



# ROSCREA CREDIT UNION ANNUAL GENERAL MEETING

20<sup>TH</sup>/DECEMBER/2006

## AGENDA

- (a) The Acceptance By The Board Of Directors Of The Authorised Representative 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) Report Of The Treasurer, Consideration Of Accounts And Approval Of Treasurer's Honorarium**
- (g) Report Of The Auditor**
- (h) Report Of The Supervisory Committee**
- (i) Declaration Of Dividend**
- (j) Report Of The Credit Committee**
- (k) Report Of Credit Control Committee**
- (l) Report Of Membership Committee**
- (m) Report Of Planning And Development Committee**
- (n) Report Of Social And Education Committee**
- (o) Report Of Any Sub-Committee**
- (p) Report Of Nominating Committee**
- (q) Appointment Of Tellers**
- (r) Election Of Auditor**
- (s) Election To Fill vacancies On The Supervisory Committee**
- (t) Election To Fill Vacancies On The Board Of Directors**
- (u) Any Other Business**
- (v) Announcement Of Election Results**
- (w) Adjournment Or Close Of Meeting**





## CHAIRMAN'S ADDRESS

Good evening,

I am pleased to present the Board of Directors report of Roscrea Credit Union, 2006 – our 39<sup>th</sup> year of operation.

The past year has, yet again, seen significant growth in our credit union, with substantial growth in both savings and loans. Membership continues to grow and is possibly now reaching saturation point.

While Roscrea might have missed the Celtic Tiger, I'm delighted to see the magnificent developments at Killavilla Soccer Club, the Golf Club, the swimming pool about to start and the huge increase in volunteerism in the numerous clubs around the town – something that's on the decrease nationwide. Indeed, the recent success of recent fundraising events goes to show the level of enthusiasm in the town. From the Tidy Towns perspective, it's great to see Roscrea doing so well in the national Pride of Place competition. It just goes to show what can be achieved when people work together. All of these factors make Roscrea a more attractive town and the ideal place to live. When the motorway is completed, Roscrea will be easily within commuting distance from Dublin and within easy access of the other main centres. This augurs well for the future.

We now have a youth committee in place, which consists of 14 pupils from Colaiste Phobal. This is an active committee which meets on a regular basis and whose job it is to encourage youth to join our credit union and to become actively involved. We have to remember that these young people will be our Board of Directors of tomorrow.

Roscrea Credit Union celebrates its 40<sup>th</sup> anniversary in 2007 and now has a committee in place to run a number of events during the year. I would encourage members to make contact with Brian King if they have any ideas. During this 40 years, the credit union has grown from strength to strength and has helped numerous community projects – most notably Colaiste Phobal and the swimming pool. There is no other financial service provider in Roscrea open 6 full days per week, with a comparable level of staffing. With annual transaction activity of c.€239m and total assets of €58m, it's hard to believe that the credit union is run with a voluntary board of directors. Within strict guidelines and increasing regulation, our credit union is at the forefront in offering new services, which is evidenced by our proposal to offer a new mortgage intermediary service.

I would like to draw your attention to a recent trend of debt consolidation. This involves financial institutions offering what would seem to be attractive financial packages. However, it does not make mathematical sense that you should be paying for your car over 20 years! There is free financial advice available in our credit union – please ask for advice before making hasty decisions.



I would encourage people to support your credit union. So much can be achieved when people work together. Don't forget that every euro made by our credit union is spent in Roscrea. All our shareholders are local!

I would like to thank my fellow directors, our very committed CEO and staff for their diligence and co-operation during the past year.

**Seamus Mullaney**  
**Chairman**





# Declaration & Adoption of Dividend Treasurer's Report

## Highlights

### Income:

- Interest Income Is Up By €179k
- Other Income Is up By €72k
- Total Income Is Up €252k - 7% Increase on last year

### Expenditure:

- Salaries Up €21K - 4% Increase
- Other Management Expenses Up €14K
- Bad Debt Write-Off up €230K
- Bad Debts recovered - €152k. Up on last year - a good performance
- Bad Debt Provision €150K - Now At 4.8% Of Total Loans
- Debt Collection Costs Down €7k
- Total Expenditure down €60k

### Surplus:

Overall Surplus is €1.8 million An Increase Of €237k On last Year

### Other Comments:

- €24 Million In Loans Approved This Year - Increase Of €5.2 million On Last Year.
- €18 Million In loans Repaid This Year
- Statutory Reserve Now Stands At €3.9 Million – 7.8% Of Total Savings
- Creating a further Community Reserve in the amount of €250k this year – towards swimming pool commitment
- Total Assets Now €9 Million – An Increase Of €6.5 Million On Last Year
- It's been a solid years performance.

### Declaration & Adoption of Dividend

The Board Of Directors Recommends The Capitalisation Of €30,292 By Way Of A 2% Dividend On Member Shares.

A deduction of €2.50 per adult member towards the ILCU affiliation fee – same as last year – is also recommended.





## Supervisory Committee Report

The Credit Union Act 1997 requires the appointment of Supervisory Committee which will oversee The Board of Directors in the performance of their duties and to examine books and documents of the Credit Union. The Supervisory Committee works independently of the Board of Directors.

Due to the continued expansion and growth of our Credit Union, we employ independent external auditors – Liam McGrath & Co., to undertake some of the Supervisory Duties. This external auditor reports directly back to Supervisory Committee.

The Supervisory Committee met with the Board during the year to review their performances and we attended all the board meetings. We are pleased to confirm that all the books and records are well maintained and are satisfied that the annual accounts have been independently audited and certified by Price Waterhouse Coopers.

The following checks and work was carried out by the Supervisory Committee during the year

- (1) A member of the Supervisory Committee attended every Board Meeting
- (2) A random check of Loan Applications and Share Withdrawals was carried out
- (3) All officer and staff loans were checked and granted in accordance with Rule 45, sub section 3 & 4.
- (4) A random check of member's passbooks was carried out.
- (5) The membership register was checked
- (6) The treasurer's monthly financial accounts were checked
- (7) Arrears and delinquency reports were monitored

We would like to thank the CEO Ray McCarthy and his staff and our Board of Directors for their help and assistance during the year. Finally, we would like to take this opportunity to wish all our members a Happy Christmas and Prosperous New Year.

*Supervisory Committee:*  
*Matt Talbot, Maura Coughlan & Tony Mason*





## Credit Committee Report

This report outlines the activities undertaken by the Credit Committee on behalf of the members during the past year. The Credit Committee met for a total of 50 meetings during the past year. There was a quorum present at all meetings and loans were approved or rejected in accordance with the Loans Policy.

There were a total of 5950 loans approved during the year totalling €22.4m. By now you should all be aware of our special rates of interest for certain loans which have proven a great success, such as car loans at 7%, with €6.4m in loans issued during the year. We also have a number of other “special rates” – holiday loans 8%, education loans 6% and computer loans 5.9% (the cheapest in Ireland). You will find it hard to beat these offers on the market place. And, don't forget that life cover is included at no extra charge.

A growing number of members seem to be borrowing very frequently throughout the year. As the greatest concern that the Credit Committee have when approving a loan is the member's ability to repay, these members may find their credit limit – their ability to borrow any more – “capped”. The removal of this capping may take some time. We had to reject 467 loans in the past year for a total requested value of €2.3m against a shareholding of €0.4m. There were many reasons for rejection – only one of which is already mentioned – “capping”. Other reasons for rejection were, unfortunately the most common ones, arrears and extremely frequent requests with insufficient ability to repay.

Some members unfortunately get into difficulties with their repayments for any number of reasons. Their circumstances could have changed for the worse since they took out their last loan or indeed, they were so anxious to get their loan that they promised to repay more than they can now afford. We advise these members to come and see our Credit Control Officer for advice on how to deal with their problem. We are here to help.

Roscrea Credit Union is also bound by legislation, which is supervised by IFSRA, which lays conditions on our ability to approve loans over certain periods of time. This legislation puts limits on the percentage of loans we can grant over a longer periods. These limits are currently set as follows:-

- 20% of our loans can exceed five years, and
- 10% of our loans can exceed 10 years.
- That is a total of 20% for all periods in excess of 5 years.

Last year we reported that we were in breach of these limits due to the legislation having been enacted after many of our loans were already out. We are happy to report that due to the embargo on loans in excess of the terms above, which we implemented, we are now no longer in breach of this legislation. It does not follow, that there will be a sudden flood of these types of loans granted in the future. Each proposal is examined and passes or fails on its merits. As a result, in order to continue



to conform to legislation, we cannot offer loans for periods in excess of five years unless we remain within the legal limits above by so doing. Any member with an outstanding loan can only receive a “top-up” if he/she can be approved in accordance with these limits.

The Credit Committee would like to thank the CEO, Staff and Board of Roscrea Credit Union for their help and courtesy during the year.

*Credit Committee:*

*Jim Bolger, Dick Conroy, Paul Ryan, and Hugh Keane.*





## Credit Control Committee Report

This year, we are writing off €287k – which is up €80k on last year, and have recoveries of €152k – which is up €77k on last year. We are writing off a further €349k, which relates to previous years – which was already provided for in our accounts and has been released from our provisions - this movement has no effect on this year's profit. We have put a further €150k back into our bad debt provisions in this financial year. This accounts for the net provision decrease of €199k. We would point out again, however, that this write-off is only an accounting exercise, with all of these members being pursued for full recovery of their debts up to and including possible arrest and imprisonment, as we have an obligation to other members/shareholders. We would encourage members who are in difficulty to contact our Credit Control Officer – Sarah Beasley, who will deal with their difficulty. To assist members whose levels of debt are becoming increasingly difficult to control, we offer a free financial budgeting service in-house to try to address their problems.

Our Bad Debt Provision at €1.8 million now represents 4.8% of loans outstanding. We feel this level is prudent in the current economic climate. It is hoped to at least maintain this level moving forward.

We would urge caution to all members in respect of borrowing. It is very easy to get finance at present – either from financial institutions or, even, supermarkets and credit card companies. Should the interest rates continue to increase, members could find themselves in severe financial difficulties. Please consider all the issues before taking on additional borrowings. We would also ask that members do not take offence if their loan applications are declined – the decision is in their own interest.

As advised at last year's AGM, Roscrea Credit Union has joined the Irish Credit Bureau. Details of all new loans will be given to the ICB, which could create problems for members who do not keep their accounts up to date. We are hopeful that, over time, this access will prove helpful in reducing our bad debt exposure. We also have online access to judgements registered, which is another tool we use in ensuring that we have accurate information.

Finally, we would like to thank the Credit Controller, CEO and staff for their help and support during the year.

*Credit Control Committee:*

*Tom McCarthy, Seamus Mullaney, Liam Phelan.*







## Membership Committee Report

The membership of Roscrea Credit Union has increased by approx 600 new members in the past year. Considering the fact that the membership has almost reached saturation point this is another excellent performance, of which the membership committee are very proud. Initiatives such as our revamped newsletter and our continuous involvement in many of the local community's events and activities have greatly helped with the Credit Union's profile both locally and nationally.

We encourage all members of Roscrea Credit Union to introduce new members. We would also appreciate if you would inform any potential new members that under legislation with regard the Money Laundering Act all new members are now requested to produce Full ID before they can be accepted as members of Roscrea Credit Union. This is no different to any other financial institution in the country.

We are delighted that Roscrea Credit Union continue to provide an excellent counter service, 6 days per week. Indeed, it is also gratifying to note that usage of our website has also increased. The website [www.roscreacu.ie](http://www.roscreacu.ie) allows members view their balances and apply for loans etc from the comfort of their own living room. If you have not received your PIN number that allows you access to the members section of the website then please do so and start enjoying the benefits of this wonderful service. All this year's AGM reports will be available on [www.roscreacu.ie](http://www.roscreacu.ie) from Friday the 22nd of December.

### **Childrens Accounts:**

Parents are advised that when an account is in the name of the child, the child has access to the account as soon as he/she can give the necessary receipts i.e sign his/her name. Parents are advised that if they do not want the child to have access to the funds they should open a separate account in their names. The Parents can decide to transfer the funds to the Childs Account whenever they see fit.

### **Nominations:**

The Membership Committee welcome the introduction of recent legislation governing nominations. See "Planning and Development Report". Members can nominate up to €23,000 – increased from €13,000.

### **40<sup>th</sup> Anniversary Celebrations:**

The Membership Committee would like to take this opportunity to wish the committee put in place to examine projects as part of the 40<sup>th</sup> birthday celebrations, the very best of luck.

We would like to thank the staff of the Credit Union for their support during the past year and look forward to another busy year ahead.

### **Membership Committee:**

*Patsy Treacy, Brian King & Denis Shanahan*





## Planning and Development Committee Report

This coming year sees the celebration of 40 years of Roscrea Credit Union. A committee has been put in place to deal specifically with events. That committee would welcome any constructive suggestions or ideas, Brian King – Business Development Officer is the contact.

A revision of the Credit Agreement has taken place and will be introduced shortly, which will require fewer signatures. A recent regulatory change now means that members can nominate up to €23,000 – increased from €13,000. Where nominations are not present, the Board of Directors can authorise the release of funds from deceased members accounts up to a value of €15,000 – increased from €6,400. All of these are welcome changes.

The car loan promotional rate of 7% was re-introduced last year and, again, has proven to be a great success as are our other promotional rates.

As advised at last years AGM, we joined the Irish Credit Bureau in 2004. Unfortunately, the initiation process has taken longer than expected. We have, eventually had the ICB software installed and it is now operational – only for members who sign a consent.

We would encourage members to use our Express Lodgement facility and direct debit system, which will save a lot of time. In addition, due to the Data Protection Act, we have introduced two types of receipt – one with balances and one only showing the amount lodged. Receipts with balances will now only be issued to the account holder.

The IT initiative with Deloitte has continued and is ongoing. The off-site backup is in place, which secures our data. You will have noticed a virtual internet access kiosk inside our main door for the past few months. This gives members access to both the credit union and roscreaonline websites.

Due to the success of Death Benefit Insurance, and in view of the increasing costs of funerals, it has been agreed by the Board to increase cover from €2600 to €3250, with effect from the 1<sup>st</sup> of January 2007. This cover will be paid by the Credit Union as an operational expense. It was suggested last year that we would review our level of insurance cover under lp/lis insurance, but the Board have decided to leave the current level of cover in place.

The maturity process for SSIA accounts has gone well, with a new deposit account for maturing funds available – whether the SSIA was held in our Credit Union or not, currently paying a rate of 2.5%.

We have introduced the Western Union facility through FEXCO, which has proven to be very popular, as are the ordinary foreign exchange services.



[www.roscreaonline.com](http://www.roscreaonline.com) continues to be a huge success, with c.5,000 users logging onto the website each week. Indeed, the credit union website – [www.roscreacu.ie](http://www.roscreacu.ie) has also seen an increase in activity, with more and more members applying for loans online.

We have paid €300k of our commitment to the Swimming Pool Company Limited in the past year and are putting aside a further €250k this year and trust that, when we meet at our AGM next year, the construction of the pool will be well advanced.

You may have noticed the new signs on the main approach roads to the town. Many favourable comments have been passed on the signs, which were made possible through roscreaonline and the OPW/Heritage Society. This shows what can be achieved when groups work together for the betterment of the town.

We recently revamped our newsletter, which looks very well. We hope to continue with this format next year.

As you may be aware, we have had the Qmark award for the past 6 years and, this year, have been awarded a “Recognition Award” by Excellence Ireland. We would like to thank Ena MacMahon who has worked so hard on this award. It is important that we maintain these high standards.

Should any members have constructive ideas for the further development of our credit union, these can be relayed to any committee member.

We thank the Board and staff for their support during the year.

*Planning and Development Committee:*

*John Gunnell, Brendan Wright, Liam Phelan, Noel Ryan, Ray McCarthy.*





## Social & Educational Committee Report

As usual, your credit union played an important role in social and educational events in and around Roscrea.

We continued to support the Roscrea People of the Year Awards, which honours local people who make a difference in our town. The event was held in Grants Hotel and was a great success.

During the Summer, we ran a draw and had a members day, where we had local musicians and dancers. We also sponsored the large planter boxes for Tidy Towns, which you see around the town, and which have made a huge difference. We also had a flying visit from Martin Sheen – of West Wing fame – who proved to be very popular.

The poster competition and quiz for primary school children were a huge success, as was the annual visit of Santa Claus to the local primary schools. We set up youth committees through the Colaiste this year, to help us further develop youth services. This committee should come to the fore this year as we try a few innovative ideas.

On the sporting front, we sponsored the Winter League in the Golf Club and continue to be one of the main sponsors of the St. Anne's Golf Classic and Rugby Club.

Our monster draw continues to be a great success, the format of which we changed this year, with increased prize values, which gives ten members an opportunity to win the big prize on a night in our office. Please remember that the draw is non-profit, with all funds paid out in prizes.

As you can see, we continue to seek new ways of developing our credit union and our town. All suggestions will be looked at favourably.

*Social and Educational Committee:*

*Noel Ryan, Brendan Wright, Matt Harte, Dymphna Kealey, Tracy Hynes, A L Mitchell.*

