



Blanchardstown & District  
Credit Union

---

# ANNUAL REPORT 2018

---

WE VALUE  
RELATIONSHIPS AND  
BELIEVE PEOPLE  
COME FIRST

# YEAR 2017/ 2018 IN NUMBERS



**20,000**

TOTAL MEMBERSHIP



**4,000**

CASH DRAW MEMBERSHIP



**1,200**

NEW MEMBERS



**€210 K**

CASH DRAW PRIZES



**€26 M**

IN LOANS



**€85 M**

IN ASSETS



**2,500**

FOLLOWERS ON  
FACEBOOK



**4,000**

LOANS ISSUED



**97%**

LOANS APPROVED



**800**

MOBILE APP  
ACTIVATIONS



**€30 K**

IN LOCAL DONATIONS  
AND SPONSORSHIP



**500**

CHILDREN IN SCHOOL  
SAVING SCHEME

**WWW.BLANCHARDSTOWNCU.IE**



# Table of Contents

Year in Numbers .....	2
Credit Union Invocation .....	3
Order of Business .....	4
Notice of Elections .....	5
Board of Directors & Board Oversight Committee .....	5
Standing Orders .....	6
Chairman's Address .....	7
CEO Report .....	8
Our new website and mobile app .....	9
How to apply for a Loan? .....	10
Report of the Credit Committee .....	11-12
In 2017/2018 We helped .....	13
Report of the Credit Control Committee .....	14
Report of the Investment Committee .....	15
Report of the Membership Committee .....	16
Report of the IT Committee .....	17
Report of the Nomination Committee .....	17
Community Report .....	18
Local Support for Local Community .....	19
Car Loan .....	20
Statement of Directors' Responsibilities .....	21
Statement of Board Oversight Committee's Responsibilities .....	21
Independent Auditors Report .....	22-24
Income & Expenditure Account .....	25
Balance Sheet .....	26
Statement of Changes in Reserves .....	27
Cashflow Statement .....	28
Notes to the Financial Statements .....	29-36
Schedules to the Financial Statements .....	37-38
Member's Draw Winners .....	39

## Credit Union Invocation

Lord

make me an instrument of Thy Peace,  
where there is hatred let me sow love,  
where there is injury, pardon,  
where there is doubt, faith,  
where there is despair, hope,  
where there is darkness, light,  
and where there is sadness, joy.

O Divine Master

grant that I may not so much seek  
to be consoled as to console;  
to be understood as to understand;  
to be loved as to love;  
for it is in giving that we receive,  
it is in pardoning that we are pardoned,  
and it is in dying that we are born to  
eternal life.

## Order of Business

- 1 The acceptance by the board of directors of the authorised representatives of members that are not natural persons;
- 2 Ascertainment that a quorum is present;
- 3 Adoption of Standing Orders\*;
- 4 Reading and approval (or correction) of the minutes of the last annual general meeting, and any intervening special general meeting;
- 5 Report of the Board of Directors;
- 6 Report of the CEO;
- 7 Consideration of accounts;
- 8 Report of the Auditor;
- 9 Declaration of dividend and rebate of interest;
- 10 Report of the Credit Committee;
- 11 Report of the Credit Control Committee;
- 12 Report of the Membership Committee;
- 13 Report of the Nomination Committee;
- 14 Report of the Board Oversight Committee;
- 15 Appointment of Tellers;
- 16 Election of Auditor;
- 17 Election to fill vacancy on the Board Oversight Committee;
- 18 Election to fill vacancies on the Board of Directors;
- 19 Any other business;
- 20 Announcement of election results;
- 21 Adjournment or close of meeting.

The members assembled at any annual general meeting may suspend the order of business upon a two-thirds (2/3) vote of the members present at the meeting.

Blanchardstown and District Credit Union Limited is regulated by the Central Bank of Ireland.



# Notice of Elections

Elections will be held to fill:

- 4 vacancies on the Board of Directors
- 1 vacancy on the Board Oversight Committee
- The position of Auditor

**Claude Hobbs**

**Honorary Secretary**

## Board of Directors

Chairman:	Alan Keane
Vice Chairman:	John McGrath
Secretary:	Claude Hobbs
Directors:	Mary Kellett
	Frances Maher
	Richard Carroll
	Sean Creighton
	Shane Maguire
	Donal O'Sullivan

## Board Oversight Committee

Chairman:	Fred Finch
Secretary:	Michael Wilders
Committee member:	Marian Cluskey

# Standing Orders

for the AGM of Blanchardstown and District 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 1997 (as amended).

## 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.



# Chairman's Address

It is my privilege to present to you the 49th Annual Report and accounts of Blanchardstown and District Credit Union for the year ended 30th September 2018. Overall, this year's outcome has been strong, with savings, loans and income all coming in ahead of budget. In an improving economic climate both our savings and lending portfolios performed well, although the global low level of investment returns continues to impact on our income.

During the year we undertook several initiatives including the launch of a new range of loan products. This included the new residential mortgage product and since its launch a total of €750,000 has been approved for you, our members. It is pleasing to note the growth in our loan book following the introduction of this new product range.

We also carried out two online member surveys which were very positive in respect of our service level and staff. The surveys identified a number of gaps in our product range and service delivery which we are currently working on. In this regard, we plan to launch a further new range of products in the new year and to broaden out our digital offering.

Our new website, launched in May, has been the subject of much positive comment from our membership. It has facilitated a substantially higher level of digital transactions and communication. Upward of 1,000 transactions per month now take place through this medium.

## Financial Performance:

I would like to comment on a number of key areas of financial performance, as follows:

While total income for the year declined slightly from €2,554,081 in 2017 to €2,395,786, this was against the background of a significant fall in investment income, driven by worldwide low investment rates. On the other hand, loan income grew from €1,938,859 in 2017 to €2,046,742 in 2018. This was as a result of an increase in excess of €2.6m (11.3%) in our loan portfolio. Loan quality continues to have a strong management focus.

Overall the Credit Union announced a surplus for the year of €940,165 or 1.1% of Net Assets. This return represents a higher than average return when compared to average figures for the industry countrywide.

Net assets grew by €4,579,604 to €84,801,402 reflecting another year of growth.

Our regulatory reserves stand at 15.5% which is substantially above the Central Bank statutory reserve figure of 10%.

These factors all indicate that Blanchardstown and District Credit Union is in strong financial shape and has the base to continue this trend for many years to come.

## Dividend and Loan Interest Rebate:

In recognition of and to reward our members for your continued loyalty in borrowing from the Credit Union, the Board of Directors is recommending a dividend of 0.1% and a loan interest rebate of 10%.

I want to thank our management team and staff for their hard work and commitment throughout the year. It has been a challenging but positive year and once again they have risen to the challenge and delivered a professional service to our members.

I want to thank my fellow directors and the Board Oversight Committee for their commitment and hard work during the year. I would like to take this opportunity to thank Richard Carroll who is stepping down from his position on the Board of Directors, for his hard work and commitment.

A special thanks to our volunteers who have contributed their time selflessly to the various committees and to administration and projects within the Credit Union.

Finally, I want to thank you, our members, for your continued support and loyalty. I wish you and your families a Happy Christmas and a Prosperous and Healthy 2019.

**Alan Keane**  
Chairman.

# Report of the CEO

2017/18 was a successful year for our credit union and in spite of the challenges that low global interest rates created for us, our interest income was ahead of plan overall. Expenses came in on plan and this led to a contribution ahead of plan and only slightly down on 2016/17. Our balance sheet and reserves remain strong.

The main features of our financial performance for the year are as follows:

- Net income for the year was €940,165.
- Loan income grew from €1,938,859 in 2017 to €2,046,742 in 2018 reflecting the growth in our loan book as outlined below.
- Total income declined from €2,554,081 in 2017 to €2,395,786 in 2018 and this was driven by a decline in investment income due to low global interest rates which continue to prevail.
- Our loan book grew by 11.3% to €26.1m and again its quality improved.
- Loans issued grew by 15.7% from €14.3m to €16.6m.
- Shares grew by almost €3.6m to €67.9m.
- Net assets increased by €4.58m to €84.8m.
- Reserves stand at €13.1m which represents 15.5% of assets.

On the Community side, we have continued to develop and support our schools savings scheme. We increased our local sponsorship during the year to €30,000 and this has benefitted a diverse range of groups across our common bond.

In line with our strategic plan, we introduced a number of new initiatives throughout the year as follows:

- New loan product range launched, including home mortgages. Since launching the product we have approved in excess of €750,000 in new mortgages for members.
- New website launched in May and this has assisted in substantially increasing digital traffic in the credit union
- Two online member surveys were completed and these confirmed members' satisfaction with staff and service quality. They identified areas for further improvement including digital products.

We have further plans to introduce significant new products and services, including a protection and investment range and we will be announcing details of these product ranges early in the new year.

While we are investing in digital based products and services on an ongoing basis, it is our intention to retain traditional methods of cash transacting and loan processing so that we will be in a position to support our membership at all age ranges and diverse service requirements.

The challenges facing us into the future still include the low return on our investment portfolio resulting from low global interest rates. However, I have to acknowledge the support that you, our members, have given to the Credit Union in the past year in the form of your increased number and volume of loan applications. It is this support that has led to the growth in our loan book and consequently the growth in our income.

A recent Central Bank study on the "Financial Conditions of Credit Unions" indicated that Blanchardstown and District Credit Union is well positioned against its peers across the country.

I want to acknowledge the substantial support and guidance that the Board of Directors have given to me and the team during 2017/18. I also want to thank our volunteers who give tirelessly of their time, energy and experience in supporting us and finally to our staff who have shown ongoing commitment to you our members in the delivery of our products and services.

In conclusion, I want to thank you, our members, for your continued support throughout the year and to wish you a happy, peaceful Christmas and a prosperous 2019.



**Brian Conroy**  
CEO





# OUR BRAND NEW WEBSITE & MOBILE APP

We are delighted to announce that we have completely redesigned and revamped our website.

Our website is now also fully optimized for use on mobile devices such as tablets or mobile phones.



**WWW.BLANCHARDSTOWNCU.IE**



Introducing the Blanchardstown & District Credit Union App that allows easy access to your account or our services when on the move!

Visit our website for more details:  
[www.blanchardstowncu.ie](http://www.blanchardstowncu.ie)

You can download the Blanchardstown Credit Union App free from the App Store or Google Play.

# HOW TO APPLY FOR A LOAN?

## Where to apply...



### IN OFFICE

Unit 9/10,  
Blanchardstown Business  
Centre Clonsilla Road,  
Blanchardstown, Dublin 15



### ONLINE

[blanchardstownncu.ie](http://blanchardstownncu.ie)



### CALL US

01 820 3495

## What you will need...



### 1. PROOF OF PHOTO ID

- Passport,
- Driving Licence or
- EU Identity Card



### 2. PROOF OF INCOME

- Payslips or
- Social Welfare Receipts or
- Business Accounts



### 3. BANK STATEMENTS

Previous three months  
bank statements



### 4. PROOF OF MORTGAGE PAYMENTS (IF RELEVANT)



## Report of the Credit Committee

The Credit Committee is pleased to announce that this year we have again recorded significant growth in loans issued to our members. For the year 1st October 2017 to 30th September 2018, we issued loans with a total value of €16,628,322, which is an increase of 15.7% over 2016/17. As at 30th September 2017 we had 4158 members with loans with a total value of €26,180,071. Overall, the loan book increased by 11.3% in the year.

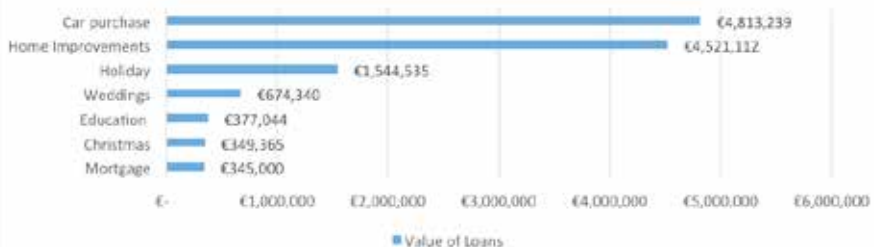
30% of all loans issued were for car purchase. This is followed by home improvement loans (28%) and holiday loans (10%).

The following is a breakdown of the loans issued over the past year, broken down by amount (table 1) and purpose (table 2).

Table 1. Loans Issued by Amount



Table 2. Loans Issued - Top Purposes



## Report of the Credit Committee continued

The economic success of the Credit Union is dependent on members availing of loans. Whilst the Credit Union is active in the promotion of loans, members can also play a key part in the growth of the Credit Union by giving preference to the Credit Union when in need of a loan. The standard interest rate on loans is very competitive at 0.74% per month on a reducing balance. In addition, an attractive rebate has been given to loan recipients in the last two years. Members can also promote the advantages of the Credit Union for loans to their family and neighbours. This word of mouth endorsement is one of the best ways to increase loan growth.

Blanchardstown Credit Union has simplified our loan processing over the last few years and you can now

download the application form online to streamline the process. We strive to approve loans within a tight timeframe and a large number of loans are issued on demand. Loan applications can be made over the phone and online.

Your credit union has plenty of funds to lend to our members and we are happy to discuss your credit requirement with you to see if we can help. We are also delighted to announce that we are now providing home loans to our members. Whether it's a new house or renovations to your existing house our loans are designed to give you the finance you need.

**John Duke**  
**Chairperson**



## IN 2017/2018 WE HELPED...



IMPROVE 1039 HOMES



BOOK 796 HOLIDAYS



CELEBRATE 103 WEDDINGS



EDUCATE 169 STUDENTS



BUY 632 CARS



CELEBRATE 301 CHRISTMASES

# Report of the Credit Control Committee

The main functions of the Credit Control committee are to monitor loans in arrears, to assist our Credit Controller in the support of members experiencing difficulty with their loan repayments and to recover any debts that are owed to the Credit Union. In most cases, a satisfactory arrangement can be arrived at to help the member through their difficulty.

Over the past number of years, substantial improvements have been made in the profile of the Credit Union's loan portfolio, as outlined in the following table.

## Loans Arrears Analysis

	2018		2017		2016	
	€	%	€	%	€	%
Total Loans not Impaired	23,012,911	87.90	20,617,399	87.67	18,359,335	83.42
1 to 9 weeks past due	2,160,828	8.25	1,663,486	7.07	1,549,348	7.04
10 to 18 weeks past due	242,751	0.93	269,993	1.14	220,323	1.00
19 to 26 weeks past due	101,129	0.39	143,921	0.61	135,931	0.62
27 to 39 weeks past due	177,445	0.68	173,937	0.74	262,081	1.19
40 to 52 weeks past due	87,373	0.33	68,810	0.29	169,124	0.77
53 or more weeks past due	397,634	1.52	580,367	2.48	1,312,468	5.96
<b>Total Impaired Loans</b>	<b>3,167,160</b>	<b>12.10</b>	<b>2,900,514</b>	<b>12.33</b>	<b>3,649,275</b>	<b>16.58</b>
<b>Total Gross Loans</b>	<b>26,180,071</b>	<b>100</b>	<b>23,517,913</b>	<b>100</b>	<b>22,008,610</b>	<b>100</b>

The majority of our members have continued to meet their repayments and the improved profile of loans has led to an overall reduction in our level of provisions during the year.

In the past year, €367,612 was recovered. In collecting this figure, a total of €93,285 (25.3%) was paid to professionals on behalf of the Credit Union.

**Frances Maher**  
Chairperson



## Report of the Investment Committee

2018 saw the introduction of new investment regulations (statutory instrument 32. 2018) for credit unions, expanding the universe of available investments in areas such as Supranational and corporate bonds among others. Whilst this is a welcome development, it has not, however, altered the underlying pressure on investment income resulting from factors that have been in place for several years now. 2018 continued on from previous years as a challenging year for credit unions. Deposits have been exposed to negative rates of return again in 2018 which means that certain banks are charging us to hold deposits with them. In addition to this, the European Central Bank (ECB) support to the monetary system in the form of “Quantitative Easing” (QE) means that the return on any bonds purchased are at, or close to, record lows. We have been working hard with our investment advisors to minimise the impact of these developments on our investment income levels and we are satisfied that the situation is being managed as prudently as possible and satisfying all regulatory requirements.

Despite this, the investment portfolio generated income of €324,439 in the financial year ending 30th September 2018 which is a result of active portfolio management by the Investment Committee and Board. This represents a solid return against a backdrop of a persistently adverse investment environment. As a result of record low interest rates and bond yields, options available to credit unions still remain limited in spite of the introduction of the new investment regulations for credit unions.

Looking ahead we see the current conditions continuing until later in 2019, when the ECB has signalled that it may begin to raise rates from their current record low levels. Any increase is dependent on a number of economic variables within the Eurozone. The ECB has already begun to unwind some of the extraordinary monetary policy measures by scaling back on the level of bond buying as part of QE and have confirmed that all bond buying will end by December 2018.

In spite of the challenging environment, the investment portfolio of the credit union is well positioned. We have worked with our Investment advisor to place a prudent proportion of the portfolio in medium term investments, while at the same time ensuring that liquidity levels remain appropriate. This strategy will help minimise re-investment risk over the coming years which is important given that interest rates are expected to begin to increase toward the end of 2019. The portfolio also remains fully compliant with all investment regulations under Central Bank rules.

Our dividend for 2018, in the context of the backdrop of negative interest rates, reflects positively on our credit union and our commitment to members who are our key priority. The Board and Investment Committee will continue to ensure that members' savings remain safe and secure, and that investment performance is optimised within the context of the low risk mandate which underpins our investment objectives.

**Donal O'Sullivan**  
Chairman

# Report of the Membership Committee

The purpose of our Committee is to encourage potential members to join the Credit Union and also to ensure that all applicants are eligible for membership.

In the past year we have continued to experience growth in membership, with almost 100 new members joining the Credit Union every month. This figure includes 308 (28%) junior members. We are delighted to see so many young people joining our Credit Union which has largely come about as a result of our ongoing commitment to developing our relationship with local schools.

A new membership form has been introduced can be downloaded from our website making the process of joining more efficient and easier.

We would ask that members keep us informed of any change of personal or contact details. If you changed address, please notify the Credit Union immediately and provide some proof of the new address so we can update your account.

We would like to remember our members who passed away this year, may they rest in peace.

**Frances Maher**  
**Chairperson**







## Report of the IT Committee

The primary objective of the IT Committee is to address the IT Management and Compliance within the credit union and to make recommendations in the areas of: IT Governance, IT Outsourcing, IT Security and Business Continuity Management.

The Central Bank's January 2018 Report "IT Risk in Credit Unions – Thematic Review Findings" assessed practices within the industry that were observed in each of the areas under assessment. With a view to securing and developing our IT systems, we have engaged with a third party IT service provider to focus on the following:

- Management of IT Risk
- Oversight of IT, both operational and governance requirements
- Risk management of new products & services, and associated due diligence

During the year we have completed the following tasks to support the Credit Union's IT objectives:

- IT Strategy has been reviewed to ensure alignment with business model
- IT Risk Register has been reviewed in line with current practices and regulations
- IT policies and IT elements of Business Continuity Plan (BCP) have been updated and strengthened
- Business Continuity Capability has been assessed, tested and implemented
- Legislative changes have been reviewed and mapped into our policies and procedures
- IT planning and product solutions have been updated for GDPR (General Data Protection Regulations)

With the great opportunity that goes with new technology we face new challenges and over the coming year 2018/2019 our IT Committee will be looking into further developing our digital function.

**John O'Brien**  
Chairperson

## Report of the Nomination Committee

The Nomination Committee has a number of functions, including:

- The identification of suitable candidates for election to the Board of Directors and Board Oversight Committee.
- The recruitment of volunteers to assist the Credit Union
- To fulfil its obligations under the Central Bank of Ireland's Fitness and Probity regulations.

The Committee has recently run a recruitment campaign for new volunteers and we hope to process these applications over the next few weeks. Applicants will be interviewed and an induction program arranged for the successful candidates. Volunteers are a vital part of the credit union as it helps to ensure a strong community aspect to our organisation.

The Nomination Committee carried out a skills audit of our Directors, Board Oversight Committee and volunteers in 2018. This indicated a strong balance of relevant skills in line with Credit Union requirements. The Committee continues to monitor the skills required and will organise training for Directors, Board Oversight Committee and volunteers as required.

The Committee has reviewed relevant policies to ensure we are in compliance with Credit Union legislation.

**Richard Carroll**  
Chairperson

# Community Report

As a local Credit Union and non - profit organisation we invest in local communities that serve all our members in the local area. In 2017/2018 we increased our donation and sponsorship budget to €30,000 and supported over 30 different clubs, organisations and events to help them achieve their goals.

We are strong promoters of education in our local community and several primary schools have partnered with us to teach children the benefit of saving and investing in our community. We support local schools in many different ways: school saving scheme for local pupils, special lower rate loans for "Back to School" Expenses & Third level Education bursary. We also attend events like school career's nights and once a year we run a Primary School Quiz for local pupils.

## Schools

- Castaheany Educate Together National School
- Castleknock Educate Together National School
- Castleknock Main St National School
- Mary Mother of Hope
- Scoil Bhríde Buachaillí
- Scoil Bhríde Cailíní
- Scoil Ghraíne National School
- Scoil Mhuire National School
- Scoil Olibheir
- Scoil Thomas National School
- St. Brigid's National School
- St. Francis Xavier National School
- St. Patrick's National School
- Tyrellstown Educate Together National School

## Sport Clubs

- Corduff FC
- St. Mochtas FC
- St. Brigid's GAA
- Verona Sports Club
- National Aquatic Centre Swim Club

## Other organisations and societies

- Coolmine Panto Group
- Coolmine Musical Society
- Coolmine Therapeutic Community
- Crosscare Donation
- DOC-Disability Support Services
- Elm Eagles Golf Donation
- Irish Red Cross Sponsorship
- Mountview Family Resource Centre
- Parish of St. Philip de Apostille
- St Vincent de Paul
- St. Francis Hospice
- St. Johns Ambulance Sponsorship
- St. Patrick S.S



# LOCAL SUPPORT FOR LOCAL COMMUNITY

On the Community side, we have continued to develop and support our schools savings scheme. We increased our local sponsorship during the year to €30,000 and this has benefited a diverse range of groups across our common bond.

We believe in investing in the communities we serve, helping families buy homes, and assisting businesses to grow and succeed. We support community-based causes and local education. We do our best to help make dreams come true.



# car loan

**SPECIAL LOWER RATE  
IN JANUARY AND FEBRUARY 2019**

**A LOAN OF €15,000 OVER 5 YEARS  
COSTS €296.73 PER MONTH  
AT AN ANNUAL PERCENTAGE RATE (APR) 7.18%\*.  
THE TOTAL AMOUNT YOU PAY IS €17,803.80.**

\* THIS RATE IS APPLICABLE ONLY FOR APPROVED CAR LOANS OF MINIMUM OF €5,000 AND MAXIMUM OF €35,000, WHICH WERE APPLIED FOR/DRAWN DOWN WITH/FROM BLANCHARDSTOWN & DISTRICT CREDIT UNION BETWEEN 1ST JAN 2019 TO 28TH FEB 2019.  
REPRESENTATIVE EXAMPLE AS AT 12/11/2018. LOANS ARE SUBJECT TO APPROVAL. TERMS & CONDITIONS APPLY. IF YOU DO NOT MEET THE REPAYMENTS ON YOUR LOAN, YOUR ACCOUNT WILL GO INTO ARREARS. THIS MAY AFFECT YOUR CREDIT RATING WHICH MAY LIMIT YOUR ABILITY TO ACCESS CREDIT IN THE FUTURE. BLANCHARDSTOWN & DISTRICT CREDIT UNION LIMITED IS REGULATED BY THE CENTRAL BANK OF IRELAND.



## Statement of Directors' Responsibilities

for year ended 30th September 2018

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.

Chairperson

Secretary

## Statement of the Board Oversight Committee Responsibilities

for year ended 30th 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). In addition, they are required to assess whether the Board of Directors has operated in accordance with any other matter prescribed by the Central Bank.

Chairperson

Secretary

# Independent Auditors' Report

To the Members of Blanchardstown and District Credit Union Limited

## Opinion

We have audited the financial statements of Blanchardstown & District Credit Union Limited ("The Credit Union"), which comprise the income and expenditure account, the statement of comprehensive income, the balance sheet, the statement of changes in reserves and the statement of cash flows for the financial year ended 30 September 2018, 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 the financial statements:

- give a true and fair view of the state of the assets, liabilities and financial position of the Credit Union as at 30th September 2018, and of its surplus 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 in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Credit Union in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Irish Auditing and Accounting Supervisory Authority (IAASA) Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

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



# Independent Auditors' Report (continued)

To the Members of Blanchardstown and District Credit Union Limited

## 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.

## Opinions 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 the accounting records of the Credit Union were sufficient to permit the financial statements to be readily and properly audited, and financial statements are in agreement with the accounting records.

## Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Credit Union and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

## Responsibilities of directors

As explained more fully in the directors' responsibilities statement, set out 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 the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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



# Independent Auditors' Report (continued)

To the Members of Blanchardstown and District Credit Union Limited

## 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.

As part of an audit in accordance with ISAs (Ireland), the auditor will exercise professional judgement 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 auditors'

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 auditors' report. However, future events or conditions may cause the credit union to cease to continue as a going concern.

- 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.



### RBK Partnership

Chartered Accountants and Registered Auditor,  
Boole House,  
Beech Hill Office Campus,  
Clonskeagh,  
Dublin 4.

Date: 20/11/2018





# Statement of Comprehensive Income

for year ended 30th September 2018

	Schedule	2018 €	2017 €
<b>INCOME</b>			
Interest on Member's Loans	1	2,046,742	1,938,859
Members' Deposits interest expense		(3,401)	(3,701)
Other Interest Receivable and Similar Income	2	324,439	597,383
Net Interest Income		<u>2,367,780</u>	<u>2,532,542</u>
Other Income	3	<u>28,006</u>	<u>21,538</u>
<b>TOTAL INCOME</b>		<u><b>2,395,786</b></u>	<u><b>2,554,081</b></u>
<b>EXPENDITURE</b>			
Employment costs		670,560	613,805
Other operating expenses	4	1,148,066	1,085,732
Depreciation		121,391	109,395
Bad debt provision/write off/recoveries (Note 5)		(484,395)	(260,192)
<b>TOTAL EXPENDITURE</b>		<u><b>1,455,622</b></u>	<u><b>1,548,741</b></u>
<b>SURPLUS FOR THE YEAR</b>		<u><b>940,164</b></u>	<u><b>1,005,340</b></u>
Dividend and loan interest rebate paid		(260,504)	(248,965)
Add: Undistributed Surplus/(Deficit) at start of year		<u>3,686,068</u>	<u>3,981,804</u>
<b>TOTAL</b>		<u><b>4,365,729</b></u>	<u><b>4,738,179</b></u>
Less:			
Transfer to Regulatory Reserve		(450,000)	(455,000)
Transfer to Unrealised Investment Income Reserve		(85,611)	(75,111)
Transfer to operational risk reserve		-	(22,000)
Transfer to Dividend Reserve		-	(500,000)
<b>TOTAL</b>		<u><b>(364,389)</b></u>	<u><b>(1,052,111)</b></u>
<b>Undistributed Surplus at end of year</b>		<u><b>4,001,340</b></u>	<u><b>3,686,068</b></u>

On behalf of the Credit Union

**Alan Keane**

Director

*Alan Keane*

**Brian Conroy**

Chief Executive Officer

*Brian Conroy*

**Fred Finch**

Board Oversight Committee

*Fred Finch*

Date: 20/11/2018

# Balance Sheet

as at 30th September 2018

	Note	2018 €	2017 €
<b>ASSETS</b>			
Deposits and Investments	4	55,452,719	54,396,565
Loans to Members	5	26,180,071	23,517,912
Less: Provision for bad and doubtful debts	5	(1,260,062)	(1,478,932)
Tangible Fixed Assets	6	1,266,428	1,287,743
Debtors, Prepayments and Accrued Income	7	178,582	359,046
Cash and Balances at Bank		2,983,664	2,139,463
<b>TOTAL ASSETS</b>		<b>84,801,402</b>	<b>80,221,798</b>
<b>OTHER LIABILITIES</b>			
Members' shares	8	67,929,435	64,336,334
Members' deposits	8	3,637,752	3,305,251
Other Creditors and accruals		119,876	145,534
		<b>71,687,063</b>	<b>67,787,119</b>
<b>MEMBERS' RESOURCES</b>			
Regulatory Reserve		8,485,000	8,035,000
Other Realised Reserves		4,001,339	3,686,068
Dividend Reserve		500,000	500,000
Operational Reserve		128,000	128,000
Unrealised Reserve		-	85,611
		<b>13,114,339</b>	<b>12,434,679</b>
<b>TOTAL LIABILITIES</b>		<b>84,801,402</b>	<b>80,221,798</b>

On behalf of the Credit Union

**Alan Keane**  
Director



**Brian Conroy**  
Chief Executive Officer



**Fred Finch**  
Board Oversight Committee



Date: 20/11/2018



# Statement of Changes In Reserves

For the year ended 30th September 2018

	Regulatory Reserve	Operational Risk Reserve	Dividend Reserve	Unrealised Reserve	Undistributed Surplus	Total
	€	€	€	€	€	€
<b>Opening balance at 1 October 2016</b>	7,580,000	106,000		10,500	3,981,804	11,678,304
Surplus for the year	-	-	-	-	1,005,340	1,005,340
Transfer to regulatory reserve	455,000	-	-	-	(455,000)	-
Transfer to Dividend Reserve	-	-	500,000	-	(500,000)	-
Dividend/Loan interest rebate paid	-	-	-	-	(248,965)	(248,965)
Transfer to Operational Risk Reserve	-	22,000	-	-	(22,000)	-
Transfer between reserves	-	-	-	75,111	(75,111)	-
<b>Closing balance at 30 September 2017</b>	8,035,000	128,000	500,000	85,611	3,686,068	12,434,679
<b>Opening balance at 1 October 2017</b>	8,035,000	128,000	500,000	85,611	3,686,068	12,434,679
Surplus for the year	-	-	-	-	940,164	940,164
Transfer to regulatory reserve	450,000	-	-	-	(450,000)	-
Transfer to Dividend Reserve	-	-	-	-	-	-
Dividend/Loan interest rebate paid	-	-	-	-	(260,504)	(260,504)
Transfer to Operational Risk Reserve	-	-	-	-	-	-
Transfer between reserves	-	-	-	(85,611)	85,611	-
<b>Closing balance at 30 September 2018</b>	8,485,000	128,000	500,000	-	4,001,339	13,114,339

# Cash Flow Statement

For the year ended 30th September 2018

	Notes	2018 €	2017 €
<b>Cash flows from operating activities</b>			
<b>Surplus</b>		940,164	1,005,340
Adjustments for non-cash items:			
Movement in provision		(218,870)	(104,789)
Bad debt write offs		158,395	228,911
Depreciation	6	121,391	109,395
Movements in:		60,917	233,518
(Increase)/Decrease in prepayment & accrued interest		180,299	(253,943)
Increase/(Decrease) in other payables		(25,659)	(42,589)
		154,640	(296,533)
Cash flows from changes in operating assets and liabilities		1,155,721	942,326
<b>Cashflows from Financing Activities</b>			
Members shares, savings and deposits received		30,301,380	29,307,086
Members shares, savings and deposits repaid		(26,375,612)	(25,428,286)
New loans to members		(16,628,332)	(14,369,687)
Repayment of loans by members		13,807,778	12,631,521
		1,105,214	2,140,634
Net cash flows from operating activities		2,260,935	3,082,960
<b>Cash flows from investing activities</b>			
Movement in investments		(6,549,182)	(2,809,160)
Purchase of property, plant and equipment	6	(100,075)	(37,880)
Dividend paid		(260,504)	(248,965)
Net cash flows from investing activities		(6,909,761)	(3,096,005)
Net increase in cash and cash equivalents		(4,648,826)	(13,044)
Cash and cash equivalents at beginning of year	9	19,394,860	19,407,904
Cash and cash equivalents at end of year		14,746,034	19,394,860



# Notes to the Financial Statements

for the year ended 30th September 2018

**1. Legal and Regulatory Framework**  
Blanchardstown & District Credit Union Limited is established under the Credit Union Act 1997 (as amended). Blanchardstown & District Credit Union Limited is registered with the Registrar of Credit Unions and is regulated by the Central Bank of Ireland. The principal place of business is Blanchardstown & District Credit Union Limited, Blanchardstown Business Centre, Clonsilla Road, Dublin 15.

## 2. Accounting policies

### 2.1 Basis of preparation

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

The directors of Blanchardstown & District Credit Union Limited believe that it is appropriate to prepare the financial statements on the going concern basis.

### 2.2 Currency

The financial statements are presented in Euro (€) which is the functional currency of Blanchardstown & District Credit Union Limited. Monetary amounts in these financial statements are rounded to the nearest Euro.

### 2.3 Income

Interest on Members' Loans is recognised on an accruals basis over time irrespective of when the interest is physically received by the Credit Union. An adjustment is made to the yearend amount receivable for any irrevocable amounts or amounts written off for whatever reason. This is the method required by FRS102 and is prescribed by Section 110 (d) of the Credit Union Act 1997 (as amended).

### 2.4 Investment Income

Investments are accounted for depending on how they are designated at purchase:

#### *Held at amortised cost*

Investments held at amortised cost are measured by the effective interest rate method less impairment. This means that the investment is measured at the cost less

any capital adjustments paid, plus or minus the cumulative amortisation of interest, and compared to the original and maturity amount, less any impairment necessary. As done in previous years, this spreads out the return on any investments, less any possible or identified impairment.

#### *Deposits*

All other investments, which are deposits, are held at the cost paid or amount held. Any amounts held as a deposit with the Central Bank are not subject to any impairment reviews.

### 2.5 Tangible fixed assets

Tangible fixed assets include the categories listed below, which are stated at cost less depreciation and any potential impairment. Tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.

Depreciation is calculated per annum as follows:

#### *Premises*

4% Straight Line

#### *Fixtures and Fittings*

20% Reducing Balance

#### *Computers*

20% Straight Line

### 2.6 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash deposits with maturity of three months or less.

### 2.7 Members Share and Loans

Members' shares are redeemable and therefore classified as liabilities by the credit union, as they are due to members. They are measured at the amount deposited.

Loans to members are financial assets with fixed payments. They are recognised when cash is advanced to members and measured at amortised cost using the effective interest method. Loans are only removed from the balance sheet when they are repaid by the member or written off by the credit union.

# Notes to the Financial Statements continued

for the year ended 30th September 2018

## 2.8 Impairment of Loans

Blanchardstown & District Credit Union Limited 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. Quarterly loan book reviews are also carried out, and provisions are made for any loans not performing, in line with regulatory requirements and accounting rules.

Any loans which are identified as impaired are approved for charge off by the board on a quarterly basis. Any movement in bad debts, including provisions, collection of charged off amounts, amounts charged off or reversal of any necessary provisions, are accounted for in the income and expenditure account. Blanchardstown & District Credit Union has identified the following categories for assessing impairment losses on loans.

### *Rescheduled Loans*

The provision applied to Rescheduled Loans is the greater of provision identified during the loan book review and any provision required under Regulatory Requirements issued by the Central Bank of Ireland.

### *Individual Significant Loans*

Each loan in this category is individually assessed. 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. The ratings influence management of individual loans. The credit rating triggers the impairment assessment and if relevant the raising of the specific provision on individual loans where there is a doubt about their recoverability.

### *All Other Loans*

Blanchardstown & District Credit Union Limited uses Lending Analytics Software to calculate the statistical baseline for the part of its loan provision that is assessed on a collective grouped basis for loans which are not included in the above categories. The Lending Analytics Software employs a roll-rate methodology that analyses the movement in arrears of all the loans in each such group over the preceding 12 months. By taking into account the Credit Union's historical net recoveries on written-off loans, the Lending Analytics Software uses the results of its roll-rate analysis to compute a loss given default (LGD) projections for each loan in the group. Based on each loan's percentage of completion and number of months in arrears, its projected LGD is back-allocated to calculate the degree to which it is impaired. The sum of those individual impairments is the baseline provision for that group of loans.

## 2.9 Pension Costs

The pension scheme is a defined contribution scheme. Contributions are charged to the income and expenditure account in the year in which they fall due.

## 2.10 Reserves

### *Regulatory reserve*

Blanchardstown & District Credit Union Limited is required to maintain and establish a minimum Regulatory reserve of at least 10% of the assets of the Credit Union in accordance with the Credit Union Act 1997 (Regulatory Requirements) Regulations 2016.



# Notes to the Financial Statements continued

for the year ended 30th September 2018

## *Operational Risk Reserve*

Blanchardstown & District Credit Union Limited has established an Operational Risk reserve which is a separate distinct reserve which the Credit Union is required to hold in addition to its Regulatory reserve. The amount held in the Operational risk reserve is the estimated impact of operational risk events that may have a material impact on the business of Blanchardstown & District Credit Union Limited. The directors, having considered the requirements of the Section (45)(5)(a) of the Credit Union Act 1997 (as amended), determine that an operational risk reserve of €128,000 is appropriate.

## *Dividend reserve and Loan interest rebate reserve*

Dividend and loan interest rebate reserves are the accumulated surplus to date that have been set aside for the purpose of future dividend and loan interest rebate payments.

## *Non Distributable Investment Income Reserves*

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

## *Undistributed surplus*

Undistributed surplus are the accumulated reserves Blanchardstown & District Credit Union Limited to date that have not been declared as dividends returnable to members.

3.

## **Use of estimates and judgements**

The preparation of financial statements requires the use of certain accounting estimates. It also requires the Directors to exercise judgement in applying 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**

Blanchardstown & District Credit Union Limited's accounting policy for impairment of loans is set out in the accounting policy note above. 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 climate, conditions in various sectors of the economy to which the Credit Union is exposed and other external factors such as legal and regulatory requirements.

## **Operational Risk Reserve**

The Directors have considered the requirements of the Credit Union Act 1997 (as amended) and have considered an approach to the calculation of the operational risk reserve. The reserve has been calculate using the Basel III methodology.

# Notes to the Financial Statements continued

for the year ended 30th September 2018

## 4. Deposits and Investments

4a. Deposits and Investments – Cash Equivalents	2018 €	2017 €
Accounts in Authorised Credit Institutions (Irish and Non-Irish based)	10,702,285	17,184,622
Collective investment schemes	1,060,084	70,775
<b>Total Deposits and Investments – cash equivalents</b>	<b>11,762,369</b>	<b>17,255,397</b>
4b. Deposits and Investments – Other	2018 €	2017 €
Accounts in Authorised Credit Institutions (Irish and Non-Irish based)	33,256,943	28,368,148
Bank Bonds	9,808,105	8,171,258
Central Bank Deposits	625,302	601,762
<b>Total Deposits and Investments – other</b>	<b>43,690,350</b>	<b>37,141,168</b>
<b>Total Deposits and Investments</b>	<b>55,452,719</b>	<b>54,396,565</b>

5. Loans to Members	2018 €	2017 €
Gross Loans to members	26,180,071	23,517,912
Provision for bad and doubtful debts	(1,260,062)	(1,478,932)
<b>Net loans to members</b>	<b>24,920,009</b>	<b>22,038,980</b>
Opening provision for bad debts	1,478,932	1,583,721
Decrease/Increase in bad debt provision	(218,870)	(104,789)
<b>Closing provision for bad debts</b>	<b>1,260,062</b>	<b>1,478,932</b>

The current provision in the financial statements is €1,260,062 (2017: €1,478,932) representing 5.06% (2017: 6.71%) of the total loan book.

### Bad and Doubtful Debts in the statement of comprehensive income comprise:

	2018 €	2017 €
Bad debts recovered	(367,612)	(319,038)
Loan interest on impaired loans classified as bad debts recovered	(56,308)	(65,276)
Bad debts written off	158,395	228,911
<b>Increase/(Decrease) in provision for bad and doubtful debts</b>	<b>(218,870)</b>	<b>(104,789)</b>
<b>Bad and Doubtful Debts</b>	<b>(484,395)</b>	<b>(260,192)</b>





# Notes to the Financial Statements continued

for the year ended 30th September 2018

## 6. Tangible Fixed Assets

	<b>Freehold Premises</b>	<b>Computer Equipment</b>	<b>Fixtures and Fittings</b>	<b>Total</b>
<b>Cost:</b>	<b>€</b>	<b>€</b>	<b>€</b>	<b>€</b>
At 1 October 2017	1,667,441	243,893	473,951	2,385,285
Additions	-	64,429	35,646	100,075
Disposals	-	-	-	-
<b>At 30 September 2018</b>	<b>1,667,441</b>	<b>308,322</b>	<b>509,597</b>	<b>2,485,360</b>
<b>Depreciation</b>				
At 1 October 2017	522,238	141,617	433,687	1,097,542
Charge for the year	66,910	43,240	11,240	121,391
Disposals	-	-	-	-
<b>At 30 September 2018</b>	<b>589,148</b>	<b>184,857</b>	<b>444,927</b>	<b>1,218,933</b>
<b>Net book value at 30 September 2018</b>	<b>1,078,293</b>	<b>123,465</b>	<b>64,669</b>	<b>1,266,427</b>
<b>Net book value at 30 September 2017</b>	<b>1,145,203</b>	<b>102,276</b>	<b>40,264</b>	<b>1,287,743</b>

The premises located at Blanchardstown Business Centre, Clonsilla Road, Blanchardstown, Dublin 15 was valued by Sherry Fitzgerald Geraghty in 2016. The estimated market value of the property at that time was €975,000. The Board of Directors have conducted a value in use which indicates that the carrying value of the property is €9,736,822. Accordingly, no provisions for impairment is reflected.

## 7. Debtors, Prepayments and Accrued Income

	<b>2018</b>	<b>2017</b>
	<b>€</b>	<b>€</b>
Loan Interest Receivable	36,902	36,902
Prepayments	25,526	30,905
Other Debtors and Receivables	116,154	291,239
	<b>178,582</b>	<b>359,046</b>

## 8. Members' Funds

	<b>2018</b>	<b>2017</b>
	<b>€</b>	<b>€</b>
Regular share accounts	67,929,435	64,336,334
Deposit accounts	3,637,752	3,305,251
<b>Total members' shares</b>	<b>71,567,187</b>	<b>67,641,585</b>

## 9. Cash and Cash Equivalents

	<b>2018</b>	<b>2017</b>
	<b>€</b>	<b>€</b>
Cash and Balances at Bank	2,983,664	2,139,463
Deposits and investments	11,762,369	17,255,397
	<b>14,746,033</b>	<b>19,394,860</b>

# Notes to the Financial Statements continued

for the year ended 30th September 2018

## 10. Proposed Dividends and Loan Interest Rebate

The dividend is formally proposed by the Directors after the year end and is approved by members at the AGM, at which time it becomes a liability.

	2018 €	2017 €
Dividend proposed	66,132	62,278
Loan interest rebate proposed	210,304	200,413
Dividend and loan interest rebate rate:		
Share accounts	0.1%	0.1%
Loan interest rebate rate:	10%	10%

## 11. Key Management Remuneration

The Directors of Blanchardstown & District Credit Union Limited are all unpaid volunteers. The key management staff of Blanchardstown & District Credit Union Limited are the credit union CEO, the operations manager and the risk and compliance officer.

	2018 €	2017 €
Remuneration including PRSI	201,766	201,400
Pension	15,240	14,832
Total	217,006	216,232

## 12. Credit Risk Disclosures

Blanchardstown & District Credit Union Limited offers all types of loans to members, including those who offer security for loans. Loans are stated in the balance sheet at the maximum amount of risk that Blanchardstown & District Credit Union Limited is exposed to. The following table reflects the amount of loans, split between those performing and those not performing.

### Loans arrears analysis

	2018		2017	
	Amount	Proportion	Amount	Proportion
<b>Total Loans not Impaired</b>	<b>23,012,911</b>	<b>87.90%</b>	<b>20,617,399</b>	<b>87.67%</b>
€	%	€	%	
Between 1 and 9 Weeks				
Past Due	2,160,828	8.25%	1,663,486	7.07%
Between 10 and 18 Weeks				
Past Due	242,751	0.93%	269,993	1.14%
Between 19 and 26 Weeks				
Past Due	101,129	0.39%	143,921	0.61%
Between 27 and 39 Weeks				
Past Due	177,445	0.68%	173,937	0.74%
Between 40 and 52 Weeks				
Past Due	87,373	0.33%	68,810	0.29%
53 or more Weeks				
Past Due	397,634	1.52%	580,367	2.48%
<b>Total Impaired Loans</b>	<b>3,167,160</b>	<b>12.10%</b>	<b>2,900,514</b>	<b>12.33%</b>
<b>Total Gross Loans</b>	<b>26,180,071</b>	<b>100%</b>	<b>23,517,913</b>	<b>100%</b>



# Notes to the Financial Statements continued

for the year ended 30th September 2018

## 13. Additional financial instruments disclosures

### Financial risk management

Detailed budgets are set by Blanchardstown & District Credit Union Limited for the entire duration of its Strategic Plan, and updated annually based on any changes in circumstances. These budgets seek to maximise returns on investments and loans, minimise the cost of operating a significant branch operation while providing a return to members in a low interest rate environment. This manages any potential interest rate risk that the credit union might possibly be exposed to.

The main financial risks arising from the Credit Union's activities are credit risk, market 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 the Credit Union, resulting in financial loss to the Credit Union.

BDCU has invested in putting in place a team in lending with strong underwriting experience to manage credit risk, and ensure that assessments in relation to loans are sufficiently robust. There are detailed policies and procedures in place to ensure these assessments can be measured constantly.

The first port of call for ensuring loans are repaid is to lend to members who can repay loans, this is noted above in the quality of lending section. When members encounter difficulty in paying loans, they have the option of discussing alternatives with our team. When members do not pay their loans, they are contacted regularly to ensure they are aware of their commitments. Monitoring of loans in arrears is carried out daily, with policies and procedures in place to deal with all scenarios.

The Credit Union's investments are also exposed to credit risk and the Credit Union mitigates the risk by only placing investments with financial institutions where the counterparties have strong credit ratings and using investment products authorised by Central Bank.

**Liquidity Risk:** The policy of Blanchardstown & District Credit Union Limited is to maintain sufficient funds in liquid form at all times to ensure that it can meet its liabilities as they fall due. The objective of the Credit Union's liquidity policy is to smooth the mismatches between maturing assets and liabilities and to provide a degree of protection against any unexpected developments that may arise.

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

**Interest Rate Risk:** Blanchardstown & District Credit Union Limited 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 when deciding on the dividend rate payable on members' shares. Blanchardstown & District Credit Union Limited does not use interest rate options to hedge its own positions.

# Notes to the Financial Statements continued

for the year ended 30th September 2018

## 14. Interest rate risk disclosures

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

Loan Type	2018		2017	
	Interest Rate	APR	Interest Rate	APR
Standard loans	8.95%	9.33%	8.95%	9.33%
Student Loans	5.50%	5.64%	5.00%	5.12%
Promotional Loan	6.95%	7.33%	-	-
Community Loan	5.00%	5.12%	5.00%	5.12%
Mortgage	4.95%	5.10%		

## 15. Pensions

Blanchardstown & District Credit Union Limited operates a defined contribution pension scheme available to all employees of the Credit Union. Contributions payable to the scheme are held separately from those of the credit union in an independently administered fund. The contributions to the pension scheme are charged to the income and expenditure account in the period to which they relate.

## 16. Related Party Transactions

	2018		2017	
	No of Loans	€	No of Loans	€
Loans advanced to related parties during the year	11	83,800	7	25,000
Total loans outstanding to related parties at year end	15	110,740	13	192,671

The related party loans stated above comprise 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 Blanchardstown & District Credit Union.

Total Loans outstanding to related parties represents 0.42% of the total loans outstanding at 30 September 2018 (2017: 0.82%)

## 17. Insurance against Fraud

The Credit Union has Insurance against fraud in the amount of €2,000,000 in compliance with Section 47 of the Credit Union Act 1997 (as amended).

## 18. Contingent Liability

In September 2018, all credit unions received correspondence from the Central Bank on a potential matter relating to accrued interest outstanding on members top up loans, which may have led to a potential over-collection of interest. Blanchardstown & District Credit Union has commenced a review to ascertain whether any top up loans to members might be impacted by these circumstances, and to determine what actions may need to be taken, in consultation with the Central Bank. Consequently, it is impracticable at this time to estimate the impact, financial or otherwise, if any, of this matter and whether any net amounts will become payable in the future.

## 19. Post Balance Sheet Events

There are no material events after the balance sheet date.



## Schedule 1 Loan Interest

Loan interest received  
Loan interest receivable

**Total**

2018	2017
€	€
2,046,742	2,011,940
-	(7,805)
<u>2,046,742</u>	<u>2,004,135</u>

## Schedule 2 Other interest receivable and similar income

Investment income and gains received  
Investment income receivable within 12 months  
Investment income receivable after 12 months

**Total**

2018	2017
€	€
200,080	296,703
124,359	215,069
-	85,611
<u>324,439</u>	<u>597,383</u>

## Schedule 3 - Other Income

Entrance fees  
Commissions

**Total**

2018	2017
€	€
789	652
27,217	20,886
<u>28,006</u>	<u>21,538</u>

## Schedule 4

### Other Management Expenses:

	2018	2017
	€	€
Rates	22,460	19,211
Lighting, Heating and Cleaning	13,165	11,889
Repairs and Renewals	42,008	35,974
Security	23,641	15,551
Service Charges	12,807	13,830
Printing and Stationery	13,451	17,127
Postage and Telephone	23,529	23,191
Donations and Sponsorship	30,000	23,285
Debt Collection	93,285	94,214
Promotion and Advertising	31,775	28,473
Training Costs	16,078	14,535
Board Oversight	1,419	896
AGM and Convention Expenses	22,759	19,427
Travel and Subsistence	8,364	6,305
Bank Charges	23,506	32,101
Laser Machine Rental & Maintenance	14,929	13,565
Central Bank and Levy Fees	127,970	135,908
Audit Fee	22,300	19,182
Internal Audit	14,760	14,760
General Insurance	33,450	34,819
Share and Loan insurance	254,413	259,297
Death Benefit Insurance	125,480	122,702
Legal and Professional Fees	50,239	26,133
Computer Maintenance	65,058	58,853
Miscellaneous Expenses	8,642	9,067
Annual Subscriptions	12,676	9,901
CUDA	39,902	33,224
Merger Costs	-	(14,637)
Staff Uniforms	-	6,950
<b>Total</b>	<b>1,148,066</b>	<b>1,085,732</b>

WWW.BLANCHARDSTOWNCU.IE

Blanchardstown & District Credit Union operates the draw in line with the Central Banks best practice, with the highest level of oversight and governance in place. Our draw is conducted in the presence of an independent legal professional who provides oversight of all aspects of the draw. For more information and Cash Draw Rules please visit [www.blanchardstowncu.ie](http://www.blanchardstowncu.ie)





Blanchardstown & District  
Credit Union

## WE WILL MAKE YOUR DREAMS HAPPEN

---

Unit 9/10 Blanchardstown Business Centre  
Clonsilla Road,  
Blanchardstown, Dublin 15  
D15 FP92, Ireland

01 820 3495

[info@blanchardstowncu.ie](mailto:info@blanchardstowncu.ie)

[loans@blanchardstowncu.ie](mailto:loans@blanchardstowncu.ie)

[WWW.BLANCHARDSTOWNCU.IE](http://WWW.BLANCHARDSTOWNCU.IE)

Blanchardstown and District Credit Union Limited is regulated by the  
Central Bank of Ireland. Reg. No.:291CU