

DUNDRUM CREDIT UNION ANNUAL REPORT 2009



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DUNDRUM CREDIT UNION LIMITED

Credit Union Invocation

Lord, make me an instrument of Thy peace
Where there is hatred, let me sow love;
Where there is injury, pardon;
Where there is doubt, faith;
Where there is despair, hope;
Where there is darkness, light;
And where there is sadness, joy;

O divine Master,
grant that I might not so much seek
to be consoled as to console;
to be understood as to understand;
to be loved as to love;
for it is in giving that we receive,
it is in pardoning that we are pardoned,
and it is in dying that we are born to eternal life.

DUNDRUM CREDIT UNION LIMITED



43rd Annual General Meeting

Tuesday 24th November 2009

IMI Centre
Sandyford Road, Dublin 16

DUNDRUM CREDIT UNION LIMITED

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DUNDRUM CREDIT UNION LIMITED

Board of Directors

President	Brid Darcy
Vice President	Michele Brady
Hon. Secretary	Sheila Lewis
Hon. Treasurer	Michael Murphy
Pat Banahan	Louise Church
Geraldine Doyle	Gretta Fletcher
Jim Gillick	Jim Kelly
Dave Madden	Finbar Murphy
Eoin O’Cleary	

Supervisory Committee

Frank Nolan	Chairman
Liam Byrne	
Marie Melly	

Staff

Gerard McConville	Manager
Edward Tobin	Finance Manager
Pat Byrne	Operations Manager
Patricia O’Keeffe	Chief Loans Officer
Mary Callan	Credit Controller
Pauline Kent	Marketing Officer
Anne Bell	Maura Brophy
Maureen Byrne	Thirza Calleja
Caitriona Collins	Andrew Corcoran
Andrew Deegan	Geraldine Farrington
Daniel Kavanagh	Janice Kelly
Grainne McGuinness	Mary Moore
Jackie Molloy	Audrey Newman
Louise Norris	Marion O’Donoghue
Conor O’Keeffe	Rachel Quinlan
Suzanne Roche	Gemma Ryan
Helen Ryan	Fiona Walsh

DUNDRUM CREDIT UNION LIMITED

Annual General Meeting Agenda

1. Credit Union Invocation
2. Acceptance of proxies (if any)
3. Ascertainment that a quorum is present
4. Adoption of Standing Orders
5. Minutes of AGM 2008
6. Report of the Board of Directors
7. Report of the Treasurer, consideration of accounts and approval of Treasurer's honorarium
8. Declaration of Dividend
9. Report of the Auditor
10. Appointment of Tellers
11. Election of Directors, Supervisory Committee and Auditor
12. Report of the Supervisory Committee
13. Report of the Credit Committee
14. Report of the Credit Control Committee
15. Report of the Marketing & Membership Committee
16. Report of the Education & Nominating Committee
17. Report of the Strategic Planning Committee
18. Rule Amendments
19. Announcement of election results
20. Any other business
21. Car Draw & Draw for Members in attendance
22. Close of meeting

DUNDRUM CREDIT UNION LIMITED

Standing Orders

1. VOTING.

Each member shall be entitled to one vote irrespective of his/her shareholding, in accordance with Standard Rule 139.

2 - 4 ELECTION PROCEDURE.

2. Nominations may be accepted from the floor in accordance with Standard Rule 137.
3. Elections to the Board of Directors, to the Supervisory Committee and the position of Auditor shall be by majority vote and by secret ballot.
4. A Ballot Paper for the election of the Board and Supervisory Committee, where applicable, will be distributed to each member at the AGM.

5 - 10 MOTIONS.

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

11 -16 MISCELLANEOUS.

11. The Chairman of the Board of Directors shall be the Chairman of any general meeting, except where he/she is not available, in which case it shall be the Vice-Chairman, except where he/she is not available, in which case the Board shall decide amongst themselves who shall act as Chairman of any general meeting.

DUNDRUM CREDIT UNION LIMITED

12. The Chairman may at his/her discretion, extend the privilege of the floor to any person who is not a member.
13. Matters not covered by the Agenda may be introduced under "Other Business" at the discretion of the Chairman.
14. The Chairman's decision on any matter relating to these Standing Orders or interpretation of same shall be final.
15. In accordance with Standard Rule 133 (1) no member shall have more than one vote on each question at any general meeting of the credit union or any adjournment thereof irrespective of his/her shareholding or the number of accounts in his/her name in the credit union provided, however, that except in voting at elections, the presiding member shall have a second or casting vote in the event of equality of voting. Voting by proxy shall be allowed only when a member other than a natural person votes through a representative, who is a member of the group, duly authorised in writing for that purpose and accepted as such by the board of directors. Refer to Standard Rule 138 also re election procedure.
16. Any matter to be decided upon by vote at the AGM shall, unless otherwise expressly provided for by law or the rules, be decided upon by simple majority.
17. **SUSPENSION OF STANDING ORDERS.**
Any one of these Orders or all of these Standing Orders may be suspended on a motion to this effect receiving a two-thirds majority of those present and entitled to vote.
18. **ALTERATION OF STANDING ORDERS.**
Standing Orders may be amended or altered at a general meeting and only if a motion to this effect has received a two-thirds majority of those present and voting.
19. **ADJOURNMENTS.**
Adjournments of the AGM shall take place only in accordance with Standard Rule 132.

DUNDRUM CREDIT UNION LIMITED

Statement Of Directors' Responsibilities

The Credit Union Act, 1997 requires directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the credit union and of the income and expenditure of the credit union for that year. In preparing those financial statements, the directors are required to:

- Select suitable accounting policies and 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 which enables them to ensure that the financial statements comply with the Credit Union Act, 1997. 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.

DUNDRUM CREDIT UNION LIMITED

Report of the Board of Directors

On behalf of the Board of Directors, I would like to welcome members and guests to the 43rd Annual General Meeting of Dundrum Credit Union and to present to you our Annual Report and Accounts for the year ended 30th September 2009.

This financial year has been extremely challenging, as we all came to terms with the aftermath of the “fiscal earthquake”, as it has been described, which took place on September 30th of last year. On this occasion last November, the Board of Dundrum Credit Union predicted a year of rising bad debts and falling loan demand as the financial circumstances of our members changed. Those predictions became reality as reported in our Accounts for the year, with sizeable increases in our provision for bad and doubtful debts and a decrease in loans to members. Our Bank Bond Portfolio declined further in value during the year and the bonds hit their lowest point in March when they ranged in value from 13% to 45% of their valuations at time of purchase. These valuations have begun to climb again, which has restored a degree of stability to our balance sheet. The Financial Regulator further increased the pressure on credit unions with his instruction to raise our Statutory Reserves Provision to 10% of our assets within the next four years. As our provision currently rests at 8%, this directive requires Dundrum Credit Union to set aside an additional €2m. The combination of these events made for a difficult trading year.

However, true to the Irish saying of “Ní neart go cur le chéile” the team at Dundrum Credit Union of board, supervisors, management and staff co-operated very closely together as we responded to the challenges of a difficult financial environment and we are very satisfied with our achievements in steering our credit union through the turbulent circumstances of the past year. Difficult decisions were taken such as to increase our standard loan rate, which was balanced by the introduction of a very competitive loan-within-shares product. We reduced the interest rate on our term accounts and, in an effort to reduce payroll costs, we had to take the decision not to pay the National Wage Agreement and not to replace retiring staff. The Board is mindful of the challenges the latter presented to the management and staff as they were asked to maintain our high levels of service with a much reduced workforce. The team are to be much commended for their response to those demanding circumstances. We are very grateful for their co-operation and that the efficient and friendly service to members, of which we are justly proud, remained central to our operations. Furthermore every item of expenditure was examined to ascertain where savings could be made and we are pleased with the results of that exercise. In an effort to boost membership numbers and loan demand, Dundrum Credit Union initiated a focussed marketing campaign which is ongoing and which we believe will position us positively as circumstances improve.

Consequently, our surplus for the year is a healthy €1.74 million, which compares very favourably with the 2008 surplus of €1.52 million. However, in contrast to last year’s dividend of 1.5%, we are recommending a dividend to members of 0.5%. This reduced dividend proposal is a direct result of the directive of the Financial Regulator to increase our provision to our Statutory Reserves. As stated above, an extra €2m must be set aside over the next four years. However, the Board of Dundrum Credit Union believes it is prudent to reach that target in two years and we are fortunate to be in a position to do so.

DUNDRUM CREDIT UNION LIMITED

The activities of the Board continued apace this year, albeit with a more inward focus. To ensure compliance with the exacting requirements of the Financial Regulator and to ensure that we are true to our operating principles of accountability, safety and soundness we drafted and approved five additional policies. We were pleased to attend, in April of this year, the Annual General Meeting of our representative body, the Irish League of Credit Unions. Dundrum Credit Union is committed to active participation of the League in order to gain real benefits for our members. We are pleased with the roll-out of our restyled website and we look forward to offering our members increased online services this year, such as bill payments, as more utility companies come on board.

Finally we are pleased to report that we are currently negotiating the transfer of engagements of Belfield Credit Union to Dundrum Credit Union. We look forward to the conclusion of negotiations early next year and members will be fully informed of the outcome of the process at that time. This is a very exciting development which promises real opportunities for our credit union in terms of increased membership and consequently increased member benefits.

In conclusion I would like to express my sincere gratitude to our volunteer Board of Directors and the Supervisory Committee for their unwavering commitment and dedication this year and to the management and staff for their continuing diligence, cooperation and professionalism. We look forward to a bright future for Dundrum Credit Union.



Brid Darcy
President of the Board of Directors
Dundrum Credit Union

DUNDRUM CREDIT UNION LIMITED

INCOME AND EXPENDITURE ACCOUNT

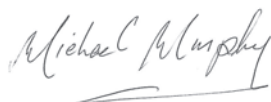
for the year ended 30th September 2009

	Schedule	2009 €	€	Restated 2008 €	Restated €
INCOME					
Interest on members' loans		3,910,783		3,837,496	
Members' deposit and other interest		(80,868)		(89,311)	
Other interest receivable and similar income	1	1,921,558		1,685,925	
Provision for diminution in value of investments		<u>(364,524)</u>		<u>(973,284)</u>	
Net interest income		5,386,949		4,460,826	
Other income	2	<u>39,216</u>		<u>58,060</u>	
Total income			5,426,165		4,518,886
EXPENDITURE					
Salaries			941,078		1,009,823
Other management expenses	3	2,048,580		1,663,142	
Depreciation		192,433		191,771	
Provision for bad and doubtful debts		585,655		228,496	
Bad debts recovered		<u>(84,033)</u>		<u>(101,582)</u>	
Total expenditure			<u>3,683,713</u>		<u>2,991,650</u>
EXCESS OF INCOME OVER EXPENDITURE FOR THE YEAR			1,742,452		1,527,236
Add: Undistributed surplus 30th September 2008			1,264,787		2,016,192
Transfer in from general reserve		<u>—</u>		<u>100,000</u>	
			1,264,787		2,116,192
Less: Transfer to statutory reserve		1,160,471		411,414	
Dividend paid		1,184,721		1,617,181	
Loan interest rebate paid		—		350,046	
Transfer to unrealised investment income reserve		188,278		—	
			<u>2,533,470</u>		<u>2,378,641</u>
UNDISTRIBUTED SURPLUS CARRIED FORWARD			<u>473,769</u>		<u>1,264,787</u>

On behalf of the Credit Union



Brid Darcy
CHAIRPERSON



Michael Murphy
TREASURER



Frank Nolan
SUPERVISORY COMMITTEE

Date: 20th October 2009

DUNDRUM CREDIT UNION LIMITED

BALANCE SHEET

as at 30th September 2009

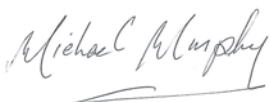
	2009		2008	
	€	€	€	€
ASSETS				
Cash and balances at bank	1,002,381		648,466	
Deposits and investments	39,341,699		36,060,798	
Loans to members	46,349,667		48,940,941	
Less: Provision for bad and doubtful debts	(1,964,152)		(1,378,497)	
Tangible fixed assets	4,869,271		4,941,587	
Prepayments and accrued income	88,750		79,856	
Total assets	<u>89,687,616</u>		<u>89,293,151</u>	
LIABILITIES				
Members' term deposits	2,689,856		2,655,875	
Other liabilities, accruals and charges	545,733		618,670	
	<u>3,235,589</u>		<u>3,274,545</u>	
MEMBERS RESOURCES				
Members shares	77,718,107		77,752,414	
Other reserves – retained surplus	473,757		1,264,778	
Statutory reserve	8,071,885		6,911,414	
Unrealised investment income reserve	188,278		–	
General reserve	–		90,000	
	<u>86,452,027</u>		<u>86,018,606</u>	
TOTAL LIABILITIES		<u>89,687,616</u>		<u>89,293,151</u>

On behalf of the Credit Union

Brid Darcy
CHAIRPERSON



Michael Murphy
TREASURER



Frank Nolan
SUPERVISORY COMMITTEE



Date: 20th October 2009

DUNDRUM CREDIT UNION LIMITED

CASHFLOW STATEMENT

for the year ended 30th September 2009

	2009		2008	
	€	€	€	€
Opening cash and investments	36,709,264		41,783,159	
Receipts				
Members' shares	36,491,652		43,793,197	
Members' deposits	225,500		644,174	
Members' loans repaid	24,339,891		25,424,156	
Members loan interest received	3,910,783		3,837,496	
Investment interest	1,467,034		772,641	
Bad debts recovered	84,033		101,582	
Other receipts	39,216		58,060	
Decrease/(increase) in prepayments	<u>(8,894)</u>		<u>(20,967)</u>	
Total		66,549,215		74,610,339
Disbursements				
Members' shares withdrawn	36,525,959		44,372,377	
Members' deposits withdrawn	191,519		226,000	
Members' loans granted	21,748,617		30,137,126	
Interest paid	80,868		89,311	
Dividends paid	1,184,721		1,617,181	
Loan interest rebate paid	–		350,046	
Operating expenses	2,989,658		2,672,965	
Fixed assets purchased	120,116		93,515	
(Increase)/decrease in other liabilities, accruals and charges	<u>72,938</u>		<u>125,712</u>	
Total		<u>62,914,396</u>		<u>79,684,233</u>
Closing cash and investments		<u>40,344,080</u>		<u>36,709,264</u>

DUNDRUM CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30th September 2009

1. Accounting Policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention.

1.2. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost or valuation less residual value of each asset over its expected useful life, as follows:

Premises	–	2% per annum
Computers	–	25% per annum
Office equipment	–	20% per annum

1.3. Investments

Investment income is recognised when received or irrevocably receivable. Investments held at the year end are stated at market value, cost or locked in value as appropriate.

The specific investment products held by the Credit Union are accounted for as follows:

Bank deposits

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

Perpetual bonds

Perpetual bonds are stated at the lower of cost or market value plus any accrued interest. Interest income is recognised in the income and expenditure account on an accruals basis. Decreases in the capital value of the bonds are included in the income and expenditure account in the provision for diminution in value of investments figure. Increases which reverse a previous decrease in the value of the bonds are included in the income and expenditure account in the investment income figure. All other increases in excess of the cost of the bond are ignored until the bond is sold.

In some cases the original cost of the perpetual bond exceeded the nominal/par (redeemable) value of the bond. Up until year ended 30th September 2008 to account for this shortfall/difference the Credit Union transferred a fixed amount (2008: €5,000 per month) from investment income to the general reserve. The Board of Directors estimated that amounts accumulated in this reserve would be sufficient to meet any shortfalls/differences between cost and nominal value by the first call date of each corporate bond. At 30th September 2008 there was a total of €90,000 accumulated in the general reserve for this purpose. However due to the value of the perpetual bonds in the financial statements having fallen below cost and nominal value this reserve is no longer required. The Credit Union has therefore released the €90,000 accumulated in the general reserve in prior years into investment income in the current year (year ended 30th September 2009).

Investments with return of capital guarantee and minimum investment returns

Investments with return of capital guarantee at maturity are valued at the capital guaranteed amount plus accrued income. The minimum guaranteed investment income is recognised in the income and expenditure account on an accruals basis over the life of the investment. Investment income in excess of the minimum guaranteed amount is ignored until the investment is sold or the income is received.

Other investments

Other investments are stated at capital guaranteed amount plus any irrevocable income. Income is recognised in the income and expenditure account once it is 'locked in' and irrevocably receivable. Where income is not 'locked in' or irrevocably receivable it is not recognised in the income and expenditure account until it is received or the investment is sold.

Unrealised investment income reserve

In accordance with Financial Regulator guidance (April 2009) investment income and gains recognised in the year in the income and expenditure account in the current year (year ended 30th September 2009) but which the credit union will not receive until after 12 months from 30th September 2009 is transferred to an unrealised investment income reserve. Amounts included in the unrealised investment income reserve are not available for distribution in the year ended 30th September 2009.

Restatement of investment income comparatives

The income and expenditure account year ended 30th September 2009 discloses additional information in respect of investment income. The financial statements show the gross investment income recognised in the year and the amounts relating to investment losses. In prior years the financial statements only disclosed the net investment income figure. For comparability, the year ended 30th September 2008 income and expenditure account figures in respect of investment income have also been split out to show gross investment income recognised in year ended 30th September 2008 and investment losses year ended 30th September 2008. Prior to this restatement the net investment income figure of €712,641 was disclosed in the prior year financial statements. This additional disclosure does not impact on the surplus disclosed in the financial statements year ended 30th September 2008.

1.4. Pensions

Contributions to the Credit Union's pension scheme are charged to the income and expenditure account in the period to which they relate.

1.5. Bad and doubtful debts

Bad debts written off are included in other management expenses. Bad debts recovered are included in the income and expenditure account. Provision for doubtful debts is made against current loan balances on the basis of the 2003 Resolution 49 of the Irish League of Credit Unions. An additional provision (in excess of Resolution 49) of €500,000 is considered prudent by the Board of Directors.

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1.6. Deposit interest retention tax suffered

This amount represents D.I.R.T. deducted by financial institutions on behalf of the Revenue Commissioners, from interest earned on monies on deposit with these institutions for the year ended 30th September 2009 .

1.7. 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, (i.e. on a cash basis). Investment income is recognised on an accruals basis.

2. Tangible assets

	Land and buildings freehold	Computers	Office equipment	Total
	€	€	€	€
Cost				
At 1 October 2008	5,190,810	425,641	310,352	5,926,803
Additions	–	60,160	59,956	120,116
Disposals	–	(115,987)	–	(115,987)
At 30 September 2009	<u>5,190,810</u>	<u>369,814</u>	<u>370,308</u>	<u>5,930,932</u>
Depreciation				
At 1 October 2008	478,388	330,286	176,541	985,215
On disposals	–	(115,987)	–	(115,987)
Charge for the year	103,816	35,093	53,524	192,433
At 30 September 2009	<u>582,204</u>	<u>249,392</u>	<u>230,065</u>	<u>1,061,661</u>
Net book values				
At 30 September 2009	<u>4,608,606</u>	<u>120,422</u>	<u>140,243</u>	<u>4,869,271</u>
At 30 September 2008	<u>4,712,422</u>	<u>95,355</u>	<u>133,811</u>	<u>4,941,588</u>

3. Reserves (excluding statutory reserve and additional regulatory reserve)

	Balance at 1st October 2008	Net movement	Balance at 30th September 2009
	€	€	€
Realised			
Undistributed surplus	1,264,777	(791,020)	473,757
Other reserves:			
Realised			
General reserve	90,000	(90,000)	–
Unrealised			
Unrealised investment income	–	188,278	188,278
Total other reserves	<u>1,354,777</u>	<u>(692,742)</u>	<u>662,035</u>

Amounts included in the unrealised investment income reserve at 30th September 2009 are not available for distribution at 30th September 2009

4. Deposits and investments

	2009	2008
	€	€
First Active	3,222,370	2,097,238
Bank of Ireland	302,218	959,520
Northern Rock	4,145,682	–
Anglo Irish Bank	5,411,151	1,128,034
Bank of Scotland	–	4,114,813
ACC Bank investments	–	1,861,774
Davy's managed investments	11,970,148	13,758,394
AIBIM	1,505,507	3,083,929
EBS	2,663,714	2,670,543
ICS	4,140,754	2,345,188
Ulster Bank	1,012,542	3,636,699
IIB Bank	–	404,666
Irish Life	3,474,067	–
BNP Paribas	250,983	–
Central Bank MRR	1,242,563	–
	<u>39,341,699</u>	<u>36,060,798</u>

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Investment maturity analysis	2009	2008
	€	€
Falling due within 1 year	27,692,070	20,445,684
Falling due between 2 to 5 years	8,372,666	7,687,957
Falling due after 5 years	3,276,963	7,927,157
	<u>39,341,699</u>	<u>36,060,798</u>

5. Investment income

Investment income and gains included in income and expenditure account year ended 30th September 2009 amount to €1,921,558. This is made up of the following:

	2009
	€
Investment income and gains received in the year	1,350,294
Investment income and gains receivable within 12 months	292,986
Investment income and gains receivable after 12 months	188,278
Investment income released from general reserve	90,000
	<u>1,921,558</u>

6. Other allocations

There were no other allocations.

7. Dividends, loan interest rebate and other returns to members

The Board of Directors recommend the following be paid to members out of the undistributed surplus at 30th September 2009:

	Rate %	Recommended re 2009	Rate %	Paid re 2008
		€		€
Dividend on shares	0.50%	386,093	1.50%	1,173,150

During the year ended 30 September 2009 a gross dividend of €11,571 was paid on closed accounts.

8. Honorarium to treasurer

The directors recommend that the treasurer be paid an honorarium of €8,000 for the year ended 30th September 2009. (30th September 2008 €8,000)

9. Related party transactions

The following are the closing balance of the related party transactions with directors and officers which require disclosure under Financial Reporting Standard No. 8

	2009	2008
	€	€
Loans	327,635	317,158
Deposits	187,000	147,000
Savings	229,640	360,766
CU cash	13,451	—
Current	1,080	—

10. 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.

11. Pension scheme

The Credit Union participates in the Irish League of Credit Unions (ILCU) Republic of Ireland Pension Scheme and in a New Ireland pension scheme.

ILCU Pension Scheme

This is a funded, multi credit union, defined benefit pension scheme. Because the Credit Union is unable to identify its share of the assets and liabilities of the pension scheme, the Credit Union, in accordance with the requirements of Financial Reporting Standard no. 17, Retirement Benefits, and guidance from the ILCU is accounting for the pension contributions as if the scheme were a defined contribution scheme. Contributions payable to the pension scheme are recognised in the income and expenditure account.

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New Ireland pension scheme

This is a defined contribution pension scheme. The assets of the scheme are held separately from those of the Credit Union in an independently administered fund. Contributions are charged to the income and expenditure account in the year in which they fall due.

The following amounts have been charged to the income and expenditure account in respect of pension costs:

	2009	2008
	€	€
ILCU pension scheme	55,776	58,863
New Ireland	23,258	19,610
Pension	<u>79,034</u>	<u>78,473</u>

12. Members' shares and savings

	2009
	€
Regular share accounts	49,413,643
Special share accounts	28,304,464
Term deposit accounts	2,689,856
CUcash	305,347
	<u>80,713,310</u>

13. Capital commitments

There are no capital commitments at 30th September 2009.

14. Rates of interest charged on members' loans

	Per month	
Normal loans (on loan issued until 12 April 2009)	0.70833%	8.87% APR
Normal loans (on loan issued from 13 April 2009)	0.74583%	9.33% APR
Secured savings loans (on loan issued until 12 April 2009)	0.54166%	6.70% APR
Secured savings loans (on loan issued from 13 April 2009)	0.4125%	5.06% APR

15. Rates of interest paid on members' deposits

0.29166% Per month, 3.5% Per Annum Special Term Deposit Account for the period of October 2008 to March 2009.
0.20833% Per month, 2.5% Per Annum Special Term Deposit Account for the period of April to September 2009.

16. Post balance sheet events

There are no material adjusting post balance sheet events.

17. Bank and other loans

The Credit Union did not have any bank loans during the year ended 30th September 2009.

18. Other liabilities, creditors, accruals and charges

	2009	2008
	€	€
Accruals	138,769	241,055
PAYE/PRSI	21,056	15,455
Paypoint	2,523	4,495
Car draw	73,450	68,325
CUcash	305,347	289,340
Other creditors	4,587	-
	<u>545,732</u>	<u>618,670</u>

19. APB Ethical Standards – Provisions available to small entities

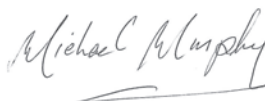
In common with many other entities of our size and nature, from time to time, our auditors provide us with advisory and consulting services.

20. Approval of financial statements

The financial statements were approved by the Board on 20th October 2009 and signed on its behalf by



Brid Darcy
President



Michael Murphy
Treasurer

DUNDRUM CREDIT UNION LIMITED

YEAR ENDED 30TH SEPTEMBER 2009

SCHEDULE 1 – OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	2009	Restated 2008
	€	€
Investment income	1,921,558	1,685,925
Provision for diminution in value of investments	<u>(364,524)</u>	<u>(973,284)</u>
Total per income and expenditure account	<u>1,557,034</u>	<u>712,641</u>

SCHEDULE 2 – OTHER INCOME

	2009	2008
	€	€
Saving stamps relodged	–	14,000
ECCU claims experience refund	12,278	18,316
Commission	<u>26,938</u>	<u>25,744</u>
Total per income and expenditure account	<u>39,216</u>	<u>58,060</u>

SCHEDULE 3 – OTHER MANAGEMENT EXPENSES

	2009	2008
	€	€
Treasurers honorarium	8,000	8,000
Rent and rates	83,033	82,338
Lighting, heating, and cleaning	57,264	47,967
Repairs and renewals	4,445	1,413
Equipment maintenance	49,435	38,252
Security	73,160	71,476
Printing and stationery	26,115	33,706
Postage and telephone	45,318	51,443
Donations and sponsorship	32,124	26,489
Foreign aid	3,000	7,528
Debt collection	22,266	18,335
Promotion and advertising	81,335	76,196
Training costs	11,135	35,202
Convention expenses	2,824	4,810
AGM expenses	18,897	17,043
Affiliation fees	39,001	29,252
Savings protection scheme	48,252	25,476
Travel and subsistence	4,067	2,213
Entertainment costs	2,809	4,751
Bank charges	32,842	31,739
Audit fee	26,000	24,000
Supervisory committee expenses	4,614	3,798
General insurance	29,510	31,113
Share and loan insurance	291,544	289,861
Death benefit insurance	83,473	91,777
Pension	79,034	78,473
Legal and professional fees	46,937	119,655
Computer maintenance	54,689	45,152
Bad debts written off	780,144	346,064
Miscellaneous expenses	7,313	19,620
Total per income and expenditure account	<u>2,048,580</u>	<u>1,663,142</u>

DUNDRUM CREDIT UNION LIMITED

Independent Auditors' Report to the Members of Dundrum Credit Union Limited

Year Ended 30th September 2009

We have audited the financial statements of Dundrum Credit Union Limited for the year ended 30th September 2009 which comprise the income and expenditure account, balance sheet, cash flow statement and related notes on pages 10 to 16. These financial statements have been prepared under the historical cost convention on the basis of the accounting policies set out therein.

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

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the credit union directors are responsible for the preparation of the financial statements in accordance with applicable law and Irish Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Credit Union Act, 1997. 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 Directors' 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 union's balance sheet and its 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 directors' report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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. We have undertaken the audit in accordance with the requirements of the APB Ethical Standards including APB Ethical Standard – Provisions Available to Small Entities, in the circumstances set out in note 19 to 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 the 30th September 2009 and of its income and expenditure for the year then ended and have been properly prepared in accordance with the provisions of the Credit Union Act 1997.

We have obtained all the information and explanations we consider necessary for the purposes 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 directors' report is consistent with the financial statements.

Crowleys DFK
16/17 College Green
Dublin 2

20th October 2009

**Chartered Accountants and
Registered Auditors**

DUNDRUM CREDIT UNION LIMITED

Report of the Supervisory Committee

The Credit Union Act 1977 requires “the appointment of a Supervisory 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”.

In agreement with the terms of the above Act, this committee was elected at Dundrum Credit Union’s last AGM by the members, and works independently of the Board of Directors.

The main functions of the Supervisory Committee are to ensure:

- The safety and soundness of members’ assets.
- That a strong internal control system exists
- That the credit union is properly managed
- That proper books and records are maintained
- That all legal requirements are complied with
- The proper approval of board and staff loans
- The proper approval of capital expenditure.

During the year 2008/9 the Supervisory Committee attended all the monthly meeting of the Board of Directors as per the 1997 Credit Union Act. We also attended committee meetings throughout the year. We held four Appraisal Meetings with the Board of Directors. We can report that the Board of Directors are functioning to the highest standards, and cooperated fully with the Supervisory Committee in all matters.

It has been a very difficult and challenging year for the Credit Union Movement and the economy as a whole. The Supervisory Committee worked extra closely during the year with all departments within Dundrum Credit Union.

The main challenges were with the Investment Portfolio, throughout the financial turmoil that has hit the world. During the past twelve months the Board of Dundrum Credit Union has managed the affairs of the credit union with due diligence and caution. We the Supervisory Committee agree with the decisions taken by the Board in all aspects of the management of the credit union. As a result of this, we concur with the decision taken by the Board to recommend a 0.5% dividend to the members this year.

New rules introduced by the Registrar for Credit Unions this year, require all Credit Unions to have a minimum Regulatory Reserve Ratio of 10% of assets, thus ensuring adequate capital protection. Your Board have been very prudent in this regard and this will be achieved during the next Financial Year i.e. 2010

The Supervisory Committee attended ILCU training, and various training courses during the year.

Frank Nolan, Chairman
Marie Melly, Secretary.
Liam Byrne, Committee.

DUNDRUM CREDIT UNION LIMITED

Report of the Credit Committee

The Credit Committee met on 52 occasions this year and we received a total of 6272 loan applications. This number is significantly less than last year's figure of 7519 and is an indication of the difficult times we are currently living in.

Although times are tough, Dundrum Credit Union has remained open for lending business and has continued to serve our members to the best of our abilities.

The money we issue in loans comes from our members' savings in the credit union. The Credit Committee has a duty to ensure the money is used for productive and provident purposes and that the member is able to repay the loan according to the schedule agreed.

This is especially important in these times of economic difficulty. For this reason, we may ask difficult questions, require proof of earnings, copies of bank statements etc. before we can approve a loan application.

In line with best practice and with the recommendation of the Irish League of Credit Unions and the Financial Regulator, Dundrum Credit Union has become a member of the Irish Credit Bureau, which allows us to carry out credit enquiries on loan applications as necessary and allows us to register loans with the Bureau.

Our Personal Budget Planners, which are available in all our offices and online, have proved very popular with our members. We advise all members to make use of the Budget Planners as they are very useful in helping members to manage their finances.

This year, we introduced a Loan Within Shares offer for members who would prefer to keep their savings intact and who need access to money. At only 4.95%, this loan is the best value personal loan on the market and has been very popular with members. The loan balance can be cleared at any time from shares, if the member wants to repay the loan early.

We highly recommend this option to members, as you will continue to benefit from the Life Savings and Loan Protection Insurance, as well as keeping your savings intact.

Summary of Loans issued by Amount

Amount	Number	% of No.	Value	% of Value
0 – 500	947	15.3	€345,113	1.6
501 – 1000	1254	20.3	€1,068,740	4.9
1001 – 2000	1370	22.1	€2,258,027	10.4
2001 – 3000	741	12.0	€2,001,312	9.2
3001 – 5000	838	13.6	€3,578,401	16.4
5001 – 10000	687	11.1	€5,192,736	23.9
10000 +	350	5.6	€7,304,815	33.6
	6187	100	€21,749,144	100

DUNDRUM CREDIT UNION LIMITED

Summary of Loans issued by Type

Loan Type	Number	% of Total No.	Value	% of total Value
Home Improvements	1286	21	€6,015,924	28
Transport	1072	17	€4,500,767	21
Holidays	870	14	€1,621,523	7
Loan Within Shares	656	11	€1,791,284	8
Personal	565	9	€1,263,795	6
Christmas	459	8	€561,057	2.5
Educational	309	5	€826,469	4
Loan Consolidation	249	4	€1,561,229	7
Other	221	4	€118,634	0.5
Special Occasions	207	3	€852,620	4
Medical	138	2	€345,154	1.5
Housing	80	1	€609,806	3
Commercial	75	1	€1,680,882	7.5
Total	6187	100	€21,749,144	100

The Credit Committee would like to express our appreciation to the Chief Loans Officer, Loan Officers, management and staff for their help and support during the year.

Committee Members: Michele Brady, Brian Canning, Jim Gillick, Sheila Lewis, Dave Madden

Report of the Credit Control Committee

The aim of Dundrum Credit Union is to ensure that all loans are repaid according to the Credit Agreement. The Credit Control Committee and Credit Controllers work closely to achieve this aim.

This has been a difficult year for many of our members. The rise in unemployment, cuts in working hours, wage cuts and increased taxes and income levies have resulted in many long standing and loyal members facing financial problems. We would encourage any members who fall behind in their loan repayments to contact us as soon as possible. The credit union staff are experienced, confidential, helpful and sympathetic in assisting you to address any problems that may have arisen. We also work in partnership with MABS (the Money Advice and Budgeting Service) to assist members in getting out of serious debt problems.

During the year, we met 12 times and we revised our Credit Control policy in the light of current economic circumstances.

As part of our regular monthly report to the Board, we are charging off loans in arrears on a monthly basis.

We have increased resources in the Credit Control area.

We co-operated closely with the Credit Committee to ensure that we continue to give out good loans.

This year we recovered €84,033 from accounts which had been charged off in previous years. We would like to thank all our members who have always met their repayments.

Committee Members: Jim Kelly, Gretta Fletcher, Pat Banahan, Ajay Kumar

DUNDRUM CREDIT UNION LIMITED

Report of the Marketing and Membership Committee

Marketing Plan

Dundrum Credit Union is committed to our duty to improve the economic and social well-being of our community, as stipulated in the Credit Union Act. Marketing of our services to our existing members and the acquiring of new members has always been a priority of the Marketing and Membership Committee. 2009 began with the implementation of the Marketing Plan which was developed and approved in 2008. The brief of the plan was to develop a number of marketing initiatives and campaigns that deliver on the agreed objectives and further develop the DCU brand and to build a framework for marketing within DCU for the future.

DCU engaged Yvonne Cassidy of Alternatives to assist us in the implementation and execution of the Marketing Plan. From the results and findings following a number of very successful focus groups with Active Members, Inactive Members and Non Members it was agreed to prioritise the following initiatives and campaigns in 2009:

- **Employer Incentive**

DCU Employer Account is a special package that offers both employers and their employees incentives to join the Credit Union. A number of employers in the area were selected and contacted. This incentive has proved very successful and to date we have 3 companies on board and we will continue to work on this incentive in 2010.

- **Previous / Existing Borrowers Campaigns**

We executed a number of direct mail campaigns to a wide range borrowers which highlighted our competitive rates, ease of access and flexible arrangements. We received a satisfactory response to the direct mail pieces and it is intended to follow up on this next year.

- **Credit Substitution Campaign**

DCU believed it was important to offer an alternative loan facility to that offered by the Money Lenders, particularly in these difficult times. While we were able to demonstrate significant savings on repayments, this campaign was not a success, with little take up or response to our campaign.

The Marketing Plan is reviewed at monthly meetings and further initiatives and campaigns are planned for 2010.

Website

The Dundrum Credit Union website has been upgraded and revamped. To date 1,700 members have registered for their new PIN numbers. Online transactions are now available with fund transfers available in the very near future. We continue to gather member email addresses in order to improve our communication with members via email.

DUNDRUM CREDIT UNION LIMITED

CU Online

We now have most of the utility companies on board and are pleased to announce the roll out of this service to our members. CU Online stands for Credit Union Online and is a new service being offered by your Credit Union, allowing you a wealth of online features and benefits, including:

- Pay Bills and transfer money to and from external bank accounts
- Calculate loan repayments
- Apply for loans online and check for loan approval
- Check Account balances and transactions
- Full online Statements
- Transfer money between your Credit Union balances
- Secure messaging to the Credit Union

Car Draw

Our members Monthly Car Draw continues to grow and we now have over 3,900 members in the draw each month. The winner can now opt for a cash prize instead of the car. We also have cash prizes every month and due to a surplus in the Car Draw fund we had a double car draw in August.

Sponsorship

During the year, Dundrum Credit Union was delighted to support a wide range of individuals, groups and community initiatives. See below for a full list of the beneficiaries:

Broadford Rovers Football Club
Meteor Basketball Memorial Tournament
Niall Melon Township Trust
Stackstown Golf Tournament
Holy Trinity National School
Queen of Angels National School
Irish Heat Foundation
Dundrum Festival
Mooreen / Blackthron Network Summer Camp
St. Michaels House
Ballinteer Community School
St. Johns GAA Club
St. John's Summer Camp
St. Mary's National School
Our Lady's Grove School
Irish Lebanon Project
Balally Parish
D.A.T.E.
Special Olympics
St. Benildus College
Notre Dame Junior School
St. Olaf's National School
St. Attracta's National School
St. Patrick's National School

DUNDRUM CREDIT UNION LIMITED

New Members

A total of 1,188 new members joined the credit union, including 534 junior members. We were very pleased with this number, given the current economic circumstances. It also showed the outstanding success of the School Savings Scheme.

Scholarship Draw

The Scholarship draw was a huge success this year with over 60 entries. Three members each received the sum of €2,000 toward their further education studies. The draw took place in the Dundrum office on October 15th 2009.

Credit Union Schools Quiz

The 2009 school quiz took place on Saturday 31st January in Taney Parish Hall. We had a total of 27 teams entered. Our President, Brid Darcy did a fantastic job as quizmaster. Winning teams were Divine Word, St. Attracta's and Scoil Naíthí.

Schools Saving Scheme

The School Saving Scheme has been a major success with 10 schools now participating in the scheme. Joining the credit union through a Credit Union Saving School Scheme allows the children to get into the habit of saving on a regular basis. All schools in the scheme receive a financial contribution every year.

In conclusion the committee would like to thank the management and staff for their co-operation and support this year. Particular thanks to Ms. Pauline Kent, our Marketing Officer, for her hard work, professionalism and endless enthusiasm.

Committee: Brid Darcy, Louise Church, Pauline Kent, Finbar Murphy, Jim Gillick & Pat Byrne.

DUNDRUM CREDIT UNION LIMITED

Report of the Education & Nominations Committee

Education is a key factor to our individual, member and community development. Our Credit Union is strongly committed to on-going education of members, staff, volunteers and the community in which we live.

We are delighted that Janice Kelly successfully completed the Qualified Financial Advisor (QFA) course this year.

The Financial Regulator has also approved two new qualifications for credit union personnel, the Advanced Certificate in Credit Union Practice (ACCUP) and the Credit Union Adviser (CUA). Gerry McConville and Pat Byrne have both successfully achieved the ACCUP, which is awarded by the University of Ulster, and more staff will be signing up for the CUA course in January 2010, when enrolments commence.

New training and development programmes are being developed for all staff on foot of the new Appraisal Scheme for staff.

Ongoing personal and professional development is a key activity for all board members and in addition to the technical updates and seminars held for directors, all directors are encouraged to actively avail of any other relevant education opportunities. We have conducted a training needs analysis of the current board members and will continue to target specific training opportunities in the coming year.

Another part of our educational remit is the talks to various schools and community groups on the benefits of credit union.

The Credit Union movement as a whole are dependent on Volunteers to run our organisations. In Dundrum Credit Union, we are fully cognisant of this fact. However, it is important that the volunteers bring ability, skills and knowledge to the mix. These abilities and skills do not need to be directly related to the credit union movement or activities, but the need to represent our community, its activities and the business environment.

To this end we have developed a new induction programme for members who wish to volunteer and are delighted to say that the first trial run of the programme in February and March last were very successful. We hope to continue to evolve the programme, as it is important to us that our Volunteers gain as much from the experience of time with Dundrum Credit Union as we gain from their knowledge and experiences.

In addition, the Education and Nominations Committee has heavily invested time in updating our policies and compliance in general.

Committee: Michele Brady, Sheila Lewis, Gerry McConville, Alan McDonnell, Eoin O'Cleary

DUNDRUM CREDIT UNION LIMITED

Report of the Strategic Planning Committee

The Strategic Plan currently in place was approved by the Board of Directors in February 2007. The Plan contains targets and goals designed to improve the credit union for all involved and many of these have been implemented already. However, given the financial climate this year some elements of the plan have been deferred in order to allow the staff and management of the credit union focus on core business. During the year the following were the key targets from the strategic plan which were achieved.

- A new Team Leader was appointed
- Job rotation has continued and is a core element of the plan with a view to improving the skill set of the staff.
- The volunteer recruitment programme was run on a pilot basis in early 2009 and resulted in 4 new volunteers on our committees this year.
- Rotation on a number of committees to ensure that directors have an equal opportunity to serve members continues.
- The new Laser payment option was introduced
- Internet access for all accounts and internet transactions have been enabled and are being launched as a new service. Payments can be made directly to and from your credit union account as part of this service. The credit union is also now part of the clearing system with our own sort code.
- The survey last year into active and inactive members has resulted in a focused marketing plan being developed and implemented.
- We now process over 90% of loan applications within 24 hours, with many loans processed 'on the spot'.
- Loan officers are now available across all the opening hours in all offices.
- Dundrum Credit Union is committed to co-operation with our neighbouring credit unions and we are involved with SWECU, a south and west Dublin credit union marketing group.
- We have been involved in a number of pilot schemes organised through the Irish League of Credit Unions over the last year.
- We actively support several groups within the area, particularly those involved with sport and youth.
- This year, we will focus a greater level of support for local organisations through sponsorship of events and also by co-operating with organisations on worthwhile projects.

Committee: Gretta Fletcher, Michele Brady, Brid Darcy, Gerard McConville, Michael Murphy, Edward Tobin, David Madden

DUNDRUM CREDIT UNION LIMITED

RULE AMENDMENTS

That this Annual General Meeting agrees to amend Rule 16 (1) (iii) of the Standard Rules for Credit Unions (Republic of Ireland) as follows:

By the substitution of "nil" for "€1.27".

That this Annual General Meeting agrees to amend Rule 16 (1) (iv) of the Standard Rules for Credit Unions (Republic of Ireland) as follows:

By the substitution of "five" for "one".

That this Annual General Meeting agrees to amend Rule 40 (2) of the Standard Rules for Credit Unions (Republic of Ireland) by the deletion of:

"and the balances shall be issued to each member at least quarterly, and the itemised statement shall be supplied on request to any member"

and the substitution of:

"where online access to members' accounts is available, the balances shall be issued at least annually. Otherwise balances will be issued at least quarterly. An itemised statement shall be supplied on request to any member."

DUNDRUM CREDIT UNION LIMITED

Notes

DUNDRUM CREDIT UNION LIMITED



Members of the Board of Directors and Supervisory Committee 2009.



Staff Members, Dundrum Credit Union.

DUNDRUM CREDIT UNION LIMITED



Dundrum Credit Union

Phone 299 0400

Fax 296 0535

Email: info@dundrumcu.ie

Website: www.dundrumcu.ie

OPENING HOURS

Dundrum Office

Monday	9.30am – 4.30pm
Tuesday	9.30am – 4.30pm
Wednesday	9.30am – 4.30pm
Thursday	9.30am – 5.30pm
Friday	9.30am – 7.00pm
Saturday	9.30am – 12.30pm

Ballinteer Office

Monday	Closed
Tuesday	9.30am – 4.30pm
Wednesday	9.30am – 4.30pm
Thursday	9.30am – 5.30pm
Friday	9.30am – 7.00pm
Saturday	9.30am – 12.30pm

Sandyford Office

Monday	Closed
Tuesday	9.30am – 4.30pm
Wednesday	9.30am – 4.30pm
Thursday	9.30am – 5.30pm
Friday	9.30am – 7.00pm
Saturday	9.30am – 12.30pm