## Contents

- NOTICE OF ANNUAL GENERAL MEETING 2
- AGENDA 3
- DIRECTORS, BOARD OVERSIGHT COMMITTEE, OTHER COMMITTEES, STAFF & ADVISORS 4
- FACTS AT A GLANCE 5
- CHAIRMAN’S REPORT 6 - 9
- DIRECTORS’ REPORT 10 - 11
- BOARD OVERSIGHT COMMITTEE REPORT 12
- INDEPENDENT AUDITORS’ REPORT 13
- FINANCIAL STATEMENTS 14 - 24
- AUDIT COMMITTEE REPORT 25
- RISK COMMITTEE REPORT 26
- MEMBERSHIP COMMITTEE REPORT 27
- NOMINATION COMMITTEE REPORT 28
- CREDIT COMMITTEE REPORT 29
- CREDIT CONTROL COMMITTEE REPORT 30
- SOCIAL & CULTURAL COMMITTEE REPORT 31
- CAR DRAW COMMITTEE REPORT 32
- LOANS AT MULLINGAR CREDIT UNION 33
- PROMOTION & DEVELOPMENT COMMITTEE REPORT 34 - 35
- YOUTH AFFAIRS COMMITTEE REPORT 36 - 37
- CREDIT UNION SERVICES 38 - 39
- MEMBER INFORMATION 40

---

OPEN: Tuesday, Wednesday, Thursday, Friday and Saturday
From 9.30am to 5.00pm
Late opening: Thursday 5.45pm to 7.30pm
Phone: 044 9348817 CUTE: 044 9340014 Fax: 044 9348922
Castlelost Office: Open Tuesday & Friday 10.00am to 5.00pm; Saturday 10.00am to 2.00pm
Phone 044-9222085
Email:info@mullingarcu.ie Website:www.mullingarcu.ie
Find us on facebook
NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of Mullingar Credit Union Ltd. will be held in The Greville Arms Hotel on Wednesday 10th December 2014 at 8.00pm

Rights and responsibilities of Members

As one of the owners of the Credit Union you have a right to know how it is being run and how it is performing. With this right comes the responsibility to contribute to the effective and fair running of the Credit Union. The best way to exercise these rights and responsibilities is to attend the Annual General Meeting (AGM), contribute to discussions about Credit Union matters and with care, elect to office, people who will have the general good of the membership at heart. Every member has one vote at the AGM regardless of the number of shares (savings) they hold.

Nomination of Directors and Board Oversight Committee

At this year’s AGM there will be eleven vacancies on the Board of Directors and two vacancies on the Board Oversight Committee.

Any eligible member of the Credit Union is entitled to seek membership of the Board of Directors or of the Board Oversight Committee.

The new governance provisions contained in the Credit Union and Co-operation with Overseas Regulators Act 2012 set out new procedures in relation to the nomination of members for positions on the Board of Directors. The Nomination Committee is responsible for accepting nominations and making proposals for election to the Board of Directors.

In addition, on the 1st August 2013 the Fitness and Probity provisions under the Central Bank Reform Act 2010 were extended to Credit Unions. Under these provisions the Nomination Committee has primary responsibility for ensuring that members with the necessary skills and experience are available to fill vacancies that arise on the Board of Directors and the Board Oversight Committee.

Due to these detailed new requirements, no member can be elected to the Board or the Board Oversight Committee from the floor of the AGM. The closing date for nominations for the vacancies arising at AGM 2014 was 24 October 2014.

The full procedures regarding Nominations are set out in the Nomination Committee Report.
AGM 2014 - Agenda

1. The acceptance by the Board of Directors of the authorised representatives of members that are not natural persons.
2. Ascertainment that a quorum is present.
3. Adoption of Standing Orders.
4. Reading and approval (or correction) of the minutes of the last AGM.
8. Appointment of Tellers.
10. Election to fill vacancies on the Board Oversight Committee.
11. Election to fill vacancies on the Board of Directors.
12. Consideration of financial accounts.
15. Declaration of dividend.
25. Any other business.
26. To consider and if thought fit, to approve the following two resolutions:
   Contribution to the Irish League of Credit Unions (ILCU) International Development Foundation That the members of Mullingar Credit Union Limited, excluding members under the age of sixteen, agree to contribute a maximum amount of €1.00 from their dividend, to the ILCU International Development Foundation Fund Limited, subject to the provision that any member not wanting to contribute to this fund, shall notify the Secretary of Mullingar Credit Union in writing to this effect prior to the AGM.

   Affiliation fee to the ILCU That an affiliation fee of €0.90 be deducted from each member account, excluding members under the age of sixteen, and forwarded to the ILCU.

27. To consider, and if thought fit, to approve the resolutions for a complete amendment of the Standard rules for the Credit Union, arising from Resolution 4 at the ILCU Annual General Meeting 2014. These rule changes are significant and lengthy and are necessary to take account of the amendments to the Credit Union Act 1997 brought about by the commencement of the Credit Union and Co-operation with Overseas Regulators Act 2012. Due to the extent of these rule amendments, the Central Bank has agreed that it will not be necessary to send a hard copy of the entire proposed new rule book to all members in advance of the AGM. However, a copy of the rule amendments will be available to any member who requires same, in the following formats:
   a. A copy can be obtained at any time during opening hours from our offices in Oliver Plunkett Street or in Rochfortbridge.
   b. A PDF copy will be available to any member who requests same by email to info@mullingarcu.ie.
   c. A PDF copy will be available on the website, www.mullingarcu.ie.
   d. A number of hard copies will be available at the AGM.

28. Adjournment or close of meeting.
DIRECTORS
S. McLaughlin (Chairman)
J. Prendergast (Vice Chairman)
C. Isdell (Secretary)

In line with Section 53 6 (b) of the Credit Union Act 1997 (as amended) all Directors will be retiring at this AGM. All Directors are eligible and offer themselves for re-election.

BOARD OVERSIGHT COMMITTEE

(1)Retiring Board Oversight Committee Members eligible and available for re-election.

COMMITTEES
Audit Committee
P. Isdell, C. Isdell, S. McLaughlin.

Risk Committee

Remuneration Committee
P. Murphy, S. McLaughlin, J. Prendergast.

Nomination Committee
A. Collier, M. Egan, E. Blake.

Membership Committee
O. Brennan, N. Muldoon, D. Garry, F. Dalton, Y. Craig.

Credit Committee
P. Murphy, E. Smyth, W. Warde, S. Fagan.

Credit Control Committee

Facilities and Technology Committee
T. Allen, D. Smith, E. Munnely, O. Brennan, A. Collier.

Finance Committee
P. Murphy, S. McLaughlin, C. Isdell, P. Isdell, T. Allen.

Building Committee

Car Draw Committee
J. O’Reilly, E. Smyth, D. O’Keeffe, T. Allen, Y. Craig

Disputes and Complaints Committee
The Committee is appointed by the Board of Directors on an ad hoc basis as required.

Promotion and Development Committee

Policies and Procedures Committee

Social and Cultural Committee
B. Gillen, M. Egan, Y. Craig, O. Brennan.

Youth Affairs Committee

STAFF
T. Allen (Manager),
D. Smith (Assistant Manager),
N. Baker, O. Brennan, S. Clarke, A. Corroon, G. Corroon, R. Cosgrove, C. Cox, Y. Craig, J. Creevy, P. Curran, S. Daly, F. Dalton, C. Dolan, C. Ennis, J. Ennis, B. Fagan,

AUDITORS
Hayes, Coghlan & Co.
Statutory Auditors & Accountants

SOLICITORS
Kelly Caulfield Shaw.

INDEPENDENT FINANCIAL ADVISORS
Cantor Fitzgerald Ireland Ltd.
Mullingar Credit Union is one of the largest and strongest Credit Unions in Ireland.
SAFE, STRONG and SECURE - Facts at a Glance

Quality Assets
Total Assets ........................................ €180.5 million
Solid Investments ................................... €132.7 million
Solid Loan Book .................................... €45.6 million
Low Average Loan Value .......................... €7,467

Strong Reserves & Provisions
Reserves .............................................. €27.1 million
Provisions ............................................. €9.8 million
Regulatory Reserve ............................... 11.31%

Strong Liquidity
Liquid Funds .......................................... €41.2 million
Liquidity Ratio ....................................... 30.7%

Strong Solvency
Net Worth ............................................. €27.1 million
Solvency Ratio ....................................... 117.1%

Highly Regulated and Accountable
Regulated under Credit Union Acts 1997 - 2012
Regulated and supervised by Central Bank
- regular engagement including quarterly prudential returns and annual return
External Audit - four review visits a year
Board Oversight Committee – assessment of whether the Board of Directors has operated in compliance with relevant legislation.
Internal Audit Function – continuous programme of internal reviews
Members - annual report available to every member
Members – attendance at Annual General Meeting

No Exposure to High Risk
Low risk cooperative operating model
No borrowings from banks or other financial institutions
No equity investments
Risk exposure managed well

Excellent Track Record
In business for over 52 years
Solid performance over the years
Prudent management of resources
Government guarantee on savings up to €100,000 per member
Commitment to support members in difficult times
I am delighted to present to you the Annual Report of Mullingar Credit Union for the year ended 30th September 2014. I am pleased to report that this has been another successful year for our Credit Union. Thanks to the continued support of our members and the prudent management of our affairs, we have generated a surplus of over €2.77 million and are proposing to pay a dividend to members amounting to €1.49 million.

This report which is being sent to all eligible members gives a detailed account of the performance and operations of the Credit Union throughout the past year. I encourage members to study the report and attend our forthcoming Annual General Meeting where the report and the activities of the Credit Union will be fully discussed.

RESULTS FOR THE YEAR

Despite the continuing difficult economic conditions the performance of the Credit Union in the year to September 2014 has been very good. During the year we have seen increases in savings, loans, investments and the year end surplus.

The Financial Statements for the year as set out on pages 14 to 24 continue to reflect a very robust position. Our surplus for the year is €2.77 million after accruing €1.4 million for the renovation of our premises. Reserves at the year end stood at €27.1 million.

Income for the year decreased slightly from €8.2 million in 2013 to €8.1 million in 2014. Interest for the year from members’ loans was slightly down on 2013. Income from investments increased slightly over the year reflecting increased level of investments while the rate of return on those investments declined.

General expenditure was broadly comparable with the previous year.

The Directors decided to accrue a further €1.4 million against the cost of redeveloping the premises. Bad debts written off this year amounted to €1.2 million, down from €1.4 million in 2013. There was a write back of €787,000 on the doubtful debt provision, this was the net effect of the release of provisions on written off accounts and an increase in the general provision. The total provision for doubtful debts at the year end stood at €9.85 million. Salary costs have increased reflecting the cost of additional staff for the full year.

Loans outstanding have increased from €45.3 million in 2013 to €45.6 million at the end of 2014. Loans taken over on the transfer of engagements of Castletown Credit Union were €1.3 million. We are beginning to see signs of growth in lending, overall outstanding loan balances increased consistently month on month in the second half of the year. New lending in 2014 was up 9% on 2013. Loan interest is the most important source of income for the Credit Union and we encourage all members who need to borrow, to use our loan facilities.

Total savings increased by €4.7 million over the year and stood at €150.4 million at the year end. Savings transferred from Castletown Credit Union were €3.1 million. Investments stood at €132.7 million at the end of 2014, an increase of €3.2 million on the previous year. These investments are spread across a number of institutions, with the intention of limiting risk, whilst generating a satisfactory return for members. We employ the services of independent financial advisors, Cantor Fitzgerald, in the management of our investments.

We continued our policy of adding to our reserves and maintaining adequate provisions. Our Regulatory Reserve stood at 11.31% at 30 September 2014, in excess of the Central Bank requirement of 10%. Our overall Balance Sheet remains strong and robust.
Taking account of the results for the year and the financial position of Mullingar Credit Union at the year end, the Directors recommend a dividend payment of 1% for the year, which will result in a payment of €1,490,000 to our members.

**MONITORING OF CREDIT UNION ACTIVITIES**

- **Central Bank:** Monitors the performance of the Credit Union through analysis of the quarterly prudential returns, ad hoc reports and on site inspections. As one of the largest Credit Unions in the Country, we are subject to a higher level of supervision.

- **Irish League of Credit Unions:** Monitors the performance of the Credit Union by analysis of Prudential Returns submitted quarterly and by field officer inspections.

- **Hayes Coghlan & Co Auditors:** Carry out interim and final year end audits of the financial transactions and report directly to the members through the Annual Report and at the Annual General Meeting.

- **Board Oversight Committee:** Appointed by the Members at the Annual General Meeting to oversee the performance of the Directors of their functions, they report to the Members through the Annual Report and at the Annual General Meeting.

- **Internal Audit Function:** Undertakes a continuous programme of internal reviews.

**OTHER DEVELOPMENTS**

In last year’s report we advised members that the Board of Castlelost Credit Union, based in Rochfortbridge, had approached Mullingar Credit Union regarding the possible transfer of engagements from Castlelost Credit Union to Mullingar Credit Union. I am glad to report that the negotiations were successfully concluded and the transfer of engagement process was finalised during the year.

We would like to express our appreciation to the Credit Union Restructuring Board, (ReBo), the Central Bank and The Irish League of Credit Unions for assistance and guidance received throughout the project. The process, which began in January 2013, concluded with the opening of our sub-office in Rochfortbridge on the 8th of July 2014. The occasion was marked by the attendance of the Chairman and Chief Executive Officer of ReBo along with representatives of the Board, Management and Staff of our new enlarged entity.

I wish to pay tribute to the Boards of Directors and Board Oversight Committees of both Credit Unions for the manner in which they conducted the negotiations which led to the final decision to transfer. I extend a special word of praise for the Management Team and Staff who completed the project in such an efficient manner. I welcome our new members and staff and look forward to their continued participation in our organisation.

In previous Annual Reports we indicated our intention to redevelop our existing offices to improve facilities for members and staff. As many of you will be aware work commenced earlier this year and is now at an advanced stage with most of the major construction work in its final stage. The work is being completed on a phased basis and we expect that the first phase will be completed early in the new year. Phase One will restore member access to our information centre and quicklodge facilities back to Oliver Plunkett Street and will also include a new purpose built loans facility. The total cost of the work is close to €3 million and has been fully provided for at this stage. We apologise for the inconvenience caused during the construction work and seek your continued patience which I am sure will be rewarded on completion of the project when the benefits associated with the improvements will be experienced by all of us.
During the year we continued to invest in our facilities and technology. We upgraded our website to allow members complete online transfers from their computer or on their mobile phone through our app, CuAnywhere. We also launched a Facebook page which is being used to promote the Credit Union and communicate with members on an ongoing basis. We are working with a number of other Credit Unions to develop a debit card for use on Credit Union accounts which we hope to be in position to launch in 2015.

The business environment in which we operate remains difficult. While we have seen some increase in demand for loans, with the total amount of new loans advanced having increased in each of the last two years, the total value of loans outstanding is well down on previous years. This is having a negative effect on interest income. The returns available from investments have fallen very significantly during the year. As our investments mature we are reinvesting at a much lower rate of return, this will have an extremely adverse effect on our income over the next few years.

Overall member savings have increased again this year. This, together with opening 1,145 new accounts, demonstrates the sense of value and loyalty that members place in Mullingar Credit Union. We continued our programmes of promoting to and engaging with the youth section of our membership. Our CU@yourschool learning programme in secondary schools continued and has been well received by teachers and students. Our reduced rate college loan facility has proved very popular with students and parents. We held a CU Factor talent competition in September which was a great success.

Following a change in last year’s budget all dividends on shares paid by Credit Unions are now subject to Deposit Interest Retention Tax (DIRT). This means that on payment of the dividend, following approval at the 2014 Annual General Meeting, DIRT will automatically be deducted from members accounts. There are a small number of exceptions and these are explained more fully on page 40 of this report.

The commencement of the majority of the sections of the Credit Union and Co-operation with Overseas Regulators Act 2012 has resulted in significant changes to the governance and management structure of Credit Unions. The Board of Directors now has a non-executive role and is responsible for the control, direction and management of the Credit Union at a strategic level, while having no hands-on involvement in the operational activities of the Credit Union. The Manager, who is the Chief Executive, has responsibility for the day to day management of the Credit Union operations.

The new Act sets the maximum number of Directors at eleven. Mullingar Credit Union implemented this change through an amendment to its rules at last year’s Annual General Meeting. The Act also sets a limit on the length of time a person can be a Director of a Credit Union with a maximum of twelve years allowed in any fifteen year period. All proposals for the position of Director must be channelled through the Nominations Committee who are responsible for accepting nominations, carrying out fitness and probity due diligence and making proposals for election. All serving Directors are required to resign at this year’s Annual General Meeting and seek re-election if they so desire.

The role of the Board Oversight Committee has changed from that of the former Supervisory Committee. Their responsibilities in relation to the operational element of the Supervisory role are now vested in the new Internal Audit function. Sandra Walsh has been appointed to the position of Internal Auditor. The new
role of the Board Oversight Committee is to ensure that the Board of Directors is operating in accordance with the Credit Union Acts and any resulting regulations.

Three long serving Directors, William Warde, Tim Brosnan and Brian Gillen, retired prior to our 2013 Annual General Meeting. Paddy Murphy who, as Chairman, had guided this Credit Union for many years, stepped down from the role at the 2013 Annual General Meeting. During the year Fionn Gallagher resigned as a member of the Board of Directors. I would like to thank all of them for the exceptional, dedicated and loyal service given to Mullingar Credit Union over many years.

Edna Blake joined the Board of Directors from the Board Oversight Committee where she had served for ten years. The resulting vacancy on the Board Oversight committee was filled by the co-option of Ronan Duffy. Ronan had served as a volunteer on the Finance Committee for four years. We wish Edna and Ronan well in their new positions.

The practice of using committee membership as an induction process for potential Director or Board Oversight Committee vacancies has served us well in the past. We are anxious to continue and indeed expand voluntary representation on our various committees especially as there is an increased emphasis on the importance of a strong committee structure. We invite anyone interested to contact any member of our Nomination Committee.

Two long term employees of the Credit Union, Eileen Murphy and Catherine Russell, retired during the year and we wish them well in their retirement. A special thanks to Frances Gillespie, former manager of Castlelost Credit Union, who is retiring shortly. We wish her well for the future.

CONCLUSION
Your Credit Union continues to be Safe, Strong and Secure. I wish to thank all of our members for their continued loyalty and support throughout the year, working together we will continue to grow and prosper. The Credit Union is your organisation and I encourage you to make full use of its services.

On behalf of the Directors I wish to thank the Manager and Staff for the excellent and courteous service provided by them to the Members and Directors over the last year. I want to also thank my fellow Directors and all Committee members for their time and dedication throughout the year.

Seamus McLaughlin,
Chairman.
The Directors present their Annual Report and Audited Financial Statements for the year ended 30th September 2014.

STATEMENT OF DIRECTORS’ RESPONSIBILITIES
The Directors are responsible for preparing the financial statements in accordance with applicable law and generally accepted accounting practice in Ireland including the accounting standards issued by the Accounting Standards Board and promulgated by the Certified Public Accountants of Ireland.

The Credit Union Act 1997 (as amended) 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 confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the Credit Union and which enable them to ensure that the financial statements comply with the Credit Union Act 1997 (as amended).

The Directors 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.

DIRECTORS
Directors who served during the year were as follows:

STATEMENT OF BOARD OVERSIGHT COMMITTEE’S RESPONSIBILITIES
The Credit Union Act, 1997 (as amended) requires the appointment of a Board Oversight Committee to assess whether the Board of Directors has operated in accordance with Part IV, Part IVA and any regulations made for the purposes of Part IV or Part IVA of the Credit Union Act, 1997 (as amended) and any other matter prescribed by the Bank in respect of which they are to have regard to in relation to the Board.

BOARD OVERSIGHT COMMITTEE
Members who served on the Board Oversight Committee during the year were as follows:
E. Blake, K. Dunne, M. Reilly, R. Duffy.

ACCOUNTING RECORDS
The Directors acknowledge their responsibilities under section 108 of the Credit Union Act 1997 (as amended) to keep proper books and records of the Credit Union.

The books and records are kept in the Credit Union’s office at St. Colman’s House, Oliver Plunkett Street, Mullingar, County Westmeath.

PRINCIPAL ACTIVITIES:
The Company is principally engaged in the operation of a Credit Union providing financial services to members at fair and reasonable rates, on a not for profit basis.
The available surplus on operating activities is distributed to members after meeting all reserve and provision requirements.

**BUSINESS REVIEW AND FUTURE DEVELOPMENTS**

Total income for the year declined slightly from €8.2 million in 2013 to €8.1 million in 2014. Income from loans fell by €161,000 while income from investments increased by €41,000. Total expenditure decreased from €6.3 million in 2013 to €5.4 million in 2014. The 2014 expenditure includes costs of €1.4 million relating to the ongoing refurbishment of the Credit Union offices while €1.5 million was provided for these costs in 2013. Bad debts reduced from €1.4 million in 2013 to €1.2 million in 2014. There was a credit of €787,000 in the current year from the reduction in the provision for doubtful debts.

Overall we generated a surplus of €2.77 million for the year of which we propose to return €1.49 million to members by way of dividend.

Savings increased during the year by €4.7 million while loans increased by €0.3 million. We took over €3.1 million of savings and €1.3 million of loans on the transfer of Castlemorris Credit Union. Investments increased during the year by €3.2 million. The provision for doubtful debts reduced to €9.8 million. Total reserves increased by €1.7 million to €27.1 million.

Overall the Directors consider that the level of business conducted throughout the year and the financial position at the year end as set out in the financial statements was satisfactory. They are confident that the sound financial position of the Credit Union will be maintained. The Directors intend to further develop current activities and facilities.

**DIVIDENDS AND INTEREST REBATE**

The Directors recommend payment of a dividend on shares of 1.0% at a cost of €1,490,548. The Directors do not recommend the payment of a rebate of interest paid on loans throughout the year.

**RISKS AND CHALLENGES**

The Board of Directors is responsible for the general control, direction and management of the affairs, funds and records of the Credit Union. The Board meet as often as is necessary, but at least monthly, to discharge this responsibility. The Board continually keeps under review the principal risks and challenges facing the Credit Union. The principal risks and challenges identified include reduced lending in proportion to members’ savings, loan default, the security of capital and the quality of underlying guarantees on investments, investment counterparty risk, falling returns on investments, liquidity risk and technology. The Board appoints various sub committees, retains the services of suitably qualified advisors and appoints staff in order to assist in the management of these issues.

**AUDITORS**

The Auditors, Hayes Coghlan & Co., have expressed their willingness to continue in office in accordance with Section 115 of the Credit Union Act 1997 (as amended).

Signed On behalf of the Credit Union

Manager

Member of the Board Oversight Committee

Member of the Board of Directors

Date: 28th October, 2014
On 11 October 2013, the Minister for Finance signed the Credit Union and Co-operation with Overseas Regulators Act 2012 (Commencement of Certain Provisions) (No.2) Order 2013 (CUCORA). This Act introduced significant amendments to the principal legislation governing credit unions, the Credit Union Act 1997 (as amended). As a direct result of these amendments, the members of the Supervisory Committee automatically became members of the Board Oversight Committee (BOC) on 11 October 2013 and can remain on the BOC until they would have been due to be re-elected to the Supervisory Committee. The functions of the BOC are defined in the Credit Union Act 1997 (as amended) and the Standard Rules for credit unions. The main responsibility as a member of the BOC is to oversee the way that the Credit Union Directors perform their various duties and functions. Members of the BOC are only entitled to speak on points of law, or points of information. They must never attempt to influence the Board of Directors or participate in decision making.

During the past year the BOC completed the following:

• Held at least one meeting every month;

• Met with the Board of Directors four times during the year to facilitate it in carrying out its assessment of whether the Board has operated in accordance with Part IV and Part IVA of the Credit Union Act 1997 (as amended);

• Submitted a written report to the Board of Directors, within two weeks of such meetings, on their assessment of whether the Board has operated in accordance with Part IV and Part IVA of the Credit Union Act 1997 (as amended);

• Attended all meetings of the Board Of Directors.

At no stage during the past year was the Board of Directors found to be working outside of the law or out of line with any other matters prescribed by the Central Bank. Therefore I can confidently report to you, the members of Mullingar Credit Union at this AGM, that the Board of Directors has operated in accordance with Part IV and Part IVA of the Credit Union Act 1997 (as amended).

Finally it should be noted that in April 2014 the former Chairperson of the BOC Ms. Edna Blake resigned her position and was appointed as a Director. Mr. Ronan Duffy was co-opted onto the Committee in May 2014, hence the committee had 3 serving members for no less than 11 months during the year. I would like to take this opportunity to thank my fellow committee members Ms. Mary Reilly and Mr. Ronan Duffy for their commitment and generosity in terms of time and expertise to the committee. Lastly on behalf of the BOC, I would like to offer congratulations to the former Chair Ms. Edna Blake on the legacy she has left. Edna has inspired enthusiasm, co-operation and a strong team spirit within the Committee which we look forward to carrying on long into the future.

Kelly Dunne,
Chairperson,
Board Oversight Committee.
We have audited the financial statements of Mullingar Credit Union Limited for the year ended 30th September, 2014 which comprises of the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement, and the related Notes. The 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 Certified Public Accountants of 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 (as amended). Our audit work has been undertaken so that we might state to the Credit Union's members those matters that we are required to state to them in the auditor's report and for no other purposes. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Credit Union or the Credit Union's members as a body for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND AUDITORS
As described in the Statement of Directors’ Responsibilities, the Credit Union’s Directors are responsible for the preparation of the financial statements in accordance with applicable Irish law and the Accounting Standards issued by the Accounting Standards Board and promulgated by the Certified Public Accountants of Ireland (Generally Accepted Accounting Practice in Ireland) Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland) 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 of the Credit Union's affairs as at 30th September, 2014 and of its income and expenditure for the year then ended and have been properly prepared in accordance with Generally Accepted Accounting Practice and the Credit Union Acts 1997-2012. We also report to you whether in our opinion; proper books of account have been kept by the Credit Union. In addition, we state whether we have obtained all the information and explanations necessary for the purposes of the audit and whether the Credit Union's Balance Sheet and its Income and Expenditure Account 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 of the Chairperson’s Report, the Report of the Board of Directors, the Board Oversight Committee Report, the Audit Committee Report, the Credit Committee Report, the Risk Committee Report, the Nomination Committee Report and the Membership Committee Report. 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 the audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Credit Union’s circumstances, consistently applied and adequately disclosed. We planned the audit so as to obtain all the information and explanations which we consider 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 Credit Union's affairs as at 30th September, 2014 and of its income and expenditure for the year then ended and have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland and in accordance with the requirements of the Credit Union Acts 1997-2012.

We have obtained all the information and explanations which we considered necessary for the purpose of the 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.

SIGNED: ..............................................
Phyllis Hayes Registered Auditor for and on behalf of Hayes, Coghlan & Co. 7 Dominick Street Mullingar County Westmeath
Date: 28th October, 2014
### INCOME AND EXPENDITURE ACCOUNT FOR YEAR ENDED 30TH SEPTEMBER, 2014

<table>
<thead>
<tr>
<th>Note</th>
<th>2014 (€)</th>
<th>2013 (€)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INCOME:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest on Members’ Loans</td>
<td>3,437,975</td>
<td>3,598,700</td>
</tr>
<tr>
<td>Members’ Deposit &amp; Other Interest Payable and Similar Charges</td>
<td>(5,642)</td>
<td>(4,510)</td>
</tr>
<tr>
<td>Other Interest Income &amp; Similar Income (Schedule 1)</td>
<td>2</td>
<td>4,622,103</td>
</tr>
<tr>
<td><strong>Net Interest Income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>8,054,436</td>
<td>8,175,368</td>
</tr>
<tr>
<td>Other Income (Schedule 2)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>94,541</td>
<td>50,066</td>
</tr>
<tr>
<td><strong>TOTAL INCOME</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>8,148,977</td>
<td>8,225,434</td>
</tr>
</tbody>
</table>

| **EXPENDITURE:** | | |
| Salaries | 1,508,286 | 1,417,432 |
| Other Management Expenses (Schedule 3) | 4,402,137 | 4,578,873 |
| Social and Cultural Fund | 77,922 | 78,331 |
| Depreciation | 415,835 | 406,297 |
| Provision for Doubtful Debts | 1f | (787,383) | - |
| Bad Debts Recovered | | (241,781) | (189,150) |
| **TOTAL EXPENDITURE** | | |
| | 5,375,016 | 6,291,783 |

| **EXCESS OF INCOME OVER EXPENDITURE FOR THE YEAR** | 2,773,961 | 1,933,651 |
| Add: Distribution Reserve at 1st October, 2013 | 5 | 4,091,020 | 4,083,073 |
| Transfer of Engagement Reserve | | 369,418 | - |
| **TOTAL** | | 7,234,399 | 6,016,724 |

| Less: Dividend Paid | (1,442,096) | (1,832,947) |
| Transfer to Statutory Reserve-Castlelost Credit Union | 5 | (449,674) | - |
| Transfer to Statutory Reserve | 5 | (277,396) | (193,365) |
| Transfer to Undistributable Reserves | 5 | (151,776) | (139,392) |
| Transfer from Undistributable Reserves | 5 | - | 240,000 |
| **DISTRIBUTION RESERVE AT 30TH SEPTEMBER, 2014** | | |
| | 4,913,457 | 4,091,020 |

There were no recognised gains or losses other than the income and expenditure shown for the above two financial periods.

**These Financial Statements were approved by the Board on:** 28th October, 2014

Signed On behalf of the Credit Union

Manager: ................................................................. Date: 28th October, 2014

Member of the Board Oversight Committee: ................................ Date: 28th October, 2014

Member of the Board of Directors: ........................................ Date: 28th October, 2014
<table>
<thead>
<tr>
<th>Note</th>
<th>ASSETS</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cash and Balances at Bank</td>
<td>€4,570,338</td>
<td>€1,418,585</td>
</tr>
<tr>
<td></td>
<td>Deposits and Investments</td>
<td>€132,695,539</td>
<td>€129,493,559</td>
</tr>
<tr>
<td></td>
<td>Central Bank Minimum Reserve</td>
<td>€1,257,275</td>
<td>€1,211,632</td>
</tr>
<tr>
<td></td>
<td>Central Bank Deposit Protection</td>
<td>€276,103</td>
<td>€284,977</td>
</tr>
<tr>
<td></td>
<td>Loans to Members</td>
<td>€45,616,337</td>
<td>€45,307,984</td>
</tr>
<tr>
<td></td>
<td>Less Provision for Doubtful Debts</td>
<td>€(9,850,000)</td>
<td>€(10,500,000)</td>
</tr>
<tr>
<td></td>
<td>Tangible Fixed Assets</td>
<td>€5,694,478</td>
<td>€5,826,644</td>
</tr>
<tr>
<td></td>
<td>Debtors, Prepayments and Accrued Income</td>
<td>€222,592</td>
<td>€214,948</td>
</tr>
<tr>
<td></td>
<td><strong>TOTAL ASSETS</strong></td>
<td><strong>€180,482,662</strong></td>
<td><strong>€173,258,329</strong></td>
</tr>
<tr>
<td></td>
<td>LIABILITIES</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Members' Shares</td>
<td>€149,064,874</td>
<td>€144,598,291</td>
</tr>
<tr>
<td></td>
<td>Members' Deposits</td>
<td>€1,324,576</td>
<td>€1,066,396</td>
</tr>
<tr>
<td></td>
<td>Members' Car Draw Fund (Schedule 4)</td>
<td>€226,309</td>
<td>€231,622</td>
</tr>
<tr>
<td></td>
<td>Other Liabilities, Creditors, Accruals &amp; Charges</td>
<td>€2,801,801</td>
<td>€1,998,201</td>
</tr>
<tr>
<td></td>
<td><strong>TOTAL LIABILITIES</strong></td>
<td><strong>€153,417,560</strong></td>
<td><strong>€147,894,510</strong></td>
</tr>
<tr>
<td></td>
<td><strong>NET WORTH</strong></td>
<td><strong>€27,065,102</strong></td>
<td><strong>€25,363,819</strong></td>
</tr>
<tr>
<td></td>
<td>Represented By:</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>RESERVES</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Statutory Reserve</td>
<td>1(g) &amp; 5</td>
<td>€16,614,517</td>
</tr>
<tr>
<td></td>
<td>Additional Regulatory Reserve</td>
<td>1(g) &amp; 5</td>
<td>€3,791,753</td>
</tr>
<tr>
<td></td>
<td>Total Regulatory Reserve</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Other Reserves</td>
<td>1(g) &amp; 5</td>
<td>€6,658,832</td>
</tr>
<tr>
<td></td>
<td><strong>TOTAL RESERVES</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

These Financial Statements were approved and authorised for issue by the Board on: 28th October, 2014

Signed On behalf of the Credit Union

Manager: ________________________________ Date: 28th October, 2014

Member of the Board Oversight Committee: ___________ Date: 28th October, 2014

Member of the Board of Directors: ___________ Date: 28th October, 2014
# CASH FLOW STATEMENT
FOR YEAR ENDED 30TH SEPTEMBER, 2014

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>€</td>
<td>€</td>
</tr>
<tr>
<td><strong>Opening Cash and Investments</strong></td>
<td>132,408,753</td>
<td>125,718,183</td>
</tr>
<tr>
<td><strong>RECEIPTS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Members’ Shares</td>
<td>69,830,163</td>
<td>63,935,243</td>
</tr>
<tr>
<td>Members’ Deposits</td>
<td>7,344,303</td>
<td>5,752,751</td>
</tr>
<tr>
<td>Members’ Loans Repaid</td>
<td>19,890,011</td>
<td>20,494,352</td>
</tr>
<tr>
<td>Members’ Loan Interest Received</td>
<td>3,437,975</td>
<td>3,598,700</td>
</tr>
<tr>
<td>Investment Interest</td>
<td>4,622,103</td>
<td>4,581,178</td>
</tr>
<tr>
<td>Bad Debts Recovered</td>
<td>241,781</td>
<td>189,150</td>
</tr>
<tr>
<td>Net Assets transferred from Castletost Credit Union Ltd</td>
<td>506,802</td>
<td>-</td>
</tr>
<tr>
<td>Other Receipts</td>
<td>94,541</td>
<td>50,066</td>
</tr>
<tr>
<td>(Decrease)/Increase in Car Draw Fund</td>
<td>(5,313)</td>
<td>(13,130)</td>
</tr>
<tr>
<td>Decrease/(Increase) in Debtors &amp; Prepayments</td>
<td>(7,644)</td>
<td>(6,289)</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>105,954,722</td>
<td>98,582,021</td>
</tr>
<tr>
<td><strong>DISBURSEMENTS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Members’ Shares Withdrawn</td>
<td>65,363,580</td>
<td>62,606,638</td>
</tr>
<tr>
<td>Members’ Deposits Withdrawn</td>
<td>7,086,123</td>
<td>5,478,851</td>
</tr>
<tr>
<td>Members’ Loans Issued</td>
<td>20,198,364</td>
<td>17,295,087</td>
</tr>
<tr>
<td>Interest Paid</td>
<td>5,642</td>
<td>4,510</td>
</tr>
<tr>
<td>Dividends Paid</td>
<td>1,442,096</td>
<td>1,832,947</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>5,910,424</td>
<td>5,996,305</td>
</tr>
<tr>
<td>Fixed Assets Purchased</td>
<td>283,669</td>
<td>54,386</td>
</tr>
<tr>
<td>Social and Cultural Fund Expenditure</td>
<td>77,922</td>
<td>78,331</td>
</tr>
<tr>
<td>(Increase)/Decrease in Other Liabilities &amp; Accruals</td>
<td>(803,600)</td>
<td>(1,455,604)</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>99,564,220</td>
<td>91,891,451</td>
</tr>
<tr>
<td><strong>CLOSING CASH AND INVESTMENTS</strong></td>
<td>138,799,255</td>
<td>132,408,753</td>
</tr>
</tbody>
</table>
NOTE 1.

SIGNIFICANT ACCOUNTING POLICIES

(a) Accounting Convention

These financial statements are prepared in accordance with generally accepted accounting principles under the historical cost convention and comply with financial reporting standards issued by the Accounting Standards Board, as promulgated by the Certified Public Accountants of Ireland.

(b) Income Recognition

Income is recognised to the extent that it is probable that the economic benefits will flow to the Credit Union and the revenue can be reliably measured.

(I) Interest on Members’ loans is recognised when payment is received as specified in Section 110 (1) (c) (1) of the Credit Union Act, 1997, (as amended) (i.e. on a cash received basis).

(II) Investment Income is recognised on an accruals basis. Where returns are guaranteed, subject to the Credit Union holding products to maturity, the Credit Union accounts for that element of the guaranteed return as income on an accruals basis in the current year. Income which is not received at the Balance Sheet date or within twelve months of the Balance Sheet date is considered undistributable in accordance with the Central Bank guidelines of April, 2009 and is held in an Undistributable Reserve in the Balance Sheet until it meets the criteria for distribution as set out in the guidelines.

(c) Tangible Fixed Assets and Depreciation

Tangible Fixed Assets are stated at cost less accumulated depreciation. Depreciation is provided for at rates sufficient to write off the cost of Tangible Fixed Assets on a straight line basis over the period of their expected useful lives as follows:

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Premises</td>
<td>5.0%</td>
<td>5.0%</td>
</tr>
<tr>
<td>Office Equipment and Furniture</td>
<td>12.5%</td>
<td>12.5%</td>
</tr>
<tr>
<td>Computer System</td>
<td>20.0%</td>
<td>20.0%</td>
</tr>
</tbody>
</table>

(d) Investment Valuations

All investments held at the Balance Sheet date are 100% capital guaranteed on maturity or date of call by issuing institution. Investments are stated at cost less any permanent diminution in capital value. Investments with guarantees of capital value at fixed maturity dates are held at cost.

(e) Pension Costs

The Credit Union participates in the Irish League of Credit Unions Republic of Ireland Pension Scheme. This is a funded, multi credit union, defined benefit pension scheme. Because the Credit Union is unable to identify its share of the assets and liabilities of the pension scheme, the Credit Union, in accordance with the requirement of Financial Reporting Standard 17, Retirement Benefits, and guidance from the ILCU, is accounting for the pension contributions as if the scheme was a defined contribution scheme. Contributions payable to the pension scheme are recognised in the Income and Expenditure account.

(f) Bad and Doubtful Debts

Provision for doubtful debts is made against loans which are considered to be impaired at the Balance Sheet date. The loan is considered impaired when there is objective evidence that events since the loan was granted have affected the amount or timing of future cash flows from the loan.
(f) Bad and Doubtful Debts (continued)

Specific provisions are made to cover doubtful debts that have been separately identified at the Balance Sheet date. The Credit Union uses a combination of the Resolution 49 calculation as set out by the Irish League of Credit Unions and an additional specific provisioning review to estimate the specific provisions. In addition a general provision is made to cover doubtful debts that have not been separately identified at the Balance Sheet date but could be expected to be present in any portfolio of loans. The level of general provision is determined in the light of past experience, current economic and other factors affecting the business environment and the Credit Union's monitoring and control procedures, including the scope of specific provisioning procedures.

At the Balance Sheet date the specific provision held was €5,038,456. An additional general provision of €4,811,544 is considered prudent by the Board of Directors. Provisions made are charged to the Income and Expenditure Account.

Loans written off as bad debts are included in Other Management Expenses. Bad debts recovered are included in the Income and Expenditure Account.

(g) Reserves and Distribution Policy

The Credit Union maintains Reserves to support its operations, provide a base for future growth and protect against the risk of unforeseen losses. The following reserves are maintained:

- a Statutory and Additional Regulatory Reserve as required by law and guidelines issued by the Central Bank. These are realised, unrestricted and non-distributable.
- an Undistributable Reserve which represents investment income not receivable within 12 months of each Balance Sheet date. Such income is deemed to be realised and distributable when it comes within twelve months of receipt.
- a Distribution Reserve which is maintained to fund the development of the Credit Union and to pay dividends in the future, if recommended by the Board of Directors and approved at the Annual General Meeting.

(h) Transfer of Engagements

Transfer of engagements are accounted for using the acquisition method of accounting, outlined in FRS 6. This involves recognising identifiable assets and liabilities of the acquired business at fair value. In applying the acquisition method of accounting for these business combinations, the member interests transferred by Castlelost Credit Union Limited represents the consideration transferred for the net assets acquired. This consideration has been estimated as equivalent to the acquisition-date fair value of the member interests in the transferor credit union (the fair value of Castlelost Credit Union Limited) at the date of the transfer, and is reflected as an adjustment in “other reserves”.

NOTE 2. OTHER INTEREST INCOME & SIMILAR INCOME

<table>
<thead>
<tr>
<th>Analysis of investment income</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment income and gains received at the balance sheet date</td>
<td>2,470,234</td>
<td>2,601,982</td>
</tr>
<tr>
<td>Investment income that will be received within 12 months of the balance sheet date</td>
<td>2,000,093</td>
<td>1,839,804</td>
</tr>
<tr>
<td>Other investment income</td>
<td>151,776</td>
<td>139,392</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4,622,103</strong></td>
<td><strong>4,581,178</strong></td>
</tr>
</tbody>
</table>

NOTE 3. SOLVENCY RATIO

The Solvency ratio, calculated on the basis set out by the Irish League of Credit Unions is 117.13%, which is in excess of the goal set by the Irish League of Credit Unions at 109%.
NOTE 4. FIXED ASSET SCHEDULE

<table>
<thead>
<tr>
<th></th>
<th>Mullingar Premises €</th>
<th>Castlelost Premises €</th>
<th>Office Equipment &amp; Furniture €</th>
<th>Computers €</th>
<th>Total €</th>
</tr>
</thead>
<tbody>
<tr>
<td>Costs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 30th September, 2013</td>
<td>7,452,998</td>
<td>-</td>
<td>342,592</td>
<td>771,737</td>
<td>8,567,327</td>
</tr>
<tr>
<td>Additions during year</td>
<td>-</td>
<td>232,191</td>
<td>8,136</td>
<td>43,342</td>
<td>283,669</td>
</tr>
<tr>
<td>At 30th September, 2014</td>
<td>7,452,998</td>
<td>232,191</td>
<td>350,728</td>
<td>815,079</td>
<td>8,850,996</td>
</tr>
<tr>
<td>Depreciation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 30th September, 2013</td>
<td>1,696,081</td>
<td>-</td>
<td>311,810</td>
<td>732,792</td>
<td>2,740,683</td>
</tr>
<tr>
<td>Charge for the year</td>
<td>372,650</td>
<td>11,610</td>
<td>10,387</td>
<td>21,188</td>
<td>415,835</td>
</tr>
<tr>
<td>At 30th September, 2014</td>
<td>2,068,731</td>
<td>11,610</td>
<td>322,197</td>
<td>753,980</td>
<td>3,156,518</td>
</tr>
<tr>
<td>Net Book Value</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 30th September, 2014</td>
<td>5,384,267</td>
<td>220,581</td>
<td>28,531</td>
<td>61,099</td>
<td>5,694,478</td>
</tr>
<tr>
<td>At 30th September, 2013</td>
<td>5,756,917</td>
<td>-</td>
<td>30,782</td>
<td>38,945</td>
<td>5,826,644</td>
</tr>
</tbody>
</table>

Tangible fixed assets are reviewed for impairment if events or changes in circumstances indicated that the carrying value may be impaired. During the year ended 30th September, 2014, the Credit Union carried out an impairment review of the carrying value of its freehold premises. This review indicated that the recoverable amount based on a value in use calculation is greater than the carrying value of the freehold premises and therefore no impairment is recognised.

NOTE 5. RESERVES

<table>
<thead>
<tr>
<th></th>
<th>2013 Reserves Created on Transfer of Engagement €</th>
<th>Income &amp; Expenditure Movement €</th>
<th>2014 €</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regulatory Reserve</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Statutory Reserve</td>
<td>15,887,447</td>
<td>449,674</td>
<td>277,396</td>
</tr>
<tr>
<td>Additional Regulatory Reserve</td>
<td>3,791,753</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Regulatory Reserve</td>
<td>19,679,200</td>
<td></td>
<td>20,406,270</td>
</tr>
<tr>
<td>Other Reserves</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment Reserve</td>
<td>1,000,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Undistributable Reserve</td>
<td>593,599</td>
<td>-</td>
<td>151,776</td>
</tr>
<tr>
<td>Distribution Reserve</td>
<td>4,091,020</td>
<td>(80,256)</td>
<td>902,693</td>
</tr>
<tr>
<td></td>
<td>5,684,619</td>
<td>369,418</td>
<td>6,658,832</td>
</tr>
</tbody>
</table>
NOTE 6. PROPOSED DIVIDEND
The Directors recommend the following distributions:

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividend Rate</td>
<td>1.00%</td>
<td>1.00%</td>
</tr>
<tr>
<td>Dividend on Shares</td>
<td>€1,490,548</td>
<td>€1,442,563</td>
</tr>
</tbody>
</table>

NOTE 7. UNATTACHED SAVINGS

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shares &amp; Deposits</td>
<td>134,146,161</td>
<td>129,832,496</td>
</tr>
</tbody>
</table>

NOTE 8. RELATED PARTY TRANSACTIONS
During the year ended 30th September 2014, loans totalling €85,300 were issued to officers of the Credit Union. At 30th September 2014, loans to officers were €251,842 while savings on these accounts amounted to €128,425. Total savings of officers at 30th September 2014 amounted to €885,542.

NOTE 9. INSURANCE AGAINST FRAUD
The Credit Union has insurance against fraud of €5,200,000 in compliance with Section 47 of the Credit Union Act 1997 (as amended).

NOTE 10. PENSION SCHEME
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. However, Mullingar Credit Union Limited is unable to identify its share of the underlying assets and liabilities. Consequently, Mullingar Credit Union Limited accounts for its contributions to the scheme as if it were a defined contribution scheme. Contributions payable to the scheme are recognised in the income and expenditure account.

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

The last completed triennial actuarial review was carried out with an effective date of 1st March, 2011 using the Projected Unit Credit method. The principal actuarial assumption used in the valuation was the investment return would be 1.75% higher than the annual salary increases. The market value of the scheme’s assets at 1st March, 2011 was €107.3m. The actuarial valuation disclosed a past service deficit of €28.7m at 1st March, 2011. This actuarial review recommended a long term funding rate of 22.5%. The cost of risk benefits is paid in addition to this rate.

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 for The Pensions Board within 9 months of the effective date of the valuation.
NOTE 10. PENSION SCHEME (continued)

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 1st March, 2009.

Consequently, the Trustees submitted a new funding proposal, to address the shortfall in funding, to The Pensions Board. The submitted funding proposal is designed to ensure that the scheme could reasonably be expected to satisfy the funding standard as at 1st March, 2019 and provides for a retirement contribution of 27.7%. The cost of risk benefits is payable in addition giving a total contribution rate of 30% of pensionable salary. This funding proposal was approved by the Pensions Board.

For the scheme year ended 28th February, 2012 the actuary advised that having been directed by the Trustees and Employer, in light of the current economic outlook, that it was appropriate to revise the assumption for salary increases over the remaining term of the funding proposal from 5% pa to 3.25% pa he was reasonably satisfied that the scheme will satisfy the funding standard as specified in Section 44 of the Pensions Act, 1990, at the date of 1st March, 2019 specified by the Pensions Board under Section 49(2) (a) of the Act for the purpose of the existing funding proposal.

The scheme’s Solvency Position in accordance with the aggregate cover for total Funding Standard liabilities as at 28th February, 2014 was 104.5%.

NOTE 11. TRANSFER OF ENGAGEMENTS

Mullingar Credit Union commenced discussions with Castlelost Credit Union Limited in February 2013 with a view to a transfer of engagements from Castlelost Credit Union to Mullingar Credit Union. The Boards of Directors of the two credit unions met on several occasions, and received assistance and guidance from the Registry of Credit Unions in the Central Bank of Ireland (RCU), the Irish League of Credit Unions (ILCU) and the Credit Union Restructuring Board (ReBo). An implementation plan for the transfer of engagements was drawn up, with assistance from ReBo. Both credit unions agreed in early 2014 to formally write to the Central Bank of Ireland seeking permission to progress the transfer by Board Resolution under Section 129 and 130 of the Credit Union Act 1997 (as amended).

Following approval from the Central Bank to progress the transfer, the two Boards of Directors met on 6 May 2014 and resolved, under Section 129 of the Credit Union Act 1997 (as amended), to undertake the transfer from Castlelost Credit Union Limited to Mullingar Credit Union Limited. The Certificate of Confirmation of Transfer of Engagements, the Registration of the Instrument of Transfer and the Instrument of Transfer were signed by the Registrar of Credit Unions on 7 July 2014.

On 16 September 2014, the Registrar of Credit Unions cancelled the registration of Castlelost Credit Union, and a notice to this effect was published in Iris Oifigiúil on 17 October 2014.

Castlelost Credit Union did not pay any consideration to the transferees or to its members in respect of the Transfer of Engagements. On the date of the transfer, the members of the transferor credit union (Castlelost Credit Union) became members of Mullingar Credit Union Limited, and thereby became entitled to member interests associated with such membership. In applying the acquisition method of accounting for this business combination, the member interests transferred
NOTE 11. TRANSFER OF ENGAGEMENTS (continued)

by Castlelost Credit Union Limited represent the consideration transferred for the net assets acquired. This consideration has been estimated as equivalent to the acquisition-date fair value of the member interests in the transferor credit union (the fair value of the transferor credit union) at the date of the transfer, and is reflected as an adjustment in Other Reserves in the amount of €369,418.

The book values and fair values of the net assets acquired are detailed in the table below:

<table>
<thead>
<tr>
<th></th>
<th>Castelost Credit Union Ltd assets &amp; liabilities prior to the Transfer €</th>
<th>Fair value adjustments on the Transfer €</th>
<th>Fair value of assets &amp; liabilities acquired by Mullingar Credit Union Ltd. €</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed Assets</td>
<td>269,622</td>
<td>(37,431)</td>
<td>232,191</td>
</tr>
<tr>
<td>Investments</td>
<td>1,972,992</td>
<td>15,886</td>
<td>1,988,878</td>
</tr>
<tr>
<td>Bank and Cash</td>
<td>44,900</td>
<td></td>
<td>44,900</td>
</tr>
<tr>
<td>Central Bank Deposit Protection account</td>
<td>6,483</td>
<td></td>
<td>6,483</td>
</tr>
<tr>
<td>Prepayments</td>
<td>5,625</td>
<td>(5,625)</td>
<td>-</td>
</tr>
<tr>
<td>Loans to Members</td>
<td>1,344,916</td>
<td></td>
<td>1,344,916</td>
</tr>
<tr>
<td>Provision for Doubtful Debts</td>
<td>(137,383)</td>
<td></td>
<td>(137,383)</td>
</tr>
<tr>
<td>Accruals &amp; Sammy Stamps Savings</td>
<td>(25,112)</td>
<td>5,177</td>
<td>(19,935)</td>
</tr>
<tr>
<td>Members’ Shares</td>
<td>(3,090,632)</td>
<td></td>
<td>(3,090,632)</td>
</tr>
<tr>
<td>Statutory Reserve</td>
<td>(449,674)</td>
<td>449,674</td>
<td>-</td>
</tr>
<tr>
<td>Undistributed Deficit</td>
<td>58,263</td>
<td>(58,263)</td>
<td>-</td>
</tr>
<tr>
<td>Transfer of Engagement Reserve</td>
<td>-</td>
<td>369,418</td>
<td>369,418</td>
</tr>
</tbody>
</table>

Castlelost Credit Union Limited’s liabilities on Transfer of Engagements did not include any provisions for reorganisation and restructuring costs. Mullingar Credit Union incurred on-off costs associated with the Transfer of Engagements. Costs in the year ended 30 September 2014 amounted to approximately €90,000 and these have been expensed to the income and expenditure account this year. Mullingar Credit Union received assistance with these costs from ReBo in the amount of €36,464, and this has been recognised as “Other income” in the financial statements for the year ended 30 September 2014.

NOTE 12. CAPITAL COMMITMENTS

There were no capital commitments at the year end.
NOTE 13. RATES OF INTEREST CHARGED ON MEMBERS’ LOANS

Standard Loans 7.9% variable (Typical APR 8.2%)
Reduced Rate College Loans 5.0% variable (Typical APR 5.1%)

NOTE 14. RATES OF INTEREST PAID ON MEMBERS’ DEPOSITS

Interest is paid at a rate of 0.5% on members’ deposits.

NOTE 15. MEMBERS’ SHARES

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular Share Accounts</td>
<td>102,732,254</td>
<td>98,186,701</td>
</tr>
<tr>
<td>Special Share Accounts</td>
<td>46,332,620</td>
<td>46,411,590</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>149,064,874</strong></td>
<td><strong>144,598,291</strong></td>
</tr>
</tbody>
</table>

NOTE 16. POST BALANCE SHEET EVENTS

There have been no significant post Balance Sheet events.

NOTE 17. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 28th October, 2014.

SCHEDULE 1 - OTHER INTEREST INCOME AND SIMILAR INCOME

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment Income</td>
<td>4,622,103</td>
<td>4,581,178</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4,622,103</strong></td>
<td><strong>4,581,178</strong></td>
</tr>
</tbody>
</table>

SCHEDULE 2 - OTHER INCOME

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insurance Commissions</td>
<td>19,667</td>
<td>16,392</td>
</tr>
<tr>
<td>Foreign Exchange Commissions</td>
<td>37,189</td>
<td>32,192</td>
</tr>
<tr>
<td>Entrance Fees</td>
<td>1,105</td>
<td>1,022</td>
</tr>
<tr>
<td>Miscellaneous Income</td>
<td>116</td>
<td>460</td>
</tr>
<tr>
<td>REBO Refund</td>
<td>36,464</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>94,541</strong></td>
<td><strong>50,066</strong></td>
</tr>
</tbody>
</table>
### SCHEDULE 3 - OTHER MANAGEMENT EXPENSES

<table>
<thead>
<tr>
<th>Item</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff Pension Scheme</td>
<td>€336,695</td>
<td>€335,210</td>
</tr>
<tr>
<td>Treasurers Honorarium</td>
<td>€ -</td>
<td>€7,100</td>
</tr>
<tr>
<td>LP/LS Insurance</td>
<td>€337,383</td>
<td>€410,149</td>
</tr>
<tr>
<td>General Insurance</td>
<td>€39,372</td>
<td>€38,325</td>
</tr>
<tr>
<td>League Affiliation Fees</td>
<td>€128,736</td>
<td>€134,250</td>
</tr>
<tr>
<td>Rates</td>
<td>€34,469</td>
<td>€19,551</td>
</tr>
<tr>
<td>Light and Heat</td>
<td>€27,637</td>
<td>€29,156</td>
</tr>
<tr>
<td>Repairs and Renewals</td>
<td>€1,414,011</td>
<td>€1,533,229</td>
</tr>
<tr>
<td>Computer Expenses</td>
<td>€84,953</td>
<td>€63,584</td>
</tr>
<tr>
<td>Printing and Stationery</td>
<td>€54,826</td>
<td>€41,602</td>
</tr>
<tr>
<td>Promotion and Advertising</td>
<td>€81,352</td>
<td>€49,778</td>
</tr>
<tr>
<td>Postage and Telephone</td>
<td>€60,153</td>
<td>€44,106</td>
</tr>
<tr>
<td>A.G.M. Expenses</td>
<td>€2,078</td>
<td>€1,578</td>
</tr>
<tr>
<td>Travel and Subsistence</td>
<td>€14,189</td>
<td>€11,200</td>
</tr>
<tr>
<td>Legal and Professional Fees</td>
<td>€164,708</td>
<td>€82,238</td>
</tr>
<tr>
<td>Bank Interest and Charges</td>
<td>€79,742</td>
<td>€72,288</td>
</tr>
<tr>
<td>ATM Charges</td>
<td>€14,909</td>
<td>€14,616</td>
</tr>
<tr>
<td>Investment Charges</td>
<td>€26,230</td>
<td>€32,030</td>
</tr>
<tr>
<td>Audit Fee</td>
<td>€32,691</td>
<td>€37,692</td>
</tr>
<tr>
<td>Central Bank Deposit Protection Account Charge</td>
<td>€22,315</td>
<td>€11,573</td>
</tr>
<tr>
<td>Credit Institution Resolution Fund Contribution</td>
<td>€88,775</td>
<td>€87,292</td>
</tr>
<tr>
<td>Sundry Expenses</td>
<td>€136,795</td>
<td>€113,895</td>
</tr>
<tr>
<td>Bad Debts Written Off</td>
<td>€1,220,118</td>
<td>€1,408,431</td>
</tr>
<tr>
<td><strong>TOTAL PER INCOME &amp; EXPENDITURE ACCOUNT</strong></td>
<td><strong>€4,402,137</strong></td>
<td><strong>€4,578,873</strong></td>
</tr>
</tbody>
</table>

### SCHEDULE 4 - CAR DRAW FUND

<table>
<thead>
<tr>
<th>Item</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance Forward</td>
<td>€231,622</td>
<td>€244,752</td>
</tr>
<tr>
<td>Entry Fees Received</td>
<td>€291,381</td>
<td>€290,827</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>€523,003</strong></td>
<td><strong>€535,579</strong></td>
</tr>
</tbody>
</table>

**Expenses**

- Purchase of Prizes: €288,692 (294,845)
- Postage and Stationery: €5,354 (5,149)
- Advertising and Sundry Expenses: €2,648 (3,963)

Prize Fund - Eight Draws Remaining: €226,309 (231,622)
The significant amendments introduced in 2013 to the principal legislation governing credit unions, the Credit Union Act 1997 (as amended) (“the Act”), brought in a requirement for Credit Unions to have an internal audit function. The Act states that the credit union “shall appoint a person, referred to as the internal audit function, to:

a. Provide for independent internal oversight, and

b. Evaluate and improve the effectiveness of the credit union’s risk management, internal controls and governance processes.”

The Board of Directors of Mullingar Credit Union has established an Audit Committee consisting of three members of the Board. This Committee’s responsibilities include overseeing the work of the internal audit function and assessing the performance of the external auditor.

To fulfil the requirements of the Act in having an internal audit function, the post of full time Internal Auditor was established in Mullingar Credit Union during 2014.

The responsibilities of the Internal Auditor are set out in Section 76K of the Act. The Internal Auditor, working to a documented internal audit plan, seeks to provide for independent, internal oversight and evaluate and improve the effectiveness of Mullingar Credit Union’s risk management, internal controls and governance processes.

The Internal Auditor reports to the Audit Committee on a monthly basis to review the findings and recommendations from the work carried out during the month. In turn, the Audit Committee presents a quarterly report to the Board of Directors providing an update on the work of the Committee and the Internal Auditor.

The Audit Committee also holds regular meetings with the credit union’s external auditors. This is in order to fulfil its responsibility for assessing the performance of the auditors and to determine the auditors’ independence, effectiveness and compliance with requirements under the Act.

I would like to thank my fellow Committee members, our Internal Auditor and the Board of Directors for all their work and support throughout the year.

Paul Isdell,
Chairperson,
Audit Committee.
Risk is the potential impact of future events on the credit union’s achievement of its strategic business objectives. Risk management is the identification, assessment and ranking or prioritising of risks, and the putting into place of systems and controls to mitigate and manage such risks.

Responsibility for risk management rests with the Board of Directors. The Board has a Risk Committee in place which oversees the risk management function and ensures that prevailing risks are managed in an appropriate and timely manner.

In October 2013, the Board approved the appointment of a Risk Management Officer, who is responsible for planning, designing and implementing the overall risk management process for the credit union.

The Risk Management Policy of Mullingar Credit Union was reviewed and developed by the Policy Committee, Risk Committee and the Risk Management Officer in early 2014. This policy was reviewed and approved by the Board of Directors in April 2014.

This policy details the objectives and intentions of the Board of Directors of Mullingar Credit Union in relation to the effective management of risk in the organisation. It sets out the system, standards, resources and processes associated with risk management within the credit union. This policy provides direction on matters relating to the identification, analysis, response to and on-going monitoring of risks as would apply to a financial institution under the categories of risk identified in the “PRISM” model set out by the Central Bank.

The policy contains provisions which aim to:

- Adhere to good practice in the area of risk management;
- Protect the financial assets, physical assets, reputation and members of the credit union; and
- Assist in fulfilling the credit union’s operating principles.

A system of ongoing reporting and review of the Risk Management System has been put in place, involving the Risk Management Officer, the Risk Committee, the Manager, the Internal Audit Function, and the Board Oversight Committee.

John O’Reilly,
Chairperson,
Risk Committee.
This year we accepted 1,145 new members into Mullingar Credit Union. Our current membership stands at almost 33,000 members.

Mullingar Credit Union welcomed 1,683 members from Castlelost Credit Union when Castlelost merged with Mullingar Credit Union under a transfer of engagements in July 2014.

New applicants seeking membership of the credit union must be resident or employed within our Common Bond or hold the Common Bond by association with an existing member. New applications for membership are required to produce photographic identification (such as passport, driving licence or national identity card); proof of address (dated within the previous six months); and evidence of their PPSN (Public Service Number) on official documentation.

We also ask all existing members to cooperate with us when we seek current photographic proof of identity or current address verification to update our records in line with the Criminal Justice (Money Laundering and Terrorist Financing) Acts and associated guidance.

Olive Brennan, Chairperson, Membership Committee.
At this year’s AGM, under requirements laid out in the Credit Union Act 1997 (as amended), the Board of Directors, in its entirety, must resign and a new Board must be elected. Any eligible Member of the Credit Union is entitled to seek membership of the Board of Directors.

The Credit Union Act 1997 (as amended) sets out new procedures in relation to the nomination of members for positions on the Board of Directors.

The Nomination Committee is now responsible for identifying candidates for nomination, accepting nominations of candidates, carrying out Fitness and Probity due diligence on such candidates, and making proposals for election to the Board of Directors. The Fitness and Probity requirements have applied to the Directors and Board Oversight Committee members of Mullingar Credit Union since August 2013.

Under the new legislative requirements the Nomination Committee has primary responsibility for ensuring that members with the necessary skills and experience are available to fill vacancies that arise on the Board of Directors.

During the year we had to fill a casual vacancy on the Board due to the retirement of Fionn Gallagher. This vacancy was filled by Edna Blake who previously served on the Board Oversight Committee.

The Nomination Committee would like to encourage new volunteers to apply to serve on one of the many committees of Mullingar Credit Union at any stage during the year.

Procedures regarding nominations to the Board of Directors:

- Nomination forms are available at the Credit Union offices.
- Nominations must be in writing and be signed by the proposer and seconder.
- Both the proposer and seconder must be members of the Credit Union.
- The nominations must also be signed by the nominee, who must agree to the nomination.
- The nominee must be a member of the Credit Union and be 18 years of age or over.
- Completed nomination forms should be sent by post or delivered by hand, addressed to the nomination committee at the registered office of Mullingar Credit Union, St Colman’s House, Oliver Plunkett Street, Mullingar.

Members who wish to be nominated for positions on the Board of Directors or the Board Oversight Committee, are advised to submit their nomination, well in advance of the closure date for acceptance of nominations, for the AGM at which they wish to be considered. This is to allow the Nomination Committee time to carry out their duties.

The closing date for acceptance of nominations for the vacancies arising at the AGM 2014 was Friday 24th October 2014.

The Nomination Committee has assessed the applications for Board membership. The necessary due diligence has been performed and the Committee is satisfied that all candidates are fit and proper to be put forward for election at the AGM.

Alan Collier,
Chairperson,
Nomination Committee.
The Credit Committee is responsible for ensuring that all loan applications are processed in accordance with the policies and procedures set out by the Board of Directors. While the majority of loan applications are dealt with by our loan officers working within defined levels of authority, the Credit Committee retains overall responsibility for all loans. Loan applications that the loan officers are unable to approve are passed to the Credit Committee for further consideration.

We continue to have ample funds available for lending and our loan book remains open. We still maintain our very competitive interest rate and our positive approach to lending. If you need a loan, Mullingar Credit Union is your best option.

Last year we introduced a special reduced rate college loan which is specifically directed towards making third level education more affordable to students and their parents. This initiative has proved very popular and we are committed to continuing the reduced rate college loan in forthcoming years.

During the year the committee met on 51 occasions. Applications were processed as follows:

<table>
<thead>
<tr>
<th>Applications</th>
<th>No:</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Received</td>
<td>5,194</td>
<td>€21,092,360</td>
</tr>
<tr>
<td>Approved</td>
<td>5,017</td>
<td>€19,959,380</td>
</tr>
<tr>
<td>Refused</td>
<td>177</td>
<td>€1,132,980</td>
</tr>
</tbody>
</table>

We strongly advise members to be prudent with their lending requirements. Members should only borrow what they can comfortably afford to repay. The Credit Committee does not want to see members taking on too great a level of borrowing and getting themselves into financial difficulty.

When assessing loan applications, we carry out a full assessment of the borrower’s current financial position and their ability to repay the loan. We ask members to make a full and honest disclosure of all relevant information and provide all relevant documentation when requested. Mullingar Credit Union is a member of the Irish Credit Bureau. This enquiry facility allows us to verify a loan applicant’s credit record and outstanding liabilities with other Financial Institutions, this enables us to make faster and more informed decisions.

The Central Bank in 2013 issued guidelines restricting the granting of loans to people who are in arrears with their mortgage and have not concluded a sustainable arrangement with their mortgage provider. While this may cause difficulties for members, we are obliged to comply with the guidelines.

We encourage any member who is experiencing financial difficulty to talk to our Credit Control Officer or Manager who will do whatever they can to assist. It is vital that members take responsibility for their own financial position and work with ourselves and other agencies to gain control of their finances. Lower levels of income may well necessitate lifestyle changes and reassessment of priorities. Help and advice is always available at your Credit Union.

If you do need to borrow, consider the overall value of Credit Union loans and be cautious when comparing interest rates from other financial institutions. Ensure you are comparing like with like.

- There are no fees, costs or other charges associated with Credit Union loans.
- We only charge interest on the balance outstanding, therefore the quicker you clear the loan, the less interest you pay.
- There are no penalty charges for early repayment.
- We have a choice of flexible repayment options to suit your circumstances.
- We provide free loan protection insurance on every loan, subject to age and health restrictions, so that if the borrower dies, the loan is cleared.

Paddy Murphy,
Chairperson,
Credit Committee.
The function of the Credit Control Committee is to seek to ensure the repayment of loans by members in accordance with their loan agreement. The Committee ensures that the policies and procedures adopted by the Board of Directors governing the pursuit and recovery of loans are implemented. The Committee reports to the Board of Directors at their monthly meetings.

The Credit Control Staff, operating under the supervision of the Credit Control Committee, carry out the daily management of the credit control function. The Committee, which retains ultimate responsibility for the loan collection process, meets on a regular basis to review work undertaken by the Credit Control Staff and decide on appropriate actions to be taken.

This year has again been challenging for Credit Control as we continue to operate in a recovering but still weak economy with high levels of unemployment. We have seen a considerable number of our members having their disposable income decrease due to reduced pay rates, increased taxation or unemployment. The Committee fully understands that due to this, some members are experiencing difficulty in meeting their agreed loan repayments. In these circumstances it is vital that members contact us immediately. We would encourage members to contact our Credit Control Staff or indeed any of our Loan Officers in these circumstances. Every effort is made to try and reach a solution that is suitable for both the member and the Credit Union. Early and appropriate action can be taken that will avoid the situation escalating out of control.

The Insolvency Service of Ireland (ISI) commenced accepting applications for the new debt settlement arrangements from 9th of September 2013. The mission of the ISI is to help restore people who are insolvent to solvency in a fair, transparent and equitable way. However members should be aware that there are stringent criteria to be eligible for any such arrangement, considerable expense and implications that will affect future credit applications. To date the effect of this process to Mullingar Credit Union has been minimal but the Credit Union is fully aware that this may change.

The Board of Directors recognises and accepts that, despite the best efforts of the Credit Control Committee and the Credit Control Staff, some loans will not be repaid in accordance with agreements and may ultimately prove to be uncollectable. By the nature and ethos of the Credit Union many of its loans are secured solely on the savings and good character of the borrower. Loans which are not being repaid in accordance with agreements are provided for in the income and expenditure account in accordance with standard accounting practice. In the current year we have written off loans totalling €1,220,118. While this figure is relatively high, it is below the 2013 and 2012 figures and the Board believes that it is important that we are prudent in this area. It is also important to emphasise that the Credit Union will continue to strenuously pursue repayment of these loans through all available means. The Credit Union has recovered €241,781 in bad debt this financial year, increased from €189,150 in 2013 and €120,632 in 2012.

The Credit Union continually reviews the adequacy of provisions for doubtful debts against our outstanding loan book. A formal review of our loan book is completed on a quarterly basis by the Credit Union Staff to ensure the adequacy of the provision as part of the process for making Prudential Returns to the Central Bank. Our Auditors, Hayes Coghlan & Co. also carry out a loan book assessment as part of their year-end audit work. These reviews indicated that Mullingar Credit Union holds sufficient provisions as at 30 September 2014.

In conclusion, the Committee wishes to advise that every effort is made to accommodate members who are having difficulty meeting their agreed loan repayments and would ask members in this situation to contact our office in a timely manner so that efforts can be made to assist them.

Jim Prendergast,
Chairperson,
Credit Control Committee
In the sixteen years since Mullingar Credit Union set up its Social & Cultural Fund to support local voluntary organisations, the generosity of the members of Mullingar Credit Union in voting to set aside funds for the Social and Cultural awards continues. The initiative goes from strength to strength, and the number of organisations seeking grants from the fund continues to increase annually.

The Social and Cultural Committee continues to support social, cultural and charitable organisations throughout our common bond, who provide much needed voluntary effort to promote development across our community.

The fund for the year 2013/2014 was €80,000. A large number of applications were received and considered by the committee. Following detailed deliberation of each application a total of €77,922 has been awarded to over 240 groups and organisations.

If the membership sees fit to support the continuation of the Social and Cultural fund, the Committee proposes to streamline the application process, by the introduction of a standard application form, which can be supplemented by supporting documentation.

Groups making a successful grant application will agree in writing at application stage, that if their organisation does not collect and utilise their grant on time, these monies will revert to the fund for redistribution. In addition, applicant groups will be encouraged to recognise the contribution of Mullingar Credit Union in their various publications, such as notes in local newspapers, websites, social media, newsletters, etc.

Brian Gillen,
Chairperson,
Social and Cultural Committee.
The car draw is now in its fourteenth year. We have over 8,800 entrants in the monthly draws for a first prize of a car and cash prizes of €1,000, €750 and €500. We also hold draws for additional prizes at Christmas and at the anniversary draw in May of each year.

Members can enter the draw at any time throughout the year by simply completing a car draw entry form in the Credit Union office. It is important to have at least €38 in your account to meet the conditions of the draw. If for any reason you no longer wish to be included in the car draw please notify us in writing and we will remove your entry at the next renewal date.

The operation of the car draw is financed completely out of the draw entry fee of €33 per year, paid by each entrant. Nothing is paid from general Credit Union funds. The car draw is non profit making, all entry fees are used for the provision of prizes and the running of the draws. Our Auditors, Hayes Coghlan & Co. carry out an audit of the car draw fund as part of their audit work.

PRIZE WINNERS SINCE OUR LAST ANNUAL REPORT:

**CARS**

- Gerard Glennon,
- Angela Clinton,
- Anne Harte,
- Paul & Mary Caulfield,
- Annie Corroon,
- Noel Hughes,
- Margaret Gallagher,
- Anthony Maguire,
- Nula Lynam,
- Patrick Nolan,
- Jean Bourke,
- Michael & Eileen Smith,
- Gerard Moore,
- Bridget & Patrick O’Donnell,
- Elaine Shaw,
- Sandra Dalton
- Corroon, Philomena Collins,
- Vincent & Sharon Hynes,
- Maureen McCormack,
- Michael Penrose Snr.,
- Richard Brannigan,
- Patrick & Aisling Corcoran,
- Thomas & Kathleen Broder,
- Kevin Doyle,
- Eamonn Burke,
- Mary Farrell,
- Carl Brogan,
- Michael Brennan,
- Michael Burke,
- Sandra Dalton
- Corroon,
- Mary McDonnell,
- John Nevin,
- Christopher Scally,
- Tina Williams,
- Patricia Austin,
- Bridget & Francis O’Hehir,
- Mark Keane,
- Noel Heduan,
- Cait Murray.

**CASH PRIZES**

- Marcella & Raymond McIntyre,
- Chris Wilton,
- Oliver Slevin,
- Enda Geoghegan,
- Mary Gray,
- Michelle Mulaney,
- Martha Looram,
- Eamonn Cahill,
- Michael & Anne Walsh,
- Eileen & Diarmuid Smyth,
- Michael Coade,
- Mary Dalton,
- Marie Houlihan,
- Robert J. Begley,
- Rose Whelan,
- Martina O’Grady,
- Christy Austin,
- Joan McKernan
- Anthony McCarthy,
- Monica Martin,
- Anthony & Sheila Glennon,
- Ruth Savage,
- Anne Marie Pidgeon,
- Bridie Shaw,
- Laura Tyrrell &
- Enda Matthews,
- Evelyn Carroll,
- Patricia Mc Kenna,
- Marguerite Buckley.

ADDITIONAL PRIZEWINNERS AT THE CHRISTMAS CAR DRAW

Michael Byrnes & Stacey Sellstrom, Robert Brown Jnr, Mary & Colm Connaughton, Robin Willis & June Mortell, Noel Farrell, Robert Swaine, Colin Pierce, Theresa Cassidy, Eamonn & Irene McGowan, Rita Bennett, Imelda Keena, James Browne, Rose Kilmurray, Michael Coade, Mary Dalton, Marie Houlihan, Robert J. Begley, Rose Whelan, Martina O’Grady, Christy Austin, Joan McKernan
- Anthony McCarthy,
- Monica Martin,
- Anthony & Sheila Glennon,
- Ruth Savage,
- Anne Marie Pidgeon,
- Bridie Shaw,
- Laura Tyrrell &
- Enda Matthews,
- Evelyn Carroll,
- Patricia Mc Kenna,
- Marguerite Buckley.

ADDITIONAL PRIZES AT THE MAY CAR DRAW

Aidan Ward, Myles & Bernadette Clarke, Peter Quinn Snr., James Frank McCrum, Angela McEvoy, Tracey Phillips, Monica Borthwick, Jennifer & Ross McKeon, John & Angela Cochrane, Darina Reilly, Antoinette Glennon, Bridie Shaw, Laura Tyrrell &
- Enda Matthews,
- Evelyn Carroll,
- Patricia Mc Kenna,
- Marguerite Buckley.

For a full list of previous car draw winners from 2001 to date check out our website on www.mullingarcu.ie

John O’Reilly,
Chairperson,
Car Draw Committee.
OUR LOAN BOOK IS OPEN

Mullingar Credit Union’s core service is that of providing low cost loans to members. Loans are provided for any provident or productive purpose, so whatever you want to do, whether it’s doing those home improvement jobs, educating yourself or your family, going on holidays, etc. we can help.

Most financial institutions in this country are profit driven and are totally focused on achieving profits, paid for by you. On the other hand, the objective of your Credit Union is to help as many of our members as possible and inject funds back into our community so that all members can enjoy the fruits of their saving and borrowing activities. Compared to the local banks you will normally pay less interest on a Mullingar Credit Union loan.

APPLY FOR A LOAN

In Person: Drop into Mullingar Credit Union and speak to one of our loan officers.
By Phone: Ring us on 044 - 9348817 and ask to speak to one of our loan officers.
Online Application: Through our secure website. Sign up for our online services and submit your application through our secure website at www.mullingarcu.ie.

Reasons for borrowing at Mullingar Credit Union

• Straight forward loan application procedure.
• Choice of repayment options to suit your circumstances.
• Fast loan approval process.
• Low interest rates.
• No set up, application, documentation or other hidden fees or costs.
• No upfront repayments.
• No penalty charges for early repayment.
• Free loan protection insurance on every loan, if the borrower dies the loan is cleared – subject to age and health restrictions.
• We only charge interest on the balance outstanding, therefore the quicker you clear the loan, the less interest you pay.

Know your loan: Representative example:
€3,000 two year variable interest rate
Weekly repayments of €31.21
Rate of interest 7.9% p.a. variable
Representative 8.2% APR
Total Amount Payable is €3,245.84

Weekly Loan Repayment (including loan interest) Interest rate 7.9% variable. Typical APR 8.2%

<table>
<thead>
<tr>
<th>Amount €</th>
<th>Repayment period</th>
<th>Amount per week €</th>
<th>Cost of credit €</th>
</tr>
</thead>
<tbody>
<tr>
<td>500</td>
<td>12 months</td>
<td>10.02</td>
<td>20.26</td>
</tr>
<tr>
<td>1,000</td>
<td>12 months</td>
<td>20.03</td>
<td>40.62</td>
</tr>
<tr>
<td>3,000</td>
<td>24 months</td>
<td>31.21</td>
<td>245.84</td>
</tr>
<tr>
<td>5,000</td>
<td>36 months</td>
<td>36.02</td>
<td>617.19</td>
</tr>
<tr>
<td>10,000</td>
<td>60 months</td>
<td>46.57</td>
<td>2,103.58</td>
</tr>
<tr>
<td>20,000</td>
<td>60 months</td>
<td>93.13</td>
<td>4,207.98</td>
</tr>
</tbody>
</table>
The role of the Promotion and Development Committee is to inform and educate members on the activities of our Credit Union and the general promotion of the Credit Union and its services. We aim to educate and inform our members through our annual report, online presence – website and Facebook, promotional leaflets and advertising.

Website & Online access
www.mullingarcu.ie

During the year we redeveloped and upgraded our website. The website is intended to be informative and educational as well as providing online services and up to date news on what is happening at our Credit Union.

We have also recently upgraded our online access. In addition to being able to check balances, view recent transactions, calculate loan repayments and apply for a loan online, members can now securely transfer funds externally from their Credit Union account to bank accounts, other Credit Union accounts, pay bills etc. This is an important addition to the extensive EFT services that we currently provide. Please contact the Credit Union to find out how to set up your online account.

CuAnywhere Mobile phone app
CUAnywhere is the number 1 app for giving you complete control of your credit union funds. Beat the queues and do your transactions while on the go or from the comfort of home. CUAnywhere puts Mullingar Credit Union at your fingertips. Download it for free from the app store today (suitable for all smartphones). You will have to register for online access before you can access your account using CUAnywhere. The username, pin and passphrase you use to login to your online account on our website are the same login details for CUAnywhere.

Facebook

In May of this year we launched our Facebook page. Like us on Facebook and we will keep you up to date on what’s happening in our credit union.

Direct Debits

During the year we introduced a direct debit facility to enable members to pay money out of their credit union account by direct debit, to pay bills such as utilities, house insurance etc.

Credit Unions – We look at things differently

We continue to participate in and promote The Irish League of Credit Unions’ National Multimedia Advertising Campaign. “Credit Unions – we look at things differently”, focuses on highlighting the Credit Union difference - members themselves owning their local Credit Union and running it for their benefit and the benefit of the community as a whole.

Continuous Professional Development of our Officers

In order to ensure that we can continue to provide a professional quality service to our
members we recognise the need for our Board and staff to hold adequate qualifications and that these qualifications are maintained through ongoing training programmes. This year, a large proportion of our staff completed the Diploma in Credit Union Operations, while a number of other staff and members of the Board completed a Certificate in Credit Union Operations or Governance. Some Directors and staff are currently undertaking further studies through Athlone IT, University College Cork and the University of Ulster.

**International Credit Union Day**
Promoting Credit Unions at home and throughout the World.

This year’s theme, “Local Service, Global Good” emphasises credit unions’ positive impact in their communities and around the world and encapsulates what has long been a credit union core principle – service to members and social responsibility.

For over 50 years credit unions have been trusted to meet the financial, economic and social needs in communities across Ireland. Credit Unions are unique because they are not-for-profit, democratically controlled, member-owned cooperatives. They are central to the everyday lives of millions of members. Credit Unions remain popular and continue to succeed because they have stayed true to their values and ethos. The future will bring opportunities for growth and innovation and credit unions will continue to be at the heart of communities, serving members’ best interests.

We celebrated International Credit Union day on 16th October 2014 by highlighting the international dimension of our Credit Union with a display of banners and flags representing some of the various nationalities in our membership.

**Irish League of Credit Unions Foundation**
The ILCU Foundation was founded in 1980, following a motion that invited credit unions to contribute towards a fund “to provide aid, financial or otherwise, to developing countries with particular emphasis on credit union and other co-operative projects”.

The ILCU Foundation is the Credit Union international “Charity”. Credit unions have contributed towards the ILCU Foundation for over 25 years in respect of their work, mainly in Africa.

The mission of ILCU Foundation is “to alleviate poverty in developing countries by supporting credit unions, their representative bodies and other co-operative type organisations as a means for socio-economic development through the provision of financial and technical assistance”.

In September, the ILCU Foundation hosted a delegation of credit union leaders, representing Albania, Russia, Ethiopia, the Gambia, Belize and Ghana. Mullingar Credit Union, in partnership with the ILCU Foundation, welcomed some of the overseas delegates to our credit union to share in the experiences of credit unions in Ireland. Through this event, we provided the visiting delegates with an overview of the operations of Mullingar Credit Union.

Over the last ten years, the members of Mullingar Credit Union have contributed almost €200,000 to the Foundation by agreeing at the AGM to contribute €1 from their dividend to help those in need.

John O’Reilly, Chairperson, Promotion and Development Committee.
Mullingar Credit Union runs a number of annual initiatives that help to support the education and talents of the young people in our community. The credit union’s Youth Affairs Committee has had a very exciting year with the promotion of events such as the Art Competition, the National Schools quiz and the National credit union Talent Competition CU Factor.

**All Ireland Art Competition**
The credit union Art Competition is an annual event open to entrants of all ages and although each year has a different ‘theme’ it is open to interpretation by the artists. This aim of this competition is to celebrate the creativity, imagination and vibrancy of Irish people and their communities. The first place winner from each age category goes forward to the Chapter stage. This is always a very hard competition to judge as the artistic talent around Mullingar is exceptional. Congratulations to our winners and to all our participants in this competition. A list of winners for 2014 can be found on our website at www.mullingarcu.ie/youth-section.

**National Schools Quiz**
This yearly event is extremely popular with the primary schools in and around Mullingar. Over 200 children between the ages of 9 and 13 compete, with the top two teams (one from each category) going on to compete in the Chapter stage. Our winners for 2014 can be found on our website. Congratulations to all teams who participate and a sincere thank you to the teachers and parents and friends who support this event. A very big thank you also the Mullingar Arts Centre for the use of their excellent facilities.

**CU@ Your School**
The CU@ Your School programme is an educational course aimed at secondary schools. The programme includes learning modules in understanding money, personal finance, marketing, co-operatives and credit unions. All secondary schools in our common bond area ran this programme in 2013 - 2014, with a total of 175 students participating in the course. Well done to all students who completed the programme.
CU Factor

The credit unions’ talent competition CU Factor has been running for a number of years in Ireland. Mullingar Credit Union Youth Affairs Committee decided to hold the local stage of this competition for the first time this year. The competition is open to 12 to 19 year olds who can sing, dance, play music or perform comedy. Twenty three acts took part in the competition this September which was held at the Mullingar Arts Centre. Well done to all our participants who gave excellent performances and thank you to all the parents, families and friends who supported and attended the event. A very big thank you to our judges Angela Lynch, Declan Murray and Conor Quinn who also entertained us on the night, the Mullingar Arts Centre team and our presenters Gemma and Aaron. This was a hugely successful night with entertainment from solo singers, duets, bands and comedy. We anticipate this will be another yearly event to look forward to. Congratulations to our top three winners on the night, Ava & Ellen in third place, Orlaith Murray in second place and our first place winner, James Craig. A selection of photos from the night can be seen on our Facebook page.

James and Orlaith went on to represent Mullingar Credit Union in the Regional Final in Ballinasloe on 18th October 2014.

Student loans

The introduction of our reduced rate college loans last year has helped many full time students and their parents to cope with the financial pressures of third level education. The trend has continued this year with loans granted to hundreds of students. If you are attending college full time and need financial support, call in to us and ask about our reduced rate college loans.

Margaret Egan,
Chairperson,
Youth Affairs Committee.
Savings:
Fair return on your savings with easy access to your money. Proposed dividend rate for 2014 is 1%.

Loans:
For best deals in loans remember Mullingar Credit Union. We are local, loyal and still lending. Normal Interest rate 7.9% variable. Typical APR 8.2%. Reduced Rate College Loan 5% variable. Typical APR 5.1%.

Foreign Exchange:
Full Foreign Exchange service available to members. International payments can be sent electronically through the Credit Union at our foreign exchange desk.

CU Cash Card:
CU Cash Card available at Mullingar Credit Union – access to your money 24 hours a day, 7 days a week.

Express Lodgement:
Avoid the queue and lodge money to your savings account or pay your loan using the express lodgement machine in our information centre.

CUTE:
Credit Union Telephone Enquiry gives members direct access to account details and other information over the phone at any time. You can use CUTE for balance enquiry, statement request and loan enquiries. Dial 044 9340014.

Electronic Funds Transfer (E.F.T.):
Electronic Funds Transfer enables members to transfer money electronically into and out of the Credit Union on the same basis as with a bank account. All payments e.g. wages, social welfare payments, agricultural grants, pensions etc. can be paid directly into your Credit Union account. Payments out of your Credit Union account can be made on a once off basis at the counter to pay for example, utility or other bills. They can also be made on a once off or on a regular ongoing basis direct to any bank account in Ireland or to countries within the Single European Payments Area (SEPA).
Online accounts:
Further enhancements to our website now allows members to securely transfer funds externally from their Credit Union account online. Please contact the Credit Union to find out how to set up your online account.

Direct Debit:
Pay your bills by direct debit from your Credit Union account, using your unique BIC and IBAN details, which appear on your Credit Union receipt. Ask any member of staff for more details.

Payroll Deduction:
Have some of your wages paid into your Credit Union savings or loan account without having to visit your Credit Union.

Car Draw:
Member monthly car draw. Car draw plus three cash prizes of €1,000, €750 and €500 every month. If you’re not in you can’t win! So join now at a cost of €33 per year.

House Insurance:
Home and contents insurance available at reduced rates to members.

CU Cover:
A new initiative from the ILCU for the provision of insurance services for credit union members. Currently providing travel or home insurance. Go online at www.coveru.ie at any time or telephone 1890 410 410 9am to 5pm Monday to Friday.

CU Safe/ AXA:
CU Safe and AXA offer discounted insurance quotes on a variety of insurance products for Credit Union Members.
**Taxation of Credit Union Dividends and Interest**

Members are reminded that they may have a liability to income tax on dividends and interest which they earn on their savings. The liability to tax applies only to dividends and interest received from the Credit Union and not on actual savings.

**Major changes in the application of Deposit Interest Retention Tax (DIRT)**

From 1 January 2014 the Finance Bill 2014 provides that all credit union share dividend and deposit interest paid to members is subject to DIRT, with the exception of members who are exempt from DIRT.

The only members who are exempt from paying DIRT are:

a. Members aged 65 or over, who satisfy certain conditions as follows:
   - Either you or your Spouse or Civil partner (if appropriate) must be aged 65 or over.
   - Yours and your Spouse’s or Civil partner’s (if appropriate) total gross income for the year must not exceed the relevant annual income exemption limit – currently €18,000 for an individual and €36,000 for a couple. This income limit may be increased if you have a dependent child or children. To avail of this exemption you must apply directly to the Credit Union by completing a Revenue declaration form DE1 stating that you meet the conditions.

b. A member who is, or whose Spouse or Civil partner (if appropriate) is, permanently incapacitated. The member must apply directly to the Revenue Commissioners for this exemption.

c. Non-residents are not liable for DIRT.

You are obliged to notify us if your circumstances change and you no longer qualify to have your dividend or interest paid without deduction of DIRT.

It should be noted that minors are not exempt from paying DIRT.

**Life Savings Insurance**

On the death of a member, Life Savings insurance pays a benefit (to a maximum of €12,700) on the amount of savings made during a member’s lifetime. The percentage of insurance cover is calculated based on the amount of funds lodged within specific age parameters up to the age of 70 years, and which remain in the account until the demise of the member.

Withdrawal of savings may have a negative impact on Life Savings insurance as the claim is based on the lowest share (savings) amount after the age of 55 years.

Mullingar Credit Union Limited offers this cover (subject to terms & conditions as laid down by our insurer) at no direct charge to our members and is paid as an operational expense by the Credit Union.

**Loan Protection Insurance – in case of death**

Subject to certain conditions, the loan balances of eligible members of Mullingar Credit Union are covered, (up to certain limits), at no direct cost to the member. This means that you can borrow in the confidence of knowing that your dependents will not be obliged to repay the outstanding loan balance in the event of your death. Should a member with an outstanding loan balance die, the balance is repaid in full through the loan protection insurance, subject to certain conditions and cover limits which may apply.

**Transfer of savings upon death**

Credit Union members can complete a nomination in favour of a person or persons to whom they want their savings to be transferred following their death. The maximum amount allowed by law to be transferred under a nomination is currently €23,000. Nominations must be in writing and can be changed at any time. Nominations are revoked by reason of marriage or on the prior death of the nominated beneficiary. Nominations cannot be varied by a will. Under a nomination the Credit Union can disburse the proceeds of an account without any complicated process involving lawyers or probate. We encourage all members to complete a nomination form.

**PLEASE ASK ANY MEMBER OF STAFF FOR MORE INFORMATION ABOUT COMPLETING A NOMINATION FORM.**
Directors photo:
Back row - left to right: Conor Isdell, Seamus McLaughlin, Paddy Murphy, James Marshall, Eileen Smith, Ronan Duffy.
Front row – left to right: John O’Reilly, Alan Collier, Kelly Dunne, Margaret Egan, Edna Blake.
Missing from the photo: James Prendergast, Paul Isdell, Mary Reilly.
SAFE, STRONG & SECURE

Oliver Plunkett Street, Mullingar, Co. Westmeath
Phone: 044 9348817
Fax: 044 9348922
Email: info@mullingarcu.ie