BARBADOS CO-OPERATIVE & CREDIT UNION LEAGUE LTD
• REGISTERED 1957

# 2023 ANNUAL REPORT

## MEMBERS HELPING MEMBERS

# BARBADOS CO-OPERATIVE & CREDIT UNION LEAGUE LTD.

## 2023 Annual General Meeting

**October 28, 2023**

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

# 2023 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 Primary Trade Association and Provider of Developmental Solutions for our members in the Co-operative Movement.

## MISSION STATEMENT

The BCCULL is committed to the supporting and developing of Co-operatives, and contributing to building the profile of the movement in Barbados, the region and beyond.

## CORPORATE INFORMATION

**BANKERS:**

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

**Republic Bank (Barbados) Ltd.**
Wildey
St. Michael
**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

### COOPERATIVE STRUCTURE

#### Member Owned

Credit unions and other cooperative financial institutions are owned by the consumers who use their services. All members are owners of the cooperative financial institution.

The credit union is an autonomous private enterprise, within the framework of law and regulation, recognizing the credit union as a cooperative, serving and controlled by its members.

#### Member Controlled

Credit unions and other financial cooperatives are democratic organizations which are controlled by their members who actively participate in electing their board representatives and participating in the governance of the institutions. Men and women serving as elected representatives are accountable to the membership.

#### 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 or deposits or the volume of business.

### SERVICE TO MEMBERS

#### Financial Inclusion

Membership in a credit union is voluntary and open to all within the accepted common bond of Association and are willing to accept the corresponding responsibilities. Credit unions and other cooperative financial institutions are non-discriminatory, on all grounds, including but not limited to race, nationality, sex, religion, and politics. Credit union services provide access to affordable financial services to all including the underserved.

#### Financial Sustainability

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 membership. The surplus arising out of the operations of the credit union after paying all operating and provision costs, providing a fair rate of interest on savings and deposits and after payment of fair dividends on members shares or equity capital, should ensure appropriate reserve levels.

### Maximizing Member Economic Benefit

To encourage thrift through savings and thus to fund loans and other services, a fair rate of interest is paid on savings and deposits. While meeting the conditions of financial sustainability of the credit union, the provision and pricing of services seek to improve the economic and social well-being of all members.

## SOCIAL RESPONSIBILITY

### Financial Literacy

Credit unions provide relevant education to their members, officers, and employees for their economic, social, democratic and professional development. Training and education in financial literacy supports members' informed choices in thrift, debt, wise use of credit and financial planning and budgeting. Providing skill sets and knowledge that allow members to make informed and effective decisions with all of their financial resources are essential in serving member needs. Credit unions also provide education to their members in rights and responsibilities of members.

### Network Cooperation

In keeping with their cooperative philosophy and to benefit from the economic and efficiency advantages of pooling resources and expertise, credit unions and other cooperative financial institutions cooperate with other credit unions, cooperatives and their associations at local, national, and international levels to best serve the interests of their members and their communities.

### Community Responsibility

The cooperative ethos supports the ideals of self-help, mutual assistance and economic empowerment.

The vision of economic empowerment extends both to the individual members and to the larger community in which they work and reside. Credit unions support the growth of a broader just, healthy and prosperous community within which the credit union and its members reside.

### Global Vision

The vision embodies building, championing, defending and growing a global community that improves lives through cooperative financial institutions.

## OUR TEAM

### BOARD OF DIRECTORS

| NAME | TITLE | CREDIT UNION |
|---|---|---|
| Kemar Cumberbatch | President | City of Bridgetown |
| Patrick McDonald | 1st Vice President | UWI (Cave Hill) |
| Anthony Inniss | 2nd Vice President | Lifetime |
| Marilyn Gittens | Secretary | Reliance |
| Keith Jones | Assistant Secretary | Bartel |
| Kevin Lashley | Treasurer | United Enterprise |
| Dalton Medford | Assistant Treasurer | Barbados Workers' Union |
| Hasani Evelyn | Member | Barbados Public Workers' |
| Erwin Jones | Member | The Light & Power Employees |

### SUPERVISORY COMMITTEE

| NAME | TITLE | CREDIT UNION |
|---|---|---|
| Faye Arthur | Chairperson | Barbados Workers' Union |
| Dennis Vascoll Holder | Assistant Chairman | Bottlers United |
| Noel Nurse | Secretary | Lifetime |
| Michelle Shepherd | Assistant Secretary | United Enterprise |
| Gloria Grant | Member | The Light & Power Employees |

### 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 |
| Akera Browne | Administrative Assistant |
| Keith Bourne | Consultant |

September 18, 2023

The Secretary

## 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, 2023** 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 of Awards
6. Report of the Credentials Committee
7. Minutes of the Annual General Meeting of November 5, 2022
8. Matters Arising from Minutes of the Annual General Meeting of November 5, 2022
9. Reports:
    a. Board of Directors
    b. Supervisory Committee
    c. Auditor
10. Financial Statements
11. Declaration of Dividends
12. Fixing of Maximum Loan Liability
13. Appointment of Auditor
14. Report of the Nominating Committee
15. Elections
16. Resolutions
17. Any Other Business
18. Termination

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

……
Marilyn A. Gittens
**SECRETARY, BOARD OF DIRECTORS**

**MINUTES OF THE ANNUAL GENERAL MEETING OF**
**THE BARBADOS CO-OPERATIVE & CREDIT UNION LEAGUE LTD.**
**HELD ON SATURDAY, NOVEMBER 5, 2022**
**AT THE LLOYD ERSKINE SANDIFORD CENTRE**
**TWO MILE HILL, ST. MICHAEL AT 3:30 P.M.**

## 1. ASCERTAINMENT OF A QUORUM

1.1 The Chairman/President Bro. Hally Haynes of Barbados Police Credit Union stated that in accordance with By-Law 22(1) a quorum was present.

## 2. CALL TO ORDER

2.1 The Chairman called the meeting to order at 3:52 p.m.

| NAME OF DELEGATE | CO-OPERATIVE SOCIETY |
|---|---|
| Hally Haynes | Barbados Police Credit Union |
| Trevor Griffith | Barbados Police Credit Union |
| Hasani Evelyn | Barbados Public Workers' Credit Union |
| Sherry Gittens | Barbados Public Workers' Credit Union |
| Shakeira Hackett | Barbados Public Workers' Credit Union |
| Glyne Harrison | Barbados Public Workers' Credit Union |
| Jameela Hollingsworth | Barbados Public Workers' Credit Union |
| Mark Hope | Barbados Public Workers' Credit Union |
| Cheryl Inniss | Barbados Public Workers' Credit Union |
| Margo Nicholls | Barbados Public Workers' Credit Union |
| Ronald Jones | Barbados Teachers' Credit Union |
| Faye Arthur | Barbados Workers' Union Credit Union |
| Novaline Brewster | Barbados Workers' Union Credit Union |
| Dalton Medford | Barbados Workers' Union Credit Union |
| Keith E. Jones | Bartel Credit Union |
| Monica Rock | Bartel Credit Union |
| Dennis Vascoll Holder | Bottlers United Credit Union |
| Rudy Bullen | Caribank Credit Union |
| Thandiwe Lyle | Caribank Credit Union |
| Cedrick Moore | Church of the Nazarene Credit Union |
| Kemar Cumberbatch | City of Bridgetown Credit Union |
| Ralph Holder | City of Bridgetown Credit Union |
| Steven Jemmott | City of Bridgetown Credit Union |
| Cyrilene Wilkie-Warner | City of Bridgetown Credit Union |
| Susan Fitt | Endeavour Credit Union |
| Sonia Blackman | Family Credit Union |
| Natifah Richards | Family Credit Union |

| | |
|---|---|
| Anthony Inniss | Lifetime Credit Union |
| Mary Inniss | Lifetime Credit Union |
| Noel Nurse | Lifetime Credit Union |
| Andrew Lovell | Public Transport Credit Union |
| Marilyn Gittens | Reliance Credit Union |
| Oriel Doyle | St. Stephen's Credit Union |
| Andrew Hackett | St. Stephen's Credit Union |
| Gloria Grant | The Light & Power Employees Credit Union |
| Erwin Jones | The Light & Power Employees Credit Union |
| Kevin Lashley | United Enterprise Credit Union |
| Michelle Shepherd | United Enterprise Credit Union |
| Patrick McDonald | UWI (Cave Hill) Credit Union |

| **NAME OF ALTERNATE** | **CO-OPERATIVE SOCIETY** |
|---|---|
| Cheryl Browne | Barbados Public Workers' Credit Union |
| Richard Kennedy | Barbados Public Workers' Credit Union |
| Stacy Mottley | Barbados Public Workers' Credit Union |
| Eric Small | Barbados Public Workers' Credit Union |
| Alison Weekes | Barbados Public Workers' Credit Union |
| Antonio Arthur | Barbados Workers' Union Credit Union |
| Carolyn Barton | Barbados Workers' Union Credit Union |
| Zandre Bowen | Barbados Workers' Union Credit Union |
| Fiona Goodridge | Barbados Workers' Union Credit Union |
| Eric Smith | Barbados Workers' Union Credit Union |
| Andrea Arthur | Bartel Credit Union |
| Mechelle Thornhill | Public Transport Credit Union |
| Rhonda Walcott-Hackett | St. Stephen's Credit Union |
| Natasha Corbin | UWI (Cave Hill) Credit Union |

| **NAME OF OBSERVER** | **ORGANISATION** |
|---|---|
| Glendon Belle | Barbados Public Workers' Credit Union |
| Andrew Belle | Barbados Workers' Union Credit Union |
| Ashton Turney | Barbados Workers' Union Credit Union |
| Brenda Brathwaite | Bartel Credit Union |
| Norman Belgrave | City of Bridgetown Credit Union |
| Glyne Pilgrim | City of Bridgetown Credit Union |
| Anton Lovell | Co-operators General Insurance |
| Peter J. Carter | Peter J. Carter & Co. |
| Gregory Browne | Reliance Credit Union |
| Shenelle Louis | ShareRing |
| Kelvin Whittaker | The Light & Power Employees Credit Union |

| STAFF | TITLE |
|---|---|
| Anthony Pilgrim | General Manager |
| Wesley Bowen | Accountant/Finance Officer |
| Marisa Marshall | Training Officer |
| Roslyn Reid | Executive Secretary/Administrative Officer |
| Akera Browne | Administrative Assistant |
| Keith Bourne | Consultant |

**3. PRAYERS**

3.1 At the invitation of the Chairman, Bro. Anthony Inniss of Lifetime Credit Union led the meeting in prayer. The Prayer of St. Francis of Assisi was recited, followed by a moment of silence for all co-operators who had died during the year.

**4. WELCOME AND OPENING REMARKS**

4.1 The welcome and opening remarks were delivered by the Chairman Bro. Haynes who indicated that Director Bro. Greenidge had offered apologies for his absence as he was out of the island on business.

4.2 The Chairman stated that as indicated at the 2021 AGM, the ever-changing regulatory environment will challenge the viability and sustainability of credit unions especially given the cost of regulations. He noted that it included but was not limited to the ongoing cost associated with AML/CFT compliance, OECD's Common Reporting Standard (CRS) reporting regime, and compliance with the new credit reporting legislation.

4.3 The Chairman stated that Barbados Public Workers' Credit Union Limited (BPWCCUL) raised the issue of the affordable fee structure of point of sales transactions and ATM fees, after which consultation was held with the Governor of the Central Bank of Barbados (CBB), Cleviston Haynes.

4.4 He indicated that the League continued to engage the Financial Services Commission (FSC) to advance the progress of migration in the sector to a leverage-based regime for risk-based capital. He noted that the Board had anticipated that after receiving the feedback, the tool would have been modified and disseminated to credit unions for testing and additional feedback. He confirmed that this was a work-in-progress, but the Board expected that the tool would soon be available to credit unions.

4.5 He noted that the League also lobbied the FSC to implement the exemption regime for qualifying credit unions to enable more robust reporting. He stated that quicker processes were needed in a modern financial system, hence removing the requirement to obtain permission from the FSC every time a credit union has to make an investment, or onboard corporate members.

4.6 The Chairman stated that despite the challenges faced, the year was a successful one. He confirmed that the sector recorded growth in membership, savings, loans

and assets. Regarding membership, he noted that it increased marginally by 2.97%, from 224,375 to 231,046 by the end of June 2022.

4.7 He indicated that the sector must use the collective membership to leverage the movement's involvement and participation at all levels of the development of the country. He highlighted that savings in credit unions increased by 5.6% from $2.5 billion to $2.6 billion as at June 2022. He noted that credit unions were limited to how they can invest these funds as Section 34 A(1)(a) of the CSA states "The funds of a society, including the reserve, may be deposited in:

(i) a bank licensed under the Financial Institutions Act;
(ii) a society registered under the Act;"

He noted that Guideline 11 issued by the FSC is also applicable in this matter. He explained that this Guideline limits deposits of a credit union in another credit union to 5% of the assets of a credit union making the deposits, and to 10% in the aggregate of the assets of a credit union in other credit unions.

4.8 The Chairman stated that over the last five (5) years credit unions have seen increases in deposits by members, and in some cases, deposits were moved from banks and other financial institutions to credit unions. This significant development which was highlighted by the League several years ago requires action in the form of amendments to the Act, now more than ever, to facilitate more investment options for credit unions. He indicated that credit unions were being requested to do a lot more things as it relates to the development of our country, and we want to play our part, but we must have legislation that is more facilitative.

4.9 He noted that members should remember that a bank official commented that when persons move their money and carry it to credit unions, the credit unions would increase their deposits in the same banks. He confirmed that in the recent past several discussions were held about whether credit unions should establish a locally owned and operated bank, or establish a bank for credit unions.

4.10 The Chairman confirmed that over the last ten (10) years they had been significant changes in the financial services sector including de-risking by commercial banks which saw the closure of bank accounts of some credit unions and businesses who had enjoyed longstanding relationships with established banks. He indicated that he believed that given the international and local bank environment it may be prudent for the sector to establish a locally owned and operated entity to facilitate the banking needs of members.

4.11 He noted that Bro. Cumberbatch of City of Bridgetown Credit Union and himself had the opportunity to attend the 22nd SACCA Congress in the Kingdom of Eswatini in Africa, at the invitation of the Ghana Co-operative Credit Unions Association during the period August 28 to September 3, 2022. He indicated that they were systems in Africa to assist the sector in overcoming the hurdle of correspondent banking relationships, which was critical to establishing a local financial institution for credit unions in short order and it was time for action. He stated that he hoped

that the incoming Board would leverage the relationship, so that the vexing issue of having to place our deposits in other financial institutions could be resolved.

4.12 The Chairman stated that loans increased by 5.84% moving from $1.8 billion to $1.9 billion, which shows that despite the uncertainty, members continued to secure loans. He noted that total assets increased to $3 billion, which was a great achievement given the history of this noble institution.

4.13 He stated that given the size of the movement, greater regulatory oversight will be required especially as it relates to the three (3) largest credit unions. He noted that the sector had no difficulty with oversight, and regulations but they have to fit squarely within the existing legislative regime and must be transparent. He indicated that Barbados Public Workers' Credit Union had been designated as a Systemically Important Financial Institution (SIFI), and therefore accountability and governance would be important issues to be discussed with the FSC going forward.

4.14 He indicated that the issue of digital solutions for members continued to be a front burner issue, especially given the COVID-19 experience. He thanked Barbados Public Workers' (BPWCCUL), City of Bridgetown (COB) and Barbados Workers' Union (facilitated through BPWCCUL) Credit Unions for rolling out the international debit card product for members. He also thanked the Board of Directors, Management and Staff of COB Credit Union for rolling out its One Union international prepaid debit card.

4.15 The Chairman noted that the One Union card affords small and mid-sized credit unions the opportunity to provide card payment services to their members without undertaking significant investments. He indicated that COB Credit Union had already invested heavily in the infrastructure and had completed the heavy lifting to ensure that its' brothers and sisters were not left behind in providing card services to their members.

4.16 The Chairman stated that it was his final term as President of the League, and it had been a proud moment for him in his capacity as President of the Barbados Police Credit Union when they received the One Union prepaid international card, as it allowed him to fulfill a promise that he had made to his credit union at its 2021 AGM. He indicated that Barbados Police Credit Union had issued five hundred (500) cards, and were the first to offer this card product to members. He noted that he was pleased to report that three (3) other credit unions had signed on to provide the card to their members.

4.17 He stated that on Saturday, October 29, 2022 he attended the successful official launch of the One Union prepaid international card at the Lloyd Erskine Sandiford Centre, which indeed gave life to the expression of the co-operative principles.

4.18 He noted that he was most honoured to have served, as it had been immensely rewarding since it allowed him to offer input to some of the most far-reaching developments in our movement's history, chief among them, the inclusion in the social partnership.

4.19 The Chairman stated that credit unions in Barbados have earned their place by performing creditably, despite the disparity when compared to commercial banks, as they demonstrated that they have the capacity to be nimble, and responsive to the needs of their members. He noted that despite how the shifting regulatory framework has shaken the movement, credit unions have showned that they are resilient, but are conscious of the need to make changes to ensure sustainability.

4.20 He indicated that the movement experienced consolidation that emerged in the last fiscal year, and if that is what it takes, he commended Directors that were bold enough to do what was required to put the respective credit unions' members ahead of any personal ambitions. He stated that as he had highlighted in his message to mark International Credit Union' Day, October 20, 2022 we have a proud history of mobilization and actualization of working-class Barbadians, and our role in the financial space cannot be diminished as long as we maintain the confidence of our members. He noted that one of our greatest challenges, is to come from overly intrusive and costly regulations, but he opined that the best response is to demonstrate high levels of corporate governance in credit unions. He stated that institutions must ensure that they remain true to the principles of cooperation that have allowed this movement to grow and thrive for the last **seventy-five (75)** years.

## 5. PRESENTATION OF AWARDS

5.1 The Awards were presented by the League's Secretary, Sis. Marilyn Gittens of Reliance Credit Union:

| NAME OF CREDIT UNION | NO. OF YEARS CELEBRATED | RECEIVED BY |
|---|---|---|
| Barbados Teachers' | 55 | Ronald Jones |
| Caribank | 40 | Thandiwe Lyle |

5.2 The Secretary, Sis. Gittens presented tokens of appreciation to retiring Directors Bro. Hally Haynes of Barbados Police Credit Union, and Bro. Noel Nurse of Lifetime Credit Union who had served six (6) years on the League's Board. A token was also presented to Bro. Trevor Griffith of Barbados Police Credit Union who had served two consecutive terms on the Supervisory Committee. She noted that Bro. Sherwin Greenidge of Barbados Workers' Union Credit Union had also served six (6) years on the Board.

## 6. REPORT OF THE CREDENTIALS COMMITTEE

6.1 The Chairman invited Sis. Marilyn Gittens, of Reliance Credit Union, the Chairman of the Credentials Committee, to present the Report.

6.2 Sis. Gittens stated that the duly appointed members of the Committee were Sis. Brenda Brathwaite of Bartel Credit Union, Sis. Gabrielle Clarke of Family Credit Union and herself.

6.3 She stated that the Committee met on October 27, 2022 and reviewed By-Law 9(1) which required that each member co-operative pay dues quarterly in advance on specified days in the months of January, April, July and October. She 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).

6.4 Sis. Gittens noted that the source documents prepared by the League's office, detailing the status of members with respect to payment of dues were reviewed. She confirmed that twenty-six (26) societies were in compliance with By-Law 9 (1).

6.5 She stated 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) requires that notices be signed by the President and countersigned by the Secretary of the member co-operative.

6.6 She reported that the Committee conducted an analysis of the notices submitted by member societies to ascertain their compliance with By-Laws 20 (1) and 20 (2). She confirmed that eighteen (18) societies responded by the required date, and one (1) after the deadline date.

6.7 She further reported that 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. She noted that all members had purchased the minimum number of shares required to qualify for membership.

6.8 Sis. Gittens reported that of the twenty-six (26) societies which were in compliance with By-Law 9 (1), nine (9) had not submitted letters by the deadline date in accordance with By-Law 20 (1).

6.9 On behalf of the Committee, Sis. Gittens, drew to the membership's attention that the delegates and alternates appointed by societies, serve 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 is available to attend the

Annual General Meeting. As a result, if any subsequent Special General Meetings are held during the year, societies would have duly accredited representatives who could attend and exercise the full rights and privileges of membership.

6.10 The Report was accepted on a motion moved by Bro. Oriel Doyle of St. Stephens' Credit Union and seconded by Bro. Dennis Holder of Bottlers United Credit Union.

## 7. MINUTES OF THE ANNUAL GENERAL MEETING OF APRIL 30, 2022

7.1 The Minutes of the Annual General Meeting which was held on April 30, 2022 were found on pages 9 to 34 of the Annual Report. A motion that the Minutes be taken as read was moved by Bro. Dalton Medford of Barbados Workers' Union Credit Union and seconded by Bro. Ronald Jones of Barbados Teachers' Credit Union. The motion was carried.

**Errors and Omissions**

There were no errors or omissions.

7.2 A motion for the adoption of the Minutes was moved by Sis. Michelle Shepherd of United Enterprise Credit Union and seconded by Bro. Denis Holder of Bottlers United Credit Union. The motion was carried.

## 8. MATTERS ARISING FROM MINUTES OF THE ANNUAL GENERAL MEETING OF APRIL 30, 2022

8.1 8.1 – *Setting up of a Hall of Fame*

8.1.1 The Chairman stated that the Board was stretched during the period, therefore, he hoped that the incoming Board would bring it to fruition as the mechanisms had been put in place to ensure that it was completed.

8.2 8.4 – *Update on Residue from the Institutional Strengthening Project*

8.2.1 Bro. Dalton Medford of Barbados Workers' Union Credit Union stated that at the last AGM, the General Manager had indicated that a subcommittee had made a recommendation that was accepted and he requested an update. He noted that one of the recommendations was to help kick-start the Deposit Insurance (DI) Fund for the sector, and he wanted to know what was the Boards' decision.

> The General Manager stated that the Board was keen on utilising the residue to kick-start the DI fund which continues to be a work-in-progress, as the Board was awaiting the necessary legislation to be passed.

8.3 8.6 – *Ownership in Allied Cooperators Inc. (ACI)*

8.3.1 Bro. Hope of Barbados Public Workers' Credit Union stated that they were not getting the type of response from the movement that they had expected as the take-up has been extremely slow, which is causing them some concern as it raises questions about the viability of ACI. He indicated that there was a pressing need

for ACI services as the Regulators have been sounding the alarms and have stated that the sector needed to get their houses in order. He indicated that money is always a concern and ACI adjusted its fees structure on three (3) occasions in an effort to ensure that their services are as affordable as possible. He noted that everyone that has utilized ACI's services has given them good reviews, and they are in the process of loading some of the testimonials on their website as confirmation of their success.

8.3.2 He noted that some of the larger credit unions went ahead and put their own systems in place. He confirmed that they were willing and ready to work with credit unions to fulfil their mandate, and now that he had made the appeal, he was anxiously looking forward to ACI receiving more support. He stated that we have to strengthen our presence in the market and show that our systems are functioning at the required level, and our compliance and governance processes are part of that process. He urged credit unions to give serious consideration to utilizing ACI's services to improve their operations.

8.3.3 Sis. Novaline Brewster of Barbados Workers' Union Credit Union enquired about expansion of the ownership of ACI as Bro. Medford from her credit union had raised the question last year.

Bro. Hope stated that they were no impediments to opening up the ownership of ACI except for the political will. He indicated that they were in partnership with the League and as soon as the League was ready to have the discussion, they would be ready and willing. He wondered if when the ownership was opened up, if the movement would be able to generate the returns to make it beneficial for all parties. He indicated that at the current uptake level, opening up the ownership would probably not be the most attractive proposition.

8.4 8.9 – *Banking Services*

8.4.1 The Chairman stated that this matter had been engaging the Boards' attention for some time and they were waiting on CAPITA to have a meeting before the League's AGM but unfortunately it did not happen. He noted that he hoped that the incoming Board would be able to provide an update to members in the near future.

8.4.2 Sis. Novaline Brewster requested an update on the Automated Clearing House (ACH).

The General Manager stated that in communicating with the FSC he was informed that the two (2) largest credit unions were in the process of being on-boarded to the ACH platform, but there was a technical issue which requires the assistance of the FSC in relation to being certified to use SWIFT, and there are certain arrangements which the FSC has to put in place so that it could be accomplished. He noted that the FSC stated that

it had to do with certain provisions in the Co-operative Societies Act, and the expectations of SWIFT in relation to the look and feel of the application process.

8.5 9.12.4 – *CoopEnergy*

8.5.1 The Chairman stated that the coalition represented by Colonel Browne and himself made representation on behalf of the sector in the Barbados Light and Power (BL&P) rate hearing case. He noted that the final report had been submitted to the Fair Trading Commission (FTC) who would make a final determination. He indicated that it was clear that something has to be done with the ownership of BL&P in the interest of Barbados. He stated that those who have been following the hearing would see the dividends that were paid over the last six (6) years, while no money was invested in Barbados economy.

8.5.2 Bro. Medford of Barbados Workers' Union Credit Union stated that he wanted it recorded that it was of the utmost importance for the movement to support CoopEnergy. He stated that we were in danger of allowing parties outside the movement to exploit lucrative opportunities as the movement was taking too long to become part of CoopEnergy. He indicated that when we decide to go forward as a movement, some entities go it alone, as they think that they have the skills, but for the last year, he was happy to be a part of CoopEnergy.

8.5.3 He stated that a lot of credit unions think that they can do things on their own, like putting panels on the roof. He opined that the returns from renewable energy would not come from the panels. He referenced Spain where it was reported that many persons started to put a lot of panels on their roofs, and when the price started to drop for energy, they recognized that they had problems on their hands.

8.5.4 The Chairman stated that CoopEnergy signed an MOU with the Barbados National Oil Company, who would bring a lot of technical expertise to the table, so he encouraged all credit unions to get involved.

8.5.5 Bro. McDonald stated that in the Chairman's opening remarks, he spoke about the FSCs' relationship with credit unions making investments, and he noted that after many years this is a matter that still needs to be resolved. He stated that persons believed that issues arising from Section 34A would have been resolved by the passage of amendments, but the FSC's stance had apparently changed to a position of the sector needing a new Act.

8.5.6 He stated that the Chairman knew that the League would have asked the FSC about credit unions investing in other co-operatives, and although a response was received, it was not definitive. He stated that we need to be careful when we make statements suggesting that credit unions should come on board and invest, as we need to operate within the 'four corners of the law'. He noted that there are

guidelines (legal and regulatory) that the sector must also comply with, and he urged caution and seeking greater clarity before credit unions make such investments.

8.5.7 Bro. McDonald stated that he would prefer the regulation to provide greater clarity in respect of investments. He stated that he supports credit unions investing, but we need to have the appropriate regulatory framework in place, and further, credit unions also need to recognize that if they read Section 34A certain categories of investments are permitted, but with certain stipulations. He noted that some investments can be easily liquidated but in the case of others it would be more difficult, and therefore the decision to invest must factor in considerations other than simply rate of return.

The Chairman stated that the League wrote the FSC on the matter of investing and received a response on October 25, 2022. He indicated that part of the letter stated "Guideline No. 11 provides for credit unions to make a deposit in a society registered under the CSA. Section 33 of the CSA provides for the acquisition of up to one-fifth of the shares in a registered society by another registered society without necessity for approval by the Registrar." He noted that guideline No.11 takes cognizance of those provisions and addresses concentration risk by limiting deposit activity in credit unions accordingly.

He stated that the letter went on further to state "The Commission however recognizes that provisions allowing for the deposit of funds in societies that are not credit unions or subject to liquidity requirement may heighten liquidity risk as Regulation 21 applies only to credit unions. The Commission intends to review this guideline and consult the sector as required by law. The Commission looks forward to the next quarterly meeting where this matter can be further ventilated".

He confirmed that the meeting was held with the FSC but like Bro. McDonald, he still was not clear on the investment issue.

## 9. REPORTS

### Board of Directors' Report

9.1.1 The Chairman, Bro. Hally Haynes, presented the Board of Directors' Report which was found on pages 35 to 50 of the Annual Report.

Overview of the Economy

9.2.1 The Chairman stated that the Central Bank of Barbados (CBB) reported that the economy continued to be tested by COVID-19 in 2021, experiencing only mild growth. However, for the first half of 2022 a rebound in tourism propelled GDP growth of 10.5%.

9.2.2 He confirmed that during 2021, the sector's performance improved slightly in response to signs of stability in the economy. Non-performing loans declined by 0.4% points to reach 12.8%. Total income increased by $8 million, reflecting a slight recovery on previously declining loan and investment income.

Performance of Affiliates

9.3.1 Membership increased by 2.97%
Savings increased by 5.6% and Loans by 5.84%
Total Assets increased by 5.7%

9.3.2 He noted that assets had reached the $3 billion mark, and the movement must continue on this upward trajectory.

Expenditure Control

9.4.1 The Chairman stated that the Board kept a tight rein on expenditure during the reporting period. He noted that the decision was taken to fully bring to book all the expenditure associated with the new staff benefits, the Gratuity and Savings Plans (implemented in the prior year). He thanked Director McDonald for the extensive work that he had put into the implementation of the two plans, and the Chairman of the HR Committee Director Greenidge.

9.4.2 The Chairman stated that as a demonstration of the Board's resolve to control expenditure, the virtual option was chosen for participation in the CCCU Convention, notwithstanding the resumption of the face-to-face modality.

9.5 Human Resource Matters

9.5.1 The Chairman stated that as part of building the capacity of the team, the Executive Secretary/Admin. Officer attended the WOCCU Conference in Scotland and one Administrative Assistant attended the virtual CCCU Convention.

9.5.2 He noted that the staff complement was reduced by two (2) persons, one resignation and the first retirement in the history of the organization, after 30 plus years of service.

9.6 Training Programme

9.6.1 The Chairman stated that the programme saw nine hundred and twenty-two (922) registrations and four hundred and eighty-three (483) completions from twenty-six (26) societies. He noted that students of the Barbados Youth Advance Corps were trained in Financial Literacy, and he hoped that the programme would continue for the young persons in Barbados, as it was important for them to understand money management.

9.6.2 He indicated that the League, though its Training Officer, Ms. Marshall had partnered with the Financial Literacy Bureau to roll out the Financial Literacy

programme across the country. He noted that it was now in its second iteration and the League would continue to be a part of it.

9.6.3 The Chairman stated that there is going to come a time when persons without the requisite training and experience, may not be able to serve on Boards. He confirmed that the movement was managing a $3 billion enterprise, and therefore must possess the requisite skills to manage it.

9.6.4 He stated that an agreement was signed with our largest member to deliver eleven (11) modules for a People Leaders Skills Passport, and delivery was scheduled for September 2022 to December 2023.

9.7 Education Fund

9.7.1 The Chairman confirmed that contributions to the value of $117,162 (prior year ($212,426) were received. It is noted that the prior year included $47K in contributions for the previous year due to late AGMs, and for 2022 some AGMs had not yet been held. He indicated that other income totaled $10,125 down from $26,988 in the prior year.

9.8 Technical Assistance

9.8.1 The Chairman confirmed that the Consultant Bro. Bourne continued to provide excellent technical assistance to small credit unions. This consultancy in its twelfth year, provided the following outputs:

- Continued efforts to devise strategies to mitigate challenges associated with reduced investment returns, sluggish loan growth and spikes in NPLs. In this regard, assistance was provided re revision of loan policies.
- Support to societies contemplating consolidation opportunities. In house training was delivered, as well as continued guidance to advance potential consolidation efforts.

9.9 Shared Services (Internal Audit (IA) and Compliance)

9.9.1 The Chairman stated that Allied Cooperators Inc. (ACI) had filled the post of Operations Manager which would give impetus to the roll out of their service offerings. He noted that the services are not costly, but is a cost that must be met, and additional resources were brought on to provide compliance services.

9.10 Deposit Insurance (DI)

9.10.1 The Chairman stated that the most significant development during the reporting period was the announcement by the Prime Minister during her Budgetary Statement that the sector would be granted access to DI, and the legislation would be passed in the near future.

9.10.2 He indicated that after the public announcement, the League pressed the Ministry of Finance on a continuous basis and was given timelines, but regrettably, they were not met.

9.10.3 The Chairman stated that this was a critical matter and the League would continue to lobby for it, and he hoped that resolution would be forthcoming in the shortest possible time.

9.11 Credit Bureau Services

9.11.1 The Chairman stated that the Fair Credit Reporting Act (FCRA) was proclaimed on April 15, 2022. He noted that the League continued to collaborate with Creditadvice (Barbados) Limited to on-board its affiliates so that they could access the database and upload their data after the completion of their data projects.

9.11.2 The General Manager stated that there were eight (8) credit unions utilizing the services, and an additional three (3) were in the process of executing their data projects and uploading data to the service provider.

9.11.3 The Chairman stated that it was a requirement by law, therefore, all credit unions should ensure that they utilize the services.

9.11.4 Sis. Novaline Brewster of Barbados Workers' Union Credit Union queried why compliance by credit unions with the Fair Credit Reporting Act had been so slow, as the Act made it mandatory for credit unions.

The General Manager stated that he was not sure if he could provide a specific reason why credit unions were reluctant to utilize the services, but the League had endeavoured to frequently provide the necessary information, had facilitated presentations and wrote them on a number of occasions emphasizing the fact that it was a requirement by law, and not an option. He stated that he hoped that the movement would be compliant in the not-too-distant future.

9.11.5 Sis. Brewster stated that she was sure that her colleague, Mr. Elson Gaskin would be more than willing to come and speak to the movement about the Fair Credit Reporting Act.

9.12 Advocacy

9.12.1 The Chairman stated that COVID-19 continued to be featured prominently on the Social Partnership Agenda, but the emphasis shifted away from lockdowns to encouraging remote work and staggered work hours. He indicated that other matters discussed included:

1. Update on supply chain price increases
2. Prices and incomes protocol
3. NIS Scheme Pension Reform

9.12.2 He confirmed that he was able to follow-up with the Governor of the Central Bank regarding a more affordable fee structure for ATM and Point of Sales (POS) transactions. He noted that the Central Bank intervened and set a cap on fees for

non-proprietary ATM transactions. He indicated that regarding POS transactions, no cap was set, but the Bank signaled its willingness to intervene if necessary.

9.12.3 The Chairman stated that the League advocated on behalf of the sector with the FSC on the following matters:

1. Strong support for the move away from a leverage-based to a risk-based capital regime
2. An accountability arrangement through which the FSC would establish accountability structures and systems in an environment where it was being fully funded by regulated entities. He noted that the CEO responded favourably, and made a presentation at the first quarterly meeting for 2022
3. Strong support for an exemption regime under which credit unions that meet the qualifying criteria would have a more facilitative environment in areas such as investments, the onboarding of corporate membership and acceptance of deposits from corporate entities.

9.13 Utilization of $100K Tranche of Funding to Assist with AML/CFT Compliance

9.13.1 The Chairman stated that in 2019 the League sent a proposal to the FSC for a drawdown of $100K from the Credit Union Development Fund to provide financial assistance to credit unions to help defray the high cost of compliance with AML/CFT standards. He noted that the disbursement was received in May 2021.

9.13.2 He confirmed that the FSC gave permission for disbursements to member societies, and the Board agreed to target small credit unions with assets ≤ $8 million.

9.13.3 The General Manager confirmed that to date five (5) societies had submitted the required documentation and received reimbursements under the arrangement.

9.14 Compliance with OECD's Common Reporting Standard (CRS)

9.14.1 The Chairman stated that the Barbados Revenue Authority (BRA) served written notice of intent to levy a pecuniary penalty of $10K for each of the four (4) outstanding years 2017 to 2021. He indicated that credit unions who were in breach, were faced with a challenge of paying up to a maximum of $40,000 in fines, and the Office took the following actions:

1. Sent correspondence to the BRA requesting a waiver, (the contents of which included all the antecedents), and a copy was sent to all affiliates
2. Provided members with a customizable template response to facilitate credit-union-specific requests for the waiver.
3. Provided high-level guidance re next steps and technical guidance in respect of registration and filing
4. Reviewed and suggested changes to improve credit-union-specific requests for a waiver, when requested.

9.14.2 He reported that the BRA subsequently issued correspondence to affiliates that had requested a waiver of the penalties. He indicated that though it was not the desired outcome, it was pleasing to report that the penalties were reduced to $2,500 in total for the outstanding four (4) years of filing.

9.14.3 The Chairman stated that it was no longer business as usual, as compliance must be central to credit union operations. He indicated that credit unions must ensure that their systems and accountability mechanisms are robust, but more importantly, that they have the necessary automated dashboards to monitor compliance.

9.15 Sis. Novaline Brewster of Barbados Workers' Union Credit Union highlighted that in the Chairman's opening remarks, he had stated that his visit to Kenya could help solve the correspondent banking issue and requested him to elaborate on this, to enable her to get a better idea of how it would work.

The Chairman stated that the discussions with the Kenya Co-operative Credit Union League started in Scotland at the 2022 World Council of Credit Union Conference. He stated that further discussions were held as to how the two parties could look at correspondent banking, and the reality was that 98% of the correspondent banking relationships in the Caribbean were with Bank of America. He noted that Bank of America have some very strict guidelines related to correspondent banking and they have not on-boarded any new banks in the region. He noted that rather than onboarding, they were de-risking them.

He indicated that when Bro. Kemar Cumberbatch of City of Bridgetown Credit Union and he visited the Kingdom of Eswatini, they were informed that the Ghana Co-operative Credit Unions Association had banking relationships with the Kenya Co-operative Bank, so discussions were started as to how best they could use that model. He noted that if the movement establishes either a corporate or a commercial bank, correspondent banking relationships would be needed and it was hoped that the relationship with our colleagues in Africa can help to provide those linkages.

9.16 Sis. Novaline Brewster of Barbados Workers' Union Credit Union asked the Chairman who was demitting office, giving due regard to the fact that he was one of the persons who championed inclusion in the Social Partnership, what would he identify as the three (3) biggest achievements.

The Chairman stated, the recognition of the credit union system as a key pillar in the development of the country, and being recognized at that level.

9.17 Sis. Brewster asked the Chairman what he meant by recognition.

The Chairman stated that the Social Partnership had recognized what the movement does and its great potential. As a result, the contribution at that level was being taken seriously. He opined that the movement being given an opportunity to sit on the Finance and Insurance Sub-Committee was evidence of the movement's elevation as a pivotal player in the financial services sector. Further, he referenced the improving relationship with the Governor of the Central Bank and inclusion of the movement in meetings convened by the Governor to discuss important matters pertaining to the financial services sector.

The Chairman stated that being seated at the table of the Social Partnership provided opportunities to hear matters discussed and to have an input into the discussions especially on matters affecting our constituents. He stated that the new Board will continue to ensure that matters that affect the movement are discussed at that level.

9.18 Sis. Brewster stated that she was a strong believer in relationships so she saw that as being a positive. She noted that the report made no reference to ensuring that persons were compliant with the Data Privacy Rules and Regulations and queried if any work was done in that area to help credit unions, or if it was a work in progress.

The Chairman stated that a meeting was held with affiliates and a presentation was done.

The General Manager stated that it was an area that the League needed to focus more attention on, and after conducting further research the appropriate steps will be taken to provide assistance to affiliates.

9.19 Sis. Michelle Shepherd of United Enterprise Credit Union moved a motion for the adoption of the Board of Directors' Report and Sis. Faye Arthur of Barbados Workers' Union Credit Union seconded the motion. It was carried.

9.20 **Supervisory Committee's Report**

9.20.1 The Acting Chairperson of the Committee, Sis. Faye Arthur of Barbados Workers' Union Credit Union presented the report of the Supervisory Committee. The report was found on pages 51 to 53 of the Annual Report.

9.20.2 Sis. Arthur stated that the Supervisory Committee's meetings were focused on the following:

1. The auditing of all accounts held by the League, and she commended the team for their level of accuracy and compliance
2. Review of minutes generated from BOD meetings and supporting documentation

3. Auditing of reports to the Registrar; all of which were in compliance and submitted on a timely basis

9.20.3 She noted that the team also reviewed the League's Savings and Gratuity Plans. She congratulated the League for implementing them, as it was seen as a sustainable and rewarding initiative for its employees.

9.20.4 Sis. Arthur suggested that the League should continue to work assiduously towards finalizing matters related to Deposit Insurance (DI); IFRS 9 concerns related to the Deloitte model; develop and implement a work from home policy (including cyber security); amend its By-laws to allow for the implementation of hybrid AGMs as a contingency, and training should occur yearly for the Supervisory Committee members.

9.20.5 A motion was moved by Sis. Susan Fitt of Endeavour Credit Union and seconded by Sis. Michelle Shepherd of United Enterprise Credit Union for the adoption of the Supervisory Committee's Report. The motion was carried.

9.21 **Auditors' Report**

9.21.1 Bro. Peter Carter of Peter J. Carter & Co., presented the Independent Auditors' Report. The report was found on pages 55 to 57 of the Annual Report.

9.21.2 Bro. Carter highlighted that the report was unqualified, which confirmed that the financial statements of the League had been prepared in accordance with International Financial Reporting Standards (IFRSs).

9.21.3 A motion was moved by Bro. Noel Nurse of Lifetime Credit Union and seconded by Sis. Andrea Arthur of Barbados Workers' Union Credit Union for the adoption of the Auditors' Report. The motion was carried.

**10. FINANCIAL STATEMENTS**

10.1 The Treasurer, Bro. Noel Nurse of Lifetime Credit Union presented the financial statements which were found on pages 58 to 73 of the Annual Report.

10.2 Bro. Nurse noted that the League had achieved a turnaround in its financial position from the 1990s. He indicated that there was further consolidation of this position in FY 2021/2022 and the balance sheet remained free of all third-party liabilities with a very strong equity position.

Highlights of the Treasurer's presentation are shown below:

10.3 Balance Sheet

10.3.1 Total assets increased by 3.94% to reach $3,678,582, and total liabilities increased by 2.22% moving from $1,833,937 to $1,874,729.

10.3.2 Members' equity increased by 5.79% to reach $1,803,853.

10.4 Changes on the Assets Side of the Balance Sheet

10.4.1 The increase in assets was mainly due to an increase in non-current investments which moved from $1,521,815 to $1,623,052, an increase of 6.65%; cash and cash equivalents decreased moving from $809,112 to $785,492, a decrease of 2.92%.

10.5 Changes on the Liabilities Side of the Balance Sheet

10.5.1 In the category of current liabilities, accounts payable and accruals increased by 2.22%, moving from $1,833,937 to $1,874,729; unearned revenue increased by 6.78%, as it moved from $80,164 to $85,599.

10.5.2 The Development Fund had a net increase of 13.96% as it moved from $343,758 to $391,731.

10.6 Institutional Strengthening Project (ISP)

10.6.1 The ISP Fund had a net increase of 1.65%, as it moved from $124,853 to $126,918.

10.7 Education Fund

10.7.1 This Fund had a net decrease of 0.08% as it moved from $175,263 to $175,129.

10.8 Equity Position

10.8.1 Total equity increased by 5.79% moving from $1,705,141 to $1,803,853. The special reserve of $275,265, which represented the gains from the liquidation of the HCF loan remained unchanged.

10.8.2 The capital-to-assets ratio at year-end stood at 49%.

10.9 Income Statement Highlights

10.9.1 Operating income increased by 4.21%, as it moved from $883,033 to $920,233.

10.9.2 Membership dues increased by 1.91%, while administration and management fees increased by 9.45%.

10.9.3 Staff costs increased by 22.14%, moving from $393,571 to $480,706; other operating expenses decreased by 0.22%, moving from $321,471 to $320,754.

10.9.4 For the eleventh consecutive year, interest was paid on shares. Members earned a rate of return of 1.64% on their shares which was equivalent to a payout of $13,932.

10.9.5 Net income of $35,823 was recorded for the year under review. This represented a decrease of 48.96% when compared to the prior year's figure of $70,182.

10.9.6 Bro. Nurse declared that with the League's clean balance sheet, the financial goal continued to be the generation of a small surplus and the rewarding of members, who contributed immeasurably to the turnaround effort.

10.9.7 A motion was moved by Bro. Anthony Inniss of Lifetime Credit Union and seconded by Bro. Denis Holder of Bottlers United Credit Union for the acceptance of the audited financial statements. The motion was carried.

**11. DECLARATION OF DIVIDENDS**

11.1 The Treasurer stated that there would be no dividend payments for the completed fiscal year.

**12. FIXING OF MAXIMUM LOAN LIABILITY**

12.1 Bro. Noel Nurse of Lifetime Credit Union moved a motion that the maximum loan liability should remain at $1 Million, and Sis. Michelle Shepherd of United Enterprise Credit Union seconded the motion. The motion was carried.

**13. APPOINTMENT OF AUDITOR**

13.1 Bro. Noel Nurse of Lifetime Credit Union moved a motion that Peter J. Carter & Co., Chartered Accountants, be appointed as Auditors for the ensuing year. The motion was seconded by Sis. Faye Arthur of Barbados Workers' Union Credit Union and was carried.

**14. REPORT OF THE NOMINATING COMMITTEE**

14.1 The Chairman of the Nominating Committee, Bro. Keith Jones of Bartel Credit Union presented the report. He stated that Bros. Gregory Browne, Denis Maynard, and himself were appointed as Committee members by the Board of Directors.

14.2 He reported that on October 25, 2022, the Committee received nominations from the Secretary as per By-law 29 (3) (iii), to consider the positions to be filled, to ascertain the eligibility of the individuals, and if elected, their willingness to serve.

14.3 He noted that as part of the process of ascertaining eligibility of the Nominees, Bro. Anthony Inniss, of Lifetime Credit Union who had been nominated to serve on the Board of Directors, was a sitting member of the Supervisory Committee but had tendered his resignation.

14.4 Bro. Jones reported that the Committee was satisfied that to the best of its knowledge and belief, all the nominees are qualified pursuant to Section 57 of the Co-operative Societies Act, the Regulations and the By-laws.

14.5 He noted that the following were the Committee's nominees to fill the positions on the Committees:

| BOARD OF DIRECTORS | |
|---|---|
| **NAME** | **CREDIT UNION** |
| Bro. Dalton Medford | Barbados Workers' Union |
| Bro. Anthony Inniss | Lifetime |
| Bro. Erwin Jones | The Light & Power Employees |

| SUPERVISORY COMMITTEE | |
|---|---|
| **NAME** | **CREDIT UNION** |
| Bro. Noel Nurse | Lifetime |
| Sis. Gloria Grant | The Light & Power Employees |

14.6 Bro. Ashton Turney, of Barbados Workers' Union Credit Union, stated that Bro. Hasani Evelyn of Barbados Public Workers' Credit Union had replaced Bro. Tyrol Inniss, who was revoked by Barbados Public Workers' Credit Union. He noted that Bro. Inniss's appointment would expire at the end of the meeting, therefore, in his opinion, Bro. Evelyn should be among the nominees.

14.7 He indicated that if you look at the Annual Report for 2021, you would see Bro. Kemar Cumberbatch of City of Bridgetown Credit Union name listed as a nominee although it was a guaranteed seat. He stated that the Board of the League would have accepted Bro. Evelyn to sit on the Board until this meeting, and in his opinion to formalize it and for the record, he should have been listed as a nominee.

The Chairman requested Bro. Keith Jones, the Chairman of the Nominating Committee to amend their report to include Bro. Evelyn, whose credit union is the holder of a guaranteed seat as a nominee.

14.8 Bro. Jones, Chairman of the Nominating Committee stated that the meeting had requested the Committee to amend its report to add that Bro. Hasani Evelyn of Barbados Public Workers' Credit Union, the holder of a guaranteed seat would serve until 2023.

14.9 The motion for the amendment of the Nominating Committee's report was moved by Bro. Ronald Jones of the Barbados Teachers' Credit Union and seconded by Bro. Kevin Lashley of United Enterprise Credit Union. The motion was carried.

**15. ELECTIONS**

15.1 The Chairman stated that there would be no voting for the Board of Directors as there were three (3) vacancies and three (3) nominees. He then declared the three nominees, Bros. Anthony Inniss, Erwin Jones, and Dalton Medford, duly elected to the Board of Directors for the next three (3) years. He further declared that Bro. Hasani Evelyn of Barbados Public Workers' Credit Union would serve on the Board until 2023.

15.2 He noted that there were two (2) vacancies on the Supervisory Committee and two (2) nominees, Bro. Noel Nurse and Sis. Gloria Grant. He stated that as Bro. Anthony Inniss of Lifetime Credit Union had tendered his resignation with a one-year term remaining, lots would have to be drawn to determine who would get the full term and who would serve the unexpired term of Bro. Inniss.

15.3 The General Manager requested the nominees to draw lots. Bro. Noel Nurse drew the lot to serve the three (3) year term, and Sis. Grant the one (1) year term.

**16. RESOLUTIONS**

16.1 Bro. Ronald Jones of Barbados Teachers' Credit Union moved a motion for the reimbursement of expenses for each Director and Member of the Supervisory Committee for the fiscal year 2021/2022 as follows:

Director - **$1,500** and Supervisory Committee Member - **$1,000**

16.2 The motion was seconded by Sis. Susan Fitt of Endeavour Credit Union and was carried.

16.3 The Chairman stated that there was a resolution for the creation of the position of Assistant Manager at the League, that had been circulated, but By-Law 25 states that
seven (7) clear days' notice shall be given by a member to the Secretary in writing of any matter other than those on the agenda he wishes considered at any general meeting provided that a motion or resolution tabled without notification and seconded, can be considered by the General Meeting if the majority of voting delegates at the meeting so decide.

16.4 The Chairman made the following amendments, for the use of alternates as delegates:

<u>Barbados Public Workers' Credit Union</u>
Sis. Cheryl Browne for Sis. Kevia Cadogan
Bro. Richard Kennedy for Bro. Glyne Harrison
Bro. Eric Small for Sis. Shakeira Hackett

Barbados Workers' Union Credit Union
Sis. Carolyn Barton for Bro. Sherwin Greenidge

Public Transport Credit Union
Sis. Mechelle Thornhill for Bro. Henson Brathwaite

UWI (Cave Hill) Credit Union
Sis. Natasha Corbin for Bro. Charles O. Alleyne

16.5 Bro. Ronald Jones of Barbados Teachers' Credit Union moved a motion for the resolution to be tabled and Sis. Natasha Corbin of UWI (Cave Hill) Credit Union seconded the motion. It was carried.

16.6 The Chairman then requested Bro. McDonald of UWI (Cave Hill) Credit Union to table the resolution.

16.7 Bro. McDonald stated that it was an affiliate resolution which was being brought by UWI (Cave Hill) Credit Union to seek the creation of the post of Assistant General Manager, so that the institutional knowledge would not be lost when the General Manager retires in the not-too-distant future.

16.8 **AFFILIATE RESOLUTION NO. 1 of 2022:**
**WHEREAS** the BCCULL is the Apex body of the Barbados Credit Union Movement (the Movement);

**AND WHEREAS** the BCCULL's mandate is to provide critical representational and organization services for and on behalf of the Movement;

**AND WHEREAS** the BCCULL requires highly trained, experienced and knowledgeable personnel to carry out its mandate;

**AND WHEREAS** the current General Manager of the BCCULL has indicated his plan to retire from the post in three years' time;
**AND WHEREAS** the BCCULL would like to take steps to ensure that as much institutional knowledge as possible remains with the institution when the current General Manager retires;

**AND WHEREAS** the BCCULL is desirous of hiring an Assistant Manager as soon as possible with the goal of preparing that person to fill the General Manager's position when it is vacated;

**AND WHEREAS** the BCCULL's current Operating Budget does not have enough financial resources to fully fund the new post of Assistant Manager;

**BE IT RESOLVED** that:
a surcharge of ten percent (10%) be levied against the Annual Dues paid by Member Societies of the BCCULL for a period of three (3) years commencing November 1, 2022 and ending October 31, 2025;

**AND BE IT FURTHER RESOLVED** that:
the proceeds of the surcharge be placed in a special fund at the BCCULL from which recruitment costs and remuneration for the new Assistant Manager would be paid.

16.9 The Chairman stated that the resolution was before the meeting and requested that someone move a motion. Bro. McDonald moved a motion for the creation of the post of Assistant Manager and the levying of a surcharge of ten percent against the member society's annual dues. Bro. Kevin Lashley of United Enterprise Credit Union seconded the motion which was carried.

16.10 Bro. McDonald of UWI (Cave Hill) Credit Union stated that for several years, the matter of assistance for the General Manager had been before the Board, and we can no longer continue to kick it down the road, because of financing. We continually praise the General Manager, and while that is commendable, action has always been the challenge. He indicated that the League now needed to look seriously at the institutional knowledge that will be required going forward. He noted that Mr. Pilgrim had given thirty (30) plus years of service and some of the processes, the requirements for running the organization, the matters that happen between the affiliates, the international relationships that we have, needed to be maintained so we need to start putting things in place to capture this information. He indicated that he does not like the term succession planning as that's the general term used, so he prefers to say that you bring whatever and ensure that you achieve what you want to. He stated that he did not just want to come to the membership and say that we are going to raise fees as that might be rejected. He stated that he was trying to put a target levy that would help the League to create the position.

16.11 He stated that the calculation showed that even with this level, some deficit financing would have to be done, although we might get lucky in a year and breakeven. He indicated that they had calculated that some deficit financing would have to be done because when you take 10% of the dues that are currently paid, it would not cover the position you would be creating, in terms of salary and benefits.

16.12 Bro. McDonald indicated that credit unions would be in a very different position as it relates to their balance sheets and surpluses if the League had not put up the big fight of "Don't Tax Our Credit Union". He stated that people tend to forget things very quickly, and the League plays an important role in what is done for the movement, so he puts the proposal before the delegates.

16.13 The Chairman then opened the floor for comments, and started by saying that it had been an issue for a long time and because of the finances of the League it was not addressed. He stated that someone was needed to perform this role as Bro. Pilgrim prepares to depart office, but more importantly the workload at the League really needs some assistance, and the Board has been talking about it for the last five (5) years. He noted that the resolution gives the movement authority to allocate a surcharge towards the funding of the Deputy General Manager, and he fully supports it.

16.14 Bro. Hope of Barbados Public Workers' Credit Union stated that he was not sure that he understood the methodology of what was being proposed. He wanted clarity on what Bro. McDonald spoke about in terms of the years of wanting an Assistant General Manager to support the General Manager, as that sounds like it should be a permanent thing.

> Bro. McDonald stated that what they were trying to do is to bring somebody in now who would work with the General Manager for the next three (3) years and when the General Manager retires that person would become General Manager.

16.15 Bro. Hope stated opined that the real question was whether the General Manager needed permanent help or not; and if in fact he does, after the three (3) years, and the Assistant is promoted, they would also need help, so we would not be solving the underlying problem. He opined that it should not take three (3) years to understudy the post of General Manager, one (1) year should be adequate for any good candidate to understudy the position.

> Bro. McDonald indicated that what he was trying to do was to put in place what the League really needed right now, and that approach would produce two (2) things: (1) much-needed assistance and (2) mechanism for the transfer of knowledge. He further stated that if affiliates would vote for a universal arrangement, he would be most happy, but nevertheless he was open to a better suggestion.

16.16 Bro. Hope stated that his suggestion was to permanently create the role of Assistant Manager.

16.17 Sis. Novaline Brewster of Barbados Workers' Union Credit Union stated that her credit union supports Bro. Mark Hope's suggestion to create the post now.

16.18 Bro. Ashton Turney commented that to be fair on the matter, about eight (8) years ago a study was done that showed that Mr. Pilgrim was overworked and needed assistance, but nothing was put in place. He stated that he personally knows that

Mr. Pilgrim carries too heavy a workload, and like Bro. Hope he agrees that there is need for the two positions.

16.19 Bro. Oriel Doyle stated that he has never seen anything like this, as he thought that it was a resolution from the Board, but he had realized that it was really a resolution from an affiliate. He indicated that an affiliate is encouraging the Board to raise his credit union's dues by 10% and wants him to make that decision in this meeting without having discussions with his Board. He noted that 10% was a significant increase by any standard, especially for his credit union. He opined that the matter was really within the purview of the Board.

16.20 Bro. Doyle stated that the Board should know when an Assistant General Manager is needed and to come and put the burden on the individual credit unions is to add insult to injury. He opined that if the Board feels that an additional human resource is required, they should go ahead and find the resources to do so. He further opined that the League must find services to offer in order to cover its expenses, and dues should not be the main source of income. He stated that the issue of human resources should not be discussed in this forum. He suggested that the resolution should be presented again and in a different format, for a different reason.

16.21 Bro. Cedrick Moore, of Church of the Nazarene Credit Union stated that he was a bit confused. He indicated that in the creation of a new post, there should be a process for doing it, and queried if this was intended to be the process. He opined that if it is indeed necessary to create a new post, we should take the longer-term view.

16.22 Bro. Ronald Jones of Barbados Teachers' Credit Union stated that secondary organizations tend to be starved of resources, as the primary organizations have the resources. He noted that as reported earlier the movement surpassed the $3 billion dollar asset threshold, which poor and middle-class people have amassed, and we should be celebrating without holding a fete.

16.23 Bro. Jones stated that it might not be prudent in the absence of his Board to commit to a 10% increase in dues; but he opined that an increase of this magnitude would not be too much, and he believes that his credit union would support it. He indicated that the movement cannot continue to starve the League of resources, as we cannot expect them to sit at the Social Partnership table to negotiate, to go in front of the relevant authorities to represent our interests without providing adequate resources.

16.24 Sis. Mary Inniss of Lifetime Credit Union stated that she agreed with all that was said, but to sum it up, she would say that it is a Board decision. She suggested that the Board write to affiliates so that their respective Boards could have a discussion on the matter.

16.25 Sis. Michelle Shepherd of United Enterprise Credit Union stated that while she agreed that the movement has all these billions in assets, it would still be necessary for the respective Boards to discuss the matter. She further stated that affordability of the proposed increase has to be given serious consideration.

16.26 Bro. McDonald stated that after the discussion, he would like to withdraw the resolution and wait for the incoming Board to deal with the matter. He noted that he would be watching carefully to see the responses that the new Board gets, as he has been sitting on the Board and he knows how affiliates respond when the Board says we have to do X, Y or Z. He stated that he respects the comments and suggestions that were made, as it informs the situation as to how some of the credit unions would like to see it work.

**17. ANY OTHER BUSINESS**

*IFRS 9 Presentation*

17.1 Bro. Patrick McDonald of UWI (Cave Hill) Credit Union stated that in 2007, IAS32 was introduced to the movement, and persons should remember what it did to the balance sheets of credit unions as all of the savings were moved into liabilities, and it significantly affected the capital and equity structure of balance sheets.

17.2 He noted that about the same time, the revised Co-operative Societies Act came into force and the capital adequacy structure was set at 10% of assets; and further, if the standard was not met, credit unions were required to set aside 2.5% of surplus until the 10% was attained. He noted that Section 10(1) requires that societies shall include in their By-laws a provision for the qualifying shares that must be held by each member and he believed that there were a few credit unions that had not amended their By-laws to address the issue.

17.3 Bro. McDonald stated that in 2018, the movement was caught between the devil and the deep blue sea as we had IFRS 9 and the government of Barbados debt restructuring program hitting us at the same time, which were both having a debilitating impact on our surplus or our overall equity depending on the significance.

17.4 He suggested that the delegates present should go back to their Boards and discuss IFRS 9. He noted that if the systems were in place to truly handle it, it can work to your benefit. He noted that over the last four (4) years the movement has had some successes in loan and savings growth, but challenges in equity, capital and surpluses because of IFRS 9 and the debt restructuring.

17.5 He noted that the government of Barbados reduced the interest rates and increased the maturity dates on the T-bills and longer-term debt effective October 1, 2018 which meant that credit unions holding government debt were required

by IFRS 9 to make the adjustments to recognize the impairment in the value of these investments. This required credit unions to book what some referred to as net present value adjustments (NPVA) against the government debt. He noted that good data was not available to apply the NPVA so persons looked beyond our shores and imposed those measures on the movement which resulted in a negative impact on our surplus and by extension the balance sheet. He indicated that the standard requires that action be taken to become compliant but it was not necessary to go to extremes. He noted that some persons looked at the standard, and came up with more reasonable approaches to the NPVA. Further, some credit unions in the last couple of years, started to reverse the NPVA as the term to maturity reduces and as interest rates increase. He noted that at the end of December 2022, the first tranche of principal will be repaid and this will continue as per the repayment schedule.

17.6 Bro. McDonald stated that IFRS 9 came into effect January 1, 2018 and there was extensive preparation which did not help because when it happened, we still ran into problems. The new standard replaced the old way of calculating impairment losses and the previous approach calculated a provision after the loss was apparent, while IFRS 9 is forward looking and anticipates the loss. He noted that the term used under IFRS 9 is the “expected credit loss” (ECL).

17.7 He noted that the League took steps to prepare the movement by engaging a professional service firm to create a model for credit unions (except the two largest), but delivery of the model was very challenging. The credit union that provided most if not all of the preliminary data to test the model had great difficulty using the model as many of their loan policies were not reflected in the model. He stated that UWI (Cave Hill) Credit Union in 2018, to satisfy the auditor that they had looked at different models, defaulted to what they had been doing long before IFRS 9 as it was a credible approach. He noted that with additional help from the League, other credit unions were “somewhat able” to use the model.

17.8 Bro. McDonald confirmed that the model has not been updated since 2018 even though promises were made as recently as early 2022. He indicated that he was of the view that none of the users knew how to update the model. This has meant that some credit unions have had to make “other arrangements” and spend more money to try and compute their ECL.

17.9 He stated that he conducted a cursory review of the ECL provisions on some credit unions’ financial statements; some of which suggest that the provisions being made may not be as credible as they should be when you look at the numbers. This comes from the observations of significant year on year fluctuations in the ECL.

17.10 Bro. McDonald stated that given the fact that the model supported by the League, like many of those being used now by some credit unions, does not compute ECL from the "ground up" but used a "group approach" there is a heightened possibility/probability that the ECLs are either overstated or understated. He opined that overstatement has been more the case, and therefore these credit unions' surplus and equity positions would be reduced.

17.11 He stated that he was putting forward the subject to take fresh guard; as all credit unions in Barbados, should take an "updated look" at their IFRS 9 ECL calculations taking into account knowledge gained over the past four years.

17.12 Bro. McDonald stated that his credit union sought to resolve their ECL calculation challenge and viewed a piece of software at the 2022 CCCU Convention, and he was happy that he attended the convention as it presented them with a solution. At the time they looked at it, he did not think it was a solution, but it had promise (he noted that he has no shares in the company and he met the principal of the company providing the solution for the first time in June 2022). After speaking with his Board, contact was made with the vendor and extensive testing was completed. They created credible data sets after receiving support from their core software provider, and reviewed the preliminary results which showed that the credit union's ECL was significantly overstated. He indicated that the final test would be conducted by year-end and they expect that a reduced ECL benefit would be achieved. He noted that data has to be clean, as some credit unions have been using loan procedures that handicap the process. Bro. McDonald noted that one of the key benefits of the software will be the ability to calculate ECL on a monthly basis, which will help the credit union produce more accurate monthly management accounts.

17.13 He stated that for the users of CUBOOKS, UWI (Cave Hill) had done a lot of the heavy lifting and was hoping to automate the data transfer into the software. He stated that he was going to ask the League to communicate with all credit unions even the larger ones because if they are using a bulk approach as they have big mortgage portfolios, they will find the spend worth the investment, because the cost of the software is not a lot given the potential savings.

17.14 He stated that he will be asking the League to have the software demonstrated to the movement.

17.15 Sis. Faye Arthur of Barbados Workers' Union Credit Union queried what support would be provided to help credit unions clean up their data, and based on his analysis and testing, what degree of error was picked up between their model and what is currently being used by the other credit unions. She opined that it was a good initiative, and was impressed by the software's capability to drill down to each account.

Bro. McDonald stated that a lot of the capabilities that the new software had the other model did not possess. He noted that the old model was a built spreadsheet, while the new model was much more than that, and would provide calculations of the ECL provision that are built from the ground up and would be credible.

17.16 Sis. Sherry Gittens of Barbados Public Workers' Credit Union stated that the presentation was excellent, but commented that UWI (Cave) Hill Credit Union brought in an external provider to implement the software solution, and she wondered how the data was being protected, especially as it related to cyber security.

Bro. McDonald stated that it was cloud-based software, and to start the process, you will need four (4) years of historical data. He stated that it is a question that would be better answered by the software provider, as he was certain that they had taken that into account.

He stated that he had asked the question and was informed that the provider would not be taking their data from them, as they only need to be able to access the computer.

**18. TERMINATION**

18.1 There being no other business, the meeting was terminated at 7:55 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, 2022 TO JULY 31, 2023

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

**August 1, 2022 – November 5, 2022**

| POSSIBLE ATTENDANCE | NAME | POST | ATTENDED | EXCUSED |
|---|---|---|---|---|
| 3 | Hally Haynes | President | 3 | - |
| 3 | Sherwin Greenidge | 1st Vice President | 3 | - |
| 3 | Patrick McDonald | 2nd Vice President | 3 | - |
| 3 | Noel Nurse | Treasurer | 3 | - |
| 3 | Kevin Lashley | Asst. Treasurer | 3 | - |
| 3 | Marilyn Gittens | Secretary | 3 | - |
| 3 | Keith Jones | Asst. Secretary | 3 | - |
| 3 | Kemar Cumberbatch | Member | 3 | - |
| 2 | Hasani Evelyn | Member | 1 | 1 |
| 1 | Terrol Inniss | Member | 1 | - |

*Hasani Evelyn replaced Terrol Inniss in September 2022

**November 5, 2022 – July 31, 2023**

| POSSIBLE ATTENDANCE | NAME | POST | ATTENDED | EXCUSED |
|---|---|---|---|---|
| 9 | Kemar Cumberbatch | President | 9 | - |
| 9 | Patrick McDonald | 1st Vice President | 9 | - |
| 9 | Anthony Inniss | 2nd Vice President | 8 | - |
| 9 | Kevin Lashley | Treasurer | 9 | - |
| 9 | Dalton Medford | Asst. Treasurer | 8 | 1 |
| 9 | Marilyn Gittens | Secretary | 9 | - |
| 9 | Keith Jones | Asst. Secretary | 8 | - |
| 9 | Hasani Evelyn | Member | 5 | 1 |
| 9 | Erwin Jones | Member | 8 | - |

The Board appointed sub-committees during the period. The Committees formed were: Human Resources, Credentials, Nominating and, Finance and Investment. All Committees are chaired by sitting Directors.

## OVERVIEW

### Economic Review and Impact on the Sector

As reported by the Central Bank of Barbados, macroeconomic conditions remained challenging during 2022 as the international economic environment tightened in the aftermath of the spiralling global inflation. However, Barbados' economy registered a robust recovery from the COVID-19-induced decline over 2020-2021. The rejuvenated performance was led by the tourism sector, as the relaxation of the protocols, restrictions on travel, recreation and business operations enabled a full reopening of the economy. Preliminary estimates are that the economy rebounded by 10.0 percent. With the strong upturn, the labour market was marked by fewer unemployment claims, increased participation rates and a reduction in unemployment (rate fell to 7.1 percent at end of third quarter in 2022).

The economic upturn, together with favourable effects of the inflation dividend on transaction-based tax revenue, enabled Government to achieve an improved fiscal performance. The debt-to-GDP ratio fell to 124 percent of GDP.

Higher output of goods and services in the first six months of 2023 permeated the economy, bolstering other economic related fundamentals. Economic activity expanded by 3.9 percent, representing the ninth consecutive quarter of growth.

The increased economic activity also fed into the financial services sector, including credit quality, as well as boosting assets and profits.

### Review of Business Performance

### MEMBERSHIP

During the first quarter of the 2023 calendar year, there was further consolidation within the sector as the members of Courtesy Credit Union transferred their assets and liabilities to United Enterprise Credit Union. As a consequence, at the end of the reporting period, membership in the League declined from twenty-eight (28) to twenty-seven (27) member societies; this trend is expected to continue.

## PERFORMANCE OF AFFILIATES

In the prevailing circumstances, for the period ended June 30, 2023 the sector still achieved growth in all the key areas as reported below.

### Membership

The total membership of affiliated societies recorded year-on-year growth of 3.03 percent, moving from 231,046 to 238,042. This is satisfactory in a mature market for financial services.

### Savings

The total savings of affiliated societies recorded year-on-year growth of 3.66 percent, moving from $2,658,036,896 to reach $2,755,408,017. This rate of growth is satisfactory even though it is 2 percentage points below last year's rate of growth.

### Loans

Year-on-year loan growth was recorded at 5 percent, moving from $1,906,679,496 to reach $2,001,995,237. Surpassing the $2 billion threshold was a significant achievement for the sector and further, the rate of growth recorded was commendable in a very competitive market

### Assets

Year-on-year asset growth was recorded at 3.42 percent as total assets under management grew from $3,039,045,646 to reach $3,142,842,796. This rate of growth was satisfactory giving due regard to all the circumstances.

## DISCUSSION AND ANALYSIS OF THE LEAGUE'S FINANCIAL CONDITION AND PERFORMANCE

### Overview

For the period under review, the organisation recorded net income of $154,024; this represented an increase of 329.96 percent when compared with the prior year's figure of $35,823. The Board of Directors took the decision to pay members a rate of return on regular/non-qualifying shares. Interest on these liabilities was paid at the rate of 1.06 percent. The prior year's rate of return was 1.64 percent.

Balance Sheet Highlights

Total assets increased by 17.08 percent moving from $3,378,582 at year-end 2022 to $4,307,016 at year-end 2023. This year-on-year growth includes the effect of the implementation of IFRS 16. When the IFRS 16 amount of $420,916 (which has an offsetting liability) is taken into account, the increase is 5.64 percent. Cash and cash equivalents increased by 23.10 percent, as it moved from $785,492 to $966,931. Non-current investments increased by 3.53 percent as it moved from $1,623,052 to $1,680,339. Conversely, current investments decreased by 2.92 percent as it moved from $1,042,339 to $1,011,898. Accounts receivable and prepayments decreased by 2.47 percent as it moved from $212,646 to $207,386.

Total liabilities increased by 26.21 percent moving from $1,874,729 at year-end 2022 to $2,366,183 at year-end 2023. The year-on-year increase includes the effect of the implementation of IFRS 16. When the IFRS 16 amount of $423,398 (which has an offsetting asset) is taken into account, the increase is 3.63 percent. In the category of current liabilities, unearned revenue increased by 25.15 percent moving from $85,599 to $107,127; accounts payable and accruals decreased by 14.66 percent moving from $246,877 to $210,684. In the category of non-current liabilities, the Education Fund increased by 72.75 percent as it moved from $175,129 to $302,542; the Institutional Strengthening Project Fund increased by 1.66 percent moving from $126,918 to $129,025; The Development Fund decreased by 12 percent as it moved from $391,731 to $344,732.

Total equity recorded an increase of 7.59 percent as it moved from $1,803,853 at year-end 2022 to $1,940,833 at year-end 2023. The statutory reserve balance was again held constant as there was no further allocation required in view of the adequacy of the organization's capital position given the current risk profile; however, the undivided surplus increased by 24.17 percent moving from $637,345 to $791,369. The unrealized gain reserve decreased by 3.40 percent moving

from $495,461 to $478,617. 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 2016, remained unchanged at $275,265 at year-end 2023.

Statement of Comprehensive Income Highlights

Operating income increased by 6.21 percent as it moved from $920,233 in fiscal year 2022 to $977,376 for fiscal year 2023. Administration and management fees increased by 16.16 percent, while membership dues increased by 1.50 percent.

Operating expenses decreased by 8.48 percent as it moved from $925,303 in fiscal year 2022 to $846,872 in fiscal year 2023. Staff costs decreased by 25.16 percent, while Other operating expenses decreased by 13.95 percent.

Other income decreased by 25.43 percent as it moved from $54,825 in fiscal year 2022 to $40,882 in fiscal year 2023. The most significant item in this category, interest earned on investments, increased by 3.79 percent; dividend income decreased by 76.86 percent.

For the fiscal year 2023, interest was paid on shares at the rate of 1.06 percent to the value of $8,983, based on the rate of return on average investments. The prior year's rate was 1.64 percent, to the value of $13,932.

Net income increased by 329.96 percent as it moved from $35,823 in fiscal year 2022 to $154,024 in fiscal year 2023. Total comprehensive income increased by 38.41 percent as it moved from $99,112 in fiscal year 2022 to $137,180 in fiscal year 2023.

## HUMAN RESOURCE MATTERS

During the period under review, the office continued to function with five employees, one less than the total number of established posts. As the COVID-19 protocols were further relaxed, remote work was reduced to situations where the dangers of presenteeism so warranted.

The HR Committee was active during the period as it was required to further refine written policies with respect to the enhanced staff benefits viz: (1) Employee Savings Fund and (2) Employee Gratuity Fund. These amendments were necessary to provide further clarity and certainly in response to legitimate queries raised by the staff.

Further, the HR Committee met and deliberated on matters relating to succession planning coming out of discussions at the Annual Meeting regarding the need for a replacement when the General Manager retires in the near future. The HR Committee recommended, and the Board agreed to create the new post of Senior Accounting/Finance Administrative Assistant to provide greater support to the Accounting/Finance Function and to have lead responsibility for day-to-day MBP related matters. The HR Committee also recommended that the post of Operations Manager should be established and filled in the near future. Steps were taken to fill the former post, but the filling of the latter post was deferred pending discussions regarding a sustainable source of funding.

## LEAGUE PROGRAMMES AND SERVICES

### I. Training

### BCCULL TRAINING PROGRAMME

*Attendance & Reactions*

Across programmes we saw **949 registrations** and **689 completions** from **twenty-four (24) member societies** and **one (1) external partner: Barbados Youth Advance Corp**. Overall **(60%)** of participants rated the programme as **Very Good**, **39%** rated as **Good** and **1%** as **Poor**. **Seventy-six (76%)** of attendees were **female**. The two largest age brackets were **25-40** and **40-55** both of which were **33%**.

| ***Programme*** | ***Summary*** |
|---|---|
| ***DOLLARS AND SENSE***<br>*Financial Literacy presentations to credit union general members focused on helping them to make the right financial decisions* | • **One hundred & eighty-one** (181) recruits of the **Barbados Youth Advance Corp** completed six modules of **Financial Literacy Training.** |
| ***LEADERS INSIGHT***<br>*Presentations to managers/volunteers/senior staff focused on creating awareness of sector issues or best practices* | • Three Leader's Insights sessions focused on **Whistleblowing, Credit Portfolio Diversification and Key Features of a Board Performance Management and Training System** were held during the period; **ninety-one (91)** participants attended. |
| ***CU@TRAINING (EDUCATION FUND)***<br>*Sessions for volunteers/managers/employees focused on knowledge and skill building to support credit union operations delivery format includes self-study, instructor-led & blended* | • The main focus of the training this year was Credit Risk Management, Governance and Strategic Management. **Three-hundred and eight** (308) participants attended sessions this year.<br>• **Sixteen (16)** out of the **twenty-one (21) scheduled sessions were conducted.** The **five** cancelled sessions were: Auditing & Controls: Supervisory Committee Orientation, ALM: The Fundamentals of Asset & Liabilities Management, Performance Indicators & Organizing the ALM Process, Monitoring & Managing Interest Rate Risk and Introduction to Credit Unions: A Mixed Committee Orientation. |
| ***CU@TRAINING (IN-HOUSE/CUSTOMISED)*** | • **Three** (3) credit unions participated **in-house/customized training:**<br>  ○ **BET:** Member Service<br>  ○ **COB:** Better Credit Series<br>  ○ **Barbados Public Workers':** Leadership Development, Performance Objectives and Development Reviews, Credit Union Orientation.<br>• **Three** (3) commenced plans or policy development<br>  ○ **Light & Power Employees:** Strategic Planning<br>  ○ **United Enterprise & UWI (Cave Hill):** Whistleblowing. |
| ***CARIBDE*** | • The Training Officer attended **CaribDE46,** in **St. Lucia,** 30 April to 6 May 2023 to co-facilitate. |
| *Credit Union Principles and Development Immersion* | • During this training year a DE programme was not scheduled for Barbados as we could not meet the required minimum twenty (20) local participants. The full calendar of regional sessions was circulated to members. |

After a hiatus due to COVID-19, face-to-face training resumed utilising the League's Boardroom. Details are provided below.

| ***CU@Training (Education Fund)*** | ***Registrations*** | ***Completions*** |
|---|---|---|
| *Credit Risk Management* | 23 | 14 |
| *Corporate Governance: Board of Directors Orientation* | 17 | 7 |
| *SM: Responsibilities of CU Management & Directors in the Strategic Planning Processing* | 79 | 40 |
| *SM: Environmental Scanning: Why You Need It and How You Can Achieve It* | 31 | 19 |
| *SM: Strategy - from Planning to Reporting* | 42 | 19 |
| *Securing a Sustainable Future Now: Succession Plan 101* | 46 | 36 |
| *Securing a Sustainable Future Now: Leadership Traits, Skills & Attributes for a Sustainable Future* | 53 | 38 |
| *Better Credit Practices: Credit Underwriting 101, From Application to Approval* | 64 | 41 |
| *Introduction to Credit Unions: A Mixed Committee Orientation* | 12 | 9 |
| *Better Credit Practices: Lending Collateral Considerations & Documentation* | 68 | 41 |
| *Securing a Sustainable Future Now: Fundamental Examination & Auditing Procedures* | 36 | 22 |
| *Credit Committee Orientation* | 21 | 11 |
| *Supervisory Committee Orientation* | 21 | 11 |
| | **513** | **308** |

## OTHER WORKSHOPS & DEVELOPMENT INITIATIVES

Programme 4: CU@Training (In House/Customized):

During the reporting period, there was heightened activity in respect of in-house/customised training and the details are provided below.

BET Co-operative Credit Union Ltd. (BET)

- Member Service 101: The League facilitated a **Member Service Workshop for** BET Credit Union **on May 15 & 17, 2023**. This face-to-face session was held at the Patrick E. McDonald Building and was attended by the five (5) employees of the credit union.

Barbados Public Workers Co-operative Credit Union Ltd. (BPWCCUL)

The League worked with BPWCCUL during the period under review in three areas:

- *Leadership Development:* During this training period and the next the League is facilitating various modules to upskill staff leaders at BPWCCUL (July 2022-December 2023).
- *Credit Union Orientation:* The League facilitated a one-day session for eight (8) volunteers and staff during February 2023.
- *Performance Development Review*: The League facilitated sixteen (16) days of group and one-on-one sessions for C-Suite, Managers and Supervisors during March-April focusing on setting performance objectives for effective PDRs.

COB Co-operative Credit Union Ltd. (COB)

- Better Credit Series: The League facilitated 4 webinars in the Better Credit Series for COB Credit Union's Loans & Collection team during July 2023.

The Light & Power Employees' Co-operative Credit Union Ltd. (LPECCUL)

- Strategic Planning: The League facilitated a 1-day **Strategic Planning Retreat f**or the Board of Directors, Staff and Members (35 persons) of **the Light & Power Employees Credit Union on May 13, 2023**. Phase 2 will see the League finalizing projects and preparing a strategic plan for the credit union.

| ***CU@Training In-House*** | ***Registrations*** | ***Completions*** |
|---|---|---|
| *BPWCCUL-Leadership Development* | ** | ** |
| *BPWCCUL-Credit Union Orientation* | 8 | 8 |
| *BPWCCUL-Performance Management* | 42 | 42 |
| *Light & Power Employees-Strategic Planning* | 38 | 35 |
| *BET Credit Union-Member Service* | 5 | 5 |
| *COB Credit Union-Better Credit Series* | 19 | 19 |
| *TOTAL* | **112** | **109** |

## II. Technical Assistance

During the period under review, our consultant Keith Bourne provided technical assistance to member societies focusing primarily on those with assets below $20 million. The consultancy, which was in its thirteenth year, was positively impacted by relaxation of the COVID-19 protocols, which facilitated the resumption of face-to-face visits.

The consultant focused his efforts on the following:
Helping credit unions to devise creative strategies to improve credit risk management practices; in this regard, work on loan policy revision was undertaken on request.

Continuing from the prior year, there was ongoing follow up in cases where credit unions were exploring consolidation opportunities. The benefits of mergers and other forms of consolidation were reinforced in an attempt to move things forward. Feedback from discussions held with credit unions suggested that the preparation of a Guide to Mergers and Other Forms of Consolidation would be very helpful. Substantial work was done on the preparation of the document during the reporting period, and it is anticipated that it will be available for distribution during the first quarter of the new fiscal year.

In-house training was delivered with a focus on PEARLS training mainly for credit union staff.

The consultancy continued to be co-funded by the Barbados Public Workers' Credit Union and the League with a contribution split ratio of 70:30 respectively, during the reporting period.

## III. Shared Services (Internal Audit and Compliance)

During the reporting period, several of our member societies continued to utilise the services of ACI with a heavy focus on AML/CFT compliance. This continued to be limited to their compliance services offering.

In respect of internal audit services, the demand for this service offering is expected to be heavily influenced by regulatory requirements. To date, the requirement for credit unions with assets above the prescribed level to have an internal audit function, has not yet come into force.

## IV. Credit Bureau Services

As previously reported, the Credit Reporting Act was proclaimed on April 15, 2022. It is noted that under this legislation, the Central Bank of Barbados (CBB) is the regulator and therefore has responsibility for setting the timelines within which all entities designated as credit information providers (including credit unions) will be required to comply.

The League continued its collaboration with CreditAdvice Barbados Ltd., an established credit bureau in the domestic space, in an effort to bring on board all active member societies. In addition, the League continued to urge its member societies to be proactive rather than waiting until the CBB sets the deadline for compliance.

The office continued to collaborate with CreditAdvice which was re-branded to EveryData Barbados Limited. Further progress was made with respect to onboarding additional member societies; the number was increased from eight (8) to eleven (11). Of those not utilising the service, a few others expressed an interest, but did not take the necessary steps to commence their data projects during the reporting period.

## V. Mutual Benefits Plan (MBP)

The League continued to provide administrative services for Co-operators General Insurance Company Ltd. (CGICL). The administrative services included but were not limited to providing information to facilitate adequate reserving by CGICL, the processing of claims from notification to adjudication and claim settlements. Further, League personnel responded to all claims-related queries.

In addition to the above, the following services continued to be provided as required:

1. In-house training sessions were conducted at the request of credit unions. These were all delivered virtually.
2. Providing the relevant data that was requested by CGICL, in support of the annual negotiations for the reinsurance treaty arrangements.

In addition to the above, the League reviewed, updated and re-branded the MBP Forms.

## VI. Compliance with the OECD's Common Reporting Standard (CRS)

In comparison to the prior year, the completed fiscal year was relatively quiet in terms of actions by the Barbados Revenue Authority (BRA), the Competent Authority that has responsibility for ensuring compliance with this Standard. After an eventful prior year when substantially reduced penalties were levied for non-compliance, member societies settled down, and for the most part, were getting accustomed to the processes and procedures that are to be followed to achieve ongoing compliance.

The BRA continued to utilise the League's office as a conduit for the distribution of information. In this regard, information sessions were scheduled and member societies were provided with the circulars from the BRA when received. Further, as in the prior year, the office provided clarity to the extent possible regarding the different reporting regimes.

With reference to reporting regimes, it must be noted that the BRA is the Competent Authority for 3 separate and distinct reporting regimes viz: (1) Foreign Account Tax Compliant Act (FATCA), (2) the CRS and (3) Country-by-Country (CbC). It must be noted that under the CbC regime, multi-national enterprises (MNEs) are targeted for reporting purposes and the threshold level for reporting is entities with annualized net income of €750 million or approximately US$850 million. Member societies are strongly encouraged to take advantage of the information sessions; in this regard, it must be noted that the BRA's approach is to circularize to all financial institutions in respect of the information sessions whether or not the information being disseminated is relevant to a particular category of financial institution (FI).

During the reporting period, the BRA advised that a new user-friendly website would be developed and launched, which would provide convenient access to all the relevant information with respect to the reporting regimes and serve as a central location for the filing portals. This website development project was still a work in progress at the end of the completed fiscal year.

## VII. Utilization of $100K Tranche of Funding from the Credit Union Development Fund to Assist Credit Unions with their Efforts to Comply with AML/CFT Standards

As previously reported, the Board had agreed to provide much-needed financial assistance to help underwrite the cost of AML/CFT compliance and utilising the agreed criteria for providing assistance (assets < $8 million), the office had commenced disbursements in the prior year.

Additional disbursements were made as member societies submitted their requests accompanied by the relevant documents. In some instances, the documentation submitted was not at the required standard and this necessitated follow up action by the office. In a few other instances, the full disbursement was not made as the documentation

submitted only supported a partial disbursement. At the end of the reporting period, the sum of $14,477.00 was left to be disbursed. It is anticipated that this residual sum will be disbursed within the first six (6) months of the new fiscal year.

## VIII. Advocacy

Social Partnership

This tripartite forum was less active than in the prior year when there continued to be a heavy focus on COVID-19 related matters. In December 2022, a meeting was convened and the main items on the agenda were as follows:

1. Five strategic goals for Barbados viz: (i) health & safety for all, (ii) green Barbados, (iii) leveraging platform of education to create knowledge and innovation hub, (iv) leveraging geography and, (v) economic enfranchisement)
2. Update on Pension Reform
3. Prices and incomes policy
4. Update on roll out of BERT programme

Ministry of Finance

As in the prior year, there was very frequent follow up with the Ministry of Finance regarding Deposit Insurance. In this regard, the Ministry was pressed repeatedly for timelines regarding the passage of the legislation. Further, the Ministry was pressed to fill the vacant post of CEO of the BDIC which has a critical role to play in advancing the DI agenda for the sector.

In addition to the above, the League pressed the Ministry to take the necessary steps to activate the National Payments System Council. In response, the Ministry advised that the matter was being addressed and required amendments to the relevant legislation to provide clarity with respect to appointments to the National Payments System Council.

During the last quarter of the fiscal year in response to complaints from affiliates regarding the back-log at the Corporate Affairs & Intellectual Property Office (CAIPO) in respect of registration of bills of sale etc., a letter was sent to the Ministry of Finance requesting that this situation be rectified.

Financial Services Commission

The League continued its ongoing engagement with the FSC both formally at quarterly meetings and informally. During the period, a new CEO was appointed in the person of Warrick Ward, who had previously served at the FSC in the capacity of Acting CEO.

1. Regarding accountability arrangements in a context where credit unions and other entities regulated by the FSC are bearing the full cost of regulation, further progress was made. The League was encouraged by the FSC's decision to have industry scheduled meetings to provide an opportunity for regulated entities to give feedback. Further, as had been recommended by the League, the quarterly meeting agenda was amended to include discussions regarding the Commission's strategic priorities.

2. In the prior year, the League had raised the matter of formalising the relationship between the parties in the form of an MOU. It is noted that a draft had been prepared in a previous dispensation. The feedback received was that the new CEO is open to this approach and would seek guidance from the legal department.
3. We continued to press the FSC to advance the process of the migration of the sector from a leverage-based regime to a risk-based capital regime. The FSC repeated its commitment to rolling out this regime, but unfortunately the process was not completed during the completed fiscal year.
4. We continued to press the FSC for the implementation of an exemption regime for qualifying credit unions. This is long overdue since the current restrictive provisions in the Act do not facilitate timely decision-making. When implemented, qualifying credit unions will have more robust reporting requirements; but investment decisions, the onboarding of corporate members, and accepting decisions from corporate entities will be subject to more facilitative and expeditious processes. Substantial progress was made during the reporting period, and it is anticipated that the regime will be rolled out in the new fiscal year. In addition, to the aforementioned areas, the League advocated for an expansion of the regime to include referral of loan applications to the Extra-Ordinary Committee in circumstances where credit unions have professionalized the loan underwriting processes. We are pleased to report that the feedback was favourable and the Commission invited the League to submit its proposals for the expansion of the regime.

Relationship with the Central Bank of Barbados (CBB)

The League is fully cognizant of the fact that the Central Bank of Barbados has responsibility for financial stability for the entire financial services sector. Further, the Bank is the regulator for the National Payments System. Against this backdrop, the League Board has determined that it is important to develop and maintain an ongoing relationship with the Bank.

Dr. Kevin Greenidge was appointed Governor of the Bank effective March 1, 2023. The League promptly sent a congratulatory letter and expressed its desire for the continuation of a mutually beneficial working relationship.

## IX. Compliance with Data Protection Act

The Board determined that it was necessary to provide assistance to member societies to facilitate their compliance with the Data Protection Act. The services of Elson Gaskin a subject expert, were contracted to deliver a presentation to members which was done during the first quarter of 2023. Further, Mr. Gaskin was contracted to prepare a policy template which could be customised by member societies. It is anticipated that the policy template will be available for distribution during the new fiscal year.

## DEPOSIT INSURANCE (DI)

The League continued to press the Ministry of Finance in respect of the passage of the legislation during the reporting period. The Ministry followed through on the commitment given to the League to fill the vacant post of CEO of the BDIC during the second quarter

of the calendar year 2023. The League promptly sent a congratulatory letter to the CEO and further, requested the opportunity to meet and discuss matters pertaining to the advancement of DI for the sector.

The League received a response from the CEO's office regarding the establishment of a cross-regulatory working group to discuss plans to extend DI coverage to credit unions. The League was invited to participate in the deliberations. Further, the League was advised that the Ministry of Finance had given the BDIC a directive to treat the matter with urgency.

In addition to the above, the Board had determined that it was appropriate to invite Dave Grace, the principal of Dave Grace & Associates, the DI consultants, to make a return visit to re-engage the key stakeholders in the process. The consultants readily agreed but the visit did not take place during the reporting period as had been planned.

## NATIONAL PAYMENTS SYSTEM ACT

This landmark piece of legislation was proclaimed on April 15, 2022. The Act gives the CBB broad powers to regulate the National Payments System. As reported previously, the Act makes provision for a 10-person Advisory Council to be appointed by the Ministry of Finance to advise the CBB on matters relating to the National Payments System. Further, it provides for parity of treatment with respect to the representation of The Barbados Bankers' Association and the Credit Union Sector by allocating one seat on the Council for both trade associations. In the case of the Credit Union Sector, the League was required to provide the name of its nominee to sit on the Council.

The date for the establishment of the Council was set as April 30, 2022 and Glendon S. Belle, the CEO of COB Credit Union was chosen to be the sector's representative on the Council by the Board of Directors of the League. At fiscal year-end, the Council had still not yet been established.

## REGIONAL AND INTERNATIONAL CONFERENCES

### 2023 CCCU Convention

The Confederation returned to the face-to-face modality in 2023. The Conference was held in San Juan, Puerto Rico at the Hyatt Regency Grand Reserve from June 16 to 21, 2023 under the theme "Make the Member-Connection Mission Possible." A delegation of fifty-three (53) persons led by the League's President, Bro. Cumberbatch attended the event.

In addition to the President, the League was represented by Bro. Inniss, Second Vice President; Bro. K. Jones, Assistant Secretary; Bro. Evelyn, Director and Bro. Haynes, sitting CCCU Director, who all served as duly accredited delegates for the CCCU Annual Meeting which was preceded by a delegates meeting.

After the Annual General Meeting was completed, the Board of Directors of the Confederation held its first meeting. It is pleasing to report that our representative Bro. Haynes was elected President for the second time.

**2023 World Council of Credit Unions (WOCCU) Conference**

This year the International Conference was held in Vancouver, Canada from July 23 to 26, 2023. A delegation of five (5) persons from the League attended viz: Bro. Cumberbatch, President; Bro. McDonald, First Vice President; Bro. Lashley, Treasurer; Bro Pilgrim, General Manager and Bro. Bowen, Accountant/Finance Officer.

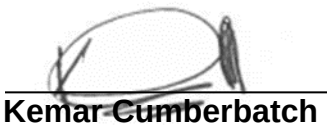
During the fiscal year, the Ghana Credit Unions Association (CUA) expressed an interest in signing an MOU with the Barbados League to promote collaboration between the parties. At the Conference, the team from the League took the opportunity to meet with a team from the CUA and the parties discussed tentative dates for a visit by the CUA team in the new fiscal year.

**ACKNOWLEDGEMENTS**

The Board wishes to express its sincerest gratitude to the Supervisory 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 a turbulent economic environment.

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.



**Kemar Cumberbatch**
**President**

## REPORT OF THE SUPERVISORY COMMITTEE
## OF THE BARBADOS CO-OPERATIVE & CREDIT UNION LEAGUE LTD.
## FOR THE PERIOD AUGUST 1, 2022 TO JULY 31, 2023

In accordance with the Co-operatives Societies Act Cap 378A and the Barbados Co-operative & Credit Union League Ltd.'s by-Law 58(6), the Committee presents its annual report for the year ended July 31, 2023.

The Supervisory Committee for the period July – October 2022, comprised the following members:

| | | |
|---|---|---|
| Bro. Anthony Inniss | – | Chairman |
| Bro. Trevor Griffith | – | Assistant Chairman |
| Sis. Faye Arthur | – | Secretary |
| Bro. Vascoll Holder | – | Assistant Secretary |
| Sis. Michelle Shepherd | – | Member |

For the period November 2022 – July 2023, the committee comprised the following members:

| | | |
|---|---|---|
| Sis. Faye Arthur | – | Chairperson |
| Bro. Vascoll Holder | – | Assistant Chairman |
| Bro. Noel Nurse | – | Secretary |
| Sis. Michelle Shepherd | – | Assistant Secretary |
| Sis. Gloria Grant | – | Member |

Bro. Anthony Inniss (resigned) and Bro. Trevor Griffith (served two terms) were replaced by Sis. Gloria Grant and Bro. Noel Nurse during the annual general meeting, held on 5 November 2022. Within the current committee, both Bro. Vascoll Holder and Sis. Gloria Grant have served one term and are eligible for re-election.

**Attendance of our members was as follows during the fiscal:**

| | Meetings | | |
|---|---|---|---|
| **Committee Member** | **# held** | **# attended** | **% attended** |
| Sis. Faye Arthur | 11 | 11 | 100% |
| Bro. Vascoll Holder | 11 | 10 | 91% |
| Sis. Michelle Shepherd | 11 | 10 | 91% |
| Bro. Noel Nurse | 08 | 06 | 75% |
| Sis. Gloria Grant | 08 | 08 | 100% |
| Bro. Anthony Inniss | 03 | 03 | 100% |
| Bro. Trevor Griffith | 03 | 03 | 100% |

**Operations**
During the period under review, committee meetings were held both virtually and face-to-face. The Committee conducted audits on the following:

- Activity on all bank accounts held by the League
- Monthly bank reconciliations
- Minutes from the monthly Board of Directors' meetings
- Monthly Treasurer's report and financial statements
- Monthly reports to the Registrar of Co-operatives
- Risk management and measures to mitigate risks
- AML/CFT Policies
- Terms of Reference for existing sub-committees
- Segregation of duties and the organization structure
- Insurance policies
- Asset register
- Contractual arrangements
- BUCCUL savings plan and gratuity plan

The Supervisory Committee examined the records of the League and are satisfied that all queries and/or discrepancies found, were promptly addressed and resolved. Cheques written were correctly disbursed with their accompanying vouchers. Invoices and other documents were adequately processed, and funds received were correctly deposited. Bank reconciliation statements were found to be up-to-date and in good order.

The Committee is satisfied with the level of accuracy observed with the League's operations.

**Compliance**
All reports required by the Registrar of Co-operatives were submitted in a timely manner for the period under review.

**Recommendations**
The Committee encourages the League to work towards finalizing matters related to:

1. The business continuity plan
2. Resolving pending human capital gaps
3. Amendment of the League's by-laws to facilitate hybrid AGMs.
4. CAPITA on the ACH and Debit/Credit Cards for member Credit Unions
5. Deposit Insurance
6. Development and implementation of a cyber-security policy
7. Updated Cheque Policy

**Conclusion**

We take the opportunity to congratulate the Board of Directors, Management and Staff on the achievement of good financial results, taking note of the increase in assets and expense control which resulted in the growth of net income, over the prior year.

The Committee successfully execute its audits and overall function due to your team's continued collaboration and dedication. We look forward to the ongoing cooperation as we work diligently to support the League's operations.

CHAIRPERSON: ……
Sis. Faye Arthur

ASSISTANT CHAIRMAN: ……
Bro. Dennis Holder

SECRETARY: ……
Bro. Noel Nurse

ASSISTANT SECRETARY: ……
Sis. Michelle Shepherd

MEMBER: ……
Sis. Gloria Grant

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

# FINANCIAL STATEMENTS
# JULY 31, 2023

**Chartered Accountant**
**Barbados**
"we reckon, people count"

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

**Financial Statements**
**July 31, 2023**

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Since 1990
PJC Peter J. Carter & Co.
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"We reckon, people count"
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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, 2023, 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, 2023, 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 Credit Union in accordance with the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. 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 any other information that is presented or distributed with the audited consolidated financial statements. Other information may comprise, for example, the content of a Company's Annual Report except for the consolidated financial statements and our Auditors' Report thereon.

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

In connection with our audit of the consolidated 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 consolidated 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, for the year ended July 31, 2023 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.

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

October 17, 2023

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

## Balance Sheet
## July 31, 2023
## Expressed in Barbados dollars

| | 2023 | 2022 |
|---|---|---|
| **Assets** | | |
| Current assets | | |
| Cash and cash equivalents - Note 7 | 966,931 | 785,492 |
| Accounts receivable and prepayments - Note 8 | 207,386 | 212,646 |
| Current investments - Note 9 | 1,011,898 | 1,042,339 |
| | 2,186,215 | 2,040,477 |
| Non-current assets | | |
| Non-current investments - Note 9 | 1,680,339 | 1,623,052 |
| Plant and equipment - Note 10 | 19,546 | 15,053 |
| Right of use asset - Note 11 | 420,916 | 0 |
| Total assets | 4,307,016 | 3,678,582 |
| **Liabilities and equity** | | |
| Current liabilities | | |
| Accounts payable and accruals - Note 12 | 210,684 | 246,877 |
| Unearned revenue - Note 13 | 107,127 | 85,599 |
| Non-qualifying shares payable - Note 14 | 848,675 | 848,475 |
| | 1,166,486 | 1,180,951 |
| Non-current liabilities | | |
| Right of use lease liability - Note 11 | 423,398 | 0 |
| Development Fund - Note 15 | 344,732 | 391,731 |
| Education Fund - Note 16 | 302,542 | 175,129 |
| Institutional Strengthening Project - Note 17 | 129,025 | 126,918 |
| Total liabilities | 2,366,183 | 1,874,729 |
| Equity | | |
| Qualifying shares - Note 18 | 5,400 | 5,600 |
| Special reserve - Note 19 | 275,265 | 275,265 |
| Statutory reserve | 390,182 | 390,182 |
| Unrealized gain reserve | 478,617 | 495,461 |
| Undivided earnings | 791,369 | 637,345 |
| Total equity | 1,940,833 | 1,803,853 |
| Total liabilities and equity | 4,307,016 | 3,678,582 |

See notes to financial statements.

Approved by the Board of Directors, October 17, 2023, and signed on their behalf by:

President

Treasurer

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

### Statement of Changes in Equity
### Year ended July 31, 2023
### Expressed in Barbados dollars

| | Qualifying shares | Special reserve | Statutory reserve | Unrealized gain reserve | Undivided earnings | Total equity |
|---|---|---|---|---|---|---|
| **Balance - July 31, 2021** | 6,000 | 275,265 | 390,182 | 432,172 | 601,522 | 1,705,141 |
| Net income for year | 0 | 0 | 0 | 0 | 35,823 | 35,823 |
| Gain on revaluation of unquoted securities | 0 | 0 | 0 | 63,289 | 0 | 63,289 |
| Reduction in qualifying shares | (400) | 0 | 0 | 0 | 0 | (400) |
| **Balance - July 31, 2022** | 5,600 | 275,265 | 390,182 | 495,461 | 637,345 | 1,803,853 |
| Net income for year | 0 | 0 | 0 | 0 | 154,024 | 154,024 |
| Loss on revaluation of unquoted securities | 0 | 0 | 0 | (16,844) | 0 | (16,844) |
| Reduction in qualifying shares | (200) | 0 | 0 | 0 | 0 | (200) |
| **Balance - July 31, 2023** | 5,400 | 275,265 | 390,182 | 478,617 | 791,369 | 1,940,833 |

See notes to financial statements.

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

## Statement of Comprehensive Income
## Year ended July 31, 2023
## Expressed in Barbados Dollars

| | 2023 | 2022 |
|---|---|---|
| **Operating income** | | |
| Administration and management fees | 343,320 | 295,555 |
| Membership dues | 634,056 | 624,678 |
| | 977,376 | 920,233 |
| **Operating expenses** | | |
| Depreciation - plant and equipment | 13,744 | 22,902 |
| Depreciation - right of use asset | 96,441 | 0 |
| Membership dues | 100,941 | 100,941 |
| Staff costs - Note 6 | 359,743 | 480,706 |
| Other operating expenses | 276,003 | 320,754 |
| | 846,872 | 925,303 |
| **Operating profit / (loss)** | 130,504 | (5,070) |
| **Other income** | | |
| Interest earned - investments | 35,697 | 34,392 |
| Bad debts recovered | 200 | 1,500 |
| Dividend income | 4,221 | 18,240 |
| Sundry income | 764 | 693 |
| | 40,882 | 54,825 |
| **Other expenses** | | |
| Financing cost - right of use asset | 8,379 | 0 |
| Interest on non-qualifying shares - 1.06% (prior year 1.64%) | 8,983 | 13,932 |
| | 17,362 | 13,932 |
| **Net income for year** | 154,024 | 35,823 |
| **Other Comprehensive Income** | | |
| Unrealized (loss) / gain on unquoted securities - Note 9 | (16,844) | 63,289 |
| **Total comprehensive income for year** | 137,180 | 99,112 |

See notes to financial statements.

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

**Statement of Cash Flows**
**Year ended July 31, 2023**
**Expressed in Barbados dollars**

| | 2023 | 2022 |
|---|---|---|
| **Cash provided / (used) by:** | | |
| **Operating activities** | | |
| Total comprehensive income for year | 137,180 | 99,112 |
| *Adjustment for items not involving cash:* | | |
| Depreciation - plant and equipment | 13,744 | 22,902 |
| Depreciation - right of use asset | 96,441 | 0 |
| Financing cost | 8,379 | 0 |
| | 255,744 | 122,014 |
| *Change in non-cash operating items:* | | |
| Accounts receivable and prepayments | 5,260 | (76,603) |
| Accounts payable and accruals | (36,193) | (14,947) |
| Unearned revenue | 21,528 | 5,435 |
| Non-qualifying shares | 200 | 400 |
| Interest paid | (8,379) | 0 |
| Development Fund | (46,999) | 47,973 |
| Education Fund | 127,413 | (134) |
| Institutional Strengthening Project | 2,107 | 2,065 |
| Net cash provided by operating activities | 320,681 | 86,203 |
| **Investing activities** | | |
| Increase in investments | (26,846) | (103,043) |
| Purchase of plant and equipment | (18,237) | (6,380) |
| Purchase of right of use asset | (517,357) | 0 |
| Net cash used by investing activities | (562,440) | (109,423) |
| **Financing activities** | | |
| Reduction in qualifying shares | (200) | (400) |
| Right of use lease liability at start | 517,357 | 0 |
| Right of use lease liability payments | (93,959) | 0 |
| Net cash provided / (used) by financing activities | 423,198 | (400) |
| Increase / (Decrease) in cash and cash equivalents | 181,439 | (23,620) |
| Cash and cash equivalents - start of year | 785,492 | 809,112 |
| **Cash and cash equivalents - end of year** | 966,931 | 785,492 |

See notes to financial statements.

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

**Notes to Financial Statements**
**July 31, 2023**
**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, Patrick E. McDonald 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, determination of appropriate rates for depreciation of plant and equipment, estimation of the fair value of unquoted equity investments and the value of the right of use assets and related lease liabilities. 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 which 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.

*(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 – 20% and 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. Available-for-sale equity investments are shown at fair value and any resulting unrealized gain or loss is included in the Statement of Comprehensive Income, and thereafter are taken in the Statement of Changes in Equity through the Unrealized Gains reserve. All investments are subject to adjustments for any impairment of value. Impairment occurs where the estimated recoverable amount of an assets is less than its carrying value. Management makes an assessment of whether any assets are impaired in value as at each Balance Sheet date.

*(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.

*(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.

*(j)* *Leases*

*As a lessee*

*(i)* The company applied IFRS 16 (Leases) from 1 August 2022 using the modified retrospective approach. Therefore, the comparative information was not restated.

*(ii)* From 1 August 2022, where a lease contract contains an identified asset, for which the Company has the right to direct its use and obtain substantially all of the economic benefits through the period of the use, the leased asset is recognized on the balance sheet from the date at which the leased asset is available for use by the League. Depreciation is charged on right of use assets on a straight-line basis over the life of the lease.

*(iii)* Contracts entered before 1 August 2022 were initially recognized as rent expenses. Where the interest rate implicit in the lease is not readily determinable, the league's incremental investment rate is used, which reflects the fixed rate at which the league could invest an amount similar to the value of the right of use asset for the lease term.

## 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:

| | 2023 | 2022 |
|---|---|---|
| Employee benefits | 216,543 | 216,543 |

*(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:

| | 2023 | 2022 |
|---|---|---|
| Management fees | 63,718 | 34,305 |

## 6. Staff costs

| | 2023 | 2022 |
|---|---|---|
| Operating expenses | 359,743 | 480,706 |
| Education Fund | 89,007 | 88,793 |

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

## 7. Cash and cash equivalents

| | 2023 | 2022 |
|---|---|---|
| Operating account (no interest) | 414,974 | 184,157 |
| Other accounts - 0.01% to 0.2% p.a. (prior year 0.01% to 0.2%) | 551,457 | 600,835 |
| Cash | 500 | 500 |
| | 966,931 | 785,492 |

## 8. Accounts receivable and prepayment

| | 2023 | 2022 |
|---|---|---|
| Administration fees and membership dues | 36,307 | 33,598 |
| Interest | 44,006 | 43,876 |
| Security deposits and prepayments | 62,355 | 60,852 |
| Other accounts | 1,000 | 40,015 |
| | 143,668 | 178,341 |
| *Due by related party* | | |
| Central Fund Facility Trust | 63,718 | 34,305 |
| | 207,386 | 212,646 |

| **9. Investments** | 2023 | 2022 |
|---|---|---|
| *Current investments* | | |
| *Held to maturity* | | |
| *Term deposits:* | | |
| Barbados Public Workers Co-operative Credit Union Ltd. - 2% p.a. (prior year 2%) | 382,233 | 482,340 |
| Capita Financial Services Inc. - 1.9% to 2.15% p.a. (prior year 1.9%) | 422,786 | 356,868 |
| First Citizens Investment Services (Barbados) Ltd. - 1.75% to 2% p.a. (prior year 2%) | 206,879 | 203,131 |
| | 1,011,898 | 1,042,339 |
| *Non-current investments* | | |
| *Held to maturity* | | |
| *Term deposits:* | | |
| Barbados Public Workers Co-operative Credit Union Ltd. - 2% p.a. (prior year 2%) maturing July 2025 to July 2026 | 614,802 | 485,733 |
| Capita Financial Services Inc. - 2.15% to 2.4% p.a. (prior year 2.15% to 2.4%) maturing Aug 2024 to Aug 2025 | 339,450 | 398,588 |
| *Available-for-sale* | | |
| Co-operators General Insurance Company Limited: - 1,888 common shares (prior year 1,876) | 726,087 | 738,731 |
| | 1,680,339 | 1,623,052 |
| | 2,692,237 | 2,665,391 |

*(a)* The fair value of unquoted equity investments is based on a valuation done by the Consulting Division of the Cave Hill School of Business (CHSOB). CHSOB performed a valuation as at May 31, 2022 for the unquoted investments, using a range of generally accepted valuation models. The “best estimate” of the fair market value was estimated as the median value of the fair market values generated from the various models used. The valuation models used were Book Value, Market to Book, Trailing Price Earnings, Price to Sales, Price to Earnings Before Tax and Dividend Growth, Price to Earnings Before Tax, Depreciation and Amortization, Dividend Growth Model and Free Cash Flows to Equity. The Directors consider that the valuation of the unquoted equity investments arrived at by the process described above reflects their fair value as at the balance sheet date.

| **10.** | **Plant and equipment** | 2023 | 2022 | 2021 |
|---|---|---|---|---|
| *(a)* | *Gross carrying amount* | | | |
| | Cost | 249,645 | 231,408 | 225,028 |
| | Accumulated depreciation | (230,099) | (216,355) | (193,453) |
| | Net book value | 19,546 | 15,053 | 31,575 |

*(b) Reconciliation of Net Book Values*

| | 2023 | 2022 |
|---|---|---|
| Balance - start of year | 15,053 | 31,575 |
| Purchases | 18,237 | 6,380 |
| Depreciation charge for year | (13,744) | (22,902) |
| Balance - end of year | 19,546 | 15,053 |

| **11.** | **Right of use asset** | 2023 | 2022 |
|---|---|---|---|
| | Balance - August 01, 2022 | 74,287 | 0 |
| | Addition during year | 443,070 | 0 |
| | Depreciation recognized in Income Statement | (96,441) | 0 |
| | Balance - end of year | 420,916 | 0 |

*(a) Right of use lease liability will mature as follows:*

| | 2023 | 2022 |
|---|---|---|
| Less than one year | 59,014 | 0 |
| One to five years | 364,384 | 0 |
| Balance - end of year | 423,398 | 0 |

*(b) Amount recongnized in profit and loss*

| Interest expense relating to lease included in financing cost | 2023 | 2022 |
|---|---|---|
| Building | 8,379 | 0 |

| **12.** **Accounts payable and accruals** | 2023 | 2022 |
|---|---|---|
| Interest on shares | 9,041 | 13,977 |
| Other accounts payable and accruals | 201,643 | 232,900 |
| | 210,684 | 246,877 |

| **13.** **Unearned revenue** | 2023 | 2022 |
|---|---|---|
| League dues | 107,127 | 85,599 |

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.

| **14.** **Non-qualifing shares payable** | 2023 | 2022 |
|---|---|---|
| Regular shares | 848,675 | 848,475 |

*(a)* There is no pre-determined rate of interest payable on non-qualifying shares. The rates are set from time to time by the Board of Directors.

| **15.** | **Development Fund** | 2023 | 2022 |
|---|---|---|---|
| | *Receipts* | | |
| | Regular contributions received in year | 167,344 | 133,654 |
| | Contributions for: | | |
| | Small Credit Unions Development | 42,000 | 42,000 |
| | Interest received | 1,233 | 740 |
| | Total receipts | 210,577 | 176,394 |
| | *Payments* | | |
| | ACH Forum | 8,818 | 0 |
| | Administrative fees | 25,102 | 20,048 |
| | AML/CFT Risk Mitigation Project | 70,138 | 15,385 |
| | Bank charges | 310 | 317 |
| | CCCU Development Foundation Sponsorship | 0 | 4,136 |
| | Credit Union Visit | 1,825 | 0 |
| | Data Protection | 15,000 | 0 |
| | Harrison Point Contribution | 0 | 2,500 |
| | Meetings | 1,209 | 0 |
| | Mix 'n Mingle | 11,248 | 0 |
| | SACCA Congress | 10,243 | 0 |
| | Small Credit Unions Development - consultancy and administrative support fees | 49,696 | 42,196 |
| | Website development & maintenance | 1,103 | 1,103 |
| | World Council of Credit Unions - conference | 58,657 | 42,736 |
| | World Council of Credit Unions - sponsorship | 4,227 | 0 |
| | Total payments | 257,576 | 128,421 |
| | Net (payments) / receipts for year | (46,999) | 47,973 |
| | Balance - start of year | 391,731 | 343,758 |
| | Balance - end of year | 344,732 | 391,731 |

*(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.

| **16.** | **Education Fund** | 2023 | 2022 |
|---|---|---|---|
| | *Receipts* | | |
| | Contributions received in year | 190,963 | 117,762 |
| | Interest earned | 12 | 10 |
| | People Leaders Skills Passport Programme | 181,310 | 0 |
| | Other income | 48,060 | 10,125 |
| | Total receipts | 420,345 | 127,897 |
| | *Payments* | | |
| | Bank charges | 314 | 277 |
| | Facilitators' fees | 59,525 | 19,115 |
| | General and administrative | 19,096 | 11,776 |
| | People Leaders Skills Passport Programme | 98,279 | 0 |
| | Refreshments | 1,272 | 0 |
| | Software costs | 23,465 | 5,102 |
| | Staff costs | 89,007 | 88,793 |
| | Stationery & supplies | 1,974 | 2,968 |
| | Total payments | 292,932 | 128,031 |
| | Net receipts / (payments) for year | 127,413 | (134) |
| | Balance - start of year | 175,129 | 175,263 |
| | Balance - end of year | 302,542 | 175,129 |

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

| **17.** | **Institutional Strengthening Project** | 2023 | 2022 |
|---|---|---|---|
| | *Receipts* | | |
| | Interest received | 2,297 | 2,255 |
| | Total receipts | 2,297 | 2,255 |
| | *Payments* | | |
| | Bank charges | 190 | 190 |
| | Total payments | 190 | 190 |
| | Net receipts for year | 2,107 | 2,065 |
| | Balance - start of year | 126,918 | 124,853 |
| | Balance - end of year | 129,025 | 126,918 |

*(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 and Investments include the Fund's post-project counterpart funds balance as at the balance sheet date.

| **18.** | **Qualifying shares** | 2023 | 2022 |
|---|---|---|---|
| | Qualifying shares | 5,400 | 5,600 |

*(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 27 (prior year 28).

## 19. 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 $421,529 (prior year $421,729). No further interest is being accrued on these loans receivable since a bad debt provision has been made in full for the outstanding amount.

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

**Schedule of Other Operating Expenses**
**Year ended July 31, 2023**
**Expressed in Barbados dollars**

| | 2023 | 2022 |
|---|---|---|
| Advertising | 9,463 | 4,969 |
| Bank charges | 4,589 | 4,107 |
| Cleaning | 19,083 | 9,132 |
| Committee reimbursement | 18,500 | 18,500 |
| Convention - Caribbean Confederation Credit Unions | 34,433 | 8,516 |
| International Credit Union Day | 4,952 | 6,100 |
| Insurance | 10,820 | 10,759 |
| Meeting expenses | 23,727 | 14,922 |
| Office supplies and stationery | 23,428 | 12,279 |
| Postage, courier and mail distribution | 7,840 | 7,800 |
| Professional fees | 19,121 | 18,531 |
| Rent | 17,909 | 120,247 |
| Repairs and hire of equipment | 30,611 | 35,785 |
| Software | 1,208 | 4,858 |
| Subscriptions | 729 | 1,000 |
| Telephone and internet | 20,899 | 15,126 |
| Utilities - Electricity | 28,691 | 28,123 |
| | 276,003 | 320,754 |

# STATISTICAL INFORMATION

As at June 30, 2023

| NAME OF SOCIETY | MEMBERSHIP | LIABILITIES | | | ASSETS | |
|---|---|---|---|---|---|---|
| | | Deposits | Members' Shares | Share Capital | Loans to Members | Total Assets |
| B.E.T | 1,018 | 18,518,036 | 17,702,358 | 122,160 | 15,965,408 | 41,553,724 |
| Bartel | 599 | 9,703,948 | - | 109,073 | 3,074,730 | 12,626,246 |
| B'dos Police | 1,648 | 6,799,858 | 17,913,385 | 449,155 | 25,735,826 | 36,668,668 |
| B'dos Public Workers' | 111,853 | 1,514,656,381 | | 13,422,360 | 1,175,685,261 | 1,750,046,077 |
| B'dos Secondary Teachers' Union | 416 | 1,971,028 | - | 78,812 | 2,586,476 | 2,464,371 |
| B'dos Seventh-day Adventist | 395 | 3,075,823 | 414,190 | 47,197 | 1,774,837 | 3,586,944 |
| B'dos Teachers' | 3,207 | 20,190,079 | 69,548,777 | 160,350 | 65,793,934 | 110,423,073 |
| B'dos Workers' Union | 30,328 | 195,417,677 | - | 2,872,900 | 161,363,273 | 217,069,277 |
| Bottlers United | 488 | 2,945,721 | - | 24,500 | 1,617,760 | 3,601,397 |
| Caribank | 404 | 19,818,720 | - | - | 2,647,393 | 22,410,613 |
| Church of Nazarene | 392 | 2,027,924 | - | 39,280 | 770,594 | 2,252,453 |
| City of Bridgetown | 69,133 | 475,847,102 | 108,271,086 | 3,405,150 | 400,633,382 | 640,882,633 |
| Endeavour | 549 | 6,623,044 | - | 73,580 | 6,076,626 | 9,693,502 |
| Family | 528 | 2,838,760 | - | 59,390 | 1,192,801 | 3,673,103 |
| Lifetime | 6,513 | 48,229,881 | 17,733,704 | 325,650 | 49,260,590 | 71,904,519 |
| Moravian Church | 283 | 179,706 | 22,950 | 705,054 | 154,925 | 1,013,206 |
| One Heritage | 1,093 | 4,695,885 | 2,140,315 | 51,383 | 3,368,565 | 7,872,263 |
| Progressive | 261 | 4,128 | - | 99,908 | 34,196 | 97,889 |
| Public Transport | 707 | 5,153,364 | - | 127,260 | 8,870,675 | 10,029,763 |
| Reliance Co-op | 713 | 12,672,944 | | 35,650 | 9,093,984 | 15,119,308 |
| St. Leonard's | 413 | 303,713 | 619,637 | 11,951 | 419,995 | 1,193,860 |
| St. Mark's | 803 | 2,301,909 | | 53,434 | 981,398 | 3,096,187 |
| St. Stephen's | 349 | 902,935 | 1,149,001 | 24,420 | 1,057,936 | 3,587,910 |
| The Light & Power Employees | 1,978 | 26,480,741 | 28,470,678 | 197,800 | 28,448,170 | 65,265,974 |
| Trinity | 253 | 1,034,173 | - | 25,300 | 644,729 | 1,697,013 |
| U.W.I.(Cave Hill) | 2,037 | 7,193,913 | 64,440,909 | 935,278 | 23,343,811 | 87,488,983 |
| United Enterprise | 1,681 | 7,794,975 | 6,057,616 | 84,050 | 11,397,962 | 17,523,840 |
| **TOTAL** | **238,042** | **2,397,382,368** | **334,484,605** | **23,541,044** | **2,001,995,237** | **3,142,842,796** |

## MEMBERSHIP SHAREHOLDINGS

| BARBADOS CO-OPERATIVE & CREDIT UNION LEAGUE LTD<br>July 31, 2023 | | | |
|---|---|---|---|
| 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 PUBLIC WORKERS' | 200.00 | 50,940.00 | 51,140.00 |
| BARBADOS TEACHERS' | 200.00 | 201,330.00 | 201,530.00 |
| BARBADOS WORKERS' UNION | 200.00 | 50,820.00 | 51,020.00 |
| BARBADOS POLICE | 200.00 | 800.00 | 1,000.00 |
| BARBADOS SEVENTH-DAY ADVENTISTS | 200.00 | - | 200.00 |
| BARBADOS SECONDARY TEACHERS' UNION | 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 |
| ENDEAVOUR | 200.00 | 152,180.00 | 152,380.00 |
| FAMILY | 200.00 | 2,300.00 | 2,500.00 |
| LIFETIME | 200.00 | 17,300.00 | 17,500.00 |
| MORAVIAN CHURCH | 200.00 | - | 200.00 |
| ONE HERITAGE | 200.00 | 11,960.00 | 12,160.00 |
| 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 |
| RELIANCE | 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 |
| THE LIGHT & POWER EMPLOYEES' | 200.00 | 59,170.00 | 59,370.00 |
| TRINITY | 200.00 | 1,100.00 | 1,300.00 |
| U.W.I. (CAVE HILL) | 200.00 | 34,800.00 | 35,000.00 |
| UNITED ENTERPRISE | 200.00 | 73,890.00 | 74,090.00 |
| TOTAL | 5,400.00 | 848,675.00 | 854,075.00 |
| | 0.63% | 99.37% | 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 even on Credit Union Buildings island wide, 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 organiza-tions. 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.

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!**

# NOTES

BARBADOS CO-OPERATIVE & CREDIT UNION LEAGUE LTD
• REGISTERED 1957

**Barbados Co-operative & Credit Union League Ltd.**
1st Floor, Co-operators General Insurance Building
Upper Collymore Rock, St. Michael, Barbados
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