



**KEEPING OUR  
MEMBERS TOGETHER  
WHILE STAYING APART**

Join us for our First  
Virtual Annual General  
Meeting on Tuesday  
20th April 2021 at 7pm

CARRICKMACROSS  
CREDIT UNION  
**ANNUAL  
REPORT**  
**2020**

*Here to Help*



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## CONTACT

### Carrickmacross Credit Union Limited

15 & 17 O'Neill Street,  
Carrickmacross,  
Co. Monaghan.

**Telephone:**  
042 9661937

**Fax:**  
042 9663928

**Email:**  
info@carrickmacrosscu.ie

**Web:**  
www.carrickmacrosscu.ie

## NOTICE OF ELECTIONS

Elections will be held to fill the following vacancies:

- 4 vacancies on the Board of Directors
- 1 External Auditor Position
- 1 vacancy on the Board Oversight Committee

If you are interested in standing for the Board of Directors or Board Oversight Committee, please contact the Nominations Committee on info@carrickmacrosscu.ie

## OFFICE HOURS

Monday.....	9.30 a.m. - 5.00 p.m.	Friday .....	9.30 a.m. - 5.00 p.m.
Tuesday .....	10.00 a.m. - 5.00 p.m.	Saturday .....	9.30 a.m. - 4.00 p.m.
Wednesday .....	9.30am - 5.00pm	Sunday .....	CLOSED
Thursday.....	9.30 a.m. - 5.00 p.m.		

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Members of Carrickmacross Credit Union Limited will be held virtually via ZOOM on Tuesday 20th April 2021 at 7.00p.m.

**PLEASE HAVE THIS BOOKLET WITH YOU.**

## ORDER OF BUSINESS AT ANNUAL GENERAL MEETING

- |   |  |
|---|--|
| (a) The acceptance by the board of directors of the authorised representatives of members that are not natural persons; | (l) Report of the Auditor;                                       |
| (b) Ascertainment that a quorum is present;   | (j) Report of the Board Oversight Committee;                     |
| (c) Adoption of Standing Orders;  | (k) Report of the Credit Committee;                              |
| (d) Reading and approval (or correction) of the minutes of the last annual general meeting;                             | (l) Report of Membership Committee;                              |
| (e) Report of the Nomination Committee;   | (m) Election of Auditor;   |
| (f) Appointment of Tellers;   | (n) Election to fill vacancies on the Board Oversight Committee; |
| (g) Report of the Board of Directors;   | (o) Election to fill vacancies on the Board of Directors;        |
| (h) Consideration of Accounts;  | (p) Any other business;  |
|   | (q) Announcement of election results;                            |
|   | (r) Adjournment or close of meeting.                             |

**The Members assembled at any Annual General Meeting may suspend the Order of Business upon a two-thirds (2\3) vote of the Members present at the meeting.**



**PRIZES FOR MEMBERS ATTENDING ON THE NIGHT.**  
THERE WILL BE A MEMBERS DRAW FOR 10 VOUCHERS WORTH €100 EACH FOR ALL MEMBERS IN ATTENDANCE ON THE NIGHT.



# 2019/2020

<b>Chairperson</b>	Brian Duffy	<b>Auditors</b>	Grant Thornton Chartered Accountants & Statutory Audit Firm Mill House Henry Street Limerick
<b>Vice Chairperson</b>	Paul Duffy		
<b>Secretary</b>	Marie Brady		
<b>Board Members</b>	Melissa Campbell Dermot Conlon Caroline Corey Paddy Drumgoole Brid Finlay Emma Gilhooly Mark McShane Peter Marquis	<b>Internal Audit</b>	Kelly Rahill & Co. Accountants 16 Town Hall Street Abbeyland Cavan
<b>Board Oversight</b>	Patricia Fenix Una Clarke Marie McKeown	<b>Solicitors</b>	Enda P. O'Carroll Main Street Carrickmacross Co. Monaghan   Pierce & Fitzgibbon Market Square Listowel Co. Kerry
<b>CEO</b>	Marian McEnaney		

## VIRTUAL ANNUAL GENERAL MEETING

**Carrickmacross Credit Union Limited, will be using Zoom webinar as the electronic platform for the meeting.** To gain access to the meeting the member must register on our website at [www.carrickmacrosscu.ie](http://www.carrickmacrosscu.ie) from 08:00 am on Monday 29th March 2021. You will be asked to provide your name, account number, email address and phone number for verification purposes. Closing date for registration will be 23:59 pm on Sunday 18th April 2021. Following the request for registration you will receive an invitation by email to join the meeting on Monday 19th April 2021. Please contact our office if you require registration assistance.

All participants will be muted and have their cameras switched off; however if you wish to ask a question, this will be facilitated through the Q & A session. Alternatively you can submit your questions in advance of the AGM by sending an email to [agm@carrickmacrosscu.ie](mailto:agm@carrickmacrosscu.ie) before 16th April 2021 or by post to: Carrickmacross Credit Union Limited, 15 & 17 O'Neill Street, Carrickmacross, Co. Monaghan.

Elections for the position of Auditor, Board Oversight Committee and Board of Directors will take place. Voting will be conducted by way of online poll when instructed by the Chairperson. The votes will be tallied electronically, verified and recorded by the meeting Secretary.

## STANDING ORDERS FOR THE ANNUAL GENERAL MEETING

### 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).

Due to the fact that this year's AGM will be a virtual meeting, voting on motions and elections will be by electronic means. Each member will be given the opportunity to exercise their vote virtually during the meeting.

- 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. Candidates for the position of Directors and Board Oversight Committee shall serve a three-year term. The Auditor shall serve a one-year term.

### 3. Election Procedure ELECTRONIC VOTING

When nominations are announced tellers shall be appointed by the Chair and voting procedures and instructions shall be communicated to attendees. The mechanics of the virtual voting process (circulated to registered attendees) will be explained in more detail at the AGM by the Chair. Elections shall be in the following order:

- Election of Auditor;
- Election for membership of the Board of Directors; and
- Election for membership of the Board Oversight Committee.

When the votes have been counted by the tellers, the results shall be announced by the Chair.

### 4-9 Motions

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

### 10-15 MISCELLANEOUS.

- The Chair of the credit union shall be the Chairperson 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 Chairman 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. At a virtual AGM in the current circumstances, this may not be practical, however, the option may be invoked if required.
13. The Chairperson's decision on any matter relating to these Standing Orders or interpretation of same shall be final.
14. The Chair shall have a second or casting vote in addition to his/her own vote on matters other than voting at elections where there is an equality of votes (Standard Rule 99(1)).
15. Any matter to be decided upon by a vote at the AGM shall, unless otherwise expressly provided for by law or the rules be decided upon by majority vote.
16. **Suspension of Standing Orders**  
Any one of these 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) and the provisions concerning notice, voting and quorum are also set out in section 81 and the new section 80A inserted by the Finance (Miscellaneous Provisions) Act 2020.

### 19-26 Virtual Meeting Items

19. All non-presenting participants will be muted and have their cameras switched off to allow a smooth running of the meeting.
20. A member shall only address the meeting when called upon by the Chair to do so, when invited to contribute, through the Q & A session.
21. All members will be asked to utilise the functions available on Zoom webinar to participate and ask questions. The meeting Chair will outline these options at the start of the meeting.
22. All members are reminded to conduct themselves in a professional manner. Please refrain from sharing any explicit, violent or inappropriate content.
23. Provision shall be made for the protection of the Chair from vilification (personal abuse)
24. All members are requested to show respect when they are asking or replying to questions during the meeting. This includes tone and content of the words used.
25. All members are asked to keep their mobile phones silent. The vibrate setting can also cause disruptions.
26. The AGM meeting will be recorded.

## CHAIRPERSONS ADDRESS

On behalf of the Board of Carrickmacross Credit Union Limited, I would like to welcome you all to our 57th Annual General Meeting. This is our 1st Virtual AGM due to Covid-19 Level 5 Restrictions. This is the only option available to us at this time. It has been a very challenging and strange year to date with the unexpected arrival of Covid-19 hence our 2020 AGM is taking place in in 2021.

The challenges to our business posed by Covid-19 galvanised our credit union into adapting quickly with the Business Continuity Plan. Carrickmacross Credit Union Limited have continued to serve our members throughout the Covid-19 pandemic while abiding by national restrictions and public health guidelines and are deemed as an essential service by the Government.

Under professional guidance, we implemented new work practices and personal safety programs that ensured the safety of all our staff and members. We were able to provide uninterrupted continuity of our financial services in a safe working environment.

The Staff and Management of Carrickmacross Credit Union Limited in conjunction with the Board of Directors deserve our deep appreciation and thanks for the spirit and willingness in which they adapted to the new measures and kept your credit union fully open.

Credit unions are the leading organisations in Ireland for customer experience, this is because they put their members and their communities at the heart of everything they do.

### Financial Performance

It has been a demanding and tough year with unrelenting economic uncertainty for all businesses including credit unions. We have worked hard to ensure that we kept the business model growing even in these difficult times.

In the last financial year, our loans grew by 8.2%. The loan book finalised at €19.5 million.

Member's savings increased by €4.2 million which is a growth of 4.8% and also finalised at €93 million at 30th September 2020.

We had a return of €744K on investments which was a reduction of €169K or 18.54%. The interest rate environment remains challenging with negative interest rates on short term funds. Total reserves at €25 million and represented 21.28% of total assets.

The Covid-19 pandemic and the uncertainty of Brexit have alerted us to the fact that we must financially strengthen our reserves. We must act in a responsible and prudent manner to safeguard our members funds. On guidance from the Central Bank, Carrickmacross Credit Union Limited have taken the difficult decision not to



pay a dividend or rebate for the year ended 30th September 2020. We understand that will be disappointing for members however, priority has been given to building and maintaining reserves over the payment of dividends and rebates for the sustainability of the credit union.

**Ongoing Education**

Carrickmacross Credit Union Limited strongly promotes and supports the further education and training of our Staff and Directors. Congratulations to Kathryn McClure in attaining her Diploma as a Qualified Financial Advisor and to our Directors who took part in various training courses. Continued success to the members of Staff who are continuing with their studies this year.

**Community Fund & Local Community Projects**

We are committed to supporting our community and this year we donated the sum of almost €22k to schools, education initiatives, community, and sporting groups.

**Retirements**

I would like to pay a very special tribute to Aileen Devine and Denise Swinburne who retired from the board last year. They all contributed greatly to the development of Carrickmacross Credit Union Limited and I thank them on your behalf for their time and efforts all on a voluntary basis.

I also welcome new Directors to the Board, Peter Marquis, Caroline Corey, and Mark Mc Shane.

**Conclusion**

I would like to take this opportunity to remember all our members who have died or suffered bereavements. We extend our sincere sympathy to their families and friends. May they Rest in Peace.

Carrickmacross Credit Union Limited functions as a financially viable, friendly, and professional organisation due the work ethic of Marian and her entire team. To them we are grateful, and we have total confidence in their ability and commitment. Thank you to our Board Oversight Committee who oversee our Board of Directors and to our Auditors Grant Thornton and our Internal Auditors Kelly Rahill & Co. Accountants for their professional help throughout the year. Thank you to my fellow Directors who all bring their time and experience to help govern and develop your credit union.

Finally, my message to you all as members is to encourage and remind you to support your credit union as it is a very important asset in our community, it will only continue to thrive and grow with your support.

I wish you all the health and happiness for the future.  
Thank you.

**Chairperson**  
**Brian Duffy**

**CREDIT COMMITTEE REPORT**

Report on the activities of the Credit Committee for the year ended 30th September 2020. The provision of loans to members is a primary service of Carrickmacross Credit Union Limited. All loan applications are individually assessed and, whilst every effort is made to approve each application, the process must ensure that the loan is appropriate to the Member’s needs and does not pose any undue risk to the credit union.

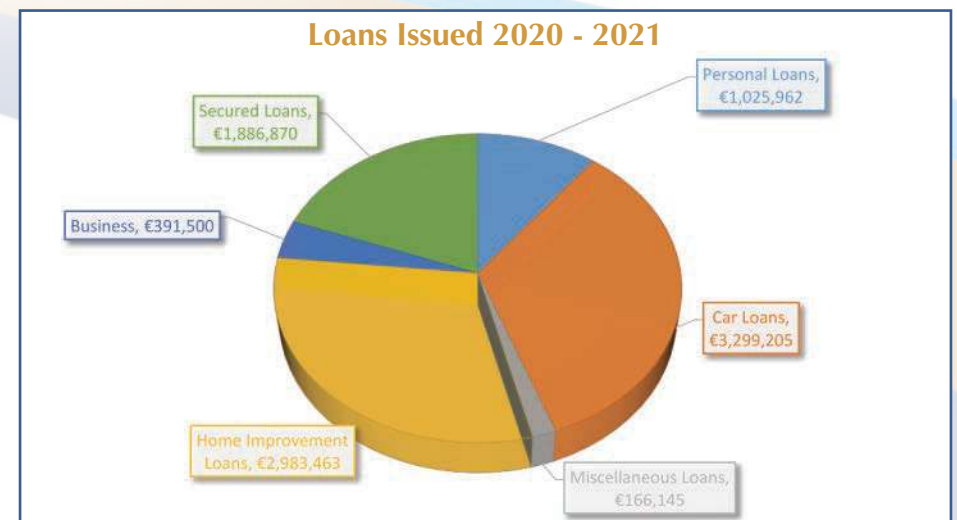
It has been another busy year for the Credit Officers and Credit Committee.

**Loan activities during the past year**

- The Credit Committee held 46 meetings during the year – many virtually to ensure continued uninterrupted service to our members.
- 1,638 loan applications were approved by Loans Officers and Credit Committee
- Total loans issued €9,753,144
- Average loan at 30th September €9.4k
- Loan book at 30th September €19,531, 518
- 8.2% increase in the loan book for the financial year.

Carrickmacross Credit Union Limited offers five different consumer loan rates depending on the purpose of the loan. Rates start at 5.99% up to 10%. Interest on loans is charged on the decreasing value of the loan. We also offer a full suite of business loan products, including the SBCI Covid-19 Credit Guarantee Scheme. We are one of only a handful of credit unions offering this scheme.

We also offer additional loan protection insurance (subject to terms and conditions) with no direct cost to the member.



**Credit Committee:**  
**Brid Finlay, Brian Duffy, Emma Gilhooly, Marie Brady and Marian McEnaney**



## BOARD OVERSIGHT COMMITTEE REPORT

The Board Oversight Committee is an independent body that reports to you the members of Carrickmacross Credit Union Limited each year at the AGM.

The role of the Board Oversight Committee is to ensure the Board of Directors and Management act in the best interest of its members. By attending the board and sub-committee meetings we assess whether the directors are operating in accordance with all relevant legislation, best practice and good corporate governance. We provide the board with monthly reports and four appraisal reports annually, making recommendations where necessary.

The Board Oversight Committee attend training seminars during the year in order to ensure we are carrying out our role effectively.

The Board Oversight Committee is delighted to report that in our opinion the Board of Directors of Carrickmacross Credit Union Limited are performing their duties professionally and in accordance with the Acts.

Current legislation places a significant onus on all those associated with running the credit union. We wish to acknowledge the hard work and dedication of the CEO, Staff and Board of Directors throughout the year particularly in dealing with the challenges posed by Covid-19. We would also like to thank them for their support and co-operation and we wish them well in the forthcoming year.

### On Behalf of the Board Oversight Committee

**Patricia Fenix**  
Chairperson

**Una Clarke**  
Secretary

**Marie McKeown**  
BOC Member

## MEMBERSHIP COMMITTEE REPORT

The Membership Committee is an operational management committee reporting to the Board of Directors. Its primary objective is to oversee and make recommendations on activities that will improve the membership process. During the last year Carrickmacross Credit Union Limited welcomed 328 new members and total membership as at 30th September 2020 was 14,058. Applicants seeking membership of the credit union must be resident or employed in the common bond of the credit union or hold the common bond of Carrickmacross Credit Union Limited by association with an existing qualifying member.

Carrickmacross Credit Union Limited must comply with all aspects of 'The Criminal Justice (Money Laundering and Terrorist Financing) (Amendment) Act 2018'. Under this legislation we are required to ascertain up to date identification and proof of residence for all our members. Proof of PPSN is also requested to comply with the Revenue requirements for DIRT reporting. This also protects you as a member of Carrickmacross Credit Union Limited against fraud.

**Group Accounts:** A mandate is required for all group accounts, both new and existing. For all group accounts evidence of identification and proof of residence is required for the beneficial owners (ie. the signatories on the account). A listing of committee member names must also be included. For existing group accounts, it is your responsibility to ensure the account details are up to date at all times. Where committee members step down from a position, the credit union must be informed of this change, and a new mandate must be completed.

**Non-Active Accounts:** An account will automatically become non-active if no transactions occur within a period of 36 months. The shares will remain in your account. If you wish to re-activate a non-active account, you will be required to bring in proof of identification and proof of residence.

As part of our customer due diligence, we continue to request updated documentation from our members regarding their accounts.

**Nomination Form:** Members are asked to nominate someone so that in the event of their death, his/her savings will be distributed in accordance with their nomination. Single account shares (up to a maximum of €23,000) in Carrickmacross Credit Union Limited can be subject to a nomination (Terms and Conditions apply). If you wish to complete or update a nomination form please speak to one of our staff who will be happy to assist you.

We wish to thank you in advance for your co-operation with us in complying with 'The Criminal Justice (Money Laundering and Terrorist Financing) (Amendment) Act 2018'.

**Membership Committee**  
**Audrey O'Reilly and Noleen Byrne**

### Privacy Statement

A copy of our Data Privacy Notice can be found on our website [www.carrickmacrosscu.ie](http://www.carrickmacrosscu.ie)

## CREDIT CONTROL COMMITTEE REPORT

The role of the Credit Control Committee is to ensure that the repayment of loans by members is in accordance with their credit agreement and to review any loan reschedules. 2020 was a particularly challenging year for our credit union due to the Covid-19 pandemic and how it impacted on some of our member's livelihoods. This resulted in some borrowers seeking temporary amended credit arrangements, the majority of which are now back on track. Carrickmacross Credit Union Limited were pleased to be able to assist our members during these difficult and worrying times in a proficient, personal and compassionate manner. The Credit Control Committee met on a monthly basis with our Credit Control Team via tele conference or social distanced meetings to review the loan book. We formally report to the Board of Directors also on a monthly basis.

Funding for loans to members comes directly from the savings of the entire membership. As custodian of these savings the Credit Control Committee make every effort to ensure that repayment agreements are maintained as promised. It is most important for members to know that any problem with regard to repayment ability should be brought to our attention without delay. Where repayment difficulties arise, our ethos is to make every reasonable effort to agree a revised repayment schedule based on the change in circumstances. A member whose loan is underwritten by a guarantor should be aware that the guarantor is obliged to maintain repayments until the member is able to resume repayments.

Carrickmacross Credit Union Limited is a member of the Central Credit Register and the Irish Credit Bureau. Data on loans issued and repayments on these loans is shared with these Credit Agencies. Missed payments are also recorded and reported accordingly and hence failure to pay loan arrears may affect your credit rating with other lenders. Our bad debt write offs this year were €2,612 compared to €6,424 in 2019. Bad debts recovered amounted to €94,038. Our bad debt provisions now stand at 11.30% of our net loan book. This provision is monitored on a monthly basis to ensure that we are adequately providing for future impairment of loans.

We would like to thank our Credit Control Staff for their excellent work in the credit control area and for their assistance throughout the year.

### Credit Control Committee

Paul Duffy, Dermot Conlon and Peter Marquis.



# CYBER SECURITY AWARENESS

## OUR TEAM WILL NEVER

- ASK YOU TO SHARE YOUR FULL LOGIN PIN OR PASSWORD
- REQUEST YOUR ACCOUNT INFORMATION THROUGH AN ON SCREEN POP-UP WINDOW
- ASK FOR YOUR ONLINE ACCOUNT LOGIN DETAILS
- SEND YOU A LINK DIRECTLY TO THE LOGIN PAGE OF OUR ONLINE PAGE
- ASK YOU TO TRANSFER MONEY OUT OF YOUR ACCOUNT TO PROTECT YOURSELF FROM FRAUD

## MEMBERS NEVER

- CLICK ON OR OPEN SUSPICIOUS LINKS AND ATTACHMENTS
- RESPOND TO UN-SOLICITED TEXT MESSAGES OR EMAILS
- PROVIDE YOUR FULL CREDIT UNION DETAILS IN A POP-UP WINDOW

IF YOU SUSPECT YOUR CREDIT UNION ACCOUNT DETAILS HAVE BEEN COMPROMISED IN ANY WAY, CALL US IMMEDIATELY ON 042 9661937



## CU\_Online+

CU\_Online+ allows members to apply for a loan, check balances, transfer funds and bill pay all from the comfort of your own home

### To register please follow these steps:

- Log onto our website [www.carrickmacrosscu.ie](http://www.carrickmacrosscu.ie) and select "Register" tab at the right hand corner
- Complete the "accounts sign up" form
- Create a Username, Password and a Memorable Word
- Once your details are verified by the credit union, a PIN will be sent to your mobile device
- Enter this PIN, and you will be registered for CU\_Online+
- Every time you log in, a one time passcode will be sent to your mobile. This provides a greater security when you access your account online

**DEPOSIT GUARANTEE SCHEME****DEPOSITOR INFORMATION SHEET****Basic information about the protection of your eligible deposits**

Eligible deposits in Carrickmacross Credit Union are protected by:	the Deposit Guarantee Scheme ("DGS") <sup>(1)</sup>
Limit of protection:	€100,000 per depositor per credit institution <sup>(2)</sup>
If you have more eligible deposits at the same credit institution:	All your eligible deposits at the same credit institution are 'aggregated' and the total is subject to the limit of €100,000 <sup>(2)</sup>
If you have a joint account with other person(s):	The limit of €100,000 applies to each depositor separately <sup>(3)</sup>
Reimbursement period in case of credit institution's failure:	10 working days <sup>(4)</sup>
Currency of reimbursement:	Euro or, for branches of Irish banks operating in another member state of the EEA, the currency of that member state.
To contact Carrickmacross Credit Union for enquiries relating to your account:	Carrickmacross Credit Union Limited 15&17 O'Neill Street, Carrickmacross Co. Monaghan Telephone: 042 9661937 Fax: 042 9663928 Email: info@carrickmacrosscu.ie Web: www.carrickmacrosscu.ie
To contact the DGS for further information on compensation:	Deposit Guarantee Scheme Central Bank of Ireland PO BOX 11517 Spencer Dock, North Wall Quay Dublin 1 Tel: 1890-777777 Email: info@depositguarantee.ie
More information:	www.depositguarantee.ie
Acknowledgement of receipt by the depositor:	

**ADDITIONAL INFORMATION**

- (1) **Scheme responsible for the protection of your deposit**  
Your deposit is covered by a statutory deposit guarantee scheme. If insolvency should occur, your eligible deposits would be repaid up to €100,000.
- (2) **General limit of protection**  
If a covered deposit is unavailable because a credit institution is unable to meet its financial obligations, depositors are repaid by the DGS. This repayment covers at maximum €100,000 per person per credit institution. This means that all eligible deposits at the same credit institution are added up in order to determine the coverage level. If, for instance, a depositor holds a savings account with €90,000 and a current account with €20,000, he or she will only be repaid €100,000.
- (3) **Limit of protection for joint accounts**  
In case of joint accounts, the limit of €100,000 applies to each depositor. However, eligible deposits in an account to which two or more persons are entitled as members of a business partnership, association or grouping of a similar nature, without legal personality, are aggregated and treated as if made by a single depositor for the purpose of calculating the limit of €100,000.  
  
In some cases eligible deposits which are categorised as "temporary high balances" are protected above €100,000 for six months after the amount has been credited or from the moment when such eligible deposits become legally transferable. These are eligible deposits relating to certain events which include:
  - (a) certain transactions relating to the purchase, sale or equity release by the depositor in relation to a private residential property;
  - (b) sums paid to the depositor in respect of insurance benefits, personal injuries, disability and incapacity benefits, wrongful conviction, unfair dismissal, redundancy, and retirement benefits;
  - (c) the depositor's marriage, judicial separation, dissolution of civil partnership, and divorce;
  - (d) sums paid to the depositor in respect of benefits payable on death; claims for compensation in respect of a person's death or a legacy or distribution from the estate of a deceased person.
 More information can be obtained at [www.depositguarantee.ie](http://www.depositguarantee.ie)
- (4) **Reimbursement**  
The responsible deposit guarantee scheme is:  
Deposit Guarantee Scheme, Central Bank of Ireland, PO Box 11517, Spencer Dock, North Wall Quay, Dublin 1. Tel: 1890-777777.  
Email: info@depositguarantee.ie. Website: [www.depositguarantee.ie](http://www.depositguarantee.ie).





It will repay your eligible deposits (up to €100,000) within 20 working days until 31 December 2018; within 15 working days from 1 January 2019 until 31 December 2020; within 10 working days from 1 January 2021 to 31 December 2023; and within 7 days from 1 January 2024 onwards, save where specific exceptions apply.

Where the repayable amount cannot be made available within seven working days depositors will be given access to an appropriate amount of their covered deposits to cover the cost of living within five working days of a request. Access to the appropriate amount will only be made on the basis of data provided by the credit institution. If you have not been repaid within these deadlines, you should contact the deposit guarantee scheme.

### Other important information

In general, all retail depositors and businesses are covered by the Deposit Guarantee Scheme. Exceptions for certain deposits are stated on the website of the Deposit Guarantee Scheme. Your credit institution will also inform you on request whether certain products are covered or not. If deposits are eligible, the credit institution shall also confirm this on the statement of account.

## MOTIONS FOR ANNUAL GENERAL MEETING

### Motion 1

That this Annual General Meeting amends the Standard Rules for Credit Unions (Republic of Ireland) by the insertion of a new Rule 1A as follows:

Any reference in these rules to a member present and voting at a general meeting shall be construed as including a reference to a member in attendance and voting at a general meeting conducted wholly or partly by the use of electronic communications technology.

### Motion 2

That this Annual General Meeting amends Rule 96 of the Standard Rules for Credit Unions (Republic of Ireland) in paragraph (1), by the substitution of “at a time, at a place in the State (where applicable) and in the manner (where applicable)” for “in the State at such date, time and place”;

### And

by the insertion of a new 96A as follows:

**96A (1)** The credit union need not hold a general meeting at a physical venue but may conduct the meeting wholly or partly by the use of electronic communications technology as long as all attendees have a reasonable opportunity to participate in the meeting in accordance with this Rule.

- (2)
  - (a) The credit union may provide for participation in a general meeting by providing or facilitating, for that purpose, the use of electronic communications technology, including a mechanism for casting votes by a member, whether before or during the meeting.
  - (b) The mechanism referred to in paragraph (a) shall not require the member to be physically present at the general meeting.
- (3) The use of electronic communications technology pursuant to paragraph (2) may be made subject only to such requirements or restrictions put in place by the credit union as are necessary to ensure the identification of attendees and the security of the electronic communications technology, to the extent that such requirements or restrictions are proportionate to the achievement of those objectives.
- (4) The credit union shall inform attendees, before the general meeting concerned, of any requirements or restrictions which it has put in place pursuant to paragraph (3).
- (5) The credit union that provides for the use of electronic communications technology for participation in a general meeting by an attendee shall endeavour to ensure, as far as practicable, that—
  - (a) such technology:
    - (i) provides for the security of any electronic communications by the attendee,
    - (ii) minimises the risk of data corruption and unauthorised access, and
    - (iii) provides certainty as to the source of the electronic communications.
  - (b) in the case of any failure or disruption of such technology, that failure or disruption is remedied as soon as practicable, and
  - (c) such technology enables the attendee to:
    - (i) hear what is said by the chair of the meeting and any person introduced by the chair, and
    - (ii) speak and submit questions and comments during the meeting to the chair to the extent that the attendee is entitled to do so under the rules of the credit union.
- (6) Any temporary failure or disruption of electronic communications technology shall not invalidate the general meeting or any proceedings relating to the meeting.
- (7) Unless such failure or disruption is attributable to any wilful act of the credit union, the credit union shall not be liable in respect of any failure or disruption relating to the equipment used by an attendee to access a general meeting by electronic communications technology that occurs and which failure or disruption prevents or interferes with the attendee’s participation, by the use of such technology, in the meeting.
- (8) Where, in the opinion of the board of directors, it is deemed necessary, due to exceptional and unexpected circumstances, the board of directors may, by resolution, cancel a general meeting at any time prior to the holding of the meeting.

**Motion 3**

That this Annual General Meeting amends Rule 98 of the Standard Rules for Credit Unions (Republic of Ireland)

- (a) In paragraph (2):
- (i) by the substitution of the following paragraph for paragraph (a):“(a) shall state the date, time, place (where applicable) and manner of holding (where applicable) of the general meeting;”
  - (ii) in paragraph (c), by the substitution of “;” for “; and”;
  - (iii) in paragraph (e), by the insertion of “and”;
  - (iv) by the insertion of the following paragraph after paragraph (e):“(f) shall, in the case of a general meeting proposed to be held wholly or partly by the use of electronic communications technology, state
    - (i) the electronic platform to be used for the meeting,
    - (ii) details for access to the electronic platform,
    - (iii) where required by a credit union, the time and manner by which an attendee must confirm his or her intention to attend the meeting,
    - (iv) any requirements or restrictions which the credit union has put in place in order to identify attendees who intend to attend the meeting,
    - (v) the procedure for attendees to communicate questions and comments during the meeting, and
    - (vi) the procedure to be adopted for voting on resolutions proposed to be passed at the meeting.”
- (b) In paragraph (4), by the insertion of “and containing such information” after “in such form”.

**And**

by the insertion of a new Rule 98A as follows:

**98 A (1)** Notwithstanding Rule 98 but subject to paragraph (2), notice for the purposes of Rule 96A(8) shall be given in the same manner as the notice for the general meeting referred to in Rule 98 but where, in the opinion of the board of directors, giving such notice in that manner is not reasonably practicable, notice shall be given

- (a) where the credit union has a website, on that website,
  - (b) by email to every member for whom the credit union has an email address, and
  - (c) in at least one national newspaper published in the State and circulating in the area in which the registered office of the credit union is situated, in a local paper and on local radio.
- (2) Paragraph (1) shall not apply where all members agree in writing to the cancellation, change of venue or change of means of holding the general meeting concerned, or to dispensing with notice for the general meeting”.

**Motion 4**

That this Annual General Meeting amends Rule 99(3)(a) of the Standard Rules for Credit Unions (Republic of Ireland) by the substitution of “paragraphs (a), (b), (d) (e) of paragraph (2)” for “paragraphs (a), (b), (d), (e), (f) of paragraph (2)”.

**NOTIFICATION OF SHARE CAP****IMPORTANT MEMBER NOTICE**

For the reasons set out below the Board of Directors of Carrickmacross Credit Union Limited, after careful consideration, have taken the difficult decision to introduce a monthly cap of €3,000 on new savings per member. This monthly cap will be introduced on the 8th June 2021. From this date we can only accept a maximum lodgment of monthly saving amounts up to €3,000 per adult or juvenile member. This decision was taken in the best interests of the entire membership of the credit union.

Factors considered included the following:

- The negative interest rates being charged by banks on deposits lodged by Carrickmacross Credit Union Limited.
- The current lack of returns on investments and the negative fiscal forecasts.
- There has been a dramatic increase in the level of savings lodged to our credit union, primarily due to the effects of COVID-19 on the economic environment.
- With some banks/institutions now charging to hold savings there is a risk that credit unions could see a continued influx of savings into the credit union, we must actively control this. Member's savings that are not transferred into loans on our balance sheet are consequently invested and this will continue to challenge our cost base.
- Under Central Bank regulations, we must maintain our statutory capital (Regulatory Reserve) at a minimum of 10% of our Total Assets. In practical terms this means that for every €100,000 of savings lodged, we must allocate €10,000 to the Regulatory Reserve at the end of each financial year.

The maximum shareholding that can be held by any member remains at €40,000 per adult member and €25,000 per juvenile member. It is important to note that this limit is based on the member, not the account. The share cap will be applied, taking into account, all funds a member holds in a single share account and also 50% of the value of shares held in any joint account, or multiples of same. Members who have less than the above limits can increase their shares to the share cap but no more than that.

We have implemented these measures following an in-depth analysis of our membership and remain confident that we have chosen processes that will affect as few of our members as we could accommodate whilst providing reassurance to the broad membership that we are proactively safeguarding Carrickmacross Credit Union Limited services into the future. The vast majority of members will experience no change to their normal business with us and will be free to continue to increase their savings without fear of reaching the imposed caps.

We will keep the saving restrictions under constant review in line with the broader economic forecasts. If, or when, we make any decision to change the current arrangement you will be notified directly of this.

As always, Carrickmacross Credit Union Limited continue to offer unrivalled financial service to our loyal members which includes a range of notable financial benefits. Thank you for your understanding in this matter. Please be assured that we continue to innovate and work hard to protect the sustainability of Carrickmacross Credit Union Limited.

For further information please log on to our website at [www.carrickmacrosscu.ie](http://www.carrickmacrosscu.ie) to view our frequently asked questions on the share cap or call into the office to receive a copy.



## MYTH BUSTERS

There are so many myths out there about credit unions and what we offer. So, just in case you didn't already know, here's the deal at Carrickmacross Credit Union Limited.

MYTH	TRUTH
Credit Unions are only for the older generations!	With online access, smartphone apps, and electronic transfers we are easy to access, easy to talk to and open to everyone!
Credit Unions only give out small loans!	Small loans, big loans, and business loans, it's your decision. So, we're more than just small loans!
My application has to go to a credit committee so I may be waiting a week for a decision!	Most loan applications can be dealt with by our dedicated team of loan officers and you can have a decision within hours!
I already have a loan out with the Credit Union, I can't get another one!	Not so... If you have kept up to date with repayments on your current loan you could be eligible for a loan top up or second loan!
Credit Union loans are expensive!	We have some of the most competitive rates on the market and are cheaper than most of the banks!
It's hard to get a loan!	It couldn't be easier. We approve over 96% of all applications and it's easy and fast to apply!... What are you waiting for?
I need to be saving for ages before I can get a loan!	You can become a member and apply for a loan straight away. Loan approval is based on your ability to repay, not on what savings you have!

## AGM QUESTION SUBMISSION

### Invitation to members to submit questions in advance of the AGM.

In order to improve the smooth running of the AGM, we are giving members the opportunity to submit questions to the Board of Directors in advance of the meeting. Please also include your contact details. Questions can be sent to the credit union or emailed to [agm@carrickmacrosscu.ie](mailto:agm@carrickmacrosscu.ie)

Any questions submitted that are not relevant to the business of the AGM, will be forwarded for the attention of a relevant officer to be addressed, as appropriate. Submitting a question in advance of the AGM does not affect your rights as a shareholder to attend and speak at the AGM. Please return your questions to us no later than 16th April 2021 by email at [agm@carrickmacrosscu.ie](mailto:agm@carrickmacrosscu.ie) or post to: Carrickmacross Credit Union Limited, 15 & 17 O'Neill Street, Carrickmacross, Co. Monaghan.

## DIRECTORS' REPORT

For the financial year ended 30th September 2020

The directors present their annual report and the audited financial statements for the financial year ended 30th September 2020.

**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.
- To act on behalf of a payment institution in providing 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 and loan interest rebates:** The directors are not proposing a dividend or loan interest rebate in respect of the year ended 30th September 2020. 2019: proposed dividend €43,869 (0.05%) and a proposed loan interest rebate of €75,656 (5.00%).

**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' savings when demanded.



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

*These risks are managed by the Board of Directors as follows:*

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

**Lack of loan demand:** The credit union provide lending products to its members and promote these products through various marketing initiatives.

**Market risk:** The Board of Directors regularly reviews and approves the credit union's investment policy and funds are invested in compliance with this policy and regulatory guidance.

**Liquidity risk:** The credit union's policy is to maintain sufficient funds in liquid form at all times to ensure that it can meet its liabilities as they fall due.

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

**Accounting records:** The directors believe that they comply with the requirements of Section 108 of the Credit Union Act, 1997 (as amended) with regard to books of account by employing accounting personnel with appropriate expertise and by providing adequate resources to the finance function. The books of account of the credit union are maintained at the credit union's premises at 15 & 17 O'Neill Street, Carrickmacross, Co. Monaghan.

**Events after the end of the financial year:** Since the year end the COVID-19 pandemic has continued to have a direct effect on the credit union, the economy and the general population. The directors and management are closely monitoring the evolution of the pandemic, and while there is no clear indication as to when the impact will be curtailed or eliminated, they will continue to take appropriate actions to mitigate any possible adverse effects on the credit union, on its officers and on its members.

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

This report was approved by the board on 16th October 2020 and signed on its behalf by:

**Brian Duffy**  
Chairperson of the Board of Directors  
Date: 16th October 2020

**Marie Brady**  
Member of the Board of Directors

## DIRECTORS' RESPONSIBILITIES STATEMENT

*For the financial year ended 30th September 2020*

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

**In preparing those financial statements the directors are required to:**

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and reason for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the credit union will continue in business.

The directors are responsible for ensuring that the credit union keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the credit union, enable at any time the assets, liabilities, financial position and income and expenditure of the credit union to be determined with reasonable accuracy, enable them to ensure that the financial statements comply with the Credit Union Act 1997 (as amended) and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the credit union and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This statement was approved by the board on 16th October 2020 and signed on its behalf by:

**Brian Duffy**  
Chairperson of the Board of Directors  
Date: 16th October 2020

**Marie Brady**  
Member of the Board of Directors

## BOARD OVERSIGHT COMMITTEE'S RESPONSIBILITIES STATEMENT

*For the financial year ended 30th September 2020*

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 and Part IV9(a) of the Credit Union Act, 1997 (as amended) and any other matter prescribed by the Central Bank of Ireland in respect of which they are to have regard to in relation to the Board of Directors.

This statement was approved by the board oversight committee on 16th October 2020 and signed on its behalf by:

**Patricia Fenix**  
Chairperson of the Board Oversight Committee  
Date: 16th October 2020



## INDEPENDENT AUDITOR'S REPORT

### to the members of Carrickmacross Credit Union Limited

For the financial year ended 30th September 2020

#### Opinion

We have audited the financial statements of Carrickmacross Credit Union Limited, which comprise the income and expenditure account, the statement of other comprehensive income, the balance sheet, the statement of changes in reserves, the statement of cash flows for the financial year ended 30th September 2020, and the related notes to the financial statements, including the summary of significant accounting policies.

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

In our opinion, Carrickmacross 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 30th September 2020 and of its income and expenditure and cash flows for the year then ended; and
- have been properly prepared so as to conform with the requirements of the Credit Union Act, 1997 (as amended).

#### Basis for opinion

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

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (Ireland) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the credit union's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

Other information comprises information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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; and
- the financial statements contain all primary statements, notes and significant accounting policies required to be included in accordance with section 111(1)(c) of the Act.



### Responsibilities of directors for the financial statements

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

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

### Responsibilities of the auditor for the audit of the financial statements

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

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

**Denise O'Connell FCA**

*for and on behalf of*

**Grant Thornton**

Chartered Accountants  
& Statutory Audit Firm  
Mill House, Henry Street, Limerick

**Date: 16th October 2020**

**INCOME AND EXPENDITURE ACCOUNT**

For the financial year ended 30th September 2020

INCOME	Schedule	2020 (€)	2019 (€)
Interest on members' loans		1,620,772	1,491,583
Other interest income and similar income	1	744,695	914,159
<b>Net interest income</b>		<b>2,365,467</b>	<b>2,405,742</b>
Other income	2	14,737	49,642
<b>Total income</b>		<b>2,380,204</b>	<b>2,455,384</b>
<b>EXPENDITURE</b>			
Employment costs		998,628	909,911
Other management expenses	3	984,816	1,208,832
Depreciation		48,333	44,114
Net impairment losses on loans to members (note 5)		456,171	97,366
<b>Total expenditure</b>		<b>2,487,948</b>	<b>2,260,223</b>
<b>(Deficit)/surplus for the financial year</b>		<b>(107,744)</b>	<b>195,161</b>

The financial statements were approved and authorised for issue by the board on 16th October 2020 and signed on behalf of the credit union by:

**Brian Duffy**  
Member of the Board  
of Directors

**Patricia Fenix**  
Member of the Board  
Oversight Committee

**Marian McEnaney**  
CEO

Date: 16th October 2020

**STATEMENT OF OTHER COMPREHENSIVE INCOME**

For the financial year ended 30th September 2020

	2020 (€)	2019 (€)
(Deficit)/ surplus for the financial year	(107,744)	195,161
Other comprehensive income	-	-
<b>Total comprehensive income for the financial year</b>	<b>(107,744)</b>	<b>195,161</b>

The financial statements were approved and authorised for issue by the board on 16th October 2020 and signed on behalf of the credit union by:

**Brian Duffy**  
Member of the Board  
of Directors

**Patricia Fenix**  
Member of the Board  
Oversight Committee

**Marian McEnaney**  
CEO

Date: 16th October 2020

The notes on pages 32 to 46 form part of these financial statements.

**BALANCE SHEET**

As at 30th September 2020

Assets	Notes	2020 (€)	2019 (€)
Cash and balances at bank		1,013,576	911,202
Deposits and investments – cash equivalents	7	13,394,777	19,115,434
Deposits and investments – other	7	86,402,915	77,733,737
Loans to members	8	19,531,518	18,043,865
Provision for bad debts	9	(1,594,334)	(1,032,627)
Tangible fixed assets	10	514,725	461,920
Prepayments and accrued income	11	65,374	65,787
<b>Total assets</b>		<b>119,328,551</b>	<b>115,299,318</b>
<b>Liabilities</b>			
Members' shares	12	93,376,136	89,095,593
Other liabilities, creditors, accruals and charges	13	525,581	548,902
Other provisions	14	29,054	30,175
<b>Total liabilities</b>		<b>93,930,771</b>	<b>89,674,670</b>
<b>Reserves</b>			
Regulatory reserve	16	13,985,000	13,985,000
Operational risk reserve	16	836,000	786,000
Other reserves			
- Realised reserves	16	10,509,259	10,773,223
- Unrealised reserves	16	67,521	80,425
<b>Total reserves</b>		<b>25,397,780</b>	<b>25,624,648</b>
<b>Total liabilities and reserves</b>		<b>119,328,551</b>	<b>115,299,318</b>

The financial statements were approved and authorised for issue by the board on 16th October 2020 and signed on behalf of the credit union by:

**Brian Duffy**  
Member of the Board  
of Directors

**Patricia Fenix**  
Member of the Board  
Oversight Committee

**Marian McEnaney**  
CEO

Date: 16th October 2020

The notes on pages 32 to 46 form part of these financial statements.

**STATEMENT OF CHANGES IN RESERVES**

For the financial year ended 30th September 2020

	Regulatory reserve €	Operational risk reserve €	Realised reserves €	Unrealised reserves €	Total €
<b>As at 1st October 2018</b>	<b>13,985,000</b>	<b>751,000</b>	<b>10,798,360</b>	<b>83,348</b>	<b>25,617,708</b>
Surplus for the financial year	-	-	183,068	12,093	195,161
Transfer between reserves	-	35,000	(19,984)	(15,016)	-
Dividends and loan interest rebates paid	-	-	(188,221)	-	(188,221)
<b>As at 1st October 2019</b>	<b>13,985,000</b>	<b>786,000</b>	<b>10,773,223</b>	<b>80,425</b>	<b>25,624,648</b>
Deficit for the financial year	-	-	(124,598)	16,854	(107,744)
Transfer between reserves	-	50,000	(20,242)	(29,758)	-
Dividends and loan interest rebates paid	-	-	(119,124)	-	(119,124)
<b>As at 30th September 2020</b>	<b>13,985,000</b>	<b>836,000</b>	<b>10,509,259</b>	<b>67,521</b>	<b>25,397,780</b>

- The regulatory reserve of the credit union as a percentage of total assets as at 30th September 2020 was 11.72% (2019: 12.13%).
- The operational risk reserve of the credit union as a percentage of total assets as at 30th September 2020 was 0.70% (2019: 0.68%).

*The notes on pages 32 to 46 form part of these financial statements.*

**STATEMENT OF CASH FLOWS**

For the financial year ended 30th September 2020

	Notes	2020 (€)	2019 (€)
<b>Opening cash and cash equivalents</b>		<b>20,026,636</b>	<b>22,195,968</b>
<b>Cash flows from operating activities</b>			
Loans repaid by members	8	8,272,734	8,057,712
Loans granted to members	8	(9,762,999)	(9,067,904)
Interest on members' loans		1,620,772	1,491,583
Other interest income and similar income		744,695	914,159
Bad debts recovered and recoveries		108,148	128,485
Other income		14,737	49,642
Dividends paid		(43,467)	(84,095)
Loan interest rebates paid		(75,657)	(104,126)
Operating expenses		(1,983,444)	(2,118,743)
Movement in other assets and liabilities		(24,029)	(10,662)
<b>Net cash flows from operating activities</b>		<b>(1,128,510)</b>	<b>(743,949)</b>
<b>Cash flows from investing activities</b>			
Fixed asset (purchases)/disposals		(101,138)	(119,841)
Net cash flow from other investing activities		(8,669,178)	(4,450,643)
<b>Net cash flows from investing activities</b>		<b>(8,770,316)</b>	<b>(4,570,484)</b>
<b>Cash flows from financing activities</b>			
Members' shares received	12	35,543,933	34,770,093
Members' shares withdrawn	12	(31,263,390)	(31,624,992)
<b>Net cash flow from financing activities</b>		<b>4,280,543</b>	<b>3,145,101</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(5,618,283)</b>	<b>(2,169,332)</b>
<b>Closing cash and cash equivalents</b>	6	<b>14,408,353</b>	<b>20,026,636</b>

*The notes on pages 32 to 46 form part of these financial statements.*





## NOTES TO THE FINANCIAL STATEMENTS

### For the financial year ended 30th September 2020

#### 1. Legal and regulatory framework

Carrickmacross 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 15 & 17 O'Neill Street, Carrickmacross, Co. Monaghan.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

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

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

The following principal accounting policies have been applied:

##### 2.2 Statement of compliance

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

##### 2.3 Going concern

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

##### 2.4 Income

###### Interest on members' loans

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

###### Deposit and investment income

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 Investments

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

###### Held at amortised cost

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

###### Central Bank deposits

Credit unions are obliged to maintain certain deposits with the Central Bank. These deposits are technically assets of the credit union but to which the credit union has restricted access. The funds on deposit with the Central Bank attract nominal interest and will not ordinarily be returned to the credit union while it is a going concern. The amounts are stated at the amount deposited plus accrued income and are not subject to impairment reviews.

###### Investments at fair value

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

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

##### 2.7 Financial assets – loans to members

Loans are financial assets with fixed or determinable payments. Loans are recognised when cash is advanced to members and measured at amortised cost using the effective interest method.

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

## 2.8 Provision for bad debts

The credit union assesses if there is objective evidence that any of its loans are impaired with due consideration of environmental factors. The loans are assessed collectively in groups that share similar credit risk characteristics. Individually significant loans are assessed on a loan by loan basis. In addition, if there is objective evidence that any individual loan is impaired, a specific loss will be recognised. Bad debt provisioning is monitored by the credit union, and the credit union assesses and approves its provisions and the adequacy of same on a regular basis.

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

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

## 2.9 Tangible fixed assets

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

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

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

### Depreciation is provided on the following basis:

Freehold premises	2% straight line per annum
Fixtures and fittings	20% straight line per annum
Computer software and hardware	25% straight line per annum

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

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

## 2.10 Impairment of assets

At each reporting date assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the income and expenditure account. If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the income and expenditure account.

## 2.11 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.

## 2.12 Financial liabilities – members' shares

Members' shares 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.

## 2.13 Other payables

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

## 2.14 Pension costs

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



**2.15 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.

**2.16 Derecognition of financial liabilities**

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

**2.17 Regulatory reserve**

The Credit Union Act, 1997 (Regulatory Requirements) Regulations 2016 requires credit unions to establish and maintain a minimum regulatory reserve requirement of at least 10 per cent of the assets of the credit union. This reserve is to be perpetual in nature, freely available to absorb losses, realised financial reserves that are unrestricted and non-distributable.

**2.18 Operational risk reserve**

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

The directors have considered the requirements of the Act and have calculated the operational risk reserve requirement by reference to the predicted impact of operational risk events that may have a material impact on the credit union's business.

**2.19 Other reserves**

Other reserves are the accumulated surpluses to date that have not been declared as dividends returnable to members. The other reserves are subdivided into realised and unrealised. In accordance with the Central Bank guidance note for credit unions on matters relating to accounting for investments and distribution policy, investment income that has been recognised but will not be received within 12 months of the balance sheet date is classified as "unrealised" and is not distributable. A reclassification between unrealised and realised is made as investments come to within 12 months of maturity date. The directors have deemed it appropriate that interest on loans receivable at the balance sheet date is also classified as "unrealised" and is not distributable. All other income is classified as "realised".

**2.20 Distribution policy**

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

The rate of dividends and loan interest rebates 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 and loan interest rebate expectations; all dominated by prudence and the need to sustain the long-term welfare of the credit union.

For this reason the board will seek to build up its reserves to absorb unexpected shocks and still remain above minimum regulatory requirements.

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

**2.21 Taxation**

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

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

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

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

The annual depreciation charge depends primarily on the estimated lives of each type of asset and, in certain circumstances, estimates of residual values. The directors regularly review these useful lives and change them if necessary to reflect current conditions. In determining these useful lives management consider technological change, patterns of consumption, physical condition and expected economic utilisation of the assets. Changes in the useful lives can have a significant impact on the depreciation charge for the financial year. The net book value of tangible fixed assets subject to depreciation at the year end was €514,725 (2019: €461,920).



### Provision for bad debts

The credit union's accounting policy for impairment of loans is set out in the accounting policy in note 2.8. The estimation of loan losses is inherently uncertain and depends upon many factors, including loan loss trends, credit risk characteristics in loan classes, local and international economic climates, conditions in various sectors of the economy to which the credit union is exposed, and, other external factors such as legal and regulatory requirements. The provision for bad debts in the financial statements at the year end was €1,594,334 (2019: €1,032,627) representing 8.16% (2019: 5.72%) of the total gross loan book.

### Operational risk reserve

The directors have considered the requirements of the Credit Union Act, 1997 (as amended) and have developed an approach to the calculation of the operational risk reserve. The operational risk reserve of the credit union at the year end was €836,000 (2019: €786,000).

### Adoption of going concern basis for financial statements preparation

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

## 4. Key management personnel compensation

The directors of the credit union are all unpaid volunteers. The key management personnel compensation is as follows.

	2020 (€)	2019 (€)
Short term employee benefits paid to key management	320,362	350,386
Payments to pension schemes	34,152	25,968
<b>Total key management personnel compensation</b>	<b>354,514</b>	<b>376,354</b>

## 5. Net impairment losses on loans to members

	2020 (€)	2019 (€)
Bad debts recovered	(94,038)	(108,961)
Impairment of loan interest reclassified as bad debt recoveries	(14,110)	(19,524)
Movement in bad debts provision during the year	561,707	219,427
Loans written off during the year	2,612	6,424
<b>Net impairment losses on loans to members</b>	<b>456,171</b>	<b>97,366</b>

## 6. Cash and cash equivalents

	2020 (€)	2019 (€)
Cash and balances at bank	1,013,576	911,202
Deposits and investments (note 7)	99,797,692	96,849,171
Less: Deposit and investment amounts maturing after three months	(86,402,915)	(77,733,737)
<b>Total cash and cash equivalents</b>	<b>14,408,353</b>	<b>20,026,636</b>

## 7. Deposits and investments

	2020 (€)	2019 (€)
<b>Deposits and investments – cash equivalents</b>		
Accounts in authorised credit institutions (Irish and non-Irish based)	13,394,777	7,220,265
Collective investment schemes	-	11,895,169
<b>Total deposits and investments – cash equivalents</b>	<b>13,394,777</b>	<b>19,115,434</b>

### Deposits and investments – other

Accounts in authorised credit institutions (Irish and non-Irish based)	57,577,151	53,117,323
Irish and EEA state securities	7,180,702	3,975,004
Bank bonds	15,840,854	17,869,859
Central Bank deposits	3,776,414	738,537
Other	2,027,794	2,033,014
<b>Total deposits and investments – other</b>	<b>86,402,915</b>	<b>77,733,737</b>
<b>Total deposits and investments</b>	<b>99,797,692</b>	<b>96,849,171</b>

## 8. Financial assets – loans to members

	2020 (€)	2019 (€)
As at 1st October 2019	18,043,865	17,040,097
Loans granted during the year	9,762,999	9,067,904
Loans repaid during the year	(8,272,734)	(8,057,712)
<b>Gross loans and advances</b>	<b>19,534,130</b>	<b>18,050,289</b>

### Bad debts

Loans written off during the year	(2,612)	(6,424)
<b>As at 30th September 2020</b>	<b>19,531,518</b>	<b>18,043,865</b>



9. Provision for bad debts	2020 (€)	2019 (€)
As at 1st October 2019	1,032,627	813,200
Movement in bad debts provision during the year	561,707	219,427
<b>As at 30th September 2020</b>	<b>1,594,334</b>	<b>1,032,627</b>

The provision for bad debts is analysed as follows:

	2020 (€)	2019 (€)
Grouped assessed loans	1,594,334	1,032,627
<b>Provision for bad debts</b>	<b>1,594,334</b>	<b>1,032,627</b>

## 10. Tangible fixed assets

	Freehold premises €	Fixtures and fittings €	Computer software & hardware €	Total €
<b>Cost</b>				
1st October 2019	400,000	242,302	527,136	1,169,438
Additions	-	10,079	91,059	101,138
<b>At 30th September 2020</b>	<b>400,000</b>	<b>252,381</b>	<b>618,195</b>	<b>1,270,576</b>

### Depreciation

1st October 2019	56,000	170,654	480,864	707,518
Charge for year	8,000	16,899	23,434	48,333
<b>At 30th September 2020</b>	<b>64,000</b>	<b>187,553</b>	<b>504,298</b>	<b>755,851</b>

### Net book value

<b>30th September 2020</b>	<b>336,000</b>	<b>64,828</b>	<b>113,897</b>	<b>514,725</b>
30th September 2019	344,000	71,648	46,272	461,920

## 11. Prepayments and accrued income

	2020 (€)	2019 (€)
Prepayments	20,391	31,634
Accrued loan interest income	44,983	34,153
<b>As at 30th September 2020</b>	<b>65,374</b>	<b>65,787</b>

## 12. Members' shares

	2020 (€)	2019 (€)
As at 1st October 2019	89,095,593	85,950,492
Received during the year	35,543,933	34,770,093
Withdrawn during the year	(31,263,390)	(31,624,992)
<b>As at 30th September 2020</b>	<b>93,376,136</b>	<b>89,095,593</b>

## 13. Other liabilities, creditors, accruals and charges

	2020 (€)	2019 (€)
Other liabilities and creditors	58,790	59,121
Accruals	466,791	489,781
<b>As at 30th September 2020</b>	<b>525,581</b>	<b>548,902</b>

## 14. Other provisions

### Holiday pay accrual

	2020 (€)	2019 (€)
At 1st October 2019	30,175	17,855
Charged to the income and expenditure account	(1,121)	12,320
<b>At 30th September 2020</b>	<b>29,054</b>	<b>30,175</b>

## 15. Financial instruments

### 15a. Financial instruments

– measured at amortised cost

#### Financial assets

	2020 (€)	2019 (€)
Financial assets measured at amortised cost	96,284,917	96,881,522

#### Financial liabilities

	2020 (€)	2019 (€)
Financial liabilities measured at amortised cost	93,930,771	89,674,670

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

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

### 15b. Financial instruments – fair value measurements

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

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

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

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

At 30th September 2020	Total (€)	Level 1 (€)	Level 2 (€)	Level 3 (€)
Accounts in authorised credit institution	13,039,440	-	13,039,440	-
Bank bonds	11,018,429	-	11,018,429	-
<b>Total</b>	<b>24,057,869</b>	<b>-</b>	<b>24,057,869</b>	<b>-</b>



At 30th September 2019	Total (€)	Level 1 (€)	Level 2 (€)	Level 3 (€)
Accounts in authorised	4,024,910	-	4,024,910	-
Bank bonds	3,002,637	-	3,002,637	-
Collective investment schemes	11,895,169	-	11,895,169	-
<b>Total</b>	<b>18,922,716</b>	<b>-</b>	<b>18,922,716</b>	<b>-</b>

There were no fair value adjustments recognised in the income and expenditure account for the year ended 30th September 2020 (2019: €nil).

## 16. Reserves

	Balance 01/10/19 €	Payment of dividends and loan interest rebates €	Appropriation of current year (deficit) €	Transfers between reserves €	Balance 30/09/20 €
<b>Regulatory reserve</b>	<b>13,985,000</b>	-	-	-	<b>13,985,000</b>
<b>Operational risk reserve</b>	<b>786,000</b>	-	-	<b>50,000</b>	<b>836,000</b>
<b>Other reserves</b>					
<b>Realised</b>					
Special reserve – dividend & loan interest rebate	119,525	(119,124)	-	(401)	-
Future dividend reserve	150,000	-	-	(150,000)	-
General reserve	10,503,698	-	(124,598)	130,159	10,509,259
<b>Total realised reserves</b>	<b>10,773,223</b>	<b>(119,124)</b>	<b>(124,598)</b>	<b>(20,242)</b>	<b>10,509,259</b>
<b>Unrealised</b>					
Interest on loans reserve	34,153	-	10,830	-	44,983
Investment income reserve	46,272	-	6,024	(29,758)	22,538
<b>Total unrealised reserves</b>	<b>80,425</b>	<b>-</b>	<b>16,854</b>	<b>(29,758)</b>	<b>67,521</b>
<b>Total reserves</b>	<b>25,624,648</b>	<b>(119,124)</b>	<b>(107,744)</b>	<b>-</b>	<b>25,397,780</b>

## 17. 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 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.

	2020		2019	
	€	%	€	%
<b>Loans not impaired</b>				
<b>Total loans not impaired, not past due</b>	<b>16,025,587</b>	<b>82.05%</b>	<b>15,379,233</b>	<b>85.23%</b>
<b>Impaired loans:</b>				
Not past due	552,840	2.83%	100,580	0.56%
Up to 9 weeks past due	2,735,823	14.01%	2,302,963	12.77%
Between 10 and 18 weeks past due	16,814	0.09%	74,106	0.41%
Between 19 and 26 weeks past due	36,045	0.18%	25,404	0.14%
Between 27 and 39 weeks past due	13,630	0.07%	4,180	0.02%
Between 40 and 52 weeks past due	53,287	0.27%	-	0.00%
53 or more weeks past due	97,492	0.50%	157,399	0.87%
<b>Total impaired loans</b>	<b>3,505,931</b>	<b>17.95%</b>	<b>2,664,632</b>	<b>14.77%</b>
<b>Total loans</b>	<b>19,531,518</b>	<b>100.00%</b>	<b>18,043,865</b>	<b>100.00%</b>

## 18. Related party transactions

### 18a. Loans

Loans advanced to related parties during the year  
Total loans outstanding to related parties at the year end  
Total provision for loans outstanding to related parties

	2020		2019	
	No. of loans	€	No. of loans	€
Loans advanced to related parties during the year	21	139,860	23	149,960
Total loans outstanding to related parties at the year end	27	203,627	27	251,110
Total provision for loans outstanding to related parties		13,615		11,699



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 1.04% of the total loans outstanding at 30th September 2020 (2019: 1.39%).

#### 18b. Shares

The total amount of shares held by related parties at the year end was €1,131,834 (2019: €959,670).

### 19. Additional financial instruments disclosures

#### 19a. 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. All loan applications are assessed with reference to the credit policy in force at the time. Subsequently loans are regularly reviewed for any factors that may indicate that the likelihood of repayment has changed.

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

**Liquidity risk:** Liquidity risk is the risk that the credit union will not have sufficient cash resources to meet day to day running costs and repay members' savings when demanded. The credit union's policy is to maintain sufficient funds in liquid form at all times to ensure that it can meet its liabilities as they fall due.

**Interest rate risk:** The credit union's main interest rate risk arises from adverse movements in interest rates receivable which would affect investment income. The credit union's 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.

#### 19b. 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.

#### 19c. Interest rate risk disclosures

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

	2020		2019	
	€	Average interest rate %	€	Average interest rate %
Gross loans to members	19,531,518	8.69%	18,043,865	8.71%

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.

### 20. Dividends and loan interest rebates

The following distributions were paid during the year:

	2020		2019	
	%	€	%	€
Dividend on shares	0.05%	43,467	0.10%	84,095
Loan interest rebate	5.00%	75,657	7.50%	104,126

The directors propose the following distributions for the year:

	2020		2019	
	%	€	%	€
Dividend on shares	0.00%	-	0.05%	43,869
Loan interest rebate	0.00%	-	5.00%	75,656

### 21. Events after the end of the financial year

Since the year end the COVID-19 pandemic has continued to have a direct effect on the credit union, the economy and the general population. The directors and management are closely monitoring the evolution of the pandemic, and while there is no clear indication as to when the impact will be curtailed or eliminated, they will continue to take appropriate actions to mitigate any possible adverse effects on the credit union, on its officers and on its members.

### 22. Insurance against fraud

The credit union has Insurance against fraud in the amount of €5,200,000 (2019: €5,200,000) in compliance with Section 47 of the Credit Union Act, 1997 (as amended).

**23. Capital commitments**

There were no capital commitments at 30th September 2020.

**24. Contingent liabilities**

In September 2018, the Registry of Credit Unions advised all credit unions of a potential matter in relation to accrued interest outstanding on certain top-up loans which may have led to a potential over-collection of interest. The credit union is progressing a review of this matter to ascertain whether any top-up loans made to members might be impacted by these circumstances, and if so, to determine what actions may need to be taken. It is expected that the credit union will finalise its review over the coming months. Consequently it is impracticable at this time to estimate the impact, financial or otherwise, if any, of this matter and whether any net amounts will become payable or not in the future.

**25. Comparative information**

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

**26. Approval of financial statements**

The Board of Directors approved these financial statements for issue on 16th October 2020.

**SCHEDULES TO THE INCOME AND EXPENDITURE ACCOUNT**

*For the financial year ended 30th September 2020*

The following schedules do not form part of the statutory financial statements which are the subject of the Independent Auditor's Report on pages 24 to 27.

**Schedule 1****– Other interest income and similar income**

	2020 (€)	2019 (€)
Investment income and gains received/receivable within 1 year	738,671	902,066
Investment income receivable outside of 1 year	6,024	12,093
<b>Total per income and expenditure account</b>	<b>744,695</b>	<b>914,159</b>

**Schedule 2****– Other income**

	2020 (€)	2019 (€)
Commissions	13,201	19,449
ECCU refund	-	28,962
Cash over	1,404	1,083
Entrance fees	132	148
<b>Total per income and expenditure account</b>	<b>14,737</b>	<b>49,642</b>

**Schedule 3****– Other management expenses**

	2020 (€)	2019 (€)
Light, heat and cleaning	22,103	21,238
Rent and rates	8,585	9,019
Repairs and maintenance	7,221	147,614
Printing and stationery	15,697	18,140
Postage and telephone	13,626	12,087
Promotion and advertising	48,871	41,320
Training costs	13,951	14,577
Chapter expenses	1,589	1,161
Entertainment	3,022	2,021
Miscellaneous expenses	6,205	8,184
Regulatory levies and charges	144,538	168,098
Computer maintenance	132,061	135,107
Travel and subsistence	5,835	4,823
Security	5,110	3,655
Audit fee	24,293	24,293
Convention expenses	-	1,397
AGM expenses	25,634	24,324
Bank interest and charges	52,023	45,952
General insurance	34,862	31,455
Legal and professional	111,803	187,249
Share and loan insurance	189,148	186,838
Death benefit insurance	71,941	68,590
Cash short	1,291	1,149
Affiliation fees	15,427	17,376
SPS Contribution	9,018	9,255
Donations and sponsorships	10,962	14,910
Scholarships	10,000	9,000
Community initiative scheme – payments	11,000	35,000
Community initiative scheme – release of accrual	(11,000)	(35,000)
<b>Total per income and expenditure account</b>	<b>984,816</b>	<b>1,208,832</b>





# Carrickmacross Credit Union

*Lending For Living*



## Loan Sale

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team today.

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☎ (042) 966 1937  
✉ [info@carrickmacrosscu.ie](mailto:info@carrickmacrosscu.ie)

WARNING - IF YOU DO NOT MEET THE REPAYMENTS ON YOUR LOAN, YOUR ACCOUNT WILL GO INTO ARREARS. THIS MAY AFFECT YOUR CREDIT RATING WHICH MAY LIMIT YOUR ABILITY TO ACCESS CREDIT IN THE FUTURE.

Loans are subject to approval.  
Terms and conditions apply.  
Carrickmacross Credit Union  
Limited is regulated by the  
Central Bank of Ireland.  
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