

14. Board of Directors Report for the 51st Annual General Meeting of the Kingstown Cooperative Credit Union for the period January to December 2012 to be held at the Peace Memorial Hall on May 29, 2013.

14.1 INTRODUCTION

During 2012, most of the economies of the world experienced minimal or negative growth and St. Vincent and the Grenadines was no exception. However, the Kingstown Co-operative Credit Union (KCCU) performed very well amidst the challenges facing the economy.

The financial services sector has experienced some difficulties that could have devastating consequences and it is a "wake up call" for all financial institutions to keep their house in order. Of significant note, we should inform you that KCCU has an investment of EC\$1.8 million (m) in The Building and Loan Association. At this time we are confident that the institution will continue to take the necessary corrective steps to bring about stability to that organization.

14.2 BOARD OF DIRECTORS

Following the 50th Annual General Meeting, the Board of Directors met on 10th May 2012 and the Board was constituted as follows:

Sis. Cicyln Joseph	– President
Bro. Jerome De Shong	– Vice president
Bro. Peter Campbell	– Treasurer
Sis. Ingrid Susan Clarke	– Secretary
Bro. Harvey Farrell	– Director
Bro. Telbert Samuel	– Director
Bro. Colin John	– Director

14.3 FINANCIAL REVIEW

The year under review showed that KCCU made a total comprehensive income of EC\$3.9m. A revaluation of the properties accounted for EC\$2.0m in unrealized gains. The actual earnings before interest rebates and dividends amounted to \$1.62m compared to 2011 EC\$1.49m. The Credit Union recorded a strong growth of 9% in income. The Kingstown Co-operative Credit Union has achieved sterling performance which is testament to the commitment of qualified and experienced volunteers in the management committees, professional, qualified and capable staff, and the unwavering support of our loyal membership.

Assets

The assets of KCCU increased to \$65.3m compared with \$60.8m in 2011, a growth of about \$4.5m or 7.4%. The revaluation in investment properties and the owner occupied property recorded an increase of about \$2m. Loans to Members portfolio grew by \$2.3m or 5.5%. The growth is a major achievement in spite of predatory attacks on our mortgage portfolio by competing banks in their attempts to lure members by offering low interest mortgage rates. Despite those challenges, KCCU grew and retained market share by innovation. We successfully launched two new products: SAYE-YA loans and CASHBAC that generated new revenues. And the very popular *READY CASH* continued its meaningful contribution.

Liabilities

Redeemable member shares stood at \$35.2m in 2012 when compared to \$33.8m in 2011, an increase of \$1.4m or 4.1%. Deposits in 2012 stood at \$16.9m in comparison to \$17.1m a decrease of \$0.2m. This was the result of a deliberate strategy to minimize massive interest cost by repaying EC\$2.1m to a large depositor whose investment had matured. minimize interest expense.

14.4 DELINQUENCY

The delinquency department and the KCCU staff as a whole continue to work assiduously to ensure that there was no significant deterioration in the loan portfolio consequent upon the global

recession. To this end, the delinquency rate as at December 2012 stood at 5.7%, a slight decline in comparison with the previous years 5.0% but still within reach of the acceptable PEARLS standard 5% ratio.

14.5 HUMAN RESOURCE (HR) MATTERS

Sis. Hetty Charles, our longest serving employee, retired early on medical grounds during the year. Sis. Charles served the organization for 20 years in the essential capacity of office attendant and took her responsibilities very seriously. She was a dedicated loyal and devoted member of staff. The Board takes this opportunity to formally thank her and wish her well in all her future endeavours.

14.6 HR PERFORMANCE MANAGEMENT SYSTEM

The strategic plan requires that we focus on our human resources performance and reward systems to ensure that our mission and goals are achieved over the long term. And it requires that we evaluate short term performance fairly against agreed objectives.

In 2012, KCCU engaged the services of Joachim & Associates to provide an integrated process (performance management system including performance Appraisal System) to measure, monitor and enhance the performance of staff as a contribution to the overall organizational performance. The system will communicate strategic goals, reinforce individual employee accountability for meeting those goals, and track and evaluate individual and organizational performance. The entire study is expected to be completed by mid June to July in 2013.

14.7 INFORMATION TECHNOLOGY (IT)

WEBSITE

The Web site is one piece of the strategy that we intend to interface with the new core system software to deliver efficient services and modern products.

We have pursued the redesign and building of our WEBSITE relentlessly, however there were challenges that delayed the completion of this task. We are now in discussion with a web site builder to deliver a product that fits the needs of our strategic intent to provide integrated services via the web.

CORE SYSTEM

After months of planning and preparation, KCCU's new IT system went live on November 19, 2012. It replaced the previous 2000 application software which had become very expensive to modify and fell far short of providing an adequate cost beneficial IT solution. The change out came after an IT development plan was prepared to ensure good strategic fit. An IT operational plan was also crafted to ensure a successful implementation. The new installation was an important achievement of our strategic intent to have an IT platform that would provide, among others: efficient member service delivery; technologically driven products; operational efficiency; security; and value well into the future.

The new system is designed to improve our operations because it has: additional applications; features that vastly improves security; and functionalities that give the capabilities to be flexible and more competitive.

Our risk management has been enhanced by the capability to now effectively carry out security procedures; and internal and other accounting controls have been made more strong. Thus far, the system developer and supplier has been very responsive in modifying functionalities to better support our organization work system, flows and processes.

The Board of Directors would like to thank the three member steering committee that was set up to guide this process namely: Clement Lynch, the Steering committee chairman; Paul Garnes, member IT professional, and Ellsworth Abbott of the Supervisory Committee.

The cost of hardware, software, network and installation of the entire system was approximately five hundred thousand dollars.

14.8 LAND AT CANOUAN

There was an issue of encroachment by a squatter on the access road leading to the KCCU land at Canouan. There was also evidence of refuse dumping at the KCCU site. These matters were reported to the authorities over the years but the effort to effect a satisfactory resolution was very slow. In order to protect our interest and public reputation we undertook to fence the property at a cost of thirty six thousand dollars.

14.9 KUTMED

The Medical insurance plan (KUTMED) was renewed by Beacon Insurance Company last year. The plan had a high claims ratio that prompted the insurance company to proposed changed terms. The new terms initially reflected a significant increase in premiums, however during negotiations, the KUTMED group advanced the view that given the difficult economic conditions affecting members it would be hard for persons to pay and as a result the plan may lose members and eventually collapse. The compromise outcome was that some of the benefits were reduced but the premiums remain the same. The Insurance company will review the claims history later this year and if the contract may be revisited.

The Board of Directors would like to make an appeal to more members to join the KUTMED plan. National statistics showed that people are increasingly being afflicted with chronic diseases each day. By joining, you can save yourself thousands of dollars in the event of serious illnesses. In addition, with more members in the plan the intense upward pressures to increase premiums will be relieved to the benefit of all participants.

14.10 DEVELOPMENT CENTRE

On June 5, 2012, the Development Centre was opened and named after Bro. Reuben John, past president of the KCCU. This centre which is located on the ground floor of the KCCU Financial Centre is fully equipped with the latest technology to facilitate workshops and plans are in the pipe line to offer development courses and other training opportunities for prospective and existing members.

14.11 SCHOLARSHIP AWARDS

In 2012, four scholarships were awarded to our members' children to the tune of \$4400, this is an increase of \$400 or 10% over 2011. There were also three bursaries in the amount of \$1800. The other applicants all benefited by an award of EC\$150. To date, KCCU has awarded thirty seven (37) scholarships with a value of \$149,800.

14.12 VISION

KCCU envisages working closely with the Financial Services Authority to ensure compliance with the Co-operative Societies Act 2012 and collaborating and networking with our sister Credit Unions, other co-operative societies and the St Vincent and the Grenadines Co-operative League.

We aim to continue to develop new products and to provide a platform for the integration of technology in the delivery of high quality financial services. Risk management is an integral part of our business planning and every step will be taken to mitigate strategic, financial, operational and hazard exposure. Good Governance and stewardship are the pillars of our management as we strive to maintain high standards of stability and confidence. At the KCCU, we ensured that there were and continue to be transparency, proper accountability and reporting responsibilities to you our esteemed members.

This is a time for consolidating our resources as we build our financial reserves to cushion future unexpected local, regional and international shocks.

14.13 COMPLIANCE

The new Co-operative Societies Act 12 of 2012 sets a higher financial standard for institutional capital and reserve adequacy. It is a requirement that we comply with the relevant sections 124 and 128 of the Act and consequently we have been unable to declare dividends this year. In addi-

tion, our liquidity compliance under section 199 was challenged by developments related to the Building and Loan Association particularly the unavailability of our EC\$1.8m special deposit.

There is a requirement to update our By-Laws to ensure consistency with the new Co-operative Societies Act no 12 of 2012 and therefore a resolution is being placed before the membership for approval to effect the necessary changes.

14.14 ACKNOWLEDGEMENT

The Board of Directors would like to express its sincere appreciation to our first female President Sis. Cicyln Joseph who served as president in 2012 but subsequently resigned as president as well as a director on January 07, 2013 and emigrated overseas. She served on the Education and Supervisory Committees before her ascension to the Board of Directors. We want to wish her every success in her new life and thank her for her yeoman service to KCCU .

Bro. Peter Campbell, our Treasurer, is retiring this year and is not eligible for reelection. He first served KCCU as an employee, resigned, then was elected to the Credit Committee where he served with distinction. He was subsequently elected to the Board of Directors. Bro. Peter has served KCCU well and we want to wish him well as he volunteers in other organizations.

We would like to thank the other directors, committees and staff for their invaluable contribution to KCCU in 2012. Most importantly, we want to thank you the members for supporting your organization and we ask that you continue to do so in 2013 and beyond.

We would like to thank the Registrar of Cooperatives and his staff for their support, The St Vincent and the Grenadines Credit Union League for their guidance, other sister Credit Unions for their co-operation and collaboration, and our auditors BDO for effective work.



President

16. Credit Committee Report for the 51st Annual General Meeting of the Kingstown Co-operative Credit Union Ltd (KCCU)

Another year of operations has passed and the Credit Committee is pleased to report to the general membership.

The Credit Committee comprised of the following persons:

Bro. Alston Scott	- Chairman (Retiring)
Sis . Caleiz Bascombe-James	- Secretary
Sis. Nicolette Balcombe-Dalton	- Member (Up for election)
Sis. Michele Samuel	- Member (Vacant)
Bro. Danley Bacchus	- Member (Resigned)
Bro. Lauren Walker	- Member (Resigned)

15. TREASURER'S REPORT FOR THE 51ST ANNUAL GENERAL MEETING OF THE KINGSTOWN CO-OPERATIVE CREDIT UNION LIMITED FOR THE PERIOD JANUARY 1ST TO DECEMBER 31ST 2012

15.1 INTRODUCTION

The year 2012 was not without its share of challenges. The harsh economic climate that our nation and indeed most countries of the world have been experiencing since 2008 continues to be a challenge for Kingstown Co-operative Credit Union Ltd. (KCCU). Another challenge was the increasing competition from the bigger financial institutions to gain market share in an already declining market. Despite this, KCCU was able to achieve most of its strategic targets and continue to show growth.

We continue to experience growth in key areas including assets, income, deposits and equity. To achieve growths in these areas, greater effort was made to ensure that our Credit Union employed sound and effective corporate governance practices, effective business strategies and stringent budgetary control. We perform a critical review of our policies and procedures every year to ensure that they conform to best practices in all instances and that the Credit Union remains relevant in this changing economic environment.

A Comparative Analysis of significant financial indicators at Kingstown Co-operative Credit Union Ltd. (KCCU)

Significant Indicators	2012 \$'000	2011 \$'000	2010 \$'000	Increase 2012/11 \$'000	% change 2012/11	% change 2011/10
Total Assets	65,332	60,829	56,533	4,503	7%	8%
Loans	43,949	41,623	40,878	2,326	6%	2%
Cash Resources	5,763	6,138	2,745	(375)	-6%	124%
Permanent Shares	1,403	1,200	1,079	203	17%	11%
Redeemable Shares	35,168	33,795	32,606	1,373	4%	4%
Members' Deposits	16,899	15,082	12,602	1,817	12%	20%
Total Liabilities	53,153	52,765	49,192	388	1%	7%
Total Revenue	4,801	4,584	4,222	217	5%	9%
Operating Expenses	2,533	2,327	2,191	206	9%	6%

15.2 ASSETS, EQUITY AND LIABILITIES

For the financial year ended 31st December 2012, total assets recorded for the Kingstown Co-operative Credit Union Ltd. stands at EC\$65.3M in comparison to EC\$60.8M recorded for 2011. This represents growth of EC\$4.5million or 7% over the previous year. The main contributors to this growth are Loan to Members, which increased by EC\$2.3M or 6%, Investment Properties EC\$1.1M and Property, plant and equipment EC\$1.2M.

Members' Deposits grew by EC\$1.8M or 12%, while Permanent Shares and Redeemable Shares grew by 17% and 4% respectively. The growth in savings demonstrates the confidence our members have in KCCU and our commitment to safety and soundness in our operations.

15.3 INCOME

Total net income reported for the year 2012 is EC\$3.9M. Net income from operations, before rebates dividends and unrealized gains, is EC\$1.62M in comparison to EC\$1.49M in 2011. This represents an increase of EC\$0.13M or 9% over the previous year. The main contributor to this increase was a 4 % increase in interest on loans to members. Operating expenses also showed increases of 9% for 2012 reporting year, due exceptionally to dance festival and severance costs.

The 2012 report also reflects a provision of EC\$100 000 for any loss that might be incurred on our investment in Building and Loan.

15.4 DELINQUENCY

Significant improvements have been achieved in the management of our credit risk over the years, however, delinquency remains an ongoing challenge. As at the 31st December 2012, KCCU's delinquency rate stood at 5.7%, a small increase over the 2011 rate which stood at 5.0%.

Collection remains our top priority and we continue to work creatively but remain mindful of the challenges being faced by our members and the impact it could have on delinquency.

15.5 DIVIDEND AND REBATE

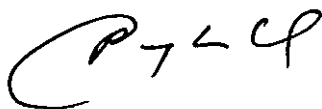
This year the Kingstown Co-operative Credit Union Ltd. reported an operating profit of EC\$1.62M. However, notwithstanding this profit, the BOD decided to follow a prudent and cautious approach by not proposing a dividend on shares or any interest rebates. This decision was taken to ensure the KCCU is in compliance with the Co-operative Societies Act 2012. It will also help to strengthen our financial position and protect the assets of our members in the current economic climate.

15.6 CONCLUSION

Our credit union has performed well despite the many challenges of 2012. However, we are still in difficult economic times and continue to face increasing competition for the limited market share. For us to survive and remain competitive we must continue to improve the management of our organization, minimizing our risk exposure and practice sound business strategies. We must continue to build on our strengths and seek to realize all available opportunities as well as identify and minimize weaknesses that could affect our continued creditable performance. As we strive to offer improved products and services to our valued members in these harsh economic times, we must endeavour to achieve high levels of efficiency and member satisfaction.

I would like to take this opportunity to express my heartfelt thanks to my fellow Board Members, other Committee Members, Management and Staff, our Auditors, and the membership of the Kingstown Co-operatives Credit Union Ltd. Your support and guidance continue to make us stronger, as we all stand committed to our members' economic success.

May God continue to bless our Credit Union.



Bro. Peter Campbell
Treasurer

16.1 INTRODUCTION

During the year under review Bro Alston Scott was elected as Chairman and Sis Caleiz Bascombe-James as Secretary. Two (2) committee members, Bro Danley Bacchus and Bro Lauren Walker resigned to pursue tertiary studies. Sis Nicolette Balcombe Dalton was brought on board in September to fill one of the vacancies. There were a total of thirty nine (39) meetings held during the year.

16.2 FUNCTION AND OPERATION OF THE COMMITTEE

The Credit Committee is a very important body that meets every Tuesday except for public holidays. The meeting generally begins at 5 o'clock and at least one member of the Committee attends and participates in the monthly Board meetings. Some of the duties of the Credit Committee are:

- To review loan applications by ensuring loans are granted to members who meet the established requirements set out in the loan policy and the bye-laws
- Interview members, to provide solutions
- Offer free counseling
- Submit reports to the Board of Directors
- Perform other functions.

16.3 ATTENDANCE TABLE

NAMES	PRESENT	ABSENT
Alston Scott	39	0
Caleiz Bascombe-James	38	1
Michelle Samuel	19	6
Nicolette Balcombe-Dalton	9	2
Danley Bacchus	22	2
Lauren Walker	5	6

16.4 OVERVIEW

The year 2012 was a challenging one with competition coming from the Banking sector which was offering mortgage loans at a lower rate. It must be noted that the Credit Union offers more incentives than the other banking competitors. The value of credit from KCCU should not be underestimated. Our interest rates at 12% for a normal loan on the **reducing balance** are excellent value compared to bank loan rates of 14% to 18%. Furthermore, our loans are insured against death and permanent disability for all members at no cost to them subject to some basic conditions.

We also take this opportunity to encourage members to save more in the Credit Union. The more you save, the stronger our Credit Union. The Credit Committee has a co-operative spirit and was able to work closely with staff and management to ensure smooth operations as well as satisfy members. Some demands by members were sometimes difficult given inadequate security and inability to repay the requested amounts. In reviewing loan applications we are extremely conscious of those which represent real needs in terms of education and necessary home costs. However, we are also equally conscious that we cannot approve loan applications where clear repayment capacity does not exist or where existing loan repayments are not being met.

KCCU continues to cope with the impact of weak economic growth, rising unemployment, rising inflation and increasing energy bills. Many members are now struggling to manage their finances. The general economic downturn has had adverse effects on many members. Reduced income through, reduced working hours, redundancies and the general lack of economic activity has left many of our members with less income to service all of their obligations. The vast majority of members are doing their best in difficult circumstances and we acknowledge the efforts that most members make in honouring their commitments.

Another area of concern was refinancing. Members came to KCCU for financial relief, but as soon as this was done, they would once again seek credit from other institutions after that return to KCCU. KCCU is ours to build! Therefore, we must not forget the principle of 'thrift' encouraged by the Credit Union Movement.

During the period under review, the Credit Committee was represented at the OECS Summit in Dominica by Alston Scott.

16.5 LOAN ACTIVITY

For the year under review there was an increase of two hundred and fifty five loans (255). There was a move from two thousand, eight hundred and eighty eight (2,888) loans in 2011 to three thousand, one hundred and forty three (3,143) in 2012. A total of two thousand, nine hundred and twenty four (2,924) loans were approved. This significant increase in loans was generated from the Ready Ca\$h and Save-Ya loan respectively.

In 2012, the total value of loan reviewed was \$21.2 million in comparison to \$18.7 million in 2011. There was an approved value for loans of \$15.3 million in 2012 compared to 12.7 million in 2011. Although the loan portfolio increased during the year, we believe that our performance was adversely affected by both global and national economic influences.

The major loan categories during the period under review were Consumer, Mortgage and Save Ya loans. Mortgage was the most utilized loan category which we saw 26.6%, Save Ya loan with 24.1% and Consumer 21.3%.

16.6 Delinquency

The ability of members to borrow depends on the their capacity to repaying their loans. The Recoveries department actively monitors and takes a stringent approach in dealing with delinquent members and success is noted.

When a member becomes delinquent other members are affected through a reduction in the availability of funds for lending and paying of dividends. We believe that the major factor affecting delinquency has been increasing levels of unemployment and the resulting loss of income. The Credit Union continues to assist those members with repayment difficulties who remain in contact with us. We can do this by reducing loan repayments, extending loan terms and in certain special instances freezing interest payments. Many members continue to avoid contacting KCCU, to make practical and realistic arrangements to service their loan, until it is too late. As a Credit Union we do everything possible to inform our members that we are very willing to review repayment and other terms. The Credit Union has moved to make greater use of available ethical resources at our disposal to ensure loans are repaid. We have some challenges however; we aspire to bring delinquency under manageable control.

Commendations must be given to the Recoveries department and by extension management and staff for their tireless work and especially maintaining the rate of delinquency to single digit.

16.7 Looking Ahead

Given the developments occurring in the credit market and the financial challenges facing the economy, KCCU endeavours to adopt strategies to ensure the Credit Union increases its share of the market.

We would also like for the future members of the Credit Committee to be expose to various forums and training where their skills would improved and their general knowledge of the Credit Union broadened.

16.8 Conclusion

We would like to thank almighty God for sparing our lives throughout the year and for granting us wisdom and understanding through some trying times. The Management and Staff for their unwavering contributions and going the extra mile, an extra special thanks to the Loans department especially the Loans Officers who go above and beyond the call of duty, doing site visits and working late nights with us. The Board of Directors for their leadership. The Supervisory Commit-

tee for their thoroughness and their diligence. The Credit Committee members for committing their time and energy every Tuesday, often missing or cancelling other commitments, to extend their service to KCCU, and most importantly, the general membership for your patronage and your contributions to the Credit Union through the years and beyond.



Bro. Alston Scott
Chairperson



Sis. Caleize Bascombe-James
Secretary

17. SUPERVISORY COMMITTEE REPORT FOR THE 51ST ANNUAL GENERAL MEETING OF THE KINGSTOWN CO-OPERATIVE CREDIT UNION

The following persons were elected to the Supervisory Committee at the 50th Annual General Meeting of the Kingstown Co-operative Credit Union Ltd. (KCCU), which was held at the Peace Memorial Hall on the 30th April 2012

Name	Position	Attendance
Bro. Elsworth Abbott	Chairman	21
Bro. Gillon Frederick	Secretary	23
Bro. Grenville Williams	Member	20
Sis. Ayanna Neptune	Member	14
Sis. Desrie Lewis	Member	21

Bro. Elsworth Abbott and Bro. Gillon Frederick were returned as Chairman and Secretary respectively at the first meeting held on the 16th May, 2012. The committee met for a total of twenty three (23) times during the period, to review the operations of the KCCU. The committee examined different areas within the organization and reported to the Board of Directors (BOD) on a monthly basis.

The Primary functions of the Supervisory Committee are to carry out independent evaluation of the operations and the examination of reports. A risk based approach was used to ensure that focus was placed on critical areas within the KCCU. The Committee conducted routine checks on the operations of the KCCU with the full support of the Management, Staff and BOD.

17.1 OBJECTIVES

During the review period, the Committee conducted periodic examination of a number of areas. Where deficiencies were identified, recommendations were made to the BOD. The objectives of the reviews were primarily to:

- Determine if internal controls were adequate and proper procedures were being followed
- Identify weaknesses in operating procedures
- Make recommendations accordingly

17.2 LOANS

Loan is the main income earner of the credit union. Different areas were examined to ensure adherence to loan policy. The Committee wanted to ensure delinquency was minimized by ensuring that only quality loans were disbursed. Also, special attention was paid to the security of these loans to ensure the assets of the institution were adequately protected in the event of default in repayments. The "Save Ya Loan" and "Ready Ca\$h" facilities continued to do well in strengthen-

ing the loan portfolio.

Delinquency is a major factor in any financial institution. The committee did not reduce its efforts to ensure that everything is being done to have this at a minimal level. Given the competitive nature of our environment and the limited resources in the island, the Management and staff should be commended for ensuring a growth in loans and keeping delinquency to an acceptable level.

17.3 OPERATIONS

It is important that the KCCU operate within regulatory guidelines. To ensure that this was done, the operations were reviewed for compliance. New and closed accounts, unapproved loans and the death benefit plan were examined for proper procedure. The share and loan facilities of all BOD, Committee and Staff members were examined to ensure compliance with regulations. The internal payroll and staff personnel files were also examined for deficiencies.

The Supervisory Committee also attended a few Credit Committee meetings to ensure that proper procedures were being followed by that committee. Visits were conducted at the Grenadines sub offices in Canouan and Union Island. The committee was not satisfied with the level of business generated at these branches. Though the contributing factor may not be internal, the Committee is encouraging Management to augment its efforts to generate more business in the Grenadines.

17.4 ACCOUNTS

Cash and Cash handling are very critical components of the institution. Efforts were therefore not spared by the Committee in ensuring proper cash handling procedures were in place. The committee ensured that reconciliations were done to minimize the risk of fraud within the organization. The fixed assets were reviewed to ensure that they can be accounted for and proper insurance coverage was in place in the event of accidental loss. The committee also ensured the assets were recorded at value. KCCU does not currently have a procurement policy and the committee has urged management to have one in place.

Long term investments were also reviewed to ensure that management was making sound financial investment decisions, which is increasingly becoming a concern to many citizens today. We the Supervisory Committee can assure you that the KCCU is a very prudent institution and manages your money well.

17.5 INFORMATION SYSTEMS

Following the risk based approach, the information system was identified to be a priority in our review. Without proper systems in place such as detailed roles and functions, reviews and proper segregation of duties, the opportunity for fraud increases. During the period under review, the Credit Union underwent a change in its application system which was not implemented until November of 2012. As a result of this, the review of the system was deferred. With 2013 very much in progress, we are asking the subsequent Supervisory committee to make this area a priority.

17.6 CONCLUSION

Some areas required more in-depth analysis which could not have been provided by the Supervisory Committee due to time constraints. As a result of this we are once again recommending the employment of an internal auditor, which becomes even more necessary as the business expands. The Committee is also reiterating the call for a disaster recovery plan to be developed. Procedures must be put in place for any contingency.

KCCU was able to realize profits for the reporting period; a feat that a number of financial institutions have not been able to accomplish lately, and for this the Management and Staff should be commended.

We would once again like to thank the Board of Directors, Committees, Management, Staff and Members of the KCCU for their continued support throughout the year.

For and on behalf of the Supervisory Committee.



Bro. Elsworth Abbott
Chairperson



Bro. Gillon Frederick
Secretary

18. EDUCATION COMMITTEE REPORT FOR THE 51st ANNUAL GENERAL MEETING OF THE KINGSTOWN CO-OPERATIVE CREDIT UNION LIMITED

18.1 INTRODUCTION

This report outlines the activities performed by the KCCU Education Committee during the period January 2012 to December 2012.

18.2 MEMBERSHIP

The following members were appointed by the Board of Directors to serve on the Education Committee for the period stated above:

Sis. Phyllis Allen-James	-	Chairperson
Sis. Angelita Miller	-	Secretary
Sis. Lecia Quow	-	Member
Bro. Raymond Yorke	-	Member
Bro. Dominique White	-	Member

18.3 YEAR IN REVIEW

The highlights for the period under review were the KCCU Secondary Scholarship Awards, KCCU Annual Primary School Quiz and the KCCU Senior Care Day.

18.4 MEETINGS

The Committee meetings were held every first, second and last Mondays of each month. Committee meetings were also convened outside the scheduled meeting times to discuss and plan activities as deemed necessary.

The committee membership attendance to meetings averaged 97%.

18.5 ORIENTATION SESSIONS

These sessions are important to the induction of new members to our organization. Therefore, this initiative is seen as a crucial step in shedding some light on what members of KCCU really should know about their Credit Union. Some members are not aware of their rights and to a greater extent their responsibilities as the owners of the Credit Union. It is our goal that after an Orientation session, members are more aware that the product portfolio of KCCU extends far beyond accessing Loans.

The sessions were held at our Headquarters and included presentations from the General Managers and other senior personnel. The areas of focused were the history and an overview of KCCU, products and services, medical plan, loans, prudent financial management practices. The sessions were very interactive and informative.

So, we hope to see you at our next Orientation Session as we continue to try to bridge the

knowledge gap.

18.6 MARKETING AND PROMOTION

During this period marketing and promotion of KCCU continued with the erecting of billboards and the continuation of our daily "Thinking Dollars and \$ense" programme that is being aired on Radio St. Vincent and the Grenadines.

Efforts are still being made by the Education Committee to redevelop the KCCU website as stated in last year's report. Proposals have been reviewed and terms are being negotiated with Enable Inc.

Other media such as radio, television and newspaper were utilized to promote and build the KCCU Brand.

The Education Committee in conjunction with the Board of Directors, Management and Staff hosted another "KCCU Senior Care Day" in commemoration of the International Day of the Elderly. This was done in the form of a social at the Rawacou Recreational facility in October 2012. The event involved presentations on Health and Wellness, Audiometric testing, Dances and Arts and Crafts.

18.7 SPONSORSHIP AND DONATIONS

KCCU continues to play its role as a corporate citizen and has again assisted varying programmes, activities, groups/institutions and individuals in the form of donations and sponsorship. These include but are not limited to:

- KCCU Dance Festival
- The St. Vincent Grammar School Road Relay

18.8 KCCU ANNUAL PRIMARY SCHOOL QUIZ

The finals of the KCCU Annual Primary School Quiz took place at the Kingstown Methodist Church Hall on November 17 2012; the preliminaries were held on November 24, 2012 at the St. Vincent Grammar School.

A total number of fifty six (56) students representing twenty eight (28) schools participated in the competition with six (6) advancing to the finals. The finalists were:

Kingstown Preparatory
Biabou Government
Fancy Government
Barrouallie Government
St. Mary's Roman Catholic
Langley Park Government

The competition consisted of three (3) sections namely multiple choice, closed-ended and Buzzer rounds. The Quiz tested the students' knowledge in the areas of History, Sports, General Knowledge, Current Affairs and Credit Union Affairs.

The Kingstown Preparatory School for the second consecutive time took the Thomas Saunders Challenge trophy; this school was represented by Gian-Paul Baker and Nneka Mc Millan . Second place was awarded to the Biabou and Fancy Government schools.

The competition was challenging, exciting and educational. The Education Committee congratulated all participants in the 2012 competition as we seek to educate our nation's children.

18.9 KCCU SECONDARY SCHOOL SCHOLARSHIP

The 2012 KCCU scholarship holders were as follows:

Academic Scholarships – Shenique Thomas and Kreniece Joslyn
Socio-Economic Scholarships – Mark Lewis and Mia Miller
Bursaries – Zoe-Ann Petes, Kaylah Leigertwood and Carlon Bute (Special).

The Award Ceremony took place at the Peace Memorial Hall and Bro. Colin John was the featured speaker. Due to the increase in cost of school supplies, the award was increased by \$100.00 across all areas.

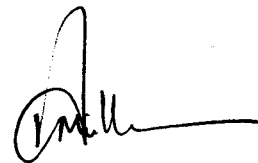
The Education Committee is pleased to report that all our scholarship holders are performing excellently. The Committee has met with some students and will continue to monitor their progress closely to ensure they maintain the standards set by the organization.

18.10 CONCLUSION

The Education Committee wishes to express its most sincere thanks to the Board of Directors, General Manager, other Committees, Staff and the General Membership for their untiring support throughout the period.



Sis. Phyllis Allen-James
Chairperson



Sis. Angelita Miller
Secretary