

## ACCOUNTS & NOTICE OF AGM



TRALEE | CASTLEISLAND | KILLORGLIN

Notice is hereby given that the Annual General Meeting of Cara Credit Union Ltd. will be held at **The Rose Hotel, Tralee** on **Monday 9th December, 2019** at 8pm

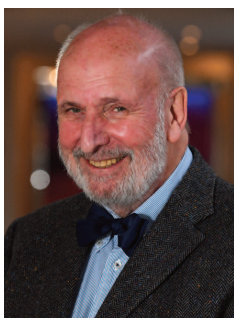


Credit Unions voted No. 1 for  
Customer Experience in Ireland  
5 years in a row.

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**Richard Bono**  
Hon Secretary

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## CARA CREDIT UNION BOARD OF DIRECTORS AND BOARD OVERSIGHT COMMITTEE



Front row left to right: John O'Connor, Sean Roche, Eddie Enright (Vice-Chair) Lily Tangney, Pa Laide (CEO),  
Back row left to right: Stephen O'Sullivan (Board Oversight Committee) Randall Wharton, John Welch, Richard Bono,  
Patrick O'Brien (Board Oversight Committee), Danny Kerins, Michael O'Sullivan and Tom Lawlor.  
Missing from the photo: Caroline Sugrue (Chairperson), Ann-Marie Brosnan (Board Oversight Committee) and Conor Fitzgerald.

## AGM AGENDA

**MONDAY 9th DECEMBER 2019 | THE ROSE HOTEL 8.00pm**

- Invocation - Credit Union Prayer
1. Acceptance of Proxies (if any) by the Board of Directors
2. Ascertain that a Quorum is present
3. Adoption of Standing Orders
4. Reading and Approval of the Minutes of 2018 AGM
5. Appointment of Tellers
6. Report of the Nominating Committee and Election of Directors, Board Oversight Committee and Auditor
7. Report of the Chairperson
8. Report of the Auditors
9. Report on Accounts
10. Declaration of 0.01% dividend
11. Report of the Board Oversight Committee
12. Report of CEO
13. Approval of the League Affiliation Fees - €1.00 per member automatically deducted from members accounts
14. Approval to amend the Standard Rules (please refer to Rules on page 4)
15. AGM Members Draw
16. Announcement of Election Results
17. Any Other Business
18. Live Members Car Draw
19. Close of Meeting

## RESOLUTIONS

### **Resolution 21 from League AGM 2019** provided that:

That this Annual General Meeting agrees to insert a new 84A into the Standard Rules for Credit Unions (Republic of Ireland), to read as follows:

#### **Rule 84A. Membership Officer**

- 1) The board of directors may approve the appointment of a person by the manager as a membership officer to assist the membership committee and work under its supervision and control.
- 2) A record of each application for membership which has or has not been approved shall be furnished by the membership officer to the membership committee no later than seven days of receipt of the application

### **Resolution 22 from League AGM 2019** provided that:

That this Annual General Meeting agrees to amend Rule 13(1)(iii) of the Standard Rules for Credit Unions (Republic of Ireland) by the insertion of 'or by a duly appointed and authorised Membership Officer', to read as follows:

#### **Rule 13. Qualifications for membership**

- 1) An applicant shall be admitted to membership only when:
  - (i) it shall have been determined that he is eligible for membership in accordance with rule 11; and
  - (ii) his application for membership shall have been approved by the affirmative vote of a majority of the board of directors or by a duly appointed and authorised membership committee present at a meeting at which the application is considered, or by a duly appointed and authorised Membership Officer; and

### **Resolution 23 from League AGM 2019** provided that:

That this Annual General Meeting agrees to amend Rule 83 of the Standard Rules for Credit Unions (Republic of Ireland) by the insertion of 'and/or membership officer', to read as follows:

#### **Rule 83. Duties of membership committee and/or membership officer**

Subject to these rules and the Act, the membership committee and/or membership officer shall: .....

### **Resolution 24 from League AGM 2019** provided that:

That this Annual General Meeting agrees to amend Rule 1(a) of the Standard Rules for Credit Unions (Republic of Ireland) by the insertion of 'membership officer', to read as follows:

#### **Rule 1. Interpretation**

'officer' includes:

- a) the chair, the secretary or any other member of the board of directors, a member of a principal committee, a member of the board oversight committee, risk management officer, compliance officer, credit officer, membership officer or credit control officer of the credit union,
- b) an employee of the credit union to whom paragraph (a) does not apply, and
- c) a voluntary assistant of the credit union, but does not include an auditor appointed by the credit union in accordance with the requirements of the Act; Credit unions are advised to register this rule amendment with the Registry for Credit Unions once a resolution for same has been passed at the credit union's annual general meeting.

## CHAIRPERSON'S REPORT



**Caroline Sugrue**

*Cara Credit Union has continued to deliver on its strategic priorities during 2019. We continue to welcome new members and launch new products and member services.*

On behalf of your Board of Directors, I am pleased to report a good year for Cara Credit Union and invite you to attend our 52nd AGM. Our assets now stand at over €242 million with members savings growing to over €200 million and Loan Book increasing to over €90 million for the first time.

We are delighted to report a surplus for the financial year of over €1.6 million in what continues to be an unstable economic environment. Maintaining loan yields remains a challenge for the credit union with new and existing competitors continually decreasing interest rates and Investment income rates below 1%. Our expenses also continue to grow (7.2%), and our Cost to Income ratio is currently at 77.17%. As a Board we continue to challenge the financial performance of the credit union and keep a tight rein on all costs. This year an increase in members shares of €6.9m to over €200 million has remained a challenge for the management team but the introduction of the €50,000 saving limit has reduced the year end transfer to regulatory reserves. To ensure continued strength and sustainability and reduce the pressure currently being placed on our reserves we will continue with the €50,000 saving limit on your Account for the foreseeable future. There has been an overall growth of €9 million in the net worth on the Balance Sheet at 30th September 2019 for Cara Credit Union.

Our Investment Committee reports that investment return remains low again this year at

less than 1% and the longer-term prospect of rates returning to anything close to "normal" has been pushed back several years and for now zero percent rates is the "new normal". The management team monitor this daily, as Cara Credit Union is being charged by some financial institutions for holding deposits funds.

Our Risk Committee comprises of three members of our Board and met four times during this financial year with reports submitted to the Board of Directors on a quarterly basis. Cara Credit Union recognises that Risk and Compliance has become an integral part of our culture and is embedded in our decision making, in our operations and in the delivery of services to you, our members.

The Audit committee comprises of three members of our Board who report to the board quarterly. It assists the Board by assessing the performance of the auditor, ensuring the financial statements give a 'true and fair' view as well as reviewing the operation of the Internal Audit function, ensuring that the internal audit function is operating effectively and taking appropriate action in relation to recommendations.

A key function of the Board is to set the direction of the credit union while always being mindful of the risks involved. We, as a Board will continue to implement and develop our Vision 2020 Strategic Plan for the last remaining year. This plan evolves on a yearly basis with market, economic, and



financial challenges dictating our direction. Together with the Management Team, the Board have already commenced the process of updating our Strategic Plan that will guide our development for the next 5 years 2020-2025. One of the key objectives of Vision 2020 was the introduction of a Current Account complete with globally accepted debit card. We are delighted that we have achieved this objective in October 2019.

Following on from our Cultivate (Agri Loan) collaboration with credit unions we have invested in a new joint venture ('JV') with fifteen (15) credit unions and Fexco. For the credit union sector to remain viable in this unprecedented low interest rate environment, we must collaborate with other credit unions and look at standardisation to try and reduce costs and develop new products for our members.

After salaries the next biggest cost to Cara Credit Union is our Insurance services (Life Savings and Loan Protection Insurance and Death Benefit Insurance). Up until last year we sought consent to deduct part of the DBI premium from member's dividend by way of a Board Resolution at our AGM. Legislation changed in 2007 that written consent be obtained from members to deduct sums of money from their accounts. While the credit union did obtain written consent from new members who joined after July 2005, we did not seek consent from existing members at the time. In the interest of regulation, fairness and transparency the Board have decided to repay all DBI premiums that were charged to members who joined prior to July 2005 and to members from Tralee CIE and Killorglin Credit Union following the completion of mergers. Going forward the Board have decided that this premium for DBI cover will be paid for by the credit union in full for the foreseeable future. This will be reviewed, along with all our services, in the ordinary course of our strategic planning processes, to ensure that our services meet the ongoing needs of our members.

At the end of the year the Board considered their options in relation to the distribution of any surplus. As with last year, the Board are proposing a dividend of 0.01%. We feel that this is a very competitive rate and while the same dividend rate for the past two years we are also able to strengthen our reserves.

Your Board work tirelessly on your behalf throughout the year and met a total of 17 times to discharge their regulatory and fiduciary duties. The focus areas for the Board for the next 5 years are; Strategy incorporating business model and members service, Risk and Compliance Management and sound Governance practice.

I am entering into my second year as Chairperson of the Board of Directors and I would like to express a very special thank you to the management and staff of Cara Credit Union who provide such a personal and dedicated service to all our members. I would especially like to thank all my fellow directors who have supported and worked with me in what was a very interesting year, especially Michael O'Sullivan who has just recently retired from the board this year after many years. Michael came from Killorglin Credit Union which celebrated its 50th anniversary this year with great celebrations. He has served the board of Cara Credit Union and several committees over that time with dedication and loyalty - thank you Michael. I would like to thank the Board Oversight Committee for keeping us in line and for their continued support throughout the year.

Finally, a very special thank you to you, our members for continued support and commitment to Cara Credit Union and we look forward to another successful year in 2020. Wishing you all a happy Christmas and a peaceful New Year and I look forward to meeting you all at our AGM.



**Caroline Sugrue,**  
Chairperson

## BOARD OVERSIGHT COMMITTEE

*The Board Oversight Committee (BOC) has the task of ensuring that the board of directors function, as laid out by the Credit Union Acts and good corporate governance practice.*

The BOC considers the overall responsibilities of the board and the functioning of the directors. There are a number of responsibilities specified by the Credit Union Act 2012 but the principal three are as follows; Strategy implementation and review, Risk assessment and management, and Effectiveness of management and procedures. These core responsibilities are the foundation of a strong functioning credit union board and one of the main guidance to the BOC when evaluating and reviewing the board's performance.

Over the past year at least one member of the BOC has been present at all board meetings and have attended a number of the committee meetings. At our request we have received additional information where required. The BOC meet at least once a month, separately to the board to review and discuss the board function and performance.

With the introduction of the current account and the debit card, 2019 has once again been a busy year for CCU. These were large scale projects that will play a pivotal role in the growth of the CCU in the future.

In quarter one of 2019, CCU had a PRISM review from the Central Bank, these reviews are to ensure that CCU is operating within the regulations. There was a lot of work required by both staff and directors in preparing for this review, which resulted in a positive review



**Patrick O'Brien**

outcome. With the number of credit unions diminishing nationally, these reviews may become a more regular occurrence in the future. The investment and regularity environment within which credit unions operates, continues to be challenging and the board constantly review the strategic planning to ensure we are prepared for the future. The board and Credit Union staff have been very conscious of the need to keep up with the latest technology and services available to members.

It is our opinion that the board and management have taken the appropriate steps ensuring that CCU are prepared for the challenges that are facing the Credit Union and financial environment in the coming years.

A personnel change has also occurred within the BOC with Luke Prendeville having left on 1st September 2019 due to personal commitments and Stephen O'Sullivan joining the committee in his stead. We acknowledge with thanks the help and support we received from Luke.

We wish to thank the board, management and staff for their support and cooperation during the year.



**Patrick O'Brien**  
Chairperson BOC



## CEO REPORT

*2019 was another satisfactory year for your credit union in terms of financial performance and delivering on our strategic priorities.*

We introduced new member service initiatives, we welcomed two new appointments to the executive team, and we continue to grow our loan book in a very robust and challenging marketplace.

**Credit:** Our Credit Committee are pleased with the performance of our Loan Book. We paid out €41.6 million in new loans this year, down just €89,000 on 2018 an exceptional year of growth, bringing our loan book to €90.4m. This was a growth of 7.7% in the year and can be considered satisfactory given the competitive and challenging marketplace. We launched Cultivate, our Agri Loan in collaboration with Killarney Credit Union and Listowel Credit Union in March of this year. Again, this is a new product for our business members and one that has been well received by key stakeholders within the Agri sector. We are happy to report that the level of uptake and interest from farmers has been very positive.

We are operating in a low interest rate environment and a deposit rate of zero percent is now considered a very good rate. Therefore, lending is now our main source of income and we are very grateful to our members for their loyalty in borrowing with us. We endeavour to diversify and grow our loan book and are delighted with the response received from members with our €50,000 loan, the increase in the amount of our secured loan to €175,000 over 25 years, our €15,000 or more loan and low rates on home related loans, car and student loans. We need to be able to offer products that are competitive in



**Pa Laide**

pricing and be able to turn around applications quickly so that we can entice new borrowers into our Credit Union.

**Credit Control:** Our Credit Control Committee are reporting a good year in Credit Control. Yet again this year our Pearls A1 Ratio, i.e. loans greater than 10 weeks in arrears, is at a historic low of 2.47% (industry average 6%) despite a 7.77% growth in the loan book confirming the continued loyalty of Cara Credit Union's members and the awareness they have of timely loan repayments ensuring an excellent credit rating.

**Compliance:** New regulations are being applied to credit unions and the broader financial services industry at an ever-increasing rate with the requirement to apply increased resources to risk and compliance functions. These regulations are of critical importance with the purpose being to ensure that your savings remain protected. 2019 saw the introduction of PSD2. The purpose of PSD2 is to better protect consumers when they pay online, promote the development and use of innovative online and mobile payments and make cross-border European payment services safer.

### **'The Borrowers' TV Series**

In April we were delighted to be one of four credit unions chosen to take part in the RTE One series titled 'The Borrowers'. The fly on the wall programme took viewers behind the scenes into the credit union loan office, for the first time ever on Irish Television. A big thank you to all our

members 'the stars of the show' who featured in the series, for forfeiting your confidentiality and telling your story on national television. We hope your stories will help other people in similar situations to not only join their credit union but to borrow. Thanks also to Derry and Maurice and all our team for their support during and after the filming process.

**Members Service:** I would like to welcome our new members to Cara Credit Union. Our Membership Committee reports that we had 2,158 new members join during the year bringing our active membership to over 44,000 members. I would like to say thank you to our members who continue to believe in the credit union principles of saving together and lending to each other. I would also like to thank our existing members for their continuous support of Cara Credit Union. We are very grateful for this ongoing support.

I can finally announce the introduction of a new current account featuring globally accepted Mastercard Debit Card and an overdraft facility. This new service allows members access to their funds by way of cash back, contactless or at any ATM at home or abroad. I would like to thank our members who have supported this initiative and I would encourage both existing members and non-members to review your existing bank charges and compare Cara Credit Union's charges and make up your own mind. You will see that your Credit Union is offering a very competitive product.

**Staff:** I would like to thank all the staff at Cara Credit Union. Credit Unions have recently been voted No. 1 for Customer Experience in Ireland, 5 years in a row (CXi Customer Experience Report 2019). Our own credit union's member survey told us that over 97% of our members were either

very satisfied or satisfied with the friendliness and helpfulness of our team in Tralee, Castleisland and Killorglin. The reason for this is simple, our team is committed to serving you daily, putting your needs at the heart of everything they do. There are challenging days, queues, ATM outages, but the team always remain positive and always have a smile on their face and for this I thank them.

I would also like to welcome Mark Hussey, Chief Operations Officer and Sarah O'Regan, Head of Credit to the credit union team. I know you will all join with me in wishing them the very best in their new roles.

**Corporate Social Responsibility ('CSR'):** We are committed more than ever to our CSR role to our members and community. This year over €80k was made available in sponsorship, community projects, Lauri Healy Community Sponsorship Awards and our Education and Dan Kellegher Memorial Awards.

I want to thank our Chairperson, directors, all my colleagues within Cara Credit Union for their ongoing support that I receive in fulfilling my role as CEO. Finally, I want to thank you our members for your ongoing support of your credit union. Together we can bring our credit union to the next level by building a better credit union which is focused on delivering premium services in a safe and comfortable environment, for you, our member.

Thank you.

**Patrick Laide, CEO**

# DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2019

The directors present their annual report and the audited financial statements for the financial year ended 30 September 2019.

## Principal activity

The principal activity of the business continues to be the operation of a credit union.

## Authorisation

The credit union is authorised as follows:

- Insurance/reinsurance intermediary under the European Union (Insurance Distribution) Regulations, 2018 (as amended).
- Investment Intermediaries (Restricted Activity Investment Product Intermediary) pursuant to Section 26 of the Investment Intermediaries Act, 1995 (as amended).
- Entitled under the European Union (Payment Services) Regulations 2018 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

The surplus for the financial year is set out in the income and expenditure account on page 9. The directors are proposing a dividend in respect of the year ended 30 September 2019 of €19,326 (0.01%) (2018: €18,584 (0.01%)).

## Principle risks and uncertainties

The principal 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 principal 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 contd.

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 finance function. The books of account of the credit union are maintained at the credit union's premises at 45-47 Ashe Street, Tralee, Co. Kerry.

## Events after the end of the financial year

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

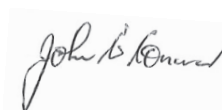
## Auditors

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 11th November 2019 and signed on its behalf by:



**Caroline Sugrue**  
Chairperson of the board of directors



**John O'Connor**  
Member of the board of directors

**Date: 11th November 2019**

## DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE FINANCIAL YEAR ENDED 30th SEPTEMBER 2019

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 11th November 2019 and signed on its behalf by:*



**Caroline Sugrue**  
Chairperson of the board of directors



**John O'Connor**  
Member of the board of directors  
11th November 2019

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 11th November 2019 and signed on its behalf by:*

**Patrick O'Brien**  
Chairperson of the board oversight committee



## BOARD OVERSIGHT COMMITTEE'S RESPONSIBILITIES STATEMENT

FOR THE FINANCIAL YEAR ENDED 30th SEPTEMBER 2019

## INDEPENDENT AUDITORS' REPORT TO MEMBERS

### Opinion

We have audited the financial statements of Cara 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 2019, 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, Cara 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 2019 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 auditors' 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.



## INDEPENDENT AUDITORS' REPORT TO MEMBERS contd.

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 on the other information that we obtained prior to the date of this auditors' report, 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.

#### 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; and
- 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 auditors' 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 judgement and maintain professional scepticism throughout the audit. The auditor will also:

- Identify and assess the risks of material misstatement of the financial statements,

## INDEPENDENT AUDITORS' REPORT TO MEMBERS contd.

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 auditors' 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

11th November, 2019

# INCOME AND EXPENDITURE ACCOUNT

FOR THE FINANCIAL YEAR ENDED 30th SEPTEMBER 2019

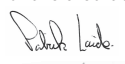


INCOME	Schedule	2019 €	2018 €
Interest on members' loans		6,365,308	5,809,624
Other interest and similar income	1	1,287,445	1,243,705
<b>Net interest income</b>		<b>7,652,753</b>	<b>7,053,329</b>
Other income	2	129,102	144,324
<b>Total income</b>		<b>7,781,855</b>	<b>7,197,653</b>
<b>EXPENDITURE</b>			
Employment costs		2,672,834	2,336,780
Other management expenses	3	3,298,584	2,928,284
Depreciation		106,851	129,848
Net impairment losses/(gains) on loans to members (note 5)		68,756	(118,881)
<b>Total expenditure</b>		<b>6,147,025</b>	<b>5,276,031</b>
<b>Surplus for the financial year</b>		<b>1,634,830</b>	<b>1,921,622</b>

## STATEMENT OF OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30th SEPTEMBER 2019

	2019 €	2018 €
Surplus for the financial year	1,634,830	1,921,622
Other comprehensive income	-	-
<b>Total comprehensive income for the financial year</b>	<b>1,634,830</b>	<b>1,921,622</b>

The financial statements were approved, and authorised for issue, by the board of directors on the 11th November 2019 and signed on behalf of the credit union by:

CEO:  Patrick Laide 11th Nov. 2019  
 Chairperson board of directors:  Caroline Sugrue 11th Nov. 2019  
 Chairperson board oversight committee:  Patrick O'Brien 11th Nov. 2019

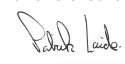


The notes on pages 20 to 36 form part of these financial statements.

# BALANCE SHEET

AS AT 30th SEPTEMBER 2019

		2019 €	2018 €
<b>ASSETS</b>			
Cash and balances at bank		2,722,027	2,051,302
Deposits and investments – cash equivalents	7	36,778,334	31,822,662
Deposits and investments – other	7	114,969,972	117,940,402
Loans to members	8	90,426,670	83,908,771
Provision for bad debts	9	(5,193,392)	(4,847,645)
Tangible fixed assets	10	2,203,731	2,188,367
Investments in associates	11	265,000	-
Prepayments and accrued income	12	612,629	623,648
<b>Total assets</b>		<b>242,784,971</b>	<b>233,687,507</b>
<b>LIABILITIES</b>			
Members' shares	13	203,203,816	196,264,578
Members' deposits	13	184,981	189,992
Members' current accounts	14	2,567	-
Other liabilities, creditors, accruals and charges	15	2,163,395	1,630,014
Other provisions	16	55,938	45,163
<b>Total liabilities</b>		<b>205,610,697</b>	<b>198,129,747</b>
<b>RESERVES</b>			
Regulatory reserve	18	25,517,529	24,249,234
Operational risk reserve	18	1,420,940	705,000
Other reserves			
- Realised reserves	18	10,053,412	10,229,618
- Unrealised reserves	18	182,393	373,908
<b>Total reserves</b>		<b>37,174,274</b>	<b>35,557,760</b>
<b>Total liabilities and reserves</b>		<b>242,784,971</b>	<b>233,687,507</b>

The financial statements were approved, and authorised for issue, by the board of directors on the 11th November 2019 and signed on behalf of the credit union by:

CEO:  Patrick Laide 11th Nov. 2019  
 Chairperson board of directors:  Caroline Sugrue 11th Nov. 2019  
 Chairperson board oversight committee:  Patrick O'Brien 11th Nov. 2019

The notes on pages 20 to 36 form part of these financial statements.

# STATEMENT OF CHANGES IN RESERVES

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2019

	Regulatory Reserve €	Operational Risk Reserve €	Realised Reserve €	Unrealised Reserves €	Total €
<b>As at 1 October 2017</b>	22,380,939	505,000	10,595,816	303,370	33,785,125
Surplus for the financial year	600,000	200,000	1,035,542	86,080	1,921,622
Dividends and loan interest rebates paid	-	-	(148,987)	-	(148,987)
Transfers between reserves	1,268,295	-	(1,252,753)	(15,542)	-
<b>As at 1 October 2018</b>	<b>24,249,234</b>	<b>705,000</b>	<b>10,229,618</b>	<b>373,908</b>	<b>35,557,760</b>
Surplus for the financial year	1,268,295	340,000	26,266	269	1,634,830
Dividends paid	-	-	(18,316)	-	(18,316)
Transfers between reserves	-	375,940	(184,156)	(191,784)	-
<b>As at 30 September 2019</b>	<b>25,517,529</b>	<b>1,420,940</b>	<b>10,053,412</b>	<b>182,393</b>	<b>37,174,274</b>

- The regulatory reserve of the credit union as a percentage of total assets as at 30 September 2019 was 10.51% (2018: 10.38%).
- The operational risk reserve of the credit union as a percentage of total assets as at 30 September 2019 was 0.59% (2018: 0.30%).

The notes on pages 20 to 36 form part of these financial statements.

# STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2018

	Notes	2019 €	2018 €
<b>Opening cash and cash equivalents</b>		<b>33,873,964</b>	<b>42,887,725</b>
<b>Cash flows from operating activities</b>			
Loans repaid by members	8	34,705,360	31,920,110
Loans granted to members	8	(41,633,032)	(41,722,402)
Loan interest		6,365,308	5,809,624
Investment income		1,287,445	1,243,705
Bad debts recovered and recoveries		686,764	678,018
Other receipts		129,102	144,324
Dividends paid		(18,316)	(17,222)
Loan interest rebates paid		-	(131,765)
Members' current accounts lodgements	14	3,228	-
Members' current accounts withdrawals	14	(661)	-
Operating expenses		(5,971,418)	(5,265,064)
Movement in other assets and liabilities		555,175	(203,356)
<b>Net cash flows from operating activities</b>		<b>(3,891,045)</b>	<b>(7,544,028)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed asset (purchases)/disposals		(122,215)	(83,310)
Investments in associates	11	(265,000)	-
Net cash flow from other investing activities		2,970,430	(12,643,791)
<b>Net cash flows from investing activities</b>		<b>2,583,215</b>	<b>(12,727,101)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Members' savings received	13	224,343,151	217,206,137
Members' savings withdrawn	13	(217,408,924)	(205,948,769)
<b>Net cash flow from financing activities</b>		<b>6,934,227</b>	<b>11,257,368</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>5,626,397</b>	<b>(9,013,761)</b>
<b>Closing cash and cash equivalents</b>	6	<b>39,500,361</b>	<b>33,873,964</b>

The notes on pages 20 to 36 form part of these financial statements.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2019

## 1. LEGAL AND REGULATORY FRAMEWORK

Cara 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 45-47 Ashe Street, Tralee, Co. Kerry.

## 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.

The following principal accounting policies have been applied:

### 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 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.

### 2.6 Investments

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

#### 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.

#### 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

# NOTES TO THE FINANCIAL STATEMENTS contd.

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.

### 2.7 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.

### 2.8 Provision for Bad Debts

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.

### 2.9 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.

## NOTES TO THE FINANCIAL STATEMENTS contd.

**2.9 Tangible Fixed Assets contd.**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold premises	2% straight line per annum
Fixtures and fittings	10% straight line per annum
Leasehold improvements	Over the lesser of the useful economic life and the remaining term of the lease
Computer equipment	25% straight line per annum

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.

**2.10 Impairment of Assets**

At each reporting date 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 carrying 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 account.

**2.11 Investments in Associates**

Investments in associates are accounted for at cost less impairment.

**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 Cara Credit Union Limited are redeemable and therefore are classified as financial liabilities. They are initially recognised at the amount of cash deposited and subsequently measured at amortised cost.

**2.14 Members Deposits**

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

**2.15 Members' Current Accounts**

The credit union provides Member Personal Current Account Services in accordance with Section 49(3) of the Credit Union Act, 1997 (as amended).

**2.16 Other Payables**

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

**2.17 Pension Costs**

Cara Credit Union Limited participates in an

## NOTES TO THE FINANCIAL STATEMENTS contd.

industry-wide pension scheme for some employees (The Irish League of Credit Unions Republic of Ireland Pension Scheme). This is a funded defined benefit scheme with assets managed by the Scheme's trustees.

The scheme is a multi-employer Scheme and due to the nature of the Scheme it is not possible for Cara Credit Union Limited to separately identify its share of the Scheme's underlying assets and liabilities.

Consequently, it accounts for the Scheme as a defined contribution plan.

The credit union also operates a defined contribution pension scheme for some employees. 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.

**2.18 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.

**2.19 Operating Leases**

Rentals payable under operating leases are charged to the income and expenditure account on a straight line basis over the lease term.

**2.20 Derecognition of Financial Liabilities**

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

**2.21 Regulatory Reserve**

The Credit Union Act, 1997 (Regulatory Requirements) Regulations 2016 requires credit unions to establish and maintain a minimum regulatory reserve requirement of at least 10 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.

**2.22 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 definition of operational risk is the risk of losses stemming from inadequate or failed internal processes, people and systems or from external events. The directors have considered the requirements of the Act and have considered an approach to the calculation of the operational risk reserve. Cara 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 Cara 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. In addition, the credit union has included in its operational risk reserve a Member Personal Current Account Service operational risk reserve, in accordance with Section 49(3) of the Credit Union Act, 1997 (as amended).

## NOTES TO THE FINANCIAL STATEMENTS contd.

**2.23 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'.

**2.24 Distribution Policy**

Dividends are made from the current year's surplus or reserves set aside for that purpose. The board's proposed dividends to members each year is based on the distribution policy of the credit union. The rate of dividends 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 when members ratify such payments at the Annual General Meeting.

**2.25 Taxation**

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

**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 judgements 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 year end was €2,203,731 (2018: €2,188,367).

**Provision for Bad Debts**

Cara Credit Union Limited's accounting policy for impairment of loans is set out in the accounting policy in note 2.8. 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

## NOTES TO THE FINANCIAL STATEMENTS contd.

as legal and regulatory requirements. The provision for bad debts in the financial statements at the year end was €5,193,392 (2018: €4,847,645) representing 5.74% (2018: 5.78%) of the total gross loan book.

**Investments in Associates**

The investments in associates represents Cara Credit Union Limited's investment in Metacu Management Designated Activity Company. This investment was made for operational purposes. The credit union holds 6.25% Redeemable A Ordinary shares in the company and through the terms of the shareholders agreement agreed between each of the participating credit unions, Cara Credit Union Limited is deemed to have influence over the operations of this company. Therefore the investment has been accounted for as an investment in an associate.

**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. Cara 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 minimum operational risk reserve. In addition, the credit union has included in its operational risk reserve a Member Personal Current Account Service operational risk reserve, in accordance with Section 49(3) of the Credit Union Act, 1997 (as amended). The operational risk reserve of the credit union at the year end was €1,420,940 (2018: €705,000).

**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.



## NOTES TO THE FINANCIAL STATEMENTS contd.

	€ 2019	€ 2018
<b>4. KEY MANAGEMENT PERSONNEL COMPENSATION</b>		
The directors of Cara Credit Union Limited are all unpaid volunteers. The key management personnel compensation is as follows:		
Short term employee benefits paid to key management	807,936	805,587
Payments to pension schemes	70,327	67,359
<b>Total key management personnel compensation</b>	<b>878,263</b>	<b>872,946</b>
<b>5. NET IMPAIRMENT LOSSES/(GAINS) ON LOANS TO MEMBERS</b>		
Bad debts recovered	(591,927)	(564,954)
Impairment of loan interest reclassified as bad debt recoveries	(94,837)	(113,064)
Movement in bad debts provision during the year	345,747	307,402
Loans written off during the year	409,773	251,735
<b>Net impairment losses/(gains) on loans to members</b>	<b>68,756</b>	<b>(118,881)</b>
<b>6. CASH AND CASH EQUIVALENTS</b>		
Cash and balances at bank	2,722,027	2,051,302
Deposits & investments (note 7)	151,748,306	149,763,064
Less: Deposit & investment amounts maturing after three months	(114,969,972)	(117,940,402)
<b>Total cash and cash equivalents</b>	<b>39,500,361</b>	<b>33,873,964</b>
<b>7. DEPOSITS AND INVESTMENTS</b>		
<b>Deposits and investments – cash equivalents</b>		
Accounts in authorised credit institutions (Irish and non-Irish based)	36,724,608	31,768,690
Collective investment schemes	53,726	53,972
<b>Total deposits and investments – cash equivalents</b>	<b>36,778,334</b>	<b>31,822,662</b>
<b>Deposits and investments – other</b>		
Accounts in authorised credit institutions (Irish and non-Irish based)	65,000,000	70,123,000
Bank bonds	23,542,537	25,533,524
Irish and EEA state securities	20,429,784	20,465,612
Central Bank deposits	1,997,651	1,818,266
Other investments	4,000,000	-
<b>Total deposits and investments – other</b>	<b>114,969,972</b>	<b>117,940,402</b>
<b>Total deposits and investments</b>	<b>151,748,306</b>	<b>149,763,064</b>

## NOTES TO THE FINANCIAL STATEMENTS contd.

	€ 2019	€ 2018			
8. FINANCIAL ASSETS – LOANS TO MEMBERS					
As at 1 October	83,908,771	74,358,214			
Loans granted during the year	41,633,032	41,722,402			
Loans repaid during the year	(34,705,360)	(31,920,110)			
<b>Gross loans and advances</b>	<b>90,836,443</b>	<b>84,160,506</b>			
<b>Bad debts</b>					
Loans written off during the year	(409,773)	(251,735)			
<b>As at 30 September</b>	<b>90,426,670</b>	<b>83,908,771</b>			
9. PROVISION FOR BAD DEBTS					
As at 1 October	4,847,645	4,540,243			
Movement in bad debts provision during the year	345,747	307,402			
<b>As at 30 September</b>	<b>5,193,392</b>	<b>4,847,645</b>			
The provision for bad debts is analysed as follows:					
Grouped assessed loans	5,193,392	4,847,645			
<b>Provision for bad debts</b>	<b>5,193,392</b>	<b>4,847,645</b>			
10. TANGIBLE FIXED ASSETS					
	€ Freehold Premises	€ Fixtures & Fittings	€ Leasehold Improvement	€ Computer Equipment	€ Total
COST					
1 October 2018	2,998,591	682,365	-	488,324	4,169,280
Additions	-	11,356	69,617	41,242	122,215
<b>At 30 September 2019</b>	<b>2,998,591</b>	<b>693,721</b>	<b>69,617</b>	<b>529,566</b>	<b>4,291,495</b>
DEPRECIATION					
1 October 2018	981,196	555,153	-	444,564	1,980,913
Charge for year	59,807	16,378	7,788	22,878	106,851
<b>At 30 September 2019</b>	<b>1,041,003</b>	<b>571,531</b>	<b>7,788</b>	<b>467,442</b>	<b>2,087,764</b>
NET BOOK VALUE					
<b>30 September 2019</b>	<b>1,957,588</b>	<b>122,190</b>	<b>61,829</b>	<b>62,124</b>	<b>2,203,731</b>
30 September 2018	2,017,395	127,212	-	43,760	2,188,367

## NOTES TO THE FINANCIAL STATEMENTS contd.

11. INVESTMENTS IN ASSOCIATES		€		
<b>COST</b>				
At 1 October 2018	-			
Additions in the year	265,000			
<b>At 30 September 2019</b>	<b>265,000</b>			
<b>ACCUMULATED IMPAIRMENT</b>				
At 1 October 2018	-			
Impairment loss	-			
<b>At 30 September 2019</b>	<b>-</b>			
<b>NET BOOK VALUE</b>				
<b>30 September 2019</b>	<b>265,000</b>			
30 September 2018	-			
<b>INTERESTS IN ASSOCIATE</b>				
The credit union has interests in the following associate:				
Associate	Type of shares held	Proportion held (%)	Net Assets €	Profit or loss €
Metacu Management Designated Activity Company	Redeemable A Ordinary	6.25%	-*	-*
<b>€ Share of net assets</b>				
<b>At 1 October 2018</b>	-			
Investment during the year	265,000			
Share of profit/(loss) for the financial year after tax	-*			
Share of other comprehensive income	-*			
<b>At 30 September 2019</b>	<b>265,000</b>			

\*Metacu Management Designated Activity Company commenced trading during 2019 and has not yet prepared its first year financial statements. Consequently the net assets or profit/loss of the company is not yet available.

## NOTES TO THE FINANCIAL STATEMENTS contd.

	€ 2019	€ 2018
<b>12. PREPAYMENTS AND ACCRUED INCOME</b>		
Prepayments	88,468	52,664
Loan interest receivable	180,714	185,874
Accrued income on investments	343,447	385,110
	<b>612,629</b>	<b>623,648</b>
<b>13. MEMBERS' SAVINGS</b>		
As at 1 October	196,454,570	185,197,202
Received during the year	224,343,151	217,206,137
Withdrawn during the year	(217,408,924)	(205,948,769)
<b>As at 30 September</b>	<b>203,388,797</b>	<b>196,454,570</b>
Members' savings are analysed as follows:		
Members' shares	203,203,816	196,264,578
Members' deposits	184,981	189,992
<b>Total members' savings</b>	<b>203,388,797</b>	<b>196,454,570</b>
<b>14. MEMBERS' CURRENT ACCOUNTS</b>		
As at 1 October	-	-
Lodgements	3,228	-
Withdrawals	(661)	-
<b>As at 30 September</b>	<b>2,567</b>	<b>-</b>
	<b>No. of Accounts</b>	<b>Balance of Accounts €</b>
Debit	-	-
Credit	20	2,567
Permitted overdrafts	-	-
<b>15. OTHER LIABILITIES, CREDITORS, ACCRUALS &amp; CHARGES</b>		
Accruals and other liabilities	2,100,832	1,571,838
PAYE/PRSI	48,518	45,630
Car draw	14,045	12,546
	<b>2,163,395</b>	<b>1,630,014</b>

## NOTES TO THE FINANCIAL STATEMENTS contd.

€ 2019 € 2018

**16. OTHER PROVISIONS****Holiday Pay Accrual**

At 1 October	45,163	20,688
Charged to the income and expenditure account	10,775	24,475
<b>At 30 September</b>	<b>55,938</b>	<b>45,163</b>

**Pension Provision**

At 1 October	-	14,892
Charged to the income and expenditure account	-	(14,892)
<b>At 30 September</b>	<b>-</b>	<b>-</b>

**Total Other Provisions**

At 1 October	45,163	35,580
Charged to the income and expenditure account	10,775	9,583
<b>At 30 September</b>	<b>55,938</b>	<b>45,163</b>

**17. FINANCIAL INSTRUMENTS****17a. Financial Instruments - Amortised Cost**

€ 2019 € 2018

**Financial assets**

Financial assets measured at amortised cost	<b>245,451,724</b>	<b>236,054,275</b>
---------------------------------------------	--------------------	--------------------

**Financial liabilities**

Financial liabilities measured at amortised cost	<b>205,610,697</b>	<b>198,129,747</b>
--------------------------------------------------	--------------------	--------------------

Financial assets measured at amortised cost comprise cash and balances at bank, deposits and investments, loans, investments in associates and accrued income on investments.

Financial liabilities measured at amortised cost comprise member savings, members' current accounts, creditors and accruals and other provisions.

**17b. 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).

## NOTES TO THE FINANCIAL STATEMENTS contd.

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

At 30 September 2019	€ Total	€ Level 1	€ Level 2	€ Level 3
Collective investment schemes	53,726	-	53,726	-
<b>Total</b>	<b>53,726</b>	<b>-</b>	<b>53,726</b>	<b>-</b>

At 30 September 2018	€ Total	€ Level 1	€ Level 2	€ Level 3
Collective investment schemes	53,972	-	53,972	-
<b>Total</b>	<b>53,972</b>	<b>-</b>	<b>53,972</b>	<b>-</b>

There were no fair value adjustments recognised in the income and expenditure account for the year ended 30 September 2019 (2018: €nil).

**18. RESERVES**

	Balance 1/10/18 €	Payment of dividend & loan interest rebates €	Appropriation of current year surplus €	Transfers between Reserves €	Balance 30/09/19 €
<b>Regulatory reserve</b>	<b>24,249,234</b>	<b>-</b>	<b>1,268,295</b>	<b>-</b>	<b>25,517,529</b>
<b>Operational risk reserve</b>	<b>705,000</b>	<b>-</b>	<b>340,000</b>	<b>375,940</b>	<b>1,420,940</b>
<b>Other Reserves</b>					
<b>Realised</b>					
Dividend reserve	1,000,000	-	-	(1,000,000)	-
General reserve	9,211,034	-	6,940	816,112	10,034,086
Special reserve: dividends	18,584	(18,316)	19,326	(268)	19,326
<b>Total realised reserves</b>	<b>10,229,618</b>	<b>(18,316)</b>	<b>26,266</b>	<b>(184,156)</b>	<b>10,053,412</b>
<b>Unrealised</b>					
Interest on loans reserve	185,874	-	-	(5,160)	180,714
Investment income reserve	188,034	-	269	(186,624)	1,679
<b>Total unrealised reserves</b>	<b>373,908</b>	<b>-</b>	<b>269</b>	<b>(191,784)</b>	<b>182,393</b>
<b>Total reserves</b>	<b>35,557,760</b>	<b>(18,316)</b>	<b>1,634,830</b>	<b>-</b>	<b>37,174,274</b>



## NOTES TO THE FINANCIAL STATEMENTS contd.

## 19. CREDIT RISK DISCLOSURES

The credit union complies with Section 12 of the Credit Union Act, 1997 (Regulatory Requirements) Regulations 2016. 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 Cara 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.

	2019		2018	
	€	%	€	%
<b>LOANS NOT IMPAIRED</b>				
Total loans not impaired, not past due	72,183,232	79.83%	65,074,675	77.55%
<b>IMPAIRED LOANS:</b>				
Not past due	1,885,400	2.09%	2,326,361	2.77%
Up to 9 weeks past due	14,125,011	15.61%	14,131,162	16.84%
Between 10 and 18 weeks past due	937,766	1.04%	680,570	0.81%
Between 19 and 26 weeks past due	270,730	0.30%	308,220	0.37%
Between 27 and 39 weeks past due	256,539	0.28%	450,102	0.54%
Between 40 and 52 weeks past due	270,447	0.30%	206,630	0.25%
53 or more weeks past due	497,545	0.55%	731,051	0.87%
<b>Total impaired loans</b>	<b>18,243,438</b>	<b>20.17%</b>	<b>18,834,096</b>	<b>22.45%</b>
<b>TOTAL LOANS</b>	<b>90,426,670</b>	<b>100.00%</b>	<b>83,908,771</b>	<b>100.00%</b>

## NOTES TO THE FINANCIAL STATEMENTS contd.

20. RELATED PARTY TRANSACTIONS	2019		2018	
	No. of Loans	€	No. of Loans	€
<b>20a. LOANS</b>				
Loans advanced to related parties during the year	18	223,500	8	163,500
Total loans outstanding to related parties at the year end	39	549,195	22	327,628
Total provision for loans outstanding to related parties		27,806		16,156

The related party loans stated above comprise of loans outstanding to directors and the management team (to include their family members or any business in which the directors or management team had a significant shareholding).

Total loans outstanding to related parties represents 0.61% of the total loans outstanding at 30 September 2019 (2018: 0.39%).

**20b. SAVINGS**

The total amount of savings held by related parties at the year end was €212,933 (2018: €224,841).

## 21. ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURES

**21a. FINANCIAL RISK MANAGEMENT**

Cara 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 Cara 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 Cara 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.

## NOTES TO THE FINANCIAL STATEMENTS contd.

**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:** Cara Credit Union Limited's main interest rate risk arises from adverse movements in interest rates receivable which would affect investment income. Cara 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.

**21b. LIQUIDITY RISK DISCLOSURES**

The credit union's policy is to maintain sufficient funds in liquid form at all times to ensure that it can meet its liabilities as they fall due. The credit union adheres on an ongoing basis to the minimum liquidity ratio and minimum short term liquidity ratio as set out in regulatory requirements.

**21c. INTEREST RATE RISK DISCLOSURES**

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

	2019		2018	
	€	Average interest rate %	€	Average interest rate %
<b>Gross loans to members</b>	90,426,670	7.46%	83,908,771	7.54%

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..

**22. DIVIDENDS AND LOAN INTEREST REBATE**

The following distributions were paid during the year:

	2019		2018	
	%	€	%	€
Dividend on shares	0.01%	18,316	0.01%	17,222
Loan interest rebate	0.00%	-	2.50%	131,765

The directors propose the following distributions in respect of the year:

	2019		2018	
	%	€	%	€
Dividend on shares	0.01%	19,326	0.01%	18,584

## NOTES TO THE FINANCIAL STATEMENTS contd.

**23. EVENTS AFTER THE END OF THE FINANCIAL YEAR**

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 2019.

**26. CONTINGENT LIABILITIES**

**26a.** During the year ended 30 September 2018, the credit union, following consultations with professional advisers, identified that, in certain circumstances, some members' consent was not obtained for the deduction, by the credit union, of the members' designated portion of the DBI premium from members funds. The credit union had commenced a review in 2018 and identified the in scope members and intended to engage with these members to seek retrospective consent to the deductions. However, during the year ended 30 September 2019, following further consideration of the matter, the credit union has now decided to refund the relevant amounts repayable to the affected members. This process is underway and the credit union will engage with the affected members and refund them during the year ending 30 September 2020. Consequently it is impracticable at this time to reliably estimate the financial impact of this matter.

**26b.** In September 2018, the Registry of Credit Unions advised all credit unions of a potential matter in relation to accrued interest outstanding on certain top-up loans which may have led to a potential over-collection of interest. The credit union has commenced a review to ascertain whether any top-up loans made to members might be impacted by these circumstances, and if so, to determine what actions may need to be taken. 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 or not in the future.

**27. LEASING COMMITMENTS**

The credit union's future minimum lease payments at the balance sheet date were as follows:

	€ 2019	€ 2018
Less than 1 year	10,000	-
1 to 5 years	30,000	-
<b>At 30 September</b>	<b>40,000</b>	<b>-</b>

**28. COMPARATIVE INFORMATION**

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

## NOTES TO THE FINANCIAL STATEMENTS contd.

**29. THE IRISH LEAGUE OF CREDIT UNIONS REPUBLIC OF IRELAND PENSION SCHEME**

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

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

The Pension's Act requires the trustees of the Scheme to assess whether it could meet a certain prescribed standard, known as the Minimum Funding Standard. This assesses whether, if the scheme was wound up on a specified theoretical valuation date, it could satisfy the Funding Standard at that date. Following the Scheme's actuary certifying a Minimum Funding Standard deficit in the scheme in 2009, Cara Credit Union Limited, the ILCU group and the other credit unions participating in the Scheme entered into a funding agreement with the Scheme that was designed to ensure that the Scheme could be reasonably expected to satisfy the Minimum Funding Standard by a specified future date (1 March 2019). This funding plan runs up until 2019 and was approved by the Pensions Authority. Cara Credit Union Limited has paid the contributions payable under this funding agreement.

As part of the above solvency assessment process, the Scheme actuary must carry out a separate valuation under the Minimum Funding Standard every 3 years and produce a funding certificate for submission to the Pensions Authority within 9 months of the effective date of the valuation. The purpose of the certificate is to certify whether or not the assets of the scheme at the effective date are sufficient to meet the

liabilities of the scheme based on the assumption that the scheme was wound up at that date. The most recent Actuarial Funding Certificate was effective as at 1 March 2018 and it certified that the Scheme satisfied the funding standard. Further, the Actuary was reasonably satisfied that as at 28 February 2018 the scheme can be expected to satisfy the funding standard as specified in Section 44 of the Pensions Act, 1990, at 1 March 2019, being the date specified by the Pensions Authority under Section 49(2) (a) of the Act for the purpose of the existing funding proposal.

An actuarial review of the fund is normally carried out every three years by the Scheme's independent, professionally qualified actuary. The actuarial review considers the past and future liabilities of the scheme. The last completed triennial actuarial review was carried out with an effective date of 1 March 2017 using the Projected Unit valuation method. The principal actuarial assumption used in the valuation was the investment return would be 1.75% higher than the annual salary increases. The market value of the scheme's assets at 1 March 2017 was €216m. The actuarial valuation disclosed a past service deficit of €6.4m at 1 March 2017 calculated under the ongoing Actuarial Valuation method. This valuation method assumes that the Scheme will continue in existence for the foreseeable future. The assumptions used in the actuarial review to determine the past service deficit differ from the assumptions that would be used to determine the liabilities for defined benefit obligations under FRS102. This actuarial review recommended that the rate agreed under the funding proposal, 27.5% of pensionable salary, continues to be paid. The cost of risk benefits is paid in addition to this rate giving a total contribution rate of 30% of Pensionable Salary.

**30. APPROVAL OF FINANCIAL STATEMENTS**

The board of directors approved these financial statements for issue on 11th November 2019.

**SCHEDULES TO THE INCOME & EXPENDITURE ACCOUNT**

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2019

The following schedules do not form part of the statutory financial statements which are the subject of the Independent Auditors' Report on pages 13 to 15.

<b>SCHEDULE 1 - OTHER INTEREST INCOME AND SIMILAR INCOME</b>	<b>€ 2019</b>	<b>€ 2018</b>
Investment income received/receivable within 1 year	1,287,176	1,185,146
Investment income receivable outside of 1 year	269	58,559
<b>Total per income and expenditure account</b>	<b>1,287,445</b>	<b>1,243,705</b>

<b>SCHEDULE 2 - OTHER INCOME</b>	<b>€ 2019</b>	<b>€ 2018</b>
Sundry income	60,250	79,233
Commissions	66,982	63,598
Entrance fees	1,870	1,493
<b>Total per income and expenditure account</b>	<b>129,102</b>	<b>144,324</b>

<b>SCHEDULE 3 - OTHER MANAGEMENT EXPENSES</b>	<b>€ 2019</b>	<b>€ 2018</b>
Rent and rates	47,432	40,592
Light and heat	43,658	36,819
Repairs, maintenance and cleaning	83,219	67,941
Security costs	18,475	7,382
Printing and stationery	41,835	74,076
Postage and telephone	75,460	76,882
Marketing and sponsorship*	216,603	182,798
Chapter dues	15,120	29,988
AGM and convention expenses	44,358	28,274
Travel and subsistence	24,637	15,134
Bank charges	161,376	192,531
Irish credit bureau costs	43,745	41,020
Audit fee	33,825	33,825
General insurance	72,321	67,831
Share and loan insurance and DBI	994,689	987,260
Office expenses	46,689	44,578
Board expenses	23,483	12,381
Staff training	32,115	24,243
Professional body membership	7,952	9,267
Legal and professional fees	195,181	225,091
IT and Systems Services	518,092	321,932
Miscellaneous expenses	5,465	7,273
Affiliation fees and trade subscriptions	57,579	63,109
Regulatory levies	378,425	338,057
Member initiatives	116,850	-
<b>Total per income and expenditure account</b>	<b>3,298,584</b>	<b>2,928,284</b>

\*This includes Marketing, Sponsorship, Lauri Healy Community Sponsorship Awards, Cultivate (Agri loan product), Education Awards and Youth.

# MEMBERS CAR DRAW

## CREDIT UNION MEMBERS CAR DRAW

### INCOME & EXPENDITURE ACCOUNTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER, 2019

<b>Income</b>	€
Car Draw Member Entry for F/Y 2019	129,810
<b>Expenditure</b>	
Prize Costs (Car Purchases)	112,496
Audit Fee	1,230
Administration and Miscellaneous Fee	2,039
<b>Surplus for Cash Prizes</b>	<b>14,045</b>

Reference: Recommendation 41 (b) of the Planning Committee;

## STANDING ORDERS

### 1. VOTING

Each member shall be entitled to one vote irrespective of his/her shareholding, in accordance with section 82(2) of the Credit Union Act, 1997 (as amended).

### 2 - 3 ELECTION PROCEDURE

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

### 4 - 9 MOTIONS

- 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.
- 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.

- In exercising his/her right of reply, a proposer may not introduce new material.
- The seconder of a motion shall have such time as shall be allowed by the chair to second the motion.
- 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.
- The chair shall have the absolute right to decide at any time when a motion has been sufficiently discussed and may put the motion to the meeting giving the proposer the right of reply before doing so.

### 10 - 15 MISCELLANEOUS

- 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.
- The chair may at his/her discretion, extend the privilege of the floor to any person who is not a member.
- Matters not covered by the Agenda may be introduced under "Other Business" at the discretion of the chair.
- The chairman's decision on any matter relating to these Standing Orders or interpretation of same shall be final.
- 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.
- Any matter to be decided upon by vote at the AGM shall, unless otherwise expressly provided for by law or the rules, be decided upon by simple majority.

### 16. SUSPENSION OF STANDING ORDERS

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

### 17. ALTERATION OF STANDING ORDERS

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

### 18. ADJOURNMENTS

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



# NOMINATIONS AND ELECTIONS

## Auditors

Under Rule 107 (2) Cara Credit Union Ltd. shall appoint an auditor in accordance with Part VII of the Act, Grant Thornton being eligible seeks re-election.

## Board of Directors

Michael O'Sullivan resigned in 2019. Conor Fitzgerald was co-opted to fill this vacancy and under Rule 43 retires and seeks re-election. Richard Bono, Eddie Enright and Tom Lawlor, under Rule 42, resign and being eligible seek re-election.



### Richard Bono

Richard joined the Board of Cara Credit Union in April 2016. Richard successfully ran his own construction company for 35 years in the UK before retiring to Tralee in 2008.

Richard is actively involved in a number of organisations such as the Irish Wildlife Trust, Kerry Veteran Vintage and Classic Car Club, Tralee Rugby Club and Probus.



### Eddie Enright

Eddie has served as a director of Cara Credit Union since April 2016. He also sits on the Risk Committee and the Investment Committee. He has a degree in Education & Training from NUIG. He works in financial services and is a Qualified Financial Advisor. Eddie has a wide range of Management experience having worked in various roles for 35 years at the FÁS Training Centre in Tralee. He is a native of Finuge and lives in Tralee.



### Tom Lawlor

Our longest serving Director, Tom joined the Board in 2006 and has served as many officer posts and sat on many committees during that time.

Tom also served as Chairman for three years until 2017. A retired farmer, Tom is a proud Ballyheigue man and is a great supporter of both the GAA and the IFA.



### Conor Fitzgerald

Conor was born and raised in Tralee and after completing his studies in Kevin Street College of Technology in Dublin, joined RTE in 1972. Here he worked as Telecommunications Technician working in outside broadcast

work and RTE Raidió na Gaeltachta until his retirement in 2012.

## Board Oversight Committee

Luke Prendeville resigned from the Board Oversight Committee during the year. Stephen O'Sullivan was co-opted to fill this vacancy and, in accordance with Rule 57, he retires and being eligible, seeks re-election.



### Stephen O'Sullivan

Stephen joined the Board Oversight Committee in October 2019. A native of Ardfert, he holds a Bachelor of Business Studies Degree from UL. He completed his ACCA professional accountancy qualification in 2007.

Having worked in various financial roles including Financial Controller with Pierse Fitzgibbon Solicitors he is now employed as Finance Manager for Motor Assess Ireland and Codepak Solution (software solutions).