



Comhar Linn

INTO Credit Union



**NOTIFICATION OF THE
ANNUAL GENERAL MEETING**

2020 FINANCIAL STATEMENTS

TRUST

We exist to be the trusted financial partner to all members of the I.N.T.O, the R.T.A.I and their families.

MEMBER
FOCUS

We do this by improving your financial wellbeing through member-focused products and services.

VALUE

We value the close relationship with our members and offer a combination of the best value, easily accessible loans, and a current account.

Take a look at our video that provides an overview of our services to our members:

<https://www.comharlinnintocu.ie/about-comhar-linn>

Contents

Invitation	4
Agenda	5
Chairperson's Report	6
CEO's report	9
Board Directors and Oversight	12
Director's Report	13
Statement of Directors Responsibilities	16
Statement of Board Oversight Committee Responsibilities	17
Independent Auditor's Report	18
Financial Statements	21
Board Oversight Committee Report	46
Nomination Committee Report	47
Audit & Compliance Committee Report	48
Credit Committee Report	49
Risk Committee Report	50
Credit Control Committee Report	50
Membership Committee Report	51
Asset & Liability Committee Report	52
Proposed Rule Changes & Elections	53
Member Car Draw Winner Listing 2019/20	56
Bursary Winners	58

Invitation to the Annual General Meeting

In light of the restrictions on public gatherings and the amendments to the Credit Union Act 1997 under the **FINANCE (MISCELLANEOUS PROVISIONS) BILL 2020** in response to the coronavirus pandemic, the Annual General Meeting of Comhar Linn INTO Credit Union will be held virtually.

The AGM will be held on the 20th February @ 11.30am online

All Members of Comhar Linn will have received an invite to our AGM either via post or email (E-AGM) with the link to register.

You will need to provide your Name / Email Address / Member Number to register – you must register to attend.

Registration will close at midnight on **17th February 2021**, this is to facilitate the validation of all registrations received.

Once your registration is validated, you will receive a link to the meeting together with your meeting pack.

You will only be able to attend the AGM if you have this link.

We will be utilising the ZOOM® platform to host our meeting. You will need a desktop or mobile / tablet device with internet access to log onto the platform on the day of the AGM. If you do not have internet access you can dial into the meeting using a standard landline to hear the proceedings – all meeting access details will be contained in your link to the meeting.

All resolutions at the Annual General Meeting will be conducted by a poll, each resolution considered at the AGM will be conducted by votes which will be given by online voting while the AGM is in progress.

The Board considers voting by poll to be in the interests of the membership as a whole and ensures the views of as many Members as possible are represented at the AGM. Members will have the ability to ask questions during the Annual General Meeting via the online platform, and to hear all of the discussion, subject to connectivity of their device. The credit union will not be liable in respect of any failure or disruption relating to the equipment used by a member to access the meeting that occurs, which prevents or interferes with a member's participation at the meeting.

Members also may submit written questions about the items on the agenda in advance of the meeting. These questions will, possibly combined, be answered or discussed at the meeting. Please submit any questions you may have to agm@intocreditunion.ie.




John Tuohy
Hon. Secretary

Agenda

1. The acceptance by the Board of Directors of the authorised representatives of members that are not natural persons
2. Ascertainment that a quorum is present
3. Adoption of Standing Orders
4. Reading and approval (or correction) of the minutes of the last Annual General Meeting
5. Chairperson's Report
6. Report of Directors & Statement of Directors' Responsibilities
7. CEO's Report and Consideration of Accounts
8. Auditor's Report to the Members
9. Declaration of Dividend
10. Report of Nomination Committee
11. Appointment of Tellers
12. Elections: Board of Directors, Board Oversight Committee and Auditor
13. Report of Board Oversight Committee & Statement of Board Oversight Committee's Responsibilities
14. Board Committee Reports
15. Rule Changes
16. Declaration of Election Results
17. Any Other Business
18. Adjournment or Close of Meeting.

Chairperson's Report

GENERAL

On behalf of the Board of Directors of Comhar Linn INTO Credit Union Limited, I am delighted to present the Report of the Board of Directors for the year ended 30th September 2020.

The financial year threw up unexpected and difficult challenges that tested the capacity of Comhar Linn to serve its members effectively. The emergence of the Covid-19 pandemic early in 2020 had far reaching consequences for the country, our membership and their families. Public Health and Government guidance imposed necessary restrictions on work practices and travel that impacted and disrupted day to day life. Comhar Linn responded swiftly and effectively to the public health concerns and implemented a series of measures to ensure that services to members were maintained. These measures were monitored, and adapted where necessary, as the pandemic continued. This robust response was delivered by the staff who were resolute in their determination to support members. On behalf of the Board I wish to acknowledge and commend the flexibility and co-operation demonstrated by staff throughout the year to achieve this continuity of service.



Notwithstanding the challenging times, it was another excellent year for Comhar Linn. Given the backdrop of significantly reduced economic activity, the Credit Union lent over €30 million for home improvements, cars and 3rd level fees among many other reasons. Covid-19 played a significant part in the reduction of borrowing with loan demand disappearing in March to May 2020 but recovering later in the year.

We were also delighted to welcome 986 new members to Comhar Linn reflecting the on-going strong relationship with INTO and the teaching community. It is heartening that teachers and their families continue to value their membership of Comhar Linn.

FINANCIAL

Covid-19 saw a drop in consumer spending and a growth in savings reflecting a national trend. In June, the Board made the difficult but necessary decision to cap savings at €50k in the Credit Union and in some cases return savings to members with balances over €100,000. This affected a small number of loyal members and we thank those members for their co-operation for the long term benefit of all Comhar Linn members.

Despite the introduction of the cap we still had strong Savings growth of 5.3%. We continue to see a large number of members increasing their saving balance with the Credit Union.

The Credit Union made a surplus of €1.4million, down from the previous year's surplus of €1.6 million. In financial terms it was a challenging year for Comhar Linn as deposit rates on investments continue to decline and banks continue to charge for money we hold with them.

As a result our Balance Sheet now exceeds €269 million evidence of the continued trust and loyalty our members have in Comhar Linn. We greatly appreciate this support and ask all members to act

as advocates for Comhar Linn and where possible to think of Comhar Linn first for loans or indeed switch their existing borrowings to Comhar Linn.

The Board is not proposing a dividend this year. The surplus is being retained to sustain our capital position, which remains healthy at €33.3million; a ratio to Total Assets of 12.36%. This is a slight reduction in the capital ratio from last year's 12.5%, as a result of the continued increase savings from members. Capital is a key measure of Credit Union health and the Board is prioritising a strengthened Balance Sheet in 2020.

STRATEGIC DIRECTION OF THE CREDIT UNION

During the year the Board reviewed the Comhar Linn strategic plan to ensure that Comhar Linn continues to be a leading Credit Union. Our vision *"To be the trusted financial partner to all members of the I.N.T.O, the R.T.A.I and their families, by improving their financial wellbeing through member-focused products and services."* has been underpinned by a strategic plan that is ambitious for our members and encompassed in its objectives: to remain relevant to our membership and increase membership, lending and current accounts, to leverage technology to make access to Comhar Linn services easier, and to harness the strengths of the professional and knowledgeable team that is Comhar Linn.

MEMBER SERVICES

The emphasis on providing quality member services is a key priority for the Board and we are pleased that Comhar Linn continues to offer a comprehensive range of financial services to members, including a functional current account. Ease of access to your Credit Union services is our priority. Last year we successfully introduced a fully online membership application process with positive results. We also reduced the time it takes to process loan applications significantly. However you make contact, on-line, on the phone, or in person, staff are always striving to improve the member experience. Your feedback during the year has been invaluable.

CORPORATE GOVERNANCE:

We discovered very quickly that we can get a lot done without travelling and the Board business was conducted virtually for most of the year. 'Teams' meetings allowed for full participation, debate and discussion. Good governance is a core focus of the Board and we are committed to the highest standards of corporate governance and ethics. The Board continued to fulfil its statutory responsibilities by upholding the highest standards of governance in order to maintain the financial health of the Credit Union and to safeguard the savings of members. Many policies were reviewed and updated. Competency, transparency and accountability are at the heart of what we do. This requires significant dedication and commitment from the Board and I wish to thank the Board members for giving generously of their time and expertise to the role. I also wish to thank my predecessor Jimmy O'Neill whose stewardship of the Board over the previous 4 years was exemplary and who continues to provide invaluable contributions to the Board.

The Board and Board Oversight Committee also availed of a number of training opportunities during the year in order to up-skill themselves to meet the demands of the role. In addition all members of the Board and Board Oversight Committee are required to satisfy Fitness & Probity Standards for Credit Unions and undergo an evaluation of their performance and these were completed satisfactorily.

ACKNOWLEDGEMENTS

On behalf of the Board I wish to acknowledge the invaluable assistance provided by the Department of Education & Skills (payroll section) to Comhar Linn. To you the members, the Board deeply appreciates the confidence and support for Comhar Linn that you have demonstrated throughout the year. Your trust and loyalty makes us more determined to ensure we remain a strong and progressive Credit Union. Thanks are also due to the members of the Board Oversight Committee. Finally, I wish to thank Sean Murray, CEO, and the management team and staff for their enormous commitment and hard work during the year.

Sheila Nunan

Sheila Nunan

Chairperson Board of Directors

TAKE CONTROL OF YOUR FINANCES & SAVE

**CONSOLIDATE MULTIPLE LOANS INTO ONE
LOAN & HAVE ONE SIMPLE FORTNIGHTLY
REPAYMENT DEDUCTED AT SOURCE**

The Benefits of Refinancing your Debt:

- ✓ Lower Repayments
- ✓ Save with Lower Interest Rate Costs
- ✓ Stress free & simple process
- ✓ Improved Credit Score
- ✓ Quick Approval



Loans are subject to approval. Terms and Conditions apply.

Get in
touch to
simplify your
finances
& save!

For more information visit our website



[comharlinnintocu.ie](https://www.comharlinnintocu.ie)

LoCall: 1850 277 377 | 01 873 1101

Where Teachers Borrow

CEO's Report

Dear member,

It is a pleasure to present to you the Annual Report for 2020. It was a different year. Social distancing, pods, Zoom calls and Seesaw redefined day to day realities, but your Credit Union has come through it well. Like you did, our team responded, and members could access their Credit Union account every day, despite the significant disruption of a global pandemic. We adapted our priorities to accelerate digital pathways for member services and remote working. Looking back on 2020, we can be proud of the resilience and adaptability we have demonstrated. But more, it gives us hope and confidence that by working together with a common objective, we will overcome any challenge.



FINANCIAL RESULTS

The surplus declined in 2020 to €1.4million from €1.65million in 2019. The reduction in surplus is primarily due to reduced Investment income, which dropped by 33.6% despite growth in the Investment and cash portfolio by over 10% to €180.9million. Reducing investment returns is a multi-year trend resulting from general investment conditions and the ongoing negative interest rate environment. The Credit Union is already paying negative interest rates on segments of member savings.

The first lockdown period (Mar-May) coincided with a substantial increase in member savings. In June, we introduced a cap of €50,000 on savings. The cap dampened savings growth somewhat, but member savings still increased by 5.3% this year to €233.6million. More action may be required as we carefully manage future savings growth.

Loan interest income was €4.96million, similar to last year, and total loans outstanding amounted to €79.2million, a drop of 3.6%. The drop is mainly as a result of very low demand from March to May. Lending volumes were positive before this period and recovered afterwards.

Last year we suggested the cost base would increase slightly. Instead, it reduced marginally by 0.8%, and total expenditure was €4.0million. The management of our cost base, aligned with investment in the Credit Union operation means the cost base will continue to present challenges in future years. Recognising that it is “members money” - we endeavour to achieve the best value for members.

Comhar Linn maintains adequate reserves levels at 12.36%. Given the recent growth in savings, strategically, we are prioritising the strengthening of our Balance Sheet, so no dividend is proposed.

LENDING SERVICE

A solution to the problem of growing savings is to increase lending to members. In 2020 we continued our journey to make the application process as easy as possible. We approved 99% of loans applications and reduced the average loan turnaround time to a next-day approval.

One member, Denise, a busy mother of two and assistant principal, had loans with several banks and found it hard to maintain her monthly expenses. Our team helped her consolidate the loans, create one loan repayment saving her €700 per month and deducted at source. In Denise's words, "The process was very easy, and the one loan made such a difference to us. We are thankful every day for your help". We are delighted when our members, like Denise, become advocates for our service. If you are contemplating borrowing for home improvements, changing your car or helping your children, we would like to be your first choice. [<https://www.comharlinnintocu.ie/loans>] Our team, Aine, Lisa, Paula, Marcus, Colm and Marta are ready to help.

MEMBER SERVICE

Last year we made big strides to simplify the membership process and increase our appeal to the digital generation. New members can now avoid the hassle of paperwork and open a Comhar Linn account, fully online. Link[<https://www.comharlinnintocu.ie/apply-for-membership>].

We know that managing money can be tricky, so our services are designed to make your life as simple as possible. Take Philippa, a young resource teacher, living in Meath. By her admission, she is not good with managing money. But in 2019 she opened a budget account with Comhar Linn to pay her bills. With one deduction from payroll, all her bills are looked after by the team in Comhar Linn. "The budget account gives me great peace of mind, all my bills are taken care of, and I know what I have to spend each fortnight. I even had a surplus at the end of the year that went on nails(the essentials) and painting my apartment.". [<https://www.comharlinnintocu.ie/budget-account>]

Take up of Current accounts is slower than we hoped. Members tell us that they like the service - "I don't like the banks, so I switched and do all my banking with the Comhar Linn now. It's excellent.". Next year, our priority will include introducing services like Apple, Google and Fitbit pay along with streamlining the Current Account switching process. You can open a current account online through the Online Banking app. [<https://www.comharlinnintocu.ie/current-account-info>]

HUMAN TOUCH

Last year Covid-19 disrupted everyone's plans. We missed seeing our members in Congress and other events. In 2021 we are taking matters into our own hands. Our newest member of the team, Siobhán Geraghty, who joins us on secondment from her teaching post, is dedicated to meeting and visiting as many schools as possible. If you would like to arrange a school visit or virtual meeting, Q&A session with teacher colleagues or a presentation, please contact Siobhán . She would be happy to help (& might even bring some goodies).

Congratulations to our bursary winners (listed on page 54) and new college ambassadors, this team will be on campuses through out the year, we wish them well in their studies and as Comhar Linn representatives.

The rest of our team are based in Parnell Sq (with some working from home). We are dedicated to giving you great service and with that is a commitment to being human, open and available. If you would like to contact any of us, please email info@intocredunion.ie or call 1850 277 377.

THANK YOU

As we move to “living with the virus”, you can be assured that our team will be here to help and support your needs. Keeping everyone (our team, members and loved ones) safe is the highest priority. Our goal is to put the member at the centre of everything we do in Comhar Linn.

The Credit Union is a “mutual organisation”, meaning you own and benefit from our success. To help, we ask all members to think about Comhar Linn first when getting a loan or new current account and refer your family or colleagues in the staff room to us. Continuously growing our loan book will strengthen and sustain our viability long term.

Thank you for the continued support, and I look forward to another exciting year in Comhar Linn INTO Credit Union.



Séan Murray

CEO

Switch Your Current Account

The Benefits...

- ✓ Easy to sign up
- ✓ Same friendly service
- ✓ Transparent fees
- ✓ Contactless payments
- ✓ Debit Card can now be added to Google Pay and fit bit pay!
- ✓ Globally accepted debit card

<https://www.comharlinnintocu.ie/current-account-info>



Terms & Conditions:

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Board of Directors



Sheila Nunan



Dymna Mulkerrin



John Tuohy



Helen Synnott



Ciara Reilly



Henry Thynne



John Carr



Daire MacPháidín



James O'Neill

Board Oversight Committee



Seán McMahon



John Boyle



Mairéad Minnock

Directors' Report

for the year ended 30 September 2020

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

PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS

On review of the credit union's financial results the following key performance indicators were identified:

	2020	2019
MEMBERS SAVINGS MOVEMENT %	+5.33%	+6.47%
GROSS LOAN MOVEMENT %	-3.62%	+5.04%
CAPITAL RESERVE % of total assets	12.36%	12.49%

The credit union continued to attract additional members' savings (shares and deposits), during the financial year with member shares having increased from the prior year. Lending activity has been impacted during the financial year by the Covid-19 pandemic, including a fall in loan demand in March to May 2020, resulting in a decrease to the gross loan book of 3.62% from the prior period, however loan issue levels did show strong growth from June to September 2020. The credit union continues to maintain regulatory reserves in excess of the regulatory minimum of 10%.

RESULTS FOR THE YEAR AND STATE OF AFFAIRS AT 30 SEPTEMBER 2020

The income and expenditure account and the balance sheet for the year ended 30 September 2020 are set out on pages 21 & 22.

PRINCIPAL RISKS AND UNCERTAINTIES

The credit union, as with many other financial institutions, continues to face uncertainties arising from the general economic conditions. The board are actively monitoring the effects of these conditions on the daily operations of the credit union.

The principal areas currently requiring risk management include:

- **STRATEGY/BUSINESS MODEL RISK:** This refers to the risk which credit unions face if they cannot compete effectively or operate a viable business model. Strategy/business model risk also includes the inherent risk in the credit union's strategy. The board have developed and approved a detailed strategic plan to formulate the short-term direction of the credit union operations.
- **CREDIT RISK:** The risk of financial loss arising from a borrower, issuer, guarantor or counterparty that may fail to meet its obligations in accordance with agreed terms. In order to manage this risk the Board approves the Credit Unions Credit policy, Asset and Liability Management policy, Investment and Treasury policy and all changes to these policies. 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 impairment. The Board approves the Credit Union's Credit Control and Provisioning policies which monitors the procedures for the collection of loans in arrears and also the basis for impairment on loans.

- **CAPITAL RISK:** Capital is required to act as a cushion to absorb losses arising from business operations and to allow a credit union to remain solvent under challenging conditions. Capital risk arises mainly as a result of insufficient capital resources available, the sensitivity of the credit union exposures to external shocks, the level of capital planning and the capital management process. Capital risk could potentially impair a credit union's ability to meet its obligations in an adverse situation. The board manage this risk by ensuring that sufficient reserves are set aside each year to absorb any potential losses.
- **LIQUIDITY RISK:** The risk that a credit union will not be able to fund its current and future expected and unexpected cash outflows as they fall due without incurring significant losses. This may occur even where the credit union is solvent. The credit union's policy is to maintain sufficient funds in liquid form at all times to ensure that it can meet its obligations as they fall due. The objective of the liquidity policy is to smooth the timing between maturing assets and liabilities and to provide a degree of protection against any unexpected developments that may arise.
- **OPERATIONAL RISK:** The risk of loss (financial or otherwise) resulting from inadequate or failed internal processes or systems of the credit union; any failure by persons connected with the credit union; legal risk (including exposure to fines, penalties or damages as well as associated legal costs); or external events; but does not include reputational risk. Examples of operational risks include hardware or software failures, cyber risk, inadequate business continuity plans, misuse of confidential information, data entry errors and natural disasters.
- **INTEREST RATE RISK:** The interest rate risk arises from differences between the interest rate exposures on loans and investments receivable, as offset by the cost of capital, which is typically that of distributions to members' payable in the form of dividends and interest rebates. The credit union considers rates of interest receivable when deciding on the appropriation of income and its returns to members. The Board monitors such policy in line with the Credit Union Act, 1997 (as amended) and guidance notes issued by the Central Bank of Ireland.
- **COVID-19 RISK:** The credit union, along with financial institutions and other entities in the marketplace and in the wider national and worldwide economy, faces significant short-term exposure to the economic effects of Covid-19 which has emerged as a worldwide viral pandemic in early 2020. The specific conditions associated with restrictions on the movement of people in the Republic of Ireland have resulted in both a decrease in loan demand and an increase in member savings levels in the period March to June 2020 when compared to prior periods. The directors confirm that loans issued recovered in June 2020 to pre-March 2020 levels and this demand has been sustained through to the financial year end. While it is acknowledged that future projected movements in the loan book are uncertain given the current changing environment of restrictions associated with the pandemic, the directors have confirmed their expectation that further growth in the loan book will be achieved in future periods. The board of directors and management team have taken steps, which include the provision of temporary loan repayment agreement facilities to impacted members and continuing to closely monitor overhead expenditure levels, to both ensure that the credit union continues to be in a position to provide a full suite of services to its membership, as has been the case during the period of the pandemic, and to limit any short-term impact on the credit union of the risks associated with the current exceptional circumstances. In addition, the directors continue to actively review overall members saving levels in order to ensure the maintenance of reserve levels with the credit union, which continue to be significantly in excess of minimum regulatory levels.

- **BREXIT RISK:** The credit union has completed a Brexit risk assessment, which was reviewed and approved by the Board. The situation remains uncertain and events will continue to be monitored and the risk assessment reviewed accordingly. At present there is no indication that Brexit will have a material impact on Comhar Linn.

DIVIDENDS

The directors do not recommend the payment of a dividend for the year.

INTERNAL AUDIT FUNCTION

In accordance with Section 76K of the Credit Union Act, 1997 (as amended) the board have appointed an internal audit function to provide for independent internal oversight and to evaluate and improve the effectiveness of the credit union's risk management, internal controls and governance process.

ACCOUNTING RECORDS

The Directors believe that they comply with the requirements of Section 108 the Credit Union Act, 1997 (as amended) with regard to books of account by employing accounting personnel with appropriate expertise and by providing adequate resources to the financial function.

The books of account of the credit union are maintained at the credit union's premises at 33 Parnell Square, Dublin 1, D01 W563.

Approved by the Board on : 29 October 2020



Sheila Nunan

Member of the Board
of Directors



John Tuohy

Member of the Board
of Directors

Statement of Directors' Responsibilities

for the year ended 30 September 2020

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 the affairs of the credit union and of the income and expenditure of the credit union for that year. In preparing those financial statements the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 keeping proper accounting records which disclose with reasonable accuracy the financial position of the credit union and which enables them to ensure that the financial statements comply with the Credit Union Act, 1997 (as amended). 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.

In so far as the directors are aware:

- there is no relevant audit information (information needed by the Credit Union's auditor in connection with preparing the auditor's report) of which the Credit Union's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Credit Union's auditor is aware of that information.

On behalf of the Credit Union : 29 October 2020



Sheila Nunan

Member of the Board
of Directors



John Tuohy

Member of the Board
of Directors

Statement of Board Oversight Committee's Responsibilities

for the year ended 30 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 IVA and any regulations made for the purposes of Part IV or Part IVA of the Credit Union Act, 1997 (as amended) and any other matter prescribed by the Bank in respect of which they are to have regard to in relation to the board.

John Boyle
John Boyle

Member of Board Oversight Committee

Independent Auditor's Report to the members of Comhar Linn INTO Credit Union Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of Comhar Linn INTO Credit Union Limited for the year ended 30 September 2020 which comprise the Income and Expenditure Account, the Balance Sheet, the Statement of Changes in Reserves, the Cash Flow Statement and notes to the financial statements, including the summary of significant accounting policies set out on pages 21 - 45. The financial reporting framework that has been applied in their preparation is Irish Law and FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Credit Union as at 30 September 2020 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been properly prepared in accordance with the requirements of the Credit Union Act, 1997 (as amended).

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described below in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Credit Union in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE CREDIT UNION ACT 1997, (AS AMENDED).

Based solely on the work undertaken in the course of the audit, we report that:

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion proper accounting records have been kept by the Credit Union, and
- The financial statements are in agreement with the accounting records.

RESPECTIVE RESPONSIBILITIES

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set on page 16, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA’s website at

http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf.

This description forms part of our auditor’s report.

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

Our 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.

FMB Advisory Limited

4 Ormond Quay Upper

Chartered Accountants

Dublin 7

Statutory Audit Firm

D07 PF53

DATE : 10th November 2020

Income and Expenditure Account

for the year ended 30 September 2020

		2020	2019
	Schedule	€	€
INCOME			
Interest on loans	1	4,961,128	4,960,890
Other interest income and similar income	2	548,064	825,538
Net Interest Income		5,509,192	5,786,428
Other income	3	58,319	54,254
Other gains	4	-	-
TOTAL INCOME		5,567,511	5,840,682
EXPENDITURE			
Salaries		1,405,472	1,326,637
Other management expenses	5	2,506,050	2,614,901
Depreciation		218,940	223,963
Bad debts provision		116,841	73,265
Bad debts recovered		(84,581)	(53,489)
Bad debts written off		-	9,467
TOTAL EXPENDITURE		4,162,722	4,194,744
EXCESS OF INCOME OVER EXPENDITURE FOR THE YEAR		1,404,789	1,645,938
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME		1,404,789	1,645,938

On behalf of the Credit Union: 29th October 2020



Sheila Nunan
Member of Board
of Directors



John Boyle
Member of the
Board Oversight Committee



Séan Murray
CEO

The accompanying notes form part of the financial statements.

Balance Sheet

as at 30 September 2020

		2020	2019
ASSETS	Note	€	€
Cash and cash equivalents	6	49,181,429	64,443,396
Investments	7	131,775,126	99,411,413
Loans	8	79,205,627	82,177,029
Less provision for bad debts	11	(1,780,169)	(1,663,328)
Tangible fixed assets	12	3,930,569	4,042,148
Debtors, prepayments and accrued income	13	7,358,173	7,171,115
TOTAL ASSETS		269,670,755	255,581,773
LIABILITIES			
Members' shares	14	222,827,429	209,108,728
Members' deposits	15	10,735,718	12,631,975
Members' budget accounts	16	1,651,509	1,250,940
Members' current accounts	14	407,056	1,367
Members' draw account		16,789	3,619
Other liabilities, creditors, accruals and charges	17	706,115	663,794
TOTAL LIABILITIES		236,344,616	223,660,423
RESERVES			
Regulatory reserve	19	28,318,645	26,868,645
Operational risk reserve	19	735,154	694,652
Other reserves			
- Realised reserves	19	4,272,340	4,358,053
TOTAL RESERVES		33,326,139	31,921,350
		269,670,755	255,581,773

On behalf of the Credit Union: 29th October 2020


Sheila Nunan
 Member of Board
 of Directors


John Boyle
 Member of the
 Board Oversight Committee


Séan Murray
 CEO

The accompanying notes form part of these financial statements

Statement of Changes in Reserves

for the year ended 30 September 2020

	Regulatory Reserve	Operational Risk Reserve	Undistributed Surplus	General Reserve	Bad Debt Reserve	Dividend Reserve	Total Reserves
Opening balance at 1 October 2018	€ 25,268,645	€ 464,643	€ 2,057,725	€ 679,998	€ 989,915	€ 1,000,000	€ 30,460,926
Total comprehensive income			1,645,938				1,645,938
Dividend paid			(185,514)				(185,514)
Transfer between reserves	1,600,000	230,009	(1,872,208)	42,199	-	-	--
Closing balance at 30 September 2019	26,868,645	694,652	1,645,941	722,197	989,915	1,000,000	31,921,350
Total comprehensive income			1,404,789				1,404,789
Transfer between reserves	1,450,000	40,502	(1,645,944)	155,442	-	-	--
Closing balance at 30 September 2020	28,318,645	735,154	1,404,786	877,639	989,915	1,000,000	33,326,139

The balance on the regulatory reserve represents 10.50% of total assets as at 30 September 2020 (10.51% as at 30 September 2019).



Sheila Nunan
 Member of Board of Directors



John Boyle
 Member of the Board Oversight Committee



Séan MURRAY
 CEO

On behalf of the Credit Union: The accompanying notes form part of these financial statements

Cash Flow Statement

for the year ended 30 September 2020

	2020	2019
Note	€	€
Opening cash and cash equivalents	64,443,396	56,214,051
Cash flows from operating activities		
Loans repaid	33,186,696	32,355,048
Loans granted	(30,215,294)	(36,305,283)
Loan interest received	4,934,048	4,945,644
Investments interest received	463,326	802,329
Bad debts recovered	84,581	53,489
Dividends paid	-	(185,514)
Operating expenses	(3,911,522)	(3,941,538)
Net cash flows from operating activities	4,541,835	(2,275,825)
Cash flows from investing activities		
Fixed assets purchased	(107,361)	(369,571)
Net cash flow from investments	(32,363,713)	(2,618,505)
Net cash flows from investing activities	(32,471,074)	(2,988,076)
Cash flows from financing activities		
Members' shares received	96,052,232	88,231,985
Members' deposits received	135,932	745,992
Members' budget account paid in	7,681,696	7,612,113
Members' shares withdrawn	(82,333,532)	(74,411,846)
Members' deposits withdrawn	(2,032,189)	(1,091,008)
Members' budget account withdrawn	(7,281,127)	(7,606,194)
Members' current accounts amounts transferred/received	1,695,082	8,669
Members' current accounts amounts transferred/withdrawn	(1,289,392)	(7,302)
Net cash flows from financing activities	12,628,702	13,482,409
Other		
Other receipts	58,319	54,254
Decrease/(Increase) in prepayments	(75,240)	(260,644)
(Increase)/Decrease in other liabilities	55,491	217,227
	38,570	10,837
Closing cash and cash equivalents	6 49,181,429	64,443,396

On behalf of the Credit Union
29th October 2020



Sheila Nunan
Member of Board of Directors



John Boyle
Member of the Board
Oversight Committee



Séan Murray
CEO

Accounting Policies

for the year ended 30 September 2020

STATEMENT OF COMPLIANCE

The financial statements of the credit union for the year ended 30 September 2020 have been prepared on the going concern basis and in accordance with generally accepted accounting principles in Ireland and Irish statute comprising the Credit Union Act 1997 (as amended) and in accordance with the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS 102) issued by the Financial Reporting Council.

BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the credit union's financial statements.

A. GOING CONCERN

The financial statements are prepared on the going concern basis. The directors believe this is appropriate as the Credit Union:

- is consistently generating annual surpluses;
- is maintaining appropriate levels of liquidity in excess of minimum legislative requirements; and
- has reserve levels which are above the minimum requirements of the Central Bank.

B. INCOME RECOGNITION

Income is recognised to the extent that it is probable that the economic benefits will flow to the Credit Union and the revenue can be reliably measured. Income is measured at the fair value of the consideration received. The following criteria must also be met before revenue is recognised:

Interest on Members' Loans

Interest on loans to members is recognised using the effective interest method and is calculated and accrued on a daily basis. Loan interest income from members greater than 26 weeks in arrears is classified as bad debts recovered.

Investment Income

The Credit Union uses the effective interest method to recognise investment income.

Other Income

Other income such as commissions receivable on insurance products arises in connection to specific transactions. Income relating to individual transactions is recognised when the transaction is completed.

C. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand and loans and advances to banks (i.e. cash deposited with banks) with maturity of less than or equal to three months.

D. BASIC FINANCIAL ASSETS

Basic financial assets are initially measured at the transaction price, including transaction costs, and are subsequently carried at amortised cost using the effective interest method. Basic financial instruments include the following:

Loans to Members

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

Investments held at Amortised Cost

Investments designated on initial recognition as held at amortised cost are measured at amortised cost using the effective interest method less impairment. This means that the investment is measured at the amount paid for the investment, minus any repayments of the principal; plus or minus the cumulative amortisation using the effective interest method of any difference between the amount at initial recognition and the maturity amount; minus, in the case of a financial asset, any reduction for impairment or uncollectability. This effectively spreads out the return on such investments over time, but does not take account immediately of any impairment in the value of the investment.

Held to Maturity Investments

Investments designated on initial recognition as held-to-maturity are investments that the credit union intends, and is able to, hold to maturity. These are carried at amortised cost using the effective interest method. The fair value of some investment products will change during their life, but they will have a fixed maturity value at some future date. When designated as held-to-maturity, any change in the fair value during the term of the investment is ignored, with the credit union only accounting for interest received. Gains and losses are recognised in income when the investments are derecognised or impaired, as well as through the amortisation process. Investments intended to be held for an undefined period are not included in this classification.

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. In accordance with the direction of the Central Bank the amounts are shown as current assets and are not subject to impairment reviews.

E. DE-RECOGNITION OF FINANCIAL ASSETS

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Credit Union transfers to another party substantially all the risks and rewards of ownership of the financial asset, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated party.

In the case of loans to members, loans are derecognised when the right to receive cash flows from the loans have expired, usually when all amounts outstanding have been repaid by the member.

F. 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.

G. OTHER PAYABLES

Other payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Other payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

H. TANGIBLE FIXED ASSETS

Tangible fixed assets comprises items of property, plant and equipment, which are stated at cost, less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Depreciation is provided to write off the cost of each item of property, plant and equipment, less its estimated residual value, on a straight line basis over its estimated useful life. The categories of property, plant and equipment are depreciated as follows:

PREMISES	2% STRAIGHT LINE
COMPUTER EQUIPMENT AND COMPUTER SOFTWARE	25% STRAIGHT LINE
FIXTURES & FITTINGS	15% STRAIGHT LINE

Gains or losses arising on the disposal of an asset are determined as the difference between the sale proceeds and the carrying value of the asset, and are recognised in the Income and Expenditure account.

At each reporting end date, the Credit Union reviews the carrying value of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Credit Union estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the Income and Expenditure account.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased

carrying amount does not exceed the carrying 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.

I. EMPLOYEE BENEFITS

Pension Costs

The credit union operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the credit union in an independently administered fund. The pension charge represents contributions payable by the credit union to the scheme.

Other Employee Benefits

The costs of short-term employee benefits, including holiday pay, are recognised as a liability and as an expense (unless those costs are required to be recognised as part of the cost of fixed assets) over the period they are earned. Termination benefits are recognised immediately as an expense when the Credit Union is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

J. IMPAIRMENT OF MEMBERS LOANS

The credit union assesses, at each balance sheet date, if there is objective evidence that any of its loans to members are impaired. 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, during the course of the year, there is objective evidence that any individual loan is impaired, a specific loss will be recognised.

Bad debts/impairment losses are recognised in the Income and Expenditure Account, as the difference between the carrying value of the loan and the net present value of the expected cash flows.

K. FINANCIAL LIABILITIES - MEMBERS' SHARES AND DEPOSITS

Members' shareholdings and deposits are redeemable and therefore are classified as financial liabilities. They are initially recognised at the amount of cash deposited and subsequently measured at the nominal amount.

L. DE-RECOGNITION OF FINANCIAL LIABILITIES

Financial liabilities are derecognised only when the obligations of the Credit Union specified in the contract are discharged, cancelled or expired.

M. DIVIDENDS AND OTHER RETURNS TO MEMBERS

Dividends are made from current year's surplus or a dividend reserve set aside for that purpose. The Board's proposed distribution to members each year is based on the dividend policy of the Credit Union.

The rate of dividend recommended by the Board will reflect:

- the risk profile of the Credit Union, particularly in its loan and investment portfolios;
- the Board's desire to maintain a stable rather than a volatile rate of dividend each year; and
- members' legitimate dividend expectations;

all dominated by prudence and the need to sustain the long-term welfare of the Credit Union. For this reason the Board will seek to build up its reserves to absorb unexpected shocks and still remain above minimum regulatory requirements.

Final dividends and other returns to members are accounted for as a liability after they are approved by the members in general meeting.

N. TAXATION

The Credit Union is not subject to income tax or corporation tax on its activities as a Credit Union.

O. RESERVES

Retained earnings are the accumulated surpluses to date that have not been declared as dividends returnable to members. The retained earnings 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.

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% 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. This reserve is similar in nature and replaces the Statutory Reserve which was a requirement of previous legislation.

Operational Risk Reserve

Section 45(5)(a) of the 1997 Act requires each credit union to maintain an additional reserve that it has assessed is required for operational risk having regard to the nature, scale and complexity of the credit union. Credit Unions are required to maintain a minimum operational risk reserve having due regard for the sophistication of the business model. The definition of operational risk is the risk of losses stemming from inadequate or failed internal processes, people and systems or from external events.

The directors have considered the requirements of the Act and have considered an approach to calculation of the operational risk reserve based on indicative guidance issued by the Central Bank.

Notes to the Financial Statements

for the year ended 30 September 2020

1. GENERAL INFORMATION

Comhar Linn INTO Credit Union Limited is a credit union incorporated under the Credit Union Act 1997 (as amended) in the Republic of Ireland. Comhar Linn INTO Credit Union Limited is registered with the Registrar of Credit Unions and is regulated by the Central Bank of Ireland. The financial statements have been presented in Euro (€) which is also the functional currency of the credit union.

2. USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of certain accounting estimates. It also requires the Directors to exercise judgement in applying the Credit Union's accounting policies. The areas requiring a higher degree of judgement, or complexity, and areas where assumptions or estimates are most significant to the financial statements are disclosed below:

Bad debts/Impairment losses on loans to members

The Credit Union's accounting policy for impairment of financial assets is set out in accounting policies on pages 26 - 28 of the financial statements. 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.

Credit risk is identified, assessed and measured through the use of rating and scoring tools with emphasis on weeks in arrears and other observable credit risk metrics as identified by the Credit Union. The ratings influence the management of individual loans. The credit rating triggers the impairment assessment and if relevant the raising of specific provisions on individual loans where there is doubt about their recoverability.

Loan loss provisioning is monitored by the Credit Union, and the Credit Union assesses and approves its provisions and provision adequacy on a quarterly basis. Key assumptions underpinning the Credit Union's estimates of collective provisions for loans with similar credit risk characteristics, and, Incurred But Not Reported provisions ("IBNR") are based on the historical experiences of the Credit Union allied to the Credit Union's judgement of relevant conditions in the wider technological, market, economic or legal environment in which the Credit Union currently operates which impact on current lending activity and loan underwriting. If a loan is impaired, the impairment loss is the difference between the carrying amount of the loan and the present value of the expected cash flows discounted at the asset's original effective interest rate taking account of pledged shares and other security as appropriate. Assumptions are back tested with the benefit of experience. After a period of time, when it is concluded that there is no real prospect of recovery of loans/part of loans which have been subjected to a specific provision, the Credit Union writes off that amount of the loan deemed irrecoverable against the specific provision held against the loan.

Impairment of buildings

The Credit Union's accounting policy on tangible fixed assets is set out in accounting policies on

pages 27 & 28 of the financial statements. As described in the accounting policy the Credit Union is required to assess at each reporting date whether there is any indication that an asset may be impaired. If an impairment is identified, the Credit Union is required to estimate the recoverable amount of the asset. If there is no indication of impairment, it is not necessary to estimate the recoverable amount.

The recoverable amount of an asset is the higher of its fair value less costs associated with sale and its value in use. In assessing whether the Credit Union’s property is impaired, its current market valuation is considered as being equivalent to its fair value. Where the property’s market valuation is identified as being below its carrying value, this amounts to a key indicator of the existence of impairment and the Credit Union is therefore required to undertake a value in use calculation on its property assets. Value in use is the present value of the future cash flows expected to be derived from the Credit Union’s property. This present value calculation involves the undertaking of the following steps:

- (a) Estimating the future cash inflows and outflows to be derived from continuing use of property and from its ultimate disposal, where appropriate; and
- (b) Applying the appropriate discount factor to those future cashflows.

The future cash inflows and outflows required for the value in use calculation are taken from financial projections prepared by management and approved by the board of directors. The discount factor applied in the value in use calculation is an assessment of the time value of money applicable to the Credit Union and will take account of previous guidance received from the Central Bank.

3. EMPLOYEES

Number of employees

The average monthly numbers of employees during the year were:

	2020	2019
	Number	Number
Employees	28	26
	<u>28</u>	<u>26</u>

Employment Costs

	2020	2019
	€	€
Wages and salaries	1,274,893	1,213,813
Social welfare costs	130,579	112,824
Pension costs	150,774	198,324
	<u>1,556,246</u>	<u>1,524,961</u>

3.1 KEY MANAGEMENT PERSONNEL COMPENSATION

The Directors of Comhar Linn INTO Credit Union Limited are all unpaid volunteers. The key management team for Comhar Linn INTO Credit Union Limited would include the directors, the credit union CEO and other senior staff. The number of key management for the financial year to 30 September 2020 amount to 15 (2019 - 13).

	2020	2019
	€	€
Short term employee benefits paid to key management	533,742	607,510
Payments to defined contribution pension schemes	68,698	119,167
	<u>602,440</u>	<u>726,677</u>

4. PENSION COSTS

Pension costs amounted to €150,774 (2019 - €198,324).

5. CASH & CASH EQUIVALENTS

	2020	2019
	€	€
Cash and bank balances	6,488,743	8,645,919
Short term deposits	42,692,686	55,797,477
	<u>49,181,429</u>	<u>64,443,396</u>

Short term deposits are deposits with maturity of less than or equal to three months. All other deposits are included in Investments in the Balance Sheet and disclosed in note 7.

6. ANALYSIS OF INVESTMENT INCOME

	2020	2019
	€	€
Received during the year	59,577	333,704
Receivable within 12 months	488,487	491,834
Other investment income	-	-
	<u>548,064</u>	<u>825,538</u>

7. INVESTMENTS

	2020	2019
	€	€
Investments are classified as follows:		
Fixed-term deposits maturing after 3 months	91,034,462	90,491,766
Deposit Protection Account	15,381,380	2,119,647
Investment bonds	25,359,284	6,800,000
	<u>131,775,126</u>	<u>99,411,413</u>

The categories of counterparties with whom the investments are held is as follows:

	2020	2019
	€	€
A1	32,942,903	2,600,000
A2	54,618,294	35,949,905
Aa3	32,542,462	12,800,000
A3	12,529,701	7,550,000
Ba1	-	29,506,068
Baa1	-	31,189,997
Baa2	41,834,452	7,000,000
Baa3	-	28,612,920
	<u>174,467,812</u>	<u>155,208,890</u>

Total amounts representing categories of counterparties of €174,467,812 comprises a combination of short term deposits of €42,692,686 as detailed above in note 6: Cash and Cash Equivalents and longer term deposits of €131,775,126 as detailed above.

8. LOANS TO MEMBERS

	2020	2019
	€	€
Opening Balance at 1 October	82,177,029	78,236,261
Loans granted	30,215,169	36,305,283
Loans repaid	(33,186,571)	(32,355,048)
Loans written off	-	(9,467)
Gross Loan Balance at 30 September	<u>79,205,627</u>	<u>82,177,029</u>
<i>Impairment allowances</i>		
Individual loans	(1,555,442)	(1,311,016)
Groups of loans	(224,727)	(352,312)
Loan provision	<u>(1,780,169)</u>	<u>(1,663,328)</u>
Net loans as at 30 September	<u><u>77,425,458</u></u>	<u><u>80,513,701</u></u>

9. ANALYSIS OF GROSS LOANS OUTSTANDING

	2020		2019	
	No.	€	No.	€
Less than one year	1,088	2,466,506	1,208	2,694,829
Greater than 1 year and less than 3 years	2,840	19,564,370	3,061	21,026,104
Greater than 3 years and less than 5 years	2,489	33,711,547	2,680	34,683,793
Greater than 5 years and less than 10 years	803	19,343,423	763	18,745,341
Greater than 10 years and less than 25 years	61	4,119,781	76	5,026,962
Greater than 25 years	-	-	-	-
Total Gross Loans	<u>7,281</u>	<u>79,205,627</u>	<u>7,788</u>	<u>82,177,029</u>

10. CREDIT RISK DISCLOSURES

At 30 September 2020, the Credit Union had 41 loans outstanding from members on which first charges on properties were held. Excluding these loans, Comhar Linn INTO Credit Union Limited does not have any mortgage type loans and as a result all remaining loans to members are unsecured, except that there are restrictions on the extent to which borrowers may withdraw their savings whilst loans are outstanding. There are maximum amounts set down under legislation in terms of what amount a member can borrow from a Credit Union.

The carrying amount of the loans to members represents the Credit Union's maximum exposure to credit risk. The following table 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	
	€	%	€	%
Gross Loans Not Impaired	75,756,040	95.64%	79,441,201	96.67%
Gross Loans Impaired				
Up to 9 weeks past due	2,089,839	2.64%	1,601,349	1.95%
Between 10 and 18 weeks past due	227,514	0.29%	249,039	0.30%
Between 19 and 26 weeks past due	148,195	0.19%	62,790	0.08%
Between 27 and 39 weeks past due	273,672	0.35%	25,255	0.03%
Between 40 and 52 weeks past due	68,507	0.09%	87,338	0.11%
53 or more weeks past due	641,860	0.81%	710,057	0.86%
	<u>3,449,587</u>	<u>4.36%</u>	<u>2,735,828</u>	<u>3.33%</u>
Total Gross Loans	<u>79,205,627</u>	<u>100.00%</u>	<u>82,177,029</u>	<u>100.00%</u>
Impairment Allowance				
Individual loans	(1,555,442)		(1,311,016)	
Collectively assessed loans	<u>(224,727)</u>		<u>(352,312)</u>	
Loan provision	<u>(1,780,169)</u>		<u>(1,663,328)</u>	
Net loans as at 30 September	<u><u>77,425,458</u></u>		<u><u>80,513,701</u></u>	

Factors that are considered in determining whether loans are impaired are discussed in Note 2, dealing with estimates.

11. LOAN PROVISION ACCOUNT FOR IMPAIRMENT LOSSES

	2020	2019
	€	€
Opening balance 1 October	1,663,328	1,590,063
Net movement during the year	116,841	82,732
Decrease as a result of loan write-offs previously provided for	-	(9,467)
Closing provision balance 30 September	<u>1,780,169</u>	<u>1,663,328</u>

12. TANGIBLE FIXED ASSETS

	Premises	Computer equipment	Fixtures & fittings	Computer software	Total
	€	€	€	€	€
Cost					
At 1 October 2019	5,107,902	497,789	421,913	79,465	6,107,069
Additions	-	102,171	5,190	-	107,361
At 30 September 2020	<u>5,107,902</u>	<u>599,960</u>	<u>427,103</u>	<u>79,465</u>	<u>6,214,430</u>
Depreciation					
At 1 October 2019	1,379,914	385,907	230,435	68,665	2,064,921
Charge for the year	<u>102,158</u>	<u>68,394</u>	<u>41,085</u>	<u>7,303</u>	<u>218,940</u>
At 30 September 2020	<u>1,482,072</u>	<u>454,301</u>	<u>271,520</u>	<u>75,968</u>	<u>2,283,861</u>
Net book values					
At 30 September 2020	<u>3,625,830</u>	<u>145,659</u>	<u>155,583</u>	<u>3,497</u>	<u>3,930,569</u>
At 30 September 2019	<u>3,727,988</u>	<u>111,882</u>	<u>191,478</u>	<u>10,800</u>	<u>4,042,148</u>

An independent valuation of the credit union's premises was carried out by Thorntons Chartered Surveyors, on 31 August 2020. In accordance with Financial Reporting Standard 102 "Impairment of Assets" the directors carried out a value in use calculation at the year end, applying a discount factor of 0.00%, and this concluded that no write down of the carrying value of fixed assets is required in the financial statements.

13. PREPAYMENTS AND ACCRUED INCOME

	2020	2019
	€	€
Prepayments	6,600,178	6,524,938
Accrued income	576,572	491,834
Member Loan interest receivable	181,423	154,343
	<u>7,358,173</u>	<u>7,171,115</u>

14. MEMBERS' SHARES

	2020	2019
	€	€
Opening Balance at 1 October	209,108,728	195,288,589
Shares paid in	96,052,233	88,231,985
Shares withdrawn	<u>(82,333,532)</u>	<u>(74,411,846)</u>
Closing Balance at 30 September	<u>222,827,429</u>	<u>209,108,728</u>

Members' shares are repayable on demand except for shares attached to loans. The breakdown of the shares between attached and unattached is as follows:

	€	€
Unattached Shares	208,635,290	189,698,928
Attached Shares	14,192,139	19,409,800
	<u>222,827,429</u>	<u>209,108,728</u>

On the 1st July 2020, the board of directors approved the introduction of a savings cap, whereby the maximum members savings account balance cannot exceed an amount of €50,000.

Members' Current Accounts

	2020	2019
	€	€
Opening Balance at 1 October	1,367	-
Members' current account amounts transfers/paid in	1,695,081	8,669
Members' current account amounts transfers/paid out	(1,289,392)	(7,302)
Closing Balance at 30 September	<u>407,056</u>	<u>1,367</u>

15. MEMBERS' DEPOSITS

	2020	2019
	€	€
Opening Balance at 1 October	12,631,975	12,976,991
Deposits paid in	135,932	745,992
Deposits withdrawn	(2,032,189)	(1,091,008)
Closing Balance at 30 September	<u>10,735,718</u>	<u>12,631,975</u>

Members' deposit accounts have the following maturity

	€	€
Less than 1 year	10,735,718	12,631,975
One to two years	-	-
Two to five years	-	-
More than five years	-	-
Total Term Deposits	<u>10,735,718</u>	<u>12,631,975</u>

16. MEMBERS' BUDGET ACCOUNTS

	2020	2019
	€	€
Opening balance 1 October	1,250,940	1,245,021
Received during the year	7,681,696	7,612,113
Paid out during the year	(7,281,127)	(7,606,194)
Closing balance 30 September	<u>1,651,509</u>	<u>1,250,940</u>

Budget accounts are repayable on demand.

17. OTHER LIABILITIES AND CHARGES

	2020	2019
	€	€
PAYE/PRSI	31,185	29,030
DIRT	2,232	6,111
Accruals	672,698	628,653
	<u>706,115</u>	<u>663,794</u>

18. ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURES

18.1 FINANCIAL RISK MANAGEMENT

Comhar Linn INTO Credit Union Limited manages its members' shares and loans to members 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, liquidity risk and interest rate risk. The Board reviews and agrees policies for managing each of these risks, which are summarised below.

Credit Risk: Credit risk is the risk that a borrower will default on their contractual obligations relating to repayments to Comhar Linn INTO Credit Union Limited, resulting in financial loss to the Credit Union. In order to manage this risk the Board approves the Credit Union's lending policy, and all changes to it. All loan applications are assessed with reference to the lending policy in force at the time. Subsequently loans are regularly reviewed for any factors that may indicate that the likelihood of repayment has changed.

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. The Credit Union adheres on an ongoing basis to the minimum liquidity ratio and minimum short term liquidity ratio as set out in the Credit Union Act 1997 (Regulatory Requirements) Regulations 2016.

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

Interest Rate Risk: The Credit Union’s main interest rate risk arises from differences between the interest rate exposures on the receivables and payables that form an integral part of a Credit Union’s operations. The Credit Union considers rates of interest receivable on investments and members’ loans when deciding on the dividend rate payable on shares.

Capital Risk: The Credit Union maintains sufficient reserves to buffer against losses on members’ loans and investments. The current Regulatory Reserve is in excess of the minimum level set down by the Central Bank of Ireland, and stands at 10.50% of the total assets of the Credit Union at the balance sheet date.

18.2 INTEREST RATE RISK DISCLOSURES

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

	2020	2020	2019	2019
	Amount	Average Interest Rate	Amount	Average Interest Rate
<u>Financial Assets</u>	€		€	Rate
Loans to members	79,205,627	6.34%	82,177,029	6.35%

The Credit Union pays interest on members’ 1 year term deposits at the rate of 0.5% per annum on accounts maturing up to 31/03/2020, 0.20% per annum on accounts maturing up to 30/01/2021 and 0.00% thereafter.

The dividend payable is at the discretion of the Directors and is therefore not a financial liability of the Credit Union until declared and approved at the AGM.

18.3 LIQUIDITY RISK DISCLOSURES

All of the financial liabilities of the Credit Union are repayable on demand except for some members’ shares attached to loans and members’ deposits which have a fixed maturity date.

18.4 FAIR VALUE OF FINANCIAL INSTRUMENTS

Comhar Linn INTO Credit Union Limited does not hold any financial instruments at fair value.

19. TOTAL RESERVES

	Balance 01/10/19	Dividend paid	Appropriation of current year surplus	Transfers between reserves	Balance 30/09/20
	€	€	€	€	€
Total Regulatory Reserve	26,868,645		-	1,450,000	28,318,645
Operational Risk Reserve	694,652		-	40,502	735,154
Other Realised Reserves					
Undistributed Surplus	1,645,941	-	1,404,789	(1,645,944)	1,404,786
General reserve	722,197		-	155,442	877,639
Bad debts reserve	989,915		-	-	989,915
Dividend reserve	1,000,000		-	-	1,000,000
Total reserves	<u>31,921,350</u>		<u>1,404,789</u>	<u>-</u>	<u>33,326,139</u>

The Credit Union is required to maintain a Regulatory Reserve that support the credit union's operations, provide a base for future growth and protect against the risk of unforeseen losses. The credit union needs to maintain sufficient reserves to ensure continuity and to protect members' savings. The Central Bank expects that credit unions whose total regulatory reserves are currently in excess of 10 per cent of total assets will continue to maintain reserves at existing levels on the basis that these continue to reflect the board of directors' assessment of the appropriate level of reserves for the credit union.

The balance on the regulatory reserve represents 10.50% of total assets as at 30 September 2020 (10.51% as at 30 September 2019).

The Credit Union received approval from the Central Bank of Ireland in June 2017 to increase member savings in excess of €100,000. Under the conditions for approval, there is a requirement to maintain €6,000,000 of reserves in excess of the minimum regulatory requirement, on an ongoing basis.

Comhar Linn INTO Credit Union Limited use the Basel operational risk categories as the basis for the calculation of its operational risk reserve.

The risk categories are assessed based on the following criteria;

- The risks identified for each area.
- Current policies and procedures in place.
- Current process controls in place to mitigate risk.
- Internal Data, including analysis of data, previous history, internal reporting.
- External data, including peer experience.
- Insurance cover.

The balance on the operational risk reserve represents 0.27% of total assets as at 30 September 2020. Included in the operational risk reserve, is an amount of €200,000 allocated by the credit union in relation to a risk reserve pertaining to MPCAS, members personal current account services.

20. DIVIDENDS, LOAN INTEREST REBATE AND OTHER RETURNS TO MEMBERS

The directors do not recommend any distributions.

In accordance with FRS102 “Events after the End of the Reporting Period”, dividends and returns to members are accounted for in the financial statements after they are approved by the members in general meeting.

The returns to members paid in the current and prior year periods were as follows:

	2020	2019
	€	€
Dividend paid during the year	-	185,514
Dividend rate	-%	0.10%
	<u> </u>	<u> </u>

21. RATE OF INTEREST CHARGED ON MEMBERS’ LOANS

The Credit Union currently charge interest on outstanding loan balances to members, as follows:

STANDARD RATE	7.52%
CAR LOAN	6.54%
HOME IMPROVEMENT LOAN	6.31%
LAPTOP LOAN	5.74%
COLLEGE FEES LOAN	5.36%
SECURED LOAN	4.79%

The Credit Union also charge interest on overdrawn members current accounts. The rate of interest applicable to these accounts is 12%.

22. RATE OF INTEREST PAID ON MEMBERS’ DEPOSITS

The Credit Union pays interest on members’ 1 year term deposits at the rate of 0.5% per annum on accounts maturing up to 31/03/2020, 0.20% per annum on accounts maturing up to 30/01/2021 and 0% thereafter.

23. POST BALANCE SHEET EVENTS

There are no material events after the Balance Sheet date to disclose.

24. CONTINGENT LIABILITIES

The Registry of Credit Unions informed credit unions in the Republic of Ireland on 17 September 2018 that it had become aware of a potential matter that may impact certain credit unions in respect of accrued interest outstanding on loans where additional credit is extended to a member by way of a top-up-loan. The Registry of Credit Unions has requested information from credit unions in this context to assess the potential impact of this matter. A process to establish the potential impact on Comhar Linn INTO Credit Union Limited was completed, and there was no apparent loss/detriment to individual members identified. The Central Bank have not provided guidance on how it proposes to proceed and it remains unclear if any financial impact arises to the Credit Union or to provide any reliable estimate amount of any liability associated with this matter, while possible, remains uncertain along with the timing of same. Consequently, no provision has been made in the financial statements to 30th September 2020 for any amount that may become payable by Comhar Linn INTO Credit Union Limited.

25. CAPITAL COMMITMENTS

There were no capital commitments either contracted for or approved by the Board at the year end.

26. INSURANCE AGAINST FRAUD

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

27. RELATED PARTY TRANSACTIONS

The Credit Union has identified the following transactions which are required to be disclosed under the terms of FRS102 'Related Party Disclosures'.

The following details relate to officers and related party accounts with the credit union. Related parties include the board of directors and the management team of the Credit Union, their family members or any business in which the director or management team had a significant shareholding.

		2020	2019
	No. of loans	€	€
Total savings held by related parties		843,182	836,696
Total loans outstanding by related parties	8	105,342	121,035
% of gross loan book	-	0.13%	0.15%
Loans advanced to related parties during the year	4	22,000	14,500
Total provisions for loan outstanding to related parties at year-end		-	-
Total provision charge during the year for loans outstanding to related parties		-	-

28. GOING CONCERN

The financial statements have been prepared on the going concern basis which assumes that the credit union will continue in operational existence for the foreseeable future with no intention to significantly curtail its activities in the next 12-month period.

During the first quarter of 2020, the Covid-19 virus spread initially from Asia to Europe and has subsequently been confirmed as a worldwide pandemic. The initial economic effect of this has been a worldwide slowdown in economic activity and the loss of jobs across many businesses. The Republic of Ireland and the majority of worldwide economies, governments have placed restrictions on “non-essential” business activities in measures designed to restrict the movement of people and to slow down the spread of the virus which has resulted in many businesses temporarily closing.

The directors confirm that Comhar Linn INTO Credit Union Limited continued to fully operate and actively engage in the provision of services to its members during the financial year. While the credit union experienced a fall in the level of loans issued to members in the period March to May 2020, as a result of restrictions associated with the Covid-19 pandemic, the directors have confirmed that activity levels have improved from June 2020 onwards. The credit union generated a surplus of €1,404,789 for the financial year and its reserve to total assets level at 30 September 2020 amount to 12.36% which is in excess of the 10% legal limit.

On this basis the directors consider it appropriate to prepare the financial statements on a going concern basis.

29. AUTHORISATION AND APPROVAL OF FINANCIAL STATEMENTS

The board of directors authorised and approved these financial statements for issue on 29 October 2020.

Additional Information (not forming part of the statutory audited Financial Statements) for the year ended 30 September 2020

Schedule 1. Interest on Loans

	2020	2019
	€	€
Loan interest received	4,934,048	4,945,644
Loan interest receivable	27,080	15,246
Total per Income and Expenditure Account	<u>4,961,128</u>	<u>4,960,890</u>

Schedule 2. Other Interest Income and Similar Income

	2020	2019
	€	€
Investment income	548,064	825,538
Total per Income and Expenditure Account	<u>548,064</u>	<u>825,538</u>

Schedule 3. Other Income

	2020	2019
	€	€
Commission	12,358	10,453
MPCAS fees	4,903	36
Budget accounts income	41,058	43,765
Total per Income and Expenditure Account	<u>58,319</u>	<u>54,254</u>

Schedule 4. Other Gains

	2020	2019
	€	€
Total per Income and Expenditure Account	<u>-</u>	<u>-</u>

Schedule 5. Other Management Expenses

	2020	2019
	€	€
Pensions	150,774	198,324
Training & Education	27,469	54,018
Share & Loan Insurance	470,484	451,945
Members' deposit interest	39,681	48,340
Rates	13,720	26,405
General insurance	57,143	57,348
Light & heat	31,056	26,116
Repairs and maintenance	114,480	104,482
Printing and stationery	78,030	66,877
Marketing	230,310	208,124
Telephone and postage	95,316	104,660
Information technology	289,783	214,900
Member current account costs	75,303	82,384
Travel & subsistence	12,361	28,279
AGM	22,298	44,598
Legal and professional	256,878	322,244
Audit	34,139	32,369
Bank interest and charges	85,855	88,681
General expenses	12,432	22,744
Affiliation fees	18,171	19,831
Regulatory fees	390,367	412,232
Total per Income and Expenditure Account	<u>2,506,050</u>	<u>2,614,901</u>

Schedule 6. Other Losses

	2020	2019
	€	€
Total per Income and Expenditure Account	<u>-</u>	<u>-</u>

Board Oversight Committee Report

The Board Oversight Committee (BOC) is pleased to submit its annual report in accordance with section 760(7) of the Credit Union Acts 1997 to 2012, to you the members of Comhar Linn INTO Credit Union. 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 and Part IVA and any regulations made for the purposes of Part IV or Part IVA of the Credit Union Act 1997 (as amended) and any other matter prescribed by the Bank in respect of which they are to have regard to in relation to the Board of Directors.

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

At least one BOC member attended all Board meetings. We checked all Credit Union Policies and found them up to date as required. As required by the Credit Union Act 1997 to 2012, we held monthly meetings during the year, and we held four meetings with the Board of directors to assess their performance.

In addition, we presented a review to the Board each quarter on our activities. We also attended various committee meetings during the year, including the Credit Control and Nominations Committees. We attended training and participated in workshops run by CUDA.

Finally, I wish to thank the Directors, Management and Staff for their full co-operation and assistance to us during the year. I also want to take this opportunity to thank my fellow BOC members Mairéad Minnock and John Boyle for their help to me throughout the year.

Seán Mc Mahon

Committee Chair

Committee Members:

Seán McMahon, John Boyne & Mairéad Minnock

Nominations Committee Report

The Nomination Committee has the responsibility to ensure that our Board has the experience, skills and knowledge to manage, direct and generally control the affairs, funds and records of our Credit Union.

The Committee is comprised of 3 members and meets a minimum of 4 times a year.

The Committee ensure that during the recruitment and tenure of Board and Board Oversight Committee members, we manage the Fitness and Probity review of each of the candidates in line with the legal and Central Bank requirements.

The Committee ensure that our succession planning, nominations and volunteer policies remain up to date and valid and we also support the Board in the review of its operations and self-assessment of its performance. One of the functions of the Committee is to source, within our membership, people with interest and enthusiasm who are willing to make themselves available as potential Board and BOC members. Additionally, we recommend and help to source training during the year for Board members to continue to improve their knowledge and skills.

This has been a challenging year for the Committee and we would like to thank the members of the Board and Board Oversight Committee for their help and support throughout the year. The committee would also like to thank all of the staff at Comhar Linn for maintaining such a high-quality service in these unprecedented times. The committee are also particularly grateful to Maria Kane in assisting them in their work throughout the year.

NOTICE OF ELECTIONS

Under the Act, the terms of office of the following members has expired and are seeking re-election. The Nomination Committee proposes the below mentioned for re-election by the members at this meeting:

Candidate	Role	Term
John Carr	Director	3 years
Ciara Reilly	Director	3 years
John Tuohy	Director	3 years
Sean McMahan	Board Oversight Committee Member	3 years
FMB	External Auditor	1 year

Ciara Reilly
Committee Chair

Committee Members:
Ciara Reilly, John Tuohy & John Carr

Audit & Compliance Committee Report

The principal function of the Audit & Compliance Committee is to assess the performance and outputs of the Internal Audit Function, the External Auditors and the Compliance Function.

INTERNAL AUDIT

This year saw a change of our Internal Auditors. John Molloy & Co who have served the Credit Union so well over many years, stepped down from their role as Internal Auditors, and the Committee would like to thank them for all their years' service.

The Committee completed a recruitment process and are happy to inform you that Mazars have been appointed our Internal Auditors with an agreed workplan for the next three years.

The role of the Internal Audit Function is to:

- Provide for independent internal oversight; and
- Evaluate and improve the effectiveness of the credit union's risk management, internal controls and governance processes.

The Committee have considered the effectiveness of the internal audit function, adequacy of resources, experience and expertise and deemed these to be satisfactory for the credit union's current needs.

EXTERNAL AUDIT

The External Auditors presented a clean 2020 audit and there were no concerns or recommendations they wished to bring to the attention of the committee. FMB continues to act as our External Auditor and provides independent assurance to the Membership as set out in their audit report on page 18. The Committee is happy to propose the reappointment of FMB as our External Auditors for the coming year.

COMPLIANCE FUNCTION

During the year, we saw the further embedding of the compliance culture within the credit union. This has resulted in increased levels of monitoring and review of processes and procedures across each of our functions.

The Chairperson of the committee provided regular updates to the Board on the committee's activities including formal quarterly written updates.

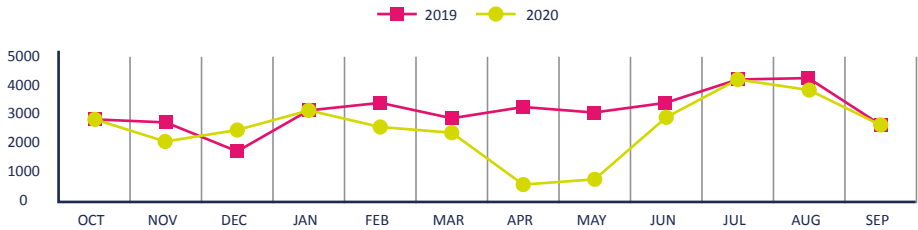
This has been a challenging year for everybody and I would like to thank my fellow committee members for all their help and support throughout.

Henry Thynne
Committee Chair

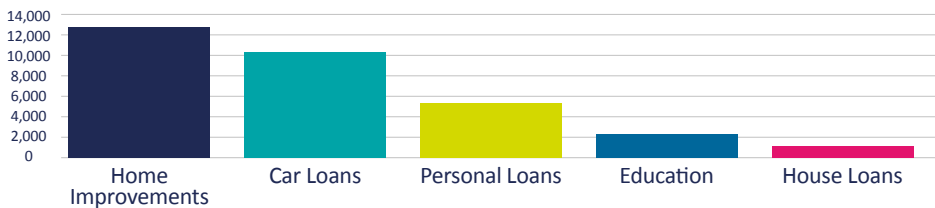
Committee Members:
Henry Thynne, John Tuohy & Helen Synnott

Credit Committee Report

Our Loan Book decreased by 3.6% to €79.2 Million from €82.2 Million in 2019, as Covid-19 crisis impacted loans issued in the early months of the pandemic.



This year we have approved 2,902 applications which is 99% of all applications received. The total value of loan applications approved was €30.2 Million and the graphs below show a breakdown of the most popular loan types.



CLCU is actively lending and very much open for business. We are always looking for new ways to make the loan application process easier. The Lending Application process is simple, you can ring 1850 277 377 or e-mail loans@intocreditunion.ie, our staff are waiting to help you. You can then scan and email the required paperwork to be assessed. We have a wide variety of loan types to meet all our members' needs, please get in touch and talk to us about your requirements.

Recent feedback from members is positive, as the lending application process is delivered in a much faster time frame. Our average turnaround time has reduced significantly, from 18 days earlier in the year to just 5 calendar days in the last 2 months.

Lending is the primary function of Comhar Linn, and we would like to thank all our borrowers who continue to support our credit union.

Finally, I wish to thank Marta, Colm and all the loans team and my fellow committee members for all the hard work and commitment during the year.

Dympna Mulkerrin
Committee Chair

Committee Members:
Dympna Mulkerrin, Helen Synnott & Jimmy O'Neil

Risk Committee Report

The Risk Committee is appointed by the Board to oversee and advise the Board of Directors on the credit unions risk management system including accessing the appropriateness of the risk management system.

This includes monitoring of the implemented risk management framework to identify and manage risks, assisting the Board in setting risk appetite and tolerance to ensure that significant risks are mitigated to a level consistent with the tolerance of the credit union and ensuring the risk management system is regularly monitored and reviewed.

The committee, comprising of at least 3 board members, meets a minimum of four times a year. The Risk Committee is satisfied that all material risks facing the credit union are managed effectively and mitigants are in place to maintain risks within the overall risk appetite of the credit union. The risk committee meet to review risk management and report quarterly to the Board.

Jimmy O'Neill
Committee Chair

Committee Members: Jimmy O'Neill, Dympna Mulkerrin & John Carr

Credit Control Committee Report

The Credit Control Committee is appointed by the board of directors and is responsible for ensuring the repayment of loans by members of the Credit Union in accordance with the terms of their loan agreements.

The committee monitors all loans that fall into arrears, ensure that borrowers are notified immediately if a repayment has been missed, seek to recover all arrears owed to the Credit Union, ensure that all available measures at the disposal of the Credit Union are employed in order to ensure that borrowers in default of the terms of their loan agreements repay their loans and work with members in default, whose circumstances have changed, in order to devise a workable alternative repayment plan.

The committee comprising of at least three members, meets a once a month and reports to the board on a monthly basis.

As of 30th September 2020, there were 115 loans in arrears > 9 weeks totalling €2.49m. This represented 3.14% of the loan balance. Loans in arrears are continuously reviewed and missed payments are followed up in a timely manner. The committee are satisfied that the credit control function is operating efficiently and properly and that all efforts are made to receive full payment for outstanding loans.

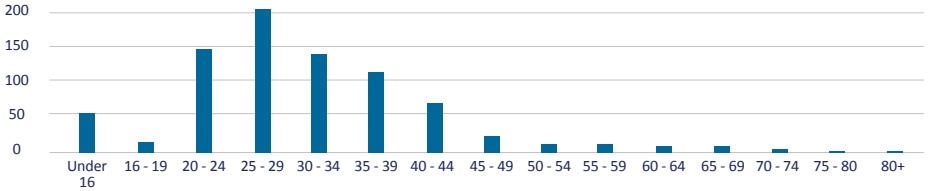
We approved 48 cases totalling €1.26m for forbearance under Covid-19 of which 5 cases totalling €185,453 remain in place at 30th Sep 2020.

John Tuohy
Committee Chair

Committee Members: John Tuohy, Daire MacPhaidin & Ciara Reilly

Membership Committee Report

This year we welcomed 986 new members who join the 25000 existing members of Comhar Linn INTO Credit Union. It is great to see an increase of 15% in new member volumes this year. The majority of new members joining the Credit Union are in the 25-29 age category.



Comhar Linn INTO Credit Union exists for the sole purpose of serving the INTO and RTAI members and their families on a not-for-profit basis, and that marks us out as being different from 'traditional' financial institutions. Our credit union is set up by people for people with the express purpose of benefiting members. We believe members achieve more together as a union than they could do apart.

- We put our member at the heart of every decision we make
- We are trustworthy and responsible
- Our number 1 objective is to be the best partner for loans and day-to-day banking

Our members come from all over Ireland and benefit from our many services including:



Flexible Loans at competitive rates



Easy access to services by phone and online



Free life protection on savings and loans



No hidden charges



Current Accounts



Budget Accounts

We have made joining Comhar Linn very easy. You can now become a member Online in minutes using Comhar Linn's new online application form and using ID Pal Mobile App to instantly upload your documents. It's that simple.

Thank you to all our members for your continued support. Remember we are the place where teachers borrow. We exist for teachers. When you join Comhar Linn, you help us to continue supporting teachers.

Séan Murray
Membership Officer

Asset & Liability Committee Report

The Asset, Liability and Investment Management Committee is appointed by the board of directors and is responsible for oversight of the management and performance of ALM activities. They will review and approve strategy for interest rate risk, liquidity and credit risk management in accordance with the conditions laid down by the Board in relation to investment activities. The committee comprising of three members, including two directors and the CEO, meets a minimum of four times a year. The committee reports to the board at least quarterly.

It has been a difficult year. Member savings continued to grow, exacerbated by the uncertainty of the Covid-19 Pandemic and Brexit. Despite the introduction of a savings cap, member savings increased to €234m at Sep'20. The loan book reduced to €79m in the year mainly due to a lack of demand during the early months of the pandemic. The result is an increase in the investment portfolio to €174m. The portfolio continues to be invested in a prudent manner, with the protection of member savings being paramount. This has meant that investment returns, in the current historically low interest rate environment, are also at an all-time low. This is not helped by the fact that all 5 Irish banks are now charging interest on short-term funds which we are required to hold to maintain adequate liquidity.

All indicators are that this low interest rate environment will continue. A slowdown in global economic growth, trade tensions and the fallout from Brexit means that the investment environment will remain challenging for the foreseeable future.

Given this challenging environment, the committee is satisfied that assets and liabilities are being managed as effectively and efficiently as possible.

Henry Thynne
Committee Chair

Committee Members:
Henry Thynne, Sheila Nunan & Séan Murray

Proposed Rule Changes

The following Rule Amendments are proposed for the AGM, all proposed changes are highlighted in Red text.

AMENDMENT 1

That this Annual General Meeting proposes to amend Rule 1 of Comhar Linn INTO Credit Union Standard Rules to read as follows:

Rule 1 Interpretation

“officer”, includes the chair, vice-chair, **treasurer**, secretary, a member of the board of directors, the board oversight committee, **the supervisory committee** or of a principal committee, the compliance officer, the risk management officer, an employee, credit officer or credit control officer, membership officer or voluntary officer but does not include an auditor appointed by Comhar Linn INTO Credit Union in accordance with the requirements of the Act;

AMENDMENT 2

That this Annual General Meeting proposes to amend Rule 1 of The Credit Unions Standard Rules to read as follows:

Rule 1 Interpretation

~~“supervisory committee” has the meaning given it by section 58(1) of the Act;~~

AMENDMENT 3

That this Annual General Meeting proposes to insert the following into Rule 1 of Comhar Linn INTO Credit Union Standard Rules to read as follows:

Rule 1 Interpretation

“**electronic communications technology**”, in relation to a general meeting of a credit union, means **technology that enables real time transmission and real time two-way audio-visual or audio communication enabling attendees as a whole with a reasonable opportunity to participate in the meeting using such technology from a remote location;**

“**electronic platform**” in relation to a general meeting of a credit union, means an electronic system for the delivery of audio-visual or audio communication, including websites, access software and access telephone details or any other electronic technology that delivers such communication;

AMENDMENT 4

That this Annual General Meeting proposes to amend the following in Rule 1 of Comhar Linn INTO Credit Union Standard Rules to read as follows:

Rule 1 Interpretation

“general meeting” means an annual general meeting or a special general meeting **and includes a meeting that has been rescheduled.**

AMENDMENT 5

That this Annual General Meeting proposes to amend Rule 1 of Comhar Linn INTO Credit Union Standard Rules to read as follows:

Rule 1 Interpretation

“special resolution” means a resolution which is passed by a majority of not less than three quarters of such members of a credit union for the time being entitled under the rules to vote as may have voted in person, **and/or in attendance and voting at a general meeting conducted wholly or partly by the use of electronic communications technology (within the meaning of section 78A if the Act) at any general meeting** of which notice, specifying the intention to propose the resolution, has been duly given according to the rules;

AMENDMENT 6

That this Annual General Meeting proposes to amend Rule 15 of Comhar Linn INTO Credit Union Standard Rules to read as follows:

Rule 15. THE ANNUAL GENERAL MEETING

“Annual general meetings shall take place, in respect of each financial year, in accordance with Section 78 of the Act **at such time and place at a time and place in the State (where applicable) and in the manner (where applicable)** as the board of directors may by resolution determine. “

AMENDMENT 7.

That this Annual General Meeting proposes to amend Rule 17 of Comhar Linn INTO Credit Union Standard Rules to read as follows:

Rule 17. - NOTICE OF GENERAL MEETINGS

- 2) Subject to paragraph (4) the notice required by paragraph (1): -
- (a) shall state the date, time and place **(where applicable) and the manner of holding (where applicable)** of the general meeting;
 - (b) shall be accompanied by the agenda for the meeting;
 - (c) 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.

AMENDMENT 8.

That this Annual General Meeting proposes to append the following to Rule 17 of Comhar Linn INTO Credit Union Standard Rules to read as follows:

Rule 17 A. - NOTICE OF RESCHEDULED MEETINGS

“Notwithstanding Rule 17 but subject to subsection (2) of same, notice for the purposes of section 78A(10) or 78B(9) of the Act, as the case may be, shall be given in the same manner as the notice for the general meeting referred to Rule 17 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.

This 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.”.

AMENDMENT 9

That this Annual General Meeting proposes to append the following to Rule 18 of The Credit Unions Standard Rules to read as follows:

Rule 18 - GENERAL MEETINGS: VOTING, ADJOURNMENT, QUORUM AND MINUTES

- 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.

AMENDMENT 10.

That this Annual General Meeting proposes to amend Rule 20 of Comhar Linn INTO Credit Union Standard Rules to read as follows:

Rule 20 - ELECTION AND ELECTION PROCEDURE

“When at any meeting nominations are announced, tellers shall be appointed by the chair and ballot papers shall be distributed either physically or by using electronic communications technology (as appropriate).

Member Car Draw Winner Listing 2019/20

WINNERS OF OCTOBER 2019 DRAW

- CAR:** Winner details withheld by consent
- €2,000 CASH:** Elizabeth Garvin, Ballinteer ETNS, Churchtown Road, Dublin 14
- €1,000 CASH:** Caoimhin Mac Mathuna, Scoil Naomh Fiachra, Letterkenny, Co. Donegal
- €1,000 CASH:** Winner details withheld by consent
- €1,000 CASH:** Winner details withheld by consent

WINNERS OF NOVEMBER 2019 DRAW

- CAR:** Winner details withheld by consent
- €2,000 CASH:** Frankie Kirwan, Glenmore, Co. Kilkenny
- €1,000 CASH:** Orla Fields, Gaelscoil Thaobh na Coille, Beallairmin An Cheim, B.A.C 18
- €1,000 CASH:** Oonagh Kenny, Marino School, Church Road, Bray, Co. Wicklow
- €1,000 CASH:** Aidan Rainsford, Tyrrelstown ETNS, Tyrrelstown, Dublin 15

WINNERS OF DECEMBER 2019 DRAW

- CAR:** Winner details withheld by consent
- €2,000 CASH:** Winner details withheld by consent
- €1,000 CASH:** Anne O'Halloran, Terenure, Dublin
- €1,000 CASH:** Anne Marie Murphy, Holy Family NS, Rathmore, Co. Kerry
- €1,000 CASH:** Kathleen Baird, Enniskillen, Co. Fermanagh

WINNERS OF JANUARY 2020 DRAW

- CAR:** Winner details withheld by consent
- €2,000 CASH:** Sharon McGough, S.N. an Leath Bhaile, Tuaim, Co. na Gaillimhe
- €1,000 CASH:** Winner details withheld by consent
- €1,000 CASH:** Caroline Carey, S.N. Donaigh, Carndonagh, Co. Donegal
- €1,000 CASH:** Winner details withheld by consent

WINNERS OF FEBRUARY 2020 DRAW

- CAR:** Winner details withheld by consent
- €2,000 CASH:** Orlagh Leonard, St. Kevin's J.N.S., Donaghmede, Dublin 13
- €1,000 CASH:** Winner details withheld by consent
- €1,000 CASH:** Irene Louise Keaveny, Presentation Primary School, George's Hill, Dublin 7
- €1,000 CASH:** Winner details withheld by consent

Member Car Draw Winner Listing 2019/20

WINNERS OF MARCH 2020 DRAW

- CAR:** Mary Duane, Stewarts School, Palmerstown, Dublin 20
- €2,000 CASH:** Caitlin Bn Uí Castro, Ballina, Co. Mayo
- €1,000 CASH:** Winner details withheld by consent
- €1,000 CASH:** Winner details withheld by consent
- €1,000 CASH:** Winner details withheld by consent

WINNERS OF APRIL 2020 DRAW

- CAR:** Mary Mulligan-Casey, Dromore West, Co. Sligo
- €2,000 CASH:** Winner details withheld by consent
- €1,000 CASH:** Olive Sheridan, Castletara N.S, Castletara, Co. Cavan
- €1,000 CASH:** Bridget O'Leary, Inniscarra, Co. Cork
- €1,000 CASH:** Julie Holmes, Scoil na Mainistreach, Celbridge, Co. Kildare

WINNERS OF MAY 2020 DRAW

- CAR:** Winner details withheld by consent
- €2,000 CASH:** Josephine Breslin, Clonpriest N.S., Gortroe, Youghal, Co. Cork
- €1,000 CASH:** Deirdre Cully, Scoil Eoin, Armagh Road, Crumlin, Dublin 12
- €1,000 CASH:** Dare Bn Uí Dhulain, Ballinlough, Co. Cork
- €1,000 CASH:** Thomas and Margaret Murphy, Templeogue, Dublin 16

WINNERS OF JUNE 2020 DRAW

- CAR:** Kathleen Maher, Jenkinstown, Co. Kilkenny
- €2,000 CASH:** Winner details withheld by consent
- €1,000 CASH:** Elaine Henry Dempsey, Sn Naomh Treasa, Kilkelly, Ballyhaunis, Co. Mayo
- €1,000 CASH:** Teresa Manning, Presentation Primary School, Bandon, Co. Cork
- €1,000 CASH:** Charles Keeney, Frosses N.S., Frosses, Co. Donegal

WINNERS OF JULY 2020 DRAW

- CAR:** Mary Rose Conroy, S.N. Ide Naofa, Loughrea, Co. Galway
- €2,000 CASH:** Ann Patricia Bracken, St. Etchen's N.S., Kinnegad, Co. Westmeath
- €1,000 CASH:** Deirdre Friel O'Hora, Breaffy N.S., Ballina, Co. Mayo
- €1,000 CASH:** Sandra Bowen, St. Bernadette's J.N.S., Quarryvale, Clondalkin, Dublin 22
- €1,000 CASH:** Winner details withheld by consent

Member Car Draw Winner Listing 2019/20

WINNERS OF AUGUST 2020 DRAW

- CAR:** Nadia Markey, Scoil Mhuire, Latton, Castleblayney, Co. Monaghan
- €2,000 CASH:** Winner details withheld by consent
- €1,000 CASH:** Winner details withheld by consent
- €1,000 CASH:** Aindi Mac An Tailliura, Gaelscoil Uí Earcain, Bothar Glas an Ein, Fionnglas, B.A.C 11
- €1,000 CASH:** Winner details withheld by consent

WINNERS OF SEPTEMBER 2020 DRAW

- CAR:** Anne Marie Hogan & Brian Kelly, St. Christopher's Primary School, Haddington Road, Ballsbridge, Dublin 4
- €2,000 CASH:** Winner details withheld by consent
- €1,000 CASH:** Brendan Greally, Gaelscoil Ui Riada, Wilton, Co. Cork.
- €1,000 CASH:** Concepta Ball, Castleknock, Dublin 15
- €1,000 CASH:** Winner details withheld by consent

Bursary Winners

CATEGORY ONE: STUDENT MEMBERS - 4 BURSARIES OF €3,000

- | | |
|----------------------|-------------------------------|
| 1. Lea Mooney | Marino Institute of Education |
| 2. Marie O'Connor | Mary Immaculate College |
| 3. Róisín Hayes | Maynooth University (Froebel) |
| 4. Deirbhile Travers | DCU St Patrick's College |

CATEGORY TWO: TEACHER MEMBERS - 2 BURSARIES OF €1,500

- | | |
|-----------------------------|---------------------------|
| 1. Valerie Ní Choinneacháin | University College Dublin |
| 2. Claire Donnelly | Mary Immaculate College |

CATEGORY THREE: ALL MEMBERS - 2 BURSARIES OF €1,000

- | | |
|---------------------|---------------------|
| 1. Megan Griffin | Hibernia College |
| 2. Mícheál Mc Clean | University Limerick |

Closing date for this year's Bursary Programme is May 31st 2021. All information and application details are available on our website www.comharlinnintocu.ie/student-bursaries

If you are interested in learning more about our student services, take a look at our student video.

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■ Fair Travel Insurance

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comharlinnintocu.ie

or call us on
0818 293 447



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