

TRALEE | CASTLEISLAND | KILLORGLIN | BALLYDUFF | CAUSEWAY | CORCA DHUIBHNE



Cara
CREDIT UNION



ACCOUNTS & NOTICE OF AGM 2024



Credit Unions voted No. 1 for Customer Experience in Ireland 10 years in a row

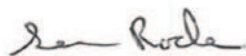
AGM NOTICE

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, 2024 at 8.00pm**

FÓGRA MAIDIR LEIS AN CGB

Tugtar fógra leis seo go dtionólfar
Cruinniú Ginearálta Bliantúil Chomhar
Creidmheasa Cara Teo in
**Óstán an Róis, Trá Lí, Dé Luain
an 9 Nollaig 2024 ar 8.00pm**

CONTENTS



Seán Roche Hon Secretary



AGM Notice	2
Board of Directors and Board Oversight Committee	4
Agenda	5
Chairperson's Report	6
Board Oversight Committee Report	9
CEO Report	10
Directors' Report	16
Directors' Responsibilities Statement	18
Independent Auditor's Report	19

FINANCIAL STATEMENTS 2023/2024

Income and Expenditure Account	22
Statement of Other Comprehensive Income	22
Balance Sheet	23
Statement of Changes in Reserves	24
Statement of Cash Flows	25
Notes to Financial Statements	26-42

Information not forming part of the audited financial statements

Schedules to the Income and Expenditure Account	43
Nominations and Elections	44
Standing Orders	46

BOARD OF DIRECTORS &
BOARD OVERSIGHT COMMITTEE AS OF 31st SEPTEMBER 2024



Eddie Enright
Chairperson



Lily Tangney
Vice Chairperson



Sean Roche



Caroline Sugrue



Conor Fitzgerald



John O'Connor



Danny Kerins



Tom Lawlor



John O'Regan



John Welch



Dermot Cahill



John Lyons



Clare Lucid



Martina Flynn



Mary Cahillane



Nicole O'Sullivan

AGM AGENDA

Monday 9th December 2024 | The Rose Hotel 8.00pm

The agenda for the Annual General Meeting is as follows:

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 2023 AGM
5. Appointment of tellers
6. Report of the Nomination Committee
7. Election of Auditor, Board Oversight Committee and Directors
8. Report of the Chairperson
9. Report of the Auditors
10. Report on Accounts
11. Declaration of 0.25% dividend
12. Report of the Board Oversight Committee
13. Report of CEO
14. Approval of the League Affiliation Fees - €1.00 per member automatically deducted from members' accounts
15. AGM Members' Draw
16. Announcement of Election Results
17. Any Other Business
18. Close of Meeting

CHAIRPERSON'S REPORT

EDDIE ENRIGHT



On behalf of the Board of Directors, it is my duty and pleasure to present to you our Annual Report for the year ending 30th September 2024.

It also gives me great pleasure to invite you all to our Annual General Meeting, which will be held in the Rose Hotel on the 9th December 2024 at 8.00pm.

2024 has been a very successful year for Cara Credit Union, thanks to your continued support, our Members. Because of your support in availing of the increased services now available, we have had our best financial year ever.

As you will see elsewhere in this report, we have achieved a surplus of over 3 million euro for the first time. Our strategy to focus on increased lending, coupled with the increased interest rates available from our investments, were the main drivers of this success.

The successful merger with Comhar Chreidmheasa Chorca Dhuibhne was also an important factor in the success over the last 12 months. I would like to thank the Members of Corca Dhuibhne for their support and patience as we navigated this merger. Members of both Credit Unions have benefitted from this integration with additional products and services.

As a result of the excellent financial performance, I am delighted to announce that we will be offering a dividend this year, subject to approval

at the AGM. This is a just reward for your loyalty and support over the years.

We have also introduced a new product this year due to member's demand. Our Fixed Term Deposit accounts have attracted a lot of attention from members. To date over 9.5 million euro has been invested in these products. We will continue to respond to members requirements in the year ahead.

Th Credit Union Approved Housing Body (CU AHB) Fund is a significant initiative in Ireland aimed at addressing the need for social and affordable housing. This fund allows credit unions to invest in the development of such housing projects, to date Cara Credit Union has invested €1 million into this fund. This collaboration is a great example of how credit unions can contribute to solving social issues by providing much-needed housing, while staying true to our community-focused values.

Your Board of Directors worked diligently on your behalf during the year and met a total of 28 times to fulfil their regulatory and fiduciary responsibilities. In addition to these meetings, Directors actively participated in various subcommittees and attended mandatory training courses. It has been a very busy year, and I wish to thank each Director for their hard

CHAIRPERSON'S REPORT contd.

work, ideas and support. They made my role easy, and I can assure Members that your needs are their top priority.

Unfortunately, during the year, 2 of our directors resigned due to work and travel commitments. I extend my heartfelt thanks to Sandra Byrne and Conor Fitzgerald.

Their dedication, hard work and volunteer spirit have been invaluable to Cara Credit Union. Each of them contributed significantly to our success. We will miss their wisdom, knowledge, loyalty and their lovely, pleasant disposition. It was a pleasure to work with them, and I wish them both every success, health and happiness in the future.

Fortunately, we have been able to acquire the services of two new Directors, Dermot Cahill and Eimear Sugrue. I welcome both, and I am certain that Cara Credit Union will benefit from their vast knowledge and experience.

Our Board Oversight Committee also worked diligently to ensure we are in compliance with regulatory requirements. During the year, Ann-Marie Brosnan and Nisha Srinivasan retired, and I wish to thank them sincerely for their hard work, time, and commitment.

They are replaced on the BOC by Mary Cahillane and Nicola O'Sullivan, and I welcome both and look forward to their contributions.

The year ahead brings changes and opportunities arising from the new Credit Union Bill that is now in force. We will be working proactively to ensure Cara Credit Union will avail and benefit from these opportunities.

In the first quarter of 2025, the Board will actively seek the views of our members. We want to represent you, and we currently have not been active enough in getting your views. We intend to do an online survey and also some face- to- face meetings. Further details will be circulated in January 2025. In the meantime, members should always feel free to submit ideas or suggestions to the Board. We are here to represent you.

As we celebrate our financial achievements, we must also acknowledge the personal losses within our Cara Credit Union family. We deeply mourn the passing of our esteemed colleagues Mick Casey and Jenny Newman. We are also thinking of our team members who have faced the sorrow of losing loved ones. Lastly, our thoughts are with the families of our members who have passed away.

Apart from our financial success in 2024, Cara Credit Union also achieved a Social Impact Award for the Money Muling awareness campaign, which was delivered to post-primary schools throughout the common bond. Additionally, Cara Credit Union Corca Dhuibhne was awarded three gold medals by Gradam Glór na nGael and the Q-Mharc Gnó le Gaeilge, which is awarded to businesses that excel in

promoting the Irish language and demonstrate their commitment to using the Irish language effectively.

I wish to thank our CEO, Pa Laide , his Management Team and all the excellent Staff at Cara Credit Union. Your hard work and commitment have ensured that we have had a very successful year in 2024. The team building you are doing is paying dividends, and I am confident that we will have another successful year in 2025.

Last but not least, I wish to express my heartfelt gratitude to you, our members.

You are the cornerstone of Cara Credit Union's success. Just as a strong foundation keeps a building standing through storms, your unwavering support has helped us weather

many challenges over the years. Your continued loyalty ensures that we will keep growing and thriving. We are committed to enhancing our services and providing you with the products you need in a way that best suits you.

I wish you all health and happiness in the year ahead and look forward to seeing you at our AGM on 11th December in the Rose Hotel

Go raibh math agaibh.



Eddie Enright
Chairperson

BOARD OVERSIGHT COMMITTEE REPORT



The Board Oversight Committee (BOC) is pleased to submit its annual report in accordance with section S76 0(7) of the Credit Union Acts 1997 to 2012 and the Credit Union (Amendment) Act 2023 to you, the members of Cara Credit Union.

The functions of the Board Oversight Committee as set out in the Credit Union and Co-Operation with Overseas Regulators Act 2012 may be summarised briefly as follows:

- To assess whether the Board of Directors has operated in accordance with Part IV of the Act.
- To assess whether the Board of Directors has operated in accordance with any other matters prescribed by the Central Bank in respect of which they are to have regard.

We are satisfied that, as far as we can ascertain in carrying out our checks, the Board of Directors has complied and operated in accordance with Part IV and Part IVA of the Credit Union Acts 1997 to 2012.

During the course of the year, at least one member of the BOC has attended every board meeting and special board meeting held by Cara Credit Union, either online or in person. Having regularly reviewed the procedures of these meetings, the Board Oversight Committee is satisfied that the actions and decisions of the Board of Directors were compliant with current rules and legislation, and we commend them for keeping governance strong and always maintained.

We have presented reports to the board, and all BOC members attended mandatory training and other workshop sessions throughout the year.

We extend our thanks to the Directors and the Management team for their courtesy, assistance, and co-operation during the year.

John Lyons
on behalf of Board Oversight Committee

CEO REPORT 2024



As CEO, it is my pleasure to report to you on the operational developments and highlights of the last year, along with updates from some of our committees.

It has been a positive year; in the last 12 months, we have grown our lending book by 14% and granted loans to over 9,360 members. Our membership continues to grow, with more members availing of new digital options. We have been striving to improve the processes around our members' journey (applying for a loan and opening accounts), and it is one of our main strategic items for 2025. As climate change becomes one of the greatest threats to society, I am happy to share in this booklet the steps Cara is taking to be a leader in this area.

I am pleased to advise that we have made a surplus of €3 million and that, following a number of years without a dividend, the Board of Directors this year is proposing a dividend of 0.25%.

Financial Performance

I am happy to report a strong financial performance to year-end September 2024, with a surplus posted of €3.0 million. The impact of the rising interest rates globally has seen a positive increase in our investment income. Interest rates have started to show a slight decrease in the last few months; however, we are still receiving returns on our cash funds, where once we had to pay negative interest on the same.

This is all positive; however, the nature of our investment portfolio is such that many funds are tied up for longer periods at lower rates, and therefore the full portfolio does not benefit from rising interest rates. Overall investment income has increased to €4.06 million in the year.

The CFO reported last year that there had been an issue outside our control with Blackbee Investments, who were the brokers for one of our investments. Blackbee Investments went into liquidation in May 2023, and, as you will read elsewhere in the Financial Report, the liquidation process is ongoing. Our investment of €2 million will not be released to us until the liquidators have completed their work with Blackbee Investments. We continue to be assured that our investment is safe, is held in a separate account, and has not been interfered with by Blackbee. However, until it is lodged to our account, we continue to be prudent, and we are presenting the outstanding funds as a debtor in the accounts.

Loan income grew by 13% during the year and totalled just over €8.9 million this year. Many of our loan products are priced at competitively low rates, and we are delighted to be able to offer members these attractive rates from the start of their loan journey with us. Lending performance is strong, and while repayment levels are good, we are conscious that the higher costs of living may impact many members, and therefore we have prudently increased our bad debt provision for the year by €1.13 million, which of course has had an impact on the final surplus figure. Indeed, we are not immune ourselves to rising costs, and we continue to manage expenses carefully.

The total assets of Cara at the end of the year are €341 million, which is an increase of €34 million on last year. Our total reserves at the end of the year prior to distributions were at a satisfactory level of 14.64%. A strong reserve position protects

CEO REPORT contd.

us in challenging times, and we continue to hold a strong reserve position, which makes us one of the safest and strongest credit unions in the country.

Management Credit Committee and Loan Performance

The past 12 months have been a year of considerable progress and change for lending in Cara. Our automated lending system, which facilitates a prompt, efficient application process with potential immediate automated decision-making, is improving month on month. This process allows members to apply for a loan and have approval and receipt of funds without ever needing to call into our offices. We know from member feedback that there is a strong demand for this type of service, and to compete with other loan providers and stay relevant, it was particularly important that we provide this channel. The process is simple and efficient to use, and we would encourage members to try it out. However, rest assured that you can still apply for loans in the traditional face-to-face manner or over the phone if that is what you prefer.

Last year was a record-breaking year for the loans department in many ways. Our loan book stands at €131 million, and we issued €56 million in new funds back into our communities. The greatest loan growth was seen in our personal market, with Cara lending €50 million in personal lending. We had expected to launch a Fixed Rate Mortgage, but due to delays, this has now been pushed out to Q2 of this budget year. However, we did issue twenty-six secured loans to the value of just over €2.5 million. In addition to mortgage lending, we have lent over €3.2 million to local businesses. It is important to remember what impact this level of lending has on our local economies. Not only do the loan applicants benefit from the proceeds, but these funds go out into our local economy and

help support local garages, shops, and businesses, which in turn supports employment in these areas and growth in our communities.

Our Team

Cara Credit Union now has just under one hundred staff members, and I would like to thank each one of them for the wonderful service they provide to you on a daily basis. We also welcome our new colleagues who have joined us in the last 12 months, and I wish them well in their careers with Cara. Our staff are our greatest asset, and developing and training them is of the utmost importance. Your team is dedicated to serving you, our members, in a way that works for you, be it in-person, over the phone, or online. All our team is fully committed to offering the best service to our members. We are proud of the personal touch we continue to offer to our members and believe this is what sets us apart.

Over the past 13 months, we have faced the profound loss of two esteemed colleagues. In November 2023, we mourned the passing of Mick Casey, our dedicated Compliance and Data Protection Officer, whose unwavering commitment and warm personality left an indelible mark on all who knew him. In March 2024, Jenny Newman, who had been at the heart of our credit union family for 20 years, sadly passed away. She epitomized our core values with her professionalism, care, and dedication. Her quiet demeanour, gentle presence, and infectious smile are greatly missed.

Mick and Jenny will always be remembered by all of us who had the privilege of knowing them.

Retirements

In January, Hannah Munsell's retirement marks the end of an era for all of us in Tralee and Castleisland. Known for her daily dedication to

CEO REPORT contd.

serving our members, Hannah was more than just a colleague; she was a friend to everyone. Her vast knowledge, unwavering professionalism, and exceptional service have left an indelible mark.

We recently bid farewell to two esteemed colleagues from our Dingle and Castleisland branches of Cara Credit Union. Anne Curran and Joan Broderick consistently ensured that these branches were presented and maintained to the highest standards. Their presence and friendship will be dearly missed by the teams at both locations.

I also want to mention colleagues who have departed the credit union over the last 12 months to start new challenges, and I wish them well in their new ventures. I would like to mention three long-serving staff members who have given many years of service to Cara Credit Union.

Maurice O'Donoghue, Derry Fleming, and Emer O'Connor were all cornerstones of our credit union for many years. Throughout their tenure, they have shown unwavering dedication and worked tirelessly to help and support our members on their financial journeys. Maurice, Derry, and Emer, with their extensive experience and knowledge, have mentored staff who benefited from their guidance, support, and shared information. On behalf of everyone in Cara Credit Union, I would like to thank them for their services and wish them well in the future.

Awards

For a record-breaking 10th consecutive year, credit unions have topped the league table for best customer experience in Ireland, according to the 2024 Customer Experience Insight (CXi) Report. Furthermore, credit unions are also the only brand to have maintained a constant presence in the top ten since the survey began ten

years ago, a testament to the consistency of their excellence in customer service.

Cara Credit Union was awarded an All-Ireland CU Award in the Social Dividend Initiative (Social Impact) category. This category honours initiatives that address critical social issues, support underserved communities, and enhance the quality of life for individuals and groups. Nominees exemplify the credit union philosophy of "people helping people" through innovative efforts that drive meaningful social change, promote equity, and improve the overall well-being of the community they serve. Cara Credit Union was recognised for the 'Don't be a Money Mule' campaign, which was rolled out to post-primary schools and third-level institutions across Kerry in efforts to tackle money laundering and money mules.

Community

Cara Credit Union is deeply committed to supporting the community through various initiatives. This includes a generous sponsorship of almost €68,000 in general sponsorship and €15,000 awarded to five projects in the Lauri Healy Community Sponsorship Awards. Additionally, €10,500 is awarded annually in educational scholarships to help students achieve their academic goals.

Cara Credit Union runs impactful programmes in schools, such 'CU Through Your Interview', which provides workshops on preparing CVs, interview skills, and budgeting. This programme culminates in a mock interview conducted by a member of Cara Credit Union's management team, offering students valuable real-world experience.

Furthermore, Cara Credit Union organises a yearly schools quiz and the Credit Union Art Competition, fostering creativity and knowledge

CEO REPORT contd.

among young minds. We also run a programme aimed at primary schools where children receive a talk on biodiversity and then plant apple trees and fruit bushes within the school grounds, allowing them to enjoy the fruits of their labour in the future.

Our Sustainable Journey

Cara Credit Union recognises the importance of fostering a culture of ESG (Environmental, Social and Governance) leadership throughout the credit union and is committed to embedding a sustainable and responsible approach into every aspect of our business. Recognising the importance of the Environmental, Social and Governance factors will ensure the long-term success of the credit union and contribute positively to the well-being of our members, employees, and the communities we serve. The principle of sustainable development demands that we accept responsibility for the direct impact Cara CU has on the environment in all aspects of our operations, including lending practices, investment decisions, employee relations, community engagement and member education. While we acknowledge this is a journey and not a destination, we have made significant improvements on our sustainable journey this year.

Once again we focused on three key areas, Climate Change (Healthy Planet), Investing in our People (Healthy People) and connecting with our members and local communities (Healthy Partnerships).

In acknowledging the urgent need to address climate change, Cara CU is working towards reducing our carbon footprint through the adoption of environmentally responsible practices, including energy-efficient technologies, waste reduction and sustainable outsourcing.

This year Cara CU reduced its carbon footprint by 7% and we look forward to reporting further reductions to our carbon footprint in the coming year.

In recent years we experienced severe issues with the heating infrastructure in our Killorglin branch that was outdated, oversized and heavily reliant on fossil fuels which is most expensive to run. To this end in September, we availed of SEAI grant aid and undertook an ambitious project to decarbonize the Killorglin building with the removal of fossil fuels and installed electrical heat pumps, energy efficiency and Solar PV systems while also utilizing the existing infrastructure in the heater batteries, air handling units and ventilation throughout the building. In availing of the grant aid, Cara CU participated in the SEAI's Community Energy Grant Scheme that enabled grant support to other community-based projects from around the country.

We have aligned our business strategy to be consistent with and contribute to our members needs and society's goals as expressed in the credit union's operating principles and the UN Sustainable Development Goals. The UN SDGs closely align with the credit union operating principles and in recognition of this alignment credit unions were appointed as Sustainable Development Goal Ambassadors by the Department of the Environment, Climate and Communications.

We are also working towards reducing our carbon footprint through the adoption of environmentally responsible practices in our investment decisions. We have incorporated the Ten Principles of the UN Global Compact and have included ESG ratings (Credit Impact Score) in all our new investment proposals and aim to reduce this metric over time. It is not just about

CEO REPORT contd.

the environment, it is also social (housing and education) and economic (employment) that for a person to thrive they need access to financial services that can drive their social and economic development. This year the Board agreed to invest €1m in the Ireland's CU AHB which is a credit union approved housing body set up as a not-for-profit entity formed for the purpose of relieving housing needs. The role of the Approved Housing Body is critical in the context of addressing Ireland's housing challenges and are central to the Government's "Housing for all" plan.

Membership Committee and Member Service

We continue to see new members join our credit union, with 1,958 new members joining in 2024, a quarter of whom were under the age of eighteen. In addition, 2,827 members signed up for online banking. This year, credit unions won the most trusted brand in Ireland for the 10th successive year. This accolade is achieved due to a strong member service ethic. We are proud of our member service, but we always want to improve and welcome your feedback on how we can make our services and products better.

Our Member Services Centre is thriving, expanding, and progressing, consistently providing first-time resolution for member inquiries. We handle an average of 230 member queries daily through inbound calls and outbound callbacks, with an average call waiting time of 1 minute and 30 seconds. We're also pleased to report significant advancements in our online services. Having been in operation for just over four years, our team's priority remains to reduce call waiting times and deliver exemplary service to you, our valued members.

Credit Control Committee

Our Credit Control Committee meets quarterly to ensure we recover our members' money in an empathetic and professional manner and that policies and procedures are closely adhered to. Our credit control team in the last 12 months has collected over €481,000 in non-performing loans, which is in line with previous years. However, the impact of higher costs of living has seen the level of bad debts written off increase by €539,000 in the year. As outlined above, we have prudently increased our bad debt provision in the year by €1.13 million, bringing the overall provisions to 7.61% of our gross loan book. As always, if you are in difficulty with loan repayments, please contact our credit control team, who will help you to put a payment plan in place.

Risk and Compliance

Some key changes enacted to regulation and legislation within the sector will impact Cara CU into the future and are seen as positive changes both from an organisation and a member perspective.

The first is the implementation of the Credit Union (Amendment) Act 2023. This legislation introduced important reforms aimed at modernising and enhancing the operational flexibility of credit unions, and Cara Credit Union has adopted these changes.

The second is the Central Bank of Ireland announced new requirements for certain credit union staff undertaking particular activities. Credit union staff providing services within the scope of the Minimum Competency Code Standards, including, but not limited to, lending and term deposits, will need to meet minimum knowledge and competency standards. These standards will mean that credit union members

CEO REPORT contd.

are protected in the same way as consumers using similar services offered by other financial services providers.

As one of the largest credit unions in the country, we are very cognisant of the importance of governance and compliance. Cara CU has put plans in place to manage these two new regulatory requirements. We have a dedicated team ensuring Cara complies with both regulation and legislation while also allowing the business to operate.

Information Technology and Systems

The changing digital world and the need to adapt our services and delivery channels are managed by our IT team. They are responsible for the changes to processes and in protecting our systems from cybersecurity threats. The Senior Management Team meets weekly to ensure that all regulatory and legal requirements are met, and that Cara CU has the controls and systems in place to protect our members, their money, and data, and that we, as a credit union, are responsive to change and strategically forward-thinking in relation to digital development.

Saving Cap

Cara Credit Union is pleased to announce the removal of the €40,000 savings cap for adult accounts. The maximum funds guaranteed under the Government's Deposit Guarantee Scheme is now €100,000 per member.

This positive change is made possible thanks to the tremendous support we have received from our members through their loans. Your trust and commitment have enabled us to enhance our services and provide even greater financial flexibility for our community.

Thank You

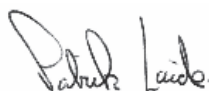
Our successes are a testament to the dedication and hard work of our Board of Directors, Management Team, Staff, and most importantly, our members. I am deeply grateful for your trust and support in our Credit Union.

Looking forward to 2025, we are optimistic about our future. We have the vision, strategy, and resources to navigate any challenges and capitalise on new opportunities. Our commitment remains steadfast in delivering exceptional financial services to our members and fostering the social and economic growth of our community.

We take pride in being your Credit Union and are enthusiastic about the journey ahead. With your continued support, we aim to innovate, expand, and positively impact the lives of our members and the wider community.

Finally, I would like to again thank you, our members, for your continued support. As we have been serving our communities for over 56 years, we will again throughout the year be sponsoring initiatives and developing projects that focus on sustainable goals to protect the credit union for the future. I would like to wish you all a happy and prosperous 2025 as we look forward to another successful year.

Thank you for being a vital part of our story.



Pa Laide
CEO, Cara Credit Union

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 30TH SEPTEMBER 2024

The directors present their annual report and the audited financial statements for the financial year ended 30 September 2024.

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 or ancillary insurance intermediary under the European Union (Insurance Distribution) Regulations, 2018.
- 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 acknowledge 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 directors are proposing a dividend in respect of the financial year ended 30 September 2024 of €652,269 (0.25%) (2023: The directors did not propose a dividend).

Principal 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' shares 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.

Global macro-economic risk

There is an economic and operational risk relating to disruption to global supply chains and a general uncertainty in the markets as a result of the changing geopolitical landscape.

DIRECTORS' REPORT contd.

These risks and uncertainties 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.

Global macro-economic risk

The board of directors and management closely monitor the disruption to global supply chains and markets and continue to take appropriate actions to mitigate any possible adverse effects on the credit union.

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 and signed on its behalf by:



Eddie Enright
Chairperson of the Board of Directors



Tom Lawlor
Member of the Board of Directors

Date: 21st November, 2024

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE FINANCIAL YEAR ENDED 30TH SEPTEMBER 2024

The directors are responsible for preparing the financial statements in accordance with applicable Irish law and regulations. The directors have elected to prepare the financial statements in accordance with FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (FRS 102). 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:

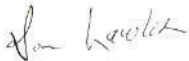
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and reason 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. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the credit union's website.

On behalf of the Board:



Eddie Enright
Chairperson of the Board of Directors



Tom Lawlor
Member of the Board of Directors
21st November 2024

BOARD OVERSIGHT COMMITTEE'S RESPONSIBILITIES STATEMENT

FOR THE FINANCIAL YEAR ENDED
30th SEPTEMBER 2024

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.

On behalf of the Board Oversight Committee
John Lyons, Chairperson
21st November 2024



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CARA CREDIT UNION LIMITED

Opinion

We have audited the financial statements of Cara Credit Union Limited for the financial year ended 30 September 2024, which comprise:

- the Income and expenditure account;
- the Statement of other comprehensive income;
- the Balance sheet;
- the Statement of changes in reserves;
- the Statement of cash flows; and
- the related notes 1 to 31, including a summary of significant accounting policies as set out in note 2.

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 including FRS 102 (as amended) "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 2024 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, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), 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

In auditing the financial statements, we have concluded that the director's use of going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the credit union's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

Other information comprises information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the

INDEPENDENT AUDITOR'S REPORT TO MEMBERS *contd.*

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.

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, 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;
- 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 (as amended), and for such internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Responsibilities of the auditor for the audit of the financial statements

The auditor's objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes their opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITOR'S REPORT TO MEMBERS *contd.*

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

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

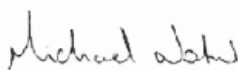
conditions may cause the credit union to cease to continue as a going concern.

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

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

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the credit union's members, as a body, in accordance with section 120 of the Credit Union Act, 1997 (as amended). Our audit work has been undertaken so that we might state to the credit union's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the credit union and the credit union's members as a body, for our audit work, for this report, or for the opinions we have formed.



Michael Nolan FCA

for and on behalf of Grant Thornton
Chartered Accountants & Statutory Audit Firm
Limerick
21st November 2024

INCOME & EXPENDITURE ACCOUNT

FOR THE FINANCIAL YEAR ENDED 30th SEPTEMBER 2024

		2024	2023
INCOME	Schedule	€	€
Interest on members' loans		8,760,659	7,752,485
Interest payable and similar charges		(70,290)	-
Other interest income and similar income	1	4,061,431	2,588,235
NET INTEREST INCOME		12,751,800	10,340,720
Other income	2	327,476	299,546
TOTAL INCOME		13,079,276	10,640,266
EXPENDITURE			
Employment costs		3,828,839	3,524,964
Other management expenses	3	5,107,180	4,420,709
Depreciation		296,804	247,270
Net impairment losses on loans to members (note 6)		798,583	700,169
TOTAL EXPENDITURE		10,031,406	8,893,112
SURPLUS FOR THE FINANCIAL YEAR		3,047,870	1,747,154

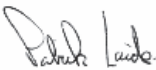
STATEMENT OF OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30th SEPTEMBER 2024

	2024	2023
	€	€
Surplus for the financial year	3,047,870	1,747,154
Other comprehensive income	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR	3,047,870	1,747,154

The financial statements were approved and authorised for issue by the Board and signed on behalf of the credit union by:

CEO:



Patrick Laide 21st Nov. 2024

Chairperson Board of Directors:



Eddie Enright 21st Nov. 2024

The notes on pages 26 to 42 form part of these financial statements.

BALANCE SHEET

AS AT 30th SEPTEMBER 2024

		2024	2023
ASSETS	Notes	€	€
Cash and balances at bank	7	11,015,676	8,412,121
Deposits and investments – cash equivalents	8	55,086,947	57,954,654
Deposits and investments – other	8	147,799,544	129,141,520
Loans to members	9	131,043,021	114,760,535
Provision for bad debts	10	(9,978,383)	(8,847,886)
Members' current accounts overdrawn	15	10,164	10,185
Tangible fixed assets	11	2,786,382	2,239,460
Investments in associates	12	296,250	265,000
Debtors, prepayments and accrued income	13	3,118,436	3,020,361
TOTAL ASSETS		341,178,037	306,955,950
LIABILITIES			
Members' shares	14	273,307,639	255,023,353
Members' deposits	14	9,524,423	-
Members' current accounts	15	6,556,224	5,620,361
Other liabilities, creditors, accruals and charges	16	1,807,854	1,352,842
Other provisions	17	35,794	24,227
TOTAL LIABILITIES		291,231,934	262,020,783
RESERVES			
Regulatory reserve	19	42,660,000	38,380,000
Operational risk reserve	19	2,160,000	1,813,419
Other reserves			
- Realised reserves	19	4,241,635	4,129,018
- Unrealised reserves	19	884,468	612,730
TOTAL RESERVES		49,946,103	44,935,167
TOTAL LIABILITIES AND RESERVES		341,178,037	306,955,950

The financial statements were approved and authorised for issue by the Board and signed on behalf of the credit union by:

CEO:



Patrick Laide 21st Nov. 2024

Chairperson Board of Directors:



Eddie Enright 21st Nov. 2024

The notes on pages 26 to 42 form part of these financial statements.

STATEMENT OF CHANGES IN RESERVES

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

	Regulatory Reserve €	Operational Risk Reserve €	Realised Reserve €	Unrealised Reserves €	Total €
As at 1 October 2022	36,820,000	1,638,163	4,360,319	369,531	43,188,013
Surplus for the financial year	-	-	1,503,955	243,199	1,747,154
Transfers between reserves	1,560,000	175,256	(1,735,256)	-	-
As at 1 October 2023	38,380,000	1,813,419	4,129,018	612,730	44,935,167
Transfer of engagements	2,000,000	200,000	(245,066)	8,132	1,963,066
Surplus for the financial year	-	-	2,784,264	263,606	3,047,870
Transfers between reserves	2,280,000	146,581	(2,426,581)	-	-
As at 30 September 2024	42,660,000	2,160,000	4,241,635	884,468	49,946,103

- The regulatory reserve of the credit union as a percentage of total assets as at 30 September 2024 was 12.50% (2023: 12.50%).
- The operational risk reserve of the credit union as a percentage of total assets as at 30 September 2024 was 0.63% (2023: 0.59%).

The notes on pages 26 to 42 form part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

		2024	2023
	Notes	€	€
OPENING CASH AND CASH EQUIVALENTS		66,366,775	53,678,393
Cash flows from operating activities			
Loans repaid by members	9	44,991,951	40,650,394
Loans granted to members	9	(55,641,753)	(48,554,458)
Interest on members' loans		8,760,659	7,752,485
Other interest income and similar income		4,061,431	2,588,235
Bad debts recovered and recoveries	6	623,724	619,263
Other income		327,476	299,546
Interest payable and similar charges		(70,290)	-
Members' current accounts lodgements	15	112,460,297	103,188,747
Members' current accounts withdrawals	15	(111,524,413)	(102,587,385)
Operating expenses		(8,936,019)	(7,945,673)
Movement in other assets and liabilities		402,705	(2,004,586)
Net cash flows from operating activities		(4,544,232)	(5,993,432)
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash and investments introduced from transfers of engagements		12,392,190	-
Investment in associates	12	(31,250)	-
Fixed asset purchases	11	(468,929)	(112,843)
Net cash flow from other investing activities		(18,658,024)	8,933,328
Net cash flows from investing activities		(6,766,013)	8,820,485
CASH FLOWS FROM FINANCING ACTIVITIES			
Members' shares received	14	240,396,832	209,565,690
Members' deposits received	14	9,524,423	-
Members' shares withdrawn	14	(238,875,162)	(199,704,361)
Net cash flow from financing activities		11,046,093	9,861,329
Net (decrease)/increase in cash and cash equivalents		(264,152)	12,688,382
CLOSING CASH AND CASH EQUIVALENTS	7	66,102,623	66,366,775

The notes on pages 26 to 42 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

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 a 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

Deposit and 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 Deposits and Investments

Held at Amortised Cost

Investments designated on initial recognition as held at amortised cost are measured at amortised cost using the effective interest method less impairment. This means that the investment is measured at the amount paid for the investment, minus any repayments of the principal; plus or minus the cumulative amortisation using the effective interest method of any difference between the amount at initial recognition and the maturity amount, minus, in the case of a financial asset, any reduction for impairment or uncollectability.

Central Bank Deposits

Credit unions are obliged to maintain certain minimum deposits with the Central Bank but may also hold an excess over the regulatory minimum. The regulatory minimum deposits are technically assets of the credit union but to which the credit union has restricted access. The regulatory minimum portion will not ordinarily be returned to

NOTES TO THE FINANCIAL STATEMENTS contd.

the credit union while it is a going concern and is separately identified in note 7, Deposits and investments - other. Funds held with the Central Bank in excess of the regulatory minimum requirements are fully available to the credit union and are therefore treated as cash equivalents and are separately identified in note 7, Deposits and investments – cash equivalents. The amounts held on deposit with the Central Bank are not subject to impairment reviews.

Investments at Fair Value

Investments designated on initial recognition as non basic are recognised at fair value. They are subsequently measured at fair value (market value) at the year-end date and all gains and losses are taken to the income and expenditure account.

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 economic 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.

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.

NOTES TO THE FINANCIAL STATEMENTS contd.

Depreciation is provided on the following basis:

Freehold premises	2% straight line per annum
Fixtures and fittings	10% to 20% 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 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’ Savings

Members’ savings 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

The credit union operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the credit union pays fixed contributions into a separate entity. Once the contributions have been paid the credit union has no further payments obligations.

NOTES TO THE FINANCIAL STATEMENTS contd.

The contributions are recognised as an expense in the income and expenditure account when they fall due. Amounts not paid are shown in accruals as a liability on the balance sheet. The assets of the plan are held separately from the credit union in independently administered funds. The amount payable at the year end in respect of same was €37,770 (2023: €34,779).

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 Termination Benefits

Termination benefits are included in employment costs where applicable and are expensed to the income and expenditure account on an accruals basis.

2.20 Operating Leases

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

2.21 Derecognition of Financial Liabilities

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

2.22 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. In instances where the credit union has been approved for long

term lending, a minimum regulatory reserve of at least 12.5 per cent is required. This reserve is to be perpetual in nature, freely available to absorb losses, realised financial reserves that are unrestricted and non-distributable.

2.23 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. The credit union 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 the credit union 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.*

2.24 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 and the balance of the SPS refund receivable is also classified as unrealised and is not distributable. All other income is classified as realised.

2.25 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.

2.26 Transfer of Engagements

Transfer of engagements are accounted for using the acquisition method of accounting. This involves recognising identifiable assets and liabilities of the acquired credit unions at fair value. In applying the acquisition method of accounting for these business combinations, the member interests transferred by the credit union represents the consideration transferred for the net assets acquired. This consideration has been estimated as equivalent to the acquisition date fair value of the members' interests in the transferor credit union (the fair value of the transferor credit union) at the date of the transfer, and is reflected as an adjustment in reserves.

2.27 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

NOTES TO THE FINANCIAL STATEMENTS *contd.*

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 €2,786,382 (2023: €2,239,460).

Provision for Bad Debts

The credit union's accounting policy for impairment of loans is set out 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 as legal and regulatory requirements. The provision for bad debts in the financial statements at the year end was €9,978,383 (2023: €8,847,886) representing 7.61% (2023: 7.71%) of the total gross loan book.

Investments in Associates

The investments in associates represents the credit union'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, the credit union 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. The credit union 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 €2,160,000 (2023: €1,813,419).

Adoption of Going Concern Basis for Financial Statements Preparation

The credit union continue to closely monitor developments within the global macro-economic environment. 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.

4. TRANSFER OF ENGAGEMENTS

On 23 November 2023, Cara Credit Union Limited (“CCU”) accepted the transfer of Comhar Chreidmeheasa Chorca Dhuibhne Teoranta (“CCCDT”). The assets and liabilities of CCCDT at the date of transfer were incorporated into the balance sheet of CCU at that date.

CCU did not pay any consideration in respect of the transfer of engagements. On the date of transfer, the members of the transferor credit union became members of CCU, and thereby became entitled to member interest associated with such membership. In applying the acquisition method of accounting for this business combination, the members’ interests transferred by CCCDT represents the consideration transferred for the net assets acquired. This consideration has been estimated as equivalent to the acquisition date fair value of the members’ interests in the transferor credit union (the fair value of the transferor credit union) at the date of transfer, and is reflected as an adjustment in reserves in note 19.

The fair values of the net assets acquired are detailed below:

	Fair value of CCCDT assets and liabilities acquired by CCU
	€
Cash on hand and at bank	1,313,033
Deposits and investments	11,079,157
Loans to members	6,172,016
Provision for bad debts	(247,522)
Tangible fixed assets	374,797
Debtors, prepayments and accrued income	53,743
Members’ shares	(16,762,616)
Other liabilities, creditors, accruals and charges	(19,542)
Total	1,963,066

5. KEY MANAGEMENT PERSONNEL COMPENSATION

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

	€ 2024	€ 2023
Short term employee benefits paid to key management	1,434,927	1,263,885
Payments to pension schemes	100,756	84,781
Total key management personnel compensation	1,535,683	1,348,666

NOTES TO THE FINANCIAL STATEMENTS *contd.*

	€ 2024	€ 2023
6. NET IMPAIRMENT LOSSES ON LOANS TO MEMBERS		
Bad debts recovered	(481,792)	(497,670)
Impairment of loan interest reclassified as bad debt recoveries	(141,932)	(121,593)
Movement in bad debts provision during the year	882,975	897,749
Loans written off during the year	539,332	421,683
Net impairment losses on loans to members	798,583	700,169
7. CASH AND CASH EQUIVALENTS		
Cash and balances at bank	11,015,676	8,412,121
Deposits and investments – cash equivalents (note 8)	55,086,947	57,954,654
Total cash and cash equivalents	66,102,623	66,366,775
8. DEPOSITS AND INVESTMENTS		
Deposits and investments - cash equivalents		
Accounts in authorised credit institutions (Irish and non-Irish based)	38,756,041	51,812,384
Central Bank deposits	409,647	159,581
Irish and EEA state securities	15,921,259	5,982,689
Total deposits and investments - cash equivalents	55,086,947	57,954,654
Deposits and investments - other		
Accounts in authorised credit institutions (Irish and non-Irish based)	47,803,375	46,606,966
Bank bonds	80,681,340	61,587,786
Irish and EEA state securities	15,078,330	18,553,346
Central Bank deposits	2,590,353	2,393,422
Collective investment schemes	647,864	-
Other investments	998,282	-
Total deposits and investments - other	147,799,544	129,141,520
TOTAL DEPOSITS AND INVESTMENTS	202,886,491	187,096,174
The rating category of counterparties with whom the investments were held at 30 September 2024 and 30 September 2023 is as follows:		
	2024 €	2023 €
Aa2	35,025,404	10,014,709
Aa3	50,884,955	63,340,503
A1	87,977,516	88,134,196
A2	16,208,350	9,126,775
A3	6,144,120	11,926,988
Baa1	2,000,000	2,000,000
NR	1,646,146	-
Central Bank	3,000,000	2,553,003
Total	202,886,491	187,096,174

NOTES TO THE FINANCIAL STATEMENTS contd.

€ 2024		€ 2023			
9. FINANCIAL ASSETS – LOANS TO MEMBERS					
As at 1 October	114,760,535	107,278,154			
Loans arising on transfer of engagements	6,172,016	-			
Loans granted during the year	55,641,753	48,554,458			
Loans repaid during the year	(44,991,951)	(40,650,394)			
Gross loans and advances	131,582,353	115,182,218			
Bad debts					
Loans written off during the year	(539,332)	(421,683)			
As at 30 September	131,043,021	114,760,535			
10. PROVISION FOR BAD DEBTS					
As at 1 October	8,847,886	7,950,137			
Provision arising on transfers of engagements	247,522	-			
Movement in bad debts provision during the year	882,975	897,749			
As at 30 September	9,978,383	8,847,886			
The provision for bad debts is analysed as follows:					
Grouped assessed loans	9,978,383	8,847,886			
Provision for bad debts	9,978,383	8,847,886			
11. TANGIBLE FIXED ASSETS					
	Freehold Premises €	Fixtures & Fittings €	Leasehold Improvement €	Computer Equipment €	Total €
COST					
As at 1 October 2023	3,326,756	1,045,420	78,016	847,958	5,298,150
Additions	-	361,776	-	107,153	468,929
On transfer of engagements	339,605	-	-	35,192	374,797
As at 30 September 2024	3,666,361	1,407,196	78,016	990,303	6,141,876
DEPRECIATION					
As at 1 October 2023	1,575,277	739,227	68,602	675,584	3,058,690
Charge for the year	74,441	92,008	9,073	121,282	296,804
As at 30 September 2024	1,649,718	831,235	77,675	796,866	3,355,494
NET BOOK VALUE					
30 September 2024	2,016,643	575,961	341	193,437	2,786,382
30 September 2023	1,751,479	306,193	9,414	172,374	2,239,460

NOTES TO THE FINANCIAL STATEMENTS contd.

12. INVESTMENTS IN ASSOCIATES

€

COST

As at October 2023

265,000

Additions

31,250

As at 30 September 2024**296,250****ACCUMULATED IMPAIRMENT**

As at 1 October 2023 and 30 September 2024

-

NET BOOK VALUE**As at 30 September 2024****296,250**

As at 30 September 2023

265,000

INTERESTS IN ASSOCIATE

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%	4,056,303	8,098

Registered Address: 14 Ely Place, Dublin 2, Ireland

The above financial information in respect of MetaCU Management Designated Activity Company was extracted from the audited financial statements for the year ended 31 December 2023.

The effect of including this investment as if it had been accounted for using the equity method would be as follows:

€ Share of net assets**As at 1 October 2023**

253,012

Share of profit for the financial year after tax

506

As at 30 September 2024**253,518**

€ 2024

€ 2023

13. DEBTORS, PREPAYMENTS AND ACCRUED INCOME

Prepayments

416,315

324,089

Loan interest receivable

262,712

244,104

Accrued income on investments

311,270

332,161

Other debtors

2,128,139

2,120,007

As at 30 September**3,118,436****3,020,361**

NOTES TO THE FINANCIAL STATEMENTS contd.

€ 2024

€ 2023

14. MEMBERS' SAVINGS

Members' savings are analysed as follows:

Members' shares	273,307,639	255,023,353
Members' deposits	9,524,423	-
Total members' savings	282,832,062	255,023,353

14a. MEMBERS' SHARES

As at 1 October	255,023,353	245,162,024
Members' shares arising on transfers of engagements	16,762,616	-
Received during the year	240,396,832	209,565,690
Withdrawn during the year	(238,875,162)	(199,704,361)
As at 30 September	273,307,639	255,023,353

14b. MEMBERS' DEPOSITS

As at 1 October	-	-
Received during the year	9,524,423	-
Withdrawn during the year	-	-
As at 30 September	9,524,423	-

15. MEMBERS' CURRENT ACCOUNTS

As at 1 October	5,610,176	5,008,814
Lodgements during the year	112,460,297	103,188,747
Withdrawals during the year	(111,524,413)	(102,587,385)
As at 30 September	6,546,060	5,610,176

	2024		2023	
	No. of Accounts	Balance of Accounts	No. of Accounts	Balance of Accounts
Debit	195	10,164	197	10,185
Credit	6088	6,556,224	4881	5,620,361
Permitted overdrafts	51	34,850	45	31,700

16. OTHER LIABILITIES, CREDITORS, ACCRUALS & CHARGES

Accruals and other liabilities	1,714,654	1,274,040
PAYE/PRSI	93,200	78,802
As at 30 September	1,807,854	1,352,842

NOTES TO THE FINANCIAL STATEMENTS *contd.*

€ 2024

€ 2023

17. OTHER PROVISIONS**Holiday Pay Accrual**

As at 1 October	24,227	53,578
Charged/(Credited) to the income and expenditure account	11,567	(29,351)
At 30 September	35,794	24,227

18. FINANCIAL INSTRUMENTS**18a. Financial Instruments - measured at amortised cost**

€ 2024

€ 2023

Financial assets

Financial assets measured at amortised cost	336,066,482	304,148,297
---	-------------	-------------

Financial liabilities

€ 2024

€ 2023

Financial liabilities measured at amortised cost	291,231,934	262,020,783
--	-------------	-------------

Financial assets measured at amortised cost comprise of cash and balances at bank, deposits and investments, loans, members' current accounts overdrawn, investments in associates, accrued income on investments and other debtors.

Financial liabilities measured at amortised cost comprise of members' shares, members' current accounts, members' deposits, other liabilities, creditors, accruals and charges and other provisions.

18b. Financial Instruments - Fair Value Measurements

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

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

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

As at 30 September 2024	€ Total	€ Level 1	€ Level 2	€ Level 3
Collective investment schemes	647,864	647,864	-	-
Other investments	998,282	-	998,282	-
Total	1,646,146	647,864	998,282	-
As at 30 September 2023	€ Total	€ Level 1	€ Level 2	€ Level 3
Collective investment schemes	-	-	-	-
Other investments	-	-	-	-
Total	-	-	-	-

There were fair value adjustments recognised in the income and expenditure account for the year ended 30 September 2024 of €41,311 (2023: €nil).

NOTES TO THE FINANCIAL STATEMENTS contd.

19. RESERVES

	Balance 1/10/23	Arising from TOE	Appropriation of current year surplus	Transfers between Reserves	Balance 30/09/24
	€		€	€	€
Regulatory reserve	38,380,000	2,000,000	-	2,280,000	42,660,000
Operational risk reserve	1,813,419	200,000	-	146,581	2,160,000
Other Reserves					
Realised					
General reserve	4,129,018	(245,066)	2,784,264	(2,426,581)	4,241,635
Total realised reserves	4,129,018	(245,066)	2,784,264	(2,426,581)	4,241,635
Unrealised					
Interest on loans reserve	244,104	-	18,608		262,712
Investment income reserve	248,619	-	244,998	-	493,617
SPS reserve	120,007	8,132	-	-	128,139
Total unrealised reserves	612,730	8,132	263,606	-	884,468
Total reserves	44,935,167	1,963,066	3,047,870	-	49,946,103

20. CREDIT RISK DISCLOSURES

In line with regulatory requirements, the credit union:

- 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); and
- requires specified lending practices to be in place where loans are made to certain sectors such as house loans, business loans, community loans or loans to another credit union.

The carrying amount of the loans to members represents the credit union'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.

NOTES TO THE FINANCIAL STATEMENTS contd.

	2024		2023	
	€	%	€	%
LOANS NOT IMPAIRED				
Total loans not impaired, not past due	106,463,061	81.23%	90,466,929	78.83%
IMPAIRED LOANS:				
Not past due	3,775,976	2.88%	3,679,498	3.21%
Up to 9 weeks past due	17,317,458	13.22%	16,813,161	14.65%
Between 10 and 18 weeks past due	964,793	0.74%	1,382,350	1.20%
Between 19 and 26 weeks past due	632,937	0.48%	735,998	0.64%
Between 27 and 39 weeks past due	493,375	0.38%	517,675	0.45%
Between 40 and 52 weeks past due	558,856	0.43%	362,057	0.32%
53 or more weeks past due	836,565	0.64%	802,867	0.70%
Total impaired loans	24,579,960	18.77%	24,293,606	21.17%
TOTAL LOANS	131,043,021	100.00%	114,760,535	100.00%

21. RELATED PARTY TRANSACTIONS

	2024		2023	
	No. of Loans	€	No. of Loans	€
21a. LOANS				
Loans advanced to related parties during the year	27	454,895	23	168,793
Total loans outstanding to related parties at the year end	43	819,464	52	631,397
Total provision for loans outstanding to related parties		38,438		27,834

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 0.63% of the total loans outstanding as at 30 September 2024 (2023: 0.55%).

21b. SAVINGS

The total amount of savings held by related parties at the year end was €975,335 (2023: €797,315).

21c. TRANSACTIONS INVOLVING DIRECTORS

Cara Credit Union Limited incurred expenditure from Ticcbox in respect of buildings and facilities monitoring of health and safety matters of €8,364 during the financial year ended 30 September 2024 (2023: €7,257). Caroline Sugrue (director of Cara Credit Union) is a director of Ticcbox.

NOTES TO THE FINANCIAL STATEMENTS contd.

Cara Credit Union Limited incurred expenditure from DCS Group in the amount of €18,561 during the financial year ended 30 September 2024 (2023: €9,840). DCS Group are energy consultants working with Cara Credit Union to reduce their energy consumption and their environmental impact and to project manage Cara Credit Union's branch retrofit in Killorglin. Caroline Sugrue (director of Cara Credit Union) is a director of DCS Group.

Cara Credit Union Limited incurred expenditure from Transition Solutions Limited for the provision of coaching/mentoring services to a member of the senior management of €9,750 during the financial year ended 30 September 2024 (2023: €6,300). Danny Kerins (director of Cara Credit Union Limited) is the principal consultant of Transition Solutions Limited.

22. ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURES

22a. Financial Risk Management

The credit union 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 the credit union'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 the credit union's credit policy. Credit risk mitigation may include the requirement to obtain collateral as set out in the credit union's loan policy. Where collateral or guarantees are required, they are usually taken as a secondary source of repayment in the event of the borrower's default. The credit union maintains policies which detail the acceptability of specific classes of collateral. The principal collateral types for loans are: an attachment over members' pledged shares; personal guarantees; and charges over assets. The nature and level of collateral required depends on a number of factors such as the term of the loan and the amount of exposure. 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. The credit union is also exposed to counterparty credit risk pertaining to its deposit and investment portfolio. In order to manage this 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.

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

Liquidity risk: Liquidity risk is the risk that the credit union will not have sufficient cash resources to meet day to day running costs and repay members' shares 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: The credit union's main interest rate risk arises from adverse movements in interest rates receivable which would affect investment income. The credit union 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.

NOTES TO THE FINANCIAL STATEMENTS contd.

22b. 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.

22c. Interest rate risk disclosures

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

	€	2024 Average interest rate %	€	2023 Average interest rate %
Gross loans to members	131,043,021	7.12%	114,760,535	7.14%

Any 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.

23. INTEREST PAYABLE AND SIMILAR CHARGES

	%	2024 €	%	2023 €
2 Year Deposit	2.50%	3,520	-%	-
3 Year Deposit	2.80%	66,770	-%	-
		70,290		-

24. DIVIDENDS

The directors did not pay a dividend in respect of the financial year ended 30 September 2024 (2023: €nil). The directors propose the following distributions in respect of the year:

	%	2024 €	%	2023 €
Dividend on shares	0.25%	652,269	-	-

25. EVENTS AFTER THE END OF THE FINANCIAL YEAR

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

26. INSURANCE AGAINST FRAUD

The credit union has Insurance against fraud in the amount of €5,200,000 (2023: €5,200,000) in compliance with Section 47 of the Credit Union Act, 1997 (as amended).

27. CAPITAL COMMITMENTS

There were capital commitments as at 30 September 2024. Cara Credit Union Limited commenced a solar panel installation and heating project in the Killorglin branch, with an expected cost of €391,125. The first two instalments of €129k were paid during the financial year. Cara Credit Union Limited has also commenced a roofing project in the Tralee branch with an expected cost of €65,340. Both projects are expected to be completed in 2025 financial year end.

NOTES TO THE FINANCIAL STATEMENTS contd.

28. LEASING COMMITMENTS

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

	€ 2024	€ 2023
Less than 1 year	10,000	-
1 to 5 years	32,500	-
As at 30 September	42,500	-

29. CONTINGENT LIABILITY

Included in debtors is an amount of €2,000,000 which relates to an investment that matured in June 2023. The investment was made in 2018 in the amount of €2,000,000 in a product called a “Protected Note 8”. The Protected Note 8 was a 5 year and 1 month investment with Banca IMI S.p.A., an Italian bank that has since merged with Intesa Sanpaolo S.p.A., also an Italian bank. The investment was capital protected. The investment was made with an Irish investment firm called Blackbee Investments Limited. BlackBee Investments Limited is a MiFID investment firm. MiFID refers to the European Union (Markets in Financial Instruments) Regulations 2017 following an application by the Central Bank of Ireland, the High Court appointed liquidators to BlackBee Investments Limited in May 2023. Subsequent to this, in June 2023, the credit union investment with Banca IMI S.p.A. matured, and the funds were returned by Intesa Sanpaolo S.p.A to BlackBee Investments Limited (at this point, in liquidation). At the year end, the funds had not yet been returned to the credit union by the liquidators of Blackbee Investments Limited. Regulation 49 of the Investment Firms Regulations sets out the requirements as regards segregation of client assets and sets out that an investment firm shall not use client assets for any purpose other than for the sole account of that client. On 3 July 2024, the liquidators of BlackBee Investments Limited wrote to the credit union and confirmed that funds received in relation to matured investments continue to be ring-fenced in a client bank account and will remain held to the Liquidators approval, and, made specific reference to the credit union investment as being a designated matured investment. While the Board is satisfied that the investment has matured and the funds will be returned to the credit union, and is taking active steps to pursue the funds, the timing of the return of the funds is uncertain. Furthermore, under MiFID regulations, liquidators can, in certain circumstances, seek to deduct reasonable costs from investment funds in the fulfilment of their function. At the year-end date, there is no indication that the liquidators will seek to deduct costs, however this remains a possibility. Consequently, it is impracticable at this time to estimate the impact, financial or otherwise, of the delayed timing of the receipt of funds if any, and the financial impact of the liquidation costs if any.

30. COMPARATIVE INFORMATION

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

31. APPROVAL OF FINANCIAL STATEMENTS

The board of directors approved these financial statements for issue on 21st November, 2024.

SCHEDULES TO THE INCOME & EXPENDITURE ACCOUNT

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

The following schedules do not form part of the statutory financial statements which are the subject of the Independent Auditor's Report on pages 19-21.

SCHEDULE 1 - OTHER INTEREST INCOME AND SIMILAR INCOME	€ 2024	€ 2023
Investment income received/receivable within 1 year	3,775,122	2,391,869
Investment income receivable outside of 1 year	244,998	196,366
Movement in unrealised gain/(loss) in investments	41,311	-
Total per income and expenditure account	4,061,431	2,588,235
SCHEDULE 2 - OTHER INCOME	€ 2024	€ 2023
Sundry income	43,937	31,048
Commissions	40,824	45,604
MPCAS fees	242,715	222,894
Total per income and expenditure account	327,476	299,546
SCHEDULE 3 - OTHER MANAGEMENT EXPENSES	€ 2024	€ 2023
Rent and rates	44,969	59,553
Light and heat	76,040	68,398
Repairs, maintenance and cleaning	119,144	95,563
Security costs	40,665	62,492
Printing and stationery	78,707	52,360
Postage and telephone	69,273	44,653
Marketing and sponsorship	308,549	306,783
Chapter dues	13,833	12,720
AGM and convention expenses	66,847	51,379
Travel and subsistence	51,216	34,609
Bank charges	156,291	136,395
Central Credit Register costs	37,472	38,098
Audit fee	35,978	35,978
General insurance	117,241	108,712
Share and loan insurance and DBI	948,895	858,884
Office expenses	101,726	74,695
Board expenses	4,305	1,710
Staff training	22,632	43,748
Professional body membership	37,171	11,455
Legal, professional fees and repayment costs	359,013	335,159
Computer maintenance, technology and IT costs	938,218	960,152
Miscellaneous expenses	4,145	(4,104)
Affiliation fees and trade subscriptions	48,259	40,738
Regulatory levies	817,672	621,526
Member initiatives	505,792	366,356
MPCAS costs	103,127	2,697
Total per income and expenditure account	5,107,180	4,420,709

NOMINATIONS & ELECTIONS

AUDITORS Under Rule 107 (2) Cara Credit Union Ltd. shall appoint an auditor in accordance with part V11 of the act, Grant Thronton being eligible seeks re-election.

BOARD OF DIRECTORS

Sandra Byrne resigned in 2024. Dermot Cahill was co-opted to fill this vacancy and under Rule 43 retires and seeks re-election. Directors Lily Tangney, John O'Regan, Caroline Sugrue and Sean Roche, under Rule 42 resign, and, being eligible seek re-election. Eimer Sugrue, under Rule 41, seeks election.



Lily Tangney

Lily has served as a Director of Cara Credit union since June 2018 and currently serves on the Lauri Healy Community Sponsorship Award, Risk and Nomination Committees. Originally from

Tramore, Lily is a retired RGN. She has particular interest in environmental protection and green issues. She has been a committed community contributor for many years, serving as Secretary with the Ballyseedy Wood Action Group and a member of Páirc an Phiarsaigh and 'Save the Green'. A published writer, Lily is an associated member of Tralee Toastmasters and Secretary of Churchill Probus Group. She also volunteers seasonally at the Tourist Information Kiosk in Tralee.



John O'Regan

John has served as a Director of Cara Credit union since April 2021. Previously, founder member, director and officer of Clanmaurice Credit Union over many years.

John has presented Seminars for the ILCU and lectured on many modules of the UCC Diploma in Credit Union & Mutual Studies. He has made and continues to make, a significant contribution to the activities of Chapter 23, Former Treasurer, Vice-President and President of the Irish League of Credit Unions. He is the current Chairperson of the Nomination Committee and a member of the Audit Committee.



Caroline Sugrue

Caroline has served as a Director of Cara Credit Union since August 2015 and was appointed as Chairperson in December 2017. She is currently Managing Director with TICCbox, an operational and

compliance management solutions company, and has over 20 years' experience at board level, overseeing operations and finance. She resides with her family in the Spa.



Sean Roche

Seán has served as a Director of Cara Credit Union since April 2025 and currently serves in the Membership and Lauri Healy Sponsorship Awards Committees.

A former Director with Killorglin Credit Union, Seán is a retired public servant and works tirelessly on a voluntary basis with many community projects. Seán also serves as a Board member of South Kerry Development Partnership. A keen golfer, Sean resides in Glenbeigh.



Dermot Cahill

Dermot Cahill was formerly a Director of Comhar Chreidmheasa Cora Dhuibhne. Dermot is an international consultant working on human development, good governance and public service modernisation projects around the world. A legal expert of long standing, Dermot's research on competition and procurement issues has been published in leading international practitioner and academic journals.

NOMINATIONS & ELECTIONS

BOARD OF DIRECTORS & BOARD OVERSIGHT COMMITTEE



Eimear Sugrue

Eimear is living in Tralee and has almost 20 years of experience working across the financial services industry in a wide range of roles, Eimear currently holds Group Chief Compliance Officer role with a European Payments firm and has previously held similar regulatory approved roles with Fexco and Remitly. Prior to that Eimear worked with the Central Bank of Ireland as a credit union regulatory manager. Eimear is also a qualified chartered accountant having worked with a wide range of clients including credit unions performing both thematic inspection and reviews along with internal and external audits. Eimear also spend 5 years as financial controller with a large community credit union in Cork and large financial services credit union in Dublin. Eimear has a unique combination of financial and regulatory experience that will support Cara Credit Union in navigating regulatory complexity and strategic change efficiently and effectively.

BOARD OVERSIGHT COMMITTEE

Ann-Marie Brosnan and Nisha Srinivasan resigned from the Board Oversight Committee in 2024. Nicola O'Sullivan and Mary Cahillane were co-opted to fill these vacancies and, in accordance with Rule 57 retire and being eligible, seek election to the Board Oversight Committee. Clare Lucid, under Rule 56(3) resigns and seeks re-election to the Board Oversight Committee.



Clare Lucid

Clare joined the Board Oversight Committee of Cara Credit Union in March 2021 and currently serves as the Board Oversight Secretary. She began her involvement with Credit Unions as a volunteer Teller and later became a member of the Board of Directors

at Clanmaurice Credit Union. In recent years, she was a highly effective and efficient Secretary at Clanmaurice Credit Union. Clare holds an honours degree in Information Technology. She recently transitioned to a new job in an oil remediation company after working for 16.5 years in a busy quarry. Clare resides in Lerrig, Ardfer.



Nicola O'Sullivan

Nicola, a native of Tralee now residing near Farranfore, joined the Board Oversight Committee in July of this year. With over 25 years of experience in the community and voluntary sector, Nicola is a dedicated Human Resource Manager at a Kerry non-profit organisation. She brings extensive expertise in core HR functions, HR strategy, policy development, team leadership, service delivery, facility management, and IT. Passionate about empowering individuals and fostering inclusive work environments, Nicola is committed to helping others reach their full potential and strives to make a lasting impact on their lives.



Mary Cahillane

Mary joined in May 2024, having previously served as a Director with Comhar Chreidmheasa Cora Dhuibhne, since 2021. Her career began at Irish Sugar, and she has worked across the public, private, and healthcare sectors. Mary joined the HSE to help develop and roll out the National Advocacy Programme for vulnerable adults. She studied advocacy at the National College and Dublin Institute of Technology. Mary now resides in Castlegregory.

STANDING ORDERS

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

1. Voting

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

2-3 Election Procedure

- 2. Elections to the board of directors, to the board oversight committee and the position of auditor shall be by majority vote and by secret ballot.
- 3. When nominations are announced tellers shall be appointed by the chair and ballot papers shall be distributed. Nominations shall be in the following order:
 - (a) nominations for auditor;
 - (b) nominations for members of the board oversight committee;
 - (c) nominations for directors.

When voting is completed, the votes shall be taken and tallied by the tellers. Any ballot paper which contains votes for more than the number required to be elected shall be void. All elections shall be by secret ballot and by majority vote. When the votes have been counted by the tellers, the results shall be announced by the chair. In the event that all vacancies are not filled by the first ballot further ballots shall be taken as required. In the event of an equality of votes between candidates for the remaining vacancies not filled in accordance with the above procedure one further ballot shall be taken and should that ballot fail to determine the issue, the vacancies shall be filled by lot from among such candidates having an equality of votes.

4-9 Motions

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

10 - 15 Miscellaneous

- 10. The chair of the board of directors shall be the chair of any general meeting, except where he/she is not available, in which case it shall be the vice-chair, except where he/she is not available, in which case the board shall decide amongst themselves who shall act as chair of any general meeting.
- 11. The chair may at his/her discretion, extend the privilege of the floor to any person who is not a member.

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

16. Suspension of Standing Orders

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

17. Alteration of Standing Orders

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

18. Adjournments

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

TRALEE

45-47 Ashe Street
V92 XY06

CASTLEISLAND

67 Main Street
V92 F981

KILLORGLIN

Mill Road
V93 TP65

BALLYDUFF

Main Street
V92 WN72

CAUSEWAY

Causeway Village
V92 P220

CORCA DHUIBHNE

Main Steet, Grove, Dingle
V92 D456

Tel: 066 712 2373 | Email: info@caracreditunion.ie

www.caracreditunion.ie