# BARBADOS CO-OPERATIVE & CREDIT UNION LEAGUE LIMITED

## 2017 Annual General Meeting

**October 28, 2017**

**Lloyd Erskine Sandiford Centre**
**Two Mile Hill**
**St. Michael**

# 2017 ANNUAL REPORT

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## PRAYER OF ST. FRANCIS OF ASSISI

**1**

LORD, make me an instrument of thy peace,
Where there is hatred, let me sow love,
Where there is injury, pardon;
Where there is doubt, faith;
Where there is despair, hope;
Where there is darkness, light; and
Where there is sadness, joy.

**2**

O, Divine Master, grant that I may not
So much seek to be consoled as to console;
To be understood as to understand;
To be loved as to love;
For it is in giving that we receive;
It is in pardoning that we are pardoned;
And it is in dying, that we are born to eternal life.

## VISION STATEMENT

To be the leading trade association and provider of developmental solutions in the financial services arena.

## MISSION STATEMENT

The Barbados Co-operative & Credit Union League Ltd. is the trade association of the co-operative movement which supports the development of co-operatives, advocates for an enabling environment, defends the interests of co-operatives and contributes to building the profile of the movement in the eyes of the wider Barbadian community and beyond.

## CORPORATE INFORMATION

**BANKERS:**

**Republic Bank (Barbados) Ltd.**
Broad Street
Bridgetown
**BARBADOS**

**Republic Bank (Barbados) Ltd.**
Independence Square
Bridgetown
**BARBADOS**

**AUDITOR:**

**Peter J. Carter & Co.**
Chartered Accountants
P.O. Box 78 WRD
Professional Business Centre
29 George Street, Belleville
St. Michael
**BARBADOS**

**AFFILIATED TO:**

**Caribbean Confederation of Credit Unions (CCCU)**
CCCU Co-operative Business Centre
P.O. Box 1213
Corner Wilkins Street & St. Johnston Avenue
Fortlands
Basseterre
**ST. KITTS**

**World Council of Credit Unions Inc. (WOCCU)**
P.O. Box 2982
5810 Mineral Point Road
Madison WI 53701-2982
**USA**

**MEMBER OF:**

**Barbados Institute of Management & Productivity**
BIMAP Drive
Wildey
St. Michael
**BARBADOS**

## CREDIT UNION OPERATING PRINCIPLES

### DEMOCRATIC STRUCTURE

**Open and Voluntary Membership**

* Membership in a credit union is voluntary and open to all within the accepted common bond of association that can make use of its services and are willing to accept the corresponding responsibilities.

**Democratic Control**

* Credit Union members enjoy equal rights to vote (one member, one vote) and participate in decisions affecting the credit union, without regard to the amount of savings, deposits or the volume of business. Voting in credit union-support organizations or associations may be proportional or representational in keeping with demographic principles. The credit union is autonomous, within the framework of law and regulation, recognizing the credit union as a co-operative enterprise serving and controlled by its members. Credit union elected offices are voluntary in nature and incumbents should not receive a salary. However, credit unions may re-imburse legitimate expenses incurred by elected officials.

**Non-Discrimination**

* Credit Unions are non-discriminatory in relation to race, nationality, sex, religion and politics.
* These Credit Union Operating Principles are founded in the philosophy of co-operation and its central values of equality and manual self-help. Recognizing the varied practices in the implementation of credit union philosophy around the world at the heart of these principles is the concept of human development and the brotherhood of man expressed through people working together to achieve a better life for themselves and their community.

### SERVICE TO MEMBERS

* Credit Union services are directed to improve the economic and social well being of all members.

**Distribution to Members**

* To encourage thrift through savings and thus to provide loans and other services, a fair rate of interest is paid on savings and deposits, within the capability of the credit union.

* The surplus arising out of the operations of the credit union after payment of limited dividends on permanent equity capital where it exists, belongs to and benefits all members with no member or group of members benefiting to the detriment of others. This surplus may be distributed among members in proportion to their transactions with the credit union as interest or patronage refunds, or directed to improved or additional services required by members.

**Building Financial Stability**

***** A prime concern of the credit union is to build the financial strength, including adequate reserves and internal controls that will ensure continued service to the membership.

**SOCIAL GOALS**

**On-going Education**

* Credit Unions actively promote the education of their members, officers and employees, along with the public in general, in the economic, social, democratic and mutual self-help principles of credit unions. The promotion of thrift and the wise use of credit, as well as education on the rights and responsibilities of members, are essential to the dual social and economic character of credit unions in serving member needs.

**Co-operation among Co-operatives**

* In keeping with their philosophy and the pooling practices of co-operatives, credit unions within their capability actively co-operate with other credit unions, co-operatives and their associations at local, national and international levels in order to best serve the interest of their members and their communities.

**Social Responsibility**

* Continuing the ideals and beliefs of co-operative pioneers, credit unions seek to bring about human and social justice that extends to both the individual members and to the larger community in which they work and reside. The credit union ideal is to extend service to all who need and can use it. Every person is either a member or a potential member and appropriately part of the credit union sphere of interest and concern. Decisions should be taken with full regard for the interest of the broader community within which the credit union and its members reside.

## OUR TEAM

### BOARD OF DIRECTORS

| NAME | TITLE | CREDIT UNION |
|---|---|---|
| Anderson Henry | President | Light & Power Employees' |
| Hally Haynes | 1st Vice President | Barbados Police |
| Athelstone Catling | 2nd Vice President | Barbados Teachers' |
| Keith Jones | Secretary | Bartel |
| Peter Earle | Assistant Secretary | City of Bridgetown |
| Susan Fitt | Treasurer | Endeavour |
| Noel Nurse | Assistant Treasurer | Lifetime |
| Paul Maxwell | Member | Barbados Public Workers' |
| Sherwin Greenidge | Member | Barbados Workers' Union |

### CREDIT COMMITTEE

| NAME | TITLE | CREDIT UNION |
|---|---|---|
| Glendon Belle | Chairman | Barbados Public Workers' |
| Kevin Lashley | Assistant Chairman | United Enterprise |
| Gregory Holder | Secretary | City of Bridgetown |
| Patrick McDonald | Member | UWI (Cave Hill) |
| Anthony Sue | Member | Bartel |

### SUPERVISORY COMMITTEE

| NAME | TITLE | CREDIT UNION |
|---|---|---|
| Kelvin Whittaker | Chairman | Light & Power Employees' |
| Carolyn Barton | Assistant Chairman | Barbados Workers' Union |
| Bernetta Hall | Secretary | United Enterprise |
| Trevor Griffith | Member | Barbados Police |
| Marilyn Gittens | Member | Barbados Media |

**MEMBERS OF STAFF/CONSULTANT**

| NAME | TITLE |
|---|---|
| Anthony Pilgrim | General Manager |
| Wesley Bowen | Accountant/Finance Officer |
| Marisa Marshall | Training Officer |
| Roslyn Reid | Executive Secretary/Administrative Officer |
| Maxine Carrington | Administrative Assistant |
| Audrey Small | Administrative Assistant |
| Marguerita McClean | Office Assistant |
| Keith Bourne | Consultant |

September 06, 2017

The Secretary
Member Societies

Dear Sir/Madam

**N O T I C E**

In accordance with By-Law 17 (1) of the Barbados Co-operative & Credit Union League Limited, Sections 88 and 109 (1) of the Co-operative Societies Act 1990-23, **NOTICE** is hereby given that the Annual General Meeting of the Barbados Co-operative & Credit Union League Limited will be held on **Saturday, October 28, 2017** at the **Lloyd Erskine Sandiford Centre, Two Mile Hill, St. Michael** at **3:30 p.m.**

**A G E N D A**

1. Ascertainment of a Quorum
2. Call to Order
3. Prayers
4. Welcome and Opening Remarks
5. Presentation on Shared Services
6. Presentation of Awards
7. Report of the Credentials Committee
8. Minutes of the Annual General Meeting of October 29, 2016
9. Matters Arising from Minutes of the Annual General Meeting of October 29, 2016
10. Minutes of the Special General Meeting of May 18, 2017
11. Matters Arising from Minutes of the Special General Meeting of May 18, 2017
12. Reports:
    (a) Board of Directors
    (b) Credit Committee
    (c) Supervisory Committee
    (d) Auditor
13. Financial Statements
14. Declaration of Dividends
15. Fixing of Maximum Liability
16. Appointment of Auditor
17. Report of the Nominating Committee
18. Elections
19. Resolutions
20. Any Other Business
21. Termination

Yours co-operatively
**BARBADOS CO-OPERATIVE & CREDIT UNION LEAGUE LTD.**

K E Jones

Keith Jones
**SECRETARY, BOARD OF DIRECTORS**

**MINUTES OF THE ANNUAL GENERAL MEETING OF**
**THE BARBADOS CO-OPERATIVE & CREDIT UNION LEAGUE LTD.**
**HELD ON SATURDAY, OCTOBER 29, 2016**
**AT THE LLOYD ERSKINE SANDIFORD CENTRE**
**TWO MILE HILL, ST. MICHAEL AT 3:30 P.M.**

1. **CALL TO ORDER**

1.1 The 1st Vice President, Bro. Anderson Henry of Light & Power Employees' Credit Union was Chairman for the meeting.

1.2 Bro. Henry called the meeting to order at 3:46 p.m.

| NAME OF DELEGATE | CO-OPERATIVE SOCIETY |
|---|---|
| Marilyn Gittens | Barbados Media Credit Union |
| Trevor Griffith | Barbados Police Credit Union |
| Hally Haynes | Barbados Police Credit Union |
| Glendon A. Belle | Barbados Public Workers' Credit Union |
| Paul Maxwell | Barbados Public Workers' Credit Union |
| Raphael Holder | Barbados Public Workers' Credit Union |
| Cedric Murrell | Barbados Public Workers' Credit Union |
| Kerry-Ann King | Barbados Public Workers' Credit Union |
| Clorinda Alleyne | Barbados Public Workers' Credit Union |
| Kieva Cadogan | Barbados Public Workers' Credit Union |
| Natalie Holder | Barbados Public Workers' Credit Union |
| Athelstone Catling | Barbados Teachers' Credit Union |
| Carolyn Barton | Barbados Workers' Union Credit Union |
| Ashton Turney | Barbados Workers' Union Credit Union |
| Novaline Brewster | Barbados Workers' Union Credit Union |
| Sherwin Greenidge | Barbados Workers' Union Credit Union |
| Dalton Medford | Barbados Workers' Union Credit Union |
| Keith E. Jones | Bartel Credit Union |
| Anthony Sue | Bartel Credit Union |
| Michael Alleyne | BET Credit Union |
| Rolric Branch | BET Credit Union |
| Steve Gaskin | Church of God Credit Union |
| Delbert Edghill | Church of the Nazarene Credit Union |
| Romain Graham | Church of the Nazarene Credit Union |
| Peter Earle | City of Bridgetown Credit Union |
| Glyne Pilgrim | City of Bridgetown Credit Union |
| Gregory Holder | City of Bridgetown Credit Union |
| Maurice Mason | City of Bridgetown Credit Union |
| Cyrilene Wilkie-Warner | City of Bridgetown Credit Union |

| NAME OF DELEGATE | CO-OPERATIVE SOCIETY |
|---|---|
| Susan Fitt | Endeavour Credit Union |
| Patrick Williams | Endeavour Credit Union |
| Gabrielle Clarke | Family Credit Union |
| Harlen Headley | Family Credit Union |
| Noel Nurse | Lifetime Credit Union |
| Anthony Inniss | Lifetime Credit Union |
| Kelvin Whittaker | Light & Power Employees' Credit Union |
| Anderson Henry | Light & Power Employees' Credit Union |
| Gregory Prosper | Moravian Church Credit Union |
| Andrew Lovell | Public Transport Credit Union |
| Eucene Bayne | Public Transport Credit Union |
| Eunice Best | Shamrock Credit Union |
| John Chandler | Shamrock Credit Union |
| Colvin Broomes | St. Barnabas Credit Union |
| John chandler | St. Barnabas Credit Union |
| Denise Haddock | St. Leonard's Credit Union |
| Karen Humphrey | St. Leonard's Credit Union |
| Marcia Babb | St. Stephen's Credit Union |
| Muriel Parris | St. Stephen's Credit Union |
| Bernetta Hall | United Enterprise Credit Union |
| Kevin Lashley | United Enterprise Credit Union |
| Patrick McDonald | UWI (Cave Hill) Credit Union |
| Charles O. Alleyne | UWI (Cave Hill) Credit Union |
| Desmond Smith | Wesleyan Holiness Credit Union |

| NAME OF ALTERNATE | CO-OPERATIVE SOCIETY |
|---|---|
| Edwin O'Neal | Barbados Police Credit Union |
| Tania Nicholls | Barbados Public Workers' Credit Union |
| Robert Gibson | Barbados Workers' Union Credit Union |
| Fiona Goodridge | Barbados Workers' Union Credit Union |
| Daceia Bailey | Barbados Workers' Union Credit Union |
| Carol Bovell | Endeavour Credit Union |
| Wesley Trotman | Light & Power Employees' Credit Union |
| Mechelle Thornhill | Public Transport Credit Union |
| Jennifer Boyce | Shamrock Credit Union |
| Joan Hinkson | St. Leonard's Credit Union |
| Shirley Parris | St. Stephen's Credit Union |
| Brenda Moore | St. Stephen's Credit Union |
| Marcia Goddard-Walcott | United Enterprise Credit Union |
| Michelle Marshall | United Enterprise Credit Union |
| Natasha Corbin | UWI (Cave Hill) Credit Union |

| NAME OF OBSERVER | ORGANISATION |
|---|---|
| Matthew Thornhill | Barbados Public Workers' Credit Union |
| Ricardo Seale | BSTU Credit Union |
| Mary Burnett | BSTU Credit Union |
| Marsha Gibson | Church of God Credit Union |
| Sylvan Greenidge | Church of the Nazarene Credit Union |
| C. David Knight | Endeavour Credit Union |
| Mary Inniss | Lifetime Credit Union |
| Cuthbert Carter | Peter J. Carter & Co. |
| Peter Carter | Peter J. Carter & Co. |
| Robert Homer | Progressive Credit Union |
| Jefferson Kirton | Progressive Credit Union |
| Marguerita Jordan | St. Barnabas Credit Union |
| Barbara Holder | St. Stephen's Credit Union |
| Antonio Parris | St. Stephen's Credit Union |
| Olvin Forde | Wesleyan Holiness Credit Union |

| STAFF | TITLE |
|---|---|
| Anthony Pilgrim | General Manager |
| Wesley Bowen | Accountant/ Finance Officer |
| Marisa Marshall | Training Officer |
| Kerrie-Ann Greaves | Administrative Officer |
| Maxine Carrington | Administrative Officer |
| Keith Bourne | Consultant |

| BY INVITATION | TITLE |
|---|---|
| Alana Hinkson | Recording Secretary |

**2. ASCERTAINMENT OF A QUORUM**

2.1 The Chairman announced that in accordance with By-Law 22(1) a quorum was present.

**3. PRAYERS**

3.1 On the invitation of the Chairman, Sis. Gabrielle Clarke of Family Credit Union led the meeting in prayer; and then the prayer of St. Francis of Assisi was recited. A moment of silence was observed for all co-operative members who had passed away over the last year and also the brothers and sisters in Haiti who had suffered devastation through the passing of Hurricane Matthew.

**4. WELCOME AND OPENING REMARKS**

4.1 The welcome and opening remarks were presented by the Chairman Bro. Henry. He noted that although the Barbados Co-operative & Credit Union League Ltd (BCCULL) continued to face challenges, the organization was defined by how

these were faced. He opined that in the circumstances, wasted energy could be refocused creating positive mindsets.

4.2 He stated that the BCCULL saw obstacles as stepping stones, and opportunities to develop and actualize more goals.

4.3 He noted that visions needed to be defined through tried and tested experiences. He articulated that it was time the BCCULL created a vision where the name became synonymous with integrity, excellence, innovation, honour and outstanding quality of service.

4.4 The Chairman conveyed appreciation to the staff of the BCCULL whom he described as fantastic and diverse.

**PRESENTATION ON THE ESTABLISHMENT OF A CO-OPERATIVE BANK**

The Chairman revealed that the Presenter for this Agenda item was unavailable and proposed to have the item struck from the Agenda. A motion was moved by Bro. Hally Haynes of Barbados Police Credit Union and seconded by Bro. Noel Nurse of Lifetime Credit Union that Agenda item number (5) be removed, and the other items renumbered sequentially. The motion was carried.

**5. PRESENTATION OF AWARDS**

5.1 The presentation of Awards was done by the General Manager, Bro. Anthony Pilgrim who stated that it was customary that the BCCULL presented awards to co-operatives who were celebrating significant anniversaries.

5.2 For the year under review, four societies celebrated milestones and awards were presented as follows:

| NAME OF CREDIT UNION | NO. OF YEARS CELEBRATED | RECEIVED BY |
|---|---|---|
| UWI (Cave Hill) Credit Union | 30 | Bro. Charles O. Alleyne |
| Family Credit Union | 35 | Sis. Gabrielle Clarke |
| United Enterprise Credit Union | 40 | Sis. Bernetta Hall |
| BET Credit Union | 50 | Bro. Michael Alleyne |

5.3 Tokens of appreciation were presented to retiring Directors who gave six years of unbroken service on the Board of the BCCULL. Tokens were presented to Bro. Anthony Inniss of Lifetime Credit Union and Bro. Ashton Turney of Barbados Workers' Union Credit Union. A token of appreciation was also offered to Bro. Barry Hunte of Barbados Police Credit Union in his absence.

## 6. REPORT OF THE CREDENTIALS COMMITTEE

6.1 On the invitation of the Chairman, this Report was presented by the Chairman of the Credentials Committee, Bro. Athelstone Catling of Barbados Teachers' Credit Union.

6.2 Bro. Catling announced that the Committee comprised of himself as Chairman, along with Sis. Denise Haddock of St. Leonard's Credit Union and Sis. Susan Fitt of Endeavour Credit Union.

6.3 He stated that a meeting of the Committee was held on October 25, 2016 and all members were present.

6.4 He noted that the Committee reviewed By-Law 9(1) which required that each member co-operative pay dues quarterly in advance on specified quarter days in the months of January, April, July and October; he also noted that if such dues remained unpaid after the due date, such member co-operative may be prohibited from exercising its rights and privileges in the Society, in accordance with By-Law 9(2).

6.5 He noted that the Committee reviewed source documents prepared by the Secretariat of the BCCULL detailing the status of members with respect to payment of dues; it was revealed that thirty-one (31) societies were in compliance with By-Law 9(1).

6.6 He noted that By-Law 20(1) stipulated that the minimum period of notice was fourteen (14) days prior to the date of the convening of the Annual General Meeting of the Society; and By-Law 20(2) required that notices be signed by the President and countersigned by the Secretary of the member co-operative.

6.7 He reported that the Committee conducted an analysis of the notices submitted by member societies to determine their compliance with By-Laws 20(1) and 20(2). It was established that twenty-five (25) societies responded by the required date. One (1) society submitted its notice less than fourteen (14) days prior to the Annual General Meeting.

6.8 He further reported that in addition, the Committee conducted an analysis of the level of compliance with By-Law 8(8)(a) which requires member societies to purchase a minimum of twenty (20) qualifying shares valued at $10.00 each. He noted that all members had purchased the minimum required shares to qualify for membership.

6.9 Bro. Catling reported that of the thirty-one (31) societies which were in compliance with By-Law 9(1), six (6) had not submitted letters by the deadline date in accordance with By-Law 20(1) and 20(2).

6.10 Through Bro. Catling, the Committee drew to the membership's attention that the delegates and alternates appointed by societies, served for the entire year, unless withdrawn by the society in writing, and not just for the Annual General Meeting. The Committee therefore recommended that societies appoint delegates and alternates in writing even if none of them were available to attend the Annual General Meeting, as they would have duly accredited representatives who could attend and exercise the full rights and privileges of membership, in the event of any Special General Meetings being held during the year.

6.11 The Committee recommended to the membership, a waiver of the requirements of By-Law 20(1) for all societies that were in compliance with By-Law 9(1), that would have submitted written notification of delegates in accordance with By-Law 20(2).

6.12 The Report including the recommended waiver of the requirements of By-law 20(1) was accepted on a motion moved by Bro. Kelvin Whittaker of Light & Power Employees' Credit Union and seconded by Bro. Sherwin Greenidge of Barbados Workers' Union Credit Union. The motion was carried.

## 7. MINUTES OF THE ANNUAL GENERAL MEETING OF OCTOBER 31, 2015

7.1 The Minutes of the Annual General Meeting which was held on October 31, 2015 were found on pages 10 to 32 of the Annual Report. A motion that the Minutes be taken as read was moved by Bro. Kevin Lashley of United Enterprise Credit Union and seconded by Sis. Marilyn Gittens of Barbados Media Credit Union. The motion was carried.

7.2 **Errors and/ Omissions**

7.2.1 There were no errors and/or omissions recorded.

7.2.2 A motion for the adoption of the minutes was moved by Bro. Gregory Holder of City of Bridgetown Credit Union. The motion was seconded by Sis. Carolyn Barton of Barbados Workers' Union Credit Union, and was carried.

## 8. MATTERS ARISING FROM THE MINUTES OF THE ANNUAL GENERAL MEETING OF OCTOBER 31, 2015

8.1 <u>4.6 – Tax on Assets</u>

8.1.1 Sis. Novalene Brewster of the Barbados Workers' Union Credit Union commended all who supported the lobby for the removal of the tax on assets.

The General Manager, Bro. Anthony Pilgrim, thanked Sis. Novalene Brewster for her sentiments. He stated that it had been a source of contention and it should be duly noted that this tax exemption was only granted to credit unions.

8.2 4.9 – Deposit Insurance

8.2.1 Bro. Sherwin Greenidge of Barbados Workers' Union Credit Union requested an update on Deposit Insurance.

On the invitation of the Chairman, the General Manager, Bro. Anthony Pilgrim, acknowledged that the matter had been dragging on for too long but the League had met with the Regulators, and the matter had been raised with the relevant government Ministry. He noted that an implementation date which ensured that the membership would have access to that financial safety net by the last quarter of 2016 had been mentioned and, it was known that some work was done in the form of drafting the legislative text.

8.3 4.10 – Strategic Plan

8.3.1 Bro. Michael Alleyne of BET Credit Union requested an update on the strategic plan.

The Chairman informed delegates that they were at least 70% on target with the strategic plan, although there were a number of items being worked on which would be continued by the newly instituted Board of Directors.

8.4 4.14 – Shared Services

8.4.1 Bro. Sherwin Greenidge of Barbados Workers' Union Credit Union requested an update on whether or not any of the affiliates had signed onto the shared services.

The Chairman disclosed that the shared services product was not delivered as discussions were still being held with the provider. He was hopeful that those services would begin early in the new year.

8.5 Meeting with the Financial Services Commission

8.5.1 Sis. Novalene Brewster of the Barbados Workers' Union Credit Union stated that she noted that only one meeting with the FSC was convened for the year, albeit not the fault of the BCCULL; she questioned what efforts were being made to ensure more engagement with the regulators.

The Chairman noted that several attempts were made to convene meetings but due to certain administrative adjustments at the FSC, the scheduled meetings did not take place.

8.6 Proposed Credit Union Bank

8.6.1 Sis. Novalene Brewster of the Barbados Workers' Union Credit Union noted that she was aware that the presenter on the establishment of a Co-operative Bank was absent, but she requested an update on the matter.

The Chairman informed the meeting that the incoming Board would set up a series of meetings during the upcoming year, so that the presentation could be delivered to all the affiliates.

8.6.2 Bro. Michael Alleyne of BET Credit Union remarked that there were a lot of questions and comments querying that particular item, and requested the Board to give an accurate account to the meeting as to what exactly was happening with the project. He further suggested that more information be forthcoming even before a presentation is made so that affiliates could be adequately prepared.

The Chairman indicated that the products were looked at in order to build a construct which would be feasible for affiliates. He noted that the incoming Board will review this matter in the new year, and additional information would be shared with affiliates.

## 9. REPORTS

### 9.1 Board of Director's Report

9.1.1 The Report of the Board of Directors was found on pages 33 to 47 of the Annual Report, and was presented by the Chairman, Bro. Anderson Henry.

9.1.2 The Chairman stated that the challenging economic environment impacted heavily on the movement, of significance, he noted that NPLs increased to 9%. A positive was that the tax on the assets of credit union ceased to exist as of April 30, 2016. He gave additional information on the highlights for the period under review as reported below.

9.1.3 <u>Performance of Affiliates</u>

9.1.3.1 Membership increased by 4.39%
Savings increased by 6.03%
Loans increased by 7.12%
Total assets increased by 5.52%

9.1.4 <u>Performance of the Barbados Co-operative & Credit Union League</u>

9.1.4.1 The Chairman reported that there were small movements in total assets, total liabilities and total equity.

9.1.5 <u>Operating Expenses</u>

9.1.5.1 There was an increase by 1.77% in operating income, and a decrease of 2.92% in operating expenses.

9.1.5.2 The Chairman reported that a significant development which impacted on the League's financial performance for the period under review was the additional

payment of $66,000 to the Central Bank to liquidate the HCF debt. He noted that written confirmation from the Central Bank was received indicating that the debt had been fully satisfied.

9.1.6 Training Programme

9.1.6.1 He noted that for the year under review there were fourteen (14) workshops hosted by the League ranging from half-day to two days duration. There were four hundred and fifteen (415) participants registered for such workshops, out of which two hundred and seventy two (272) fully completed the requirements.

9.1.6.2 He noted that the League instituted a Leaders' Insight Programme which was delivered by Ancin Cooley, and attended by several affiliate members.

9.1.7 Technical Assistance

9.1.7.1 He noted that technical assistance was rendered to various credit unions in an effort to ensure that they were brought up to the required standard to participate in the deposit insurance scheme.

9.1.8 Shared Services

9.1.8.1 The Chairman stated that this item was still being discussed with the preferred provider, especially with a view of a reduction in the price points, to make it more affordable to credit unions.

9.1.9 Coop Med Advantage

9.1.9.1 The Chairman stated that Group Life coverage was increased from $10,000.00 to $15,000.00, Major Medical was increased from $250,000.00 to $300,000.00 and a critical care lump sum benefit of $15,000.00 was introduced. He also noted that premiums and deductibles were increased.

9.1.10 Advocacy

9.1.10.1 He stated that the League advocated against the tax on Credit Union assets. He noted that several meetings were held with the Government of Barbados and interested groups in an attempt to have the tax removed, these included meetings with the Prime Minister and the Minister of Finance, and had resulted in the cessation of the tax.

9.1.11 Deposit Insurance

9.1.11.1 He stated that discussions were held with the Financial Services Commission with respect to deposit insurance and this item would be a front burner issue for the incoming Board of Directors.

9.1.12 Dominica Relief Effort

9.1.12.1 The Chairman was pleased to report that the Barbados Movement contributed in excess of US $50,000.00 to Dominica which suffered severe devastation in August 2015 due to Tropical Storm Erika.

9.1.13 The Chairman invited questions or comments from the delegates.

9.1.14 Bro. Glyne Pilgrim of City of Bridgetown Credit Union commended the Board for the level of reporting. He stated that his issue was that of deposit insurance and he understood the importance of having it in place. He noted that although he acknowledged that there was still some time to get the deposit insurance in place, he queried how effectively research was being conducted to ensure that all standards would be met.

9.1.15 Bro. Dalton Medford of Barbados Workers' Union Credit Union expressed that he was elated to see the conclusion of the HCF saga, and stressed that a review needed to be done on the Coop Med Advantage as the cost of medicals were very expensive. He noted that this could be worked on so that the cost of health services to members could decrease. He further noted that a Registered Education Savings Plan had been a topic for discussion for some time, and he felt it could be another area of shared services.

The Chairman stated that Bro. Medford's comments were duly noted.

9.1.16 Bro. Hally Haynes of Barbados Police Credit Union stated that the position re readiness for deposit insurance was very critical for the movement. He suggested a snapshot of where the credit unions were should be done, so that the movement could decide what was needed to get to the required level because it was imperative that all credit unions be on board, and this could only be done by obtaining the relevant data for analysis.

The General Manager noted that while the point was well taken, there was a bit of a challenge in obtaining the data as the League was dependent on the FSC. He explained that changes were made in the way how the FSC reported data and the same level of detail was not evident. He noted that this matter was raised with the FSC which considered some details to be confidential. He further stated that when the data was made available to the League through the individual credit unions' records it was then that the findings were used to engage the societies regarding areas for improvement.

9.1.17 Bro. Haynes opined that one of the critical things was encouraging the affiliates to pass on the same information that they send to the FSC to the League, otherwise it would be challenging to assist them.

9.1.18 Sis. Novalene Brewster of Barbados Workers' Union Credit Union concurred with Bro. Hally Haynes. Further she requested a breakdown of the shared services as she enquired about the details of what was being pursued. She also enquired about the Internal Auditor and Compliance Officer who were to be hired to assist the credit unions.

The Chairman stated that the shared services in the first phase of the roll out would be internal audit and compliance services. He noted that the League was in discussions with the preferred provider to offer those two services to the credit unions.

9.1.19 Bro. Michael Alleyne of BET Credit Union stated that the officers from the FSC were down the throats of the credit unions and he was fearful for the plight of the smaller Societies. As such he stated that the pressure has to be on the League to offer direction as to how the shared services would be coming on stream so that the cost could be budgeted for. He also enquired if the Common Reporting Standard (CRS) was another requirement alongside what was already being done for the FSC.

The General Manager answered with respect to the OCED's CRS and reminded affiliates of the Foreign Account Tax Compliance Act (FATCA). He noted that other jurisdictions seized the opportunity to do something similar and as such the CRS was similar to FATCA, but in a multilateral context. He explained that under FATCA, many credit unions were granted exemptions if they met certain basic criteria. He noted that the competent authority for FATCA was the Barbados Revenue Authority which compiled and reported information. He stated that the League was advocating for a similar approach, where credit unions by and large would receive exemptions.

9.1.20 The Chairman acknowledged Bro. Ashton Turney for being awarded a Barbados Service Star for his contribution to the Credit Union Movement.

9.1.21 Bro. Hally Haynes stated that as the League's representative on the Board of the Caribbean Confederation of Credit Unions (CCCU), it was his duty to advise that the CCCU had made representation on behalf of the movement in relation to the CRS, and discussions were held at the level of CARICOM. He noted that World Council was also lobbying, as it was deemed to be the same thing as FATCA. He stressed that the lobbying efforts would be continued so that small developing states would not be subject to draconian methods of extracting resources. He stated that the President of the CCCU would be addressing the United Nations soon, and this topic was tabled to be addressed on behalf of the Caribbean affiliates.

9.1.22 Sis. Novalene Brewster questioned why the report did not identify how the Societies would be assisted with IFRS 9.

The Chairman indicated that the final proposal was not yet complete, and would be communicated to all credit unions upon completion.

9.1.23 A motion was moved by Bro. Kelvin Whittaker of the Light and Power Employees' Credit Union and seconded by Bro. Hally Haynes of the Barbados Police Credit Union for the adoption of the Board of Directors' report. The motion was carried.

9.2 **Credit Committee's Report**

9.2.1 The report of the Credit Committee was presented by the Chairman of the Committee, Bro. Glendon Belle. The report was found on page 48 of the Annual Report.

9.2.2 There was a motion moved by Bro. Hally Haynes of the Barbados Police Credit Union and seconded by Bro. Sherwin Greenidge of the Barbados Workers' Union Credit Union that the report be taken as read. The motion was carried.

9.2.3 Bro. Belle reported that the Credit Committee did not have to review any loan applications for the period under review.

9.2.4 He noted that there was discussion with the Board regarding the role of the Credit Committee because historically the League was there to provide loans to members, but with the creation of the Central Fund Facility Trust (CFFT), loan applications were being sent to the Trustees. He stated that in the upcoming year, the Credit Committee and the Board should look at a new role for the Credit Committee in terms of adding value going forward.

9.2.5 Bro. Belle entertained questions and comments from the membership.

9.2.6 Bro. Michael Alleyne of the BET Credit Union questioned whether there was really a need for a Credit Committee in the League's structure, or whether the By-Laws should be amended to institute an ad-hoc Committee to deal with loan applications.

Bro. Belle indicated that such a decision would have to be discussed at the Board level first, and then brought to the membership.

9.2.7 There was a motion moved by Bro. Noel Nurse of Lifetime Credit Union and seconded by Sis. Marilyn Gittens of the Barbados Media Credit Union for the adoption of the Credit Committee's report. The motion was carried.

9.3 **Supervisory Committee's Report**

9.3.1 The report of the Supervisory Committee was presented by Bro. Kelvin Whittaker, Chairman of the Committee. The report was found on pages 50 to 51 of the Annual Report

9.3.2 There was a motion moved by Bro. Michael Alleyne of BET Credit Union and seconded by Bro. Patrick McDonald of the UWI (Cave Hill) Credit Union that the report be taken as read. The motion was carried.

9.3.3 Bro. Whittaker stated that the Committee met on the second Monday of each month and examined the accounts of the League. He expressed that the work of the League was quite satisfactory and there was always a valid paper trail. He noted there was only one query which was not due to any fault of the League, where the copies of some deposit slips were not returned from the bank in a timely fashion.

9.3.4 Bro. Whittaker revealed that with regard to the final payment to settle the HCF debt, due diligence was done, and the matter was permanently laid to rest.

9.3.5 Bro. Whittaker entertained questions and comments from the membership.

9.3.6 Bro. Anthony Inniss of Lifetime Credit Union thanked Co-operators General Insurance Company Limited for their substantial contribution in ensuring that the HCF matter had been put to rest.

9.3.7 There was a motion moved by Bro. Sherwin Greenidge of the Barbados Workers' Union Credit Union and seconded by Bro. Patrick McDonald of the UWI (Cave Hill) Credit Union for the adoption of the Supervisory Committee's report. The motion was carried.

9.4 **Auditor's Report**

9.4.1 The Independent Auditor's report was presented by Bro. Cuthbert Carter of Peter J. Carter & Co. The report was found on page 53 of the Annual report.

9.4.2 Bro. Carter thanked the Board and membership of the BCCULL for the opportunity to serve.

9.4.3 Bro. Carter stated that in the opinion of the Auditors, the financial statements presented fairly in all material respects the financial position of the BCCULL as at July 31, 2016.

9.4.4 He noted that a clean audit opinion was issued, as the Auditors were satisfied with the internal controls.

9.4.5 There was a motion moved by Bro. Hally Haynes of Barbados Police Credit Union and seconded by Bro. Kevin Lashley of United Enterprise Credit Union for the adoption of the Auditors' report. The motion was carried.

**10. FINANCIAL STATEMENTS**

10.1 The financial statements were presented by the Treasurer Bro. Paul Maxwell. The report was found on pages 54 to 68 of the Annual Report.

10.2 Bro. Maxwell noted that in the last year the League further consolidated its financial position. Highlights of his presentation are showed below.

10.3 He stated that a further payment of $66,000.00 was made to the Central Bank of Barbados for the HCF debt and this issue was thereby brought to an end. He explained that this payment resulted in a reduction of the special reserves.

10.4 Balance Sheet

10.4.1 There was a marginal decrease of 1.55% in the total assets of the League in 2016.

10.4.2 There was a decrease of 2.88% in total liabilities and there was an increase of 0.64% in members' equity.

10.5 Changes in the Assets Side of the Balance Sheet

10.5.1 The decrease in assets was mainly attributable to a decrease in accounts receivable which moved from $184,440 in 2015 to $122,751 in 2016. This was a reduction of 33.45%.

10.5.2 The investments took a marginal dive, moving from $1.567M to $1.553M.

10.5.3 Cash and cash equivalents increased by 6.2% as they moved from $667,145 in 2015 to $708,511 in 2016.

10.6 Changes on the Liabilities Side of the Balance Sheet

10.6.1 Total liabilities decreased by 2.88% moving from $1.517M in 2015 to $1.473M in 2016.

10.6.2 In the category of current liabilities and unearned revenue which would represent dues paid by affiliates increased by 30.6%, moving from $66,012 to $86,215.

10.6.3 Accounts payables and accruals increased by 29.5% moving from $57,988 to $73,005.

10.7 Development Fund

10.7.1 This fund had a net decrease of 2.96% as it moved from $186,456 in 2015 to $180,941 in 2016.

10.8 Institutional Strengthening Project Fund

10.8.1 There was a net increase of 0.25% recorded in this fund as it moved from $116,390 to $116,681; this increase was represented by bank interest earnings.

10.9 Education Fund

10.9.1 This fund had a net decrease of 37.56% as it moved from $196,381 to $122,629.

10.9.2 The Treasurer reminded the membership that in the previous year, the 1% formula was discussed. It was noted that receipts had declined as a result of the change in reporting standards and individual circumstances. He noted that there was some engagement with individual credit unions during the period under review, and there was discussion at the Finance Committee level.

10.10 Equity Position

10.10.1 Total equity recorded a marginal increase of 0.64%.

10.10.2 The capital to assets ratio at year-end stood at 38%

10.11 Income Statement Highlights

10.11.1 Operating income increased by 1.77% as it moved from $815,598 to $830,065. A large portion of this would have been attributable to the additional dues from the guaranteed seats.

10.11.2 Membership dues increased by 5.46% moving from $505,283 to $532,895; while administration and management fees decreased by 4.24%, moving from $310,315 to $297,000.

10.11.3 Staff costs increased by 2.65% moving from $322,886 to $331,427. Other operating expenses decreased by 6.99% moving from $385,147 to $358,253.

10.11.4 For the fourth consecutive year, interest was paid on shares; members earned a rate of 2.5% on their shares which was equivalent to a pay-out of $22,359.

10.11.5 Net income was recorded at $71,935 for the year under review. This represented an increase of 128%.

10.11.6 Bro. Maxwell declared that with the League's clean balance sheet, the goal was to generate a small surplus and to reward long-serving members who had contributed immeasurably to the turnaround effort.

10.12 The Treasurer invited Bro. Patrick McDonald of the Finance Committee to present on the Education Fund.

10.12.1 Bro. Patrick McDonald stated that the education of the members and volunteers was critical to the development and sustainability of the movement. In order to deal with this challenge, resources of all members were pooled together; he went on to state when the fund was established it was equitable, and worked well, but based on the changes in the reporting standard the net income base had declined dramatically.

10.12.2 Bro. McDonald drew to the members' attention, changes in the Education Fund over the last couple of years.

- 2014 – the fund decreased by 18% due to the change in how the calculation was done; to fund it, money was taken from the reserves which were built up when the funds were being calculated on the higher net income base.
- 2015 – there was a deficit again, and there was a decrease of 24.69% which had to be taken from the reserves.
- 2016 – there was a reduction of $73,000 that had to be taken from the reserves to fund the education activities.

10.12.3 Bro. McDonald pointed out that if it is left to continue based on the trends, by the year 2018 the fund would be depleted.

10.12.4 He noted that the fund was not sustaining itself on a year to year basis and if the League wished to continue providing the level of training which it now does on behalf of the affiliate members, his suggestion was that calculation of the Education Fund be reverted to the old formula by adding back interest paid on shares to net income. He stressed that the recommendation needed urgent attention.

10.12.5 Bro. McDonald opened the floor for questions and comments about the Education Fund.

10.12.6 Bro. Noel Nurse of Lifetime Credit Union questioned if any calculations were done to gauge the results if reverting to the old system was done.

Bro. McDonald noted that this was not done, as it would have to be a process of collecting the Annual Reports of all member societies and

entering the surplus in a spreadsheet and adding back the interest paid on shares.

10.12.7 Bro. Noel Nurse suggested a return to the old system as soon as possible, and in pursuit of this it should be discussed with the entire membership so that over the next year the Education Fund would not be in the same position.

10.12.8 The Chairman stated that the Board would undertake to compile the requisite information and provide it to the member societies.

10.12.9 Bro. Sherwin Greenidge of Barbados Workers Union Credit Union indicated that member societies should move with haste to ensure that the Education Fund is provided with a level of contributions to make it sustainable.

10.12.10 Bro. Michael Alleyne of BET Credit Union expressed that he understood and accepted the concept, but noted that the actual application would be challenging. He stated that the credit unions would be faced with that expense and the Board members who had been working to convince their membership that monies needed to be set aside to deal with various issues, would further be challenged by way of the proposed increase in the Education Fund. Bro. Alleyne suggested the education of the Boards so that they could educate their members. He further suggested that the Board members of the League who were designated to respective credit unions should meet with the Board members under their charge as soon as possible to fully explain what the League was asking.

10.12.11 Bro. Paul Maxwell while endorsing that Board appointed officers go out to talk to their assigned credit unions, pointed out that the issues that are popping up, for example IFRS 9 are very technical. He indicated that professionals were now needed and that is the only way the movement could move forward. He stressed that the Education Fund was very much needed in this context.

10.12.12 Bro. Maxwell stressed the collaboration of strength in numbers although he understood that there would be a need to explain to members, and the League would most likely have to be involved in the discussion, but there was still a tremendous benefit of pooling resources and working together.

10.12.13 There was a motion moved by Bro. Noel Nurse of Lifetime Credit Union and seconded by Bro. Michael Alleyne of BET Credit Union for the approval of the financial statements. The motion was carried.

**11. DECLARATION OF DIVIDENDS**

11.1 The Treasurer stated that there were no dividends to be declared.

11.2 There was a motion moved by Bro. Kelvin Whittaker of Light and Power Employees' Credit Union and seconded by Bro. Anthony Inniss of Lifetime Credit Union that no dividends be declared. The motion was carried.

## 12. FIXING OF MAXIMUM LIABILITY

12.1 Bro. Paul Maxwell of Barbados Public Workers' Credit Union moved a motion that the maximum liability remain at $12M; Sis. Bernetta Hall of United Enterprise Credit Union seconded the motion. The motion was carried.

## 13. APPOINTMENT OF AUDITOR

13.1 Bro. Paul Maxwell of Barbados Public Workers' Credit Union moved a motion that Peter J. Carter & Co., Chartered Accountants, be retained as Auditors for the ensuing year, and that the Board be authorized to negotiate the audit fees. The motion was seconded by Bro. Noel Nurse of Lifetime Credit Union and was carried.

13.2 Bro. Cuthbert Carter accepted the appointment on behalf of Peter J. Carter & Co.

## 14. REPORT OF THE NOMINATING COMMITTEE

14.1 The report of the Nominating Committee was presented by the Chairman, Bro. Ashton Turney. He highlighted that the members of the Committee appointed by the Board of Directors, along with himself as Chairman were:

- Bro. Olvin Forde
- Sis. Marguerita Jordan

14.2 He reported that nominations were received from the Secretary as per By-Law 29 (3) iii and the Committee met on October 20, 2016 to consider the positions to be filled as well as ascertaining the eligibility of the individuals and their willingness to serve, if elected.

14.3 He reported that the Committee was satisfied that to the best of its knowledge and belief, all the nominees were qualified pursuant to section 57 of the Act, the Regulations and the By-Laws.

14.4 He pointed out that Bro. Hally Haynes of Barbados Police Credit Union had been elected for a three-year term on the Supervisory Committee at the 2015 Annual General Meeting. Subsequent to this, effective October 14, 2016 Bro. Haynes tendered his resignation from that Committee, thus making him eligible for nomination to serve on the Board of Directors.

14.5 Bro. Turney revealed that Bro. Glendon Belle of Barbados Public Workers' Credit Union was nominated to serve on the Credit Committee but this was rendered null and void as Bro. Belle had been elected to serve on the Committee for a three-year term at the 2015 Annual General Meeting.

14.6 He noted that the following persons were duly nominated to fill positions on the Board of Directors and other Committees:

| BOARD OF DIRECTORS | |
|---|---|
| **NAME** | **CREDIT UNION** |
| Bro. Charles O. Alleyne | UWI (Cave Hill) Credit Union |
| Sis. Marilyn Gittens | Barbados Media Credit Union |
| Bro. Noel Nurse | Lifetime Credit Union |
| Bro. Hally Haynes | Barbados Police Credit Union |
| Bro. Sherwin Greenidge | Barbados Workers' Union Credit Union |

| SUPERVISORY COMMITTEE | |
|---|---|
| **NAME** | **CREDIT UNION** |
| Sis. Marilyn Gittens | Barbados Media Credit Union |
| Bro. Trevor Griffith | Barbados Police Credit Union |

| CREDIT COMMITTEE | |
|---|---|
| Sis. Marilyn Gittens | Barbados Media Credit Union |

14.7 There was a motion moved by Bro. Anthony Inniss of Lifetime Credit Union and seconded by Bro. Keith Jones of Bartel Credit Union that the report of the Nominating Committee be accepted. The motion was carried.

**15. ELECTIONS**

15.1 The Chairman requested that the delegates be seated to the left of the room. There were fifty-two (52) delegates seated. He noted that Bro. Gregory Prosper from Moravian Church Credit Union exited the meeting at 6:04 p.m. and therefore was not seated as a delegate for voting purposes.

15.2 The following amendments, were made for the use of alternates as delegates during the election process:

Barbados Public Workers' Credit Union

Sis. Julie Corbin along with Bros. Trevor Colucci and Anthony Christie were replaced by Sis. Clorinda Alleyne, Sis. Kieva Codogan and Sis. Natalie Holder.

City of Bridgetown Credit Union

Bro. Henderson Williams and Sis. Lynette Holder were replaced by Bro. Maurice Mason and Sis. Cyrilene Wilkie-Walker.

Family Credit Union

Bro. Paul Williams was replaced by Sis. Harlen Headley.

St. Barnabas Credit Union

Sis. Vanessa Watts was replaced by Bro. John Chandler.

15.3 The Chairman invited Bro. Cuthbert Carter of Peter J. Carter & Co. to assist.

15.4 The Chairman stated that there were three (3) vacancies on the Board of Directors. Delegates could vote for a maximum of three (3) persons. The names of the nominees for the Board of Directors were:

- Bro. Charles Alleyne – UWI (Cave Hill) Credit Union
- Sis. Marilyn Gittens – Barbados Media Credit Union
- Bro. Noel Nurse – Lifetime Credit Union
- Bro. Hally Haynes – Barbados Police Credit Union
- Bro. Sherwin Greenidge – Barbados Workers' Union Credit Union

15.5 Ballots were cast and the results were as follows:

| | |
|---|---|
| Bro. Charles Alleyne | 18 votes |
| Sis. Marilyn Gittens | 18 votes |
| Bro. Noel Nurse | 33 votes |
| Bro. Hally Haynes | 41 votes |
| Bro. Sherwin Greenidge | 34 votes |

15.6 Bros. Hally Haynes, Sherwin Greenidge and Noel Nurse were duly elected to serve on the Board of Directors for a period of three (3) years each.

15.7 There were two vacancies on the Supervisory Committee as well as two nominees, who were Sis. Marilyn Gittens of Barbados Media Credit Union and Bro. Trevor Griffith of Barbados Police Credit Union.

15.8 The Chairman invited Sis. Gittens and Bro. Griffith to approach the head table to draw lots to determine who would serve on the Supervisory Committee for a three (3) year term, and a two (2) year term.

15.9 Bro. Trevor Griffith was duly elected to serve for a period of three (3) years and Sis. Marilyn Gittens was duly elected to serve for a period of two (2) years on the Supervisory Committee.

15.10 The Chairman announced that there was one vacancy on the Credit Committee and as the sole nominee had been elected to the Supervisory Committee, he would therefore accept nominations from the floor.

15.11 Bro. Kevin Lashley of United Enterprise Credit Union nominated Bro. Gregory Holder of City of Bridgetown Credit Union. Bro. Ashton Turney of Barbados Workers' Union Credit Union seconded the motion. The motion was carried.

15.12 A motion was moved by Bro. Hally Haynes of Barbados Police Credit Union that nominations be closed. The motion was seconded by Bro. Kelvin Whittaker of Light and Power Employees' Credit Union. The motion was carried.

15.13 Bro. Gregory Holder was duly elected to serve on the Credit Committee for a period of three (3) years.

15.14 The Chairman thanked everyone for their participation in the voting process.

## 16. RESOLUTIONS

16.1 Bro. Patrick Williams of Endeavour Credit Union moved a motion for the reimbursement of expenses for the fiscal year 2015- 2016 as follows:

- Board of Directors $1,000.00
- Supervisory Committee $ 500.00
- Credit Committee $ 250.00

16.2 The motion was seconded by Bro. Michael Alleyne of BET Credit Union. The motion was carried.

## 17. ANY OTHER BUSINESS

17.1 Bro. Ashton Turney of Barbados Workers' Union Credit Union commended Bro. Barry Hunte of Barbados Police Credit Union for the tremendous job done on the Board of the League. Bro. Turney also announced that he was now demitting office from the League at this time. He thanked Barbados Workers Union Credit Union for supporting him over the years

The Chairman and the delegates wished Bro. Turney all the best.

17.2 Sis. Novalene Brewster of Barbados Workers' Union Credit Union congratulated all who were elected to sit on the Board and other Committees. She went on to query why no apology for absence was tendered on behalf of Bro. Barry Hunte. She further complimented Bro. Hunte for the work he had done on the League's Board and noted that the movement needed more people like Bro. Hunte. She expressed that Bro. Hunte was very thorough and had a comprehensive knowledge of the law and was also a man of great character and principle. Sis. Brewster stated that the Credit Union movement has to treat persons with respect, and keep each member's dignity intact at all times. She articulated that the movement should ensure that what happened to Bro. Hunte is never repeated.

17.3 Bro. Hally Haynes of Barbados Police Credit Union thanked the membership for allowing him the opportunity to serve again at a national level. Bro. Haynes conveyed thanks and appreciation to the membership on behalf of Bro. Barry Hunte, as well as assurance of his continued support to the movement. Bro. Haynes reiterated that it was unfortunate that at this time, the movement found itself in this predicament and stressed that it must never happen again, as it sent signals to the wrong places, and a lot of assumptions were made.

17.4 Bro. Michael Alleyne of BET Credit Union endorsed the sentiments of Sis. Novalene Brewster and Bro. Hally Haynes. He encouraged members not to serve for personal benefit, but for the advantage to the Movement. He thanked the entire country for supporting the BET Credit Union for fifty (50) years and noted it was not an easy road. Bro. Alleyne expressed thanks to Bro. Anthony Pilgrim and noted that the staff of the League had been of great assistance to them.

17.5 Bro. Kevin Lashley of United Enterprise Credit Union urged the Board of Directors to give consideration to the setting up of a Hall of Fame to honour the elders of the Credit Union Movement. He indicated that it was important to remember the trendsetters and urged the Board to include such an item on the Agenda for the next year. Bro. Lashley went on to say that Bro. Barry Hunte never failed to share his knowledge base with him and commended him for a job well done. He opined that Bro. Hunte was one of a kind.

17.6 Bro. Patrick McDonald of UWI (Cave Hill) Credit Union thanked the League for recognizing the UWI (Cave Hill) Credit Union on reaching a milestone; he also thanked the League for their assistance for the thirty (30) years they were in existence. Bro. McDonald recommended to the Board that the corporate governance rules that would prevent a situation similar to that of Bro. Barry Hunte not being able to be seated as President at the AGM, be put into place.

The Chairman indicated that all feedback for the afternoon was taken into consideration and this would ensure that the incoming Board of Directors give due consideration to the matter.

17.7 Bro. Sherwin Greenidge of Barbados Workers' Union Credit Union, thanked the members and Board of his credit union, and other affiliates for placing confidence in him and thereby electing him to the Board of Directors.

17.8 Bro. Anthony Inniss of Lifetime Credit Union endorsed all the comments made for the afternoon, and wished everyone success especially those on the Board and other Committees. He noted that it had been a privilege to serve on the League's Board.

17.9 Sis. Bernetta Hall of United Enterprise Credit Union thanked the League for recognizing United Enterprise Credit Union on reaching their milestone; she indicated that they had experienced rough times before, and to reach forty (40) years was therefore a great feat. She thanked all who assisted the credit union in any way.

17.10 Bro. Noel Nurse of Lifetime Credit Union expressed thanks for being elected to the Board of Directors and conveyed his dedication to helping the movement on behalf of his credit union and himself.

17.11 A presentation was made to Bro. Ashton Turney of Barbados Workers' Union Credit Union. This presentation was made by Bro. Athelstone Catling the outgoing 2nd Vice President.

17.12 Sis. Carolyn Barton of Barbados Workers' Union Credit Union congratulated all who were elected to the Board of Directors and other Committees. She queried if the Movement would be willing to select someone for national honours on an annual basis.

The Chairman indicated that no nominations were received this year, and the movement could consider nominees for next year.

17.13 Sis. Muriel Parris of St. Stephen's Credit Union stated that a nomination was sent in on behalf of St. Stephen's Credit Union and queried the status of it. She acknowledged the growth in the Credit Union Movement and stated that she was the first and only female President of the Credit Union League.

The Chairman indicated that the nomination referred to was for the 50th Anniversary Awards, and restated that none were received for the national awards.

17.14 Sis. Marilyn Gittens of Barbados Media Credit Union introduced herself and thanked the Barbados Media Credit Union along with the Nation staff and family for placing confidence in her and she thanked the membership for the opportunity to serve on the Supervisory Committee.

17.15 The Chairman thanked the Board of Directors, Supervisory and Credit Committees for their dedication of service in the pursuit of excellence. He also thanked the staff of the League and delegates for making the Annual General Meeting a success.

**18. TERMINATION**

18.1 There being no other business, the meeting was terminated at 7:22 p.m. on a motion moved by Bro. Kelvin Whittaker of the Light and Power Employees' Credit Union and seconded by Bro. Ashton Turney of the Barbados Workers' Union Credit Union. The motion was carried.

**RECORDED BY:** **Alana Hinkson**
Recording Secretary

**MINUTES OF THE SPECIAL GENERAL MEETING OF**
**THE BARBADOS CO-OPERATIVE & CREDIT UNION LEAGUE LTD.**
**HELD ON THURSDAY MAY 18, 2017**
**AT THE LLOYD ERSKINE SANDIFORD CENTRE**
**TWO MILE HILL, ST. MICHAEL AT 5:30 P.M.**

## 1. CALL TO ORDER

1.1. The Chairman/President, Bro. Anderson Henry of Light & Power Employees' Credit Union called the meeting to order at 5:40 p.m.

| NAME OF DELEGATE | CO-OPERATIVE SOCIETY |
|---|---|
| Marilyn Gittens | Barbados Media Credit Union |
| Hally Haynes | Barbados Police Credit Union |
| Trevor Griffith | Barbados Police Credit Union |
| Athelstone Catling | Barbados Teachers' Credit Union |
| Dalton Medford | Barbados Workers' Union Credit Union |
| Keith Jones | Bartel Credit Union |
| Anthony Sue | Bartel Credit Union |
| Michael Alleyne | BET Credit Union |
| Glyne Pilgrim | City of Bridgetown Credit Union |
| Carlisle Harrison | Courtesy Credit Union |
| Susan Fitt | Endeavour Credit Union |
| Patrick Williams | Endeavour Credit Union |
| Gabrielle Clarke | Family Credit Union |
| Noel Nurse | Lifetime Credit Union |
| Anderson Henry | Light & Power Employees' Credit Union |
| Kelvin Whittaker | Light & Power Employees' Credit Union |
| Gregory Prosper | Moravian Church Credit Union |
| Richard Lorde | One Heritage Credit Union |
| Muriel Parris | St. Stephen's Credit Union |
| Kevin Lashley | United Enterprise Credit Union |
| Patrick McDonald | UWI (Cave Hill) Credit Union |
| Charles O. Alleyne | UWI (Cave Hill) Credit Union |

| NAME OF ALTERNATES | CO-OPERATIVE SOCIETY |
|---|---|
| Terrol Inniss | Barbados Public Workers' Credit Union |
| Merina Taylor | Church of the Nazarene Credit Union |
| Carol A. Bovell | Endeavour Credit Union |
| Oswald Burnett | Endeavour Credit Union |
| Harlen Headley | Family Credit Union |
| Shirley Phillips | Public Transport Credit Union |
| Michelle Marshall | United Enterprise Credit Union |

| NAME OF OBSERVER | CO-OPERATIVE SOCIETY |
|---|---|
| Lydia Lewis | Barbados Public Workers' Credit Union |
| Ricardo Seale | Barbados Secondary Teachers' Credit Union |
| Victor Hutchinson | Barbados Teachers' Credit Union |
| Winston Dottin | Bartel Credit Union |
| Brenda Brathwaite | Bartel Credit Union |
| Jacqueline Forde | Bartel Credit Union |
| Marcia Dottin | Bartel Credit Union |
| Vascoll Holder | Bottlers United Credit Union |
| R. Anderson Taylor | Church of the Nazarene Credit Union |
| Sylvan Greenidge | Church of the Nazarene Credit Union |
| C. David Knight | Endeavour Credit Union |
| Silvan Greenidge | James Street Circuit Credit Union |
| Edmund Grimes | Lifetime Credit Union |
| Henderson Turton | Lifetime Credit Union |
| Inez Tull | Moravian Church Credit Union |
| Rev. Dr. Cicely Athill-Horsford | Moravian Church Credit Union |
| Juliette Smith | Moravian Church Credit Union |
| David Ince | Moravian Church Credit Union |
| Jefferson Lashley | Progressive Credit Union |
| George Denny | Public Transport Credit Union |
| Roderick Best | Public Transport Credit Union |
| Marguerita Jordan | St. Barnabas Credit Union |
| Ingrid Ashby | St. Stephen's Credit Union |
| Joan Waithe | United Enterprise Credit Union |
| Ricardo Peterson | UWI (Cave Hill) Credit Union |
| Maria Maynard | UWI (Cave Hill) Credit Union |
| Ryan Headley | UWI (Cave Hill) Credit Union |
| Judith Baynes | UWI (Cave Hill) Credit Union |
| Natasha Corbin | UWI (Cave Hill) Credit Union |

| OTHER ATTENDEES | |
|---|---|
| Dr. Justin Robinson | Consultant |
| Marie Theodore | Capita Financial Services Inc. |

| NAME OF STAFF | POSITIONS |
|---|---|
| Anthony Pilgrim | General Manager |
| Wesley Bowen | Accountant/Finance Officer |
| Roslyn Reid | Executive Secretary/Administrative Officer |
| Maxine Carrington | Administrative Assistant |

## 2. ASCERTAINMENT OF A QUORUM

2.1 The Chairman informed the meeting that in accordance with By-Law 22 (1) a quorum was present.

## 3. PRAYERS

3.1 The Chairman led the meeting in prayer.

## 4. WELCOME & OPENING REMARKS

4.1 The Chairman welcomed members to the Special General Meeting and stated that the meeting was called to report to members on the Fit & Proper Questionnaire distributed by the Financial Services Commission (FSC) and the Roll-out of Banking Services. He then introduced Bro. Anthony Pilgrim, General Manager of the League to take the delegates through a presentation on the Fitness and Propriety Regime.

## 5. FITNESS AND PROPRIETY REGIME

5.1 The General Manager stated that the FSC had declared its intention to escalate requirements re Fitness and Proper standards for the Credit Union sector, and he noted that the League had engaged the FSC on behalf of affiliates. He further noted that affiliates had overwhelmingly responded to the FSC utilizing the template prepared by the League.

5.2 He noted that the FSC and the League had a cordial and frank exchange on the issues, and the FSC had indicated the following:

- Fit & Proper standards are inescapable particularly for officers of financial institutions, in the interest of protecting the reputation of Barbados as a jurisdiction.
- The Co-operative Societies Act (CSA), the FSC and the Anti-Money Laundering Acts all dictate adherence to Fit & Proper Standards.
- All entities regulated by the FSC would be required to meet Fit & Proper standards, and the identical assessment instrument would be required.
- Since the assessment instrument is generic in design, not applicable responses should be inserted as necessary.

5.3 The General Manager noted that the FSC was informed that the sector was not opposed to Fit & Proper standards in principle, but the lack of consultation was an issue.

5.4 He further stated that there were a number of implementation challenges which would need to be worked through such as the following:

I. The majority of credit unions do not have a pre-vetting process and therefore reasonable notice would have to be given as some By-Laws would have to be amended.

II. The challenges associated with acquiring a Police Certificate of Character.
III. Providing more guidance on the completion of the Questionnaire by expanding the instructions section, and more importantly developing a written comprehensive guidance framework.

5.5 The General Manager noted that the Board met and discussed the outcome of the meeting and decided on a plan of action which included the following:

I. The Board requested affiliates to submit their comments and/or concerns in writing.
II. A second meeting would be convened with affiliates after receipt and analysis of their responses.
III. The Board will continue ongoing engagement with the FSC on their behalf.

5.6 He noted that the Central Bank and the FSC hosted a one day Conference for Domestic Financial Institutions on May 2, 2017 and Fit & Proper standards was one of the topics discussed. He stated that one of the moderators, who is a senior official at the FSC disclosed that the FSC in response to push-back from some of the sectors that it regulates, had decided to revisit the Questionnaire, and a revised version of the document will be issued.

5.7 The General Manager stated that by letter dated May 17, 2017 the FSC had advised the BCCUL as follows:

- The Commission is in the process of preparing additional information on the Fit & Proper Regime for dissemination to all regulated sectors and entities.
- The Commission is requesting the BCCUL to consider the revised information before a follow up meeting is convened between the parties.

5.8 Bro. McDonald of UWI (Cave Hill) Credit Union stated that every credit union would have to set up a Nominating Committee, which would change the fundamental character of the movement in Barbados. He further noted that By-laws would need to be amended to accommodate the proposed nomination process. He agreed that best practise would be to provide a written guidance framework.

5.9 Bro. Michael Alleyne of BET Credit Union queried whether there would be an appeals process that would work effectively.

The General Manager stated that were very good reasons to conclude that decisions would be appealable.

**6. ROLL OUT OF BANKING SERVICES**

6.1 Bro. Hally Haynes, 1st Vice President and Chairman of the Financial Services Committee stated that in 2000 the BCCUL appointed a Committee to examine the establishment of a Co-operative Bank. He noted that in 2008, the Barbados Public

Workers' Credit Union contracted Sir Courtney Blackman, to examine the feasibility of establishing a Co-operative Bank. He further noted that in June 2011 the League met with its membership, and one of the mandates given was to examine the feasibility of the establishment of a Co-operative Bank.

6.2 Bro. Haynes noted that in 2012 the League contracted Sir Courtney Blackman to conduct the feasibility study; and he had recommended the establishment of the Bank using CAPITA as the conduit. He also noted that in 2013, the League contracted Dr. Justin Robinson to prepare a business plan for the Co-operative Bank.

6.3 He noted that in October 2014 Dr. Robinson made a presentation, and a resolution was passed by the member societies to pursue the Co-operative Bank initiative.

6.4 Bro. Haynes noted that there were correspondent banking relationship hurdles, and there was the big issue of several indigenous banks across the region having their correspondent banking relationships terminated.

6.5 Bro. Haynes stated that against this backdrop, the League was therefore proposing to roll out banking services. He further stated that the projected outcomes of this project would be as follows:

- Enhanced services to credit union members
- Increased market share of the financial services sector
- Increased utilisation of credit union services
- Levelling of the playing field in the banking sector

6.6 Bro. Haynes noted that persons were going to FastCash to get money instantly although the interest rate was 24%, but were returning to the credit union after finding themselves in difficulty, therefore the movement needs to provide a quick turnaround time for members.

6.7 He concluded by saying that foreign exchange; credit cards and debit cards are not an option, but a necessity for survival today.

6.8 Bro. Haynes then introduced Dr. Justin Robinson, Consultant, to deliver the presentation on "The Rollout of Banking Services".

6.9 Dr. Robinson stated that the movement was looking at a shared service model re foreign exchange, credit cards and debit cards. He noted that a credit card can be seen as a defensive measure as the younger generation live in an online world. He noted that if credit unions do not offer these services, attracting membership of the next generation could be questionable.

6.10 Dr. Robinson noted that the basic model was similar to the co-operative bank. He noted that one option would be for individual credit unions to try to get into the card business. He further noted that the challenge with this would be the foreign exchange licence, which if it is not granted, the cards would only be valid for local transactions.

6.11 He proposed that Capita which already has the Part 3 license would go forward for the foreign exchange and credit card arrangements, and then enter into a marketing agreement with the League. He noted that members would go into their credit union and apply for the credit card and the credit union would decide on the approval. He further noted that if approval is granted, the information would be sent to Capita and then the card would be returned to the credit union for collection by the member.

6.12 Dr. Robinson further noted that credit unions would be responsible for making the loan loss provisions and would therefore keep all the interest revenue.

6.13 He noted that his team was currently working on a master MOU between Capita and the League. He further noted that there would be a wall between Capita and the individual credit unions so that the League will be managing the transactions between individual credit unions and Capita. He noted that the League would have to satisfy Capita that the credit unions participating do not endanger the regulatory and compliance standards to be maintained by Capita.

6.14 Dr. Robinson noted that a model that could be adopted by the movement for foreign exchange services would be for credit unions to apply for cash for members travelling through Capita. He further noted that this would not be a same day transaction.

6.15 He noted that the movement would need to look at strategies to attract members as members would already have credit cards through other institutions. He noted that some of the strategies to get members to switch would be as follows:

- Allowing members to transfer their balances
- Offering pre-approved cards to qualified members
- Offering favourable interest rates
- Offering promotional incentives (travel points etc.)

6.16 Bro. Charles O. Alleyne of UWI (Cave Hill) Credit Union queried if the credit unions compete with the bank, how would it affect the other benefits that the members enjoy e.g. patronage funds etc. He further queried if credit unions would gain income from participating.

6.17 Bro. Charles O. Alleyne further queried what would be the interest rate on the card and how settlement would be accomplished.

6.18 Bro. Patrick McDonald of UWI (Cave Hill) Credit Union queried what type of infrastructure credit unions would need to have to accommodate this service. He further noted that credit unions currently carry a substantial amount of unsecured debt on their balance sheets.

Dr. Robinson noted that the technical discussion with each credit union will be conducted through their Board, and the Board would then make the determination as to how it affects their credit union and how they will manage the risk.

6.19 Bro. McDonald queried what infrastructure would need to be put in place to accommodate this service, as there was a greater risk with credit card transactions.

6.20 Sis. Marie Theodore of Capita Financial Services Inc. noted that the credit card is a better version of a line of credit, and can be used on the international market. She further noted that Capita will only provide the service, but will not be issuing the credit cards.

6.21 Bro. Glyne Pilgrim of City of Bridgetown Credit Union queried if insurance for the card had been considered, and noted that the consultative process with the individual credit unions was critical.

6.22 Bro. Dalton Medford of Barbados Workers' Union Credit Union provided a word of caution stating how will the movement separate itself from the banking services so as to avoid taxes. He further stated that the credit card could be used by students to pay their university fees at the University of the West Indies.

6.23 Bro. Kelvin Whittaker of Light & Power Employees' Credit Union noted that the movement needed to move swiftly to implement this service as by waiting for more than five years there were now a lot of players in the market. He further stated that the movement needed to plan a strategy and implement it.

6.24 The Chairman thanked Dr. Robinson for his enlightening presentation and noted that the movement was moving to combat the external treats like the Massy Card, the Cave Shepherd Card, and Fastcash, as these entities were not set up to benefit credit union members.

6.25 The Chairman stated that a meeting will be convened in the next 2 months with all credit unions to disclose the full details of the service. He noted that, all of the

queries could not be satisfied at this time since the models for the roll out were still works in progress.

**7. TERMINATION**

7.1 The meeting was terminated at 7:25 p.m.

**RECORDED BY:** Roslyn Reid
Executive Secretary/Administrative Officer

## REPORT OF THE BOARD OF DIRECTORS
## OF THE BARBADOS CO-OPERATIVE & CREDIT UNION LEAGUE LTD.
## FOR THE PERIOD AUGUST 1, 2016 – TO JULY 31, 2017

The Directors and their attendance at meetings for the period under review are as exhibited below:

**August 1, 2016 – October 29, 2016**

| POSSIBLE ATTENDANCE | NAME | POST | ATTENDED | EXCUSED |
|---|---|---|---|---|
| 3 | Barry Hunte | President | 3 | -- |
| 3 | Anderson Henry | 1st Vice President | 3 | -- |
| 3 | Athelstone Catling | 2nd Vice President | 3 | -- |
| 3 | Paul Maxwell | Treasurer | 3 | -- |
| 3 | Peter Earle | Asst. Treasurer | 1 | 2 |
| 3 | Anthony Inniss | Secretary | 3 | -- |
| 3 | Keith Jones | Asst. Secretary | 2 | 1 |
| 3 | Ashton Turney | Member | 2 | -- |
| 3 | Susan Fitt | Member | 3 | -- |

**October 29, 2016 – July 31, 2017**

| POSSIBLE ATTENDANCE | NAME | POST | ATTENDED | EXCUSED |
|---|---|---|---|---|
| 10 | Anderson Henry | President | 10 | -- |
| 10 | Hally Haynes | 1st Vice President | 9 | 1 |
| 10 | Athelstone Catling | 2nd Vice President | 10 | -- |
| 10 | Susan Fitt | Treasurer | 10 | -- |
| 10 | Noel Nurse | Asst. Treasurer | 10 | -- |
| 10 | Keith Jones | Secretary | 10 | -- |
| 10 | Peter Earle | Asst. Secretary | 7 | 3 |
| 10 | Sherwin Greenidge | Member | 8 | 2 |
| 10 | Paul Maxwell | Member | 7 | 2 |

The Board appointed sub-committees during the period. The committees formed were: Credentials, Finance, By-Laws, Nominating, Research Statistical, Awards, Advocacy and 60th Anniversary Celebrations. All committees are chaired by sitting Directors.

## OVERVIEW

### Economic Review and Impact on the Sector

As reported by the Central Bank, the Barbados economy is estimated to have grown by 1.6 percent in 2016. Further, for the first six months of 2017, the economy grew by 2.2 percent, which was higher than the corresponding period one year earlier, and represented a modest improvement on the average half-yearly expansion over the past decade.

The twin policy challenges for the Government remain bringing the fiscal imbalance in line with financing, and restoring the foreign reserves to an internationally acceptable level. Government has therefore embarked on a home-grown fiscal adjustment programme, equivalent to 6 percent of GDP, which targets a balanced budget in fiscal year 2017/2018.

Government's programme for fiscal year 2017/2018 has been based largely on increased taxation and one-off divestments. Some of these short-term new policy measures are expected to have an inflationary bias and hence dampen demand which may lead to some contraction within the economy. If this scenario plays out, there could be spill-over effects on employment which might impact on the balance sheets of credit unions through increasing NPLs and lower loan volumes, due to the lack of confidence in the performance of the economy.

### Review of Business Performance

The League had a reasonably successful year of operations for the 2016/2017 fiscal period. This year there was a slight contraction in assets under management; however net income was more than satisfactory being recorded at $89,198 after the payment of a 2.5 percent return on deposit liabilities.

At the operational level, advocacy was very much in focus again this year, with key issues such as the introduction of a fitness and propriety regime, and compliance with the OECD's Common Reporting Standard occupying much of the attention. The design of a project to facilitate the compliance of member societies with IFRS 9, the new international standard was also given a high priority.

## MEMBERSHIP

Membership declined by one with the successful consolidation of Wesleyan Holiness and Church of God Credit Unions during the period. The amalgamation gave birth to One Heritage Credit Union. The total membership of the League at the end of the reporting period therefore stood at thirty-one member societies.

## PERFORMANCE OF AFFILIATES

In general, the credit union movement continued to weather the protracted economic crisis relatively well during the reporting period. The major challenge continued to be preventing further deterioration of credit quality which would be expected in a challenging economic environment. There was positive movement of the NPL ratio, which decreased from 8.9 percent in September 2015 to 7.6 percent one year later as reported in the Financial Stability Report. The capital to assets ratio increased by 0.25 of a percentage point to 11.8 percent as at the end of September, 2016. There was also improvement in the annualized ROA which increased from 0.8 percent to 1.2 percent at the end of September 2016. Affiliates recorded year-on-year growth in all categories as at June 30, 2017; details are discussed below.

### Membership

The total membership of affiliated societies recorded year-on-year growth of 5.43 percent moving from 180,536 to 190,341. This rate of growth is marginally above that of last year's growth rate of 5.31 percent. It is noted that the total membership represents approximately 105 percent of the economically active population (persons 15 years and older).

### Savings

The total saving of affiliated societies recorded year-on-year growth of 9.01 percent moving from $1,692,771,608 to $1,845,248,716. This rate of growth is approximately one percentage point lower than last year's.

### Loans

Year-on-year loan growth was recorded at 7.15 percent moving from $1,473,752,971 to $1,579,089,206. Loan book growth is generally challenging in difficult times, and therefore this performance is commendable. Further it exceeds last year's growth rate of 6.05 percent by more than one percentage point.

### Assets

Year-on-year asset growth was recorded at 8.14 percent as total assets under management grew from $1,970,533,953 to surpass two billion dollars for the first time; at June 30, 2017, total assets stood at $2,130,933,807. The rate of growth is marginally below last year's rate of 8.51 percent.

## DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND PERFORMANCE

### Overview

For the period under review the organization recorded a net surplus of $89,198; this was a satisfactory outcome for a trade association. Continuing the policy adopted by the Board of Directors to pay members a competitive rate of return on regular/non-qualifying shares, interest on these liabilities was again paid at the rate of 2.5 percent maintaining the policy of fair rates of return.

Balance Sheet Highlights

Total assets increased by 1.46 percent moving from $2,400,757 at year-end 2016 to $2,435,846 at year-end 2017. The increase was mainly due to an increase in accounts receivable and prepayments which moved from $122,751 to $138,723, an increase of 13.01 percent; there was also an increase in current investments which moved from $1,364,000 to $1,415,687 an increase of 3.79 percent. Conversely, cash and cash equivalents decreased by 6.58 percent as it moved from $708,511 to $661,870.

Total liabilities decreased by 3.66 percent moving from $1,473,856 at year-end 2016 to $1,419,947 at year-end 2017. In the category of current liabilities, unearned revenue increased by 4.22 percent moving from $86,215 to $89,856; accounts payable and accruals decreased by 19.53 percent moving from $73,005 to $58,746. In the category of non-current liabilities, the Development Fund increased by 17.23 percent as it moved from $180,941 to $212,117; the Education Fund experienced a precipitous reduction of the magnitude of 60.92 percent as it moved from $122,629 to $47,929. The Institutional Strengthening Project Fund increased marginally by 0.07 percent moving from $116,681 to $116,764.

Total equity recorded an increase of 9.60 percent as it moved from $926,901 at year-end 2016 to $1,015,899 at year-end 2017. The statutory reserve balance was again held constant as there was no further allocation in view of the adequacy of the organization's capital position given the current risk profile; however the undivided surplus increased by 34.97 percent moving from $255,054 to $344,252. The special reserve set up as a result of the gains of the liquidation of the HCF debt, a transaction which was fully completed in the prior year, remained unchanged at $275,265 at year-end 2017.

Statement of Comprehensive Income Highlights

Operating income increased by 7.52 percent as it moved from $830,065 in fiscal year 2016 to $892,518 for fiscal year 2017. Membership dues increased by 5.45 percent, while administration and management fees increased by 11.24 percent.

Operating expenses increased by 5.09 percent as it moved from $801,481 in fiscal year 2016 to $842,310 in fiscal year 2017. Staff costs flat-lined in real terms, while other operating expenses increased by 10.40 percent.

Other income decreased by 6.64 percent as it moved from $65,710 in fiscal year 2016 to $61,349 in fiscal year 2017. The most significant item in this category, interest earned on investments, decreased by 1.57 percent; dividend income also decreased by 40.03 percent.

For the fiscal year 2017, interest was paid on shares at the rate of 2.5 percent to the value of $22,359; this fair rate of return mirrored last year's payout figure.

Net income increased by 24 percent as it moved from $71,935 in fiscal year 2016 to $89,198 in fiscal year 2017.

## HUMAN RESOURCE MATTERS

There were some staff changes during the reporting period as both the Executive Secretary/Administrative Officer and one of the Administrative Assistants submitted their resignations. The organization conducted a recruitment exercise and welcomed two replacements during the reporting period and therefore the staff complement of seven persons was maintained.

The General Manager attended the Domestic Financial Institutions Conference co-hosted by the Central Bank and the FSC held in May 2017. The Training Officer attended the WOCCU International Credit Union Conference which was held in Austria in July 2017 and received her International Credit Development Educators designation. In addition she attended the WYCUP programme and was awarded one of the five scholarships which are given annually by WOCCU to young credit union leaders.

The Board continued to retain the services of a Human Resources Consultant on an as-needed basis. Attention was again paid to talent retention and how this could be enhanced. It was pleasing to note that three member societies which had been approached in the prior year responded favourably to the League's request to offer concessionary interest rates on loans to the employees of the League.

## LEAGUE PROGRAMMES AND SERVICES

### I. Training

### CU@TRAINING PROGRAMME

### CU@Training Courses Offered & Attendance

The fifteen (15) workshops on offer during the period were:
*Courses marked * were offered more than once during the training period, Courses marked ** were undersubscribed and cancelled*

<u>Governance & Leadership</u>

- **Board of Directors Orientation (2 days)**
- **Supervisory Committee Orientation (2 days)**
- **Credit Committee Orientation (2 days)**

<u>Regulatory Compliance</u>

- ***Regulatory Compliance 1 & 2 - Plugging Money Laundering Vulnerabilities in the Credit Union Movement**
- ***Anti-money Laundering: Client Risk Profiling**

<u>Credit & Collections</u>

- **Credit Initiation, Underwriting & Monitoring**

<u>Business Development, Administration & Service</u>

- **Developing Your Skills As A Financial Counsellor**
- **Credit Union Operations**

- Credit Union History & Principles
- Credit Union Structure & Role of the Committees
- Regulatory Compliance: Understanding the Role and Function of the FSC
- Regulatory Compliance: Understanding the Co-operative Societies Act
- The Credit Union as a Change Agent: Financial Counselling & Savings Mobilisation
- The Credit Union as a Change Agent: Processing Credit
- Regulatory Compliance: Anti-Money Laundering/ Counter Terrorist Financing
- Regulatory Compliance: The Employment Rights Act
- Regulatory Compliance: SHaW Act
- Financial Management

- **Building Excellence in Risk Management**
  - The Fundamentals of Credit & Operational Risk
  - PEARLS What You Need to Know

Personal Interest Presentations

- ****Developing Your Business Enterprise**
- **Managing Your Personal Finances**
- ****Introduction to Savings and Investments Products**
- **Understanding and Managing Personal Credit**
- **Retirement Planning: A Golden Approach**

Table 1: **CU@Training** Attendance by Course

| **CU@Training** | **Registrations** | **Completions** |
|---|---|---|
| AML: Client Risk Profiling | 31 | 24 |
| Managing Your Personal Finances | 10 | 8 |
| Understanding and Managing Personal Credit | 12 | 8 |
| Developing Your Skills As A Financial Counsellor | 21 | 10 |
| Regulatory Compliance 1 - Plugging Money Laundering Vulnerabilities in the Credit Union Movement | 23 | 16 |
| Regulatory Compliance 2 - Plugging Money Laundering Vulnerabilities in the Credit Union Movement | 24 | 16 |
| Regulatory Compliance (mixed)- Plugging Money Laundering Vulnerabilities in the Credit Union Movement | 25 | 22 |
| Building Excellence in Risk Management | 20 | 11 |
| Credit Union Operations | 25 | 15 |

| CU@Training | Registrations | Completions |
|---|---|---|
| Credit Initiation, Underwriting & Monitoring | 15 | 9 |
| Retirement Planning: A Golden Approach | 28 | 21 |
| Board of Directors Orientation | 19 | 5 |
| Supervisory Committee Orientation | 10 | 6 |
| Credit Committee Orientation | 28 | 15 |
| **TOTALS** | **291** | **186** |

Feedback from participants and facilitators continues to be monitored to enable BCCULL to make programme/logistical adjustments where possible.

- Due to the heavy bias in the admission's structure for capacity building purposes, we are continuing to see more employees and volunteers than general members. More queries are being made about access to local or international professional qualifications or designations.

- Most of the feedback regarding the administration of the programme related to participants requesting more refreshments or a greater variety of refreshments or access to tea and coffee.

- We continue to receive requests for longer courses especially in the area of AML/CTF courses.

- Some time management issues were identified with facilitators but overall they continue to be rated favourably.

## OTHER WORKSHOPS & DEVELOPMENT INITIATIVES

### Credit Union History & Principles

In addition to the regular workshops, **CCCU Vice President Hally Haynes** partnered with the League to facilitate a **Credit Union Principles and Philosophy Workshop** on **October 8, 2016** which saw **19** credit unionists out of the registered 25 persons attending.

### Business Lending Policy

The Business Lending Policy was distributed to the ten largest Credit Unions (by asset size). The key elements of the policy were discussed during a presentation held on **October 13, 2016** where representatives from **BET, City of Bridgetown** and **UWI (Cave Hill) Credit Union** were in attendance.

**Corporate Governance: Endeavour Credit Union**

Utilizing the services of former **Chief Executive Officer of the Financial Services Commission – Randy Graham**, the League coordinated a Corporate Governance workshop on **April 29, 2017** for the Board, Committee members and staff of Endeavour Credit Union focused on:

1. Corporate Governance in Credit Unions
2. The Role of the Board And Supervisory Committee
3. The Role of the Credit Union
4. Credit Risk in Credit Unions
5. The Regulatory Environment and Compliance

**International Financial Reporting Standard (IFRS) 9 Overview**

The League hosted an **International Financial Reporting Standard (IFRS) 9 Overview** session which was facilitated by Deloitte's Daryl Walcott-Grappie Director, Audit and Andre Walcott Partner, Financial Advisory. Nineteen Credit Unions sent a total of 34 attendees to the session. (Bartel, BET, Police, Teachers, BWU, Church of the Nazarene, Courtesy, Endeavour, Family, Light & Power Employees, One Heritage, Public Transport, St. Barnabas, St. Marks, St. Leonards, Shamrock, SDA, United Enterprise, UWI).

## QUALIFICATIONS & ACADEMIC PARTNERSHIPS

### Existing Qualifications

**Caribbean Credit Union Development Educator (CaribDE) Qualification**

The League hosted the 22nd Session of the CaribDE Programme during the period **September 24, 2016 to October 1, 2016** for credit union staff and volunteers from Barbados, Cayman Islands, St. Kitts & Nevis, St. Lucia, Trinidad & Tobago. The programme saw **25** persons (7 of which registered from Barbados) completing the programme and receiving the Caribbean Credit Union Development Educator designation.

### New Qualifications

**ACCA-X Financial Literacy Programme**

The League is partnering with the **Association of Chartered Certified Accountants (ACCA)** to offer special rates to Credit Union staff and volunteers who register for the **ACCA-X Financial Literacy Programme**. ACCA-X is an award-winning e-learning solution designed to support employees and volunteers who have financial and management accounting roles. Some of the Courses available through ACCA-X are:

1. Introduction to Financial and Management Accounting
2. Intermediate Financial and Management Accounting
3. Diploma in Accounting & Business

Successful completion of courses will result in a globally recognized qualification.

## II. Technical Assistance

During the period under review, utilizing the services of our consultant Keith Bourne, the League continued to provide technical assistance to member societies focusing mainly on those with assets below $20 million, with the aim of achieving the following objectives:

- Ensuring that credit unions are provided with the technical help to enable them to meet the minimum standards required to enter into the Deposit Insurance scheme, when the safety net is extended to include credit unions.

- Providing the technical help to enable credit unions to meet the new regulatory standards with particular emphasis on credit risk management practices and creation of the suite of policies to assist in the management of other risk exposures.

- Assisting with the drafting of amendments to By-Laws.

- Delivering in-house training and assisting with strategic planning exercises.

- Providing practical advice and guidance to lift corporate governance standards.

In keeping with past trends, several member societies took full advantage of the technical help that was made available, but in a few cases the resource was under-utilized.

It is noted that the Barbados Public Workers' Credit Union under an MOU between the parties, continued to provide 70 percent of the funding for this very worthy initiative and the League the other 30 percent. It is noteworthy that this relationship is now in its sixth year since it dates back to 2010; there was only a one-year break when funding was provided by another source.

## III. Mutual Benefits Plan

The League continued to provide administrative services for the Plan during the period under review. The effort to build additional capacity and expedite the processing of claims by providing in-house training was successfully completed. Feedback continues to suggest that this was a very welcome development since queries were responded to more readily and the turnaround time for the processing of claims was reduced.

## IV. CoopMed Advantage Plus

The CoopMed Group Medical and Group Life Plan was rebranded CoopMed Advantage Plus during the last reporting period. As part of that process major changes were made such as new rates structures and changes to the schedule of benefits which included increasing deductibles, and other risk mitigation measures. It is noted that a critical care lump sum benefit of $15,000.00 was introduced, and the group life benefit was raised from $10,000.00 to $15,000.00.

During the period under review, the insurer reviewed the performance of the Plan. The analysis showed that the impact of the adjustments made in the last year largely met the objectives, in particular, the claims experience was 76 percent as compared with in

excess of 90 percent for the prior year. There was also an increase in the numbers enrolled in the Plan which moved from 1,900 persons to approximately 2,500 at June 30, 2017. This increase in enrollment reflected the fact that the plan was deemed to be affordable and offered good value in a market where demand for the product exceeded supply, especially for the older demographic.

The insurer was relatively pleased with the overall performance of the Plan for the year under review. In the circumstances, communication was sent to the League indicating that the insurer was proposing to renew at the existing rates for the 2017/2018 period with some additional adjustments to the benefits structure. The Directors of the League gave their approval for the renewal under the terms and conditions proposed by the insurer.

### V. Shared Services

During the period under review, the League communicated with the preferred provider with the aim of further advancing this initiative. Special attention was paid to the issue of affordability by requesting the preferred provider to give consideration to lowering the price points for the service. It is pleasing to report that there was some progress in this regard.

It is hoped that further meaningful progress can be made in the new fiscal year. The Directors of the League continue to be very mindful of the importance of this initiative as it pertains to compliance with the new regulatory standards. In this regard, updates were provided to the Financial Services Commission during the reporting period. The Commission expressed its continuing support for this initiative and the hope that it would come to fruition in the near future.

## DEPOSIT INSURANCE (DI)

The Directors once again are reporting their disappointment that another year has passed and DI has still not become a reality for the credit union sector. During the previous reporting period the relevant authorities had made promises and set target dates for the completion of all activities to give credit union members the comfort of knowing that their deposits are protected by the financial safety net. These dates all came and went during the reporting period without any sign that our lobbying efforts had at last borne fruit.

The Directors of the League continued to raise this matter with the FSC and to urge its executive management team to do all in their power to have the necessary legislation passed in Parliament to make DI a reality for the credit union sector. Progress updates from the FSC indicated that the draft legislative text was still a work in progress and had not been completed during the year under review.

## INTERNATIONAL FINANCIAL REPORTING STANDARD (IFRS) 9 COMPLIANCE PROJECT

IFRS 9 comes into effect for annual periods commencing January 1, 2018. The BCCUL accepted an offer from Deloitte (a firm which provides audit & assurance, consulting, and related services) to deliver a free seminar on the requirements of the new Standard which was held on March 29, 2017. It was clear from the presentation and the additional research which was undertaken that the highly technical nature of this Standard would require the League to provide a programme of assistance.

During the reporting period, the League conceptualized a project which would facilitate compliance with IFRS 9 by more than 90 percent of its member societies. The technical work under the project would be undertaken by a professional services firm, and would entail the development of tiered models to be implemented to compute loan loss provisions utilizing expected loss methodologies.

It is expected that the project would be implemented in the new fiscal year commencing in September 2017.

## ADVOCACY

### Financial Services Commission (FSC)

During the previous reporting period, the League for reasons beyond its control did not have the opportunity to engage the FSC on a quarterly basis notwithstanding its best efforts. The Directors sought to engage the Commission early in the fiscal year in an effort to ensure that the quarterly engagement exercise got back on track. This bore fruit in that a schedule of quarterly meetings was agreed for the period under review. During the reporting period the incumbent CEO resigned and the Deputy CEO Kester Guy was promoted to head the regulatory agency.

Below is a summary of the engagement with the FSC during the period.

Deposit Insurance

The parties again discussed progress with respect to Deposit Insurance and how the initiative can be advanced. It is noted that the Commission indicated that it had done everything in its power up to that point to advance this initiative.

The BCCUL's Internal Audit and Compliance Services Initiative

The parties discussed progress with respect to the League's initiative to provide internal audit and compliance services to its member societies. The Commission reiterated its support for the initiative.

Fitness and Propriety Regime

The League advocated on behalf of its affiliates to ensure that their interests were adequately represented when in February 2017 the Commission declared its intention to put in place a fitness and propriety regime for all financial institutions, including credit unions. The League after convening a meeting with its affiliates in March 2017 to ascertain their views and concerns and to seek their support for a plan of action, put forward the movement's position which is summarized below:

- There was support in principle for the creation of a fitness and propriety regime but this should be done after a process of consultation.

- The Fit and Proper questionnaire should be reviewed with the objective of making it more user-friendly by the deletion of any sections which were not relevant to the local environment and the instructions section should be expanded to provide more clarity.

- The Commission was urged to give special consideration to how credit unions that do not have a pre-vetting process can achieve compliance with the fitness and propriety standard within a reasonable timeframe.

- The Commission should prepare and disseminate a written guidance framework which was best practice in such circumstances.

The Commission subsequently announced that the Fit and Proper questionnaire would be reviewed and modifications would be made. The modifications were made in June 2017 and the revised questionnaire was circulated. Further, the Commission extended the deadline for completion of the document until December 31, 2017.

## EDUCATION FUND

It is noted that at the last Annual General Meeting, a presentation was made during the Treasurer's Report about the declining level of contributions to the Education Fund over the years. It was further noted that the Fund was no longer sustainable based on trends in the recent past.

At the Meeting it was recommended that consideration be given to reverting to the old formula (pre-IAS 32) by adding back the interest paid on member shares to net income and then applying the 1 percent formula to calculate the total contribution. Early in the 2016/2017 fiscal year an effort was made to obtain the data from member societies and to do the actual calculation that was suggested at the Meeting. This exercise led to two inescapable conclusions:

1. The data was not as easy to collect as had been expected and this begged the question of whether this approach would make sense in the circumstances, since a simple computation would be preferable to avoid delays and any confusion.

2. The calculation when completed did not yield the expected increase of contributions to the desired level of approximately $200,000 which was needed to sustain the training programme at the current level of programming.

The Board therefore accepted a recommendation from the Finance Committee to request that the level of contributions be increased from 1 percent to 3 percent of net income from 2017. A meeting of members was convened on March 1, 2017 and this new formula was put to the meeting for consideration and action by member societies. It is noted that 2017 would be a transition year which could present a challenge in that member societies would not have budgeted for such an increase, but it is hoped that the justification presented would have been adequate and therefore the level of contributions from 2017 onward would be at the required level.

## REGISTERED EDUCATIONAL SAVINGS PLAN (RESP)

During the 2015/2016 fiscal year, the Barbados Workers' Union Co-operative Credit Union had approached the League about the concept of designing a product that would help the Nation grapple with the increasing cost of tertiary level education. This was against the backdrop of the decision by Government to increase the tuition fees paid at the tertiary level as part of its ongoing home grown austerity programme.

During the last fiscal year, the League embraced the initiative on behalf of its members. The consultants prepared and finalized a draft of the RESP document for review purposes. The concept in summary is a long-term savings product for educational purposes which can attract matching contributions from the credit union sector and also tax concessions from Government.

Notwithstanding the daunting challenge to get Government to agree to offer tax concessions which essentially would be a complete reversal of recent budgetary trends, this initiative is worthy of support. The future education of this current generation and indeed future generations is not to be taken for granted, and therefore any effort to offer a serious and viable NGO led initiative is highly commendable.

The draft RESP document was reviewed by the Board during the period and initial feedback for improvement was given to the consultant; the improved version is expected to be completed by the second quarter of the new fiscal year. After that process is completed, it is hoped that this initiative can be further advanced with the support of member societies in the first instance—and then, hopefully Government support in the not too distant future.

## OECD'S COMMON REPORTING STANDARD (CRS)

During the last reporting period, the League initiated the process of seeking to ensure that credit unions would be granted similar exemptions under the CRS, as they had received under FATCA on the basis of their low risk status for tax evasion purposes. In pursuance of this objective, the League had sent correspondence to the Revenue Commissioner at the Barbados Revenue Authority. Several follow up calls were made

and a communication link was established with senior management in the Policy Section which had direct responsibility for such matters.

During the reporting period follow up communication was sent to the BRA to enquire if the League's recommendation had been accepted. Verbal communication from the BRA indicated that the League's recommendations had been favourably considered and would be incorporated into the Income Tax (Automatic Exchange of Information) Regulations which were in the process of being amended to include the CRS regime.

In July, the BRA organized a seminar to update financial institutions on the updated Regulations which were approved by the Ministry of Finance and gazetted in May 2017. The League was disappointed to discover that its recommendation had not been acted on as had been indicated, but instead the League itself was given an exemption.

Correspondence has been sent to the BRA requesting a meeting to discuss this matter. In the new fiscal year this matter will be pursued by urging the BRA to have the Regulations amended to include all credit unions with the exception of the three largest on the list of non-reporting financial institutions.

## ATTENDANCE AT REGIONAL AND INTERNATIONAL CONFERENCES

### Caribbean Confederation of Credit Unions (CCCU) Convention and AGM

As required, the Board appointed four delegates to represent the interests of the Barbados movement at the CCCU level in the persons of: Anderson Henry, President; Keith Jones, Secretary; Susan Fitt, Treasurer; and Peter Earle, Assistant Treasurer. An equal number of alternate delegates were also appointed in the persons of Hally Haynes, First Vice President, Anthony Pilgrim, General Manager, Anthony Inniss, member of Lifetime Credit Union and Trevor Colucci, an Officer Barbados Public Workers' Credit Union.

The 60th Annual International Convention and the 46th Annual General Meeting of the CCCU was held in Varadero, Cuba at the Memories Varadero Beach Resort from July 16 to 21, 2017. While there were some logistical challenges, the 74 member delegation from Barbados benefitted from the educational content and networking opportunities. The Barbados delegation also had the opportunity to engage the attention of the Head of the Barbados Mission in Cuba during the Opening Ceremony. Some of the more beneficial sessions were on topics such as (1) Mitigating the Impact of De-risking and (2) The Digital Framework for the Sustainable Development of Credit Unions.

One of the highlights which will undoubtedly redound to the benefit of the local movement was the opportunity to have a face-to-face meeting with WOCCU's Vice President of Advocacy and General Counsel, Michael Edwards, who was a presenter at the Convention. The League's General Manager met with Mr. Edwards and discussed topics of mutual interest such as deposit insurance, regulatory and supervisory trends, WOCCU's position on IFRS 9, and possible avenues for assistance from WOCCU.

Anthony Pilgrim and Kelvin Whittaker served as members of the Credentials and Nominating Committees respectively which both reported to delegates at the Annual General Meeting which was held on Monday, July 19, 2017. At the first Board of Directors meeting after the AGM to elect officers, Hally Haynes was elected to the post of President. The CCCU Board re-appointed Paul Maxwell Chairman of the Audit Committee.

It was announced that the 2018 CCCU Convention and Annual General Meeting will be held in Trinidad & Tobago.

**International Credit Union Conference**

The 2017 World Council of Credit Unions' (WOCCU) International Credit Union Conference was held in Vienna, Austria, from July 23 to 26, 2017. Vienna played host to approximately 1,500 credit unionists from 55 countries scattered across the globe; a mid-size WOCCU Conference.

The League was represented by Anderson Henry, President; and Athelstone Catling, second Vice President. The Training Officer attended sponsored by CaridDE.

## CO-OPERATIVE BANK/ROLL-OUT OF BANKING SERVICES

During the first three quarters of the fiscal year, no significant progress was made on this matter. This was partly due to the fact that the presentation that was scheduled to be delivered at the Annual General Meeting did not materialize due to the unavailability of the consultant. This presentation was to have been delivered against the backdrop of the decision by the Board to move in the direction of launching banking type services such as credit and debit cards, and foreign exchange services.

On May 18, 2017 at the Special General Meeting, the consultant Dr. Justin Robinson made a presentation on a shift in focus away from the establishment of a full-blown banking institution to launching banking type services, which he recommended as a defensive strategy to retain existing members, and to cater more effectively to the younger demographic. The consensus of the meeting was that this approach was necessary in the circumstances.

The Directors of the League having received the approval of the membership at the May 2017 meeting, formally engaged the services of the consultant to chart the path toward the launching of card services and foreign exchange services. It was agreed that the project would be executed in phases over a period of 9 months.

## HAITI AND BAHAMAS RELIEF EFFORT

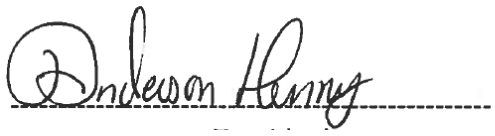
In October 2016, the Bahamas and Haiti were impacted by Tropical Storm Matthew. CCCU mounted an appeal on behalf of the regional credit union fraternity. We are very pleased to report that a contribution of $10,700.00 was made to this effort. It is noted that a sum of $3,000.00 out of the total contribution was specifically earmarked for Haiti at the request of one of our member societies.

## ACKNOWLEDGEMENTS

The Board wishes to express its sincerest gratitude to the Supervisory Committee, Credit Committee, other appointed committees, management and staff for their hard work during the period. In addition, special thanks to member societies for their continued strong support demonstrated during the reporting period.

In addition, the Board extends its deepest condolences to the biological family and extended credit union family of any credit union stalwarts, officers or members who passed during the period under review. May all the departed rest in peace.

For and on behalf of the Board of Directors of the Barbados Co-operative & Credit Union League Ltd.



**Anderson Henry**
**President**

## REPORT OF THE CREDIT COMMITTEE OF THE BARBADOS CO-OPERATIVE & CREDIT UNION LEAGUE LTD. FOR THE PERIOD, AUGUST 1, 2016 – JULY 31, 2017

The Credit Committee for the period August 1, 2016 to July 31, 2017 was composed of the following:

| | | |
|---|---|---|
| Glendon A. Belle | - | Chairperson |
| Kevin Lashley | - | Assistant Chairperson |
| Gregory Holder | - | Secretary |
| Anthony Sue | - | Assistant Secretary |
| Patrick McDonald | - | Member |

For the period under review, the Committee was not required to meet to consider any loan applications.

As pointed out in a previous report, the Committee continues to review its future role since all loan applications were being submitted to the Central Fund Facility Trust, after the League restructured its operations.

Given the foregoing, the Committee is still of the view that the League should review its governance structure with one of the goals being that of determining whether the Credit Committee should have an expanded or other role within the overall governance structure of the Barbados Credit Union League Ltd.

We the members of the Credit Committee wish to express our appreciation to the Board of Directors, General Manager, Staff and other Committees of the League for their dedicated services, for the period under review. To you the Delegates, who elected us to serve on this Committee, we wish to say thank you.

Glendon A. Belle
Chairperson

Kevin Lashley
Assistant Chairperson

Gregory Holder
Secretary

Anthony Sue
Assistant Secretary

Patrick E. McDonald
Member

## REPORT OF THE SUPERVISORY COMMITTEE OF THE BARBADOS CO-OPERATIVE & CREDIT UNION LEAGUE LTD. FOR THE PERIOD AUGUST 01, 2016 TO JULY 31, 2017

The Supervisory Committee for the period August 01, 2016 to October 28, 2016 comprised the following:

| | | |
|---|---|---|
| Bro. Kelvin Whittaker | - | Chairman |
| Bro. Merton Brathwaite | - | Assistant Chairman |
| Sis. Bernetta Hall | - | Secretary |
| Sis. Carolyn Barton | - | Member |
| Bro. Hally Haynes | - | Member |

The Supervisory Committee for the period October 28, 2016 to July 31, 2017 comprised the following:

| | | |
|---|---|---|
| Bro. Kelvin Whittaker | - | Chairman |
| Sis. Carolyn Barton | - | Assistant Chairman |
| Sis. Bernetta Hall | - | Secretary |
| Sis. Marilyn Gittens | - | Member |
| Bro. Trevor Griffith | - | Member |

The Committee is pleased to present its Report for the year ended July 31, 2017 in accordance with the Co-operative Societies Act Cap 378A (as amended) and the BCCULL's By-Law 58(6).

### Operations

The Committee fulfilled its mandate by conducting monthly examinations of the following:

- Activity on all the Bank Accounts held by the League
- Monthly Financial Statements
- Bank Reconciliations
- Minutes of Board of Directors' Meetings
- Treasurer's Report
- Operations Report

The Supervisory Committee is pleased to report that there were no discrepancies found with the League's financial operations. The Committee was satisfied that all cheques written were appropriately disbursed with the accompanying documents adequately completed, and that all funds received were correctly deposited. Bank Reconciliation statements were also found to be up-to-date and in good order.

The Committee noted that delays on the part of the Republic Bank (Barbados) Limited in returning deposit slips to the League's office were again encountered during the year under review. The Committee urged continued follow-up with the Bank and looks forward to having this issue fully resolved in due course.

While it is with some disappointment that the Committee notes that the proposed Deposit Insurance initiative has still not become reality for the credit union movement, it nevertheless lauds the efforts of the League's Board of Directors for consistently pursuing this important issue.

**Other Matters**

The Committee takes this opportunity to congratulate Bro. Hally Haynes on his election to the Presidency of the Caribbean Confederation of Credit Unions (CCCU). Congratulations are also extended to Sis. Marisa Marshall, one of five recipients of awards from the World Council Young Credit Union People (WYCUP).

**Opinion**

It is the opinion of the Committee that for the period under review, the operations of the League continued to be managed in a professional manner, with reports to the Registrar of Co-operatives being submitted as required.

**Conclusion**

The Committee commends the Board of Directors, Management and Staff for their continued dedication, and thanks them for their assistance over the past year.

Kelvin Whittaker
Chairman

Carolyn Barton
Assistant Chairman

Bernetta R. Hall
Secretary

Marilyn Gittens
Member

Trevor Griffith
Member

# BARBADOS
# CO-OPERATIVE & CREDIT UNION LEAGUE LTD.

## FINANCIAL STATEMENTS
## JULY 31, 2017


**PJC**

**Chartered Accountants**

**Barbados**

"we reckon but people count"

**BARBADOS CO-OPERATIVE & CREDIT UNION LEAGUE LTD.**

**Financial Statements**
**July 31, 2017**

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Since 1990
PJC Peter J. Carter & Co.
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"We reckon but people count"
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Tel/Fax: (246) 429-7531
Email – pjcbarbados@gmail.com

## Independent Auditors' Report

The Members
Barbados Co-operative & Credit Union League Ltd.

### Opinion

We have audited the financial statements of Barbados Co-operative & Credit Union League Ltd., which comprise the Balance Sheet as of July 31, 2017, and Statement of Changes in Equity, Statement of Comprehensive Income and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the League as of July 31, 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the League in accordance with the ethical requirements that are relevant to our audit of the financial statements in Barbados, 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.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the League'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 League or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the League's financial reporting process.

**Auditors' 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 auditors' 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 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism 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 entity's internal control.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

• Conclude on the appropriateness of management'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 entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the entity to cease to continue as a going concern.

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.

**Other information**
Management is responsible for the other information. The other information comprises the content of the Company's Annual Report except for the financial statements and our Auditors' Report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance on the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information appears to be materially misstated or inconsistent with the financial statements. If, based on the work we have performed, we conclude that there is a material misstatement in the other information, then we are required to report that fact. At the time of reporting we have not seen the other information and so we cannot offer any comment thereon.

**Other Matter**
This report is made solely to the Members of Barbados Co-operative & Credit Union League Ltd., as a body, in accordance with Section 123 of the Co-operative Societies Act of Barbados. Our audit work has been undertaken so that we might state to the 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 League and its Members as a body, for our audit work, for this report, or for the opinion we have formed.

P Carter & Co.

**PETER J. CARTER & CO.**
Chartered Accountants
Barbados

September 05, 2017

**BARBADOS CO-OPERATIVE & CREDIT UNION LEAGUE LTD.**

**Balance Sheet**
**July 31, 2017**
**Expressed in Barbados dollars**

| | 2017 | 2016 |
|---|---|---|
| **Assets** | | |
| Current assets | | |
| Cash and cash equivalents - Note 7 | 661,870 | 708,511 |
| Accounts receivable and prepayments - Note 8 | 138,723 | 122,751 |
| Current investments - Note 9 | 1,415,687 | 1,364,000 |
| | 2,216,280 | 2,195,262 |
| Non-current assets | | |
| Non-current investments - Note 9 | 195,250 | 189,370 |
| Plant and equipment - Note 10 | 24,316 | 16,125 |
| Total assets | 2,435,846 | 2,400,757 |
| **Liabilities and equity** | | |
| Current liabilities | | |
| Accounts payable and accruals - Note 11 | 58,746 | 73,005 |
| Unearned revenue - Note 12 | 89,856 | 86,215 |
| Non-qualifying shares payable - Note 13 | 894,535 | 894,385 |
| | 1,043,137 | 1,053,605 |
| Non-current liabilities | | |
| Development Fund - Note 14 | 212,117 | 180,941 |
| Education Fund - Note 15 | 47,929 | 122,629 |
| Institutional Strengthening Project - Note 16 | 116,764 | 116,681 |
| Total liabilities | 1,419,947 | 1,473,856 |
| Equity | | |
| Qualifying shares - Note 17 | 6,200 | 6,400 |
| Special reserve - Note 18 | 275,265 | 275,265 |
| Statutory reserve | 390,182 | 390,182 |
| Undivided earnings | 344,252 | 255,054 |
| Total equity | 1,015,899 | 926,901 |
| Total liabilities and equity | 2,435,846 | 2,400,757 |

See notes to financial statements.

Approved by the Board of Directors, September 05, 2017, and signed on their behalf by:

President

Treasurer

**BARBADOS CO-OPERATIVE & CREDIT UNION LEAGUE LTD.**

**Statement of Changes in Equity**
**Year ended July 31, 2017**
**Expressed in Barbados dollars**

| | Qualifying shares | Special reserve | Statutory reserve | Undivided earnings | Total equity |
|---|---|---|---|---|---|
| **Balance - July 31, 2015** | 6,400 | 341,265 | 390,182 | 183,119 | 920,966 |
| Net income for year | - | - | - | 71,935 | 71,935 |
| Other comprehensive loss for year | - | (66,000) | - | - | (66,000) |
| **Balance - July 31, 2016** | 6,400 | 275,265 | 390,182 | 255,054 | 926,901 |
| Net income for year | - | - | - | 89,198 | 89,198 |
| Reduction in qualifying shares | (200) | - | - | - | ( 200) |
| **Balance - July 31, 2017** | 6,200 | 275,265 | 390,182 | 344,252 | 1,015,899 |

See notes to financial statements.

**BARBADOS CO-OPERATIVE & CREDIT UNION LEAGUE LTD.**

**Statement of Comprehensive Income**
**Year ended July 31, 2017**
**Expressed in Barbados Dollars**

| | 2017 | 2016 |
|---|---|---|
| **Operating income** | | |
| Administration and management fees | 330,571 | 297,170 |
| Membership dues | 561,947 | 532,895 |
| | 892,518 | 830,065 |
| **Operating expenses** | | |
| Depreciation | 13,726 | 10,860 |
| Membership dues | 101,268 | 100,941 |
| Staff costs - Note 6 | 331,798 | 331,427 |
| Other operating expenses | 395,518 | 358,253 |
| | 842,310 | 801,481 |
| **Operating profit** | 50,208 | 28,584 |
| **Other income** | | |
| Interest earned - cash equivalents | 76 | 187 |
| Interest earned - investments | 51,670 | 52,496 |
| Bad debts recovered | 1,301 | 1,570 |
| Dividend income | 5,894 | 9,828 |
| Sundry income | 2,408 | 1,629 |
| | 61,349 | 65,710 |
| **Other expenses** | | |
| Interest on non-qualifying shares | 22,359 | 22,359 |
| **Net income for year** | 89,198 | 71,935 |
| **Other Comprehensive Expenses** | | |
| Housing Credit Fund loan repayment - Note 18 | 0 | (66,000) |
| Other comprehensive loss for year | 0 | (66,000) |
| Total comprehensive income for year | 89,198 | 5,935 |

See notes to financial statements.

**BARBADOS CO-OPERATIVE & CREDIT UNION LEAGUE LTD.**

**Statement of Cash Flows**
**Year ended July 31, 2017**
**Expressed in Barbados dollars**

| | 2017 | 2016 |
|---|---|---|
| **Cash provided / (used) by:** | | |
| **Operating activities** | | |
| Net income for year | 89,198 | 71,935 |
| *Adjustment for item not involving cash:* | | |
| Depreciation | 13,726 | 10,860 |
| | 102,924 | 82,795 |
| *Change in non-cash operating items:* | | |
| Accounts receivable and prepayments | (15,972) | 61,689 |
| Accounts payable and accruals | (14,259) | 15,017 |
| Unearned revenue | 3,641 | 20,203 |
| Non-qualifying shares | 150 | 0 |
| Development Fund | 31,176 | (5,515) |
| Education Fund | (74,700) | (73,752) |
| Institutional Strengthening Project | 83 | 291 |
| Net cash provided by operating activities | 33,043 | 100,728 |
| **Investing activities** | | |
| (Increase) / decrease in investments | (57,567) | 14,172 |
| Purchase of plant and equipment | (21,917) | (7,534) |
| Net cash (used) / provided by investing activities | (79,484) | 6,638 |
| **Financing activities** | | |
| Housing Credit Fund loan repayments | 0 | (66,000) |
| Reduction in qualifying shares | (200) | 0 |
| Net cash used by financing activities | ( 200) | (66,000) |
| (Decrease) / increase in cash and cash equivalents | (46,641) | 41,366 |
| Cash and cash equivalents - start of year | 708,511 | 667,145 |
| **Cash and cash equivalents - end of year** | 661,870 | 708,511 |

See notes to financial statements.

**BARBADOS CO-OPERATIVE & CREDIT UNION LEAGUE LTD.**

**Notes to Financial Statements**
**July 31, 2017**
**Expressed in Barbados dollars**

## 1. Registration

BARBADOS CO-OPERATIVE & CREDIT UNION LEAGUE LTD. (The League) was registered on December 05, 1957 under the Co-operative Societies' Act, Cap 378. The Society was continued on May 26, 1995 under the Co-operative Societies' Act 1990. The principal place of business is located at 1st Floor, Co-operators General Insurance Co. Ltd. Building, Upper Collymore Rock, St. Michael, Barbados.

## 2. Principal activities

The principal activities are as follows:

*(a)* The promotion of interest and co-operation between and among members of local, regional and international co-operatives.

*(b)* Fostering the organization of new co-operatives.

*(c)* Representation of members before all competent authorities, including government.

*(d)* Contribution to the development of higher standards of co-operative management, operation and supervision.

## 3. Significant accounting policies

*(a) Basis of accounting*
These financial statements are stated in Barbados dollars and have been prepared in accordance with International Financial Reporting Standards ("IFRS").

*(b) Critical accounting judgments and key sources of estimation uncertainty*
*(i)* The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements and reported amounts of revenues and expenses during the period. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

*(ii)* Key sources of estimation uncertainty include provision for bad debts and determination of appropriate rates for depreciation of plant and equipment. The credit union's critical accounting policies and estimates, and their application, are reviewed periodically by management.

**3. Significant accounting policies - continued**

*(c) Measurement basis*

The measurement basis used is historical cost except for equity investments that are classified as fair value investments and are stated at their fair values.

*(d) Changes in accounting policies*

Management has reviewed the new standards, amendments and interpretations to published standards that are not yet effective and which the League has not adopted early. Management has assessed the relevance of all such new standards, amendments and interpretations and has concluded that no such amendments are likely to have a material effect on its financial statements, except that the revised standard IFRS 9 may have a significant impact on the valuation of investments when it becomes effective.

*(e) Taxation*

The League is not required to pay taxes on its net income under Section 9(g) of the Income Tax Act of Barbados.

*(f) Depreciation*

Depreciation is provided on plant and equipment on a straight line basis at a rate designed to reduce the cost of assets to their residual value at the end of their useful lives in the business. The annual rates being used are: Furniture - 10%; computer equipment - 33.33%; other equipment - 12.5%, 20% or 25%.

*(g) Investments*

All investments are initially recorded at cost. For subsequent measurement, investments that are classified as being held to maturity are recorded at cost or amortised cost. Fair value investments are investments for which quoted market values exist and these are recorded at their market value as of the Balance Sheet date and any gains or losses are recorded in the Statement of Comprehensive Income. Ordinary share investments for which there is no quoted market value, and for which the fair values cannot be reliably measured, are classified as available-for-sale investments and are valued at cost. Any unrealized gains or losses on available for sale assets are included in Other Comprehensive Income.

*(h) Statutory Reserve*

The greater amount of either 0.5% of assets or twenty-five percent (25%) of surplus is to be transferred annually to a Reserve account until the capital of the society equals ten percent (10%) of the total assets of the Society, in accordance with the Co-operative Societies' legislation.

**3. Significant accounting policies - continued**

*(i) Income recognition*

Interest and other income are recognized on the accrual basis of accounting. Dividend income is recognized when it is declared by the investee company.

**4. Fair value of financial instruments**

*(a) Financial Instruments*

Financial instruments consist of financial assets and liabilities. Financial assets include cash and cash equivalents, accounts receivable and investments. Financial liabilities include accounts payable and accruals, unearned revenue, non-qualifying shares payable, Development Fund, Education Fund and the Institutional Strengthening Project (ISP) Fund.

*(b) Fair Value*

Fair Value represents the amount at which financial instruments could be realized in an exchange between knowledgeable, willing parties who are under no compulsion to act, and is best evidenced by a quoted market value where such exists. An estimate, based on assumptions, is made of the fair value of each class of financial instrument for which it is practical to make an estimate. The fair values of the financial instruments are estimated to be not materially different from their carrying values in the financial statements.

*(c) Credit Risk*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. As part of the risk management process, cash equivalents are placed only with reputable banking institutions. Credit risk on accounts receivable is limited by the provision made for doubtful debts.

*(d) Liquidity Risk*

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. It arises because of the possibility that the entity could be required to pay its liabilities earlier than expected. Management reviews the liquidity position of the organization periodically to assess the availability of cash resources as compared to the projected cash outflows.

*(e) Market Risk*

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk includes, inter alia, currency risk and interest rate risk. Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk of fluctuations in interest rates. The organisation’s exposure to market risk on its financial instruments is disclosed in the Notes 7 and 9.

## 5. Related parties

*(a)* Related parties exist where one party has the ability to control or exercise significant influence over the financial or operating decisions of another party. Transactions with related parties may be entered into in the normal course of business. Any such transactions are undertaken on commercial terms and conditions and are conducted at market rates.

*(b)* Related parties of the business include directors, key management personnel, and the Central Fund Facility Trust (CFFT) whose directors are appointed by the League.

*(c)* Key management personnel compensation is included in Staff Costs, as follows:

| | 2017 | 2016 |
|---|---|---|
| Employee benefits | 191,934 | 187,155 |

*(d)* Management fees due from the CFFT are included in Accounts Receivable in the Balance Sheet. As at the Balance Sheet date, the Management fees are as follows:

| | | |
|---|---|---|
| Management fees | 44,295 | 31,206 |

## 6. Staff costs

| | 2017 | 2016 |
|---|---|---|
| Operating expenses | 331,798 | 331,427 |
| Education Fund | 99,775 | 96,873 |
| | 431,573 | 428,300 |

The average number of employees during the year was seven (prior year - seven).

## 7. Cash and cash equivalents

| | 2017 | 2016 |
|---|---|---|
| Operating account - no interest | 185,910 | 170,593 |
| Other accounts - 0.1 to 0.2% p.a. (prior year 0.1 to 0.25%) | 475,460 | 537,418 |
| Cash | 500 | 500 |
| | 661,870 | 708,511 |

| **8.** **Accounts receivable and prepayments** | 2017 | 2016 |
|---|---|---|
| Administration fees and membership dues | 26,836 | 22,979 |
| Interest | 9,229 | 9,246 |
| Security deposits and prepayments | 58,363 | 58,732 |
| Other accounts | 0 | 588 |
| | 94,428 | 91,545 |
| *Due by related party* | | |
| Central Fund Facility Trust | 44,295 | 31,206 |
| | 138,723 | 122,751 |

| **9.** **Investments** | 2017 | 2016 |
|---|---|---|
| *Current investments* | | |
| *Held to maturity - Term Deposits:* | | |
| Barbados Public Workers Co-operative Credit Union Ltd. - 3.5% to 4% p.a. (prior year 3.75% to 4%) | 878,416 | 845,399 |
| First Citizens Investment Services (Barbados) Ltd. - 3.05% p.a. (prior year 3.6%) | 537,271 | 518,601 |
| | 1,415,687 | 1,364,000 |
| *Non-current investments* | | |
| *Available-for-sale* | | |
| Co-operators General Insurance Company Limited: - 1,712 shares (prior year 1,684) | 195,250 | 189,370 |
| | 1,610,937 | 1,553,370 |

There is no quoted market price for the available-for-sale investment. In these circumstances, the fair value of this equity investment cannot be reliably measured and the investment is carried at cost.

| **10.** | **Plant and equipment** | 2017 | 2016 |
|---|---|---|---|
| *(a)* | *Gross carrying amount* | | |
| | Cost | 169,007 | 184,316 |
| | Accumulated depreciation | (144,691) | (168,191) |
| | Net book value | 24,316 | 16,125 |
| *(b)* | *Reconciliation of Net Book Value* | | |
| | Balance - start of year | 16,125 | 19,451 |
| | Purchases | 21,917 | 7,534 |
| | Depreciation charge for year | (13,726) | (10,860) |
| | Balance - end of year | 24,316 | 16,125 |

| **11.** | **Accounts payable and accruals** | 2017 | 2016 |
|---|---|---|---|
| | Interest on non-qualifying shares | 22,359 | 22,359 |
| | Other accounts payable and accruals | 36,387 | 50,646 |
| | | 58,746 | 73,005 |

| **12.** | **Unearned revenue** | 2017 | 2016 |
|---|---|---|---|
| | League dues | 89,856 | 86,215 |

Unearned revenue consists of League dues paid in advance. League dues are payable by member credit unions at the start of the quarter to which the dues relate.

| **13.** | **Non-qualifying shares payable** | 2017 | 2016 |
|---|---|---|---|
| | Regular shares | 894,535 | 894,385 |

| **14. Development Fund** | 2017 | 2016 |
|---|---|---|
| *Receipts* | | |
| Regular contributions received in year | 126,611 | 110,878 |
| Contributions for: | | |
| Small Credit Unions Development | 42,000 | 42,000 |
| Dominica Relief Donations | 0 | 102,111 |
| Haiti and Bahamas Relief Donations | 10,700 | 0 |
| Interest received | 429 | 415 |
| Total receipts | 179,740 | 255,404 |
| *Payments* | | |
| Administrative fees | 18,992 | 16,632 |
| Advocacy - AGM | 0 | 1,500 |
| Bank charges | 59 | 0 |
| Business Lending Workshop | 0 | 7,637 |
| Caribbean Confederations of Credit Unions building fund | 5,080 | 0 |
| Co-operative Bank business plan consultancy | 0 | 10,000 |
| Co-operative Bank services consultancy | 17,000 | 0 |
| Dominica Relief | 0 | 107,186 |
| Haiti and Bahamas Relief | 11,019 | 0 |
| Registered Education Savings Plan | 6,000 | 0 |
| Small Credit Unions Development - consultancy and administrative support fees | 60,965 | 70,210 |
| Website development and maintenance | 1,103 | 1,209 |
| World Council of Credit Unions - conferences | 26,238 | 44,437 |
| World Council of Credit Unions - Bronze Supporter | 2,108 | 2,108 |
| Total payments | 148,564 | 260,919 |
| Net receipts / (payments) for year | 31,176 | (5,515) |
| Balance - start of year | 180,941 | 186,456 |
| Balance - end of year | 212,117 | 180,941 |

*(a)* The Development Fund is financed primarily by contributions from member credit unions, using a formula based on assets and membership. Cash equivalents include the Fund's balance as at the balance sheet date.

| **15. Education Fund** | 2017 | 2016 |
|---|---|---|
| *Receipts* | | |
| Contributions received in year | 78,041 | 105,189 |
| Contributions - Risk Management Intervention Program | 0 | 5,000 |
| Interest earned | 87 | 411 |
| Other income | 1,736 | 0 |
| Total receipts | 79,864 | 110,600 |
| *Payments* | | |
| Bank charges | 59 | 0 |
| Facilitators' fees | 25,350 | 16,450 |
| General and administrative | 11,706 | 15,778 |
| Refreshments | 16,168 | 14,650 |
| Staff costs | 99,775 | 96,873 |
| Stationery | 977 | 1,480 |
| Telephone | 0 | 1,720 |
| Training room rental | 529 | 0 |
| US DE Training and Leadership insight workshop | 0 | 37,401 |
| Total payments | 154,564 | 184,352 |
| Net payments for year | (74,700) | (73,752) |
| Balance - start of year | 122,629 | 196,381 |
| Balance - end of year | 47,929 | 122,629 |

*(a)* The Education Fund is financed through contributions from member credit unions, primarily by way of an appropriation of the net income for each year. During the year the members agreed to increase the appropriation from 1% to 3%. Cash equivalents include the Fund's balance as at the balance sheet date.

| **16.** | **Institutional Strengthening Project** | 2017 | 2016 |
|---|---|---|---|
| | *Receipts* | | |
| | Bank interest received | 152 | 291 |
| | Total receipts | 152 | 291 |
| | *Payments* | | |
| | Bank charges | 69 | 0 |
| | Total payments | 69 | 0 |
| | Net receipts for the year | 83 | 291 |
| | Balance - start of year | 116,681 | 116,390 |
| | Balance - end of year | 116,764 | 116,681 |

*(a)* The League served as the Executing Agency for the Institutional Strengthening Project (ISP) for local Credit Unions. The project was financed by the Inter-American Development Bank (59%) and by contributions from the League and participating credit unions. The Project was launched in June 2007 and was completed on January 21, 2013. Cash equivalents include the Fund's post-project counterpart funds balance as at the balance sheet date.

| **17.** | **Qualifying shares** | 2017 | 2016 |
|---|---|---|---|
| | Qualifying shares | 6,200 | 6,400 |

*(a)* The League is authorized to issue an unlimited number of shares of $10 par value each.

*(b)* The League's By-Laws provide for the issuance of a class of shares called qualifying shares. Each member is required to hold a minimum of twenty qualifying shares valued at $10.00 each, which shall be considered capital of the Society and be not withdrawable but transferable. At the balance sheet date, the total number of members with qualifying shares was 31.

## 18. Special Reserve

*(a)* The Special Reserve was created from funds received from Co-operators General Insurance Co. Ltd. to assist the League in paying off the Housing Credit Fund (HCF) loan payable to the Government. The funds received from the HCF loan were used for on-lending to individuals.

*(b)* At the balance sheet date, the amount outstanding from the individuals to whom the League had on-lent the HCF funds was $427,334 (prior year $428,634). No further interest is being accrued on these loans receivable since a bad debt provision has been made in full for the outstanding amount.

## 19. Comparative amounts

Certain of the comparative amounts have been reclassified to conform to the current year's presentation.

**BARBADOS CO-OPERATIVE & CREDIT UNION LEAGUE LTD.**

**Schedule of Other Operating Expenses**
**July 31, 2017**
**Expressed in Barbados dollars**

| | 2017 | 2016 |
|---|---|---|
| Advertising | 8,188 | 8,425 |
| Bank charges | 1,789 | 1,560 |
| Cleaning | 6,196 | 5,245 |
| Committee reimbursement | 12,750 | 10,950 |
| Convention - Caribbean Confederation of Credit Unions | 50,013 | 56,598 |
| Convention - other | 15,378 | 2,281 |
| International Credit Union Day | 4,445 | 8,272 |
| Insurance | 9,973 | 10,499 |
| Meeting expenses | 38,279 | 26,148 |
| Office supplies and stationery | 31,517 | 24,962 |
| Postage, courier and mail distribution | 9,082 | 8,937 |
| Professional fees | 33,980 | 24,055 |
| Rent | 120,247 | 120,247 |
| Repairs and hire of equipment | 5,877 | 10,594 |
| Software | 685 | 0 |
| Subscriptions | 975 | 1,417 |
| Telephone and internet | 17,306 | 12,518 |
| Utilities | 28,838 | 25,545 |
| | 395,518 | 358,253 |

STATISTICAL INFORMATION

As at June 30, 2017

| NAME OF SOCIETY | MEMBERSHIP | LIABILITIES | | | ASSETS | |
|---|---|---|---|---|---|---|
| | | Deposits | Members' Shares | Share Capital | Loans to Members | Total Assets |
| BET | 753 | 15,835,600 | 17,162,487 | 90,360 | 15,763,247 | 38,505,090 |
| BARTEL | 746 | 11,024,264 | - | 117,221 | 3,821,480 | 13,230,903 |
| BARBADOS MEDIA | 614 | 8,964,106 | - | 30,700 | 8,947,065 | 11,518,510 |
| BARBADOS POLICE | 1,380 | 2,969,230 | 16,752,448 | 360,720 | 19,675,905 | 27,929,005 |
| BARBADOS PUBLIC WORKERS' | 85,188 | 970,764,008 | - | 10,222,526 | 925,747,744 | 1,133,801,377 |
| BARBADOS SECONDARY TEACHERS' UNION | 462 | 2,060,650 | - | 78,812 | 2,872,125 | 2,620,684 |
| BARBADOS SEVENTH-DAY ADVENTISTS | 320 | 1,500,876 | - | 230,085 | 423,752 | 1,708,591 |
| BARBADOS TEACHERS' | 2,368 | 6,688,949 | 65,588,419 | 710,400 | 44,204,255 | 85,704,233 |
| BARBADOS WORKERS' UNION | 21,980 | 120,520,822 | - | 1,972,720 | 95,089,507 | 136,885,394 |
| BETHEL CIRCUIT | 105 | 21,344 | - | 184,730 | 86,376 | 296,517 |
| BOTTLERS UNITED | 434 | 2,980,866 | - | 21,950 | 1,751,186 | 3,686,726 |
| CARIBANK | 380 | 15,566,824 | 92,311 | 154,574 | 5,179,485 | 17,776,063 |
| CHURCH OF THE NAZARENE | 322 | 1,429,610 | - | 31,195 | 745,988 | 1,631,084 |
| CITY OF BRIDGETOWN | 60,009 | 313,997,432 | 76,422,992 | 3,000,450 | 334,401,693 | 448,319,266 |
| COURTESY | 288 | 150,137 | 1,067,825 | 29,300 | 850,091 | 1,830,630 |
| ENDEAVOUR | 629 | 6,554,517 | - | 84,805 | 6,562,385 | 8,593,903 |
| FAMILY | 544 | 2,447,847 | - | 62,220 | 1,678,842 | 2,996,551 |
| JAMES STREET CIRCUIT | 169 | 554,637 | - | 19,000 | 218,656 | 912,111 |
| LIFETIME | 4,981 | 34,962,796 | 18,293,833 | 250,050 | 36,892,860 | 58,180,592 |
| LIGHT & POWER EMPLOYEES' | 1,800 | 20,181,135 | 23,926,838 | 180,000 | 30,672,060 | 50,618,477 |
| MORAVIAN CHURCH | 280 | 170,515 | 22,800 | 617,263 | 339,973 | 973,094 |
| ONE HERITAGE | 914 | 2,710,887 | 2,016,197 | 47,917 | 2,082,698 | 5,571,061 |
| PROGRESSIVE | 274 | 106,189 | - | - | 37,998 | 101,688 |
| PUBLIC TRANSPORT | 1,060 | 4,960,289 | - | 104,026 | 6,670,065 | 10,018,368 |
| SHAMROCK | 307 | 314,636 | 522,103 | 14,790 | 158,197 | 1,191,590 |
| ST. BARNABAS | 68 | 34,359 | 103,754 | 3,400 | 57,564 | 204,760 |
| ST. LEONARD'S | 208 | 269,493 | 494,480 | 10,400 | 433,302 | 1,040,877 |
| ST. MARK'S | 670 | 1,673,910 | - | 47,798 | 989,011 | 2,337,787 |
| ST. STEPHEN'S | 542 | 563,305 | 1,181,188 | 34,152 | 967,072 | 2,578,487 |
| U.W.I. (CAVE HILL) | 1,748 | 16,201,274 | 30,457,448 | 174,800 | 25,365,500 | 52,668,129 |
| UNITED ENTERPRISE | 798 | 2,298,328 | 3,778,394 | - | 6,403,124 | 7,502,259 |
| **TOTAL** | **190,341** | **1,568,478,835** | **257,883,517** | **18,886,364** | **1,579,089,206** | **2,130,933,807** |
| HINDS TRANSPORT SERVICES | 38 | - | - | 71,069 | 21,593 | 176,191 |
| PRUDENTIAL | 205 | 577,089 | 600,373 | 19,126 | 1,071,654 | 1,383,948 |
| **TOTAL** | **243** | **577,089** | **600,373** | **90,195** | **1,093,247** | **1,560,139** |

| BARBADOS CO-OPERATIVE & CREDIT UNION LEAGUE LTD<br>July 31, 2017 | | | |
|---|---|---|---|
| NAMES | MEMBERSHIP SHARES | ORDINARY SHARES | TOTAL INVESTMENT |
| BET | 200.00 | 23,980.00 | 24,180.00 |
| BARTEL | 200.00 | 890.00 | 1,090.00 |
| BARBADOS MEDIA | 200.00 | - | 200.00 |
| BARBADOS POLICE | 200.00 | 800.00 | 1,000.00 |
| BARBADOS PUBLIC WORKERS' | 200.00 | 50,940.00 | 51,140.00 |
| BARBADOS SECONDARY TEACHERS' UNION | 200.00 | 46,660.00 | 46,860.00 |
| BARBADOS SEVENTH-DAY ADVENTISTS | 200.00 | - | 200.00 |
| BARBADOS TEACHERS' | 200.00 | 201,330.00 | 201,530.00 |
| BARBADOS WORKERS' UNION | 200.00 | 50,820.00 | 51,020.00 |
| BETHEL CIRCUIT | 200.00 | - | 200.00 |
| BOTTLERS UNITED | 200.00 | 990.00 | 1,190.00 |
| CARIBANK | 200.00 | 1,350.00 | 1,550.00 |
| CHURCH OF THE NAZARENE | 200.00 | 320.00 | 520.00 |
| CITY OF BRIDGETOWN | 200.00 | 49,800.00 | 50,000.00 |
| COURTESY | 200.00 | 69,690.00 | 69,890.00 |
| ENDEAVOUR | 200.00 | 152,180.00 | 152,380.00 |
| FAMILY | 200.00 | 2,300.00 | 2,500.00 |
| JAMES STREET CIRCUIT | 200.00 | 900.00 | 1,100.00 |
| LIFETIME | 200.00 | 17,300.00 | 17,500.00 |
| LIGHT & POWER EMPLOYEES' | 200.00 | 59,170.00 | 59,370.00 |
| MORAVIAN CHURCH | 200.00 | - | 200.00 |
| ONE HERITAGE | 200.00 | 11,760.00 | 11,960.00 |
| PIG FARMERS | - | 55.00 | 55.00 |
| PROGRESSIVE | 200.00 | 830.00 | 1,030.00 |
| PRUDENTIAL | - | 100.00 | 100.00 |
| PUBLIC TRANSPORT | 200.00 | 99,920.00 | 100,120.00 |
| SHAMROCK | 200.00 | - | 200.00 |
| ST. BARNABAS | 200.00 | - | 200.00 |
| ST. LEONARD'S | 200.00 | 4,800.00 | 5,000.00 |
| ST. MARK'S | 200.00 | 8,200.00 | 8,400.00 |
| ST. STEPHEN'S | 200.00 | 850.00 | 1,050.00 |
| U.W.I. (CAVE HILL) | 200.00 | 34,800.00 | 35,000.00 |
| UNITED ENTERPRISE | 200.00 | 3,800.00 | 4,000.00 |
| TOTAL | 6,200.00 | 894,535.00 | 900,735.00 |
| | 0.69% | 99.31% | 100.00% |

## ANNUAL GENERAL MEETING STANDING ORDERS

### ORDER OF BUSINESS

- An Agenda shall be prepared by the Chairperson and Secretary, and all items thereon shall take precedence over all other business. Any member desirous of introducing business for the consideration of the meeting may do so after the business on the Agenda has been completed, or may give notice of the motion to be discussed at a further meeting.

- No motion or discussion shall be allowed on the Minutes except in regard to their accuracy. After the confirmation of the Minutes, they shall be signed by the Chairperson, and the members shall then be at liberty to ask any questions in regard to matters arising out of them. Such questions shall be allowed for purposes of information only, and no debate on the policy outlined in the Minutes shall take place.

- All persons desiring the Floor shall rise and address themselves to the Chairperson. They shall state their business and which credit union they represent; if recognized by the Chairperson, they shall have the privilege of the Floor and the right thereof.

- Should two or more persons rise at the same time, the Chairperson shall decide, without debate, who is entitled to the floor.

- Accredited members shall have the right to speak and vote on all issues coming before the meeting. Persons other than accredited members, so certified, may speak with the permission of the Chairperson, but shall not vote on any issue.

### SPEECHES

- No member shall be allowed to speak more than once upon any motion before the meeting, unless in Committee or on a point of order, or explanation, except the mover of the original Motion.
- However, on the amendment being moved, any member even though he has spoken on the Original Motion, may speak again on the amendment. No member shall speak for more than five minutes at one time.
- No person shall interrupt another who is speaking except to a point of order or a point of information.
- A member rising on a point of order shall state the point clearly and concisely. (A point of order must have relevance to the Standing Order.)

- A member shall not call another member to order but may draw the attention of the Chairperson to a breach of order as soon as it occurs.

- On no account can a member call the Chairperson to order.

- If it should come to pass that a speaker is called to order while speaking, the speaker shall take his seat until the question of order is determined.

**CHAIRPERSON'S RULING**

The ruling of the Chairperson on any question under the Standing Orders, or on points of order or explanation, shall be final, unless challenged by not less than four members, and unless two-thirds of the members present vote to the contrary.

- Only one amendment shall be before the meeting at one and the same time. When a motion is withdrawn, any amendment to it fails.

- If there is an equality of voting on an amendment, and if the Chairperson does not exercise his casting vote, the amendment is lost.

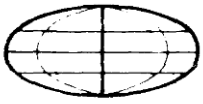
- Provisions shall be made for protection by the Chairperson from vilification (personal abuse).

- No member shall impute improper motives against another.

## Your Credit Union

You may have seen this symbol before, on our posters perhaps, or in our newsletters, or in a newspaper, or even on Credit Union Buildings islandwide, but you may not know what it means.

We think it's important that you know and we'd like to give you a formal introduction. The "hands, family and globe" symbol, as it is called, stands for Credit Unions everywhere – whether it's a Credit Union where you work or live, no matter if you work or live in Timbuktu or Barbados.



Credit Unions are world-wide financial organisation. That's why we've included a globe as part of the overall symbol. As a matter of fact, there are more than 38,000 Credit Unions all over the world.

The four silhouettes represent the family unit – the family of mankind working for the mutual benefit of all. Care was taken in the actual design to avoid differences between national dress or custom and other details because Credit Unions serve all people all over the world.

So when you feel the urge to save money or borrow money, think of the Credit Union – where you get low interest loans and all the surplus is returned to you.

A pair of hands? The hands represent the self-help nature of all Credit Unions. When you become a Credit Union member you become part of a group of people who save together and make low-cost loans plus several other services to each other from the accumulated funds. Credit Unions engender democracy in the truest sense of the word – as a member you are part owner of the business and exercise control of its policies. It is your organization.

Altogether now …….. the "hands, family and globe" symbol was selected as a trademark that stands for Credit Unions in any language, in any country. The theme is universal and conveys the image of all Credit Unions graphically, accurately and instantly.

**Your credit union –**
**It's where you belong**