



ANNUAL REPORT 2023

Accounts & Notice of AGM





Loan *from* Home

- Apply through online banking
- Please note, you are required to have up-to-date photographic identification
- Upload your documents securely
- Digitally sign
- Drawdown electronically
- Have your loan funds automatically transferred to your account

Loans are subject to approval. Terms and Conditions apply. If you do not meet the repayments on your loan, your account will go into arrears. This may affect your credit rating which may limit your ability to access credit in the future. Link Credit Union Limited is regulated by the Central Bank of Ireland.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 2023 Annual General Meeting (AGM) of Link Credit Union Limited will take place on **Monday 18th December 2023 at 7pm via Zoom Webinar**. Instructions on how to register can be found on page 4 and 5.

AGM AGENDA

Standard Rules 96(4):

The business at annual general meetings of the members shall be:

1. The acceptance by the Board of Directors of the authorised representatives of members that are not natural persons;
2. Ascertain that a quorum is present;
3. Adoption of Standing Orders;
4. Reading and Approval (or correction) of the minutes of the last AGM;
5. Report of the Directors;
6. Report of the Board Oversight Committee;
7. Chairpersons Address;
8. Committee Reports;
 - a. Report of the Credit Committee;
 - b. Report of the Credit Control Committee;
 - c. Report of the Membership Committee;
 - d. Report of the Donations & Promotions Committee;
9. Auditors Report to the Members;
10. Consideration of Accounts;
11. Declaration of Dividend and Rebate of Interest;
12. Motions for Consideration;
13. Report of the Nominations Committee;
14. Appointment of Tellers;
15. Election of Auditor;
16. Election to fill vacancies on Board Oversight Committee;
17. Election to fill vacancies on Board of Directors;
18. Members Draw;
19. Any Other Business;
20. Announcement of Election Results;
21. Adjournment or Close of Meeting.

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

David Donagh
Hon Secretary



STEP-BY-STEP INSTRUCTIONS ON REGISTERING FOR OUR AGM

Members wishing to attend the Virtual AGM need to register before 5.30pm on Wednesday 13th December 2023 by sending an email to agm2023@linkcu.ie or by scanning the QR Code below and providing the following information:

- Name
- Membership Number
- Date of Birth

Step 1: Please register by sending an email or scanning the QR code below by 5:30pm on Wednesday 13th December 2023.

Step 2: Based on the information you provide, we will verify you as a member. Please note, the credit union requires you to have up-to-date, photographic identification and address verification on file with the credit union. If information is not up to date, the credit union will notify you by email.

Step 3: Once verification is complete, you will then be sent a formal invitation to the email address you provide in the registration process by Saturday 16th December 2023 (please ensure to check your junk and spam folders for this email).

Step 4: The relevant reports are included in your annual report. The minutes will be available in the secure members area of our website, under documents, in advance of the meeting. Please read these before the meeting as this may allow some of the reports to be taken as read, if there are no objections. If you are not registered, please register at www.linkcu.ie

Step 5: Please submit any questions you may have in relation to the annual report in writing by 5:30pm on Wednesday 13th December 2023 to agm2023@linkcu.ie.

See the Standing Orders for details of how questions will be handled at the AGM.

Step 6: Log on to the AGM, by clicking on the link provided in the invitation you will receive by email. We suggest you log on about 10 minutes before the start time of 7:00pm on Monday 18th December 2023.

If you're not familiar with Zoom, you will find this short tutorial helpful:
https://youtu.be/pAMDxH_H-Cs

Step 7: It is important that you note the invitation you receive is specific to you and can only be used on one device.

Step 8: When you log on you will be made aware that you are 'waiting'. Once the Chair starts the meeting you will be able to see and hear the meeting. Please select "Join with Computer Audio", so that you will be able to see and hear the Chair and any persons presenting. We recommend that while you are waiting, you should use the opportunity to test the sound on your computer so you can be sure it's working and at the right volume for you to follow the proceedings.

Step 9: For everyone's comfort, all non-presenting participants will be 'muted' during the meeting. Please read the Standing Orders to be clear with how questions and answers will be handled.

- Step10:** There are several items on the agenda where members will be asked to vote. This will be done by electronic polling. A poll will appear on your screen, click on your answer and press submit. You will be given sufficient time to cast your vote (the length of time allowed will be advised at the meeting). The poll will close after that time and the result will be announced by the Chair.
- Step 11:** To assist with the minutes, our AGM will be recorded. When the matters of the meeting are concluded, the Chair will end the AGM and close the Zoom link.





DIRECTORS & OTHER INFORMATION

DIRECTORS

Michael Donohoe	<i>Chairperson</i>
Patricia Wakely	<i>Vice Chairperson</i>
David Donagh	<i>Secretary</i>
Patrick Boyle	<i>Joined November 2022 - Stepped down September 2023</i>
Fiona Crosby	<i>Joined July 2023</i>
Dominic Drew	<i>Joined November 2022</i>
Mary Brigid Duffy	<i>Joined November 2022</i>
Ann Gray	
Hugh Lynch	<i>Stepped down November 2022</i>
Jim Kearns	
Mary McMahon	
Ian Primrose	<i>Stepped down April 2023</i>
Rachael Roycroft	

BOARD OVERSIGHT COMMITTEE MEMBERS

Darragh Smith	<i>Secretary</i>
Mary McCabe	<i>Stepped down March 2023</i>
Mary Smith	<i>Joined January 2023 - Stepped down April 2023</i>
Niamh Martin	<i>Joined March 2023</i>

CEO *Angela Rice*

Registered Office *Main Street, Kingscourt, Co. Cavan.*

Auditors *J.P Rundle & Co., Moore Hall, Ardee, Co. Louth.*

Bankers *Bank of Ireland, Main Street, Bailieborough, Co. Cavan*
Intesa Sanpaolo Group Services,
Filialw Financial Institutions, Via Langhirano, 1
43125 Parma, Italy.

Solicitors *Patrick J. Carolan & Co., Market Square,*
Kingscourt, Co. Cavan.

MODEL STANDING ORDERS FOR CREDIT UNIONS

Virtual/Hybrid Annual General Meeting (ROI)

1. VOTING

1. Each member is entitled to one vote irrespective of their shareholding, and only the first named member on joint accounts, in accordance with section 82(2) of the Credit Union Act, 1997 (as amended). Since this year's AGM will be a virtual meeting, all voting will be by electronic means. Each member registered for and attending the virtual AGM, will be given the opportunity to exercise their vote electronically during the meeting.

2. ELECTION PROCEDURE - ELECTRONIC VOTING

2. Following the announcement of nominations, attendees will be given the opportunity to vote electronically "Yes" or "No" for each candidate. Those in attendance will be given 30 seconds to record their vote. The mechanics of the electronic voting process will be explained in more detail at the AGM by the Chair. Elections shall be in the following order:
 - a. Elections for Auditor
 - b. Elections for membership of the Board Oversight Committee
 - c. Elections for membership of the Board of Directors
3. The votes will be tallied electronically. When all elections have been completed and results become available, the Chair will announce the results.

4-8 MOTIONS

4. Members will be permitted to move motions from the floor but should give the credit union advance notice in order to permit a smooth and efficient management of this process, as the meeting is being held remotely. Please send by email to agm2023@linkcu.ie before 5.30pm on Wednesday 13th December 2023.
5. Members will be invited to submit questions to the board via "Q&A" button on the toolbar in the Zoom Webinar and the board will address these during the AGM.
6. All reports to the membership must be proposed and seconded by members present at the AGM.
7. A proposer of a motion may speak for such period as shall be at the discretion of the Chair of the meeting and shall have the right of reply before the motion is put to the meeting for a vote.
8. The Chair shall have the absolute right to decide at any time when a motion has been sufficiently discussed.

9-13 MISCELLANEOUS

9. The Chair of the Board of Directors shall be the Chair of any general meeting, except where they are not available, in which case it shall be the Vice-chair, except where they are not available, in which case the board shall decide amongst themselves who shall act as Chair of any general meeting.
10. The Chair may at their discretion, extend the privilege of the floor to any person who is not a member.
11. Matters not covered by the Agenda may be introduced under "Other Business" at the discretion of the Chair.



12. The Chair shall have the absolute right to decide at any time when a topic has been sufficiently discussed.
13. No member shall have more than one vote on each question at any general meeting of the credit union or any adjournment thereof irrespective of their shareholding or the number of accounts in their name in the credit union provided, however, except in voting at elections, the presiding member shall have a second or casting vote in the event of equality of voting. Voting by proxy shall be allowed only when a member other than a natural person votes through a representative, who is a member of the group, duly authorised in writing for that purpose and accepted as such by the board of directors. Proxies must be received by 5.30pm on Wednesday 13th December 2023.

14-15 SUSPENSION/ALTERATION OF STANDING ORDERS

14. Any one of these Standing Orders or all of these Standing Orders may be suspended on a motion to this effect receiving a two-thirds majority of those present and entitled to vote.
15. Standing Orders may be amended or altered at a general meeting and only if a motion to this effect has received a two-thirds majority of those present and voting.

16 ADJOURNMENTS

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

17-22 VIRTUAL MEETING ITEMS

17. All non-presenting participants will be muted and have their cameras switched off to allow the smooth running of the meeting.
18. A member shall only address the meeting when called upon by the Chair to do so, when invited to contribute.
19. All members are asked to utilise the "Q&A" button on the bottom of the toolbar in Zoom Webinar to ask questions.
20. All members are reminded to conduct themselves in a professional manner. Please refrain from sharing any explicit, violent or inappropriate content.
21. Provision shall be made for the protection of the Chair from vilification (personal abuse).
22. All members are asked to turn their mobile phone on silent as even the vibrate setting can cause disruptions.
23. The AGM will be recorded.

NOTICE OF ELECTIONS

Elections will be held to fill the following vacancies:

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

During the course of the year the Nomination Committee identified candidates to stand for the above positions and they have been assessed under the Fitness and Probity Regime, as required by the Central Bank, with satisfactory results. If you are interested in standing for the Board of Directors or Board Oversight Committee, please contact the Nominations Committee on: volunteer@linkcu.ie



At Link Credit Union we are working hard to reduce our carbon footprint and reduce the amount of paper we use. We are now asking our members to help us reduce the amount of paper we use by signing up for obligatory notifications such as our AGM notifications and annual reports.

We are required to write to every member with these notices, which leads to several annual reports being delivered to the same household, using vast amounts of paper and incurs both print and postage costs.

By signing up to receive obligatory notifications these will be delivered straight to your email inbox, which you can easily access whenever you need to, thus reducing our paper consumption and helping the environment.

Sign up to receive your AGM booklet by email.

Scan the QR code above or go to our website to let us know your communication preferences, and you will be entered into a competition for a Smart TV.

SIGN UP NOW & YOU COULD
WIN A SMART TV

Terms & Conditions apply



DIRECTORS REPORT

FOR THE YEAR ENDING 30th September 2023

The directors present their report and the audited financial statements for the year ended 30 September 2023.

PRINCIPLE ACTIVITY

The principal activity of the business continues to be the operation of a Credit Union.

REVIEW OF ACTIVITIES AND FUTURE DEVELOPMENTS

The directors acknowledge the results for the year and the year-end financial position. The directors expect to develop and expand the Credit Union's current activities and they are confident of its ability to continue to operate successfully in the future.

DIVIDENDS

The directors are proposing a dividend of 0.05% and a loan interest rebate of 5.00% in respect of the financial year ended 30th September 2023.

PRINCIPLE RISKS AND UNCERTAINTIES

The principal risks and uncertainties faced by the Credit Union are:

Credit Risk: the risk that a borrower will default on their contractual obligations relating to repayments to the Credit Union, resulting in loss.

Lack of Loan Demand: lending is the principal activity of the Credit Union and the Credit Union is reliant on it for generating income to cover costs and generate a surplus.

Market Risk: the risk that the value of an investment will decrease. This risk can arise from fluctuations in values of, or income from, assets or changes in interest rates.

Liquidity Risk: the risk that the Credit Union will not have sufficient cash resources to meet day to day running costs and repay members' savings when demanded.

Operational Risk: the risk of loss resulting from inadequate or failed processes or systems of the Credit Union, any failure by persons connected with the Credit Union or from external events.

Global Macro Economic Risk: there is an economic and operational risk relating to rising inflation rates, disruption to global supply chains and general uncertainty in the markets as a result of the pandemic and the on-going war in Eastern Europe.

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

Credit Risk: the Board of Directors regularly review and approve the Credit Union's credit policy. All loan applications are assessed with reference to the credit policy in force at the time. Subsequently, loans are regularly reviewed for any factors that may indicate that the likelihood of repayment has changed.

Lack of Loan Demand: the Credit Union provide lending products to its members and promote these products through various marketing initiatives.

Market Risk: the board of directors regularly reviews and approves the Credit Union's investment policy and funds are invested in compliance with this policy and regulatory guidance.

Liquidity Risk: the Credit Union's policy is to maintain sufficient funds in liquid form at all times to ensure that it can meet its liabilities as they fall due.

Operational Risk: this is managed through the employment of suitably qualified staff to ensure appropriate processes, procedures and systems are implemented and are further supported with a robust reporting structure.

Global Macro Economic Risk: the board of directors and management closely monitor the developments of rising inflation rates and disruption to global supply chains and markets, and continue to take appropriate actions to mitigate any possible adverse effects on the Credit Union.

ACCOUNTING RECORDS

The Directors believe that they comply with the requirements of Section 108 of the Credit Union Act 1997, as amended with regard to employing accounting personnel with the appropriate expertise and by providing adequate resources to the financial function. The books of the Credit Union are maintained at the Credit Union's premises at Main Street, Bailieborough, Co. Cavan.

POST BALANCE SHEET EVENTS

At 30 September 2023, there have been no significant events affecting the Credit Union since year end.

AUDITORS

The auditors, J.P. Rundle & Co, have indicated their willingness to continue in office in accordance with Section 115 of the Credit Union Act 1997, as amended.

On behalf of the Credit Union Board

Michael Donohoe

Chairperson

16th November 2023

David Donagh

Secretary

16th November 2023

STATEMENT OF DIRECTORS RESPONSIBILITIES

The Credit Union Act 1997, as amended, requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Credit Union and of the Income and Expenditure of the Credit Union for that period. In preparing those financial statements, the directors are required to:

- (i) select suitable accounting policies and then apply them consistently;
- (ii) make judgements and estimates that are reasonable and prudent;
- (iii) prepare the financial statements on a 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 at any time the financial position of the Credit Union and which enable them to ensure that the financial statements are prepared in accordance with applicable Irish law and Generally Accepted Accounting Practice in Ireland, including the standards issued by the Financial Reporting Council, and in particular FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". They are 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.

On behalf of the Board of Directors

Michael Donohoe

Chairperson

16th November 2023

David Donagh

Secretary

16th November 2023



STATEMENT OF BOARD OVERSIGHT COMMITTEES RESPONSIBILITIES

The Credit Union Act 1997, as amended requires the appointment of a Board Oversight Committee to assess whether the board of directors has operated in accordance with Part IV, Part IV(A) and any regulations made for the purposes of Part IV or Part IV(A) of the Credit Union Act, 1997 as amended and any other matter prescribed by the Central Bank in respect of which they are to have regard to, in relation to the board.

On behalf of the Board Oversight Committee

Darragh Smith

Chairperson

16th November 2023

CHAIRPERSONS REPORT

On behalf of the Board of Directors, management and staff of Link Credit Union, I warmly welcome you all to our 2023 Annual General Meeting. Tonight we officially welcome our members who joined us from Cootehill Credit Union.

2023 has been a very busy and extremely positive year for Link Credit Union. During the early part of the year, we were involved in the Transfer of Engagements of Cootehill Credit Union to Link Credit Union and we thank all our staff who enabled the successful transfer.

Over the past year we have expanded our suite of loans with the roll-out of our Cultivate farm loans, Welcome loans, together with new reduced loan rates for Shares secured loans and loans over €10k. As a result of these additional loan products, Link Credit Union is in an even stronger position to meet your lending needs. During the year, we saw increase in demand for loans for holidays, weddings, cars, farming and home improvements, with loans issued of €18.8m. This is due to the ongoing confidence that you, our members, continue to have in our credit union, coupled with the continued hard work and commitment of our management and staff.

While we are delighted to report such positive growth in our loan book, we would also like to remind you that we continue to have ongoing capacity for much greater growth in the coming year. I would, therefore, urge you to consider your local credit union for your lending needs. We look forward to the launch of our Green Loan range in January 2024, which aligns with our Environmental, Social and Governance (ESG) strategy.

We are, however, keenly aware that it has been a challenging year for many of our members due to the ongoing cost of living crisis. I would like to remind you that, if any of you are experiencing financial difficulties, please come and talk to us in strict confidence.

With high inflation, increasing interest rates and the possibility of recession, the role of the credit union in our community is as important now as it was when it was founded over 50 years ago. We are here to help our members through these difficult times and to provide loans at fair and reasonable rates of interest.

Throughout 2023 interest rates on our investment portfolio have improved. However, due to the ongoing cost of living crisis, a certain level of uncertainty remains in both the domestic and international economies.

As reported in recent years, savings levels across the Credit Union movement have continued to rise throughout 2023 and the Board of Directors continue to monitor the situation closely.

For the year ended 30th September 2023, we realised an overall surplus of €736k. The Board of Directors would like to propose a dividend of 0.05%. We also propose a loan interest rebate of 5%, as it is our borrowing members that provide most of our income.

This year we aligned our opening hours across our three offices in Kingscourt, Bailieborough and Cootehill. While our offices are closed on a Monday, we are now open all day Tuesday, Thursday and Friday, with earlier opening on Friday and Saturday mornings and later closing on Friday evening. We are also open half days on Wednesday and Saturday.

Furthermore, I would like to remind you of our online services which give you access to your account 24 hours a day, 365 days a year. We also have ATMs outside each of our three offices. While you can use any bank card in these ATMs, I would strongly urge you to consider opening a Link Credit Union current account, which is available to our members at a very competitive rate of only €4 a month and provides the same services you get with a bank. We have made it as easy as possible for you to switch your current account to us, so please talk to a member of staff in any of our three offices for more information. This is also a timely reminder that our core strategic vision is “to be the primary provider of lending and sustainable financial services to our members in our community”. Sustainability and building resilient communities have been the core operating principles for credit unions for the last 50 years. These principles match the 17 UN Sustainability goals on which the EU Corporate Sustainability Directive is based. This year Link Credit Union’s board reviewed our strategy to incorporate ESG. Going forward, we will include this in our Annual Report.

For an unprecedented ninth year running, credit unions have once again topped the league table for the best customer experience in Ireland according to the Customer Experience Insight (CXI) Report for 2023. This award recognises the dedication and hard work of credit union staff and volunteer directors across Ireland, where the focus is always on being there for our members and our communities.

This year we said goodbye to some staff members, we wish them well in their new endeavours. We also welcomed a number of new staff members and we wish them well as they develop their careers with Link Credit Union.

On a more personal level, I would like to thank the management and staff for their continued hard work, dedication and commitment to Link Credit Union throughout 2023. I would also like to thank my fellow Directors and Board Oversight Committee members for their commitment and dedication to Link Credit Union during the year.

In particular, I would like to acknowledge the dedication and commitment of Patrick Boyle and Hugh Lynch who stood down from the Board of Directors during the year and Jim Kearns who is standing down at this AGM. We will certainly miss their knowledge, expertise and dedicated commitment to the board.

I would also like to recognise the dedication and commitment of Marie McCabe and Mary Smith who stepped down from the Board Oversight Committee during 2023.

I would like to welcome Fiona Crosby to the Board of Directors and Niamh Martin and Matthew Carolan to the Board Oversight Committee. Fiona, Niamh and Matthew joined us during 2023. They, along with the other Directors and Board Oversight Committee members are going forward for election at tonight’s meeting.

We would like to remember in a special way all our members who have passed away during the year and we offer our condolences to their families. Finally, we would like to thank you for your ongoing support and loyalty throughout 2023. We wish all our members a safe, peaceful and happy Christmas and New Year and we look forward to meeting your financial needs in 2024.

Michael Donohoe
Chairperson



CREDIT COMMITTEE REPORT

The Credit Committee is appointed by the Board to oversee the development and implementation of Link Credit Union's lending policy and makes a written report to the Board of Directors monthly.

This year we issued €18,097,360 loans which is an increase of 24.9% on the prior year. Our loan book for 2023 has grown to €36,432,929.

Our Loan from Home offering is now fully operational and very popular, with over 30% of loans being applied for online. This allows you to apply for and draw down your loan online, giving you a seamless loan experience from the comfort of your own home. We have received very positive feedback from members who have used this service, it is very efficient and can be completed at a time that suits them.

We have a Welcome Loan Rate for any new member or members who haven't borrowed from us in the last three years at 7.9% (8.19% APR), together with a very competitive interest rate for loans greater than €10,000. The introduction of the Cultivate farming loan has proved to be very popular with the farming community. Our Green Loan will be launched in January 2024.

So, if you are thinking of upgrading your car or planning a home improvement project, consider Link Credit Union as your loan provider. The benefits of borrowing from us are:

- Free Loan Protection Insurance (for eligible members)
- No set up fees
- No early repayment fees
- Flexible repayments options, including Direct Debits, Wage Deduction, Debit Card or Counter payments or via our express lodgement boxes
- Full online loans process, including applying for and drawing down your loan funds
- Shares secured loans where you retain your savings and borrow against them at a reduced rate
- Loan decisions within 24 to 48 hours on receipt of all required loan documentation

We have an easy loan application process with many ways of applying:

- You can apply online via our Mobile app or via our website www.linkcu.ie; once you have registered for our online services. Loan documents can be uploaded securely through the on-line platform.
- Alternatively, members can download a loan application form from our website and email the scanned copy with the required documents back to the lending unit on lending@linkcu.ie.
- Members can also avail of our loan packs which are available in the loan stands in our offices. The loan form can be completed and returned with all required documents in the green envelope provided. This can then be dropped into our express drop/lodgement boxes without the need to queue at the counter.

A member of our Lending Team will contact you with a loan decision, usually within 24 to 48 hours of receiving all the required loan documentation.

Remember with rising day to day costs, loan income is essential for the continued operation of the credit union.

Did you know that you can avail of an instant loan where you can borrow up to the amount of your savings at our lowest interest rate of 4.9% (5.01% APR). As this loan is fully secured, no income documentation is required. And it's a great way of letting your savings work for you.

We would like to remind members that we have funds available to meet all your lending needs and hope you will consider Link Credit Union for your future lending requirements.

To contact our lending team, you can:

- Email our lending unit at lending@linkcu.ie, or
- Phone our team directly on 042 967 5000 and choosing Option 3

The Credit Committee would like to thank the Board of Directors, Board Oversight Committee, Management and Staff, especially the Lending Team, for their assistance throughout the year, and to you our members for your continued support.

Angela Rice
Chairperson

CREDIT CONTROL COMMITTEE REPORT

The Credit Control Committee is appointed by the Board of Directors and their role is to ensure that loans are repaid by members in accordance with the terms of their credit agreements.

The aim of the Credit Control Committee is to work with and help members who fall into financial difficulties to find a solution to ensure loans are being repaid and are not placing additional stress on members.

As a Credit Union, they have an obligation to members to ensure that every effort is made to:

- Minimise the level of charged off loans
- Maximise the recovery of previous charged off loans
- Ensure adequate provisioning for non-performing loans

The committee are pleased to report that the loan repayment performance of our members is both positive and encouraging.

During the year, 26 non-performing loans amounting to €123,758 were charged off the balance sheet, this compares with €71,544 in the previous year.

Bad debt recovery from previously charged off loans amounted to €284,173 during the year compared to €177,251 in the previous year.

The Committee understand that there may be times when unforeseen changes in your circumstances may put a huge strain on your finances. If you are experiencing financial difficulty, please contact the Credit Control Department as soon as possible and they will work with you to try to alleviate some of your financial stress. The committee are satisfied that the credit control function is operating efficiently and appropriately. And that all efforts are made to receive full repayments for outstanding loans.

The Credit Control Committee would like to thank the Board of Directors, Board Oversight Committee, Management and Staff, especially the Credit Control staff, for their assistance throughout the year, and to you our members for your continued support.

On behalf of the Credit Control Committee

Catherine Finnegan
Chairperson



MEMBERSHIP COMMITTEE REPORT

Membership of Link Credit Union continued to grow during 2023. We are delighted to welcome our new members and hope they enjoy a long and successful relationship with us. Our total membership now stands at 24,427.

In addition to providing in-branch services, Link Credit Union offers a suite of online products including our loan from home, bill payments and full-service current account, with Mastercard Debit Card®, which offers Apple Pay, Google Pay™ and Fitbit Pay™.

DORMANT ACCOUNTS

A members account is flagged as Dormant if there has been no member-initiated transaction for a period of 3 years as per the Standard Rules for Credit Unions. We write to members to give them advance notice of this potential change to their account status. The following documentation is required to prevent the account going Dormant, or to re-activate the account from dormant status:

- up to date photographic ID
- proof of address
- evidence of PPS number if not already held on file

Members are then required to complete a transaction.

All members are asked to provide the credit union with up-to-date identification periodically. Members who are registered for our Online Banking services can now do this by uploading documents in our secure online area, that will be validated by a credit union officer.

MINIMUM SHARE BALANCE

Link Credit Union has a Minimum Shares requirement of €10, for membership. If a members share balance falls below this figure, they are no longer deemed a member and their account will be closed. It is the members responsibility to ensure they maintain a balance of €10 in their Share account. There is an annual deduction of €1.00 from their Share account after our AGM, towards the Affiliation Fee payable to the Irish League of Credit Unions.

FORM OF NOMINATION

We would like to remind members you can make a nomination on your account. This is entirely separate to a Will and deals specifically with the dispersal of the members savings held in the Credit Union after they have passed away.

We would now like to take a moment to remember all our members who passed away during the year.

The Membership Committee would like to thank the Board of Directors, Board Oversight Committee, Management and Staff for their assistance throughout the year, and to you our members for your continued support.

On behalf of the Membership Committee

Mairead McGuirk
Chairperson

HAVE YOU MADE A NOMINATION?

A nomination on your account relates to the process for release of your funds in the event of your death. All members should consider completing an up to date nomination.

- The statutory maximum amount that can pass under a nomination is currently €23,000
- A nomination must be in writing – you can get a nomination form in any of our offices or on our website
- A nomination is not revocable or variable by the terms of your will or a codicil to your will
- A nomination is automatically revoked when your nominee dies before you
- A nomination is automatically revoked by your subsequent marriage
- If your marital status changes (e.g. divorce or separation) you should review your nomination
- A person under 16 years of age cannot make a valid nomination
- You can check who your nominee is at any of our offices. If you need to change your nomination you can complete a new form and we will update your account
- Nomination Forms must be witnessed by a credit union official

ARE YOUR ACCOUNT DETAILS UP TO DATE

We ask members to ensure that their identification documentation is on file and kept up to date. By law we are required to have both up-to-date valid Photo ID and Address Verification for all our members.

We require the following:

- Photo ID - current driving licence or passport.
- Proof of Address – utility bill/bank statement/Government letter dated within the last 3 months.
- PPS number (if not already held on file) – pay slip/P45/Medical Card/Government Letter. We cannot accept the Public Services Card.

You can present your documents to any of our offices and staff will update your records. Alternatively, you can go to our online banking and upload your documentation from the comfort of your own home.

Scan the QR code to Register for Online Banking



Keep Your Account Details Up To Date



**DEATH BENEFIT INSURANCE****

A member must retain a Share Account balance of €25 to be considered for this cover (additional T&Cs apply). The level of cover is currently €1,300, and is provided to our Members at no additional cost. Payment will be made directly to the individual who settles the Members funeral costs.

**CENTRAL CREDIT REGISTER INFORMATION**

In line with the introduction of the new Central Credit Register Database, Link Credit Union Limited is obliged to obtain and report data relating to all loan applicants with a loan balance of €500 or more. Link Credit Union Limited is obliged to run a Central Credit Register enquiry on all loans of €2,000 and over. In order for Link Credit Union Limited to fulfil its regulatory requirements we must obtain proof of a members PPSN. Please note Link Credit Union Limited have strong controls in place to ensure sensitive data, such as your PPSN information, are protected.

**GENERAL DATA PROTECTION REGULATION**

Link Credit Union Limited is required to ensure that current and accurate information is recorded and retained for our members. You may be asked to provide us with up to date forms of identification, or proof of address to assist us in meeting this requirement, and we appreciate your co-operation with this.

**ANNUAL AFFILIATION FEE TO ILCU**

After our AGM, the sum of €1 is debited from all adult members' Share Accounts, to meet this cost. Members will need to ensure that they maintain the Minimum Share requirements for DBI & LP/LS benefits**.

**MINIMUM SAVINGS REQUIREMENT**

Members are required to maintain a minimum balance of €10 in their Share Account to retain membership of Link Credit Union Limited. If your share balance falls below this amount, your membership will cease and the account will be closed. By retaining this balance, the member may be eligible for Loan Protection & Life Savings cover*.

**LOAN PROTECTION***

Eligible members are provided with this cover, at no additional cost (*T&C apply). The Loan Protection Insurance will cover the reducing balance of your loan account, in the event of your death.

**DORMANT ACCOUNTS**

If a members account has had no member-initiated transactions, for a period of 3 years, it will be flagged as dormant. The member will be notified by letter, to their last known address on file. To re-activate the account the member must call into any Link Credit Union Limited office with up to date photographic ID, proof of address and evidence of their PPS No and must complete a transaction on their account. Please allow sufficient time to undertake this process at the counter.

DONATIONS AND PROMOTIONS COMMITTEE REPORT

Our Donations and Promotions Committee assess requests made for sponsorship or donations to Link Credit Union Ltd. We aim to help and support local organisations, clubs, charities and community groups which provide you with services and activities. We are proud to be involved with these organisations and to give back into our local communities.

In 2023, we donated €17,467 to organisations and groups throughout our local areas. Donation and Sponsorship request forms are available in our offices or can be downloaded from our website. This year we sponsored the St Patricks Day Parades in Mullagh, Kingscourt, Bailieborough and Cootehill. All local committees were very appreciative of the sponsorship.

Our annual Step-Up Grants were popular again this year for students transitioning from 6th class to 1st year in secondary school. We gave 10 Step-Up grants at €200 each, and the students came into the offices to collect a certificate and get photos. Our annual Third Level Scholarships also ran, awarding €1,000 each to 10 students including two who had drawn down an Educational Loan. Congratulations to all our lucky winners and we hope that it can help towards your education costs.

We ran our Annual Art Competition which showcased some fantastic pieces of art. We are very proud of the local young artists in our area, and we love being able to nurture this talent. Many thanks to the teachers in local schools who encourage the students to take part. Congratulations to all our winners this year.

We run monthly campaigns promoting our various range of services available in our offices and online. Our Current Account continues to be a priority as it remains one of the cheapest on the market at €4 a month. We offer both a secure mobile app and 3 physical offices for face-to-face service to further enhance this offering. Link Credit Union can meet all your banking needs. For more information on this visit our website: www.linkcu.ie.

Other campaigns included promoting our Savings Secured Loans, our Welcome Loan which is very popular and our special rate for loans over €10,000. Our Cultivate Farm Finance loan is also very popular amongst our farming members. We again took the opportunity to attend the Virginia Show, in conjunction with Cavan Credit Union, which we felt was beneficial to promote our Cultivate Loan.

Our annual School Quiz was back again in January for the first time in-person since Covid. We held it on Friday 26th January in Kingscourt. We had 18 schools participating with over 120 children. Thanks to Jim Kearns who was our fantastic Quizmaster and the staff and Board members who assisted on the night. Our winning A and B team went through to the Chapter level but were not successful. We look forward to the School Quiz again in 2024.

Our Calendar Competition ran again this year, and we had a great input from members across the common bond sending in their photos. Calendars will be available in all offices for members to collect. We continue to promote the use of our Link Credit Union App where members can access their statements, apply for a loan, arrange direct debit and more. We encourage members to download the app if they have not done so already.

Finally, the Donations and Promotions Committee would like to thank the Board of Directors, Board Oversight Committee, Management and Staff especially our Marketing and Youth Officers, for their assistance throughout the year, and to you our members for your continued support.

On behalf of the Donations and Promotions Committee

Patricia Wakely
Chairperson




CAR DRAW WINNERS



Barbara Gaynor
October 2022 Winner



Brian Caffrey
December 2022 Winner



Amy Lynch
February 2023 Winner



Michael McKeever
April 2023 Winner



Kathleen Coleman
June 2023 Winner



Breda McEvoy
August 2023 Winner

INDEPENDENT AUDITORS REPORT

TO THE MEMBERS OF LINK CREDIT UNION LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the Financial Statements of Link Credit Union Limited for the year ended 30th September 2023, which comprise the Income and Expenditure Account, Balance Sheet, Statement of Changes in Reserves and Cash Flow Statement and notes to the financial statements, including the summary of significant accounting policies set out in note 2. 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 state of the Credit Union's affairs as at 30th September 2023 and of its income and expenditure and cash flows 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 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.

CONCLUSION 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.

Opinions on the 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 considered were 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, 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 controls as they determine is necessary to enable the preparation of the financial statements that are free from material misstatements, whether due to fraud or error.

In preparing for 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 and 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.

Further details relating to our work as auditor is set out in the Scope of Responsibilities Statement contained in the appendix of this report, which is to be read as an integral part of our report.

Purpose of our audit work and to whom we owe our responsibilities

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

Paul Rundle FCCA - Statutory Auditor

For and on behalf of

J.P. Rundle & Co.

Chartered Certified Accountants and Registered Auditors,

Moore Hall,

Ardee,

Co. Louth.

24th November 2023

APPENDIX TO THE INDEPENDENT AUDITORS' REPORT

Further information regarding the scope of our responsibilities as auditor

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



FINANCIAL STATEMENTS

Income & Expenditure Account For the year ended 30th September 2023

Income	Schedule	2023 €	2022 €
Interest on members' loans	1	2,621,719	1,661,812
Other interest and similar income	2	1,256,256	641,516
Net interest income		3,877,975	2,303,328
Other income	3	251,123	570,823
Total Income		4,129,098	2,874,151

Expenditure

Salaries, pension and other wage costs		1,232,650	870,557
Pension scheme deficit (note 26)		-	717,742
Other management expenses	4	2,059,870	1,242,778
Depreciation		38,106	67,674
Impairment of fixed assets		-	10,133
Net impairment losses/(gains) on loans to members (note 6)		64,645	(111,891)
Total Expenditure		3,395,271	2,796,993

Statement of comprehensive income For the year ended 30th September 2023

	2023 €	2022 €
Surplus for the financial year	733,827	77,158
Other comprehensive income	-	-
Total comprehensive income for the year	733,827	77,158

On behalf of the Credit Union on 16th November 2023

Michael Donohoe
Chairperson of the
Board of Directors

Darragh Smith
Chairperson of the Board
Oversight Committee

Angela Rice
CEO

FINANCIAL STATEMENTS

Balance Sheet

As at 30th September 2023

Assets	Notes	2023 €	2022 €
Cash and balances at bank	7	8,113,247	3,443,124
Deposits and investments – Cash Equivalents	7	22,998,301	7,808,459
Deposits and investments – other	8	100,977,532	90,208,320
Loans to members	10	36,432,929	19,511,703
Less: Impairment of Bad and Doubtful Debts	11	(2,996,328)	(1,511,260)
Members' overdrawn current accounts	16	1,250	1,297
Tangible Fixed Assets	13	1,094,051	650,099
Prepayments and Accrued Income	14	159,541	95,445
Total Assets		166,780,523	120,207,187
Other Liabilities			
Other Liabilities and Charges	15	3,151,022	1,101,961
Bank Overdraft		205,654	82,000
		3,356,676	1,183,961
Members' Liabilities			
Members' Savings	16	119,937,732	85,975,241
Members' EFT Accounts	16	16,181,830	12,130,357
Members' Current Accounts	16	4,160,521	2,913,127
Total Liabilities		143,636,759	102,202,686
Members Resources/Reserves			
Regulatory reserves		17,369,794	13,129,156
Operational risk reserve		650,000	500,000
MPCAS Reserve		200,000	200,000
Other reserves Retained Earnings			
- Realised reserves		4,762,115	4,111,118
- Unrealised reserves		161,855	64,227
Total Reserves		23,143,764	18,004,501
Total Liabilities and Reserves		166,780,523	120,207,187

On behalf of the Credit Union on 16th November 2023

Michael Donohoe
Chairperson of the
Board of Directors

Darragh Smith
Chairperson of the Board
Oversight Committee

Angela Rice
CEO



FINANCIAL STATEMENTS

Statement of changes in reserves For the year ended 30th September 2023

MOVEMENT IN RESERVES

	Regulatory Reserve €	MPCAS Reserve €	Operational Risk reserve €	Dividend Reserve €	Unrealised Reserves €	Unallocated Surplus €	Total Reserves €
As at 1 October 2021	12,129,156	200,000	500,000	255,833	-	4,842,354	17,927,343
Surplus for the year	-	-	-	-	-	77,158	77,158
Dividends paid during the year	-	-	-	-	-	-	-
Loan Interest rebate paid during the year	-	-	-	-	-	-	-
Transfer between reserves	1,000,000	-	-	-	64,227	(1,064,227)	-
Closing Balance at 30 September 2022	13,129,156	200,000	500,000	255,833	64,227	3,855,285	18,004,501
Opening Balance at 1 October 2022	13,129,156	200,000	500,000	255,833	64,227	3,855,285	18,004,501
Surplus for the year	-	-	-	-	-	733,827	733,827
Dividends paid during the year	-	-	-	-	-	-	-
Loan Interest rebate paid during the year	-	-	-	-	-	-	-
Arising on Transfer	4,240,638	-	150,000	-	16,794	(1,996)	4,405,436
Transfer between reserves	-	-	-	-	80,834	(80,834)	-
Closing Balance at 30th September 2023	17,369,794	200,000	650,000	255,833	161,855	4,506,282	23,143,764

- The Regulatory reserve of the credit union as a % of total assets as at 30 September 2023 was 10.41% (2022: 10.92%) which is in excess of the 10% required limit.
- In accordance with Section 45 of the Credit Union Act 1997 as amended Link Credit Union Limited put in place an Operational Risk Reserve. (This represents 0.39% of Total Assets)
- In accordance with Central Bank Requirements Link Credit Union Limited put in place an MPCAS Operational Risk Reserve. (This represents 0.12% of Total Assets)
- Transfer of engagements are accounted for using the acquisition method of accounting. This involves recognising identifiable assets and liabilities of the acquired credit unions at fair value. In applying the acquisition of accounting for these business combinations, the member interests transferred by the credit union represents the consideration transferred for the net asset acquired. This consideration has been estimated as equivalent to the acquisition date fair value of the members' interests in the transferor credit union (the fair value of the transferor credit union) at the date of the transfer, and is reflected as an adjustment in reserves.

FINANCIAL STATEMENTS

Cash Flow Statement

For the year ended 30th September 2023

		2023	2022
	Notes	€	€
Cash flows from operating activities			
Operating Surplus		733,827	77,158
Depreciation	13	38,106	67,674
Impairment of fixed asset		-	10,133
Impairment of bad and Doubtful debts	11	394,572	91,835
Profit disposal on Fixed Asset		(57,632)	-
Net cash inflow from trading activities		1,108,873	246,800
New loans to members	10	(18,097,360)	(10,241,770)
Repayment of members loans	10	13,274,272	9,169,361
Dividend and interest rebate		-	-
Net movement in other assets		(19,074)	(2,323)
Net movement in other creditors		293,207	697,335
Net movement in EFT accounts	16	4,051,473	2,459,957
Net movement in current accounts	16	1,247,441	1,640,994
Net cash flows from operating activities		1,858,832	3,970,354
Cash flows from investing activities			
Purchase of property, plant and equipment	13	(24,991)	(3,426)
Sale proceeds of Sale property		215,356	-
Net movement in investments		15,809,782	(11,380,454)
Net cash generated from investing activities		16,000,147	(11,383,880)
Cash flows from financing activities			
New shares by members	16	43,599,481	26,804,612
Repayment of shares	16	(43,909,519)	(26,092,390)
Net cash generated from financing activities		(310,038)	712,222
Net increase/(decrease) in cash and cash equivalents		17,548,941	(6,701,304)
Cash and cash equivalents from transfer of engagements		2,187,370	-
Cash and cash equivalents at 1st October		11,169,583	17,870,887
Closing cash and cash equivalents at 30th September		30,905,894	11,169,583



NOTES TO THE FINANCIAL STATEMENTS

For year ended 30th September 2023

1. LEGAL AND REGULATORY FRAMEWORK

Link Credit Union Limited is established under the Credit Union Act 1997, as amended. Link Credit Union Limited is registered with the Registrar of Credit Unions and is regulated by the Central Bank of Ireland. The principal place of business is Main Street, Kingscourt, Co. Cavan.

2. ACCOUNTING POLICIES

Statement of compliance and basis of preparation

These financial statements have been prepared in accordance with FRS 102 (the Financial Reporting Standard applicable in the UK and Republic of Ireland). The financial statements are prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

Currency

The financial statements are prepared in Euro, which is the functional currency of the Credit Union. Monetary amounts in these financial statements are rounded to the nearest Euro.

Going concern

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

Income

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.

Investment Income

Investment income is recognised on the accruals basis.

Other Income

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

Dividends to members and loan interest rebates

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

The rate of dividend and loan interest rebate recommended by the Board of Directors will reflect:

- the risk profile of the Credit Union, particularly in its loan & investment books;
- 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 the reserves to absorb unexpected shocks and still remain above the minimum regulatory requirements.

Link Credit Union Limited accounts for dividends and rebates of loan interest when members ratify such payments at the Annual General Meeting.

Taxation

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

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:

Land	No Depreciation	
Buildings	50 years	2% Straight line
Fixtures & Fittings	5 years	20% Straight line
Computer	3 years	33.33% Straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the Income and Expenditure Account.

Impairment of tangible fixed assets

At each reporting date, Link Credit Union Limited reviews the carrying value of its tangible fixed 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.

Cash and cash equivalents

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

Financial instruments

The Credit Union has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised when the Credit Union becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when, and only when, there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously. Financial assets and liabilities are classified according to the substance of the contractual arrangements entered into.

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 - Financial Assets

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.

Investments

Investments are accounted for differently depending on how the different investments are designated at the outset and based on meeting certain criteria. The Credit Union uses the following accounting methods:

- a. Held at Amortised Cost
Investments 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 un-collectability. This effectively spreads out the return on such investments over time, but does take account immediately of any impairment in the value of the investment.
- b. Investments at Fair Value
Investments held which are considered non-basic financial instruments under Section 11 of FRS 102 and investment in stock market shares (i.e. non-convertible preference shares and non-puttable ordinary shares or preference shares) are included in this category. They are valued at fair value (market value) at the year-end date and all gains and losses are taken to the Income and Expenditure Account. The fair value of quoted investments is determined by reference to bid prices at the close of business on the Balance Sheet date.
- c. Central Bank Deposits
Credit Unions are obliged to maintain certain minimum deposits with the Central Bank but may also hold an excess over the regulatory minimum. The regulatory minimum deposits are technically assets of the Credit Union but to which the Credit Union has restricted access. The regulatory minimum portion will not ordinarily be returned to the Credit Union while it is a going concern and are separately identified in note 8. Funds held with the Central Bank in excess of the regulatory minimum requirements are fully available to the credit union and are therefore treated as cash equivalents and included with other on demand cash deposits with banks. The amounts held on deposit with the Central Bank are not subject to impairment reviews.

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. Other income such as commission receivable on insurance products and foreign exchange services arise in connection to specific transactions. Income relating to individual transactions is recognised when the transaction is completed. Other income also includes current account fees.

Impairment of financial assets

Link Credit Union Limited assesses, at each balance sheet date, if there is objective evidence that any of its financial assets are impaired. That means that as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. In the case of impairment of loans to members, 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. Any 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. If there is a decrease in the impairment loss arising from an event occurring after the

impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in the Income and Expenditure Account.

De-recognition of financial assets

Financial assets are de-recognised 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 of 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 third party. In the case of loans to members, loans are de-recognised when the right to receive cash flows from the asset have expired, usually when all amounts outstanding have been repaid by the member. Link Credit Union Limited does not transfer loans to third parties.

Basic financial liabilities

Basic financial liabilities are initially recognised at the transaction price, including transaction costs, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at present value of the future payments discounted at a market rate of interest. Financial liabilities are subsequently carried at amortised cost using the effective interest method.

Financial liabilities - members' shares

Member's shareholdings in Link Credit Union Limited are redeemable and therefore are classified as financial liabilities. They are initially recognised at the amount of cash deposited and subsequently measured at amortised cost.

Members' current accounts

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

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.

De-recognition of financial liabilities

Financial liabilities are de-recognised when the obligations of the Credit Union specified in the contract are discharged, cancelled or expire.

Employee benefits

Pension scheme

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

The scheme is a multi-employer defined benefit Scheme and at present, there is insufficient information for Link Credit Union Limited to separately identify its share of the Scheme's underlying assets and liabilities. Consequently, the Scheme is currently accounted for as a defined contribution plan.

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

Short Term Employee Benefits

The cost of short term employee benefits, including holiday pay, are recognised as a liability and



as an expense 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.

Reserves

Reserves/retained earnings are the accumulated surpluses to date that have not been declared as dividends returnable to members. The reserves are subdivided into realised and unrealised in accordance with the Central Bank Guidance Note for Credit Unions on Matters Relating to Accounting for Investments and Distribution Policy.

Regulatory reserve

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

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. Link Credit Union Limited uses the Basic Indicator Approach as set out in the operational risk measurements proposed under Basel II capital adequacy rules for banking institutions in calculating the Operational Risk Reserve which will at a minimum equal 15% of the average gross income for the previous three years. For any year which there was a deficit, this will be excluded from the calculation.

Dividend reserve, General reserve and unallocated surplus

The dividend reserve and unallocated surplus are the accumulated surpluses to date that have not been declared as dividends or loan interest rebate returnable to members or set aside to the Regulatory or Operational Risk reserves.

Unrealised reserves

Investment income that has been recognised but will not be received within 12 months of the balance sheet date is classified as 'unrealised' and is not distributable as a dividend in accordance with the Central Bank direction. All other income is classified as 'realised'.

A reclassification between unrealised and realised is made as investments come to within 12 months of maturity date.

Transfer of engagements

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

3. USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of certain accounting estimates. It also requires the Directors to exercise judgment in applying Link Credit Union Limited'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:

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

The annual depreciation charge depends primarily on the estimated lives of each type of asset and, in certain circumstances, estimates of residual values. The useful lives are regularly

reviewed and changed if necessary to reflect current conditions. In determining these useful lives, technological change, patterns of consumption, physical condition and expected economic utilisation of the assets are considered. Changes in the useful lives can have a significant impact on the depreciation charge for the financial year.

Impairment losses on loans to members

The Credit Union's accounting policy for impairment of financial assets is set out in the accounting policies. 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 with the emphasis on weeks in arrears and other observable credit risk metrics. 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 along with the Credit Union's judgement of relevant conditions in the wider technological, market, economic or legal environment in which the Credit Union operates. 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. 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.

Pensions

Link Credit Union Limited participates in an industry-wide pension scheme for employees (The Irish League of Credit Unions Republic of Ireland Pension Scheme). This is a funded scheme of the defined benefit type, with assets invested in separate trustee administered funds. Judgement is required to assess whether Link Credit Union Limited has sufficient information to enable it to account for the plan as a defined benefit plan. An assessment has been performed of the information currently available and Link Credit Union Limited has determined that there is currently insufficient information available to provide an appropriate allocation of pension assets and liabilities.

Operational risk reserve

The directors have considered the requirements of the Credit Union Act 1997, as amended and have considered an approach to the calculation of the operational risk reserve based on the indicative guidance issued by the Central Bank.

4. TRANSFER OF ENGAGEMENTS

On 11th November 2022 Link Credit Union (LCU) accepted the transfer of Cootehill Credit Union (CCU). The assets and liabilities of CCU at the date of transfer were incorporated into the balance sheet of LCU at that date. LCU did not pay any consideration in respect of the transfers of engagements. On the date of transfer, the members of CCU became members of LCU, and thereby became entitled to member interest associated with such membership.

In applying the acquisition method of accounting for this business combination, the members' interests transferred by LCU represents the consideration transferred for the net assets acquired. This consideration has been estimated as equivalent to the acquisition date fair value of the members' interests in CCU at the date of transfer and is reflected as an adjustment in reserves in note 18.



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

Fair Value acquired by LCU

Tangible fixed assets	614,791
Cash on hand and at bank	2,187,370
Deposits and investments	25,015,155
Central Bank Deposits	1,563,839
Debtors, prepayments and accrued income	45,022
Loans to members	12,221,896
Provision for bad debts	(1,214,254)
Members' savings	(34,272,529)
Pension exit costs	(1,267,000)
Other liabilities, creditors, accruals and charges	(488,854)
Total Net Assets Transferred	4,405,436

5. KEY MANAGEMENT REMUNERATION

The Directors of Link Credit Union Limited are all unpaid volunteers. Remuneration of the key management team for Link Credit Union Limited is as follows:

	2023	2022
	€	€
Short term employees benefits paid to key management	391,834	273,349
Payments to defined contribution/benefit pension scheme	36,632	34,406
Total key management personnel compensation	428,466	307,755

6. NET IMPAIRMENT (GAINS)/LOSS ON LOANS TO MEMBERS

	2023	2022
	€	€
Bad Debts recovered	(284,173)	(177,251)
Impairment of loan interest reclassified as bad debt recoveries	(45,754)	(26,475)
Movement in loan provisions for the year	270,814	20,291
Loans charged off	123,758	71,544
Net impairment (gains)/loss on loans to members	64,645	(111,891)

7. CASH AND CASH EQUIVALENTS

	2023	2022
	€	€
Cash balances	8,113,247	3,443,124
Deposits and investments cash equivalents	22,998,301	7,808,459
Total cash & cash equivalents	31,111,548	11,251,583
Less Bank overdraft	(205,654)	(82,000)
Total cash & cash equivalents	30,905,894	11,169,583

Deposits and investments included under cash and cash equivalents above are those with maturity of less than or equal to 3 months.

8. DEPOSITS AND INVESTMENTS

	2023	2022
	€	€
The credit union has the following investments:		
Irish and EEA State Securities	2,301,642	2,312,475
Accounts in Authorised Credit Institutions	85,420,989	69,355,106
Bank bonds	29,892,021	24,512,792
Other	4,428,354	-
Central Bank deposits	1,932,827	1,836,406
Total deposits and investments	123,975,833	98,016,779
Less: Deposits and investment cash equivalents	(22,998,301)	(7,808,459)
Deposits and Investments - Other	100,977,532	90,208,320

9. DIVIDEND AND LOAN INTEREST REBATE

The dividends and loan interest rebate for the current and prior year periods are detailed below:

Paid during the year

There were no dividends or loan interest rebates paid in 2022 or 2023.

Proposed, but not recognised

There were no dividends or loan interest rebates proposed in 2022.

The Directors propose the following distributions for the year:

	2023	2023
	%	€
Dividend on Shares	0.05%	60,108
Loan interest rebate	5.00%	136,213

The dividend and any loan interest rebate are formally proposed by the directors after the year end and are confirmed at an AGM of the members. As a result the proposed dividend for the current year does not represent a liability at the balance sheet date and the dividend included in the Statement of Reserves in the current year relates to dividends paid to members for the prior year.

10. FINANCIAL ASSETS – LOANS TO MEMBERS

	2023	2022
	€	€
As at 1 October	19,511,703	18,510,838
Advanced during the year	18,097,360	10,241,770
Repaid during the year	(13,274,272)	(9,169,361)
Loans charged off during the year	(123,758)	(71,544)
Loans transferred from Cootehill Credit Union	12,221,896	-
Gross loans and advances	36,432,929	19,511,703
Impairment Losses		
Individual financial assets	(1,367,847)	(767,010)
Group financial assets	(1,628,481)	(744,250)
Loan provision	(2,996,328)	(1,511,260)
Net loans as at 30 September	33,436,601	18,000,443

**11. MOVEMENT IN IMPAIRMENT FOR DOUBTFUL DEBTS**

	2023	2022
	€	€
Opening impairment	1,511,260	1,490,969
Bad debts incurred during the year	(123,758)	(71,544)
Increase/decrease in impairment	394,572	91,835
Bad debt provision transferred Cootehill Credit Union	1,214,254	-
Closing impairment	2,996,328	1,511,260

The current impairment in the financial statements is €2,996,328 (2022: €1,511,260), and represents 8.22% (2022: 7.74%) of the total loan book. The provision for bad debts is analysed in note 12.

12. CREDIT RISK DISCLOSURES

The majority of Link Credit Union Limited's loans to members are unsecured, except that there are restrictions on the extent to which borrowers may withdraw their savings whilst loans are outstanding. A small number of loans are secured by property.

The Credit Union complies with Section 12 of the Credit Union Act 1997 (Regulatory Requirements) Regulations 2016. This regulation:

- restricts the concentration of lending by the credit union within certain sectors or to connected persons or groups (concentration limits);
- restricts the absolute amount of lending to certain sectors to a set percentages of the regulatory reserve (large exposure limit);
- restricts the loan duration of certain loans to specified limits (maturity limits); and
- requires specified lending practices to be in place where loans are made to certain sectors such as commercial loans, community loans or loans to another Credit Union.

The carrying amount of the loans to members represents Link Credit Union Limited's maximum exposure to credit risk. Where loans are not impaired it is expected that the amount repayable will be received in full. The following table provides information to the credit quality of loan repayments.

Gross Loans	2023	2023	2022	2022
Loans not impaired	€	%	€	%
Gross loans not impaired	26,947,793	73.97%	14,246,799	73.02%

GROSS LOANS IMPAIRED:

Not past due	1,844,119	5.06%	943,427	4.83%
Up to 9 weeks past due	6,635,054	18.21%	3,720,392	19.07%
Between 10 and 18 weeks past due	368,172	1.01%	271,472	1.39%
Between 19 and 26 weeks past due	111,333	0.31%	87,069	0.45%
Between 27 and 39 weeks past due	198,980	0.55%	111,037	0.57%
Between 40 and 52 weeks past due	48,919	0.13%	29,097	0.15%
53 or more weeks past due	278,559	0.76%	102,410	0.52%

Total impaired loans	9,485,136	26.03%	5,264,904	26.98%
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TOTAL GROSS LOANS	36,432,929	100%	19,511,703	100%
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Impaired Allowance	2023	2023	2022	2022
	€	%	€	%
Individual financial assets	1,367,847	45.65%	767,010	50.75%
Group financial assets	1,628,481	54.35%	744,250	49.25%
Total carrying value	2,996,328	100%	1,511,260	100%

Factors that are considered in determining whether loans are impaired are discussed in Note 3, dealing with estimates.

13. TANGIBLE FIXED ASSETS

Cost	Land & Buildings	Fixtures & fittings	Computer equipment	Total
	€	€	€	€
1 October 2022	752,476	221,637	410,538	1,384,651
Transfer	585,573	25,431	3,787	614,791
Additions	-	5,051	19,940	24,991
Disposals	(178,690)	-	-	(178,690)
At 30 September 2023	1,159,359	252,119	434,265	1,845,743
DEPRECIATION				
1 October 2022	116,252	221,453	396,847	734,552
Charge for year	13,534	4,759	19,813	38,106
Disposals	(20,966)	-	-	(20,966)
Impairment	-	-	-	-
At 30 September 2023	108,820	226,212	416,660	751,692
NET BOOK VALUE				
30 September 2023	1,050,539	25,907	17,605	1,094,051
30 September 2022	636,224	184	13,691	650,099

14. PREPAYMENTS AND ACCRUED INCOME

	2023	2022
	€	€
Sundry debtors and prepayments	29,979	14,505
SPS Refund	65,035	48,241
Accrued loan interest income	64,527	32,699
Total Prepayments & Accrued Income	159,541	95,445

15. OTHER LIABILITIES

	2023	2022
	€	€
PAYE/PRSI	24,044	17,826
Members' draw	-	170
Deficit pension scheme	1,233,042	717,742
Pension exits	751,700	-
Creditors and accruals	1,142,236	366,223
Total Other Liabilities	3,151,022	1,101,961

16. FINANCIAL LIABILITIES

Members' Savings	2023	2022
	€	€
As at 1 October	85,975,241	85,263,019
Members' savings transferred from Cootehill Credit Union	34,272,529	-
Received during the year	43,599,481	26,804,612
Repaid during the year	(43,909,519)	(26,092,390)
As at 30 September	119,937,732	85,975,241



Members' EFT accounts	2023	2022
	€	€
As at 1 October	12,130,357	9,670,400
Received during the year	40,420,074	23,987,893
Repaid during the year	(36,368,601)	(21,527,936)
As at 30 September	16,181,830	12,130,357

Members' Current accounts	2023	2022
	€	€
As at 1 October	2,911,830	1,270,836
Received during the year	20,825,642	10,169,215
Repaid during the year	(19,578,201)	(8,528,221)
	4,159,271	2,911,830
Members Overdrawn Current Accounts	1,250	1,297
As at 30 September	4,160,521	2,913,127

17. FINANCIAL INSTRUMENTS

17a. Financial Instruments - measured at amortised cost

Financial Assets	2023	2022
	€	€
Financial assets measured at amortised cost	168,588,294	121,021,144

Financial Assets

Financial liabilities measured at amortised cost	143,636,759	102,202,686
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Financial assets measured at amortised cost comprise of cash and balances at bank, deposits and investments, loans, members' current accounts overdrawn and other debtors.

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

17b. Financial Instruments - fair value measurements

FRS102 requires fair value measurements to be disclosed by the source of inputs, using a three level hierarchy:

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

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

At 30 September 2023	Total	Level 1	Level 2	Level 3
	€	€	€	€
Accounts in authorised credit institutions	7,781,505	-	7,781,505	-
Bank bonds	-	-	-	-
Collective investment schemes	-	-	-	-
Total carrying value	7,781,505	-	7,781,505	-

At 30 September 2022	Total	Level 1	Level 2	Level 3
	€	€	€	€
Accounts in authorised credit institutions	7,483,242	-	7,483,242	-
Bank bonds	-	-	-	-
Collective investment schemes	-	-	-	-
Total carrying value	7,483,242	-	7,483,242	-

There were no fair value movements recognised in the Income and Expenditure Account for the year ended 30 September 2023 and 2022.

18. RESERVES

	01.10.2022	Arising on Transfer of Engagements / Amalgamations	Appropriation of Current Year Surplus	Transfers Between Reserves	Balance 30.09.23
Regulatory Reserve	13,129,156	4,240,638	-	-	17,369,794
Operational Risk Reserve	500,000	150,000	-	-	650,000
MPCAS Reserve	200,000	-	-	-	200,000
Other Realised Reserves					
Undistributed Reserves	3,855,285	(1,996)	733,827	(80,834)	4,506,282
Other Realised Reserves					
Dividend Reserve	255,833	-	-	-	255,833
Total Realised Reserves	17,940,274	4,388,642	733,827	(80,834)	22,981,909
Unrealised Reserves					
Interest on loans reserve	-	-	-	64,527	64,527
Investment income reserve	15,986	-	-	16,307	32,293
SPS reserve	48,241	16,794	-	-	65,035
Total Unrealised Reserves	64,227	16,794	-	80,834	161,855
Total Reserves	18,004,501	4,405,436	733,827	-	23,143,764

**19. ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURES****19a. Financial risk management**

Link 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 Link Credit Union Limited's activities are credit risk, liquidity risk, market 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 Link Credit Union Limited, resulting in financial loss to the Credit Union. In order to manage this risk the Board approves Link Credit Union Limited'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.

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

Liquidity risk: Link Credit Union Limited'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 objective of the Credit Union's liquidity policy is to smooth the mismatches between maturing assets and liabilities and to provide a degree of protection against any unexpected developments that may arise. 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. Link Credit Union Limited conducts all of its transactions in Euro and does not deal in derivatives or commodity markets. Therefore Link Credit Union Limited is not exposed to any form of currency risk or other price risk.

Interest rate risk: Link Credit Union Limited'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 members' shares and on any loan interest rebate. Link Credit Union Limited does not use interest rate options to hedge its own positions.

19b. Interest rate risk disclosures

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

	2023		2022	
	Amount	Avg Interest Rate	Amount	Avg Interest Rate
	€		€	
Financial Assets				
Loans to members	36,432,929	8.00%	19,511,703	9.12%
Financial Liabilities				
Members' Savings	119,937,732	0%	85,975,241	0%

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.

19c. Liquidity risk disclosures

All of Link Credit Union Limited's financial liabilities are repayable on demand except for some members' shares attached to loans. The Credit Union retains, at all times, liquid assets amounting to a minimum of 20% of unattached savings.

19d. Fair value of financial instruments

Investments held which are considered non-basic financial instruments under Section 11 of FRS 102 are measured at fair value as set out in note 2 (Investments - b).

19e. Capital

The Credit Union maintains sufficient reserves to buffer itself against any losses on its members' loans and its investments. The current regulatory reserves are in excess of the minimum requirement set down by the Central Bank.

20. POST BALANCE SHEET EVENTS

There have been no significant events affecting the Credit Union since year end.

21. CONTINGENT LIABILITIES

There is a contingent liability included in the letter of authority held by Bank of Ireland with regard to Credit Card Services in the sum of €5,000, Electronic Funds Transfers €50,000 and Wages €60,000.

22. CAPITAL COMMITMENTS

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

23. RELATED PARTY TRANSACTIONS

	2023		2022	
	No of Loans	€	No of Loans	€
Loans advanced to related parties during the year	12	127,600	8	56,501
Total loans outstanding to related parties	20	197,246	15	123,174
Total provision for loans outstanding to related parties		9,237		4,641

The related party loans stated above comprise of loans to members of the board of directors, the management team and members of the family of the board of directors and the management team of Link Credit Union Limited. The total loans outstanding to related parties represents 0.54% of the total loans outstanding at 30th September 2023 (2022 - 0.63%). The total amount of shares held by related parties at the year end was €851,492 (2022 - €651,984).

24. INSURANCE AGAINST FRAUD

The Credit Union has insurance against fraud in the amount of €5,200,000 in compliance with Section 47 of the Credit Union Act 1997 as amended.

25. NON-AUDIT SERVICES

It is a requirement that any non audit services provided by the auditor be described in the financial statements. The auditor has provided assistance to the directors in respect of the preparation of these financial statements.



26. THE IRISH LEAGUE OF CREDIT UNIONS REPUBLIC OF IRELAND PENSION SCHEME

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

As this is a pooled scheme, Link Credit Union Limited remains liable to cover the cost of their share of any future increases in the total cost of providing pension payments to credit union employees who were part of the Scheme. Link Credit Union Limited could exit the Scheme and therefore never have to make a potential additional payment but exiting the Scheme would incur a substantial additional cost.

If credit union exits the Scheme, they are required to pay to the trustees the exit amount which the trustees determine is required to fund benefits in respect of their active, deferred and pensioner members. The exiting credit union thereby settles any liability they have to contribute to the Scheme in the future.

On 31 March 2022, the defined benefit scheme closed to future accrual. At the date of closure of the Scheme, there was a past service deficit which was allocated to each participating credit union by ILCU based on the total benefits earned by staff in each credit union. Link Credit Union Limited's allocation of that past service deficit as provided by ILCU on behalf of the Trustees is €717,742. At the time of the transfer of engagements Cootehill Credit Union's allocation of the past service deficit as provided by ILCU on behalf of the trustees was €515,300. Full exits costs were accrued in Cootehill Credit Union prior to the Transfer of Engagements to Link Credit Union of €1,267,000.

These amounts are included in the income and expenditure account for the financial year ended 30 September 2022, in accordance with the Central Bank year end circular. This has not been paid, as the pension deficit figure remains to be ratified. We have engaged independent legal and pension advisors to undertake a full review of this. In the interim we have taken the prudent approach outlined by the Central Bank "to the upfront recognition of associated financial impairments when credit unions have been advised of any pension deficits".

Any excess in this amount, as a result of the independent review referred to above, may be offset against any potential future exit costs.

27. PENSIONS

The Credit Union also operates a defined contribution scheme. The assets of the scheme are held separately from those of the Credit Union in an independently administered fund. Pension costs for the year amounted to €97,045 (2022 - €82,535).

28. COMPARATIVES

The comparative figures have been restated where necessary on a basis consistent with the current year presentation.

29. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved, and authorised for issue, by the Board on the 16th November 2023

Schedule 1 – Interest on members' loans

	2023	2022
	€	€
Closing accrued loan interest receivable	64,527	32,699
Loan interest received in the year	2,589,891	1,666,839
Opening accrued loan interest receivable	(32,699)	(37,726)
Total interest on members loans	2,621,719	1,661,812

Schedule 2 – Other interest income and similar income	2023	2022
	€	€
Investment Income received and receivable within 1 year	1,249,104	635,882
Investment Income receivable after 1 year	7,152	5,634
Total investment income	1,256,256	641,516

Schedule 3 – Other Income	2023	2022
	€	€
Commission	22,177	15,140
ECCU Refund	-	26,618
Business Account income	8,355	707
Fees	381	253
Cash over	395	385
Stabalisation Protection Scheme (SPS) Refunds	-	482,412
Profit on disposal of property	57,632	-
Other income	162,183	45,308
Total other income	251,123	570,823

Schedule 4 – Other Management Expenses	2023	2022
	€	€
Rent & Rates	19,391	9,811
Lighting, Heating and Cleaning	81,933	31,040
Repairs and Renewals	171,385	16,953
Printing, Stationery and Postage	57,058	31,582
Telephone	14,893	11,313
Donations and Sponsorship	30,872	19,858
ICB	-	447
Promotion and Advertising	35,019	43,640
Training Costs	11,544	19,424
Convention Expenses	2,029	2,406
AGM Expenses	27,421	20,569
Travel and Subsistence	10,803	566
Bank interest and charges	118,345	102,809
Audit Fee	21,870	21,525
General Insurance	68,020	42,803
LPLS and Death Benefit Insurance	312,880	210,466
Legal & Professional Fees	272,843	152,503
Computer Maintenance and Data Storage	433,528	243,864
Cash short	649	170
Miscellaneous Expenses	33,263	32,375
Affiliation Fees (Net)	62,696	28,948
SPS Contribution	11,260	7,428
SPS Repaid	13,208	5,359
Credit Institutions Resolution Fund Levy	37,453	28,283
Regulatory Levies	211,507	158,636
Total	2,059,870	1,242,778



MOTIONS TO AMEND STANDARD RULES

Motion 1

Rule 30 (1)(a)

That this Annual General Meeting amends Rule 30 of the Standard Rules for Credit Unions (Republic of Ireland) by the deletion of the following Rule 30 (1)(a)

(1) (a) Provided a share dividend has been declared in accordance with the Act, the directors may recommend to the annual general meeting for approval a refund to the members on record as of the end of each financial year who have been borrowers during such year of a percentage of interest which such borrowers have paid during such year, and such rate of refund shall apply to all such member borrowers. Where a credit union operates a system whereby different rates of interest are charged for different classes of loans, the board of directors may recommend a different rate of refund applicable to each class of loan. Such refunds shall apply to all member borrowers in each class of loan.

And by the insertion of the following Rule 30 (1)(a) to read:

(1) (a) The directors may recommend to the annual general meeting for approval a refund to the members on record as of the end of each financial year who have been borrowers during such year of a percentage of interest which such borrowers have paid during such year, and such rate of refund shall apply to all such member borrowers. Where a credit union operates a system whereby different rates of interest are charged for different classes of loans, the board of directors may recommend a different rate of refund applicable to each class of loan. Such refunds shall apply to all member borrowers in each class of loan."

Motion 2

Rule 40(2):

That this Annual General Meeting amends Rule 40 (2) to read as follows:

At the time of the adoption of these rules, the board of directors shall consist of 7, 9 or 11 members, all of whom shall be members of the credit union.

Motion 3

Rule 53(1):

That this Annual General Meeting amends Rule 53(1) to read as follows:

The credit union shall have a board oversight committee which shall consist of 3 or 5 members and shall have the general duty of overseeing the performance by the directors of their functions.

Motion 4

That this Annual General Meeting, in accordance with Section 44 of the Credit Union Act 1997 (as amended), establish a special fund to be maintained separately from the rest of the Credit Union finances and to be used by the Credit Union, for social, cultural or charitable purposes (including community development).

Motion 5

That, in the event that Motion 4 is carried, the social, cultural or charitable purposes (including community development) for which the fund so established may be used, shall be of such general nature as the Board may from time to time decide.



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Car Draw Accounts:

	2023	2022
Car Draw	€	€
Opening Balance 1st October	170	385
Member Contributions	134,426	132,690
Prizes	(134,596)	(132,905)
Closing Balance 30th September	-	170

* Terms and Conditions apply

Christmas Opening Hours

Saturday 23 rd Dec	9.30am–1.30pm
Monday 25 th Dec	CLOSED
Tuesday 26 th Dec	CLOSED
Wednesday 27 th Dec	CLOSED
Thursday 28 th Dec	10am-1.30pm, 2.30pm-5pm
Friday 29 th Dec	9.30am-1.30pm, 2.30pm-5pm
Saturday 30 th Dec	CLOSED
Monday 1 st Jan	CLOSED
Tuesday 2 nd Jan	10am-1.30pm, 2.30pm-5pm

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