BARBADOS CO-OPERATIVE & CREDIT UNION LEAGUE LIMITED

2019 Annual General Meeting

October 26, 2019

Lloyd Erskine Sandiford Centre
Two Mile Hill
St. Michael

2019 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
Hally Haynes	President	Barbados Police
Sherwin Greenidge	1st Vice President	Barbados Workers' Union
Patrick McDonald	2nd Vice President	UWI (Cave Hill)
Keith Jones	Secretary	Bartel
Glendon Belle	Assistant Secretary	Barbados Public Workers'
Susan Fitt	Treasurer	Endeavour
Noel Nurse	Assistant Treasurer	Lifetime
Adlai Stevenson	Member	City of Bridgetown
Kelvin Whittaker	Member	Light & Power Employees'

CREDIT COMMITTEE

NAME	TITLE	CREDIT UNION
Bernetta Hall	Chairman	United Enterprise
Steven Jemmott	Vice Chairman	City of Bridgetown
Anthony Sue	Secretary	Bartel
Geralyn Edward	Member	Reliance
Deborah Harewood	Member	St. Mark's

SUPERVISORY COMMITTEE

NAME	TITLE	CREDIT UNION
Carolyn Barton	Chairman	Barbados Workers' Union
Anthony Inniss	Vice Chairman	Lifetime
Marilyn Gittens	Secretary	Reliance
Kevin Lashley	Assistant Secretary	United Enterprise
Trevor Griffith	Member	Barbados Police

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
Maxine Carrington	Administrative Assistant
Marguerita McClean	Office Assistant
Keith Bourne	Consultant

September 10, 2019

The Secretary
Member Societies

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 26, 2019** 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 October 27, 2018
8. Matters Arising from Minutes of the Annual General Meeting of October 28, 2017
9. Minutes of the Special General Meeting of September 18, 2019
10. Reports:
    a. Board of Directors
    b. Supervisory Committee
    c. Auditor
11. Financial Statements
12. Declaration of Dividends
13. Fixing of Maximum Liability
14. Appointment of Auditor
15. Amendments to By-Laws
16. Report of the Nominating Committee
17. Elections
18. Resolutions
19. Any Other Business
20. Termination

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

K E Jones

Keith Jones
SECRETARY, BOARD OF DIRECTORS

MINUTES OF THE ANNUAL GENERAL MEETING OF
THE BARBADOS CO-OPERATIVE & CREDIT UNION LEAGUE LTD.
HELD ON SATURDAY, OCTOBER 27, 2018
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. Anderson Henry of Light & Power Employees' 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 3:50 p.m.

NAME OF DELEGATE	CO-OPERATIVE SOCIETY
Marilyn Gittens	Barbados Media Credit Union
Geralyn Edward	Barbados Media Credit Union
Hally Haynes	Barbados Police Credit Union
Glendon A. Belle	Barbados Public Workers' Credit Union
Cedric Murrell	Barbados Public Workers' Credit Union
Kieva Cadogan	Barbados Public Workers' Credit Union
Trevor Colucci	Barbados Public Workers' Credit Union
Cloda Fenty	Barbados Public Workers' Credit Union
Troy White	Barbados Public Workers' Credit Union
Glyne Harrison	Barbados Public Workers' Credit Union
Mona Robinson	Barbados Secondary Teachers' Union Credit Union
Drayton Carter	Barbados Secondary Teachers' Union Credit Union
Athelstone Catling	Barbados Teachers' Credit Union
Carolyn Barton	Barbados Workers' Union Credit Union
Sherwin Greenidge	Barbados Workers' Union Credit Union
Corinne Clarke	Barbados Workers' Union Credit Union
Ashton Turney	Barbados Workers' Union Credit Union
Keith E. Jones	Bartel Credit Union
Rolric Branch	BET Credit Union
James Paul	City of Bridgetown Credit Union
Glyne Pilgrim	City of Bridgetown Credit Union
Adlai Stevenson	City of Bridgetown Credit Union
Stephen Jemmott	City of Bridgetown Credit Union
Susan Fitt	Endeavour Credit Union
Courteney Knight	Endeavour Credit Union
Gabrielle Clarke	Family Credit Union
Anthony Inniss	Lifetime Credit Union
Noel Nurse	Lifetime Credit Union

NAME OF DELEGATE	CO-OPERATIVE SOCIETY
Kezia Nurse	Lifetime Credit Union
Anderson Henry	Light & Power Employees' Credit Union
Kelvin Whittaker	Light & Power Employees' Credit Union
George Denny	Public Transport Credit Union
John Chandler	Shamrock Credit Union
Floyd Smith	Shamrock Credit Union
Colvin Broomes	St. Barnabas Credit Union
Asquith Reece	St. Mark's Credit Union
Deborah Harewood	St. Mark's Credit Union
Marcia Babb	St. Stephen's Credit Union
Muriel Parris	St. Stephen's Credit Union
Richard Lorde	One Heritage Credit Union
Desmond Smith	One Heritage Credit Union
Bernetta Hall	United Enterprise Credit Union
Kevin Lashley	United Enterprise Credit Union
Owen Ellis	UWI (Cave Hill) Credit Union
Patrick McDonald	UWI (Cave Hill) Credit Union

NAME OF ALTERNATE	CO-OPERATIVE SOCIETY
Gregory Browne	Barbados Media Credit Union
Courtney Gibson	Barbados Public Workers' Credit Union
Lydia Lewis	Barbados Public Workers' Credit Union
Quincy Yarde	Barbados Public Workers' Credit Union
Marcia Dottin	Bartel Credit Union
Faye Arthur	Barbados Workers' Union Credit Union
Kemar Cumberbatch	City of Bridgetown Credit Union
Carol Bovell	Endeavour Credit Union
Maidlyn Thornhill	Family Credit Union
Derek Sisnett	Lifetime Credit Union
Shirley Phillips	Public Transport Credit Union
Mechelle Thornhill	Public Transport Credit Union
Sonia Bowen	Shamrock Credit Union
Jennifer Boyce	Shamrock Credit Union
Melda Taylor	St. Mark's Credit Union
Brenda Moore	St. Stephen's Credit Union
Michelle Marshall	United Enterprise Credit Union

NAME OF OBSERVER	ORGANISATION
Jaydee Bourne	Barbados Public Workers' Credit Union
Brenda Brathwaite	Bartel Credit Union
Merina Taylor	Church of the Nazarene Credit Union
Sylvan Greenidge	Church of the Nazarene Credit Union

NAME OF OBSERVER	ORGANISATION
Victor Carrington	Moravian Church Credit Union
Ottley Cox-Burrowes	Moravian Church Credit Union
Olvin Forde	One Heritage Credit Union
Peter J. Carter	Peter J. Carter & Co.
Barbara Holder	St. Stephen's Credit Union
Carol Moore	St. Stephen's Credit Union
Renee Scantlebury	United Enterprise Credit Union
Joan Waithe	United Enterprise 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 Sis. Gabrielle Clarke of Family Credit Union led the meeting in prayer, at the invitation of the Chairman. The prayer of St. Francis of Assisi was recited, followed by a moment of silence for all co-operators who had died over the last year.

4. WELCOME AND OPENING REMARKS

4.1 The Chairman Bro. Henry delivered the welcome and opening remarks. He quoted from Romans Chapter 15 verse 7 which states "therefore welcome one and all as Jesus would welcome you for the glory of God".

4.2 He stated that IFRS 9 was published on July 24, 2014 by the International Accounting Standards Board, and represented the culmination of the project to replace IAS 39. He noted that the effective date for this new standard was January 1, 2018.

4.3 The Chairman stated that IFRS 9 would have a major impact on the balance sheets of credit unions, as it would introduce a new impairment model with respect to loan loss provisioning.

4.4 He stated that the previous standard was a loss incurred model, but IFRS 9 would introduce the concept of expected credit losses which was forward looking, and should lead to an increase in loan loss provisions. He noted that it would impact on the credit unions' ability to generate surpluses.

4.5 The Chairman stated that the Government of Barbados (GOB) introduced its debt re-profiling exercise, and the permitted list of investments cited in Section 34A of

the Co-operatives Societies Act, was classified by some as the albatross around the neck of the financial services sector.

4.6 He stated that the League had advocated for a modernized legislative framework that would allow the movement to adjust its strategic financial objectives. He noted that over the next five years, the credit union sector would have to relook its objectives as the membership would be expecting more from the League. He noted that the League would have to advocate for the next level of financial services evolution, as members would be expecting the inclusion of technology more and more in the processes, so as to reduce operational expenses, thus driving efficiencies and greater productivity.

4.7 The Chairman stated that given the challenges that the country was currently experiencing, it was clear that Barbadians needed the movement now more than ever.

5. PRESENTATION OF AWARDS

5.1 The Treasurer, Sis. Susan Fitt of Endeavour Credit Union presented the Awards to member societies celebrating significant milestones.

5.2 It was noted that ten societies celebrated milestones, but only seven were represented. The following Awards were presented or announced:

NAME OF CREDIT UNION	NO. OF YEARS CELEBRATED	RECEIVED BY
St. Mark's Credit Union	55	Bro. Asquith Reece
Public Transport Credit Union	40	Bro. George Denny
Barbados Media Credit Union	35	Sis. Marilyn Gittens
Barbados Secondary Teachers' Union Credit Union	35	Sis. Mona Robinson
City of Bridgetown Credit Union	35	Bro. Adlai Stevenson
Courtesy Credit Union	35	No Representative
Endeavour Credit Union	35	Bro. Courteney Knight
Barbados Seventh-day Adventists Credit Union	30	No Representative
Church of the Nazarene Credit Union	30	Sis. Merina Taylor
Progressive Credit Union	30	No Representative

5.3 The President, Bro. Anderson Henry, of the Light & Power Employees' Credit Union was presented with a token of appreciation for six years of unbroken service.

6. UPDATE ON SHARED SERVICES

6.1 The Chairman stated that the League acknowledged that the delay in rolling out the internal audit and compliance shared services was a source of concern and frustration to some members. He offered apologies on behalf of the Board and management, for the delays which had been caused by unforeseen events.

6.2 He stated that over the last three years the League and the provider were further involved in negotiations over affordable pricing. He stated that the other providers with the technical competence and adequate capacity had submitted fee structures that were prohibitive.

6.3 The Chairman stated that there was a hiatus because the preferred provider had recruited new management, and a settling in period was required. He further stated that the preferred provider had confirmed its commitment to the provision of the services by a letter dated October 1, 2018. He noted that the preferred provider was currently working on building out the resources, structure and processes to facilitate the roll-out of these services.

6.4 The Chairman noted that it was anticipated that the services would be rolled out during the 1st quarter of 2019. He stated that the League had taken great care to select a provider that understood the peculiarities of the movement, and who had the capacity to provide the services at an affordable price.

6.5 Bro. Drayton Carter of Barbados Secondary Teachers' Union Credit Union queried if not mentioning the name of the provider was intentional.

The Chairman stated that it was intentional, as the preferred provider was examining the processes and procedures to provide the services through another entity.

7. UPDATE ON BANKING SERVICES PROJECT

7.1 The Chairman stated that a letter dated September 10, 2018 was sent to affiliates with an update on the progress of the project. He then invited Bro. Hally Haynes of Barbados Police Credit Union, the Chairman of the Banking Services Committee to provide a further update.

7.2 Bro. Haynes stated that CAPITA Financial Services Inc. had selected MasterCard as the card provider. He noted that the League had signed a Memorandum of Understanding (MOU) with CAPITA, which outlined the responsibilities of the parties. He further stated that the League had met with the Deputy Governor of

the Central Bank of Barbados (CBB) with reference to the approval of CAPITA's foreign exchange (forex) licence application as this was a critical component to the rolling out of the service. He noted that the relevant documents were with the Bank Supervision Department for processing.

7.3 He stated that CAPITA had selected two entities to provide correspondent banking services, as some of the small banks in the OECS and other territories in the Caribbean had lost correspondent banking relationships because of compliance issues, in respect of money laundering etc. He stated that the CBB would be looking at the anti-money laundering/combating financing of terrorism (AML/CFT) compliance of credit unions who wanted to participate in this service.

7.4 Bro. Haynes stated that the League and the consultant would be putting a programme in place to assist credit unions that had scored below the required AML/CFT benchmark to improve their scores, which would enable them to participate in the project in a subsequent phase.

7.5 Bro. Haynes further noted that the League had met with the Financial Services Commission (FSC) and had informed them of the initiative to provide credit card and forex services to affiliates. He further stated that the FSC had posed some questions with reference to AML/CFT compliance risks. He stated that the League had been working closely with credit unions through the consultant to ensure that the minimum required standards were achieved.

7.6 Bro. Carter of Barbados Secondary Teachers' Union Credit Union queried if the establishment of a commercial bank was still being contemplated.

Bro. Haynes stated that in 2016, the general membership had given the Board the mandate to roll out banking services, and any other mandate would have to come from members.

8. REPORT OF THE CREDENTIALS COMMITTEE

8.1 The Chairman invited Bro. Glendon Belle, of Barbados Public Workers' Credit Union, the Chairman of the Credentials Committee, to present the Report.

8.2 Bro. Belle stated that the Committee comprised of Sis. Brenda Brathwaite of Bartel Credit Union, Sis. Gabrielle Clarke of Family Credit Union and himself as Chairman.

8.3 He stated that the Committee met on October 23, 2018 and reviewed By-Law 9(1) which required that each member co-operative pay dues quarterly in advance on specified quarter days in the months of January, April, July and October. He also noted that if such dues remained unpaid after the due date, such member co-

operative may be prohibited from exercising its rights and privileges in the Society, in accordance with By-Law 9(2).

8.4 Bro. Belle noted that the source documents prepared by the BCCULL's office, detailing the status of members with respect to payment of dues were reviewed. He stated that the Committee confirmed that thirty (30) societies were in compliance with By-Law 9(1).

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

8.6 He 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). It was established that twenty-two (22) societies responded by the required date.

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

8.8 Bro. Belle reported that of the thirty (30) societies which were in compliance with By-Law 9 (1), eight (8) had not submitted letters by the deadline date in accordance with By-Law 20(1).

8.9 On behalf of the Committee, Bro. Belle, 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 was available to attend the Annual General Meeting, since if any subsequent Special General Meetings are held during the year, they would already have duly accredited representatives who could attend and exercise the full rights and privileges of membership.

8.10 The report was accepted on a motion moved by Bro. Cedric Murrell of Barbados Public Workers' Credit Union and seconded by Bro. Kelvin Whittaker of Light & Power Employees' Credit Union.

9. MINUTES OF THE ANNUAL GENERAL MEETING OF OCTOBER 28, 2017

9.1 The Minutes of the Annual General Meeting which was held on October 28, 2017 were found on pages 10 to 43 of the Annual Report. A motion that the Minutes be

taken as read was moved by Bro. Adlai Stevenson of City of Bridgetown Credit Union and seconded by Bro. Trevor Colucci of the Barbados Public Workers' Credit Union. The motion was carried.

9.2 **Errors and Omissions**

Page 26: 9.8.9 – Replace site with **sight** in second line of first sentence
Page 30: 11 – Replace ARRISING with **ARISING** in the heading
Page 33: 12.14 – Insert **the** before Bahamas in the sub-heading
Page 40: 18.2 – Replace Palmore with **Padmore** under sub-heading of Barbados Secondary Teachers' Union Credit Union.

9.3 A motion for the adoption of the amended Minutes was moved by Bro. Anthony Inniss of Lifetime Credit Union and seconded by Bro. Kevin Lashley of United Enterprise Credit Union. The motion was carried.

10. MATTERS ARISING FROM MINUTES OF THE ANNUAL GENERAL MEETING OF OCTOBER 26, 2017

10.1 *5.9: Credit Card as Defensive Mechanism*

10.1.1 Sis. Bernetta Hall of United Enterprise Credit Union queried if credit unions would be expected to convert their lines of credit to credit card business.

The Chairman stated that this decision would be made by the individual credit union.

10.2 9*.1.4 – Deposit Insurance (DI)*

10.2.1 Bro. Glyne Pilgrim queried the number of credit unions that would not meet the minimum required standard for DI, and how much more work needed to be done.

The Chairman stated that where credit unions would fall was still unknown since the League has no information on the standards to enter DI. He stated that the League's Consultant Bro. Bourne had been working with the smaller credit unions to bring their policies and structures to a higher standard.

10.3 9.7 – *Setting up of a Hall of Fame*

10.3.1 Sis. Bernetta Hall of United Enterprise Credit Union requested an update on this item.

The Chairman stated that the office was still in the process of collecting the data, and the new Board would focus on this matter.

10.4 11.1 – *Fitness and Propriety Regime*

10.4.1 Bro. James Paul of City of Bridgetown Credit Union queried if the League had had any further discussions with the FSC regarding this matter, and if there was likely

to be any further developments. He opined that the requirements were thrusted upon member societies without adequate consultation.

The Chairman stated that the League was very active in advocating for matters which impacted the credit union movement. He stated that this item was actively pursued during the quarterly meetings with the FSC. He noted that some modifications had been made to the form and the processes.

10.4.2 Bro. Paul opined that he hoped that the League would not allow the development of rules and regulations to compromise the development of the movement, and participation of individuals.

The Chairman stated that the League's Board was in the vanguard of the advocacy effort, and sought at all times to lobby robustly for the best interests of the movement.

10.5 12.12.1 – *International Financial Reporting Standard (IFRS) 9*

Sis. Bernetta Hall of United Enterprise Credit Union asked the Chairman to elaborate on the status of credit unions as it related to compliance with IFRS 9.

The Chairman stated that the League engaged the services of Deloitte to create a model for the credit union sector, and credit unions were asked to provide Deloitte with their loan portfolio data, so that the model could be customized for their individual credit union.

He further stated that several credit unions were having a challenge extracting most of the required data from their management information systems. He noted that there would come a time in the future when Deloitte would proceed in the creation of the model for those credit unions that would have submitted their data. He implored members to submit the required information so that the modelling could be completed

11. REPORTS

11.1 Board of Directors' Report

11.1.1 The Chairman, Bro. Anderson Henry, presented the Board of Directors' Report which was found on pages 44 to 58 of the Annual Report. He stated that there was an error on pages 44, as Bro. Anderson Henry was listed as the 1st Vice President instead of **President** for the period August 1, 2017 – October 26, 2017.

11.1.2 A motion was moved by Bro. Kevin Lashley of United Enterprise Credit Union and seconded by Bro. Kelvin Whittaker of Light & Power Employees' Credit Union that the report be taken as read. The motion was carried.

11.2 Overview of the Economy

11.2.1 The Chairman stated that the economy continued to face significant challenges with the decline in the level of international reserves, weak public finances and the need for corrective policy measures.

11.2.2 He stated that in the second quarter of 2018, the sector braced itself for the impact of debt re-profiling and other policy measures to consolidate, restructure and grow the Barbados economy.

11.3 Performance of Affiliates

11.3.1 Membership increased by 10.12%
Savings increased by 9.65%
Loans increased by 6.07%
Total Assets increased by 9.09%

11.4 Performance of the Barbados Co-operative & Credit Union League

11.4.1 Total Assets increased by 8.37%
Total Liabilities increased by 6.66%
Members' Equity increased by 10.75%

11.5 Operating Income and Expenses

11.5.1 The Chairman stated that there was an increase in operating income of 3.08 percent, and an increase of 0.25 percent in operating expenses. He further stated that net income increased by 22.47 percent.

11.6 Training Programme

11.6.1 The Chairman stated that nineteen (19) workshops were conducted during the period. Four hundred and thirty eight (438) persons registered for the workshops, with three hundred and forty four (344) completions. There was a fifty percent increase in registrations over the prior year.

11.7 Education Fund

11.7.1 The Chairman noted that the League received contributions to the fund at the level of 3 percent of members' net income. He stated that total contributions were $199,480 representing an increase of 149.77 percent.

11.7.2 He stated that it was anticipated that the Fund would continue to be challenged in the near future by IFRS 9 compliance, and the Barbados economic austerity measures, which would be a challenge for the new Board.

11.8 Technical Assistance

11.8.1 The Chairman stated that the consultant Bro. Keith Bourne continued to provide technical assistance to the smaller credit unions, to enable them to meet the new regulatory standards with particular emphasis on credit risk management practices

and creation of the suite of policies to assist in the management of other risk exposures.

11.9 Deposit Insurance (DI)

11.9.1 The Chairman stated that meetings were held with the FSC, and the Barbados Deposit Insurance Corporation (BIDC) who indicated that they had done all the necessary groundwork to allow the movement to participate in DI. He noted that the League had determined that this particular item needed a further impetus and had therefore written to the Prime Minister, requesting a meeting with the aim of expediting the final steps to implementation.

11.9.2 He stated that the League had also advocated to have a seat on the Social Partnership so that the movement could be part of the discussions when matters of national significance are being considered.

11.10 International Financial Reporting Standard (IFRS) 9 Compliance Project

11.10.1 The Chairman stated that discussions were held with the Institute of Chartered Accountants of Barbados (ICAB) to ascertain the possibility of using IFRS for small and medium-sized enterprises (SMEs) in the sector. He stated that WOCCU was engaged regarding the possibility of credit unions utilizing the add-back to capital option, whereby the increased level of reserves occasioned by the adoption of the new Standard could be amortized over a maximum period of 5 years.

11.11 Hurricane Relief Efforts

11.11.1 The Chairman stated that our brothers and sisters in Dominica, Antigua and Barbuda, St. Maarten and Anguilla were impacted by hurricanes during the period. He noted that CCCU mounted an appeal, and the Barbados movement made a contribution of $10,700. He stated that Dominica had one of the highest membership penetration rates in the world.

11.12 Bro. Ashton Turney of Barbados Workers' Union Credit Union queried if the League had given any consideration to setting up a separate entity to provide services, which could generate other revenue streams.

The Chairman stated that over the next 10 years, credit unions would have to consolidate and look at new ventures that would benefit the movement. He stated that the League met with CAPITA and discussed the creation of a company, as the League is a Secretariat and has significant resource constraints. He further stated that the parties had discussed this possibility which would not only facilitate card services, but one that could also house a common platform, and deliver mobile services etc. to members.

11.13 Bro. Turney stated that the Chairman touched on infrastructure, and he was of the opinion that the League needed its own home. He further stated that the League

can no longer continue to pay rent in the sum of $120,000 on a yearly basis, as this amount could be going towards a mortgage. He further stated that the Co-operators General Insurance Company's model for construction of its headquarters could be emulated.

11.14 Bro. Glyne Harrison of Barbados Public Workers' Credit Union suggested that on the topic of Regional Disaster Relief Efforts, the League should consider establishing a Development Fund for local members to help them recover after a disaster, as not only regional persons are affected by hurricanes, or loss of homes etc. He further suggested that funding could be received from individual credit unions who would make a monthly contribution based on size.

11.15 Bro. Drayton Carter of Barbados Secondary Teachers' Union Credit Union opined that the movement should have done better than the cash donation of $10,700 to the Haiti and The Bahamas Relief Effort, as some credit unions had marketing budgets of over half of a million dollars. He stated that he was in support of the suggestion made by Bro. Glyne Harrison of Barbados Public Workers' Credit Union. He suggested that the League should look at mechanisms to support the movement, and our brothers and sisters in the region.

The Chairman stated that in addition to cash donations, some credit unions had sent thousands of pounds of items on the coast guard vessel, including bottled water.

11.16 Bro. Drayton Carter of Barbados Secondary Teachers' Union Credit Union queried what would be the impact on the movement, as a result of the government debt re-profiling exercise.

The Chairman stated that Bro. Patrick McDonald of UWI (Cave Hill) Credit Union would make a presentation on this topic later in the meeting.

11.17 Bro. Glyne Pilgrim of City of Bridgetown Credit Union stated that with reference to the CoopMed Advantage Plus Programme, membership had increased in 2017 from 1,900 to 2,500 but in 2018 it declined to 2,100 persons, and he queried the reasons for the decline.

The General Manager stated that the economic environment had caused some fall off in relation to the membership of the plan, occasioned the long period of austerity measures. He further stated that this was an ongoing issue as there was a lot of aggressive marketing and numbers fluctuated over time, but a membership of 2,100 was a good size for a group medical plan. He noted that there would be additional promotions in an attempt to increase the membership. He further stated that the insurance company

was trying to lower the average age of participation in the plan, as this would help the plan in terms of claims experience.

11.18 Bro. Glyne Pilgrim of City of Bridgetown Credit Union queried if the League understood that the cost of medical care was increasing, and persons were not prepared for medical cost. He noted that the actual cost for examinations and medicals in Barbados, was driving up the cost of medical plans. He suggested that the League should get more protection from the plan, rather than less, and that was why he was concerned that the numbers were declining.

11.19 He further noted that the claims ratio remained at 76% which was a positive move, although it should be below 70%. He stated that the League needed to get more persons covered as persons were falling ill on a daily basis, due to lifestyle factors.

The Chairman asked Bro. Pilgrim what he would suggest that the League does differently.

11.20 Bro. Glyne Pilgrim of City of Bridgetown Credit Union noted stated that the League had to continue to educate, and seek opportunities to promote wellness. He suggested that dialogue should take place with the Carrier to ascertain what were some of the areas that significant submissions were being made, and what programmes could be put in place to alleviate some of these issues.

The General Manager stated that one of the significant areas was the prevalence of cancer, and cancer care was extremely expensive. He noted that a positive development was that the insurer was seeking to lower the average age of the plan.

11.21 Sis. Bernetta Hall of United Enterprise Credit Union stated that doctors' fees and the cost of medication had increased, and that insurance was not set up to deal with small claims, but for large medical expenses. She noted that 80% of claims received by the insurance companies were for small claims, and if persons were willing to bear the cost of these small claims, then they would see a difference in the cost of the plans.

11.22 She further stated that she had heard about CoopMed, but most persons did not know what it was, or the value of it. She queried whether the League actively pursued younger persons to enroll in the plan. She suggested that the use of technology such as social media, would be a good way of reaching younger persons.

The Chairman stated that educational programmes to share the benefits of the plan with the younger demographic would be pursued.

11.23 Bro. Turney suggested that the League could use agencies, like the Heart and Stroke Foundation, and the Cancer Society to work on education programmes to cascade the message across the movement. He stated that he had heard a lot about Medicare and there was one credit union which had indicated that it was going with a health savings plan, and he thought that this was something that the League should investigate.

11.24 A motion for the adoption of the of Board of Directors' Report was moved by Bro. Rolric Branch of BET Credit Union, and seconded by Bro. Asquith Reece of St. Mark's Credit Union. The motion was carried.

11.25 **Credit Committee's Report**

11.25.1 Bro. Kevin Lashley of United Enterprise Credit Union, the Chairman of the Credit Committee presented the Credit Committee's Report. The report was found on page 59 of the Annual Report.

11.25.2 A motion was moved by Sis. Carolyn Barton of Barbados Workers' Union Credit Union and seconded by Bro. Kelvin Whittaker of Light & Power Employees' Credit Union that the report be taken as read. The motion was carried.

11.25.3 Bro. Lashley thanked Bro. Patrick McDonald of UWI (Cave Hill) Credit Union and Bro. Glendon Belle of Barbados Public Workers' Credit Union for their contribution to the Committee.

11.25.4 Bro. Lashley stated that for the period, the Committee was not required to meet to consider any loan applications, but met to review the governance structure and the genesis of the Credit Committee and the Central Fund Facility Trust (CFFT).

11.25.5 Bro. Lashley stated that at the AGM in 2017, the general membership had decided that the Committee in its current incarnation was not functioning as was originally intended, and the governance structure needed to be reviewed. He then referenced page 11 of the 2018 Supplementary Report which showed that the Board was considering the abolition of the Credit Committee.

11.25.6 A motion was moved by Sis. Mona Robinson of Barbados Secondary Teachers' Union Credit Union and seconded by Sis. Marilyn Gittens of Barbados Media Credit Union, for the adoption of the Credit Committee's Report. The motion was carried.

11.26 **Supervisory Committee's Report**

11.26.1 The Secretary of the Committee, Sis. Marilyn Gittens of Barbados Media Credit Union presented the report of the Supervisory Committee. The report was found on pages 60 to 61 of the Annual Report.

11.26.2 A motion was moved by Sis. Cloda Fenty of Barbados Public Workers' Credit Union and seconded by Bro. Trevor Colucci of Barbados Public Workers' Credit Union that the report be taken as read. The motion was carried.

11.26.3 Sis. Gittens stated that the Supervisory Committee examined the records of the League and found no significant discrepancies with the League's operations. She stated that the Committee was satisfied that all cheques written were appropriately disbursed with the accompanying vouchers, invoices and other documents. She noted that all funds received were correctly deposited.

11.26.4 Sis. Gittens stated that the Committee had expressed concern regarding the continuity of Vendor support for the CUBOOKS software, which was being used by several credit unions. She stated that the Committee was happy to report that the Board was facilitating the process between the Vendor and the users, to ensure that the software would be maintained and supported.

11.26.5 She stated that the Committee had requested the League to put a cheque signing policy in place. She noted that it was completed, and would be implemented when the new Board comes to office.

11.26.6 Bro. Ashton Turney of Barbados Workers' Union Credit Union queried what were the concerns that the Committee had in relation to the CUBOOKS software programme, as he remembered raising some issues about fifteen (15) years ago.

Sis. Gittens stated that the Committee was not satisfied that there was only one person available for support of the programme. She stated that the League had confirmed to their satisfaction that there would be additional support, and continuity for the software.

11.26.7 Bro. Trevor Colucci of Barbados Public Workers' Credit Union commented that he would like to see the Supervisory Committee's Report showing attendance at meetings, as shown in the Board of Directors' report.

Sis. Gittens stated that the request was duly noted, but they had the full Committee for most of the meetings, and even when the full Committee was not available, the meeting always had a quorum.

11.26.8 A motion was moved by Bro. Ashton Turney of Barbados Workers' Union Credit Union and seconded by Sis. Bernetta Hall of United Enterprise Credit Union for the adoption of the Supervisory Committee's Report. The motion was carried.

11.27 **Auditors' Report**

11.27.1 Bro. Peter Carter of Peter J. Carter & Co., presented the Independent Auditors' Report. The report was found on pages 64 to 66 of the Annual Report.

11.27.2 Bro. Carter stated that the report this year was an unqualified report which confirmed that the financial statements of the League had been prepared in accordance with international financial reporting standards.

11.27.3 Bro. Carter stated that the League was putting measures in place for the implementation of IFRS 9, so that credit unions would be compliant for their financial year-end.

11.27.4 A motion was moved by Bro. Anthony Inniss of Lifetime Credit Union and seconded by Sis. Muriel Parris of St. Stephen's Credit Union for the adoption of the Auditors' Report. The motion was carried.

12. FINANCIAL STATEMENTS

12.1 The Treasurer, Sis. Susan Fitt of Endeavour Credit Union presented the financial statements which were found on pages 67 to 81 of the Annual Report.

12.2 A motion was moved by Bro. Kelvin Whittaker of Light & Power Employees' Credit Union and seconded by Bro. Asquith Reece of St. Mark's Credit Union that the financial statements be taken as read. The motion was carried.

12.3 Sis. Fitt noted that there was further consolidation of the League's financial position in the financial period 2017 to 2018, and the balance sheet remained free of all third party liabilities, with a sound equity position.

Highlights of the Treasurer's presentation are shown below.

12.4 <u>Balance Sheet</u>

12.4.1 Total assets increased by 8.37% or $203,848, and total liabilities increased by 6.66% moving from $1,419,947 to $1,514,554.

12.4.2 Members' equity increased by $109,241 or 10.75%.

12.5 <u>Changes on the Assets Side of the Balance Sheet</u>

12.5.1 The increase in assets was mainly due to an increase in accounts receivable and prepayments which moved from $138,723 to $670,379, an increase of 383.25%; non-current investments also increased moving from $195,250 to $200,290, an increase of 2.58%.

12.5.2 Cash and cash equivalents decreased by 40.60%, moving from $661,870 to $393,180.

12.6 Changes on the Liabilities Side of the Balance Sheet

12.6.1 In the category of current liabilities, accounts payable and accruals increased by 27.56%, moving from $58,746 to $74,936, unearned revenue increased by 4.47%, as it moved from $89,856 to $93,874.

12.7 Development Fund

12.7.1 This fund had a net increase of 8.44% as it moved from $212,117 to $230,021 in 2018.

12.8 Institutional Strengthening Project Fund

12.8.1 This fund had a net increase of 0.30% as it moved from $116,764 to $117,111.

12.9 Education Fund

12.9.1 This fund had a net increase of 117.15% as it moved from $47,929 to $104,077.

12.9.2 The Treasurer stated that during the year members appropriated 3% of their net income to the fund. The increased appropriations, along with other measures implemented by the League resulted in net receipts for the first time since 2012.

12.10 Equity Position

12.10.1 Total equity increased by 10.75% moving from $1,015,899 to $1,125,140. The special reserve of $275,265 which represents the gains from the liquidation of the HCF loan remained unchanged.

12.10.2 The capital to assets ratio at year-end stood at 42.6%.

12.11 Income Statement Highlights

12.11.1 Operating income increased by 3.08% as it moved from $892,518 to $919,988.

12.11.2 Membership dues increased by 2.01%, while administration and management fees increased by 4.90%. Operating Expenses increased by 0.25% as they moved from $842,310 to $844,432.

12.11.3 Staff costs increased by 10.62%, moving from $331,798 to $367,033. Other operating expenses decreased by 10.01%, moving from $395,518 to $355,929.

12.11.4 For the seventh consecutive year, interest was paid on non-qualifying shares. Members earned a rate of return of 2.86% on their shares, which was equivalent to a payout of $25,774.

12.11.5 Net income of $109,241 was recorded for the year, which represented an increase of 22.47% when compared to the prior year figure of $89,198.

12.11.6 Sis. Fitt 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 long-suffering members, who had contributed immeasurably to the turnaround effort.

12.11.7 Sis. Kieva Cadogan of Barbados Public Workers' Credit Union queried what were the investment plans for the half million that was withdrawn from First Citizens Investment Services (Barbados) Ltd.

The Treasurer stated that the investment had matured, and the sum was invested with CAPITA Financial Services Inc.

12.11.8 Sis. Kieva Cadogan also queried what bad debts recovered on page 69 under Other Income represented.

The Treasurer noted that the HCF loan fund that was outstanding had been written off, and this figure represented the recoveries during the fiscal year.

12.11.9 Bro. Courtney Gibson of Barbados Public Workers' Credit Union stated that under Operating Expenses (page 69), staff cost note 6, was listed as $367,033, but on page 74 (note 6), it was listed as Operating Expenses under the title Staff Cost. He opined that the caption should be operating expenses and where the caption is listed as Operating Expenses is should be shown as Staff Cost.

The Treasurer stated that Staff Cost is split between Operating Expenses and the Education Fund, therefore this was the correct presentation. She further stated that the Staff Cost of $367,033 was taken from the Operating Account and the $83,231 was taken from the Education Fund.

12.11.10 Bro. Courtney Gibson suggested that for housekeeping purposes, if you reflect staff cost under Operating Expenses in the Income Statement, then it should be listed the same way in the Notes to the Financial Statements.

Bro. Patrick McDonald of UWI (Cave Hill) Credit Union stated that the note is a note to the financial statements which was capturing information from different aspects of the financial statements, so staff cost that came out of the operating expenses which was the regular operating expense, was $367,033. He further stated that the staff cost that came from funds under management (the Education Fund) was $83,231. He noted that the overall staff cost for the League, both Secretariat and funds under management was $450,263, so when you are reading the statements, you will observe that they were staff cost in various areas under the note.

He further stated that in the statement, it should be identified separately, and suggested that the caption could read Operating Expenses/Secretariat to make it clearer.

12.11.11 A motion was moved by Bro. Courteney Knight of Endeavour Credit Union and seconded by Bro. Anthony Inniss of Lifetime Credit Union for the approval of the financial statements. The motion was carried.

13. DECLARATION OF DIVIDENDS

13.1 The Treasurer proposed a dividend payment of 50% on members' qualifying shares, which was $200.00 per society, and the dividend would therefore be equivalent to $100.00 per member society.

13.2 A motion was moved by Bro. Kelvin Whittaker of Light & Power Employees' Credit Union and seconded by Sis. Bernetta Hall of United Enterprise Credit Union for the approval of the dividend payment. The motion was carried.

14. FIXING OF MAXIMUM LIABILITY

14.1 The Treasurer, Sis. Susan Fitt moved a motion that the maximum liability be set at $5 Million, and Bro. Ashton Turney of Barbados Workers' Union Credit Union seconded the motion. The motion was carried.

15. APPOINTMENT OF AUDITOR

15.1 The Treasurer, Sis. Susan Fitt moved a motion that Peter J. Carter & Co., Chartered Accountants, be appointed as Auditors for the ensuing year. The motion was seconded by Sis. Mona Robinson of Barbados Secondary Teachers' Union Credit Union. The motion was carried.

16. AMENDMENTS TO BY-LAWS

16.1 Bro. Ashton Turney of Barbados Workers' Union Credit Union suggested that the alternates who needed to be seated as delegates be done at this time, as persons would need to vote after the presentation of the By-Laws Committee's report.

16.2 The Chairman agreed, and the following changes were made, for the use of alternates as delegates:

<u>Barbados Public Workers' Credit Union</u>

Sis. Kerry-Ann King and Bro. Julien Ifill were replaced, by Bro. Courtney Gibson and Sis. Lydia Lewis.

<u>Barbados Workers' Union Credit Union</u>

Sis. Novaline Brewster was replaced by Sis. Faye Arthur.

Bartel Credit Union

Bro. Anthony Sue was replaced by Sis. Marcia Dottin.

Family Credit Union

Bro. Paul Williams was replaced by Sis. Maidlyn Thornhill.

Public Transport Credit Union

Bro. Roderick Best was replaced by Sis. Mechelle Thornhill.

16.3 The Chairman Bro. Anderson Henry requested that the delegates be seated in the front section of the room. There were fifty (50) delegates seated.

16.4 The Chairman of the By-Laws Committee, Bro. Patrick McDonald stated that the other members of the committee were, Sis. Susan Fitt and Bro. Anthony Pilgrim. He stated that two items engaged the attention of the Committee namely:

1. Revocation of the delegate status of the outgoing President prior to the 2016 AGM, which under the current rules prevented him from chairing the Meeting.
2. Determination of the role of the Credit Committee.

16.5 He noted that one of the contentious items at the previous AGM was if a sitting President who was not a delegate, should be allowed to sit as the Chairman.

16.6 Bro. McDonald stated that based on research, the Committee had concluded that the following By-laws should remain:

20 (3) *If the status of any delegate is revoked by the member Co-operative any office held by that delegate shall become vacant.*

24 *At the General Meetings the President of the Society or in his absence one of the Vice Presidents shall preside, provided that should all these officers be absent, the meeting shall elect a Chairman from among the Delegates present.*

33 (1) (j) *A Director ceases to hold office if he is no longer a delegate of a member Co-operative.*

He noted the following:

1. The BCCUL's relevant By-laws are properly and appropriately constructed to fit the needs of a second tier organization, where members are represented by duly accredited delegates.

2. The right of recall is sacrosanct in a second or third tier co-operative.

3. Chairmanship is inextricably linked to the status of being a delegate.

16.7 Bro. McDonald further stated that the Committee had also determined that the role of the Credit Committee should be abolished as it is redundant in the prevailing circumstances.

16.8 He noted that the delegates would have received the proposed amendments that govern the Credit Committee and would have seen that the League is proposing to remove the sections that govern the function of the Credit Committee (60 and 61), and proposed additions to by-law 71 (1) and (2) which states as follows:

71 *(1) The Board shall consider all applications for loans in accordance with the established policies and procedures.*

(2) The Board may appoint a Loans Committee or a Loans Officer and may delegate to that Committee or Officer the authority to grant loans within such limits and subject to such conditions as may be determined by the Board of Directors from time to time.

16.9 Bro. McDonald proposed the date change of October 27, 2019 to the document to abolish the Credit Committee instead of October 15, 2019 as shown. The motion was moved by Bro. Trevor Colucci of Barbados Public Workers' Credit Union and seconded by Bro. Kelvin Whittaker of Light and Power Employees' Credit Union. The motion was carried.

16.10 Bro. McDonald moved a motion for the amendment to by-laws 60, 61 and 71 relative to the Credit Committee, and Sis. Gabrielle Clarke of Family Credit Union seconded the motion.

16.11 Sis. Kieva Cadogan of Barbados Public Workers' Credit Union suggested that all the sections in the by-laws that reference the Credit Committee should be removed.

The Chairman stated that the query was duly noted, and would be actioned.

16.12 Bro. Trevor Colucci of Barbados Public Workers' Credit Union stated that if the members accepted the resolution, the League would have to present three (3) certified copies signed by the President and Secretary to the Co-operatives Department according to the Co-operative Societies Act, Cap 378 (a) of the laws of Barbados. He further stated that if the members accepted the resolution, then anything that related to the Credit Committee would be deleted, as there would be no Credit Committee.

16.13 Bro. McDonald put the resolution for the abolition of the Credit Committee to the members, and noted that seventy-five percent of members needed to approve the resolution for it to pass. He reported to the meeting that from the fifty (50) seated delegates, forty eight (48) persons voted yes, therefore the resolution was passed.

17. REPORT OF THE NOMINATING COMMITTEE

17.1 Bro. Nurse of Lifetime Credit Union, the Chairman of the Nominating Committee presented the report. He stated that Bros. Olvin Forde and Denis Maynard, along with himself were the members of the Committee appointed by the Board of Directors.

17.2 He reported that on October 17, 2018, the Committee received nominations from the Secretary as per By-law 29 (3) (iii), to consider the positions to be filled, and to ascertain the eligibility of the individuals and if elected, their willingness to serve.

17.3 Bro. Nurse 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.

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

BOARD OF DIRECTORS

NAME	CREDIT UNION
Sis. Marilyn Gittens	Barbados Media Credit Union
Bro. Adlai Stevenson	City of Bridgetown Credit Union
Sis. Susan Fitt	Endeavour Credit Union
Bro. Kelvin Whittaker	Light & Power Employees' Credit Union
Sis. Bernetta Hall	United Enterprise Credit Union

SUPERVISORY COMMITTEE

NAME	CREDIT UNION
Sis. Marilyn Gittens	Barbados Media Credit Union
Bro. Kevin Lashley	United Enterprise Credit Union

CREDIT COMMITTEE

NAME	CREDIT UNION
Sis. Deborah Harewood	St. Mark's Credit Union

17.5 In addition to the above nominations, it was noted that the Bartel Credit Union had nominated Sis. Marcia Dottin to serve on the Supervisory Committee. However, the Committee could not accept the nomination as Sis. Dottin was not a duly

appointed delegate, but was an alternate, and was therefore not eligible for election as stated in By-Law 20 (4)).

17.6 Bro. Trevor Colucci of Barbados Public Workers' Credit Union noted that By-law 29 (4) states that the Nominating Committee should present all valid nominations at the AGM for vacancies for which elections are to be held. He noted that there were three vacancies on the Board, but five names were listed so you automatically have to ballot for three persons. He opined that that was not the purpose of the Nominating Committee as they are supposed to make nominations for vacancies created. He noted that he realized that it happened in 2017 and now again this year. He noted that section 8 states that in the event that there are insufficient nominees to fill the vacancies, nominations should come from the floor, and this was in the League's By-laws.

The Chairman stated that the Nominating Committee does not have the authority to reduce the number of nominees being presented. He noted that the duty of the Nomination Committee was to vet all nominations and present them to members, therefore the mandate had been fulfilled.

18. ELECTIONS

18.1 The Chairman, Bro. Anderson Henry invited Sis. Michelle Marshall of United Enterprise Credit Union to assist in the election process.

18.2 The Chairman stated that there were three (3) vacancies on the Board of Directors. He noted that one of the seats, which was previously held by Bro. Peter Earle of City of Bridgetown Credit Union was a guaranteed seat, and Bro. Adlai Stevenson was nominated by City of Bridgetown Credit Union as their appointed delegate to serve on the Board of Directors.

18.3 The Chairman stated that delegates could vote for a maximum of two (2) persons, as there were two vacant seats. The names of the nominees for the Board of Directors were:

Sis. Marilyn Gittens	-	Barbados Media Credit Union
Sis. Susan Fitt	-	Endeavour Credit Union
Bro. Kelvin Whittaker	-	Light & Power Employees' Credit Union
Sis. Bernetta Hall	-	United Enterprise Credit Union

18.4 Ballots were cast and the results were as follows:

NAMES	**VOTES**
Sis. Susan Fitt	35
Bro. Kelvin Whittaker	29

NAMES	VOTES
Sis. Bernetta Hall	16
Sis. Marilyn Gittens	06

18.5 Sis. Susan Fitt and Bro. Kelvin Whittaker were duly elected to serve on the Board of Directors for a period of three (3) years each.

18.6 There were two vacancies on the Supervisory Committee and two nominees, Sis. Marilyn Gittens of Barbados Media Credit Union, and Bro. Kevin Lashley of United Enterprise Credit Union. The Chairman therefore declared that both nominees were duly elected, and would serve for a three (3) year period.

18.7 The Chairman announced that there was only one nominee for the Credit Committee, Sis. Deborah Harewood of St. Mark's Credit Union, but there were two vacancies therefore the floor was opened for nominations.

18.8 Sis. Bernetta Hall of United Enterprise Credit Union was nominated by Bro. Drayton Carter of Barbados Secondary Teachers' Union Credit Union, and Sis. Carolyn Barton of Barbados Workers' Union Credit Union seconded the nomination. Bro. Anthony Inniss of Lifetime Credit Union asked that nominations be closed, and this was seconded by Sis. Carolyn Barton of Barbados Workers' Union Credit Union. The motion was carried.

18.9 The Chairman declared Sis. Harewood and Sis. Hall duly elected to serve on the Credit Committee for a three (3) year period.

19. RESOLUTIONS

19.1 Bro. Asquith Reece of St. Mark's Credit Union moved a motion for the reimbursement of expenses for the fiscal year 2017/2018 as follows:

Board of Directors	-	$1,200.00
Supervisory Committee	-	$ 700.00
Credit Committee	-	$ 250.00

19.2 The motion was seconded by Bro. Drayton Carter of Barbados Secondary Teachers' Union Credit Union and was carried.

20. ANY OTHER BUSINESS

20.1 Bro. Patrick McDonald of UWI (Cave Hill) Credit Union was invited by the Chairman to make a presentation on the **Impact of the Government of Barbados (GOB) Debt Restructuring on the Barbados Credit Union Movement.**

20.2 Bro. McDonald stated that his presentation was based on estimates and calculations that he had made from the information that he had received. He stated that the first section of the presentation, would look at the potential loss of revenue to the movement, the second would provide an overview of IFRS 9 and the third would be recommendations.

20.3 He noted that the presentation contained general information and was not intended to be comprehensive, nor to provide specific accounting, business, financial, investment, legal, tax or other professional advice. He further noted that before a credit union took any action, consultation with a qualified professional advisor should be done.

20.4 Mr. McDonald stated that the Co-operative Societies Act provided guidance for the investment of Credit Union funds at Section 34A (1) (b) which states:

1. The funds of a society, including the reserve, may be invested in:

(i) securities issued by the GOB;

(ii) securities, the payment of interest on which is guaranteed by the GOB

20.5 Bro. McDonald stated that if a credit union was prudent, they would not have placed all their funds in the options as stipulated in the Co-operative Societies Act, as their investment policies would have guided them.

20.6 He noted that at September 30, 2018, there were twenty one credit unions that held an estimated **$167.60M** in government securities.

20.7 He stated that on September 7, 2018 the GOB announced their Debt Restructuring Programme and an Exchange Offer for all of its Barbados Dollar-Denominated Debt. He stated that the movement fell under Category 1 of the programme, which covered the Series B, all Treasury Bills, Treasury Notes and Debentures. He further stated that past due and accrued interest through to September 30, 2018 would be capitalised and added to the principal.

20.8 Bro. McDonald stated that Series B amortising strips were issued by the GOB, with maturities of between 5 - 15 years. He noted that the interest rate for the first three (3) years would be 1.0% per annum, the fourth year would be 2.5% per annum, and 3.75% thereafter to maturity.

20.9 He stated that the principal of each strip would be repaid in four equal quarterly instalments commencing one year prior to the maturity date of that strip. He then highlighted the principal amount over a fifteen (15) year period.

20.10 Bro. McDonald stated that the impact on the movement would be negative especially in the first three (3) years.

20.11 Bro. McDonald suggested the following mitigating factors that a credit union could use to improve their surplus:

1. Pay a lower interest rate on Members' savings
2. Reduce discretionary expenses such as advertising, travel etc.
3. Defer projects which were not essential or critical
4. Introduce new products to generate additional revenue, while being cognizant of all the risks involved.

20.12 Bro. McDonald appealed to member societies to continue to support the Education Fund, given its importance to the movement. He suggested that contributions should be **'frozen'** at **no less than** last year's contribution; which would mean that if a Credit Union paid **$2,000** last year, they would still pay this amount even if their calculation was less.

21. TERMINATION

21.1 There being no other business, the meeting was terminated at 8:45 p.m.

RECORDED BY: Roslyn Reid
Executive Secretary/Administrative Officer

MINUTES OF THE SPECIAL GENERAL MEETING OF THE BARBADOS CO-OPERATIVE & CREDIT UNION LEAGUE LTD. HELD ON WEDNESDAY SEPTEMBER 18, 2019 IN CO-OPERATORS GENERAL TRAINING ROOM COLLYMORE ROCK, ST. MICHAEL AT 5:30 P.M.

1. ASCERTAINMENT OF A QUORUM

1.1 The Chairman/President, Bro. Hally Haynes of Barbados Police Credit Union informed the meeting 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 5:44 p.m.

NAME OF DELEGATE	CO-OPERATIVE SOCIETY
Hally Haynes	Barbados Police Credit Union
Cedric Murrell	Barbados Public Workers' Credit Union
Glyne Harrison	Barbados Public Workers' Credit Union
Sherwin Greenidge	Barbados Workers' Union Credit Union
Keith Jones	Bartel Credit Union
Rolric Branch	BET Credit Union
D. Vascoll Holder	Bottlers United Credit Union
Adlai Stevenson	City of Bridgetown Credit Union
Courteney Knight	Endeavour Credit Union
Susan Fitt	Endeavour Credit Union
Gabrielle Clarke	Family Credit Union
Paul Williams	Family Credit Union
Noel Nurse	Lifetime Credit Union
Kelvin Whittaker	Light & Power Employees' Credit Union
Richard Lorde	One Heritage Credit Union
George Denny	Public Transport Credit Union
Marilyn Gittens	Reliance Credit Union (formerly Barbados Media Credit Union)
Asquith Reece	St. Mark's Credit Union
Bernetta Hall	United Enterprise Credit Union
Kevin Lashley	United Enterprise Credit Union
Patrick McDonald	UWI (Cave Hill) Credit Union

NAME OF ALTERNATES	CO-OPERATIVE SOCIETY
Lydia Lewis	Barbados Public Workers' Credit Union
Tanya Chase	Barbados Public Workers' Credit Union
Marcia Dottin	Bartel Credit Union
Glendon S. Belle	City of Bridgetown Credit Union
Carol Bovell	Endeavour Credit Union

NAME OF ALTERNATES	CO-OPERATIVE SOCIETY
Patricia Alleyne	Family Credit Union
Jeffrey Husbands	One Heritage Credit Union
Carlos Rochester	United Enterprise Credit Union

NAME OF OBSERVER	CO-OPERATIVE SOCIETY
Jefferson Murray	Barbados Public Workers' Credit Union
Mariette Simmons-Browne	Barbados Public Workers' Credit Union
Wanda Massiah	Barbados Public Workers' Credit Union
Eric Small	Barbados Public Workers' Credit Union
Natalie S. Holder	Barbados Public Workers' Credit Union
Kim Bradshaw	Barbados Public Workers' Credit Union
Mark Hope	Barbados Public Workers' Credit Union
Tracia Pounder	Barbados Public Workers' Credit Union
Antonio Arthur	Barbados Workers' Union Credit Union
Alana Cadogan	Barbados Workers' Union Credit Union
Andrea Arthur	Bartel Credit Union
Brenda Brathwaite	Bartel Credit Union
Philip King	BET Credit Union
Andrew Collymore	BET Credit Union
Paul Maxwell	CAPITA Financial Services Inc.
Susan Mayers	Church of the Nazarene Credit Union
Silvan Greenidge	James Street Circuit Credit Union
Dionne Waterman	Lifetime Credit Union
Rachel Corbin	Lifetime Credit Union
Cindy Callender	Light & Power Employees' Credit Union
Bernadine Daniel	Light & Power Employees' Credit Union
Omar Hunte	Light & Power Employees' Credit Union
Ottley Burrowes	Moravian Church Credit Union
John Hutson	One Heritage Credit Union
Olvin Forde	One Heritage Credit Union
Andrew Lovell	Public Transport Credit Union
Denise Haddock	St. Leonard's Credit Union
Sheila Holder	St. Leonard's Credit Union
Andrew S. Hackett	St. Stephen's Credit Union
Ricardo Peterson	UWI (Cave Hill) Credit Union

NAME OF STAFF	POSITIONS
Anthony Pilgrim	General Manager
Wesley Bowen	Accountant/Finance Officer
Marisa Marshall	Training Officer
Roslyn Reid	Executive Secretary/Administrative Officer
Akera Browne	Administrative Assistant

3. PRAYERS

3.1 The Chairman invited Sis. Gabrielle Clarke of Family Credit Union to lead the meeting in prayer.

4. WELCOME & OPENING REMARKS

4.1 The Chairman welcomed members to the Special General Meeting and requested that a minute of silence be observed for fellow co-operators who had died in Barbados and The Bahamas over the last year. He stated that the meeting was called to update members on Shared Services: Internal Audit and Compliance, Banking Services, and the Automated Clearing House (ACH)

5. SHARED SERVICES/INTERNAL AUDIT AND COMPLIANCE

5.1 The Chairman invited Bro. Eric Small, of Barbados Public Workers' Credit Union to update members on the status of the project. Bro. Small introduced the members of his team from Barbados Public Workers' Credit Union.

5.2 Bro. Small stated that the entity that would be providing the Internal Audit and Compliance Services was Allied Co-operators Inc. (ACI). He then invited Bro. Jefferson Murray a member of his team to take the members through the Compliance aspect of the project.

5.3 Bro. Murray stated that the Compliance Services objectives were to:

- strengthen the corporate governance framework to meet legal requirements (Acts, Regulations, By-laws) and regulatory requirements
- maintain the integrity of the Credit Union Movement by having an updated and robust anti-money laundering and general compliance programme that would meet local and international standards.

5.4 Bro. Murray stated that the scope of the Compliance Services was to allow the Board and other elected Committees to conduct self-assessments, regulatory inspections and assessments of action plans. He also stated that it provided for guidance on the implementation of the Financial Services Commission's (FSC) guidelines, and lending and deposit compliance. He provided further details utilizing a PowerPoint presentation.

5.5 Bro. Murray then invited Sis. Mariette Simmons-Browne another member of the team to deliver the presentation on Internal Audit Services. Sis Simmons-Browne stated that Internal Audit Services were needed to:

- help protect assets and reduce the possibility of fraud;
- improve efficiency and effectiveness in operations;
- increase financial reliability and integrity;
- assist with ensuring compliance with laws and statutory regulations;
- improve governance, risk management and controls.

5.6 Sis. Simmons-Browne stated that the FSC's Guideline No. 7 (Operational Risk Management), called for the establishment of an independent internal control audit function. She further stated that the FSC's AML/CFT Guideline for Financial Institutions, required the Internal Audit Department to carry out reviews to evaluate how effectively compliance policies were being implemented; consistent with the financial institutions size and risk profile.

5.7 She stated that the services would include the following:

- Independent AML Review by Internal Audit;
- Internal Audit services for specific engagements as identified by the credit unions based on their knowledge of their individual risk profiles;
- Full scope Internal Audit Reviews.

5.8 Sis. Simmons-Browne stated that credit unions would be able to decide what services they wanted, as it was not a prescriptive set of services that would be offered.

5.9 Bro. Eric Small stated that the fees would be charged on an hourly basis; the Assistant $85.00, the Senior Assistant $100.00 and the Manager $135.00. He noted these were minimum hourly rates.

5.10 Bro. Patrick McDonald of UWI (Cave Hill) Credit Union queried if ACI as the professional services firm should determine the best starting point for any credit union.

Bro. Small stated that following the FSC guidelines they would start with a high level questionnaire which would identify the high risk areas and advise, but ultimately the decision would be left to the credit union.

5.11 Sis. Marilyn Gittens of Reliance Credit Union queried which level of staff would conduct the audit.

Bro. Small stated that the typical audit would have eighty hours of work to be done; estimated at 60% Assistant, 10% Senior Assistant and 30% the Manager.

5.12 Sis. Marilyn Gittens queried how would a credit union know what it wanted, and who would decide this, as she was of the opinion that the Auditor should advise what is required.

Bro. Small stated that the reporting structure is to the Supervisory Committee, and as they are already on a risk-based approach, they should determine the high-risk areas.

5.13 Bro. Mark Hope of Barbados Public Workers' Credit Union queried what would determine the complexity of the Audit.

Bro. Small stated that factors such as structure, size and absence of policies and procedures determined complexity.

5.14 Sis. Marilyn Gittens of Reliance Credit Union queried how large ACI was, and what capacity it would have to service the needs of the movement.

Bro. Small responded that ACI initially expects uptake by five to seven credit unions, therefore one Auditor and one Compliance Officer would be in place. If uptake is greater, additional resources would be allocated.

5.15 Bro. Rolric Branch of BET Credit Union queried how many credit unions would be able to access the service simultaneously in the beginning.

Bro. Small stated that if the take-up was twenty-two credit unions, staff would be put in place to handle all twenty-two credit unions.

5.16 Bro. Branch further queried what was the start-up date.

Bro. Glyne Harrison of Barbados Public Workers' Credit Union stated that although ACI was fully incorporated, there were minor administrative process issues that needed to be put in place, to enable it to fully function as an entity. He noted that there was some corporate filing to be done, therefore by January 2020 it should be fully functional.

5.17 Bro. McDonald of UWI (Cave Hill) Credit Union queried what would be the absolute deadline date if a credit union requested the services immediately.

Bro. Harrison stated that by the end of 2019, as all the corporate filing would have been completed, which would allow ACI to bill for services. He noted that if ACI was ready before the end of the year, they would communicate such to the League.

5.18 Sis. Cindy Callender of Light & Power Employees' Credit Union queried if the assessment forms could be passed onto the credit unions so that they could start the process.

Bro. Harrison stated that they would prefer to commence services under ACI, so that everything would be transparent when external auditors reviewed a credit union operation.

5.19 Bro. Branch of BET Credit Union queried if besides reduced cost to credit unions, if there were any financial benefits to the League as a result of these services.

Bro. Harrison stated that it was a League partnership with ACI, and the League had responsibility for advertising and contacting credit unions as ACI was the third party provider. He noted that ACI would be paying the League a fee for these services.

5.20 Sis. Gittens of Reliance Credit Union queried if non-disclosure agreements (NDAs) would be completed.

Bro. Harrison stated yes, and that no financial information from any credit union would be shared with the parent company. He noted that there would be a virtual and physical wall that would protect the credit union's information. He further stated that NDAs would be signed off between the credit unions and ACI.

5.21 Sis. Bernetta Hall of United Enterprise Credit Union queried if a credit union was non-compliant in certain areas, if ACI would report them to the Regulator, or if they would work with the credit union.

Bro Harrison stated that the arrangement was between ACI and the Credit Union, therefore ACI would make recommendations to the Credit Union.

5.22 Sis. Gittens queried how many audits would be done per year, and if they would be done before or after a credit union's AGM.

Bro. Harrison stated that services would be provided on demand.

5.23 Bro. McDonald of UWI (Cave Hill) Credit Union opined that a credit union should not conduct their internal audit close to their external audit, as this would not allow them time to fix any issues before the external audit is conducted.

5.24 The Chairman suggested that credit unions should take up the service as the Regulator required all credit unions to be compliant. He thanked Bro. Harrison and his team.

6. BANKING SERVICES

6.1 The Chairman invited Bro. Paul Maxwell of CAPITA Financial Services (CAPITA) to update the members on the Banking Services Project.

6.2 Bro. Paul Maxwell stated that credit unions do not fall under the regulation of the CBB, and a foreign exchange (forex) licence was required to provide these services.

6.3 Bro. Maxwell stated that payment cards not only expanded the range of services offered to members, but were also a defensive measure in retaining existing members, and could attract and maintain a younger clientele. He stated that credit unions would benefit from fees, interest, interchange income and greater member loyalty.

6.4 Bro. Maxwell noted that several credit unions in other jurisdictions had successfully moved their line of credits onto cards, and this was something for consideration. He stated that a recent development that was driving the project was the planned repurposing of the CarIFS Network.

6.5 He stated that CAPITA and the League had varied responsibilities, and CAPITA's main responsibilities were to:

- provide the processing software for the management of the credit/debit card products
- obtain all regulatory approvals
- implement the debit/credit solution for each credit union, and provide training to each credit union
- manage all settlements on a daily basis
- be responsible for the quarterly reporting to the International Brand
- provide a contract and Service Level Agreement to each credit union and the League detailing the service and cost of such service
- obtain a forex licence.

6.6 He stated that the League's main responsibilities were to:

- determine characteristics inherent in the card of itself that would cause a person to switch from a bank card to a credit union branded card
- be the primary contact with the Regulator
- be responsible along with the credit unions for the brand image and marketing of the credit/debit card product
- assist with the ongoing promotion of payment services to affiliates
- create a Service Entity for the Tier II Credit Unions
- be responsible for the allocation/channelling of any counterpart funding received from the International Brand.

6.7 Sis. Gittens of Reliance Credit Union queried how the service would work with the small credit unions.

Bro. Maxwell stated that if six credit unions came together and had the same processor, the League could create a back office for them, and the card would be branded as agreed by the parties.

6.8 Sis. Gittens further queried how would the credit unions be brought together.

Bro. Maxwell stated that the League could facilitate the central process through CUBOOKS. He further noted that MasterCard had indicated that if they were chosen, part of their package would be to provide funding for marketing the products.

6.9 He noted that the MOU between CAPITA and the League had been signed off, and after distribution of the Request for Proposals (RFPs), MasterCard was chosen as the Provider. He stated that research suggested that most of the cards would fall into the classic segment, and for this segment MasterCard offered a higher interchange income.

6.10 Bro. Omar Hunte of Light & Power Employees' Credit Union queried how the interchange fees would be shared.

Bro. Maxwell stated that if a credit union came through the League, the interchange fee would be shared based on the model chosen. He noted that for option 1 you would get individual purchases which would go to the individual's credit union, but with option 2, the League would be used and the interchange fee would then be shared based on whatever criteria had been agreed by the group.

6.11 Sis. Gittens of Reliance Credit Union suggested that one interest rate should be set, as it is a group initiative.

Bro. Maxwell opined that it was a good suggestion, but would depend on the modality chosen by the group. He noted that credit unions would have different cost of sales etc., so it might be useful and worth having a range which must be consistent with their internal structure, their cost and the expected profit margin. He stated that their studies had shown that most of the rates would be below the bank rates.

6.12 Bro. Maxwell stated that the debit card product had been set as the priority due to the repurposing of CarIFS by September 2020. He noted that debit was an online real time process, as when a card is swiped the software immediately connects to the account to establish if funds are available. He noted that debit-processing fees were cheaper, but the infrastructure was more expensive.

6.13 Bro. Maxwell stated that the next steps were to set up correspondent banking accounts which would take 8 to 10 months to complete. He noted that all cards would be chip and pin, as this was not negotiable. In addition, a contactless option was available.

6.14 Sis. Hall of United Enterprise Credit Union requested an explanation of contactless cards.

Bro. Maxwell stated that the old fashion way for card usage was to swipe, but if the machine a person was using was chip enabled they could put the card in a terminal and key in a pin number. He stated that the latest innovation in credit card technology was contactless cards, which are neither swiped nor inserted, but are held near a payment terminal. He noted that the contactless feature was a separate functionality, and would incur an additional cost.

6.15 Sis. Hall enquired about switching costs.

Bro. Maxwell stated that this would be determined by the individual credit union, and the League would assist as marketing of the card would be critical.

6.16 Sis. Hall queried what was the launch date.

Bro. Maxwell stated June 1, 2020 for debit card services.

6.17 Bro. Branch of BET Credit Union queried what was the differentiating factor between the debit and credit card.

Bro. Maxwell stated that debit is the relationship driver in respect of a customer's debit card transactions. He noted that there was an indicator called a primary financial institution (PFI) and most financial institutions wanted to have customers chose them as their PFI. He noted that research indicates where you have your debit card is where you have your money; although credit was the major money earner.

6.18 Bro. Whittaker of Light & Power Employee's Credit Union queried if a person would have two cards or if one card would be able to switch between debit and credit.

Bro. Maxwell responded that there would be two cards.

6.19 Bro. Whittaker queried if there would be any add-ons as this could be the selling point in encouraging members to switch.

Bro. Maxwell stated yes there would be add-ons, and discussions would need to be held with the League and other credit unions with reference to a loyalty programme for both types of cards.

6.20 Bro. McDonald of UWI (Cave Hill) Credit Union queried if when the debit card is launched in 2020 and CarIFS is re-purposed in September 2020, would the debit card work in all the banks ATMs.

Bro. Maxwell stated that the card services would be on the international debit platform, therefore accessible at Bank ATMs and point of sale terminals. He noted that the challenge that was currently being worked on was facilitating transactions at Credit Unions ATMs e.g., if a person has a First Caribbean Visa debit card and comes over to use a credit union ATM, how can this transaction be done at the Credit Union ATM.

6.21 Bro. McDonald queried why the credit unions ATMs could not be universal.

Bro. Maxwell stated that CAPITA had engaged MasterCard, but now had to establish an acquiring relationship with Visa.

6.22 Bro. McDonald stated that debit card transactions are completed locally which saves the government foreign exchange, and he queried if the two credit unions that were currently using CarIFS were trying to get a solution for Barbados in terms of settling debit card transactions in local currency.

Bro. Harrison of Barbados Public Workers' Credit Union stated that as the matter was a national one, representation had been made at the Ministry of Finance, and the CBB level. He opined that there was no indication that governmental authorities would be prepared to intervene.

6.23 The Chairman stated that the matter of CarIFS was significant and the movement must lobby government on the issue, and continue to look for a local alternative. He stated that the same situation had existed in Jamaica and Trinidad, but it was determined in these jurisdictions that local transactions would be processed on a local network.

7. AUTOMATED CLEARING HOUSE (ACH)

7.1 The Chairman stated that the CBB indicated that they would have to make some legislative amendments in order for the movement to participate in the ACH.

7.2 The Chairman read in part the response from the CBB, "We submitted proposed changes to the Central Bank Act to allow credit unions to participate in the ACH and were advised that the proposed amendments have the active consideration of Cabinet. Until the amendments have legal standing, we are unable to provide for the participation of credit unions in the ACH. In addition, only two of your members have expressed an interest in the ACH. We will keep you informed of the progress in this area".

7.3 He stated that the matter would need to be raised at the level of the Minister of Finance, as the government had announced a policy shift that would allow credit unions to be included in the ACH.

7.4 He stated that the equity participation fee was $250,000, therefore only the larger credit unions would be able to participate individually. He further stated that the League would have to find a modality to enable the participation of the smaller credit unions.

7.5 Bro. Noel Nurse of Lifetime Credit Union queried if it would be possible for the small credit unions to get onto ACH using the Shared Services model through CAPITA.

The Chairman stated that this was a possibly as CAPITA was regulated by the CBB, and therefore could be used as the conduit.

7.6 The Chairman expressed thanks, and appreciation to those attending the meeting. He stated that the Board recognized that sometimes communication does not go to the average man on the street, therefore the League has to find a modality to get the message out.

7.7 Bro. Glyne Harrison of Barbados Public Workers' Credit Union stated that if the movement wanted to actively reach out to its members, it should look at hosting a radio programme. He noted that we could try to have it established by next month which is credit union month, or by November 2019, as the movement needed to expedite execution.

7.8 Bro. Harrison opined that the League should provide a forum for its members to discuss the League and issues to be looked at for next year.

7.9 He stated that the League could set up some working Committees and pull resources that are not in the League from other credit unions to execute projects as needed.

7.10 The Chairman thanked Bro. Harrison for his comments and suggestions.

8. TERMINATION

8.1 The meeting was terminated at 8.12 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, 2018 TO JULY 31, 2019

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

August 1, 2018 – October 27, 2018

POSSIBLE ATTENDANCE	NAME	POST	ATTENDED	EXCUSED
5	Anderson Henry	President	5	--
5	Hally Haynes	1st Vice President	4	--
5	Peter Earle	2nd Vice President	2	2
5	Susan Fitt	Treasurer	5	--
5	Noel Nurse	Asst. Treasurer	5	--
5	Keith Jones	Secretary	5	--
5	Sherwin Greenidge	Asst. Secretary	3	1
5	Glendon Belle	Member	3	1
5	Patrick McDonald	Member	2	2

October 27, 2018 – July 31, 2019

POSSIBLE ATTENDANCE	NAME	POST	ATTENDED	EXCUSED
9	Hally Haynes	President	8	1
9	Sherwin Greenidge	1st Vice President	8	1
9	Patrick McDonald	2nd Vice President	9	--
9	Susan Fitt	Treasurer	9	--
9	Noel Nurse	Asst. Treasurer	9	--
9	Keith Jones	Secretary	9	--
9	Glendon Belle	Asst. Secretary	4	2
9	Adlai Stevenson	Member	8	1
9	Kelvin Whittaker	Member	9	--

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

OVERVIEW

Economic Review and Impact on the Sector

As reported by the CBB, the year 2018 was another challenging one for the Barbados economy. Economic activity remained sluggish, but the decision to enter a four-year economic adjustment programme with the IMF, the suspension of commercial external debt payments and the restructuring of government's domestic debt, all contributed to an improvement in the public finances and the stock of international reserves.

Government unveiled the Barbados Economic Recovery and Transformation (BERT) Plan, which aims to deepen fiscal adjustment efforts and to undertake structural reforms to stimulate medium-term economic growth. The completion of the debt restructuring and the enhanced outlook for fiscal and debt sustainability over the medium term contributed to an upgrade in Barbados' credit rating for domestic securities.

Real economic activity contracted by an estimated 0.6 percent in 2018. Moderate gains in tourism were outweighed by the fall-off in manufacturing and other services. The average unemployment rate for the four quarters ended September 30, 2018 was 9.2 percent, compared to 10.2 percent a year earlier.

For the first six months of 2019, the economy registered steady progress as government continued to implement its BERT Plan. The impact of fiscal consolidation on demand together with weaker than desired investment, offset the gains from a robust tourism performance, resulting in a modest contraction in GDP of 0.2 percent. Layoffs in the public sector, as part of the adjustment effort, together with the weakness in the construction sector contributed to higher unemployment when compared to the same period in 2018. The unemployment four quarter moving average was estimated at 10.1 percent.

Review of Business Performance

Against the backdrop of tough policy measures introduced to stabilize the economy, the Barbados Co-operative & Credit Union League Ltd. (the League) had a fairly challenging year of operations as it endeavoured to respond to issues which required advocacy. Further, considerable attention was devoted to providing a solution to achieve compliance with the new accounting standard IFRS 9. Assets under management increased by 12.48% percent but there was a significant reduction in net income which was recorded at $20,642 (compared to $109,241) after the payment of a 2.65 percent return on deposit liabilities (prior year 2.86%).

MEMBERSHIP

Membership remained stable at 31 societies. However, continuing from last year at least two possible opportunities for consolidation were being pursued during the reporting period. It is anticipated that at least one of these opportunities will be successfully pursued in the coming year.

PERFORMANCE OF AFFILIATES

Some affiliates achieved full IFRS 9 compliance and were impacted by the significant increase in loan loss provisions as they transitioned from the incurred loss methodology to the expected credit loss (ECL) methodology. In addition, government's debt restructuring which was effective from October 1, 2018 created accounting losses for those societies that faithfully followed the guidance from the Institute of Chartered Accountants of Barbados to discount the new sovereign debt instruments. There was also further deterioration in credit quality as non-performing loans (NPLs) increased by more than a percentage point to reach 8.9 percent at December 31, 2018. Return on average assets declined for the second consecutive year, falling to 0.7 percent.

Notwithstanding the challenges, affiliates in the aggregate recorded growth in three areas reported below as at March 31, 2019 (data was not available for June 30, 2019); see details which follow.

Membership

The total membership of affiliated societies recorded a decline of 0.79 percent falling from 209,594 to 207,933.

Savings

The total savings of affiliated societies recorded growth of 7.24 percent moving from $2,023,306,948 to reach $2,169,872,672.

Loans

Loan growth was recorded at 2.45 percent moving from $1,674,981,940 to reach $1,715,946,689.

Assets

Asset growth was recorded at 7.0 percent as total assets under management grew from $2,324,615,626 to reach 2,487,419,002.

DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND PERFORMANCE

Overview

For the period under review the organization recorded a net operating surplus of $20,640; this was a substantial reduction from the prior year figure of $109,241; this was an acceptable outcome everything considered. Nevertheless, the Board of Directors took a decision to pay members a rate of return on regular/non-qualifying shares, interest on these liabilities was paid at the rate of 2.65 percent. The prior year return was 2.86%.

Balance Sheet Highlights

Total assets increased by 12.48 percent moving from $2,639,694 at year-end 2018 to $2,969,035 at year-end 2019. The increase was mainly due to an increase in current investments which moved from $1,310,889 to $1,698,842, an increase of 29.59 percent. There was also an increase in non-current investments which moved from $200,290 to $547,090, an increase of 173.15 percent. The substantial increase was due to a

revaluation of shares held in Co-operators General Insurance Company Ltd; this valuation was required to comply with IFRS 9. Cash and cash equivalents increased by 41.29 percent as it moved from $393,180 to $555,507. Conversely, accounts receivable and prepayments decreased by 82.82 percent as it moved from $670,379 to $115,143. It is noted that the prior year's figure had included an investment of $503,658 which was withdrawn, but the funds had not been received at year-end.

Total liabilities decreased by 2.06 percent moving from $1,514,554 at year-end 2018 to $1,483,333 at year-end 2019. In the category of current liabilities, accounts payable and accruals increased by 29.60 percent moving from $74,936 to $97,117; unearned revenue increased by 0.28 percent moving from $93,874 to $94,133. In the category of non-current liabilities, the Education Fund increased by 3.14 percent as it moved from $104,077 to $107,349; the Development Fund decreased by 5.86 percent as it moved from $230,021 to $216,551. The Institutional Strengthening Project Fund increased by 2.73 percent moving from $117,111 to $120,308.

Total equity recorded an increase of 32.05 percent as it moved from $1,125,140 at year-end 2018 to $1,485,702 at year-end 2019. The statutory reserve balance was again held constant as there was no further allocation in view of the adequacy of the organization's capital position given the current risk profile. However, the undivided surplus increased by 79.51 percent moving from $453,493 to $814,055 due primarily to the gain on revaluation of unquoted securities. 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 2019.

Statement of Comprehensive Income Highlights

Operating income decreased by 7.72 percent as it moved from $919,988 in fiscal year 2018 to $848,928 for fiscal year 2019. Membership dues increased by 2.33 percent, while administration and management fees decreased by 24.34 percent.

Operating expenses increased by 1.37 percent as it moved from $844,432 in fiscal year 2018 to $856,014 in fiscal year 2019. Staff costs increased by 0.04 percent, while other operating expenses increased by 2.56 percent.

Other income decreased by 13.48 percent as it moved from $59,459 in fiscal year 2018 to $51,446 in fiscal year 2019. The most significant item in this category, interest earned on investments, decreased by 5.28 percent; dividend income also decreased by 23.95 percent.

For the fiscal year 2019, interest was paid on shares at the rate of 2.65 percent to the value of $23,718, based on the rate of return on average investments. The prior year rate was 2.86 percent, to the value of $25,774.

Net operating income decreased by 81.10 percent as it moved from $109,241 in fiscal year 2018 to $20,642 in fiscal year 2019. However, total comprehensive income

increased by $254,421 due to the gain on the revaluation of unquoted securities as required by IFRS 9.

HUMAN RESOURCE MATTERS

During the period under review, the staff complement of seven persons, equivalent to the total number of established posts was maintained.

The Board continued to retain the services of a Human Resources Consultant on an as-needed basis. During the period under review, attention was paid to achieving full compliance with the Employment Sexual Harassment (Prevention) Act 2017. The policy, which had been in draft was revisited, amended and approved by the Board. The Board also took steps to provide Sexual Harassment (Prevention) training for volunteers.

LEAGUE PROGRAMMES AND SERVICES

I. Training

There was a total of twenty-one (21) workshops and presentations on offer during the period which were as follows:
*Courses marked * were offered more than once during the training period, Courses marked ** were undersubscribed/cancelled*

Leader's Insight
Quarterly presentations to managers/volunteers focused on creating awareness of sector issues or best practices.

- A Regulator's Perspective Challenges & Hot Topics affecting the Credit Union Sector
- AML Border Security for Credit Union Managers: Strategies for Protecting the 'State of the Union'
- Digital Strategies for Sustainable Business Growth (webinar)
- Member Success: Best Practices in Strategic Culture Creation & Maintenance

CU@Training
Workshop sessions for volunteers/managers/employees focused on knowledge and skill building to support the correction of operational deficiencies and the implementation of best practices.

Governance & Leadership

- **Credit Union Principles & Philosophy (2 days)
- Board of Directors Orientation (2 days)
- Supervisory Committee Orientation (2 days)
- Credit Committee Orientation (2 days)

Regulatory Compliance

- **AML Regulatory Compliance 2 – Exploring Key Elements of a Robust AML Programme
- *AML Regulatory Compliance 3 – Member Due Diligence (MDD): Client Risk Profiling
- * AML Regulatory Compliance 4 – Transaction Monitoring: Recognizing and Reporting Unusual or Suspicious Activity

Credit & Collections

- Credit Initiation, Underwriting & Monitoring - Module 1: Loan Underwriting
- Credit Initiation, Underwriting & Monitoring - Module 2: Portfolio Delinquency Management
- **Credit Initiation, Underwriting & Monitoring - Module 3: Managing Collections & Loan Workouts

Business Development & Product/Service Delivery

- Developing Your Skills as a Financial Counsellor

Finance & Accounting

- Managing Financial Performance - Module 1: Understanding Financial Statements
- Managing Financial Performance - Module 2: The Financial Risks Facing Credit Unions
- Managing Financial Performance - Module 3: Managing Financial Risks

Dollars & Sense

Financial Literacy presentations to credit union general members focused on helping them to make the right financial decisions.

- Understanding and Managing Personal Credit
- Introduction to Savings and Investments Products
- Developing Your Business Enterprise

In addition to the workshop, Avoiding Pitfalls - Understanding and Managing Credit (new) & Debt Balancing Act -The Basics of Budgeting leaflets are available for download on our website. Work was started to convert the magazine section of the website into a Financial Literacy blog to provide additional resources in this area.

Table 1: CU@ Training Member Participation

During the reporting period we had **24 member societies and 1 CU subsidiary** sending at least one person to the training.

Member Society	Registrations	Completions	No Shows
Barbados Public Workers' Co-operative Credit Union Ltd	112	73	35%
Barbados Police Co-operative Credit Union Ltd	1	1	0%
Barbados Seventh-day Adventists Co-operative Credit Union Ltd	1	1	0%
Barbados Teachers' Co-operative Credit Union Ltd	2	2	0%
Barbados Workers' Union Co-operative Credit Union Ltd	71	23	68%
Bartel Credit Union Limited	33	30	9%
BET Co-operative Credit Union Ltd	5	4	20%
Bottlers United Co-operative Credit Union Ltd	1	0	100%
Church of the Nazarene Co-operative Credit Union Ltd	3	3	0%
City of Bridgetown Co-operative Credit Union Ltd	27	16	41%
Endeavour Co-operative Credit Union Ltd	14	6	57%
Family Co-operative Credit Union Ltd	14	11	21%
James Street Circuit Co-operative Credit Union Ltd	5	4	20%
Lifetime Co-operative Credit Union Ltd	3	2	33%
Light & Power Employees' Co-operative Credit Union Ltd	39	31	21%
Moravian Church Co-operative Credit Union Ltd	12	11	8%
Public Transport Co-operative Credit Union Ltd	1	1	0%
Reliance Co-operative Credit Union Ltd.	1	1	0%
Shamrock Co-operative Credit Union Ltd	15	10	33%
St. Barnabas Co-operative Credit Union Ltd	1	0	100%
St. Marks Co-operative Credit Union Ltd	1	0	100%
United Enterprise Credit Union Ltd	16	12	25%
UWI (Cave Hill) Co-operative Credit Union Ltd	14	9	36%
One Heritage Co-operative Credit Union Ltd	10	8	20%
Capita	1	1	0%
	403	**260**	

OTHER WORKSHOPS & DEVELOPMENT INITIATIVES

Credit Union History & Principles Workshop

The League once again participated in the orientation series for interns of City of Bridgetown Credit Union. On the 5th July we facilitated a session on the history of the global and local credit union movement as well as the international operating principles and the role of the League.

QUALIFICATIONS & ACADEMIC PARTNERSHIPS

ACCA

Discounted pricing from the **Association of Chartered Certified Accountants (ACCA)** continued to be offered to our members re the **ACCA-X Financial Literacy Programme**.

ACAMS

Discounted pricing from the **Association of Certified Anti-Money Laundering Specialists (ACAMS)** were offered to our members.

Certified Anti-Money Laundering Specialist (CAMS). Standard Caribbean rates were confirmed and promoted to our member societies.

Anti-Financial Crimes Symposium. Further discount on Caribbean rates was secured for any of our member credit unions sending 5 or more persons to this event as they would extend a further discount on the Caribbean rates.

II. Technical Assistance

During the period under review, our consultant Keith Bourne continued to provide technical assistance to member societies focusing primarily on those with assets below $20 million. The consultancy has the following objectives:

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

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

- Assisting with the drafting of amendments to By-Laws to make them compliant with the Act and Regulations.

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

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

During the reporting period emphasis continued to be placed on assisting credit unions in amending their by-laws to meet the requirements of the Act, regarding the formula for

setting their loan limits. In- house training was also provided as requested and a strategic planning exercise was conducted for one affiliate.

In addition to the above, some credit unions that were exploring consolidation opportunities sought and received guidance. Guidance included outlining the benefits associated with mergers and other forms of consolidation. Further, assistance was provided in the drafting of resolutions for the approval of members, and also identifying societies that could be a good strategic fit in a merger or other form of consolidation scenario.

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 during the reporting period. This collaborative relationship has now extended into its eighth year.

III. CoopMed Advantage Plus

In the prior reporting period, the Insurer Guardian Life made changes to the schedule of benefits which included increasing deductibles, and introduced other risk mitigation measures. These measures were aimed at reducing the high claims ration of 76 percent in the prior year.

The risk mitigation measures adopted in the prior year did not have the desired effect. On the contrary, the performance of the plan deteriorated. The loss ratio climbed to 89 percent for the twelve-month period ended June 30, 2019. In addition, the economic austerity impacted on the membership in the plan, which declined precipitously from 2500 in the prior year to approximately 1,100 or by 56 percent at June 30, 2019.

In the circumstances outlined above, the Insurer was forced to make an upward adjustment to the rates. Further, urgent action was taken in an effort to increase the membership and more specifically to target younger persons in an effort to lower the average age in the plan. It is hoped that these efforts will bear fruit in the new fiscal year.

IV. Shared Services

We had reported that during the last reporting period management changes at the preferred provider had created a brief hiatus for this project. After a reasonable period to allow for settling in, the League requested a meeting to discuss the way forward to advance this initiative. The Board of Directors was very pleased to discover that the preferred provider was still very keen on providing the services, and in fact a fresh perspective was brought to bear on the discussions between the parties.

The preferred provider introduced the concept of billable hours for the services rather than the fixed pricing on a tiered basis, that had been proposed before. In tandem with this new approach to pricing which is a better strategic fit for the sector, a more flexible approach to the scope of works was also proposed, under which member societies would be allowed to choose from a menu of services with a wide or narrow scope. The latter approach would enable them to more effectively manage the cost of the services in the context of their budgetary constraints.

It is anticipated that the new proposals from the preferred provider will be well-received by our affiliates, and therefore the long gestation period to bring this initiative to fruition will hopefully end sometime in the new fiscal year.

DEPOSIT INSURANCE (DI)

The change at the level of the political directorate gave cause for some degree of uncertainty regarding the New Administration's position on this matter. The Board of Directors therefore, decided to write and request a meeting with the Prime Minister with this item at the top of the agenda. Unfortunately, pressing matters of state prevented the meeting from being held during the period under review, since the Prime Minister had a very hectic schedule.

INTERNATIONAL FINANCIAL REPORTING STANDARD (IFRS) 9 COMPLIANCE PROJECT

As reported in the prior year, the consultants Deloitte completed the initial tier gap assessment which was Phase I of the Project. Work then commenced on Phase II which involved the building of appropriate models to fit the individual circumstances of member societies. To achieve this, societies were requested to submit loan data for a period of three years. Unfortunately, for a variety of reasons, this was a very challenging exercise for many societies. Deadlines and extensions to submit the data all came and expired and only a fraction of the societies submitted the data in the format required by the consultants.

As a result of the above, the consultants had to shift gears, and decided on a new approach which involved the building of a generic ECL shell model that could be used by all societies. After analyzing the loan portfolios based on the information received from the credit unions that submitted the data in full or in part, three separate shell models were developed since in the consultant's professional opinion, loans could be grouped into three categories based on certain characteristics. Against this backdrop, separate shell models were developed for (1) mortgage loans, (2) personal loans and (3) lines of credit.

After the models were developed, they were tested and some tweaking was done as deemed necessary. During the reporting period, one member society fully utilized the solution developed to report for their completed fiscal year which ended on March 31, 2019. It is hoped that during the new fiscal year, the solution will be utilized by several other affiliates.

There were also some issues arising out of IFRS 9, that required advocacy and attention was also devoted to achieving progress in these matters. The League was aware that some jurisdictions had exempted their credit unions from IFRS 9 requirements, and also the fact that some subject experts had expressed the view that credit unions could have the option to utilize IFRS for small and medium-sized enterprises (SMEs). The League therefore, entered into dialogue with the Institute of Chartered Accountants (ICAB) urging that the Institute's Council provide definitive guidance for the sector. ICAB having deliberated, determined that credit unions with a deposit base of less than $4 million can

be allowed to utilize IFRS for SMEs. In addition, the League also advocated at the regulatory level for credit unions to have the option to utilize the add-back to capital option which would cushion the impact of the transition to ECL loan loss provisioning. The regulator signalled that they were supportive in principle, and it is expected that this would be confirmed in writing in the new fiscal year.

ADVOCACY

Financial Services Commission (FSC)

During the period under review quarterly meetings were held but not with the consistency of the prior year. This was primarily due to the fact that government entered into an IMF programme and regulators, including the FSC, were heavily focused on analyzing the potential impact on the sectors that they regulated, and providing the required data to inform public policy decisions in the financial sector. Discussions held focused primarily on the following:

Deposit Insurance

The parties again discussed progress with respect to Deposit Insurance and how the initiative can be advanced. The new Chairman of the FSC brought a fresh perspective to bear on this matter which, if confirmed as the policy stance of the new administration, would lead to a further delay in the process of giving credit union members access to deposit insurance.

The BCCUL's Internal Audit and Compliance Services Initiative

The parties discussed progress with respect to the League's initiative to provide internal audit and compliance services to its member societies. The Commission reiterated its support for the initiative and even though it understood the reasons for the delay in the implementation, stressed that every effort should be made to roll out these service offerings in the not too distant future.

Payment of Annual Licence Fees

In December 2018, an urgent meeting was convened by the new Chairman of the FSC, Professor Avinash Persaud. The most pressing matter on the agenda was the announcement under the IMF programme that the government had committed to aggressive expenditure reduction targets, and the FSC had been directed to adopt a cost recovery approach to regulation. This new approach would result in all regulated entities being required to pay annual licence fees based on their assets at the rate of 0.05 percent.

The League on behalf of all affiliates made a written submission with specific recommendations to ease the burden. Even though very few of the specific recommendations from the League were taken on board, two significant concessions were made to soften the impact: (1) a phased approach was adopted with financial institutions having a period of three years before the full impact is felt and, (2) the fees were capped at half of a million dollars.

OECD'S Common Reporting Standard (CRS)

During the last reporting period, the League was disappointed to learn that OECD officials were not favourably disposed to granting FATCA-like exemptions to credit unions to reduce the reporting burdens on small credit unions. The Board therefore, took the decision to request a meeting with the new Minister with responsibility for these matters. The meeting was held and the case was put to the Minister who expressed the view that the arguments were quite reasonable and even though he could not guarantee a favourable outcome he would make representations to the OECD on our behalf.

Discussions with the Central Bank of Barbados

The Board has determined that it was important to build and maintain a working relationship with the CBB. During the reporting period, a letter was sent to the Governor requesting a meeting, which was granted, but unfortunately, the Governor was not available to meet on the agreed date. As a consequence, Acting Deputy Governor Michael Carrington led the Bank's delegation. Discussions focused on Deposit Insurance, granting credit unions access to the automated clearing house (ACH) and the banking services project.

ATTENDANCE AT JOINT REGIONAL AND INTERNATIONAL CONFERENCE

The year 2019 was a historic one; WOCCU and CCCU held a Joint Conference in The Bahamas from July 27 to 31, 2019. The specific location in the island chain was Paradise Island at the famed Atlantis Hotel; attendees totalled 2200 persons drawn from 57 countries, including 651 from the CCCU affiliated territories. The largest delegations were from USA (502), Brazil (303), Canada (118), Kenya (97), Trinidad & Tobago (92) and Barbados (87).

WOCCU Activity Segment

WOCCU activities formed the dominant segment of the overall event experience. The educational content of the programme was heavily focused on financial technology (fintech) solutions. However, apart from fintech solutions, there were other topics of interest some of which were as follows:

- Next generation regulation
- How to Prepare for Central Bank Intervention
- Supplemental Capital for Co-operatives
- How Credit Unions Can Excel in Customer Service

We are proud to report that Barbados was again a big winner at the WYCUP segment of the WOCCU Conference. Kevin Lashley a Member of the League's Supervisory Committee and the President of United Enterprise Credit Union was one of the five WYCUP scholarship winners. His prize is a fully sponsored trip to the 2020 WOCCU Conference which will be held in Los Angeles, California from July 19 to 22.

CCCU Activity Segment

This was a relatively small segment of the entire event experience. The main CCCU activities were as follows:

- Pre-Conference Plenary Session
- Strategic Planning Session
- Delegates Meeting
- Annual General Meeting

In addition, CCCU organized a Caribbean Day which gave all territories under its umbrella the opportunity to promote their country by exhibiting and displaying flags, promotional material and other country specific memorabilia to the attendees at the Conference. Each country was provided with a desk in the hallway of the conference centre. Some member societies also displayed and distributed their credit union specific memorabilia. Feedback indicted that attendees warmly welcomed this initiative, and all items were warmly accepted by eager hands.

ROLL-OUT OF CREDIT CARD AND FOREIGN EXCHANGE SERVICES

It is noted that interaction with regulators during the prior year indicated that credit unions would be required to meet certain standards to offer card products to their members. Further, we had reported that the consultant had administered a survey to determine the respective capacities to mitigate AML/CFT risks. During the reporting period his services were retained to work with credit unions to improve their management capacity in the area of AML/CFT risk mitigation. As a result, several societies improved their scores as rated by the assessment tool.

CAPITA continued to wait on the approval of the foreign exchange (forex) licence. In the interim, correspondent banking relationships were also being actively pursued. During the reporting period officials from MasterCard and the processors Fidelity National Information Services (FIS) visited Barbados on separate occasions and made presentations to CAPITA and the larger credit unions in particular.

After an extended period, the CBB approved the forex licence for CAPITA. It is noted that the application was carefully scrutinized and the CBB took note of the complexities associated with the sector's chosen model. As a consequence, the Bank prior to approval had sought assurances that the League was collaborating with CAPITA to help credit unions meet the required standards, and that this would continue since standards would have to be maintained.

The League formally wrote to the FSC providing details about this project and how it would be rolled out. It was also discussed during face-to-face meetings between the parties.

AMENDMENTS TO BY-LAWS TO ABOLISH THE CREDIT COMMITTEE

At the 2018 Annual General Meeting, the members received a copy of the Report of the By-Laws Committee. The only action item coming out of the Report was the recommendation that the Credit Committee should be abolished. In advance of the meeting a special resolution was circulated to member societies to implement the recommendation from the By-Laws Committee, which they approved by the required majority.

Subsequent to the granting of approval of the proposed amendments to the By-Laws, the relevant documentation was submitted to the Co-operatives Department for approval. The Department registered the amendments on February 7, 2019 which became the effective date for the abolition of the Credit Committee.

SIXTIETH ANNIVERSARY CELEBRATIONS

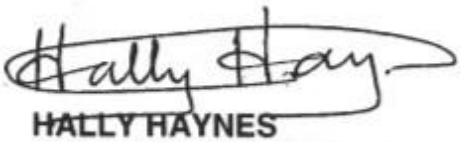
The League's 60th Anniversary which was on December 5, 2017 was celebrated somewhat late with a Gala and Awards Ceremony which was held on October 13, 2018 at the Hilton Barbados Resort. Awards were presented to organizations and individuals who had made significant contributions to the organization over the period of its existence. Long service awards were also presented to employees.

ACKNOWLEDGEMENTS

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

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.



HALLY HAYNES
President

REPORT OF THE CREDIT COMMITTEE
OF THE BARBADOS CO-OPERATIVE & CREDIT UNION LEAGUE LTD.
FOR THE PERIOD, AUGUST 1, 2018 TO FEBRUARY 7, 2019

The Committee for the period August 01, 2018 to October 27, 2018 comprised:

Kevin Lashley	-	Chairperson
Anthony Sue	-	Assistant Chairperson
Geralyn Edward	-	Secretary
Terrol Inniss	-	Assistant Secretary
Steven Jemmott	-	Member

The Committee for the period October 27, 2018 to February 7, 2019 comprised:

Bernetta Hall	-	Chairperson
Steven Jemmott	-	Assistant Chairperson
Anthony Sue	-	Secretary
Geralyn Edward	-	Member
Deborah Harewood	-	Member

For the period that the Committee served it was not required to meet to consider any loan applications.

At the 2018 Annual General Meeting held on October 27, 2018 at the Lloyd Erskine Sandiford Centre, the delegates voted to amend the League's By-Laws to abolish the Credit Committee. On February 7, 2019 the Acting Registrar of Co-operatives & Friendly Societies approved the amendments to the By-laws to abolish the Credit Committee.

The members wish to thank the Delegates, who elected us to serve on this Committee.

Bernetta Hall
Chairperson

Steven Jemmott
Assistant Chairperson

Anthony Sue

Geralyn Edward

Deborah Harewood.
Deborah Harewood

REPORT OF THE SUPERVISORY COMMITTEE
OF THE BARBADOS CO-OPERATIVE & CREDIT UNON LEAGUE LTD.
FOR THE PERIOD AUGUST 01, 2018 TO JULY 31, 2019

The Supervisory Committee for the period August 1, 2018 to October 27, 2018, comprised the following:

Sis. Carolyn Barton	–	Chairman
Bro. Kelvin Whittaker	–	Secretary
Sis. Marilyn Gittens	–	Secretary
Bro. Anthony Inniss	–	Asst. Secretary
Bro. Trevor Griffith	–	Member

The Supervisory Committee for the period October 27, 2018 to July 31, 2019, comprised the following:

Sis. Carolyn Barton	–	Chairman
Bro. Anthony Inniss	–	Assistant Chairman
Sis. Marilyn Gittens	–	Secretary
Bro. Kevin Lashley	–	Asst. Secretary
Bro. Trevor Griffith	–	Member

In accordance with the Co-operatives Societies Act Cap 378A (as amended) and the BCCULL's By-Law 58(6), the Committee presents its Annual Report for the year ended July 31, 2019

Operations

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

- Activity on all the Bank Accounts held by the League
- Monthly Financial Statements
- Bank Reconciliations
- Minutes of Board of Directors' Meetings
- Treasurer's Report
- Operations Report
- Reports to the Registrar of Cooperatives
- Contracts
- Insurance Policies

For the period under review, the Supervisory Committee examined the records of the League and hereby reports that there were no discrepancies found with the League's operations. The Committee is satisfied that all cheques written were appropriately disbursed with the accompanying vouchers, invoices and other documents adequately processed, and that all funds received were correctly deposited. Bank Reconciliation statements were also found to be up-to-date and in good order.

On request, the Committee was provided with a schedule of investments and was satisfied that the investment portfolio was satisfactorily managed.

Following its review of the contracts and the insurance policies, the Committee was satisfied that the assets were insured in a timely manner and that contracts were in place for consultancy projects.

During the course of our audit, the Committee noted that there was significant improvement in the return of the deposits slips by the Bank.

The Committee is pleased that financial soundness and performance of the League was reflected again this year and wishes for its continued success.

It was noted that the reports required by the Registrar of Cooperatives were submitted in a timely manner.

Recommendation

The Committee continues to urge the League to consider submission of nominees for National Honours.

Other Matters

The Committee expresses condolences to grieving relatives of Credit Union members who have passed on.

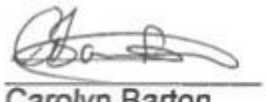
The Committee notes that the proposed Deposit Insurance is not yet a reality and urges the Board to continue its efforts in pursuing this matter.

Opinion

It is the opinion of the Committee that for the period under review, the operations of the League continue to be managed in a professional manner.

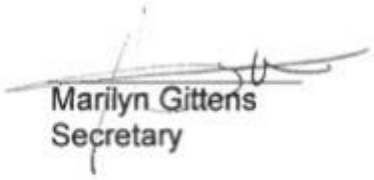
Conclusion

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

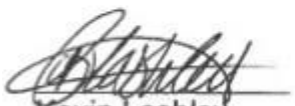


Carolyn Barton
Chairman

Anthony Inniss
Assistant Chairman



Marilyn Gittens
Secretary



Kevin Lashley
Assistant Secretary

Trevor Griffith
Member

BARBADOS
CO-OPERATIVE & CREDIT UNION LEAGUE LTD.

FINANCIAL STATEMENTS
JULY 31, 2019

PJC

Chartered Accountants

Barbados

"we reckon but people count"

BARBADOS CO-OPERATIVE & CREDIT UNION LEAGUE LTD.

Financial Statements
July 31, 2019

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Since 1990
PJC Peter J. Carter & Co.
Chartered Accountants
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29 George Street, Belleville, St. Michael BB11114
Barbados, W.I.
Tel/Fax: (246) 429-7531
Email – pjcbarbados@gmail.com

Independent Auditors' Report

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

Opinion

We have audited the financial statements of Barbados Co-operative & Credit Union League Ltd., which comprise the Balance Sheet as of July 31, 2019, 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, 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the League in accordance with the ethical requirements that are relevant to our audit of the financial statements in Barbados, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

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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.

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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, 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

September 25, 2019

BARBADOS CO-OPERATIVE & CREDIT UNION LEAGUE LTD.

Balance Sheet
July 31, 2019
Expressed in Barbados dollars

	2019	2018
Assets		
Current assets		
Cash and cash equivalents - Note 7	555,507	393,180
Accounts receivable and prepayments - Note 8	115,143	670,379
Current investments - Note 9	1,698,842	1,310,889
	2,369,492	2,374,448
Non-current assets		
Non-current investments - Note 9	547,090	200,290
Plant and equipment - Note 10	52,453	64,956
Total assets	2,969,035	2,639,694
Liabilities and equity		
Current liabilities		
Accounts payable and accruals - Note 11	97,117	74,936
Unearned revenue - Note 12	94,133	93,874
Non-qualifying shares payable - Note 13	847,875	894,535
	1,039,125	1,063,345
Non-current liabilities		
Development Fund - Note 14	216,551	230,021
Education Fund - Note 15	107,349	104,077
Institutional Strengthening Project - Note 16	120,308	117,111
Total liabilities	1,483,333	1,514,554
Equity		
Qualifying shares - Note 17	6,200	6,200
Special reserve - Note 18	275,265	275,265
Statutory reserve	390,182	390,182
Undivided earnings	814,055	453,493
Total equity	1,485,702	1,125,140
Total liabilities and equity	2,969,035	2,639,694

See notes to financial statements.

Approved by the Board of Directors, September 25, 2019, and signed on their behalf by:

President

Treasurer

BARBADOS CO-OPERATIVE & CREDIT UNION LEAGUE LTD.

Statement of Changes in Equity
Year ended July 31, 2019
Expressed in Barbados dollars

	Qualifying shares	Special reserve	Statutory reserve	Undivided earnings	Total equity
Balance - July 31, 2017	6,200	275,265	390,182	344,252	1,015,899
Net comprehensive income for year	-	-	-	109,241	109,241
Balance - July 31, 2018	6,200	275,265	390,182	453,493	1,125,140
Dividends - 50%	-	-	-	(3,100)	(3,100)
Net comprehensive income for year	-	-	-	363,662	363,662
Balance - July 31, 2019	6,200	275,265	390,182	814,055	1,485,702

See notes to financial statements.

BARBADOS CO-OPERATIVE & CREDIT UNION LEAGUE LTD.

Statement of Comprehensive Income
Year ended July 31, 2019
Expressed in Barbados Dollars

	2019	2018
Operating income		
Administration and management fees	262,368	346,763
Membership dues	586,560	573,225
	848,928	919,988
Operating expenses		
Depreciation	22,748	20,166
Membership dues	101,033	101,304
Staff costs - Note 6	367,184	367,033
Other operating expenses	365,049	355,929
	856,014	844,432
Operating (loss) / profit	(7,086)	75,556
Other income		
Interest earned - cash equivalents	0	11
Interest earned - investments	45,528	48,066
Bad debts recovered	895	1,160
Dividend income	3,906	5,136
Gain on disposal of plant & equipment	0	450
Sundry income	1,117	4,636
	51,446	59,459
Other expenses		
Interest on non-qualifying shares	23,718	25,774
Net income for year	20,642	109,241
Other Comprehensive Income		
Gain on revaluation of unquoted securities - Note 9	343,020	0
Total comprehensive income for year	363,662	109,241

See notes to financial statements.

BARBADOS CO-OPERATIVE & CREDIT UNION LEAGUE LTD.

Statement of Cash Flows
Year ended July 31, 2019
Expressed in Barbados dollars

	2019	2018
Cash provided / (used) by:		
Operating activities		
Total comprehensive income for year	363,662	109,241
Adjustments for items not involving cash:		
Depreciation	22,748	20,166
Gain on disposal of plant and equipment	0	(450)
	386,410	128,957
Change in non-cash operating items:		
Accounts receivable and prepayments	555,236	(531,656)
Accounts payable and accruals	22,181	16,190
Unearned revenue	259	4,018
Non-qualifying shares	(46,660)	0
Development Fund	(13,470)	17,904
Education Fund	3,272	56,147
Institutional Strengthening Project	3,197	347
Net cash provided / (used) by operating activities	910,425	(308,093)
Investing activities		
(Increase) / decrease in investments	(734,753)	99,759
Purchase of plant and equipment	(10,245)	(60,806)
Proceeds on disposal of plant and equipment	0	450
Net cash (used) / provided by investing activities	(744,998)	39,403
Financing activities		
Dividends paid	(3,100)	0
Net cash used by financing activities	(3,100)	0
Increase / (decrease) in cash and cash equivalents	162,327	(268,690)
Cash and cash equivalents - start of year	393,180	661,870
Cash and cash equivalents - end of year	555,507	393,180

See notes to financial statements.

BARBADOS CO-OPERATIVE & CREDIT UNION LEAGUE LTD.

Notes to Financial Statements
July 31, 2019
Expressed in Barbados dollars

1. Registration

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

2. Principal activities

The principal activities are as follows:

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

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

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

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

3. Significant accounting policies

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

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

(ii) Key sources of estimation uncertainty include provision for bad debts, determination of appropriate rates for depreciation of plant and equipment and estimation of the fair value of unquoted equity investments. 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. 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.

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:

	2019	2018
Employee benefits	192,396	194,081

(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:

	2019	2018
Management fees	0	63,344

6. Staff costs

	2019	2018
Operating expenses	367,184	367,033
Education Fund	79,590	83,231

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

7. Cash and cash equivalents

	2019	2018
Operating account (no interest)	218,640	198,190
Other accounts - 0.01% to 0.2% p.a. (prior year 0.01% to 0.2%)	336,367	194,490
Cash	500	500
	555,507	393,180

8. **Accounts receivable and prepayment**	2019	2018
Administration fees and membership dues	32,325	22,950
Interest	19,604	9,269
Investment withdrawal	0	503,658
Security deposits and prepayments	63,214	70,768
Other accounts	0	390
	115,143	607,035
Due by related party		
Central Fund Facility Trust	0	63,344
	115,143	670,379

9. **Investments**	2019	2018
Current investments		
Held to maturity		
Term deposits:		
Barbados Public Workers Co-operative Credit Union Ltd. - 1.5% to 2.25% p.a. (prior year 3% to 3.25%)	941,809	910,889
Capita Financial Services Inc. - 2.4% to 2.8% p.a. (prior year 3%)	706,033	350,000
First Citizens Investment Services (Barbados) Ltd. - 1.25% p.a. (prior year 2%)	51,000	50,000
	1,698,842	1,310,889
Non-current investments		
Available-for-sale		
Co-operators General Insurance Company Limited: - 1,754 common shares (prior year 1,736)	547,090	200,290
	2,245,932	1,511,179

9. Investments – continued

(a) The League adopted the International Financial Reporting Standard #9 (IFRS9), which took effect for accounting periods beginning on or after January 01, 2018. Accordingly, the available-for-sale, unquoted equity investments are shown at their fair value and the resulting unrealized gain is included in the Statement of Comprehensive Income.

(b) 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, 2018 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	2019	2018
(a) Gross carrying amount		
Cost	214,198	204,238
Accumulated depreciation	(161,745)	(139,282)
Net book value	52,453	64,956
(b) Reconciliation of Net Book Values		
Balance - start of year	64,956	24,316
Purchases	10,245	60,806
Depreciation charge for year	(22,748)	(20,166)
Balance - end of year	52,453	64,956

11.	**Accounts payable and accruals**	2019	2018
	Interest on shares	23,718	25,774
	Other accounts payable and accruals	73,399	49,162
		97,117	74,936

12.	**Unearned revenue**	2019	2018
	League dues	94,133	93,874

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

13.	**Non-qualifing shares payable**	2019	2018
	Regular shares	847,875	894,535

(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.

14.	**Development Fund**	2019	2018
	Receipts		
	Regular contributions received in year	136,234	128,554
	Contributions for:		
	AML Enhancement Project	24,500	0
	IFRS 9 Expected Credit Loss	550	47,835
	Small Credit Unions Development	42,000	42,000
	Hurricanes Irma & Maria Relief Donations	0	14,500
	Interest received	4,226	937
	Total receipts	207,510	233,826
	Payments		
	Administrative fees	20,435	19,238
	AML Enhancement Project	24,500	0
	Bank charges	121	99
	BERT Forum	11,446	0
	CCCU Development Foundation Sponsorship	2,117	0
	Co-operative Bank services consultancy	12,227	15,875
	Hurricanes Irma & Maria Relief	0	25,060
	IFRS 9 Expected Credit Loss	67,693	47,353
	Small Credit Unions Development - consultancy and administrative support fees	60,571	50,207
	Website development & maintenance	1,103	1,103
	World Council of Credit Unions - conference	20,767	54,829
	World Council of Credit Unions - Bronze Supporter	0	2,158
	Total payments	220,980	215,922
	Net (payments) / receipts for year	(13,470)	17,904
	Balance - start of year	230,021	212,117
	Balance - end of year	216,551	230,021

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

15. Education Fund	2019	2018
Receipts		
Contributions received in year	128,443	199,472
Interest earned	10	8
Total receipts	128,453	199,480
Payments		
Bank charges	63	99
Facilitators' fees	17,575	24,680
General and administrative	12,844	19,947
Refreshments	13,967	14,730
Staff costs	79,590	83,231
Stationery	1,142	647
Total payments	125,181	143,333
Net receipts for year	3,272	56,147
Balance - start of year	104,077	47,929
Balance - end of year	107,349	104,077

(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.

16.	**Institutional Strengthening Project**	2019	2018
	Receipts		
	Interest received	3,245	413
	Total receipts	3,245	413
	Payments		
	Bank charges	48	66
	Total payments	48	66
	Net receipts for year	3,197	347
	Balance - start of year	117,111	116,764
	Balance - end of year	120,308	117,111

(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.

17.	**Qualifying shares**	2019	2018
	Qualifying shares	6,200	6,200

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

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

18. Special Reserve

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

(b) At the balance sheet date, the amount outstanding from the individuals to whom the League had on-lent the HCF funds was $425,279 (prior year $426,174). 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, 2019
Expressed in Barbados dollars

	2019	2018
Advertising	3,332	6,614
60th Anniversary celebrations	46,465	1,920
Bad debt expense	176	0
Bank charges	4,181	4,837
Cleaning	5,805	5,520
Committee reimbursement	15,550	15,550
Convention - Caribbean Confederation Credit Unions	10,953	36,792
International Credit Union Day	5,675	5,068
Insurance	10,323	9,829
Meeting expenses	33,663	37,371
Office supplies and stationery	20,467	23,008
Postage, courier and mail distribution	8,046	8,626
Professional fees	14,938	30,225
Rent	120,247	120,247
Repairs and hire of equipment	18,859	7,417
Software	685	0
Subscriptions	1,474	1,915
Telephone and internet	18,912	16,090
Utilities - Electricity	25,298	24,899
	365,049	355,929

Statistical Information

As at March 31, 2019						
NAME OF SOCIETY	**MEMBERSHIP**	**LIABILITIES**			**ASSETS**	
		Deposits	Members' Shares	Share Capital	Loans to Members	Total Assets
BET	774	16,501,424	17,520,708	92,880	16,256,991	39,202,336
BARTEL	750	10,158,747	-	114,564	3,684,889	12,846,117
BARBADOS MEDIA (RELIANCE)	640	10,090,076	-	32,000	9,146,140	12,787,475
BARBADOS POLICE	1,445	4,943,083	16,852,820	385,575	23,290,459	30,164,764
BARBADOS PUBLIC WORKERS'	95,005	1,172,405,878	-	11,400,600	1,016,015,275	1,356,109,448
BARBADOS SECONDARY TEACHERS' UNION	462	2,060,650	-	78,812	2,872,125	2,620,684
BARBADOS SEVENTH-DAY ADVENTISTS	365	1,717,650	-	351,940	703,341	2,077,002
BARBADOS TEACHERS'	2,398	10,941,854	66,350,669	119,900	41,051,816	89,967,051
BARBADOS WORKERS' UNION	24,354	152,862,399	-	2,309,550	114,957,340	170,688,828
BETHEL CIRCUIT	108	21,593	-	202,619	125,461	328,554
BOTTLERS UNITED	431	2,925,650	-	22,000	1,785,406	3,668,678
CARIBANK	379	15,566,824	92,311	154,574	5,179,485	17,776,063
CHURCH OF THE NAZARENE	343	1,698,597	-	33,475	818,708	1,914,923
CITY OF BRIDGETOWN	64,380	370,301,833	84,247,407	3,219,000	352,030,502	514,716,734
COURTESY	291	149,407	1,091,443	20,600	886,167	1,996,374
ENDEAVOUR	588	6,967,302	-	76,440	7,713,174	9,334,533
FAMILY	552	2,803,881	-	63,060	1,413,921	3,492,892
JAMES STREET CIRCUIT	169	548,204	-	17,300	238,766	968,818
LIFETIME	5,472	40,142,396	17,433,148	273,600	39,630,084	62,016,025
LIGHT & POWER EMPLOYEES'	1,841	19,898,987	25,371,509	184,100	31,477,204	53,520,589
MORAVIAN CHURCH	285	184,147	23,260	734,809	326,944	1,097,819
ONE HERITAGE	921	3,038,776	2,142,228	48,051	1,960,816	6,278,363
PROGRESSIVE	261	4,128	-	99,908	34,196	97,889
PUBLIC TRANSPORT	1,085	5,055,513	-	133,592	7,898,291	10,137,345
SHAMROCK	322	343,276	538,757	21,665	231,322	1,274,574
ST. BARNABAS	68	34,945	105,708	3,400	54,331	210,099
ST. LEONARD'S	230	293,264	566,815	11,500	409,199	1,130,132
ST. MARK'S	687	1,785,984	-	48,793	1,067,667	2,467,485
ST. STEPHEN'S	561	1,134,210	1,261,754	42,532	1,013,952	3,240,161
U.W.I. (CAVE HILL)	1,838	11,774,748	40,410,778	183,800	25,700,882	64,310,902
UNITED ENTERPRISE	928	4,888,434	4,138,858	-	7,971,835	10,976,345
TOTAL	**207,933**	**1,871,243,860**	**278,148,173**	**20,480,639**	**1,715,946,689**	**2,487,419,002**
HINDS TRANSPORT SERVICES	38	-	-	71,069	21,593	176,191
PRUDENTIAL	234	684,388	640,170	20,687	1,082,550	1,679,100
TOTAL	**272**	**684,388**	**640,170**	**91,756**	**1,104,143**	**1,855,291**

Membership Shareholding

BARBADOS CO-OPERATIVE & CREDIT UNION LEAGUE LTD July 31, 2019			
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
BETHEL CIRCUIT	200.00	-	200.00
BOTTLERS UNITED	200.00	990.00	1,190.00
CARIBANK	200.00	1,350.00	1,550.00
CHURCH OF THE NAZARENE	200.00	320.00	520.00
CITY OF BRIDGETOWN	200.00	49,800.00	50,000.00
COURTESY	200.00	69,690.00	69,890.00
ENDEAVOUR	200.00	152,180.00	152,380.00
FAMILY	200.00	2,300.00	2,500.00
JAMES STREET CIRCUIT	200.00	900.00	1,100.00
LIFETIME	200.00	17,300.00	17,500.00
LIGHT & POWER EMPLOYEES'	200.00	59,170.00	59,370.00
MORAVIAN CHURCH	200.00	-	200.00
ONE HERITAGE	200.00	11,760.00	11,960.00
PIG FARMERS	-	55.00	55.00
PROGRESSIVE	200.00	830.00	1,030.00
PRUDENTIAL	-	100.00	100.00
PUBLIC TRANSPORT	200.00	99,920.00	100,120.00
RELIANCE	200.00	-	200.00
SHAMROCK	200.00	-	200.00
ST. BARNABAS	200.00	-	200.00
ST. LEONARD'S	200.00	4,800.00	5,000.00
ST. MARK'S	200.00	8,200.00	8,400.00
ST. STEPHEN'S	200.00	850.00	1,050.00
U.W.I. (CAVE HILL)	200.00	34,800.00	35,000.00
UNITED ENTERPRISE	200.00	3,800.00	4,000.00
TOTAL	6,200.00	847,875.00	854,075.00
	0.73%	99.27%	100.00%

ANNUAL GENERAL MEETING STANDING ORDERS

ORDER OF BUSINESS

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

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

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

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

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

SPEECHES

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

- A member rising on a point of order shall state the point clearly and concisely. (A point of order must have relevance to the Standing Order.)
- A member shall not call another member to order but may draw the attention of the Chairperson to a breach of order as soon as it occurs.
- On no account can a member call the Chairperson to order.
- If it should come to pass that a speaker is called to order while speaking, the speaker shall take his seat until the question of order is determined.

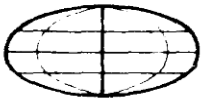
CHAIRPERSON'S RULING

- The ruling of the Chairperson on any question under the Standing Orders, or on points of order or explanation, shall be final, unless challenged by not less than four members, and unless two-thirds of the members present vote to the contrary.
- Only one amendment shall be before the meeting at one and the same time. When a motion is withdrawn, any amendment to it fails.
- If there is an equality of voting on an amendment, and if the Chairperson does not exercise his casting vote, the amendment is lost.
- Provisions shall be made for protection by the Chairperson from vilification (personal abuse).
- No member shall impute improper motives against another.

Your Credit Union

You may have seen this symbol before, on our posters perhaps, or in our newsletters, or in a newspaper, or even on Credit Union Buildings 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 organisation. That's why we've included a globe as part of the overall symbol. As a matter of fact, there are more than 38,000 Credit Unions all over the world.

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

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

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

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

Your credit union –
It's where you belong