



**MALAHIDE**  
CREDIT UNION

**Together  
We're Stronger**

**Annual General Meeting  
28th January 2019  
7.30pm  
Grand Hotel**

# **2018**

## **ANNUAL REPORT**

4 Main Street, Malahide, Co. Dublin  
Tel: 01 845 1400 | Fax: 01 845 4683  
Email: [info@malahidecu.ie](mailto:info@malahidecu.ie)



## MISSION STATEMENT

*"Our mission is to fulfil the financial needs of our members, through excellent service, based on mutual trust and integrity"*



Board of Directors

<p>Notice of AGM - Notice of Elections</p> <p><b>4</b></p>	<p>Order of Business</p> <p><b>5</b></p>	<p>Directors and Other Information</p> <p><b>6</b></p>
<p>Notice of Motions</p> <p><b>7</b></p>	<p>Standing Orders</p> <p><b>8</b></p>	<p>Report of the Nomination Committee</p> <p><b>10</b></p>
<p>Message from our Chairman</p> <p><b>11</b></p>	<p>Year in Review from our Manager</p> <p><b>12</b></p>	<p>Report of the Board Oversight Committee</p> <p><b>14</b></p>
<p>Report of the Credit Control Committee</p> <p><b>15</b></p>	<p>Report of the Credit Committee</p> <p><b>16</b></p>	<p>Report and Financial Statements</p> <p><b>17</b></p>

## NOTICE OF ANNUAL GENERAL MEETING

### Invitation from the Secretary

**2018 Annual General Meeting 7.30pm Monday 28th January 2019**

**Grand Hotel, Malahide**

*Dear Member,*

*It is my pleasure to invite you, as a member of Malahide & District Credit Union Limited, to our Annual General Meeting for 2018.*

*The meeting will take place on the 28th January 2019 at 7.30pm in the Grand Hotel, Malahide. The agenda for the meeting is on the following pages along with the financial statements for your Credit Union. I would encourage you to read it and attend the meeting to exercise your democratic right to participate in proceedings.*

*The Annual General Meeting is open to all members of Malahide & District Credit Union Limited. Members who are over 16 years of age and who hold more than €1.00 in their share account on the 30th September 2018 are entitled to vote at the meeting.*

*In order to attend the meeting members are required to produce:*

- *Photo ID and*
- *Passbook or Malahide Credit Union Account Statement.*

*Elections will be held to fill four vacancies on the Board of Directors, two positions on the Board Oversight Committee and the position of Auditor.*

*In keeping with tradition as part of the night, we will have a free prize draw for all members who attend the AGM.*

*I look forward to seeing you at the meeting.*



**Geraldine Fay**  
Secretary

## AGENDA

- (1) Ascertainment that a Quorum is present
- (2) Adoption of Standing Orders
- (3) Reading and approval (or correction) of Minutes of 2017 Annual General Meeting
- (4) Report of the Board of Directors
- (5) Presentation of Financial Statements
- (6) Report of the Auditor
- (7) Declaration of Dividend
- (8) Motions
- (9) Rule Changes
- (10) Report of the Board Oversight Committee
- (11) Committee Reports
  - Credit Committee
  - Credit Control Committee
  - Membership Committee
  - Nomination Committee
- (12) Elections
  - Appointment of Tellers
  - Election to fill vacancies on the Board of Directors
  - Election to fill vacancies on the Board Oversight Committee
  - Election of Auditor
- (13) Presentations & Prize Draw
- (14) Any Other Business
- (15) Announcement of Election Results
- (16) Adjournment or close of meeting.



## DIRECTORS AND OTHER INFORMATION

<b>Directors</b>	<p>John O'Halloran (Chairperson)</p> <p>Michael Dowling (Vice-chairperson)</p> <p>Geraldine Fay (Secretary)</p> <p>Bryan O'Flaherty</p> <p>Martin Sisk</p> <p>Donal Murphy</p> <p>Stephen Mac Donagh</p> <p>Mary Gleeson</p> <p>Ciaran Lynam</p> <p>Claire Dowdall</p> <p>Sheilagh McGirl (Resigned 30 September 2018)</p>
<b>Board Oversight Committee</b>	<p>Eileen Mooney (Chairperson)</p> <p>Catherine Leahy</p> <p>Claudia Lupo (Resigned 31 August 2018)</p> <p>Liz O'Connor (Co-opted 31 August 2018)</p>
<b>Manager</b>	Vivienne Keavey
<b>Internal Auditor</b>	Moore Stephens
<b>Registered Number</b>	268CU
<b>Registered Office</b>	<p>4 Main Street,</p> <p>Malahide, Co. Dublin.</p>
<b>Independent Auditor</b>	<p>FMB Advisory Limited,</p> <p>4 Ormond Quay Upper, Dublin 7</p>
<b>Bankers</b>	<p>Bank of Ireland,</p> <p>The Mall, Malahide, Co. Dublin.</p>
<b>Solicitors</b>	<p>Devaney &amp; Partners,</p> <p>Main Street, Malahide,</p> <p>Co. Dublin</p>

## NOTICE OF MOTIONS

It is proposed that:

1. The affiliation fee to the Irish League of Credit Unions (ILCU for the year ended 30th September 2018 will be €1.50 per adult member, to be deducted from member's shares

## RULE CHANGES

**Resolution No. 13** That this Annual General Meeting amends the Standard Rules for Credit Unions (Republic of Ireland) by the deletion of Rule 109(8) (see below).

**Rule 109(8)** Subject to the Act and any regulations made thereunder, the forms used by the credit union shall contain as a minimum the information as set out in the forms contained in the Appendices to these rules which forms may be amended from time to time by the Irish League of Credit Unions.

## MYTH BUSTERS



- It's easy to open an account
- Anyone who lives or works in Malahide can join
- No waiting time to apply for a loan
- Most loans are processed within one day
- You can borrow for just about any purpose
- We don't just do small loans
- Save a little... borrow a lot!

## WE WANT YOU

## WE CAN MAKE A DIFFERENCE! TOGETHER...

### Explore the **BENEFITS** of becoming a **VOLUNTEER**

- ✓ Learn new skills in a senior role in a professional financial service provider
- ✓ Role-specific training and education
- ✓ Personal development
- ✓ Meet new people from the community
- ✓ Work on developmental & business projects
- ✓ Give something back to your community

## STANDING ORDERS

### 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 section 82(2) of the Credit Union Act, 1997 (as amended)

#### 2 - 3 ELECTION PROCEDURE

2. Elections to the board of directors, to the board oversight committee and the position of auditor shall be by majority vote and by secret ballot.
3. When nominations are announced tellers shall be appointed by the chair and ballot papers shall be distributed. Nominations shall be in the following order: (a) nominations for auditor; (b) nominations for members of the board oversight committee; (c) nominations for directors. When voting is completed, the votes shall be taken and tallied by the tellers. Any ballot paper which contains votes for more than the number required to be elected shall be void. All elections shall be by secret ballot and by majority vote. When the votes have been counted by the tellers, the results shall be announced by the chair. In the event that all vacancies are not filled by the first ballot further ballots shall be taken as required. In the event of an equality of votes between candidates for the remaining vacancies not filled in accordance with the above procedure one further ballot shall be taken and should that ballot fail to determine the issue, the vacancies shall be filled by lot from among such candidates having an equality of votes.

#### 4 - 9 MOTIONS

4. 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.
5. A proposer of a motion may speak for such period as shall be at the discretion of the chair of the meeting and shall have the right of reply before the motion is put to the meeting for a vote.
6. In exercising his/her right of reply, a proposer may not introduce new material.
7. The seconder of a motion shall have such time as shall be allowed by the chair to second the motion.
8. 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 chair.
9. The chair 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.

#### 10 - 15 MISCELLANEOUS

10. The chair of the board of directors shall be the chair of any general meeting, except where he/she is not available, in which case it shall be the vice-chair, except where he/she is not available, in which case the board shall decide amongst themselves who shall act as chair of any general meeting.
11. The chair may at his/her discretion, extend the privilege of the floor to any person who is not a member.
12. Matters not covered by the Agenda may be introduced under "Other Business" at the discretion of the chair.
13. The chairman's decision on any matter relating to these Standing Orders or interpretation of same shall be final.
14. 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.
15. 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.

#### 16. 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.

#### 17. 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.

#### 18. ADJOURNMENTS

Adjournments of the AGM shall take place only in accordance with section 81(1) of the Credit Union Act, 1997 (as amended).

## NOMINATION COMMITTEE REPORT NOTICE OF ELECTIONS

The role of the Nomination Committee, once appointed by the Board, is to provide suitable candidates for director and board oversight positions within Malahide & District Credit Union Limited.

The committee, comprising of at least 3 board members, meets a minimum of four times a year. Among the duties of the Nomination Committee is the review of the succession plan on an annual basis. In doing this, the Committee must ensure that there is at least one suitable candidate for each vacancy for which an election is required at the subsequent AGM. The Committee must also review the composition of the Board and ensure a balance and sufficiency of skills. This is particularly relevant in the dynamic of today's Credit Union movement, with new governance demands, new technology, mergers and financial challenges. The Nomination Committee is satisfied that the Board and the Board Oversight Committee are well suited in balance, succession and sufficiency of skills to meet the challenges facing your Credit Union.

At the time of writing there are four vacancies on the board of directors, three of which are generated by current members going forward for re-election, and one precipitated by a resignation. There are two vacancies on the Board Oversight Committee, one through resignation and one generated by a member going forward for re-election..

During the course of the year, the Nomination Committee identified candidates to stand for the above positions and they have been assessed under the fitness and probity regime, as required by the Central Bank, with satisfactory results. The names of such candidates appear on the ballot paper for this AGM.

During the year Board Oversight Committee member Claudia Lupo informed the board that, due to pressure of work, she could no longer give the board her full commitment and thus tendered her resignation. The Board thanks Claudia for her contribution. Ms. Liz O'Connor was co-opted to the Board Oversight Committee in her stead. Also, Ms. Sheilagh McGirl informed the board that she was unable to devote sufficient time to fulfil her duties and tendered her resignation at the end of the financial year. We thank Sheilagh for her dedication over the years. \*At the time of writing, arrangements are under way to co-opt her replacement, who will also go forward for election at the AGM.

All members are entitled to put themselves forward for nomination to the Board/Board Oversight Committee for future years. Expressions of interest can be submitted in writing to 'The Nomination Committee, Malahide Credit Union, 4 Main Street, Malahide, Co. Dublin. As Board positions are controlled functions under the Central Bank's Fitness and Probity regulations, the Nomination Committee must undertake due diligence on all applicants.

There is one candidate proposed by the Board of Directors for the position of Auditor.

- FMB Advisory Limited

We in the Credit Union are always seeking volunteers to work on committees, with a view to joining the Board of Directors in due course. If you have an interest in Credit Union affairs why not contact the undersigned at our Main Street office.

On behalf of the Nominations Committee,



**Stephen MacDonagh** - Chairman

Committee Members: Stephen MacDonagh, Bryan O'Flaherty, Mary Gleeson

## MESSAGE FROM OUR CHAIRMAN



Dear Members

*This was my first year as Chair and your Board has continued with the good work of previous years. We are all volunteers who give what time we can to help ensure our credit union is managed well, complies with our obligations under the Credit Union Acts and develops products that meet the needs of our members. This is made possible through the work of many special people. Our manager, Vivienne Keavey, leads wonderful staff who are the friendly face and hard-working engine of our credit union. Their task is not always easy as they must balance demanding regulatory requirements, that apply to all financial institutions, with their desire to provide a friendly and efficient service to our members. This is a good opportunity to thank Vivienne and her team for another successful year. Their day-to-day work is supported by our volunteers who make up the Board of Directors, the Board Oversight Committee, Credit Committee and other committees as set out by legislation and good practice. The quantity and quality of work needed to ensure good governance of your credit union has increased every year and is dependent on the continued commitment and expertise of our volunteers. I am happy to advise that their experience, knowledge and energy continues to ensure we have a secure, well-governed and successful credit union.*

*The annual report includes the results for the Financial Year to September 2018. These results show a net surplus that has declined since last year, due mainly to very low returns on our investments which reflect the broader world economy. The results also show a strong and improving balance sheet with excellent growth in lending, members' shares that have stabilised and good capital reserves. This reflects our strategy of focussing on loan growth which moves spare cash away from investments over to members' loans. This will, in turn, generate improved income in the future and a greater surplus. We have continued to restrict members share balances to protect our capital ratio and once again propose a low dividend in line with our strategy. This is our 4th year running to show loan growth and we are aiming to increase our lending further in 2019. I encourage you, your families, neighbours and friends to consider your Credit Union for your financial needs. We believe we have a loan that suits your needs.*

*Recent years have seen many credit unions engage in mergers to create fewer, larger credit unions. Today, Malahide is surrounded on all sides by large credit unions created through this process. While we have been approached by other credit unions to consider merging with them your Board have decided that the interests of our members are best served by remaining independent. To date our strong balance sheet, high-quality governance and clear strategy have ensured that this is possible. However, we remain aware of the continued pressure to reduce the number of credit unions through mergers and must always ensure our reasons to remain independent are valid and in our members best interests. The future role for credit unions in Ireland continues to be discussed by the Central Bank and others and we must ensure that we continue to be relevant.*

*Finally, 2019 will see our credit union celebrating its 50th birthday. The world has changed greatly in 50 years and our credit union has evolved to meet members needs. I would hope that decisions made now will ensure we will be as successful in the next 50 years as we have been in the first. We expect to mark this special occasion in September and hope that as many members as possible can share this milestone.*

*I wish you all a healthy, happy and successful 2019 and trust you will continue to value your local credit union.*



**John O'Halloran**  
Chairman



## THE YEAR IN REVIEW

### – Vivienne Keavey, Manager

*It's hard to believe how time has flown by but in September 2019 Malahide Credit Union will be 50 years old! Throughout those years the credit union has been an integral part of the community of Malahide and with your help, will continue to be for the next fifty years as well. We are determined to remain as an independent credit union as we firmly believe that this is the best way for us to stay connected to our members and provide you with the specific and unique set of services that we know you want and need. Malahide Credit Union is not a branch of some large, faceless entity, its remit is to provide financial services on a not-for-profit basis for all its members, whatever their circumstances. We especially want to help our younger members to make a start in their 'financial journey', to establish a savings habit and borrowing record that will stand to them when they need to make their big financial decisions, such as a mortgage or business loan.*

*To continue the positive tone, I am delighted to report that 2018 was another successful year for us in a pretty challenging business and operating environment. We achieved excellent results in just about all of the key performance areas of our business. This has reinforced our determination to remain independent! However, our independence is contingent on us remaining financially strong and achieving this is dependent on encouraging as many of our members as possible to do their borrowing business with us. We offer flexible and innovative loan products that provide better value than the alternatives – feel free to compare our rates to those available elsewhere and don't forget our Loan Protection Insurance (provided free of charge to borrowers) that pays off your loan in the event of your death. Coupled with our friendly, face to face service and member-friendly opening hours, we believe that our product and service offering is second to none. So please think of us first and encourage your friends and family to give us a try.*

#### 50 years serving the people of Malahide

7,535 members, over 400 joined in 2018	Comprehensive range of financial services	Friendly and dedicated staff and volunteers
Value loan products for any purpose	Opening hours to suit your needs	Independent and focused on you
€4.9m in new loans granted in 2018	Great location on Main Street	Strong finances and reserves

*During the year we granted over €4.9 million in new loans to over 900 members, with our 7.5% Home Renovation Loan and our 6.9% Car Loan being our star performers. So if you want to give your house that long-awaited makeover or get yourself a nice(r) car (that you will own from day one), please think of us for your financial needs. During the year we introduced a special Welcome*

*Loan for people who have never borrowed from us before, just to show them the great value available from Malahide Credit Union and to encourage them to do business with us in future.*

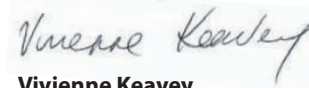
*408 new members joined us in 2018 (of whom 136 were aged under 16), bringing our total membership to 7,535. We have implemented two separate limits in an effort to curb savings growth in our credit union, an upper savings limit of €20,000 and a monthly lodgment cap of €2,000. We are delighted that members want to save with us but in recent years the rate of savings growth was having a detrimental impact on our business as a whole. Our Balance Sheet was growing more quickly than our Reserves and this was putting a strain on our income as we tried to maintain our prudent capital ratio while investing in new services for members. These limits have slowed savings growth and we have decided to leave them in place for 2019 – but we will keep them under regular review. We have also made a strategic decision to reduce the level of life cover on members' savings from €12,700 to €3,000 from 1st January 2019. This decision, which we made reluctantly, will save the credit union over €20k per annum.*

*In financial terms we had another good year. Our income was down on last year but if we exclude the once-off investment gains that we received in 2017 our core income was up due to loan growth. We were able to take €50k back from our bad debt provision and collected over €31k from repayment of bad debts that were previously written-off. Our operating expenses increased by €17k due to the cost of implementing the new GDPR requirements. We have increased our marketing activity to encourage our members to think of us first for their borrowing needs and this has helped to increase our loan portfolio by almost €1.2m, the second successive 20% annual increase. But we still have lots more to lend! Our Surplus of €62k for the year is a good result in the circumstances.*

*All of the above has left us in a financially strong position, with Reserves of over €3 million which equates to almost 14% of our assets, well in excess of the 10% required by the Central Bank. We believe that we have built a strong base that will enable us to grow and thrive and to continue to provide our comprehensive range of services in an efficient and member-focused way. We are confident that with your continued support we can continue to prosper as an independent and successful credit union. Together we're stronger!*

*I would like to thank my colleagues, both our volunteers and staff for their ongoing commitment and dedication to the achievement of our strategic objectives. I want to compliment our staff (our most valuable asset!) for their enthusiasm in dealing with our members and their willingness to endure the increased workload that has resulted from the legislative changes of the past few years. Here's to another good year!*

*Finally, can I take this opportunity to wish all of our members and their families a very happy and prosperous New Year.*



**Vivienne Keavey**  
Manager  
January 2019



## REPORT OF THE CREDIT COMMITTEE

Malahide Credit Union continues to increase our lending to members and we have had another buoyant year in fulfilling members' requirements. I would ask you to consider your Credit Union first for your borrowing requirements as we provide very competitive interest rates and a suite of flexible loan products that will address all your short or medium term loan requirements.

**NEW! Welcome Loan**, introductory loan for new members or existing members who have never borrowed from us. Loans from € 5,000 upwards for any purpose repayable over a maximum term of 5 years at a very low interest rate of 7.9% (8.19% APR)

**Home Renovation Loan**, for home extension or renovation costs up to €75,000, repayable over terms of up to ten years with a low interest rate of 7.5% (7.76% APR),

**Flexi Education Loan** - For all your education expenses for as long as your course lasts. You have the comfort of knowing that if you keep your repayments up to date, your subsequent loan will be approved the following year (subject to ability to repay). Rate 7.5% (APR 7.76%)

**Promotional Car Loan** provides finance for new or used cars for up to €50,000, repayable over terms of up to five years with a low interest rate of 6.9% (7.12% APR). If you are currently in a Personal Contract Plan (PCP) with a motor dealer, you can also borrow from us at this low rate to finance your PCP "balloon" payment. Also perfect for financing imported cars.

We welcome applications from all members based on our lending criteria and principally, your ability to repay.

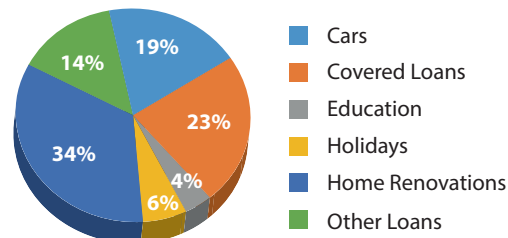
We will continue to monitor our product range, interest rates and loan assessment process to fully provide for all our members requirements.

We lent €4,910,553 to over 900 members with an average value of €5,300 in the 12 months to the end of September 2018.

Total value of loans granted



### WHAT ARE OUR MEMBERS BORROWING FOR?



I would like to thank the members of the Credit Committee, Ciaran Lynam and Mary Gleeson for their time, patience and guidance. I would like to thank my fellow Board members and staff for all their input. Malahide Credit Union wants to lend and we have products and interest rates to beat or match our competitors.



**Michael Dowling** - Chairman

Committee Members: Michael Dowling, Ciaran Lynam, Mary Gleeson

## CREDIT CONTROL COMMITTEE REPORT

The main function of the Credit Control Committee is to oversee the Credit Control function to ensure that members repay their loans in accordance with the terms of their Credit Agreements, thereby protecting our members' savings.

The Committee works closely the Credit Control team by meeting on a monthly basis. All loans are monitored to ensure the Credit Control team proactively engages with members especially at the early stage where we can develop a workable repayment plan for the member.

In circumstances where members do not engage with the Credit Union, our Credit Control team will pursue recovery of debts through all means necessary which may include legal proceedings.

When a loan is charged off, it is not forgotten but is pursued for full payment or revisited to see if the member's circumstances have changed.

Bad debts recovered 2018	€31,421	(€50,990 in 2017)
Loans charged off 2018	€6,706	(€5,502 in 2017)

Members should note that the new Central Credit Register holds information on a loan for 5 years after it has been repaid. Any loan that remains unpaid may impact on your ability to obtain credit from other financial institutions in the future.

The majority of our members pay their loans in accordance with their credit agreement and we thank them but we also understand that some member's financial circumstances can change and repayment of a loan can become a struggle. Our staff are highly trained and experienced in dealing with this sensitive area and we would encourage any member in difficulty not to ignore the problem and to contact a member of the credit control team at the earliest opportunity. We generally can agree a solution or recommend a course of action bases on each member's individual circumstances.

The Committee wishes to acknowledge the outstanding work performed by the Manager and Credit Control Office during the year which has resulted in our bad debt ratio being significantly below the national average, and, in fact, the best in our asset group by some distance.

In conclusion, we thank you for your continued support and, hopefully with your assistance, we will see an even better year for Credit Control and your Credit Union in 2019.



**Stephen MacDonagh** - Chairman

Committee members: Stephen MacDonagh, Bryan O'Flaherty, Sheilagh McGirl



## REPORT OF THE BOARD OVERSIGHT COMMITTEE

*The members of the Board Oversight Committee in 2018 were Eileen Mooney (chairperson), Catherine Leahy (secretary) and Claudia Lupo.*

*We work on behalf of members of Malahide Credit Union to ensure that your interests are looked after and we would ask you to note that we are independent and separate from the Board.*

*In general the functions of the Board Oversight Committee relate to the assessment, evaluation and reporting on whether the Board of Directors has operated in accordance with Part 1A and 1VA of the 1997 Act. The Board Oversight Committee is not directly involved in the operations of the Credit Union. The Board Oversight Committee has participated in further training courses to meet fitness and probity requirements as laid down by the Central Bank and we thank the Board for their co-operation.*

*Our work plan for the coming year will again focus on the functions of the Board of Directors, Board Committees, Internal Audit, and Risk Management & Compliance. At least one Board Oversight Committee member is in attendance at the Board Meetings, and the Board Oversight Committee meets with the Board quarterly to ensure that the Board is complying with the new legislation. We will continue to attend meetings of the various committees and liaise with the Internal Auditor and Risk Management & Compliance Officer.*

*The audits demonstrated that high standards of governance are in place and we are satisfied that your Credit Union is being run in a very satisfactory manner and that the Board of Directors has operated in accordance with Part IV and IVA of the 1997 Act.*

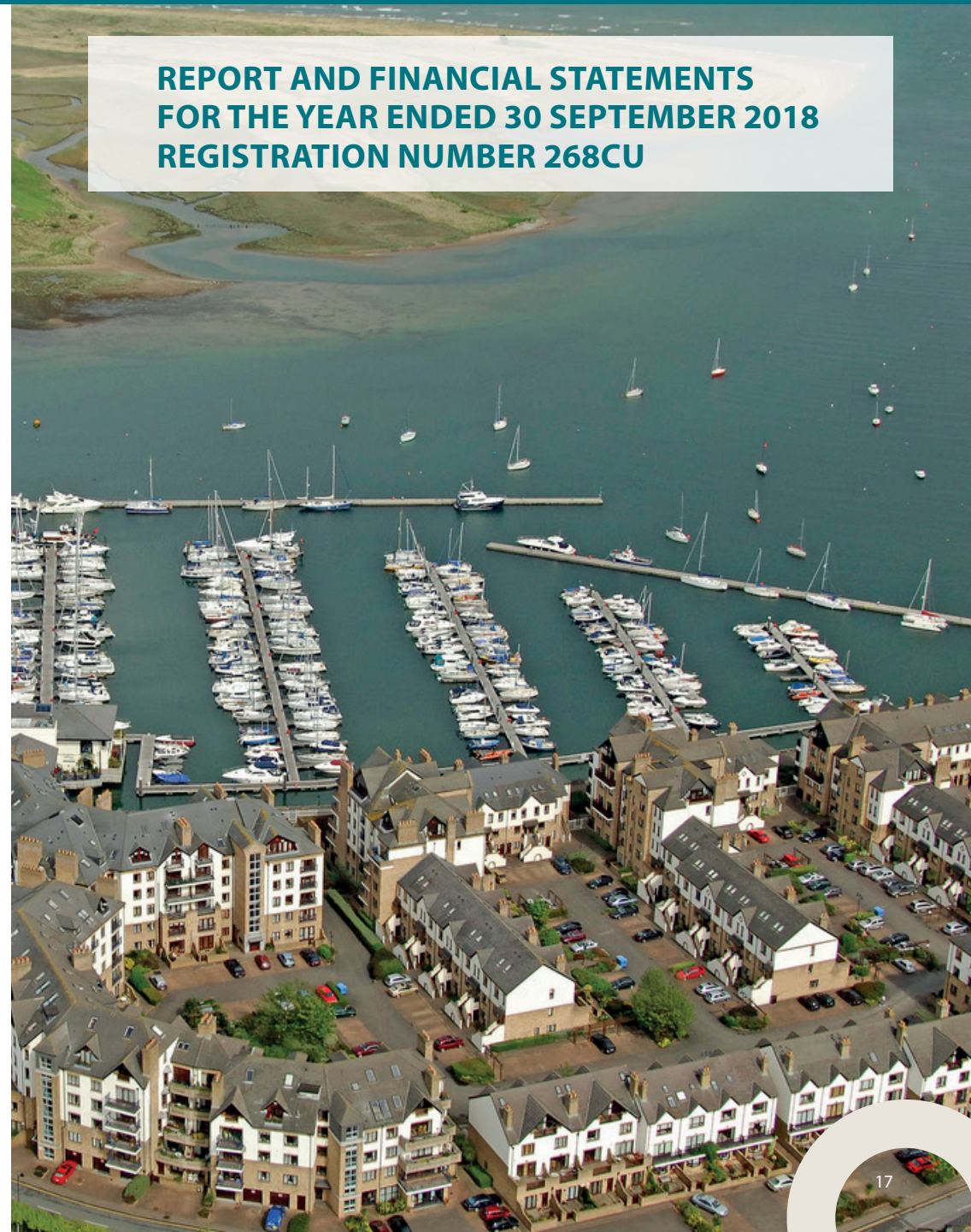
*Finally, we would like to thank the members of the Board and the Manager and Staff for all their co-operation and help throughout the year.*



**Eileen Mooney**

Chairperson of the Board Oversight Committee

## REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018 REGISTRATION NUMBER 268CU



## ACCOUNTS CONTENTS

	Page
Directors' Report	19
Statement of Directors' Responsibilities	21
Statement of Board Oversight Committee Responsibilities	21
Independent Auditors' Report	22
Accounting Policies	24
Income and Expenditure Account	29
Balance Sheet	30
Statement of Changes in Reserves	31
Cash Flow Statement	32
Notes to the Financial Statements	33
 Additional Information (Not forming part of the statutory audited Financial Statements):	
Schedule 1 - Interest on Loans	44
Schedule 2 - Other Interest Income and Similar Income	44
Schedule 3 - Other Income	44
Schedule 4 - Other Gains	44
Schedule 5 - Other Management Expenses	45
Schedule 6 - Other Losses	45

## DIRECTORS' REPORT for the year ended 30 September 2018

The directors present their report and audited financial statements for the year ended 30 September 2018.

### Principal Activity and Review of Business

On review of the credit union's financial results the following key performance indicators were identified:

	2018	2017
Members Savings movement %	+1.32%	+6.42%
Gross Loan movement %	+19.89%	+20.78%
Regulatory Reserve % of total assets	11.00%	11.00%

The credit union continued to attract additional members' savings during the financial year with member shares having increased from the prior year. Lending activity is continuing to increase strongly with growth of 19.89% in the gross loan book in the financial year indicative of strong loan demand. The credit union continues to maintain regulatory reserves in excess of the regulatory minimum of 10%.

### Results for the year and State of Affairs at 30 September 2018

The income and expenditure account and the balance sheet for the year ended 30 September 2018 are set out on pages 29 and 30.

### Principal Risks and Uncertainties

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

The principal areas currently requiring risk management include:

- Credit risk: The risk of financial loss arising from a borrower, issuer, guarantor or counterparty that may fail to meet its obligations in accordance with agreed terms. In order to manage this risk the Board approves the Credit Unions lending policy and all changes to it. All loan applications are assessed with reference to the lending policy in force at the time. Subsequently, loans are regularly reviewed for any factors that may indicate impairment. The Board approves the Credit Union's Credit Control and Provisioning policies which monitor the procedures for the collection of loans in arrears and also the basis for impairment on loans.
- Liquidity risk: The risk that a credit union will not be able to fund its current and future expected and unexpected cash outflows as they fall due without incurring significant losses. This may occur even where the credit union is solvent. The credit union's policy is to maintain sufficient funds in liquid form at all times to ensure that it can meet its obligations as they fall due. The objective of the liquidity policy is to smooth the timing between maturing assets and liabilities and to provide a degree of protection against any unexpected developments that may arise.
- Capital risk: Capital is required to act as a cushion to absorb losses arising from business operations and to allow a credit union to remain solvent under challenging conditions. Capital risk arises mainly as a result of the quality or quantity of capital available, the sensitivity of the credit union exposures to external shocks, the level of capital planning and the capital



management process. Capital risk could potentially impair a credit union's ability to meet its obligations in an adverse situation. The board manage this risk by ensuring that sufficient reserves are set aside each year to absorb any potential losses.

- Operational risk: The risk of loss (financial or otherwise) resulting from inadequate or failed internal processes or systems of the credit union; any failure by persons connected with the credit union; legal risk (including exposure to fines, penalties or damages as well as associated legal costs); or external events; but does not include reputational risk. Examples of operational risks include hardware or software failures, cyber risk, inadequate business continuity plans, misuse of confidential information, data entry errors and natural disasters.
- Interest rate risk: The interest rate risk arises from differences between the interest rate exposures on loans and investments receivable, as offset by the cost of capital, which is typically that of distributions to members' payable in the form of dividends and interest rebates. The credit union considers rates of interest receivable when deciding on the appropriation of income and its returns to members. The Board monitors such policy in line with the Credit Union Act, 1997 (as amended) and guidance notes issued by the Central Bank of Ireland.
- Strategy/business model risk: This refers to the risk which credit unions face if they cannot compete effectively or operate a viable business model. Strategy/business model risk also includes the inherent risk in the credit union's strategy. The board have developed and approved a detailed strategic plan to formulate the short term direction of the credit union operations.

### Dividends

The directors recommend payment of a dividend of €18,048.00 (0.10%) for the year, (2017 - 0.10%)

### Post Balance Sheet Events

The directors have not identified any post balance sheet events which impact on the figures or disclosures in the financial statements to 30 September 2018.

### Internal Audit Function

In accordance with Section 76K of the Credit Union Act, 1997 (as amended) the board have appointed an internal audit function to provide for independent internal oversight and to evaluate and improve the effectiveness of the credit union's risk management, internal controls and governance process.

### Accounting Records

The Directors believe that they comply with the requirements of Section 108 of the Credit Union Act, 1997 (as amended) 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 credit union's premises at 4 Main Street, Malahide, Co. Dublin.

Approved by the Board on: 12th December 2018



**John O'Halloran**  
Member of the Board of Directors



**Michael Dowling**  
Member of the Board of Directors

## STATEMENT OF DIRECTORS' RESPONSIBILITIES for the year ended 30 September 2018

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 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:

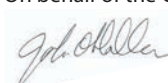
- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the credit union will continue in business.

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 (as amended). 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.

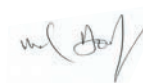
In so far as the directors are aware:

- there is no relevant audit information (information needed by the Credit Union's auditor in connection with preparing the auditor's report) of which the Credit Union's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Credit Union's auditor is aware of that information.

On behalf of the Credit Union :



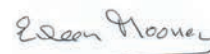
**John O'Halloran**  
Member of the Board of Directors



**Michael Dowling**  
Member of the Board of Directors

## STATEMENT OF BOARD OVERSIGHT COMMITTEE'S RESPONSIBILITIES for the year ended 30 September 2018

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



**Eileen Mooney**  
Member of Board Oversight Committee



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MALAHIDE AND DISTRICT CREDIT UNION LIMITED REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of Malahide and District Credit Union Limited for the year ended 30 September 2018 which comprise the Income and Expenditure Account, the Balance Sheet, the Statement of Changes in Reserves, the Cash Flow Statement and notes to the financial statements, including the summary of significant accounting policies set out on pages 10 - 14. The 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'.

### 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 2018 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been properly prepared in accordance 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) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described below 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 ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory 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 ISAs (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 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.

### Opinion on other matters prescribed by the Credit Union Act 1997, (as amended).

Based solely on the work undertaken in the course of the audit, we report that:

- 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, and
- the financial statements are in agreement with the accounting records.

### Respective responsibilities

#### Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set on page 21, 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 they 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 going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Credit Union or to cease operations, or has 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's website at [http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description\\_of\\_auditors\\_responsibilities\\_for\\_audit.pdf](http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf). This description forms part of our auditor's 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.

FMB Advisory Limited, 4 Ormond Quay Upper,  
Chartered Accountants Dublin 7

Statutory Audit Firm DATE: 14th December 2018

## ACCOUNTING POLICIES

### for the year ended 30 September 2018

#### Statement of Compliance

The financial statements of the credit union for the year ended 30 September 2018 have been prepared on the going concern basis and in accordance with generally accepted accounting principles in Ireland and Irish statute comprising the Credit Union Act 1997 (as amended) and in accordance with the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS 102) issued by the Financial Reporting Council.

#### Basis of Preparation

The financial statements have been prepared under the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the credit union's financial statements.

#### 1. GOING CONCERN

The financial statements are prepared on the going concern basis. The directors believe this is appropriate as the Credit Union:

- is consistently generating annual surpluses;
- is maintaining appropriate levels of liquidity in excess of minimum legislative requirements;
- and
- has reserve levels which are significantly above the minimum requirements of the Central Bank.

#### 2. INCOME RECOGNITION

Income is recognised to the extent that it is probable that the economic benefits will flow to the Credit Union and the revenue can be reliably measured. Income 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 loans to members is recognised using the effective interest method and is calculated and accrued on a daily basis.

##### Investment Income

The Credit Union uses the effective interest method to recognise investment income.

##### Other Income

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

#### 3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand and loans and advances to banks (i.e. cash deposited with banks) with maturity of less than or equal to three months.

#### 4. 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.

Loans are derecognised when the right to receive cash flows from the asset have expired, usually when all amounts outstanding have been repaid by the member.

##### Investments held at Amortised Cost

Investments designated on initial recognition as 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 uncollectability. 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.

##### Held to Maturity Investments

Investments designated on initial recognition as held-to-maturity are investments that the credit union intends, and is able to, hold to maturity. These are carried at amortised cost using the effective interest method. The fair value of some investment products will change during their life, but they will have a fixed maturity value at some future date. When designated as held-to-maturity, any change in the fair value during the term of the investment is ignored, with the credit union only accounting for interest received. Gains and losses are recognised in income when the investments are derecognised or impaired, as well as through the amortisation process. Investments intended to be held for an undefined period are not included in this classification.

##### Central Bank Deposits

Credit Unions are obliged to maintain certain deposits with the Central Bank. These deposits are technically assets of the credit union but to which the credit union has restricted access. The funds on deposit with the Central Bank attract nominal interest and will not ordinarily be returned to the credit union while it is a going concern. In accordance with the direction of the Central Bank the amounts are shown as current assets and are not subject to impairment reviews.

#### 5. 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 transfer to another party substantially all 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 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.

## 6. 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.

## 7. 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.

## 8. TANGIBLE FIXED ASSETS

Tangible fixed assets comprises items of property, plant and equipment, 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 is provided to write off the cost of each item of property, plant and equipment, less its estimated residual value, on a straight line basis over its estimated useful life. The categories of property, plant and equipment are depreciated as follows:

Premises	-	2.5% Straight Line
Computer equipment	-	25% Straight Line
Office equipment	-	10% Straight Line

Gains or losses arising on the disposal of an asset are determined as the difference between the sale proceeds and the carrying value of the asset, and are recognised in the Income and Expenditure account.

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.

## 9. EMPLOYEE BENEFITS

### 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.

### 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.

## 10. IMPAIRMENT OF MEMBERS LOANS

The credit union assesses, at each balance sheet date, if there is objective evidence that any of its loans to members are impaired. The loans are assessed collectively in groups that share similar credit risk characteristics. Individually significant loans are assessed on a loan by loan basis. In addition, if, during the course of the year, there is objective evidence that any individual loan is impaired, a specific loss will be recognised.

Bad debts/impairment losses are recognised in the Income and Expenditure Account, as the difference between the carrying value of the loan and the net present value of the expected cash flows.

## 11. FINANCIAL LIABILITIES - MEMBERS' SHARES AND DEPOSITS

Members' shareholdings and deposits are redeemable and therefore are classified as financial liabilities. They are initially recognised at the amount of cash deposited and subsequently measured at the nominal amount.

## 12. DE-RECOGNITION OF FINANCIAL LIABILITIES

Financial liabilities are derecognised only when the obligations of the Credit Union specified in the contract are discharged, cancelled or expired.

## 13. DIVIDENDS AND OTHER RETURNS TO MEMBERS

Dividends are made from current year's surplus or a dividend reserve set aside for that purpose. The Board's proposed distribution to members each year is based on the dividend policy of the Credit Union.

The rate of dividend 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 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 its reserves to absorb unexpected shocks and still remain above minimum regulatory requirements.

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



#### 14. TAXATION

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

#### 15. RESERVES

Retained earnings are the accumulated surpluses to date that have not been declared as dividends returnable to members. The retained earnings are subdivided into realised and unrealised. In accordance with the Central Bank Guidance Note for Credit Unions on Matters Relating to Accounting for Investments and Distribution Policy.

##### *Regulatory Reserve*

The Credit Union Act 1997 (Regulatory Requirements) Regulations 2016 requires Credit unions to establish and maintain a minimum regulatory reserve requirement of at least 10% of the assets of the credit union. This reserve is to be perpetual in nature; freely available to absorb losses; realised financial reserves that are unrestricted and non-distributable. This reserve is similar in nature and replaces the Statutory Reserve which was a requirement of previous legislation.

##### *Operational Risk Reserve*

Section 45(5)(a) of the 1997 Act requires each credit union to maintain an additional reserve that it has assessed is required for operational risk having regard to the nature, scale and complexity of the credit union. Credit Unions are required to maintain a minimum operational risk reserve having due regard for the sophistication of the business model.

The definition of operational risk is the risk of losses stemming from inadequate or failed internal processes, people and systems or from external events. The directors have considered the requirements of the Act and have considered an approach to calculation of the operational risk reserve based on indicative guidance issued by the Central Bank.

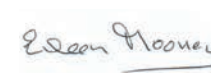
#### INCOME AND EXPENDITURE ACCOUNT for the year ended 30 September 2018

	Schedule	2018 €	2017 €
<b>INCOME</b>			
Interest on loans	1	583,909	528,597
Other interest income and similar income	2	121,156	154,273
Net Interest Income		705,065	682,870
Other income	3	6,366	12,103
Other gains	4	-	95,119
<b>TOTAL INCOME</b>		<b>711,431</b>	<b>790,092</b>
<b>EXPENDITURE</b>			
Salaries		260,927	236,403
Other management expenses	5	411,043	421,750
Depreciation		52,271	47,369
Other losses	6	-	1,912
Bad debts provision		(50,134)	(42,522)
Bad debts recovered		(31,421)	(50,990)
Bad debts written off		6,706	5,502
<b>TOTAL EXPENDITURE</b>		<b>649,392</b>	<b>619,424</b>
<b>EXCESS OF INCOME OVER EXPENDITURE FOR THE YEAR</b>		<b>62,039</b>	<b>170,668</b>
Other comprehensive income		-	-
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>62,039</b>	<b>170,668</b>

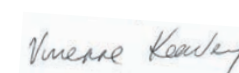
On behalf of the Credit Union :



**John O'Halloran**  
Member of Board  
of Directors



**Eileen Mooney**  
Member of the  
Board Oversight Committee



**Vivienne Keavey**  
Manager

The accompanying notes form part of these financial statements.

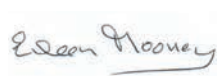
**BALANCE SHEET**

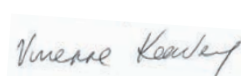
for the year ended 30 September 2018

	Note	2018 €	2017 €
<b>ASSETS</b>			
Cash and cash equivalents	6	3,031,085	3,210,705
Investments	7	10,642,285	11,429,000
Loans	8	7,172,543	5,982,529
Less provision for bad debts	11	(195,829)	(245,963)
Tangible fixed assets	12	1,301,601	1,345,888
Debtors, prepayments and accrued income	13	88,759	82,870
<b>TOTAL ASSETS</b>		<b>22,040,444</b>	<b>21,805,029</b>
<b>LIABILITIES</b>			
Members' shares	14	18,793,252	18,547,853
Q-cash accounts	15	125,888	152,393
Other liabilities, creditors, accruals and charges	16	45,071	70,811
<b>TOTAL LIABILITIES</b>		<b>18,964,211</b>	<b>18,771,057</b>
<b>RESERVES</b>			
Regulatory reserve	18	2,424,449	2,398,553
Operational risk reserve	18	100,030	100,030
Other reserves			
- Realised reserves	18	551,001	532,342
- Unrealised reserves	18	753	3,047
<b>TOTAL RESERVES</b>		<b>3,076,233</b>	<b>3,033,972</b>
		<b>22,040,444</b>	<b>21,805,029</b>

On behalf of the Credit Union:


**John O'Halloran**  
Member of Board  
of Directors


**Eileen Mooney**  
Member of the  
Board Oversight Committee


**Vivienne Keavey**  
Manager

The accompanying notes form part of these financial statements.

**STATEMENT OF CHANGES IN RESERVES**

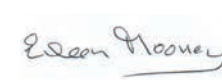
for the year ended 30 September 2018

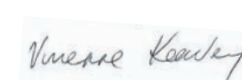
	Regulatory Reserve €	Operational Risk Reserve €	Undistrib- uted Surplus €	General Reserve €	Special Reserve €	Total Reserves €
<b>Opening Balance at 1 October 2016</b>	2,253,611	103,265	229,216	290,437	-	2,876,529
Total comprehensive income			170,668			170,668
Dividend paid			(16,272)			(16,272)
Transfer between reserves	144,942	(3,235)	(141,707)	-	3,047	3,047
<b>Closing balance at 30 September 2017</b>	2,398,553	100,030	241,905	290,437	3,047	3,033,972
Total comprehensive income			62,039	-		62,039
Dividend paid			(17,484)	-		(17,484)
Transfer between reserves	25,896	-	(25,896)	-	424	424
Other					(2,718)	(2,718)
<b>Closing Balance at 30 September 2018</b>	<b>2,424,449</b>	<b>100,030</b>	<b>260,564</b>	<b>290,437</b>	<b>753</b>	<b>3,076,233</b>

The balance on the regulatory reserve represents 11.00% of total assets as at 30 September 2018 (11.00% as at 30 September 2018).

On behalf of the Credit Union:


**John O'Halloran**  
Member of Board  
of Directors


**Eileen Mooney**  
Member of the  
Board Oversight Committee


**Vivienne Keavey**  
Manager

## CASH FLOW STATEMENT for the year ended 30 September 2018

	Note	2018 €	2017 €
Opening cash and cash equivalents		3,210,705	4,512,127
<b>Cash flows from operating activities</b>			
Loans repaid		3,713,834	3,671,852
Loans granted		(4,910,554)	(4,706,475)
Loan interest received		579,182	524,536
Investments interest received		127,553	156,431
Bad debts recovered		31,421	50,990
Dividends paid		(17,484)	(16,272)
Operating expenses		(671,970)	(660,065)
<b>Net cash flows from operating activities</b>		<b>(1,148,018)</b>	<b>(979,003)</b>
<b>Cash flows from investing activities</b>			
Fixed assets purchased		(7,984)	(20,650)
Net cash flow from investments		786,715	(1,573,722)
Other gains		-	95,119
<b>Net cash flows from investing activities</b>		<b>778,731</b>	<b>(1,499,253)</b>
<b>Cash flows from financing activities</b>			
Members' shares received		7,728,824	9,030,531
Members' Q-cash account paid in		238,879	430,507
Members' shares withdrawn		(7,485,719)	(7,909,240)
Members' Q-cash account withdrawn		(265,384)	(399,439)
<b>Net cash flows from financing activities</b>		<b>216,600</b>	<b>1,152,359</b>
<b>Other</b>			
Other receipts		6,366	12,103
Decrease/(Increase) in prepayments		(7,559)	1,469
(Increase)/Decrease in other liabilities		(25,740)	10,903
		<u>(26,933)</u>	<u>24,475</u>
<b>Closing cash and cash equivalents</b>	<b>6</b>	<b>3,031,085</b>	<b>3,210,705</b>

On behalf of the Credit Union:



**John O'Halloran**  
Member of Board  
of Directors



**Eileen Mooney**  
Member of the  
Board Oversight Committee



**Vivienne Keavey**  
Manager

The accompanying notes form part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 September 2018

### 1. GENERAL INFORMATION

Malahide and District Credit Union Limited is a credit union incorporated under the Credit Union Act 1997 (as amended) in the Republic of Ireland. Malahide and District Credit Union Limited is registered with the Registrar of Credit Unions and is regulated by the Central Bank of Ireland. The financial statements have been presented in Euro (€) which is also the functional currency of the credit union.

### 2. 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 the Credit Union'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 below:

#### *Bad debts/Impairment losses on loans to members*

The Credit Union's accounting policy for impairment of financial assets is set out in accounting policies on pages 24-28 of the financial statements. 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 rating and scoring tools with emphasis on weeks in arrears and other observable credit risk metrics as identified by the Credit Union. The ratings influence the management of individual loans. The credit rating triggers the 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 technological, market, economic or legal environment in which the Credit Union currently operates which impact on current lending activity and loan underwriting. If a loan is impaired, the impairment loss is the difference between the carrying amount of the loan and the present value of the expected cash flows discounted at the asset's original effective interest rate taking account of pledged shares and other security as appropriate. Assumptions are back tested with the benefit of experience. 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.

#### *Impairment of buildings*

The Credit Union's accounting policy on tangible fixed assets is set out in accounting policies on pages 24-28 of the financial statements. As described in the accounting policy the Credit Union is required to assess at each reporting date whether there is any indication that an asset may be impaired. If an impairment is identified, the Credit Union is required to estimate the recoverable amount of the asset. If there is no indication of impairment, it is not necessary to estimate the recoverable amount.



The recoverable amount of an asset is the higher of its fair value less costs associated with sale and its value in use. In assessing whether the Credit Union's property is impaired, its current market valuation is considered as being equivalent to its fair value. Where the property's market valuation is identified as being below its carrying value, this amounts to a key indicator of the existence of impairment and the Credit Union is therefore required to undertake a value in use calculation on its property assets. Value in use is the present value of the future cash flows expected to be derived from the Credit Union's property. This present value calculation involves the undertaking of the following steps:

- (a) Estimating the future cash inflows and outflows to be derived from continuing use of property and from its ultimate disposal, where appropriate; and
- (b) Applying the appropriate discount factor to those future cashflows.

The future cash inflows and outflows required for the value in use calculation are taken from financial projections prepared by management and approved by the board of directors. The discount factor applied in the value in use calculation is an assessment of the time value of money applicable to the Credit Union and will take account of previous guidance received from the Central Bank.

### 3. EMPLOYEES

#### Number of employees

The average monthly numbers of employees during the year were:

	2018 Number	2017 Number
Tellers/Admin	9	8
	9	8
Employment costs	2018 €	2017 €
Wages and salaries	236,997	214,734
Social welfare costs	23,930	21,669
Pension costs	4,390	3,685
	<b>265,317</b>	<b>240,088</b>

#### 3.1. Key Management Personnel Compensation

The Directors of Malahide and District Credit Union Limited are all unpaid volunteers. The key management team for Malahide and District Credit Union Limited would include the directors, the credit union manager and other senior staff. The number of key management for the financial year to 30 September 2018 amount to 14 (2017 -14).

	2018 €	2017 €
Short term employee benefits paid to key management	153,532	149,356
Payments to defined contribution pension schemes	4,390	3,685
	<b>157,922</b>	<b>153,041</b>

### 4. PENSION COSTS

Pension costs amounted to €4,390 (2017 - €3,685).

### 5. ANALYSIS OF INVESTMENT INCOME

	2018 €	2017 €
Received during the year	79,486	106,208
Receivable within 12 months	41,670	48,065
Other investment income	-	-
	<b>121,156</b>	<b>154,273</b>

### 6. CASH & CASH EQUIVALENTS

	2018 €	2017 €
Cash and bank balances	765,831	207,005
Short term deposits	2,265,254	3,003,700
	<b>3,031,085</b>	<b>3,210,705</b>

Short term deposits are deposits with maturity of less than or equal to three months. All other deposits are included in Investments in the Balance sheet and disclosed in note 7.

### 7. INVESTMENTS

	2018 €	2017 €
Investments are classified as follows:		
Fixed term deposits maturing after 3 months	6,352,005	5,400,054
Deposit Protection Account	105,926	116,294
Accounts in authorised credit institutions	3,576,057	5,304,355
Investment bonds	608,297	608,297
	<b>10,642,285</b>	<b>11,429,000</b>

The market valuation of the investment bonds as at 30 September 2018 amounts to €618,030. The directors have confirmed that they are satisfied that all fixed term investments will be held to maturity and therefore the recognition of an impairment is not required.

Under the heading "Accounts in authorised credit institutions", the credit union holds investments in credit linked note products amounting to €1 million at 30 September 2018 (€1.5 million at 30 September 2017). The credit union's investment advisors have confirmed that these investments products are not listed or traded on an active market and therefore they are recognised at original cost less impairment in the financial statements in accordance with the credit union's accounting policy. No credit events or defaults have been identified on these products in the current or previous financial period which require the recognition of an impairment. Additional information with respect to these investment products is included in Note 22 to the financial statements.

The categories of counterparties with whom the investments are held is as follows: -

	2018 €
A1	2,376,608
Aa2	250,000
A2	3,514,223
A3	1,250,000
Aa3	500,000
B1	501,397
Baa1	750,000
Baa2	1,500,057
	<b>10,642,285</b>

## 8. LOANS TO MEMBERS

	2018 €	2017 €
Opening Balance at 1 October	5,982,529	4,953,408
Loans granted	4,910,554	4,706,475
Loans repaid	(3,713,834)	(3,671,852)
Loans written off	(6,706)	(5,502)
<b>Gross Loan Balance at 30 September</b>	<b>7,172,543</b>	<b>5,982,529</b>
<b>Impairment allowances</b>		
Individual loans	(154,971)	(218,372)
Groups of loans	(40,858)	(27,591)
<b>Loan provision</b>	<b>(195,829)</b>	<b>(245,963)</b>
<b>Net loans as at 30 September</b>	<b>6,976,714</b>	<b>5,736,566</b>

## 9. ANALYSIS OF GROSS LOANS OUTSTANDING

	No.	2018 €	No.	2017 €
Less than one year	313	459,177	352	511,953
Greater than 1 year and less than 3 years	421	1,747,266	412	1,794,968
Greater than 3 years and less than 5 years	303	3,11	3,900	2,322,951
Greater than 5 years and less than 10 years	65	1,852,200	46	1,344,651
Greater than 10 years and less than 25 years	-	-	1	8,006
Greater than 25 years	-	-	-	-
<b>Total Gross Loans</b>	<b>1,102</b>	<b>7,172,543</b>	<b>1,077</b>	<b>5,982,529</b>

## 10. CREDIT RISK DISCLOSURES

At 30 September 2018, the Credit Union had 2 house loans outstanding from members on which first charges on properties were held. All remaining loans to members are unsecured, except that there are restrictions on the extent to which borrowers may withdraw their savings whilst loans are outstanding. There are maximum amounts set down under legislation in terms of what amount a member can borrow from a Credit Union.

The carrying amount of the loans to members represents the Credit Union'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.

	€	2018 %	2017 €	%
<b>Gross Loans Not Impaired</b>	<b>6,857,219</b>	<b>95.60%</b>	<b>5,776,480</b>	<b>96.56%</b>
<b>Gross Loans Impaired</b>				
Up to 9 weeks past due	232,661	3.24%	65,060	1.09%
Between 10 and 18 weeks past due	5,801	0.08%	23,287	0.39%
Between 19 and 26 weeks past due	12,870	0.18%	2,407	0.04%
Between 27 and 39 weeks past due	-	-%	44,277	0.74%
Between 40 and 52 weeks past due	,828	0.11%	7,880	0.13%
53 or more weeks past due	56,164	0.78%	63,138	1.06%
	<b>315,324</b>	<b>4.40%</b>	<b>206,049</b>	<b>3.44%</b>
<b>Total Gross Loans</b>	<b>7,172,543</b>	<b>100.00%</b>	<b>5,982,529</b>	<b>100.00%</b>
<b>Impairment Allowance</b>				
Individual loans	(154,971)		(218,372)	
Collectively assessed loans	(40,858)		(27,591)	
<b>Loan provision</b>	<b>(195,829)</b>		<b>(245,963)</b>	
<b>Net loans as at 30 September</b>	<b>6,976,714</b>		<b>5,736,566</b>	

Factors that are considered in determining whether loans are impaired are discussed in Note 2, dealing with estimates.

**11. LOAN PROVISION ACCOUNT FOR IMPAIRMENT LOSSES**

	2018 €	2017 €
Opening balance 1 October	245,963	288,485
Net movement during the year	(43,428)	(37,020)
Decrease as a result of loan write offs previously provided for	(6,706)	(5,502)
<b>Closing provision balance 30 September</b>	<b>195,829</b>	<b>245,963</b>

**12. TANGIBLE FIXED ASSETS**

	Premises €	Computer equipment €	Office equipment €	Total €
<b>Cost</b>				
At 1 October 2017	1,521,347	241,550	33,000	1,795,897
Additions	-	7,984	-	7,984
<b>At 30 September 2018</b>	<b>1,521,347</b>	<b>249,534</b>	<b>33,000</b>	<b>1,803,881</b>
<b>Depreciation</b>				
At 1 October 2017	218,424	215,233	16,352	450,009
Charge for the year	38,034	10,937	3,300	52,271
<b>At 30 September 2018</b>	<b>256,458</b>	<b>226,170</b>	<b>19,652</b>	<b>502,280</b>
<b>Net book values</b>				
<b>At 30 September 2018</b>	<b>1,264,889</b>	<b>23,364</b>	<b>13,348</b>	<b>1,301,601</b>
<b>At 30 September 2017</b>	<b>1,302,923</b>	<b>26,317</b>	<b>16,648</b>	<b>1,345,888</b>

An independent valuation of the credit union's premises at 4 Main Street, Malahide, Co. Dublin was carried out by Kevin Flanagan & Associates, on 3 October 2016, which stated that the premises had an open market valuation of €1.45 million. The directors have confirmed that they are satisfied that no indication of impairment exists at 30 September 2018.

**13. PREPAYMENTS AND ACCRUED INCOME**

	2018 €	2017 €
Prepayments	22,875	15,316
Accrued income	41,668	48,065
Member Loan interest receivable	24,216	19,489
	<b>88,759</b>	<b>82,870</b>

**14. MEMBERS' SHARES**

	2018 €	2017 €
Opening Balance at 1 October	18,547,853	17,429,609
Shares paid in	7,728,824	9,030,531
Shares withdrawn	(7,485,719)	(7,909,240)
Other movements	2,294	(3,047)
<b>Closing Balance at 30 September</b>	<b>18,793,252</b>	<b>18,547,853</b>

Members' shares are repayable on demand except for shares attached to loans. The breakdown of the shares between attached and unattached is as follows:

	€	€
Unattached Shares	15,754,704	15,644,583
Attached Shares	3,038,548	2,903,270
	<b>18,793,252</b>	<b>18,547,853</b>

**15. MEMBERS' Q-CASH ACCOUNTS**

	2018 €	2017 €
Opening balance 1 October	152,393	121,325
Received during the year	238,879	430,507
Paid out during the year	(265,384)	(399,439)
<b>Closing balance 30 September</b>	<b>125,888</b>	<b>152,393</b>

Q-cash accounts are repayable on demand.

**16. OTHER LIABILITIES AND CHARGES**

	2018 €	2017 €
PAYE/PRSI control account	5,654	5,073
Accruals	39,417	65,738
	<b>45,071</b>	<b>70,811</b>



## 17. ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURES

### 1. Financial risk management

Malahide and District Credit Union Limited manages its members' shares and loans to members so that it earns income from the margin between interest receivable and interest payable. The main financial risks arising from the Credit Union'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 Malahide and District Credit Union Limited, resulting in financial loss to the Credit Union. In order to manage this risk the Board approves the Credit Union's lending policy, and all changes to it. All loan applications are assessed with reference to the lending policy in force at the time. Subsequently loans are regularly reviewed for any factors that may indicate that the likelihood of repayment has changed.

**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. Malahide and District 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 rates of interest receivable on investments and members' loans when deciding on the dividend rate payable on shares and on any loan interest rebate.

**Capital Risk -** The Credit Union maintains sufficient reserves to buffer against losses on members' loan and investments. The current Regulatory Reserve is in excess of the minimum level set down by the Central Bank of Ireland, and stands at 11.00% of the total assets of the Credit Union at the balance sheet date.

### 2. Interest rate risk disclosures

The following table shows the average interest rates applicable to relevant financial assets and financial liabilities

	2018	2018	2017	2017
	Amount	Average Interest Rate	Amount	Average Interest Rate
Financial Assets	€		€	
Loans to members	7,172,543	9.13%	5,982,529	9.91%

The dividend payable is at the discretion of the Directors and is therefore not a financial liability of the Credit Union until declared and approved at the AGM.

### 3. Liquidity risk disclosures

All of the financial liabilities of the Credit Union are repayable on demand except for some members' shares attached to loans and members' deposits which have a fixed maturity date.

### 4. Fair value of financial instruments

Malahide and District Credit Union Limited does not hold any financial instruments at fair value.

## 18. TOTAL RESERVES

	Balance 1/10/17 €	Dividend & loan interest rebate paid €	Appropriation of current year surplus €	Transfers between reserves €	Balance 30/09/18 €
Total Regulatory Reserve	2,398,553		-	25,896	2,424,449
Operational Risk Reserve	100,030		-	-	100,030
<b>Other Realised Reserves</b>					
Undistributed Surplus	241,905	(17,484)	62,039	(25,896)	260,564
General reserve	290,437		-	-	290,437
<b>Total realised reserves</b>	<b>3,030,925</b>	<b>(17,484)</b>	<b>62,039</b>	<b>-</b>	<b>3,075,480</b>
<b>Unrealised Reserves</b>					
Special reserve	3,047		424	(2,718)	753
<b>Total unrealised reserves</b>	<b>3,047</b>		<b>424</b>	<b>(2,718)</b>	<b>753</b>
<b>Total reserves</b>	<b>3,033,972</b>	<b>(17,484)</b>	<b>62,463</b>	<b>(2,718)</b>	<b>3,076,233</b>

The Credit Union is required to maintain a Regulatory Reserve that support the credit union's operations, provide a base for future growth and protect against the risk of unforeseen losses. The credit union needs to maintain sufficient reserves to ensure continuity and to protect members' savings. The Central Bank expects that credit unions whose total regulatory reserves are currently in excess of 10 per cent of total assets will continue to maintain reserves at existing levels on the basis that these continue to reflect the board of directors' assessment of the appropriate level of reserves for the credit union.

The balance on the regulatory reserve represents 11.00% of total assets as at 30 September 2018 (11.00% as at 30 September 2017).

The board of directors and the management team have undertaken a review of the credit union's risk register and risk management procedures in order to determine the adequacy of the operational risk reserve. This review consisted of a consideration of each operational risk area, the various control procedures, outsourcing agreements and insurances in place to mitigate risk and the resultant remaining residual risk. An estimated costing to the credit union has been attached to each identified area of residual risk in computing the required operational risk reserve.

The balance on the operational risk reserve represents 0.45% of total assets as at 30 September 2018.

## 19. DIVIDENDS, LOAN INTEREST REBATE AND OTHER RETURNS TO MEMBERS

The directors recommend the following distributions:

	Rate %	2018 €	Rate %	2017 €
Dividend on shares	0.10%	18,048	0.10%	17,483

In accordance with FRS102 "Events after the End of the Reporting Period", dividends and returns to members are accounted for in the financial statements after they are approved by the members in general meeting.

The returns to members paid in the current and prior year periods were as follows:

	2018 €	2017 €
Dividend paid during the year	17,484	16,272
Dividend rate	0.10%	0.10%

## 20. RATE OF INTEREST CHARGED ON MEMBERS' LOANS

The credit union currently charges interest at the following rates:

Standard Loan	11.90%
Express Loan	11.90%
Welcome loan	9.90%
One Year Holiday Loan	9.50%
One Year Christmas Loan	7.75%
Home Renovation Loan	7.50%
Promotional Car Loan	6.90%
Covered Loan	6.00%

## 21. POST BALANCE SHEET EVENTS

The directors have not identified any post balance sheet events which impact on the figures or disclosures in the financial statements to 30 September 2018.

## 22. CONTINGENT LIABILITIES

All capital invested in fixed term investment products is guaranteed only if held to maturity. In the unlikely event of early encashment there may exist an early settlement penalty or capital loss. The board of directors have confirmed that they intend that all such investments are to be held until their maturity dates.

As stated in Note 7 to the financial statements, the credit union hold investments in Credit Linked Note type investments. Investments in Credit Linked Note type investments have a conditional capital protection at maturity. The initial amount invested will be received on maturity providing there has not been a credit event or default in any of the banking institutions that are party to the individual products. In the unlikely event that such credit events or defaults were to occur, the credit union could be subject to reductions in the level of return or a potential loss of capital invested. At the year end the directors are not aware of any credit events or default in any of the banking institutions party to these products and no impairments have been recognised in the financial statements.

The Registry of Credit Unions informed credit unions in the Republic of Ireland on 17 September 2018 that it had become aware of a potential matter that may impact certain credit unions in respect of accrued interest outstanding on loans where additional credit is extended to a member by way of a top-up-loan. The Registry of Credit Unions has requested information from credit unions in this context to assess the potential impact of this matter. A process to establish the potential impact, if any of this matter on Malahide and District Credit Union Limited is on-going. This process is not yet complete and therefore, the existence of any liability and any reliable estimate amount of any liability associated with this matter, while possible, remains uncertain along with the timing of same. Consequently, no provision has been made in the financial statements to 30 September 2018 for any amount that may become payable by Malahide and District Credit Union Limited.

## 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 against fraud in the amount of €1,300,000 in compliance with Section 47 of the Credit Union Act, 1997 (as amended).

## 25. RELATED PARTY TRANSACTIONS

The Credit Union has identified the following transactions which are required to be disclosed under the terms of FRS102 'Related Party Disclosures'.

The following details relate to officers and related party accounts with the credit union. Related parties include the board of directors and the management team of the Credit Union, their family members or any business in which the director or management team had a significant shareholding.

	No. of loans	2018 €	2017 €
Total savings held by related parties		206,821	209,119
Total loans outstanding by related parties	8	63,705	75,634
% of gross loan book		0.89%	1.26%
Loans advanced to related parties during the year	6	33,600	
Total provisions for loan outstanding to related parties at year end		-	
Total provision charge during the year for loans outstanding to related parties		-	

## 26. AUTHORISATION AND APPROVAL OF FINANCIAL STATEMENTS

The board of directors authorised and approved these financial statements for issue on 12th December 2018

**Additional Information**  
**(not forming part of the statutory audited Financial Statements)**  
**for the year ended 30 September 2018**

**Schedule 1.**

<b>Interest on Loans</b>	<b>2018</b>	<b>2017</b>
	€	€
Loan interest received	579,182	524,536
Loan interest receivable	4,727	4,061
Total per Income and Expenditure Account	583,909	528,597

**Schedule 2.**

<b>Other Interest Income and Similar Income</b>	<b>2018</b>	<b>2017</b>
	€	€
Investment income	121,156	154,273
Total per Income and Expenditure Account	121,156	154,273

**Schedule 3.**

<b>Other Income</b>	<b>2018</b>	<b>2017</b>
	€	€
Entrance fees	345	376
E.C.C.U. rebate	577	3,665
Other commissions	5,444	8,062
Total per Income and Expenditure Account	6,366	12,103

**Schedule 4.**

<b>Other Gains</b>	<b>2018</b>	<b>2017</b>
	€	€
Gains on Investments	-	95,119
Total per Income and Expenditure Account	-	95,119

**Schedule 5.**

<b>Other Management Expenses</b>	<b>2018</b>	<b>2017</b>
	€	€
Staff pension costs	4,390	3,685
Staff training	5,248	5,305
E.C.C.U. Insurance	91,080	78,063
Death benefit expense	15,693	24,303
Savings protection scheme	1,886	4,244
Rates	12,461	12,269
General insurance	9,029	8,827
Light and heat	3,896	4,052
Cleaning	2,731	3,037
Property maintenance	-	16,773
Security & alarm	7,136	8,758
Printing, postage, stationery and office expenses	25,270	20,484
Advertising, promotion and marketing	28,813	28,116
Telephone	6,102	6,137
Computer costs	40,441	39,397
CUSOP expenses	14,618	16,289
Chapter dues	428	428
Convention and seminar expenses	19,411	16,372
Travelling and subsistence	1,996	2,792
Social expenses	4,509	5,149
Legal and professional	10,753	23,077
Risk and compliance costs	27,437	24,834
Internal audit	12,177	9,594
Audit	15,600	15,246
Bank charges	8,547	5,903
General expenses	706	(1,637)
Central bank levies	38,144	35,796
Subscriptions and donations	2,541	4,457
<b>Total per Income and Expenditure Account</b>	<b>411,043</b>	<b>421,750</b>

**Schedule 6.**

<b>Other Losses</b>	<b>2018</b>	<b>2017</b>
	€	€
Amortisation of bond premium	-	1,912
Total per Income and Expenditure Account	-	1,912

## INFORMATION FOR MEMBERS – GOOD TO KNOW!

**Death Benefit Insurance:** A member must retain a Share Account balance of at least €250 to be eligible for this cover (additional T&C's apply). The level of cover is €1,300 and is provided to eligible Members at no additional cost. Payment will be made directly to the individual who settles a deceased Member's funeral costs.

**Central Credit Register (CCR) Information:** Since the introduction of the new Central Credit Register, all lenders are obliged to obtain and report data relating to all loan applicants for loans of €500 or more. Malahide Credit Union is obliged to run a Central Credit Register enquiry on all loan applications of €2,000 and over. In order for us to fulfil our regulatory requirements we must obtain proof of a member's Personal Public Service Number (PPSN). Please note we have strong controls in place to ensure that sensitive data such as your PPSN information is protected.

**General Data Protection Regulation: (GDPR) & ANTI-MONEY LAUNDERING REQUIREMENTS (AML):** Malahide Credit Union is required to ensure that current and accurate information is recorded and retained for our members. You may be asked to provide us with up to date forms of identification or proof of address to assist us in meeting GDPR and AML requirements and we appreciate your support with this.

**Annual Affiliation Fee to ILCU:** After our AGM, the sum of €1.50 is deducted from all adult members' Share Accounts to meet this cost.

**Minimum Savings Requirement:** Members are required to maintain a minimum balance of €1 in their Share Account to retain membership of Malahide Credit Union. If your share balance falls below this amount, your membership will cease and the account will be closed. By retaining this balance, the member may be eligible for Loan Protection and Life Savings cover (T&C's apply)

**Loan Protection & Life Savings Insurance:** Eligible members are provided with this cover at no additional cost (T&C's apply). Loan Protection Insurance will cover the outstanding balance of your loan account in the event of your death and Life Savings Insurance will cover up to €3,000 savings in the Credit Union.

**Dormant Accounts:** If an account has had no member-initiated transaction for a period of 3 years, it will be flagged as dormant. The member will be notified by letter, to their last known address on file. To re-activate the account the member must call into Malahide Credit Union's offices on Main Street with up to date photographic ID, proof of address and evidence of their PPSN and must make a lodgement to their account. Please allow sufficient time to undertake this process at the counter.

**Your Nomination:** A nomination on your account relates to the process for release of your funds in the event of your death. All members should consider completing an up to date Nomination.

- The statutory maximum amount that can pass under a nomination is €23,000.
- A nomination must be in writing – you can get a nomination form in our office or on our website.
- A Nomination is not revocable or variable by the terms of your will or a codicil to your will.
- A nomination is automatically revoked if your nominee dies before you.

- A nomination is automatically revoked by your subsequent marriage.
- A legal separation or divorce will not invalidate a nomination. Consequently, if your marital status changes you should review your nomination.
- A person under 16 years of age cannot make a valid nomination.

You can check your nominee at our office on Main Street. If you need to change your nomination please complete a new form and we will update your account. Nomination forms must be witnessed by a credit union official.



Your team in Malahide

# TOGETHER WE'RE STRONGER

[www.malahidecu.ie](http://www.malahidecu.ie)





# DO YOU KNOW



**MALAHIDE**  
CREDIT UNION

**NOT FOR  
PROFIT**  
service

**928  
LOANS  
ISSUED**  
€4.9m in loans  
granted to 928  
members  
in 2018

**130 HOMES  
IMPROVED**

**70 NEW CARS  
DRIVEN AWAY**

**7535  
TOTAL  
MEMBERSHIP**  
408 New in 2018

**FRIENDLY,  
PROFESSIONAL  
STAFF**

**COMMUNITY  
BASED** Financial  
Institution

**INSURANCE**  
Loan Protection,  
Life Savings &  
Death Benefit  
Insurance

**FREE**  
Transactions

**FOREIGN  
EXCHANGE**

**ONLINE  
&  
MOBILE  
ACCESS**

**EASY LOAN  
APPLICATION  
PROCESS**

**2018**  
*Another year  
of progress  
and growth*

4 Main Street  
Malahide  
Co. Dublin  
Tel: **01 845 1400**  
Fax: **01 845 4683**  
**info@malahidecu.ie**

Terms & conditions apply. All loans are subject to approval.  
Malahide Credit Union is regulated by the Central Bank of Ireland.

**TOGETHER WE'RE STRONGER**

**www.malahidecu.ie**

