AGM 2017 - 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. The resolutions set out on page 7 will be presented to the Annual General Meeting of Mullingar Credit Union. These resolutions must be approved by not less than two thirds of the members present and voting at the Annual General Meeting.
28. Any other business.
29. Adjournment or close of meeting.
**DIRECTORS, BOARD OVERSIGHT COMMITTEE, COMMITTEES, STAFF & ADVISORS**

**DIRECTORS**
- S. McLaughlin (Chairman)
- J. Prendergast (Vice Chairman)
- C. Isdell (Secretary)

**BOARD OVERSIGHT COMMITTEE**
- R. Duffy, D. O'Keeffe
- A. Carey.

**COMMITTEES**

<table>
<thead>
<tr>
<th>COMMITTEE</th>
<th>MEMBERS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>AUDIT COMMITTEE</strong></td>
<td>P. Isdell, C. Isdell, M. Egan</td>
</tr>
<tr>
<td><strong>RISK COMMITTEE</strong></td>
<td>J. O'Reilly, S. McLaughlin, P. Isdell</td>
</tr>
<tr>
<td><strong>REMUNERATION COMMITTEE</strong></td>
<td>P. Murphy, S. McLaughlin, J. Prendergast</td>
</tr>
<tr>
<td><strong>NOMINATION COMMITTEE</strong></td>
<td>E. Blake, K. Dunne, M. Reilly</td>
</tr>
<tr>
<td><strong>MEMBERSHIP COMMITTEE</strong></td>
<td>O. Brennan, S. Walsh, D. Garry, S. Fagan</td>
</tr>
<tr>
<td><strong>CREDIT COMMITTEE</strong></td>
<td>P. Murphy, E. Smyth, S. Fagan, M. Gordon</td>
</tr>
<tr>
<td><strong>CREDIT CONTROL COMMITTEE</strong></td>
<td>J. Prendergast, M. Houlihan, J. Marshall, R. Sheridan, C. Gavin</td>
</tr>
<tr>
<td><strong>FACILITIES &amp; TECHNOLOGY COMMITTEE</strong></td>
<td>T. Allen, D. Smith, E. Munnelly, O. Brennan, K. Dunne</td>
</tr>
<tr>
<td><strong>INVESTMENT COMMITTEE</strong></td>
<td>P. Murphy, S. McLaughlin, C. Isdell, P. Isdell, T. Allen, O. Brennan</td>
</tr>
<tr>
<td><strong>BUILDING COMMITTEE</strong></td>
<td>P. Murphy, S. McLaughlin, J. Marshall, B. Gillen, T. Allen, E. Munnelly, D. Smith, O. Brennan</td>
</tr>
<tr>
<td><strong>CAR DRAW COMMITTEE</strong></td>
<td>E. Blake, E. Smyth, T. Allen, Y. Craig, S. Fagan, N. Dunne</td>
</tr>
<tr>
<td><strong>DISPUTES AND COMPLAINTS COMMITTEE</strong></td>
<td>T. Allen, D. Smith, P. Murphy, J. Prendergast, M. Egan</td>
</tr>
<tr>
<td><strong>PROMOTION AND COMMUNICATION COMMITTEE</strong></td>
<td>J. O'Reilly, S. McLaughlin, S. O'Hara, T. Allen, Y. Craig, F. Dalton</td>
</tr>
<tr>
<td><strong>STRATEGY &amp; POLICY COMMITTEE</strong></td>
<td>J. O'Reilly, S. McLaughlin, T. Allen, D. Smith, N. Muldoon, S. Walsh, O. Brennan</td>
</tr>
<tr>
<td><strong>SOCIAL &amp; CULTURAL COMMITTEE</strong></td>
<td>B. Gillen, M. Egan, E. Blake, Y. Craig, O. Brennan, F. Dalton, N. Dunne</td>
</tr>
<tr>
<td><strong>YOUTH AFFAIRS COMMITTEE</strong></td>
<td>A. Corroon, D. Garry, F. Dalton, S. Fagan, Y. Craig, C. Dolan</td>
</tr>
<tr>
<td><strong>FINANCIAL ADVISORS</strong></td>
<td>Davy</td>
</tr>
</tbody>
</table>

**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 four 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.

Due to these detailed provisions, no member can be elected to the Board of Directors or the Board Oversight Committee from the floor of the AGM. The closing date for nominations for the vacancies arising at AGM 2017 was 4th November 2017.

The full procedures regarding Nominations are set out in the Nomination Committee Report.

**STAFF**
- T. Allen (Manager)
- D. Smith (Assistant Manager)
- N. Baker, O. Brennan, C. Brown
- A. Cannon, M. Coffey, S. Clarke
- A. Corroon, G. Corroon
- R. Cosgrove, Y. Craig, J. Creavy
- P. Curran, F. Dalton, C. Dolan
- C. Earley, L. Keegan, M. Lloyd
- D. Maloney, M. McDonald
- C. McDonnell, S. Milmoe
- I. Mooney, N. Muldoon, E. Munnelly
- K. Murphy, P. Murtagh, P. Nally
- M. Nea, E. Neale, E. O’Connor
- E. O’Keeffe, B. Shaw, N. Shaw, P. Sheils
- M. Smyth, E. Shine, L. Walsh, S. Walsh.

**EXTERNAL AUDITOR**
- Hayes Coghlan Doolan.

**INTERNAL AUDITOR**
- Russell Brennan Keane.

**SOLICITORS**
- Kelly Caulfield Shaw.

**FINANCIAL ADVISORS**
- Davy.
CHAIRMAN’S REPORT

It is my privilege as Chair of the Board of Directors of Mullingar Credit Union to present to you, our members, the annual report for the year ended the 30th September 2017. This report illustrates the activities, resources and results of our Credit Union for the period concerned. It is being sent to all eligible members and I ask that you consider the report and attend our Annual General Meeting in the Greville Arms Hotel on Wednesday night the 13th December 2017 where all aspects of our results and operations will be presented and discussed.

I am happy to report a satisfactory set of results for the year with continued growth in membership, savings and loans with improvements in the quality and range of services provided. These increases indicate clearly the confidence placed in Mullingar Credit Union as a trusted financial service provider by our local community.

The financial results for the year are described more fully in the Directors’ Report and in the Financial Statements, however I would like to draw attention to some highlights. Members’ savings increased from €175.5 million in 2016 to €188.3 million this year, while our loan portfolio increased from €52.2 million to €57.3 million in the same period. We opened 1,750 new accounts during the year. These figures are a clear demonstration of the loyalty and trust of members in deciding to do more of their financial business with Mullingar Credit Union.

We generated a surplus for the current year of €3.0 million which is down from €3.6 million in the previous year, largely as a result of the continuing low return on investments and increases in expenditure. The Board is proposing a dividend rate of 0.25% and an interest rebate of 10% on loan interest paid during the year. The proposed interest rebate is intended as a reward to our borrowing members for their support and loyalty and hopefully will act as an incentive to more members to borrow from the Credit Union.

We recognise that surpluses will decline over the next few years in line with diminished investment returns but we will endeavour to replace this lost income through the growth of loans and other services. Growing our loan book remains a top priority. We have made good progress over the last two years and we would like to see this momentum continue. Our Board, Management and Lending Strategy Committee are working hard to make our loans process and procedures as efficient and as member friendly as possible and we have devoted more resources to this area of our business.

We are working to introduce mortgages and other long term lending products, which many members have indicated that they would like to see the credit union provide. We are pleased to participate in the Government supported national “It makes sense” Personal Micro Credit (PMC) loans to social welfare recipients, who in the past were often excluded by mainstream lenders and had to rely on money lenders, both legal and illegal, for access to loans.

The focus of the Board and Management of Mullingar Credit Union for many years has been to serve our members and to cater for their financial requirements whilst ensuring that our Credit Union is strong, secure and viable into the future.

We have referred in previous annual reports and in our strategic plans to having a positive attitude to the ongoing structural changes within the credit union movement. As you are aware, transfers of engagements have been completed in recent years with Castlelost (Rochfortbridge) and Kinnegad Credit Unions with ongoing positive results both for the local communities and for Mullingar Credit Union.

The proposed transfer of engagements with Longford Credit Union referred to in last year's annual report is ongoing and is at an advanced stage. We have engaged positively with the Board and Management of Longford Credit Union and with the Central Bank on the project. Provisional approval has been received from the Central Bank and reporting accountants have been appointed to carry out detailed asset reviews and due diligence which are required to be submitted to the Central Bank for approval. The possible completion date...
CHAIRMAN’S REPORT

for this transfer of engagements is summer 2018. Members will be kept updated and a general meeting of the members of both credit unions will be held to consider the proposal.

We recently received a request for discussions on a possible transfer of engagements from the Board of Castlepollard Credit Union and a preliminary meeting of both parties has been held. While the discussions are at a very early stage, our Board is supportive of the approach.

Over the years, we have invested heavily in our Information Communications Technology (ICT) systems and we have continued to do so again this year. The Board is cognisant of the need to maintain modern ICT systems and to take steps to minimise the growing risk of cyber crime. I would like to draw members’ attention to the recent spate of phishing attempts throughout the country to gain access to people’s financial details. We encourage members to be vigilant in this area.

During the year we employed the services of Brandon Consulting to carry out a full review of our ICT systems and we are working with them to implement improvements recommended. Efforts are ongoing to provide a replacement for our existing ATM machine and I am pleased to report that a new machine should be in place in the near future.

In previous annual reports I reported that we were working with a group of credit unions to develop a debit card, which we see as being an essential tool in attracting and retaining members. The Central Bank has facilitated the development of a new member personal current account service which could include the provision of overdrafts and debit cards. We have applied to be allowed to provide this service and our application has been approved by the Central Bank. We are working with a group of likeminded credit unions to develop these services. This will take time to come to fruition. The current plan is to launch this service before the end of 2018.

Changes have occurred on our Board and Board Oversight Committee. Mark Toner resigned from the Board due to commencement of employment with another credit union. His position on the Board has been filled by the co-option of Mary Reilly from the Board Oversight Committee. Niamh Irwin also resigned from the Board Oversight Committee due to work and personal commitments and Daniel O’Keeffe and Aisling Carey were co-opted to fill the vacancies on the BOC as they arose.

We recently received notification from Margaret Egan that due to work and personal commitments she can no longer devote the time and commitment required of a Director and has decided not to allow her name go forward for election at the 2017 Annual General Meeting.

I thank Margaret, Mark and Niamh for their contribution and service and wish them well. I congratulate Mary, Daniel and Aisling on their co-option, all of whom will be seeking election at this Annual General Meeting. Our Nomination Committee is continually seeking members to volunteer to serve on committees. If you have an interest in volunteering to support the work of your credit union, please contact our Manager or any member of staff who will explain what is involved and guide you through the process.

As the end of my term of office as chairperson approaches, I wish to thank my fellow Directors, Members of the Board Oversight Committee, Members of the various Sub Committees, Management and Staff for their support, contributions and dedication. I also take this opportunity to thank yourselves, our members, whose support is so vital to the success of Mullingar Credit Union.

Seamus McLaughlin,
Chairman.
The Directors present their Annual Report and Audited Financial Statements for the year ended 30th September 2017.

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.

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 to enable them to ensure that the financial statements comply with the Credit Union Act 1997 (as amended).

The Directors are also responsible for safeguarding the assets of the Credit Union and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BOARD OF DIRECTORS
Members who served on the Board of Directors during the year were as follows: E. Blake, K. Dunne, M. Egan, C. Isdell, P. Isdell, J. Marshall, M. Reilly, P. Murphy, S. McLaughlin, J. O’Reilly, J. Prendergast and M. Toner.

BOARD OVERSIGHT COMMITTEE
Members who served on the Board Oversight Committee during the year were as follows: R. Duffy, A. Carey, N. Irwin, D. O’Keeffe, and M. Reilly.

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
Mullingar Credit Union 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
The financial statements are set out on pages 10 to 27 of this report.

Total income for the year declined slightly from €7.3 million in 2016 to €7.2 million in 2017. Income from loans to members increased by €490,000 in line with the increased level of loans outstanding. Income from investments decreased by €657,000 due to the lower levels of return available in the market.
Total expenditure increased from €3.7 million in 2016 to €4.2 million in 2017. Regulatory costs have increased significantly. Bad and doubtful debts written off reduced from €529,000 in 2016 to €426,000 in 2017. There was a credit of €331,000 in the current year from a reduction in the provision for doubtful debts compared to a credit of €762,000 in 2016. Bad debts recovered during the year amounted to €319,000.

Overall a surplus of €3.0 million was generated for the year from which the Directors propose to distribute €874,000 to members by way of dividend and interest rebate and provide the agreed transfers to statutory and other reserves.

Savings increased during the year by €12.8 million while loans increased by €5.1 million. Investments increased during the year by €7.5 million. The provision for doubtful debts reduced slightly to €3.3 million. Total reserves increased by €1.8 million to €38.2 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 are 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.

DIVIDEND AND INTEREST REBATE
The Directors recommend payment of a dividend on shares of 0.25% at a cost of €453,000. The Directors recommend the payment of a rebate on interest paid on loans throughout the year of 10% at a cost of €421,000.

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, low 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. Further details in relation to financial risks are detailed in Note 16 of the Financial Statements.

AUDITORS
The Auditors, Hayes Coghlan Doolan have expressed their willingness to continue in office in accordance with Section 115 of the Credit Union Act 1997, (as amended).
STATEMENT OF BOARD OVERSIGHT COMMITTEE’S RESPONSIBILITIES

The Credit Union Act 1997 (as amended) requires the appointment of a Board Oversight Committee (BOC) 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 Central Bank in respect of which they are to have regard to in relation to the Board.

We oversee the way Directors perform their duties and functions, we do not attempt to influence Directors or otherwise 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 the BOC 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 our 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).

In January 2017 Niamh Irwin resigned her position on the BOC. In February 2017 Daniel O’Keeffe was co-opted onto the BOC. In September 2017 the Board of Directors co-opted Mary Reilly onto the Board, thereby accepting her resignation from the BOC. In November 2017 Aisling Carey was co-opted onto the BOC. Hence the BOC had 3 serving members for no less than 11 months of the year.

I would like to take this opportunity to thank my fellow Committee Members for their commitment and generosity in terms of time and expertise to the Committee.

Ronan Duffy,
Chairperson,
Board Oversight Committee.
RESOLUTIONS FOR CONSIDERATION AT THE ANNUAL GENERAL MEETING

TO CONSIDER AND IF THOUGHT FIT, TO APPROVE THE FOLLOWING RESOLUTIONS:

(I) Contributions 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 reduce the dividend declared by a maximum amount of €1.00 for each member account and such amount to be paid to the ILCU International Development Foundation Fund Limited, subject to the provision that any member account not wanting to contribute to this fund, shall notify the Secretary of Mullingar Credit Union in writing to this effect prior to the AGM.

(II) 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.

Rule amendment in respect of the provision of additional service

That the rules of Mullingar Credit Union Limited are hereby amended in Rule 5 (1) by the insertion of the following as (vii) after (vi) and the renumbering of (vii) as (viii)

“(vii) the provision of the following additional service(s) by the credit union to the members subject to the prior approval of the Registrar of Credit Unions and any other permissions or licences that may be required by law:

- Member Personal Current Account Service (MPCAS)”
Opinion

We have audited the financial statements of Mullingar Credit Union Limited for the year ended 30 September 2017 which comprise the Income and Expenditure Account, Balance Sheet, the Statement of Changes in Reserves, statement of cash flows and related notes. The relevant financial reporting framework that has been applied in their preparation is Irish Law and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council.

In our opinion, the financial statements:

• give a true and fair view of the assets, liabilities and financial position of the credit union as at 30 September 2017 and of its surplus and cash flows for the year then ended;
• have been properly prepared in accordance with Financial Reporting Standard 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland”; and
• have been properly prepared so as to conform with the requirements of the Credit Union Act 1997 (as amended).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISA’s (Ireland)) and applicable law. Our responsibilities under those standards are further described in the “Auditor’s Responsibilities for the Audit of the Financial Statements” section of our report. We are independent of the Credit Union in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard as issued by the Irish Auditing and Accounting Service Authority (“IAASA”), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISA’s (Ireland) require us to report to you where:

• the directors’ use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
• the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the credit union’s ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor’s report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our audit report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise
appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other matters prescribed by the Credit Union Act 1997 (as amended)
In our opinion, based on the work undertaken in the course of the audit:

• We have obtained all the information and explanations which we consider necessary for the purposes 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.

Responsibilities of Directors for the financial statements
As explained more fully in the directors responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Credit Union’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the credit union or to cease operations, or have no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA website at: http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description of auditors responsibilities for audit.pdf. This description forms part of our audit report.

The purpose of our audit work and to whom we owe our responsibilities
Our 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 we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Credit Union and the Credit Union’s members as a body, for our audit work, for this report or for the opinions we have formed.

SIGNED: ________________________________________
Anthony Doolan,
For and on behalf of
Hayes Coghlan Doolan
Certified Public Accountants and
Statutory Audit Firm, 7 Dominick Street,
Mullingar, County Westmeath
Date: 24th October 2017
The financial statements were approved, and authorised for issue, by the Board on 24th October 2017 and signed on its behalf by:

Manager........................................................

Member of the Board of Directors...................................

Member of the Board Oversight Committee.........................

The notes on pages 14 to 26 form part of these financial statements.
The financial statements were approved, and authorised for issue, by the Board on 24th October 2017 and signed on its behalf by:

Manager........................................................
Member of the Board of Directors..........................
Member of the Board Oversight Committee.............

The notes on pages 14 to 26 form part of these financial statements.
## Statement of Changes in Reserves
### Year Ended 30th September 2017

<table>
<thead>
<tr>
<th></th>
<th>Regulatory Reserve €</th>
<th>Operational Risk Reserve €</th>
<th>Investment Reserve €</th>
<th>Undistributable Reserve €</th>
<th>Distribution Reserve €</th>
<th>Total Reserves €</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Opening Balance as at 1st October 2015</strong></td>
<td>20,806,344</td>
<td>-</td>
<td>1,000,000</td>
<td>1,016,657</td>
<td>11,515,158</td>
<td>34,338,159</td>
</tr>
<tr>
<td>Kinnegad &amp; District Credit Union</td>
<td>369,212</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>64,762</td>
<td>433,974</td>
</tr>
<tr>
<td>Surplus for year</td>
<td>1,500,000</td>
<td>-</td>
<td>-</td>
<td>225,476</td>
<td>1,846,092</td>
<td>3,571,568</td>
</tr>
<tr>
<td>Dividends paid during the year</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(1,532,067)</td>
<td>(1,532,067)</td>
</tr>
<tr>
<td>Loan Interest Rebate paid during the year</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(353,125)</td>
<td>(353,125)</td>
</tr>
<tr>
<td>Transfer between reserves</td>
<td>-</td>
<td>2,200,000</td>
<td>-</td>
<td>-</td>
<td>(2,200,000)</td>
<td></td>
</tr>
<tr>
<td><strong>Closing Balance as at 30th September 2016</strong></td>
<td>22,675,556</td>
<td>2,200,000</td>
<td>1,000,000</td>
<td>1,242,133</td>
<td>9,340,820</td>
<td>36,458,509</td>
</tr>
<tr>
<td><strong>Opening Balance as at 1st October 2016</strong></td>
<td>22,675,556</td>
<td>2,200,000</td>
<td>1,000,000</td>
<td>1,242,133</td>
<td>9,340,820</td>
<td>36,458,509</td>
</tr>
<tr>
<td>Surplus for year</td>
<td>1,000,000</td>
<td>-</td>
<td>-</td>
<td>248,307</td>
<td>1,743,541</td>
<td>2,991,848</td>
</tr>
<tr>
<td>Dividends paid during the year</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(838,148)</td>
<td>(838,148)</td>
</tr>
<tr>
<td>Loan Interest Rebate paid during the year</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(388,566)</td>
<td>(388,566)</td>
</tr>
<tr>
<td><strong>Closing Balance as at 30th September 2017</strong></td>
<td>23,675,556</td>
<td>2,200,000</td>
<td>1,000,000</td>
<td>1,490,440</td>
<td>9,857,647</td>
<td>38,223,643</td>
</tr>
</tbody>
</table>

1. The Regulatory Reserve of the Credit Union as % of total assets as at 30 September 2017 was 10.41%. (30 September 2016: 10.64%).

2. In accordance with S45 of the Credit Union Act 1997 (as amended) Mullingar Credit Union Limited put in place an Operational Risk Reserve during the comparative period. The Board completed an internal process of assessing the level of the Reserve required to cover the operational risk within the Credit Union and they are satisfied that no further transfer to the Reserve is required at present. The Operational Risk Reserve as a % of total assets as at 30 September 2017 was 0.97%.

3. Following commencement of S13 of the 2012 Act, the requirement for Credit Unions to transfer 10% of their annual surplus to their Statutory Reserve (now known as the Regulatory Reserve) each year has been removed. The Board of Mullingar Credit Union Limited considers appropriate the transfer of €1,000,000 of current year surplus to the Regulatory Reserve so that the Reserve would stand at 10.41% at current year end, in excess of the required limit of 10%. 

---

1 The Regulatory Reserve of the Credit Union as % of total assets as at 30 September 2017 was 10.41%. (30 September 2016: 10.64%).

2 In accordance with S45 of the Credit Union Act 1997 (as amended) Mullingar Credit Union Limited put in place an Operational Risk Reserve during the comparative period. The Board completed an internal process of assessing the level of the Reserve required to cover the operational risk within the Credit Union and they are satisfied that no further transfer to the Reserve is required at present. The Operational Risk Reserve as a % of total assets as at 30 September 2017 was 0.97%.

3 Following commencement of S13 of the 2012 Act, the requirement for Credit Unions to transfer 10% of their annual surplus to their Statutory Reserve (now known as the Regulatory Reserve) each year has been removed. The Board of Mullingar Credit Union Limited considers appropriate the transfer of €1,000,000 of current year surplus to the Regulatory Reserve so that the Reserve would stand at 10.41% at current year end, in excess of the required limit of 10%. 

---
### OPENING CASH AND CASH EQUIVALENTS

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>€</td>
<td>€</td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents introduced from Transfer of Engagements</td>
<td>-</td>
<td>172,649</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>42,947,839</strong></td>
<td><strong>38,903,853</strong></td>
</tr>
</tbody>
</table>

### CASH FLOWS FROM OPERATING ACTIVITIES

<table>
<thead>
<tr>
<th>Category</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans Repaid</td>
<td>23,665,991</td>
<td>20,323,398</td>
</tr>
<tr>
<td>Loans Advanced</td>
<td>(29,220,979)</td>
<td>(26,715,823)</td>
</tr>
<tr>
<td>Loan Interest Received</td>
<td>4,210,683</td>
<td>3,735,213</td>
</tr>
<tr>
<td>Interest Paid</td>
<td>(4,197)</td>
<td>(7,246)</td>
</tr>
<tr>
<td>Investment Interest Received</td>
<td>2,855,421</td>
<td>3,328,025</td>
</tr>
<tr>
<td>Bad Debts Recovered</td>
<td>318,870</td>
<td>396,767</td>
</tr>
<tr>
<td>Dividends Paid</td>
<td>(838,148)</td>
<td>(1,532,067)</td>
</tr>
<tr>
<td>Loan Interest Rebate Paid</td>
<td>(388,566)</td>
<td>(353,125)</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>(3,854,784)</td>
<td>(3,774,233)</td>
</tr>
<tr>
<td><strong>Net Cash Flows from Operating Activities</strong></td>
<td><strong>(3,255,709)</strong></td>
<td><strong>(4,599,091)</strong></td>
</tr>
</tbody>
</table>

### CASH FLOWS FROM INVESTING ACTIVITIES

<table>
<thead>
<tr>
<th>Category</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed Asset Purchases</td>
<td>(42,251)</td>
<td>(321,798)</td>
</tr>
<tr>
<td>Assets Acquired on Transfer of Engagements</td>
<td>-</td>
<td>404,325</td>
</tr>
<tr>
<td><strong>Net Cash Flow from Other Investing Activities</strong></td>
<td><strong>(3,300,612)</strong></td>
<td><strong>(7,846,710)</strong></td>
</tr>
<tr>
<td><strong>Net Cash Flows from Investing Activities</strong></td>
<td><strong>(3,342,863)</strong></td>
<td><strong>(7,764,183)</strong></td>
</tr>
</tbody>
</table>

### CASH FLOWS FROM FINANCING ACTIVITIES

<table>
<thead>
<tr>
<th>Category</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Members’ Shares Received</td>
<td>99,571,325</td>
<td>91,803,447</td>
</tr>
<tr>
<td>Members’ Deposits Received</td>
<td>9,399,001</td>
<td>8,526,709</td>
</tr>
<tr>
<td>Members' Shares Withdrawn</td>
<td>(86,997,541)</td>
<td>(74,911,826)</td>
</tr>
<tr>
<td>Members' Deposits Withdrawn</td>
<td>(9,133,196)</td>
<td>(8,321,591)</td>
</tr>
<tr>
<td><strong>Net Cash Flows From Financing Activities</strong></td>
<td><strong>12,839,589</strong></td>
<td><strong>17,096,739</strong></td>
</tr>
</tbody>
</table>

### OTHER RECEIPTS / (DISBURSEMENTS)

<table>
<thead>
<tr>
<th>Category</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Income</td>
<td>150,415</td>
<td>65,333</td>
</tr>
<tr>
<td>Increase / (Decrease) in Car Draw</td>
<td>11,633</td>
<td>6,468</td>
</tr>
<tr>
<td>Social and Cultural Fund</td>
<td>(99,891)</td>
<td>(89,796)</td>
</tr>
<tr>
<td>Decrease / (Increase) in Debtors and Prepayments</td>
<td>(91,441)</td>
<td>(10,836)</td>
</tr>
<tr>
<td>(Decrease) / Increase in Other Liabilities and Charges</td>
<td>(378,998)</td>
<td>(660,648)</td>
</tr>
<tr>
<td>Total Other Receipts / (Disbursements)</td>
<td>(408,282)</td>
<td>(689,479)</td>
</tr>
</tbody>
</table>

### CLOSING CASH AND CASH EQUIVALENTS

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>€</td>
<td>€</td>
<td></td>
</tr>
<tr>
<td>Opening Cash and Cash Equivalents</td>
<td>48,780,574</td>
<td>42,947,839</td>
</tr>
</tbody>
</table>
1. LEGAL AND REGULATORY FRAMEWORK
Mullingar Credit Union Limited is established under the Credit Union Act 1997 (as amended). The Credit Union is registered with the Registrar of Credit Unions (No. 149CU) and is regulated by the Central Bank of Ireland. The principal place of business is St. Colman’s House, Mullingar, Co. Westmeath with branch offices in Rochfortbridge and Kinnegad, Co. Westmeath.

2. ACCOUNTING POLICIES

2.1 STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION
These financial statements have been prepared in accordance with FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”).

The financial statements have been prepared on the historical cost basis.

2.2 CURRENCY
The financial statements are prepared in Euro, which is the functional currency of the Credit Union. Monetary amounts in these financial statements are rounded to the nearest Euro.

2.3 GOING CONCERN
The financial statements are prepared on the going concern basis. The Directors of Mullingar Credit Union Limited believe this is appropriate as the Credit Union:
- Is generating annual surpluses;
- Maintains an appropriate level of liquidity; and
- Has reserves that are currently above the minimum legal and regulatory requirements.

2.4 INCOME

Interest on members’ loans
Interest on loans to members is recognised using the effective interest method, and is calculated and accrued on a daily basis.

Investment income
The Credit Union currently only has investments that are valued at amortised cost, and uses the effective interest method to recognise investment income.

Other income
Other income such as commission receivable on insurance products and foreign exchange services arises in connection with specific transactions. Income relating to individual transactions is recognised when the transaction is completed.

2.5 DIVIDENDS TO MEMBERS AND INTEREST ON MEMBERS’ DEPOSITS

Interest on members’ deposits
Interest on members’ deposits is recognised using the effective interest method.

Dividends on shares and loan interest rebates
Dividends are made from current year’s surplus or the Distribution Reserve set aside for that purpose. The Board’s proposed distribution to members each year is based on the dividend and loan interest rebate policy of the Credit Union.
The rate of dividend and loan interest rebate recommended by the Board will reflect:

- the risk profile of the Credit Union, particularly in its loan and investment portfolios;
- the Board’s desire to maintain a stable rather than a volatile rate of dividend each year; and
- members’ legitimate dividend and loan interest rebate expectations;

all dominated by prudence and the need to sustain the long-term welfare of the Credit Union.

For this reason the Board will seek to build up the Distribution Reserve over time to absorb unexpected shocks and maintain reserves above minimum regulatory requirements.

The Credit Union accounts for dividends and rebates of loan interest when members ratify such payments at the Annual General Meeting.

2.6 TAXATION
The Credit Union is not subject to income tax or corporation tax on its activities as a Credit Union.

2.7 CASH AND CASH EQUIVALENTS
Cash and cash equivalents comprise operating cash on hand and cash deposited with banks with original maturity of less than or equal to three months or are capable of being accessed within three months.

2.8 FINANCIAL INSTRUMENTS
The Credit Union has elected to apply the provisions of Section 11 ‘Basic Financial Instruments’ and Section 12 ‘Other Financial Instruments Issues’ of FRS 102 to all of its financial instruments. Financial instruments are recognised when the Credit Union becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when, and only when, there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets and liabilities are classified according to the substance of the contractual arrangements entered into.

2.9 BASIC FINANCIAL ASSETS
Basic financial assets are initially measured at the transaction price, including transaction costs, and are subsequently carried at amortised cost using the effective interest method. Basic financial instruments include the following:

Loans to members
Loans to members are financial assets with fixed or determinable payments. Loans are recognised when cash is advanced to members and measured at amortised cost using the effective interest method.

Investments held at amortised cost
Investments held at amortised cost are measured at amortised cost using the effective interest method less impairment. This means that the investment is measured at the amount paid for the investment, minus any repayments of the principal; plus or minus the cumulative amortisation using the effective interest method of any difference between the amount at initial recognition and the maturity amount; minus, in the case of a financial asset, any reduction for impairment or un-collectability. This effectively spreads out the return on such investments over time, but does take account immediately of any impairment in the value of the investment.

2.10 OTHER RECEIVABLES
Other receivables such as prepayments are initially measured at transaction price including transaction costs and are subsequently measured at amortised cost using the effective interest method.
2.11 IMPAIRMENT OF FINANCIAL ASSETS

Financial assets, other than those held at fair value, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the expected cash flows taking account of pledged shares and other security as appropriate.

In the case of impairment of loans to members, the loans are assessed collectively in groups that share similar credit risk characteristics except for individually significant loans which are assessed on a loan by loan basis for impairment.

Any impairment losses are recognised in the Income and Expenditure account.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in the Income and Expenditure account.

2.12 DE-RECOGNITION OF FINANCIAL ASSETS

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Credit Union transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

In the case of loans to members, loans are derecognised, when the right to receive cash flows from the loans have expired, usually when all amounts outstanding have been repaid by the member. Mullingar Credit Union Limited does not transfer loans to third parties.

2.13 BASIC FINANCIAL LIABILITIES

Basic financial liabilities are initially recognised at the transaction price, including transaction costs, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities are subsequently carried at amortised cost using the effective interest method.

Financial liabilities members’ shares and deposits

Members’ shares and deposits are redeemable and therefore are classified as financial liabilities. They are initially recognised at the amount of cash deposited and subsequently members’ deposits are measured at amortised cost.

Other payables

Other payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Other payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

2.14 DE-RECOGNITION OF FINANCIAL LIABILITIES

Financial liabilities are derecognised when the obligations of the Credit Union specified in the contract are discharged, cancelled or expire.
2.15 TANGIBLE ASSETS
Tangible fixed assets comprises items of property, fixtures and fittings and computers, which are stated at cost, less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Depreciation
Depreciation is provided to write off the cost of each item of property, fixtures and fittings and computers, less its estimated residual value over its estimated useful life. The categories of property, office fixtures and fittings and computer equipment are depreciated as follows:

- Freehold land and buildings: 5% straight line
- Office fixtures and fittings: 12.5% straight line
- Computer equipment: 20% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the Income and Expenditure account.

2.16 IMPAIRMENT OF TANGIBLE FIXED ASSETS
At each reporting end date, the Credit Union reviews the carrying value of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Credit Union estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the Income and Expenditure account.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the Income and Expenditure account.

2.17 EMPLOYEE BENEFITS
Pension Scheme
Mullingar Credit Union Limited participates in an industry-wide pension scheme for employees (The Irish League of Credit Unions Republic of Ireland Pension Scheme). This is a funded defined benefit scheme with assets managed by the scheme’s trustees.

The scheme is a multi-employer scheme and due to the nature of the scheme, it is not possible for the Credit Union to separately identify its share of the scheme’s underlying assets and liabilities. Consequently, the Credit Union accounts for the scheme as a defined contribution plan.

However, there is an agreed funding plan in respect of the pension scheme as a result of a Minimum Funding Standard deficit certified by the scheme’s actuary in 2009. Consequently, Mullingar Credit Union Limited recognises a liability at each Balance Sheet date for its outstanding contributions payable under the agreed funding plan to the extent that they relate to committed funding in respect of the deficit to which the funding plan relates.
Other Employee Benefits
The costs of short-term employee benefits, including holiday pay, are recognised as a liability and as an expense (unless those costs are required to be recognised as part of the cost of fixed assets) over the period they are earned.

2.18 RESERVES
Regulatory reserve
The Credit Union is required to establish and maintain a minimum Regulatory Reserve of at least 10% of the assets of the Credit Union in accordance with the Credit Union Act 1997 (Regulatory Requirements) Regulations 2016.

Operational Risk Reserve
The Credit Union has established an Operational Risk Reserve which is separate, distinct and in addition to the reserves the Credit Union is required to hold in its Regulatory Reserve. The amount held in the Operational Risk Reserve is the predicted impact of operational risk events that may have a material impact on the Credit Union’s business.

Investment Reserve
The Credit Union has established an investment reserve to provide for potential losses on a PTSB bond which matures in September 2018.

Distribution Reserve
The Credit Union maintains 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 by the members at the Annual General Meeting.

Non-distributable Investment Income Reserve
Investment income that has been recognised in the financial statements but will not be received within 12 months of the Balance Sheet date is classified as “non-distributable” and is not distributable as a dividend in accordance with Section 31 of the Credit Union Act 1997 (Regulatory Requirements) Regulations 2016. A reclassification between non-distributable and distributable is made as investments come to within 12 months of the maturity date.

2.19 TRANSFERS OF ENGAGEMENTS
Transfers of Engagements are accounted for using the purchase method of accounting, outlined in FRS 102, Section 19 – Business Combinations and Goodwill. This method involves recognising identifiable assets and liabilities of the acquired business at fair value. In applying the purchase method of accounting for these business combinations, the member interests transferred by Kinnegad and District 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 Kinnegad and District Credit Union Limited) at the date of the transfer, and is reflected as an adjustment in “other reserves”.

3. USE OF ESTIMATES AND JUDGEMENTS
The preparation of financial statements requires the use of certain accounting estimates. It also requires the Directors to exercise judgement in applying Mullingar Credit Union Limited’s accounting policies. The areas requiring a higher degree of judgement, or complexity, and areas where assumptions or estimates are most significant to the financial statements are disclosed as follows:
Impairment losses on loans to members
The Credit Union’s accounting policy for impairment of financial assets is set out in Note 2.11. The estimation of loan losses is inherently uncertain and depends upon many factors, including loan loss trends, credit risk characteristics in loan classes, local and international economic climates, conditions in various sectors of the economy to which the Credit Union is exposed, and, other external factors such as legal and regulatory requirements. Credit risk is identified, assessed and measured through the use of an analytical tool which employs statistical techniques to quantify the risk and project the likely losses in a loan portfolio. This analytical tool influences the management of individual loans. Certain scenarios (individual member circumstances, arrears, etc.) trigger an impairment assessment and if relevant the raising of specific provisions on individual loans where there is doubt about their recoverability.

Loan loss provisioning is monitored by the Credit Union, and the Credit Union assesses and approves its provisions and provision adequacy on a quarterly basis. Key assumptions underpinning the Credit Union’s estimates of collective provisions for loans with similar credit risk characteristics and Incurred But Not Reported provisions (“IBNR”) are based on the historical experiences of the Credit Union allied to the Credit Union’s judgement of relevant conditions in the wider economic, technological, market or legal environment in which the Credit Union operates. If a loan is deemed to be impaired, a specific provision is made against that loan, taking account of pledged shares and other security as appropriate. After a period of time, when it is concluded that there is no real prospect of recovery of loans/part of loans which have been subjected to a specific provision, the Credit Union writes off that amount of the loan deemed irrecoverable against the specific provision held against the loan.

4. INTEREST ON MEMBERS’ LOANS

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Closing accrued loan interest receivable</td>
<td>119,755</td>
<td>99,454</td>
</tr>
<tr>
<td>Loan interest received in year</td>
<td>4,210,683</td>
<td>3,735,213</td>
</tr>
<tr>
<td>Opening accrued loan interest receivable</td>
<td>(99,454)</td>
<td>(93,959)</td>
</tr>
<tr>
<td></td>
<td>4,230,984</td>
<td>3,740,708</td>
</tr>
</tbody>
</table>

5. OTHER INTEREST INCOME AND SIMILAR INCOME

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment income and gains received by the Balance Sheet date</td>
<td>1,530,422</td>
<td>1,930,020</td>
</tr>
<tr>
<td>Receivable within 12 months of Balance Sheet date</td>
<td>1,236,720</td>
<td>1,324,999</td>
</tr>
<tr>
<td>Other investment income and gains</td>
<td>55,844</td>
<td>225,475</td>
</tr>
<tr>
<td></td>
<td>2,822,986</td>
<td>3,480,494</td>
</tr>
</tbody>
</table>

6. INTEREST PAYABLE AND DIVIDENDS
The interest expense for the Credit Union comprises of interest payable on deposits, and was as follows for the current and prior year:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest payable for the year</td>
<td>4,197</td>
<td>7,246</td>
</tr>
<tr>
<td>Interest rate on Members’ deposits</td>
<td>0.25%</td>
<td>0.5%</td>
</tr>
</tbody>
</table>
The dividend and any loan interest rebate are formally proposed by the Directors after the year end and are confirmed by the members at the Annual General Meeting. As a result the proposed dividend for the current year does not represent a liability at the Balance Sheet date and the dividend included in the Statement of Changes in Reserves in the current year relates to dividends paid to members for the prior year.

The dividends and loan interest rebate for the current and prior year periods were as follows:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividend paid during the year</td>
<td>€838,148</td>
<td>€1,532,067</td>
</tr>
<tr>
<td>Dividend rate on Members’ shares</td>
<td>0.5%</td>
<td>1.0%</td>
</tr>
<tr>
<td>Interest rebate paid during the year</td>
<td>€388,566</td>
<td>€353,125</td>
</tr>
<tr>
<td>Interest rebate rate on Members’ loans</td>
<td>10.0%</td>
<td>10.0%</td>
</tr>
</tbody>
</table>

Dividend proposed, but not recognised
Dividend rate proposed on Members’ shares
Loan interest rebate proposed, but not recognised
Loan interest rebate rate proposed on Members’ loans

7. EMPLOYEES AND EMPLOYMENT COSTS
The average number of persons employed by the Credit Union during the year was as follows:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management and Staff</td>
<td>38</td>
<td>35</td>
</tr>
</tbody>
</table>

The aggregate payroll costs incurred during the year were:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages and salaries</td>
<td>€1,615,461</td>
<td>€1,496,937</td>
</tr>
<tr>
<td>Social insurance costs</td>
<td>€169,474</td>
<td>€157,691</td>
</tr>
<tr>
<td>Pension contributions to defined benefit plan in respect of qualifying services</td>
<td>€196,090</td>
<td>€193,815</td>
</tr>
<tr>
<td></td>
<td>€1,981,025</td>
<td>€1,848,443</td>
</tr>
</tbody>
</table>

8. KEY MANAGEMENT PERSONNEL
The remuneration of key management personnel was as follows:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short term employee benefits</td>
<td>€496,572</td>
<td>€485,560</td>
</tr>
<tr>
<td>Pension contributions to defined benefit plans in respect of qualifying services</td>
<td>€82,777</td>
<td>€82,324</td>
</tr>
<tr>
<td>Total key management personnel compensation</td>
<td>€579,349</td>
<td>€567,884</td>
</tr>
</tbody>
</table>

Short-term employee benefits include wages, salaries, social security contributions and paid annual leave.
### 9. CASH AND CASH EQUIVALENTS

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash at bank and in hand</td>
<td>€ 4,507,945</td>
<td>€ 2,846,850</td>
</tr>
<tr>
<td>Short-term deposits</td>
<td>€ 44,272,629</td>
<td>€ 40,100,989</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>€ 48,780,574</strong></td>
<td><strong>€ 42,947,839</strong></td>
</tr>
</tbody>
</table>

### 10. TANGIBLE ASSETS

<table>
<thead>
<tr>
<th></th>
<th>Freehold Premises</th>
<th>Office Fixtures &amp; Fittings</th>
<th>Computer Equipment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Costs</strong></td>
<td>€</td>
<td>€</td>
<td>€</td>
<td>€</td>
</tr>
<tr>
<td>At 1st October 2016</td>
<td>€ 7,810,310</td>
<td>€ 168,963</td>
<td>€ 331,892</td>
<td>€ 8,311,165</td>
</tr>
<tr>
<td>Additions</td>
<td>-</td>
<td>€ 5,697</td>
<td>€ 36,554</td>
<td>€ 42,251</td>
</tr>
<tr>
<td><strong>As 30th September 2017</strong></td>
<td><strong>€ 7,810,310</strong></td>
<td><strong>€ 174,660</strong></td>
<td><strong>€ 368,446</strong></td>
<td><strong>€ 8,353,416</strong></td>
</tr>
<tr>
<td><strong>Depreciation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1st October 2016</td>
<td>€ 2,855,117</td>
<td>€ 65,769</td>
<td>€ 134,659</td>
<td>€ 3,055,545</td>
</tr>
<tr>
<td>Charge for the year</td>
<td>€ 390,516</td>
<td>€ 18,596</td>
<td>€ 69,712</td>
<td>€ 478,824</td>
</tr>
<tr>
<td><strong>As 30th September 2017</strong></td>
<td><strong>€ 3,245,633</strong></td>
<td><strong>€ 84,365</strong></td>
<td><strong>€ 204,371</strong></td>
<td><strong>€ 3,534,369</strong></td>
</tr>
<tr>
<td><strong>Carrying amount at 30th September 2017</strong></td>
<td><strong>€ 4,564,677</strong></td>
<td><strong>€ 90,295</strong></td>
<td><strong>€ 164,075</strong></td>
<td><strong>€ 4,819,047</strong></td>
</tr>
<tr>
<td><strong>Carrying amount at 30th September 2016</strong></td>
<td><strong>€ 4,955,193</strong></td>
<td><strong>€ 103,194</strong></td>
<td><strong>€ 197,233</strong></td>
<td><strong>€ 5,255,620</strong></td>
</tr>
</tbody>
</table>

### 11. LOANS TO MEMBERS - FINANCIAL ASSETS

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gross loans to Members as at 1st October</strong></td>
<td>€ 52,214,820</td>
<td>€ 46,351,508</td>
</tr>
<tr>
<td>Loans arising from transfer of engagements</td>
<td>-</td>
<td>€ 1,428,125</td>
</tr>
<tr>
<td>Advanced during the year</td>
<td>€ 29,220,979</td>
<td>€ 25,287,698</td>
</tr>
<tr>
<td>Repaid during the year</td>
<td>(€ 23,665,991)</td>
<td>(€ 20,323,398)</td>
</tr>
<tr>
<td>Loans written off</td>
<td>(€ 425,575)</td>
<td>(€ 529,113)</td>
</tr>
<tr>
<td><strong>Gross loans to Members as at 30th September</strong></td>
<td><strong>€ 57,344,233</strong></td>
<td><strong>€ 52,214,820</strong></td>
</tr>
</tbody>
</table>

**Impairment Allowances**

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual loans</td>
<td>€ 85,119</td>
<td>€ 114,509</td>
</tr>
<tr>
<td>Groups of loans</td>
<td>€ 3,223,417</td>
<td>€ 3,525,891</td>
</tr>
<tr>
<td><strong>Total Provision for Bad &amp; Doubtful Debts as at 30th September</strong></td>
<td><strong>€ 3,308,536</strong></td>
<td><strong>€ 3,640,400</strong></td>
</tr>
</tbody>
</table>
11.1. CREDIT RISK DISCLOSURES
The carrying amount of the loans to members represents Mullingar Credit Union Limited’s maximum exposure to credit risk. The following table provides information on the credit quality of loan repayments. Where loans are not impaired it is expected that the amounts repayable will be received in full.

<table>
<thead>
<tr>
<th></th>
<th>30th September 2017</th>
<th>30th September 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>€</td>
<td>%</td>
</tr>
<tr>
<td>Loans not impaired</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total loans not impaired</td>
<td>49,830,402</td>
<td>86.9%</td>
</tr>
<tr>
<td>Impaired Loans</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not Past Due</td>
<td>2,405,826</td>
<td>4.2%</td>
</tr>
<tr>
<td>Up to 9 weeks past due</td>
<td>2,332,021</td>
<td>4.1%</td>
</tr>
<tr>
<td>Between 10 and 18 weeks past due</td>
<td>601,256</td>
<td>1.0%</td>
</tr>
<tr>
<td>Between 19 and 26 weeks past due</td>
<td>258,954</td>
<td>0.5%</td>
</tr>
<tr>
<td>Between 27 and 39 weeks past due</td>
<td>176,799</td>
<td>0.3%</td>
</tr>
<tr>
<td>Between 40 and 52 weeks past due</td>
<td>101,235</td>
<td>0.2%</td>
</tr>
<tr>
<td>53 or more weeks past due</td>
<td>1,637,740</td>
<td>2.8%</td>
</tr>
<tr>
<td>Total Impaired Loans</td>
<td>7,513,831</td>
<td>13.1%</td>
</tr>
<tr>
<td>Total Loans</td>
<td>57,344,233</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

11.2. LOAN PROVISION ACCOUNT FOR IMPAIRMENT LOSSES

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>As at 1st October</td>
<td>3,640,400</td>
<td>4,259,662</td>
</tr>
<tr>
<td>Provisions arising from transfer of engagements</td>
<td>-</td>
<td>143,000</td>
</tr>
<tr>
<td>Net movement in Bad Debt Provision</td>
<td>1,050</td>
<td>(235,013)</td>
</tr>
<tr>
<td>Decrease in Bad Debt Provision as a result of Loan Write Offs</td>
<td>(332,914)</td>
<td>(527,249)</td>
</tr>
<tr>
<td>As at 30th September</td>
<td>3,308,536</td>
<td>3,640,400</td>
</tr>
</tbody>
</table>

12. PREPAYMENTS AND ACCRUED INCOME

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prepayments and accrued income</td>
<td>418,535</td>
<td>306,793</td>
</tr>
</tbody>
</table>

13. INVESTMENTS
Investments at the current and prior Balance Sheet date were all measured at amortised cost as appropriate and comprised of the following:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Equivalents (original Maturity within 3 months)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts in Authorised Credit Institutions</td>
<td>44,215,056</td>
<td>39,195,231</td>
</tr>
<tr>
<td>Collective Investment Schemes</td>
<td>57,573</td>
<td>905,758</td>
</tr>
<tr>
<td></td>
<td>44,272,629</td>
<td>40,100,989</td>
</tr>
</tbody>
</table>
14. MEMBERS’ SHARES & DEPOSITS

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Irish and EMU State Securities</td>
<td>15,436,775</td>
<td>12,312,126</td>
</tr>
<tr>
<td>Accounts in Authorised Credit Institutions</td>
<td>64,959,734</td>
<td>76,519,454</td>
</tr>
<tr>
<td>Bank Bonds</td>
<td>37,225,158</td>
<td>25,485,193</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>117,621,667</strong></td>
<td><strong>114,316,773</strong></td>
</tr>
</tbody>
</table>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accruals</td>
<td>614,383</td>
<td>993,381</td>
</tr>
<tr>
<td>Car Draw</td>
<td>247,391</td>
<td>235,758</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>861,774</strong></td>
<td><strong>1,229,139</strong></td>
</tr>
</tbody>
</table>

16. ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURES

**Financial Risk Management**

Mullingar Credit Union Limited is a provider of personal and business loans and also provides savings products to its Members. The Credit Union invests excess funds with a view to ensuring that the return from Members’ loans and investments is adequate to meet the overheads of the Credit Union and provide a reasonable return to Members on shares and deposits. The Credit Union has a risk register in place to help the Directors manage the various risks arising from its activities to include the issuing of loans to Members and investing the excess funds of the Credit Union.

The main financial risks arising from Mullingar Credit Union Limited’s activities are credit risk, liquidity risk and interest rate risk. The Board reviews and agrees policies for managing each of these risks, which are summarised below.

**Credit Risk**

Credit risk is the risk that a borrower will default on their contractual obligations relating to repayments to Mullingar Credit Union Limited, resulting in financial loss to the Credit Union. In order to manage this risk, the Board approves the Credit Union’s credit policy, and all changes to it. All loan applications are assessed with reference to the credit policy in force at that point in time. Subsequently, loans are regularly reviewed for any factors that may indicate that the likelihood of repayment has changed. The credit risk on Members’ loans is analysed in Note 11.
The Credit Union’s investments are also exposed to credit risk and the Credit Union mitigates the risk by only placing investments with financial institutions where the counterparties have strong credit ratings and using investment products within the legal and regulatory guidelines set out for credit unions in the Credit Union Act 1997 (Regulatory Requirements) Regulations 2016.

**Liquidity Risk**
The Credit Union’s policy is to maintain sufficient funds in liquid form at all times to ensure that it can meet its liabilities as they fall due. The Credit Union adheres on an ongoing basis to the minimum liquidity ratio and minimum short term liquidity ratio as set out in the Credit Union Act 1997 (Regulatory Requirements) Regulations 2016.

**Market Risk**
Market risk is generally comprised of interest rate risk, currency risk and other price risk. Mullingar Credit Union Limited conducts all its transactions in Euro and does not deal in derivatives or commodity markets. Therefore, the Credit Union is not exposed to any form of currency risk or other price risk.

**Interest Rate Risk**
The Credit Union’s main interest rate risk arises from differences between the interest rate exposures on the receivables and payables that form an integral part of a Credit Union’s operations. The Credit Union considers the rates of interest receivable on investments and Members’ loans when setting annual expenditure budgets and deciding on the dividend rate payable on shares, if any, and on any loan interest rebate. The Board continuously monitors interest rate risk through detailed analysis of monthly management accounts and financial forecasts.

### 17. INTEREST RATE CHARGED ON MEMBERS’ LOANS

<table>
<thead>
<tr>
<th></th>
<th>30th September 2017</th>
<th>30th September 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard Loans</td>
<td>Variable Rate 7.9%</td>
<td>APR 8.2%</td>
</tr>
<tr>
<td>Kinnegad Car Loans</td>
<td>Variable Rate 7.0%</td>
<td>APR 7.2%</td>
</tr>
<tr>
<td>Reduced Rate College</td>
<td>Variable Rate 5.0%</td>
<td>APR 5.1%</td>
</tr>
</tbody>
</table>

### 18. LIQUIDITY RISK DISCLOSURES

All of the financial liabilities of the Credit Union are repayable on demand except for some members’ shares attached to loans.

### 19. FAIR VALUE OF FINANCIAL INSTRUMENTS

Mullingar Credit Union Limited does not hold any financial instruments at fair value.

### 20. CAPITAL

The Credit Union maintains sufficient reserves to buffer the Credit Union against any losses on its members’ loans and also its investments. Full details of these reserves are set out in the Statement of Changes in Reserves.

### 21. POST BALANCE SHEET EVENTS

There are no material events after the Balance Sheet date to disclose.

### 22. CONTINGENT LIABILITIES

Mullingar Credit Union Limited had no contingent liabilities at the current or prior Balance Sheet date.

### 23. CAPITAL COMMITMENTS

There were no capital commitments either contracted for or approved by the Board at the year end.
24. INSURANCE AGAINST FRAUD
The Credit Union has insurance fraud in the amount of €5,200,000 (2016: €5,200,000) in compliance with Section 47 of the Credit Union Act 1997 (as amended).

25. RELATED PARTY TRANSACTIONS
A related party of Mullingar Credit Union is defined under the Credit Union (Regulatory Requirements) Regulations 2016, as follows:

a. A member of the Board of Directors or the Management Team of the Credit Union;

b. A member of the family of the Board of Directors or the Management Team of the Credit Union (being that person’s father, mother, spouse or civil partner, cohabitant, son, daughter, brother or sister); or

c. A business in which a member of the Board of Directors or a member of the Management Team of the Credit Union has a significant shareholding (10% or more of the voting shares).

During the year loans were advanced to related parties of the Credit Union in the amount of €132,500. These loans were approved in accordance with all relevant legislative and regulatory requirements at the time of the advance. The loans outstanding from these parties as at 30th September 2017 were €257,795.

The related party shares and deposits in the Credit Union stood at €1,465,178 at 30th September 2017.

26. IRISH LEAGUE OF CREDIT UNIONS PENSION SCHEME
Mullingar Credit Union Limited participates in an industry-wide pension scheme for employees (The Irish League of Credit Unions Republic of Ireland Pension Scheme). This is a funded defined benefit scheme with assets managed by the Scheme’s trustees.

The scheme is a multi-employer Scheme and due to the nature of the Scheme it is not possible for Mullingar Credit Union Limited to separately identify its share of the Scheme’s underlying assets and liabilities. Consequently, it accounts for the Scheme as a defined contribution plan, in accordance with FRS 102.

The Pensions Act requires the trustees of the Scheme to assess whether it could meet a certain prescribed standard, known as the Minimum Funding Standard. This assesses whether, if the scheme was wound up on a specified theoretical valuation date, it could satisfy the Funding Standard at that date. Following the Scheme’s actuary certifying a Minimum Funding Standard deficit in the Scheme in 2009, Mullingar Credit Union Limited, the ILCU Group and the other credit unions participating in the Scheme entered into a funding agreement with the Scheme that was designed to ensure that, the Scheme could be reasonably expected to satisfy the Minimum Funding Standard by a specified future date (1st March 2019). This funding plan runs up until 2019 and was approved by the Pensions Authority. In accordance with the requirements of FRS102, Mullingar Credit Union Limited has recognised a liability for its outstanding contributions payable under this funding agreement to the extent that they relate to the deficit.

As part of the above solvency assessment process, the Scheme actuary must carry out a separate valuation under the Minimum Funding Standard every 3 years and produce a funding certificate for submission to the Pensions Authority 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 was effective as at 1st March 2015 and it certified that the Scheme satisfied the funding standard. Further, the Actuary was reasonably satisfied that as at 28th February 2016 the scheme can be expected to satisfy the funding standard as specified in Section 44 of the Pensions Act, 1990, at 1st March 2019, being the date specified by the Pensions Authority under Section 49(2) (a) of the Act for the purpose of the existing funding proposal.
An actuarial review of the fund is normally carried out every three years by the Scheme's independent, professionally qualified actuary. The actuarial review considers the past and 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 valuation method. The principal actuarial assumption used in the valuation was that 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 at 1st March 2014 calculated under the Ongoing Actuarial Valuation method. This valuation method assumes that the Scheme will continue in existence for the foreseeable future. The assumptions used in the actuarial review to determine the past service deficit differ from the assumptions that would be used to determine the liabilities for defined benefit obligations under FRS102. This actuarial review recommended that the rate agreed under the funding proposal, 27.5% of pensionable salary, continues to be paid. The cost of risk benefits is paid in addition to this rate giving a total employer and employee contribution rate of 30% of Pensionable Salary.

27. APPROVAL OF FINANCIAL STATEMENTS
The Board of Directors approved these financial statements for issue on 24th October 2017.

### SCHEDULES TO THE FINANCIAL STATEMENTS YEAR ENDED 30TH SEPTEMBER 2017

#### SCHEDULE 1 - INTEREST ON LOANS

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan Interest Income Received</td>
<td>€4,111,229</td>
<td>€3,641,254</td>
</tr>
<tr>
<td>Loan Interest Income Receivable</td>
<td>€119,755</td>
<td>€99,454</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>€4,230,984</td>
<td>€3,740,708</td>
</tr>
</tbody>
</table>

#### SCHEDULE 2 - OTHER INCOME

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insurance Commission</td>
<td>€19,818</td>
<td>€16,056</td>
</tr>
<tr>
<td>Foreign Exchange Commission</td>
<td>€49,937</td>
<td>€45,891</td>
</tr>
<tr>
<td>Entrance Fees</td>
<td>€1,667</td>
<td>€1,317</td>
</tr>
<tr>
<td>Other Income</td>
<td>€10</td>
<td>€2,069</td>
</tr>
<tr>
<td>REBO Contribution</td>
<td>€78,983</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>€150,415</td>
<td>€65,333</td>
</tr>
</tbody>
</table>
### SCHEDULE 3 - OTHER MANAGEMENT EXPENSES

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pension</td>
<td>€196,090</td>
<td>€193,815</td>
</tr>
<tr>
<td>Rates</td>
<td>€31,842</td>
<td>€35,444</td>
</tr>
<tr>
<td>General Insurance</td>
<td>€56,533</td>
<td>€43,170</td>
</tr>
<tr>
<td>Share and Loan Insurance</td>
<td>€433,287</td>
<td>€405,427</td>
</tr>
<tr>
<td>Light and Heat</td>
<td>€35,780</td>
<td>€37,318</td>
</tr>
<tr>
<td>Repairs and Maintenance</td>
<td>€70,320</td>
<td>€325,127</td>
</tr>
<tr>
<td>Printing and Stationery</td>
<td>€59,255</td>
<td>€72,022</td>
</tr>
<tr>
<td>Promotion and Advertising</td>
<td>€124,606</td>
<td>€74,190</td>
</tr>
<tr>
<td>Postage and Telephone</td>
<td>€80,406</td>
<td>€67,953</td>
</tr>
<tr>
<td>Computer Maintenance</td>
<td>€123,067</td>
<td>€139,179</td>
</tr>
<tr>
<td>AGM Expenses</td>
<td>€1,327</td>
<td>€1,185</td>
</tr>
<tr>
<td>Travelling and Subsistence</td>
<td>€23,668</td>
<td>€16,766</td>
</tr>
<tr>
<td>Legal and Professional</td>
<td>€110,354</td>
<td>€147,935</td>
</tr>
<tr>
<td>Audit Fee</td>
<td>€30,749</td>
<td>€30,484</td>
</tr>
<tr>
<td>Bank Charges</td>
<td>€117,368</td>
<td>€99,266</td>
</tr>
<tr>
<td>ATM Charges</td>
<td>€16,804</td>
<td>€16,232</td>
</tr>
<tr>
<td>Investment Charges</td>
<td>€25,196</td>
<td>€25,062</td>
</tr>
<tr>
<td>Central Deposit Protection Account</td>
<td>€3,316</td>
<td>€195</td>
</tr>
<tr>
<td>Credit Institutions Resolution Fund</td>
<td>€104,415</td>
<td>€95,945</td>
</tr>
<tr>
<td>Stabilisation Levy</td>
<td>€46,898</td>
<td>€41,717</td>
</tr>
<tr>
<td>Central Bank - Deposit Protection Scheme Contribution</td>
<td>€157,427</td>
<td>-</td>
</tr>
<tr>
<td>REBO Levy</td>
<td>€15,385</td>
<td>€8,059</td>
</tr>
<tr>
<td>League Affiliation Fees</td>
<td>€76,623</td>
<td>€95,389</td>
</tr>
<tr>
<td>Miscellaneous Expenses</td>
<td>€129,133</td>
<td>€147,725</td>
</tr>
<tr>
<td></td>
<td><strong>2,069,849</strong></td>
<td><strong>2,119,605</strong></td>
</tr>
</tbody>
</table>

### SCHEDULE 4 - CAR DRAW

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening Balance</td>
<td>€235,758</td>
<td>€229,290</td>
</tr>
<tr>
<td>Members' Entry Fees</td>
<td>€316,660</td>
<td>€303,335</td>
</tr>
<tr>
<td></td>
<td>€552,418</td>
<td>€532,625</td>
</tr>
</tbody>
</table>

Expenses

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prizes</td>
<td>(€295,776)</td>
<td>(€288,908)</td>
</tr>
<tr>
<td>Postage, Stationery, Expenses, Etc.</td>
<td>(€9,251)</td>
<td>(€7,959)</td>
</tr>
<tr>
<td><strong>Prize Fund - 8 Draws Remaining</strong></td>
<td><strong>€247,391</strong></td>
<td><strong>€235,758</strong></td>
</tr>
</tbody>
</table>
Risk Committee Report

It is the function and responsibility of the Risk Committee to oversee the Risk Management structure within Mullingar Credit Union.

Within that structure, Risk Management has the following elements:

- The identification, assessment and prioritising of risks.
- Creating controls and systems to mitigate and manage those risks.
- To make sure all risks are mitigated in a suitable manner.
- To foster a strong risk management culture and awareness in both the governance and operations of Mullingar Credit Union.

The Risk Committee is attentive in overseeing all risks and particularly so to the risks detailed on pages 5, 23 and 24 of this report.

The Risk Committee delegates the operational responsibility for Risk Management to the Risk Management Officer and together they work to further reinforce the risk management system of the Credit Union.

John O’Reilly,
Chairperson,
Risk Committee.

Audit Committee Report

Section 76K of the Credit Union Act 1997 (as amended) requires credit unions to have an Internal Audit Function.

Mullingar Credit Union continues to comply with the requirements of the Act through having:

1) An Active Audit Committee
2) An Internal Audit Function

Mullingar Credit Union continued with the outsourcing of the Internal Audit Function to Russell Brennan Keane Accountants who, in conjunction with the Audit Committee, prepared an internal audit plan. This plan was adhered to during the year and planned tests were carried out as scheduled. The Audit Committee met with Russell Brennan Keane quarterly to review the results of their work and subsequently submitted an internal audit report to the Board of Directors.

I would like to thank my fellow Committee members, Russell Brennan Keane and the Board of Directors for all their work and support throughout the year.

Paul Isdell,
Chairperson,
Audit Committee.

Pauline Sheils (MCU) recipient of the World Council’s Young Credit Union People Programme Scholarship 2016 addressing the World Credit Union Conference in Vienna in July 2017
**MEMBERSHIP COMMITTEE REPORT**

Current membership at Mullingar Credit Union stands at 36,490. During the past financial year we opened 1,750 new accounts for members.

We would like to take this opportunity to welcome all our new members and look forward to assisting them with their financial needs.

Membership of Mullingar Credit Union is open to those people who live, work, or attend school within our common bond area or who live with a relative that is already a member. The common bond area defines where a credit union can operate. For details of the common bond please visit our website at www.mullingarcu.ie.

Our account opening process is simple and straightforward. We offer single, joint, group and business accounts. Accounts can be opened and business transacted in any of our offices in Mullingar, Kinnegad and Rochfortbridge (Castlellost).

To apply for membership we require; photographic identification, proof of address and evidence of PPSN (Public Service Number) - all on official documentation.

Under the Criminal Justice (Money Laundering and Terrorist Financing) Acts 2010 and 2013 we are required to maintain photographic proof of identity and current address verification of all of our members. Therefore on an ongoing basis members may be asked to provide evidence of their identity to update our member records. We would be very grateful for your cooperation with such requests.

**Olive Brennan, Chairperson, Membership Committee.**

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**NOMINATION COMMITTEE REPORT**

The Nomination Committee of Mullingar Credit Union is responsible for identifying suitable candidates for nomination, accepting nominations of candidates, carrying out Fitness and Probity due diligence on any candidate, and making proposals for election to the Board of Directors.

Under the current legislative requirements the Nomination Committee has primary responsibility for ensuring that volunteers with the necessary skills and expertise are available to fill any vacancies that may arise on the Board of Directors.

Members of Mullingar Credit Union can apply at any time of the year to serve as a volunteer on the committees of Mullingar Credit Union. To do so, all that is initially required is to complete the Volunteers Application Form that is available in any of the Credit Union offices. A member of the Credit Union Staff or the Nomination Committee would be pleased to meet with any member considering volunteering to discuss what is involved in being a volunteer at Mullingar Credit Union and answer any questions.

The procedures regarding nominations to the Board of Directors are as follows:

- 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 either the Board of Directors or the Board Oversight Committee at an Annual General Meeting (AGM), must submit their nominations by the closing date for acceptance of nominations for the AGM at which they wish to be considered.

The closing date for acceptance of nominations for the vacancies arising at the AGM 2017 was 4th November 2017.

The Nomination Committee has assessed all applications for Board Membership received for AGM 2017 and can confirm that each of the proposed candidates has met the required Fitness and Probity requirements.

**Edna Blake, Chairperson, Nomination Committee.**
The Credit Committee is appointed annually by the Board of Directors to manage and supervise the lending process. The Committee is accountable for the granting and approval of loans within the credit policy approved by the Board of Directors and reports to the Board on a monthly basis on lending volumes and trends.

A primary function of the Credit Union is the provision of credit at a fair and reasonable rate to members. Income from loans is the main source of income of the Credit Union and it is essential for the long term sustainability and viability of the Credit Union that we continue to promote this service and grow our loan book.

ACTIVITIES DURING THE YEAR

We have again seen a substantial increase in loan demand over the past twelve months. The value of loan applications in the year to September 2017 increased by 16% on the previous year. Working with the Strategy and Policy Committee and the Board of Directors we revised our credit policies and our internal loan approval arrangements to allow for faster and more efficient processing of loan applications. Our dedicated lending team within the Credit Union staff handle the majority of loan applications under the supervision of the Credit Officer. We appointed two new loan officers to the lending team during the past year to meet member demand.

Our new loans offices and waiting room provide an environment where we can provide a personal, friendly and confidential service to members. We encourage any member who would like to discuss their lending requirements to call in and speak to one of our loan officers. We have seen a steady increase in loan enquiries over the phone and online. Many members find this more convenient and it is an area of our business that we want to encourage.

We lend for a wide variety of purposes, both personal and business. Over the past year, our loans have helped members purchase cars, renovate homes, help couples with wedding expenses, students go to college, provided finance for business people and farmers and much more. In the last year we approved 97% of all loan applications. We very much welcome loan applications and encourage all members to consider Mullingar Credit Union for low cost loans with personal service.

The Committee met on 51 occasions and 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>6,799</td>
<td>€32,959,869</td>
</tr>
<tr>
<td>Approved</td>
<td>6,582</td>
<td>€31,193,569</td>
</tr>
<tr>
<td>Refused</td>
<td>217</td>
<td>€1,766,300</td>
</tr>
</tbody>
</table>

ASSESSMENT OF LOAN APPLICATIONS

All loan applications are independently assessed and judged on their own merits. Every effort is made to approve each application, however, the procedure has to ensure that there is no excessive risk to the Credit Union or the individual member. The fundamental factor which we take into consideration in assessing loan applications is the member’s ability to repay. We also complete a full assessment of the borrower’s financial position making use of the Irish Credit Bureau to verify the member’s indebtedness.

CENTRAL CREDIT REGISTER

The Central Credit Register which is currently being set up, is a new secure system for collecting personal and credit information on loans and will become operational in early 2018. It is operated on behalf of the Central Bank of Ireland under the Credit Reporting Act 2013. The Central Credit Register is a national database that will, on request, provide:

- a borrower with an individual credit report detailing their credit agreements;
- a lender with comprehensive information to help with credit assessments; and
- the Central Bank with better insights into national trends in the provision of credit.

From 30th June 2017 and at each month end thereafter, lenders, including banks, credit unions and any other providers of consumer loans for €500 and above, must submit personal and credit information on those loans to the Central Credit Register. Loans include credit cards, mortgages, overdrafts, and personal loans. The Central Bank owns the information held on the Central Credit Register and is a data controller under the Data Protection Acts. Information transferred by lenders to the Central Credit Register will be used to create individual credit reports. A credit report can help lenders when it comes to making decisions about loans and loan applications.

Paddy Murphy, Chairperson, Credit Committee.
The role 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 and 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.

COMMITTEE OBJECTIVES

As a Credit Union we have an obligation to members to ensure that every effort is made to:

- Minimise the level of bad debts.
- Maximise the recovery of previously written off loans.
- Ensure adequate provisions are made for non-performing loans.

We are grateful to the vast majority of members who, sometimes in difficult circumstances, have diligently repaid their loans. We would encourage members in any difficulty to contact our Credit Control Staff at an early stage. The Credit Control Staff are very experienced, confidential, helpful and sympathetic in assisting members. Every effort is made to try and reach a solution that is suitable for both the member and the Credit Union.

REVIEW OF ACTIVITIES

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 €425,575. While this figure is considerable, the Committee are pleased to report that it is below the 2016 and 2015 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 €318,870 in bad debts this financial year, with recoveries in excess of €1 million over the last 3 years.

The Credit Union continually reviews the adequacy of provisions for doubtful debts against the outstanding loan book. A formal review of the loan book is completed on a quarterly basis by the Credit Union Staff to ensure the adequacy of the provision as part of the process for making Prudential Returns to the Central Bank. Our Auditors, Hayes Coghlan Doolan also carry out a loan book assessment as part of their year-end audit work. These reviews indicated that Mullingar Credit Union held sufficient provisions as at 30th September 2017.

I would like to thank my fellow Committee Members, the Management and Staff for all their hard work, dedication and support throughout the year.

Jim Prendergast,
Chairperson,
Credit Control Committee.
STRATEGY AND POLICY COMMITTEE REPORT

During the past year, the Strategy and Policy Committee

- Reviewed the implementation of the Strategic Plan 2016 - 2019.
- Assessed and evaluated outcomes against the goals and targets agreed in that plan.
- Presented these findings to the Board of Directors for further deliberation.
- Carried out a comprehensive review of the Credit Union’s full suite of policies.
- Presented these reviews to the Board of Directors for consideration, amendment and approval.
- Proposed amendments to the plan as required.
- Researched and prepared a draft of any new policies required in response to changes in Legislation or Regulation.
- Presented these draft policies to the Board of Directors for evaluation, amendment and adoption.

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

SOCIAL AND CULTURAL COMMITTEE REPORT

The purpose of the Social and Cultural Committee is to administer the special fund, approved by the Members of Mullingar Credit Union at each Annual General Meeting. This fund is used to support cultural and charitable organisations including community development throughout the common bond.

At the Annual General Meeting 2016 the members generously approved a fund of €100,000 for the financial year 2016/2017.

A total of €99,891 was awarded to 315 groups who provide much needed voluntary effort in promoting development in all aspects of society across our community. Mullingar Credit Union is extremely proud of its members’ contribution and willingness to assist the work of these groups, which makes such a difference to our community.

Brian Gillen, Chairperson, Social and Cultural Committee.
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 costs of the draws. Our Auditors, Hayes Coghlan Doolan carry out an audit of the car draw fund as part of their audit work.

The car draw year begins in June. The annual entry fee is €33 for the full year. Members can enter the draw at any time throughout the year, entry fees are deducted on a pro rata basis.

The results of the monthly draws are published on our website, on Facebook and in our annual report. An annual newsletter is sent to all car draw members, updating them on the car draw finances and listing the prize winners throughout the previous 12 months.

It is important to have at least €38 in your account to meet the conditions of the draw. Members in the draw must notify us in writing that they no longer wish to be included in the car draw and we will remove their entry at the next renewal date.

Prize winners since our last Annual Report

Cars
Elizabeth & Bernard McCabe, Peter Gallagher, Thomas Kearney, Ann Murray Hill, Aron Orme, Pat Rabbitt Snr, Marie Gately, Maureen Ganly, Mary Dalton, Andy Boyle, Teresa Nevin, Mary McCauley

Cash prizes

Additional prizes at the Christmas car draw

Additional prizes at the May car draw
Joanna Tyrrell, Gillian Whelan, The 40th Holiday Fund, Evelyn Noone, Brenda McWeeney, Frances White, Patricias Cully, Rose McCabe, Deirdre Fallon, Lee McGrath, Peter Hamill.

Edna Blake,
Chairperson,
Car Draw Committee.
The role of the Promotion and Communication Committee is to inform both members and the general public of the services and activities of our Credit Union. We do this through our Annual Report, online presence – website and Facebook, promotional leaflets and general advertising.

ANNUAL REPORT
A major part of the work of the Committee is the compilation and distribution of the Annual Report to members. The Credit Union is required by law to issue every eligible member with a report which, as a minimum must include the Notice of the Annual General Meeting and the Audited Financial Statements for the year. As a consequence many households will receive more than one report. Over the years the Committee has worked to upgrade the format, design and content of the report to give our members as full an insight as possible into the operations and activities of the Credit Union throughout the year.

CU ONLINE – MANAGE YOUR ACCOUNT ONLINE 24/7
You can manage your Credit Union account online 24/7 through the secure online section of our website or through our cuAnywhere App. You can used the online service to:

- Check account balances
- View and print online statements
- Securely transfer funds
- Set up standing orders and other payments
- Pay bills

To register your account online simply log onto our website www.mullingarcu.ie. You need to have your account registered online in order to use our cuAnywhere App.

We are constantly adding features to our secure online service. Recently we added the new Touch ID feature where members can use their fingerprint to securely log in. Over the next few weeks we will be adding a facility to allow members make payments online to their Credit Union account using their debit card, which can be used for single or recurring transactions.

Social Media: Like us on Facebook and we will keep you up to date on what’s happening on our online service and generally in your Credit Union.

HAVE YOU SEEN DAN BYRNE?
You may have seen the Credit Union National Advertising Campaign – Credit ReUnion – Help us find Dan Byrne. The theme of this campaign is to encourage former members to reconnect with their Credit Unions and find out about the products and services now available. If a member of your family or somebody you know has drifted away from the Credit Union please encourage them to have their Credit ReUnion with us.

IRISH LEAGUE OF CREDIT UNIONS FOUNDATION
The Irish League of Credit Unions International Development Foundation Ltd. (ILCU Foundation) is the charitable arm of the Irish credit union movement. Its mission 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’. The ILCU foundation was founded in 1980. Over the last ten years, the members of Mullingar Credit Union have contributed in excess of €198,297 to the Foundation by agreeing at the AGM to contribute €1 from their dividend to help those in need.

John O’Reilly,
Chairperson,
Promotion and Communication Committee.
Mullingar Credit Union would like to thank all our Members who have borrowed from us over the last year. To show our appreciation we are proposing to give a loan interest rebate of 10% to our borrowing members.

**HOW TO APPLY FOR A LOAN**
- **In person** – Our loans team are available to meet and discuss your loan options at our main office in Mullingar or in our Kinnegad office. No appointment is necessary.
- **Over the phone** – we have a direct phone line to our loans team to assist members through all stages of the loan approval process.
- **Web query** – Our website loan calculator allows you to browse our loan products and get an estimate of what your loan repayments would be. If you are happy with the repayments and wish to apply for a loan you can submit your details through our enquiry form.

**.borrowing from us makes sense:**
- Low interest rates
- No set up fees and no hidden fees or costs
- Quick and transparent process with 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 repayments online
- Free loan protection insurance (subject to conditions)
- Personal service
- Education – talk to us about our reduced rate college loan – 5%
- Loan interest rebate

**know your loan (standard loan)**
Representative example:
€10,000 five year variable interest rate
Weekly repayments of €46.57
Rate of interest 7.9% variable
Representative 8.2% APR
Total Amount Payable is €12,103.58.

**know your loan (college loan)**
Representative example:
€4,000 two year variable interest rate
Weekly repayments of €40.44
Rate of interest 5.0% p.a. variable
Representative 5.1% APR
Total Amount Payable is €4,204.48.

**weekly loan repayment (including loan interest)**
**standard interest rate 7.9% variable. typical apr 8.2%**

<table>
<thead>
<tr>
<th>Amount €</th>
<th>Repayment Period</th>
<th>Amount per week €</th>
<th>Cost of Credit €</th>
</tr>
</thead>
<tbody>
<tr>
<td>500</td>
<td>12 months</td>
<td>10.02</td>
<td>20.26</td>
</tr>
<tr>
<td>1,000</td>
<td>12 months</td>
<td>20.03</td>
<td>40.62</td>
</tr>
<tr>
<td>3,000</td>
<td>24 months</td>
<td>31.21</td>
<td>244.56</td>
</tr>
<tr>
<td>5,000</td>
<td>36 months</td>
<td>36.02</td>
<td>617.19</td>
</tr>
<tr>
<td>10,000</td>
<td>60 months</td>
<td>46.57</td>
<td>2,103.58</td>
</tr>
<tr>
<td>20,000</td>
<td>60 months</td>
<td>93.13</td>
<td>4,207.98</td>
</tr>
</tbody>
</table>

**the credit union difference**
The purpose of the Youth Affairs Committee at Mullingar Credit Union is to promote and support the education and talents of the young people within our community and to encourage them to develop a positive relationship with their local Credit Union. We do this by running a number of youth events which have resulted in further engagement with local schools in the implementation of the different initiatives. Some of the initiatives we have been involved in are detailed below.

ALL IRELAND ART COMPETITION:
The Credit Union Art Competition is an annual event open to entrants in various age categories. 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 of the competition and this year Cian O’Reilly won First Place at Chapter Level in the U13 age category. Congratulations to Cian and to all our winners and participants in this competition.

CREDIT UNION PRIMARY SCHOOLS QUIZ:
Our annual Schools Quiz is extremely popular with the children from our local primary schools. Over 300 children between the ages of 9 and 13 competed this year, with the top two teams (one from each category) St. Colmcille’s N.S. (Gainstown) and St. Etchen’s N.S. (Kinnegad) going on to compete at the Chapter stage. Both were successful at the Chapter stage and went on to represent Mullingar Credit Union in the National Final in Dublin in October 2016. 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.

SECONDARY SCHOOLS QUIZ:
Our first Secondary Schools Quiz took place in October 2017 with students from five of the local secondary schools competing. Students from both first and second year classes took part in the quiz with the top two teams, Colaiste Mhuire CBS Mullingar and St. Joseph’s Rochfortbridge going on to represent Mullingar Credit Union at the Chapter stage, where they finished respectively second and third. Well done to all the teams who participated and a sincere thank you to the teachers for their hard work and support.

CLUED IN:
Clued In is an educational programme aimed at secondary school students. The purpose of the programme is to explain personal finance and the role of credit unions to students. This year all of the secondary schools within our area took part in the programme – St. Finian’s College, St. Joseph’s Rochfortbridge, Wilsons Hospital School, Columba College Killucan, Mullingar Community College, Colaiste Mhuire CBS and Loreto College. We would like to thank all the students and their teachers for participating in the Clued In programme and we look forward to engaging with you all once again over the new school term.

REDUCED RATE COLLEGE LOANS:
Our reduced rate college loans have helped many full time students and their parents 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, please contact us and ask about our reduced rate college loans.

Andrea Corroon,
Chairperson,
Youth Affairs Committee.
MEMBER INFORMATION

TAXATION OF CREDIT UNION DIVIDENDS AND INTEREST
Members are reminded that deposit interest retention tax (DIRT) is automatically deducted from dividend and interest earned on savings in the Credit Union. DIRT is applicable to all accounts including those of children. The liability to tax applies only to dividends and interest received from the Credit Union and not on actual savings.

There are however certain limited exemptions where the payment of dividend and interest can be paid without the deduction of DIRT. This applies in the case of a member who is over the age of 65 (or whose spouse is over 65) and whose total gross income is less than the relevant annual exemption limit. These members should complete Form DE-1 which is available from any branch office of Mullingar Credit Union. It is also applicable in the case where a member or their spouse is permanently incapacitated. Such members must apply directly to the Revenue Commissioners who, on approval, will notify the Credit Union.

LIFE SAVINGS AND LOAN PROTECTION INSURANCES
The savings and loans of members of the Credit Union are covered by insurance which is provided at no direct cost to the member. Subject to terms and conditions, this insurance pays out a lump sum to be added to member's savings and clears outstanding loans on the death of a member. In the current year the Directors approved an enhancement to this scheme to cover both parties on a joint loan account. This is a valuable insurance cover for members. Please ask any member of staff for further information.

NOMINATION 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 involving solicitors or probate. We encourage all members to complete a nomination form.

DORMANT ACCOUNTS
If an account in Mullingar Credit Union has not been used in 52 weeks, the status of the account automatically changes to dormant. This is for the security and protection of our members’ savings. The account obviously remains the property of the member and continues to earn dividends, but member transactions are not allowed on the account until it has been reactivated by a staff member, who will require positive identification from the member.

DEPOSIT GUARANTEE SCHEME
Members will note that savings in the Credit Union are covered under the Government’s Deposit Guarantee Scheme. We are required to provided details of this scheme to members on an annual basis and have included this information on pages 38 and 39 of this report.
### Basic Information About the Protection of Your Eligible Deposits

<table>
<thead>
<tr>
<th>Eligible deposits in Mullingar Credit Union are protected by:</th>
<th>The Deposit Guarantee Scheme (&quot;DGS&quot;) (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Limit of protection:</td>
<td>€100,000 per depositor per credit institution (2)</td>
</tr>
<tr>
<td>If you have more eligible deposits at the same credit institution:</td>
<td>All your eligible deposits at the same credit institution are ‘aggregated’ and the total is subject to the limit of €100,000 (2)</td>
</tr>
<tr>
<td>If you have a joint account with other person(s):</td>
<td>The limit of €100,000 applies to each depositor separately (3)</td>
</tr>
<tr>
<td>Reimbursement period in case of credit institution’s failure:</td>
<td>20 working days (4)</td>
</tr>
<tr>
<td>Currency of reimbursement:</td>
<td>Euro or, for branches of Irish banks operating in another member state of the EEA, the currency of that member state.</td>
</tr>
</tbody>
</table>

**To contact Mullingar Credit Union for enquiries relating to your account:**
Mullingar Credit Union, St. Colman’s House, Oliver Plunkett Street, Mullingar, Co. Westmeath.
Tel: (044) 9348817
Email: info@mullingarcu.ie

**To contact the DGS for further information on compensation:**
Deposit Guarantee Scheme, Central Bank of Ireland, New Wapping Street, North Wall Quay, Dublin 1.
Tel: 1890-777777
Email: info@depositguarantee.ie

**More information:**
www.depositguarantee.ie
(1) Scheme responsible for the protection of your deposit

Your deposit is covered by a statutory deposit guarantee scheme. If insolvency should occur, your eligible deposits would be repaid up to €100,000.

(2) General limit of protection

If a covered deposit is unavailable because a credit institution is unable to meet its financial obligations, depositors are repaid by the DGS. This repayment covers at maximum €100,000 per person per credit institution. This means that all eligible deposits at the same credit institution are added up in order to determine the coverage level. If, for instance, a depositor holds a savings account with €90,000 and a current account with €20,000, he or she will only be repaid €100,000.

(3) Limit of protection for joint accounts

In case of joint accounts, the limit of €100,000 applies to each depositor. However, eligible deposits in an account to which two or more persons are entitled as members of a business partnership, association or grouping of a similar nature, without legal personality, are aggregated and treated as if made by a single depositor for the purpose of calculating the limit of €100,000.

In some cases eligible deposits which are categorised as “temporary high balances” are protected above €100,000 for six months after the amount has been credited or from the moment when such eligible deposits become legally transferable. These are eligible deposits relating to certain events which include:

a. certain transactions relating to the purchase, sale or equity release by the depositor in relation to a private residential property;

b. sums paid to the depositor in respect of insurance benefits, personal injuries, disability and incapacity benefits, wrongful conviction, unfair dismissal, redundancy, and retirement benefits;

c. the depositor’s marriage, judicial separation, dissolution of civil partnership, and divorce;

d. sums paid to the depositor in respect of benefits payable on death; claims for compensation in respect of a person’s death or a legacy or distribution from the estate of a deceased person.

More information can be obtained at www.depositguarantee.ie

(4) Reimbursement

The responsible deposit guarantee scheme is: Deposit Guarantee Scheme, Central Bank of Ireland, New Wapping Street, North Wall Quay, Dublin 1. Tel: 1890-777777. Email: info@depositguarantee.ie. Website: www.depositguarantee.ie.

It will repay your eligible deposits (up to €100,000) within 20 working days until 31 December 2018; within 15 working days from 1 January 2019 until 31 December 2020; within 10 working days from 1 January 2021 to 31 December 2023; and within 7 days from 1 January 2024 onwards, save where specific exceptions apply.

Where the repayable amount cannot be made available within seven working days depositors will be given access to an appropriate amount of their covered deposits to cover the cost of living within five working days of a request. Access to the appropriate amount will only be made on the basis of data provided by the credit institution. If you have not been repaid within these deadlines, you should contact the Deposit Guarantee Scheme.

Other important information

In general, all retail depositors and businesses are covered by the Deposit Guarantee Scheme. Exceptions for certain deposits are stated on the website of the Deposit Guarantee Scheme. Your credit institution will also inform you on request whether certain products are covered or not. If deposits are eligible, the credit institution shall also confirm this on the statement of account.
SAVINGS:
Fair return on your savings with easy access to your money. Proposed dividend rate for 2017 is 0.25%.

LOANS:
For best deals in loans remember Mullingar Credit Union. We are local, loyal and still lending. This year we are proposing to refund 10% of any interest paid on loans during our financial year to the end of September 2017.

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 an account in any country within the Single European Payments Area (SEPA).
ONLINE ACCOUNTS:
Members can register their account online to check account balances, view transactions or securely transfer funds externally from their Credit Union account. Visit our website, www.mullingarcu.ie, to register your account or ask any member of staff.

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

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

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

CAR DRAW:
Member monthly car draw. Car 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, car and home insurance. Go online to www.coveru.ie at any time or telephone 1890 410 410 9am to 5pm Monday to Friday.

AXA:
AXA offer discounted insurance quotes on a variety of insurance products for Credit Union Members.
OPENING TIMES:

MULLINGAR OFFICE:
Tuesday, Wednesday, Thursday, Friday & Saturday
From 9.30am to 5.00pm
Late opening: Thursday 5.45pm to 7.30pm

ROCHFORTBRIDGE OFFICE:
Tuesday & Friday 10.00am to 5.00pm
Closed for lunch 12.30pm - 1.00pm
Saturday 10.00am to 2.00pm

KINNEGAD OFFICE:
Tuesday, Thursday and Friday from 9.30am to 4.30pm
Closed for lunch 12.30pm - 1.00pm
Saturday 9.30am to 2.30pm

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