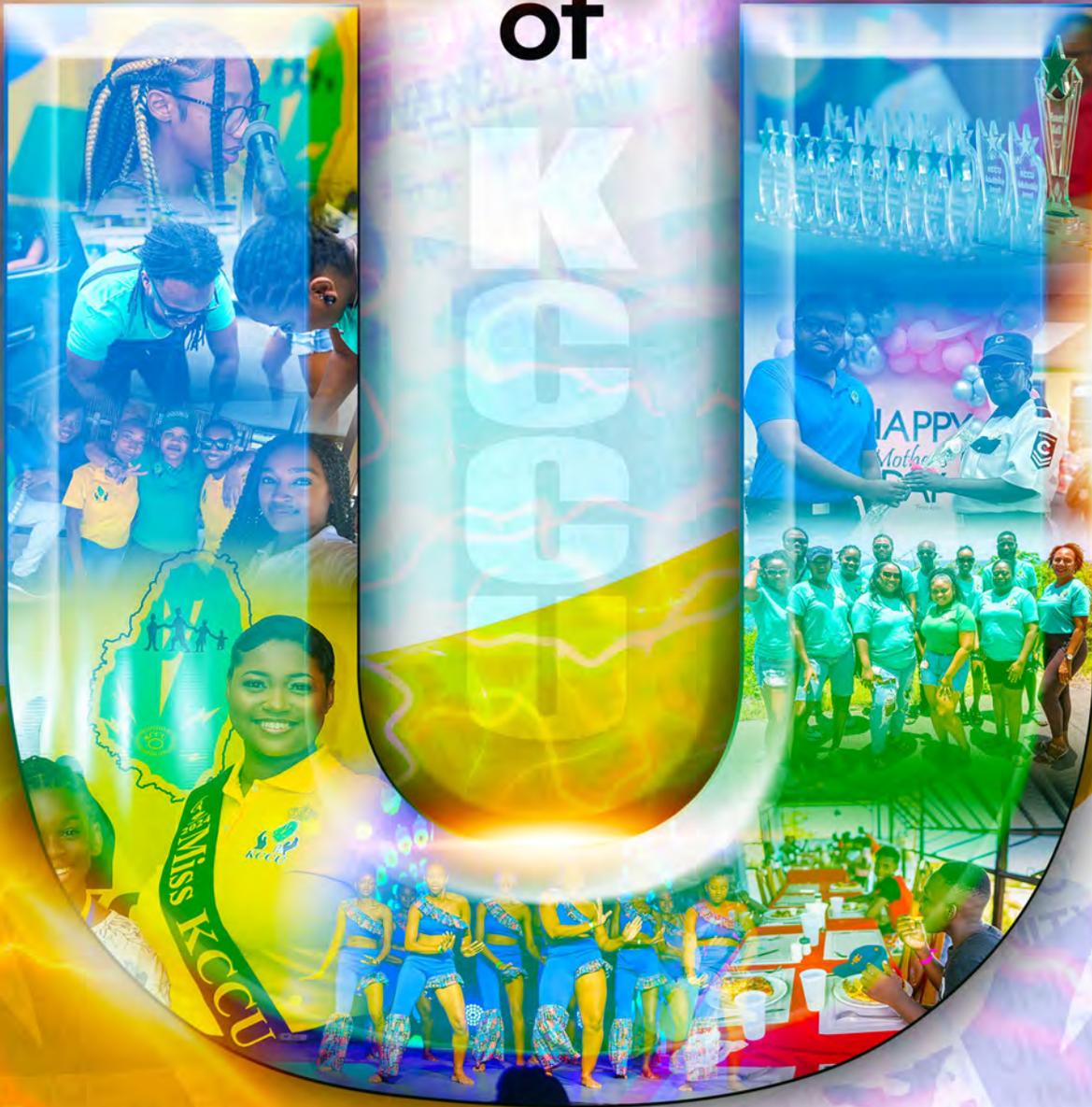


The POWER of



Russell's Auditorium
October 3rd 2024

Reports
& Accounts
2023

BOARD OF DIRECTORS 2023



Bro. Timothy Scott – President



Bro. Laurent Hadley – Vice President



Sis. Sabita Jacobs – Secretary



Sis. Daniella Henry – Treasurer



**Sis. Niasha Stapleton –
Asst. Secretary/Treasurer**



Bro. Osneth Cato– Director



Bro. Danville Toney– Director

KCCU COMMITTEES 2023

◆ EDUCATIONS COMMITTEE



Sis. Nicole Byron – Chairperson



Sis. Joslyn Craigg– Secretary



Sis. Nisha Hope – Member



Bro Canute Myers – Member



Sis. Sophia Clouden– Member

◆ CREDIT COMMITTEE



Sis. Susan Ingrid Clarke – Chairperson



Sis. Elthia George– Secretary



Sis. Lucille Browne– Member



Bro Harvey Farrell – Member



Bro. Claydon Roache- Member

KCCU COMMITTEES 2023

◆ SUPERVISORY & COMPLIANCE COMMITTEE



Sis. Moureeze Franklyn – Chairperson



Sis. Joselle Joslyn– Secretary



Bro. Steve Millington- Member



Sis. Camille John- Member



Sis. Akisha Yearwood- Member

PRESIDENT'S MESSAGE

“The Power of U”

Brothers and Sisters of the Kingstown Cooperative Credit Union Ltd,

Welcome to the 62nd Annual General Meeting of our Credit Union. Over the past three years, our members have faced numerous natural disasters that have adversely affected their livelihoods. We have endured the challenges of COVID-19, followed by the La Soufrière eruption in 2022. Additionally, our nation, blessed as it is, lies within the hurricane zone.

The IMF report stated that the economic outlook for St. Vincent and the Grenadines is promising, with a projected growth rate of 4.9% in 2024. The nation has shown a robust recovery from the pandemic and the 2021 volcanic eruptions, bolstered by significant investment projects and a strong rebound in tourism. Employment levels have largely returned to pre-pandemic figures, although challenges remain, particularly for young men and female labor force participation. Inflation has decreased from its peak, and the financial system remains stable. However, the economy faces ongoing risks from an uncertain external environment, natural disasters, and climate change, alongside a rapidly aging population and high public debt. The government is addressing these challenges through comprehensive reforms aimed at sustaining growth and stability.

As your President, I assure you that the Credit Union remains steadfast in its commitment to you, our valued members. Without your support and the vision of our founding members, the Kingstown Cooperative Credit Union would not exist today.

I am pleased to report that, with improvements in the credit quality of our loan portfolio, the Credit Union returned to profitability in the financial year 2023. We continue to grow both in membership and financial strength. Our sustained growth depends on our collective efforts to encourage non-members to join and to meet our financial obligations to this esteemed organization. With age comes wisdom, and I am proud to say that wisdom guides our decision-making process, ensuring we fulfill our mandate to you. We will continue to invest in Information Technology, Human Resources, and other critical infrastructure to further strengthen the Credit Union and deliver sustainable value to our members.

Regarding our ongoing projects, I am pleased to inform you that the construction of our Georgetown Branch will commence soon. The designs have been completed and are available for viewing at the Kingstown Branch. Additionally, the Brighton Affordable Housing project is progressing, albeit slower than anticipated. Members will be updated as the project advances. Our solar farm at Kingstown Park continues to perform exceptionally well, and we plan to further develop the property as Kingstown expands. We are also implementing various aspects of our Information Technology project to combat the increasing threat of cybercrime. Continuous upgrades to the KCCU IT system are essential to provide you with modern, secure ways to access your finances.

KCCU remains committed to offering affordable products tailored to various occasions throughout the year.

As KCCU expands, we recognize the need for additional measures, including the hiring of an Internal Auditor and an Assistant to the Compliance Officer. These positions will enhance our ability to manage and audit the various activities within our financial institution. Remember, auditing and compliance are crucial for the proper monitoring of our financial operations.

We must acknowledge that the era of earning reasonable interest on large deposits in commercial banks has passed. Therefore, KCCU must continue exploring alternative investment avenues while providing you with the mortgages and other financial products you require.

The Kingstown Cooperative Credit Union (KCCU) belongs to all of us. It is imperative that we support our institution and continue to meet our obligations to ensure its ongoing survival and growth as we move forward together.

Supporting the growth of the Kingstown Cooperative Credit Union (KCCU) can be achieved through several proactive measures:

1. **Encourage Membership:** Invite friends, family, and colleagues to join KCCU. Increased membership strengthens the credit union's financial base and community presence.
2. **Meet Financial Obligations:** Ensure timely repayment of loans and other financial commitments. This helps maintain the credit union's financial health and ability to offer services.

KCCU remains committed to offering affordable products tailored to various occasions throughout the year.

3. **Participate in Meetings:** Attend Annual General Meetings and other member meetings. Active participation ensures your voice is heard and contributes to the decision-making process.
4. **Promote Services:** Advocate for KCCU's products and services within your community. Word-of-mouth referrals can attract new members and business.
5. **Utilize Services:** Make use of the various financial products offered by KCCU, such as savings accounts, loans, and investment opportunities. This supports the credit union's operations and growth.
6. **Volunteer:** Offer your time and skills to support KCCU's initiatives and events. Volunteering can help the credit union achieve its goals and strengthen community ties.
7. **Stay Informed:** Keep up-to-date with KCCU's developments, projects, and financial health. Being informed allows you to make better decisions and provide valuable feedback.
8. **Provide Feedback:** Share your experiences and suggestions with KCCU's management. Constructive feedback can lead to improvements in services and operations.
9. **Support Initiatives:** Back KCCU's projects and initiatives, such as the Georgetown Branch construction and the Brighton Affordable Housing project. Your support can help these projects succeed.
10. **Adhere to Policies:** Follow the credit union's policies and guidelines. Compliance ensures smooth operations and helps maintain trust and integrity within the organization.

By taking these steps, you can actively contribute to the growth and success of KCCU. Together, we can ensure a prosperous future for our credit union and its members.

With the recent revisions to the Cooperative Society Act, it has become urgent to update our Byelaws to align with these changes. This update will be undertaken in 2024 and is expected to be presented to the membership before the end of the year.

Let us strive for a productive and successful Annual General Meeting. Let us continue to adhere to the Credit Union Prayer and remain steadfast in our commitment to the principles upon which our noble institution was founded. May the God we serve continue to bless us, and may we always remember that with Him, all things are possible.

A handwritten signature in black ink, appearing to read 'Timothy Scott', with a long, sweeping horizontal flourish extending to the right.

Bro. Timothy Scott

President

STANDING ORDERS

1. a. A member to stand when addressing the Chair.

b. Speeches to be clear and relevant to the subject before the meeting.
2. A member shall only address the meeting when called upon by the Chairman to do so, after which he/she shall immediately take his or her seat.
3. No member shall address the meeting except through the Chairman.
4. A member shall not speak on the subject twice except:
 - a. The Mover of a motion – who has the right to reply.
 - b. He/she rises to object or explain (with the permission of the Chair).
5. The Mover of a Procedural Motion – (Adjournment lay on the table, Motion to Postpone) to have no right to reply.
6. No speeches to be made after the “Question” has been put and carried or negated.
7. A member rising on a “Point of Order” to state the point clearly and concisely. (A “Point of Order” must have relevance to the “Standing Orders”).
8. A member should not “Call” another member “To Order” but may draw the attention of the Chair to a (“Breach of Order”).
 - b. In no event shall a member call the Chair to order.
9. A “Question” should not be put to the vote if a member desires to speak on it or move an amendment to it except, that a Procedural Motion, the “Previous Question”.
10. “Proceed to the next Business” or the Closure: “That the Question be Now Put”, may be moved at any time.
11. When a motion is withdrawn any amendment to it falls.
12. The Chairman to have the right to a “Casting Vote”.
13. If there is equality of voting on an amendment, and if the Chairman does not exercise his casting vote, the amendment is “lost”.
14. Provision to be made for protection by the Chairman from vilification (Personal Abuse).
15. No member shall impute improper motives against another member

NOTICE AND AGENDA OF THE 61st ANNUAL GENERAL MEETING

Notice is hereby given that the 61st Annual General Meeting of the Kingstown Co-operative Credit Union Limited is scheduled to be held on Thursday, September 07, 2023, at the Russell's Auditorium, Kingstown at 4:00 pm.

AGENDA

OPENING SESSION

1. Ascertainment of Quorum
2. Call to Order and Welcome
3. Prayer
4. National Anthem
5. Credit Union Song
6. Apologies for Absence
7. Silent Tribute
8. Greetings

BUSINESS SESSION

1. Call to Order
2. Adoption of Standing Orders
3. Minutes of the 60h Annual General Meeting
 - (a) Amendments and Confirmation
 - (b) Matters arising from the Minutes
4. Reports – Presentation and Adoption
 - (a) Board of Directors
 - (b) Treasurer and Auditor
 - (c) Credit Committee
 - (d) Supervisory Committee
 - (e) Education Committee
5. Election of
 - (a) Officers
 - (b) Auditors
6. New Business
7. Adjournment

Co-operatively yours



Sis. Sabita Jacobs

Secretary

Board of Directors

CREDIT UNION PRAYER

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;
Where there is sadness Joy.
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;
It is in dying, that we are born to eternal life,
Bless, O Lord our deliberations and grant that
whatever
We may say and do will have Thy blessing and
Guidance through Jesus Christ our Lord.
Amen.

THE NATIONAL ANTHEM OF ST.VINCENT AND THE GRENADINES

St Vincent, Land so beautiful
With Joyful hearts we pledge to thee
Our Loyalty and Love and Vow
To keep you ever free.

Hairoun Our fair and Blessed Isles
Your mountains high so clear and green
Are home to me though I may stray
A haven calm serene.

Our little sister Islands are
Those gems, the lovely Grenadines
Upon their seas and golden sands
The sunshine ever beams.

Refrain

Whate'er the future brings
Our faith will see us through
May peace reign from shore to shore
And God bless and keep us true.

BROTHERS IN CO-OPERATION

Men and Women of the nation,
Join us in co-operation
For our social elevation
Hasten to the call
The present is the time for action
Let no selfish class or faction
Here among you spread distraction,
Come one and all.
Refrain:
Hand in hand on pressing,
All our wrongs redressing,
Work and we right soon shall see
Wide scattered many a blessing
Ernest true Co-operation,
Be our glorious aspiration
Till we see among the nation,
Love for one and all.
Be our efforts never tiring,
Each success a new inspiring,
Here's a cause your aid requiring
Here's work for you.
Come and make each man a brother,
If you're strong come help another,
Strong and weak can aid each other
If their hearts be true.
See the banner waving o'er us,
Hear the men who've gone before us,
Sending back the shouting chorus
Keep the flag unfurled,
Their's the seed that now upspringing,
Hope to many a heart is bringing
All our moans we'll change to singing
Aye, throughout the world.

CORPORATE PROFILE 2023

DATE OF REGISTRATION

12th April 1958

REGISTERED OFFICE

K.C.C.U. Financial Centre
P.O Box 1533
Granby Street, Kingstown
St. Vincent and the Grenadines

Board of Directors

Bro.	Timothy Scott	-	President
Bro.	Laurent Hadley	-	Vice President
Bro.	Daniella Henry	-	Treasurer
Bro.	Sabita Jacobs	-	Secretary
Sis.	Nyasha Stapleton	-	Assistant Secretary/Treasurer
Bro.	Osneth Cato	-	Director
Sis.	Danville Toney	-	Director

Credit Committee

Sis.	Ingrid Clarke	-	Chairperson
Sis.	Elthia George	-	Secretary
Sis.	Lucille Browne	-	Member
Bro.	Harvey Farrell	-	Member
Bro.	Claydon Roache	-	Member

Supervisory and Compliance Committee

Sis.	Moureeze Franklyn	-	Chairperson
Sis.	Joselle Joslyn-White	-	Secretary
Sis.	Camille John	-	Member
Bro.	Steve Millington	-	Member
Sis.	Akisha Yearwood	-	Member

Education Committee

Sis.	Nicole Byron	-	Chairman
Sis.	Joslyn Craigg	-	Secretary
Sis.	Nisha Hope	-	Member
Sis.	Sophia Clourden	-	Member
Bro.	Canute Myers	-	Member

Banker

Bank of St. Vincent & the Grenadines

Auditor

Grant Thornton

Solicitor

Saunders & Huggins

STAFF PROFILE 2023

Mr. Eronne Evans	-	General Manager
Ms. Michka Charles	-	G.M. Secretary
Mrs. Hadasha Butcher-Cruikshank	-	Compliance Officer
Mrs. Oszette Glasgow-Providence	-	Human Resource Officer

CUSTOMER SERVICES AND ADMIN DEPARTMENT

Mrs. Alice Adams-Francois	-	Customer Service Manager
Ms. Rachel Phillips	-	Member Services – Senior Representative
Ms. Corina Arrindell	-	Customer Service Representative
Ms. Maureen Wells	-	Office Attendant
Mr. Andre Soleyn	-	Drive/Office Attendant
Mr. Sherwyn Herbert	-	Security Guard

MARKETING DEPARTMENT

Ms. Ruth Stowe	-	Marketing Officer
Mr. Cuthbert Noel	-	Marketing Assistant

CREDIT DEPARTMENT

Ms. Marcelle Alexander	-	Head of Credit
Mr. Troy Bullock	-	Business Development Officer
Mrs. Sharol-Rose Gregg-Abbott	-	Senior Loans Officer
Ms. Sherry-Ann Parsons	-	Senior Loans Officer
Mr. Joshua Romeo	-	Loans Officer
Ms. Makini St. Hillaire-Garraway	-	Loans Officer
Ms. Zada Stephens	-	Loans Officer
Ms. Shirlon Ashton	-	Loans Officer
Mrs. Phylisha Shearman-Cambridge	-	Loans Administration Clerk
Ms. Kimmel Browne	-	Filing Clerk

LOANS RECOVERIES DEPARTMENT

Ms. Judith Seaman	-	Recoveries Manager
Ms. Danielle Charles	-	Senior Recoveries Officer
Ms. Zorah Primus	-	Recoveries Officer

ACCOUNTS DEPARTMENT

Mr. Zonique Cato	-	Accountant
Ms. Allisa Barnum	-	Accounts Supervisor
Ms. Koriene Chance	-	Accounts Clerk
Mr. Sobato McDowall	-	Accounts Clerk
Mrs. Monique Springer-Cupid	-	Head Teller
Ms. Cuthesia Miller	-	Teller
Ms. Allysa Smith	-	Teller
Ms. Zoe Garraway	-	Teller
Ms. Anaria Morgan	-	Teller
Ms. Sameeka McDonald	-	Teller

INFORMATION TECHNOLOGY DEPARTMENT

Mr. Andre Gaymes	-	IT Manager
Mr. Andre Davy	-	System Administrator

SECURITIES DEPARTMENT

Ms. Sharlene Antoine	-	Securities Manager
Ms. Theresa John	-	Senior Securities Officer
Ms. Shana Cunningham	-	Junior Securities Officer
Mr. Devorn Walker	-	Junior Securities Officer

BRANCH OFFICES

MARRIAQUA

Ms. Cara Hunter
Ms. Jasmine Woods
Ms. Rhonel John
Ms. Ariel Bulze
Mr. Carlos Ryan
Mr. Arthneil Baker
Mrs. Senica Williams-Spencer

BEQUIA

Ms. Shemica Hazell
Ms. Charlene Farrel
Mr. Kemuiel Frederick

UNION ISLAND

Ms. Oteeka Rocque
Mr. Asean Craigg
Ms. Kezanny Williams

CANOUAN

Ms. Wendella Richards

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MINUTES OF THE 61st ANNUAL GENERAL MEETING (AGM)

OF THE

KINGSTOWN CO-OPERATIVE CREDIT UNION LTD (KCCU)

**HELD AT THE RUSSEL'S AUDITORIUM AND ON THE ZOOM PLATFORM ON
THE 7 SEPTEMBER, 2023 BEGINNING AT 4:00PM**

OPENING SESSION

1. ASCERTAINMENT OF A QUORUM

Sis Sabita Jacobs ascertained there was a quorum.

2. CALL TO ORDER AND WELCOME

Sis Jacobs called the meeting to order at 4:20

She expressed appreciation to the attendees in person and online.

3. PRAYER

Sis Sharol-Rose Greg-Abbott offered a word of prayer. The Credit Union's prayer was then recited.

4. NATIONAL ANTHEM

The National Anthem was played on the pan.

5. CREDIT UNION SONG

Sis Judith Seaman sang the Credit Union song.

6. APOLOGIES FOR ABSENCE

None

7. SILENT TRIBUTE

A one-minute silence was observed for the members who died within the reporting period and whose names were read by Sis Jacobs as follows:

Clarena Browne	Phil James	Ulrick Butler
Jacob Nero	Shanneth Williams-King	George Wilson
Donald Myers	Simeon Sandy	Viola Trimmingham
Irene Foy	Kendall Scott	Gregory Waldron
Dillon Robinson	Abigail Prince	Cyril Harry
Augustus Priam	George Francis	Insford Kydd
Colin Thomas	Jestina Alvis	Netta Russell
Randolph Horne	Earl Henry John	Kimlyn Spring
Vesta Bowman	Ezekiel Clarke	Orneicha Burke
Joseph Barker	Albert DaSilva	Rudolph John
Urias Trimmingham	Angus Maloney	Yvette Nichols-Barnwell
Pearline Richardson	Kyron King	Keziah Ashton
Reynold Campbell	Reginald Thomas	Julian Forbes
Lamond Crooke	Hedwige Sandy	Inica Dublin
Hermelitha Mcphy	Helen Gilbert	Donna Scott
Andrew Matthias	Apparcia Jones	Erry Cyrus
Evelyn Cambridge	Kenroy Davis	Silas Hamilton
Clinton Tucker	Samuel Robertson	Winston Roberts
Janice Bacchus-Weekes	Norman Matthias	Moulton Mayers
Stanley Richards	Victor Peters	Tropheua Williams
Lester Smart	Irvin Jackson	Martha Diamond
Claudette Mitchell	George Kydd	Yvonne Culzac
Kendal Robertson	Rosetta Shepherd	Berford King
Eldon Richards	Ivosow Shallow	Paul James
Leroy Jackson	Veta Williams	Jennifer Cuffy Ashton
Verna Keane	George Joseph	Ann-Marie Bowman
Lynette Frederick	Dorothy Derrick	Noel Cyrus
Jemina John	Collin Primus	Elsie Foy
Danley Matthews	Dexter Ambris	Kenrick Peters
Albona Brackin	Annis Bullock	Sheridan Henry-John
<u>Alanzo Deane</u>	Julian Bailey	Michele Miller-Findlay
Owen Prescod	Kenneth Lavia	Cynthia Davis

8. GREETINGS

Greetings received from the following organisations:

SVG Cooperative Credit Union League – Cecilia J. Williams

SVG Teachers Cooperative Credit Union Ltd (SVGTCCU) – Gilbert Frederick

General Employees Cooperative Credit Union Ltd (GECCU) – Bro Muriah Samuel

Police Cooperative Credit Union (PCCU) – Bro Enville Williams

St Vincent Automotive Cooperative Society Limited (SACS) – Sis Zonia Williams

BUSINESS SESSION

1. CALL TO ORDER

Bro Terrol Mapp, President and Chairman of the Business Session, called the Business Session to order at 4:50 pm.

2. PRESIDENT'S REPORT

2.1 HR Overview

Bro Mapp referred to the 2022 AGM and stated that the gaps highlighted due to the growing membership and the need for succession to ensure long-term viability, saw human-resource-related changes within the last year were:

Former CEO Bro Clement Lynch and head of customer service Bro Alonso Munroe received their respective financial packages and were no longer with KCCU. He expressed tremendous appreciation for their immense contribution to KCCU.

The promotion of Bro Eronne Evans to General Manager following an internal advertisement process.

Sis Alice Adams François, appointed Customer Service Manager.

Sis Sharlene Antoine, Manager of the newly established Securities Department.

The promotion of two junior loan officers to senior loan officers.

The establishment of a Business Development Officer, Marketing Assistant and Accountant.

Several persons were promoted to Loans, Recoveries, and Securities Officers.

Reading of Report

Bro Terral Mapp, the President, read the report as presented on pages 3 and 4 of the AGM booklets.

3. ADOPTION OF THE AGENDA AND STANDING ORDERS

The President suggested item 5 of the Business Session on the AGENDA be amended to allow elections immediately after the respective committee reports.

A motion was moved by Bro Jerome DeShong and seconded by Bro Clement Lynch, adopting the AGENDA as amended.

Sis Daniella Henry moved the motion to adopt the standing orders, seconded by Bro Kemuel King. The motion was carried.

4. MINUTES OF THE 60TH ANNUAL GENERAL MEETING

4.1 Amendments and Confirmation

Pg 14 : 3, 2nd paragraph: "descending" was changed to "dissenting".

Pg 15 : 3.2.3, 1st paragraph: "2023" was changed to "2022".

Pg 15 : 5.1.1, 1st paragraph: "2023" was changed to "2022".

Pg 16 : ref pg 32: "Sis Indira Toney" was changed to "Sis Inderia Toney".

Pg 18 : 4th paragraph: "The membership unanimously" was changed to "The majority of the membership".

Sis Nicole Byron moved the motion to adopt the minutes as amended, seconded by Sis Joselle Joslyn-White. The motion was carried.

4.2 MATTERS ARISING

4.2.1 KCCU Share Capital Augmentation Plan

Bro Clement Lynch inquired about the minutes of the special meeting held on Thursday, 8th September 2023, to discuss the share capital augmentation plan as it was required to reflect the decisions taken. He also asked whether the By-laws were amended to reflect the authorization to adopt the qualifying and equity shares.

The Chairman committed to urgently presenting the minutes and the resolution to the membership.

The Chair reported that the Financial Services Authority (FSA) approved KCCU to proceed with the resolution. He will verify whether the By-Laws were amended.

5. REPORTS – PRESENTATION AND ADOPTION

5.1 BOARD OF DIRECTORS' REPORT

Sis Jonelle Codougan moved the motion to adopt the report as read and seconded by Sis Licia Nero. The motion was carried.

5.1.1 Discussion on the BOD Report

Pg 25 – 10.1: Considering the fast-paced, ever-changing technology industry, Bro Michael John queried the decision to spend \$2 million on the IT project within a short timeframe. He also asked if the project would be tendered.

Bro Martin Sheen clarified that the \$2 million would be spent in phases. The project included implementing a new ATM and improving the software infrastructure. The physical infrastructure was the main aim of the first phase, and the usual procurement process, which cost less than \$1 million, was adhered to. The ATM was expected in St Vincent by October and will be installed by December.

Pg 28 – 10.5: Bro Vanloo aired concern over the Georgetown project listed to commence in the first half of 2024 as the membership did not know the costs.

Referring to the procurement process; Bro Timothy Scott emphasised procurement procedures and stated that the estimated costs should not be publicised. Bro Vanloo disagreed and noted that membership commitments must be clear. Bro Scott indicated that estimates were provided to the consultant. Upon receiving the tenders, they would be presented to the membership for approval.

Pg 28 – 10.6: "61st AGM" was changed to "60th AGM".

Pg 28 - 10.6: Bro Harvey Farrell queried the decision to remove all the trees at Brighton, which went against the organisation's environmental policies.

The President stated that the trees were removed to evaluate the land's topography.

Pg 29 – 10.7: In response to Bro Lynch, the President confirmed that the information provided was for Kingstown Park. Bro Lynch further questioned why the property in Kingstown was reflected in the accounts as an investment property. He said it should be shown as an asset and depreciated accordingly as it earned an income as a photovoltaic site. Also, he asked why the monthly electricity expense doubled since the commencement of the solar PV farm.

Bro Evans noted that the panels were non-permanent structures on the property, which earned an income and thus was still an investment. He explained that the electricity was over-accrued incorrectly and would be corrected.

Further, Bro Lynch hoped that KCCU was not paying dividends on the interest income generated from the solar PV farm because VINLEC does not refund. Bro Evans replied that the commercial Solar PV farm agreement differed from the domestic one. An Act was being deliberated in Parliament to allow VINLEC to pay KCCU. As a backup, there was the option to sell the credit to other companies to settle their electricity expenses.

Pg 29 – 10.8: Bro Farrell asked about the ancillary works for the two constructed bus terminals. The President confirmed that the bus terminals were completed. Bro Farrell also inquired about a maintenance plan, and Bro Evans said that KCCU retained the contractor of the terminals for maintenance.

Pg 29 – 10.9: Bro Vanloo reminded of his annual recommendation to set aside funds for agricultural production. He acknowledged the President's input that the 'BOSS Loan' was available to farmers but noted that the Credit Union was not making sufficient effort to recognise agriculture. He further recommended initiating a farming pilot project for testing.

Pg 29 – 10.9: Bro John inquired whether the national fleet expansion program contributed to the increase in the delinquency rate. The President responded that it did not. Bro Evans added that the increased delinquency was a result of mortgages.

Pg 34 – 10:16: The total female count was amended to 38.

Bro Harvey referred to the request at the previous AGM to report on the KCCU Med in the BOD report, which was not adhered to. The President apologised for the omission, discovered after the booklets were printed. Bro Evans updated that the insurance provider switched to Sagicor, and during the year, efforts will be made to renegotiate the rates, resulting in the delayed promotion. Sagicor was constantly changing the rates because of their loss ratio, so it was not easy to stabilise the cost.

The KCCU Med report will be available on the website.

Sis Baker reported that she had enquired about DCash in person at the office and via email, but she had received no response. According to Bro Evans, DCash is a product of the Eastern Caribbean Central Bank, which experienced a protracted outage. The Credit Union purposefully slowed down its product marketing because acceptance was low despite efforts to revive interest.

Pg 38 – 10.20: Bro Hadley responded that the interest rate on the Government of SVG bonds ranged from 3.25 per cent to 7.5 per cent in response to Bro Vanloo's request for information. Bro Vanloo suggested that the information be included in the report.

Bro John moved the motion to adopt the BOD report, seconded by Bro. Lynch. The motion was carried.

5.2 IT Governance Committee Report:

Bro Sheen, Chairperson of the IT Governance Committee, presented the IT audit and report with the following highlights:

The Committee identified red flags, such as the obsolete Windows operating system, which posed security vulnerabilities. The Committee procured consultants to address the gaps and vulnerabilities.

Due to an unestablished IT Department, there was a lack of documentation and IT policies.

The firewall system required updating. The Committee procured equipment such as a physical firewall and a software firewall with AI learning integration.

The network backbone infrastructure and ATM infrastructure needed upgrading. The Committee implemented a commercial-graded standard antivirus system and cable management. The IT management team commenced using the VMware system.

5.1.1 Discussion of the IT Governance Committee Report

Bro Vanloo requested a breakdown of the phases, the cost by step, and timelines for the IT project. Bro Sheen committed to relaying the information to the General Manager the following day. He opined that the membership should endorse a project of such financial magnitude.

Bro Lynch inquired about excluding member services such as nearfield debit card and point of sale services from the IT implementation. Bro Sheen responded that the point-of-sale discussion was ongoing for two years with BOSVG, who experienced issues with the technology from their vendors. Bro Lynch suggested implementing the member services independent of BOSVG while they sorted their challenges. He asked if there was an IT development plan which integrated KCCU's strategy.

Bro Sheen confirmed that KCCU has an IT implementation plan and projected timelines with an IT consultant from St Lucia. A full-fledged IT department was being developed, and interviews were conducted with system administrators and IT managers.

Bro Michael John opined that though the project was significant, with such high costs, it should be brought to the membership before implementation. Also, these projects would not benefit the elderly membership. Bro Sheen responded that the amount was budgeted and KCCU will identify reasonable suppliers.

Bro Floyd Patterson highlighted the \$2 million IT infrastructure cost was crucial for financial institutions like KCCU. It was not a significant cost but essential to building trust and relationships with primary bankers. He recommended that KCCU focus on plastic technology for seamless transactions and review IT infrastructure for securities, adhering to international standards and auditing requirements.

Sis Baker questioned why the mobile device application was only available on Android, not Apple. Bro Sheen advised that it was the type of application, and a more holistic application would be utilized in future software updates.

5.3 TREASURER'S AND AUDITOR'S REPORT

Bro Vanloo moved the motion to adopt the report as read and seconded by Sis Corselle Robertson. The motion was carried.

5.3.1 AUDITOR'S REPORT

Bro Floyd Patterson of Grant Thornton presented the financial report and emphasized the following:

The Kingstown Cooperative Credit Union's audit report, issued on 21st August 2023, focused on the allowance for impairment on the Credit Union's loan portfolio. The process involved assessing the rate of default, the probability, and the likelihood of default. The loans were classified into stages, with one being current, two being 31 to 90 days in arrears, and three being loans that missed more than three payments.

Macro indicators were used to determine the probability of loan default in stage three, considering recovery likelihood, collateral existence, and expected collateral realization timeframe.

IFRS9 evolved to involve statistical and financial computations to estimate collateral amounts, with loan loss estimates in financial statements estimating the entity's loss after converting collateral into dollars in 2022.

The audit report emphasised the need for rigorous review and testing of management's assumptions to ensure reliability, indicating no significant differences in the assessment.

The Credit Union evaluated impairment allowances on its loan portfolio and investments, following IFRS nine guidelines.

5.3.2 TREASURER'S REPORT

Bro Hadley amended the Treasurer's Report as follows:

Pg 45 – 11.5: Investment income for 2022 was corrected to \$874,000.

Pg 45 – 11.5: Commission and miscellaneous income for 2022 \$396,798.

During his summary of the Treasurer's Report, Brother Hadley highlighted the following:

KCCU's balance sheet depicted an 8% growth, driven by a 12% increase in the loan book portfolio. The increase was attributed to the rebound in the local construction sector despite a \$724,000 loss.

Restructuring efforts were ongoing, and KCCU will monitor nonperforming loans and mitigate deteriorating credit quality.

The Credit Union charged for a new management agreement requiring a lump sum payment for pension plans.

KCCU aimed to capitalize on sustainable opportunities while investing in information technology and risk management to ensure the fundamentals of the credit union remain sound and members' interests are safe.

5.3.2.1 Discussion on the Treasurer's Report

Pg 44 – 11.3: Bro Vanloo queried the decline of the cash resource by \$5 million. Bro Hadley responded that the cash at the bank was used to fund an increase in investment securities, specifically government bonds, which increased by \$4 million, totaling \$10 million. Bros Vanloo and John recommended that the government bond investment be carefully monitored, and Bro Hadley responded that an Investment Committee dealt with it.

Pg 45 – 11.7: Due to the Corporation's loss of \$724,000, Bro Lynch requested Article 19.1 of the By-laws be considered before paying dividends of \$1.2 million for 2022. The Article referred to no payment of dividends if there was no surplus.

Bro Lynch pointed out that on 8th September 2022, an extraordinary general meeting established that KCCU had two types of shares: qualifying and equity shares, with redeemable shares identified as a savings account.

Bro Lynch requested an update on the \$1.2 million reserve after the Marriacqua Cooperative Credit Union merger. Bro Hadley updated that it was still to be addressed.

Bro Patterson discussed the unique issues in the cooperative industry, where member shares were savings accounts. Accrual cannot occur automatically due to no set interest rate. The Board has the authority to decide on instruments, and accounting standards recognize hybrid instruments with debt or equity characteristics. The FSA proposed amendments to the Cooperative Societies Act to make equity or capital components permanent. The guiding principle states that the economic substance should always override the legal form

Bro Vanloo suggested that lowering interest rates on loans to members could help reduce delinquency and stimulate the economy. However, banks' interest rates fluctuate based on the economic situation, and this member organization cannot benefit from these fluctuations. The banks were taking reserves and lending them out at varying rates, resulting in only 0.5% profit for the organization. He suggested adjusting interest rates downwards and increasing lending to eliminate delinquency and stimulate the economy. In response, Bro Hadley emphasized the relation between loan rates and deposit rates, as a reduction in loan rates would decrease the credit union's spread, impacting the bottom line and reducing member returns.

Sis Marcelle Burgin pointed out that the online attendees were not considered in adopting motions.

Sis Marcelle Burgin expressed concern over the Cooperative's high delinquency rate, which rose from 5.7 per cent to 8.5 per cent. She requested the number of loans that had fallen into delinquency and the reason why excessive loans were approved. Bro Hadley noted that one specific loan significantly affected the delinquency rate, but strides were made on that loan, and some reversal would occur in the next financial year.

Bro Barry Edwards, a self-employed businessman, emphasized the challenges self-employed individuals face. They often faced difficulties obtaining loans despite their higher income than employed individuals. Bro Edwards suggested that institutions prioritize these individuals to improve their financial situation. Bro Hadley stated that loans were offered to self-employed individuals. However, there were strict conditions, as no salary could be assigned as a form of security.

Bro Kemuel King appreciated the Board's presentation of information to the membership but noted areas for improvement. The Treasurer's report provided a general overview and made corrections. The financials showed a significant increase in admin costs, including staff costs, travel, professional fees, and Board and committee meetings, which he could have explained and broken down by the most significant contributors.

Bro Hadley responded that the staff cost resulted from a management agreement requiring the credit union to make provisions for early retirement, normal retirement, or severed staff. The requirement was about \$500,000 but not a cash payout. The Board and Committee expenses increased due to extra meetings and professional fees for consultants and external experts. The credit union plans to present this information more explicitly in the report. Travel costs related to the return of annual conferences in 2022 were excluded from the report. No conference was held in 2021, thus the difference. The presentation also clarified that travel was classified as travel for the report, not training.

Bro King raised concerns about the cost of conventions, summits, and the credit union's ability to finance pending projects, particularly a building and housing development project in Georgetown and Brighton, due to the significant cash invested in bonds. Bro Hadley explained bonds were investments for capital preservation, income generation, and liquidity, with an amortizing payment feature that pays back in six months and allows immediate sale for risk management. He committed to ensuring that the reports provided more detailed information in the future.

Sis Dellimore expressed concern over the amount Board members were paid each time the Board met and that it should be reduced because it was poor people's money being used. She also suggested avoiding in-house parties at the end of the year. Bro Hadley informed that Board members were entitled to a stipend for one meeting, and the annual dinner was a reward for the staff's hard work throughout the year.

Proposed: The payment of dividends on qualifying shares was subject to a review of the by-laws, and the payment of dividends on the redeemable shares would go ahead as is.

The motion was moved by Bro Vanloo and seconded by Sis Daniella to accept the dividends and interest as follows:

Qualifying Shares 6%

Redeemable Shares 1%

A vote of the show of hands carried the motion.

Bro Jerome Deshong moved the motion to adopt the Treasurer's report, seconded by Sis Nicole Byron. The motion was carried.

5.4 CREDIT COMMITTEE REPORT

Sis Susan Clarke, Chairperson of the Credit Committee, presented the report and highlighted several key points:

The credit committee examined loans under the Cooperative Societies Act and conducted internal checks at the KCCU to ensure loan policy and lending guidelines were followed.

- i. In 2022, loans reviewed, approved and disbursed performed better than in 2021.
- ii. The Christmas loan, mortgage, and KCCU Edutech increased performance.
- iii. The delinquency rate in 2022 was \$8.5 million, from \$5 million in 2021.
- iv. The Credit Union worked with the Recoveries Department to reduce delinquency.
- v. Moratoriums were considered during COVID and La Soufriere to prevent loans from going into delinquency.

Bro Kemuel King moved the motion to adopt the Credit Committee report, seconded by Sis Ambeure Prescott-Roache. The motion was carried.

5.5 SUPERVISORY & COMPLIANCE COMMITTEE REPORT

Bro Elvis Dublin requested that the report be accepted as read. The motion was moved by Sis Joselle Joslyn-White and seconded by Sis Joslyn Craig. The motion was carried.

Sis Licia Nero moved the motion to adopt the report seconded by Bro Kemuel King. The motion was carried.

5.6 EDUCATION COMMITTEE REPORT

Sis Nicole Byron, member of the Education Committee, presented the Education Committee Report and highlighted:

- i. The Education Committee celebrated youth achievements with the 29th Secondary School Scholarship Award Ceremony on 4th August 2022. The Committee also held the KCYC Summer Camp with a twist and the KCCU Mastermind Quiz to strengthen thinking abilities and broaden general knowledge.
- ii. On 17th December 2022, 150 senior members participated in KCCU Senior Care Day.
- iii. The Committee focused on revamping the agricultural industry at Adelphi Secondary and New Grounds Primary. Adelphi Secondary received \$3,008, while New Grounds Primary received \$1,054 to support the feeding program.

Sis Susan Clarke moved the motion to adopt the report, which Bro Steve seconded. The motion was carried.

5.7 ELECTIONS AND NOMINATIONS

Bro Vanloo moved for a motion that the counting of the ballots be witnessed by a member from the floor and seconded by Bro Christo Primus. The motion was not carried due to 15 votes for and 35 votes against. The FSA facilitated the voting process.

Bro Jimmy Black of the Financial Services Authority conducted the election of the Board of Directors, Supervisory and Compliance Committee and the Credit Committee.

6. ELECTIONS AND NOMINATIONS

The FSA facilitated the voting process.

6.1 Board of Directors

Retired: 3 persons

Nominated by the Nominations Committee:

Bro Martin Sheen

Sis Daniella Henry

Bro Osneith Cato

Nominated from the Floor:

Sis Niasha Stapleton

Sis Licia Nero moved a motion to close nominations, seconded by Sis Nicole Byron. The motion was carried.

The results were:

Bro Martin Sheen	-	60
Sis Daniella Henry	-	113
Bro Osneith Cato	-	98
Sis Nyasha Stapleton	-	86

Sisters Danielle Henry, Osneith Cato, and Nyasha Stapleton filled the three available positions. They would serve for three-year terms.

6.2 Auditor

Nominated from the Floor:

Grant Thornton

Bro Kemuel King moved a motion, seconded by Sis Joslyn Craig, to close nominations, and it was carried.

The membership voted unanimously for the retention of Grant Thornton as Auditor.

6.3 Credit Committee

Retired: 1 person

Resigned: Sis Licia Nero

Nominated from Nominations Committee: Sis Lucille Browne

Nominated from the Floor: Bro Harvey Farrel

Bro Clement Lynch moved a motion seconded by Bro Kemuel King to close nominations, and it was carried.

Sis Lucille Browne and Bro Harvey Farrel filled the two positions and would serve for three-year terms.

6.4 Supervisory and Compliance Committee

Retired: 2 persons

Nominated from Nominations Committee:

Sisters Maurissa Cyrus and Camille John

Nominated from the Floor: Sis Joselle Joslyn-White

A motion moved by Bro Clement Lynch, seconded by Bro Keson Baptiste to close nominations, was accepted.

The results were:

Sis Maurissa Cyrus - 33

Sis Camille John - 81

Sis Joselle Joslyn-White - 76

The positions were filled by Sisters Camille John and Joselle Joslyn-White, who would both serve for the next three years.

Sis Susan Clarke moved the motion to destroy the ballots seconded by Nicole Byron. The motion was carried.

7. NEW BUSINESS

7.1 Western Union

Sis Marcelle Burgin inquired about the arrangement with Western Union and whether it benefited the membership. She queried the operation's profitability and whether it would be more feasible to have Western Union pay the staff.

The President replied that two workers were assigned to the Western Union office in Kingstown. They were cross-trained and placed in other areas during slow periods. The Kingstown branch was established due to the 2021 volcanic eruption, which required significant remittances to help Vincentians sustain the challenges. KCCU managed operations and retrofitted a small space at the headquarters, keeping costs low. During the same period, the office in Marriaqua extended hours to ensure cash flow. The commission earned from Western Union placed the organisation close to breakeven, which benefited the members. In 2022, activities in Kingstown doubled compared to Marriaqua. Non-monetary benefits were also reaped by visiting the office.

Sis Baker expressed appreciation for the presence of the Western Union branch as it was very convenient for persons living abroad to receive money while in SVG and deposit it to their account at the Credit Union, all within one building.

7.2 Loans Department

Sis Baker commended the Loans Department, specifically Ms Abbott, Ms Walker, Ms John and Ms Cummingham, for their assistance in securing loans. She then asked if the Credit Union had one or multiple attorneys for loan services because the one she was assigned to was always unavailable and held up the process. The President confirmed using several lawyers and committed to having the General Manager investigate her situation.

7.3 Effectiveness of Staff Training

Based on the frequency of staff training, Bro Kendol Burke asked for an assessment of the outcome of the training and how it improved staff delivery and customer satisfaction. He opined that the level of training was not reflected in the customer service he received. The General Manager responded that a customer service survey was scheduled to be conducted.

7.4 Gift for Members

Sis Violet Martin suggested that members of thirty years and more should receive a gift at the end of each year.

7.5 Overlapping Committees

Bro Lynch highlighted the overlapping nature of committees, with several members serving multiple committees simultaneously. He argued that this may not be in the Credit Union's best interest. He suggested that board members should not dominate committees and that other qualified individuals should also contribute. Bro Lynch also mentioned the stipends for each Committee, meaning that some persons receive multiple monthly payments. Bro Edwards said that the persons who served on the Boards and committees ought to be compensated for giving up their time to serve. It was not a case of greediness.

8. ADJOURNMENT OF MEETING

The meeting ended at on a motion moved by Kemuel King seconded by Licia Nero. The motion was carried.

Read and signed as an accurate record this 23rd day of September 2024.



Bro Timothy Scott
President



Sis Sabita Jacobs
Secretary

9. BOARD OF DIRECTOR'S REPORT TO THE 62ND ANNUAL GENERAL MEETING OF THE KINGSTOWN CO-OPERATIVE CREDIT UNION LIMITED

9.1 Background and Introduction

The Board of Directors of the Kingstown Co-operative Credit Union Limited (KCCU) Ltd. is pleased to present the annual report for the period ended December 31, 2023. We continue to recover from the impacts of COVID-19 and the explosive eruption of La Soufrière. Despite these challenges, the credit union continues to grow.

KCCU remains committed to promoting various initiatives that contribute to the organization's growth. We leverage our diverse skill sets and advanced technology to ensure KCCU remains competitive and strategically positioned in the financial market. Our new ATM will soon be installed, providing members with an additional avenue to access their funds. Additionally, we are continuing to upgrade our mobile app, website and our technological infrastructure.

We must remain vigilant about the issue of cybercrime. As we enhance our services and provide sustainable online solutions to our members, we must also ensure the security of your finances at KCCU. Our focus on technology includes upgrading our current IT system to safeguard against potential threats. The ATM machine, now located at our head office, will soon be fully operational.

Our loan portfolio has seen a notable increase in the past two years where the growth rate has increased from 8 to 12 percent. This is the result of continued innovation as it is our goal to provide products which would meet the needs of every member. Membership continues to grow steadily, and it is our vision to position our self as the leading credit union in St. Vincent & the Grenadines.

9.2 Economic Environment

The Vincentian economy continues to recover from the COVID-19 pandemic of 2019-2022 and the 2021 volcanic eruption. Despite numerous challenges, St. Vincent and the Grenadines was expected to grow by 6%, positively impacting the growth of our credit union at both the membership and loan portfolio levels.

Over the medium term, the outlook for St. Vincent and the Grenadines is positive, with real economic activity projected to grow by approximately 4.9% according to the IMF. This suggests that economic activity will surpass pre-pandemic medium-term projections, supported in the short term by the continued recovery in tourism and strong investment in infrastructure, particularly the port project. Inflation is projected to retreat to approximately 2% by the end of 2024, given lower imported inflation.

The Vincentian economy is characterized by its reliance on agriculture, tourism, and construction. Agriculture remains a significant contributor, although the sector faces challenges from global market fluctuations and climate change. The tourism sector, especially high-end and luxury tourism in the Grenadines, is a primary driver of growth and employment. The construction industry has seen substantial growth, driven by ongoing reconstruction, capital projects and rehabilitation efforts following the volcanic eruption.

However, threats to this outlook include an abrupt global slowdown, commodity price volatility, potential delays in investment projects, and the ever-present threat of natural disasters and climate change. On the positive side, stronger-than-expected tourism development and agriculture sector recovery could enhance growth and improve the external position.

With the new regulations from our regulatory body now being enforced, it is of utmost importance that we update our by-laws immediately to ensure alignment.

9.3 Board of Directors Elections, Meetings, and Attendance

At the 61st Annual General Meeting, Bro Terral Mapp and Bro. Bernard John concluded their two-term tenure. Bro. Martin Sheen also retired at this AGM but was eligible for re-election. Bro. Osneth Cato, Sis. Daniella Henry and Sis Niasha Stapleton were elected to the Board of Directors to fill these three positions.

At the inaugural meeting of the Board of Directors, officers were elected to serve as follows: -

- Bro. Timothy Scott – President
- Bro. Laurent Hadley – Vice-President
- Sis. Sabita Jacobs – Secretary
- Sis. Daniella Henry – Treasurer
- Sis. Niasha Stapleton – Assistant Secretary/Treasurer
- Bro. Danville Toney – Director
- Bro. Osneth Cato - Director

The Board of Directors continues to be comprised of a combined wealth of knowledge in Information Technology, Accounting, Public Sector Administration, Public Finance, Public Policy, Project Management, Environmental Health, Civil with Environmental Engineering, Water and Environmental Management, Banking and Finance, Investment Management, and Economics.

Bro. Laurent Hadley will retire at this Annual General Meeting, although he is eligible for re-election he has decided to take a sabbatical. Sis Sabita Jacobs who also retires at this AGM is eligible for re-election.

9.4 Meetings and Attendance

Meetings of the Board were held monthly. Additionally, one special meeting was arranged.

During 2023, the Board maintained the Information Technology Governance Committee in addition to the existing Human Resource Committee and Investment and Building Committee. However two committees, the Georgetown Building Committee and the Brighton Housing Committee were disbanded and a Building and Development committee was established to deal with the existing facility as well as to chart the way forward for the Georgetown Office Building and the Brighton Housing Project.

The Board appointed members to each of the following subcommittees to serve for the 2023/2024 period:

9.4.1 The Human Resources Committee

- Bro. Jerome De Shong – Chairman
- Sis. Daniella Henry – Secretary
- Bro. Timothy Scott – Member
- Sis Janel Cadougan – Member
- Sis Susan Clarke – Member

9.4.2 The Investment and Building Committee:

- Bro. Terral Mapp - Chairman
- Bro. Osneth Cato - Secretary
- Bro. Laurent Hadley - Member
- Bro. Bernard John - Member
- Bro. Claydon Roache - Member
- Sis. Susan Clarke - Member
- Bro. Danville Toney – Member

9.4.3 Information Technology Governance Committee

- Bro. Otis Joseph- Chairman
- Sis Niasha Stapleton - Secretary
- Sis. Sabita Jacobs - Member
- Sis. Cynthia Hope-Browne - Member
- Bro Osneith Cato - Member

9.5 Strategic Agenda

Implementation of our strategic business plan (2020-2023) continued in 2023. The aims of this plan are:

9.5.1 Market Expansion;

1. Alignment of operations to support a larger customer base (e.g., technology, physical space);
2. Incorporation of our values into our brand and marketing activities; and
3. Incorporation of our values into our operations and finance activities.
4. The activities that follow are the key initiatives being pursued to operationalize the plan.

9.5.2 Georgetown Branch Development Project

The design for the branch at Georgetown has been approved by the Physical Planning Division. Soon we would be heading to the tendering phase of this said project as we continue our thrust to provide quality financial services to the unserved and underserved sections of our population.

9.5.3 Affordable Housing Project at Brighton

The Board of Directors also received approval at the 2021 AGM to undertake an Affordable Housing Project on our 9 acres parcel of land in Brighton. This proposal detailed a plan to construct Two (2) and Three (3) bedroom homes for resale, with financing provided by KCCU via loans to potential customers. The 61st AGM agreed to a phased approach of constructing two (2) homes only. These two houses will be placed on the market to obtain an understanding of buyers' appetite. The subdivision designs have been completed and will be submitted to the Physical Planning Division for approval.

9.5.4 Investment in Renewable Energy

KCCU continues to be the trailblazer in the thrust for greater use of renewable energy in St. Vincent and the Grenadines. The recently commissioned solar farm continues to attract significant returns. The investment income from this project continues to flow to the you, our members. It is our intention to further build-out this capacity and reduce our carbon footprint by ensuring that our branch office which would soon be constructed at Georgetown is equipped with solar as well.

9.5.5 Bus Stops of At AIA Entrance

Our Bus Stop project at the entrance of the road to the Argyle International Airport is completed. Many nationals and non-nationals continue to make use of the facility. It is our hope to engage business houses in St Vincent and the Grenadines to take up the offer of advertising spot at the bus stop location.

9.5.6 National Fleet Expansion

On May 9, 2022, a Memorandum of Understanding was signed between the Ministry of Agriculture et al., fish exporters (Agriculture Input Warehouse Ltd., Bequia Seafood Company Ltd., Ocean Marine Shipping Agencies LLC, and Rainforest Seafood Ltd.), the National Fisherfolk Organization, and KCCU for a national fishing fleet expansion program. KCCU will provide loan financing for the purchase of fishing vessels, backed by:

20% security deposit of the purchase price of each vessel (pirogues - 60% for tuna vessels), 100% duty-free concession, and technical support from the Government;

2% - 10% security deposit of the purchase price of the vessel to be purchased from fish exporter; and

2% - 5% security deposit of the purchase price of the vessel from the applicant.

This program represents another example of a public-private partnership; this one established on the back of an exponential increase in the demand for seafood and an inadequate quantity of quality vessels to supply that demand. KCCU hopes to achieve market expansion but at the same time incorporate the values of food security and long history of artisanal fishing into our Brand, Marketing Activities, Operations and Finance Activities. It is our intention to review this project, since with any project and its implementation there needs to be a review to see if the project is meeting its goals and objectives.

9.5.7 Western Union Office operations

Our Western Union in Kingstown and Marriaqua branches continues to operate and complement KCCU business operations. These outlets continue to provide an essential service to our members and the wider community in the form of remittances, which has proven to be critically important, particularly in times of national distress.

9.5.8 IT project

An assessment of KCCU's IT infrastructure was completed by an independent consultant, Mr. Taddeus Pierrot, from St. Lucia in December 2022. This assessment identified various risk and the need for them to be addressed.

The IT Committee was tasked with addressing the identified risks by securing capital and managing projects for the financial year 2023. Equipment and assets were ordered to support the necessary infrastructural changes for the credit union's IT foundation. This included the procurement of:

- ATM
- Firewall and Endpoint Detection and Response (EDR)
- Network switches
- Backup and Disaster Recovery Solutions
- Business continuity systems
- Email systems hosting
- Network redesign work effort
- Server room equipment

In October and November 2023, the IT department filled critical positions by hiring an IT Systems Administrator and an IT Manager. This allowed for the implementation of planned projects. A work plan was formulated, and official work commenced in November 2023 to implement these projects and manage the day-to-day functionality and needs of the organization.

During the 2023 period, emphasis was given to the following planned and engaged areas:

- Endpoint Detection and Response (EDR)
- IT Policies Implementation
- Backup Solutions
- Head Office Transformation (reconstruction of the lobby, tellers, customer service are)

- Server Room Renovations
- ATM Installation
- Re-cabling of the network at the head office

All projects and work plan efforts are expected to continue and overlap into the 2024-2025 period, with the closure of most projects anticipated in 2024.

9.5.9 Leadership transition

In 2023, Mr. Clement Lynch and Mr. Alonso Munroe's contracts ended with the Kingstown Co-operative Credit Union. Both gentlemen served the credit union selflessly for many years combined and would have made tremendous contributions to the organization over the years. Mr. Eronne Evans, a chartered accountant with several years of experience in the financial services sector was appointed to the post of General Manager. We are confident in Mr. Evans' ability to lead the institution forward as we try to build a modern, dynamic and resilient organization to face the many challenges and deliver value for our members.

9.6 Public Relations

During 2023 our social initiatives focused on penetrating different age groups as well as communities within St. Vincent and the Grenadines, geared towards achieving a nationwide presence and support. This year witnessed the hosting of Fun Days held on mainland St. Vincent as well as the Grenadines islands of Bequia and Union Island respectively. These events served to entertain both young and old.

Our organization continued to contribute to the social development of our nation through the continuation of developmental seminars, bursary and scholarship initiatives, and the sponsorship of cultural and sporting events to name a few. Furthermore, in the month of December, our 12 Days of Christmas promotion was expanded to assist and reward more members.

9.7 Staff Training and Development

Staff who completed studies in 2023

- Devorn Walker: BSc. Banking and Finance (Special)

Staff Continuing studies in 2023:

- Alice Adams: BSc. Management Studies (Human Resources Management)
- Corina Arrindell: BSc. Psychology (Minor in Human Reserouces)
- Phylisha Shearman: BSc. Banking and Finance (Special)
- Sherry-Ann Parsons: BSc. Financial Management

Staff who commenced studies in 2023:

- None reported.

Staff Count			
	Male	Female	Total
Kingstown	10	26	36
Mesopotamia	2	9	11
Bequia	1	2	3
Canouan	0	1	1
Union Island	1	2	3
Total	14	40	54

9.7.1 Training

The Board and Staff participated in the following training:

<u>Name of Training (External)</u>	<u>Date</u>	<u>Number of Persons in Attendance</u>	<u>Names of Persons in Attendance</u>
Project Management Professional Cert.	January 16, 2023	3	Hadasha Butcher-Cruickshank Marcelle Alexander Ruth Stowe
Jaric First-Aid Practical Cont'd (Theory)	January 19, 2023	8	Kimmel Browne Zoe Garraway Judith Seaman Monique Springer-Cupid Rhonel John Cara Hunter Ariel Bulze Carlos Ryan
Anti-Money Laundering, Counter Terrorism Financing, Counter Proliferation Financing, & Financial Crimes Prevention Education.	January 25, 2023	13	Hadasha Butcher-Cruickshank Akisha Yearwood Daniella Henry Danville Toney Elvis Dublin Jerome Deshong Licia Nero Sabita Jacobs Troy Bullock Martin Sheen Keson Baptiste Troy Bullock Timothy Scott
Understanding & Implementing Safety Management Systems (ISO 45001)	January 25-26, 2024	1	Alice Adams-Francois Sherry-Ann Parsons
ECCU Payment Strategy Meeting	February 2, 2022	1	Eronne Evans

Design Thinking to Develop a Business Workshop	February 15, 2023	1	Troy Bullock
Emergency Response and Incident Command Conversations	February 22-23, 2023	2	Oszette Glasgow-Providence Alice Adams-Francois
AML/CFT Training	February 28, 2023	1	FIU/FSA
Digital Strategy - The Modern Credit Union	March 7, 2023 & March 14, 2023	1	Keson Baptiste
Skills for the Administrative Assistant	March 24-25, 2023	1	Michka Charles
"Towards Zero Accidents" – Developing & Maintaining a Positive Safety Culture	March 22-23, 2023	2	Oszette Glasgow-Providence Alice Adams-Francois
Towards Chemical Safety in the Workplace - Seminar	April 23, 2023	3	Hadasha Butcher-Cruickshank Sherry-Ann Parsons Alice Adams-Francois
Mortgage Underwriting Course Registration (Module 1)	April 17-21, 2023	1	Troy Bullock
Banking & Financial Services Seminar	June 5-9, 2023	2	Joshua Romeo Phylisha Cambridge
AML/CFT	August, 2023	2	Hadasha Butcher-Cruickshank Zonique Cato Daniella Henry Steve Millington Moureeze Frankllyn

Basic Fire Extinguisher Training	September 13, 2023	34	Shirlon Ashton Makini St.Hilaire-Garraway Troy Bullock Oszette Glasgow-Providence Mariel Edwards Jlan McMaster Zoe Garraway Sherwyn Herbert Rachel Phillips Sharlene Antoine Zonique Cato Renee Rodney Ruth Stowe Marcelle Alexander Corina Arrindell Michka Charles Sharol-Rose Gregg Vicky Frank Andre Soleyn Danielle Charles Joshua Romeo Shana Cunningham Theresa John Hadasha Butcher-Cruickshank Allisa Barnum Alice Adams-Francois Zada Stephens Wendy Pierre Sobato McDowall Sherry-Ann Parsons Allysa Smith Eronne Evans Anaria Morgan Sameeka McDonald
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Basic Fire Extinguisher Training	September 14, 2023	11	<p>Jasmin Woods</p> <p>Ariel Bulze</p> <p>Carlos Ryan</p> <p>De'Ontrelle Roberts</p> <p>Cara Hunter</p> <p>Senica Williams-Spencer</p> <p>Zoriah Primus</p> <p>Kimmel Browne</p> <p>Kahlia Muckett</p> <p>Kimaya Hadaway</p> <p>Rheana Thomas</p>
First Aid, CPR & AED	September 16, 2023	15	<p>Shanyia Edwards</p> <p>Corina Arrindell</p> <p>Wendella Richards</p> <p>Wendy Pierre</p> <p>De'Ontrelle Roberts</p> <p>Andre Soleyn</p> <p>Theresa John</p> <p>Jlan McMaster</p> <p>Mariel Edwards</p> <p>Shana Cunningham</p> <p>Zada Stephens</p> <p>Rheana Thomas</p> <p>Kahlia Muckett</p> <p>Renee Rodney</p> <p>Sharlene Antoine</p>

<p>Basic Safety and Ergonomics Training</p>	<p>September 20, 2023</p>	<p>44</p>	<p>Oslette Glasgow-Providence Maureen Wells Sherwyn Herbert Allysa Smith Anaria Morgan Sameeka McDonald Jlan McMaster Andre Soleyn Sharlene Antoine Rachel Phillips Shirlon Ashton Zoe Garraway Renee Rodney Wendy Pierre Sobato McDowall Allisa Barnum Theresa John Vicky Frank Zonique Cato Shana Cunningham Joshua Romeo Ruth Stowe Michka Charles Mariel Edwards Shanyia Edwards Eronne Evans Shacquilla Aberdeen Kimmel Browne Rheana Thomas Kahlia Muckett Cara Hunter Jasmin Woods Senica Williams-Spencer Danielle Charles De'Ontrelle Roberts Carlos Ryan Zoriah Primus Kimaya Hadaway Ariel Bulze Jared James Charlene Farrelll Janielle Compton Kezanny Williams Asean Craig</p>
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First Aid, CPR & AED	September 30, 2023	18	Zonique Cato Shacquilla Aberdeen Sobato McDowall Janielle Compton Charlene Farrell Hadasha Butcher-Cruickshank Rhonel John Zoe Garraway Phylisha Cambridge Shirlon Ashton Kezanny Williams Maureen Wells Ruth Stowe Cuthbert Noel Jr. Asean Craigg Sherry-Ann Parsons Troy Bullock Kimaya Hadaway
Customer Service Training	November 23, 2023	9	Mariel Edwards Renee Rodney Shanyia Edwards Vicky Frank Corina Arrindell Maureen Wells Andre Soleyn Alice Adams-Francois Wendy Pierre

<u>Internal Training Sessions:</u>	<u>Facilitator</u>	<u>Date</u>	<u>Persons in Attendance</u>
AML CFT Training	Compliance Officer	Aug 9, 2023	Cuthesia Miller Allysa Smith Zoe Garraway Sobato McDowall

Several Directors, committee members and staff also benefitted from training at the Annual CCCU Convention. The Convention was held in San Juan, Puerto Rico. Corporate Governance, Key Drivers for Successful People Operations, Creating Member Value, Youth Empowerment, Cryptocurrencies, and Credit Unions Role in Climate Change are among the topics presented.

9.8 Branch Offices

KCCU continues to provide exceptional service to our members through our branch operations. We aim to ensure that our branches are always equipped with the necessary resources for the provision of high quality and affordable services especial to the unserved and underserved. This helps to improve lives and livelihoods in those locations.

BRANCH DATA 2023			
	MEMBERS	SHARES (EC\$000'S)	LOANS (EC\$000'S)
MARRIAQUA	1,663	2,905	3,292
BEQUIA	499	1,142	1,163
UNION ISLAND	273	584	1,445
CANOUAN	124	334	785

9.9 Co-operative Movement

KCCU recognizes that a robust credit union movement, both locally and regionally, is essential for its viability and sustainability. KCCU has consistently supported and partnered with the SVG Credit Union League and the Co-operative Division. Additionally, we have maintained close collaboration with the Financial Services Authority on regulatory and other matters.

9.10 Investment and Lending

9.10.1 Investment Securities

KCCU continues to diversify its income portfolio as well as utilize our excess liquidity. We have adjusted our investment strategy to meet our members needs. We reduced the investment in long term government bonds to meet the increased demand for loans. We have seen liquidity return to the pre pandemic levels signaling a increased confidence in the organization. This balanced with short term investments in treasury bills strikes a good balance between liquidity and optimal returns.

9.10.2 Lending

In 2023, KCCU achieved another record growth in its loan portfolio, and this follows what we were able to achieve in 2022. Through various initiatives by the board of directors and managements, the loan portfolio grew by 12.9 million in 2023. This 13% increase is 50% higher than KCCU's growth average pre 2022. While mortgages remain the dominant part of the loan portfolio, there is a growing demand for loans for small businesses and higher education. This strong emphasis on education and business loans bodes well for enhancing the productivity of Vincentians and building a knowledge economy.

KCCU continues to support members who may face difficulties in meeting their obligations. We work with individuals to restructure their loans following the expiration of the pandemic moratorium.

New Members

Age Group	New Members	New Members	%	%
	2022	2023	2021	2022
Below 20 years	269	18	25	4
20 – 25 years	148	58	13	13
26 – 30 years	141	67	13	16
31 – 40 years	246	118	22	27
41 – 50 years	150	77	14	18
Over 50 years	143	96	13	22
Total	1097	434	100	100

9.11 Condolences

It is with profound sadness that we recognize the passing of some of our members. KCCU takes this opportunity to extend deepest condolences to all who mourn the loss of their loved ones. May their soul rest in peace.

List of members who passed during 2023:

Julian Farrell	Davidson Leigertwood	Florry Leach
Junior Butler	Wanda Castello	Adsel Gibson
Joseph Cain	Michael Samuel	Sylvia Holder
Rennetta Nicholls	Sylvina Culzac	Glenda Sampson
Kenneth Gooding	Ceprian Myers	Yvonne Rheneau
Vrbenia O'Garro	Cheryl-Ann Dublin	Alfred John
Conroy Bristol	Yonne Harry	Burnell Ollivierre
Violet Defreitas	Marietta Simmons	Leonora Cupid
Carlton Daniel	Pamela Williams-Hazell	Afred Francois
Sadique Burnett	Calberth Nero	Dunally Williams
Lesley Francis	Jennie Mckenzie	Amrie Morris-Patterson
Alwyn James	Monica Timothy	Natasha Cumberbatch
Vin Moses	Winston Straker	Brenda Frederick
Samuel Jocelyn	Gertrude Jacobs	Alsbert Andrews
Ellen Joseph	Elma Sobas	Calford Edwards
Alsina Bentick	John Warren	Avis Myers-John
Michael Harry	Winston Bacchus	Hurton Telesford
Sylvia Steele	Peter Neverson	Dennis Prescott
Peggy Hull	Jamal Bobb	Allen Forbes
Joy McDowall	Eden Stowe	Augustus Ryan
Greta Samuel	Randolph Samuel	Joy Saunders
Louise Toney	Lyris Prescott	Theodore Trotman
Ronald Herbert	Cynthia Horne	Douglas Baptiste

9.12 Acknowledgement

As President of Kingstown Cooperative Credit Union (KCCU), I extend my heartfelt gratitude to our esteemed Board of Directors, dedicated regulators, and valued members. Your unwavering support and commitment have been instrumental in our continued success and growth.

To our Board of Directors, your strategic vision and leadership have guided us through another remarkable year. Your dedication to our mission and values ensures that we remain a beacon of financial stability and community support.

To our regulators, we deeply appreciate your diligent oversight and collaboration. Your efforts in maintaining a robust regulatory framework have been crucial in safeguarding our operations and fostering trust within our community.

To our members, you are the cornerstone of KCCU. Your loyalty and active participation drive our initiatives and inspire us to continually improve our services. We are honored to serve you and to be a part of your financial journey.

Together, we have achieved significant milestones, and I am confident that with your continued support, we will reach even greater heights. Thank you for being an integral part of the KCCU family.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Timothy Scott", with a long, sweeping horizontal flourish extending to the right.

Timothy Scott

President

10. TREASURER'S REPORT TO THE 62ND ANNUAL GENERAL MEETING OF THE KINGSTOWN CO-OPERATIVE CREDIT UNION LIMITED

10.1 Introduction

Brothers and Sisters, I am pleased to report that Kingstown Co-Operative Credit Union Limited (KCCU) has had a successful financial year in 2023.

Despite the current economic and financial difficulties, including rising inflation, our members continue to save, albeit at a slower pace compared to the previous year (2022). In the year 2023, our Credit Union experienced a surge in refinancing and debt consolidation activities among our esteemed members. This trend was primarily driven by the favorable low-interest rate environment, which presented an opportunity for individuals to secure more advantageous borrowing terms. Furthermore, our varied selection of special loan products effectively attracted both new and current members, motivating them to apply for additional loans. The improved credit risk conditions in 2023 resulted in a corresponding decrease in the Credit Union's expected credit losses. The aforementioned factors contributed to a substantial enhancement in KCCU's capital position as of the 2023 year-end, achieving an 18% ratio, surpassing the industry benchmark of 10% set by the PEARLS ratios.

Hereby, I present a concise overview of our financial performance for the fiscal year concluded on December 31, 2023, as substantiated by our audited financial statements.

10.2 Financial Results

10.2.1 Assets

Assets	2022	2023	Change	Change %
Total Assets	143,875,957	153,684,132	9,808,175	7%
Loans (Net)	97,595,986	110,497,826	12,901,840	13%
Cash Resources	19,568,227	19,968,286	400,059	2%
Property Plant and Equipment	10,884,109	11,365,805	481,696	4%
Investment Securities	11,609,635	6,745,625	-4,864,010	-42%
Investment Properties	2,842,668	3,484,991	642,323	23%

The Credit Union ended the financial year with total assets of \$154 million, reflecting a substantial growth of \$9.8 million, which corresponds to a noteworthy 7% increase compared to the preceding financial year of 2022. The primary reasons for this growth are the \$11.7 million in loans disbursed to our members during the year and the acquisition of land in Georgetown and Canouan, which aims to expand opportunities for our current and prospective members. As of December 31, 2023, the mortgage category remains the predominant component of the loan portfolio, accounting for a substantial 57% of the total gross loan balance.

The delinquency rate has been a key area of focus for the year 2023, with the goal of achieving a reduction that aligns with the acceptable PEARLS ratio of 5%. The rate decreased by 1.1%, moving from 8.5% in 2022 to 7.4% in 2023. While we did not achieve our target of less than 5%, I would like to acknowledge the commendable and consistent efforts made by the Recoveries and Loans departments in implementing enhanced procedures in their approach. By maintaining this level of commitment, I anticipate that we will witness a sustained reduction in the delinquency rate in the near future. To ensure the continued positive growth and competitiveness of our Credit Union in the financial market, we are urging each of us to fulfill our outstanding financial obligations to KCCU.

In addition, there is a slight increase of \$400K (2%) in the Cash and Cash Equivalent account. This movement is a result of the Credit Union's routine operations, including proceeds from maturing investment securities, regular income from loans, alongside the acquisition of assets and the settlement of daily expenses. In this account, the Credit Union has invested \$10 million in short-term treasury bills. These assets earn a higher return when compared to what is obtained on our accounts at the bank and given their very short-term nature, provide a form of liquidity support to ensure that funds are available at various intervals throughout the years. These investments also serve as a buffer against any unforeseen financial crises that may arise.

Share Capital & Member Deposits	2022	2023	Change	Change %
Share Capital	5,642,730	6,948,281	1,305,551	23%
Share Savings	59,652,028	61,135,272	1,483,244	2%
Members Deposits	57,645,292	61,309,300	3,664,008	6%

10.2.2 Share Capital and Members' Deposits

The share capital category includes both qualifying shares and equity shares. In comparison to the 2022 financial year, our share capital base experienced a substantial increase of \$1.3 million (23%) in 2023. The capital augmentation plan, approved by members at a special meeting on September 8, 2022, is responsible for this. The purpose of this plan is to ensure the viability of our Credit Union to withstand severe economic shocks.

There was a notable increase in members' deposits of \$3.7 million (6%) in 2023, which significantly bolstered our liquidity position.

10.2.3 Statement of Profit or Loss and Other Comprehensive Income

Income	2022	2023	Change	Change %
Interest on Loans	7,396,546	8,464,576	1,068,030	14%
Investment Income	800,074	674,028	(126,046)	-16%
Income on Death Benefit	221,376	110,135	(111,241)	-50%
Commission and Miscellaneous Income	396,798	435,360	38,562	10%

10.2.4 Net Profit

Net Profit	2022	2023	Change	Change %
Profit (loss) for the year	(724,620)	2,202,647	2,927,267	404%

The Credit Union has recognized a net profit of \$2.1 million for the year 2023, successfully rebounding from a \$724K loss incurred in the previous year. The revenue generation from loans, the prudent management of expenditures, and the unwavering commitment and diligence of our staff have collectively contributed to this superb performance.

The \$3 million increase in income for the year 2023 can be attributed to several factors, including income generated from the loans portfolio and a \$1 million recovery resulting from a reduction in the expected credit loss on the loan portfolio as at December 31, 2023.

Additionally, we received a portion of the profits from our associate, St. Vincent and the Grenadines Co-Operative League Limited, in the amount of \$93K, resulting in a total comprehensive income of \$2.2 million for the fiscal year 2023.

Our selling expenses reduced by \$27K (4%) while still providing the same high-quality services to our members. There was a 12% or \$728K increase in General and Administrative expenses. The primary reason for this increase is the hiring of additional staff, resulting in a \$108K (4%) rise in staff costs. Moreover, there was a significant increase in repairs and maintenance, totaling \$138K (59%).

There was a \$111K decrease in the net death benefit plan income for 2023. It must be noted that only 32% of our total membership participates in this plan. The disbursement of death benefits to our members' beneficiaries has gradually increased over the past three years (2021-2023). However, we are currently experiencing a decrease in death benefit contributions from members.

The funds for this plan may continue to decline if the current trend persists. Members are encouraged to participate in this plan as it is a worthwhile lifetime investment for their beneficiaries at only fifty dollars (\$50) per year from the regular shares account.

10.3 Dividends

The following dividends are being proposed for the financial year:

Equity Shares 6%

10.4 Statutory Requirements

The Credit Union has successfully complied with the regulatory requirements by maintaining adequate liquidity and reserves. Specifically, the liquidity ratio stands at 15%, while the reserves to liabilities ratio is at 10%.

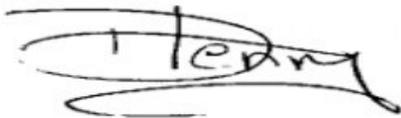
10.5 Conclusion

KCCU has performed extremely well for this financial year.

However, it is imperative that we acknowledge the ongoing challenges in recovering a portion of our outstanding assets within the Loans portfolio, despite our satisfactory performance during the 2023 financial year. This situation has adversely impacted our delinquency rate over the past two years (2022-2023). As a collective membership, we must collaborate effectively to reduce this rate and achieve the acceptable level.

Despite the numerous persistent obstacles confronting our Credit Union, we successfully fulfilled our responsibilities and maintained daily operations at a reasonable cost while satisfying the requirements of our stakeholders. The success of the Credit Union would not be possible without the efficient leadership of the management team, the diligence of the staff, and the unfaltering commitment of its members.

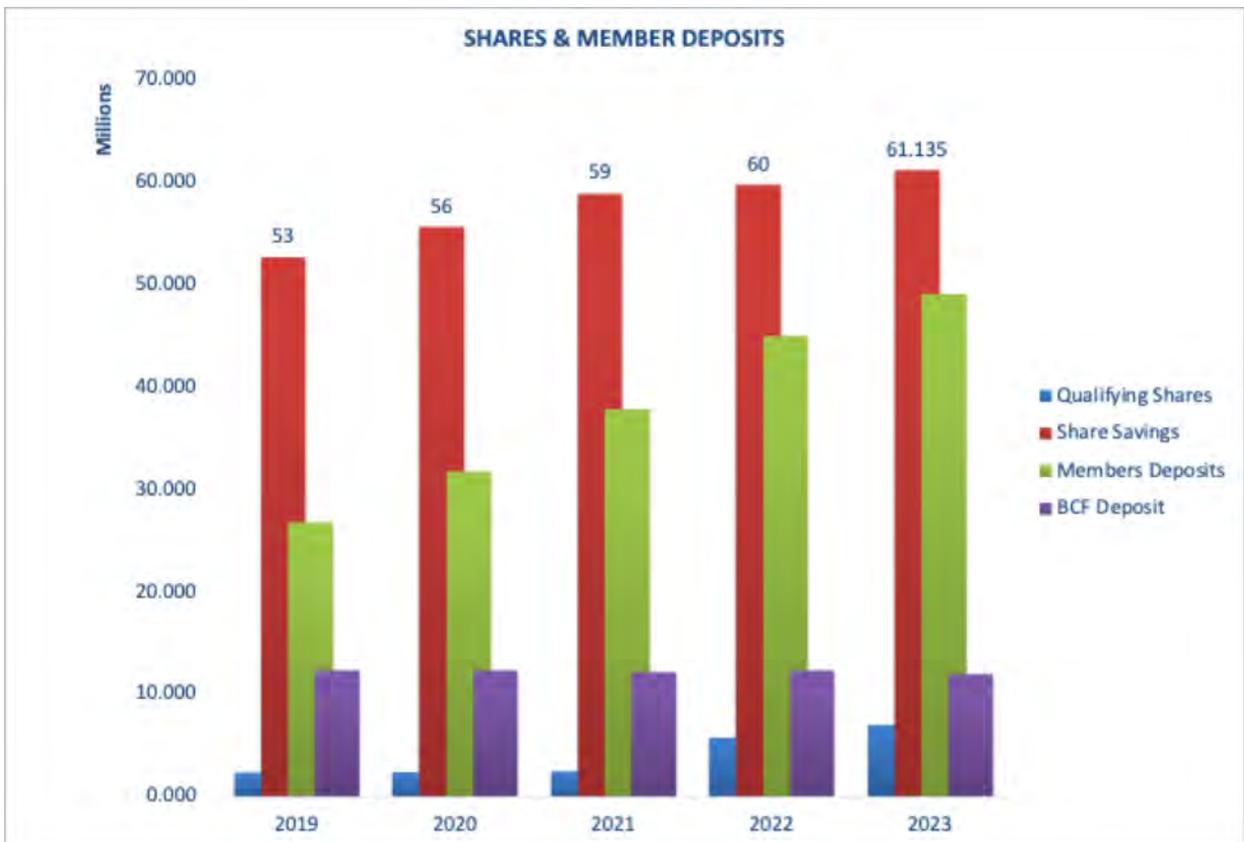
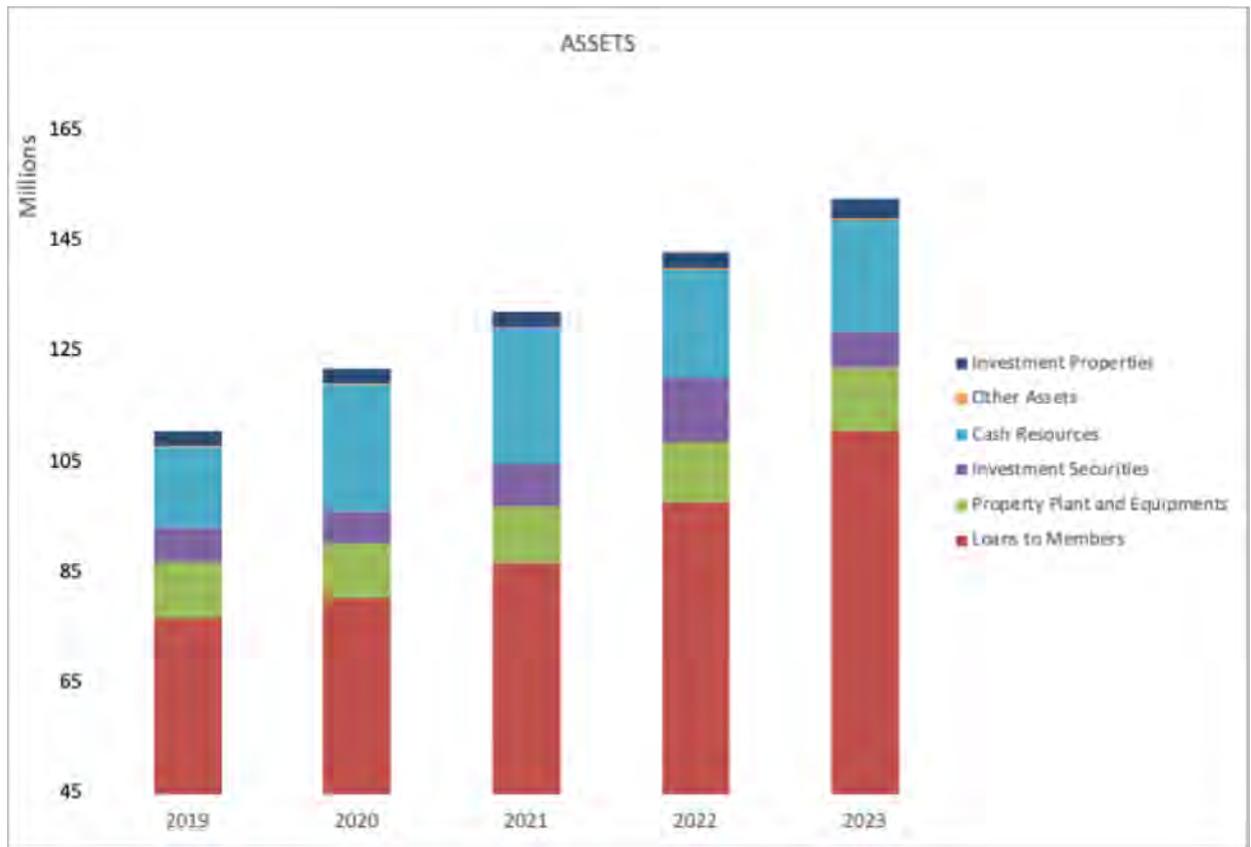
Brothers and Sisters, I thank you for your continued unwavering support and the immense trust you have placed in our Credit Union. We eagerly anticipate a future of improved financial performance and look forward to working together to achieve our shared goals.

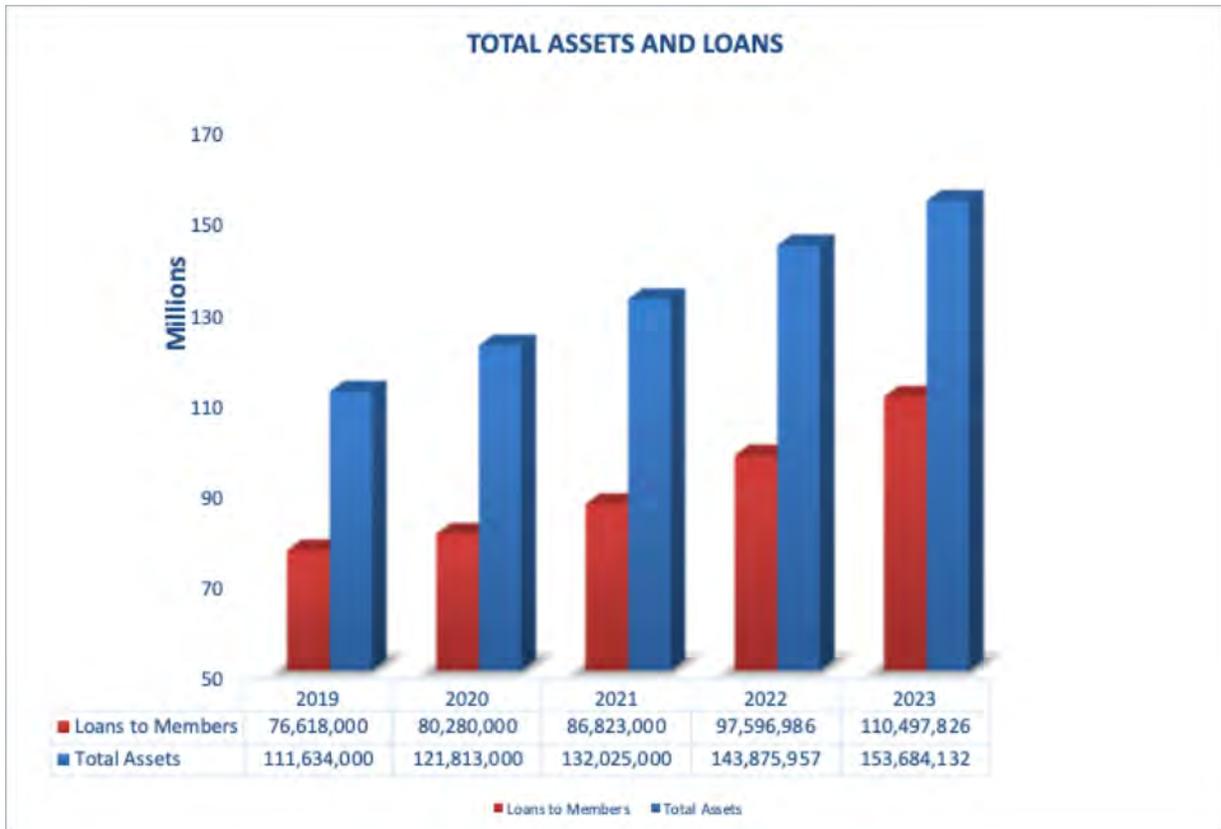
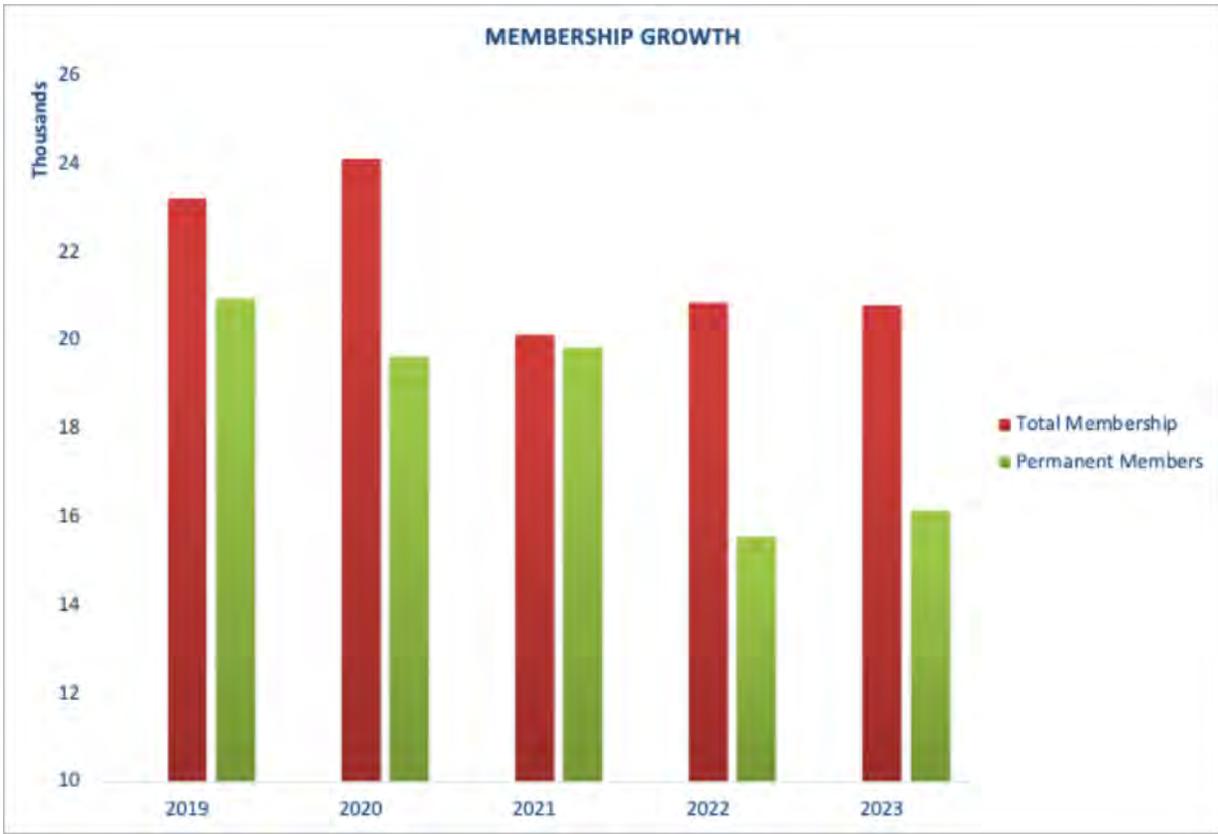


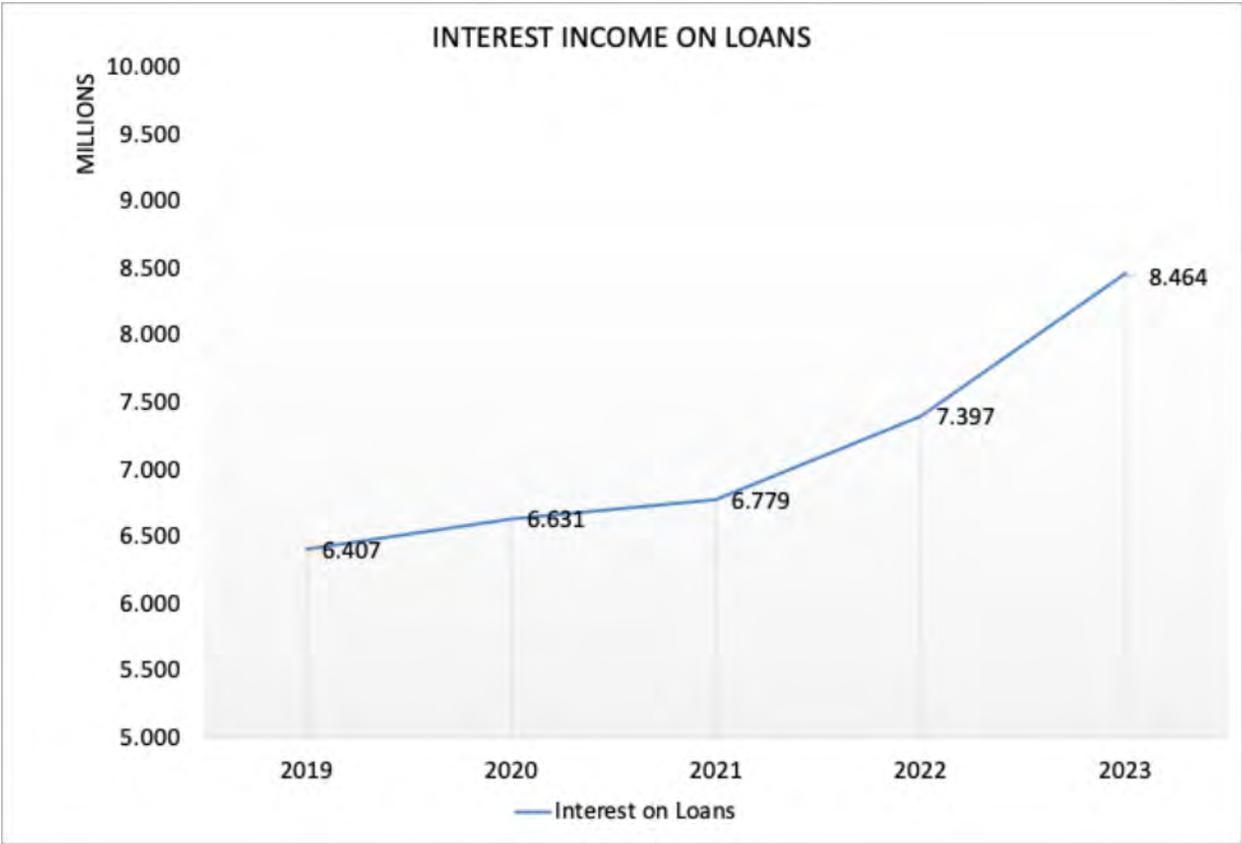
Daniella Henry
Treasurer

PEARLS RATIOS

	Financial Ratios	Working 2022	Working 2023	Actual 2022	Actual 2023	Standard
P1	Delinquency >12mths	<u>4,149,522</u> 3,284,682	<u>3,147,039</u> 4,711,366	126%	67%	100%
E1	Net Loan Total Assets	<u>97,595,986</u> 143,875,957	<u>110,497,826</u> 153,684,132	68%	72%	70-80%
E3	Financial Investment Total Assets	<u>11,609,635</u> 143,875,957	<u>6,745,625</u> 153,684,132	8%	4%	<10%
A1	Total Loan Delinquency Total Loan Portfolio	<u>8,534,157</u> 100,231,826	<u>8,292,336</u> 111,883,526	8.5%	7.4%	<=5%
A2	Non Earning Assets Total Assets	<u>6,011,037</u> 143,875,957	<u>8,598,205</u> 153,684,132	4.2%	5.6%	<=5%
R1	Net Loan Income Average Net Loan Portfolio	<u>7,396,546</u> 92,209,715.00	<u>8,464,576</u> 104,046,906.00	8.0%	8.1%	10%
R9	Operating Expense Average Total Assets	<u>5,930,922</u> 138,506,298	<u>6,658,661</u> 148,780,045	4.3%	4.5%	5.0%
L1	Net Liquidity Savings	<u>18,117,797</u> 117,297,320	<u>18,600,711</u> 122,444,572	15.4%	15.2%	>15%
S9	Increase in Loans Total Loan portfolio of Previous Year	<u>11,759,326</u> 88,472,500	<u>11,651,700</u> 100,231,826	13%	12%	Not Specified
S10	Increase in Total Assets Total Assets of Previous year	<u>10,739,318</u> 133,136,639	<u>9,808,175</u> 143,875,957	8%	7%	Not Specified







Kingstown Co-operative Credit Union Limited

Financial Statements
Year Ended December 31, 2023
(in Eastern Caribbean dollars)



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Page 7	Statement of Profit or Loss and Other Comprehensive Income
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Corporate Information

REGISTERED OFFICE

Granby Street
Kingstown
St. Vincent and the Grenadines

DIRECTORS

Mr. Timothy Scott - President
Mr. Laurent M. Hadley - Vice President
Ms. Daniella Henry - Treasurer
Mr. Danville Toney
Mr. Osneth Cato
Ms. Niasha Stapleton

SECRETARY

Ms. Sabita Jacobs

SOLICITORS

Saunders & Huggins

BANK

Bank of St. Vincent and the Grenadines Ltd.

AUDITORS

Grant Thornton
Chartered Accountants
Sergeant-Jack Drive
Arnos Vale
St. Vincent



INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Kingstown Co-operative Credit Union Limited

Report on the Audit of the Financial Statements

Grant Thornton

Sergeant-Jack Drive, Arnos Vale
P.O. Box 35, Kingstown
St. Vincent, W.I.

T +1 784 456 2300

F +1 784 456 2184

Opinion

We have audited the financial statements of **Kingstown Co-operative Credit Union Limited** ("the Credit Union"), which comprise the statement of financial position as at December 31, 2023, and the statement of changes in equity, statement of profit or loss and other comprehensive income and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **Kingstown Co-operative Credit Union Limited** as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Credit Union in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in the Eastern Caribbean, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the 2023 annual report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the 2023 Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.



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 IFRS Accounting 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 Credit Union's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Credit Union or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 judgement 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 Credit Union'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 Credit Union's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Credit Union to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



September 24, 2024

Kingstown Co-operative Credit Union Limited

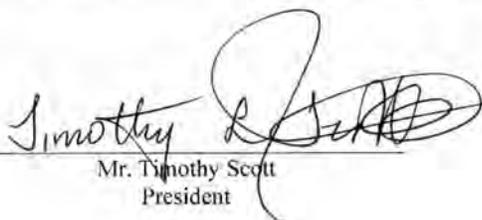
Statement of Financial Position

As at December 31, 2023

(in Eastern Caribbean dollars)

	Notes	2023 \$	2022 \$
ASSETS			
Cash and cash equivalents	8	19,968,286	19,568,227
Investment securities	9	6,745,625	11,609,635
Loans to members	10	110,497,826	97,595,986
Other assets	11	421,222	263,538
Investment in associates	12	1,200,377	1,111,794
Investment properties	13	3,484,991	2,842,668
Property and equipment	14	11,365,805	10,884,109
Total Assets		153,684,132	143,875,957
LIABILITIES			
Bank overdraft	8	1,366,575	-
Accounts payable and accrued liabilities	15	1,736,706	1,952,821
Members' deposits	16	61,309,300	57,645,292
Redeemable member shares	17	61,135,272	59,652,028
Total Liabilities		125,547,853	119,250,141
EQUITY			
Share capital	17	6,948,281	5,642,730
Statutory reserve fund	18	6,804,212	6,361,447
Development fund	19	10,000	5,000
Revaluation surplus		5,703,903	5,610,510
Retained earnings		8,669,883	7,006,129
Total Equity		28,136,279	24,625,816
Total Liabilities and Equity		153,684,132	143,875,957

These financial statements were approved by the Board of Directors and authorized for issue on September 24, 2024, and signed on its behalf by:


 Mr. Timothy Scott
 President


 Ms. Daniella Henry
 Treasurer

The accompanying notes form an integral part of these financial statements.

Kingstown Co-operative Credit Union Limited

Statement of Changes in Equity For the Year Ended December 31, 2023

(in Eastern Caribbean dollars)

Notes	Share Capital	Statutory Reserve Fund	Development Fund	Revaluation Surplus	Retained Earnings	Total
	\$	\$	\$	\$	\$	\$
Balance at January 1, 2022	2,464,484	6,354,347	5,000	5,610,510	7,964,906	22,399,247
Loss for the year	-	-	-	-	(724,620)	(724,620)
Issuance of shares	3,178,246	-	-	-	-	3,178,246
Dividends paid on permanent shares	-	-	-	-	(229,157)	(229,157)
Transfer to the National League	-	-	(5,000)	-	-	(5,000)
Appropriation to development fund	-	-	5,000	-	(5,000)	-
Entrance fees	-	7,100	-	-	-	7,100
Balance at December 31, 2022	5,642,730	6,361,447	5,000	5,610,510	7,006,129	24,625,816
Profit for the year	-	-	-	-	2,109,254	2,109,254
Appropriation to statutory reserve	-	440,500	-	-	(440,500)	-
Issuance of shares	1,305,551	-	-	-	-	1,305,551
Share of associate – other comprehensive income	-	-	-	93,393	-	93,393
Appropriation to development fund	-	-	5,000	-	(5,000)	-
Entrance fees	-	2,265	-	-	-	2,265
Balance at December 31, 2023	6,948,281	6,804,212	10,000	5,703,903	8,669,883	28,136,279

Kingstown Co-operative Credit Union Limited

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended December 31, 2023

(in Eastern Caribbean dollars)

	Notes	2023 \$	2022 \$
Income			
Interest income	20	8,464,576	7,396,546
Investment income	21	674,028	800,074
		<u>9,138,604</u>	<u>8,196,620</u>
Interest expense		(1,512,656)	(1,225,638)
Rebates and interest to members		-	(963,030)
Net Interest Income		<u>7,625,948</u>	<u>6,007,952</u>
Recovery of (allowance for) impairment on financial assets	22	1,020,281	(1,014,857)
		<u>8,646,229</u>	<u>4,993,095</u>
Rental income		222,475	263,008
		<u>8,868,704</u>	<u>5,256,103</u>
Selling expenses	23	(641,475)	(667,975)
General and administrative expenses	24	(6,658,661)	(5,930,922)
		<u>1,568,568</u>	<u>(1,342,794)</u>
Other Income			
Income on death benefit plan – net	25	110,135	221,376
Commissions and miscellaneous income		435,361	396,798
Share of loss of associate	12	(4,810)	-
		<u>540,686</u>	<u>618,174</u>
Net Profit (Loss) for the Year		<u>2,109,254</u>	<u>(724,620)</u>
Other Comprehensive Income			
Items that will not be Reclassified subsequently to Profit or Loss			
Shares of OCI of associated company	12	93,393	-
Total Other Comprehensive Income		<u>93,393</u>	<u>-</u>
Total Comprehensive Income		<u>2,202,647</u>	<u>(724,620)</u>

The accompanying notes form an integral part of these financial statements.

Kingstown Co-operative Credit Union Limited

Statement of Cash Flows

For the Year Ended December 31, 2023

(in Eastern Caribbean dollars)

	Notes	2023 \$	2022 \$
Operating Activities			
Profit (loss) for the year		2,109,254	(724,620)
Adjustments for			
Depreciation	14	473,869	408,700
Share of loss in associated company	12	4,810	-
Profit (Loss) before Changes in Operating Assets and Liabilities		2,587,933	(315,920)
Changes in:			
Other assets		(157,684)	(87,373)
Loans to members, net of recoveries		(12,901,840)	(10,772,543)
Accounts payable and accrued liabilities		(216,115)	333,629
Members' deposits		3,664,008	7,356,208
Net Cash Used in Operating Activities		(7,023,698)	(3,485,999)
Cash Flows from Investing Activities			
Acquisition of investment properties	13	(642,323)	-
Acquisition of property and equipment	14	(955,565)	(1,172,757)
Decrease (increase) in investment securities		4,864,010	(4,103,314)
Net Cash from (Used in) Investing Activities		3,266,122	(5,276,071)
Cash Flows from Financing Activities			
Net proceeds from issuance of redeemable members shares	17	1,483,244	3,885,367
Dividends paid		-	(229,157)
Entrance fees received		2,265	7,100
Increase in share capital	17	1,305,551	115,791
Development fund contributions paid to the National League	19	-	(5,000)
Net Cash from Financing Activities		2,791,060	3,774,101
Net Movement in Cash Resources		(966,516)	(4,987,969)
Cash Resources - Beginning of Year		19,568,227	24,556,196
Cash Resources - End of Year	8	18,601,711	19,568,227

The accompanying notes form an integral part of these financial statements.

Kingstown Co-operative Credit Union Limited

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Kingstown Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2023

(in Eastern Caribbean dollars)

1. Incorporation and Principal Activities

The Kingstown Co-operative Credit Union Limited (“the Credit Union”) was registered on April 12, 1958, as a Co-operative Society. The Credit Union’s operations are subject to the provisions of the Co-operative Societies Act 2012 of St. Vincent and the Grenadines and supervision by the Financial Services Authority. The Credit Union’s principal activities are to promote thrift among its members, to receive the savings of and to provide a source of credit to members.

2. Basis of Preparation

a. Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). They have been prepared under the historical cost convention, except for fair value through profit or loss (FVTPL) investments, land and buildings and investment property which have been measured at fair value.

b. Significant Accounting Judgements, Estimates and Assumptions

The preparation of the Credit Union’s financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets and liabilities affected in future periods.

In the process of applying the Credit Union’s accounting policies, management has made various judgements. Those which management have assessed to have the most significant effect on the amounts recognized in the financial statements have been disclosed in **Note 7**.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are also described in the individual notes of the related financial statement line items below. The Credit Union based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Credit Union. Such changes are reflected in the assumptions when they occur.

3. New or Revised Standards or Interpretations

3.1. New Standards Adopted as at January 1, 2023

Some accounting pronouncements which have become effective from January 1, 2023, and have therefore been adopted do not have a significant impact on the Credit Union’s financial results or position.

3.2. Standards, Amendments and Interpretations to Existing Standards that are not yet Effective and have not been Adopted Early by the Credit Union

As of the date of authorization of these financial statements, several new, but not yet effective, standards and amendments to existing standards, and interpretations have been published by the IASB or IFRIC. None of these standards or amendments to existing standards have been adopted early by the Credit Union.

Management anticipates that all relevant pronouncements will be adopted for the period beginning on or after the effective dates of the pronouncements. New standards, amendments and interpretations not adopted early in the current year have not been disclosed as they are not expected to have any material impact on the Credit Union’s financial statements.

Kingstown Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2023

(in Eastern Caribbean dollars)

4. Summary of Material Accounting Policies

a. Cash, Cash Equivalents and Short-term Investment Securities

Cash equivalents include highly liquid investments with insignificant interest rate risk and original maturities of ninety (90) days or less at the date of purchase. Investments with maturities between ninety (90) days and one year at the date of purchase are considered to be short-term investment securities. Short-term investment securities consist primarily of investment grade commercial paper, bankers' acceptances, and certificates of deposit.

b. Loans to Members

Loans to members are initially recognized at fair value plus transaction costs that are directly attributable to its acquisition or issue.

Subsequently, loans are carried at amortized cost less allowance for impairment.

c. Interest Income and Expense

Interest income and expense are recognized in profit or loss for all instruments measured at amortized cost using the effective interest method.

The effective interest method is a method calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability when calculated. When calculating the effective interest rate, the Credit Union estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees paid or discounts received between parties to the contract that are an integral part of the effective interest rate.

d. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities are recognized initially at the transaction price and subsequently measured at amortized cost using the effective interest method.

e. Property and Equipment

Property and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses except land and building which are stated at fair value, based on valuations by external independent valuers, less subsequent depreciation for buildings. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Increases in the carrying amount arising on revaluation of land and buildings are included in other comprehensive income and ultimately credited to revaluation surplus in equity. Decreases that offset previous increases of the same asset are charged against revaluation surplus directly in equity; all other decreases are charged to profit or loss.

Land is not depreciated. Depreciation of other assets is calculated using a straight-line method as to allocate their cost less their residual values over the estimated useful lives, as follows: -

Furniture and equipment	-	10 – 20%
Building	-	2%

Kingstown Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2023

(in Eastern Caribbean dollars)

4. Summary of Material Accounting PoliciesCont'd

e. Property and EquipmentCont'd

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in other income/expenses in profit or loss. Any gains or losses arising on the remeasured value of the Credit Union's property are included in other comprehensive income.

Repairs and maintenance are charged to profit or loss when the expenditure is incurred.

f. Investment Properties

Investment properties are accounted for by the fair value model. Accordingly, gains or losses arising from changes in the fair value of investment properties are included in profit or loss.

The Credit Union engaged an independent valuation specialist to assess fair value for investment properties and land and buildings.

g. Foreign Currency Translation

These financial statements are expressed in Eastern Caribbean dollars, which is the Credit Union's functional currency. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

Changes in the fair value of monetary securities denominated in foreign currency classified as fair value through other comprehensive income are analysed between translation differences resulting from changes in the amortized cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in the amortized cost are recognized in profit or loss, and other changes in the carrying amount are recognized through other comprehensive income.

Translation differences on non-monetary items, such as equities held at fair value through profit or loss are recognized through profit or loss and are reported as part of the fair value gain or loss. Translation differences on non-monetary items, such as equities classified as fair value through other comprehensive income financial assets, are included in the fair value in other comprehensive income and ultimately accounted for under reserves in equity.

h. Financial Instruments

(i) *Recognition, Initial Measurement and Derecognition*

Recognition and Initial Measurement

Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the Credit Union commits to purchase or sell the asset. Financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value, and transaction costs are expensed in profit or loss.

Kingstown Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2023

(in Eastern Caribbean dollars)

4. Summary of Material Accounting PoliciesCont'd

f. Financial InstrumentsCont'd

(i) Recognition, Initial Measurement and DerecognitionCont'd

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category is presented in profit or loss within the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognized in profit or loss as part of investment income when the Credit Union's right to received payments is established.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the contractual rights to receive cash flows from the asset have expired;
- the Credit Union retains the right to receive contractual cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass through" arrangement; or
- the Credit Union has transferred its rights to receive contractual cash flows from the asset and either (a) has transferred substantially all of the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all of the risks and rewards of the asset but has transferred control of the asset.

When the Credit Union has transferred its rights to receive contractual cash flows from an asset and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Credit Union's continuing involvement of the asset. On derecognition of a financial asset, the difference between the carrying amount of the asset and the sum of (i) the consideration received and (ii) any cumulative gain or loss that had been recognized in OCI is recognized in profit or loss.

(ii) Measurement Categories of Financial Assets

Financial assets are categorized and measured based on the Credit Union's business model for managing their contractual cash flows, as follows: -

- Amortized cost
- Fair value through profit or loss (FVTPL)
- Fair value through other comprehensive income (FVOCI)

(iii) Deposits with Other Institutions, Treasury Bills, Loans and Advances to Members

The Credit Union measures deposits with other institutions, treasury bills and loans and advances to members at amortized cost if the following criteria are met:

- the financial asset is held within a business model with the objective to hold the financial asset in order to collect contractual cash flows; and

Kingstown Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2023

(in Eastern Caribbean dollars)

4. Summary of Material Accounting PoliciesCont'd

h. Financial InstrumentsCont'd

(iii) Deposits with Other Institutions, Treasury Bills, Loans and Advances to MembersCont'd

- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

(iv) Equity Instruments

Equity instruments under IFRS 9 are always reported at fair value since they fail the SPPI test. Where the Credit Union's management has elected to present fair value gains or losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains or losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss as investment income when the Credit Union's right to receive payment is established.

The Credit Union's equity instruments are classified as at FVTPL and therefore changes in the fair value of these financial assets at fair value through profit or loss are recognized in other gain (loss) in the statement of profit or loss as applicable.

(v) Debt Instruments

Debt instruments, including loans and debt securities, are classified into one of the following measurement categories:

- Amortized cost;
- Fair value through other comprehensive income (FVOCI); and
- Fair value through profit or loss (FVTPL).

Investments in debt instruments are measured at amortized cost if they meet both of the following conditions and are not designated at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the outstanding principal balance.

(vi) Business Model Assessment

The Credit Union makes an assessment of the objective of the business model in which an asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:-

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Credit Union's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed; and
- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected).

Kingstown Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2023

(in Eastern Caribbean dollars)

4. Summary of Material Accounting PoliciesCont'd

h. Financial InstrumentsCont'd

(vii) *Assessment of whether Contractual Cash Flows are solely Payments of Principal and Interest (SPPI)*

As a second step of the classification process, the Credit Union assesses the contractual terms of financial assets to identify whether they meet the SPPI criteria.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal).

The most significant elements of interest within a lending arrangement are typically the consideration for the value of money and credit risk. To make the SPPI assessment, the Credit Union applies judgement and considers relevant factors such as the currency in which the financial asset is denominated and the period for which the interest rate is set.

In contrast, the contractual terms that introduce a more than de minimis exposure to risk or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are SPPI on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL or FVOCI.

(viii) *The SPPI Test*

Debt Instruments Measured at Amortized Cost

Debt instruments are measured at amortized cost if they are held within a business model whose objective is to hold for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. After initial measurement, debt instruments in this category are carried at amortized cost. Interest income on these instruments is recognized in interest income using the effective interest rate method. The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. Amortized cost is calculated by taking into account any discount or premium on acquisition, transaction costs and fees that are an integral part of the effective interest rate.

Impairment on debt instruments measured at amortized cost is calculated using the expected credit loss approach. Loans and debt securities measured at amortized cost are presented net of the allowance for credit losses (ECL) in the statement of financial position.

(ix) *Debt Instruments Measured at Fair Value through Other Comprehensive Income (FVOCI)*

Debt instruments are measured at FVOCI if they are held within a business model whose objective is to hold for collection of contractual cash flows and for selling financial assets, where the assets' cash flows represent payments that are solely payments of principal and interest. Subsequent to initial recognition, unrealized gains and losses on debt instruments measured at FVOCI are recorded in other comprehensive income (OCI), unless the instrument is designated in a fair value hedge relationship. Upon derecognition, realized gains and losses are reclassified from OCI and recorded in profit or loss. Foreign exchange gains and losses that related to the amortized cost of the debt instrument are recognized in profit or loss.

Premiums, discounts and related transaction costs are amortized over the expected life of the instrument to interest income in profit or loss using the effective interest rate method.

Impairment on debt instruments measured at FVOCI is calculated using the expected credit loss approach. The ECL on debt instruments measured at FVOCI does not reduce the carrying amount of the asset in the statement of financial position, which remains at its fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognized in OCI with a corresponding charge to provision for credit losses in profit or loss. The accumulated allowance recognized in OCI is recycled to profit or loss upon derecognition of the debt instrument.

Kingstown Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2023

(in Eastern Caribbean dollars)

4. Summary of Material Accounting PoliciesCont'd

h. Financial InstrumentsCont'd

(x) *Debt Instruments Measured at Fair Value through Profit or Loss (FVTPL)*

Debt instruments are measured at FVTPL for assets:

- held for trading purposes;
- held as part of a portfolio managed on a fair value basis; or
- whose cash flows do not represent payments that are SPPI.

These instruments are measured at fair value in the statement of financial position, with transaction costs recognized immediately in profit or loss as part of the non-interest income. Realized and unrealized gains or losses are recognized as part of non-interest income in profit or loss.

(xi) *Debt Instruments Designated at FVTPL*

Financial assets classified in this category are those that have been designated by the Credit Union upon initial recognition, and once designated, the designation is irrevocable. The FVTPL designation is available only for those financial assets for which a reliable estimate of fair value can be obtained.

Financial assets are designated at FVTPL if doing so eliminates or significantly reduces an accounting mismatch which would otherwise arise.

Financial assets designated at FVTPL are recorded in the statement of financial position at fair value. Changes in fair value are recognized in non-interest income in profit or loss.

(xii) *Impairment of Financial Assets*

The Credit Union recognizes expected credit losses (ECLs) on the following financial assets that are not measured at FVTPL:

- debt instruments measured at amortized cost and fair value through other comprehensive income;
- lease receivables; and
- loan commitments.

The measurement of expected credit loss involves increased complex judgement that includes:

Determining a Significant Increase in Credit Risk since Initial Recognition

The assessment of significant deterioration since initial recognition is key in establishing the point of switching between the requirement to measure an allowance based on 12 months ECL and one that is based on lifetime ECL. The quantitative and qualitative assessments are required to estimate the significant increase in credit risk by comparing the risk of a default occurring on the financial assets as at reporting date with the risk of default occurring on financial assets as at the date of initial recognition. The Credit Union applies a three-stage approach based on the change in credit quality since initial recognition.

Expected Credit Loss Impairment Model

The Credit Union's allowance for credit losses calculations are outputs of models with a number of underlying assumptions regarding the choice of variable and their interdependencies. The expected credit loss impairment model reflects the present value of all cash shortfalls related to default events either:

- (i) over the following twelve months; or
- (ii) over the expected life of a financial instrument depending on credit deterioration since origination.

Kingstown Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2023

(in Eastern Caribbean dollars)

4. Summary of Material Accounting PoliciesCont'd

h. Financial InstrumentsCont'd

(xii) Impairment of Financial AssetsCont'd

The allowance for credit losses reflects an unbiased, probability-weighted outcome which considers multiple scenarios based on reasonable and supportable forecasts. This impairment model measures credit loss allowances using a three-stage based on the extent of credit deterioration since origination.

To assess whether there is significant increase in credit risk, the Credit Union compares the risk of default occurring on the asset at the reporting date with the risk of default at initial recognition. It considers available reasonable and supportable forward-looking information. A summary of the assumptions underpinning the assessment of significant increase in credit risk are as follows:

Category	Credit Union Definition of Category	Basis of Recognition of Expected Credit Loss
Stage 1: Performing	Customers who have low risk of default and strong capacity to meet contractual cash flows	12 month expected credit loss. Where the expected lifetime of an asset is less than 12 months, expected losses are measured over its expected lifetime.
Stage 2: Non-Performing	Loans for which there is significant increase in credit risk is evidenced by: <ul style="list-style-type: none"> - absence of up-to-date financial information on file - inadequate credit documentation to support borrowing which may result in losses if not corrected - breach of loan covenant - other potential weakness that deserves management's attention but do not expose the Credit Union to significant risk 	Lifetime expected losses.
Stage 3: Credit Impaired	All or most of the weaknesses on 'non-performing' in stage 2. <ul style="list-style-type: none"> - Full liquidation of collection of debt improbable - Significant financial difficulty of the borrower or issuer; a breach of contract such as a default or being more than 90 days past due; - The restructuring of a loan or advance by the Credit Union on terms that the Credit Union would not consider otherwise; - It is probable that the borrower will enter bankruptcy or other financial reorganization; or - The disappearance of an active market for a security because of financial difficulties. 	Lifetime expected losses.
Write-off	Cases in which the Credit Union determines that the borrower does not have assets or source of income that could generate sufficient cash flows to repay the amount subject to write-off.	Asset is written off.

Kingstown Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2023

(in Eastern Caribbean dollars)

4. Summary of Material Accounting PoliciesCont'd

h. Financial InstrumentsCont'd

(xii) Impairment of Financial AssetsCont'd

Measurement of Expected Credit Losses

Expected credit losses are computed as unbiased, probability weighted amounts determined by evaluating a range of reasonably possible outcomes, incorporating the time value of money, and considering all reasonable and supportable information including that which is forward looking.

ECLs are measured as follows:

- Financial assets that are not credit impaired at the reporting date: as the present value of all cash shortfalls over the expected life of the financial asset discounted by the effective interest rate. The cash shortfall is the difference between the cash flows due to the Credit Union in accordance with the contract and the cash flows that the Credit Union expects to receive.
- Financial assets that are credit impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows discounted by the effective interest rate.
- For undrawn loan commitments, the Credit Union estimates the expected portion of the loan commitment that will be drawn down over its expected life and calculates the ECL as the present value of the difference between the contractual cash flows that are due to the Credit Union if the commitment is drawn and the cash flows that the Credit Union expects to receive.
- Financial guarantee contracts as the expected payments to reimburse the holder less any amounts the Credit Union expects to recover.

The mechanics of the ECL calculations are outlined below and the key elements are as follows:

- PD: The Probability of Default is an estimate of the likelihood of default over a given period of time. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognized and is still in the portfolio.
- EAD: The Exposure at Default is an estimate of the loss arising at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.
- LGD: The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realization of any collateral. It is usually expressed as a percentage of the EAD.

Incorporation of Forward-Looking Information

The standard requires the incorporation of forward-looking information in the estimation of expected credit losses for each stage and the assessment of significant increases in credit risk consider information about past events and current conditions as well as reasonable and supportable forecast of future events and economic conditions. The estimation and application of forward-looking information requires significant judgement.

Assessment of Significant Increase in Credit Risk (SICR)

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Credit Union compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument. In making this assessment, the Credit Union considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that was available.

Kingstown Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2023

(in Eastern Caribbean dollars)

4. Summary of Material Accounting PoliciesCont'd

h. Financial InstrumentsCont'd

(xii) Impairment of Financial AssetsCont'd

Assessment of Significant Increase in Credit Risk (SICR)....Cont'd

The assessment of an increase in credit risk includes macroeconomic outlook, management judgement, and delinquency and monitoring. With regards to delinquency and monitoring, there was a rebuttable presumption that the credit risk of the financial instrument has increased significantly since initial recognition when contractual payments are more than 30 days overdue.

Some of the indicators which were incorporated include:

- (i) Internal credit rating
- (ii) External credit rating (as far as available)
- (iii) Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations. This includes but is not limited to evidence of one or more of the following:
 - a. Delinquency in contractual payments of principal or interest;
 - b. Cash flow difficulties experienced by the borrower (e.g. equity ratio, net income percentage of sales);
 - c. Breach of loan covenants or conditions;
 - d. Initiation of bankruptcy proceedings;
 - e. Deterioration of the borrower's competitive position;
- (iv) Actual or expected changes in the operating results of the borrower;
- (v) Significant increase in credit risk on other financial instrument of the same borrower;
- (vi) Significant change in the value of the collateral supporting the obligation;
- (vii) Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the Credit Union and changes in the operating result of the borrower;
- (viii) Deterioration in the value of the collateral.

Quantitative information is a primary indicator of significant increase in credit risk and is based on the change in lifetime determined PD by comparing the remaining lifetime PD at reporting date with the remaining lifetime PD at the point in time that was estimated based on facts and circumstances at the time of initial recognition of the exposure.

The quantitative factors that indicate significant increase in credit risk are reflected in PD models on a timely basis. However, the Credit Union still considers separately some qualitative factors to assess if credit risk has increased significantly. For loans and advances, there is particular focus on assets that are included on a 'watch list' once there is a concern that the creditworthiness of the specific counterparty has deteriorated; events such as unemployment, bankruptcy or death are also considered.

Given that a significant increase in credit risk since initial recognition is a relative measure, a given change, in absolute terms, in the PD will be more significant for a financial instrument with a lower initial PD than compared to a financial instrument with a higher PD. Financial assets that are 30 or more days past due and are not credit impaired will always be considered to have experienced a significant increase in credit risk. For less material portfolios where a loss rate or churn rate approach is applied to compute expected credit losses, significant increase in credit risk is primarily based on 3 days past due on the contractual payment.

Kingstown Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2023

(in Eastern Caribbean dollars)

4. Summary of Material Accounting PoliciesCont'd

h. Financial InstrumentsCont'd

(xii) Impairment of Financial AssetsCont'd

Improvement in Credit Risk/Curing

A period may elapse from the point at which financial instruments enter lifetime expected credit losses (Stage 2 and Stage 3) and are reclassified back to 12 months expected credit losses (Stage 1). For financial assets that are credit impaired (Stage 3), a transfer to Stage 2 or Stage 1 is only permitted where the instrument is no longer considered to be credit impaired. An instrument will no longer be considered credit impaired when there is no shortfall of cash flows compared to the original contractual terms.

For financial assets within Stage 2, these can only be transferred to Stage 1 when they are no longer considered to have experienced a significant increase in credit risk.

Where a significant increase in credit risk was determined using quantitative measures, the instruments will automatically transfer back to Stage 1 when the original transfer criteria are no longer valid. Where instruments were transferred to Stage 2 due to an assessment of qualitative factors, the issues that led to the reclassification must be cured before the instruments can be reclassified to Stage 1.

A forbore loan can only be removed from the category (cured) if the loan is performing (Stage 1 or 2) and a further one-year probation is met.

In order for a forbore loan to become performing, the following criteria have to be satisfied:

- At least a year has passed with no default upon the forbore contract terms
- The customer is likely to repay its obligations in full without realizing security
- The customer has no accumulated impairment against amounts outstanding

Subsequent to the criteria above being met, probation continues to assess if regular payments are made by the customer and none of the exposures to the customer are more than 30 days past due.

Expected Life

When measuring expected credit loss, the Credit Union considers the maximum contractual period over which the Credit Union is exposed to credit risk. All contractual terms are considered when determining the expected life, including prepayments, extension and rollover options.

Presentation of Expected Credit Losses in the Statement of Financial Position

- Financial assets measured at amortized cost: as a deduction from the gross carrying amount of the financial assets;
- Debt instruments measured at fair value through other comprehensive income; no allowance is recognized in the statement of financial position because the carrying values of these assets is their fair values. However, the allowance determined is presented in accumulated other comprehensive income;
- Off-balance sheet credit risks including undrawn lending commitments, letters of credit and letters of guarantee; as a provision in other liabilities.

Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when, and only when, there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

Kingstown Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2023

(in Eastern Caribbean dollars)

4. Summary of Material Accounting PoliciesCont'd

i. Financial Liabilities

Accounts payable and accrued liabilities, interest payable, deposits, dividend and rebates payable, and redeemable member shares are measured at amortized cost.

During the ordinary course of business, the Credit Union issues deposit contracts that expose the Credit Union to financial risk. Deposits are recognized initially at fair value and are subsequently stated at amortized cost using the effective interest method.

j. Impairment of Non-Financial Assets

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

k. Share Capital

Share Capital Costs

The proceeds from the issue of new shares, except shares redeemable at the option of the holder, are accounted for as equity, net of transaction costs. Shares which are redeemable at the option of the holder are accounted for as financial liabilities.

Dividends

Dividends on shares, other than those redeemable at the option of the holder, are recognized in equity in the period in which they are approved by the directors. Dividend on shares, which are redeemable at the option of the holders, are accounted for as a charge in profit or loss in the period they are approved by the directors.

Revaluation Reserve

Increases in the carrying value of property, plant and equipment is recognized through other comprehensive profit or loss to the extent it reverses a previously recognized impairment loss or income and credited to a revaluation surplus account. Impairment losses are recognized through OCI to the extent it reverses previously recognized gains. Otherwise, impairment losses are recognized through profit or loss.

Retained Earnings

All other net gains and losses and transactions with owners (e.g. dividends) not recognized elsewhere.

l. Leases

At inception of a contract, the Credit Union assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Credit Union uses the definition of a lease in IFRS 16.

As a Lessee

At commencement or on modification of a contract that contains a lease component, the Credit Union allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Credit Union has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

Kingstown Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2023

(in Eastern Caribbean dollars)

4. Summary of Material Accounting Policies*Cont'd*

1. Leases*Cont'd*

As a LesseeCont'd

The Credit Union recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Credit Union by the end of the lease term.

In that case, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Credit Union's incremental borrowing rate. Generally, the Credit Union uses its incremental borrowing rate as the discount rate.

The Credit Union determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Credit Union is reasonably certain to exercise, lease payments in an optional renewal period if the Credit Union is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Credit Union is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Credit Union's estimate of the amount expected to be payable under a residual value guarantee and, if the Credit Union changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Credit Union presents right-of-use assets and lease liabilities separately in the statement of financial position.

Short-Term Leases and Leases of Low-Value Assets

The Credit Union has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and low-value assets. The Credit Union recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Kingstown Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2023

(in Eastern Caribbean dollars)

5. Financial Risk Management

The Board of Directors has overall responsibility for the establishment and oversight of the Credit Union's risk management framework. The Credit Union's risk management policies are established to identify and analyse the risks faced by the Credit Union, to set appropriate risk limits and controls and to monitor risks and adherence to limits and controls. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Credit Union's activities. The Credit Union, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Supervisory Committee oversees how management monitors compliance with the Credit Union's risk management policies and procedures and review the adequacy of the risk management framework in relation to the risks faced by the Credit Union. The Compliance Officer undertakes both regular and ad hoc reviews of the risk management controls and procedures, the results of which are reported to the Supervisory Committee and the Board of Directors.

The Credit Union's activity of accepting funds risks, including members investing deposits, loans and other investments exposes the Credit Union to various financial risks. Financial risks include credit, liquidity and market risks. Market risks arise from changes in interest rates, equity prices, currency exchange rates or other market factors. The effects of these risks are disclosed in the sections below.

5.1. Credit Risk

Credit risk is the risk of financial loss to the Credit Union if a member or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Credit Union's cash resources, loans and advances to members and investment securities.

The exposure to credit risk is dependent on the degree of failure of counterparties, including its customers, banks and other debtors, to honour their obligations to the Credit Union. The Credit Union's credit risk is spread primarily over a diversity of private customers, commercial entities, and government's securities.

The Credit Union manages limits and controls concentrations of credit risk whenever they are identified, in particular to individual counterparties and groups, and to industries. Exposure to credit risk is managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations. Exposure to credit risk is also managed in part by obtaining collateral and personal guarantees.

The Credit Union structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers.

Collateral

The Credit Union employs a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security for funds advanced. The Credit Union implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation. The principal collateral types of loans and advances are:

- (i) Mortgages over real properties; and
- (ii) Charges over members' deposits and ordinary savings.

The Credit Union's risk management policies include requirements relating to collateral valuation and management, including verification requirements and legal certainty. Valuations are updated periodically depending upon the nature of the collateral. Management monitors the market value of collateral and request additional collateral in accordance with the underlying agreement during its periodic review of loan accounts in arrears. Policies are in place to monitor the existence of undesirable concentration in the collateral supporting the Credit Union's credit exposure.

In order to minimize the credit loss, the Credit Union will seek additional credit collateral from the counterparty as soon as impairment indicators are noticed on individual loans and advances.

Kingstown Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2023

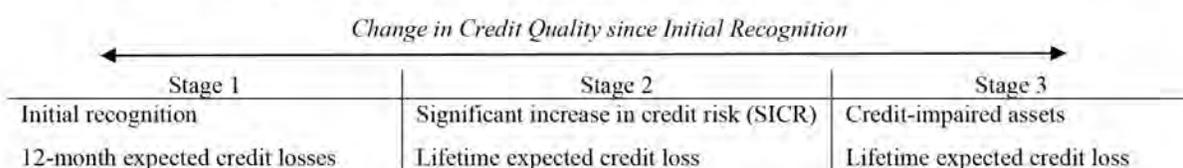
(in Eastern Caribbean dollars)

5. Financial Risk ManagementCont'd

5.1 Credit RiskCont'd

Impairment and Allowance Policies

The internal rating systems focus more on credit-quality mapping from the inception of the lending and investment activities. In contrast, impairment provisions are recognized for financial reporting purposes via an expected loss model using a three-stage approach. This impairment model measures credit loss allowance using a three-stage approach based on the extent of credit deterioration since initial recognitions as summarized in the diagram below:



The Credit Union's policy requires the review of individual financial assets that are above the materiality threshold at least annually or more regularly when individual circumstances require. Impairment allowances on individually assessed accounts are determined by an evaluation of the incurred loss at the reporting date on a case-by-case basis and are applied to all individually significant accounts. The assessment normally encompasses collateral held (including reconfirmation of its enforceability) and the anticipated receipts for that individual account.

Financial instruments that are not already credit impaired are originated into Stage 1 and a 12-month expected credit loss provision is recognized.

Instruments will remain in Stage 1 until they are repaid, unless they experience significant credit deterioration (Stage 2) or they become credit impaired (Stage 3).

Instruments will transfer to Stage 2 and a lifetime expected credit loss allowance recognized when there has been a significant increase in credit risk compared with what was expected at origination.

Collective Impairment on Advances

Inherent provisions on advances are calculated on an estimate of impairment incurred but not existing in assets as at the reporting date. Estimated impairment incurred is determined by applying against performing loan balances, the average loan default rates and adjusting this balance for current economic factors that affect loan performance. An anticipated recovery rate (determined from historical average) is then applied to determine the value that is recoverable. This calculation is computed by product type.

Financial Investments

The credit quality of financial institutions holding the Credit Union's investments and cash resources is assessed according to the level of their credit worthiness and by comparison to other financial institutions. The Credit Union places its cash resources with reputable financial institutions.

Kingstown Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2023

(in Eastern Caribbean dollars)

5. Financial Risk Management*Cont'd*

5.1 Credit Risk*Cont'd*

Impairment and Allowance PoliciesCont'd

The following summarizes the maximum credit risk:

	2023	2022
	\$	\$
Deposits with commercial banks	8,368,806	17,410,745
Short-term treasury bills	10,000,000	-
Investment securities	6,287,730	11,151,740
Loans to members	110,497,826	97,595,986
Other assets	264,753	225,518
	<u>135,419,115</u>	<u>126,383,989</u>

The exposures set out above are based on net carrying amounts as reported in the statement of financial position and represent a worst-case scenario of credit risk exposure as at December 31, 2023 and 2022, without taking account of any collateral held or other credit enhancements attached.

Kingstown Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2023

(in Eastern Caribbean dollars)

5. Financial Risk ManagementCont'd

5.1 Credit RiskCont'd

Loans and Advances to MembersCont'd

The quality of the portfolio of loans and advances can be assessed by reference to the internal rating system adopted by the Credit Union.

	Stage 1 \$	Stage 2 \$	Stage 3 \$	Total \$
As at December 31, 2023				
Mortgage	58,565,477	1,657,986	3,052,200	63,275,663
Consumer	20,127,049	342,134	1,464,507	21,933,690
Vehicle	6,882,481	185,726	259,254	7,327,461
Education	2,190,005	297,547	430,562	2,918,114
Promotional	11,341,412	236,777	1,548,863	13,127,052
Micro-business	3,038,994	147,266	115,286	3,301,546
	102,145,418	2,867,436	6,870,672	111,883,526
Add: interest receivable	383,971	39,529	1,337,839	1,761,339
	102,529,389	2,906,965	8,208,511	113,644,865
Less: ECL allowance	(371,853)	(60,535)	(2,714,651)	(3,147,039)
	102,157,536	2,846,430	5,493,860	110,497,826

	Stage 1 \$	Stage 2 \$	Stage 3 \$	Total \$
As at December 31, 2022				
Mortgage	46,519,609	1,334,290	2,793,416	50,647,315
Consumer	16,044,207	201,866	1,666,696	17,912,769
Vehicle	8,713,597	39,842	401,002	9,154,441
Education	2,309,733	142,368	500,923	2,953,024
Promotional	10,763,842	153,631	1,036,623	11,954,096
Micro-business	7,327,852	217,022	65,307	7,610,181
	91,678,840	2,089,019	6,463,967	100,231,826
Add: interest receivable	376,059	55,039	1,082,584	1,513,682
	92,054,899	2,144,058	7,546,551	101,745,508
Less: ECL allowance	(446,893)	(57,065)	(3,645,564)	(4,149,522)
	91,608,006	2,086,993	3,900,987	97,595,986

5.2 Liquidity Risk

Liquidity risk is the exposure that the Credit Union may encounter difficulty in meeting obligations associated with its financial liabilities. Liquidity risk also arises when excess funds accumulate resulting in the loss of opportunity to increase investment returns.

The contractual maturities of assets and liabilities, and the ability of the Credit Union to meet payment obligations associated with financial liabilities when they fall due and to replace funds when they are withdrawn, are important factors in assessing the liquidity of the Credit Union.

Projections and examination of the Credit Union's asset and liability maturity structure to facilitate the matching of asset and liability maturity dates as far as possible and providing for any shortfall or excess cash situations is a fundamental part of the Credit Union's liquidity risk management.

Kingstown Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2023

(in Eastern Caribbean dollars)

5. Financial Risk ManagementCont'd

5.2 Liquidity RiskCont'd

The Credit Union is exposed to daily cash calls on its available cash resources from overnight deposits, current accounts, maturing deposits, loan draw-downs and guarantees. The Credit Union does not maintain cash resources to meet all these needs, as experience shows that a minimum level of reinvestments of maturing funds can be predicted with a high level of certainty. The Board of Directors sets limits on the minimum proportion of maturing funds available to meet such calls and on the minimum level of interbank and other borrowings facilities that should be in place to cover withdrawals at unexpected levels of demand.

Liquidity Risk Management Process

The matching and controlled mismatching of the contractual maturities and interest rates of assets and liabilities is fundamental to the management of the Credit Union. It is unusual for banks to be completely matched as transacted business is often of uncertain term and of different types. An unmatched position potentially enhances profitability, but also increases the risk of losses.

The contractual maturities of assets and liabilities and the ability to replace, at an acceptable cost, interest-bearing liabilities as they mature, are important factors in assessing the liquidity of the Credit Union and its exposure to changes in interest rates and exchange rates.

Liquidity requirements to support calls under guarantees and standby letters of credit are considerably less than the amount of the commitment because the Credit Union does not generally expect the third party to draw funds under the agreement. The total outstanding contractual amount of commitments to extend credit does not necessarily represent future cash requirements, since many of these commitments will expire or terminate without being funded.

Funding approach: Sources of liquidity are regularly reviewed to maintain a wide diversification by currency, geography, provider, product and term.

Non-derivative cash flows: The table below presents the cash flows payable by the Credit Union under non-derivative financial liabilities by remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows, whereas the Credit Union manages the inherent liquidity risk based on expected undiscounted cash inflows.

Kingstown Co-operative Credit Union Limited

Notes to the Financial Statements
For the Year Ended December 31, 2023

(in Eastern Caribbean dollars)

5. Financial Risk ManagementCont'd

5.2 Liquidity RiskCont'd

As at December 31, 2023

Financial Assets

	Up to 1 Month \$	2 to 3 Months \$	4 to 12 Months \$	1 to 5 Years \$	Over 5 Years \$	Total \$
Cash and cash equivalents	11,655,297	7,088,295	-	-	-	18,743,592
Investment securities:						
- at amortised cost	-	-	441,240	6,557,502	-	6,998,742
- at FVTPL	-	-	-	-	457,994	457,994
Loans and advances to customers	2,342,330	4,612,446	19,712,514	123,578,563	15,009,072	165,254,925
Other assets	136,325	-	-	-	128,428	264,753
Total Financial Assets	14,133,952	11,700,741	20,153,754	130,136,065	15,595,494	191,720,006

Financial Liabilities

Accounts payable and accrued liabilities	-	-	1,736,706	-	-	1,736,706
Member deposits	-	-	50,071,910	12,524,886	-	62,596,796
Redeemable member shares	-	-	-	61,135,272	-	61,135,272
Total Financial Liabilities	-	-	51,808,616	73,660,158	-	125,468,774
Liquidity Gap	14,133,952	11,700,741	(31,654,862)	56,475,907	15,595,494	66,251,232

Kingstown Co-operative Credit Union Limited

Notes to the Financial Statements
For the Year Ended December 31, 2023

(in Eastern Caribbean dollars)

5. Financial Risk ManagementCont'd

5.2 Liquidity RiskCont'd

As at December 31, 2022

	Up to 1 Month \$	2 to 3 Months \$	4 to 12 Months \$	1 to 5 Years \$	Over 5 Years \$	Total \$
Financial Assets						
Cash and cash equivalents	19,568,227	-	-	-	-	19,568,227
Investment securities:						
- at amortised cost	154,554	329,929	3,368,082	8,608,252	171,458	12,632,275
- at FVTPL	-	-	-	-	457,895	457,895
Loans and advances to customers	2,154,282	4,219,514	17,873,384	91,990,116	25,018,795	141,256,091
Other assets	-	-	225,518	-	-	225,518
Total Financial Assets	21,877,063	4,549,443	21,466,984	100,598,368	25,648,148	174,140,006
Financial Liabilities						
Accounts payable and accrued liabilities	-	-	1,952,821	-	-	1,952,821
Member deposits	-	-	51,785,953	5,859,339	0	57,645,292
Redeemable member shares	-	-	59,652,028	-	-	59,652,028
Total Financial Liabilities	-	-	113,390,802	5,859,339	-	119,250,141
Liquidity Gap	21,877,063	4,549,443	(91,923,818)	94,739,029	25,648,148	54,889,865

Kingstown Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2023

(in Eastern Caribbean dollars)

5. Financial Risk Management*Cont'd*

5.2 Liquidity Risk*Cont'd*

Assets held-for-managing Liquidity Risk

The Credit Union holds a diversified portfolio of cash and investment securities to support payment obligations.

The Credit Union's assets held for managing liquidity risk comprise cash and balances with banks, certificates of deposits, government bonds that are readily acceptable in repurchase agreements, treasury and other eligible bills, loans and advances to financial institutions, loans and advances to customers and other items in the course of collection.

The Credit Union would also be able to meet unexpected net cash outflows by selling investment securities and accessing additional funding sources.

Kingstown Co-operative Credit Union Limited

Notes to the Financial Statements
For the Year Ended December 31, 2023

(in Eastern Caribbean dollars)

5. Financial Risk ManagementCont'd

5.3 Interest Rate Risk

The table below summarizes the Credit Union's exposure to interest rate risks. Included in the table are the Credit Union's assets and liabilities at carrying amounts, categorized by the earlier of contractual re-pricing or maturity dates.

	Up to 1 Month \$	2 - 3 Months \$	4 - 12 Months \$	1 - 5 Years \$	Over 5 Years \$	Non-Interest Bearing \$	Total \$
As at December 31, 2023							
Financial Assets							
Cash and cash equivalents	19,334,783	-	-	-	-	233,444	19,568,227
Investment securities:							
- at amortised cost	-	-	441,240	6,557,502	-	-	6,998,742
- at FVTPL	-	-	-	-	-	457,895	457,895
Loans and advances to customers	2,342,330	4,612,446	19,712,514	123,578,563	15,009,072	-	165,254,925
Other assets	-	-	-	-	-	264,753	264,753
Total Financial Assets	21,677,113	4,612,446	20,153,754	130,136,065	15,009,072	956,092	192,544,542
Financial Liabilities							
Accounts payable and accrued liabilities	-	-	-	-	-	1,952,821	1,952,821
Member deposits	-	-	49,042,027	12,267,273	-	-	61,309,300
Redeemable member shares	-	-	-	61,135,272	-	-	61,135,272
Total Financial Liabilities	-	-	49,042,027	73,402,545	-	1,952,821	124,397,393
Net Interest Re-Pricing Gap	21,677,113	4,612,446	(28,888,273)	56,733,520	15,009,072	(996,729)	68,147,149

Kingstown Co-operative Credit Union Limited

Notes to the Financial Statements
For the Year Ended December 31, 2023

(in Eastern Caribbean dollars)

5. Financial Risk ManagementCont'd

5.3 Interest Rate RiskCont'd

As at December 31, 2022

Financial Assets

Cash and cash equivalents
Investment securities:
– at amortised cost
– at FVTPL
Loans and advances to customers
Other assets

	Up to 1 Month \$	1–3 Months \$	4–12 Months \$	1–5 Years \$	Over 5 Years \$	Non-Interest Bearing \$	Total \$
	16,396,693	-	-	-	-	3,171,534	19,568,227
	154,554	329,929	3,368,082	8,608,252	171,458	-	12,632,275
	2,154,282	4,219,514	17,873,384	91,990,116	25,018,795	457,895	141,256,091
	-	-	-	-	-	225,518	225,518
Total Financial Assets	18,705,529	4,549,443	21,241,466	100,598,368	25,190,253	3,854,947	174,140,006
Financial Liabilities							
Accounts payable and accrued liabilities	-	-	-	-	-	1,952,821	1,952,821
Member deposits	-	-	51,785,953	5,859,339	-	-	57,645,292
Redeemable member shares	-	-	59,652,028	-	-	-	59,652,028
Total Financial Liabilities	-	-	111,437,981	5,859,339	-	1,952,821	119,250,141
Net Interest Re-Pricing Gap	18,705,529	4,549,443	(90,196,515)	94,739,029	25,190,253	1,902,126	54,889,865

Kingstown Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2023

(in Eastern Caribbean dollars)

5. Financial Risk ManagementCont'd

5.3 Interest Rate RiskCont'd

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Credit Union takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes but may reduce or create losses in the event that unexpected movements arise.

	2023	2022
Loans and Advances to Customers:		
- Micro-business	6.96 - 9.96%	6.96 - 9.96%
- Education	3.00 - 9.96%	3.00 - 9.96%
- Consumer	6.00 - 18.00%	6.00 - 18.00%
- Vehicle	5.14 - 12.00%	5.14 - 12.00%
- Mortgage	4.56 - 12.00%	4.56 - 12.00%
- Promotional	8.04 - 9.96%	8.04 - 9.96%
Investment Security at Amortised Cost		
Investment Securities:		
Government bonds	3.25 - 7.50%	3.25 - 7.50%
Other securities	1.00 - 2.50%	1.00 - 2.50%
Deposits with banks	0.00 - 0.75%	0.00 - 0.75%
Deposits Due to Customers:		
Term deposits		2.956 - 3.199%
Savings deposits	2.00 - 2.10%	2.00 - 2.10%

Interest rate risk on customers' loans and advance arises from variations between market rates and contract rates. Had interest rates varied 50 basis points higher/lower, with all other variables held constant, profit for the year would have been \$806,123 (2022: \$706,280) higher/lower on variable rate loans.

Sensitivity Analysis

Cash flow interest rate risk arises from loans and advances to members at variable rates.

5.4 Foreign Currency Risk

Currency risk arises from changes in currency exchange rates and the impact of those changes on the entity's cash flows from trading in foreign currencies and the fair value measurement on its financial instruments. Generally, the Credit Union transacts in its functional currency and its financial instruments, are denominated in its functional currency.

The Credit Union is exposed to currency risk on financial instruments which are denominated in currencies other than its functional currency. As of reporting date, the Credit Union was exposed to currency risk on financial instruments having a fair value of \$210,017 (2022: \$210,017), which are denominated in Barbados currency. Had the Barbados currency either increased or decreased by 5% at reporting date, other comprehensive income would have increased or decreased respectively by \$10,461.

Kingstown Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2023

(in Eastern Caribbean dollars)

5. Financial Risk ManagementCont'd

5.5 Fair Value Risk

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable, willing parties in an arm's length transaction. Where an active market exists, market price is used as the best evidence of the fair value of a financial instrument. Where no market price is available, the fair values presented have been estimated using present value or other estimation and valuation techniques based on market conditions existing at the reporting date. The values derived from applying these techniques are significantly affected by the underlying assumptions used concerning both the amounts and timing of future cash flows and the discount rates. The following methods and assumptions have been used:

- The fair value of liquid assets and other assets maturing within one year is assumed to approximate their carrying amount. This assumption is applied to liquid assets and the short-term elements of all other financial assets and financial liabilities.
- The fair value of variable-rate financial instruments is assumed to approximate their carrying amounts.

Fair value risk is the risk that the fair value of a financial instrument may vary in response to changes in interest rates, equity prices, currency exchange rates or other market factors.

Financial assets and financial liabilities measured at fair value in the Statement of Financial Position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 - Unobservable inputs for the asset or liability

6. Capital Risk Management

The Credit Union's objectives when managing capital are:

- To comply with the statutory capital requirements of the Co-operative Societies Act of St. Vincent and the Grenadines;
- To safeguard the Credit Union's ability to continue as a going concern so that it can continue to provide returns for members and benefits for other stakeholders; and
- To maintain a strong capital base to maintain members, creditors and other parties' confidence and to sustain future development of the Credit Union.

The Board of Directors monitors the return on capital, which is defined as surplus for the year divided by total shares, as well as the level of dividends to members.

Section 119 of the Co-operative Societies Act Cap 12.06 requires the Credit Union to maintain statutory and other reserves at not less than 10% of its liabilities. The Credit Union is in compliance as at December 31, 2023 (see **Note 31**).

Kingstown Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2023

(in Eastern Caribbean dollars)

7. Critical Accounting Estimates and Judgements

Judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Credit Union makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual result. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

a. Judgements

Information about judgements made in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

- **Note 4 (h)** – classification of financial instruments: assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial assets are SPPI on the principal amount outstanding.
- **Notes 4 (h)** and **5.1** – measurement of expected credit losses: establishing the criteria for determining whether credit risk on the financial asset has increased significantly since initial recognition, determining the methodology for incorporating forward looking information into measurement of ECL and selection and approval of the models used to measure ECL.

b. Assumptions and Estimates

Information about assumptions and estimation uncertainties that have significant risk of resulting in a material adjustment in the year ended December 31, 2023, is included in the following notes:

- Note 4 (e) - Valuation of land and building.
- Note 4 (f) - Valuation of investment property.
- Note 4 (h) - Impairment of financial assets and measurement of expected credit losses: determining the inputs into the ECL measurement model, including incorporation of forward-looking information.
- Note 5.5 - Determination of the fair value of financial instruments.

8. Cash and Cash Equivalents

	2023	2022
	\$	\$
Cash on hand	1,599,480	2,157,482
Demand deposit at bank	3,506	260,711
Savings accounts at bank	8,365,300	17,150,034
Short-term treasury bills	10,000,000	-
Cash and Cash Equivalents in Statement of Financial Position	19,968,286	19,568,227
Bank overdraft	(1,366,575)	-
Cash and Cash Equivalents in Statement of Cash Flows	18,601,711	19,568,227

For the purpose of the statement of cash flows, cash and cash equivalents comprise balances with less than three months maturity from the date of acquisition including: cash on hand, deposits with banks and non-bank financial institutions and overdraft facilities.

Kingstown Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2023

(in Eastern Caribbean dollars)

9. Investment Securities

	2023	2022
	\$	\$
Amortized Cost		
Debt securities	6,789,075	11,706,628
Interest receivable	67,980	124,835
	<u>6,857,055</u>	<u>11,831,463</u>
Less: expected credit losses	(569,325)	(679,723)
Total Debt Securities	<u>6,287,730</u>	<u>11,151,740</u>
Fair Value through Profit or Loss		
Equities	457,895	457,895
	<u>6,745,625</u>	<u>11,609,635</u>

The movements in the expected credit loss are as follows: -

	2023	2022
	\$	\$
At December 31		
Balance beginning of year	679,723	573,985
(Recovery) Charge for the year (Note 22)	(110,398)	105,738
	<u>569,325</u>	<u>679,723</u>

Kingstown Co-operative Credit Union Limited

Notes to the Financial Statements
For the Year Ended December 31, 2023

(in Eastern Caribbean dollars)

10. Loans to Members

At December 31, 2023

	Mortgage	Consumer	Vehicle	Education	Promotional	Micro-Business	Total
	\$	\$	\$	\$	\$	\$	\$
Gross loans	63,275,663	21,933,690	7,327,461	2,918,114	13,127,051	3,301,547	111,883,526
Less: expected credit losses	(1,035,718)	(846,122)	(192,262)	(223,684)	(792,406)	(56,847)	(3,147,039)
	62,239,945	21,087,568	7,135,199	2,694,430	12,334,645	3,244,700	108,736,487
Add: interest receivable	752,059	420,158	71,035	104,091	357,316	56,680	1,761,339
	62,992,004	21,507,726	7,206,234	2,798,521	12,691,961	3,301,380	110,497,826

At December 31, 2022

	Mortgage	Consumer	Vehicle	Education	Promotional	Micro-Business	Total
	\$	\$	\$	\$	\$	\$	\$
Gross loans	50,647,315	17,912,769	9,154,441	2,953,024	11,954,096	7,610,181	100,231,826
Less: expected credit losses	(766,900)	(1,320,790)	(278,861)	(229,671)	(1,016,790)	(536,510)	(4,149,522)
	49,880,415	16,591,979	8,875,580	2,723,353	10,937,305	7,073,671	96,082,304
Add: interest receivable	642,698	354,822	62,749	110,755	260,052	82,606	1,513,682
	50,523,113	16,946,801	8,938,329	2,834,108	11,197,358	7,156,277	97,595,986

The average yield on loans for the year was 8.0% (2022: 8.0%).

Kingstown Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2023

(in Eastern Caribbean dollars)

10. Loans to Members*Cont'd*

The Credit Union's loan portfolio was categorized in the following credit groupings at year end:

	Stage 1 \$	Stage 2 \$	Stage 3 \$	Total \$
As at December 31, 2023				
Mortgage	58,565,477	1,657,986	3,052,200	63,275,663
Consumer	20,127,049	342,134	1,464,507	21,933,690
Vehicle	6,882,481	185,726	259,254	7,327,461
Education	2,190,005	297,547	430,562	2,918,114
Promotional	11,341,412	236,777	1,548,863	13,127,052
Micro-business	3,038,994	147,266	115,286	3,301,546
	102,145,418	2,867,436	6,870,672	111,883,526
Add: interest receivable	383,971	39,529	1,337,839	1,761,339
	102,529,389	2,906,965	8,208,511	113,644,865
Less: expected credit loss	(371,853)	(60,535)	(2,714,651)	(3,147,039)
	102,157,536	2,846,430	5,493,860	110,497,826

	Stage 1 \$	Stage 2 \$	Stage 3 \$	Total \$
As at December 31, 2022				
Mortgage	46,519,609	1,334,290	2,793,416	50,647,315
Consumer	16,044,207	201,866	1,666,696	17,912,769
Vehicle	8,713,597	39,842	401,002	9,154,441
Education	2,309,733	142,368	500,923	2,953,024
Promotional	10,763,842	153,631	1,036,623	11,954,096
Micro-business	7,327,852	217,022	65,307	7,610,181
	91,678,840	2,089,019	6,463,967	100,231,826
Add: interest receivable	376,059	55,039	1,082,584	1,513,682
	92,054,899	2,144,058	7,546,551	101,745,508
Less: expected credit losses	(446,893)	(57,065)	(3,645,564)	(4,149,522)
	91,608,006	2,086,993	3,900,987	97,595,986

Kingstown Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2023

(in Eastern Caribbean dollars)

10. Loans to MembersCont'd

The following summarizes the movement in the expected credit losses.

	Mortgage	Consumer	Vehicle	Education	Promotional	Micro-Business	Total
	\$	\$	\$	\$	\$	\$	\$
At December 31, 2023							
Balance – beginning of year	766,900	1,320,790	278,861	229,671	1,016,790	536,510	4,149,522
Charge (recovery) for the year	268,818	(474,668)	(86,599)	(5,987)	(224,384)	(479,663)	(1,002,483)
Balance – end of year	1,035,718	846,122	192,262	223,684	792,406	56,847	3,147,039

At December 31, 2022

Balance – beginning of year
 Charge (recovery) for the year
 Balance – end of year

	Mortgage	Consumer	Vehicle	Education	Promotional	Micro-Business	Total
	\$	\$	\$	\$	\$	\$	\$
Balance – beginning of year	909,457	1,051,075	219,957	142,723	792,765	123,893	3,239,870
Charge (recovery) for the year	(142,557)	269,715	58,904	86,948	224,025	412,617	909,652
Balance – end of year	766,900	1,320,790	278,861	229,671	1,016,790	536,510	4,149,522

Kingstown Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2023

(in Eastern Caribbean dollars)

11. Other Assets

	2023	2022
	\$	\$
Interest receivable	128,428	128,428
Prepaid expenses	156,469	38,020
Other receivables	136,325	97,090
	421,222	263,538

12. Investment in Associates

	2023	2022
	\$	\$
Investments at the beginning of the year	1,111,794	1,111,794
Share of (loss) profit for the year	(4,810)	-
Share of other comprehensive income	93,393	-
	1,200,377	1,111,794

The investment in associates comprise the Credit Union's proportional share of its holdings in the St. Vincent and the Grenadines Co-operative League Limited and SVG Micro-Finance Co-operative Limited.

In 2017, SVG Small Business and Micro-Finance Co-operative Limited (COMFI) was placed in voluntary liquidation. The liquidator is in the process of determining the residual value of the stakeholders' interest in SVG Small Business and Micro-Finance Co-operative Limited. Consequently, the Credit Union has fully provided for impairment losses anticipated on the investment.

The Credit Union's investment in St. Vincent and the Grenadines Co-operative League is accounted for by the equity method.

The Credit Union holds 31.3%

13. Investment Properties

	Land at Georgetown	Land at Canouan	Land and Building at Kingstown Park	Land at Bequia	Land at Brighton	Total
	\$	\$	\$	\$	\$	\$
December 31, 2021	-	188,926	497,200	83,730	2,072,812	2,842,668
Change in fair value	-	-	-	-	-	-
December 31, 2022	-	188,926	497,200	83,730	2,072,812	2,842,668
Additions	238,550	403,773	-	-	-	642,323
December 31, 2023	238,550	592,699	497,200	83,730	2,072,812	3,484,991

The investment properties were revalued, on an open market basis, on February 2, 2022, by Christopher Browne, an independent property valuator.

The fair value measurement for all of the investment properties has been categorized as a level 3 fair value based on the inputs to the valuation techniques used.

Kingstown Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2023

(in Eastern Caribbean dollars)

14. Property and Equipment

	Land	Motor Vehicle	Work in Progress	Building	Furniture & Equipment	Total
	\$	\$	\$	\$	\$	\$
At December 31, 2021						
Cost or valuation	2,831,910	-	-	7,423,429	3,574,595	13,829,934
Accumulated depreciation	-	-	-	(952,860)	(2,757,022)	(3,709,882)
Net book amount	2,831,910	-	-	6,470,569	817,573	10,120,052
Year Ended December 31, 2022						
Opening net book amount	2,831,910	-	-	6,470,569	817,573	10,120,052
Additions	-	202,629	199,702	649,963	120,463	1,172,757
Depreciation charge	-	(20,874)	-	(141,654)	(246,172)	(408,700)
Closing net book amount	2,831,910	181,755	199,702	6,978,878	691,864	10,884,109
At December 31, 2022						
Cost or valuation	2,831,910	202,629	199,702	8,073,392	3,695,058	15,002,691
Accumulated depreciation	-	(20,874)	-	(1,094,514)	(3,003,194)	(4,118,582)
Net book amount	2,831,910	181,755	199,702	6,978,878	691,864	10,884,109
Year Ended December 31, 2023						
Opening net book amount	2,831,910	181,755	199,702	6,978,878	691,864	10,884,109
Additions	-	-	-	230,362	725,203	955,565
Transfer	-	-	(199,702)	199,702	-	-
Depreciation charge	-	(40,525)	-	(147,454)	(285,890)	(473,869)
Closing net book amount	2,831,910	141,230	-	7,261,488	1,131,177	11,365,805
At December 31, 2023						
Cost or valuation	2,831,910	202,629	-	8,503,456	4,420,261	15,958,256
Accumulated depreciation	-	(61,399)	-	(1,241,968)	(3,289,084)	(4,592,451)
Net book amount	2,831,910	141,230	-	7,261,488	1,131,177	11,365,805

On May 27, 2019, the Credit Union's land and building were valued, on a market basis, by Christopher Browne, Independent Chartered Valuation Surveyor. The combined appraisal value was \$9,240,000. The excess, \$130,353, of appraised value over the carrying value was recognized through other comprehensive income in 2018.

Depreciation expenses of \$473,869 (2022: \$408,700) was charged to general and administrative expenses.

Kingstown Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2023

(in Eastern Caribbean dollars)

15. Accounts Payable and Accrued Liabilities

	2023	2022
	\$	\$
Accounts payable	542,032	412,143
Payroll obligations	750,208	1,205,220
Other accruals	444,466	335,458
	1,736,706	1,952,821

16. Members' Deposits

	2023	2022
	\$	\$
Members' demand deposits	49,018,526	44,957,032
Building capitalization fund shares	11,971,916	12,318,797
	60,990,442	57,275,829
Interest payable	318,858	369,463
	61,309,300	57,645,292

The building capitalization fund shares have varying maturity dates.

The effective interest rates at the reporting date were as follows:

	2023	2022
	%	%
Members' demand deposits	2.80	2.80
Building capitalization fund shares	3.03	3.03

All deposits are denominated in Eastern Caribbean currency.

17. Share Capital

Pursuant to the approval, on September 8, 2022, of the resolution to amend the Credit Union's By-Laws to comply with the Co-operative Societies Act No. 12 of 2012, to create two classes of shares, namely equity shares and qualifying shares, and to convert all permanent shares to qualifying shares on September 9, 2022, the Credit Union effected the change in its capital structure. Further, the aforementioned resolution provides that each member shall maintain at minimum sixty (60) qualifying and twenty (20) equity shares to exercise the right of membership. Furthermore, each member is required to increase, annually for five years starting in January 2023, their equity share holding, by twenty (20) shares.

Authorized Capital

	Numbers		Value	
	2023	2022	2023	2022
Redeemable no par value, non-voting shares	Unlimited	Unlimited	Unlimited	Unlimited
Equity \$5 par value non-voting shares	Unlimited	Unlimited	Unlimited	Unlimited
Qualifying \$5 par value voting shares	Unlimited	Unlimited	Unlimited	Unlimited

Holders of qualifying shares, notwithstanding the number of shares held, are entitled to one vote.

Kingstown Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2023

(in Eastern Caribbean dollars)

17. Share CapitalCont'd

Issued Capital

	Number of Shares		Value	
	2023	2022	2023	2022
	\$	\$	\$	\$
Redeemable shares	12,227,054	11,930,406	61,135,272	59,652,028
Permanent shares	-	1,128,546	-	5,642,730
Equity \$5 par value non-voting shares	317,195	-	1,585,975	-
Qualifying \$5 par value shares	1,055,973	-	5,279,865	-
Subscription for qualifying shares	-	-	82,441	-
			<u>6,948,281</u>	<u>5,642,730</u>

The redeemable shares, which are referred to as member shares savings, are redeemable at the option of members. Accordingly, the redeemable shares are accounted for as liabilities.

During the year, the Credit Union converted the former permanent shares to equity and qualifying shares to comply with approved capital structure in accordance with the Co-operative Societies Act. Also, the Credit Union issued 317,195 and 26,040 equity and qualifying shares at par value.

18. Statutory Reserve

Pursuant to Article 16.1 of the Credit Union's By-Laws, entrance fees and fines collected from members, and at least 20% of net profits shall be credited to a Reserve Fund, to meet bad debts and other extra-ordinary losses. The Reserve Fund shall be maintained in a liquid form, to the satisfaction of the Registrar. During the year, the Board approved an appropriation of \$440,500 (2022: Nil) to the statutory reserve fund.

19. Development Fund

In accordance with Section 125 of the Co-operative Societies Act 2012, the Credit Union shall appropriate such sums, not exceeding ten percent of its net profit, to a Fund, which shall be administered by the National Leagues, for the development of registered societies. During the year, the Board approved an appropriation of \$5,000 (2022: \$5,000) to the development fund. During the year ended December 31, 2022, \$5,000 was transferred to the National League.

20. Interest on Loans

	2023	2022
	\$	\$
Mortgage loans	3,726,184	3,360,963
Consumer loans	3,800,880	3,046,356
Vehicle loans	769,940	791,568
Education loans	167,572	197,659
	<u>8,464,576</u>	<u>7,396,546</u>

21. Investment Income

Investment income comprises:

	2023	2022
	\$	\$
Interest earned on bank deposits and fixed deposits	126,061	296,553
Interest earned on securities at amortized cost	537,825	491,378
Dividends	10,142	12,143
	<u>674,028</u>	<u>800,074</u>

Kingstown Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2023

(in Eastern Caribbean dollars)

22. Impairment (Recovery) Allowance

	2023	2022
	\$	\$
(Reduction) increase in impairment allowance on loans (Note 10)	(1,002,483)	909,652
Recoveries on loans previously written off	92,600	(533)
Impairment (recovery) charge – investments (Note 9)	(110,398)	105,738
	<u>(1,020,281)</u>	<u>1,014,857</u>

23. Selling Expenses

	2023	2022
	\$	\$
Donations	111,355	110,139
Publicity, promotions and sponsorship	453,895	471,411
Scholarship funds	76,225	86,425
	<u>641,475</u>	<u>667,975</u>

24. General and Administrative Expenses

The following summarises the Credit Union's administrative expenses by their nature.

	2023	2022
	\$	\$
Annual general meeting expenses	72,260	61,084
Annual licence fees	161,975	154,127
ATM fees	16,883	425
Audit fees	90,000	75,400
Bank charges	123,910	86,612
Board and committee meetings	275,180	220,128
Communication expenses	250,232	181,456
Conventions and summits	15,511	30,627
Depreciation expense (Note 14)	473,869	408,700
Electricity	80,761	81,600
General insurance	59,263	64,974
Insurance on loans and shares	674,552	632,328
League dues	58,282	87,179
Other operating expenses	50,975	3,297
Penalties and interest	82,180	-
Professional fees	216,215	137,581
Rental expense	183,415	103,526
Repairs and maintenance – buildings	200,390	122,085
Repairs and maintenance – equipment	169,823	110,226
Security	169,605	222,551
Staff costs (Note 26)	2,774,024	2,666,421
Stationery and office supplies	251,847	225,935
Travel	195,115	240,260
Water	12,394	14,400
	<u>6,658,661</u>	<u>5,930,922</u>

Kingstown Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2023

(in Eastern Caribbean dollars)

25. Income on Death Benefit Plan - Net

	2023	2022
	\$	\$
Death benefit contributions	556,385	620,001
Death benefit claims paid	(446,250)	(398,625)
	110,135	221,376

26. Staff Costs

	2023	2022
	\$	\$
Bonus	117,473	86,827
Staff medical insurance	39,010	36,959
Gratuity	-	502,389
National Insurance contributions	99,800	80,737
Salaries and wages	2,347,997	2,012,615
Severance payment	-	1,000
Staff training and education	95,807	101,212
Staff uniforms	52,212	48,948
Retirement benefit	21,725	36,987
Vacation	-	(241,253)
	2,774,024	2,666,421

27. Related Party Transactions

a. Definition of Related Party

A related party is a person or entity that is related to the Credit Union.

1. A person or a close member of that person's family is related to the Credit Union if that person:
 - (i) has control or joint control of the Credit Union;
 - (ii) has significant influence over the Credit Union; or
 - (iii) is a member of the key management personnel of the Credit Union.
2. An entity is related to the Credit Union if any of the following conditions applies:
 - (i) The entity and the Credit Union are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third party and the other entity is an associate of the third party.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Credit Union or an entity related to the Credit Union.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Credit Union.

Kingstown Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2023

(in Eastern Caribbean dollars)

27. Related Party TransactionsCont'd

a. Definition of Related Party

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- that person's children and spouses or domestic partner;
- children of that person's spouse or domestic partner; and
- dependents of that person or that person's spouse or domestic partner.

b. Identity of Related Parties

The Credit Union has a related party relationship with its Directors, Committee Members and Management Staff.

c. Related Party Transactions and Balances

A number of transactions have been entered into with related parties in the normal course of business.

i. Key Management Compensation

	Transaction Values for the Year Ended December 31	
	2023	2022
	\$	\$
Salaries and wages	983,923	927,438
Gratuity	-	502,389
National Insurance contributions	19,886	36,396
	1,003,809	1,466,223

ii. Loans and Deposits

a. Loans

	Balance Outstanding as at December 31	
	2023	2022
	\$	\$
Directors and Committee Members	1,830,889	1,394,204
Management staff	2,109,288	1,722,897
	3,940,177	3,117,101

b. Deposits

	Balance Outstanding as at December 31	
	2023	2022
	\$	\$
Directors and Committee Members	636,067	583,038
Management staff	934,962	454,411
	1,571,029	1,037,449

No specific allowances have been made for impairment losses on loans with related parties at the reporting date.

28. Income Tax

Section 25 (1) (n) of the Income Tax Act exempts Co-operative Societies from income tax.

Kingstown Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2023

(in Eastern Caribbean dollars)

29. Commitments

Undrawn loan commitments at year end amounted to \$4,644,062 (2022: \$5,160,468).

30. Subsequent Events

a. Dividends

On August 25, 2024, the directors declared dividends of 6% on equity shares.

b. Hurricane Beryl

On July 1, 2024, St. Vincent and the Grenadines was impacted by the passage of Hurricane Beryl which caused significant damage to several Grenadine Islands, including properties pledged as collateral for loans carried in the Credit Union's loan portfolio. Management is in the process of assessing the impact, if any, of Hurricane Beryl on the Credit Union's loan portfolio. Any assessed losses arising from the impact of Hurricane Beryl will be recognized in the subsequent period.

31. Co-operative Societies Act Compliance Requirements

	2023	2022
	\$	\$
Certificates of deposit	3,502	260,711
Cash	<u>18,598,209</u>	<u>19,307,516</u>
	<u>18,601,711</u>	<u>19,568,227</u>
Members deposits and ordinary shares	<u>122,444,572</u>	<u>117,297,320</u>
Liquid investments to shares and deposits ratio	15%	17%
Section 119 (3) of The Co-operative Societies Act requires that not less than 15% of the Members' shares and deposits be kept in liquid reserve.		
	2023	2022
	\$	\$
Statutory and other reserves	<u>12,518,115</u>	<u>11,976,957</u>
Total liabilities	<u>125,547,853</u>	<u>119,250,141</u>
Reserves to liabilities ratio	10%	10%

Section 124 (3) of The Co-operative Societies Act provides that statutory and other reserves shall not be less than 10% of its total liabilities. Statutory and other reserves of the Credit Union represented 10% (2022: 10%) of its total liabilities.

11. CREDIT COMMITTEE REPORT TO THE 62ND ANNUAL GENERAL MEETING OF THE KINGSTOWN CO-OPERATIVE CREDIT UNION LIMITED

11.1 INTRODUCTION

Brothers and sisters this is the 62nd AGM of this noble organization – the KCCU.

The AGM is always a very special occasion for the members. It is at the AGM you hear of the stewardship of the Board of Directors and the committees, in other words, how the organization performed during the reporting period. As chairperson of the Credit Committee, I am pleased to present the Committee’s report for the financial year 2023.

The KCCU, Credit Committee is accountable for safeguarding members’ savings while balancing members’ need to borrow. The Credit Committee works closely with the Board of Directors and management to promote KCCU as members first choice when borrowing money. The members of this current Credit Committee are:

- Sis. Susan Clarke - Chairperson
- Sis. Elthia George - Secretary
- Sis. Lucille Browne - Committee Member
- Bro. Claydon Roache - Committee Member
- Bro. Harvey Farrell - Committee Member

At the 61st AGM held on September 7th, 2023, brother Harvey Farrell and Sister Lucille Browne were elected, thus replacing the retired Committee members Licia Nero and Juanika Joseph.

The Credit Committee approves loans based on members’ credit worthiness, capacity to repay, collateral, capital and character. The assessment of these, were carried out at our weekly meetings attendance to which are hereunder reported in the table.

11.2 CREDIT COMMITTEE ATTENDANCE REPORT 2023

Volunteers/Members	Position	Attendance
Sis Ingrid Clarke	Chairperson	48
Sis Elthia George	Secretary	48
Bro. Claydon Roache	Member	47
Bro. Harvey Farrell	Member	12
Sis Lucille Browne	Member	15
Sis Juanika Joseph	Retired	27
Sis Licia Nero	Retired	32

11.3 FUNCTIONS AND OPERATION OF THE CREDIT COMMITTEE

Credit is determined to be one of the key factors for growth within KCCU, and as such the Credit Committee plays a fundamental role in this regard. In following past practices, the Committee mainly held meetings on Tuesdays to engage in the reviewing of loan applications made by members in accordance with the Co-operatives Society Act 2012 and the KCCU Byelaws.

Periodic checks of loans granted by internal management were performed to ensure that the loans were in compliance with the lending regulations and the Credit Union's loan policy, as approved by the Board of Directors. Periodic house construction site visits were also conducted to examine whether construction was in accordance with the funds dispersed and expended.

On a monthly basis, the Chairperson presented progress reports to the Board of Directors. These reports summarized the weekly activities that were undertaken by the Credit Committee, which included a breakdown of the number of loans that were approved/disapproved, the purpose and collateral of each loan presented.

11.4 OVERVIEW

KCCU continues to examine the financial market in an attempt to curate products that best suit its members' financial capabilities and needs. It is for this reason that KCCU continues to offer loan products such as the Diamond Deal and the KCCU Protect to its members at affordable and competitive rates. KCCU also continues to promote the Save Ya (debt consolidation) product which is geared towards assisting members in relieving some financial strain.

KCCU Credit Committee remains committed to providing financial counselling to members and encourages members who have not sought such counselling to take advantage of this free service being offered. KCCU, as always, continues to place emphasis on the development of new and innovative loan products, which the organization anticipates would meet the needs of its members all while actively managing delinquency. Further, the Credit Committee along with the Credit Department has engaged and began dialogue in reviewing the Credit policy in an attempt to enhance the document.

11.5 LOAN ANALYSIS

Table 1: Loan Activities 2023 and 2022

YEAR	REVIEWED		APPROVED		DISBURSED	
	No.	Value (EC\$)	No.	Value (EC\$)	No.	Value (EC\$)
2023	2519	42,448,797	2404	27,418,271	2356	37,509,042
2022	3386	33,758,383	3331	28,014,310	3107	34,800,811
% CHANGE	-25.6	25.7	-27.8	-2.1	-24.2	7.8

The loan activities at the Credit Union for the year in review showed remarkable improvement over the previous period. The value of loans reviewed increased by 25.7% for 2023, while disbursement grew by 7.8%. However, the value of loans approved for the period declined by 2.1%.

The number of loans in all areas declined during the year. The number of loans reviewed was lower by 25.6%, loans approved lower by 27.8% and loans disbursed lower by 24.2%.

11.6 LOAN DISBURSEMENTS

Table 2: Loans Disbursed by Type

LOAN TYPES	2023			2022			% CHANGE VALUE
	VALUE (EC\$)	NO.	% OF TOAL LOAN VALUE	VALUE (EC\$)	NO.	% OF TOAL LOAN VALUE	
BUSINESS	241,875	36	0.6	239,328	18	0.7	1.1
CONSUMER	12,145,398	468	32.4	9,322,999	1,923	26.8	30.3
DEBT CONSOLIDATION	222,473	56	0.6	59,462	11	0.2	274.1
DIAMOND DEAL	1,338,518.77	76	3.6	3,355,044	98	9.6	(60.1)
EDUCATION	146,026.73	41	0.4	86,227	26	0.2	69.4
HOUSING	1,003,376.89	279	2.7	824,679	131	2.4	21.7
KCCU BOSS	2,320,724.62	121	6.2	30,150	1	0.1	7,597.3
KCCU EDUCATE	456,063.36	98	1.2	331,613	24	1.0	37.5
KCCU EDUTECH	170,925.00	93	0.5	228,074	53	0.7	(25.1)
KCCU LEGGO	88,544.54	44	0.2	137,453	32	0.4	(35.6)
KCCU PROTECT	269,173.40	32	0.7	525,463	23	1.5	(48.8)
MEDICAL	107,807.50	16	0.3	64,250	3	0.2	67.8
MORTGAGE	10,516,811.41	201	28.0	11,861,562	68	34.1	(11.3)
PROF FEES	30,150.00	2	0.1	1,350	1	0.0	2,133.3
READY CASH	60,399.33	68	0.2	89,797	55	0.3	(32.7)
REVEL	963,696.51	229	2.6	252,460	58	0.7	281.7
SAVE YA	192,363.05	67	0.5	-	-	-	-
VEHICLE	1,587,538.07	204	4.2	913,439	49	2.6	73.8
XMAS	5,647,176.87	225	15.1	6,477,462	533	18.6	(12.8)
TOTAL	37,509,042	2,356	100	34,800,811	3,107	100	7.8

The year 2023 saw record growth in two of the special products which were the KCCU Boss and Revel loans. The KCCU Boss caters for small business development and disbursements grew by 7,597.3% while the Revel loan increased by 281.7%.

The other loan types that showed remarkable improvement were Debt Consolidation (274.1%), Vehicle (73.8%), Education (69.4%) and Medical (67.8%).

A decline was noted for the Diamond Deal (60.1%), KCCU Leggo (35.6%), Ready Cash (32.7%) and KCCU Edutech (25.1%). Overall, the value of the loans disbursed grew by 7.8%.

Figure 1: Percentage of Funds Disbursed by Category for 2023

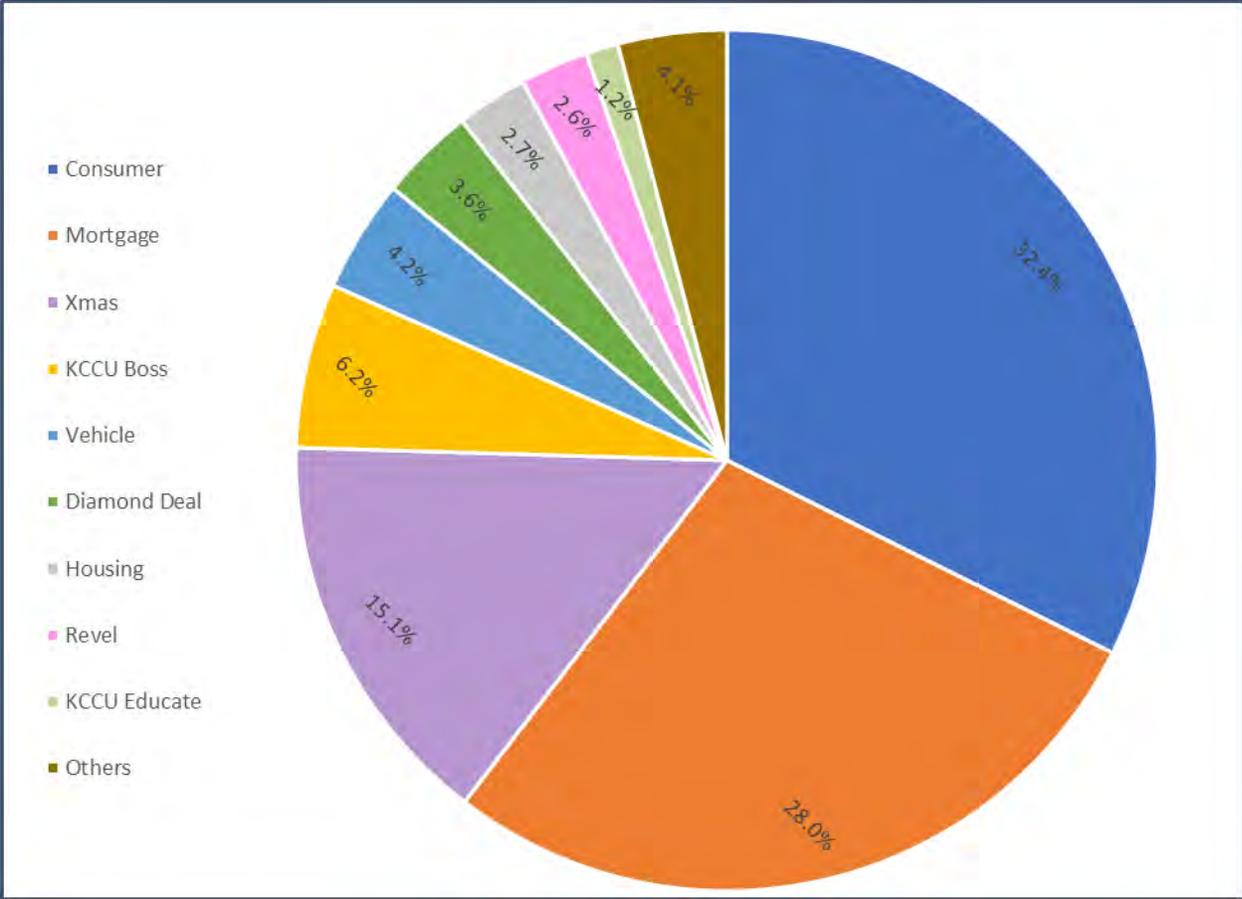
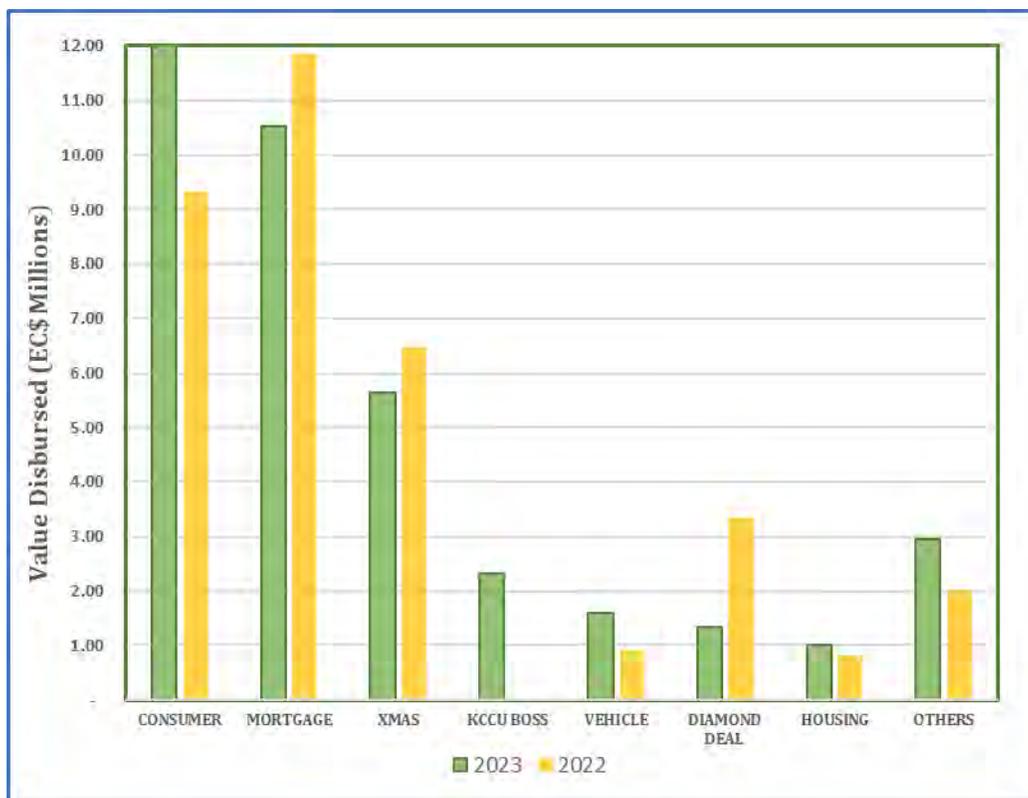


Figure 2: Value of Loans Disbursed by Type 2023 and 2022



The total value of loans disbursed as at December 31st 2023 has increased by approximately \$2.7M when compared to the year 2022. Consumer loans increased by \$2.8M which is similar to the increase for the prior year while the KCCU Boss loan grew by approximately \$2.3M. A decline of \$2.0M and \$1.3M was noted for Diamond Deal and Mortgages respectively.

11.7 DELINQUENCY

The delinquency rate for the year 2023 stood at 7.4% (EC\$8.3M) compared to 8.5% (EC\$8.5M) for the year 2022. This represents an improvement in the rate of 1.1%.

The Credit Committee continues to work with the Recoveries Department to reduce the level of delinquency in the organization.

and affordable loan offerings geared to providing various options best suited to the interest of all members. We look forward to your continuous support in the upcoming year and we promise to continue providing nothing but exceptional financial services as exhibited in previous years.

11.8 ACKNOWLEDGEMENT

It is without a doubt that the continual growth, development and sustainability of the Credit Union is reliant on all members. Therefore, the Credit Committee would like to extend a heartfelt thank you to all members for their support throughout the year. We also thank you for your commitment to the Credit Union by way of your savings and honouring of loan obligations.

We wish to take this opportunity to also say thank you to the management and staff, who go above and beyond in fulfilling their roles and duties to ensure that the Credit Committee functions productively and smoothly. Additionally, we thank the Supervisory Committee, Education Committee, Credit Department and Board of Directors, for their continued guidance, as working collectively is essential in attaining the goals and objectives of the organization.

The Credit Committee as in previous years would continue to fulfill its duties efficiently by exploring innovative and affordable loan offerings geared to providing various options best suited to the interest of all members. We look forward to your continuous support in the upcoming year and we promise to continue providing nothing but exceptional financial services as exhibited in previous years.



Chairperson

Susan Clarke



Secretary

Elthia George

12. REPORT OF THE SUPERVISORY AND COMPLIANCE COMMITTEE TO THE 62ND ANNUAL GENERAL MEETING OF THE KINGSTOWN CO-OPERATIVE CREDIT UNION

12.1 PREAMBLE

In accordance with Section 66 (1) (f) of the Co-operative Societies Act 2012. The Supervisory and Compliance Committee is pleased to submit this report of our programs and activities during the period under review to the 62nd Annual General Meeting of the Kingstown Co-operative Credit Union Ltd.

12.2 MOTTO: FOSTERING GOOD CORPORATE GOVERNANCE

General objective

To ascertain that all actions and decisions of the Board, Committees, Management and Staff relating to the affairs of the Credit Union are in accordance with the CSA of 2012, the bye-Laws and other binding policies and regulations.

Specific Objective

- To ensure that all Committees and Management of KCCU conduct business activities in keeping with the applicable laws and regulations.
- To promote transparency to optimize performance.
- To monitor and assess the effectiveness of the internal control process.
- To identify risk, conduct assessment on these risks and other Credit Union programs.

12.3 DUTIES

The duties and responsibilities of the Committee as outlined in Sections 65-71 of the Co-operative Societies Act 2012 includes but is not limited to the following;

Attendance at Board and Committees meetings

Review of Loans, Delinquent Accounts, Bank Reconciliations, Staff Files, Audit Management Report, Policies and Agreements.

Meetings with Operational Management and Head of Departments.

Meeting with Compliance Officer

Visit to Branch Offices

Submit proposals and recommendations to the Board of Directors on our review findings.

Keep records of all meetings and activities undertaken in carrying out the Committee's duties.

12.4 COMPOSITION OF THE COMMITTEE AND ATTENDANCE AT MEETINGS

At the 61st AGM two (2) new members were elected to serve on the SCC, namely, Sis. Joselle Joslyn and Sis. Camille John. The Committee held its first meeting on 18th September, 2023 and elected its Chairperson and Secretary. Sis. Moureeze Franklyn and Sis. Joselle Joslyn respectively who were elected unopposed.

The current committee members are as follows:

- Sis. Moureeze Franklyn Chairperson
- Sis. Joselle Joslyn Secretary (up to May 27, 2024) Sis. Akisha Yearwood Member
- Sis. Camille John Secretary (May 27, 2024 onward)
- Bro. Steve Millington Member

The Committee convened thirty- four (34) meetings during the period under review which consisted of a meeting with the Board of Directors, Management (General Manager, IT Manager, HR Officer, Compliance Officer) and Management Committees. Several meetings were used to review member accounts in accordance with the Co-Operative Societies Act 2012.

The Committee attendance and composition was as follows;

MEMBER	NO. OF MEETINGS ATTENDED (34)
Moureeze Franklyn	32
Camille John	33
Joselle Joslyn	31
Steve Millington	34
Akisha Yearwood	32

12.5 WORK PLAN FOR 2023/2024

The Committee in the formulation of its work plan for the period decided that greater focus would be placed on the compliance aspect of its duties particularly in light of the need to complete the implementation of recommendations made by the FSA following its onsite visit.

Fostering Good Corporate Governance within the organization was our guiding principle, therefore a significant amount of time was spent in this area to ensure that the specific objectives stated earlier were achieved.

The overall responsibility for good Corporate Governance systems resides with the Board of Directors and for that reason the Committee sought to convene regular meetings with them to share our findings and recommendations.

The Committee made several proposals to the Board of Directors for consideration towards improving and facilitating good governance within the organization. These included but were not limited to the following.

- A recommendation was made for the hiring of a Compliance Assistant, Internal Auditor and Legal Officer.
- A recommendation for the completion of a comprehensive independent compliance assessment by an independent professional.
- Recommendations for training of Directors in corporate governance, the Compliance Officer, the Management Committee members.

- The Committee noted several areas worthy of commendation during the tenure of the current BOD, these include:
 - The hiring of a Compliance Assistant and Internal Auditor.
 - The creation of an Internal IT Department and the hiring of an IT Manager and Systems Administrator.
 - The implementation of a reformulated appraisal system.
 - The creation of several IT management policies.

12.6 SUPERVISORY FUNCTION:

MEETINGS WITH COMMITTEES

The Committee in the exercise of its supervisory function met with the HR Committee regarding the outcomes of the HR Audit and the necessary actions to follow.

The Supervisory and Compliance Committee also met with the Education Committee to discuss their Terms of Reference (TOR) and the Scholarship Award Policy.

12.6.1 DEPARTMENT MANAGERS AND OFFICERS

The Committee held scheduled meetings with the IT Manager and Systems Administrator to ascertain the plans in relation to the digital transformation of the Credit Union and to share previous findings in relation to inadequacies that could be addressed by digital solutions.

Meeting with the staff of the IT department allowed the committee to better understand the goals and needs of the Credit Union with regards to digital transformation necessary to maintain knowledge of technological developments.

12.6.2 POLICY REVIEWS

The Terms of Reference (TOR) for the Board appointed committees were examined and recommendations were made following the examination.

12.6.3 HR AUDIT

The outcomes of the HR Audit were reviewed to assess the steps required with implementation of the recommendations made.

12.6.4 COMPLIANCE FUNCTION

The Committee held several meetings with the Compliance Officer during the period of 2023 to keep abreast of the AML/CFT controls and procedures while ensuring that the primary focus was the implementation of recommendations made during the FSA's onsite visit. Focus was also placed on the compliance program to ensure it in alignment with the applicable laws and regulations.

The following recommendations received primary focus:

Separation of the audit and compliance function.

The need for an independent compliance assessment.

Other findings and or recommendations following those reviews were shared with the BOD in the Committee's monthly reports.

12.6.5 INTERNAL CONTROLS

Internal Controls help to drive good corporate governance. Member files and policy documents were reviewed to test the level of control procedures in place. This included a review of the delinquency report and accounts in the exercise of the committees duties as provided under the Co-operative societies Act 2012. It was noted that better use could be made of the additional functions available under the current digital platform used to record member information. Improved synchronization is also needed between digital and paper files.

12.6.6 BRANCH VISITS

Branch visits were conducted, the purpose of the visits were to observe, examine and review the state of operations at the branches and to ensure that adequate provisions were in place to safeguard the Credit Unions staff, assets and members interest.

This included an evaluation of the office functions including the layout, adequate facilities and equipment, human resources, training needs, assessment of the IT and security function, the compliance function and a review of loan and member files at branch offices.

12.6.7 MEMBER COMPLAINTS

The committee as part of its duties is also tasked with the responsibility of addressing written complaints made by members. The Committee dealt with two such complaints for the period under review. It was noted that greater clarity in communications is required between officers and members.

12.6.8 TRAINING

Members of the Supervisory and Compliance Committee also attended training sessions to improve their grasp of corporate governance principles. There were several local training sessions hosted by the league and regional training sessions.

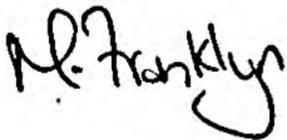
12.7 CONCLUSION

With the current ongoing implementation of the Caribbean Digital Transformation Project and the resulting changes in the regulatory environment, it is imperative that institutions such as KCCU place continued focus on digitization and technological improvements in addition to ensuring greater compliance standards.

The legislative regime governing financial institutions is also under continuous development and the reporting requirements thereunder are subject to change.

We are satisfied that KCCU has the required human resource competencies to develop the policies for the achievement of these goals.

The SCC would like to thank the Board of Directors, the Operational Management and staff, the Management Committees and Members of KCCU for the opportunity to serve the organization during the period under review.



Sis. Moureeze Franklyn
Chairman



Sis. Joselle Joslyn
Secretary

13. EDUCATION COMMITTEE REPORT FOR THE 62nd ANNUAL GENERAL MEETING OF THE KINGSTOWN CO-OPERATIVE CREDIT UNION LIMITED

13.1 INTRODUCTION

The Education Committee is pleased to report to the membership on another successful year of activities; the numerous activities that were carried out during the period of review were all undertaken to enhance the visibility of the Credit Union, and to develop its membership. During the period 2023-2024, all the initiatives undertaken sought to give back, increase visibility and to remain relevant to our membership and to attract new membership in the greater community.

13.2 COMPOSITION OF THE EDUCATION COMMITTEE

The newly elected Board of Directors following the 61st Annual General Meeting appointed the following members to serve on the Education Committee for the year 2023–2024. The newly appointed Committee convened a special meeting on Monday 25th September 2023 to elect a Chairperson and a Secretary, the makeup of the Committee is detailed below:

- Sis. Nicole Byron Chairperson
- Sis. Joslyn Craigg Secretary
- Sis. Nisha Hope Member
- Sis. Sophie Clouden Member
- Bro. Canute Mayers Member

Assigned Staff

- Sis. Ruth Stowe – Marketing Officer KCCU Staff Rep
- Sis. Allisa Barnum – Accounts Supervisor KCCU Staff Rep

There were fifty-three (53) meetings held by the committee during review period. The Committee meets on an average four to five times per month however, the Committee met more frequently once the need arose. The agenda and minutes were signed and submitted to the Office. The Committee Chair presented report of activities monthly to the Board of Directors.

Please see the meeting attendance of the Committee and the assigned staff during the period of review:

Names	No. of Meeting	Present	Absent/ Excused
Sis. Nicole Byron	53	53	Nil
Sis. Joslyn Craig	53	53	Nil
Sis. Nisha Hope	53	47	6
Sis. Sophie Clouden	53	36	17
Bro. Canute Meyers	53	52	1
Sis. Ruth Stowe	53	52	1
Sis Allisa Barnum	53	46	7

13.3 THE ROLE OF EDUCATION COMMITTEE

The Education Committee is a voluntary body consisting of five (5) members appointed by the Board of Directors. The main objective of this committee is to develop and implement strategies to promote and educate members and non-members of the credit union's mission and vision. These activities are varied in nature as we focus on educational drives both among the youth and our more mature membership, recognizing the value added by our senior members whilst engaging our young members to ensure that we remain relevant to all. To successfully execute all the different activities, the Committee works very closely with the two assigned staff members and collaborates well with the Credit Union's staff, management and board on all initiatives.

13.4 GOVERNANCE

As the committee strives to adhere to good governance practices, the following were accomplished during the period:

- Terms of Reference (TOR) of the Committee was reviewed and submitted to the Board for their review and approval
- The Education and Awards Policy was reviewed to ensure that it remains relevant with its mandate.
- Training session with Compliance Manager to ensure adherence to the by-laws of the Credit Union
- All meetings were guided by an agenda which was circulated prior to meeting.
- Minutes were taken at all meetings, these were signed and submitted to the office for filing.
- Monthly reports were submitted by the Committee reports to the Board on the activities that were undertaken during the period.

13.5 ACTIVITIES IN REVIEW

The Committee undertook several projects with the goal of enhancing the Credit Union’s image, giving back to all members and serving the wider community through all initiatives. The Kingstown Co-operative Credit Union takes great pride in positively impacting the lives of its members, this is noted in addressing the various requests and needs of our members and the many projects executed by our committee. The year started with one of our most impactful initiatives, the KCCU Master Mind Quiz, and ended with KCYC Summer Fun Day. The details of major activities are outlined below:

13.6 KCCU MASTER MIND QUIZ

This annual event is one of the Credit Union’s most impactful as it influences the lives of children, members and non-members throughout St. Vincent and the Grenadines. A total of 39 schools registered to compete this year compared to 32 registered in 2022. An improvement of 21.9% in registration please see the table below. Schools from Fancy on the windward side to Fitz Hughs on the leeward end and for the first time, since its resumption, schools from the Grenadines were included in the competition. The format of the Quiz is similar to the Jeopardy Game where competitors selected questions valued from \$100 to \$500. The questions were displayed on an electronic board and students selected question from the board and sought to answer correctly. This is the second year using this format as we endeavour to engage our participants by making the competition more competitive and exciting by incorporating technology and constantly updating our Question Bank.

Zone	Number of Schools 2023	Number of Schools 2022
Zone 1	6	5
Zone 2	4	3
Zone 3A	4	4
Zone 3B	5	5
Zone 4	2	3
Zone 5	2	2
Zone 6	3	2
Zone 7	4	3
Zone 8	5	5
Zone 9	4	0
Total	39	32

This competition's goals were mainly to motivate students to go beyond textual comprehension and to relate this knowledge to real practical applications, to give participants opportunities to learn more about various subject areas, develop their ability to think quickly and effectively express themselves, and, of course, benefit academically from increasing their general knowledge.

The competition was spread across three stages, during the first two stages questions were chosen from the six (6) categories mentioned below and during the finals local history was switched out to Civics and the buzzer added for excitement.

Main Categories

Local History

General Knowledge

Credit Union Affairs

Science

Spelling B

Trivia Category

Mental Mathematics

The details of stages are outlined below:

Stage one- The Preliminaries. During the preliminary rounds, which were conducted from 08th November through 17th November, 2023, where 37 schools competed for a place in the semifinals and finals. The top twelve (12) schools with the highest scores advanced to the semifinals, highest score being 2,600 points.

Stage two- The Semi-finals. Was held on 27th November 2023 at French's House Kingstown, ten (10) schools competed in the semifinals, with the top six (6) qualifying teams moving on to the championship with the highest score being 4,000.

Third stage- The Finals. Was held on 30th November 2023 at the Methodist Church Hall. In the competition's finals, students had to wager points on both closed-ended and open-ended questions from the following categories: Science, Spelling, Civics, General Knowledge, Credit Union

Affairs, Math Trivia, and the Buzzer Round. A simulation of a Jeopardy game show was used for the entire quiz.

The following were the outcomes of the final school quiz:

13.6.1 Finalist & Results

- 1st - Fairhall Primary School Loukhya Premraj
- 2nd - New Grounds Primary School K-Ailla Jackson
- 3rd - South Rivers Methodist School Yuvraj Campbell
- 4th - Bequia Seventh Day Adventist Kamani Ash
- 5th - Owia Government School Bernadine May
- 6th - Spring Village Methodist School Marcus Samuel

13.6.2 Awards & Prizes

The prizes awarded are itemized below:

13.6.3 Prizes awarded to Finalist

- 1st place – iPad & gift bag
- 2nd place – Laptop & gift bag
- 3rd place – A smart phone & gift bag with essential school supplies
- 4th to 6th place received Certificates and a gift bag with essential school supplies

13.6.4 Prizes awarded to Winning Schools

- 1st place – \$2,000.00 and the right to house the Challenge Trophy for one year
- 2nd place – \$1000.00
- 3rd place – \$500.00

13.6.5 Additional Prizes

Teachers with students in the finals received gift certificate valued at \$75.00 to \$100

All other schools that participated in the competition received a participation award of \$150.00 and a certificate each.

All zonal winners received a trophy and a certificate to commemorate the occasion.



13.7 CHRISTMAS HAMPERS DISTRIBUTION

The significance of our mandate for corporate and social responsibility is well appreciated by the Board, Staff and Committee members. As such, the annual Christmas hamper distribution activity was embraced by all. This activity is one that seeks to bring cheer during the festive season. Thirty-five (35) hampers valued at \$300.00 each with an accumulated value of \$10,500.00 were distributed to members throughout St. Vincent and the Grenadines. The distribution was as follows:

Bequia – 3

Canouan – 3

Union Island – 3

Mesopotamia – 4

Head Office – 22



13.8 SENIOR CARE DAY

Sowing appreciating to our senior members for their contribution to building this very noble institution is very important to the Board, Staff, and Committee members. This signifies our annual Senior Care Day is one of the biggest activity in our calendar. This is where the all come out to ensure our seniors feel valued and appreciated. This year's activity was no different; it was held on 9th March 2024 at the Rawacou Recreational Park facility. Approximately 120 registered and in excess of 100 seniors attended. Some of the activities that were offered to our seniors included:

Heath Talks – Nutrition consultations inclusive of Body Mass Index (BMI) and Foot Care

Dental Consultation – Oral examinations and x-rays

Nurses Station - Blood pressure and Blood glucose checks

Self-care – massages, manicures and pedicures

Exercise / Workout Dance session

Makeovers

Arts & Craft - Painting and embroidery

Games – Cards and Dominoes

Friendly Competition – Prizes were awarded to all winners

Bingo

Vincy Slangs



13.9 SECONDARY SCHOOL SCHOLARSHIP AWARDS CEREMONY

“Dreams on Action” was the theme for this year’s Scholarship Awards Ceremony. This event was used to celebrate the achievements of our young scholars and it was held in the usual grand style at the Methodist Church Hall on 25th July 2024. In addition, this year the Committee recognised the achievements of the scholars who graduated from secondary and tertiary institutions and who were all members of their respective school’s honour role. It must also be noted that over 90% of the program was administered by current and past scholarship holders as we seek to give them avenues to enhance communications and aid in building confidence in their abilities and showcase their talents.

Recipients were selected on the basis of academics and on assessments of their socio-academic position. Six (6) scholarships valued at \$1,500.00 each were awarded based on outstanding academic performance and financial need. Additionally, four (4) bursaries were also awarded, each valued at \$1,000.00 each, an increase from \$600.00 previously awarded. All other applicants who were successful at the CPEA examinations and are active members of the Credit Union received a general bursary of \$150.00 to assist with the purchase of school supplies. In total, the Credit Union awarded \$24,400 in scholarships and bursaries and other awards to successful members who sat the CPEA exams.

Name	School	Type
J’Vonique Hamlet	St. Mary’s R.C.	Scholarship
K-Jay Peters	Sugar Mill Academy	Scholarship
Chase Franklyn	Belair Government	Scholarship
Adijhe Scotland	St. Mary’s R.C.	Bursary
Keshorne Williams	Marriaqua Government	Bursary

Academic Awards

Name	School	
Jaea Bramble	St. Mary’s R.C.	Scholarship
Gabe Hillocks	Kingstown Prep	Scholarship
Jorvan Hamilton	Questelles Government	Scholarship
Syresha Tyrell	C.W. Prescod Primary	Bursary
Tre’sean Williams	Lowmans Leeward Anglican	Bursary



13.10 KCYC SUMMER ACTIVITY

This year Kingstown Credit Union Youth Club (KCYC) Fun Day was held on 18th August 2024 and was an exciting adventure trip to our sister island Bequia. This is one of our flagship events as we seek to engage our younger members with different fun filled activities. Our KCYC members feel a sense of ownership and belonging as they recognise their value to their Credit Union. Activities on the day included:

Tour of the Bequia Museum – History of the island’s Shipbuilding, Careening and Whaling Culture

Visit to the Look-out Point – Paget Farm - Liming Hotel

Visit to Fort Hamilton

Treasure Hunt

Lunch

Pool side activities

Basketball, table tennis and pool

13.10.1 SCHOLARSHIP HOLDERS’ RETREAT

This activity was held on the 12th April 2024 at the Grenadines House. A total of 27 (60%) of scholars attended the event. The turnout was lower than anticipated as some students were preparing for external examinations or other activities. The main purpose of this activity was to foster greater community among the awardees, ensuring that they are aware of their importance to the credit union and to build awareness and develop skills in areas outside the school curriculum. Some activities included:

Presentation on Nutrition – Ms. Camille John – Community Dietician

Presentation on Mental Health – Ms. Ellica Matthews – Psychologist

Testimonial / Inspirational – Mr. Eduardo Gibbons – Past Scholarship Recipient

Presentation on Time Management – Ms. Allisa Barnum – KCCU Staff

Presentation on Vision Boarding – Ms. Ruth Stowe – KCCU Staff

Gaming Activities

Pool Activities (supervised)



13.11 SEASONAL NEWSLETTERS – “KCCU KONNECT”

The main objective of our newsletters is to connect with our members by sharing valuable content and other useful information with them. This year the Committee was able to publish three (3) newsletters which were of high standard and were all produced, content, layout and design, entirely in-house which speaks to the multi-talented group of staff and members that make up the committee. All of our newsletters can be found on our website and our face book page. The main features of the newsletters are detailed below:

Christmas Edition was a 12-page spread published 24th December 2023.

- President’s Address
- Financial Horizons – utilized vision boards
- Business Corner – featured local business run by KCCU members
- Health is Wealth – fun and innovative ways to stay healthy during the busy festive season
- The “60 Days” of January – budgeting
- Kiddies Corner – seasonal arts and craft
- Vincy Christmas Feast – Featured all the wonderful food and drink that make-up a Vincy Christmas.
- Promotion of loan products

Easter Edition published on 28th March 2024

- President’s Address
- Honour Roll – Showcasing past scholarship holders
- Small Business features – KCCU Members
- Financial Tips

13.12 SPONSORED SCHOOL VISITS

The Committee recommended the annual visits to KCCU's adopted schools; these are schools that administer the School Co-operative on behalf of the credit union. There are 23 schools (17 primary and 6 secondary) in this programme. The main objectives of these visits were to promote a savings culture among the youth and to conduct a needs assessment of the various schools to determine the requirements of teacher guides to administer the school co-operatives more efficiently. Presentations were made to Grades 4 and 5 at the primary level and forms 1 to 4 at the secondary level. Presentations covered the following topics:

- What is savings
- Why you save
- Benefits of savings
- Brief information on KCCU
- Benefits of being a member of KCCU

Date		Schools Visited		
29-Jan-24	Chateaubelair Methodist	Fitz Hughes Gov't		
30-Jan-24	Kingstown Anglican	St. Mary's RC School	Kingstown Preparatory	Dorsetshire Government
02-Feb-24	Evesham Methodist	Cane End Gov't		
05-Feb-24	Pamelus Burke Government School	New Grounds Primary	New Prospect Primary	
06-Feb-24	Langley Park Gov't	Sandy Bay Gov't	Owia Gov't	
07-Feb-24	Campden Park Sec.			
15-Feb-24	Buccament SDA/Leeward			
19-Feb-24	Thomas Saunders Sec.	Calliaqua Anglican		
20-Feb-24	St. Joseph's Convent, Kingstown			
21-Feb-24	Adelphi Secondary	George Stephens Sr. Sec	Colonaire Government	
26-Feb-24	Emmanuel High, Mesopotamia	Scheduling Challenges		

Twenty two (22) of the twenty three (23) schools sponsored by the Credit Union were visited during the months of January and February 2024. The Committee was unable to visit the Emmanuel High School due to the scheduling of competing activities at the school. For the schools that were visited, a TikTok challenge was included in the team’s presentation as we sought to get the students more involved in our theme “Promoting Savings” while showcasing their ingenuity and creativity. From submissions received the winners details are presented below:

Schools	Winners	Prizes
	1 st Place - Lauren Wyllie	\$250.00
	2 nd place - Michael Gonsalves	\$100.00
Campden Park (Bethel High) Secondary School	1 st place - Vincy Mob Gang – Xavier Harry, Keylee Johnson, Ciara Browne, and Zaverre Guy	\$500.00
Thomas Saunders Secondary School	2 nd place - Kiana Lewis	\$250

13.13 BUSINESS DEVELOPMENT SEMINAR

Our development session this year was dubbed “For the Love of Self” and it was held on 12th February at the Frenches House. Development sessions are primarily geared towards improving the skills and knowledge of our entrepreneurial members. Self-Love is very critical as it is instrumental in setting appropriate boundaries, so you feel positive and confident in daily interactions. When individuals prioritise taking care of themselves, they feel better about themselves, and their businesses and families will reap the rewards. Members were able to access the information both in-person and virtually. The seminar had 43 registrants and 803 views online.

The session surpassed expectations as the carefully curated content, expert speakers and the interactivity all aiding in creating an enriching experience for all, both in-person and virtual viewers. Professionals seeking to stay ahead in the business world undoubtedly benefited from the invaluable content and practical strategies that the presenters used to remind members of the importance of prioritizing self-care for success. Six facilitators presented on the following topics.

- Good Nutrition - Ms. Camille John
- General Health & Wellness – Dr. Ariel Gibson
- Importance of Mental Health – Ms. Ellica Matthews
- Insurance - Mr. Kitwana Jacobs
- Financial Health - Mr. Harvey Farrell
- Importance of Financial Planning & KCCU Business Products - Mr. Troy Bullock



13.14 SCHOLARSHIP HOLDERS SCHOOL REPORTS

All KCCU Scholarship holders are required to maintain a performance standard to maintain this very prestigious award. These standards are very important as it offers a level of accountability to all involve and it also ensure that awardees set clear and measurable goals. The current performance standard is to maintain a 75% for forms 1 to 3 and 65% for forms 4 to 5; children enrolled in college are required to maintain a minimum of “B” average. When a recipient's grades fall below the required standards, a meeting with the student and parent/guardian is scheduled to assess the student's progress, identify challenges that may have impacted their grades, and to give guidance on how best to resolve challenges. It's very important to note that over 90% of all scholarship recipients are currently fulfilling all requirements.

13.15 BUDGETS OF ACTIVITIES VERSUS ACTUAL COST

Date	Activity	Budgeted	Actual Cost	Variance
October to November	KCCU Annual Primary School Quiz	\$ 33,503.00	\$35,509.06	\$(2,006.06)
December	Christmas Hamper Distribution	\$ 10,500.00	\$9,995.34	\$504.66
24-Dec-2023	Christmas Newsletter	Produced and edited by Committee		
January to February	KCCU Sponsored School Visits		\$3,270.00	\$ -
12-Feb-24	Business Development Seminar - "For the Love of Self"	\$6,790.00	\$6,037.00	\$753.00
09-Mar-24	Senior Care Day	\$ 34,465.00	\$34,561.82	\$(96.82)
28-Mar-2024	Easter Newsletter	Produced and edited by Committee		
12-Apr-24	KCCU Scholarship Retreat	\$4,640.00	\$4,371.13	\$268.87
25-Jul-24	KCCU Annual Secondary School Scholarship Awards Ceremony	\$ 30,150.00		\$30,150.00
18-Aug-24	KCYC Summer Activity	\$12,020.00		\$ -
31-Aug-2024	KCCU Hurricane Relief Fund - Back to School Assistance	\$10,000		\$ -

13.16 ACKNOWLEDGEMENTS

The Education Committee would like to express its gratitude to God Almighty for enabling us to be present for another Annual General Meeting in good health and strength.

We also recognise that our efforts would be futile if not for the commitment of the President, Board of Directors, CEO, management and staff at all the branches of the Credit Union.

We especially want to thank the KCCU staff members (Sis. Renee Rodney, Bro. Cutherbert Noel) for their unwavering assistances. Your energy and support and was greatly appreciated by the committee.

I am humbled and overwhelmed by the talent, grit and work ethic of my committee members and assigned staff as they were part of every initiative by the committee. I cannot express enough my thanks to Joslyn, Nisha, Sophie, Canute, Ruth, and Allisa, for their unwavering support and commitment to ensuring that all participants at our events felt appreciated by their Credit Union. I offer my sincere appreciation for the learning opportunities provided by this dedicated group of individual.

And, finally to you the membership of the Kingstown Credit Union Co-operative Society Limited, we are grateful for your confidence in us and we hope to see you at one of our events as we continue to celebrate YOU! May God bless you all!

Co-operatively yours.



Nicole Byron
Chairperson
Education Committee 2023-2024



Secretary
Joslyn Craigg

14. Medical Plan Report

KUTMED performance 2023

Premiums vs Claims

Quarter	health:premiums	claims:Paid
2023 Q1	\$98,935	\$44,474
2023 Q2	\$91,219	\$44,786
2023 Q3	\$96,577	\$71,134
2023 Q4	\$91,249	\$61,293

Loss Ratio: Overall

health:loss:ratio **59%**

Loss Ratio by Product

Product	Ratio
dental loss ratio	116%
medical loss ratio	36%
vision loss ratio	171%

Market: EC | Group number: GZ2400157 | Account number: All

Select date range: January 2023 to December 2023 | Select Renewal Start Date: Jan

KINGSTOWN CO-OPERATIVE CREDIT UNION LTD

Health claims vs Health premiums

Top claim diagnoses by value

Diagnosis	Value
EXAMINATION OF EYES	\$27,052
DENTAL	\$22,903
SCREEN/OTH EYE CONDITNS	\$17,701
DISORDER OF TEETH/UNSPEC	\$12,061
HYPERTENSION,ESSENTIAL	\$5,613
CATARACT	\$4,641

Health claims paid vs Health premiums by Product Type

Product Type	Health Claims Paid	Health Premiums
Dental	\$51,271	\$44,325
Medical	\$106,011	\$296,002
Vision	\$64,405	\$37,653

Top Procedures by value

Procedure	Value
DGN_LAB_DVXL	\$46,273
TRI_FOCAL_TRFO	\$39,463
OTHER_DRUG_RX	\$15,629
RAMES_FRAM	\$11,144
SINGLE_VISION_SINV	\$10,761
OFFICE_VISIT_OV	\$10,663

Data last known: 6/15/2023 by: 67572655

PHOTO GALLERY: 2023 MEMORIES

• AWARDS



KCCU Primary School Quiz Finalists 2023



Grammar School Road Relay Winners : Lopey House



Shafia London Business Challenge Winner 2023



Union Island Health Checks

• PUBLIC RELATIONS



Donation of History of Credit Union Booklet to Library



Ms. SVG Contestants Company Visits 2023



Mustique Company Visit— Loan & Membership Drive

PHOTO GALLERY: 2022 MEMORIES

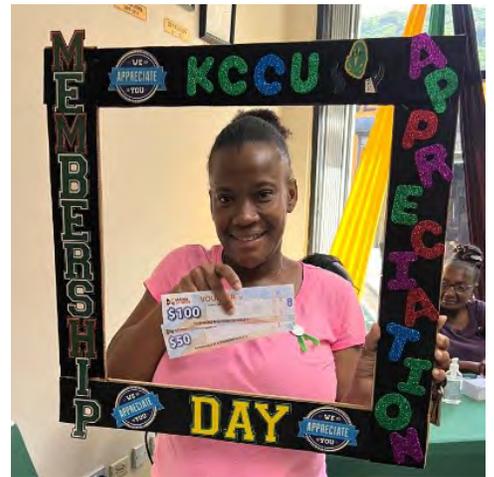
- **Credit Union Month 2023 (membership and staff appreciation)**



Bequia Membership Appreciation



Staff Church Visit



Membership Appreciation Day



Staff Yoga Retreat



• 12 DAYS OF CHRISTMAS PROMOTION

(Hamper Distribution, Dip N Win, Senior Care Day, Photos with Santa)



• **UNION ISLAND FUN DAY**



• **KCCU SUPPORTING THE CAUSE**



“Rock your Socks” winners



National Down Syndrome Day

• **CICYLN JOSEPH ACADEMIC BURSARY RECIPIENTS (5/6 RECIPIENTS)**



Shanique DaSouza



Nikeshia Saunders



Jareen Romeo



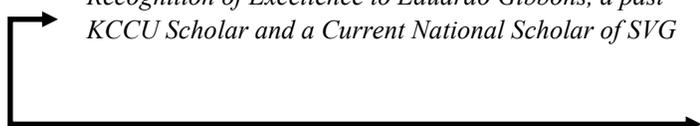
Dotsie Slater



Shornette Carr

Missing from Photos: Naja Thomas

Recognition of Excellence to Eduardo Gibbons, a past KCCU Scholar and a Current National Scholar of SVG



• **AWARD OF EXCELLENCE**



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Tel: 784-457-2409 / Fax: 784-456-2976
www.kingstowncreditunion.com

● INVESTMENTS

(Unveiling of KCCU Bus Terminals at the AIA)



(KCCU Scholars Retreat 2023)

NOTES

NOTES



With U in mind

KCCU
Kingstown Co-Operative Credit Union

Diamond Deal!

DRIVE IN style!

8% INTEREST RATE ON THE ORIGINAL BALANCE

10% DOWN PAYMENT

7 YRS REPAYMENT (LOWER MONTHLY PAYMENTS)

LIMITED TIME ONLY! TERMS AND CONDITIONS APPLY

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