



Portlaoise credit union

Annual Report 2009

Annual General Meeting,
Mon 30 Nov 2009, 8pm

Portlaoise Heritage Hotel



www.portlaoisecu.ie

Notice of AGM

THE ANNUAL GENERAL MEETING OF
PORTLAOISE CREDIT UNION WILL BE HELD
IN THE HERITAGE HOTEL, PORTLAOISE ON
MONDAY 30TH NOVEMBER 2009 AT 8PM.

The election of eight Members to the Board of Directors, one Member to the Supervisory Committee and an Auditor will take place at the meeting. Nominations for the positions must be made in writing and the completed Nomination Forms must reach the Credit Union's office in Portlaoise before 5pm on Friday the 27th November 2009. Nomination Forms are available on request at the Credit Union offices. Members are requested to bring their membership books as a means of identification.

Seamus McGrath, Secretary

AGM Raffle

Prize fund €1,000
and weekend away

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Welcome

GREETINGS FROM THE BOARD
AND STAFF OF PORTLAOISE
CREDIT UNION AND WELCOME TO
THE ANNUAL REPORT FOR 2009



It is a pleasure to report to you, on what has been a very busy year for your Credit Union. Highlights for the past year include:

- The 40th Anniversary celebrations of Portlaoise Credit Union.
- Strong performance coupled to a prudent approach.
- The appointment of a new manager Seán Dunne.

I wish to emphasize the AGM is your opportunity to have your say in your Credit Union. I therefore hope you will be able to attend on the night and take an active part in the evening. Portlaoise Credit Union is a co-operative owned and directed by its 13,000 Members and it is vital that Members continue to attend the AGM in large numbers to support your elected Board. I look forward to seeing you there and you never know, you could win a prize on the night.

Frank Cronin, Chairman

Statement of Directors' Responsibilities

The Credit Union Act 1997 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 the income and expenditure of the Credit Union 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 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.

AGM Agenda

1. Credit Union Invocation
2. Acceptance of Proxies (if any)
3. Ascertainment of Quorum
4. Adoption of Standing Orders
5. Review of Minutes – AGM 2008
6. Chairman’s Address/Report of Directors
7. Treasurer’s Report/Treasurers Honorarium
8. Declaration of Dividend
9. Auditor’s Report
10. Report of the Credit Committee
11. Report of the Membership Committee
12. Report of the Credit Control Committee
13. Report of the Promotion & Development
14. Motions
15. Report of the Supervisory Committee
16. Report of the Nominations Committee
17. Appointment of Tellers
18. Elections and Balloting
19. Guest Speaker
20. Any Other Business
21. Election Results
22. Raffle (Two cars and AGM draw)
23. Adjournment or Close of Meeting

AGM Standing Orders

VOTING

1. Each Member shall be entitled to one vote irrespective of his/her shareholding in accordance with Standard Rule 138.

ELECTION PROCEDURE

2. Nominations may be accepted from the floor in accordance with Standard Rule 136.
3. Elections to the Board of Directors, to the Supervisory Committee and to the position of Auditor shall be by majority vote and by secret ballot.

4. A Ballot Paper for the election of the Board of Directors and the Supervisory Committee where applicable will be distributed to each Member at the AGM.

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 Chairperson 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 Chairperson 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 Chairperson.
10. The Chairperson 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.

MISCELLANEOUS

11. The Chairperson of the Board of Directors shall be the Chairperson of any general meeting, except where he/she is not available, then it shall be the Vice-Chairperson, except where he/she is not available, in which case the Board shall decide amongst themselves who shall act as Chairperson of any general meeting.
12. The Chairperson may at his 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 Chairperson.
14. The Chairperson's decision on any matter relating to these Standing Orders or interpretation of same shall be final.
15. In accordance with Rule 131(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 shareholding, or the number of accounts in his 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 Rule 137 also re-election procedure.

16. Any matter to be decided upon by a vote of the AGM shall, unless otherwise expressly provided for by law or the rules, be decided upon by simple majority.

SUSPENSION OF STANDING ORDERS

17. 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.

ALTERATION OF STANDING ORDERS

18. 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.

ADJOURNMENTS

19. Adjournments of the AGM shall take place only in accordance with Standard Rule 131.

Chairman's Address/ Report of the Board of Directors



It is with great pleasure that I present, on behalf of your Directors, the 40th annual report on the activities of your Credit Union. As you know the AGM is the most important event in the life of the Credit Union each year. It is the meeting where you the Members can meet the Board that you elected last year to run the Credit Union on your behalf. It is here you can make your views known to the Board and vote on important matters such as the distribution size of our surplus and to elect new Directors and Supervisors.

The year 2009 has been an eventful and challenging year for PCU. This year we celebrated our 40th Anniversary which after a week of celebrations culminated in a civic reception last April in Arás an Chontae. In that celebration we remembered the founding fathers of our Credit Union who held a meeting on the 28th February 1969 under the chairmanship of Father William O'Mahoney who was serving as a curate in Portlaoise at the time. Many eminent people since then, including Mr. Michael O'Brien whose first anniversary occurs at this time, served on the Board. Happily one person from those days is still with us and still serving PCU and that is Michael Frayne.

As you are all aware we are in the midst of the deepest recession of our time which is ultimately affecting the lives of our Members. Banks and other financial institutions have curtailed their lending to the borrowing public because of their over-lending during the Celtic Tiger years. This has created a situation which has affected the whole financial services industry, including the Credit Union movement. This has resulted in increased Regulation and Compliance directed by the Credit Union Regulator. This overall environment has affected the bottom line surplus of PCU and has resulted in the Board of Directors of PCU only being able to recommend a dividend of 1%.

Security of member's funds has always been the primary focus of Credit Unions and we here in PCU support efforts to improve good practice which helps to protect our shares and savings. In time as we work through these matters I believe we will come out of the process in a much stronger position.

This year saw the departure of our long time Manager Paul Ryan who served us with great ability and resonance over the last number of years. Paul has since been appointed Manager of An Post Credit Union in Dublin and we wish him every success in his new position. Tonight it gives me great pleasure to introduce our new Manager to his first AGM of PCU. Seán Dunne, whose dad hails from the beautiful village of Clonaslee in the equally beautiful County of Laois, comes from Naas, Co. Kildare. Seán comes with many

qualifications and years of experience in the financial services industry. He commenced work with us in June and is in the process of putting his vast experience to work for us. In that he has the full support of the Board of PCU. On behalf of the Board and on your behalf I wish Seán the very best of luck and every success in his new position as Manager of our Credit Union.

Finally there are a number of people I would like to publicly thank. Firstly I wish to thank Tom Jacob who is stepping down from the Board of Directors to pursue other interests. Tom has put a lot of time and effort into PCU over the past number of years and for that we are extremely grateful. I wish him well in the future. Also I would like to thank Marie Delaney, who is stepping down from the Supervisory Committee, for all her hard work through out the past year. I wish to thank my fellow Directors who elected me as Chairman for all their support throughout my term of office. I would also like to thank the staff of PCU for there hard work and commitment. To the many Committees (Supervisory, Credit Control, Credit Committee, Membership, Investment, I.T., Development & Promotion, Events, Youth and Community) and volunteers I say very well done. The Credit Union could not function without you.

In conclusion on behalf of the Board may I extend our sincere sympathy to you the family and friends of our Members who passed away during the year. We wish a speedy recovery to any Members who are ill at present. Go n-eirí an bóthar leat.

Frank Cronin, Chairman,
Portlaoise Credit Union



Tom Jacob who retires
as a Directors after
the AGM 2009

Treasurer's Report



It is my duty to report to you on the finances of the Credit Union for the year ended 30 September 2009. Following the usual practice, I do not intend to read the figures at the AGM but to draw your attention to some of the key points.

As you are no doubt aware the past year has been very challenging in financial terms from a national, local and in many cases individual point of view. The pace of the economic down turn both in the country and abroad has resulted in unprecedented turmoil. The world's capitalist economy has plunged into a sustained economic depression. The signs are that this depression shall be deep and prolonged. Financial institutions in Ireland have only survived with government aid. In this context it has been a reasonably satisfactory year for Portlaoise Credit Union. We continue to provide our Members with a safe and secure home for their savings and continue to lend at a fair and reasonable rate. In general, it has been a satisfactory year in financial terms. The assets of the Credit Union are €54.5 million (mln) and we have a very strong balance sheet in terms of reserves and liquidity.

Income

Total income of Portlaoise Credit Union for the past year decreased by 3% to €3.3mln reflecting the current economic downturn. Interest on Members loans continued, by far, to be the largest part of our income followed by investment income. Interest on Members' loans decreased by 2.5%, while investment income dropped by 3%. The overall return on investments reflects the variance in returns available on the money markets during the year coupled to our prudent strategy of investing in low risk products.

Expenditure

Expenditure for the year increased by 42% to €2.3mln driven by increases in Bad debts written off and Provision for Bad and Doubtful debts. Because of the current economic climate we have seen a significant rise in bad debt write offs. This is being closely monitored by the Board who have taken the prudent decision of transferring a further €500,000 into our bad debt reserve in order to keep the balance sheet strong. Actual bad debts written off for the year was €507,070 with previous bad debts of €38,309 recovered. Salaries and free Members insurance cover continue to be large costs however rises in these areas were a modest 2% & 1% in the year. Our Credit Control Staff and the Credit Control Committee continue to work as a team to keep bad debts to a minimum I would like to acknowledge their commitment and thank them on your behalf.

Appropriation of Surplus

The surplus at the end of the year is €1.005mln. The Directors are recommending a transfer of €200,000 to the Statutory Reserve and a further transfer of €200,000 to an

Additional Regulatory Reserve, a transfer of €12,000 to the Community Fund and a dividend on Members' shares of 1%. The proposed dividend amounts to €471,000.

Balance Sheet

Total assets are €54.5mln, with loans to Members decreasing by 11% to €28mln. Member's shares, excluding the proposed dividend, have increased by 3.3% to €48mln. The balance sheet remains very strong in terms of our statutory reserve, general reserve, provision for possible bad debts and liquidity.

Looking forward

As I have outlined, with consideration to the faltering national economy resulting in financial pressure on many of our Members, it has been a satisfactory year in financial terms. The Board would be disappointed with no growth in the loan book this year but our priority is to keep the Credit Union safe on your behalf. This is achieved by exercising prudent lending, safe investments and good housekeeping on expenditure.

The returns from our investments are very important to the Credit Union's finances. These returns can vary widely depending on the interest rates available in the markets. Our investments are managed by a Liquidity & Investments Committee that meets every month and, in this regard, I would like to thank my fellow committee Members Michael Frayne, Niall Kavanagh, Sean Mullins, our previous Manager Paul Ryan, our new Manager Seán Dunne and Anne-Marie Keating for their diligence over the past twelve months. I would also like to record my thanks to our investment advisers, Global Reach Securities.

I also wish to thank my colleagues on the Board, the Supervisory Committee and the staff, particularly Anne-Marie Keating who looked after the finances on a day-to-day basis during the year. I would like to extend my thanks also to our previous Manager, Paul Ryan, for his assistance in relation to the operation of the Credit Union. I wish our new Manager Seán Dunne good luck with his new position assuring him of my future co-operation at all times. Finally I wish to acknowledge the work of the Auditor, Hayden Brown & Co, and in particular the assistance of Ciaran Murray.

Many thanks for your attention.

Trudy Nealon, Treasurer,
Portlaoise Credit Union

Income and Expenditure Account

Year ended 30 September 2009

INCOME	Schedule	2009	2008
		€	€
Interest on Members' loans		2,569,364	2,634,320
Members' deposit interest, and similar charges		(13,319)	(276)
Other interest receivable/similar income	1	730,463	751,575
Net interest income		3,286,508	3,385,619
Other income	2	28,637	30,937
TOTAL INCOME		3,315,145	3,416,556
EXPENDITURE			
Salaries plus Pension Costs		578,041	567,819
Other management expenses	3	1,198,948	864,055
Depreciation		70,600	105,440
Provision for bad and doubtful debts		500,000	150,000
Bad debts recovered		(38,309)	(64,161)
TOTAL EXPENDITURE		2,309,280	1,623,153
EXCESS OF INCOME OVER EXPENDITURE		1,005,865	1,793,403
LESS: Transfer to statutory reserve		(200,000)	(500,000)
LESS: Transfer to additional regulatory reserve		(200,000)	(0)
LESS: Transfer to community fund		(12,000)	(12,000)
LESS: Transfer to dividend reserve fund		(590,000)	(1,280,000)
SURPLUS FOR THE YEAR		3,865	1,403
On behalf on Portlaoise Credit Union, Trudy Nealon, Treasurer Frank Cronin, Chairman Pat Fahey, Supervisor October 2009			

Balance Sheet

As at 30 September 2009

ASSETS	Note	2009 €	2008 €
Tangible Assets	3	3,147,255	3,211,479
Investments		22,732,218	18,718,431
Members Loans		27,990,746	31,503,277
Less: Provision for bad and doubtful debts		(1,500,001)	(1,000,001)
Debtors & Prepaid Expenses	4	157,620	75,229
Cash at bank and in hand		2,117,863	844,756
Creditors: Amounts falling due within 1yr	5	(68,628)	(46,477)
NET CURRENT ASSETS		28,697,600	31,376,784
TOTAL ASSETS Less current Liabilities		54,577,073	53,306,694
MEMBERS RESOURCES			
Members shares		48,120,952	46,551,978
Statutory reserve	7	4,860,781	4,660,781
Additional regulatory reserve	7	700,000	0
General reserve	7	126,765	126,765
Community fund	7	11,075	24,669
Dividend reserve fund	7	591,134	1,280,000
General fund	7	166,366	662,501
TOTAL LIABILITIES		54,577,073	53,306,694

Cash Flow Statement

Year ended 30 September 2009

	Note	2009	2008
		€	€
OPENING CASH & INVESTMENTS	A	19,563,187	18,856,649
RECEIPTS			
Members' shares		25,252,163	25,400,083
Members' loans repaid		14,973,739	16,438,375
Members' loan interest received		2,569,364	2,634,320
Investment interest received		730,463	751,575
Bad debts recovered		38,309	64,161
Other receipts		28,637	30,937
(Increase)/decrease in prepayments		(82,391)	31,770
TOTAL	B	43,510,284	45,351,221
DISBURSEMENTS			
Members' shares withdrawn		23,683,189	24,553,525
Members' loans granted		11,461,208	17,393,741
Interest paid		13,319	272
Dividends paid		1,278,865	1,212,723
Operating expenses		1,802,584	1,444,189
Fixed assets purchased		6,376	24,651
(Increase)/decrease in other liabilities, accruals and charges		(10,951)	15,582
TOTAL	C	38,234,590	44,644,683
CLOSING CASH & INVESTMENTS A+B-C		24,838,881	19,563,187

Accounts Schedules

Year ended 30 September 2009	€	€
SCHEDULE 1	2009	2008
OTHER INTEREST RECEIVABLE AND SIMILAR INCOME		
Investment Income	730,463	751,575
TOTAL per Income & Expenditure Account	730,463	751,575
SCHEDULE 2		
OTHER INCOME		
ECCU – claims experience refund	5,024	8,154
Commissions	23,613	22,783
TOTAL per Income & Expenditure Account	28,637	30,937
SCHEDULE 3		
OTHER MANAGEMENT EXPENSES		
Treasurer's honourarium	5,250	5,250
Rent and rates	27,329	30,556
Lighting, heating and cleaning	21,291	16,880
Repairs and renewals	16,191	14,561
Printing and stationery	20,983	20,942
Postage and telephone	21,894	22,189
Debt collection	27,852	35,682
Promotion and advertising	21,959	26,479
AGM and convention expenses	24,548	25,953
Chapter expenses	1,761	2,056
Travel and subsistence	9,996	5,867
Bank charges	8,948	4,165
Audit fee	14,580	13,915
Legal and professional fees	11,066	1,631
General insurance	25,434	26,346
Share and loan insurance (gross)	298,414	294,800
Computer maintenance	26,794	26,209
Bad debts written off	507,070	205,167
General expenses	81,792	73,973
Asset management fees	15,730	10,235
Uniforms	10,066	1,202
TOTAL per Income & Expenditure Account	1,198,948	864,055

Notes to Financial Accounts

1. ACCOUNTING POLICIES

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

Accounting Convention

The financial statements are prepared under the historical cost convention.

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 and gains received at the balance sheet date and receivable within twelve months of the balance sheet date are recognised in the income and expenditure.

Investment income receivable after twelve months of the balance sheet date is transferred to a reserve which is designated as not eligible for distribution until such time as the income is received or receivable within twelve months of the balance sheet date.

Tangible Fixed Assets and Depreciation

Tangible Assets are stated at cost less accumulated depreciation. Depreciation is calculated in order to write off the cost of the tangible assets over their expected useful lives at the following annual rates:

- Development of New Premises - 2% Straight line
- Fixtures and Fittings - 15% Straight line
- Office equipment - 20% Straight line

Investments

Investments will be carried in the balance sheet at the lower of cost and market value, other than investments which have a guaranteed maturity / redemption value at a fixed future date, which will be carried at cost plus accrued income (if any) until that date.

The Credit Union Act 1997 requires that the lower of cost and market value is applied to each investment individually and not to the investment book as a whole. Investment decisions are made with an intention to hold all investments until their maturity date rather than to sell once they are in profit. Any exception to this will involve a change in accounting policy and needs approval of the Board.

Investment income will be reflected in the income and expenditure on an accruals basis.

Bank deposits, term deposits and other short term deposits: These are valued at the deposit amount plus any accrued interest where the Credit Union has title to the interest on a time basis.

Notes to Financial Accounts / contd

Investments with guaranteed returns: These are valued at cost plus guaranteed returns proportionally spread out over the life of the investment. These investments and any gains which are guaranteed under the terms of the investment / policy are only guaranteed if held to maturity. Investments are only capital guaranteed if held to maturity and if the institutions fulfill their obligations. The Board of Directors are currently satisfied that these conditions will be met.

Investments with return of capital guaranteed: These are valued at the lower of cost or market value but not lower than the capital guaranteed amount. Dividend or other income is recognised in the income and expenditure account when it is received or receivable within one year of the balance sheet date. Investments are only capital guaranteed if held to maturity and if the institutions fulfill their obligations. The Board of Directors are currently satisfied that these conditions will be met.

Pension Costs

The credit union participates in an industry-wide pension scheme for employees (The Irish League of Credit Unions Republic of Ireland Pension Scheme). This is a funded scheme of the defined benefit type, with assets invested in separate trustee administered funds.

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

The last such actuarial review was carried out with an effective date of 1st March 2005 using the Projected Unit Credit method. This review recommended a long term funding rate to 20.3%. The cost of risk benefits is paid in addition to this rate.

The Scheme Actuary is currently working on the actuarial review for the scheme year 1st March 2009. This report will be made available in December. It should be noted that the above rate is based on the long term funding objectives. As a separate requirement under section 56(1) of the Pensions Act 1990, the scheme actuary must carry out a separate valuation every three years and produce a funding certificate for submission to the Pensions Board within nine months of the effective date of the valuation. The purpose of the certificate is to certify whether or not the assets of the scheme at the effective date are sufficient to meet the liabilities of the scheme based on the assumption that the scheme was wound up at that date.

An actuarial funding certificate, certifying the Scheme did not meet the statutory minimum funding standard was submitted to the Pensions Board with an effective date of 1 September 2002. Consequently, the Employer and Trustees were required to adopt and submit a funding proposal, in accordance with Section 49 of the Pensions Act 1990, to the Pensions Board. The objective of the funding proposals is to ensure the Scheme can satisfy the statutory funding standard by the time the next actuarial funding certificate is due. The Trustees applied to the Pensions Board for an extension of the date by which they must satisfy the funding standard to 1 September 2012.

Notes to Financial Accounts / contd

The funding proposal recommendation overrides the long term funding rate produced in actuarial report. The rate recommended in the funding proposal is 23.7% of pensionable salary from 1st March 2006. The cost of risk benefits is paid in addition to this rate.

The adequacy of the funding proposal is monitored on an annual basis through the actuarial statement in the Trustee Annual Report. Depending on Scheme experience each year, the funding proposal and contribution rate may need to be increased following any Trustee Annual Report. The actuarial statement in the annual report for the scheme year ended 28th February 2007 stated that the actuary was reasonably satisfied that, based on the existing funding proposal, the scheme will satisfy the funding standard as specified in Section 44 of the Pensions Act, 1990, at the effective date of the next Actuarial Funding Certificate.

This in effect meant that the scheme could have met the funding standard requirements by 1st September 2008. Recent market changes may have had an impact on this position. The actuary is currently reviewing the up to date position and will include a statement in the annual report for the scheme year ended 28th February 2008 which will be issued at the end of November in accordance with the legislative requirements.

The scheme is a defined benefit scheme. However, the credit union is unable to identify its share of the underlying assets and liabilities. Consequently, the credit union 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.

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 Resolution 49 of the Irish League of Credit Unions. An additional provision of €893,173 is considered prudent by the board of directors.

2. EMPLOYEES

The average number of people employed by the Credit Union during the year is as follows:

	2009	2008
Number of Administration Employees	4	4
Number of Clerical Officers	11	11
TOTAL NUMBER OF EMPLOYEES	15	15
EMPLOYMENT COSTS	€	€
Wages and salaries	498,635	488,575
Other pension costs	79,406	79,244
TOTAL EMPLOYMENT COSTS	578,041	567,819
Bad debts written off	507,070	205,167

Notes to Financial Accounts / contd.

3. TANGIBLE FIXED ASSETS

	New Premises	Stradbally Premises	Fixtures & Fittings	Office Equipment	Total
COST	€	€	€	€	€
At 1/10/08	3,342,727	20,066	155,007	437,625	3,955,425
Additions	–	–	–	6,376	6,376
Balance 30/9/09	3,342,727	20,066	155,007	444,001	3,961,801
DEPRECIATION					
At 1/10/08	229,628	19,098	122,768	372,452	743,946
Charge for yr	38,666	323	13,366	18,245	70,600
Balance 30/9/09	268,294	19,421	136,134	390,697	814,546
Net book value 30/9/09	3,074,433	645	18,873	53,304	3,147,255
Net book value 30/9/08	3,113,099	968	32,239	65,173	3,211,479

4. SUNDRY DEBTORS

	2009	2008
Amounts falling due within one year	€	€
Prepayments & Accrued Income	157,620	75,229

5. CREDITORS

	2009	2008
Amounts falling due within one year	€	€
Sundry creditors and accruals	57,428	46,477
Bank overdraft	11,200	–
TOTAL	68,628	46,477

6. PROPOSED DIVIDENDS

	2009		2008	
	Rate	€	Rate	€
Dividend on Shares	1%	471,000	2.75%	1,270,000

Portlaoise Credit Union has adopted FRS 21 “Events after the balance sheet date”. Under this standard, dividends will be recognised when a liability to pay the dividend is created. This means that dividends recommended by the credit union to be paid following the AGM will no longer be reflected as a liability in the financial statements of the credit union until such time as they are approved at the AGM.

Notes to Financial Accounts / contd.

7. OTHER RESERVES	1/10/08	Net Movement	30/9/09
Statutory Reserve	4,660,781	200,000	4,860,781
General Reserve	126,765	–	126,765
Community Fund	24,670	13,595	11,075
Dividend Reserve Fund	1,280,000	(688,866)	591,134
Additional Reg. Reserve	0	700,000	700,000
General Fund	662,501	(496,135)	166,366

8. INSURANCE AGAINST FRAUD

The Credit Union has insurance against fraud in the amount of €2,600,000 in compliance with Section 47 of the Credit Union Act 1997.

9. HONOURARIUM TO TREASURER

The Directors recommend that the Treasurer be paid an honourarium of €5,250 (2008 - €5,250) for the year ended 30 September 2009.

10. PENSION COSTS

The Credit Union operates a defined benefit pension scheme. The assets of the scheme are held separately from those of the Credit Union in an independently administered fund. The pension charge in the Income and Expenditure Account is equal to the contributions paid during the year which amounted to €79,406 (2008 - €79,244)

11. RELATED PARTY TRANSACTIONS

Included in loans is an amount of €84,589 representing loans to officers. New loans amounting to €33,012 were issued to officers during the year.

12. RATES CHARGED ON MEMBERS LOANS

Portlaoise Credit Union charged the following rates of interest during the year.

Personal Loans	8.99%	Student Loans	6.50%
House Deposit Loans	5.99%	Secured Loans > €50,000	6.50%
Special Car Loans	6.99%	Special 1 Year Loan	5.99%

13. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board on 23rd October 2009.

Auditor's Report

We have audited the financial statements of Portlaoise Credit Union Ltd for the year ended 30th September 2009 which comprise of the Income & Expenditure Account, Balance Sheet, Cashflow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein and the accounting standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practices in Ireland).

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 we are required to state to them in an auditors report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Credit Union and the Credit Union's Members as a body, for our audit work, for this report, or for the opinions we have formed.

Responsibilities of Directors and Auditors

As described in the Statement of Directors Responsibilities on page 4 the Credit Union's 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 (Ireland and UK) issued by the Auditing Practices Board in Ireland and the United Kingdom.

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. 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. The other information comprises only the Directors' Report, the Chairman's Statement and Operating and Financial Review. We consider the implications for our report if we become aware of any apparent misstatement 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 (Ireland and UK) 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

Auditor's Report / contd.

preparation of the financial statements, and of 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 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.

Hayden Brown
Public Auditor, Hayden Brown,
34 Grafton Street, Dublin 2.

Monthly Car Draw at AGM

**TWO CARS WILL BE RAFFLED!
(NOVEMBER AND DECEMBER DRAWS)**

To be included in the car draws at the AGM, you need to have submitted the monthly car draw application form by Wednesday 25 November 2009. Membership of the car draw costs €1 per week, deducted automatically from your shares.



Report of the Credit Committee



The Credit Committee meets each week to consider the granting of the larger loans by the Credit Union and to review the loans granted the previous week by the staff loan officers.

Once again it has been a busy year for the committee, with loan advances of €11.37M during the year. This represents a drop of 35% on loans issued last year reflecting the slow down in the economy and people's growing reluctance to borrow in the present environment.

Car purchase and home improvement have continued to be the most popular reasons for loans. Other typical loan applications include loans for holidays, computers, motor insurance, medical expenses, green energy and third level education.

We continue to grant a large proportion of loan requests on the spot. When analysing the application we primarily focus on the Members ability to repay and factor in Members repayment history to date. In some cases we will request further information to support their repayment ability. We also look at the purpose and term of the loan sought. Finally all applicants are checked through the Irish Credit Bureau before the decision is made.

Looking forward it is clear now the current economic slow down is effecting the overall level of credit union lending. On the one hand, Members tend to borrow less when they are less confident about the future. However the banks continue to be reluctant to lend therefore making credit union loans a better option. Remember the Credit Union operates as "A financial co-operative owned and controlled by its Members, for its Members".

The Committee wishes to highlight to Members that a loan from the Credit Union is by far the best way to borrow. Low rates of interest coupled to free loan insurance and the flexibility to repay the loan more quickly without penalty are unbeatable advantages. Ask yourself: Do I have any loans? and Why are they not with the Credit Union? I urge you all to promote the Credit Union message to your family, neighbours and work colleagues and further strengthen you local Credit Union.

Finally I would like to express my appreciation to my colleagues on the Credit Committee, Peggy Dunne, Peter Scully, Margaret Carroll, Bill Carroll and Seamus McGrath for their hard work over the past year. The committee is also grateful to our colleagues on the Board of Directors and the Supervisory Committee for their advice and support. Finally, the Credit Committee wishes to thank our staff, particularly Nicola Carroll, Emer Conroy, Noeleen Dempsey and Lisa Reddin who are all closely involved with loan applications.

John Forristal
Credit Committee

Report of the Membership Committee



It is my pleasure to present this years' membership report in this our 40th year. This year the Membership committee comprised of Ann Quigley, Dolores Rafter and myself. Sadly Dolores passed away during the year and we greatly miss her effort and input.

Membership as at 30 September 2009 has increased to 12,185 up from 11,851 as at the same time last year. As is evident membership numbers continue to grow albeit at a slightly lesser pace than 2008. The figure for dormant accounts has also increased during the year and it is our intention in 2010 to promote the targeting of these accounts for re-activation.

The role of the Membership Committee continues to be the examination of each new member application. The main requirement for all new applicants is that they are either living or working within our "common bond". We also must ensure that the anti-money laundering regulations have been complied with. Typically, Members of the committee spend several hours each week approving new Members.

We are actively targeting new membership through our association with local schools and the running of our school credit union. We continue to explore creative ways of growing our membership.

During this current economic downturn I firmly believe membership of your local credit union is of greater importance. We are here to help all our Members and in this regard I would request all Members present here to night to actively promote your credit union to your family, neighbours and friends.

Finally I would like to thank the board, supervisors and staff for all there assistance throughout the past year and look forward to working with them in the future. I would also like to thank the committee for all there hard work.

Margaret Carroll
Membership Committe

Report of the Credit Control Committee



2009 has proved to be a busy and difficult year for the Credit Control Committee due to the current national economic climate. This has resulted in a continued increase in the workload of the committee and prompted the taking on of additional volunteers during the year.

The main function of the Credit Control Committee is to ensure the repayment of loans by the Members of the Credit Union in accordance with their loan agreement. Although the vast majority of the Members repay their loans as agreed, an increasing number of Members are experiencing difficulties meeting their commitments. More than ever the Credit Control Committee stresses the vital need for Members to approach the Credit Union early so as to allow us assist in the orderly repayment of their loans. We continue to monitor and review the policy and procedures for Credit Control and update them accordingly.

The bad debt figure for this year is €507,070. During the year we recovered €38,308 in bad loans we had previously written off and we continue to actively pursue all monies outstanding by way of phone calls, home visits, letters and legal action where necessary. In line with the current environment the Board recommends an increase in Bad Debt provision by €500,000 to bring the overall Bad Debt provision figure to €1,500,001. This represents an additional provision of €893,173 over the figure required as set down by Resolution 49 of the Irish League of Credit Unions.

At this point I wish to thank the following for all there help and assistants over the past year: John Egan, Joe Quigley, Jimmy Bergin, Ray Little, Billy Fitzpatrick, Sean O’Gorman and Ger Fitzgibbon. I would also like to thank Deirdre Fingleton, Michelle Langton and Manager Sean Dunne for all their assistance during the year.

Har Fingleton
Chairman, Credit Control Committee

Report of the Development & Promotion Committee



The Development & Promotion (D&P) Committee meets every month with the aim of guiding the development of Portlaoise Credit Union. We ensure that the Credit Union Strategic Development Plan is on track, we initiate innovative projects that involves and develops our volunteers in their various roles in Portlaoise Credit Union. We also have responsibility for administering the Community Development Fund that supports community groups through sponsorship.

The D&P Committee has a key role in ensuring that the Member needs of the future are identified and planned for in a structured and timely fashion.

Some of the projects that the D&P Committee have initiated this year include:

- The continuation of the CU Gold Deposit account for Members who want a somewhat higher return on savings and can lock funds away for a year
- Developing the car draw, including holding draws in local shopping centres and other public venues
- Planning the next credit union strategic plan to cover 2010 to 2011
- Improving Volunteer Communications-Governance
- Identifying ways to improve member communication through newsletter and web site development
- Planning and delivery of the Credit Union 40th anniversary Civic Reception & Credit Union 40th Anniversary Booklet. Library Research of archives is ongoing on this project that will result in compiling a Portlaoise Credit Union Journal.
- The successful Volunteer Recruitment Project resulted in the establishing of a Youth Committee, Community Committee and Events Committee.

Portlaoise Credit Union is also a member of Laois Credit Unions, a group that organises joint marketing, sponsorship and training initiatives for the Credit Unions in Laois. The D&P Committee is the link with Laois Credit Unions and Members of the D&P Committee attend its monthly meetings around the county.

I would like to thank my fellow committee Members for their contributions to the various projects throughout the past year: Phil Coughlan Hon.Sec. Tom Jacob, Har Fingleton, Sean Dunne, Joe Quigley, Marie Christie, Ciaran Brosnan Frank Cronin, Ger Fitzgibbon and Marcella Dowling.

Philip Coonan
Development & Promotion Committee

Report of the Supervisory Committee



During the past year the Supervisors met regularly, attended all Board and various committee meetings and carried out checks on the financial records and Members' accounts.

Review meetings were carried out with the Board of Directors to discuss the performance of their functions and to make recommendations where changes may be required. We also met with the Auditor to discuss the work carried out by him and the work carried out by ourselves during the year. A number of Training sessions were also attended.

We can report that the work of our Board of Directors has been carried out to the best of their ability. Your Credit Union is being run in accordance with the rules laid down by the Credit Union Act, 1997, ILCU (Irish League of Credit Unions) and the Financial Regulator. We acknowledge that the past year has been difficult both internally (replacement of the Manager) and externally (the general dramatic change in the economic environment). We would like to compliment the Board on the successful employment of a replacement Manager and the Staff for their cooperation during this process. The Board have also managed our Investments in an effective manner and have ensured that "investments by a Credit Union must not involve risk to Members Savings" in line with the guidance laid down by the Regulator. We encourage the Board to complete the process of reviewing/ amending our Lending process and ensure that it complies with the prudent guidelines laid down by the Financial Regulator.

We would like to confirm that the committee has fulfilled its functions during the last 12 months. We wish to thank the Board of Directors, Manager and Staff for their commitment, help and assistance during the last year. We also wish Sean, our new Manager, every success and a long and fruitful association with our Credit Union. On your behalf I wish to thank my fellow supervisors Maria Delaney, Rita Murphy Kerry and volunteer Mary Reddin for giving so freely of their time.

Pat Fahey
Chairman, Supervisory Committee

STATEMENT OF SUPERVISORY COMMITTEE'S RESPONSIBILITIES

The Credit Union Act 1997 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.

Taxation of Dividends

Traditionally, Members of Credit Unions were expected to include their dividends when making tax returns each year. The Credit Union was not required to provide information on dividends to the Revenue. Having said that, many Credit Union Members are not liable for income tax, particularly with tax levels reducing in recent years. Such Members have no tax liability on dividends.

SINCE 1 JANUARY 2002

Members have had a choice as to how dividends on their shares are taxed:

1. Continue the traditional way, as above.

or

2. Ask the Credit Union to treat their shares as a “Special Share Account”, with automatic deduction of DIRT at 25% from your dividend, in full settlement of your tax liability. You are not required to make any declaration to the Revenue and the Credit Union will return all tax to the Collector General on a NO-NAME basis (see changes from 2009 below).

Unless you instruct us to the contrary, we will assume that you have opted for 1 above.

DIRT FOR OVER 65'S AND PERMANENTLY INCAPACITATED PEOPLE

If you or your spouse are aged over 65 during the year and your total income during the year does not exceed €20,000 (single/widowed) or €40,000 (married), you can claim exemption from the deduction of DIRT. A Declaration form must be completed and forms are available from the Credit Union.

Permanently incapacitated people may claim the exemption if income is lower than €5,210 (single/widowed) or €10,420 (married) but exemptions are processed through the local Revenue office.

DIRT REPORTING REQUIREMENTS FROM 2008

It was announced in May 2008 that dividends or deposit interest over €635 a year must be reported to Revenue by banks and credit unions. This will apply to all deposit accounts from 2008 and all credit union dividends from 2009 onwards. To stop people splitting their accounts to avoid reporting, interest in the first year of new accounts must be reported from 2008.

For more information see www.revenue.ie

Credit Union Board of Directors, 2008-2009

Frank Cronin (Chairman)	Margaret Carroll	John Forristal
Philip Coonan (Vice Chairman)	Clive Davis	Michael Frayne
Seamus McGrath (Secretary)	Peggy Dunne	Har Fingleton
Trudy Nealon (Treasurer)	John Egan	
Tom Jacob	Joe Quigley	

Credit Union Supervisory Committee, 2008-2009

Pat Fahey (Chairman)	Rita Murphy Kerry (Secretary)	Maria Delaney
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Other Volunteers - All New Volunteers of 2009

James Bergin	Jim Healy	Peter Scully
Phil Coughlan	Niall Kavanagh	Dolores Rafter
Michael Feane	Sean Mullins	

Credit Union Staff

Seán Dunne (Manager)	Lisa Reddin	Deirdre Walsh
Cora Cahill (Asst. Manager)	Anne-Marie Keating	Anne-Marie Bennett
Nicola Fitzpatrick	Anne Blanchfield	Olive Fitzpatrick
Emer Conroy	Bill Carroll	Emma Sinnott
Jerry Deegan	Deirdre Fingleton	Michelle Langton
Noeleen Dempsey	Liz Flanagan	
Sandra Bergin	Sharon Tarrant	

Registered Office

James Fintan Lalor Ave, Portlaoise, Co. Laois

Opening Hours

Portlaoise Office:	Mon to Fri, 9.30am - 5.15pm Sat, 9.30am - 2pm
Stradbally Office:	Thurs and Sat, 10am - 1pm

Banker

Ulster Bank Limited, Portlaoise

Solicitors

Bolger, White, Egan & Flanagan, Portlaoise

DO YOU USE THE INTERNET?

To check your account or apply for a loan online, use www.portlaoisecu.ie

THINK LOAN - THINK CREDIT UNION

There is no better time as now to apply for a loan from your local Credit Union. Our rates are some of the keenest around and you can borrow while holding as little as 100 in shares. So why not call in today or apply online at www.portlaoisecu.ie

Terms and conditions apply

The Credit Union is a financial co-operative, set up by its Members to provide good value services, designed around Members' needs. It continues to be owned and directed by its Members, some 13,000 people living in Portlaoise, Stradbally and the surrounding countryside.

MONTHLY CAR DRAW

Because of the Christmas break, the car draws for November and December will both take place at the AGM on 30 November at the Portlaoise Heritage. Yes, two Toyota Yaris cars, two runners up prizes of €750 and two runners up prizes of €500! Join the car draw by completing the car draw entry form by Wed 25 November. Cars are supplied by Des Hughes Motors, Portlaoise.



Portlaoise
credit union