



SAFE STRONG SECURE

Letterkenny Credit Union Limited

Annual Report & AGM Notice 2015

Wednesday 2nd December 2015

Mount Errigal Hotel, Letterkenny at 8.00pm



In Memory of Donna Toye



The staff, Directors & Oversight Committee past and present of Letterkenny Credit Union Ltd. were greatly shocked and saddened at the loss of our dear colleague and friend Donna Toye on 17th October 2015.

The fortitude and resignation shown by Donna over the period of her final short illness was an example to all. She never complained and even when her condition was fast deteriorating she showed great strength and courage.

Donna was an outstanding and dedicated employee for 22 years and was well known and loved by all staff and members who came in contact with her.

Donna will be sadly missed by all. May she rest in peace.

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Board of Directors

Mary Forde *Chairperson*
 Denis O'Donnell *Secretary*
 Mick Garry
 Jim Toner
 Paul Hume
 Lisa McMonagle

Terence McMorrow
 Padraic Fingleton
 James Gleeson
 Joseph Harvey
 Marie Carlin

Board Oversight Committee

Ted McLaughlin
 Charles McGlynn
 Maureen O'Donnell



Chairperson's Report - September 2015

As Chairperson and on behalf of the Board of Directors of Letterkenny Credit Union, I have the honour to present our Annual Report for the year ended September 30th 2015 in what was a very solid financial performance for Letterkenny Credit Union.

Like every household and business, your Credit Union faces greater challenges each year in these economically difficult times. However, Letterkenny Credit Union has maintained the trust of its members which is highlighted in the fact that Total Assets are valued over €71m. The increase in net worth is in the main a result of members savings increasing by €4.5m, an increase of 8% on last year. Our membership has increased by 833 and we have also seen a re-engagement of previously dormant members with our Credit Union. We look on these factors as a sign of confidence in the type of service we provide and the standards we have maintained over many years.

This past year has seen the embedment of the new regulatory required functions of Internal Audit, Risk and Compliance within Letterkenny Credit Union. The further development of these roles will provide members with the additional assurance that this credit union strives to achieve the highest standards in Governance and in its operations.

Both the credit union movement in Ireland and Letterkenny Credit Union see the continued development of our financial services provision as a primary goal in satisfying our member needs. To achieve this aim Letterkenny Credit Union is a member of CUSOP (Credit Union Services Organisation for Payments). CUSOP is an independent company but owned by the CUSOP Trust on behalf of all participating Credit Unions. During the year CUSOP celebrated its one millionth transaction and is experiencing a significant growth in transactions each quarter. The initial service has allowed credit unions access to the Irish clearing system and provides each member account with a unique BIC and IBAN number which allows for the electronic transfer of funds to and from all member accounts. This includes the receipt of social welfare and other Government agency payments. The continued improvement in this area will see the introduction to Letterkenny Credit Union members of Online Banking facilities while CUSOP will continue to research and develop a platform to deliver Debit Card services to members.

The Board is very satisfied with the financial performance of the Credit union including the increase in our lending to members. However, we are very aware that our investment portfolio continues to increase while the current and projected returns will be very low due to the unprecedented low level of interest rates and appropriate investment opportunities allowable to Credit Unions. In light of this trend, the board has adopted a very prudent approach by proposing a dividend of 0.25% while maintaining a strong level of reserves. We feel this action is required to maintain a solid balance sheet position for the future.

I would like to thank my fellow Directors, The Board Oversight Committee, Volunteers, Credit management and staff for their support during the Year.



Mary Forde
Chairperson

**THE
"THIS'LL MAKE THE
NEIGHBOURS
REALLY
JEALOUS"
LOAN**

**Credit Union
HOME IMPROVEMENT
LOANS**

WE LOOK AT THINGS DIFFERENTLY
Loans are subject to approval. Terms and conditions apply.
Credit Unions in the Republic of Ireland are regulated by the Central Bank of Ireland.

 **creditunion.ie**

*Loans to cater for all members needs
€11 million lent to the Community in
2015*

**THE
"LOVIN' THE LEGROOM"
LOAN**

**Credit Union
CAR LOANS**

WE LOOK AT THINGS DIFFERENTLY
Loans are subject to approval. Terms and conditions apply.
Credit Unions in the Republic of Ireland are regulated by the Central Bank of Ireland.

 **creditunion.ie**

LETTERKENNY CREDIT UNION

Financial Report

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 2015.

| Income and Expenditure Data | 2015 | 2014 |
|--|------------------|------------------|
| Income & Gains | € | € |
| Interest on Members Loans | 1,262,192 | 1,261,188 |
| Income from Investments | 914,375 | 1,166,212 |
| Gains in the Capital Value of Investments | - | - |
| Reduction in the Provision for Doubtful Debts | 366,510 | 131,509 |
| Bad Debts / Loans Recovered | 121,374 | 98,416 |
| Other Income | 64,857 | 59,047 |
| Total Income & Gains | 2,729,308 | 2,716,372 |
| Expenditure & Losses | | |
| Staff Salaries & Pension Costs | 560,597 | 565,891 |
| Bad Debts / Loans Written Off | 165,119 | 198,921 |
| LP/LS/DBI Insurance | 318,743 | 294,481 |
| Other Operating Expenses | 530,904 | 471,296 |
| Depreciation of Fixed Assets | 94,448 | 55,172 |
| Write-down in the Capital Value of Investments | 65,858 | 22,029 |
| Increase in the Provision for Doubtful Debts | 0 | - |
| Total Expenditure & Losses | 1,735,669 | 1,607,790 |
| Surplus Income for the year | 993,639 | 1,108,582 |

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 climate. Income from all sources for 2015 exceeds Expenditure of all types for the year by just under one million.

However, the surplus is down on the previous year and this is primarily due to the reduction in income returns from our deposit and investment portfolio. This fact has been highlighted in previous annual reports and the investment committee have been presented with very little investment opportunities given the low interest rate environment that continues to exist. Depreciation costs have increased due to a change in accounting policy. In addition a provision for an investment loss has been provided for on a capital guaranteed investment in line with our investment accounting policy.

Financial Report

On the positive front the provision for bad and doubtful debts has shown a recovery of just over €366k. The board continues to follow a prudent policy of making high provisions on loans showing repayment difficulty. LKCU continue to maintain an overall significant provision due to continued uncertainty surrounding the potential impact of Personal Insolvency Arrangements.

The Board are happy to report that interest earned on members loans is marginally up after a number of financial years where loan interest income had decreased. This is a very positive development. LKCU wishes to increase lending but must continue to be aware of the lending risks while assessing loan applications. It is one of our strategic goals to increase lending to members over the coming financial years.

LKCU is in a strong financial position as we can see from the Balance Sheet. The Credit Union sector in Ireland is performing well and members of this Credit Union have retained their trust in LKCU. Members Shares have increased by over €4.5 million for the year ending the 30th September 2015, to over €61.1 million. Our total reserves, at €10 million, represent over 14% of total funds, which is well in excess of the statutory requirement. Our Total Assets are in excess of €71.3 million.

While 2015 has been another successful year culminating in an upward movement of lending we must be prudent in our expectations for the future. The return on our investment funds, as predicted, is having a negative impact on the level of distribution we can offer while maintaining a strong level of reserves in the credit union.

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



Board Oversight Committee Report

The BOC is pleased to submit its report for the year 2015.

The Board Oversight Committee must, under the new legislation, 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.

Our committee met monthly during the year. At least one member of our committee attended all BOD meetings. In our four meetings with BOD the following main topics were discussed:

- Role of the Board Oversight Committee – clarification of the functions of the BOC under the new regime.
- New Agenda for Board of Director Meetings – responding to demands of new legislation as it affects board deliberations.
- Compliance – investigating and reviewing new compliance procedures.
- Training – reviewing current training programmes with special reference to requirements of new directors.

All three members of the committee attended the meeting with the Central Bank Auditors on their visit to the credit union on 16th September 2015. This visit was part of the Central Bank programme of visiting all credit unions in Ireland. The visit to Letterkenny Credit Union was among the last to be carried out by the CB, and we are happy to report that no deficiencies of note were identified.

We are pleased to report to members that BOD, during the past year, have been fully compliant with all legal and regulatory requirements. Again, the past year has been a most demanding year on Directors, Management and Staff. However, current indications are that the economy is improving and this is being reflected in a substantial increase in shares. We are confident of a corresponding increase in the demand for loans.

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. Finally, we are glad to report that BOD, management and staff have acquitted themselves very well and delivered another successful year to the membership of Letterkenny Credit Union.

Committee: Ted McLaughlin, Charles McGlynn and Maureen O'Donnell



LETTERKENNY CREDIT UNION

Credit Committee Report

The Credit Committee wish to report that for the financial year ending 30th September 2015 the total loan portfolio increased in value by €758,026 over 2014. This Committee has had a very positive year which is highlighted in the tables below.

| Loan Type | Current Loans |
|------------------------|---------------|
| Standard 8.2 % APR | €10,670,466 |
| Motor 6.5% APR | €5,607,678 |
| Secured 5% APR | €1,972,914 |
| Special Seasonal 5%APR | €3,840 |
| Student Rate 7.2%APR | €261,153 |
| TOTAL | €18,516,051 |

| | 2015 | 2014 |
|------------------------------------|-------------|-------------|
| Loans granted | €11.1m | €10.7m |
| Numbers of loans issued to members | 3384 | 3412 |
| Total Loan: | €18,516,051 | €17,758,025 |

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 80% of our loan book consists of loans valued below €15,000 and our average loan to member is €5,268.

The Board is happy to have offered the Special Offer Seasonal Loan for the fifth 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.

We have recently launched a new Household Budget loan of €2000 maximum at a rate of 7.2%. This product was designed from the success of the Seasonal Loan, to assist households to budget for annual household expenses. It is a revolving loan that can be refinanced up to €2000 throughout the year. Terms & Conditions apply.

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

Credit Committee Report

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.

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 the 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 to thank members for including all the relevant information with your loan applications which helps the decision making process.

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

Credit Committee members: Padraic Fingleton, Marie Carlin, Lisa McMonagle, Jim Toner and Stephen McDaid (volunteer).



LETTERKENNY CREDIT UNION

Credit Control Committee Report

The role of the Credit Control Committee is to ensure the repayments of loans by members of the Credit Union is in accordance with their credit 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, to 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 €] | 2015 | 2014 |
|--|-----------|-----------|
| Bad debts written off | 165,119 | 198,921 |
| Bad debts recovered | 121,374 | 98,416 |
| Legal costs of credit control function | 15,563 | 17,912 |
| Provision for potential bad debts | 1,303,750 | 1,670,260 |
| Provision as a % of amounts outstanding | 7.04% | 9.41% |
| Net change in relation to bad & doubtful loans | -366,510 | -131,509 |
| Net gain()/cost of bad debts | (307,202) | (13,092) |

The net reduction in the provision for bad debts is as a result of provisions no longer required to protect against the possibility of increased bad debts. This provision was held high in previous financial years due to members financial and general economical uncertainty.


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 respond to our efforts to make contact. We would appeal to those members to engage with the Credit Union office where they will benefit from experienced, confidential and sympathetic staff who will assist in addressing their debt issues and find 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 of €1.6 million will provide more than sufficient cover for any unforeseen loan losses in the coming financial year.

The committee wishes to acknowledge to 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 Miriam Magee for her commitment and perseverance in what is a very difficult role.


Committee members: Terry Mc Morrow, Joseph Harvey, Paul Hume, James Gleeson, Michael Dorrian (volunteer) and Liam Wiseman (volunteer).

In Times of Difficulty Talk to US



Letterkenny Credit Union Ltd.

**Repayment Difficulties
or Default on Loans**



Your Repayment

You have made an agreed repayment on the loan you have just collected. When you make repayments the agreed amount will be split between interest and principal.



Interest

Interest is charged on a daily basis and is calculated on the remaining loan balance. Members have the option of paying more than their agreed repayment and will not incur penalties for doing so. Early repayment of loans would reduce the overall estimate cost of the loan.

How Repayments Work

- **Weekly Repayments** – fall due exactly 7 days from the date the loan was issued
- **Fortnightly Repayments** – fall due exactly 14 days from the date the loan was issued
- **Monthly Repayments** – falls due on the same date that the loan was issued

Letterkenny Credit Union Ltd.
 High Road, Letterkenny, Co. Donegal
 Tel: 074 91 24166 Email: info@letterkennycu.ie
www.letterkennycu.ie

What are Loan Arrears?

The first repayment you miss will cause your account to fall into arrears. If it continues in arrears our Credit Control Officer will contact you in line with our Credit Control policy. If you find yourself in financial difficulty and are unable to meet your credit union loan repayments, contact our credit control officer as soon as possible.

If you have:

- Become redundant or employment circumstances change,
- Family circumstances have changed,
- Are on a low income,
- Fallen behind in loan repayments,
- Are in ill health
- Find yourself over-indebted

...And find it difficult to meet repayments

Then contact our Credit Control Officer on 91 02121 or credit.control@letterkennycu.ie to make an appointment.

Our Credit Control officer will:

- Meet with you in private to discuss your overall situation,
- Help you to write a realistic budget, if you wish,
- Assist you in getting back on track with repayments
- Meet with the credit control committee on your behalf and arrange a Change of Agreement, if necessary and if you wish.
- And we do not charge our members a fee for this service!

Default on Loan

If a member defaults on a credit agreement they will be pursued by our credit control department for recovery of the debt. Members must be aware that default of loan agreement will affect future loan applications and make obtaining credit more difficult. This may also affect your credit rating.

Automated Payment Methods

Did you know that you can repay your loan by standing order? Just ask a member of staff for the BIC and IBAN of your credit union account. You can simply set up the standing order to repay your loan by online banking or contacting your bank with the details of your credit union account. This has proven to be a very effective service to our members and assists in establishing an steady credit record on your credit union account.

If you find yourself having problems meeting your repayments on your credit union loan:

- Don't panic;
- Do not ignore the problem — it will not go away;
- Take immediate action; and

Contact our Credit Control officer today to arrange an appointment and start the process of getting back on your feet!

LETTERKENNY CREDIT UNION

Insurance Report

During the year there were 63 insurance claims settled in respect of members who died. The total amount of €150,856 was received from E.C.C.U. Insurance Company in respect of these claims. €34,984 was paid on 7 accounts to clear outstanding balance at the date of death. The insurance also paid €115,872 on deceased members' savings.

In addition there were 62 Death Benefit Insurance claims settled and the amount paid out was €124,150.

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 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.

Insurance Officer Denis O'Donnell

Membership Committee Report

We are glad to report another year of steady growth has been maintained in membership of Letterkenny Credit Union Ltd. As at 30th September 2015 active membership stands at 19260. This is an increase of 833 accounts on the 2014 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.

The Membership Committee would also 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.

Committee members: Mick Garry, Gail Griffin and Fintan Dawson



LETTERKENNY CREDIT UNION

Directors' Report

for the year ended 30th September 2015

The directors submit herewith their Report and Audited Accounts for the year ended 30th September 2015 for consideration at the Annual General Meeting.

1 Result

The results for the year ended 30th September 2015 are set out on page 18.

2 Review of Business and Future Developments

The Credit Union has become a large financial institution and 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 continues to have 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, although improving, in the next few years is likely to remain a difficult one for our members and potential members.

3 Important events since the the year ended

There were no important events since the year end.

4 Dividends and Interest Rebate

The Directors propose a dividend of 0.25% for the year ended 30th September 2015.

5 Directors Interest

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 Risk/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
Director



Denis O'Donnell
Director

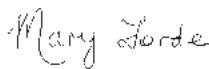
Statement of Directors Responsibilities

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
Director



Denis O'Donnell
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 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 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 Financial 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.

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 2015 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: 2nd November 2015



LETTERKENNY CREDIT UNION

INCOME AND EXPENDITURE ACCOUNT for the year ended 30th September 2015

| | | 2015 | 2014 |
|---|-----------------|------------------|------------------|
| | Schedule | € | € |
| INCOME | | | |
| Interest on Members Loans | | 1,262,192 | 1,261,188 |
| Other Interest Receivable and Similar Income | 1 | 914,375 | 1,166,212 |
| Net Interest Income | | 2,176,567 | 2,427,400 |
| Other Income | 2 | 64,857 | 59,047 |
| TOTAL INCOME | | 2,241,424 | 2,486,447 |
| EXPENDITURE | | | |
| Salaries | | 499,656 | 507,626 |
| Other Management Expenses | 3 | 1,075,707 | 1,022,963 |
| (Gain)/Loss on Investments | | 65,858 | 22,029 |
| Depreciation | | 94,448 | 55,172 |
| Provision for Bad and Doubtful Debts | | (366,510) | (131,509) |
| Bad Debts Recovered | | (121,374) | (98,416) |
| TOTAL EXPENDITURE | | 1,247,785 | 1,377,865 |
| EXCESS OF INCOME OVER EXPENDITURE FOR THE YEAR | | 993,639 | 1,108,582 |

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
Gordon Randles
Manager

Ted McLaughlin
Ted McLaughlin
Member of Oversight Committee

Mary Forde
Mary Forde
Member of the Board of Directors

Date: 2nd November 2015

Balance Sheet

as at 30th September 2015

| | | 2015 | 2014 |
|--|-------|-------------------|-------------------|
| | Notes | € | € |
| Assets | | | |
| Cash and Balances at Bank | | 603,601 | 563,916 |
| Deposits and Investments | 12 | 52,593,062 | 48,777,193 |
| Loans to Members | | 18,516,051 | 17,758,025 |
| Less: Provision for Bad and Doubtful Debts | | (1,303,750) | (1,670,260) |
| Tangible Fixed Assets | 2 | 730,715 | 783,230 |
| Debtors and Prepayments | | 229,548 | 259,754 |
| Total Assets | | 71,369,227 | 66,471,858 |
| Liabilities | | | |
| Member Deposits | | - | - |
| Other Liabilities and Charges | 13 | 193,946 | 145,071 |
| Member's Resources | | | |
| Members Shares | 11 | 61,123,191 | 56,616,142 |
| Statutory Reserve | | 7,315,355 | 6,905,779 |
| Other Reserves | 3 | 2,736,735 | 2,804,866 |
| | | 71,369,227 | 66,471,858 |

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

Gordon Randles

Gordon Randles
Manager

Ted McLaughlin

Ted McLaughlin
Member of Oversight Committee

Mary Forde

Mary Forde
Member of the Board of Directors

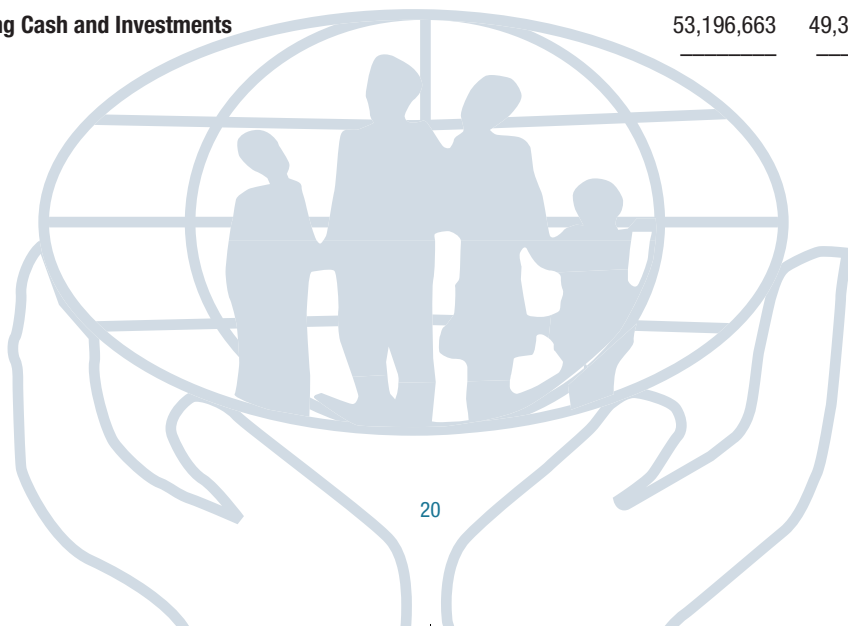
Date: 2nd November 2015

LETTERKENNY CREDIT UNION

Cashflow Statement

for the year ended 30th September 2015

| | <u>2015</u> | <u>2014</u> |
|---|-------------------|-------------------|
| | € | € |
| Opening Cash and Investments | 49,341,110 | 44,912,673 |
| Receipts | | |
| Members Shares | 31,371,904 | 28,825,235 |
| Members Loans Repaid | 10,198,833 | 10,126,148 |
| Members Loan Interest Repaid | 1,262,192 | 1,261,188 |
| Investment Interest Received | 914,375 | 1,166,212 |
| Bad Debts Recovered | 121,374 | 98,416 |
| Other Receipts | 64,857 | 59,047 |
| Decrease/(Increase) in Prepayments | 30,206 | 199,813 |
| Total | <u>43,963,741</u> | <u>41,736,059</u> |
| Disbursements | | |
| Members Shares Withdrawn | 26,864,855 | 24,452,119 |
| Members Loans Granted | 11,121,977 | 10,737,996 |
| Dividends Paid | 526,242 | 612,985 |
| Loan Interest Rebate Paid | 125,952 | 126,740 |
| Operating Expenses | 976,446 | 824,242 |
| Fixed Assets Purchased | 41,935 | 24,455 |
| Other Disbursements | 499,656 | 507,625 |
| Decrease/(Increase) in Other Liabilities Accruals and Charges | (48,875) | 21,460 |
| Total | <u>40,108,188</u> | <u>37,307,622</u> |
| Closing Cash and Investments | <u>53,196,663</u> | <u>49,341,110</u> |



Notes to the Financial Statements

for the year ended 30th September 2015

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 | 25% |

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 2015 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.

LETTERKENNY CREDIT UNION

Notes to the Financial Statements for the year ended 30th September 2015

2. Tangible Fixed Assets

| | New Premises | Fixtures & Equipment | Total |
|------------------------|-------------------------|-------------------------------------|--------------|
| | € | € | € |
| Cost | | | |
| At 1st October 2014 | 1,005,714 | 743,899 | 1,749,613 |
| Additions | - | 41,935 | 41,935 |
| At 30th September 2015 | 1,005,714 | 785,834 | 1,791,548 |
| Depreciation | | | |
| At 1st October 2014 | 328,114 | 638,271 | 966,385 |
| Charge for the year | 20,114 | 74,334 | 94,448 |
| At 30th September 2015 | 348,228 | 712,605 | 1,060,833 |
| Net Book Values | | | |
| At 30th September 2015 | 657,486 | 73,229 | 730,715 |
| At 30th September 2014 | 677,600 | 105,628 | 783,228 |

3. Other Reserves

| | General Reserves | Development Reserves | Unrealised Investment Reserves | Total |
|---|-----------------------------|---------------------------------|---|--------------|
| 1st October 2014 | 2,604,866 | 200,000 | - | 2,804,866 |
| Surplus for the year | 993,639 | - | - | 993,639 |
| Dividend & Loan Interest Rebate Paid | (652,194) | - | - | (652,194) |
| Transfer to/from Unrealised Investment Income | - | - | - | - |
| Transfer to Statutory Reserve | (409,576) | - | - | (409,576) |
| Transfer to Development Reserve | - | - | - | - |
| At 30th September 2015 | 2,536,735 | 200,000 | - | 2,736,735 |

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 2015 the Regulatory Reserve Ratio is 10.25%.

Notes to the Financial Statements

for the year ended 30th September 2015

4. Proposed Dividends and Loan Interest Rebate

| | <u>2015</u> | | <u>2014</u> | |
|---------------------|---------------|----------|---------------|----------|
| | <u>Rate %</u> | <u>€</u> | <u>Rate %</u> | <u>€</u> |
| Dividends on Shares | 0.25 | 142,463 | 1.00 | 566,809 |
| Interest Rebate | 0.00 | - | 10.00 | 126,119 |

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 2015 is 7.95%. (APR 8.20%).

Rate of interest charged on car loan as at 30th September 2015 is 6.3%. (APR 6.5%)

Rate of interest charged on share secured loan as at 30th September 2015 is 4.85% (APR 5%)

Rate of interest charged on student and household budget loan as at 30th September 2015 is 6.95% (APR 7.2%)

7. Related Party Transactions

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

| | <u>2015</u> | <u>2014</u> |
|-----------------------------------|-------------|-------------|
| | <u>€</u> | <u>€</u> |
| Aggregate Shares held by officers | 420,374 | 455,417 |
| Aggregate Loans held by officers | 254,255 | 246,891 |

During the year Garry Office Supplies Limited provided stationery to the Credit Union to the amount of €4,066. Mick Garry is a director of Letterkenny Credit Union and of Garry Office Supplies Limited.

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 2015

10. Contingent Liabilities

The Credit Union did not have any contingent liabilities at 30th September 2015

LETTERKENNY CREDIT UNION

Notes to the Financial Statements for the year ended 30th September 2015

11. Members Shares

| | 2015 | 2014 |
|----------------------------|-------------|-------------|
| | € | € |
| Regular Share Accounts | 60,466,415 | 56,182,622 |
| ATM Accounts | 656,776 | 433,520 |
| | <hr/> | <hr/> |
| Total as per Balance Sheet | 61,123,191 | 56,616,142 |
| | <hr/> | <hr/> |

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

12. Deposits and Investments

| | 2015 | 2014 |
|--|-------------|-------------|
| Accounts in Authorised Credit Institutions | 43,300,311 | 42,202,622 |
| Bank Bonds | 3,439,450 | 200,000 |
| Investments in Equities | - | - |
| Collective Investment Schemes | - | 520,570 |
| Irish & EMU State Securities | 5,000,000 | 5,000,000 |
| Central Bank Minimum Reserve | 853,301 | 854,001 |
| | <hr/> | <hr/> |
| | 52,593,062 | 48,777,193 |
| | <hr/> | <hr/> |

13. OTHER LIABILITIES AND CHARGES

| | 2015 | 2014 |
|-------------------|-------------|-------------|
| General Creditors | 165,585 | 112,908 |
| PAYE/PRSI | 13,908 | 17,710 |
| Audit Fee | 14,453 | 14,453 |
| | <hr/> | <hr/> |
| | 193,946 | 145,071 |
| | <hr/> | <hr/> |

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 ('the 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 appropriately 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 actuary. The actuarial review looks at the past & future liabilities of the scheme.

The last completed triennial actuarial review was carried out with an effective date of 1 March 2014 using the Projected Unit Credit method. The principal actuarial assumption used in the valuation was the investment return would be 1.5% higher than the annual salary increases. The market value of the scheme's assets at 1 March 2014 was €157m. The actuarial valuation disclosed a past service deficit of €27.7m on the long term funding basis at this date. This actuarial review recommended that the current funding proposal contribution of 27.7% of pensionable salary continues until the next actuarial review. The cost of risk benefits is paid in addition to this rate.

As a separate requirement under section 56(1) of the Pensions Act 1990, the Scheme's 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 based on the assumption the Scheme was wound up at that date. The most recent Actuarial Funding Certificate certified that the Scheme did not meet the statutory funding standard was submitted to the Pensions Board with an effective date of 1 March 2012.

The Scheme is currently in a funding proposal which has been agreed with the Pensions Authority. The submitted funding proposal is designed to ensure that the Scheme could reasonably be expected to satisfy the funding standard as at 1 March 2019 and provides for a retirement contribution rate of 27.7%. The cost of risk benefits is payable in addition.

The Scheme's Solvency Position in accordance with the aggregate cover for total Funding Standard liabilities as disclosed in the Actuarial Review as at 1 March 2014 was 105%.



LETTERKENNY CREDIT UNION

Schedules to the Financial Statements for the year ended 30th September 2015

Schedule 1 - Other Interest Receivable and Similar Income

| | 2015 | 2014 |
|---|----------------|------------------|
| | € | € |
| Interest Received | 612,656 | 661,124 |
| Investment Income Receivable < 12 months | 301,719 | 505,088 |
| Investment Income Receivable > 12 months | 0 | 0 |
| Total Per Income and Expenditure Account | 914,375 | 1,166,212 |

Schedule 2 - Other Income

| | | |
|---|---------------|---------------|
| Membership Fees | 136 | 447 |
| Commissions and Miscellaneous Income | 64,721 | 58,600 |
| Total Per Income and Expenditure | 64,857 | 59,047 |



Schedules to the Financial Statements

for the year ended 30th September 2015

Schedule 3 - Other Management Expenses

| | 2015 | 2014 |
|---|------------------|------------------|
| | € | € |
| Staff Pension Costs | 60,941 | 58,265 |
| Educational Expenses | 8,538 | 10,021 |
| Commissions Payable | 14,040 | 12,019 |
| Rent and Rates | 16,929 | 16,178 |
| General Insurance | 20,623 | 18,997 |
| LP/LS/DBI Insurance | 318,743 | 294,481 |
| Light, Heat and Cleaning | 12,702 | 14,181 |
| Repairs and Maintenance | 67,643 | 52,097 |
| Security and Storage | 11,974 | 11,064 |
| Printing and Stationary | 19,196 | 18,436 |
| Advertising | 30,818 | 17,500 |
| Telephone and Postage | 23,949 | 24,616 |
| Debt Collection | 15,563 | 17,912 |
| ICB Credit Checks | 10,504 | 11,203 |
| Cash over/under | 793 | 810 |
| Travelling and Subsistence | 8,939 | 7,156 |
| AGM Expenses | 22,519 | 18,066 |
| Consultancy Fees | 40,367 | 24,540 |
| Audit | 15,252 | 14,453 |
| Affiliation Fees & Int Dev Fund | 23,798 | 30,978 |
| SPS Contribution | 30,016 | 32,900 |
| Licences and Fees | 45,376 | 41,244 |
| Bank & Revenue Charges | 18,701 | 17,974 |
| Central bank Charges | 52,706 | 38,374 |
| Bad Debts | 165,119 | 198,921 |
| General Expenses | 11,268 | 10,967 |
| Donations and Sponsorship | 8,690 | 9,610 |
| Total Per Income and Expenditure | 1,075,707 | 1,022,963 |

LETTERKENNY CREDIT UNION

Nomination Committee Report

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 changed and grown rapidly. 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 at board level.

There are now only 11 members on the board of directors. This leaves a lot more work at committee level, some of these are serving on two or three committees. This is a significant time 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 position as a director, as and when vacancies occur.

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 (using subject line = Nominating Committee)

Nomination Committee members: Jim Toner, Denis O'Donnell and James Gleeson



- 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.

LETTERKENNY CREDIT UNION

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 two month bank statements.

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

LETTERKENNY CREDIT UNION

Electronic Payments

Letterkenny Credit Union are delighted to offer this service to members. All accounts in Letterkenny Credit Union now have a BIC and IBAN which allows for electronic payments.

This service is offered via CUSOP (Credit Union Services Organisation for Payments) which is a 'not for profit', independent company that provides an electronic payments service for the credit union movement in Ireland. There are 18 Credit Unions at present offering this service.

CUSOP is licenced and regulated by the Central Bank as a '*Payments Institution*' with independent governance. Members can have their wages or social welfare paid into Letterkenny Credit Union. We can also transfer funds electronically from your credit union account out to countries within the SEPA Zone.

Website

We are in the process of increasing services within our website www.letterkennycu.ie

Members already can log into the secure member area and view their balances. Developing this area of the website further, members will soon be in a position to:

- Transfer funds themselves online, internally and externally. For example, they can move funds from their account to a family members credit union account, or they can transfer funds from their credit union account to accounts held in other financial institutions. (e.g. another credit union or bank account). T&C's apply.
- Members will also be able to make payments online using their Visa Debit cards from the comfort of their own home.
- Set up payments (e.g. standing orders from their bank accounts) which can be one-off payments or regular payments.
- Pay bills, e.g. household bills, mortgage. Set up the bill details online and make one-off payments or regular payments.
- View transaction history on your account and print statements.
- Manage personal details, update contact details and check and re-set security details.

cuAnywhere Mobile App

Download this app from Google Play or App store on your mobile and have your credit union at your fingertips.

Social Media

Letterkenny Credit Union regularly post to our Facebook and Twitter accounts. Why not follow us and keep up to date on all our news and services.

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



LETTERKENNY CREDIT UNION

Donations

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

- One Act Festival
- Cuanannie Day Services
- Deaf Hear
- Donegal Community Games
- Donegal Domestic Violence
- Donegal Ladies Gaelic FA
- Donegal Special Needs
- Glenswilly GAA
- Glencar Schoolboys FC
- Highland Radio Charity Fundraiser
- Jack and Gill Foundation
- Kilmacrennan NS
- Kilmacrennan Mens Shed
- Lennon Festival
- Letterkenny Athletic Club
- Letterkenny Blaze
- Letterkenny Community Centre
- Letterkenny Gaels
- Letterkenny & District Pipe Band
- Letterkenny Rovers
- Little Angels School
- Loreto Convent Annual
- Make a Wish Foundation
- Mellon Educate Building Blitz
- MS Ireland Donegal Branch
- North West Special Needs
- Old Letterkenny Town
- Our Ladies Children's Hospital
- Ray of Sunshine Foundation
- Raphoe Justice and Peace
- St. Eunan's College
- St. Eunan's GAA Club
- St. Eunan's GAA Golf Classic
- St. Vincent De Paul
- Swilly Rovers FC
- The Hope Foundation
- White Oaks

STANDARD RULES

As there were no rule amendments to the Standard Rules for Credit Union (Republic of Ireland) (2014) arising from the ILCU AGM in April 2015, there are no amendments to be adopted at the credit union's own AGM.



Order of Business at Annual General Meeting

The business at annual general meetings of the 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, and any intervening special general meeting;
- (e) Report of the Board of Directors;
- (f) Consideration of accounts;
- (g) Report of the Auditor;
- (h) Report of the Board Oversight Committee;
- (i) Declaration of dividend and rebate of interest (if any);
- (j) Report of the Credit Committee;
- (k) Report of Credit Control Committee;
- (l) Report of Insurance Committee;
- (m) Report of Membership Committee;
- (n) Report of the Nomination Committee;
- (o) Appointment of Tellers;
- (p) Election of Auditor;
- (q) Election to fill vacancies on the Board 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.

E GETS HIS
INS FROM ME" LOAN

WE LOOK AT THINGS DIFFERENTLY

Loans are subject to approval. Terms and conditions apply.
Letterkenny Credit Union Limited is regulated by the Central Bank of Ireland.



letterkennycu.ie

LETTERKENNY CREDIT UNION



Letterkenny Credit Union Ltd.

www.letterkennycu.ie



NEW

Household Budget Loan

**APR
7.2%**

Sample repayments are as follows:
**€2,000 OVER 12 MONTHS REPAYMENTS
WOULD BE €39.85 WEEKLY**
Total interest would be €71.37

Loans are subject to approval. Terms & conditions apply.
Letterkenny Credit Union is regulated by Central Bank of Ireland



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

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