

Malahide & District Credit Union Ltd



Annual Report 2010

and Agenda for
Annual General Meeting

Monday 13th December 2010 – The Grand Hotel Malahide

This Christmas, let Santa be the only one in the red.

Times are hard and though Christmas is a time of joy, it puts a lot of pressure on families. It's tempting to borrow beyond our means, and end up with a sack full of debt. But you don't have to spend next year living with the Ghost of Christmas Past. Talk to your credit union or visit **creditunion.ie** - we're there to support each other.



Offers are subject to approval. Terms and Conditions apply.
Credit unions in the Republic of Ireland are regulated by the Financial Regulator.

WE LOOK AT THINGS DIFFERENTLY



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Safe, Strong, Secure.

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Credit unions are regulated by the Financial Regulator.

CU AT YOUR PLACE



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Notice is hereby given that the

Annual General Meeting

of Malahide & District Credit Union Ltd.
will take place in the

Grand Hotel, Malahide

on **Monday, December 13th, 2010**

at **8pm** sharp

**FREE DRAW
FOR MEMBERS WHO
ATTEND AGM**

The Board has agreed that, in order to encourage
members to attend the AGM, there will be a
€1,000 Prize Draw
First Prize €500
and five Runner-Up Prizes of €100

DIRECTORS AND OTHER INFORMATION

Directors

Bryan O'Flaherty (Chairperson)
Brian Mulligan (Vice-chairperson)
Alan Kelly (Secretary)
Donal Murphy (Treasurer)
Michael Dowling
Clare Gibson
Liz O'Connor
Pat Costello
Maureen Fox
Stephen McDonagh (Appointed 24/06/10)
Bernard Donaldson
Anne Halligan (Resigned 27/05/2010)
Thomas O'Sullivan
Alban Kelly-Mor

Supervisory Committee

Eileen Mooney (Chairperson)
Niall Duffy
Dermot McCourt

Registered Number

268CU

Staff

Vivienne Keavey (Manager)
Lucia Kane
Kathleen Jennings
Aileen Lawlor
Caroline McDonnell

Registered Office

1 Railway Avenue,
Malahide, Co. Dublin.

Auditor

FMB
Longboat, 56 Sir John Rogersons Quay,
Dublin 2.

Bankers

Bank of Ireland
The Mall, Malahide, Co. Dublin.

Solicitors

Devaney & Partners Solicitors,
Main Street, Malahide, Co. Dublin



Christmas Opening Hours 2010

Closing

Friday 24th December 2010
at 12.00pm

Re-Opening

Thursday 30th December
at 10.00am – 2.00pm
& Friday 31st 10.00 – 2.00pm

Closed: 1st, 2nd & 3rd January 2011
Reopening: Tuesday 4th January 2011





AGENDA

ANNUAL GENERAL MEETING MONDAY 13 DECEMBER 2010

1. Acceptance of proxies (if any) by the Board of Directors
2. Ascertainment that a Quorum is present
3. Adoption of Standing Orders
4. Reading and Approval (or correction) of minutes of last Annual General Meeting
5. Report of the Board of Directors
6. Report of the Treasurer
7. Report of the Auditor
8. Report of Supervisory Committee
9. Declaration of Dividend
10. Committee Reports
11. Nomination Committee Report
12. Appointment of Tellers
13. Elections:
 - a. Auditor for 2010 - 2011
 - b. Vacancies on the Board of Directors
14. Motions
15. Amendments of Rules
16. Any other business
17. Announcement of Election Results
18. Adjournment or Close of Meeting

NOTICE OF ELECTIONS

for the year ended 30 September 2009

Elections will be held to fill vacancies on the board of Directors, as in accordance with Rule 62 and the position of Auditor.

Nominations for the positions of Directors and Auditor must be in writing and signed by a proposer and seconder (who must be Members of the Credit Union) and also by the person nominated so as to indicate his/her consent.

A nominations form is included in this Notice and completed nomination forms must reach the Credit Unions Registered Office not later than 12.30 pm on Saturday 11th December 2010. All those nominated (other than for the position of Auditor) must be Members of the Credit Union and have reached age 18.

On behalf of the Nominating Committee:

**Alan Kelly,
Vivienne Keavey**



DIRECTORS' REPORT

for the year ended 30 September 2010

The directors present their report and audited financial statements for the year ended 30 September 2010.

Principal Activity and Review of Business

The credit union continued to attract additional member's savings during the financial year. Lending activity remained slow in line with trends in the economy.

Results for the year and State of Affairs at 30 September 2010

The income and expenditure account and the balance sheet for the year ended 30 September 2010 are set out on pages 12 and 13.

Principal Risks and Uncertainties

The credit union, as with many other financial institutions, are facing uncertainties arising from the general economic downturn. The board are actively monitoring the effects of these conditions on the operations of the credit union.

The principal areas currently requiring risk management include :

- Loan approval and guarding against subsequent default
- Prudent investment selection policy, guarantee of capital and monitoring of performance
- Liquidity management and control of costs

Dividends

The directors recommend payment of a dividend of €54,234.00 (0.50%) for the year, (2009 - 1.00%)

Accounting Records

The Directors believe that they comply with the requirements of Section 108 of the Credit Union Act, 1997 with regard to books of account by employing accounting personnel with appropriate expertise and by providing adequate resources to the financial function. The books of account of the credit union are maintained at the company's premises at 1 Railway Avenue, Malahide, Co. Dublin.

Approved by the Board on :
2 November 2010

Donal Murphy
Treasurer

Bryan O'Flaherty
Chairperson

MOTIONS

It is proposed that:

1. The affiliation fee to the Irish League of Credit Unions (ILCU) for the year ended September 30th 2010 will be €2.00 per adult member, to be deducted from members shares.
2. The contribution to the ILCU International Development Trust Fund for the year ended September 30th 2010 is 64c per adult member, to be deducted from members shares.

INFORMATION FOR MEMBERS

1. Elections: There are vacancies for board membership to be filled. Nomination forms are available at the office.
2. Malahide & District Credit Union pays a Death Benefit Insurance Premium, on behalf of each member at no cost to the member.

Statement of Directors' Responsibilities

for the year ended 30 September 2010

The Credit Union Act 1997 requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the credit union and of the income and expenditure of the credit union for that year. In preparing those financial statements the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the credit union will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the credit union and which enables them to ensure that the financial statements comply with the Credit Union Act, 1997. They are also responsible for safeguarding the assets of the credit union and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Credit Union Act 1997 requires the appointment of a Supervisory Committee which will oversee Directors in the performance of their functions, examine books and documents of the credit union and verify a sample of members' balance.

Donal Murphy
Treasurer

Bryan O'Flaherty
*Member of the Board
of Directors*

Statement of Supervisory Committee's Responsibilities

for the year ended 30 September 2010

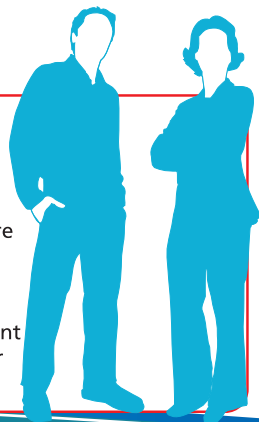
The Credit Union Act 1997 requires the appointment of a Supervisory Committee which will oversee Directors in the performance of their functions, examine books and documents of the credit union and verify a sample of members' balances.

Eileen Mooney
*Member of Supervisory
Committee*

Get Involved in Your Credit Union!

We would like to take this opportunity to invite those of you who are interested to contact the office for more information on how to get involved in your Credit Union.

Volunteers are always welcome and as there are a number of different committees that you can opt to be involved in suiting your particular talents and interests. Go on, GIVE SOMETHING BACK!



Independent Auditor's Report to the members of Malahide and District Credit Union Limited

We have audited the financial statements of Malahide and District Credit Union Limited for the year ended 30 September 2010 which comprise of the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and related notes. These financial statements have been prepared under the accounting policies set out in the Statement of Accounting Policies.

This report is made solely to the credit union's members, as a body, in accordance with Section 120 of the Credit Union Act, 1997. Our audit work has been undertaken so that we might state to the credit union's members those matters we are required to state to them in an 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.

Respective responsibilities of the Directors and Auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and the accounting standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with Generally Accepted Accounting Practice in Ireland and the Credit Union Act, 1997. We also report to you whether in our opinion, proper accounting records have been kept by the credit union. In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit and whether the credit union's financial statements are in agreement with the accounting records.

We read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. The other information comprises only the Directors' Report and Chairman's Statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Independent Auditor's Report to the members of Malahide and District Credit Union Limited

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the credit union's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the credit union's affairs as at 30 September 2010 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with Generally Accepted Accounting practice in Ireland and in accordance with the requirements of the Credit Union Act, 1997.

We have obtained all the information and explanations we consider necessary for the purposes of our audit. In our opinion proper accounting records have been kept by the credit union. The financial statements are in agreement with the accounting records.

In our opinion, the information given in the Directors' Report is consistent with the financial statements.

FMB
Chartered Accountants
Registered Auditor

Longboat,
56 Sir John Rogersons Quay,
Dublin 2.

DATE: 10 November 2010

TREASURER'S REPORT

for the year ended 30 September 2010

Results

The sound lending and investment policies, implemented by the credit union to protect member's interests has enabled 2010 to be a very strong year against a background of the harsh and difficult financial climate both globally and in Ireland. The results for the year show a 5% decrease in overall income compared to last year, while total expenditure for the year decreased by 12%.

Interest on member loans for the year was impressive considering the downturn, showing a reduction of 11%. The amount of loans to members has decreased, which is a reflection of the overall economic environment, but is still significant at €6.2 million.

Our policy of pursuing safe and secure investments, whilst availing of opportunities for good returns continues, and is reflected in the fact that none of our current investments have lost any of their original value despite the stock-market downturn. Income from investments rose by circa 12% which is reflective of your credit union's shrewd policy.

Your credit union is in a good financial state with no liquidity problems, as confirmed by our auditors. This is in no small way a reflection of the prudent management of the affairs of the credit union by the current board and previous boards over the past number of years.

Our Manager Vivienne Keavey and her conscientious and hard working staff deserve tremendous thanks and praise for there continued efforts and vigilance in

maintaining the standards necessary for the successful operation of your credit union, as do all those on the Board and the various committees who give their services on a voluntary basis.

Dividend

The dividend has been set at 0.5%. The Board did consider paying no dividend this year, due to the continued financial situation that pertains at this time. However the prudent policy of enhancing reserves over the past few years enables the payment of a reasonable dividend for the year and we are pleased to be in a position to do so.

Conclusion

Our credit union continues to weather the economic downturn and the current year's performance reflects this strong result. Continuous prudence is required in the coming years to protect member's interests. As all members of the credit union live in, work in or have some connection with the local community, it is important that we all stick together in the current economic difficulties. In this regard it is vital that any financial difficulties are brought to the attention of the manager and that every effort is made to continue repayments on a regular and realistic basis. Finally I would like to offer my sincere thanks to all the staff for their efforts and to the Board, Committee Members and Supervisors for their support during the year.

Donal Murphy
Treasurer

SIGNIFICANT ACCOUNTING POLICIES

for the year ended 30 September 2010

The results for the year have been determined and the Balance Sheet compiled in accordance with the

following accounting policies :-

1. Historical Cost Convention

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

The credit union has consistently applied all relevant accounting standards.

2. Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Credit Union and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received. The following criteria must also be met before revenue is recognised:

Interest on Members' Loans

Interest on Members' Loans is recognised when payment is received as specified in Section 110[1] [C] [i] of the Credit Union Act, 1997 (i.e. on a cash basis).

Investment Income

Investment income is recognised when received or irrevocably receivable. Investments are recognised at cost less any permanent diminution in capital value but ignoring any increase in capital value or encashment value until realised in the form of cash or cash equivalents.

3. Investments

The specific investment products held by the credit union are accounted for as follows:-

Bank deposits and other short term deposits

These are valued at the deposit amount plus any accrued interest and interest income is recognised in the income statement on an accruals (time) basis.

Term deposits and fixed interest investment bonds

Term deposits and fixed interest investment bonds with fixed maturity dates are valued at the lower of cost or encashment value and interest income is recognised in the income statement when it is received or irrevocably receivable.

Investments with return of capital guarantee

Investments with return of capital guarantee are valued at the lower of cost or market value but not lower than the capital guaranteed amount and dividend or other income is recognised in the income statement when it is received or irrevocably receivable.

With profit bonds

With profit bonds with capital guaranteed, are valued at cost. Declared bonuses are recognised in the income statement when irrevocably receivable or earlier if the bond becomes realisable in the form of cash or cash equivalents in a secondary market. Terminal bonuses are recognised in the income statement when the credit union become irrevocably entitled to receive them.

Bonds with guaranteed capital and variable interest rates

Interest income is recognised as received. Some bonds pay high rates of interest in early years and lower rates in later years. Paying higher amounts in early years reduces (impairs) the capital value of the bond. The capital value of the bond is tested annually for impairment and impairment losses are taken to the income statement. Impairment gains which reverse a previous impairment loss are taken to the income statement with any gains in excess of the cost of the product ignored until the bond matures.

4. Depreciation

Depreciation is calculated to write off the original cost of the Fixed Assets, less their expected residual value, over their estimated useful lives at the following annual rate:

Premises	-	Straight Line over forty years
Computer equipment	-	25% Straight Line
Office equipment	-	10% Straight Line

The carrying value of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.

5. Pension Costs

The credit union operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the credit union in an independently administered fund. The pension charge represents contributions payable by the credit union to the scheme.

6. Bad and Doubtful Debts

Bad debts written off are included in other Management Expenses. Bad debts recovered are included in the Income and Expenditure Account. Provision for doubtful debts is made against current loan balances.

An additional provision of €207,785 is considered prudent by the Board of Directors.

7. Dividends and other returns to members

Final dividends and other returns to members are accounted for as a liability after they are approved by the members in general meeting.

Income and Expenditure Account

for the year ended 30 September 2010

	Schedule	2010 €	2009 €
Income			
Interest on members' loans		584,021	654,996
Other interest receivable and similar income	1	147,644	125,676
Net interest income		731,665	780,672
Other income	2	16,798	8,121
Total Income		748,463	788,793
Expenditure			
Salaries		144,612	135,141
Other management expenses	3	386,899	406,134
Depreciation		57,964	32,084
Provision for bad and doubtful debts		-	108,255
Bad debts recovered		(36,336)	(51,995)
Total Expenditure		553,139	629,619
Excess of Income over Expenditure		195,324	159,174
Add: Undistributed surplus 1 October		147,383	276,023
Total:		342,707	435,197
Less:			
Transfer to statutory reserve		(19,532)	(15,917)
Transfer to additional regulatory reserve		(30,812)	(219,625)
Transfer (to)/from general reserve		(133,689)	94,695
Dividend paid		(104,440)	(146,967)
Total:		(288,473)	(287,814)
Undistributed surplus 30 September 2010		54,234	147,383

On behalf of the Credit Union :- 2 November 2010

Donal Murphy
Treasurer

Eileen Mooney
Member of Supervisory
Committee

Bryan O'Flaherty
Member of the Board
of Directors

The accompanying notes form part of these accounts

Balance Sheet

as at 30 September 2010

	Note	2010 €	2009 €
Assets			
Cash at bank and on hand		543,861	294,822
Deposits and investments	4	6,576,645	5,690,216
Members' loans		6,217,316	6,882,742
Less provision for bad and doubtful debts		(312,254)	(312,254)
Tangible fixed assets	5	628,464	573,239
Prepayments and accrued income		18,652	34,742
Total Assets		13,672,684	13,163,507
Liabilities			
Other liabilities, accruals and charges	6	38,751	36,598
		38,751	36,598
Members' Resources			
Members' shares	14	11,314,011	10,897,871
Statutory reserve	7	1,116,257	1,096,725
Additional regulatory reserve	7	250,437	219,625
Other reserves	8	953,228	912,688
		<u>13,633,933</u>	<u>13,126,909</u>
Total Liabilities		13,672,684	13,163,507

On behalf of the Credit Union :- 2 November 2010

Donal Murphy
Treasurer

Eileen Mooney
Member of Supervisory
Committee

Bryan O'Flaherty
Member of the Board
of Directors

The accompanying notes form part of these accounts.

Cash Flow Statement

for the year ended 30 September 2010

	2010 €	2009 €
Opening cash and investments	5,985,038	4,592,072
Receipts		
Members' shares	4,120,554	4,095,498
Members' loans repaid	3,651,446	4,750,306
Members' loan interest received	584,021	654,996
Investments interest received	147,644	125,676
Bad debts recovered	36,336	51,995
Other receipts	16,798	8,121
Decrease/(Increase) in prepayments	16,090	1,780
Total	8,572,889	9,688,372
Disbursements		
Members' shares withdrawn	3,704,414	3,560,075
Members' deposits withdrawn	-	261
Members' loans granted	3,121,938	4,191,405
Dividends paid	104,440	146,967
Operating expenses	395,593	386,157
Fixed assets purchased	113,189	5,475
(Increase)/Decrease in other liabilities	(2,153)	5,066
Total	7,437,421	8,295,406
Closing cash and investments	7,120,506	5,985,038

On behalf of the Credit Union :- 2 November 2010

Donal Murphy
Treasurer

Eileen Mooney
Member of Supervisory
Committee

Bryan O'Flaherty
Member of the Board
of Directors

The accompanying notes form part of these accounts

Notes to the Financial Statements

for the year ended 30 September 2010

1. Employees

Employment costs	2010	2009
	€	€
Wages and salaries	133,078	123,240
Social welfare costs	11,534	11,901
Other pension costs	2,506	2,380
	<u>147,118</u>	<u>137,521</u>

2. Pension costs

Pension costs amounted to €2,506 (2009 - €2,380).

3. Analysis of Investment Income

	2010	2009
	€	€
Received during the year	139,272	102,201
Receivable within 12 months	8,876	23,475
Other investment income	-	-
	<u>148,148</u>	<u>125,676</u>

4. Investments

Investments are classified as follows:

	2010	2009
	€	€
Cash and short term deposits	2,740,839	1,703,801
Fixed term deposits	1,866,999	2,233,507
Central Bank Reserve Deposit	123,797	121,597
Investment bonds	1,845,010	1,631,311
	<u>6,576,645</u>	<u>5,690,216</u>

Notes to the Financial Statements

for the year ended 30 September 2010
...continued

5. Tangible fixed assets

	Premises €	Computer equipment €	Office equipment & furniture €	Total €
Cost				
At 1 October 2009	706,399	89,389	132,884	928,672
Additions	5,737	104,109	3,343	113,189
At 30 September 2010	712,136	193,498	136,227	1,041,861
Depreciation				
At 1 October 2009	165,198	83,744	106,491	355,433
Charge for the year	17,803	28,812	11,349	57,964
At 30 September 2010	183,001	112,556	117,840	413,397
Net book values				
At 30 September 2010	529,135	80,942	18,387	628,464
At 30 September 2009	541,201	5,645	26,393	573,239

6. Other Liabilities and Charges

	2010 €	2009 €
PAYE/PRSI control account	7,664	6,923
DIRT tax payable	54	7,984
Accruals	31,033	21,691
	38,751	36,598

Notes to the Financial Statements

for the year ended 30 September 2010

...continued

7. Statutory & Regulatory Reserve

	Balance 01/10/09	Net Movement	Balance 30/09/10
	€	€	€
Statutory Reserve	1,096,725	19,532	1,116,257
Additional Regulatory Reserve	219,625	30,812	250,437
Total Statutory & Additional Regulatory Reserve	1,316,350	50,344	1,366,694

The balance on the combined statutory and additional regulatory reserve represents 10.00 % of total assets as at 30 September 2010.

8. Other Reserves

	Balance 01/10/09	Net Movement	Balance 30/09/10
	€	€	€
General reserve	425,305	133,689	558,994
Bad debts reserve	90,000	-	90,000
Undistributed Surplus	147,383	(93,149)	54,234
Dividend reserve	250,000	-	250,000
	912,688	40,540	953,228

9. Dividends, Loan Interest Rebate and Other Returns to Members

The directors recommend the following distributions:

	2010		2009	
	Rate %	€	Rate %	€
Dividend on shares	0.50%	54,234	1.00%	104,437

In accordance with FRS 21 "Events after the balance sheet date", dividends and returns to members are accounted for in the financial statements after they are approved by the members in general meeting.

Notes to the Financial Statements

for the year ended 30 September 2010

...continued

10. Related party transactions

The company has identified the following transactions which are required to be disclosed under the terms of FRS8 'Related Party Transactions'

Transactions with officers

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

	2010	2009
	€	€
Aggregate amount of shares held by officers	66,763	74,006
Aggregate amount of loans outstanding by officers	92,354	65,913

The aggregate amount of loans issued to officers during the year under Section 36(3) of the Credit Union Act, 1997 was €76,400.

11. Insurance Against Fraud

The credit union has insurance against fraud in the amount of €1,300,000 in compliance with Section 47 of the Credit Union Act 1997.

12. Rate of Interest Charged on Members' Loans

Standard Loan	9.90%
Covered Loan	5.50%
Car Loan	9.90%
Education Loan	6.90% *
Christmas Loan	8.50% *
Holiday Loan	8.50% *
Maximum term one year *	

13. Contingent liabilities

All capital invested in bonds are guaranteed only if held to maturity. In the unlikely event of early encashment, there may exist an early settlement penalty.

Notes to the Financial Statements

for the year ended 30 September 2010
...continued

14. Members' shares

	2010
	€
Regular share accounts	11,314,011
Special share accounts	-
Medium term share accounts	-
Long term share accounts	-
Total per balance sheet	<u>11,314,011</u>

15. Authorisation and approval of financial statements

The board of directors authorised and approved these financial statements for issue on 2 November 2010.

Schedule 1. Other Interest Receivable and Similar Income

	2010	2009
	€	€
Central credit union dividend	504	1,461
Investment income	147,140	124,215
	<u>147,644</u>	<u>125,676</u>

Schedule 2. Other Income

	2010	2009
	€	€
Entrance fees	264	206
E.C.C.U. rebate	10,039	4,799
Other income	6,495	3,116
	<u>16,798</u>	<u>8,121</u>

Schedule 3. Other Management Expenses

	2010	2009
	€	€
Staff pension costs	2,506	2,380
Staff training	1,589	5,200
E.C.C.U. Insurance	67,019	68,081
Death benefit expense	25,134	26,772
Savings protection scheme	6,886	6,734
Rates	6,628	6,017
General insurance	6,476	6,594
Light and heat	3,077	3,748
Cleaning	48	97
Property maintenance	-	2,810
Security & alarm	7,505	10,274
Printing, postage, stationery and office expenses	12,005	26,486
Advertising	3,029	4,527
Telephone	4,873	4,305
Computer costs	7,018	8,551
Chapter dues	628	587
Convention and seminar expenses	13,694	21,275
Travelling and subsistence	1,567	-
Social expenses	5,704	3,219
Legal and professional	42,722	14,321
Audit	12,431	11,893
Bank charges	6,572	5,457
Bad debts	135,918	155,118
General expenses	1,189	3,019
Affiliation & regulation fees	10,856	5,919
Subscriptions and donations	1,825	2,750
	386,899	406,134

Report of the Credit Committee

Providing loans for Members is one of the key services offered by the Credit Union. It is the role of the Credit Committee to oversee our loan approval process.

The year ended 30th September 2010 was a busy one for the Credit Committee. However, reflecting the difficult economic environment with increased unemployment and financial uncertainty in the country, the number of loans approved was down.

A total of 696 loans were issued, totalling €3,121,939. Outstanding loans to members exceeded €6,217,316 representing approximately 55% of Members' Savings.

I am pleased to say the Credit Union has remained very attractive to Members for loans, for the following reasons:

- Low, Stable Rate of Interest
- Free Loan Protection Insurance
- Top-up Loans
- No Application Fee
- No Transaction Charges
- No Interest Charged on Interest
- You can repay Loans quicker, without penalty
- Quick Decisions

Up to recently, the Credit Committee refused loans in very few cases and these were refused only after every effort had been made to accommodate the member involved.

However, conscious of the absolute necessity to be prudent with member's savings, we implemented a new loans policy. This puts the emphasis very firmly on the ability of the applicant to repay the loan whilst at the same time taking into account the member's previous good record.

Generally, where loans exceed €5,000, we would ask members to recognise that proving ability to pay the loan will

necessitate the need to produce three payslips and three months current account bank statements to facilitate the assessment of the loan. We would ask all members to be patient with our staff when they are requesting these documents.

It is our goal to issue loans on a practical basis to applicants, ensuring that repayments are met without putting even more pressure on those in vulnerable circumstances. However, we also need to be aware that we are lending members savings and these savings must also be kept safe.

Michael Dowling

On behalf of the Credit Committee



Report of the Credit Control Committee

The main function of the Committee is to monitor all loans and the recovery of all debts, for which financial provisions have to be made under Resolution 49 of the Credit Union Act 1997.

The work of the Committee grows more important as time goes on and we would like to acknowledge the continuous and diligent work of the staff in their dealings with members on behalf of the Committee and Board. Interviews are held with Members who are in difficulties and every effort is made to help them. We would like to ask you, our Members, to help us to help you. If a problem arises which affects your loan repayments, please contact us and let us know. Some Members find it difficult to call in if they have been missing repayment dates. We assure you that all such problems are dealt with in a sympathetic manner and in total confidence. We again urge all Members not to ignore our calls / correspondence.

A number of loan had to be charged off this year, totalling €135,198 (last year €155,118) and the committee and staff will continue to follow up on these to recover the outstanding amounts. We are pleased to report that the sum of €36,336 (last year €51,995) was recovered from previous bad debts. It is important to note that all legal fees incurred in the recovery of a debt are the sole responsibility of the member concerned (or guarantor where this applies)

At the end of day, the Credit Control Committee and the Board of Directors are responsible for Members' savings and it is incumbent on us to pursue all debts owing to the Credit Union by all legal means. In conclusion, we thank you for your continued support and hopefully with your assistance, we will see an even better year for Credit Control in 2010.

Clare Gibson

On behalf of the Credit Control Committee

Make Malahide Credit Union your first choice for loans!

When you borrow from your local credit union you not only get value for money, you also get a range of benefits not available in other financial institutions!!!

- **Free Loan Cover***

Yes – we offer Free Loan Cover* on the lives of eligible members. This means your loan will be repaid in full in the even of your death or permanent disability, providing you were in good health when taking out the loan. Other financial institutions usually charge extra for this type of insurance.



- **Interest is calculated on the reducing loan balance**, which means you only pay interest on what you owe. This is a great advantage and can lower the total interest you pay over the term of your loan. Most financial institutions calculate the interest at the start of your loan. This means that even as you reduce the size of your loan, your interest will remain the same throughout. The quicker you pay off your credit union loan, the less interest you pay!
- **NO Fees on loans, NO hidden charges and NO penalties for early repayment!**

Credit Union. Where your savings give you a say.

A regular savings habit is important, whether you're saving to pay for something specific or for a rainy day. The difference between your credit union and other saving accounts is your savings make you part of your credit union. We look at things differently. Talk to your credit union about saving or visit creditunion.ie



Loans are subject to approval. Terms and Conditions apply. Credit Unions in the Republic of Ireland are regulated by the Financial Regulator.

WE LOOK AT THINGS DIFFERENTLY



creditunion.ie

Supervisory Committee Report to the December 2010 AGM

The members of the Supervisory Committee in 2009 were Eileen Mooney (chairperson), Dermot McCourt and Niall Duffy (secretary).

This is a welcome opportunity for us, the Supervisors to let you know that the S.C. works on behalf of all members to ensure that the Credit Union is operated in accordance with the rules and that therefore your interests are looked after. Specifically for this reason, the S.C. is independent and separate from the Board. We undertake to carry out our duties along the guidelines set out in the Credit Union manual.

The committee meets monthly, in advance of the Board meeting, to review the checks and balances we carried out that month and to agree items to be brought to the Board meeting. In addition, the S.C. formally meets with the Board four times during the year in line with the requirement under the Credit Union rules.

The S.C. has carried out checks as required in the following areas: loan applications; share withdrawals; bank reconciliation; closing cash; officers' loans; and the required annual verification of accounts. We also contribute to the revision of policies as this arises. A member of the S.C. attends the monthly Board meeting. We also get feedback from the auditors about our activities. Last year they felt that we were not always recording our activities in enough detail. We addressed this during the year through our meeting minutes.

We are satisfied that the Credit Union is being run in a satisfactory manner.

I would like to take this opportunity to thank the members of the Board and the Manager and Staff for their help and cooperation and we look forward to continuing good relationships, while protecting member's interests, throughout our term of office.

Thank you.

Eileen Mooney,
Chairperson of the Supervisory Committee.
November 2010

INSURANCE REPORT

Insurance arrangements form an important part of your Credit Union's approach to protecting the assets of Malahide & District Credit Union Ltd and the savings and loans of its members.

Protecting your Credit Union against potential financial loss involves insurance of the major assets such as the building in Railway Avenue and the contents therein, including the computer equipment, potential loss of revenue, potential legal liabilities that may result from accidents involving the public or employees. We have also arranged motor insurance and protection against fraud.

A key and important benefit for members is the Loan Protection and Life Savings insurance. The former provides repayment of the outstanding debt in the event of death of the member and the latter paying a benefit relating to the value of the shares held at the date of the death. This cover is arranged with ECCU Assurance Company Limited, a subsidiary of the Irish League of Credit Unions.

Further, additional life cover is provided for members through the Death Benefit Rider Insurance

These covers are provided free of charge to you, our members, with the premiums payable to ECCU Assurance Company Limited included in the running costs of the Credit Union.

In the current financial year 13 claims were processed with total benefits received amounting to €63,374.64 as follows

Loan Protection Insurance i.e. Loans cleared	€22,662.25
Life Savings insurance on Shares	€23,812.39
Death Benefit Rider Insurance	€16,900.00
Total	€63,374.64

There are also schemes for household and motor insurance available to members at attractive premiums. These schemes include:

Household – Home Union package, which provides cover on Buildings and Household Contents, with optional extensions, through Allianz.

Motor – Auto Union- a discount car insurance package with Allianz Direct, which as the name indicates, is a subsidiary of Alliance.

Cover in respect of these policies can be arranged in your Credit Union office

Alternatively, favourable premiums for any of the foregoing covers can be obtained from Le Chéile General Insurance, in partnership with the AXA group, by making a phone call to 1890 204 204 and stating that you are a member of Malahide and District Credit Union Ltd

Arranging your insurances through the above benefits you, as commission is paid in respect of all policies issued and renewed. During the last financial year commission received amounted to €3,448

Tom O'Sullivan
Insurance Officer



Report of the Membership Committee

The Membership Committee is pleased to report that in the financial year ending 30th September 2010, a total of 301 applications for membership with Malahide & District Credit Union Limited were received and approved.

The breakdown is as follows:

- 215 Adult Members
- 86 Juvenile Members
- 301 Total

When joining the Credit Union, members are required to produce the following documents:

- Photographic identification (Passport, Driving Licence etc.)
- Proof of address within the last two months (bank statement or utility bill e.g. ESB bill)
- In the case of a child under 16 years (Birth Certificate, parent's signature, proof of parent's address)
- Proof of PPS number

The Membership Committee would like to thank the Staff and the Board for their support and co-operation throughout the past year.

Brian Mulligan

On behalf of the Membership Committee

Obituaries

The Board, Volunteers and Staff would like to extend their deepest sympathies to the families and friends of the following members who passed away during the year.

Claire O'Brien
Anolrej Borusevic
Sheila O'Connor
John Dunworth
Tony Meagher
Joan Walsh
Christopher Fayle
Anthony Grogan
Rita Stimpson
Peter Farrell
Bridget Latham
Patrick Mooney
Colm Parsons

TAX REPORT TO REVENUE

Following the introduction of the Return of Payments Regulations 2008, all financial institutions (including credit unions) are obliged to report details in respect of dividend and interest to the Revenue Commissioners. In summary, credit unions must report annually certain details in respect of dividend or interest payments to members in excess of €635; they must also report the first relevant dividend or interest payment on new accounts, irrespective of the size of the payment. Finally, financial institutions must make reasonable efforts to seek Tax Reference numbers (PPS Numbers) from members when new accounts are opened and must store them on their accounting systems. The new account and PPSN provisions also apply to existing members opening second or subsequent accounts.

NOMINATION FORM

We, the undersigned, nominate for Director of Malahide & District Credit Union Limited

Name of Nominee

block capitals

Home Address

.....

SIGNED Membership No:

proposer

SIGNED Membership No:

seconded

CONSENT OF NOMINEE: I, as a member, hereby agree to be nominated as a candidate for a vacancy on the Board of Directors Committee

Closing date for receipt of application is 12.30 pm on Saturday 11th December 2010

SIGNED

nominee

Date: Membership No:

Standing Orders for Credit Unions (Republic of Ireland)

Reference Recommendation 41(b) of the Planning Committee.

1. VOTING.

Each member shall be entitled to one vote irrespective of his/her shareholding, in accordance with Standard Rule 140.

2 - 4 ELECTION PROCEDURE.

2. Nominations may be accepted from the floor in accordance with Standard Rule 138.
3. Elections to the Board of Directors, to the Supervisory Committee and the position of Auditor shall be by majority vote and by secret ballot.
4. A Ballot Paper for the election of the Board and Supervisory Committee, where applicable, will be distributed to each member at the AGM.

5 - 10 MOTIONS.

5. All motions from the floor of the AGM must be proposed and seconded by members present at the AGM and moved by the proposer. If the proposer is absent when the motion is called, the motion shall be deemed to have failed.
6. A proposer of a motion may speak for such period as shall be at the discretion of the Chairman of the meeting and shall have the right of reply before the motion is put to the meeting for a vote.
7. In exercising his/her right of reply, a proposer may not introduce new material.
8. The seconder of a motion shall have such time as shall be allowed by the Chairman to second the motion.
9. Members are entitled to speak on any such motion and must do so through the Chair. All speakers to any motion shall have such time as shall be at the discretion of the Chairman.
10. The Chairman shall have the absolute right to decide at any time when a motion has been sufficiently discussed and may put the motion to the meeting giving the proposer the right of reply before doing so.

11 - 16 MISCELLANEOUS.

11. The Chairman of the Board of Directors shall be the Chairman of any general meeting, except where he/she is not available, in which

case it shall be the Vice-Chairman, except where he/she is not available, in which case the Board shall decide amongst themselves who shall act as Chairman of any general meeting.

12. The Chairman may at his/her discretion, extend the privilege of the floor to any person who is not a member.
13. Matters not covered by the Agenda may be introduced under "Other Business" at the discretion of the Chairman.
14. The Chairman's decision on any matter relating to these Standing Orders or interpretation of same shall be final.
15. In accordance with Standard Rule 133 (1) no member shall have more than one vote on each question at any general meeting of the credit union or any adjournment thereof irrespective of his/her shareholding or the number of accounts in his/her name in the credit union provided, however, that except in voting at elections, the presiding member shall have a second or casting vote in the event of equality of voting. Voting by proxy shall be allowed only when a member other than a natural person votes through a representative, who is a member of the group, duly authorised in writing for that purpose and accepted as such by the board of directors. Refer to Standard Rule 139 also re election procedure.
16. Any matter to be decided upon by vote at the AGM shall, unless otherwise expressly provided for by law or the rules, be decided upon by simple majority.

17. SUSPENSION OF STANDING ORDERS.

Any one of these Orders or all of these Standing Orders may be suspended on a motion to this effect receiving a two-thirds majority of those present and entitled to vote.

18. ALTERATION OF STANDING ORDERS.

Standing Orders may be amended or altered at a general meeting and only if a motion to this effect has received a two-thirds majority of those present and voting.

19. ADJOURNMENTS.

Adjournments of the AGM shall take place only in accordance with Standard Rule 133.

The wise choice for student loans.

College is expensive. And there's a lot more to pay for than fees. Your credit union will help you by tailoring a loan to suit your needs and circumstances. Not a member? Contact your local credit union or visit **creditunion.ie** and find out how you can benefit.

Your credit union is run by people like you, for people like you
- we've been there.



Loans are subject to approval terms and conditions apply.
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WE LOOK AT THINGS DIFFERENTLY



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Monday	10:00am – 2:00pm	
Tuesday	10:30am – 2:00pm	and 6:00pm – 8:00pm
Wednesday	10:00am – 2:00pm	
Thursday	10:00am – 2:00pm	
Friday	10:00am – 2:00pm	and 6:00pm – 8:00pm
Saturday	9:30am – 12:30pm	

We are closed Sunday & Bank Holidays

Contact Details

Malahide & District Credit Union Ltd

1 Railway Avenue

Malahide

Co. Dublin

Tel: 01 845 1400

Fax: 01 845 4683

E-Mail: info@malahidecu.ie

Web: www.malahidecu.ie

Strong • Safe • Secure