
Less than 1 year	3,750	5,000
1 to 5 years	-	3,750
At 30 September	3,750	8,750

29. CONTINGENT LIABILITIES

In September 2018, the Registry of Credit Unions advised all credit unions of a potential matter in relation to accrued interest outstanding on certain top-up loans which may have led to a potential over-collection of interest. The credit union is progressing a review of this matter to ascertain whether any top-up loans made to members might be impacted by these circumstances, and if so, to determine what actions may need to be taken. It is expected that the credit union will finalise its review over the coming months. Consequently, it is impracticable at this time to estimate the impact, financial or otherwise, if any, of this matter and whether any net amounts will become payable or not in the future.

30. COMPARATIVE INFORMATION

Comparative information has been reclassified where necessary to conform to current year presentation.

31. APPROVAL OF FINANCIAL STATEMENTS

The board of directors approved these financial statements for issue on 18 November 2020.

SCHEDULES TO THE INCOME AND EXPENDITURE ACCOUNT FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2020

The following schedules do not form part of the statutory financial statements which are the subject of the Independent Auditor's report on pages 18 to 20.

SCHEDULE 1 – OTHER INTEREST INCOME AND SIMILAR INCOME

	2020	2019
	€	€
Investment income and gains received/receivable within 1 year	1,026,836	875,081
Investment income receivable outside of 1 year	12,201	-
Total per income and expenditure account	1,039,037	875,081

SCHEDULE 2 – OTHER INCOME

	2020	2019
	€	€
ECCU rebate	-	102,027
Commissions, fees and sundry income	115,673	98,640
Rental income	23,400	22,983
Total per income and expenditure account	139,073	223,650

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SCHEDULES TO THE INCOME AND EXPENDITURE ACCOUNT

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2020 (CONTINUED)

SCHEDULE 3 – OTHER MANAGEMENT EXPENSES

	2020	2019
	€	€
Printing and stationery	158,022	125,840
Office expenses	77,145	193,544
Rates	39,902	57,814
Leasing	54,200	54,200
Postage and telephone	293,026	318,149
Light and heat	90,990	73,222
Cleaning	66,205	48,442
Security costs	123,222	106,375
Travel and subsistence	70,747	128,407
Chapter fees	300	3,478
Share and loan insurance	1,375,760	1,275,575
Death benefit insurance	619,500	549,665
Convention, training and annual conference	71,330	84,077
Repairs and maintenance	321,278	302,700
General insurance	99,825	87,535
Audit fee	23,595	23,985
Internal audit	25,523	21,363
Computer and software maintenance	714,155	593,614
AGM expenses	84,545	70,554
Regulatory levies and charges	582,680	531,449
Affiliation fees	50,500	52,000
Transfer of engagements costs	-	242,537
Debit card expense	52,337	20,018
Savings protection scheme fund contribution	30,657	37,235
Professional fees	478,854	347,870
Marketing and advertising	129,917	185,344
Staff uniforms	4,690	24,439
I.T. strategy / national advertising	38,320	29,728
Donations and sponsorship	74,706	70,053
Bank charges	156,457	111,318
Bursary expenses	163,340	200,250
Total per income and expenditure account	6,071,728	5,970,780

Member Prize Draw for Financial Year

Opening Balance	1st October 2019	€332,486.56
Member Contributions		+€923,345.50
Prizes		-€845,500.00
Bank charges		-€1,735.75
Audit Fees		-€2,762.50
Closing Balance	30th September 2020	€405,833.81

REPORT OF THE CREDIT COMMITTEE

Fellow members,

Though this past year has proven to be like no other, our loan application and approval systems continued as normal during a time that could be considered as anything but.

Our Board of Directors and Credit Committee looked at ways of assisting our members during this difficult time, introducing a 'Stay at Home' loan in April 2020, at a reduced rate of 5%, specifically to assist members with financial difficulties resulting from the COVID crisis. This proved to be a popular product, with members with a total of 361 'Stay at Home' loans issued between April and September.

Our homes became the focus of attention for many members, meaning our Home Improvement and Special Rate Home Improvement loans continued to be popular. Our Board also launched additional products specifically aimed at the areas of interest for most people, namely: our Elevate loan (to do small improvements to our homes, which in some cases became our offices also), and a Staycation loan, as we all looked at ways of holidaying at home.

We received a total of **17,902** loan applications.

Of these, a total of **16,843** applications were approved, **1,059** applications were refused, or **5.92%** of all applications received. The total value of loan applications approved was **€91,818,230**.

Our loan demand and approval values reflected the different stages we have gone through as a country, with a drop in demand in March/April, but we returned to normal levels of activity from then on as all began to "live with COVID."

We are constantly looking at ways of improving our loan application & approval systems, but where members are looking for larger sums of money we are required to look for more paperwork with such loans, which can make the process a little longer. As always, we advise members, that if they require an application decision by a specific time, please apply as early as possible.

As with last year's figures, you will see from the comparative statistics at the end of this report, that our refusal rate has increased again over the previous year.

This increase is a result of continued use of the Central Credit Register, which itself is continuing to expand and provide a more comprehensive profile of members' borrowings. As a result, this leads to the most common reason members' loans are refused: total debt commitments versus income. Our primary concern when assessing a loan application is a member's capacity to service all their debts.

Other reasons for refusal can be:

- Performance of other debt.
- Total outgoings versus basic income.
- Mortgage / rent status.
- Arrears history with the credit union.

Please find below comparative statistics for the last two years, showing loan approval and refusal details:

	2018/19	2019/20
No. of Loan Applications Received	20,509	17,902
No. of Loans Approved	19,582	16,843
Total Value of Loans Approved in Year	€91,374,305	€91,818,230
No. of Refusals During Year	927	1059
% Refusals of Total Applications Received	4.52%	5.92%

BREAKDOWN OF LOAN PURPOSES

HOUSING	2018/2019	2019/2020
Home Improvements and Mortgages	€31,735,815.85	€32,441,876.24
MOTORING		
Cars (purchase, repair and insurance), Mobile Homes, and Motorbikes	€22,403,489.50	€24,093,039.53
PERSONAL FINANCE		
Household Bills, Debt Consolidation, etc.	€5,141,136.20	€6,198,456.44
HEALTH & LEISURE		
Christmas, Weddings, Communions, Confirmations, Holidays, Special Rate Education Loans, etc.	€21,285,833.92	€13,371,306.35
MISCELLANEOUS		
All other purposes and all Secured Loans	€10,808,030.50	€15,713,551.72

As you can see from the above figures, members mainly concentrated on their homes and cars, with amounts borrowed for holidays, weddings, etc. considerably down on previous years.

In the year 2018/19 the average loan approved was **€4,666.24**, in 2019/20 the average was **€5,451**.

The following members served on the Credit Committee in 2019/20:

Emer Walsh, Director & Chair

Pat O'Neill, Director

Patricia Carter, Volunteer

Sarah O'Leary, Volunteer

Dolores O'Neill, Volunteer & Secretary

Damien O'Brien, Volunteer

I would like to thank my fellow committee members for their hard work and attendance during the year, our Loans Officers, and all our staff for their work during the year.

Emer Walsh,
Chairperson

REPORT OF THE CREDIT CONTROL COMMITTEE

It has been an extremely tough year for all our members and the Credit Control Committee wishes to extend our best wishes to you all in this unprecedented time in our lives. We, as a committee, hope all our members have been able to remain safe and healthy in these challenging times and our thoughts are with all members and their families who may have suffered any loss or illness in the last year during the pandemic.

The new year hopefully brings a more optimistic outlook with a vaccine on the horizon. However, there will always be a number of our members experiencing some level of financial difficulty due to circumstances beyond their control. Members in such circumstances can be assured that their situation will receive immediate attention and they will be treated with absolute confidentiality by our Credit Control Team.

We also wish to acknowledge our appreciation to the staff of the Money Advice and Budgeting Service who also provide a very valuable service, free of charge, to any members who find themselves in difficulty.

The Credit Control Committee meet on a monthly basis during the year and report to the Board of Directors at the end of each month. The committee monitor the workload of the credit control department using a number of Key Performance Indicators. The amount of loans written off has increased slightly this year in comparison to last year. However, we are also very pleased to report that there was an increase in the amount of bad debts recovered in 2020 compared to last year.

Like all major financial agencies, your Board of Directors continues to recognise that a small number of our overall membership no longer have the same capacity to meet their agreed level of repayments. The Credit Control Committee acknowledge that some of these loans may be no longer viable and can necessitate being written off.

WRITTEN OFF ACCOUNTS

158 accounts necessitated being written off this year and the value of these accounts was €1,123,908. This amount is a small increase from last year's figures, but is based on a higher loan book, so is a similar percentage to 2019. The total amount written off in 2020 represents just 0.59% of our total loans outstanding at year end.

BAD DEBTS RECOVERED

The total amount of monies recovered in respect of accounts previously written off increased again this year to €814,582. This amount represents an increase of €112,569 on last year's figure, which represents an additional 16%.

RESCHEDULING OF LOANS

Every year we still find it necessary and appropriate for a number of members to reschedule their loan repayments during the year as a result of changing financial circumstances. We continue to advise all our members to contact our office immediately if they are experiencing any financial difficulties.

PROVISIONING

The current method of providing reserves for bad debts in Health Services Credit Unions is based on detailed loan book reviews using a bespoke system which quantifies the risks within our loan book and mathematically determines the expected losses. The provision is based on the calculated risk, based on past repayments of a loan, and also takes into account other factors such as individually significant loans and rescheduled loans.

The total provision amounts to €11,213,204 for the year end. This will be reviewed and adjusted on a monthly basis during the current year.

The following shows the detail of our loan arrears and provision at 30th September 2020:

	No. of Loans	Gross Loans €	Attached Savings €	Net Loans €	Provision €
Loans not in arrears	13,145	129,225,545	23,112,707	106,112,838	4,989,554
1-9 weeks	4,559	48,957,258	6,636,899	42,320,359	2,208,246
10-18 weeks	285	2,869,767	439,266	2,430,501	798,589
19-26 weeks	136	1,183,638	252,891	930,747	751,968
27-39 weeks	147	1,268,588	266,037	1,002,551	1,002,551
40-52 weeks	71	609,595	126,516	483,079	483,079
53+ weeks	156	1,265,770	286,553	979,217	979,217
Covered loans	1,022	3,770,715	3,770,715		
Total loans	19,521	189,150,876	34,891,584	154,259,292	11,213,204

Finally, this report represents the work and involvement of my fellow committee members, Amanda, Katriona, Tara and Marie, and I thank them for their great dedication and commitment in this pandemic time. As a group, we particularly commend our Credit Control Team in HSSCU for their professionalism, compassion and assistance to our members during this difficult year.

Thank you.

David O'Brien

Chairperson

Committee:

David O'Brien, Chairperson

Amanda Buggle, Secretary

Katriona Lawlor, **Tara Rowe** and **Marie Walsh**.

REPORT OF THE MEMBERSHIP, EDUCATION & DEVELOPMENT COMMITTEE

Membership of The Committee:

Ken Byrne, Jane Joyce, Christine Barretto, Tara Rowe and Una Murphy

Recording Secretaries: Alan Duff and Pádraig Power



MEMBERSHIP REPORT

During the year, we added 4,223 new members – 5.25% more new members than the previous year. The number of members with more than €6.35 in shares at the September 30th 2020, stands at an incredible **56,384**, meaning HSSCU's membership has grown by 5.5% this year! HSSCU's online membership applications stood for 1,554 new members during the year, meaning 36.8% of new members joined online. Though we have not been able to perform recruitment visits since February due to COVID-19, we have done numerous webinars for businesses in our common bond. Should you think a webinar would be helpful for your colleagues, please simply contact us at marketing@hsscu.ie and we will be delighted to organise such with your employer.

MEMBER COMMUNICATIONS

Social Media

HSSCU continues to lead the credit union movement with our fantastic social media engagement! With over 12,000 likes on Facebook, 1,800 Instagram followers and 1,200 Twitter followers, make sure to join in on the fun.



HSSCU's eZine

This year, HSSCU has invested in our eZine communications. Make sure to subscribe to our newsletter on the homepage of our website. Those signed up will receive an eZine every 2nd Thursday with all of HSSCU's latest news, notifying you of prize draw winners, reminding you to apply for bursaries and scholarships, introducing new products, and much more. Oh – and if you **sign up you could win €100!**

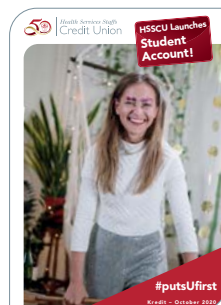


Kredit

As you know, Kredit is now printed and sent to members twice a year, as well as posted on the HSSCU website. Make sure to read to stay up-to-date with HSSCU and enter our fantastic competitions! If you have an idea for content or would like to share something of your own, please email us as marketing@hsscu.ie

HSSCU's News

This year, we have focused much more on updating our 'News' section on our website (www.hsscu.ie) as regularly as possible. HSSCU's news is updated with important information, competitions, prizes and human interest pieces. We have also had fantastic contributions from members and beneficiaries in the form of articles on 'Mindfulness', 'Effective Parenting', 'Staff Focuses', sponsorship and scholarship testimonials and much more!



Betty Noone Bursary

This year, HSSCU has given out €120,000 in bursary funds to our members! This is a free service that HSSCU is proud to offer our members. Educational and cultural pursuits are key for the lives of so many people and we are delighted to help our members in these endeavours. Please note, while the vast majority of applications were successful, there was a number of incomplete applications and the reasons for exclusion were: missing a letter from their employer, the wrong year being applied for, no transactions in their account, insufficient receipts or late applications.



Scholarships

This year, we had another surge in scholarship applications! It is fantastic to see such great interest in HSSCU's scholarships. We were delighted to announce the following winners, who will be sharing the €50,000 prize fund this year: Deirdre Laverty, Isadora Dowdall, Eimear Ryan, Brenda Nolan, Heather Browne, Alexandria Aquino and Rebecca Browne. Congratulations to all winners!

Member Prize Draw

Our Member Prize Draw continues to be a huge bonus for our members with great interest shown. We have added a number of special draws throughout the financial year to award prizes to as many members as possible. Congratulations to everyone! Remember it is very easy to enter by downloading an application form from our website www.hsscu.ie

Training

As part of our commitment to ongoing training, all staff and volunteers complete CPD training hours to ensure they are up to date under Fitness and Probity requirements as laid down by the Central Bank.

Our Directors and volunteers have completed numerous training courses throughout the year including: Overseeing The Internal Audit Function, Overseeing The Risk Function, and Fraud Awareness and Prevention. In addition, volunteers & staff have completed important training modules on Dignity and Respect in The Workplace, Risk Management, AML, Data Protection, and Health and Safety. Further to this, numerous staff have completed, or are in the midst of completing, additional educational courses varying from, APA in Loans, OFA's, CUA's, Accounting and Finance to Law degrees, Building Resilience and Stress Management, People Management and Performance Management training courses, thus strengthening the education of your credit union. It has been great to see so many of our teams' commitment to education and training during the pandemic and see so many directors and staff completing training remotely. All staff and volunteers are encouraged to educate themselves in a variety of courses relevant to the day-to-day operations of your credit union. Best of luck to them in their endeavours.

Charitable Donations and Sponsorship

As part of our commitment to the community, we actively encourage members to seek support or donations from HSSCU towards their favourite charitable concerns. This year, HSSCU aimed to help as many charities as possible, particularly to help during the COVID-19 pandemic. We have donated more than €70,000 to a variety of charities. If you have any charities that you think HSSCU should donate to, please fill out a sponsorship application which can be found on the 'Sponsorship' page on our website.

Ken Byrne

Chairperson



DONATIONS WERE MADE TO THE FOLLOWING ORGANISATIONS THROUGHOUT 2020:

Organisation	Organisation	Organisation
Age Action Ireland	Face Shields for Frontline Staff	North Kerry Environmental Forum
ALONE	Galway 2020 - Capital of Culture	Pieta House
Arklow Sea Scout Group	Holy Cross Primary School	Raphoe Diocesan (Pilgrimage to Lourdes)
Blanchardstown Hospital Society	Horizon's Day Services	Research Motor Neurone
Canteen Ireland	ILCU Foundation	SIMON Community Cork
Carmichael Centre	Ireland United Veteran's Association	SIMON Community Dublin
Children for Children (Mustard Seed Jamaica)	Irish <16's Ladies' Basketball	SIMON Community Galway
ChildVision	Irish Cancer Society	Sr. Consilio Cuan Mhuire
CJ Fund	Irish Deaf Women's Futsal Team	St. Anne's GAA Club (Oskar's Night)
Claddagh Residents' Association	Irish United Nations Veterans Association	St. Francis Dispensary
Clonard GAA	ISPCC	St. Francis Hospice
Clontarf Swimming Club	Kildare (Newbridge) Scout Group	St. James's Hospital (Year of The Nurse & Midwife)
Comfort4COVID	Kildarton Specialised PreSchool	St. Joseph's Special School Galway
Connolly Hospital (Help Frontline Heroes)	KIMS (Kilmainham Inchicore Musical Society)	St. Paul's Special School Beaumont
COPE Foundation (Cork)	Knocknacarra National School	St. Peter Apostle Senior National School
COVID-19 Testing Centre	LauraLynn Children's Hospice	St. Vincent de Paul
Crumlin Hospital	Liam Hand	Stewarts Care
Crumlin Utd. FC	Light It Up for Heart Children Ireland	Street Children of Bucharest
Darkness Into Light	Little Flower Penny Dinners	Tallaght University Hospital (Infection & Prevention Control Team)
Daughters of Charity Disability Services	Loughlinstown Ambulance Station	The Cari Foundation
DEBRA Ireland	Make A Wish Ireland	The Kevin Bell Repatriation Trust
Digital Relay for Pieta House	Marymount Hospice	Threshold
Dolphin's Swimming Club	Mater Hospital (Dublin Neurological Institution)	Tramore Athletic FC Cork
Doyle's Corner (Supply of food to Frontline Workers)	Merchant's Quay Ireland	Trinity Med Day
East Cork Biodiversity Networking Programme	Monard Community Association	Vincentian Lay Missionaries
Enable Ireland	Muckcross Park College (TY Musical)	Women in Medicine in Ireland Network
Exceed Ireland	My Feelings Matter	Women's Aid



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IMPORTANT INFORMATION: In order for you to receive a Current Account, debit card or overdraft, you must be one of our members and resident in the Republic of Ireland. If you are 16 or 17 years of age, we require the consent of your parent or guardian for you to open an account. Terms and conditions apply. Overdrafts are available to Current Account holders aged 18 years or older. Lending criteria, terms and conditions apply.

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