

Dubco



Credit Union Limited

ANNUAL REPORT & ACCOUNTS 2003

The Ethical Alternative

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 darkness, light;
and where there is sadness, joy.

○ Divine Master, grant that I may
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.

ACHAINÍ AN CHOMHAIR CHREIDMHEASA

A THIARNA, déan díom uirlís de Do shiocháin
Áit a bhfuil fuath, lig dom grá a chur;
áit a bhfuil dochar déanta, pardún;
áit a bhfuil amhras, creideamh;
áit a bhfuil éadóchas, dóchas;
áit a bhfuil dorchadas, solas;
agus áit a bhfuil brón, áthas.

A mhaistir Dhiaga, deonaigh
nach niarraim, chomh mór sólas;
a fháil le sólas a thabhairt;
a bheith tuigte chomh mór le tuigsint a bheith agam;
grá a fháil le grá a thabhairt;
oir is ó bheith ag tabhairt a fhaighimid;
is ó phardún a thabhairt a fhaighimid pardún,
agus is trí bhás a fháil a saolaítear sinn
don bheatha shíorraí.

DIRECTORS

Sean Murray, <i>Chairperson</i>	Finance Officer and Treasurer's Department
Monica Murphy, <i>Vice-Chairperson</i>	Planning Department
John O'Sullivan, <i>Treasurer</i>	Mechanical Division
George Finglas, <i>Secretary</i>	Housing and Community Department
James Garland, <i>Assistant Treasurer</i>	Housing and Community Department
Michael Comiskey	Retired Staff
Tom Corrigan,	Retired Staff
Matthew Dawson	Retired Staff
Barry Fennell	City Architects
Noel Fitzgerald	Retired Staff
William A. Harnett	Retired Staff
Jeremiah Linehan	Retired Staff
Carmel McGrane	Retired Staff
Margaret Muldoon	Dublin Fire Brigade
Harry Rose	Finance Officer and Treasurer's Department

SUPERVISORY COMMITTEE

Pat Lawlor, <i>Chairperson</i>	Finance Officer and Treasurer's Department
Seamus Costello	Finance Officer and Treasurer's Department
Michael Moylan	Retired Staff

STAFF

						
<i>John Kelly Manager</i>	<i>Martina Kennedy Executive Officer</i>	<i>Nadine Carter-Kavanagh Budget Administrator</i>	<i>Ben Gillick Senior Administrator</i>	<i>Ingrid Lee Kin Member Services Administrator</i>	<i>Ann Behan</i>	<i>Janice Carter</i>
						
<i>Breda Chapman</i>	<i>Paul Corscadden</i>	<i>Ingrid Curley</i>	<i>Nicole Egan</i>	<i>Olive Egan</i>	<i>Suzanne Fennelly</i>	<i>Nwal Haydar</i>
						
<i>Catherine Healy</i>	<i>Marie McDonagh</i>	<i>Lee Murphy</i>	<i>Jenny Staunton</i>	<i>Carol Walsh</i>	<i>Mary White</i>	<i>Caroline Wilkinson</i>

REPORT OF THE BOARD OF DIRECTORS

OVERVIEW OF THE YEAR

In presenting the Annual Report of your Credit Union for the year ended 30th September 2003, I am pleased to inform you that Dubco has enjoyed another very successful year. Some of the main highlights for the year under review include:

- **Total Credit Union Assets now exceed €70m**
- **In excess of €25m advanced during the year by way of new loans to members**
- **Our membership now exceeds 9,500**
- **Turnover in our Budget " Bill Pay" scheme exceeded €16m**
- **Our Capital Reserves have been significantly strengthened**

I would strongly urge you all to read the attached financial / operational reports which provide more detail on the activities / performance of your Credit Union and to reflect on the scale of operation which Dubco has become and which you have created by your support, goodwill and confidence over the years.

NEW GREEN STREET PREMISES

The redevelopment work on our new premises in Green Street is scheduled for completion in mid 2004. Once completed our new offices will provide a modern, flexible and tailored office environment for Members, Staff and Volunteers and will facilitate the continued development of your Credit Union.

Your Board are currently considering alternative options in relation to our existing premises at Capel Street which will be surplus to our immediate requirements once we move to Green Street.

IFSRA

On the 1st May 2003 IFSRA (the Irish Financial Services Regulatory Authority) came into existence. This new body is now the single regulator for all financial institutions in the Republic of Ireland, including Credit Unions. In recognition of the special ethos and uniqueness of Credit Unions a position of Registrar of Credit Unions has been created within the IFSRA structure. Under IFSRA, Credit Unions will continue to be regulated in accordance with the Credit Union Act 1997.

The Board of Directors looks forward to working with IFSRA's representatives to ensure that Credit Unions continue to be regulated and supervised in accordance with best practice.

CREDIT UNION DEVELOPMENT ASSOCIATION (CUDA)

As previously advised Dubco Credit Union is a founding member of CUDA, a new incorporated representative /

support organisation for Credit Unions in Ireland. Inter alia, CUDA, has the following key objectives included in its registered rules:

- a) To promote the development of its member Credit Unions and to safeguard their interests.
- b) To liaise with statutory regulators, legislators and other relevant bodies on behalf of its member Credit Unions.
- c) To provide or arrange for the provision of any service or services which adds benefit or value to Credit Unions and their members.

CUDA is recognised both by IFSRA and the Department of Finance as the Representative Association of choice of its member Credit Unions.

At a time of significant change and opportunity for Credit Unions your Board of Directors sees CUDA's emergence as a most positive development for Dubco and the Credit Union movement generally. We look forward to CUDA's continued development in 2004.

The Board of Directors agreed to second Billy Doyle our Strategy Co-ordinator, for a period of two years from June 2003 to fill the newly elected post of Chief Executive Officer of CUDA.

Dubco continues to be affiliated to the Irish League of Credit Unions pending the satisfactory resolution of certain matters currently being reviewed by the Competition Authority and IFSRA.

ACKNOWLEDGEMENTS

As always our sincere appreciation is due to our Manager, John Kelly, Executive Officer, Martina Kennedy and all the staff for their dedication and efficiency in delivering a first class service to you the members, to the Board and the various committees in the Credit Union.

Our appreciation also to the Management & Staff in Dublin City Council, CDVEC and DIT for their assistance and co-operation during the year.

Let me conclude by thanking the members of the Board and Supervisory Committee for working so diligently and effectively on your behalf.



A handwritten signature in black ink that reads "Sean Murray".

Sean Murray
Chairperson

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 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 anytime 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.

BOARD OF DIRECTORS 2002/03



Sean Murray
Chairperson



Monica Murphy
Vice-Chairperson



George Finglas
Secretary



John O'Sullivan
Treasurer



James Garland
Assistant Treasurer



Michael Comiskey



Tom Corrigan



Matthew Dawson



Barry Fennell



Noel Fitzgerald



William A. Harnett



Jeremiah Linehan



Carmel McGrane



Margaret Muldoon



Harry Rose

TREASURER'S REPORT

A review of the detailed accounts set out on the following pages shows that Dubco has had another very successful year of operation and is in a very strong financial position going forward. Some of the principal financial highlights include:

- **Total Income increased by 12% to almost €5m**
- **Total Expenditure at €1.95m shows a decrease year on year viz-a-viz Total Income**
- **Member Savings (Including €7.5m in SSIA Accounts) increased by 22% to €57.5m**
- **Loans outstanding of €42.8m at year end shows a 13.5% increase over 2002**
- **Total Assets increased by 20% to €70m**
- **Investment Income is up significantly on last year despite a less that robust investment environment**
- **€1.9m to be returned to members by way of return on savings and a rebate of Loan Interest Paid**
- **Our Statutory and General Capital Reserves have been increased by 20%**

DUBCO'S FINANCIAL MANAGEMENT OBJECTIVES

As I indicated to you at last year's AGM controlling costs, providing a superior saving and borrowing package to members and strengthening of our underlying financial or capital strength were the key financial by your Board of Directors. I think it is fair to say that we have successfully pursued these objectives in the past financial year.

Our cost / income ratio has declined year on year. The combination of the proposed savings return allied to the net borrowing costs on loans compares very favourably with outside financial institutions.

I am particularly pleased that we are able to increase our capital reserves by 20%. These reserves

are the lifeblood of Dubco's future success and sustainability. They not only provide a solid foundation against any unforeseen expenditure or challenges but will also underpin further expansion in the range and scale of services your credit union can provide in the future.

PROPOSED DISTRIBUTION OF SURPLUS

The Board of Directors are recommending the following return to members for approval at the forthcoming AGM:

1. **The payment of a 3% dividend on Member Shares**
2. **The payment of a 7.5% rebate of loan interest paid to qualifying borrowing members**

ACKNOWLEDGEMENTS

I would like to express my sincere thanks to the Board of Directors and Supervisory Committee for their support and confidence during the year. In particular a word of thanks to Jimmy Garland, our Assistant Treasurer.

I owe a great deal of gratitude to our Manager, John Kelly, Executive Officer, Martina Kennedy, Senior Administrator, Ben Gillick and all the staff for their excellent work and support to me during the year.

Thanks also to our Auditor, Tom Fitzpatrick for the professional advice and services provided.

Finally, I wish to thank you the Members for your support and confidence.



A handwritten signature in black ink, appearing to read 'John O'Sullivan'.

John O'Sullivan
Treasurer

INCOME & EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30TH SEPTEMBER 2003

	2003 €	2002 €
Income		
Loan Interest	3,843,634	3,443,916
Investment Income	831,261	548,738
Bad Debts Recovered	2,000	12,324
Other Income	64,408	165,180
Budget Account Fees & Interest	101,574	106,186
Insurance Commissions	92,138	124,088
	<hr/>	<hr/>
Total Income	<u>4,935,015</u>	<u>4,400,432</u>
Expenditure		
Administration		
Salaries, Pensions & Staff Costs	751,639	681,331
Stationery & Office Supplies	34,836	30,027
Postage	16,211	15,112
Honorarium	6,000	5,714
Telephone Calls & Maintenance	18,188	15,194
Board/Sub-Committee & Chapter Meeting Costs	21,120	20,363
Government Stamp Duty	1,522	890
Affiliation Fees	6,956	8,284
Legal & Reporting Fees	14,034	14,256
	<hr/>	<hr/>
Sub Total	<u>870,506</u>	<u>791,171</u>
Maintenance of Fixed Assets		
Depreciation & Asset Disposal	136,606	129,341
Repairs, Rates, Security & Office Maintenance	73,722	56,927
Computer costs	81,900	99,387
Light & Heat	10,144	15,719
Office Machine Maintenance	1,761	1,736
	<hr/>	<hr/>
Sub Total	<u>304,133</u>	<u>303,110</u>
Insurance		
Life Savings & Loan Protection Cover	298,859	343,645
General	14,406	12,723
	<hr/>	<hr/>
Sub Total	<u>313,265</u>	<u>356,368</u>
Promotion & Education		
Convention, Training & Education Costs	63,914	52,318
Annual Report & AGM Costs	22,199	25,996
Promotion & Advertising	30,782	23,342
Third World Development Contribution	6,914	6,603
Sponsorship & Donations	7,190	4,496
	<hr/>	<hr/>
Sub Total	<u>130,999</u>	<u>112,755</u>

Income & Expenditure Account Cont'd overleaf

INCOME & EXPENDITURE ACCOUNT CONT'D

	2003 €	2002 €
Financial		
Deposit Interest Payable to Members	149,974	52,633
Bank Interest & Charges	76,400	95,460
Provision for Doubtful Debts	55,000	86,907
Bad Debts written off	20,178	65,266
Audit & Accountancy Fees	15,823	5,209
Sub Total	317,375	305,475
Total Expenditure	1,936,278	1,868,879
Excess of Income over Expenditure	2,998,737	2,531,553
Add		
Balance 1st October 2002	800	392,848
Total	2,999,537	2,924,401
Less		
Transfer to Statutory Reserve	-300,000	-539,339
Transfer to General Reserve	-1,000,000	-996,262
Transfer to Interest Rebate Reserve	-288,500	0
Transfer to Dividend Account (2002/Bonus Shares)	-1,410,000	-1,388,000
Undistributed Surplus 30th September 2003	1,037	800

CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH SEPTEMBER 2003

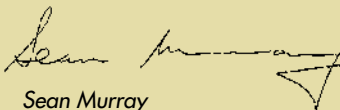
	2003 €	2002 €
Opening cash and investments	16,969,890	12,402,267
Receipts		
Members' savings	22,721,597	16,699,204
Increase/(Decrease) in Member budgets accounts	-38,495	164,113
Members' loans repaid	20,320,462	18,753,159
Members' loan interest received	3,843,634	3,443,916
Investment interest received	831,261	548,738
Bad debts recovered	2,000	12,324
Fixed assets sold	17,629	-
Other receipts	258,120	395,454
Decrease/(Increase) in prepayments	-8,243	-89,772
Total	47,947,965	39,927,136
Disbursements		
Members' savings withdrawn	12,364,374	9,272,551
Members' loans granted	25,433,029	22,952,830
Bank loan repayments	157,809	157,809
Bonus shares paid	1,372,479	1,069,681
Operating expenses	1,702,217	1,603,731
Fixed assets purchased	568,589	50,858
(Increase)/Decrease in other liabilities	-264,855	252,053
Total	41,333,642	35,359,513
Closing cash and investments	23,584,213	16,969,890

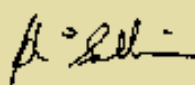
BALANCE SHEET


AS AT 30TH SEPTEMBER 2003

	2003 €	2002 €
Assets		
Cash and Balances at bank	1,206,632	2,750,350
Investments	22,783,929	14,958,028
Loans to Members	42,881,907	37,769,340
Less Provision for Bad & Doubtful Debts	-255,000	-200,000
Tangible Fixed Assets	3,079,336	2,666,978
Prepayments and Accrued Income	304,943	296,700
	<hr/>	<hr/>
Total Assets	70,001,747	58,241,396
	<hr/> <hr/>	<hr/> <hr/>
Liabilities		
Member SSIA Balances	7,624,229	3,475,900
Bank Overdrafts	403,932	736,072
Creditors and Accruals	584,209	308,838
Member Budget Account Balances	1,133,692	1,172,187
Proposed Dividend & Interest Rebate (2002/Bonus Shares)	1,720,632	1,394,612
Member Car Draw Balances	280	217
Bank Loan (Premises)	885,870	1,003,220
	<hr/>	<hr/>
Sub Total	12,352,844	8,091,046
	<hr/> <hr/>	<hr/> <hr/>
Members' Resources		
Member Shares	49,937,264	43,728,370
Statutory Reserve	4,420,000	4,120,000
General Reserve	3,266,000	2,266,000
Undistributed Surplus	1,037	800
Other Reserves	24,602	35,180
	<hr/>	<hr/>
Sub Total	57,648,903	50,150,350
	<hr/> <hr/>	<hr/> <hr/>
Total Liabilities	70,001,747	58,241,396

The accounts on pages 5-7 were approved by the Board of the Directors on 19th November 2003.


Sean Murray
Chairperson


John O'Sullivan
Treasurer


Pat Lawlor
Chairperson, Supervisory Committee

NOTES TO THE ACCOUNTS ON PAGES 5-7

1. RETURN ON SAVINGS

	2003		2002	
	Rate	€	Rate	€
Dividend (2002/Bonus Shares)	3.00%	1,432,132	3.25%	1,394,612
SSIA Deposits	2.65%	149,974	3.25%	52,633

2. RATE OF INTEREST CHARGED ON MEMBERS LOANS

The credit union currently charges **0.825%** per month on outstanding loan balances

NOTES TO THE ACCOUNTS ON PAGES 5-7

3. RELATED PARTY TRANSACTIONS

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

	2003	2002
	€	€
Aggregate amount of savings held by officers	260,274	224,824
Aggregate amount of loans held by officers	186,165	178,136
The aggregate amount of loans issued to officers during the year under 36(3) of the Credit Union Act 1997 was	€41,380	

4. INSURANCE AGAINST FRAUD

The Credit Union has insurance against fraud in the amount of €1,269,738 in compliance with section 47 of the Credit Union Act 1997.

5. STATUTORY RESERVE

	2003	2002
	€	€
Balance as at 1 Oct 2002	4,120,000	3,580,661
Transfer from Income & Expenditure Account	300,000	539,339
Balance at 30th September 2003	4,420,000	4,120,000

6. OTHER RESERVES

	Balance 1/10/02	Net Movement	Balance 30/9/03
	€	€	€
General Reserves	2,266,000	1,000,000	3,266,000
Other Reserves	35,180	(10,578)	24,602
Undistributed Surplus	800	237	1,037

7. INVESTMENTS

	2003	2002
	€	€
Deposits	17,999,496	11,227,095
Bonds	4,782,017	3,728,517
Shares	2,416	2,416

8. CAPITAL COMMITMENT

At year end the Board of Directors have a contract in place for the premises re-development project in the sum of €2,375,000 and of this €306,411 is included in these accounts. The Board expect to have further expenditure in the order of €500,000 in respect of fit out, IT Systems and Professional Fees for this project.

9. CONTINGENT LIABILITIES

All capital invested in bonds is guaranteed only if held to maturity. In the unlikely event of early encashment there may be early settlement penalties.

SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 30TH SEPTEMBER 2003

The results for the year have been determined and the Balance Sheet compiled in accordance with the following accounting policies:

ACCOUNTING CONVENTION

The financial statements are prepared in accordance with generally accepted accounting principles under the historical cost convention and comply with financial reporting standards of the Accounting Standards Board, as promulgated by the Institute of Chartered Accountants in Ireland. The credit union has consistently applied all relevant accounting standards.

INCOME RECOGNITION

Interest received on members loans represents the full interest for the year, calculated on a day to day basis.

DEPRECIATION

Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life as follows:

Premises	Straight Line over fifty years
Computer equipment	20% Straight Line
Fixtures & fittings	20% Straight Line
Equipment	10/20% Straight Line

INVESTMENTS

Fixed Asset investments are stated at cost less provision for diminution in value. Current asset investments are generally stated at the lower of cost and net realisable value with the exception of a €3.5m investment in an AIB Corporate bond which is being held to maturity and carried at cost value with interest accrued on a straight line basis. With profit bonds are stated at cost on the basis they will be held to maturity with no early encashment penalty.

PENSIONS

The Credit Union operates both defined contribution and target benefit pension schemes. The assets of the schemes are held separately from those of the Credit Union in independently administered funds. The pension charges represent contributions payable by the Credit Union to the schemes.

BAD AND DOUBTFUL DEBTS

Bad debts written off and bad debts recovered are included in the Income and Expenditure Account and provision for doubtful debts is made against current loan balances.

TANGIBLE FIXED ASSETS

	Premises €	Computer €	Fixtures & Fittings €	Equipment €	Total €
Cost					
At 1st October 2002	2,807,318	261,613	125,817	154,322	3,349,070
Additions	504,116	2,546	1,168	60,759	568,589
Disposals	0	0	0	-44,073	-44,073
At 30th September 2003	<u>3,311,434</u>	<u>264,159</u>	<u>126,985</u>	<u>171,008</u>	<u>3,873,586</u>
Depreciation					
At 1st October 2002	268,942	190,353	119,185	103,612	682,092
Charge for Year	66,229	46,869	2,706	22,798	138,602
Disposals	0	0	0	-26,444	-26,444
At 30th September 2003	<u>335,171</u>	<u>237,222</u>	<u>121,891</u>	<u>99,966</u>	<u>794,250</u>
Net Book Values					
At 30th September 2003	2,976,263	26,937	5,094	71,042	3,079,336
At 30th September 2002	2,538,376	71,260	6,632	50,710	2,666,978

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

I have audited the financial statements of Dubco Credit Union Limited for the year ended 30 September 2003 which comprise of the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and related notes. These financial statements have been prepared under the historical cost convention and 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. My audit work has been undertaken so that I might state to the credit union's members those matters I am required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the credit union and the credit union's members as a body, for my audit work, for this report, or for the opinions I have formed.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND AUDITORS

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

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and Auditing Standards promulgated by the Auditing Practices Board.

I report to you my 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. I also report to you whether in my opinion, proper accounting records have been kept by the credit union and whether the information in the Directors' Report is consistent with the financial statements. In addition, I state whether I have obtained all the information and explanations necessary for the purposes of my audit and whether the credit unions balance sheet and its income and expenditure are in agreement with the books of account.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements.

BASIS OF OPINION

I conducted my audit in accordance with Auditing Standards 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 of whether the accounting policies are appropriate to the credit union's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me 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 my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In my opinion the financial statements give a true and fair view of the state of the credit union's affairs as at 30 September 2003 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.

I have obtained all the information and explanations I consider necessary for the purposes of my audit. In my opinion proper books of account have been kept by the credit union. The financial statements are in agreement with the books of account.

In my opinion the information given in the directors' report on pages 2 and 3 is consistent with the financial statements.



Tom Fitzpatrick

Tom Fitzpatrick F.C.A.
Fitzpatrick Morris Barrett,
Chartered Accountant,
74 Pembroke Road,
Ballsbridge, Dublin 4.
20th November 2003.

CREDIT COMMITTEE REPORT

I am pleased to present the report of your Credit Committee for the financial year ended 30th September 2003. In what was the Committee's busiest year to date in excess of €25m was advanced to members for a variety of provident and productive purposes. This represented a 10.5% increase on 2002 - itself a record year for loan demand.

Our members clearly recognize the advantages of borrowing from their Credit Union:

- **No application fees or hidden charges**
- **Free Life Assurance on all qualifying borrowings**
- **The safety of being able to alter repayments in the event of changed financial circumstances**
- **The knowledge that the bulk of your interest payments are used to pay an excellent return on your savings and those of your colleagues and friends in your workplace.**
- **The assurance of a friendly and confidential service at all times.**

Underpinning all the above is a very competitive interest rate (APR 9.9% - effective cost of 5.5% per annum). This rate when viewed in the context of the savings return it allows provides an excellent borrowing / saving package for all our members.

REVIEW OF FACILITIES

During the year a number of new initiatives were introduced including:

- **The general loan limit was increased to €75,000 with repayment periods of up to 10 years available.**
- **The appointment of a Senior Loans Officer has substantially increased the number of loans issued on demand.**
- **Increased funds were made available to support our family member loans initiative.**

We are currently reviewing the following areas with the objective of trying to provide an even better loans service to our membership in the future:

- (a) The appropriateness of our existing interest rate for all loan types.
- (b) A secure online loan application/collection facility.

- (c) Providing more funds for longer-term lending.

RESPONSIBLE LENDING & BORROWING

In re-iterating our commitment to you to approve the bulk of all productive and affordable applications let me also, at a time of unscrupulous and often irresponsible lending practices in the wider financial sector, caution against the dangers of inappropriate and excessive borrowing. Members should be wary of the inherent dangers of the "Live now - Pay Later" lending model being pushed by many other lending institutions. While debt consolidation or equity release loans may appear attractive in the short term, they are totally unsuitable vehicles for short-term personal borrowing for holidays, cars, small home improvements, etc and are often the first steps on a debt spiral which could ultimately put people's homes at risk.

Most economic commentators appear to agree that market interest rates (and hence borrowing costs in other financial institutions) are likely to increase from 2004 onwards. This will bring undoubted hardship to many people caught up in this spiral who are now barely coping with loan and credit card repayments.

With the exception of mortgage finance your Credit Union can meet your remaining borrowing needs in a transparent, supportive, responsible and sustainable way - so always approach your Credit Union first with any borrowing proposal.

ACKNOWLEDGEMENTS

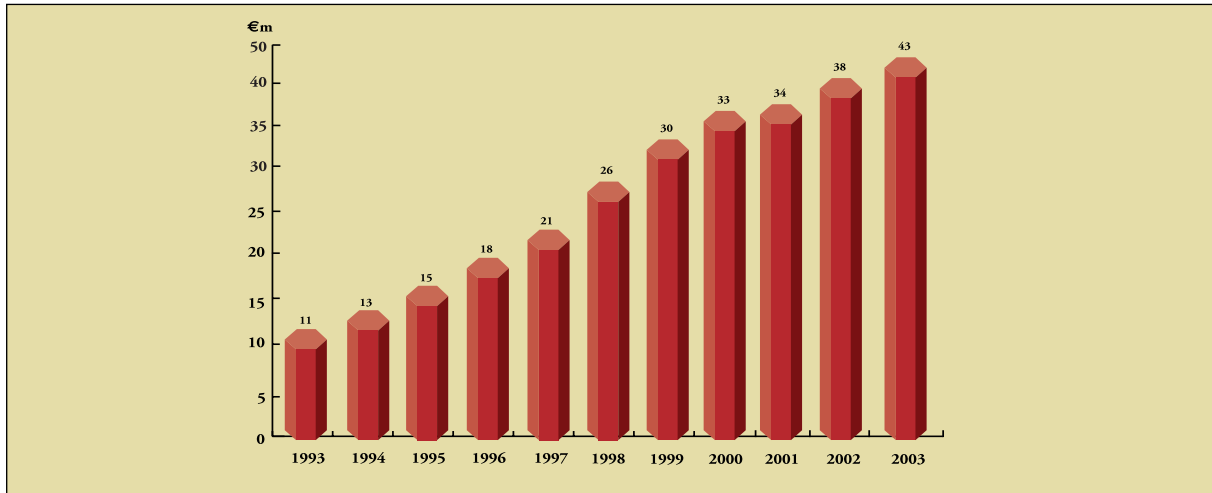
In conclusion, my thanks to the Board and Supervisory Committee for their assistance and support during the year. Our thanks also to our Manager, John Kelly, Executive Officer, Martina Kennedy, Member Services Administrator, Ingrid Lee Kin and all the staff for their unstinting service and dedication.



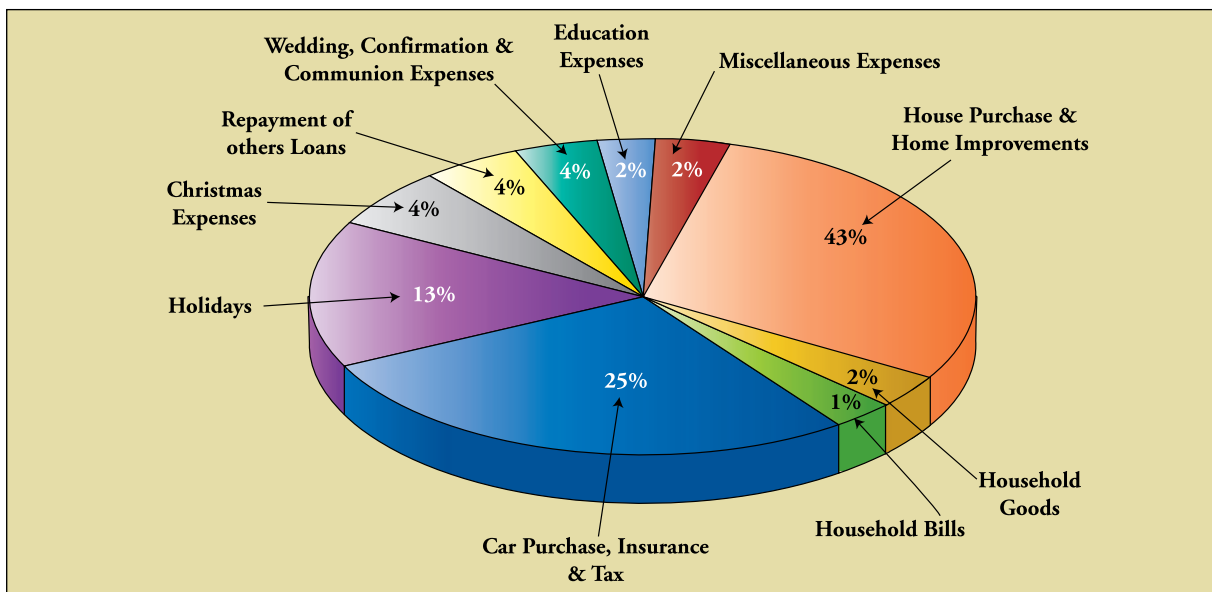
A handwritten signature in dark ink that reads "Carmel McGrane".

Carmel McGrane
Committee Chairperson

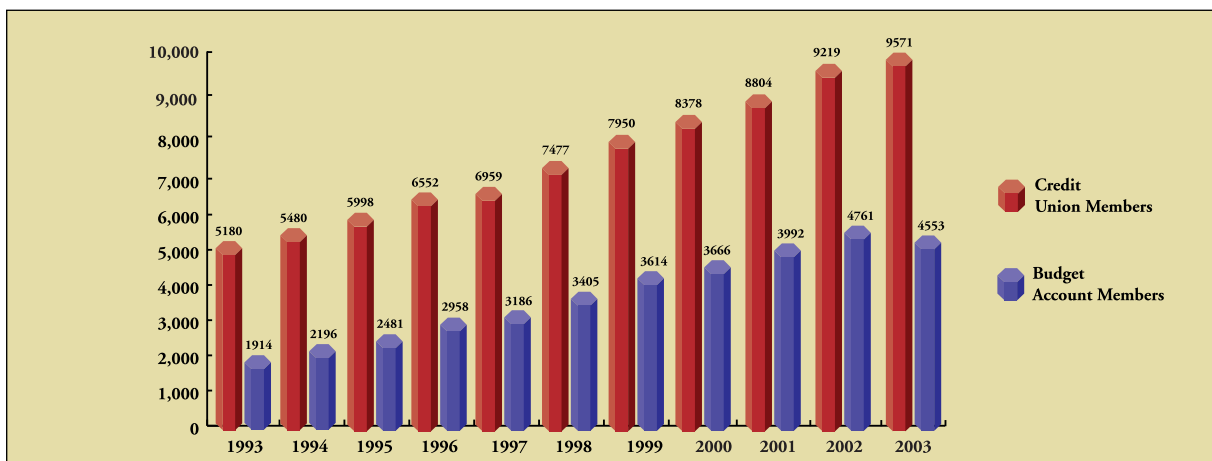
LOANS OUTSTANDING AT FINANCIAL YEAR END (€M)



ANALYSIS OF LOANS ISSUED FOR YEAR ENDED 30/9/'03



MEMBERSHIP GROWTH



MEMBERSHIP, EDUCATION & PROMOTION

This year again we had an increase in membership, which now stands at 9,571. All employees and retirees of Dublin City Council, Dubco Credit Union, Impact Union, Local Government Services Boards and administrative staff of the IT and CDVEC Colleges in Dublin together with family members who reside with them are eligible to be members of Dubco.

We remember at this time our deceased colleagues and friends, and sadly this year 55 passed to their eternal reward. Ar dheis Dé go raibh a n-anamacha.

The Car Draw continues to be a success and from 1st January 2004 some changes have been agreed following consultation during the year. The weekly contribution will increase to €1.00 with the extra funds being distributed by way of increased prizes at Monthly, Summer & Christmas draws. All funds deducted from members are distributed in prizes.

Dubco sponsored a number of events during the year together with making contributions to community / charitable events involving the direct participation of Dubco members. The World Special Olympics was a major success during the summer and Dubco played its part by way of a special contribution of €3,000, which was divided between the Irish Team and the National Organising Committee.

We continued the funding of Third World educational/co-operative projects in Mexico, Gambia, Nigeria and Ghana. This year the contribution to the fund was €6,914.

A delegation attended the WOCCU Forum in Brisbane to keep in touch with developments in other Credit Union movements worldwide. Dubco is also a supporter member of WOCCU. Staff and Volunteer education programs continued again this year.

Promotion of the credit union is paramount to continued success and this year, inter alia, First Post, Quay Issues and the Dublin City Council pocket diary carried promotional articles.

I wish to take this opportunity to thank all the staff / sections who facilitated the promotion of the credit union during the past year and look forward to their continued support again in 2004.



Harry Rose

Harry Rose
Committee Chairperson

REST IN PEACE

Anne Bride	Retired (Family Member)	Gisela Lowe	Family Member
Reginald Brown	Retired (Housing Maintenance)	Joseph Lynam	Retired (Housing)
John Carpenter	Water Division	James Lyons	Retired (School Attendants)
Christopher Clarke	Drainage Division	Richard McGrane	Retired (Roads Maintenance)
William Clinton	Retired (Housing Maintenance)	James McKeon	Retired (Cleansing Division)
Michael Coughlan	Cleansing Division	William Monaghan	Retired (Public Lighting)
Michael Crowe	Retired (Cleansing Division)	Anthony Mooney	Retired (Parks Division)
Martin Cullen	Retired (Dublin Fire Brigade)	John Anthony Mooney	Retired (Cleansing Division)
Thomas Cullen Jnr	Cleansing Division	Bridget Murphy	Family Member
Paul D'Arcy	Retired (Drainage Division)	Dermot Murray	Retired (Housing)
Philomena Delaney	Housing	Marie Murray	Dublin Fire Brigade
Brian Dempsey	Dublin Fire Brigade	Denis Neill	Retired (Dublin Fire Brigade)
James Devine	Retired (Water Division)	Robert O'Carroll	Roads Maintenance
Christopher Doyle	Retired (Dublin Fire Brigade)	Arthur O'Connor	Housing Maintenance
James Doyle	Retired (Dublin City Gallery)	John O'Donnell	Retired (Finance)
Paul Dunne	Retired (Planning)	Timothy O'Donoghue	Motor Taxation Office
Desmond Flanagan	Retired (Housing)	John O'Neill	Retired (Housing)
Noel Hayes	Water Division	Patrick O'Reilly	Retired (Roads Maintenance)
Michael Henderson	Retired (Cleansing Division)	Carol Robinson	CDVEC
John Hennessy	Retired (Public Lighting)	Charles Shelley	Retired (Housing)
Carmel Hogan	Retired (Human Resources)	Charles Slater	Retired (Housing Maintenance)
Josephine Hughes	Retired (Finance)	Robert Slator	Dublin Institute of Technology
John Jackson	Retired (Housing)	Peter Smyth	Cleansing Division
Thomas Kavanagh	Retired (Engineering Water Supply)	William Tallon Snr	Retired (Housing Maintenance)
Anthony Kelly	Housing Maintenance	Daniel Whelan	Housing Maintenance
Michael Kennedy	Retired (Human Resources)	James Whelan	Retired (Housing)
Patrick Kennedy	Retired (Roads Maintenance)	Doris White	Retired (Housing Maintenance)
James Kidd	Retired (Water Division)		

BUDGET PLAN

This service continued to grow during this financial year reflecting member confidence in the scheme. The turnover, while only marginally increased, doesn't reflect that the Government SSIA Accounts were operated through the Budget Plan prior to the introduction of the Multiple Accounts Software System in the first quarter of this financial year.

In excess of 4,500 members channel over €16m of their annual financial commitments through the scheme.

Almost all items of expenditure you have can be included in this flexible scheme.

A number of payment arrangements are in place to facilitate the particular payment type (direct debit, electronic fund transfer or cheque) required by the service provider.

An overdraft facility exists within the scheme to enable us to make payments for budget items where expenditure budgets were underestimated. Interest is only charged on the overall overdrawn balance.

Administration charges are kept to a minimum with members aged 60 and over exempted from these charges.

The committee commenced a review of all aspects of the scheme during the year to ensure it best suited

member needs. At present the review is ongoing and any proposed changes will be communicated to members during 2004.

Listed hereunder are the main items that are included in the Budget Plan:

E.S.B., Telephone, TV Licence, TV Cable (NTL / Sky), Home Heating (Bord Gais, Oil, etc), Mortgage, Home Insurance, Loan Repayment (Non Dubco), Car Insurance, Car Tax, Local Council Charges, Education Fees, Club / Sport Fees, Life Assurance, Statoil Motor Fuel Card, Christmas Club, Holiday Club.

Let me conclude by thanking Nadine Carter - Kavanagh, Budget Administrator and her staff for their efficient and professional service during the year.



James Garland

James Garland
Committee Chairperson

BUDGET FUND FLOW REPORT

	2003 €	2002 €
Opening Member Balances	1,172,187	1,008,074
Add: Member Lodgements	16,387,089	16,237,864
Deduct: Payments on Behalf of/or to Members	(16,425,584)	(16,073,751)
Closing Member Balances	1,133,692	1,172,187

BUDGET INCOME AND EXPENDITURE ACCOUNT

Income	2003	2002	Expenditure	2003	2002
	€	€		€	€
Budget Member Interest	67,332	72,032	Staff Costs	148,256	135,019
Investment Income	90,377	66,015	Budget Plan Expenses	5,019	11,444
Budget Account Fees	34,242	34,154	Contribution to General Office		
Insurance Commissions	92,138	124,088	Running Costs	133,305	152,758
Other Income	2,491	2,932			
	286,580	299,221		286,580	299,221

* It should be noted that the above figures are an extraction from the Main Credit Union Accounts on pages 5 to 7.

PLANNING & DEVELOPMENT

The committee had another busy and challenging year with, inter alia, the following topics high on our agenda:

- **The continued development of CUDA as a representative organisation.**
- **IT infrastructure in the credit union.**
- **Ongoing strategic review of the Dubco operation.**

CUDA

Your credit union is very involved in the continued development of CUDA both from a strategic and a representative focus. In April 2003 Carmel McGrane was elected onto the National Council (the Board of Directors) of CUDA. Billy Doyle, our Strategy Co-ordinator, was seconded in June 2003 to the position of Chief Executive Officer of CUDA and John Kelly, our Manager, replaced Billy on the Management Committee. The Planning & Development Committee and the Board fully support these appointments and believe that they will benefit Dubco in positioning itself to provide for the needs of our members.

IT INFRASTRUCTURE

During the year the computer software system was upgraded to allow a member have Multiple Saving and Loan Accounts. This provides Dubco with the facility to offer saving options that best suit a member's circumstances in relation to his/her income tax liability.

We are also researching and developing strategies in conjunction with our IT advisors to:

- Offer some services on-line when we move to Green Street.
- Ascertain what additional financial services may be of benefit to members and strategically suitable to a credit union operation.

ONGOING STRATEGIC REVIEW

As outlined last year Dubco is best served by continually reviewing the Credit Union operation. The committee concentrated during the year in ensuring that the Dubco Board & Management were fully informed on all aspects of the ongoing review by the Competition Authority & IFSRA into the Savings Protection Scheme currently administered by the Irish League of Credit Unions.

In the coming year the committee will focus on the proposed piloting of a Member Insurances Program in conjunction with CUDA & CUNA where it is proposed to initially offer some General & Life Cover Insurance.

ACKNOWLEDGEMENTS

I wish to thank the Board, Management & Staff for their help and assistance during the past year.



Monica Murphy

Monica Murphy
Committee Chairperson

CAR DRAW FUND FLOW REPORT

	2003		2002	
	€	€	€	€
Opening Prize Fund		217		245
Add: Member Contributions		278,237		268,664
Deduct: Cost of Prizes				
12 Cars	219,474		208,992	
Cash Prizes	31,200		31,200	
		(250,674)		(240,192)
Balance at 30/9/03		27,780		28,717
Deduct December 2003 Prizes		27,500		(28,500)
Prize Fund carried forward to 2003/04 Financial Year		280		217

CAR DRAW INCOME AND EXPENDITURE ACCOUNT

	2003		2002	
	€	€	€	€
Bank Deposit Interest & Sponsorship		7,375		7,557
Less: Promotional Expenses		(1,400)		(2,095)
Transfer to Income and Expenditure Account		(5,975)		5,462

* It should be noted that the above figures are an extraction from the Main Credit Union Accounts on pages 5 to 7.

CREDIT CONTROL

One of the responsibilities set down for the Board of Directors of Dubco in the 1997 Credit Union Act is the protection of the assets as represented by member loans. The main function of this committee is to ensure the repayment of loans in a timely manner and in agreement with the signed loan agreement.

To avoid loan agreements going into arrears due to changed circumstances members should contact the credit union so that repayments can be re-scheduled to recognise these changes while at all times recognising that the loan must be repaid as one member's loan is another member's savings.

As can be ascertained from the financial accounts it was necessary, in accordance with the accounting procedures set down for credit unions, to write off an amount of €20,178 for 8 delinquent accounts. While all other financial institutions are envious of such a small bad debt write-off this reflects both the commitment by almost all the membership to repay their loans and the prudent credit policy adopted by

your Board. I can also assure you that all defaulters even those cases where it was prudent to write off the debt will be pursued even to the stage of committal proceedings being enforced.

An amount of €2,000 was recovered on accounts that were written off in previous years and again this year we are increasing our reserves against possible future bad debt write off. The amount provided is in line with recommended accounting practice and also recognises the ever increasing loan book we have and the larger individual loans therein.



George Finglas

George Finglas
Committee Chairperson

INSURANCE REPORT

The committee ensured that adequate and value for money insurance cover is held by Dubco to protect the assets of the credit union. Set out below are the main areas of activities the committee concerned itself with during the financial year.

Property & Fidelity Insurance: This cover is sourced with Allianz and protects the credit union against loss due to damage to property, third party public liability claims, etc. The committee review the adequacy of the cover each year in view of the ever increasing size of the Dubco operation.

Loan Protection & Life Savings Cover: The committee liaised with the Planning & Development Committee to ensure that the transfer of cover from Hibernian Life & Pensions to Eagle Star / CUNA Mutual, which it deemed was in the best interest of Dubco members, was carried out in a professional manner. During the next year the committee will be engaged in a review process to ascertain the product offering in this area that will best serve Dubco into the future.

General Insurance Services to members: The credit union offers a number of these types of insurance (Homeunion Building & Contents, Autounion, etc.) and the committee endeavour that each product offers comprehensive protection for members albeit not always at the cheapest price available in the marketplace. Members should carefully establish the cover / service offered prior to comparing products on a "price" basis. Please also refer to the Planning & Development Report for plans in this area.

Health & Safety: The committee together with the Board & Management ensured the policies in this area were adequate to provide for the Health & Safety of members and staff alike.



Matthew J. Dawson

Matthew J. Dawson
Committee Chairperson

SUPERVISORY COMMITTEE REPORT

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 member account balances.

The Supervisory Committee has over the past year monitored in excess of 10% of member account balances. As in previous years only some 40% of members responded to the audit notices issued. It is in the members best interest to respond to any notices received by them.

The Supervisory Committee held regular meetings during the year and attended all the monthly meetings of the Board of Directors.

The Committee has undertaken a number of checks within the credit union and are happy to report that all the relevant records are being maintained in accordance with legislation and the Rules of your Credit Union.

The Board of Directors should be complimented on the work load undertaken by them. They have carried out their duties in an efficient manner.

The Supervisory Committee would like to thank the Manager John Kelly and indeed all the staff for the patience and co-operation throughout the year.

Pat Lawlor
Chairperson, Supervisory Committee



Seamus Costello

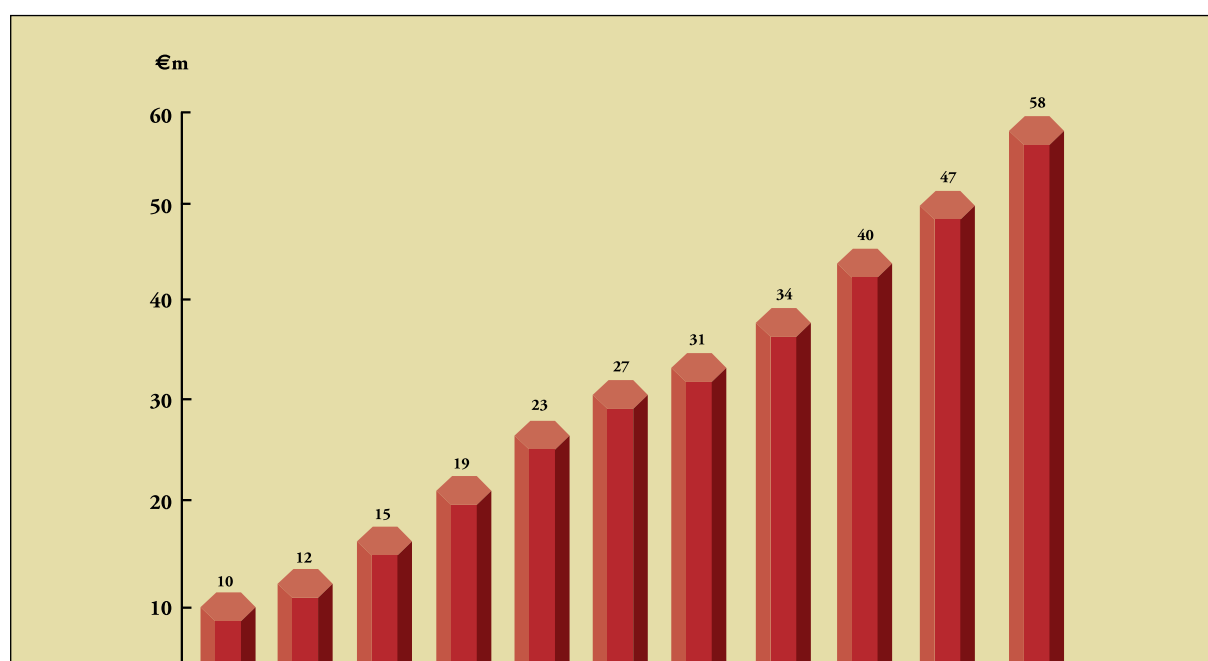


Michael Moylan

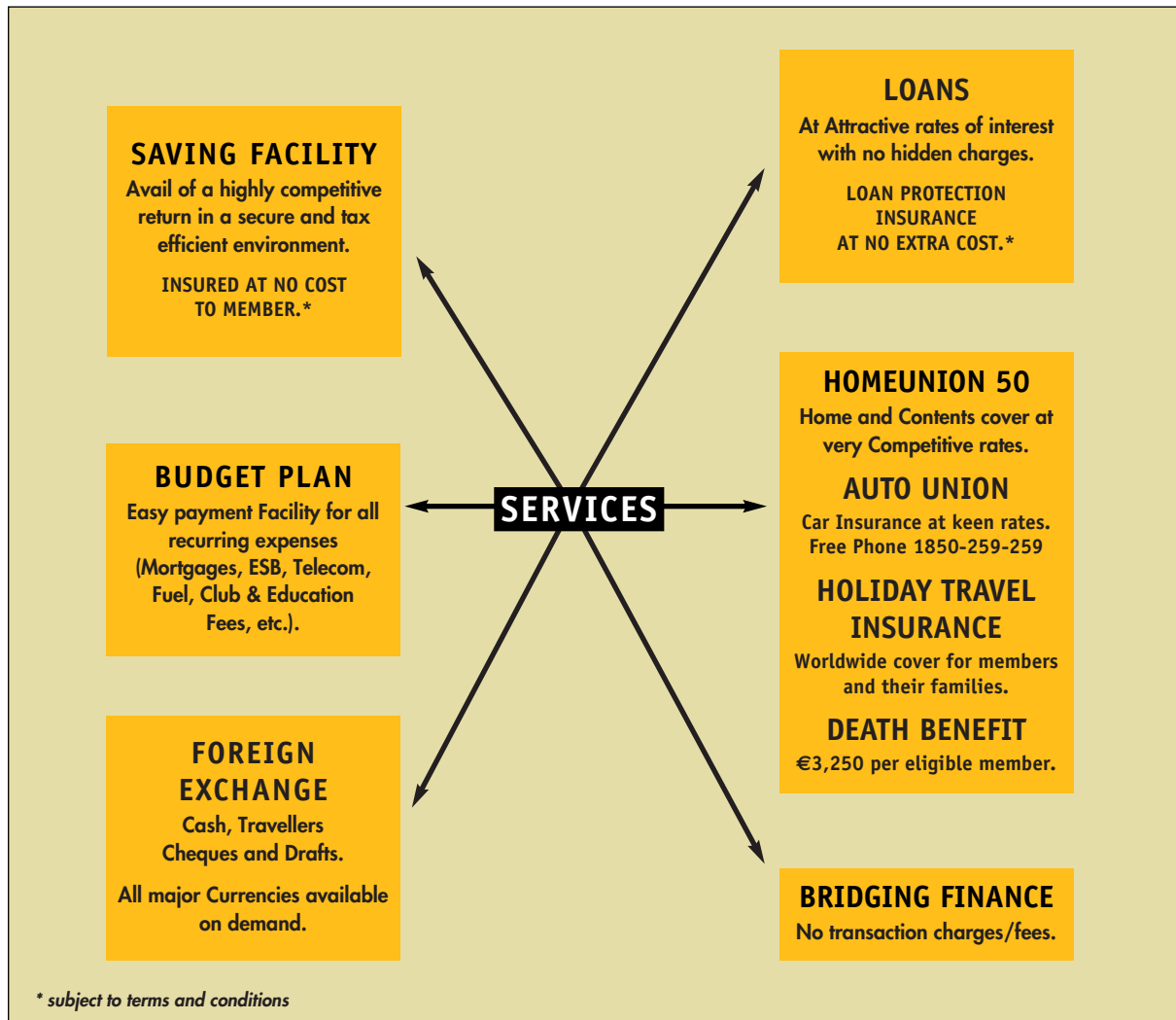


Pat Lawlor

SAVINGS AT YEAR END (€M)



DUBCO CREDIT UNION PROVIDING FINANCIAL INDEPENDENCE FOR MEMBERS



REGISTERED OFFICE

160 Capel Street, Dublin 1.

MAIN BANKERS

AIB Bank plc.,
 126 Capel Street, Dublin 1.

SOLICITORS

Jeremiah C. McCarthy & Co.,
 1 Clonskeagh Square, Dublin 14.

AUDITOR

Tom Fitzpatrick, B. Comm., F.C.A., A.I.T.I.,
 Fitzpatrick Morris Barrett & Co.,
 Chartered Accountants,
 74 Pembroke Road,
 Ballsbridge, Dublin 4.

OFFICE HOURS: 9.30am – 4.30pm Monday to Thursday, 10.30am - 4.30pm Friday.
Tel: 872 1066 Fax: 872 0677



Dubco Credit Union Limited
160 Capel Street, Dublin 1 Tel: 872 1066 Fax: 872 0677