## CONTENTS

- NOTICE OF ANNUAL GENERAL MEETING 2
- AGENDA 3
- DIRECTORS, BOARD OVERSIGHT COMMITTEE 4
- OTHER COMMITTEES, STAFF & ADVISORS
  - FACTS AT A GLANCE 5
  - CHAIRMAN’S REPORT 6
  - DIRECTORS’ REPORT 10
- BOARD OVERSIGHT COMMITTEE REPORT 12
- AUDITORS’ REPORT 13
- FINANCIAL STATEMENTS 14
- AUDIT COMMITTEE REPORT 24
- RISK COMMITTEE REPORT 25
- MEMBERSHIP COMMITTEE REPORT 26
- NOMINATION COMMITTEE REPORT 27
- CREDIT COMMITTEE REPORT 28
- CREDIT CONTROL COMMITTEE REPORT 29
- STRATEGY & POLICY COMMITTEE REPORT 30
- SOCIAL & CULTURAL COMMITTEE REPORT 31
- CAR DRAW COMMITTEE REPORT 32
- LENDING STRATEGY COMMITTEE REPORT 33
- PROMOTION & COMMUNICATION COMMITTEE REPORT 34
- YOUTH AFFAIRS COMMITTEE REPORT 36
- CREDIT UNION SERVICES 38
- 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 93 48817 Fax: 044 93 48922

Castletown Office: Open Tuesday & Friday 10.00am to 5.00pm;  
Saturday 10.00am to 2.00pm  
Phone 044-92 22085  
Email:info@mullingarcu.ie Website:www.mullingarcu.ie

‘Safe, Strong & Secure’
The Annual General Meeting of Mullingar Credit Union Ltd. will be held in The Greville Arms Hotel on Wednesday 9th December 2015 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 five 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 governance provisions contained in the Credit Union Act 1997 (as amended) set out the 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.

Under the Fitness and Probity provisions of the Central Bank Reform Act 2010 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 provisions, 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 2015 was 6th November 2015, details of which are displayed in our offices and posted on our website and on social media.

The full procedures regarding Nominations are set out in the Nomination Committee Report.
AGM 2015 - 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.
11. Appointment of Tellers.
13. Election to fill vacancies on the Board Oversight Committee.
14. Election to fill vacancies on the Board of Directors.
26. Announcement of Election Results.
27. Any other business.
28. 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.
29. Adjournment or close of meeting.
DIRECTORS
S. McLaughlin (Chairman)
J. Prendergast (Vice Chairman)
C. Isdell (Secretary)
E. Blake, A. Collier, K. Dunne, M. Egan,

BOARD OVERSIGHT COMMITTEE

(1) Retiring Directors and 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.

CREDIT COMMITTEE
P. Murphy, E. Smyth, W. Warde, S. Fagan,
M. Gordon.

CREDIT CONTROL COMMITTEE
J. Prendergast, M. Houlihan, J. Marshall,
R. Sheridan, C. Gavin.

FACILITIES AND TECHNOLOGY COMMITTEE
T. Allen, D. Smith, E. Munnely, O. Brennan,
A. Collier.

INVESTMENT COMMITTEE
P. Murphy, S. McLaughlin, C. Isdell, P. Isdell,
T. Allen.

BUILDING COMMITTEE
P. Murphy, S. McLaughlin, J. Marshall, B. Gillen,
T. Allen, E. Munnely, D. Smith, O. Brennan.

CAR DRAW COMMITTEE
J. O’Reilly, E. Smyth, D. O’Keeffe, T. Allen,
Y. Craig, M. Gordon.

DISPUTES AND COMPLAINTS COMMITTEE
P. Murphy, J. Prendergast, M. Egan, T. Allen,
D. Smith.

PROMOTION AND COMMUNICATION COMMITTEE
J. O’Reilly, P. Murphy, S. McLaughlin, D. O’Keeffe,
M. Egan,
A. Collier, T. Allen, Y. Craig, F. Dalton.

STRATEGY & POLICY COMMITTEE
J. O’Reilly, S. McLaughlin, T. Allen, D. Smith,
O. Brennan, N. Muldoon.

SOCIAL AND CULTURAL COMMITTEE
B. Gillen, M. Egan, Y. Craig, O. Brennan, F. Dalton.

YOUTH AFFAIRS COMMITTEE
R. Sheridan, D. Garry, F. Dalton, Y. Craig, S. Fagan,
P. Sheils, E. Brady-Evans, T. Johnston.

LENDING STRATEGY COMMITTEE
M. Egan, E. Blake, T. Allen, D. Smith, O. Brennan,
D. Maloney, Y. Craig. R. Cosgrove, C. Dolan,
M. Gordon, F. Dalton.

STAFF
T. Allen (Manager),
D. Smith (Assistant Manager),
N. Baker, M. Brennan, O. Brennan, M. Buckley,
S. Clarke, A. Corroon, G. Corroon, R. Corroon,
R. Cosgrove, C. Cox, Y. Craig, J. Creevy, P. Curran,
S. Daly, F. Dalton, C. Dolan, C. Ennis, J. Ennis,
B. Fagan, S. Fagan, K. Gaffney, M. Gordon,
D. Garry, M. Lloyd, D. Maloney, C. McDonnell, G.
Moffit, I. Mooney, N. Muldoon, E. Munnely, K.
Murphy, P. Murtagh, P. Nally, M. Nea, E. Neale,
E. O’Connor, B. Shaw, P. Sheils, M. Smyth, E. Shine,
L. Walsh, S. Walsh.

EXTERNAL AUDITOR
Hayes, Coghlan & Co.
Statutory Auditors & Accountants.

INTERNAL AUDITOR
RBK

SOLICITORS
Kelly Caulfield Shaw.

FINANCIAL ADVISORS
Davy.
MULLINGAR CREDIT UNION IS ONE OF THE LARGEST AND STRONGEST CREDIT UNIONS IN IRELAND.
SAFE, STRONG AND SECURE - FACTS AT A GLANCE

ASSETS
Total Assets .......................................................... €189.6 million
Investments .......................................................... €141.0 million
Loan Book .......................................................... €46.4 million
Average Loan Value ................................................ €7,544

RESERVES & PROVISIONS
Reserves .......................................................... €29.6 million
Provisions .......................................................... €8.8 million
Regulatory Reserve ................................................. 10.97%

LIQUIDITY
Liquid Funds .......................................................... €38.6 million
Liquidity Ratio ....................................................... 26.7%

SOLVENCY
Net Worth .......................................................... €29.6 million
Solvency Ratio ....................................................... 118.8%

Regulated and Accountable
Regulated under Credit Union Act 1997 (as amended)
Regulated and supervised by the Central Bank - regular engagement including quarterly prudential returns and annual return
Board Oversight Committee – assessment of whether the Board of Directors has operated in compliance with relevant legislation
External Audit – independent review of Financial Statements
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 53 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
As Chairman of Mullingar Credit Union I am pleased, on behalf of the Board of Directors, to present to you, our members, the Annual Report for the year ending September 2015. 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.

I am happy to report another successful year of increased membership and savings and a further increase in our loan portfolio. We have generated a surplus of just over €4 million, a result that the Board considers very satisfactory in the current economic climate. Despite the continuing decline in returns on savings, the Board is proposing to maintain the dividend rate at 1%, the same level as last year. This year the Board is also proposing an interest rebate of 10% on interest paid during the financial year. The proposed interest rebate is viewed as a reward to our borrowing members for their support and loyalty and hopefully will act as an incentive to more members to avail of our competitive loan service. Taken together, the dividend and rebate amount to almost €1.9 million which is being distributed to members.

While there have been widespread reports of a pickup in economic activity and a return to growth in the wider economy, the operating environment for credit unions remains challenging. As already mentioned we have seen an increase in our loan book during the year, however our loans to savings ratio at 29.3% is considered low. Growing our loan book will remain a prime focus of attention for our Board and our Lending Strategy Committee for the foreseeable future. The current poor return on investments is a serious challenge and is likely to remain so for a number of years. Our projections for the years 2016-2018 indicate average returns of 2.23%, 1.64% and 1.28% respectively. It is in this context, that the Board consider it prudent to continue to strengthen our distribution reserve to ensure sufficient resources in the event of reduced income and surpluses in the coming years.

RESULTS FOR THE YEAR
The Financial Statements as set out on pages 14 to 23 of this annual report show that the Credit Union has operated very successfully during the year and is in a strong financial position at the year end. Our surplus for the year is just over €4 million after accruing a further €350,000 for the renovation of our premises. Total assets are just under €190 million while reserves at the year end amounted to €29.6 million.

Income for the year decreased from €8.1 million in 2014 to €7.7 million in 2015. Interest from members’ loans increased slightly in line with loan growth while income from investments decreased by almost €500,000 reflecting lower rates of return.

General expenditure was broadly comparable with the previous year while the amount set aside for the renovation of our premises declined from €1.4 million in 2014 to €350,000 in the current year. It is expected that the amounts set aside for the renovation work in the current and previous years will be sufficient to complete the project. Bad debts written off this year amounted to €880,000,
down from €1.2 million in 2014. There was a further write back of €1,000,000 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. We are seeing a gradual decline in arrears on loans. The total provision for doubtful debts at the year end stood at €8.85 million.

Loans outstanding have increased from €45.6 million in 2014 to €46.4 million at the end of 2015. Loans approved in the 2015 financial year increased by 17%, however members continue to pay down outstanding debt at an increased rate. 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 €8 million over the year and stood at €158.4 million at the year end. Investments stood at €141 million at the 30th September 2015, an increase of €8.3 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. During the year we changed investment advisors and now employ Davy to advise the Board and our Investment Committee on the management of our investments.

We continued our policy of adding to our reserves and maintaining adequate provisions. Our Regulatory Reserve stood at 11% at 30th September 2015, in excess of the Central Bank requirement of 10%. Overall reserves increased by €2.5 million to €29.6 million at the year end which equate to 15.6% of total assets. Our overall Balance Sheet remains strong and robust while our liquidity position is well in excess of Central Bank requirements.

**OTHER DEVELOPMENTS**

We continued our premises redevelopment project during the year. Our new information centre, quick lodge facility and the dedicated loans section have been in operation in their new location since April 2015. The feedback from members on the relocated service has been extremely positive. Throughout the summer the back offices have been renovated and at this stage this work is largely complete. The final phase of the programme which is the refurbishment of our counter service area is scheduled for completion in December 2015, thereby completing our building programme.

I wish to thank our members for their patience and apologise for the inconvenience caused by the development. We are confident that our new modern facility will be an important element in our continued growth. I wish to take this opportunity to thank the design team led by our architect, Pat Weafer, and our contractor, Michael Fagan, for the efficient and professional completion of this large project with the minimum disruption to our services. A well-earned tribute is due to our Building Committee, our Management and Staff for their contribution to the successful conclusion of the challenging venture.

While the redevelopment of our offices will allow us to continue to serve our members in an efficient, professional and personal manner well into the future, the Credit Union recognises that an increasing number of our members demand and require access to online services. To accommodate this we have continued to invest in our information and technology services. We upgraded our
computer infrastructure and increased and improved our online services. Members can use their computer or their smartphone to operate their account and transact business online 24 hours a day, 365 days a year. Over the past couple of years we have been working with a group of credit unions on a project to introduce a fully functional debit card. We hope to be in a position to start testing the service in the next couple of months and launch the service to members in 2016. The provision of debit cards is a complex and expensive operation and it is a requirement that it will be a member pay service. However we intend that the costs will be competitive.

The regulatory burden on credit unions continues to increase. New regulations as set out by the Central Bank in Consultative Paper 88 are due to come into effect from 1st January 2016. These regulations severely limit the level and scope of operations that credit unions will be allowed to undertake. The most highly publicised effect will be the limiting of the amount of savings that can be held by a member in a credit union to a maximum of €100,000. There are other provisions relating to areas such as lending and investments which we feel will negatively impact on credit unions. There is widespread opposition within the credit union movement and its representative bodies to the imposition of these measures but their views have been largely ignored by the Central Bank and politicians.

During the year the Central Bank carried out a Probability Risk and Impact System (PRISM) inspection of Mullingar Credit Union under its risk based framework for the supervision of regulated firms. The Board was pleased with the outcome of the review. All issues raised by the Central Bank through their Risk Mitigation Plan have been addressed. As one of the larger credit unions in the country, PRISM inspections and engagements are a regular feature of our relations with the Central Bank.

The Accountancy Bodies have introduced a new accounting standard, known as FRS 102, which will come into effect in the preparation of our Financial Statements for 2016. The major impact of the standard will be the manner in which we measure and report income from loans and investments and how we assess and value loans, provisions and investments in the Balance Sheet. In preparation for these changes and also to support and strengthen our internal loan provisioning processes, the Board decided to invest in a system called Credit Union Financial Analytics (CUFA). This system uses statistical modelling techniques to calculate loan provision requirements and prioritise credit control activities. The results so far are encouraging and indicate that our current provisions are well in excess of those that will be required under the new accounting standard.

Eileen Smyth resigned from the Board of Directors after many years of loyal service to the Board and various committees. We wish Eileen well in her retirement and are very happy that she has agreed to continue to serve on our Credit Committee where her wealth of experience will continue to be an invaluable asset. The resulting vacancy on the Board has been filled with the co-option of Kelly Dunne. Kelly served on the Board Oversight Committee for a number of years and has been Chair of that Committee for the past year. The vacancy on the Board Oversight Committee has been filled with the co-option of Daren Meehan. Daren is the
former Chair of Castlelost Credit Union. Under the rules of the Credit Union both Kelly and Daren automatically resign their positions at the AGM and offer themselves for re-election.

Frances Gillespie, who for many years was the Manager of the Castlelost Credit Union and joined our staff on the completion of the transfer of engagement, retired during the year. We wish her well in her retirement. Irene Mooney was appointed Castlelost Branch Supervisor. The operation of the Castlelost Branch continues and provides a valuable service to members living in that area.

The Fitness and Probity provisions of the Central Bank Reform Act 2010 aim to ensure that individuals who are in senior positions within a credit union are capable, competent and financially sound and have the appropriate skills, experience and knowledge necessary. These provisions were extended during the year to staff who carry out our insurance activities.

CONCLUSION
Your Credit Union continues to be Safe, Strong and Secure. The successful organisation that we have today could not have been achieved without the support and loyalty of our members. We face challenging times over the next few years with low loan growth and depressed returns on investments but we are confident in the future of the Credit Union and the not for profit ethos of our operations. This year alone we opened 1,241 new accounts which we believe underlines the strength of our service offering.

On behalf of the Directors I wish to thank the Manager, Assistant Manager and Staff for the courteous service provided by them to the members and Board of Directors throughout the year. I also wish to thank my fellow Directors, the Board Oversight Committee and Committee members for their commitment and hard work.

Seamus McLaughlin
Chairman.
The Directors present their Annual Report and Audited Financial Statements for the year ended 30th September 2015.

**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 Financial Reporting Council and promulgated by the Institute of 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 accounting records which disclose with reasonable accuracy at any time the financial position of the Credit Union and which enables them to ensure that the financial statements comply with the Credit Union Act, 1997 (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.

**BOARD OF DIRECTORS**

Members who served on the Board of Directors 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 IV A and any regulations made for the purposes of Part IV or Part IV A 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:


**ACCOUNTING RECORDS**

The Directors acknowledge their responsibilities under section 108 of the Credit Union Act, 1997 (as amended) to keep proper accounting records for the Credit Union. The accounting 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 from €8.1 million in 2014 to €7.7 million in 2015. Income from loans increased by €94,000 while income from investments decreased by €472,000. Total expenditure decreased from €5.4 million in 2014 to €3.7 million in 2015. The 2015 expenditure includes costs of €350,000 relating to the ongoing refurbishment of the Credit Union offices while €1.4 million was provided for these costs in 2014. Bad debts reduced from €1.2 million in 2014 to €880,000 in 2015. There was a credit of €1 million in the current year from the reduction in the provision for doubtful debts.

Overall a surplus of €4 million was generated for the year, of which the Directors propose to distribute €1.9 million to members by way of dividend and interest rebate.

Savings increased during the year by €8 million while loans increased by €735,000. Investments increased during the year by €8.3 million. The provision for doubtful debts reduced to €8.8 million. Total reserves increased by €2.5 million to €29.6 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 over the coming years.

DIVIDENDS AND INTEREST REBATE
The Directors recommend payment of a dividend on shares of 1.0% at a cost of €1,532,230. The Directors recommend the payment of a rebate of interest paid on loans throughout the year of 10% at a cost of €353,173.

RISKS AND CHALLENGES
The Board of Directors is responsible for the general control, direction and management 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

Member of the Board of Directors ................................................... Date: 27th October, 2015

Member of the Board of Directors ................................................... Date: 27th October, 2015
The functions of the Board Oversight Committee (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 IV A 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 IV A 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 IV A of the Credit Union Act 1997 (as amended).

Finally, it should be noted that in August 2015 the former Chairperson of the BOC, Ms. Kelly Dunne, resigned her position and was appointed as a Director. Mr. Daren Meehan was co-opted onto the BOC in September 2015, 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. Daren Meehan 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. Kelly Dunne on the legacy she has left. Kelly has been a long serving and hardworking member of the BOC and its predecessor the Supervisory Committee, and on behalf of the BOC, and the members of the Credit Union, I would like to thank her and wish her every success in her new role.

Ronan Duffy,
Chairperson,
Board Oversight Committee.
We have audited the financial statements of Mullingar Credit Union Limited for the year ended 30th September, 2015 which comprises of the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement, and the related Notes. The financial reporting framework that has been applied in their preparation is Irish law and the accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Certified Public Accountants of Ireland (Generally Accepted Accounting Practice in Ireland).

This report is made solely to the Credit Union’s members, as a body, in accordance with Section 120 of the Credit Union Act 1997 (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 explained more fully in the Statement of Directors’ Responsibilities the Credit Union’s Directors are responsible for the preparation of the financial statements, giving a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish Law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board’s (APB’s) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF FINANCIAL STATEMENTS
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:
- whether the accounting policies are appropriate to the credit union’s circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION
In our opinion, the financial statements:
- give a true and fair view of the state of the Credit Union’s affairs as at 30th September 2015 and of its income and expenditure for the year then ended;
- have been prepared in accordance with Generally Accepted Accounting Practice in Ireland, and;
- have been properly prepared so as to conform with the requirements of the Credit Union Act 1997 (as amended).

Other matters prescribed by the Credit Union Act 1997 (as amended):
- We have obtained all the information and explanations which we considered were necessary for the purpose of our audit.
- In our opinion, proper accounting records have been kept by the Credit Union.
- The financial statements are in agreement with the accounting records.

SIGNED: Phyllis Hayes, Statutory Auditor

Phyllis Hayes, Statutory Auditor
for and on behalf of Hayes, Coghlan & Co. 7 Dominick Street Mullingar County Westmeath
Date: 27th October, 2015
## INCOME AND EXPENDITURE ACCOUNT FOR YEAR ENDED 30TH SEPTEMBER, 2015

<table>
<thead>
<tr>
<th>Note</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>€</td>
<td>€</td>
</tr>
<tr>
<td><strong>INCOME:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest on Members’ Loans</td>
<td>3,531,699</td>
<td>3,437,975</td>
</tr>
<tr>
<td>Members’ Deposit &amp; Other Interest Payable and Similar Charges</td>
<td>(6,942)</td>
<td>(5,642)</td>
</tr>
<tr>
<td>Other Interest Income &amp; Similar Income (Schedule 1)</td>
<td>2</td>
<td>4,150,134</td>
</tr>
<tr>
<td><strong>Net Interest Income</strong></td>
<td>7,674,891</td>
<td>8,054,436</td>
</tr>
<tr>
<td>Other Income (Schedule 2)</td>
<td>61,993</td>
<td>94,541</td>
</tr>
<tr>
<td><strong>TOTAL INCOME</strong></td>
<td>7,736,884</td>
<td>8,148,977</td>
</tr>
<tr>
<td><strong>EXPENDITURE:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries</td>
<td>1,567,465</td>
<td>1,508,286</td>
</tr>
<tr>
<td>Other Management Expenses (Schedule 3)</td>
<td>2,981,386</td>
<td>4,402,137</td>
</tr>
<tr>
<td>Social and Cultural Fund</td>
<td>78,235</td>
<td>77,922</td>
</tr>
<tr>
<td>Depreciation</td>
<td>434,089</td>
<td>415,835</td>
</tr>
<tr>
<td>Provision for Doubtful Debts</td>
<td>1f</td>
<td>(1,000,000)</td>
</tr>
<tr>
<td>Bad Debts Recovered</td>
<td>(327,071)</td>
<td>(241,781)</td>
</tr>
<tr>
<td>Loss on disposal of fixed assets</td>
<td>2,043</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL EXPENDITURE</strong></td>
<td>3,736,147</td>
<td>5,375,016</td>
</tr>
<tr>
<td><strong>EXCESS OF INCOME OVER EXPENDITURE FOR THE YEAR</strong></td>
<td>4,000,737</td>
<td>2,773,961</td>
</tr>
<tr>
<td>Add: Distribution Reserve at 1st October, 2014</td>
<td>5</td>
<td>4,913,457</td>
</tr>
<tr>
<td>Transfer of Engagement Reserve</td>
<td>-</td>
<td>369,418</td>
</tr>
<tr>
<td><strong>8,914,194</strong></td>
<td><strong>7,234,399</strong></td>
<td></td>
</tr>
<tr>
<td>Less: Dividend Paid</td>
<td>(1,490,108)</td>
<td>(1,442,096)</td>
</tr>
<tr>
<td>Transfer to Statutory Reserve - Re Castlelost Credit Union</td>
<td>-</td>
<td>(449,674)</td>
</tr>
<tr>
<td>Transfer to Statutory Reserve</td>
<td>5</td>
<td>(400,074)</td>
</tr>
<tr>
<td>Transfer to Undistributable Reserves</td>
<td>5</td>
<td>(164,950)</td>
</tr>
<tr>
<td><strong>DISTRIBUTION RESERVE AT 30TH SEPTEMBER, 2015</strong></td>
<td>6,859,062</td>
<td>4,913,457</td>
</tr>
</tbody>
</table>

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 and authorised for issue by the Board on 27th October, 2015**

**Signed On behalf of the Credit Union**

Manager ........................................ Date: 27th October, 2015

Member of the Board Oversight Committee ................. Date: 27th October, 2015

Member of the Board of Directors ........................ Date: 27th October, 2015
These Financial Statements were approved and authorized for issue by the Board on 27th October, 2015

Signed On behalf of the Credit Union

Manager .............................................. Date: 27th October, 2015
Member of the Board Oversight Committee ................... Date: 27th October, 2015
Member of the Board of Directors .......................... Date: 27th October, 2015

<table>
<thead>
<tr>
<th>Note</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>€</td>
<td>€</td>
</tr>
</tbody>
</table>

**ASSETS**

- Cash and Balances at Bank: 3,873,424
- Deposits and Investments: 140,995,338
- Central Bank Minimum Reserve: 1,343,374
- Central Bank Deposit Protection: 302,942
- Loans to Members: 46,351,508
- Less Provision for Doubtful Debts: (8,850,000)
- Tangible Fixed Assets: 5,407,430
- Debtors, Prepayments and Accrued Income: 196,503

**TOTAL ASSETS**

189,620,519

**LIABILITIES**

- Members' Shares: 156,995,728
- Members' Deposits: 1,393,210
- Members' Car Draw Fund (Schedule 4): 229,290
- Other Liabilities, Creditors, Accruals & Charges: 1,426,560

**TOTAL LIABILITIES**

160,044,788

**NET WORTH**

29,575,731

**Represented By:**

**RESERVES**

- Statutory Reserve: 17,014,591
- Additional Regulatory Reserve: 3,791,753
- Total Regulatory Reserve: 20,806,344
- Other Reserves: 8,769,387

**TOTAL RESERVES**

29,575,731

**BALANCE SHEET AS AT 30TH SEPTEMBER, 2015**
## CASH FLOW STATEMENT FOR YEAR ENDED 30TH SEPTEMBER, 2015

<table>
<thead>
<tr>
<th>Description</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Opening Cash and Investments</strong></td>
<td>€138,799,255</td>
<td>€132,408,753</td>
</tr>
<tr>
<td><strong>RECEIPTS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Members' Shares</td>
<td>€77,803,316</td>
<td>€69,830,163</td>
</tr>
<tr>
<td>Members' Deposits</td>
<td>€8,336,568</td>
<td>€7,344,303</td>
</tr>
<tr>
<td>Members' Loans Repaid</td>
<td>€20,464,589</td>
<td>€19,890,011</td>
</tr>
<tr>
<td>Members' Loan Interest Received</td>
<td>€3,531,699</td>
<td>€3,437,975</td>
</tr>
<tr>
<td>Investment Interest</td>
<td>€4,150,134</td>
<td>€4,622,103</td>
</tr>
<tr>
<td>Bad Debts Recovered</td>
<td>€327,071</td>
<td>€241,781</td>
</tr>
<tr>
<td>Net Assests transferred from Castlelost Credit Union Ltd</td>
<td>-</td>
<td>€506,802</td>
</tr>
<tr>
<td>Other Receipts</td>
<td>€61,993</td>
<td>€94,541</td>
</tr>
<tr>
<td>(Decrease)/Increase in Car Draw Fund</td>
<td>€2,981</td>
<td>(€5,313)</td>
</tr>
<tr>
<td>Decrease/(Increase) in Debtors &amp; Prepayments</td>
<td>€26,089</td>
<td>(€7,644)</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>€114,704,440</td>
<td>€105,954,722</td>
</tr>
<tr>
<td><strong>DISBURSEMENTS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Members' Shares Withdrawn</td>
<td>€69,872,462</td>
<td>€65,363,580</td>
</tr>
<tr>
<td>Members' Deposits Withdrawn</td>
<td>€8,267,934</td>
<td>€7,086,123</td>
</tr>
<tr>
<td>Members' Loans Issued</td>
<td>€21,199,760</td>
<td>€20,198,364</td>
</tr>
<tr>
<td>Interest Paid</td>
<td>€6,942</td>
<td>€5,642</td>
</tr>
<tr>
<td>Dividends Paid</td>
<td>€1,490,108</td>
<td>€1,442,096</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>€4,548,851</td>
<td>€5,910,424</td>
</tr>
<tr>
<td>Fixed Assets Purchased</td>
<td>€149,084</td>
<td>€283,669</td>
</tr>
<tr>
<td>Social and Cultural Fund Expenditure</td>
<td>€78,235</td>
<td>€77,922</td>
</tr>
<tr>
<td>(Increase)/Decrease in Other Liabilities &amp; Accruals</td>
<td>€1,375,241</td>
<td>(€803,600)</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>€106,988,617</td>
<td>€99,564,220</td>
</tr>
<tr>
<td><strong>CLOSING CASH AND INVESTMENTS</strong></td>
<td>€146,515,078</td>
<td>€138,799,255</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>2015</th>
<th>2014</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 €4,259,662. An additional general provision of €4,590,338 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>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment income and gains received at the balance sheet date</td>
<td>2,601,068</td>
<td>2,470,234</td>
</tr>
<tr>
<td>Investment income that will be received within 12 months of the balance sheet date</td>
<td>1,384,116</td>
<td>2,000,093</td>
</tr>
<tr>
<td>Other investment income</td>
<td>164,950</td>
<td>151,776</td>
</tr>
<tr>
<td>Total</td>
<td>4,150,134</td>
<td>4,622,103</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 118.84%, 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><strong>Costs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></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>Additions during year</td>
<td>-</td>
<td>-</td>
<td>73,805</td>
<td>75,279</td>
<td>149,084</td>
</tr>
<tr>
<td>Disposals during year</td>
<td>-</td>
<td>-</td>
<td>(293,683)</td>
<td>(717,030)</td>
<td>(1,010,713)</td>
</tr>
<tr>
<td>At 30th September, 2015</td>
<td>7,452,998</td>
<td>232,191</td>
<td>130,850</td>
<td>173,328</td>
<td>7,989,367</td>
</tr>
<tr>
<td><strong>Depreciation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></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>On disposals</td>
<td>-</td>
<td>-</td>
<td>(292,060)</td>
<td>(716,610)</td>
<td>(1,008,670)</td>
</tr>
<tr>
<td>Charge for the year</td>
<td>372,650</td>
<td>11,610</td>
<td>16,360</td>
<td>33,469</td>
<td>434,089</td>
</tr>
<tr>
<td>At 30th September, 2015</td>
<td>2,441,381</td>
<td>23,220</td>
<td>46,497</td>
<td>70,839</td>
<td>2,581,937</td>
</tr>
<tr>
<td><strong>Net Book Value</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 30th September, 2015</td>
<td>5,011,617</td>
<td>208,971</td>
<td>84,353</td>
<td>102,489</td>
<td>5,407,430</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>
</tbody>
</table>

Tangible fixed assets are reviewed for impairment if events or charges in circumstances indicated that the carrying value may be impaired. During the year ended 30th September, 2015, 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>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regulatory Reserve</td>
<td>€</td>
<td>€</td>
</tr>
<tr>
<td>Statutory Reserve</td>
<td>16,614,517</td>
<td>400,074</td>
</tr>
<tr>
<td>Additional Regulatory Reserve</td>
<td>3,791,753</td>
<td>-</td>
</tr>
<tr>
<td>Total Regulatory Reserve</td>
<td>20,406,270</td>
<td>-</td>
</tr>
<tr>
<td><strong>Other Reserves</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment Reserve</td>
<td>1,000,000</td>
<td>-</td>
</tr>
<tr>
<td>Undistributable Reserve</td>
<td>745,375</td>
<td>164,950</td>
</tr>
<tr>
<td>Distribution Reserve</td>
<td>4,913,457</td>
<td>1,945,605</td>
</tr>
<tr>
<td>Total</td>
<td>6,658,832</td>
<td>8,769,387</td>
</tr>
</tbody>
</table>
NOTE 6. PROPOSED DIVIDEND
The Directors recommend the following distributions:

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</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>1,532,230</td>
<td>1,490,548</td>
</tr>
<tr>
<td>Interest Rebate Rate</td>
<td>10%</td>
<td>0%</td>
</tr>
<tr>
<td>Interest Rebate</td>
<td>353,173</td>
<td>Nil</td>
</tr>
</tbody>
</table>

NOTE 7. UNATTACHED SAVINGS

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shares &amp; Deposits</td>
<td>144,376,476</td>
<td>134,146,161</td>
</tr>
</tbody>
</table>

NOTE 8. RELATED PARTY TRANSACTIONS
During the year ended 30th September 2015, loans totalling €155,300 were issued to officers of the Credit Union. At 30th September 2015, loans to officers were €307,178 while savings on these accounts amounted to €160,871. Total savings of officers at 30th September 2015 amounted to €955,338.

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 (‘the 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, 2014 using the Projected Unit Credit method. The principal actuarial assumption used in the valuation was the investment return would be 1.5% higher than the annual salary increases. The market value of the scheme’s assets at 1st March, 2014 was €157m. The actuarial valuation disclosed a past service deficit of €27.7m on the long term funding basis as this date.
NOTE 10. PENSION SCHEME (CONTINUED)
This actuarial review recommended that the current funding proposal contribution of 27.7% of pensionable salary continues until the next actuarial review. The cost of risk benefits is paid in addition to this rate.

As a separate requirement under section 56(1) of the Pensions Act 1990, the Scheme’s 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. 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. The most recent Actuarial Funding Certificate certified that the Scheme did not meet the statutory minimum funding standard was submitted to the Pensions Board with an effective date of 1 March 2012.

The Scheme is currently in a funding proposal which has been agreed with the Pensions Authority. The submitted funding proposal is designed to ensure that the Scheme could reasonably be expected to satisfy the funding standard as at 1 March 2019 and provides for a retirement contribution rate of 27.7%. The cost of risk benefits is payable in addition.

The scheme’s Solvency Position in accordance with the aggregate cover for total Funding Standard liabilities as disclosed in the Acturial Review as at 1 March 2014 was 105%.

NOTE 11. CAPITAL COMMITMENTS
There were no capital commitments at the year end.

NOTE 12. RATES OF INTEREST CHARGED ON MEMBERS’ LOANS

<table>
<thead>
<tr>
<th>Loan Type</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard Loans</td>
<td>7.9% variable (Typical APR 8.2%)</td>
</tr>
<tr>
<td>Reduced Rate College Loans</td>
<td>5.0% variable (Typical APR 5.1%)</td>
</tr>
</tbody>
</table>

NOTE 13. RATES OF INTEREST PAID ON MEMBERS’ DEPOSITS
Interest is paid at a rate of 0.5% on members’ deposits.

NOTE 14. MEMBERS’ SHARES

<table>
<thead>
<tr>
<th>Account Type</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular Share Accounts</td>
<td>109,763,836</td>
<td>102,732,254</td>
</tr>
<tr>
<td>Special Share Accounts</td>
<td>47,231,892</td>
<td>46,332,620</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>156,995,728</strong></td>
<td><strong>149,064,874</strong></td>
</tr>
</tbody>
</table>

NOTE 15. POST BALANCE SHEET EVENTS
There have been no significant post Balance Sheet events.

NOTE 16. APPROVAL OF FINANCIAL STATEMENTS
The financial statements were approved and authorised for issue by the Board of Directors on 27th October, 2015.
### SCHEDULE 1 - OTHER INTEREST INCOME AND SIMILAR INCOME

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment Income</td>
<td>4,150,134</td>
<td>4,622,103</td>
</tr>
<tr>
<td><strong>TOTAL PER</strong></td>
<td><strong>4,150,134</strong></td>
<td><strong>4,622,103</strong></td>
</tr>
<tr>
<td><strong>INCOME &amp;</strong></td>
<td><strong>EXPENDITURE ACCOUNT</strong></td>
<td><strong>EXPENDITURE ACCOUNT</strong></td>
</tr>
</tbody>
</table>

### SCHEDULE 2 - OTHER INCOME

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insurance Commissions</td>
<td>16,282</td>
<td>19,667</td>
</tr>
<tr>
<td>Foreign Exchange Commissions</td>
<td>44,351</td>
<td>37,189</td>
</tr>
<tr>
<td>Entrance Fees</td>
<td>1,206</td>
<td>1,105</td>
</tr>
<tr>
<td>Miscellaneous Income</td>
<td>154</td>
<td>116</td>
</tr>
<tr>
<td>REBO Refund</td>
<td>-</td>
<td>36,464</td>
</tr>
<tr>
<td><strong>TOTAL PER</strong></td>
<td><strong>61,993</strong></td>
<td><strong>94,541</strong></td>
</tr>
<tr>
<td><strong>INCOME &amp;</strong></td>
<td><strong>EXPENDITURE ACCOUNT</strong></td>
<td><strong>EXPENDITURE ACCOUNT</strong></td>
</tr>
</tbody>
</table>

### SCHEDULE 3 - OTHER MANAGEMENT EXPENSES

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff Pension Scheme</td>
<td>363,660</td>
<td>336,695</td>
</tr>
<tr>
<td>LP/LS Insurance</td>
<td>357,632</td>
<td>337,383</td>
</tr>
<tr>
<td>General Insurance</td>
<td>42,248</td>
<td>39,372</td>
</tr>
<tr>
<td>League Affiliation Fees</td>
<td>121,148</td>
<td>128,736</td>
</tr>
<tr>
<td>Rates</td>
<td>34,684</td>
<td>34,469</td>
</tr>
<tr>
<td>Light and Heat</td>
<td>32,905</td>
<td>27,637</td>
</tr>
<tr>
<td>Repairs and Renewals</td>
<td>365,133</td>
<td>1,414,011</td>
</tr>
<tr>
<td>Computer Expenses</td>
<td>103,599</td>
<td>84,953</td>
</tr>
<tr>
<td>Printing and Stationery</td>
<td>46,813</td>
<td>54,826</td>
</tr>
<tr>
<td>Promotion and Advertising</td>
<td>66,115</td>
<td>81,352</td>
</tr>
<tr>
<td>Postage and Telephone</td>
<td>53,237</td>
<td>60,153</td>
</tr>
<tr>
<td>A.G.M. Expenses</td>
<td>1,308</td>
<td>2,078</td>
</tr>
<tr>
<td>Travel and Subsistence</td>
<td>17,813</td>
<td>14,189</td>
</tr>
<tr>
<td>Legal and Professional Fees</td>
<td>82,903</td>
<td>164,708</td>
</tr>
<tr>
<td>Bank Interest and Charges</td>
<td>89,241</td>
<td>79,742</td>
</tr>
<tr>
<td>ATM Charges</td>
<td>15,696</td>
<td>14,909</td>
</tr>
<tr>
<td>Investment Charges</td>
<td>29,573</td>
<td>26,230</td>
</tr>
<tr>
<td>Audit Fee</td>
<td>30,627</td>
<td>32,691</td>
</tr>
<tr>
<td>Central Bank Deposit Protection Account Charge</td>
<td>(2,033)</td>
<td>22,315</td>
</tr>
<tr>
<td>Credit Institution Resolution Fund Contribution</td>
<td>92,434</td>
<td>88,775</td>
</tr>
<tr>
<td>Stabilisation Levy</td>
<td>39,706</td>
<td>-</td>
</tr>
<tr>
<td>REBO Levy</td>
<td>9,775</td>
<td>-</td>
</tr>
<tr>
<td>Sundry Levy</td>
<td>106,686</td>
<td>136,795</td>
</tr>
<tr>
<td>Bad Debts Written Off</td>
<td>880,483</td>
<td>1,220,118</td>
</tr>
<tr>
<td><strong>TOTAL PER</strong></td>
<td><strong>2,981,386</strong></td>
<td><strong>4,402,137</strong></td>
</tr>
<tr>
<td><strong>INCOME &amp;</strong></td>
<td><strong>EXPENDITURE ACCOUNT</strong></td>
<td><strong>EXPENDITURE ACCOUNT</strong></td>
</tr>
</tbody>
</table>
## SCHEDULE 4 - CAR DRAW FUND

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance Forward</td>
<td>€226,309</td>
<td>€231,622</td>
</tr>
<tr>
<td>Entry Fees Received</td>
<td>€297,895</td>
<td>€291,381</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>€524,204</strong></td>
<td><strong>€523,003</strong></td>
</tr>
</tbody>
</table>

### Expenses

<table>
<thead>
<tr>
<th>Expense</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase of Prizes</td>
<td>€287,018</td>
<td>€288,692</td>
</tr>
<tr>
<td>Postage and Stationery</td>
<td>€5,447</td>
<td>€5,354</td>
</tr>
<tr>
<td>Advertising and Sundry Expenses</td>
<td>€2,449</td>
<td>€2,648</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>€294,914</strong></td>
<td><strong>€296,694</strong></td>
</tr>
</tbody>
</table>

Prize Fund - Eight Draws Remaining

€229,290  €226,309
Section 76K of the Credit Union Act 1997 (as amended) requires credit unions to have an Internal Audit Function and in addition specifies its responsibilities.

Mullingar Credit Union has complied with the requirements of the Act by:

1) Forming an Audit Committee consisting of three members of the Board of Directors. This Committee’s responsibilities include overseeing the work of the Internal Audit Function and assessing the performance of the external auditor.

2) Establishing an Internal Audit Function.

The responsibilities of the Internal Audit Function are set out in Section 76K of the Act. The Internal Audit Function, 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 Audit Function has reported to the Audit Committee on a regular basis throughout the year to review the findings and recommendations from the work carried out during the relevant period. The Audit Committee has presented four regular quarterly reports during the year to the Board of Directors, providing an update on the work of the Committee and the Internal Audit Function. The Audit Committee also holds regular meetings with the Credit Union’s External Auditor. This is in order to fulfil its responsibility for assessing the performance of the Auditor and to determine the Auditor’s 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.

The Risk Committee is responsible for approving, reviewing and overseeing the performance of all elements of the risk management system of the Credit Union on behalf of the Board to ensure that prevailing risks are being managed in an appropriate and timely manner. The Committee promotes a positive risk management culture to ensure that the components of the risk management system are embedded into the operation and governance of the organisation.

The Committee delegates day to day responsibility for risk management to the Risk Management Officer, who is responsible for planning, designing and implementing the overall risk management process for the Credit Union. The Risk Management Officer reports to the Committee on a monthly basis on the work undertaken by the risk function. This work includes:

- the identification of risks and actions taken to lessen these risks;
- the production and implementation of strategies and plans to avoid future risks;
- designing contingency plans to implement if necessary;
- deciding how to, reduce or transfer future risks.

Significant progress has been achieved in the implementation of the risk management framework for Mullingar Credit Union over the past year. The Board of Directors has recently approved the Credit Union’s subscription to the ILCU Risk Advisory Service which includes a software-based Risk Management System and this will be implemented over the coming months. It is hoped that this investment will assist in further strengthening of the overall risk management framework of Mullingar Credit Union.

John O’Reilly,
Chairperson,
Risk Committee.
This year we opened 1,241 new accounts for new and existing members of Mullingar Credit Union. Our current membership stands at over 33,000 accounts, comprised of single, joint and group accounts.

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. Applicants 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.
The Nomination Committee of Mullingar Credit Union is 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 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 Eileen Smyth. This vacancy was filled by Kelly Dunne who previously served on the Board Oversight Committee as Chairperson.

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:

- The nominee must be a member of the Credit Union and be 18 years of age or over.
- 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.
- Nomination forms are available at the Credit Union offices.

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, Co. Westmeath.

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 2015 was Friday 6th November 2015, details of which were displayed in our offices and posted on our website and on social media.

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

Alan Collier,
Chairperson,
Nomination Committee.
The provision of loans to members is a core service of Mullingar Credit Union and is also a major source of income. The Board of Directors appoint the Credit Committee to consider and decide on loan applications in accordance with the credit policy. The Credit Union has appointed a number of Loan Officers who deal with the majority of loan applications under the supervision of the Credit Committee. Other Loan applications are passed to the Credit Committee for further consideration.

Over the past twelve months we have seen a steady increase in the demand for loans. Loan applications in the year to September 2015 increased 16.5% over the previous year. We continue to have ample funds available for lending. Our loan book remains open and we are eager to lend. During the year our loans helped couples to get married, students to go to college, members to renovate homes, purchase cars and much more. We still maintain our very competitive interest rate and our positive approach to lending. We are delighted to see that the Board of Directors will be recommending an interest rebate of 10% at the 2015 Annual General Meeting which means our loans are even better value. If you need a loan, Mullingar Credit Union is your best option.

Earlier this year we opened our new dedicated loans offices which afford better and more private surroundings for members in dealing with our Loans Officers. We also reviewed and updated our credit policy, which has improved our lending process.

The committee met on 51 occasions during the year. 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>5519</td>
<td>€24,565,556</td>
</tr>
<tr>
<td>Approved</td>
<td>5357</td>
<td>€23,378,165</td>
</tr>
<tr>
<td>Refused</td>
<td>162</td>
<td>€1,187,391</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. All loan applications are individually assessed and judged on their own merits. While every effort is made to approve each application the process has to ensure that there is no undue risk to the Credit Union or the individual member. The primary factor which we take into consideration in assessing loan applications is the member’s ability to repay. We also carry out a full assessment of the borrower’s financial position making use of the Irish Credit Bureau to verify the member’s indebtedness. This enables us to make faster and more informed decisions. We ask members to make a full and honest disclosure of all relevant information and provide all relevant documentation when requested.

If you 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.

We thank you for your continued support during the year.

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 seen further recovery of the economy, however, while levels of unemployment are reducing, they remain high. The Committee fully understands that some members continue to experience 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 if in difficulty. 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 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 €880,483. While this figure is relatively high, it is below the 2014 and 2013 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 €327,071 in previously written off loans this financial year, increased from €241,781 in 2014 and €189,150 in 2013.

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 Auditor, 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 30th September 2015.

In conclusion, the Committee wishes to thank our members, who have worked with us to fulfil the terms of their loan agreements.

Jim Prendergast,
Chairperson,
Credit Control Committee
During the year, the Committee continued its work of reviewing the implementation of the Strategic Plan 2013 – 2016 and assessing the outcomes of the goals and targets set out in this Plan. We also proposed amendments of the plan to the Board of Directors for approval as necessary.

The Committee carried out a detailed review of the Credit Union’s suite of policies and recommended these policies for approval by the Board with amendments where necessary.

In the coming year the Committee will focus on drafting the outline of the new Strategic Plan for the years from 2016 – 2019, which will be submitted to the Board of Directors for consideration, development, amendment and adoption.

John O’Reilly, Chairperson, Strategy & Policy Committee.

‘Safe, Strong & Secure’
It is seventeen years since Mullingar Credit Union set up its Social and Cultural fund to support local voluntary organisations. The members of Mullingar Credit Union generously vote to set aside funds for the Social and Cultural awards. The initiative goes from strength to strength, and the number of organisations seeking grants from the fund increases annually.

The Social and Cultural Committee support groups throughout our common bond that provide much needed voluntary effort to promote development across our community.

The fund for the year 2014/2015 was €80,000. A large number of applications were received and considered by the Committee. Following detailed deliberation of each application a total of €78,435 was awarded to over 270 groups and organisations.

The Committee streamlined the application process in 2015 with the introduction of a standard application form, which can be supplemented by supporting documentation.

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

Brian Gillen, Chairperson, Social and Cultural Committee.
The car draw is now in its fifteenth year. We have over 8,900 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**

- Siobhán Flaherty, Mick Mc Cauley, Louise Lordan
- Damian Byrne, Oliver Slevin, The Estate of the late Eileen Miller, Patrick J Casey, Brega Donoghue, Damian Thomas Keogh, Eoin Harris, Ross Brady, Olanrewaju Wuraola Adeniji

**CASH PRIZE**

- Veronica A Kelly, Anne Quinn, Jean Hamilton, Niamh Mc Dermott, Betty O’Marra, Patrick & Angela Nolan, Margaret Keogan, Linda Mc Mahon & James Lynch
- Genevieve Geraghty, Sabrina Casserly, Phyllis Murtagh, Larry O’ Meara, V Oliver Smyth, Naomi O’ Farrell, Barry Dunleavy, Anthony Bracken, Adele Campbell, David Gorman
- Ann Farrelly, Antoinette Miller, Patricia Fallon, John Mc Grath, Brendan Foran, Michael Kenny, Thomas Corroon, William Ahearne, Aaron Whelan, Rosemary Donohue
- Ann Corroon, Noreen Flynn, Geraldine Flynn, Noelle Hynes, Margaret Keane, John Owens, Hugh Tormey

**ADDITIONAL PRIZEWINNERS AT THE CHRISTMAS CAR DRAW**

- Eileen O’ Connor, Fiona Garvin, Stephen O’ Hara, Edel Gallagher, Paddy Walsh, Wayne Curran, Patrick J Jacob, Shawn & Kathleen Crafford, Christy Doyle, Collette Tone, Aileen Hogan, Joe & Mary Carolan, Deirdre Ryan, Olivia Curran, John Egan, Marie Leech, Karen & Oliver Gaffney, Annie Mary Garvin, Helen Purcell, Jean Hynes, Robert Montgomery, Barry Mc Nally, Teresa Downes, Edward Foxe, Helen Shaw, Mark Lawlor, Susan Cleary, Debbie Rogers, Shane Cahill, Robert Swaine.

**ADDITIONAL PRIZEWINNERS AT THE MAY CAR DRAW**

- Patrick Brendan Battle, Kyle Gavin, Elaine O’ Reilly, Colette Mooney, Maeve Doran Conroy, James P Kane, Pamela Walsh & Clive Ledwith, Rosemary Anderson, Helen Cooney, Maria Coffey.

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.
NEED A LOAN?
THE CREDIT UNION DIFFERENCE
This year we have approved over 17% more in loans than last year

Mullingar Credit Union has always endeavoured to offer the best service to our Members. Our newly opened loans office enhances the personal and friendly service we traditionally offer. Unlike most financial institutions we are not driven by profit so we can offer low interest rates on our loans and ensure they meet your repayment needs. As a committed member of the community, we support local initiatives so the whole community benefits from our local credit union.

WE ARE LENDING
Thanks to our Members, Mullingar Credit Union has seen a growth in its loan book over the past year. Our current loan book stands at €46.4 million, an increase of €735,000 over the year. Up to the end of September this year over 5,300 loans were approved, with a value of over €23.3 million. In the last quarter we paid out over €6 million in new loans which included nearly €800,000 to students who availed of our reduced rate college loan. We provide small and large loans to our members for many purposes including home improvements, holidays, cars and education.

HOW TO APPLY
In Person: Call into our new loan office 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: Fill out our loan enquiry form at www.mullingarcu.ie and we will be in touch.

WHY BORROW FROM MULLINGAR CREDIT UNION?
• Low interest rates
• No set-up fees and no hidden fees or costs
• Quick and transparent process and fast loan approval
• No penalty charges for early repayment
• Choice of repayment options available
• Interest only on what you owe. The quicker you pay, the less interest you pay
• No up front repayments
• Keep track of your payments online
• Free loan protection insurance (subject to conditions)
• Local, direct and personal service
• Education? Talk to us about our reduced rate college loan.

STANDARD LOAN INTEREST RATE 7.9% VARIABLE. TYPICAL APR 8.2% (WEEKLY REPAYMENTS)
WEEKLY LOAN REPAYMENT (INCLUDING LOAN INTEREST). INTEREST RATE 7.9%, 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>617.79</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>

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
The role of the Promotion and Communication 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

All the information you need about Mullingar Credit Union is on our newly updated website at www.mullingarcu.ie.

Members can check balances, view recent transactions, calculate loan repayments, make loan enquiries and securely transfer funds into and out of their Credit Union account, which is a useful addition to the extensive EFT services which we also provide. Please contact the Credit Union to find out how to set up your online account.

**CU ANYWHERE MOBILE PHONE APP**

CU Anywhere is the number 1 app for giving you complete control of your Credit Union funds. CU Anywhere 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 CU Anywhere. The username, pin and passphrase you use to login to your online account on our website are the same login details for CU Anywhere.

**FACEBOOK**

Like us on Facebook and we will keep you up to date on what’s happening in our Credit Union.

**DIRECT DEBITS**

We have a very convenient 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.
INTERNATIONAL CREDIT UNION DAY

Mullingar Credit Union continues to participate in International Credit Union Day. This year’s theme, “People Helping People” embraced the long standing philosophy that people can improve their financial wellbeing by working together, as 217 million members do in 57,000 Credit Unions in 105 countries around the world.

IRISH LEAGUE OF CREDIT UNIONS FOUNDATION

The ILCU Foundation was founded in 1980. The mission of the 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”.

Over the last ten years, the members of Mullingar Credit Union have contributed in excess of €203,000 to the Foundation by agreeing at the AGM to contribute €1 from their dividend to help those in need. In November our Assistant Manager, Derek Smith, successfully completed the Great Ethiopian Run, raising funds for the Foundation.

John O’Reilly,
Chairperson,
Promotion and Communication Committee.
ALL IRELAND ART COMPETITION

The Credit Union Art Competition is an annual event open to entrants in various age categories. Each year has a different ‘theme’ which is open to interpretation by the artists. The aim of this competition is to celebrate the creativity and imagination of members of our local community. The first place winner from each age category goes forward to the Chapter stage.

Congratulations to our winners and to all our participants in this competition. In particular, congratulations to our entrant Laura Corrigan who received 1st prize in the Special Category 18yrs+ at Chapter level and went on to win a Merit Prize in the Special Category 18+ at National level of the Credit Union Art Competition. A list of winners for 2015 can be found on our website at www.mullingarcu.ie in the 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.

Well done to all the teams who participated in our quiz and a sincere thank you to the teachers, parents and friends who supported them on the night. Also, we would like to thank Mullingar Park Hotel for providing the venue for our quiz.

CU@YOUR SCHOOL

The CU@yourschool programme was an educational course aimed at second level schools. This year, we had five schools participating in this programme: Mullingar Community College, Wilson’s Hospital School, St. Mary’s CBS, Columba College Killucan and Loreto College. Well done to all students who completed the programme.

This programme is now being replaced by a new initiative, “Clued-In”. The purpose of “Clued-In” is to explain personal finance and the role of Credit Unions to second level students in order to encourage them to develop a positive relationship with their personal finances. We look forward to engaging with our local second level schools again this year through this new programme.
The Credit Unions’ talent competition “CU Factor” has been running for a number of years in Ireland and is open to 12 to 19 year olds. Following the success of this competition last year, the Youth Affairs Committee decided to hold the competition again this year. Fifteen acts took part in our show in September, which was held in the Mullingar Arts Centre. Well done to all our participants who gave excellent performances on the night and thank you to all the parents, families and friends who supported and attended the event. A very big thank you to our judges, Emmet Cahill, Siobhan Murphy and Anthony Doran.

Also, thank you to Mullingar Arts Centre for hosting our show and to our presenters Gemma McNamee and Gary Nolan.

Congratulations to our prize winners on the night: Janet Williams in third, Conor Leavy in second, and our first place winner, solo singer, Andrea Glennon, a pupil of Wilson’s Hospital School Multyfarnham. Andrea represented us in the Regional Final in Ballinasloe where she was again the winner. She then went on to represent Mullingar Credit Union in the National Final where she was competing against the best young entertainers from all over Ireland. Andrea was outstanding on the night and was crowned the CU FACTOR All Ireland Champion 2015. Warmest congratulations and well done to Andrea.

A selection of photos from the night can be seen on our Facebook page.

STUDENT LOANS
The introduction of our reduced rate college loans in 2013 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.

Pauline Sheils,
Chairperson,
Youth Affairs Committee.
SAVINGS:
Fair return on your savings with easy access to your money.
Proposed dividend rate for 2015 is 1%.

LOANS:
Low cost, straightforward personal loans.
Standard loans 7.9% variable
- typical APR 8.2%
Reduced Rate College Loans also available.
Proposed interest rebate for 2015 is 10%.

FOREIGN EXCHANGE:
Full Foreign Exchange service available to members. International payments can be sent electronically through the Credit Union.

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.

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 or regular ongoing basis to pay for example, utility or other bills. Payments can also be made on a once off or on a regular ongoing basis direct to any bank account in Ireland or to any country 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.

CU ANYWHERE APP:
Download the free CU Anywhere App and manage your account on the go from your smart phone.

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:
Members’ 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:
An 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:
AXA and CU Safe offer discounted insurance quotes on a variety of insurance products for Credit Union Members.
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 death 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.

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.

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 and Board Oversight Committee


Front row L-R – Margaret Egan, Kelly Dunne, Seamus McLaughlin, Mary Reilly, Alan Collier.

Missing from photo – Conor Isdell, Edna Blake.