

Lucan District
CREDIT UNION



stronger together

ANNUAL REPORT 2015





CHRISTMAS LOANS FROM YOUR CREDIT UNION

Ease the pressure of the Christmas season with a small loan from Lucan Credit Union at 9.49% (9.91%APR)

Amount borrowed	Term	Weekly repayment	Total cost of loan
€500	1 year	€10.10	€24.43
€1,000	1 year	€19.23	€48.87
€1,500	1 year	€28.85	€73.40
€2,000	1 year	€38.46	€97.85

Avoid the expensive credit card this Christmas.

Credit cards can charge interest rates from 18-23% which can work out very expensive to repay over the coming year. A credit union loan costs less and can be fully repaid in the year so you can borrow again for next Christmas.

Lucan District Credit Union is regulated by the Central Bank of Ireland

LUCAN DISTRICT CREDIT UNION LIMITED ANNUAL GENERAL MEETING 2015

Notice is hereby given that the Annual General Meeting of Lucan District Credit Union Ltd. Will be held on Monday 14th December in the Spa Hotel, Lucan at 7.30pm. **Susan Tarpey**, Secretary

ORDER OF BUSINESS

1. Acceptance of any Proxies
2. Ascertainment that a quorum is present
3. Adoption of Standing Orders
4. Minutes of previous AGM
5. Report of the Board of Directors
6. Report of the accounts by the board
7. Report of the Auditor
8. Declaration of Dividend
9. Report of the Board Oversight Committee
10. Report of the Credit Committee
11. Report of the Credit Control Committee
12. Report of the Membership Committee
13. Report of the Nominations Committee
14. Rule amendments
15. Appointment of Tellers
16. Election of Auditor
17. Election to Board Oversight Committee
18. Election to Board of Directors
19. Any other business
20. Announcement of Election Results
21. Close of business

Election to the Board and the Board Oversight Committee

Members who wish to put themselves forward for election to the board or the board oversight committee should complete a nominations form available from either office or can be downloaded from www.lucancu.ie/forms/. This must be signed by a proposer and seconder and submitted to the nominations committee by Friday 11th December at the latest. Nominations can no longer be accepted from the floor on the night of the AGM.

This year there will be three vacancies on the board and one on the board oversight committee.

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DIRECTORS AND OTHER INFORMATION

Directors

Martin Nolan (Chairman)
Michael Cummins (Vice-Chairperson)
Susan Tarpey (Secretary)
Bernadette Cullen
Thomas Bradley
Mary O'Neill
John Carabini
Mary Whelan
Ian Duffy
William Tracy (Retired January 15)

Board Oversight Committee

Enda Lee
Eamon Brennan
Ayobami Olaoya

CEO

Paula Maguire

Operations Manager

Alan Roche

Registered Office

3 The Mall, Main Street
Lucan, Co Dublin

Independent Auditors

Birmingham and Company
Statutory Auditors, Damastown Way
Damastown Business Park, Dublin 15

Main Bankers

Allied Irish Banks plc
Main Street, Lucan
Co Dublin

Treasury & investment advisors

FTI
International House, 3 Harbourmaster Place
IFSC, Dublin 1

Solicitors

Dermot P Coyne
Liffey Bridge House, Main Street
Lucan, Co Dublin

BOARD OF DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 30TH SEPTEMBER 2015

The Directors of Lucan District Credit Unions are delighted to present the forty-seventh annual report and audited accounts for the credit union for the financial year ended 30th September 2015. We remind ourselves at this time that the credit union exists solely to meet the financial needs of our members and that we are strong because of the ongoing support and loyalty of our members. We are stronger together.

Year in review

It goes without saying that the last seven years have been difficult and that the recession has impacted as much on our credit union as it has on everyone else. Thankfully, the green shoots of recovery are now evident as the economy very gradually improves and more people return to employment. Your credit union has faced the challenges presented head on and we are delighted to report that we are now seeing stability and positive trends across the business.

Whilst much has been achieved and your board is happy with the continuous progress and improvement we can assure you that we will not be sitting on our laurels. There is still much to achieve and we will continue to work hard to improve the products and services offered to you. This will include the roll-out of a current account and debit card and the refinement of our on-line facilities to include a mobile app.

Risk management and compliance have been a key area of focus for your board over the last year as the regulations and laws continue to tighten and the requirements become more onerous. This will remain a key focus area and your board works hard to ensure that your credit union more than meets the requirements and that we are fully compliant.

The board is delighted to announce that the year finished with some excellent news. The lending restriction that has been in place since March 2011 was lifted by the Central Bank with no conditions attached. This is great news for our credit union and for our members. The hard work over the last few years has paid off. This could not have been achieved without a team effort so well done to everyone involved, staff, management, board and board oversight committee and thank you all for your commitment to the credit union.

Results for the year and state of affairs at year end

The credit union succeeded in producing a surplus for the year before transfers to reserves and provision for proposed dividend of €658,493. This is an increase of 208.7% on last year's surplus of €213,268.

Income for the year is similar to the income last year at €2.210m. Although our loan interest income is up €31k on last year and our surplus funds have increased, investment income has decreased. This is primarily due to the continued low interest rate environment. This was not assisted during the year by the ECB quantitative easing programme which has further forced rates down and also significantly reduced the yields available on government and bank bonds. We have successfully managed to lock in some good bond rates pre the ECB programme which has helped us maintain our investment income at a reasonable rate however, there is little value available for short term deposits. This situation is expected to continue for a number of years, although the indications are that rates should begin to rise in 2016.

Expenditure for the year decreased by €442K (-22.16%) to €1.551m. This was due to a reduction in our bad debt provision which reflects an overall improvement in our loan book as it recycles. We expect continued improvement in this area over the next couple of years.

At year-end, total assets were up €3.5m to €55.3m an increase of 6.78% on the figure last year of €51.7m. Members' shares increased to €47.3m (up 6.6%) from €44.3m at the end of last year. Loans to members decreased to €18.9m (-3.7%) from €19.6m in 2014. The reduction this year is due in the main to write offs where it has been deemed that loans are fully impaired. In addition, members continue to pay down their loans. On a positive note we are seeing improvement in the loan book as new lending this year increased by 11% on the same period last year.

Transfers to provisions and reserves and recommended dividend

An amount of €250,000 is transferred from the surplus to meet our statutory reserves requirements. The large transfer this year is required due to the significant increase in our total assets.

Loan arrears have continued to improve resulting in a reduction in bad debt provisions. Our provision now stands at 14.37% compared to 16.10% last year.

Directors and Board Oversight Committee

The Directors and Board Oversight Committee of the credit union at 30 September 2015 and during the year are listed earlier.

In keeping with the new Fitness & Probity requirements all members who wish to put themselves forward for election must complete a nominations form in advance of the AGM for approval by the nominations committee. Nominations from the floor at the AGM can no longer be accepted.

Auditor

The Board of Directors have decided to put the audit services out to tender.

Acknowledgements

We would like to acknowledge the dedication and hard work of all of the staff in the credit union. We would also like to acknowledge the significant contribution by the volunteers on the board and on the board oversight committee.

The board would like to wish all of our members a very merry Christmas and a happy and healthy New Year.

On behalf of the Board

Susan Tarpey
SECRETARY

Martin Nolan
CHAIRMAN

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Credit Union Acts, 1997 to 2012 requires the directors to prepare, or cause to be prepared, accounts 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 year.

In preparing those accounts, the directors are required to:

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

The directors are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the credit union and which enables them to ensure that the financial statements comply with the Credit Union Acts, 1997 to 2012. 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.

On behalf of the board

Martin Nolan
CHAIRMAN

Susan Tarpey
SECRETARY

Date: 10th November 2015

STATEMENT OF THE BOARD OVERSIGHT COMMITTEE'S RESPONSIBILITIES

The Credit Union Acts 1997 to 2012 requires the appointment of an independent Board Oversight committee which will oversee the directors in the performance of their statutory duties.

Martin Nolan
CHAIRMAN

Enda Lee
CHAIRMAN OF THE BOARD OVERSIGHT COMMITTEE

Date: 10th November 2015

REPORT OF THE BOARD OVERSIGHT COMMITTEE (BOC)

The Board Oversight Committee has a statutory role on behalf of the members of Lucan District Credit Union Ltd. to ensure that the governance of the Credit Union is carried out in accordance with the provisions of the Credit Union Act 1997-2012.

We, the Board Oversight Committee, are charged with observing the board in carrying out its duties under the act. The Committee met with the Board of Directors as part of its statutory duties four times during the year to review the performance of the Board's functions.

We would like to stress that we are independent of both the board and management – this independence is crucial to our function. We see our role as that of a watchdog on behalf of the members, via informed observation of the board and committee meetings. To do this, we have acquired the skills to understand the nature of the credit union business, its operating principles, and the risks it faces. We are thus in a position to constructively challenge the board as the need arises. This year has seen the Board Oversight Committee continuing to monitor the governance of the Credit Union Board. As a general overview, this work has revealed only minor concerns and this situation, we believe, reflects well on the general management of your Credit Union.

The Board Oversight Committee met on a regular basis throughout the year and a member of the Committee has been in attendance at all Board meetings.

We have found that Lucan District Credit Union Ltd. has complied with the requirements of the Credit Union Act 1997-2012 and the regulations as laid down by the Central Bank and overall, resulting from our work and observations, we would like to state that we believe that the Board is maintaining good control and is ensuring policies and procedures are appropriate for the successful running of the Credit Union.

We would like to thank and acknowledge the support of the Board, members of the various sub-committees, the Manager and staff of the Credit Union for all their cooperation, help and assistance throughout the year in carrying out our duties during 2014/15.

Ayobami Olaoya, Eamon Brennan, Enda Lee

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LUCAN DISTRICT CREDIT UNION LIMITED

We have audited the financial statements of Lucan District Credit Union Limited for the year ended 30th September 2015 which comprise of the Income and Expenditure Account, Balance Sheet, Cash Flow Statement, and the related notes. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council (Generally Accepted Accounting Practice in Ireland).

This report is made solely to the credit union's members, as a body, in accordance with the Credit Union Acts 1997 to 2012. 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.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements giving a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors, including, "APB Ethical Standard - Provisions Available for Small Entities (Revised)", in the circumstances set out in note to the financial statements.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the credit union's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the credit union's affairs as at the 30th September 2015 and of its Income and expenditure for the year then ended;
- have been prepared in accordance with Generally Accepted Accounting Practice in Ireland; and
- have been properly prepared so as to conform with the requirements of the Credit Union Acts 1997 to 2012.

Other matters prescribed by the Credit Union Acts 1997 to 2012.

- We have obtained all the information and explanations we consider necessary for the purposes of our audit.
- In our opinion the credit union has kept proper books of account.
- The financial statements are in agreement with the books of account.

Padraic Bermingham FCCA, FCPA

For and on behalf of
Bermingham and Company
Statutory Auditors
Damastown Way
Damastown Business Park
Dublin 15

Date: 10th November 2015

INCOME & EXPENDITURE ACCOUNT FOR THE FINANCIAL YEAR ENDED 30TH SEPTEMBER 2015

	Notes	2015 €	2014 €
INCOME			
Interest received on members' loans		1,520,102	1,489,016
Members' deposit interest payable		(2,538)	-
Other Income		252	39
Investment Income		679,987	701,837
Net Interest Income		2,197,803	2,190,892
Sundry Income (Schedule 1)		12,365	15,900
Total Income		2,210,168	2,206,792
EXPENDITURE			
Salaries & other staff costs	2	644,134	655,530
Other management costs (Schedule 2)		707,684	629,244
Depreciation		93,480	78,710
Bad and Doubtful Debts	4	153,260	679,271
Bad Debts Recovered		(46,883)	(49,231)
Total Expenditure		1,551,675	1,993,524
Excess of Income over Expenditure for the Year	9	658,493	213,268

There are no recognised gains or losses other than the income and expenditure for the above two financial years.

The accounts were approved by the Board on 10th November 2015 and signed on its behalf by

Paula Maguire
CEO

Martin Nolan
CHAIRMAN

Enda Lee
BOARD OVERSIGHT COMMITTEE

BALANCE SHEET

FOR THE FINANCIAL YEAR ENDED 30TH SEPTEMBER 2015

	Notes	2015 €	2014 €
FIXED ASSETS			
Tangible assets	3	818,632	727,284
Current Assets			
Loans to members		18,922,368	19,642,720
Less provision for bad and doubtful debts	4	(2,720,898)	(3,161,958)
Debtors and prepayments	5	654,908	585,608
Deposits and Investments	6	36,190,251	33,515,010
Cash at bank and in hand		1,396,713	443,311
Total Current Assets		54,443,342	51,024,691
Total Assets		55,261,974	51,751,975
LIABILITIES			
Other liabilities falling due within one year	7	116,885	139,166
Members Deposits		1,011,869	964,505
Members Shares	8	47,256,976	44,323,752
		(48,385,730)	(45,427,423)
Total Assets Less Liabilities		6,876,244	6,324,552
MEMBERS RESOURCES			
Statutory Reserve	9	5,916,841	5,666,841
Revenue Reserves	9	959,403	657,711
		6,876,244	6,324,552

The accounts were approved by the Board on 10th November 2015 and signed on its behalf by

Paula Maguire
CEO

Martin Nolan
CHAIRMAN

Enda Lee
BOARD OVERSIGHT COMMITTEE

CASH FLOW STATEMENT
FOR THE FINANCIAL YEAR ENDED 30TH SEPTEMBER 2015

Reconciliation Of Excess Of Income Over Expenditure To Net Operating Cash Flows

	2015	2014
	€	€
Excess of income over expenditure	658,493	213,268
Provision for bad and doubtful debts	441,060	382,037
Retirement of fixed assets	10,159	-
Depreciation	93,480	78,710
Net cash flow from trading activities	321,072	674,015
New loans to members	8,869,397	7,985,927
Repayment of members loans	9,589,749	9,125,991
	720,352	1,140,064
New deposits and shares by members	21,244,143	18,458,375
Repayment of deposits and shares	18,263,555	17,768,293
	2,980,588	690,082
Movement in other assets	(69,299)	(53,900)
Movement in other liabilities	(22,281)	22,384
Net cash inflow from operating activities	3,930,432	2,472,645

CASH FLOW STATEMENT

Net Cash inflow from operating activities	3,930,432	2,472,645
Dividends paid	(106,801)	(144,827)
Capital expenditure	(194,988)	(305,391)
Other expenditure	-	-
Increase in cash for the year	3,628,643	2,022,427
Opening cash and investments	33,958,321	31,935,894
Closing cash and investments	37,586,964	33,958,321

NOTES TO THE ACCOUNTS FOR THE FINANCIAL YEAR ENDED 30TH SEPTEMBER 2015

1. ACCOUNTING POLICIES

The significant accounting policies adopted by the Credit Union are as follows:

1.1. Accounting convention

The accounts are prepared under the historical cost convention in accordance with accounting standards generally accepted in Ireland and Irish statute comprising the Credit Union Acts 1997 to 2012.

1.2. Income Recognition

Interest on members' loans is recognised when payment is received as specified in Section 110 (1) (c) (i) of the Credit Union Act 1997 (on a cash basis). Investment income is recognised on an accruals basis.

1.3. Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is calculated in order to write off the cost of tangible fixed assets over their estimated useful lives as follows:

Freehold buildings	-	2% straight line
Premises Improvements	-	6.67% straight line
Computer equipment	-	20% straight line
Fixtures, fittings and equipment	-	12.50% reducing balance
Leasehold premises	-	Over remaining term of lease

The carrying value of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

1.4. Investments

Investment income is recognised when received or irrevocably receivable within 1 year.

Investments are recognised at cost less any permanent diminution in capital value but ignoring any increase in capital value or encashment value until realised in the form of cash or cash equivalents.

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

Bank deposits and other short term deposits

These are valued at the deposit amount plus any accrued interest. Interest income is recognised in the income statement on an accruals basis.

Term deposits and fixed interest investment bonds

Term deposits and fixed interest investment bonds with fixed maturity dates are valued at the lower of cost or encashment value. Interest income is recognised in the income statement when it is received or irrevocably receivable.

Investments with return of capital guarantee

These investments are valued at the lower of cost or market value but not lower than the capital guaranteed amount. Dividend or other income is recognised in the income statement when it is received or irrevocably received.

Government Bonds and other Investment Bonds

Government and bank issued bonds which are expected to be held to maturity are stated at their cost less accumulated amortised capital losses. Dividend income is recognised in the income and expenditure account on an accruals basis when irrevocably receivable.

Capital losses, which arise when the cost of purchase exceed their nominal or guaranteed value, which is payable by the issuer of the bond at maturity, are amortised in the income and expenditure account over the period to maturity. Capital Gains are recognised only when the income is irrevocably received.

1.5. Pensions

The Credit Union operates a defined contribution pension scheme.

Employer contributions to the Irish Life and Pensions scheme are charged to the income & expenditure account in the period to which they relate.

1.6. Bad & Doubtful Debts

Provision for doubtful debts is made against current loan balances which the directors deem to be impaired. The amount provided is calculated based on the number of weeks a loan is in arrears adjusted for any specific bad debts (using a formula set out by the Irish League of Credit Unions, called Resolution 49 which is based on the number of weeks a loan is in arrears and then adjusting for any specific bad debts). In addition to Resolution 49, provisions are included to reflect loans which have been rescheduled during the period. Additional specific provisions have been made where the directors consider a loan to be impaired. General provisioning is also considered and provided having regard to general underlying economic conditions.

2. EMPLOYEES

	2015	2014
Number of employees		
The average monthly numbers of employees during the year were:	16	16
	2015	2014
Employment costs	€	€
The aggregate payroll costs of these persons were as follows:		
Wages and salaries	495,515	507,025
Employers PRSI costs	53,834	58,194
	549,349	565,219
	2015	2014
Other Staff Costs	€	€
Employer pension contributions	56,520	53,554
Employer PHI/disability contributions	17,328	14,716
Staff training	14,494	11,398
Travel & subsistence	4,709	2,309
Uniforms	1,734	8,334
	94,785	90,311
Total	644,134	655,530

3. TANGIBLE ASSETS

	Freehold Buildings	Premises Improv.	Leasehold Buildings	Computer Equipment	Furniture & Office Equipment	Total
	€	€	€	€	€	€
Cost						
At 1st October 2014	362,791	162,952	232,647	122,174	352,310	1,232,874
Additions during the year	-	142,250	-	26,969	25,769	194,988
Disposals	-	-	-	(13,876)	(18,755)	(32,631)
At 30th September 2015	362,791	305,202	232,647	135,267	359,324	1,395,231
Depreciation						
At 1st October 2014	144,388	10,869	87,288	34,265	228,780	505,590
Disposals	-	-	-	(11,757)	(10,714)	(22,471)
Charge for the year	6,282	20,357	18,170	29,157	19,514	93,480
At 30th September 2015	150,670	31,226	105,458	51,665	237,580	576,599
Net book values						
At 30th September 2015	212,121	273,976	127,189	83,602	121,744	818,632
At 30th September 2014	218,403	152,083	145,359	87,909	123,530	727,284

4. LOAN ARREARS & DOUBTFUL DEBTS

	2015	2014
	€	€
Opening provision for bad debts	3,161,958	2,779,921
Bad debts written off during the year	(594,320)	(297,234)
Increase in provisions	153,260	679,271
Closing provision	2,720,898	3,161,958

The current provision in the accounts is €2,720,898 (2014 €3,161,958) representing 14.37% (2014 16.10%) of the total loan book. This amount exceeds that calculated in accordance with Resolution 49 by €478,079 (2014 €658,386).

5. DEBTORS AND PREPAYMENTS

	2015	2014
	€	€
Prepayments	80,982	43,812
Accrued Income	573,926	541,796
	654,908	585,608

6. DEPOSITS AND INVESTMENTS

	2015	2014
	€	€
Central Bank Minimum Reserve	291,755	291,630
Bank term deposits	19,781,888	21,442,314
Bank Bonds	7,802,199	3,370,565
Irish Government Bonds	8,314,409	8,410,501
	36,190,251	33,515,010

7. OTHER LIABILITIES FALLING DUE WITHIN ONE YEAR

	2015	2014
	€	€
Car Draw	52,356	46,182
PAYE/PRSI	14,138	16,996
Accruals	30,428	34,593
Sundry creditors	19,963	41,395
	116,885	139,166

8. MEMBERS' SHARES

	2015	2014
	€	€
Regular share accounts	-	663,425
Special share accounts	47,256,976	43,660,327
	47,256,976	44,323,752

9. MOVEMENTS ON RESERVES

	Retained Earnings	Statutory Reserve	Total
At 1st October 2014	657,711	5,666,841	6,324,552
2014 dividends paid	(106,801)		(106,801)
Surplus of income over expenditure in year	658,493		658,493
Transfer from Retained Earnings	(250,000)	250,000	-
At 30th September 2015	959,403	5,916,841	6,876,244

Statutory/Regulatory Reserve

Under the provisions of the Credit Union Act, 1997, at least 10% of each year's surplus must be transferred to the statutory reserve.

With effect from 30th September 2009 the credit union is required to maintain a Regulatory Reserve Ratio of not less than 10% of total assets on an ongoing basis.

At 30th September 2015 the credit union has a Statutory Reserve of €5,916,841 which represents 10.70% (2014 10.95%) of total assets.

10. PROPOSED DISTRIBUTIONS

The Directors recommend the following distributions to be approved by the members at the Annual General Meeting.

	Rate	2015 €	Rate	2014 €
Dividend on shares (Estimated cost 2015)	0.50%	229,171	0.25%	106,801

The proposed dividend is not reflected in the accounts in accordance with Financial Reporting Standards which state that a proposed dividend is not considered a liability until it is approved by the members at the Annual General Meeting.

Dividends amounting to €106,801 were paid in 2015. This related to surplus earned in 2014.

11. RELATED PARTY TRANSACTIONS

The balance outstanding on transactions the credit union entered into with persons who are, or were, directors or employees are set out below:

	2015	2014
	€	€
Share balances	89,119	59,544
Loan balances	163,768	106,428

Loans with a total value of €28,400 (2014 - €29,100) were issued to officers during the year ended 30 September 2015.

12. INSURANCE AGAINST FRAUD

The credit union has insurance against fraud in the amount of €1.5 million in compliance with Section 47 of the Credit Union Act 1997.

13. PENSION COSTS

The credit union operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the credit union in an independently administered fund.

14. CAPITAL COMMITMENTS

There were no capital commitments at the year-end.

15. RATES OF INTEREST CHARGED ON MEMBERS' LOANS

A rate of 9.49% (9.91% APR) is charged on new members' loans.

Promotional rates

6% - Loans within shares

7% - Educational loan

16. RATES OF INTEREST PAID ON MEMBERS' DEPOSITS

The Income and Expenditure Account is charged with interest payable on Members deposits during the period. The Rate of interest payable for the year ended 30th September 2015 was 0.25%.

17. APPROVAL OF ACCOUNTS

The Board of Directors approved these accounts on 10th November 2015.

**SUPPLEMENTARY SCHEDULES
FOR THE FINANCIAL YEAR ENDED 30TH SEPTEMBER 2015**

The following pages are not part of the formal accounts of the credit union and are included for information purposes only.

SCHEDULE 2 - SUNDRY INCOME

	2015	2014
	€	€
Insurance commission	6,094	11,589
FX commission	6,271	4,175
Entrance fees	-	136
	12,365	15,900

SCHEDULE 3 - OTHER MANAGEMENT EXPENSES

	2015	2014
	€	€
Loans and savings insurance costs	157,458	153,232
Administration Costs		
Printing, postage, & stationery	51,928	43,629
Computer costs	59,346	38,750
AGM & other meetings	20,542	19,913
Bank charges	35,828	35,380
Sundry expenses	28,630	25,697
Telephone & Facsimile	11,935	11,270
Cash security	9,118	9,822
Advertising / marketing	28,711	40,349
Donations & sponsorship	9,100	4,091
	255,138	228,901
Professional and Advisory Costs		
Legal & professional fees	80,047	78,973
Debt collection	38,615	10,845
Audit fees	16,605	16,605
Regulatory levies	41,264	27,607
	176,531	134,030
Establishment Costs		
Rent & rates	46,044	47,865
Repairs & maintenance	25,611	27,575
General insurance	25,703	26,321
Light & heat	11,040	11,320
Retirement of fixed assets	10,159	-
	118,398	113,081
Total	707,684	629,244

REPORT OF THE CREDIT COMMITTEE

The Credit Committee is appointed annually by the Board of Directors to oversee the work of the lending officers.

A total of 2,691 loans with a value €8,869,397 were issued during the year. This compares with last year's figures of 2,522 loans with a total value of €7,985,927 representing an increase of 11% in new lending.

A breakdown of the loans issued is detailed below:

By Amount	Number	Amount €
€1 - €1,000	944	627,960
€1,001 - €5,000	1,299	3,458,101
€5,001 - €10,000	313	2,437,609
€10,001 - €15,000	72	931,192
€15,001 - €25,000	51	1,018,515
€25,001 - €50,000	12	396,020
€50,001 - €100,000	0	0
Over €100,000	0	0
Total	2,522	7,985,927

Loan Purpose	Number	Amount
Car Purchase	283	1,907,952
Car Repairs / Insurance / Tax	111	144,742
Christmas	98	131,160
Education	146	367,380
Funeral Expenses	17	54,550
Holidays	257	598,176
Home Improvements	505	2,716,647
Medical	18	43,820
Other Purposes	174	604,364
Wedding	52	333,100
Within Shares	1030	1,967,506
Total	2691	8,869,398

Lucan District Credit Union is still actively lending and we look forward to loan applications from members. If you have any queries about your loan requirements please don't hesitate to contact either office.

The Credit Committee

REPORT OF THE CREDIT CONTROL COMMITTEE

The Credit Control Committee is appointed annually by the Board of Directors to oversee Credit Control within Lucan District Credit Union. 2015 has been a year in which there are signs of economic recovery and we are seeing some members who had previously lost jobs starting to return to work and begin to deal with arrears on their accounts. Many of our members continue to suffer financially and have not yet felt the benefits of economic recovery and we continue to work with those members to come to an agreed solution.

In all cases where loan repayments are missed without explanation our Credit Control staff will intervene at an early stage contacting the members by phone or letter. In most cases members will respond but in some situations members refuse to engage with the Credit Union and we have to pursue the debts legally.

In last year's report we mentioned that we had started to see some improvement in the overall arrears situation in the Credit Union and we are pleased to report that this improvement has continued into this year. Overall there has been a reduction in the bad debt provision levels and the total value of accounts in arrears has also continued to fall.

We recognise in situations where loans were previously written off as bad debts peoples circumstances may now have changed for the better and a renewed effort will be put into contacting these members this year to recover as much of the debt previously written off as possible.

The Credit Control Committee

The Credit Control Committee

REPORT OF THE MEMBERSHIP COMMITTEE

The role of the membership committee is to consider applications for membership of the credit union.

We are delighted to see that there was a consistent number of new members joining on a monthly basis with a total of 767 new members joining our credit union this year. We are particularly pleased with the number of members under 18 who have joined this year at 240. This is 31% of the total new membership this year.

Members under 18 are our active members of the future and are vital for the continuing growth and development of our credit union. We would encourage all adult members to open an account for your children or grandchildren and to save a small amount on a regular basis to their account. This will stand to them in the future when they wish to take their first loan for college, travel or to buy their first car.

We look forward welcoming more new members to our credit union over the coming year.

The Membership Committee

REPORT OF THE NOMINATIONS COMMITTEE

The Nomination Committee has the responsibility to ensure that the Board of Directors and committees have the necessary representation in order to carry out their duties and serve the members. A Fitness & Probity regime was introduced for Credit Unions in 2013 by the Central Bank of Ireland and in line with this the committee must ensure that each candidate for vacancies on the Board have been vetted and approved by the nominations committee, to go forward for election.

Any member who wishes to go forward for the board should complete a nominations form which is available in either office or from our website www.lucancu.ie/forms/. This should be signed by the nominee and by a proposer and seconder, who should also be members of the credit union.

Nominations can no longer be accepted from the floor at the AGM. Any member wishing to go on the panel for possible selection for the AGM should ensure that their nomination form is submitted by Friday 11th December at the latest. All nominations received after this date will be placed on a panel for consideration during the coming year should a vacancy on the board arise.

The Nomination Committee also arranges training for members of the Board of Directors during the year to include an induction programme, Anti-money Laundering and Data Protection and any other course that would be relevant to the board. Board members also have the option of undertaking external exams that would be relevant to their role on the board (subject to approval).

The Nominations Committee

STANDING ORDERS

1. VOTING.

Each member shall be entitled to one vote irrespective of his/her shareholding, in accordance with Section 82(2).

2 - 4 ELECTION PROCEDURE.

2. Nominations for election must be in accordance with Section 56B.
3. Elections to the Board of Directors, to the Board Oversight Committee and the position of Auditor shall be by majority vote and by secret ballot.
4. A Ballot Paper for the election of the Board and Board Oversight Committee, where applicable, will be distributed to each member at the AGM.

5 - 10 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 Chairman 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 Chairman 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 Chairman.
10. The Chairman 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.

11 - 16 MISCELLANEOUS.

11. The Chairman of the Board of Directors shall be the Chairman of any general meeting, except where he/she is not available, in which case it shall be the Vice-Chairman, except where he/she is not available, in which case the Board shall decide amongst themselves who shall act as Chairman of any general meeting.
12. The Chairman may at his/her 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 Chairman.
14. The Chairman's decision on any matter relating to these Standing Orders or interpretation of same shall be final.

15. In accordance with Section 82(2) no member shall have more than one vote on each question at any general meeting of the credit union or any adjournment there of irrespective of his/her shareholding or the number of accounts in his/her 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. Acceptance of proxies is in accordance with Section 82(4).
16. Any matter to be decided upon by vote at the AGM shall, unless otherwise expressly provided for by law or the rules, be decided upon by simple majority.
- 17. SUSPENSION OF STANDING ORDERS.**
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.
- 18. ALTERATION OF STANDING ORDERS.**
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.
- 19. ADJOURNMENTS.**
Adjournments of the AGM shall take place only in accordance with Section 81.

CAR DRAW WINNERS 2015

Oct 2014	Helen Murray
Nov 2014	Mary Cullen
Dec 2014	Patricia O'Miachain
Jan 2015	Carol Geraty
Feb 2015	Philip Corcoran
Mar 2015	Nicolae Brinza
Apr 2015	Michael Mellett
May 2015	Fiona Guinan
Jun 2015	Carmel Kavanagh
Jul 2015	Christine Carty
Aug 2015	Gavin Donnelly
Sep 2015	Patrick McDermott

CHANGE TO THE STANDARD RULES

There are no changes to the standard rules this year.

A copy of the standard rules is available in hard copy from either office of the credit union or in soft copy, on request by e-mail, to info@lucancu.ie.

HOW TO APPLY FOR A LOAN FROM LUCAN DISTRICT CREDIT UNION:

Step 1

Complete a loan application form available from either office or print one from our website www.lucancu.ie/forms/

Alternatively, if you have registered for on-line access to your account, you may apply for your loan on-line. Register for on-line access through our website www.lucancu.ie

Step 2

Hand in the loan application form at the counter with three current payslips/social welfare slips and three months current bank statements. Bank statements must show your name and address and should be for your main bank account.

For self-employed applicants you should provide your most recent accounts or revenue assessment and a tax clearance certificate.

We will notify you by phone when your loan has been approved or if we require further documentation.



NEW YEAR – NEW YOU

Have you been putting off getting a job done on your home or changing your car, even though it is on its last legs? You might even be considering upskilling by going back to college.

2016 might be the year when you eventually get to do all of these things. When you are ready your credit union is here for you and we have money to lend.

- Our loan interest rates are very competitive and there is no set-up or admin charges
- Loan interest is charged on the reducing loan balance
- There are no penalties for early repayment
- Repayments can be set up to suit you, weekly, fortnightly, monthly and at a rate that you can afford
- Loans are automatically covered by loan protection insurance at no cost to you (subject to T&Cs)

Our loan interest rates are:

Standard variable 9.49% (APR 9.91%)

Within Shares variable 6.0% (APR 6.18%) – this loan is fully secured by your shares

Example of some loans and repayments:

Amount borrowed	Term	Monthly payment	Total cost of loan	Term	Monthly payment	Total cost of loan
€2,500	3 year	€80.09	€382	5 year	€52.51	€649
€5,000	3 year	€160.16	€764	5 year	€105.00	€1,297
€10,000	3 year	€320.30	€1,528	5 year	€209.98	€2,595
€15,000	3 year	€480.44	€2,292	5 year	€314.97	€3,893
€20,000	3 year	€640.58	€3,056	5 year	€419.95	€5,191

Lucan District Credit Union is regulated by the Central Bank of Ireland

LUCAN

3 The Mall, Lucan, Co. Dublin

tel: 01 628 1642

fax: 01 628 1898

email: info@lucancu.ie

FINNSTOWN

Unit 1, Finnstown Shopping Centre,
Newcastle Road, Lucan, Co. Dublin

tel: 01 621 3506

fax: 01 621 3942

email: info@lucancu.ie

OPENING HOURS

Monday - Friday 9.30am - 4.30pm

Saturday 10am - 1pm *(Except Bank Holiday Weekends)*

Open through lunch each day

www.lucancu.ie



Find us on Facebook

Lucan District
CREDIT UNION

building a better community

