Buttevant · Dromcollogher · Mallow · Millstreet

In Partnership

Mallow Credit Union Limited

Annual Report 2017

Buttevant • Dromcollogher • Mallow • Millstreet

In Partnership

Mallow Credit Union Limited

Order of Business

1. Acceptance of Proxies (if any) by the Board of Directors.
2. Acceptance that a quorum is present.
3. Adoption of Standing Orders.
4. Reading and approval (or correction) of the minutes of the last Annual General Meeting and any intervening Special General Meeting.
5. Appointment of Tellers.
6. Report of the Nominating Committee.
7. Balloting.
8. Report of the Board of Directors.
9. Financial and Auditors Report, Consideration of Accounts and Declaration of Dividend (if any).
10. Report of the Credit Committee.
11. Report of the Board Oversight Committee.
12. Report of the Membership Committee.
13. Report of the Credit Control Committee.
14. Report of the Local Area Groups.
15. Unfinished Business.
16. Notice of Motion (Amendment to Rules).
17. New Business other than Elections.
18. Announcement of Election Result.
19. Adjournment or close of Meeting.

Notice of Elections

Elections will be held to fill the following vacancies:

- 3 vacancies on the Board of Directors
- 1 vacancy on the Board Oversight Committee
- The Position of Auditor

Notice of Motion (Amendment to Rules)

Notice of resolution and rule change;

Rule 14
That this annual general meeting agrees to amend Rule 14 of the Standard Rules of Credit Unions(ROI) to read as follows;

Membership shall be limited to and consist of the signatories to the application to register the credit union and such other persons having the following common bond of residence or employment within;

A Seven mile radius of Mallow or the parishes of, Ballyclough, Castlemagner, Glantane, Mourneabbey, Killavullen, Castletownroche, Grenagh, Donoughmore, Dromahane, Derragh, Skagh, Coolclogh, Rosnalee, Banteer, Tincoora, Nad, Mountrivers, Kilberrihert, Rahalisk, Clondrohid, Coomlogane, Caherbaenagh, Cullen, Drishane, Keale, Rathcoole, Kilcorney, Crinaloo, Buttevant, Doneraile, Shanballymore, Liscarroll, Churchtown, Lisgriffin, Dromcollogher, Broadford, Feenagh, Milford, Tullylease, Kilmeady, Feoghanagh.

A four mile radius of Charleville town and includes the villages of Ballyhea, Newtownshandrum, Dromina, Ballyagran, Effin.

Officers and Committees

Board of Directors
David Browne, **Chairman**
Tom Cronin, **Vice Chairman**
Jerry Hogan, **Secretary**
Jerome Gyves, **Assistant Secretary**
Tadhg Curtis, John Linehan, Gerry Mullaly, Joseph Brennan, Anne Barry, Richard O'Hanlon, Mary O'Mahony.

Oversight Committee
Ciaran Tracey, **Chairman**
Esther Cahill, Anne Van Der Molen, Edward Keane, Mark Roche.

Staff
Tomas O'Neill (**CEO**)
David Kelleher (**CFO**)

Senior Management Team
Sheila O'Gorman (**Operations**), Helen Stafford (**Loans**)

Credit Control Team
Liam Barrett (**Credit Controller**) Mary O'Callaghan (**Assistant Credit Controller**)

Risk &Compliance Team
Jude Scannell, Bridget Fitzgerald

Branch Supervisors
Kay McAuliffe, Betty Foley, Elaine Tobin, Helen Creedon.

Finance Team
Sinead Long, Kym Griffin, Michelle Linehan, Helena Madden.

Marketing & Business Developement Officer
Ciara Fitzgerald

Administrative Staff
Catherine O'Regan(Assistant Loans Officer) Louise Kenneally (MSR) Vera Dempsey (MSR) Joanne O'Sullivan, Anne Heaney, Noelle Murphy, Mary O'Brien, Sandra O'Driscoll, Caroline O'Regan, Sarah Hunter, Andrew Murphy, Jacqueline Bolster, Gillian Carroll, Maria Cahill, Christina Daly,Una O'Sullivan, Biddy O'Callaghan, Bernadette Goulding, Catherine Daly, Mary Crowley, Colin Roche, Kieran O'Sullivan.

Auditors.
Grant Thornton
Chartered Accountants & Registered Auditors
Mill House, Henry Street, Limerick.

Internal Auditors
Moore Stephens,
Chartered Accounts & Registered Auditors
83, South Mall, Cork.

Bankers
Bank of Ireland,
150, Bank Place, Mallow, Co Cork

Investment Managers
Cygnus Investment Advisors
Dundrum, Dublin 16

Solicitors
David J O'Meara & Sons
Pierse & Fitzgibbon
Patricia Harney & Co.
Frank Nyhan & Associates

Standing Orders
for the AGM of Mallow Credit Union Ltd.

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.

2 - 4 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. A Ballot Paper for the election of the Board, the Board Oversight Committee and the Auditor where applicable, will be distributed to each member at the AGM.

5 - 10 Motions.
5. All motions from the floor of the AGM must be proposed and seconded by members present at the AGM and moved by the proposer. If the proposer is absent when the motion is called, the motion shall be deemed to have failed.

6. A proposer of a motion may speak for such period as shall be at the discretion of the Chair of the meeting and shall have the right of reply before the motion is put to the meeting for a vote.

7. In exercising his/her right of reply, a proposer may not introduce new material.

8. The seconder of a motion shall have such time as shall be allowed by the Chair to second the motion.

9. Members are entitled to speak on any such motion and must do so through the Chair. All speakers to any motion shall have such time as shall be at the discretion of the Chair.

10. 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.

11 - 16 Miscellaneous.
11. 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.

12. The Chair may at his/her discretion, extend the privilege of the floor to any person who is not a member.

13. Matters not covered by the Agenda may be introduced under "Other Business" at the discretion of the Chair.

14. The Chair's decision on any matter relating to these Standing Orders or interpretation of same shall be final.

15. 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.

16. Any matter to be decided upon by vote at the AGM shall, unless otherwise expressly provided for by law or the rules, be decided upon by simple majority.

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

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

19. Adjournments.
Adjournments of the AGM shall take place only in accordance with Section 81(1) of the Credit Union Act.

Report of the Board of Directors

On behalf of the Board of Directors of Mallow Credit Union Limited it is my privilege to welcome you to this our 54th Annual General Meeting which is being held for the first time in Springfort Hall as our normal venue was not available to us.

This is the first full financial year since our merger and I am happy to report that it has been a most successful year of consolidation and growth.

I am happy to report the full integration of our four credit unions into one cohesive organisation. This has been achieved through the hard work and dedication of all those involved to ensure that we pursue the goal of providing a full financial service to every member of our enlarged credit union which now spans a wide geographical area.

Decisions we took a number of years ago to develop our IT capabilities, including electronic fund transfer and on line banking facilities, has been a factor in the smooth transition, and Mallow is fully committed to the continuing development of this area as we believe it is what our members require and what will serve their needs into the future.

To this end we are involved in various projects which seek to develop new financial products and services such as debit cards, which will enable us to move towards achieving a full financial service to you our member.

At the end of the year our credit union has recorded growth in savings, loans approved and membership.

We have increased our total asset base to €156.4 million, with our total reserves now standing at €24.1 million and we are in a position to give the same return on savings and loan interest rebate as we did in 2016.

We note with regret the appointment of joint provisional liquidators to our neighbours in Charleville Credit Union. This has been a significant blow to the members, staff and volunteers. I can confirm that our offices have been contacted by a large number of members from Charleville Credit Union regarding the provision of credit union services to their area. We are conscious of the important role that a credit union plays in our society and Mallow Credit Union has demonstrated its commitment to this role through the recent mergers, thereby ensuring that a financial service is available in our communities where in some cases other financial institutions have withdrawn their services.

The Board are of the opinion that it is incumbent upon us to extend our common bond to include the Charleville area and offer the people living in that area the credit union service that our members enjoy. We are therefore asking for your support tonight to approve the proposed rule change.

Earlier this year Liam Ware a valuable member of our Oversight Committee sadly passed away. Although only a recent addition to our committee Liam showed in that short time complete dedication to his duties and was a valuable contributor at every meeting. Liam will be sadly missed and we pass on our condolences to his wife Mary.

I would like to thank you our members and fellow shareholders for your continuing loyalty to our credit union and what we are trying to achieve for our community.

Finally I would like to thank my fellow Directors, Committee Members, Volunteers and Staff for the enormous effort that has to be put in to ensure that our seven branch network operates professionally and smoothly.

David Browne
Chairman

Financial Report

On behalf of the Board of Directors I would like to present the 2017 Financial Report.

Merger

As mentioned in the Chairman's report this was the first full financial year since we completed the merger of our four credit unions. As in all mergers there are considerable hurdles to overcome regarding the cultural integration of the group and the move to one set of operating procedures and policies. In order for the group to function in a smooth and co-ordinated fashion a certain degree of centralisation has to take place. In addition and most importantly each group needs to demonstrate goodwill and trust towards the success of the merger.

I am happy to confirm that this has been the case and our new group is operating as one co-ordinated unit and the effort and mutual trust put in by everyone, both staff and volunteers, should be recognised.

Our main goal is to ensure that our members savings are always secure and through this merger our credit union is in a much stronger financial position, as can be seen from the annual accounts.

Loans

With continuing downward pressure on our investment returns our Loan Book and the interest received from it has taken on even greater importance than before. In the financial year just passed we approved €15,990,886 in loans which compares favourably to €12,312,432 for the previous year, an increase of €3,678,454. Loan interest received was €2,417,590 compared to €1,759,047 in 2016, an increase of €658,543. Having a performing loan book allows a credit union to control their own future direction as we are not at the mercy of the banks regarding investment rates and incomes.

Our total loan book as at the 30th of September 2017 was €31,687,010 compared to €33,057,463 in 2016, a drop of €1,370,453. This was due in the main to the loan book review that took place after the merger and the accounts that had to be charged off as the Mallow credit control policy was applied consistently over the enlarged loan book. However, I would like to point out that our Credit Control department recovered €429,895 and we will always be fully committed to the recovery of our members money.

It should be noted that just 20% of our members borrow and we face challenges ahead to increase the level of loan uptake within our membership. The purposed extension of our common bond to include the Charleville area will give us further opportunities to increase our loan book while providing important financial services to that locality.

Investments

Our investment returns for the year were €1,383,248 on an investment book of €123,683,207 at year end, compared to €1,472,958 on an investment book of €116,116,818 in 2016, a reduction of €89,710. As you will be aware, due to ECB quantitative easing measures and historically low rates, funding costs for Banks are low and as a result investment returns for credit unions have been impacted, an impact that will increase each year until the ECB reverses current measures. In the short to medium term therefore, we must look for different ways to maintain and if possible, increase our income.

Financial Performance

Despite these challenges Mallow Credit Union still produced a surplus of €871,343 for the financial year, which is a good return given the current financial climate and additional costs that we incurred this year.

The Board of Directors are therefore proposing to our membership the following distribution of that surplus:

Financial Report (continued)

A dividend on shares of 0.20% €245,237
We are of the opinion that given the returns available for money on demand at present this is a more than fair return to you our members as it is at the higher end of returns available for similar type deposits. As a member of a financial co-operative we all have a duty to ensure that we provide sufficient reserves firstly so that our credit union will be there to provide financial services to the next generation.

A loan interest rebate of 5% €135,100
We are again this year proposing a 5% loan interest rebate to our borrowing members in recognition of the important contribution they make to the financial performance of our credit union.

Transfer to the Regulatory Reserve of €409,018
We are required by legislation to have in place as a minimum a reserve that is 10% of our total assets. It is good financial practice to exceed that limit in order to cope with any unforeseen events which could potentially erode that percentage. Failure to maintain this level could result in intervention from the Central Bank which can result in severe sanctions and restrictions. Mallow Credit Union currently holds a figure of €17.2 million in this reserve which is the equivalent of 11%.

Transfer to Other Reserves of €81,988
Again it is prudent financial practice to maintain a general reserve to deal with any unforeseen events and to provide funds for future development.

Community Support Fund
Under Credit Union legislation we are also required to get approval from the membership at our AGM to establish a special fund to be used by the credit union to support social, cultural, charitable and community development. These activities have always been supported by the credit union and is part of our ethos of supporting the various communities that make up our common bond and their particular endeavours. This credit union supports through sponsorship a wide range of organisations within our common bond and we are proposing that a fund of €75,000 be established for the coming year to cater for this given the extensive area we cover.

Rule Change
Before the membership tonight is a proposed change to our rules to extend our common bond to include the area previously serviced by Charleville Credit Union. While we are saddened by the loss of this credit union, this area is in need of credit union financial services. Already we share a large border where our common bonds overlap and we have been contacted by several former members of Charleville Credit Union seeking to join and avail of our services. This is an ideal opportunity for our credit union to open up and offer our services to more members. As I have already stated we currently have just 20% of our membership borrowing and this needs to increase to ensure the financial security that we currently enjoy continues long into the future. This is an ideal opportunity to do so. We have as a result of four credit unions merging demonstrated our ability to operate effectively a seven branch network providing financial services to over 30,000 active members across a wide geographical area and this extension would fit our business model. I would therefore request that you would support this rule change tonight.

Finally I would like to thank you our members for your loyalty, support and patience while we have gone through a significant amount of change over the last twelve months. Your dedication to our ethos, principles and vision is rewarding.

Equally I would like to pay tribute to our staff for the enormous effort and dedication they continue to demonstrate to ensure that we have our own independent financial co-operative which is run professionally and passionately for the support and development of our members.

Tomas O'Neill
CEO

Directors' Report
For the Financial Year Ended 30 September 2017

The directors present their annual report and the audited financial statements for the financial year ended 30 September 2017.

Principal activities
The principal activities of the credit union involve the acceptance of member' shares and lending to members in accordance with legislation and the credit union itself.

Authorisation
The credit union is authorised as follows:

- Insurance/reinsurance intermediary under the European Communities (Insurance Mediation) Regulations, 2005 (as amended).
- Investment Intermediaries (Restricted Activity Investment Product Intermediary) pursuant to Section 26 of the Investment Intermediaries Act, 1995 (as amended)
- Service Providers holding appointments from IIA product producers, including intermediaries that may issue appointments, appearing in the register maintained under Section 31 of the Investment Intermediaries Act, 1995 (as amended)
- Entitled under Regulation 9(1)(b) of the European Community (Payment Services) Regulations 2009 to provide payment services.

Business review
The directors are satisfied with the results for the year and the year-end financial position of the credit union. The directors expect to develop and expand the credit union's current activities and they are confident of its ability to continue to operate successfully in the future.

Dividends and loan interest rebate
The surplus for the financial year is set out in the Income and Expenditure Account on page 13. The directors are proposing a dividend in respect of the year ended 30 September 2017 of €258,599 (0.2%) (2016: €247,127 (0.2%)) and a loan interest rebate of €134,623 (5%) (2016: €135,684 (5%)) subject to agreement by the membership at the AGM.

Principal risks and uncertainties
The principle risks and uncertainties faced by the credit union are:

Credit risk
Credit risk is the risk that a borrower will default on their contractual obligations relating to repayments to the credit union, resulting in financial loss.

Lack of loan demand
Lending is the principle activity of the credit union and the credit union is reliant on it for generating income to cover costs and generate a surplus.

Market risk
Market risk is the risk that the value of an investment will decrease. This risk can arise from fluctuations in values of, or income from, assets or changes in interest rates.

Liquidity risk
Liquidity risk is the risk that the credit union will not have sufficient cash resources to meet day to day running costs and repay members' savings when demanded.

Operational risk
Operational risk is the risk of loss resulting from inadequate or failed processes or systems of the credit union, any failure by persons connected with the credit union or from external events.

Directors' Report (continued)

For the Financial Year Ended 30 September 2017

These risks are managed by the board of directors as follows:

Credit risk

In order to manage this risk, the board of directors regularly reviews and approves the credit union's credit policy. All loan applications are assessed with reference to the credit policy in force at the time. Subsequently loans are regularly reviewed for any factors that may indicate that the likelihood of repayment has changed.

Lack of Loan Demand

The credit union provide lending products to its members and promote these products through various marketing initiatives.

Market Risk

The board of directors regularly reviews and approves the credit union's investment policy and funds are invested in compliance with this policy and regulatory guidance.

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.

Operational Risk

The operational risk of the credit union is managed through the employment of suitably qualified staff to ensure appropriate processes, procedures and systems are implemented and are further supported with a robust reporting structure.

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 135 Bank Place, Mallow Co. Cork.

Events after the end of the financial year

There have been no significant events affecting the credit union since the year end.

Auditors

In accordance with Section 115 of the Credit Union Act, 1997 (as amended), the auditors Grant Thornton offer themselves for re-election.

This report was approved by the board on 21/10/17 and signed on its behalf by:

Chairperson of the Board of Directors: David Browne
Date: 21/10/17

Member of the Board of Directors: Tom Cronin
Date: 21/10/17

Directors' Responsibilities Statement

For the financial year ended 30 September 2017

The directors are responsible for preparing the financial statements in accordance with applicable Irish law and regulations. The directors are also responsible for preparing the other information included in the annual report. The Credit Union Act, 1997 (as amended) requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the credit union and of the income and expenditure of the credit union for that period.

In preparing those financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and reason for any material departure from those standards; and
- 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 ensuring that the credit union keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the credit union, enable at any time the assets, liabilities, financial position and income and expenditure of the credit union to be determined with reasonable accuracy, enable them to ensure that the financial statements comply with the Credit Union Act 1997 (as amended) and enable the financial statements to be audited. 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.

This statement was approved by the board on 21/10/17 and signed on its behalf by:

Chairperson of the Board of Directors: David Browne
Date: 21/10/17

Member of the Board of Directors: Tom Cronin
Date: 21/10/17

Board Oversight Committee's Responsibilities Statement

For the Financial Year Ended 30 September 2017

The Credit Union Act, 1997 (as amended) requires the appointment of a board oversight committee to assess whether the board of directors has operated in accordance with part iv, part iv (a) and any regulations made for the purposes of part iv or part iv (a) of the Credit Union Act, 1997 (as amended) and any other matter prescribed by the Central Bank of Ireland in respect of which they are to have regard to in relation to the board of directors.

This statement was approved by the board oversight committee on 21/10/17 and signed on its behalf by:

On behalf of the Board Oversight Committee:

Chairperson of the Board Oversight Committee: Ciaran Tracey
Date: 21/10/17

Independent Auditor's Report

to the members of Mallow Credit Union Limited

Opinion

We have audited the financial statements of Mallow Credit Union Limited, which comprise the income and expenditure account, the statement of other comprehensive income, the balance sheet, the statement of changes in reserves and the statement of cash flows for the financial year ended 30 September 2017, and the related notes to the financial statements, including the summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is Irish law including the Credit Union Act, 1997 (as amended) and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (Generally Accepted Accounting Practice in Ireland).

In our opinion, Mallow Credit Union Limited's financial statements:

- give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland of the state of the credit union's affairs as at 30 September 2017 and of its income and expenditure and cash flows for the year then ended; and
- have been properly prepared so as to conform with the requirements of the Credit Union Act, 1997 (as amended)

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ('ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the 'responsibilities of the auditor for the audit of the financial statements' section of our report. We are independent of the credit union in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, namely the Irish Auditing and Accounting Supervisory Authority (IAASA) Ethical Standard concerning the integrity, objectivity and independence of the auditor, and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the entity. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the 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

Other information comprises information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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. The annual report is expected to be made available to us after the date of this auditor's report.

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 in the financial statements, 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 on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We

Independent Auditor's Report (continued)

to the members of Mallow Credit Union Limited

have nothing to report in this regard. When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Matters on which we are required to report 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, to the best of our knowledge and belief, were necessary for the purposes of our audit;
- in our opinion proper accounting records have been kept by the credit union;
- the financial statements are in agreement with the accounting records of the credit union;
- the financial statements contain all primary statements, notes and significant accounting policies required to be included in accordance with section 111(1)(c) of the Act

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements which give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland, including FRS 102, and for such internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Responsibilities of the auditor for the audit of the financial statements

The auditor's 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 their 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.

As part of an audit in accordance with ISAs (Ireland), the auditor will exercise professional judgment and maintain professional scepticism throughout the audit. The auditor will also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the credit union's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the credit union's ability to continue as a going concern. If they conclude that a material uncertainty exists, they are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify their opinion. Their conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the credit union to cease to continue as a going concern.

Independent Auditor's Report (continued)
to the members of Mallow Credit Union Limited

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

The auditor communicates with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that may be identified during the audit.

The purpose of our audit work and to whom we owe our responsibilities
This report is made solely to the credit union's members, as a body, in accordance with section 120 of the Credit Union Act, 1997 (as amended). Our audit work has been undertaken so that we might state to the credit union's members those matters 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.

Denise O'Connell FCA
for and on behalf of
Grant Thornton
Chartered Accountants
& Statutory Audit Firm

Mill House
Henry Street
Limerick

Date: 21/10/17

Income and Expenditure Account

For the Financial Year Ended 30 September 2017

	Schedule	2017 €	2016 €
Income			
Interest on members' loans		2,417,590	1,759,047
Interest payable on members' deposits (note 22)		(3,150)	(10,180)
Other interest and similar income	1	1,383,248	1,472,958
Net interest income		**3,797,688**	**3,221,825**
Other income	2	230,384	394,434
Total income		**4,028,072**	**3,616,259**
Expenditure			
Employment costs		1,435,654	1,001,304
Other management expenses	3	1,867,025	1,576,976
Depreciation		128,858	70,528
Net impairment losses/gains on loans to members (note 5)		(274,808)	(364,135)
Total expenditure		**3,156,729**	**2,284,673**
Surplus for the financial year		**871,343**	**1,331,586**

The financial statements were approved and authorised for issue by the board on 21/10/17 and signed on behalf of the credit union by:

CEO: Tomás O'Neill
Date: 21/10/17

Member of the Board Oversight Committee: Ciaran Tracey
Date: 21/10/17

Member of the Board of Directors: David Browne
Date: 21/10/17

The notes on pages 18 to 30 form part of these financial statements.

Statement of other comprehensive income

For the Financial Year Ended 30 September 2017

	2017	2016
	€	**€**
Surplus for the financial year	871,343	1,331,586
Other comprehensive income	–	–
Total comprehensive income for the financial year	**871,343**	**1,331,586**

The financial statements were approved and authorised for issue by the board on 21/10/17 and signed on behalf of the credit union by:

CEO: Tomás O'Neill
Date: 21/10/17

Member of the Board Oversight Committee: Ciaran Tracey
Date: 21/10/17

Member of the Board of Directors: David Browne
Date: 21/10/17

The notes on pages 18 to 30 form part of these financial statements.

Balance sheet

As at 30 September 2017

	Notes	2017	2016
Assets		€	€
Cash and balances at bank	6	2,414,272	5,327,918
Deposits and investments – cash equivalents	7	31,473,455	34,652,657
Deposits and investments – other	7	92,209,752	81,464,161
Loans to members	8	31,687,010	33,057,463
Provision for bad debts	9	(4,814,122)	(5,558,024)
Tangible fixed assets	10	3,191,066	3,270,500
Prepayments and accrued income	11	204,261	434,308
Total assets		**156,365,694**	**152,648,983**
Liabilities			
Members' shares	12	131,316,522	127,131,545
Members' deposits	13	552,000	1,420,557
Other liabilities, creditors, accruals and charges	14	364,941	470,763
Other provisions	15	35,444	20,337
Total liabilities		**132,268,907**	**129,043,202**
Reserves			
Regulatory reserve	17	17,200,226	16,791,208
Operational risk reserve	17	651,072	681,709
Other reserves			
– Realised reserves	17	6,177,398	6,048,062
– Unrealised reserves	17	68,091	84,802
Total reserves		**24,096,787**	**23,605,781**
Total liabilities and reserves		**156,365,694**	**152,648,983**

The financial statements were approved and authorised for issue by the board on 21/10/17 and signed on behalf of the credit union by:

CEO: Tomás O'Neill
Date: 21/10/17

Member of the Board Oversight Committee: Ciaran Tracey
Date: 21/10/17

Member of the Board of Directors: David Browne
Date: 21/10/17

The notes on pages 18 to 30 form part of these financial statements.

Statement of changes in reserves
For the Financial Year Ended 30 September 2017

	Regulatory reserve €	Operational risk reserve €	Realised reserves €	Unrealised reserves €	Total €
As at 1 October 2015	12,264,649	–	5,521,809	46,296	17,832,754
Surplus for the year	345,000	–	903,976	82,610	1,331,586
Dividend and loan interest rebate paid	–	–	(615,234)	–	(615,234)
Transfer to/(from) unrealised reserves	–	–	44,104	(44,104)	–
Transfer of engagements	4,181,559	–	875,116	–	5,056,675
Transfer to the operational risk reserve	–	681,709	(681,709)	–	–
As at 1 October 2016	**16,791,208**	**681,709**	**6,048,062**	**84,802**	**23,605,781**
Surplus for the year	–	–	809,962	61,381	871,343
Dividend and loan interest rebate paid	–	–	(380,337)	–	(380,337)
Transfer to/(from) unrealised reserves	–	–	78,092	(78,092)	–
Transfer to the regulatory reserve	409,018	–	(409,018)	–	–
Transfer to/(from) the operational risk reserve	–	(30,637)	30,637	–	–
As at 30 September 2017	**17,200,226**	**651,072**	**6,177,398**	**68,091**	**24,096,787**

- The regulatory reserve of the credit union as a percentage of total assets as at 30 September 2017 was 11.00% (2016: 11.00%).
- The operational risk reserve of the credit union as a percentage of total assets as at 30 September 2017 was 0.42% (2016: 0.45%).

The notes on pages 18 to 30 form part of these financial statements.

Statement of cash flows

For the Financial Year Ended 30 September 2017

	Notes	2017 €	2016 €
Opening cash and cash equivalents		39,980,575	19,230,547
Cash flows from operating activities			
Member loans repaid by members	8	16,208,651	11,395,047
Member loans granted to members	8	(15,990,886)	(12,312,432)
Member loan interest		2,417,590	2,031,619
Deposit interest paid		(3,150)	(10,180)
Investment interest		1,383,248	1,472,958
Bad debts recovered		683,594	262,941
Other receipts		230,384	394,434
Dividends and loan interest rebate paid		(380,337)	(615,234)
Operating expenses		(3,302,679)	(2,578,280)
Movement in other assets		230,047	460,733
Movement in other liabilities		(90,715)	200,280
Net cash flows from operating activities		**1,385,747**	**701,886**
Cash flows from investing activities			
Fixed asset purchases/disposals		(49,424)	(88,807)
Cash and investments introduced from transfer of engagements		–	28,115,666
Net cash flow from other investing activities		(10,745,591)	(13,550,662)
Net cash flows from investing activities		**(10,795,015)**	**14,476,197**
Cash flows from financing activities			
Members' shares received		72,984,134	59,209,168
Members' deposits received		(868,557)	210,300
Members' shares withdrawn		(68,799,157)	(53,272,833)
Members' deposits withdrawn		–	(574,690)
Net cash flow from financing activities		**3,316,420**	**5,571,945**
Net (decrease)/increase in cash and cash equivalents		**(6,092,848)**	**20,750,028**
Closing cash and cash equivalents	6	**33,887,727**	**39,980,575**

The notes on pages 18 to 30 form part of these financial statements.

Notes to the financial statements

For the Financial Year Ended 30 September 2017

1. Legal and regulatory framework

Mallow Credit Union Limited is registered with the Registry of Credit Unions and is regulated by the Central Bank of Ireland. The registered office of the credit union is located at 135 Bank Place, Mallow Co. Cork.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with applicable Irish accounting standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and Irish statute comprising of the Credit Union Act, 1997 (as amended). The financial statements have been prepared on the historical cost basis.

The financial statements are presented in Euro (€) which is also the functional currency of the credit union.

<u>The following principal accounting policies have been applied:</u>

2.2 Statement of compliance

The financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102).

2.3 Going concern

After reviewing the credit union's projections, the directors have reasonable expectation that the credit union has adequate resources to continue in operational existence for the foreseeable future. The credit union therefore continues to adopt the going concern basis in preparing its financial statements.

2.4 Income

Interest on members' loans
Interest on members' loans is recognised on an accruals basis using the effective interest method.

Deposit and investment income
Investment income is recognised on an accruals basis using the effective interest method.

Other income
Other income is recognised on an accruals basis.

2.5 Investments

<u>The specific investment products held by the credit union are accounted for as follows:</u>

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.

2. Accounting policies (continued)

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. The amounts are stated at the amount deposited plus accrued income and are not subject to impairment reviews.

Investments at Fair Value
Investments held for trading and investment in stock market shares (i.e. non-convertible preference shares and non-puttable ordinary shares or preference shares) are included in this category. Financial assets at fair value are classified as held for trading if they are acquired for sale in the short term. They are valued at fair value (market value) at the year-end date and all gains and losses are taken to the income and expenditure account.

The fair value of quoted investments is determined by reference to bid prices at the close of business on the balance sheet date. Where there is no active market these assets will be carried at cost less impairment.

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The credit union adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the credit union. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the income and expenditure account during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Premises	2% Straight Line
Fixtures and fittings	20% Straight Line
Computer and office equipment	25% Straight Line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other gains' or 'other losses' in the income and expenditure account.

2.7 Impairment of tangible fixed assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the income and expenditure account. If an impairment loss subsequently reverses, the carry amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the 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 Accounts.

Notes to the financial statements (continued)

For the Financial Year Ended 30 September 2017

2. Accounting policies (continued)

2.8 Taxation

The credit union is not subject to income tax or corporation tax on its activities.

2.9 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and deposits and investments with a maturity of less than or equal to three months.

2.10 Financial assets – loans to members

Loans 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 has expired, usually when all amounts outstanding have been repaid by the member.

2.11 Bad debts provision

The credit union assesses if there is objective evidence that any of its loans are impaired with due consideration of environmental factors. 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 there is objective evidence that any individual loan is impaired, a specific loss will be recognised. Bad debt provisioning is monitored by the credit union, and the credit union assesses and approves its provisions and the adequacy of same on a regular basis.

Any bad debts/impairment losses are recognised in the income and expenditure account.

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

2.12 Other receivables

Other receivables such as prepayments are initially measured at transaction price including transaction costs and are subsequently measured at amortised cost using the effective interest method.

2.13 Financial liabilities – members' shares and members' deposits

Members' shares and members' deposits in Mallow Credit Union Limited are redeemable and therefore are classified as financial liabilities. They are recognised at the amount of cash deposited.

2.14 Holiday pay

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

Notes to the financial statements (continued)
For the Financial Year Ended 30 September 2017

2. Accounting policies (continued)

2.15 Pension costs

The Credit Union operates a defined contribution pension scheme. The assets of these schemes are held separately from those of the Credit Union in independently administered funds. Employer contributions to the pension scheme are charged to the income and expenditure account in the period to which they relate.

2.16 Other payables

Short term other liabilities, creditors, accruals and charges are measured at the transaction price.

2.17 Derecognition of financial liabilities

Financial liabilities are derecognised when the obligations of the credit union specified in the contract are discharged, cancelled or expired.

2.18 Distribution policy

Dividend and loan interest rebates are made from the current year's surplus or reserves set aside for that purpose. The board' proposed dividend and loan interest rebate to members each year is based on the distribution policy of the credit union.

The rate of dividend and loan interest rebate recommended by the board will reflect:

- the risk profile of the credit union, particularly in its loan and investments 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.

The credit union accounts for dividends and loan interest rebate when members ratify such payments at the Annual General Meeting.

2.19 Regulatory Reserve

The Credit Union Act, 1997 (Regulatory Requirements) Regulations 2017 requires credit unions to establish and maintain a minimum regulatory reserve requirement of at least 10 per cent 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.

2.20 Operational Risk Reserve

Section 45(5)(a) of the Credit Union Act, 1997 (as amended) 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 Directors have considered the requirements of the Act and have considered an approach to the calculation of the operational risk reserve. Mallow Credit Union Limited uses the Basic Indicator Approach as set out in the operational risk measurements techniques proposed under Basel II capital adequacy rules for banking institutions in calculating the Operational Risk Reserve. Therefore Mallow Credit Union Limited will hold an operational risk reserve which will at a minimum equal 15% of the average positive gross income for the previous three years. For any year in which there was a deficit, this will be excluded from the calculation.

Notes to the financial statements (continued)

For the Financial Year Ended 30 September 2017

2. Accounting policies (continued)

2.21 Other Reserves

Other reserves are the accumulated surpluses to date that have not been declared as dividends returnable to members. The other reserves 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, investment income that has been recognised but will not be received within 12 months of the balance sheet date is classified as "unrealised" and is not distributable. A reclassification between unrealised and realised is made as investments come to within 12 months of maturity date. The directors have deemed it appropriate that interest on loans receivable at the balance sheet date is also classified as "unrealised" and is not distributable. All other income is classified as "realised".

3. Judgements in applying accounting policies and key source of estimation uncertainty

Preparation of the financial statements requires the directors to make significant judgements and estimates. The items in the financial statements where these judgments and estimates have been made include:

Determination of depreciation, useful economic life and residual value of tangible assets

The annual depreciation charge depends primarily on the estimated lives of each type of asset and, in certain circumstances, estimates of residual values. The directors regularly review these useful lives and change them if necessary to reflect current conditions. In determining these useful lives management consider technological change, patterns of consumption, physical condition and expected economic utilisation of the assets. Changes in the useful lives can have a significant impact on the depreciation charge for the financial year. The net book value of tangible fixed assets subject to depreciation at the financial year end was €3,191,066 (2016: €3,270,500).

Bad debts provision

Mallow Credit Union Limited's accounting policy for impairment of loans is set out in the accounting policy in note 2.11. The estimation of loan losses is inherently uncertain and depends upon many factors, including loan loss trends, credit risk characteristics in loan classes, local and international economic climates, conditions in various sectors of the economy to which the credit union is exposed, and, other external factors such as legal and regulatory requirements. The provision for bad debts in the financial statements was €4,814,122 (2016: €5,558,024) representing 15.19% (2016: 16.81%) of the total gross loan book.

Operational risk reserve

The directors have considered the requirements of the Credit Union Act, 1997 (as amended) and have developed an approach to the calculation of the operational risk reserve. The operational risk reserve of the credit union at 30 September 2017 was €651,072 (2016: €681,709).

Adoption of going concern basis for financial statements preparation

The directors have prepared projections and cash flows for a period of at least twelve months from the date of the approval of the financial statements which demonstrate that there is no material uncertainty regarding the credit union's ability to meet its liabilities as they fall due, and to continue as a going concern. On this basis the directors consider it appropriate to prepare the financial statements on a going concern basis. Accordingly, these financial statements do not include any adjustments to the carrying amounts and classification of assets and liabilities that may arise if the credit union was unable to continue as a going concern.

4 Key management personnel compensation

The directors of Mallow Credit Union Limited are all unpaid volunteers. The key management personnel compensation is as follows.

	2017 €	2016 €
Short term employee benefits paid to key management	290,828	312,251
Payments to pension schemes	23,428	26,447
Total key management personnel compensation	**314,256**	**338,698**

5. Net impairment losses/gains on loans to members

	2017 €	2016 €
Bad debts recovered	(429,895)	(262,941)
Impairment of loan interest reclassed as bad debt recoveries	(253,699)	(272,572)
Reduction in loan provisions for the year	(743,902)	(268,849)
Loans written off	1,152,688	440,227
Net impairment losses/gains on loans to members	**(274,808)**	**(364,135)**

6. Cash and cash equivalents

	2017 €	2016 €
Cash and balances at bank	2,414,272	5,327,918
Deposits & investments (note 7)	123,683,207	116,116,818
Less: Deposit & investment amounts maturing after three months	(92,209,752)	(81,464,161)
Total cash and cash equivalents	**33,887,727**	**39,980,575**

7. Deposits and investments

	2017 €	2016 €
Deposits and investments – cash equivalents		
Accounts in authorised credit institutions	31,473,455	33,134,278
Collective investment schemes	–	1,518,379
Total deposits and investments – cash equivalents	**31,473,455**	**34,652,657**
Deposits and investments – other		
Accounts in authorised credit institutions	73,974,344	60,815,883
Irish and EEA state securities	1,892,319	1,919,045
Bank bonds	15,147,669	17,399,252
Central bank deposits	1,195,420	1,329,981
Total deposits and investments – other	**92,209,752**	**81,464,161**
Total deposits and investments	**123,683,207**	**116,116,818**

Notes to the financial statements (continued)

For the Financial Year Ended 30 September 2017

8. Financial assets – loans to members

	2017 €	2016 €
As at 1 October	33,057,463	23,111,496
Loans arising on transfer of engagements	–	9,468,809
Loans granted during the year	15,990,886	12,312,432
Loans repaid during the year	(16,208,651)	(11,395,047)
Gross loans and advances	**32,839,698**	**33,497,690**
Bad debts		
Loans written off during the year	(1,152,688)	(440,227)
As at 30 September	**31,687,010**	**33,057,463**

9. Provision for bad debts

	2017 €	2016 €
As at 1 October	5,558,024	4,147,159
Provision arising on transfer of engagements	–	1,679,714
Net movement in bad debts provision during the year	(743,902)	(268,849)
As at 30 September	**4,814,122**	**5,558,024**

The provision for bad debts is analysed as follows:

	2017 €	2016 €
Individually significant loans	342,900	514,053
Grouped assessed loans	4,471,222	5,043,971
Provision for bad debts	**4,814,122**	**5,558,024**

10. Tangible fixed assets

	Premises €	Fixtures & Fittings €	Computer & Office Equipment €	Total €
COST				
1 October 2016	4,823,683	49,545	118,210	4,991,438
Additions	–	5,100	44,324	49,424
Disposals	–	(1,717)	(2,273)	(3,990)
At 30 September 2017	**4,823,683**	**52,928**	**160,261**	**5,036,872**
DEPRECIATION				
1 October 2016	1,677,442	17,418	26,078	1,720,938
Charge for year	81,326	10,479	37,053	128,858
Disposals	–	(1,717)	(2,273)	(3,990)
At 30 September 2017	**1,758,768**	**26,180**	**60,858**	**1,845,806**
NET BOOK VALUE				
30 September 2017	**3,064,915**	**26,748**	**99,403**	**3,191,066**
30 September 2016	3,146,241	32,127	92,132	3,270,500

Notes to the financial statements (continued)
For the Financial Year Ended 30 September 2017

11. Prepayments and accrued income

	2017	2016
	€	€
Loan interest due	56,920	78,092
Prepayments	147,341	97,739
ReBo net funding receivable	–	258,477
	204,261	**434,308**

12. Members' shares

	2017	2016
	€	€
As at 1 October	127,131,545	88,397,083
Members' arising on transfer of engagements	–	32,798,127
Received during the year	72,984,134	59,209,168
Withdrawn during the year	(68,799,157)	(53,272,833)
As at 30 September	**131,316,522**	**127,131,545**

13. Members' deposits

	2017	2016
	€	€
As at 1 October	1,420,557	1,784,947
Received during the year	–	210,300
Withdrawn during the year	(868,557)	(574,690)
As at 30 September	**552,000**	**1,420,557**

14. Other liabilities, creditors accruals and charges

	2017	2016
	€	€
Accruals	323,029	420,540
DIRT	36	20,096
PAYE/PRSI	41,876	30,127
	364,941	**470,763**

Notes to the financial statements (continued)

For the Financial Year Ended 30 September 2017

15. Other provisions

Holiday pay accrual	**2017**	**2016**
	€	**€**
At 1 October	20,337	15,098
Charged to the income and expenditure account	15,107	5,239
At 30 September	**35,444**	**20,337**

16. Financial instruments

16a. Financial instruments – measured at amortised cost

Financial assets	**2017**	**2016**
	€	**€**
Financial assets measured at amortised cost	155,220,641	150,425,127

Financial liabilities	**2016**	**2017**
	€	**€**
Financial liabilities measured at amortised cost	132,268,907	129,043,202

Financial assets measured at amortised cost comprise of cash and balances at bank, deposits and investments, loans and debtors.

Financial liabilities measured at amortised cost comprise member shares, creditors and accruals and provisions.

16b. Financial instruments – fair value measurements

FRS 102 requires fair value measurements to be disclosed by the source of inputs, using a three level hierarchy:

- Quoted prices for identical instruments in active market (level 1);
- Prices of recent transactions for identical instruments and valuation techniques using observable market data (level 2), and
- Valuation techniques using unobservable market data (level 3).

The table below sets out fair value measurements using the fair value hierarchy:

At 30 September 2017	**Total**	**Level 1**	**Level 2**	**Level 3**
	€	**€**	**€**	**€**
Bank bonds	2,563,848	–	2,563,848	–
Collective investment schemes	–	–	–	–
Total	**2,563,848**	–	**2,563,848**	–

At 30 September 2016	**Total**	**Level 1**	**Level 2**	**Level 3**
	€	**€**	**€**	**€**
Bank bonds	2,817,170		2,817,170	
Collective investment schemes	1,518,379	–	1,518,379	–
Total	**4,335,549**	–	**4,335,549**	–

There were no fair value adjustments recognised in the income and expenditure account for the year ended 30 September 2017 (2016: €Nil).

Notes to the financial statements (continued)

For the Financial Year Ended 30 September 2017

17. Reserves

	Balance 01/10/16 €	Payment of dividend & loan interest rebate €	Appropriation of current year surplus €	Transfers between reserves €	Balance 30/09/17 €
Regulatory reserve	**16,791,208**	**–**	**–**	**409,018**	**17,200,226**
Operational risk reserve	**681,709**	**–**	**–**	**(30,637)**	**651,072**
Other reserves					
Realised					
Special reserve – dividend and loan interest rebate	382,811	(380,337)	393,222	(2,474)	393,222
Future dividend reserve	600,000	–	–	–	600,000
Reserves arising on transfer of engagements	875,116	–	–	–	875,116
General reserve	4,190,135	–	416,740	(297,815)	4,309,060
Total realised reserves	**6,048,062**	**(380,337)**	**809,962**	**(300,289)**	**6,177,398**
Unrealised					
Interest on loans reserve	78,092	–	56,920	(78,092)	56,920
Investment income reserve	6,710	–	4,461	–	11,171
Total unrealised reserves	**84,802**	**–**	**61,381**	**(78,092)**	**68,091**
TOTAL RESERVES	**23,605,781**	**(380,337)**	**871,343**	**–**	**24,096,787**

Notes to the financial statements (continued)

For the Financial Year Ended 30 September 2017

18. Credit risk disclosures

The credit union complies with Section 12 of the Credit Union Act, 1997 (Regulatory Requirements) Regulations 2017. This regulation:

- restricts the concentration of lending by the credit union within certain sectors or to connected persons or groups (concentration limits);
- restricts the absolute amount of lending to certain sectors to a set percentages of the regulatory reserve (large exposure limit)
- restricts the loan duration of certain loans to specified limits (maturity limits)
- requires specified lending practices to be in place where loans are made to certain sectors such as commercial loans, community loans or loans to another credit union.

The carrying amount of the loans to members represents Mallow Credit Union Limited's maximum exposure to credit risk. The following 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.

	2017		2016	
	€	%	€	%
LOANS NOT IMPAIRED				
Total loans not impaired, not past due	21,892,507	69.09%	21,366,773	64.64%
IMPAIRED LOANS:				
Not past due	1,045,005	3.30%	1,349,721	4.08%
Up to 9 weeks past due	5,050,792	15.94%	4,949,496	14.97%
Between 10 and 18 weeks past due	806,159	2.54%	926,995	2.80%
Between 19 and 26 weeks past due	479,274	1.51%	484,419	1.47%
Between 27 and 39 weeks past due	371,448	1.17%	476,158	1.44%
Between 40 and 52 weeks past due	239,945	0.76%	388,482	1.18%
53 or more weeks past due	1,801,880	5.69%	3,115,419	9.42%
Total impaired loans	**9,794,503**	**30.91%**	**11,690,690**	**35.36%**
TOTAL LOANS	**31,687,010**	**100.00%**	**33,057,463**	**100.00%**

19. Related party transactions

	2017		2016	
	No. of Loans	**€**	**No. of Loans**	**€**
Loans advanced to Related Parties during the year	11	171,229	3	41,623
Total Loans Outstanding to Related Parties at the year end	19	239,359	9	121,475
Total Provisions for Loans Outstanding to Related Parties		48,833		10,711

The related party loans stated above comprise of loans to members of the board of directors, the management team and members of the family of a member of the board of directors and the management team of Mallow Credit Union Limited.

Total loans outstanding to related parties represents 0.76% of the total loans outstanding at 30 September 2017 (2016: 0.37%).

20. Additional financial instruments disclosures

20a. Financial risk management

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

Market risk: Market risk is the risk that the value of an investment will decrease. This risk can arise from fluctuations in values of, or income from, assets or changes in interest rates. The board of directors regularly reviews and approves the credit union's investment policy and funds are invested in compliance with this policy and regulatory guidance.

Liquidity risk: Liquidity risk is the risk that the credit union will not have sufficient cash resources to meet day to day running costs and repay members' savings when demanded. 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.

Interest rate risk: Mallow Credit Union Limited's main interest rate risk arises from adverse movements in interest rates receivable which would affect investment income. Mallow Credit Union Limited reviews any potential new investment product carefully to ensure that minimum funds are locked in low yielding long term investments yet at the same time maximising investment income receivable.

20b. Liquidity risk disclosures

All of Mallow Credit Union Limited's financial liabilities are repayable on demand with the exception of certain term deposits and pledged shares. The credit union retains, at all times, liquid assets amounting to a minimum of 20% of unattached savings.

20c. Interest rate risk disclosures

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

	2017		2016	
	€	Average Interest Rate %	€	Average Interest Rate %
Gross loans to members	**31,687,010**	**8.15%**	**33,057,463**	**8.39%**

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.

Notes to the financial statements (continued)

For the Financial Year Ended 30 September 2017

21. Dividends and loan interest rebate

The following distributions were made during the year:

		2017		2016
		€		€
Dividend on shares	0.2%	245,237	0.5%	437,998
Loan Interest Rebate	5%	135,100	10%	177,236

The directors are proposing a dividend in respect of the year ended 30 September 2017 of €258,599 (0.2%) (2016: €247,127 (0.2%)) and a loan interest rebate of €134,623 (5%) (2016: €135,684 (5%)) subject to agreement by the membership at the AGM

22. Rate of interest paid on members' deposit accounts

Interest payable for the year

		2017		2016
	%	€	%	€
Interest on deposits	0.20	3,150	0.50%	10,180

23. Post balance sheet events

There have been no significant events affecting the credit union since the year end.

24. Insurance against fraud

The credit union has Insurance against fraud in the amount of €5,200,000 in compliance with Section 47 of the Credit Union Act, 1997 (as amended).

25. Capital commitments

There were no capital commitments at 30 September 2017.

26. Contingent liabilities

There were no contingent liabilities in existence that would impact on the financial statements.

27. Comparative information

Comparative information has been reclassified where necessary to conform to current year presentation.

Schedules to the income and expenditure account

For the Financial Year Ended 30 September 2017

The following Schedules do not form part of the Statutory Financial Statements which are the subject of the Independent Auditor's Report on pages 10 – 12.

Schedule 1 – Other Interest Income And Similar Income

	2017	2016
	€	€
Investment income and gains received/receivable within 1 year	1,378,787	1,468,440
Investment income receivable outside of 1 year	4,461	4,518
Total per income and expenditure account	**1,383,248**	**1,472,958**

Schedule 2 – Other Income

	2017	2016
	€	€
Rent receivable	60,000	60,000
Commission	20,468	13,746
Business lodgements charges	24,059	24,405
LP & LS rebate	109,416	106,941
ReBo rebate	16,441	189,342
Total per income and expenditure account	**230,384**	**394,434**

Schedules to the income and expenditure account

For the Financial Year Ended 30 September 2017

Schedule 3 – Other Management Expenses

	2017	2016
	€	€
Rent and rates	39,706	20,287
Light, heating and cleaning	35,246	26,497
Employers pension	56,636	49,099
Print, stationery and office supplies	82,031	39,061
Postage and telephone	49,123	29,825
Promotion and development	75,838	42,625
AGM expenses	32,096	25,982
ECCU insurance	523,920	395,272
Professional fees	125,576	70,002
General insurance	43,115	21,648
Repairs and computer maintenance	218,282	73,691
Travel expenses	24,906	10,340
Chapter expenses and convention costs	4,368	1,077
ILCU affiliation and SPS contribution	142,307	117,568
Audit fee	33,825	33,825
Legal fees	26,996	13,541
EFT/ATM set up charges	3,089	8,050
Miscellaneous expenses	19,837	1,456
Bank charges	51,209	93,216
Regulatory levies and charges	278,919	200,231
Transfer of engagements expenses	-	303,683
Total per income and expenditure account	**1,867,025**	**1,576,976**

Report of the Credit Committee

The Credit Committee's remit is to approve loans in line with the lending policy of Mallow Credit Union Limited as approved by the Board of Directors and in accordance with the provisions of the Credit Union Act 1997 as amended and directives as issued by the Central Bank of Ireland.

The Credit Committees were elected after the last AGM and meet regularly to consider loan applications as submitted by you our members.

With the banking crisis and ensuing recession, the Central Bank has placed even greater emphasis on the underwriting of loans and financial institutions are required to gather much more financial details from a loan applicant, and credit unions are treated no differently in this matter.

Proof of income, bank statements and credit bureau checks are the basic information now required when a member is making a loan application. It should also be borne in mind that your savings and borrowing record with your credit union is of equal importance.

Failure to collect and retain such information when underwriting a loan application can and will lead to sanctions and/or restrictions being placed on a credit union from the Central Bank. This can have a detrimental effect on the finances of a credit union and on its ability to trade successfully.

Lending is one of the main pillars of a credit union and the income derived from it contributes significantly to providing dividends, interest rebates, reserves and the costs of operating the credit union.

With continuing pressure on our investment returns our loan book is now even more important and a strong and healthy loan book will help to provide the income required for our credit union to prosper and grow. Lending to our members is an area that the credit union can control and plan its future from.

Loans issued for the year were €15,990,886 compared to €12,312,432 in 2016 (partly merged) and €10,908,215 in 2015 (pre-merger Mallow Credit Union).
Our total loan book at the 30th of September 2017 was €31,687,010. If we look at the pre-merger Mallow Credit Union loan book in 2015 it stood at €23,111,496.

I believe that this indicates the success of the merger which is still only in its infancy and developing.

Since our foundation in 1963 Mallow Credit Union has lent to its members €311,774,044 for use within our community for productive purposes such as Education, Home Improvements, Car Purchases, etc.

We offer some of the most competitive lending rates available in the personal lending market across a wide range of loan types:

- Standard Lending Rate 9% (APR 9.45%)
- Promotional Car Loan Rate 7.49% (APR 7.80%)
- Promotional Home Improvement Rate 6.95% (APR 7.20%)
- One Year Loan Rate 5.50% (APR 5.65%)
- Secured Loan Rate 5.50% (APR 5.65%)
- Promotional Education Loan Rate 4% (APR 4.10%)

We are always looking at developing new types of loan product and we are currently looking at introducing a new type of Agricultural Loan given the large farming area that now makes up our new common bond.

The strong performance of our loan book this year puts us in a position to propose a 5% loan interest rebate to our borrowers thereby reducing further the cost of borrowing for you.

Report of the Credit Committee (continued)

We would urge you to consider your credit union first when you do have borrowing requirements. We offer competitive rates with flexible loan repayments and no penalties for early redemption of your loan as well as the additional free life loan insurance cover to members who qualify.

As previously mentioned, with the downward pressure on returns from our investment book, the income derived from our loan book has now taken on increased importance not just for Mallow but the entire credit union sector. Just 20% of our active membership borrow at present from our credit union and we must increase this if we are to continue to prosper. We have taken positive steps towards this with the mergers of 2016 and the positive increase in the loans issued and the underlying loan book. As credit unions are in the personal short term lending market, over 80% of the loan book turns over between one and five years. This creates pressure on credit unions to keep lending continually to maintain the level of income it requires to operate and provide financial services to its members. Having as many members as possible to lend to has the potential to increase the loan book and secure the credit unions future.

As already mentioned we are saddened by the liquidation of Charleville Credit Union and the loss of this service to its community. However this is an opportunity for Mallow Credit Union Limited to fill the void that has been created, offer our financial services to the people of that area and potentially increase our loan book further, thereby securing the future of Mallow Credit Union Limited for current and future members, and I would urge you to vote in favour of the rule change.

Finally I would like to thank my fellow committee members, the staff and you our members for your loyalty and commitment over the course of the year and for your invaluable contribution to making this a strong and vibrant credit union.

Credit Committee

Report of the Board Oversight Committee

The role of the Mallow Oversight Committee is to ensure that all actions and decisions taken by the Board of Directors relating to the affairs of the credit union are in compliance with the credit union rules and the relevant legislation. The Board Oversight Committee hold their normal monthly meetings together with their meetings with the Directors as required to discuss the strategic plan, policies and investment requirements. We also keep ourselves informed through Credit Union Learning and other training opportunities and conferences.

In our opinion Mallow Credit Union is compliant with all Central Bank requirements, which includes the putting in place of Compliance and Risk Managers, the Internal Audit and Data protection functions.

Since the completion of the Transfer of Engagements we have also updated our computer and phone systems and re-organised our human resource structures which included the standardisation of procedures and the training of staff. This leaves us in a good position going forward to avail of any opportunities that may arise.

2017 has been a good year overall despite the relative performance of our investments and the extra once off costs we had to incur to streamline our procedures across all centres.

We have still been able to:

- Propose a 0.20% dividend
- Propose a 5% loan interest rebate
- Maintain our Regulatory Ratio Reserve at 11% of total assets

We confirm that to the best of our knowledge and information Mallow Credit Union Limited is being operated according to the requirements of the Financial Regulator and the rules and regulations of the Credit Union Act 1997 as amended in 2012.

As your representatives we are happy to assure you that your money is safe and secure. We also wish to thank you our members for continuing to source your short term credit needs from your credit union and making prompt repayments to ensure your accounts do not fall into arrears in what continues to be difficult and challenging times, as this is the life blood of your credit union and ensures its survival into the future.

The major challenges facing us in the year ahead are:

- To avail of new opportunities that may come our way.
- To get the maximum returns available to us from our investments.
- To improve our marketing strategy to capitalise on our now larger size.
- To keep our costs under control despite the increases in regulatory fees imposed on credit unions and the requirements of the now larger group.
- To encourage our members to borrow from their credit union rather than from other sources as we offer the best value available in the financial market.

It is with deep regret that we lost our esteemed hardworking and much loved committee member Liam Ware who passed away in April of this year after a short illness.

Finally on behalf of the Board Oversight Committee I would like to thank the Management and Staff for their co-operation during the year and to thank you the members for your continued support.

Ciaran Tracey
Chairman Oversight Committee

Report of the Membership Committee

The Membership Committee was appointed by the Board of Directors after last year's AGM.

The role of this committee is to encourage potential members to join our credit union and to ensure that all new member applications are completed correctly and are eligible to become members.

To be eligible for membership of our credit union a person must meet one of the following criteria:
- Reside within our common bond
- Be employed within our common bond
- Be attending school or college within our common bond
- Reside with a family member who satisfies any of the above

Our common bond is now greatly enlarged and spread over a wide geographical area which includes the following:

A seven mile radius of Mallow or the parish areas of Ballyclough, Castlemagner, Glantane, Mourneabbey, Killavullen, Castletownroche,Grenagh, Donoughmore, Dromahane,Derragh, Skagh, Coolclogh, Rosnalee, Banteer, Tincoora, Nad, Mountrivers, Kilberrihert, Rahalisk, Clondrohid, Coomlogane, Caherbarnagh, Cullen, Drishane, Keale, Rathcoole, Kilcorney, Crinnaloo, Buttevant, Doneraile, Shanballmore, Liscarroll, Churchtown, Lisgriffin, Dromcollogher, Broadford, Feenagh, Milford, Tullylease, Kilmeedy and Feoghanagh.

We are delighted and honoured to welcome members from these areas as part of our group and we hope that you will take the opportunity to avail of the services we offer.

To open an account a potential member must provide proof of identification, address and PPS number. These are requirements of the Criminal Justice Act 2010.

The 4th European Union Directive came into law this year and requires all financial institutions to seek proof and verification of members identification and address. In particular existing members identification and address must also be updated on an ongoing basis.

Failure to hold current proof of identification and address will prevent a member from conducting business and leave our credit union open to fines and sanctions.

We would like to thank all our members who co-operated with us to ensure that we comply with this new legislation and we apologise for the increased queues that occurred as the deadline approached. I would also like to acknowledge and thank our staff who were on hand to deal with this.

We continue to promote our juvenile section and to encourage the savings message. With the rising costs associated with education it is never too early to open an account and to start saving.

During the year under review there were 927 new accounts opened with 637 accounts being closed. Regrettably 147 of our members also passed away over the course of this period. Therefore as at the 30th of September 2017 we had 30,589 active accounts.

Finally we would like to acknowledge and thank all those involved with our committee over the course of the financial year.

Membership Committee

Report of the Credit Control Committee

The function of the Credit Control Committee is to ensure that all loans taken out by our members are repaid in accordance with the terms of their credit agreements.

The committee is responsible for ensuring that the Credit Control Policy as approved by the Board of Directors is implemented in conjunction with regulations and guidelines as laid down by the Central Bank of Ireland and it reports on a monthly basis to the Board of Directors.

Early detection and intervention by our credit control department on loans that fall into arrears is a vital part of the credit control function.

As a result of the merger I can confirm that a restructuring of our Credit Control Department has now happened with a more centralised operation now in place.

Additional resources have been employed through staffing and new software systems to enable us to perform our credit control duties in a more efficient and productive manner.

Co-ordination between our branch network is of vital importance to ensure that all issues in relation to credit control are covered and any accounts in difficulty are identified in the appropriate manner and time frame.

We believe that the current set-up provides a good balance between local knowledge from local staff and expert focused knowledge based in the centralised credit control function. We will continue to review and improve the function where necessary.

The is a summary of the main points relating to our financial year;

- Loans Approved..€15,990,886
- Loans repaid..€16,208,651
- Interest received on loans..€2,417,590
- Loans written off..€1,152,688
- Bad Debts recovered..€429,895
- Doubtful Debts recovered..€505,160
- Total Loan Book as at the 30/9/2016..€31,687,010
- Provision for Bad Debt Reserve..€4,814,122

After the merger was completed we performed a complete review of all the loan books to ensure that from a credit control perspective all loans were being treated similarly and in line with our Credit Control Policy. Please note that these loans are not considered irrecoverable but in line with our policy and industry best practice, it is prudent to charge them off. More attention is paid to these loans than the performing ones and this has been demonstrated by the fact that €429,895 was recovered over the course of the financial year from this section and this will continue to be the case as we are committed to collecting our members money.

Report of the Credit Control Committee (continued)

The amount collected in Doubtful Debts was €505,160. This sections relates to member's loans that are still in the active section of our accounts but are having difficulties meeting their repayments. Credit Control has done a risk assessment on these accounts and they are monitored closely.

We remind members of the importance of honouring the terms of your credit agreement. However if any member for whatever reason is experiencing difficulties with their repayments it is vitally important that they contact their local branch immediately and inform them of the change in circumstances, so appropriate action can be taken for the member and the loan.

Your credit union will make every effort to assist and help you resolve your problems and to arrange a repayment schedule suitable to your financial circumstances.

We would like to thank all of our members who continue to repay their loans on time, and also our thanks to those members who are working with us to resolve their financial difficulties and to return their account from an arrears situation.

We would also like to thank our staff and committees in our new branch network for their co-operation and assistance over the past year.

Credit Control Committee

Report of the Local Area Groups

The Local Area Groups were formed as part of the post-merger structure of the Mallow Credit Union group.

As a result of the merger, the various Boards and Oversight Committees of the merging credit unions would cease to exist and this would be a major loss to the new group in terms of experience, local knowledge and succession planning.

It was agreed from the outset that every effort should be made to ensure that those volunteers who had given so much of their time and efforts to their credit unions should be encouraged to stay involved in order to ease the transition and to help promote and have a meaningful involvement in our new venture going forward.

Numerous meetings were held and terms of reference for the Local Area Groups was put in place.

I am happy to report that we have achieved this transition and that these groups are proving to be an important link between each branch and the Board of Directors. Monthly meetings are taking place with established reporting structures to and from the Board of Directors and at present, each of the merged credit unions has a representative on the Board.

The Local Area Groups are responsible for the following:

- Contributing to the implementation of the group's Strategic Business Plan.
- Ensuring that there is sufficient volunteer involvement.
- Distributing the branch Marketing and Development Budget approved by the Board to promote the credit union's ethos.
- The Local Area Group will also support:
  1. Health and Safety
  2. Buildings Repairs and Maintenance.
  3. Youth Development.
  4. Promotion of the Credit Union ethos.
  5. Training
- Each Local Area Group will be appointed by the Board on an annual basis and members will pass due diligence with regard to Fitness and Probity.

The Local Area Group replaces the former Planning and Development Committees and has far greater responsibility towards the ongoing development of their local credit union branch.

It is comforting to know that so many former Directors, Volunteers and Oversight Committee members have chosen to stay involved and this can only be a positive thing as we look forward with confidence to the challenges that lie ahead as we continue to ensure that we deliver a professional service to our members.

Local Area Group Committees

Notes

Buttevant • Dromcollogher • Mallow • Millstreet

In Partnership

Mallow Credit Union Limited

Offices in:

- Buttevant Tel. 022 23427
- Dromcollogher Tel. 063 83328
- Mallow Tel. 022 21121
- Millstreet Tel. 029 70764

Web: www.mallowcu.ie
Email: info@mallowcu.ie