



*DIGITAL WHEN YOU NEED IT,  
HUMAN WHEN YOU WANT IT*



**TUESDAY 30<sup>TH</sup> JANUARY 2024**  
**KILLESHIN HOTEL,**  
**PORTLAOISE**  
REGISTRATION 7.15PM | AGM 7.30PM SHARP

**2023**  
**ANNUAL**  
**REPORT**

# NOTICE

Notice is hereby given that the Annual General Meeting (AGM) of People First Credit Union will take place on Tuesday, 30th January 2024 at 7.15pm (Registration) in the Killeshin Hotel Portlaoise.

AGM begins 7.30 SHARP.

Members are requested to bring their member books or Photo ID for registration and to enter prize giving's at our AGM. Members without books or Photo ID will be excluded prize giving's and any member queries from the floor.

Members are encouraged to use public transport where possible. For GDPR purposes we are informing our members that the AGM will be audio recorded on the night for minute taking purposes and Credit Union records.

**Brigid Lalor**  
Secretary

## AGM AGENDA

1. Credit Union Invocation
2. Acceptance of proxies (if any)
3. Ascertainment of quorum
4. Adoption of standing orders
5. Chairman's address/Report of Directors
6. CEO Report & Consideration of Accounts
7. Declaration of dividend
8. Auditor's report
9. Report of the Credit Committee
10. Marketing Report
11. Report of the Membership Committee
12. Report of the Credit Control Committee
13. Report of the Board Oversight Committee
14. Report of the Nominations Committee
15. Announcement of Student Scholarship/Prizes
16. Motions
17. Appointment of tellers
18. Elections and balloting
19. Cash Draw
20. Any other business
21. Results of the elections
22. Close Meeting

€250 Hotel Voucher will be given away on the night and spot prizes

€27,900 Bumper Member Cash Draw taking place on the night, enter now [peoplefirstcu.ie/services/cash-draw](https://peoplefirstcu.ie/services/cash-draw) for just €4.33 p/m

Following a review of our current lodgement restrictions the Board of PFCU have removed the monthly savings limit of €5,000, with immediate effect



## IMPORTANT NOTICE

In compliance with Criminal Justice Act 2010, People First Credit union are legally required to obtain identification documents from a member to verify their identity. This applies to members whose ID has expired.

Please provide the necessary documents to verify your ID and Proof of Address.

1. **Evidence of Identification** (must contain date of birth and photo)
  - Valid Passport
  - Valid Driver's Licence
2. **Proof of Address** (must show your full name, current address and be dated within the past 6 months)
  - Original Utility Bill ( mobile phone bills not accepted)
  - Bank or Credit Card statement original or e-statement
  - Letter from Government Department

# MESSAGE FROM THE CHAIR

Dear Members,

I hope this message finds you and your loved ones safe. The past couple of years have been incredibly challenging for us all, but there is a sense of optimism in the air that brighter days are ahead. That said, I think we have all been affected by the unrest and division that is currently affecting people in many different parts of the world, worryingly even in Ireland as recent events attest to - we must not let the bubbling of hate within a very small minority impact the way we all live our lives.

Closer to home, and as we navigate this new landscape, we find ourselves under increased pressure from the Central Bank to ensure that we have prescient reserves in place to protect you and all of our members against any unforeseen circumstances that might present themselves. Our Credit Union is a community that saves together to give loans to those who need them, when they need them, but our Credit Union is only as strong as its members, so I would encourage all of our People First Credit Union community to act as ambassadors to promote the benefits of our Credit Union to your family and friends.

People First Credit Union is hugely immersed in the wider community, and give back through a variety of practical initiatives. One of these is the Laois Volunteer Awards, which took place in October, and which People First Credit Union were enormously proud to sponsor. This event showcased the incredible depth and breadth of work being delivered by volunteers across Laois on a daily basis; at the event this year, we were thrilled to launch the Community Champions Award. This initiative will see one outstanding community project being awarded €10,000 towards a worthy project within People First Credit Union's our Common Bond – we are delighted to be in a position to engage with this important new community initiative, and look forward to making the award.



Volunteerism is at the very heart of everything we do at People First Credit Union, and I would like to take this opportunity, on behalf of all of our members, to sincerely thank the volunteers who serve with me on the Board of Directors – they give of their time and skills freely week after week, month after month, year after year, and sometimes decade after decade – all for the betterment of our credit union.

The Board of People First Credit Union welcomes the new legislation coming into effect in the New Year, however this will mean that some of our long-standing and much-valued Directors will regrettably have to leave the Board. Once again, I would reiterate that our Credit Union is only as strong as its members, so I would ask you to consider volunteering on our Board or Committee to keep a diverse people and skill set which is representative of all of our members. I would also like to sincerely thank our CEO Sean Dunne, and all of the staff in People First Credit Union for their unwavering time and commitment.

Finally, I would like to take this opportunity to thank you, and each and every member of our Credit Union for your ongoing support – without you, we could not accomplish our goals.

We are stronger, together.

Wishing you and your family all the very best,

A handwritten signature in black ink, appearing to read 'Clive Davis', written over a horizontal line.

**Clive Davis**

Chairperson

People First Credit Union

# AGM STANDING ORDERS

## VOTING

1. Each Member shall be entitled to one vote irrespective of his/her shareholding in accordance with Standard Rule 104.

## ELECTION PROCEDURE

2. Nominations may no longer be accepted from the floor.
3. Elections to the Board of Directors, to the Board Oversight Committee and to the position of Auditor shall be by majority vote and by secret ballot.
4. A Ballot Paper for the election of the Board of Directors and the Board Oversight Committee where applicable will be distributed to each Member at the AGM.

## MOTIONS

5. All motions from the floor of the AGM must be proposed and seconded by Members present at the AGM and moved by the proposer. If the proposer is absent when the motion is called, the motion shall be deemed to have failed.
6. A proposer of a motion may speak for such period as shall be at the discretion of the Chairperson of the meeting and shall have the right of reply before the motion is put to the meeting for a vote.
7. In exercising his/her right of reply, a proposer may not introduce new material.
8. The seconder of a motion shall have such time as shall be allowed by the Chairperson to second the motion.
9. Members are entitled to speak on any such motion and must do so through the Chair. All speakers to any motion shall have such time as shall be at the discretion of the Chairperson.
10. The Chairperson shall have the absolute right to decide at any time when a motion has been sufficiently discussed and may put the motion to the meeting giving the Proposer the right of reply before doing so.

## MISCELLANEOUS

11. The Chairperson of the Board of Directors shall be the Chairperson of any general meeting, except where he/she is not available,

then 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.

12. The Chairperson may at his discretion, extend the privilege of the floor to any person who is not a member.
13. Matters not covered by the Agenda may be introduced under "Other Business" at the discretion of the Chairperson.
14. The Chairperson's decision on any matter relating to these Standing Orders or interpretation of same shall be final.
15. In accordance with Rule 104, no member shall have more than one vote on each question at any general meeting of the Credit Union, or any adjournment thereof irrespective of his shareholding, or the number of accounts in his name in the Credit Union provided, however, that except in voting at elections, the presiding member shall have a second or casting vote in the event of equality of voting. Voting by proxy shall be allowed only when a member other than a natural person votes through a representative, who is a member of the group, duly authorised in writing for that purpose and accepted as such by the Board of Directors.
16. Any matter to be decided upon by a vote of the AGM shall, unless otherwise expressly provided for by law or the rules, be decided upon by simple majority.

## SUSPENSION OF STANDING ORDERS

17. Any one of these Orders or all of these Standing Orders may be suspended on a motion to this effect receiving a two-thirds majority of those present and entitled to vote.

## ALTERATION OF STANDING ORDERS

18. Standing Orders may be amended or altered at a general meeting and only if a motion to this effect has received a two-thirds majority of those present and voting.

## ADJOURNMENTS

19. Adjournments of the AGM shall take place only in accordance with Standard Rule 99.

# MOTIONS

The following motions will be put to the meeting for a vote, the Chairperson shall have the absolute right to decide at any time when a motion has been sufficiently discussed.

## MOTION 1:

Rule 40 (2) Membership and general provisions  
That this Annual General Meeting agrees to amend Rule 40 of the Standard Rules for Credit Unions (ROI), by replacing text "11" with "9" of the following Rule 40 (2) to read:

(2) At the time of the adoption of these rules, the Board of Directors shall consist of 9 members, all of whom shall be members of the credit union.

## MOTION 2:

Rule 30 (1)(a) Dividends on shares

That this Annual General Meeting amends Rule 30 of the Standard Rules for Credit Unions (ROI) by the deletion of the following Rule 30 (1)(a)

(1) (a) Provided a share dividend has been declared in accordance with the Act, the directors may recommend to the annual general meeting for approval a refund to the members on record as of the end of each financial year who have been borrowers during such year of a percentage of interest which such

borrowers have paid during such year, and such rate of refund shall apply to all such member borrowers. Where a credit union operates a system whereby different rates of interest are charged for different classes of loans, the board of directors may recommend a different rate of refund applicable to each class of loan. Such refunds shall apply to all member borrowers in each class of loan.

And by the insertion of the following Rule 30 (1) (a) to read:

(1) (a) The directors may recommend to the annual general meeting for approval a refund to the members on record as of the end of each financial year who have been borrowers during such year of a percentage of interest which such borrowers have paid during such year, and such rate of refund shall apply to all such member borrowers. Where a credit union operates a system whereby different rates of interest are charged for different classes of loans, the board of directors may recommend a different rate of refund applicable to each class of loan. Such refunds shall apply to all member borrowers in each class of loan.



## UPCOMING EXCLUSIVE CREDIT UNION MEMBERS OFFERS 2024

✓ Bed & Breakfast ✓ Evening Meals ✓ Free Access to Leisure Facilities ✓ Free Entertainment

### FEBRUARY SPECIALS

<b>2 nights B&amp;B + 2 Evening Meals</b>	
Arrive Monday 19th February 2024	from €175 <sup>ppst</sup> *
<b>3 nights B&amp;B + 3 Evening Meals - Get 4th night free B&amp;B!!</b>	
Arrive Sunday 18th February 2024	from €289 <sup>ppst</sup> *

### MARCH COUNTRY MUSIC FESTIVAL SPECIAL

<b>4 nights B&amp;B + 3 Evening Meals + Nightly admission to Festival</b>	
Arrive Monday 4th March 2024	from €320 <sup>ppst</sup> *
04 Mar Jimmy Buckley Dance   05 Mar Declan Nerney 06 Mar Ciaran Rosney   07 Mar Robert Mizell*	

\*Terms & Conditions apply. Standard cancellation policies apply. \*Entertainment Subject to change. Subject to availability. €26 Single Supplement applies per night for single occupancy bookings.

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HOTEL & APARTMENTS  
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# CREDIT COMMITTEE REPORT FOR AGM 2023

This committee is appointed by the Board of Directors at their first meeting after the AGM.

- The committee meets monthly to review loan applications for the previous month, assess how the loan book is growing year on year and discuss new lending products and services to People First Credit Union.
- The Committee report monthly to the Board of Directors and report any trends and areas of concern.

## YEAR 2022/23

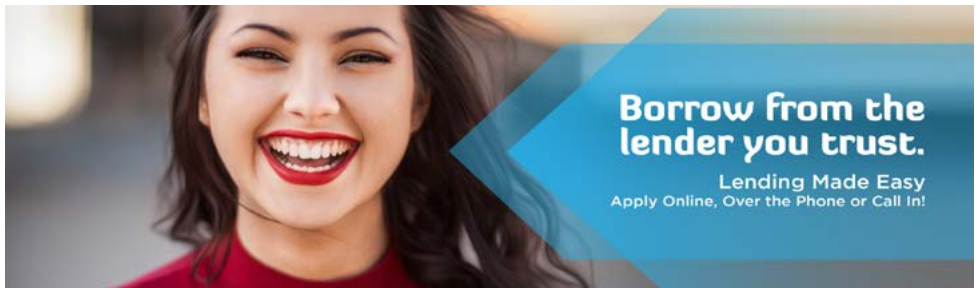
- As the AGM report shows total loans granted for 2022/23 was €21,163,401 and represents an additional €1,517,742 on our 2021/22 loans.
- Loan Book at year end was €38,995,526, an increase of over 11% from 2022.
- This year there was a total of loans issued of €21,163,401 for the year, an increase of 8% on previous year.
- Online loans continue to be our most popular method of loan application representing 2/3rds of loan applications made for the year.
- We have increased the limit of our mortgages and our members can now apply for a mortgage up to €350,000 over 35 years.
- With rising interest rates, our new mortgage products are popular with our members. We offer 2 rates; 4.5% up to €100,000 and 3.5% from €100,001 to €350,000.
- This year we introduced a more streamline way to enable members to supply their documents to the Credit Union for their

loan applications. Details of how to use Open Banking is on our website: <https://peoplefirstcu.ie/services/open-banking>

- Our Agriculture Loans continue to grow and our Business Development manager, Belinda has been out and about meeting farmers throughout the year, attending many and various meetings and shows.
- With the increase in the volume of loan applications, we have increased our staff in the loans department in Portlaoise and have also welcomed a new loans officer to Athy branch.
- People First are committed to meeting our growing members needs now and into the future.

## MEMBERS BORROWING

- We want to say YES to as many loan applications as we can.
- We approved 86% of applications in the past year.
- Online applications continuing to be very popular with members. On average, over 2/3rds of all loan applications were submitted Online or from the Phone app.
- To enable decisions to be decided as efficiently as possible we would ask members to submit last 3 months bank statements and last 2 payslips when they are applying for the loan or use our Open Banking option (link above).
- Please also ensure your email address and telephone number are up to date along with your ID and Address.
- The committee consists of Billy Fitzpatrick, Brigid Lalor and Clive Davis.



# PEOPLE FIRST CREDIT UNION BOARD OF DIRECTORS



**Back Row:** JJ Carey, Michéal Scully, Seán Dunne (CEO), Julian Nagi, Caroline Clarke, Billy Fitzpatrick, Gerald Preteau

**Front Row:** Bridget Lalor (Secretary), Clive Davis (Chair), Mary Carmody

*Missing from photo: Evelyn Dunne (Vice-Chair), Mary Crowley (BOC)*

## ANNUAL REPORT OF THE BOARD OVERSIGHT COMMITTEE (BOC) 2023

The Role of the Board Oversight Committee is to monitor the activities of the board to ensure that they carry out their responsibilities as set out in the Credit Union Act, and in particular that the board complies with Part 4 of the Act. The role of the BOC is not to question or criticise decisions taken by the board after discussion at a board meeting, but to ensure that the decisions are compliant with the Act. At least one member of the BOC attends every board meeting as an observer, but they do not take part in the discussions unless invited to speak by the Chairperson of the board and then it's usually on a point of information. The BOC secretary then sends a report of the monthly board meeting to the chairperson of the board.

The BOC also reports to the board on a quarterly basis giving an appraisal of how the board is performing in a particular area

of governance. These appraisal reports are presented to the board immediately before a scheduled board meeting four times per year. Board members can ask questions and comment on the contents of the report and the Chairperson gives a written response to the BOC.

The BOC can also attend as an observer at any meeting of the various committees of the credit union. BOC members have to complete annual mandatory training like all other officers and volunteers in the credit union.

In the past twelve months the BOC has met with the board on four occasions to present quarterly reports and has found that the board is acting in compliance with part four of the Act.

  
**Chairperson BOC**

# MEMBERSHIP COMMITTEE REPORT

## 2022/2023

The membership committee is made up of seven staff members along with two sub-committee members who represent all offices.

The membership committee's main role is to oversee and approve all new membership applications. The committee meet monthly to discuss any issues that may arise and to review and make recommendations for PFCU's membership policy.

To be eligible to become a member of People First Credit Union, you must be either living, working, or studying within our Common bond. This Common bond consists of a radius of 11.26KM from Athy, 9.6km from Abbeyleix, 9.6km from Portlaoise and Stradbally.

All new membership applications are thoroughly checked to ensure compliance with Data Protection and anti-money Laundering legislation as well as PFCU Membership Policy.

We would like to take this opportunity to thank all our existing members for assisting us in updating their accounts for the compliance of Anti-Money Laundering legislation purposes in the past year.

During 2022/2023 we welcomed 1289 new members to the Credit Union, of which 322 were minors. Both the Onboarding which is our online application process and counter applications continue to be popular and are screened and processed by our Member Services Team. The Onboarding option went

live in July 2022 and has been very popular since its launch. New current account applications grew to 376 new accounts this year online.

We are continuing to focus on reactivating dormant accounts and have reactivated or reopened 890 accounts during the year.

Apart from our saving services, there are now two main reasons to become a member of PFCU. First is our lending facility, which now offers mortgages up to €350K, cultivate farming loans up €75K, business loans up to €200K along with our personal, car or home improvements loans. Our on-line loan service continues to be very popular as it makes applying for a loan easier from the comfort of your own home. Our doors are open so you can drop into any of the offices to chat with the loan officer who will help with your application.

Of the 1289 new members welcomed during the past year, 205 have availed of our lending facilities and currently hold loans to the value of €1.4 million and 93 have opened our current account.

To conclude, I would like to thank all the staff, the Board of directors and the Board Oversight Committee for their assistance over the past year. I would also like to thank the committee for all their hard work and support throughout the year.

*The Membership Committee*



**VOLUNTEER WITH US!**

Help shape the future of your credit union by volunteering with us.

**How Do I Become A Volunteer?**

*All volunteers are subject to the normal fitness and probity regimes for credit unions as outlined by the Central Bank of Ireland.*

Simply scan the QR code or visit [peoplefirstcu.ie/about-us/volunteering](https://peoplefirstcu.ie/about-us/volunteering) to register your interest.





# MARKETING REPORT

## 2022/2023

As we reflect on the culmination of a successful year together, we are delighted to share the highlights and achievements that have shaped our journey. Your ongoing support has been instrumental in our collective success. I extend my sincere gratitude for being an integral part of People First Credit Union's continued growth and prosperity.

### GROWING THE LOAN BOOK

Digital Services and Google Ad Campaigns:

To increase the use of digital services, we ran Google Ad campaigns for home improvements and student loans, we also used it for a very successful volunteer drive. These campaigns were designed to appear prominently in search results and as reminders on various digital platforms, effectively increasing our online visibility.

- Loan Book at year-end: €38,995,526 (12% more than last year)
- Total loans issued this year: €21,163,401

One of our primary objectives for the year was to grow our loan book, and I am delighted to report a substantial increase in loans disbursed over the past twelve months. Through targeted campaigns, including the promotion of our online loan application process, the utilization of digital marketing channels, and engaging with members nearing the end of their loan cycle, we have successfully retained and expanded our lending portfolio.

### COMMUNITY CONNECTIONS

At People First Credit Union, our community holds a special place in our hearts. This year we were involved in many local projects including events in local coffee shops, sponsoring local events like the Laois Community & Voluntary Awards. These initiatives are not just about banking; it's about community engagement and support. Our involvement in events like the Ploughing Championships has been a massive success, not only in attracting brand awareness

but also in showcasing our unwavering community spirit. We believe that a strong community is the backbone of our success, and we will continue to prioritize initiatives that bring us closer to the people we proudly serve.

### BUSINESS DEVELOPMENT

Throughout 2023 we saw a steady increase for our Cultivate Agri loan. This loan is proving to be popular among farmers as we offer unsecured loans up to €75,000 at a fixed rate of 6.55% (6.75%APR). We want to remind members we also offer, Business Loans of up to €200,000 at a fixed rate of 6.55% (6.75%).

In 2024 we look forward to further engagement within our community as we offer our Community Loan. Our Community Loan designed specifically for community groups and will help make their visions become a reality. PFCU can partner up with Community Finance Ireland for larger community lending projects. We urge any community group that is looking for finance throughout the year to get in touch with PFCU.

In summary, the marketing and business development initiatives undertaken in the past year have contributed to substantial growth, increased brand awareness, and enhanced member engagement. As we move forward, we remain committed to delivering exceptional service, responding to member needs, and reinforcing our position as the Credit Union that puts People First.

*Thank you for your continued support.*

**Carol Murphy**  
Marketing Manager

**Belinda Gyves**  
Business Development  
Executive

# CREDIT CONTROL COMMITTEE REPORT 2023

The Credit Control Committee consists of directors who meet monthly with the Credit Control Officers. The main function of the Credit Control Committee is to ensure that Members are repaying their loans in accordance with the original Contractual Loan agreement. It operates under strict regulatory guidelines from Central Bank of Ireland (CBI).

A Loan enters the Credit control process following 2 weeks arrears and the Committee must ensure that this process is compliant with CBI Legislative and regulative guidelines. The Year 2023 has been a challenging year for quite a lot of people due to the cost of living crisis & People First Credit Union have continued to keep our member focused approach to help any of our Members who are experiencing Financial Difficulties.

We continue to offer as many repayment options as possible on either a temporary or permanent basis and within CBI guidelines. This help is freely available, and it is up to all Members to avail of it as soon as they are in financial difficulty or feel they may be approaching such difficulties.

Our goal is to get Members back on a fair and sustainable payment plan as soon as possible, and to this end co-operation is necessary.

If a Member will not engage with the credit control staff, then that Members account may be placed with a 3rd party, i.e. solicitors or a professional collection agency, with instructions to recover the funds. Every effort is made to collect loan repayments to protect all Members funds within the Credit Union.

## SUMMARY OF 2023 RESULTS:

- The value of loans in arrears has increased from 5.72% in 2022 to 6.28% 2023
- The value of Bad Debt recovered has decreased by 7.78%
- The value of Bad Debt charged off have increased by 77.5%

The Credit Union Movement average % for Loans greater than 9 weeks in arrears in 2023 is 2.65% and the target is less than 5%. People First Credit Union reported 2.03% as at 30th Sept 2023.

Finally, I would like to thank my fellow dedicated Voluntary Committee Members – Mary Carmody, Michaél Scully, Evelyn Dunne & the credit control staff, for their great work they have done over the year and all other Credit Union staff who play a huge part in providing the best service to our members.



**People First**  
We're Stronger Together

**Irish Life**

Irish Life Financial Services helping **People First Credit Union Members** build better futures.

We are an insurance intermediary that can review your protection, retirement, savings and investment needs.

**Visit your local Credit Union branch or website to find out more.**

Irish Life Financial Services Limited is tied to Irish Life Assurance plc, for life and pensions business. Irish Life Financial Services Limited is regulated by the Central Bank of Ireland.

**Out with the old, in with the New, Is Your Financial Future in need of a review? This is a great time of the year to review and plan for your Financial wellbeing.**

At People First CU, we want to support and help you plan for your financial future but we know this can be a daunting process. Where do I start? Who should I ask for advice? What questions should I ask?

People First CU have partnered with Irish Life Financial Services, an insurance intermediary tied to Irish Life Assurance, so we can refer you for invaluable trusted service. This service is free to our members so you can get advice on ways to protect your family's income, or plan for your retirement, and ensure you are making the most of your savings and investments.

Why not take advantage of this opportunity and start planning for your financial future today? Pop into one of our branches in Portlaoise, Abbeyleix, Athy or Stradbally or visit [peoplefirstcu.ie/services/financial-planning](https://peoplefirstcu.ie/services/financial-planning) to find out more.

# CEO REVIEW OF 2022/2023



The staff, management and I would like to wish all our members a very happy and prosperous 2024. I am glad to be able to report that your credit union had a positive 2022/23. While the shadow of inflation, climate and global stability loom

large members have been using their credit union more than ever. And while some banks leave Ireland, your credit union remains the cornerstone of your community.

## MEMBERS

2022/23 has been another busy year for member services. We have continued to promote and develop our Current Account offering for members. Our Financial Advisory Service has been well received by members borrowing from PFCU and we are looking to add Home and Car Insurance to our offering for 2024. We recommend that all members should undertake a Financial health check every couple of years. So, why not contact a member of PFCU staff and we can arrange this review for you.

During the year PFCU has run Fraud Awareness training weeks to help members identify fraudulent activity. The criminals are getting more and more sophisticated year on year and sadly more people are getting caught. As a credit union we ask our members to contact us immediately if they think their financial information has been compromised. Our website also carries good guidance on fraud awareness under the "Community" tab.

Again, this year we have been busy out and about meeting members. Our marketing team, led by Carol Murphy, have held numerous coffee mornings and meet & greets on the streets of the towns we serve. Our Community Committee has once again distributed €34,896 to good causes within our community, for the betterment of our members. And this year we have committed to being the main sponsor of the Laois

Community and Volunteer Awards initiative, in association with Laois County Council and Laois Public Participation Network. We continue to run our annual Schools Quiz for primary schools and our annual Art Competition for all ages. Well done to all those who participated. Check out our Marketing report to for more information.

2023 has been a very busy year in lending and at times we have struggled to keep on top of applications. I apologise if your application was delayed. We have now put more staff resources into our lending team while also embracing innovative technology to help us deliver straight through Open Banking. Our loan offering has been greatly expanded and PFCU will now accept Mortgage applications, SME loan applications and Agri loan applications. These loans are helping us drive loan growth while meeting a societal need for finance in these areas. Our Business Development Officer Belinda Gyves continues to promote our activities calling to farmers and businesses within our common bond. And PFCU once again took a stand at the ploughing championships 2023. If you are a self-employed or farming member, please consider PFCU for your business finance. If you are looking to purchase a family home, please also consider your Credit Union.

PFCU continues to maintain a savings cap of €30,000 on member's shares. We will need to maintain this cap for the foreseeable future to ensure we meet our Regulatory Reserve requirements. It is hoped, as we continue to build our reserves, in the coming years we will be able to lift the cap.

In September 2023 we ran a campaign to attract new volunteers. We are always looking for members to join us to give something back to the community. Volunteering with PFCU brings many rewards including training, new skills, meeting new people and exposure to the governance of a large credit union. Volunteering with your credit union helps you to shape its future and it looks very impressive on your CV. So, if you can spare a few hours a month, why not volunteer with PFCU.

Thank you for your continued support and we hope to engage with you in office, online or on our app over the coming year.

### **FRONT FAÇADE OF OUR PORTLAOISE OFFICE**

We are acutely aware many members will be wondering why the front of Portlaoise office has had scaffolding in place for the past year. Unfortunately, in late 2022, it was discovered that there was a structural issue with the stone cladding on the front of the building. To protect our members and the public we had to put scaffolding in place. The process of reviewing and documenting the cladding defects are now completed and we are moving to remediation stage. This will be carried out early in the new year. I would like to take this opportunity to apologise for the inconvenience while the scaffolding is up.

### **FINANCIALS**

The financials show it was a solid year for PFCU with a modest surplus achieved being €443,195 for the year ending 30th September 2023. All key indicators are pointing in the right direction with both loan interest and investment returns growing.

However, as many small businesses will be keenly aware, the cost of doing business in Ireland is quite high. We have seen rises in employment costs, Central Bank levies and repairs (once off due to the façade issue). PFCU will continue to focus on unnecessary costs reduction.

I would like to reassure members that your credit union is strong and viable with Reserves of €20,530,161 and total assets of €156,177,900.

### **COMPLIANCE & RISK MANAGEMENT**

PFCU has now established a well embedded Compliance and Risk function insuring we meet all regulatory and legislative requirements.

### **IT DEVELOPMENTS**

2022/23 saw PFCU make upgrades to our IT hardware to future proof our operating system. These were completed successfully.

Discussions are underway on the development of an updated Mobile App and Online platform and the fruits of this work should be seen in early 2025.

### **OUR TEAM**

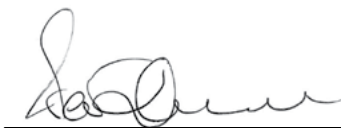
I would like to acknowledge our volunteers and staff for their performance and effort during 2022/23. PFCU recruited seven new staff during the year, and I would like to welcome them to the credit union and compliment them on their seamless integration. The staff of PFCU continue to show great professionalism and dedication to their roles, and for this I am incredibly grateful.

### **CLIMATE AND PFCU**

PFCU has established a Climate Action Committee within the credit union to deliver an action plan for us to meet our climate obligations. We have taken the first steps on this journey by recently investing in a Green Investment product and having our premises energy rating assessed. We have a lot more to do and we continue to request members to sign up for our emailed AGM pack as a greener alternative to posting out a pack. We can all do our piece.

### **CONCLUSION**

PFCU remains a strong credit union committed to the financial wellbeing of its members. We face into 2024 in a strong position to build on our success. We will continue to improve and develop with the aim of stepping into the financial services gap left by the Banks and helping our members when they need it most. I ask you, our members, to actively consider their credit union for all your financial service needs. We are stronger together.



**Seán Dunne**  
CEO

# MONTHLY CASH DRAW

## PFCU MEMBERS CASH DRAW REPORT 2022/2023

### MEMBERS DRAW INCOME AND EXPENDITURE ACCOUNT

#### INCOME

Opening Balance 1st Oct 2022	€ 20,938
Members Entry Fees	€ 214,868

#### EXPENDITURE

Prizes to Cash Draw Winners	€ (224,900)
Less Spot Prizes at Cash Draw Event	€ 200
Less Marketing Expenses	€ 583

**CLOSING BALANCE** € 10,122

### TOP PRIZE WINNERS OF MEMBERS DRAW FOR 2021/2022 €10,000 PRIZE

Oct-22	Nora Cassidy
Nov-22	Karen Brereton
Dec-22	Maeve Lenihan
Jan 23 &	Bumper AGM Draw
	Dawn Scully
Feb-23	Elizabeth Deegan
Mar-23	Pat O'Brien
Apr-23	Louis Byrne
May-23	Kathleen Callaghan
Jun-23	Susan Dunne
Jul-23	Rebecca Howell
Aug-23	Marcella Lynch
Sep-23	Natasha Dormer Lewis

**CLOSING BALANCE OF €10K WILL BE USED AT OUR ANNUAL BUMPER DRAW**



Some of our Cash Draw Winners: May 2023 Kathleen Callaghan (left)  
September 2023 Natasha Dormer Lewis from Athy (right)



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## GENERAL INFORMATION

<b>Directors</b>	Clive Davis (Chair) Evelyn Dunne (Vice-Chair) Mary Carmody Billy Fitzpatrick Julian Nagi John Whelan JJ Carey Micheál Scully Caroline Clarke Gerald Preteau Brigid Lalor	<b>Company Number</b>	137CU
<b>Board Secretary</b>		<b>Registered Office</b>	James Fintan Lalor Avenue, Portlaoise, Co. Laois
<b>Board Oversight Committee</b>	Brendan O’Sullivan (resigned) Mary Crowley	<b>Auditors</b>	Grant Thornton, Mill House, Henry Street, Limerick, V94 K6HH, Ireland.
		<b>Bankers</b>	AIB Bank, Lyster Square, Portlaoise
		<b>Solicitors</b>	Bolger, White, Egan and Flanagan, Lismard Court, Portlaoise, Co. Laois

# DIRECTORS' REPORT

## FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

The directors present their annual report and the audited financial statements for the financial year ended 30 September 2023.

### 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:

- 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

The directors are proposing a dividend in respect of the financial year ended 30 September 2023 of €130,010 (0.10%). (2022: The directors did not propose a dividend).

### 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 principle 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.

#### *Global macro-economic risk*

There is an economic and operational risk relating to rising inflation rates, disruption to global supply chains and a general uncertainty in the markets as a result of the changing geopolitical landscape.

These risks and uncertainties 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 credit lending policy. All loan applications are assessed with reference to the credit lending policy 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.

# DIRECTORS' REPORT (CONTINUED) FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

## Global macro-economic risk

The board of directors and management closely monitor the developments of rising inflation rates and disruption to global supply chains and markets, and continue to take appropriate actions to mitigate any possible adverse effects on the credit union.

## 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 James Fintan Lawlor Avenue, Portlaoise, Co. Laois.

## EVENTS AFTER THE END OF THE FINANCIAL YEAR

There have been no significant events affecting the credit union since the year end.

## AUDITORS

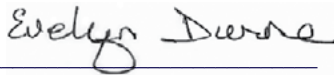
In accordance with Section 115 of the Credit Union Act, 1997 (as amended), the auditors Grant Thornton offer themselves for re-election.

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



Chairperson of the Board of Directors

**Clive Davis**



Vice Chair of the Board of Directors

**Evelyn Dunne**

**Date: 18th December 2023**

# THANK YOU

The Foundation provides training and education for the development of safe and sound credit unions to enable them to provide much-needed financial services for people. People like Fanta in The Gambia.

## PEOPLE INCLUDED

# Fanta Bayo

*Credit union member, The Gambia*

***"The garden is a community project...it helps our whole community. The credit union has helped and always supports us and helps anytime."***



Fanta Bayo, 65, is the President of the Jambanjelly Community Garden and a member of Jambanjelly Credit Union. Jambanjelly Community Garden is a collective of 145 women who maintain five hectares of land to grow vegetables.

When animals nearly destroyed their community garden, they took a loan from their credit union to regenerate it and build a fence around it to protect it. With the vegetables grown in the garden, they can support their community, sell extra vegetables at the market, and use this profit to pay the children's school fees.



Jambanjelly Community Garden's next goal is to use a credit union loan to purchase solar panels, allowing them to build a water pump to expand the garden and increase the variety of vegetables they grow.



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# DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

The directors are responsible for preparing the financial statements in accordance with applicable Irish law and regulations. The directors have elected to prepare the financial statements in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102). 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. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the credit union's website.

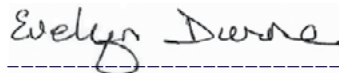
On behalf of the board:

**Clive Davis**



Chairperson of the Board of Directors

**Evelyn Dunne**



Vice Chair of the Board of Directors

**Date: 18th December 2023**

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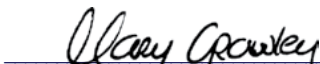
## BOARD OVERSIGHT COMMITTEE'S RESPONSIBILITIES STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

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.

On behalf of the board oversight committee:

**Mary Crowley**



Chairperson of the Board Oversight Committee

**Date: 18th December 2023**

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PEOPLE FIRST CREDIT UNION LIMITED

## OPINION

We have audited the financial statements of People First Credit Union Limited for the financial year ended 30 September 2023, which comprise:

- the Income and expenditure account;
- the Statement of other comprehensive income;
- the Balance sheet;
- the Statement of changes in reserves;
- the Statement of cash flows; and
- the related notes 1 to 28, including the summary of significant accounting policies as set out in note 2.

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, People First 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 2023 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, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), 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

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the credit union's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## OTHER INFORMATION

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) 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.

As part of an audit in accordance with ISAs (Ireland), the auditor will exercise professional judgment 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PEOPLE FIRST CREDIT UNION LIMITED (CONTINUED)**

- 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  
Limerick

**Date: 18th December 2023**



**Convenient Loans**

Members can enjoy flexible loans at tailor-made schedules with no early repayment penalties. Try the loan calculator on our website and choose a repayment option to suit your need.



**Insurance Benefits**

We offer a free financial review through Irish Life Financial Services. Irish Life Financial Services is an insurance intermediary that can review your protection, retirement, savings and investment needs, and they offer a full financial review with one of their Qualified Financial Advisers. This can be done online or over the phone at a time and place that suits you.



**Member Owned**

At PFCU you're not a customer you're a member of a modern financial not for profit co-op with surpluses being returned to the members. When we save and borrow together, we have even more in common – a stake in our community's prosperity.



**Beat The Queues**

We know that your time is precious and that you might prefer not having to make trips to the office. We have now opened up member onboarding so your family and friends can become a member online, we also have a mobile app and online banking so you never need to attend the office if you're short on time!



**Online Banking**

You now have 24/7 access to your credit union account. Apply for a loan, transfer money to and from another bank account, order foreign exchange and more!



**Current Account**

Our MYCU Current Account & Debit card powered by Mastercard®, it can be used anywhere in the world, this year we have the added benefits of Apple Pay & Google Pay to the card.

# INCOME AND EXPENDITURE ACCOUNT

## FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

	Schedule	2023 €	2022 €
<b>Income</b>			
Interest on Members' loans		2,958,688	2,694,900
Other interest income and similar income	1	1,329,216	773,129
<b>Net interest income</b>		<b>4,287,904</b>	<b>3,468,029</b>
Other income	2	189,085	711,085
<b>Total income</b>		<b>4,476,989</b>	<b>4,179,114</b>
<b>Expenditure</b>			
Employment costs		1,810,994	1,689,498
Other management expenses	3	2,180,293	1,863,365
Pension funding deficit (note 27)		-	1,477,648
Depreciation		94,698	109,785
Net impairment gain on loans to members (note 5)		(52,191)	(119,287)
<b>Total expenditure</b>		<b>4,033,794</b>	<b>5,021,009</b>
<b>Surplus/(deficit) for the financial year</b>		<b>443,195</b>	<b>(841,895)</b>

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



Clive Davis  
Member of Board of Directors



Mary Crowley  
Chair of the Board Oversight Committee



Sean Dunne  
CEO

Date: 18th December 2023

# STATEMENT OF OTHER COMPREHENSIVE INCOME

## FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

	2023 €	2022 €
Surplus/(deficit) for the financial year	443,195	(841,895)
Other comprehensive income	-	-
<b>Total comprehensive income/(loss) for the financial year</b>	<b>443,195</b>	<b>(841,895)</b>

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



Clive Davis  
Member of Board of Directors



Mary Crowley  
Chair of the Board Oversight Committee



Sean Dunne  
CEO

Date: 18th December 2023

The notes on pages 25 to 36 form part of these financial statements.

# BALANCE SHEET

## AS AT 30 SEPTEMBER 2023

	Notes	2023 €	2022 €
<b>Assets</b>			
Cash and balances at bank	6	3,573,742	4,066,395
Deposits and investments – cash equivalents	7	22,500,531	16,548,223
Deposits and investments – other	7	90,331,103	96,316,537
Loans to members	8	38,995,526	34,863,338
Provision for bad debts	9	(2,000,417)	(1,937,078)
Members' current accounts overdrawn	14	6,147	722
Tangible fixed assets	10	1,590,992	1,650,495
Investments in associates	11	265,000	265,000
Debtors, prepayments and accrued income	12	915,276	810,321
<b>Total assets</b>		<b>156,177,900</b>	<b>152,583,953</b>
<b>Liabilities</b>			
Members' savings	13	131,444,521	130,172,582
Members' current accounts	14	3,549,781	1,836,985
Other liabilities, creditors, accruals and charges	15	639,505	477,597
Other provisions	16	13,932	9,148
<b>Total liabilities</b>		<b>135,647,739</b>	<b>132,496,312</b>
<b>Reserves</b>			
Regulatory reserve	18	16,817,539	16,578,616
Operational risk reserve	18	2,120,417	2,122,917
Other reserves			
- Realised reserves	18	1,384,422	1,212,587
- Unrealised reserves	18	207,783	173,521
<b>Total reserves</b>		<b>20,530,161</b>	<b>20,087,641</b>
<b>Total liabilities and reserves</b>		<b>156,177,900</b>	<b>152,583,953</b>

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



Clive Davis  
Member of Board of Directors



Mary Crowley  
Chair of the Board Oversight Committee



Sean Dunne  
CEO

Date: 18th December 2023

The notes on pages 25 to 36 form part of these financial statements.

## STATEMENT OF CHANGES IN RESERVES FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

	Regulatory reserve €	Operational risk reserve €	Realised reserves €	Unrealised reserves €	Total €
<b>As at 1 October 2021</b>	<b>16,578,616</b>	<b>2,125,000</b>	<b>2,074,272</b>	<b>186,543</b>	<b>20,964,431</b>
Deficit for the financial year	-	-	(924,261)	82,366	(841,895)
Payments from reserves	-	-	(34,895)	-	(34,895)
Transfers between reserves	-	(2,083)	97,471	(95,388)	-
<b>As at 1 October 2022</b>	<b>16,578,616</b>	<b>2,122,917</b>	<b>1,212,587</b>	<b>173,521</b>	<b>20,087,641</b>
Surplus for the financial year	238,923	-	170,010	34,262	443,195
Payments from reserves	-	-	(675)	-	(675)
Transfers between reserves	-	(2,500)	2,500	-	-
<b>As at 30 September 2023</b>	<b>16,817,539</b>	<b>2,120,417</b>	<b>1,384,422</b>	<b>207,783</b>	<b>20,530,161</b>

- The regulatory reserve of the credit union as a percentage of total assets as at 30 September 2023 was 10.77% (2022: 10.87%).
- The operational risk reserve of the credit union as a percentage of total assets as at 30 September 2023 was 1.36% (2022: 1.39%).

The notes on pages 25 to 36 form part of these financial statements.

# STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

	Notes	2023 €	2022 €
<b>Opening cash and cash equivalents</b>		<b>20,614,618</b>	<b>17,335,891</b>
<b>Cash flows from operating activities</b>			
Loans repaid by members	8	16,816,371	16,556,395
Loans granted to members	8	(21,163,401)	(19,645,659)
Interest on members' loans		2,958,688	2,694,900
Other interest income and similar income		1,329,216	773,129
Bad debts recovered and recoveries		330,372	356,812
Other receipts		95,473	711,085
Members' current account lodgements	14	19,926,055	5,931,016
Members' current account withdrawals	14	(18,218,684)	(4,129,955)
Operating expenses		(3,991,287)	(5,029,388)
Other disbursements		(675)	(34,895)
Movement in other assets and liabilities		61,737	164,656
<b>Net cash flows from operating activities</b>		<b>(1,856,135)</b>	<b>(1,651,904)</b>
<b>Cash flows from investing activities</b>			
Fixed asset disposals/(purchases)		58,417	(40,014)
Net cash flow from other investing activities		5,985,434	7,413,430
<b>Net cash flows from investing activities</b>		<b>6,043,851</b>	<b>7,373,416</b>
<b>Cash flows from financing activities</b>			
Members' savings received	13	64,195,222	59,044,122
Members' savings withdrawn	13	(62,923,283)	(61,486,907)
<b>Net cash flow from financing activities</b>		<b>1,271,939</b>	<b>(2,442,785)</b>
<b>Net increase in cash and cash equivalents</b>		<b>5,459,655</b>	<b>3,278,727</b>
<b>Closing cash and cash equivalents</b>	6	<b>26,074,273</b>	<b>20,614,618</b>

The notes on pages 25 to 36 form part of these financial statements.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

## 1. LEGAL & REGULATORY FRAMEWORK

People First 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 James Fintan Lawlor Avenue, Portlaoise, Co. Laois.

## 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.

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.

### 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 DEPOSITS AND INVESTMENTS

#### *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 minimum deposits with the Central Bank but may also hold an excess over the regulatory minimum. The regulatory minimum deposits are technically assets of the credit union but to which the credit union has restricted access. The regulatory minimum portion will not ordinarily be returned to the credit union while it is a going concern and is separately identified in note 7, Deposits and investments - other. Funds held with the Central Bank in excess of the regulatory minimum requirements are fully available to the credit union and are therefore treated as cash equivalents and are separately identified in note 7, Deposits and investments - cash equivalents. The amounts held on deposit with the Central Bank are not subject to impairment reviews.

#### *Investments at fair value*

Investments designated on initial recognition as non basic are recognised at fair value. They are subsequently measured at fair value (market value) at the year-end date and all gains and losses are taken to the income and expenditure account.

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

## 2. ACCOUNTING POLICIES (continued)

### 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.

### 2.8 PROVISION FOR BAD DEBTS

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, using the straight-line method.

#### **Depreciation is provided on the following basis:**

<b>Freehold premises</b>	2% straight line per annum
<b>Short leasehold property</b>	Over the lesser of the useful economic life and the remaining term of the lease
<b>Fixtures and fittings</b>	15% straight line per annum
<b>Office equipment</b>	20% straight line per annum

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 INVESTMENTS IN ASSOCIATES

Investments in associates are accounted for at cost less impairment.

### 2.11 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 carry 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 account.

### 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. ACCOUNTING POLICIES (continued)**

**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 FINANCIAL LIABILITIES – 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).

**2.15 OTHER PAYABLES**

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

**2.16 PENSION**

People First Credit Union Limited participates in an industry-wide pension scheme for employees (The Irish League of Credit Unions Republic of Ireland Pension Scheme) ("the Scheme"). This is a funded defined benefit scheme with assets managed by the Scheme's trustees. The ILCU is the principal employer of the Scheme and People First Credit Union Limited is a participating employer. The Scheme is a multi-employer defined benefit scheme and there is insufficient information for the credit union to separately identify its share of the Scheme's underlying assets and liabilities. Consequently, the Scheme is currently accounted for as a defined contribution plan. If an agreement is entered into with the Scheme that determines how People First Credit Union Limited will fund a past service deficit, the credit union shall recognise a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit). Refer to note 27 for further detail.

The credit union also 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 scheme are charged to the income and expenditure account in the period to which they relate. The amount payable at the year end in respect of same was €12,794 (2022: €26,206).

**2.17 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.

**2.18 DERECOGNITION OF FINANCIAL LIABILITIES**

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

**2.19 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.

**2.20 OPERATIONAL RISK RESERVE**

Section 45(5)(a) of the Credit Union Act, 1997 (as amended) 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 calculated the operational risk reserve requirement by reference to the predicted impact of operational risk events that may have a material impact on the credit union's business.

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).

**2.21 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.

**2. ACCOUNTING POLICIES (CONTINUED)**

**2.21 OTHER RESERVES (CONTINUED)**

The credit union has established a community fund reserve to be used by the credit union for social, cultural and charitable purposes in accordance with section 44 of the Credit Union Act, 1997 (as amended) and this is included in realised reserves. 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 and the balance of the SPS refund receivable is also classified as unrealised and is not distributable. All other income is classified as realised.

**2.22 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.

**2.23 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 judgments and estimates have been made include:

***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 €1,590,992 (2022: €1,650,495).

***Provision for bad debts***

The credit union's accounting policy for impairment of loans is set out 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 €2,000,417 (2022: €1,937,078) representing 5.13% (2022: 5.56%) of the total gross loan book.

***Investments in associates***

The investments in associates represents the credit union's investment in MetaCU Management Designated Activity Company. This investment was made for operational purposes. The credit union holds 6.25% Redeemable A Ordinary shares in the company and through the terms of the shareholders agreement agreed between each of the participating credit unions, the credit union is deemed to have influence over the operations of this company. Therefore the investment has been accounted for as an investment in an associate.

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

**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. 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 €2,120,417 (2022: €2,122,917).

**Pension**

People First Credit Union Limited participates in an industry-wide pension scheme for employees (The Irish League of Credit Unions Republic of Ireland Pension Scheme). This is a funded scheme of the defined benefit type, with assets invested in separate trustee administered funds. Judgement is required to assess whether the credit union has sufficient information to enable it to account for the Scheme as a defined benefit plan. An assessment has been performed of the information currently available and People First Credit Union Limited has determined that there is currently insufficient information available to provide an appropriate allocation of pension assets and liabilities due to the following:

- Scheme assets are not segregated or tracked by contributing employers. There is insufficient information to appropriately allocate the assets to individual employers as contributions paid are pooled in a single fund and none of the contributing employers have separately segregated asset pools.
- Orphan members are those members (including pensioners) who previously contributed to the scheme where their employer has paid an exit cost and as a result has no further liability to the scheme. A pension liability continues to exist for these individual members. There is uncertainty around where the obligation rests in respect of orphan members currently and into the future.

- The Funding Plan calculations are based on each employer's share of liabilities at a point in time. This does not infer that each employer is contributing towards its liabilities. The determination of the contribution rate is a point in time assessment and is not updated subsequently for changes in the employers' liability that may occur in the future. Subsequently, as the profile of the scheme continues to change, there will continue to be a natural cross subsidisation.

Consequently, People First Credit Union Limited continues to account for the plan as a defined contribution plan.

**Adoption of going concern basis for financial statements preparation**

The credit union continue to closely monitor developments within the global macro-economic environment. 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.

**4. KEY MANAGEMENT PERSONNEL COMPENSATION**

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

	2023	2022
	€	€
Short term employee benefits paid to key management	492,729	456,187
Payments to pension schemes	41,156	41,521
<b>Total key management personnel compensation</b>	<b>533,885</b>	<b>497,708</b>

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

## 5. NET IMPAIRMENT GAIN ON LOANS TO MEMBERS

	2023	2022
	€	€
Bad debts recovered	(301,768)	(327,233)
Impairment of loan interest reclassified as bad debt recoveries	(28,604)	(29,579)
Movement in bad debts provision during the year	63,339	116,483
Loans written off during the year	214,842	121,042
<b>Net impairment losses/(gains) on loans to Members</b>	<b>(52,191)</b>	<b>(119,287)</b>

## 6. CASH AND CASH EQUIVALENTS

	2023	2022
	€	€
Cash and balances at bank	3,573,742	4,066,395
Deposits & investments – cash equivalents (note 7)	22,500,531	16,548,223
<b>Total cash and cash equivalents</b>	<b>26,074,273</b>	<b>20,614,618</b>

## 7. DEPOSITS AND INVESTMENTS

	2023	2022
	€	€
<b>Deposits and investments – cash equivalents</b>		
Accounts in authorised credit institutions (Irish and non-Irish based)	8,010,520	8,121,159
Central Bank deposits	19,713	6,430,090
Irish and EEA state securities	8,528,159	1,996,974
Other investments	5,942,139	-
<b>Total deposits and investments – cash equivalents</b>	<b>22,500,531</b>	<b>16,548,223</b>

### Deposits and investments – other

Accounts in authorised credit institutions (Irish and non-Irish based)	51,000,000	57,000,000
Bank bonds	35,112,385	35,143,062
Central Bank deposits	1,228,588	1,185,499
Other investments	2,990,130	2,987,976
<b>Total deposits and investments – other</b>	<b>90,331,103</b>	<b>96,316,537</b>
<b>Total deposits and investments</b>	<b>112,831,634</b>	<b>112,864,760</b>

## 8. FINANCIAL ASSETS – LOANS TO MEMBERS

	2023	2022
	€	€
As at 1 October	34,863,338	31,895,116
Loans granted during the year	21,163,401	19,645,659
Loans repaid during the year	(16,816,371)	(16,556,395)
<b>Gross loans and advances</b>	<b>39,210,368</b>	<b>34,984,380</b>
<b>Bad debts</b>		
Loans written off during the year	(214,842)	(121,042)
<b>As at 30 September</b>	<b>38,995,526</b>	<b>34,863,338</b>

## 9. PROVISION FOR BAD DEBTS

	2023	2022
	€	€
As at 1 October	1,937,078	1,820,595
Movement in bad debts provision during the year	63,339	116,483
<b>As at 30 September</b>	<b>2,000,417</b>	<b>1,937,078</b>
The provision for bad debts is analysed as follows:		
	2023	2022
	€	€
Grouped assessed loans	2,000,417	1,937,078
<b>Provision for bad debts</b>	<b>2,000,417</b>	<b>1,937,078</b>

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## 10. TANGIBLE FIXED ASSETS

	Freehold premises €	Short leasehold property €	Fixtures and fittings €	Office equipment €	Total €
<b>Cost</b>					
1 October 2022	2,350,290	20,066	634,383	1,090,929	4,095,668
Additions	-	-	1,218	88,535	89,753
Disposals	(358,750)	-	-	-	(358,750)
<b>At 30 September 2023</b>	<b>1,991,540</b>	<b>20,066</b>	<b>635,601</b>	<b>1,179,464</b>	<b>3,826,671</b>
<b>Depreciation</b>					
1 October 2022	820,156	20,066	595,653	1,009,298	2,445,173
Charge for year	42,223	-	16,613	35,862	94,698
Disposals	(304,192)	-	-	-	(304,192)
<b>At 30 September 2023</b>	<b>558,187</b>	<b>20,066</b>	<b>612,266</b>	<b>1,045,160</b>	<b>2,235,679</b>
<b>Net book value</b>					
<b>At 30 September 2023</b>	<b>1,433,353</b>	<b>-</b>	<b>23,335</b>	<b>134,304</b>	<b>1,590,992</b>
At 30 September 2022	1,530,134	-	38,730	81,631	1,650,495

## 11. INVESTMENTS IN ASSOCIATES

<b>Cost</b>	<b>€</b>
At 1 October 2022 and 30 September 2023	<u><b>265,000</b></u>
<b>Accumulated impairment</b>	
At 1 October 2022 and 30 September 2023	<u><b>-</b></u>
<b>Net book value</b>	
<b>At 30 September 2023</b>	<u><b>265,000</b></u>
At 30 September 2022	<u><b>265,000</b></u>

### Interests in associate

The credit union has interests in the following associate:

Associate	Registered address	Type of shares held	Proportion held	Net Assets	Profit or (loss)
Metacu Management Designated Activity Company	14 Ely Place Dublin 2 Ireland	Redeemable A Ordinary	% 6.25%	€ 4,048,205	€ 18,198

The above financial information in respect of MetaCU Management Designated Activity Company was extracted from the audited financial statements for the year ended 31 December 2022.

The effect of including this investment as if it had been accounted for using the equity method would be as follows:

	<b>Share of net assets</b>
	<b>€</b>
<b>At 1 October 2022</b>	251,875
Share of profit/(loss) for the financial year after tax	1,137
<b>At 30 September 2023</b>	<u><b>253,012</b></u>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

### 12. DEBTORS, PREPAYMENTS AND ACCRUED INCOME

	2023	2022
	€	€
Prepayments	249,081	267,385
Other debtors	64,750	64,750
Accrued investment income	522,866	416,100
Loan interest receivable	78,579	62,086
<b>As at 30 September</b>	<b>915,276</b>	<b>810,321</b>

### 13. MEMBERS' SAVINGS

	2023	2022
	€	€
As at 1 October	130,172,582	132,615,367
Received during the year	64,195,222	59,044,122
Withdrawn during the year	(62,923,283)	(61,486,907)
<b>As at 30 September</b>	<b>131,444,521</b>	<b>130,172,582</b>

### 14. MEMBERS' CURRENT ACCOUNTS

	2023	2022
	€	€
As at 1 October	1,836,263	34,079
Lodgements during the year	19,926,055	5,931,016
Withdrawals during the year	(18,218,684)	(4,129,955)
Provision movement	-	1,123
<b>As at 30 September</b>	<b>3,543,634</b>	<b>1,836,263</b>

	2023	2023
	No. of Accounts	Balance of Accounts, €
Debit	66	7,270
Debit (net of provision)	66	6,147
Credit	989	3,549,781
Permitted overdrafts	27	18,900

	2022	2022
	No. of Accounts	Balance of Accounts, €
Debit	46	1,845
Debit (net of provision)	46	722
Credit	703	1,836,985
Permitted overdrafts	12	7,350

### 15. OTHER LIABILITIES, CREDITORS, ACCRUALS AND CHARGES

	2023	2022
	€	€
Prize draw	10,122	20,938
Other liabilities and accruals	596,839	417,496
PAYE/PRSI	32,544	39,163
	<b>639,505</b>	<b>477,597</b>

### 16. OTHER PROVISIONS

	2023	2022
	€	€
<b>Holiday pay accrual</b>		
As at 1 October	9,148	28,579
Charged/(credited) to the income and expenditure account	4,784	(19,431)
<b>At 30 September</b>	<b>13,932</b>	<b>9,148</b>

### 17. FINANCIAL INSTRUMENTS

#### 17A. FINANCIAL INSTRUMENTS - MEASURED AT AMORTISED COST

Financial assets	2023	2022
	€	€
Financial assets measured at amortised cost	<b>125,313,006</b>	<b>121,686,858</b>
Financial liabilities	2023	2022
	€	€
Financial liabilities measured at amortised cost	<b>135,647,739</b>	<b>132,496,312</b>

Financial assets measured at amortised cost comprise of cash and balances at bank, deposits and investments, loans, other debtors, accrued investment income, investments in associates and members' current accounts overdrawn. Financial liabilities measured at amortised cost comprise of members' savings, members' current accounts, other liabilities, creditors, accruals and charges and other provisions.

#### 17B. 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).



### 17B. FINANCIAL INSTRUMENTS – FAIR VALUE MEASUREMENTS (CONTINUED)

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

As at 30 September 2023	Total €	Level 1 €	Level 2 €	Level 3 €
Accounts in authorised credit institutions	20,110,940	-	20,110,940	-
Bank bonds	8,835,302	-	8,835,302	-
<b>Total</b>	<b>28,946,242</b>	<b>-</b>	<b>28,946,242</b>	<b>-</b>

As at 30 September 2022	Total €	Level 1 €	Level 2 €	Level 3 €
Accounts in authorised credit institutions	20,081,659	-	20,081,659	-
Bank bonds	8,835,470	-	8,835,470	-
<b>Total</b>	<b>28,917,129</b>	<b>-</b>	<b>28,917,129</b>	<b>-</b>

There were no fair value adjustments recognised in the income and expenditure account for the year ended 30 September 2023 (2022: €nil).

### 18. RESERVES

	Balance 01/10/22 €	Payments from reserves €	Appropriation of current year surplus €	Transfers between reserves €	Balance 30/09/23 €
<b>Regulatory reserve</b>	<b>16,578,616</b>	-	<b>238,923</b>	-	<b>16,817,539</b>
<b>Operational risk reserve</b>	<b>2,122,917</b>	-	-	<b>(2,500)</b>	<b>2,120,417</b>
<b>Other reserves</b>					
<b>Realised</b>					
General reserve	1,208,902	-	130,010	2,500	1,341,412
Community fund	3,685	(675)	40,000	-	43,010
<b>Total realised reserves</b>	<b>1,212,587</b>	<b>(675)</b>	<b>170,010</b>	<b>2,500</b>	<b>1,384,422</b>
<b>Unrealised</b>					
Interest on loans reserve	62,086	-	16,493	-	78,579
Investment income reserve	46,685	-	17,769	-	64,454
SPS reserve	64,750	-	-	-	64,750
<b>Total unrealised reserves</b>	<b>173,521</b>	-	<b>34,262</b>	-	<b>207,783</b>
<b>Total reserves</b>	<b>20,087,641</b>	<b>(675)</b>	<b>443,195</b>	-	<b>20,530,161</b>

### 19. 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); and
- requires specified lending practices to be in place where loans are made to certain sectors such as house loans, 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 2023

**19. CREDIT RISK DISCLOSURES (CONTINUED)**

	2023		2022	
	€	%	€	%
<b>Loans not impaired</b>				
Total loans not impaired, not past due	36,545,879	93.72%	32,868,381	94.28%
<b>Impaired loans:</b>				
Not past due	83,946	0.22%	107,813	0.31%
Up to 9 weeks past due	1,571,622	4.03%	1,220,815	3.50%
Between 10 and 18 weeks past due	315,182	0.81%	182,980	0.53%
Between 19 and 26 weeks past due	133,200	0.34%	161,556	0.46%
Between 27 and 39 weeks past due	107,928	0.28%	97,630	0.28%
Between 40 and 52 weeks past due	56,480	0.14%	97,234	0.28%
53 or more weeks past due	181,289	0.46%	126,929	0.36%
<b>Total impaired loans</b>	<b>2,449,647</b>	<b>6.28%</b>	<b>1,994,957</b>	<b>5.72%</b>
<b>Total loans</b>	<b>38,995,526</b>	<b>100.00%</b>	<b>34,863,338</b>	<b>100.00%</b>

**20. RELATED PARTY TRANSACTIONS**

**20A. LOANS**

	2023		2022	
	No. of loans	€	No. of loans	€
Loans advanced to related parties during the year	4	59,300	9	159,000
Total loans outstanding to related parties at the year end	11	215,681	11	220,966
Total provision for loans outstanding to related parties		8,712		9,713

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 0.55% of the total loans outstanding at 30 September 2023 (2022: 0.63%).

**20B. SAVINGS**

The total amount of savings held by related parties at the year end was €296,762 (2022: €287,624).

**21. ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURES**

**21A. FINANCIAL RISK MANAGEMENT**

The credit union manages its members' shares 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 credit lending policy. Credit risk mitigation may include the requirement to obtain collateral as set out in the credit union's loan policy. Where collateral or guarantees are required, they are usually taken as a secondary source of repayment in the event of the borrower's default. The credit union maintains policies which detail the acceptability of specific classes of collateral. The principal collateral types for loans are: an attachment over members' pledged shares; personal guarantees; and charges over assets. The nature and level of collateral required depends on a number of factors such as the term of the loan and the amount of exposure. All loan applications are assessed with reference to the credit lending policy in force at the time. Subsequently loans are regularly reviewed for any factors that may indicate that the likelihood of repayment has changed.

## 21. ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURES (CONTINUED)

### 21A. FINANCIAL RISK MANAGEMENT (CONTINUED)

**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.

### 21B. 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..

### 21C. INTEREST RATE RISK DISCLOSURES

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

	2023		2022	
	€	Average interest rate %	€	Average interest rate %
Gross loans to Members	38,995,526	8.17%	34,863,338	8.31%

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.

## 22. DIVIDENDS

The following distributions were paid during the year:

	2023		2022	
	%	€	%	€
Dividend on shares	-	-	-	-

The directors are proposing distributions in respect of the year:

	2023		2022	
	%	€	%	€
Dividend on shares	0.10%	130,010	-	-

## 23. EVENTS AFTER THE END OF THE FINANCIAL YEAR

There have been no significant events affecting the credit union since the year end.

## 24. INSURANCE AGAINST FRAUD

The credit union has Insurance against fraud in the amount of €5,200,000 (2022: €5,200,000) in compliance with Section 47 of the Credit Union Act, 1997 (as amended).

## 25. CAPITAL COMMITMENTS

There were no capital commitments at 30 September 2023.

## 26. COMPARATIVE INFORMATION

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

## 27. THE IRISH LEAGUE OF CREDIT UNIONS REPUBLIC OF IRELAND PENSION SCHEME

People First Credit Union Limited participates in an industry-wide pension scheme for employees (The Irish League of Credit Unions Republic of Ireland Pension Scheme). This is a funded defined benefit scheme with assets managed by the Scheme's trustees.

On 31 March 2022, the defined benefit scheme closed to future accrual and although staff retained all the benefits that they had earned in the Scheme to that date, People First Credit Union Limited and its employees ceased making regular contributions to the Scheme and ceased earning any additional benefits from the Scheme.

At the date of closure of the Scheme, there was a past service deficit which was allocated to each participating credit union based on the total benefits earned by staff in each credit union.

People First Credit Union Limited's allocation of that past service deficit was €1,477,648. This cost was included in the income and expenditure account for the financial year ended 30 September 2022. The deficit amount was paid to the trustees of the Scheme during the financial year ended 30 September 2022.

As this is a pooled pension scheme, People First Credit Union Limited remains liable to cover the cost of their share of any future increase in the total cost of providing the pension payments to credit union employees who were part of the Scheme. People First Credit Union Limited could exit the Scheme and therefore never have to make a potential additional payment requirement but exiting the Scheme may incur a substantial additional cost.

If credit unions exit the Scheme, they are required to pay to the trustees the exit amount which the trustees determine is required to fund benefits in respect of their active, deferred and pensioner members on a "no risk" basis. The exiting credit union thereby settles any liability they have to contribute to the Scheme in the future.

## 29. APPROVAL OF FINANCIAL STATEMENTS

The board of directors approved these financial statements for issue on 18th December 2023.

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# SCHEDULES TO THE INCOME AND EXPENDITURE ACCOUNT

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

The following schedules do not form part of the statutory financial statements which are the subject of the Independent Auditor's Report on pages 22 to 24.

## SCHEDULE 1 – OTHER INTEREST INCOME AND SIMILAR INCOME

	2023	2022
	€	€
Investment income received/receivable within 1 year	1,311,447	788,891
Investment income receivable outside of 1 year	17,769	17,616
Realised loss on investments	-	(33,378)
<b>Total per income and expenditure account</b>	<b><u>1,329,216</u></b>	<b><u>773,129</u></b>

## SCHEDULE 2 – OTHER INCOME

	2023	2022
	€	€
ECCU rebate	-	17,489
SPS refund	-	647,501
Rental income	13,934	8,324
Commissions and other sundry income	32,111	21,086
MPCAS income	49,428	16,685
Gain on disposal of fixed assets	93,612	-
<b>Total per income and expenditure account</b>	<b><u>711,085</u></b>	<b><u>78,563</u></b>

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Loans are subject to approval. Terms and conditions apply. If you do not meet the requirements of 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. The cost of your repayments may increase. Credit unions in Ireland are regulated by the Central Bank of Ireland. A list of participating credit unions is available at [www.cultivate-cu.ie](http://www.cultivate-cu.ie).

# SCHEDULES TO THE INCOME AND EXPENDITURE ACCOUNT

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

## Schedule 3 – Other management expenses

	2023 €	2022 €
Training	17,693	6,603
Rent and rates	31,594	29,135
General insurance	68,114	64,978
Computer maintenance	224,947	230,238
Lighting, heating and cleaning	70,418	71,067
Repairs and maintenance	165,165	32,002
Printing and stationery	25,767	34,478
Advertising and promotion	80,244	96,805
Postage and telephone	50,616	52,346
Chapter expenses	(2,468)	2,100
Debt collection	74,910	80,500
AGM expenses	48,843	45,030
Share and loan insurance and DBI	378,449	425,378
Travel expenses	19,974	7,369
Audit fee	23,063	21,525
Internal audit	17,376	17,143
Legal and professional fees	76,090	32,839
Member and community initiatives	33,193	57,165
Bank interest and charges	96,984	106,951
Investment management fees	14,760	14,760
Uniforms	87	85
Affiliation fees	50,001	50,000
SPS contribution	10,679	11,161
Subscriptions	16,989	13,525
Regulatory levies	409,671	274,752
General expenses	12,541	14,256
MPCAS fees	91,005	70,051
Business development	73,588	-
Provision on current accounts	-	1,123
<b>Total per income and expenditure account</b>	<b>2,180,293</b>	<b>1,863,365</b>

# Personalised Service From a Trusted Financial Provider

We aim to provide the best possible service to all our members, which is why we set up a Member Service Centre. We have a team of highly trained and skilled staff ready to answer your calls, deal with on-line enquiries, loan enquiries and much more.

Our commitment to our members is that your call will be answered promptly and your query will be dealt with immediately, by a professional and experienced staff member. Please do not hesitate to call us if there's anything we can do to help.

## What we Do:

- We answer all calls with no queuing time
- We Issue Online Pins
- Answer any queries regarding your account
- No more Transfer Buttons
- No long On Hold Messages
- Personalised Service from a team of Highly Trained Staff

The new service centre is designed to streamline the process for the member, making all your calls to your local community credit union hassle-free, efficient and more accessible for you to make the most of your credit union.

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In our branches:  
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Now up to  
**€350,000**

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WARNING: Your home is at risk if you do not keep up repayments on a mortgage or any other loan secured on it. This is a variable rate loan. The payment rate on this home loan may be adjusted from time to time.

People First Credit Union is regulated by the Central bank of Ireland. Terms and Conditions apply.

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.