

SAFE STRONG SECURE



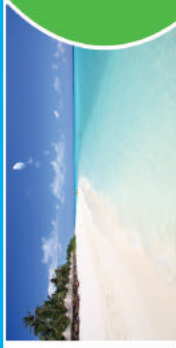
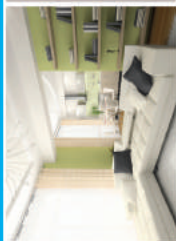
Letterkenny Credit Union Limited Annual Report 2014

AGM Tuesday 2nd December 2014



Letterkenny Credit Union Limited

www.letterkennycu.ie



Services

offered by Letterkenny Credit Union include:

- Competitive Loans
- Savings
- Repayment Protection Insurance
- Foreign Exchange
- Website
- ATM
- Bill Payment Services
- Members Car Draw
- Direct Debits
- Payroll Deduction
- School Savings Schemes

1

Share Secured Loan

To avail of this offer a member's total indebtedness to the Credit Union must be fully secured against their shares from issue of the Loan to the final repayment.

5% apr

2

Premium Car Loan

This is an extremely competitive and value for money loan specifically targeted at car/vehicle purchase.

Proof of purchase will be requested to continue to avail of this preferential rate.

6.5% apr

3

Standard Loan Rate

Loans applications will be considered for any provident productive purpose.

8.2% apr

Loan Assessment Criteria

A member's ability to repay is the fundamental basis on which all loan applications will be assessed and not a multiple of savings.

Terms & Conditions Apply

Loans from

5%
Approx. APR

Letterkenny Credit Union

High Road, Letterkenny,
Co. Donegal.

Tel: 074 91 24166

Fax: 074 91 25258

Email: info@letterkennycu.ie

Website:

www.letterkennycu.ie



**The Annual General Meeting of
Letterkenny Credit Union Limited
will be held on
Tuesday 2nd December 2014
in the Mount Errigal Hotel, Letterkenny at 8pm.**

Contents

Chairperson's Report 2

Financial Report 4

Board Oversight Committee Report 6

Credit Committee Report 8

Credit Control Committee Report 10

Insurance Report 11

Membership Report 13

Accounts 14

Nomination Committee Report 28

Important Notice – Nomination 29

Information for Borrowers 31

Services 33

Donations 34

Amendments to Standard Rules 34

Order of Business at AGM 35

Chairperson's Report – September 2014

On behalf of the Board of Directors of Letterkenny Credit Union, it gives me great pleasure to present this report for the year ended 30th September 2014 and to set the scene for the presentation of the financial statements and various reports that follow in the course of this meeting.

This past year has necessitated a transformation in the governance and operations of this credit union and delivering this rate and level of change in a short period of time has posed a considerable challenge for the board, management and staff. The changes, made and on-going, are largely due to the impact of the new regulatory framework on financial institutions in general and on credit unions in particular but are also due to the ambition of this credit union to be one of the best 'in it's class'.

To apply and to comply with these new regulatory requirements the board has appointed, on a contract basis, a Compliance Officer, a Risk Management Officer and an Internal Auditor. We have also developed a Risk Management Framework and a three year Strategic Plan and these are being implemented with great energy.

While there is, and always will be more to do, I am satisfied that we have been quite successful in implementing many, and perhaps most, of the changes required in our policies and practices to ensure we are compliant with the new regulatory requirements.

The past year has also been a challenging one in other significant ways. The traditional 'business model' for credit unions remains under threat due to the fact that it is difficult to increase prudent lending while the income generated from our investment portfolio has been severely constrained by the unusually low level of interest rates on the deposit accounts that we invest in. Our costs have continued to increase due, primarily, to increased regulatory and compliance costs and to increases in insurance type costs.

Despite these significant challenges the financial performance and financial position of Letterkenny Credit Union are quite good. Our Total Assets have increased by €4.7million; this increase is represented by an increase in members' shares and a strengthening of reserves. Members' shares have increased by 8.4% and while the loan book has only increased marginally the trend is more positive in recent months.

We have succeeded in achieving a level of surplus income that enables the Board to recommend a dividend of 1% and a loan interest rebate of 10% while strengthening our reserves in a manner that this board considers to be prudent and necessary.

Later in the proceedings, various committees will give their customary reports concerning their specific activities and roles. At this point I want to acknowledge the contribution of those other committees and functions for which there are no formal reports to this meeting. I have in mind the Car Draw and Donations Committee, the Remuneration Committee, the Strategic Planning and Development Committee, the Audit Committee, the Staff Liaison Officer and the Money Laundering Officer.

The Car Draw had another successful year and I would like to thank the Committee for all their work in making it a success. Four lucky members won cars during the year and up to 100 members won additional cash prizes. For a member's contribution of €25.00 per year we believe it is great value for money.

As to the financial year 2014/2015, I want members to realise that the operating environment will remain a challenging one for this credit union. While the interest rates on our various types of loans are very competitive, we do not anticipate a significant increase in lending due to the understandable caution on the part of members to take out loans in this extended period of economic uncertainty and difficulty.

Two thirds of our total funds are invested, mostly in deposit accounts and a small proportion in government bonds. The return on deposit accounts in the coming year will be quite low due to the low level of interest rates and this will have a significant negative impact on our total income.

Chairperson's Report – September 2014

While we will endeavour to control costs as best as we can we expect them to rise somewhat due to the commitments we have made and the limited discretion we have over many of our costs. Members realise that this credit union provides a level of service and face-to-face contact with members that are no longer available in many other financial institutions. In doing so, we incur costs most of which are not recovered through fees and charges but rather they become part of total operating costs and have a negative impact on our surplus income and dividend.

Taken together these factors suggest that the surplus for the financial year 2014/2015 may come under some downward pressure and members should not assume that the current dividend rate and level of rebate of interest can be maintained next year. That said, I want to emphasise that this credit union is in great shape; it is well run and we can all look forward with justified confidence to its continued success.

One of my roles as chairman is to acknowledge the contributions made by various individuals and parties to the performance and success of this credit union.

I want to acknowledge the contribution of our various volunteers, Pauric Fingleton, Jimmy Gleeson, Stephen Mc Daid and Michael Dorrian. Volunteers are a very important part of the credit union movement and I would appeal to any members who would like to become a volunteer to make this known to any director and/or refer to our website for details on how to register their interest.

On behalf of the Board I would like to thank Paul Carr, Mark Mc Nulty and other staff from S Mac Rory & Co for their assistance all year and for delivering promptly the audited accounts that are being presented to you for your approval.

I want to acknowledge the work of John Mc Closkey and Paul Buchanan who have performed, and continue to perform the roles of Compliance Officer and Internal Auditor respectively. Their commitment to this credit union is one that provides additional assurance to the Board that this credit union will meet the highest standards in governance and in its operations.

I want to thank the Oversight Committee for their guidance and co-operation in ensuring good governance in this credit union. I want to thank the General Manager, Gordon Randles, and the Operations Manager, Gail Griffin, and all the other staff for the help and support given to me and to other members of the board during the year.

As I have stated earlier, this year has been unusually challenging in terms of the additional work and meetings that the Board and Senior Management have had to attend to. In my role as chairman I have reason to be very grateful for the commitment and co-operation I have received from these people and all of those others referred to earlier.

I cannot let this occasion pass without referring to the retirement from the Board and from the Oversight Committee respectively of Mary Gibbons and Brian Harkin. These two individuals join the many others who have given many years of voluntary service and great commitment to Letterkenny Credit Union. We are sorry to see them go but we wish them both well in the future.

Finally I want to thank you, the members, for your continued support for this credit union and for the trust that you place in us. I want you to have complete confidence that this credit union is governed and managed to a very high standard and is well prepared for the future.

James McMonagle
Chairperson

Financial Report – September 2014

This report is based on the data extracted from the Income and Expenditure Account and the Balance Sheet of the audited financial statements for the year ended 30th September 2014. The data has been recast to make it more user-friendly. In this report I will also be referring to some items contained in the schedule of Other Management Expenses of the Annual Financial Statements.

Income and Expenditure Data	2014	2013
Income & Gains	€	€
Interest on Members Loans	1,261,188	1,269,421
Income from Investments	1,166,212	1,389,253
Gains in the Capital Value of Investments	-----	-----
Reduction in the Provision for Doubtful Debts	131,509	-----
Bad Debts / Loans Recovered	98,416	84,125
Other Income	<u>59,047</u>	<u>59,900</u>
Total Income & Gains	<u>2,716,372</u>	<u>2,802,699</u>
Expenditure & Losses		
Staff Salaries & Pension Costs	565,891	495,017
Bad Debts / Loans Written Off	198,921	144,492
LP/LS/DBI Insurance	294,481	253,006
Other Operating Expenses	471,296	434,337
Depreciation of Fixed Assets	55,172	62,389
Write-down in the Capital Value of Investments	22,029	64,805
Increase in the Provision for Doubtful Debts		<u>103,944</u>
Total Expenditure & Losses	<u>1,607,790</u>	<u>1,557,990</u>
Surplus Income for the year	<u>1,108,582</u>	<u>1,244,709</u>

The Board of Directors are happy to report that this credit union has had a good year from a financial perspective taking into consideration the on-going difficult economic situation in this country, which has an impact on all of our members and on our borrowers in particular.

Income from all sources for 2014 exceeds Expenditure of all types for the year by €1.1 million; this enables us to propose a reasonable dividend for savers and a small rebate of interest for borrowers.

However the surplus is down on the previous year and this is primarily due to the reduction in income returns from our deposits and investments portfolio. This should come as no surprise to members given that interest rates have continued to fall throughout the financial year ended 30/09/2014. In some cases the investment committee have been presented with schedules of interest rates available from deposit providers where “negative” rates are on offer. The lack of attractive investment options to the credit union is of concern to the board of directors and

Financial Report – September 2014

members should be aware that the continuation of a low interest rate environment will have a negative impact on our total income and the amount of dividend that can be paid next year.

On the positive front the provision for bad and doubtful debts has shown a recovery of just over €131k. This is despite the credit union following a prudent policy of making high provisions on loans showing repayment difficulty. As members circumstances improve and if they continue to adhere to their credit agreements provisions for bad and doubtful debts should remain stable. The Board, in consultation with the Auditor, considers it prudent to maintain a significant provision to take account of the potential impact of Personal Insolvency Arrangements.

Interest earned on Members Loans is down just under 6%, even though our loan book has increased marginally. The slight reduction in the interest earned as compared to the previous year is the result of more members availing of the secured loan rate. However it is positive for the credit union that the loan book has increased and halted the slide experienced in previous years. Letterkenny Credit Union wishes to increase lending but must continue to be rigorous in our assessments of loan requests. We are also aware members remain cautious about borrowing in this extended period of uncertainty. It remains a major challenge for the Board and the Management Team to increase loans and loan income while avoiding an increase in impaired loans.

Some Operating Expenses (included under Management Expenses of the Annual Financial Statements) are up significantly. In particular, the Loan Protection, Life Savings and Death Benefit Insurance paid on behalf of members and the bad debts written off. The cost of the LP/LS/DBI premiums have increased alongside the level of savings to be insured. The increased regulatory environment has necessitated an increase in other costs including Central Bank levies, consultancy fees, security, credit referencing and educational expenses.

Letterkenny Credit Union is in a strong financial position as we can see from the Balance Sheet. Despite some adverse publicity in relation to some credit unions, members of this credit union have retained their trust in the Board and Staff so that Members Shares have increased by over €4.4 million for the year ending the 30th September 2014 to over €56.6 million. Our total reserves, at €9.7 million, represent over 14.6% of total funds, which is well in excess of the statutory requirement. Our Total Assets are in excess of €66 million.

While 2014 has been another successful year we must be prudent in our expectations for the future. The continuing economic difficulties of many of our members will be a significant challenge in maintaining the income received from loans. The return on our investment funds will not be as good as in the past few years. These factors will have an impact on our Total Income. Increasing regulatory and compliance costs will affect our Total Expenditure. All members, but the Board in particular, must keep these factors in mind when deliberating on such matters as lending rates, dividends and transfers to reserves.

Finally, we wish to acknowledge the loyalty of members to their credit union.

Board Oversight Committee Report – October 2014

The Committee is pleased to submit its report for year 2014. 2014 has been the first full year of operation under the requirements of the 2012 Credit Union Act. Under the act the Credit Union had to appoint an Internal Auditor, a Compliance Officer and a Risk Management Officer. These officials now perform many of the duties traditionally carried out by Board Oversight Committee. They are professional people and we feel add to the well being and security of LKCU and members funds.

Under the new regime the Board Oversight Committee is no longer expected to involve themselves directly in the operation of the CU but in its new oversight role must adhere to the following requirements:

- Hold a meeting at least once a month
- Meet with Board Of Directors four times a year to assist in assessment if BOD is operating in accordance with Parts IV and IVA of 1997 Credit Union Act
- Report in writing to Board Of Directors within two weeks of above meetings on the assessment of whether the Board has operated in accordance with above acts.
- At least one Board Oversight Committee member has to attend BOD meetings.
- Report to members at AGM if the BOD has operated in accordance with above act during year.

All above requirements have been met by BOC during past year. In our four meetings with BOD the following matters were discussed:

- Function of Oversight Committee in new regime
- Central Bank's Prism letter. This letter outlined the assessment of Central Bank Officials of performance of Credit Unions which they had visited. It sets out shortcomings and recommendations for improved performance. This credit union has not yet had such a visit.
- Functions and responsibility of committees.
- Good communication
- Division of duties between management and Board
- Characteristics of an effective Board.

We are pleased to report to members that BOD, during past year, have been fully compliant with all legal and regulatory requirements. Because of new legislative requirements the past year has been a most demanding year on Directors, Management and Staff. A host of policies had to be reviewed, new ones introduced and new procedures put in place. All of this was done with minimum of fuss and usual efficiency.

We have had every assistance from Directors, management, staff, Audit, Compliance and Risk Management Officers in our work during the year and for this we are sincerely grateful.

Board Oversight Committee Report – October 2014

Finally, some members are retiring tonight. Mary Gibbons, James McMonagle and Charlie McGlynn are leaving the Board. We are very thankful to all three for their assistance to our Committee over the years and we wish them well for the future. As Chairman, during the past year, James had a particularly heavy workload introducing the new legislative requirements. It was a huge task to be achieved in so short a time span. This CU will be forever grateful.

Lastly, Brian Harkin is retiring from BOC. Brian has given this CU 27 years service as a member of the Supervisory Committee. It has been a huge contribution to the community of Letterkenny and must be greatly appreciated. Those of us left behind will miss his cool head under pressure, his clarity of thought and genuine commitment to this Credit Union not to mention his pleasant personality.

We wish you a happy retirement Brian.

Board Oversight Committee members: Ted McLaughlin, Bryan Harkin and Maureen O'Donnell



Credit Committee Report – September 2014

The Credit Committee wish to report that for the financial year ending 30th September 2014 the total loan portfolio increased in value by €412,926 over 2013. This Committee has had a very positive year which is highlighted in the tables below.

Loan Type	Current Loans
Standard 8.2 % APR	€11,137,468
Motor 6.5% APR	€4,519,473
Secured 5% APR	€1,889,964
Special Seasonal 5%APR	€7,503
Student Rate 7.2%APR	€203,617
TOTAL	€17,758,025

	2014	2013
Loans granted	€10.7m	€9.9m
Numbers of loans issued to members	3412	3434
Total Loan:	€17,758,025	€17,345,099

The Credit Committee is happy to report an increase in lending and that all our loan rates have remained unchanged and continue to represent excellent value for money. Our loan book is open and every application will be considered. Nevertheless the Credit Committee cannot be complacent in the present economic climate and we will be prudent in our decision making. With this in mind, we have joined the Irish Credit Bureau and complete credit checks on all loan applications.

Our goal for lending has always been to meet the financial needs of our members whether this is for home improvements, education costs, car purchase or general life expenses. The committee is happy to report that 79% of our loan book consists of loans valued below €15,000 and our average loan to member is €5,206.

The Board is happy to have offered the Special Offer Seasonal Loan for the forth year running. The offer has proved successful over the past few years and has continued to generate considerable interest in Letterkenny Credit Union from both inactive members and non members. We are also happy with the uptake of our new student loan rate of 7.2% APR to assist our students attending Third Level education.

The Credit Committee is appointed by the Board of Directors and holds its meetings on a regular basis to consider the members loan applications that are outside the remit of the Credit Union's Loans Officers. All loan applications are given individual consideration and are treated in the strictest confidence. The credit committee wishes to stress that it is critically important that members disclose their full financial picture to the Credit Union when applying for a loan to allow us to make decisions that will avoid financial stress in the future. Our objective is to treat each application on its own merits and to take into account the needs of our members and also **their capacity to repay** the loan within the agreed timeframe.

Credit Committee Report – September 2014

Unsuccessful applicants are advised as soon as possible of the decision of the Credit Committee. We do not take a decision to refuse a loan lightly but we make our decisions in the best interests of the Credit Union and the member. We regret having to make such decisions. Reasons for these decisions include insufficient income to meet repayments, results of the Irish Credit Bureau check, constantly increasing loan balance coupled with frequent borrowing and poor repayment history on previous loans. The committee also has to follow all regulations and guidance given by the financial regulator.

The loan package provided by Letterkenny Credit Union provides excellent value for our members. We ask that members bear in mind the following when they borrow from Letterkenny Credit Union as distinct from any other financial institution:

- A choice of attractive repayment options available
- No hidden charges
- There are no penalties for early repayment of loans
- Free loan protection insurance is included
- Members can avail of Additional Repayment Protection Insurance

The Committee would like thank members for applications which helps us make our decisions at our meetings.

We would like to thank the management and staff for their assistance during the year.

Credit Committee members: Charles McGlynn, Paul Hume, Denis O'Donnell, Lisa McMonagle, Stephen McDaid (volunteer) and Padraig Fingleton (volunteer)



Credit Control Committee Report – September 2014

The role of the Credit Control Committee is to ensure that members who take out loans adhere to the terms of their loan agreements. We also liaise with the Credit Committee and staff to ensure that policies and practices in relation to credit control are effective. The Committee meets on a regular basis to review accounts in arrears, discuss requests from members to alter their loan agreements and to decide on appropriate action in relation to loan accounts in arrears.

A summary of key performance measures relating to credit control is provided in the table below:

[All monetary data in €]	2014	2013
Bad debts written off	198,921	144,492
Bad debts recovered	98,416	84,125
Legal costs of credit control function	17,912	17,627
Provision for potential bad debts	1,670,260	1,801,769
Provision as a % of amounts outstanding	9.41%	10.39%
Net change in relation to bad & doubtful loans	-131,509	+103,944
Net gain()/cost of bad debts	(13,092)	164,311

Although the value of bad loans written off has increased in comparison to 2013, it should be noted that all written off loans are actively pursued through the collection process as normal.

We are pleased that so many members continue to meet their loan repayments even when their own financial circumstances may have deteriorated. The Credit Control Committee continues to place a strong focus on a policy of early intervention. We invest a lot of time and resources in communicating with our members in arrears. The vast majority of cases are resolved following initial contact from the credit control team. The committee is aware that there are members who find themselves in very difficult circumstances and would encourage anybody in difficulty to contact our credit control officer. A small number of members refuse to communicate and to work with us in finding a solution that allows them meet their loan obligations. In these cases, with all other options exhausted, we will not hesitate to initiate legal proceedings in order to recover the debt.

The Committee feels that it is necessary in the current economic climate to continue to provide an additional provision for doubtful debts along with the standard provision. We are obliged by the financial regulator to make proper provision for potential losses on loans that go bad. We feel that the total provision figure will provide more than sufficient cover for any unforeseen loan losses in the coming financial year.

The committee wishes to acknowledge the co-operation of colleagues and staff with whom we have worked closely with during the year. We would particularly like to thank our credit control officer Donna Toye for her commitment and perseverance in what is a very difficult role.

Credit Control Committee members: Terry Mc Morrow, Martin Mac Intyre, Mary Gibbons, Mary Forde, Michael Dorrian(volunteer) and Jimmy Gleeson(volunteer)

Insurance Report – September 2014

During the year there were 54 insurance claims settled in respect of members who died, and no disability claims.

The total amount of €113,061 was received from E.C.C.U. Insurance Company in respect of these claims. €26,689 was paid on 3 accounts to clear outstanding balance at the date of death. The insurance also paid €86,372 on deceased members' savings.

In addition there were 51 Death Benefit Insurance claims settled and the amount paid out was €82,550. The different types of insurance provided by Letterkenny Credit Union are Death Benefit Insurance, Loan Protection and Life Savings and all are provided free to members.

Death Benefit Insurance

Is paid out when a member dies, all members are covered provided they joined before age 70. The amount of cover is now €1,950.00 and is payable to the person who pays the funeral expenses.

Loan Protection Insurance

Is the cover a credit union provides on the life of the borrowing member. When a member dies their outstanding loan balance is covered and is paid off in full under the scheme (T&C's apply).

Life Savings Insurance

Covers all our eligible members up to a maximum of €20,000 on their savings. Provided an account is opened before the age of 70, it will attract an insurance payment following the death of the member.

The maximum insurance payment added to the member's shares is €20,000, provided there is €20,000 or more in the account at age 55.

The Life Savings insurance is calculated as follows;

1. The member's shares at age 55 are insured to 100%.
2. Amounts lodged to the account between age 55 and 60 attracts a 75% bonus.
3. Amounts lodged to the account between age 60 and 65 attracts a bonus of 50%.
4. Amounts lodged between age 65 and 70 pays a bonus of 25%.

Benefits are paid on the death of a member, terms and conditions apply. In all instances after age 55 when a member dies the calculation is based on the lowest amount of savings in the account.

In Summary, if a member had €20,000 or more in their account at age 55 and this was left until the member died the amount to be paid out is the total in the account plus the insurance payment of €20,000.

Disability Insurance

During the year the board discussed disability insurance and decided it is no longer sensible to continue with this insurance.

The main reason is that in order to process a claim successfully the member would have to be more or less in a negative state.

Insurance Report – September 2014

The cost for this insurance is over €16,000.00 per annum and this is no longer a sustainable cost to carry given that the costs of these types of insurances are all borne by the credit union on behalf of the members. Consequently the portion of the premium relating to disability Insurance will not be paid as from the end of 2014.

Nomination

A nomination form is available to all members to name the person or persons to whom up to €23,000 is to be paid or transferred to after their death.

The nomination may be changed or cancelled any time and there are no limits to the number of times this can be done. You must update your nomination if you get married / remarry or divorce, or if your nominee dies before you. A valid nomination **takes precedence** over a will.

The credit union may pay out amounts up to €23,000 directly to the member's nominee(s). Any remaining balance requires a grant of Probate or letters of administration before payment can be made. The death benefit of €1,950 is paid in addition to the €23,000.

It is always advisable to have a nominee(s) as this ensures Payment up to €23,000 with no legal costs. All claims are forwarded to our Insurers ECCU Insurance Company before payment.

Insurance Officer: Jim Toner



Membership Committee Report – September 2014

We are glad to report that a year of steady growth has been maintained in membership of Letterkenny Credit Union Ltd. As at 30th September 2014 active membership stands at 18427. This is an increase of 501 accounts on the 2013 membership figure.

Membership participation is a fundamental part of the Credit Union philosophy. Each member has an equal voice in determining the policy of his or her Credit Union. Members should encourage their family and friends, who may be non-members, to join the Credit Union and avail of its services.

We would like to thank Kathleen Dorrian for her assistance throughout the year in arranging events and in particular for all her hard work in relation to the Poster Competition.

Membership of Letterkenny Credit Union is open to everyone, young or old, living or working within the common bond area.

Membership Committee members: Mary Gibbons, Gail Griffin and Fintan Dawson



Annual Accounts and Financial Statements

Directors' Report

for the year ended 30th September 2014

The directors submit herewith their Report and Audited Accounts for the year ended 30th September 2014 for consideration at the Annual General Meeting.

1 Result

The results for the year ended 30th September 2014 are set out on page 18.

2 Review of Business and Future Developments

The Credit Union operates in an environment that has changed considerably in recent years. The rate and extent of change is expected to continue in the years ahead.

Letterkenny Credit Union has a strong balance sheet. Total Assets have increased continuously over the years with Members savings growing steadily.

Although a strong balance sheet exists, total income will come under some downward pressure in the next few years. The significant challenge is to change the balance between loan income and investment income.

The economic environment in the next few years is likely to remain a difficult one for our members and potential members.

3 Important Events Since the Year End

There were no important events since the year end.

4 Dividends & Interest Rebate

The Directors propose a dividend of 1% for the year ended 30th September 2014 and an interest rebate of 10%.

5 Directors Interests

The Directors have had no material interest in any contract with the Credit Union during the year other than those disclosed in the accounts.

6 Auditor

S MacRory & Co has expressed their willingness to continue as Auditor in pursuant to S.115 of the Credit Union Act 1997-2012.

7 Risks/Uncertainties

The Directors continue to address the key risks or uncertainties that may arise. In light of the current economic climate, we assess the level of risks and manage those risks so as to ensure the continued future of the Credit Union. Key risks identified is the financial risk of losses on investments and potential bad debts. The Credit Union in addition use external advisors to ensure that any potential risks involved are identified quickly and dealt with appropriately.

Signed on behalf of the Directors

Mary Forde James McMonagle
Director Director

Statement of Directors Responsibilities

The Credit Union Act, 1997-2012 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 its Income and Expenditure 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;
- * prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Credit Union will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Credit Union and to enable them to ensure that the financial statements comply with the Credit Union Act, 1997-2012.

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.

Mary Forde *James McMonagle*
Director Director

Statement of Oversight Committee's Responsibilities

The Credit Union Act, 1997-2012 requires the appointment of an Oversight Committee which will oversee Directors in the performance of their functions, examine books and documents of the Credit Union and verify a sample of members balances.

On behalf of the Oversight Committee:

Ted McLaughlin

Independent Auditors' Report

To the Members of Letterkenny Credit Union

We have audited the financial statements of Letterkenny Credit Union on pages 18 to 27 which comprise the Income and Expenditure Account, Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out in the statement of Accounting Policies.

This report is made solely to the credit unions members, as a body, in accordance with section 120 of the Credit Union Act, 1997-2012. 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 auditors 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 the Directors and Auditors

As described on page 15 the Credit Union's directors are responsible for the preparation of financial statements giving a true and fair view. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board.

We report to you our opinion as to whether the financial statements give a true and fair view in accordance with Generally Accepted Accounting Practice, and are properly prepared in accordance with the Credit Union Act, 1997-2012. We also report to you whether in our opinion, proper accounting records have been kept by the credit union and whether the information given in the Director's report is consistent with the financial statements. In addition we state whether we have obtained all the information and explanations necessary for the purposes of our audit and whether the credit unions balance sheet and income and expenditure are in agreement with the books of account.

We read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the director's Report, the Chairman's Statement, the Treasurer's Report and the Oversight Committee Report.

We consider the implications for our report if we become aware of any misstatement or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information. These financial statements have been prepared under the accounting policies set out therein.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and whether the accounting policies are appropriate to the Credit Union's circumstances, consistently applied and adequately disclosed.

Independent Auditors' Report

To the Members of Letterkenny Credit Union

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the Credit Union's affairs as at 30th September 2014 and of its Income & Expenditure for the year then ended and have been properly prepared in accordance with the provisions of the Credit Union Act, 1997-2012. We have obtained all the information and explanations we consider necessary for the purpose of our audit. In our opinion, proper books of account have been kept by the Credit Union. The financial statements are in agreement with the books of account.

In our opinion the information given in the Director's Report on page 14 is consistent with the financial statements.

S MacRory & Co

S MacRory & Co.,
Market House,
Market Square,
Letterkenny,
Co. Donegal

Date: 30th October 2014

Income and Expenditure Account

for the year ended 30th September 2014

		2014	2013
Income	Schedule	€	€
Interest on Members Loans		1,261,188	1,269,421
Other Interest Receivable and Similar Income	1	1,166,212	1,389,253
Net Interest Income		2,427,400	2,658,674
Other Income	2	59,047	59,900
Total Income		2,486,447	2,718,574
Expenditure			
Salaries		507,626	443,786
Other Management Expenses	3	1,022,963	883,066
(Gain)/Loss on Investments		22,029	64,805
Depreciation		55,172	62,389
Provision for Bad and Doubtful Debts		(131,509)	103,944
Bad Debts Recovered		(98,416)	(84,125)
Total Expenditure		1,377,865	1,473,865
Excess of Income Over Expenditure for the Year		1,108,582	1,244,709

There are no recognised gains or losses other than the excess of income over expenditure for the above two periods.

On behalf of the Credit Union:

Gordon Randles
Manager

Ted McLaughlin
Member of Oversight Committee

James McMonagle
Member of the Board of Directors

Date: 30th October 2014

Balance Sheet

as at 30th September 2014

	Notes	2014 €	2013 €
Assets			
Cash and Balances at Bank		563,916	264,418
Deposits and Investments	12	48,777,193	44,648,255
Loans to Members		17,758,025	17,345,099
Less: Provision for Bad and Doubtful Debts		(1,670,260)	(1,801,769)
Tangible Fixed Assets	2	783,229	813,946
Debtors and Prepayments		259,755	459,568
Total Assets		66,471,858	61,729,517
Liabilities			
Members Deposits		-	-
Other Liabilities and Charges	13	145,071	166,531
Member's Resources			
Members Shares	11	56,616,142	52,221,198
Statutory Reserve		6,905,779	6,794,921
Other Reserves	3	2,804,866	2,546,867
		66,471,858	61,729,517

Approved and authorised for issue on behalf of the Credit Union:

Gordon Randles
Manager

Ted McLaughlin
Member of Oversight Committee

James McMonagle
Member of the Board of Directors

Date: 30th October 2014

Cashflow Statement

for the year ended 30th September 2014

	2014 €	2013 €
Opening Cash and Investments	44,912,673	41,120,976
Receipts		
Members Shares	28,825,235	25,585,890
Members Loans Repaid	10,126,148	9,902,575
Members Loan Interest Repaid	1,261,188	1,269,421
Investment Interest Received	1,166,212	1,389,253
Bad Debts Recovered	98,416	84,125
Other Receipts	59,047	59,900
Decrease/(Increase) in Prepayments	199,813	(172,828)
Total	41,736,059	38,118,336
Disbursements		
Members Shares Withdrawn	24,452,119	22,385,556
Members Loans Granted	10,737,996	9,997,016
Dividends Paid	612,985	712,634
Loan Interest Rebate Paid	126,740	-
Operating Expenses	824,242	807,347
Fixed Assets Purchased	24,455	13,599
Other Disbursements	507,625	443,786
Decrease/(Increase) in Other Liabilities Accruals and Charges	21,460	(33,299)
Total	37,307,622	34,326,639
Closing Cash and Investments	49,341,110	44,912,673

Notes to the Financial Statements

for the year ended 30th September 2014

1. Significant Accounting Policies

a). Accounting Convention

The accounts are prepared under the historical cost convention.

b). 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, 1997-2012, (i.e. on a cash basis).

c). Fixed Assets and Depreciation.

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

Depreciation is provided on a straight line basis over the expected lives of Tangible Fixed Assets at the following annual rates:

Freehold Premises	2%
Fixtures & Equipment	10%
Office equipment	20%
Computer Software/Hardware	15%

d). Investments

- Bank Deposits are valued at the deposit amount plus any accrued interest.
- Equity based structured products and life policies with a guaranteed return of original investment have being valued at the cost of the investment.
- Corporate Bonds and Direct Investment in Equities have been valued at the lower of cost or market value.

e). Bad and Doubtful Debts.

Bad Debts Written Off are included in Other Management Expenses when written off. Bad Debts Recovered are included in the Income and Expenditure Account when received. A provision for doubtful debts is made against loan balances in arrears at 30th September 2014 based upon the number of weeks a loan is in arrears in accordance with Resolution 49/2010 Irish League of Credit Unions. An additional provision is made for other loans considered doubtful and rescheduled loans as required by Section 35 Credit Union Act 1997-2012.

f). Dividends

Dividends are recognised in the financial statements when they have been appropriately approved or authorised by the shareholders. Under the provisions of Financial Reporting Standard No.21 "Events after the Balance Sheet Date" dividends approved after the year end are not provided for in the Balance Sheet but are accounted for in the year of payment.

g). Reserves

The Credit Union maintains reserves to support its operations, provide a base for future growth and protect against the risk of unforeseen losses. The following reserves are maintained:

- Statutory & Additional Regulatory Reserve as required by law. These are realised, unrestricted and non-distributable.
- an Unrealised Investment Reserve contains investment income not receivable within 12 months of the balance sheet date. Such income is deemed to be realised and distributable when it becomes receivable within 12 months; &
- a General Reserve is maintained to fund the development of the Credit Union and to pay dividends in the future, if recommended by the Directors and approved at General Meeting.

Notes to the Financial Statements

for the year ended 30th September 2014

2. Tangible Fixed Assets

	New Premises €	Fixtures & Equipment €	Total €
Cost			
At 1st October 2013	1,005,714	719,445	1,725,159
Additions	-	24,455	24,455
At 30th September 2014	1,005,714	743,900	1,749,614
Depreciation			
At 1st October 2013	308,000	603,213	911,213
Charge for the year	20,114	35,058	55,172
At 30th September 2014	328,114	638,271	966,385
Net Book Values			
At 30th September 2014	677,600	105,629	783,229
At 30th September 2013	697,714	116,232	813,946

3. Other Reserves

	General Development Reserves	Unrealised Investment Reserves	Total
1 October 2013	2,309,446	200,000	2,546,867
Surplus for the year	1,108,582		1,108,582
Dividend & Loan Interest Rebate Paid	(739,725)		(739,725)
Transfer to/from Unrealised Investment Income	37,421	(37,421)	
Transfer to Statutory Reserve	(110,858)		(110,858)
Transfer to Development Reserve	-	-	-
At 30 September 2014	2,604,866	200,000	2,804,866

In accordance with the Credit Union Act 1997 (as amended), (Section 85) Rules 2009, the Credit Union is required to maintain a Regulatory Reserve Ratio of not less than 10 per cent with effect from 30th September 2009. As at 30th September 2014 the Regulatory Reserve Ratio is 10.39%.

Notes to the Financial Statements

for the year ended 30th September 2014

4. Proposed Dividends and Loan Interest Rebate

	2014		2013	
	Rate %	€	Rate %	€
Dividends on Shares	1.00	566,809	1.25	612,985
Interest Rebate	10.00	126,119	10.00	126,740

5. Insurance Against Fraud

The Credit Union has insurance against fraud in the amount of €5,200,000 in compliance with Section 47 of the Credit Union Act, 1997-2012

6. Rates of Interest Charged on Members Loans

Rate of interest charged on members standard loan as at 30th September 2014 is 7.95%. (APR 8.20%).

Rate of interest charged on car loan as at 30th September 2014 is 6.3%. (APR 6.5%)

Rate of interest charged on share secured loan as at 30th September 2014 is 4.85% (APR 5%)

7. Related Party Transactions

The following details relate to officers accounts with the credit union:

	2014	2013
	€	€
Aggregate Shares held by officers	455,417	361,807
Aggregate Loans held by officers	246,891	274,836

During the year Mick Garry, a director of Garry Office Supplies Limited, and a director of Letterkenny Credit Union, provided stationery to the Credit Union to the amount of €8,124.

8. Post Balance Sheet Events

There were no post balance sheet events that would affect the financial statements.

9. Capital Commitments

The Credit Union did not have any capital commitments at 30th September 2014

10. Contingent Liabilities

The Credit Union did not have any contingent liabilities at 30th September 2014

Notes to the Financial Statements

for the year ended 30th September 2014

11. Members Shares

	2014	2013
Regular Share Accounts	56,182,622	40,618,616
Special Share Accounts	-	11,289,599
ATM Accounts	433,520	312,983
Total as per Balance Sheet	56,616,142	52,221,198

Note: As of 1st January 2014 all Credit Union share accounts are now subject to DIRT.

12. Deposits and Investments

	2014	2013
Accounts in Authorised Credit Institutions	42,202,622	37,062,669
Bank Bonds	200,000	2,147,368
Investments in Equities	-	79,093
Collective Investment Schemes	520,570	505,998
Irish & EMU State Securities	5,000,000	4,000,000
Central Bank Minimum Reserve	854,001	853,127
	48,777,193	44,648,255

13. Other Liabilities and Charges

	2014	2013
General Creditors	112,908	131,847
PAYE/PRSI	17,710	21,523
Audit Fee	14,453	13,161
	145,071	166,531

14. Pension Commitments

The credit union 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. However, Letterkenny Credit Union Limited is unable to identify its shares of the underlying assets and liabilities. Consequently, Letterkenny Credit Union Limited accounts for its contributions to the scheme as if it were a defined contribution scheme. Contributions payable to the scheme are recognised in the income and expenditure account.

An actuarial review of the fund is normally carried out every three years by the Scheme's independent, professionally qualified, actuary. The actuarial review looks at the past & future liabilities of the scheme.

Notes to the Financial Statements

for the year ended 30th September 2014

The last completed triennial actuarial review was carried out with an effective date of 1 March 2011 using the Projected Unit Credit method. The principal actuarial assumption used in the valuation was the investment return would be 1.75% higher than the annual salary increases. The market value of the scheme's assets at 1 March 2011 was €107m. The actuarial valuation disclosed a past service deficit of €28.7m on the long term funding basis at 1st March 2011. This actuarial review recommended a long term funding rate of 22.5%. The cost of risk benefits is paid in addition to this rate.

It should be noted that the above rate is based on the long term funding objectives.

As a separate requirement under section 56(1) of the Pensions Act 1990, the scheme actuary must carry out a separate valuation every 3 years and produce a funding certificate for submission to The Pensions Board within 9 months of the effective date of the valuation. The purpose of the certificate is to certify whether or not the assets of the scheme at the effective date are sufficient to meet the liabilities of the scheme based on the assumption that the scheme was wound up at that date.

An actuarial funding certificate, certifying the Scheme did not meet the statutory minimum funding standard was submitted to the Pensions Board with an effective date of 1 March 2009.

Consequently, the Trustees submitted a new funding proposal, to address the shortfall in funding, to the Pensions board. The submitted funding proposal is designed to ensure that the scheme could reasonably be expected to satisfy the funding standard as at 1st March 2019 and provides for a retirement contribution rate of 27.7%. The cost of risk benefits is payable in addition giving a total contribution rate of 30% of Pensionable Salary. This funding proposal was approved by the Pensions Board.

For the scheme year ended 28th February 2012 the actuary advised that having been directed by the Trustees and Employer, in light of the current economic outlook, that it was appropriate to revise assumption for salary increases over the remaining term of the funding proposal from 5% pa to 3.25% pa he was reasonably satisfied that the scheme will satisfy the funding standard as specified in Section 44 of the Pensions Act, 1990, at the date of 1 March 2019 specified by the Pensions Board under Section 49(2) (a) of the Act for the purpose of the existing funding proposal.

The scheme's Solvency Position in accordance with the aggregate cover for total Funding Standard liabilities as at 28th February 2014 was 104.5%.

Schedule to the Financial Statements

for the year ended 30th September 2014

Schedule 1 - Other Interest Receivable and Similar Income

	2014	2013
	€	€
Interest Received	661,124	803,251
Investment Income Receivable < 12 months	505,088	578,522
Investment Income receivable > 12 months	-	7,480
Total Per Income and Expenditure Account	1,166,212	1,389,253

Schedule 2 - Other Income

Membership Fees	447	891
Commissions and Miscellaneous Income	58,600	59,009
Total Per Income and Expenditure	59,047	59,900

Schedule to the Financial Statements

for the year ended 30th September 2014

Schedule 3 - Other Management Expenses

	2014	2013
Treasurer's Honorarium	-	3,500
Staff pension costs	58,265	51,231
Educational expenses	10,021	4,397
Commissions payable	12,019	8,734
Rent and rates	16,178	16,140
General Insurance	18,997	17,734
LP/LS/DBI Insurance	294,481	253,006
Light, heat and cleaning	14,181	15,150
Repairs and maintenance	52,097	45,031
Security and storage	11,064	1,624
Printing and stationery	18,436	17,253
Advertising	17,500	14,344
Telephone and postage	24,616	23,698
Debt collection	17,912	17,627
ICB Credit Checks	11,203	3,499
Cash over/under	810	98
Travelling and subsistence	7,156	10,231
AGM expenses	18,066	18,165
Consultancy fees	24,540	23,025
Audit	14,453	13,838
Affiliation fees & Int Dev Fund	30,978	30,016
SPS contribution	32,900	32,590
Licences and fees	41,244	49,131
Bank & revenue charges	17,974	12,864
Central Bank Charges	38,374	32,785
Bad debts	198,921	144,492
General expenses	10,967	14,359
Donations and sponsorship	9,610	8,700
Total Per Income and Expenditure	1,022,963	883,066

Nomination Committee Report – September 2014

Fellow members! As you may be aware the credit union movement is in a period of rapid change. This change is ongoing and affects The Nomination Committee's role which has grown exponentially. Traditionally, any member wishing to go forward for election to either the Board of Directors or the Supervisory Committee, now the Board Oversight Committee, would submit the Nomination Form contained in the Annual Report booklet in advance of the meeting. It was also possible for nominations to be taken from the floor with a two thirds majority.

However, new legislation has changed this process.

Following enactment of the Credit Union and Co-operation with Overseas Regulators Act 2012, all members wishing to go forward now for election must first meet with new Fitness and Probity standards and the Nomination Committee, which has full responsibility for volunteers, must carry out due diligence on each candidate. This means that it is no longer acceptable to the Central Bank to have nominations from the floor. Even when a member is nominated by the board and voted in by the members at the AGM the Central Bank reserves the right to disbar this member if the bank perceives the member to be unsuitable to serve on the Board.

The Nomination Committee also has responsibility for the continual upskilling and monitoring of the board members and the volunteers, through various education programmes designed for credit union. The Nomination Committee is also involved in Succession Planning for key posts in the credit union.

It is now the case that the board has been reduced to 11 members, whereas in the past it was 15 members strong. This leaves a lot more work at committee level and elsewhere for those remaining board members, many of whom are serving on two or three committees. It is a big commitment. However the credit union committees offer an excellent starting point for new volunteers. These committees provide experience, learning and an active role within the credit union. A credit union member can develop both personally and professionally by volunteering.

Once a volunteer has served the credit union at committee level for a period of time, and training needs have been identified and addressed, you can move into a director or supervisor position after being elected at the AGM.

Contact Us

If you wish to contact Letterkenny Credit Union regarding membership, volunteering, services or with a general query, we would be delighted to hear from you.

Detailed descriptions of the role and functions of the board and oversight committee are outlined in the Credit Union and Co-operation with Overseas Regulators Act 2012, Sections 15 – 27. Full information in relation to fitness and probity for credit unions can be found on the following website: <http://www.centralbank.ie/regulation/processes/fandp/creditunions/Pages/default.aspx>

If you intend to stand for election and meet Fitness and Probity requirements, please apply by emailing The Nomination Committee: info@letterkennycu.ie

Nomination Committee members: Charles Mc Glynn, Jim Toner and Denis O'Donnell



Your Nomination

IMPORTANT NOTICE

- A nomination must be in writing. You may obtain a nomination form from this office.
- The statutory maximum amount that can pass under a nomination is currently €23,000. Any amount in excess of this balance will form part of your estate.
- If you elect not to complete a nomination, the proceeds of your account will form part of your estate on your death and will be dealt with under the terms of your will, under the rules of intestacy if you make no will, or under the small payments provision*.
- You may revoke or vary your nomination at any time by completing a new nomination form.
- A nomination is not revocable or variable by the terms of your will or by a codicil to your will.
- A nomination is automatically revoked when your nominee dies before you. In this case, you should consider completing a new nomination. If you do not, your property in the credit union will form part of your estate.
- A nomination is automatically revoked by your subsequent marriage.
- Where your personal circumstances change (e.g. marriage, divorce or separation) you should review your nomination at that time.
- The nominated property does not form part of a deceased person's estate.
- A person under 16 years of age cannot make a valid nomination.

*Small Payments Provision: Where no valid nomination exists and the amount in your account is under €15,000 in total (including insurance etc.) the Board of Directors of the credit union may, without letters of administration or probate of any will, distribute your property in the credit union to such persons as appears to the board to be entitled by law to receive it.

Notice to Members about taxation of credit union Share Dividend and Deposit Interest

Budget 2014 contains the following provisions regarding Deposit Interest Retention Tax (DIRT):

From 1st January 2014 **all** credit union share dividend and deposit interest paid to members will be subject to DIRT, **with the exception of dividend or interest paid to members who are exempt from DIRT**. The only members who can be exempt are:

- Members **aged over 65** whose total income is less than the relevant limit, currently €8,000 for an individual and €6,000 for a married couple. For married couples, only one of the spouses needs to be over 65. **To avail of this exemption, you must sign a self-declaration form DE1**. This form is available in your credit union and is a declaration that you (or your spouse) are aged over 65 and that your total income is less than the relevant limit.
- Members who are **permanently incapacitated**. Such members should either contact their local Revenue Commissioners office directly or contact a service body such as the Irish Wheelchair Association. Credit unions have no role in approving the exemption in these cases.

If you do not complete the self-declaration form, the credit union will be obliged to deduct DIRT from your dividend or interest. You will then have to apply directly to the Revenue Commissioners for a refund of this DIRT (if you are eligible).



Information for borrowers

A primary function of Letterkenny Credit Union is to lend money; that is how we serve our members but it is also how we earn income from which dividends can be paid on savings.

We want to lend you money but you must be willing and able to pay it back. It is in the interest of all our members, including borrowers, that we are prudent in our lending practices.

We try to facilitate our borrowers by tailoring loans to suit their needs and circumstances. We can offer loans of various amounts, repayment terms and durations but most loans are repayable within 5 years.

There are terms and conditions that borrowers should be aware of and these must be adhered to. Be fully informed before making a decision to borrow money and before committing yourself to making repayments for months or years to come.

There are various categories of loans including standard loans, motor loans, student loans, secured loans and seasonal loans. Different categories are charged different interest rates and there may be other differences in the specific terms and conditions that apply.

Examples of the interest rates and repayments for some typical loans and amounts are shown below.

Type of loan	Amount	Interest rate (APR)	Term	Repayments
Standard	€5,000	8.2%	3 years	€36.05 per week
Motor	€5,000	6.5%	3 years	€35.20 per week
Secured	€5,000	5%	3 years	€34.36 per week
Seasonal	€1,000	5%	9 months	€26.14 per week

- Seasonal loans are for a maximum amount of €1,000 and a maximum term of 9 months
- Note that you can get similar information for other loans (*including types, amounts, and terms*) by consulting a member of staff or using our website
- APR represents the annual percentage rate and reflects more accurately the true cost of borrowing.

Applying for a loan: Before we can approve a loan we must get adequate information from the applicant. We must be satisfied that you have the ability to repay the loan within a reasonable period of time. You will have to provide the information required in the application form. We are required to verify a member's financial status by requesting supporting documentation such as evidence of income and at least one (monthly) bank statement.

Assessment criteria: in assessing your loan application we will pay particular attention to your existing financial commitments, savings record, the level of security, your credit history with us and elsewhere and the credit union's exposure to connected parties. We must establish that you have sufficient disposable income to be able to meet your repayments over the term of the loan.

Savings record: members are required to have a satisfactory pattern of regular savings prior to their application.

Security: some level of security is desirable for larger loans and may be essential in certain cases. For security to be acceptable it must have real value and must be readily convertible into cash.

Guarantees: In some cases you will be asked to provide a guarantor for your loan. Ideally the guarantor should be a member of this credit union. Guarantors must be fully aware of what is involved in being a guarantor and may be subject to financial assessment.

Interview: Some loan applicants may be called for interview to discuss some aspects of their application in greater detail. We may carry out searches on credit history for some loan applicants.

Top-ups: All first time loans must be substantially reduced before further loan applications will be considered. Top-up loans are reviewed based on individual circumstances but there is no automatic entitlement to such facilities.

Drawing down a loan: Before drawing down a loan, a borrower will be required to sign a credit agreement. Typically loans must be drawn down within a specified period from the approval date. Drawing down by instalment is subject to review on an ongoing basis. Further terms and conditions apply.

Method of repayment: Members can repay in cash, cheque, by direct debit/standing order or through payroll deduction facilities (*where organisations have such schemes in place*)

Early repayment of loans: This is a particularly attractive feature of credit union loans. You can payback some or all of a loan earlier than scheduled without incurring any penalty; it may even be financially advantageous.

Deferrals of decisions: If an applicant for a loan fails to provide some of the information required to assess the application then it is likely any decision (*to approve/reject*) will be deferred to allow the applicant an opportunity to provide the necessary information.

Refusals and reviews: If a loan applicant is refused a loan and they are not happy with the decision they can request a review. A review will be conducted by some person(s) who have not had any prior involvement in the processing of the loan application. An applicant can provide further information to support their case even at this stage.

Appeals: if a loan has been refused and a member is not happy with the decision or with the outcome of a review they may appeal to the Board of Directors. Such an appeal will require a small fee to be paid to cover the costs of processing the appeal.

Shares: Members should note that they will not be allowed to reduce their share balance below the level of the outstanding loan balance(s) without the approval of the Board.

Insurance: There are two different types of insurance related to loans. It is particularly important that members inform themselves as to the benefits and implications of each type.

See Insurance Leaflet

Services

- Secure Savings
- Competitive Loans
- Direct Debits
- Standing Orders
- Credit Transfers
- Payroll Deduction Savings Scheme with selected companies
- CUSOP – electronic credit transfers & funds payments
- ATM – separate ATM balance, 24/7 access to these funds
- Bill Payment
- Foreign Exchange
- Automatic Loan Insurance Cover (*at no cost to members, subject to age restrictions*)
- Automatic Life Savings Insurance (*again at no cost to members and subject to limits*)
- Death Benefit Insurance (*subject to restrictions*)
- Repayment Protection Insurance
- NO hidden or additional costs
- NO transactions fees
- NO penalties for early clearance of a loan
- Flexibility to rearrange your loan terms if circumstances change
- Interest is charged on the reducing loan balance and added daily – you only pay what you owe



Donations – September 2014

The Clubs and Societies Letterkenny Credit Union have supported during the year include the following:

- Basketball Ireland
- Bumbulance
- Diabetes Ireland
- Donegal GAA
- Good and New Car Bus
- Gleann tSuiilí GAA
- ILCU Foundation Donations
- Knights of St Columbanas
- Lennon Festival
- Letterkenny Accordion Band
- Letterkenny Annual
- Letterkenny Athletic Club
- Letterkenny Boxing Club
- Letterkenny Chamber
- Letterkenny Community Centre
- Letterkenny Gaels GAA
- Letterkenny Man Shed
- Letterkenny One Act Festival
- Letterkenny Pipe Band
- Letterkenny Rugby Club
- Little Angels School
- Loreto Convent Lorecho Annual
- Man Shed Kilmacrennan
- Ramelton Christmas Lights
- St. Eunan's College
- St. Eunan's GAA
- St. Vincent De Paul
- White Oaks



Amendments to Standard rules

We wish to inform members that substantial changes have been made to the rules due to the amendment of the Credit Union Act 1997 by the Credit Union and Co-operation with Overseas Regulators Act 2012 and that a motion will be proposed to accept the changes to the standard rules at the AGM – a hardcopy of the rules as amended are available in the Credit Union office and a soft copy is available online.

Order of Business at AGM

The business at annual general meeting of members shall be:

- (a) The acceptance by the board of directors of the authorised representatives of members that are not natural persons
- (b) Ascertainment that a quorum is present
- (c) Adoption of Standing Orders
- (d) Reading and approval (or correction) of the minutes of the last annual general meeting
- (e) Report of the Board of Directors
- (f) Report of the Treasurer, consideration of accounts and approval of Treasurer's honorarium
- (g) Report of the Auditor
- (h) Report of the Oversight Committee
- (i) Declaration of Dividend
- (j) Report of the Credit Committee
- (k) Report of the Credit Control Committee
- (l) Report of the Insurance Committee
- (m) Report of the Membership Committee
- (n) Report of the Nominating Committee
- (o) Appointment of Tellers
- (p) Election of Auditor
- (q) Election to fill vacancies on the Oversight Committee
- (r) Election to fill vacancies on the Board of Directors
- (s) Any other Business
- (t) Announcement of election results
- (u) Adjournment or close of meeting



This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

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Letterkenny Credit Union Limited

NEW SPECIAL OFFER SEASONAL LOAN

Don't get your tinsel in a tangle, contact us today!



TO APPLY:

www.letterkennycu.ie

Or call to the office today

We require:

- Verification of Income
- 3 months bank statement

5% APR

Terms & Conditions of
Seasonal Loan apply.

Letterkenny Credit Union Ltd. High Road, Letterkenny, Co. Donegal

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Letterkenny Credit Union Ltd. is regulated by the Central Bank of Ireland.