



ANNUAL
GENERAL MEETING **51st**

Russells Auditorium
September 7th 2023



**A SPECTRUM
OF OPPORTUNITIES**

BOARD OF DIRECTORS



Terral Mapp- President



Laurent Hadley- Treasurer



Bernard John- Vice President



Martin Sheen- Secretary



Timothy Scott– Director



Sabita Jacobs– Director



Danville Toney– Director

PRESIDENT'S MESSAGE

“A Spectrum of Opportunity”

Brothers and Sisters, welcome to our 61st Annual General Meeting. Considering the devastating effects of the Covid-19 pandemic, La Soufriere eruptions and Hurricane Elsa, the Board of Directors, at the last AGM, pledged to “leverage all the financial tools available to assist you, our members and to support and capitalize on the anticipated economy recovery.” During the past year, we remained committed to this pledge and are pleased to report the following accomplishments:

- 1) On August 30, 2022, we expanded our money transfer services with the opening of a Western Union Office at our Kingstown Headquarters to make receiving cash from loved ones easier. Since then, the lines at this office have been packed daily. Up to end of December 2022, this office processed 2,776 incoming transactions, valuing \$2.0m, helping numerous Vincentian households to cushion the impact of the very high inflation.
- 2) On September 29, 2022, KCCU became the first private organization to establish a Solar PV Farm in SVG. This initiative represents a capital expenditure of \$700,000, taking our total investment in clean energy to over \$1.0m. These investments embody our commitment to reduce our carbon footprint so as to slow the pace of climate change and preserve our planet for future generations;
- 3) We kept our promises and delivered to our members and the people of St. Vincent and the Grenadines two first class bus stops at the entrance of the Argyle International Airport. Work is ongoing to equip these facilities with free WIFI, security cameras and charging ports, powered by solar panels;
- 4) Through a Memorandum of Understanding (MOU), we partnered with the Government, fish exporters and fisherfolks to roll out the most comprehensive fleet expansion programme ever. In this Public-Private Partnership, persons can access the required capital to capitalize on the multi-million-dollar demand for fish in SVG. Thus far, close to \$1.0m in loans have been approved for the purchase of engines, pirogues and tuna boats;
- 5) Intending to provide our members with even more options to become a homeowner, we rolled out an affordable housing project on our 9-acre parcel of land in Brighton. The entire land was cleared of trees, which enabled greater visibility of its topography and which, to our surprise, attracted a growing number of inquiries from potential buyers;
- 6) Preliminary work towards the construction of a multi-million-dollar branch in Georgetown commenced. Concept designs have been completed and the purchase of 12,146 square feet of crown land is being finalized;
- 7) At several AGMs, our members called for greater support to be given to the business sector. As such, B.O.S.S– “Business Opportunity for Self-Sustainability” was launched in 2022 to provide access to capital for the start-up and expansion of small businesses. Numerous businesses have benefitted so far including Taxi operators, farmers, fisherfolks, hospitality proprietors, truckers, and vehicle rental businesses;
- 8) Our staff planned and executed the most strategic and bold marketing program ever, encompassing the adoption of modern social media marketing techniques, presentations on popular radio stations at peak time, strategic billboard placements, participation in the everything Vincy Expo, caravan membership drives and company visits. These resulted in significant growth in our following and reach across all our social media platforms, robust growth in membership of 1,097 and record expansion in loans of \$11.7m;
- 9) This record expansion in loans paved the way for a historic milestone; our loan portfolio crossed \$100m by the end of December 2022, \$5m more than the \$95.6m budgeted for that period.

- 10) We bolstered national recovery efforts with a further investment of \$6 million in the Government of St. Vincent and the Grenadines' bonds, taking the total direct investments since Covid to over \$10 million; and
- 11) Recognizing the importance of Information Technology, we established an IT Governance Committee, conducted an IT Audit and commenced a \$2 Million IT project. This project will strengthen our IT platforms and digitally transform our operations.

These initiatives, programmes and plans are engendering a spectrum of opportunities for you our members and the people of St. Vincent and the Grenadines in social protection, environmental sustainability, community development, the blue economy, digital marketing and transformation, affordable housing, financial inclusion, and job creation. In 2022, KCCU employed 10 additional staff, many of whom are youths whose ingenuity, enthusiasm and passion connected nicely with the existing talents at KCCU to make 2022 a huge success. Further, our increased financing of mortgages, affordable housing project at Brighton and construction of a branch in Georgetown complement the current construction boom which is the main driver of employment creation in SVG, presently.

It would be remiss of me to not thank you our members for your vote of solidarity in approving the Capital Augmentation Plan at the Special General Meeting held on September 8, 2022. With this approval, our share capital has more than doubled from \$2.5M at the end of December 2021 to \$5.6M at the same period in 2022. This has strengthened the financial base of the organization to better withstand future challenges in an environment of ever-increasing risks.

After a six-year stint on the Board of Directors, Vice President Bro. Bernard John and I will retire at this Annual General Meeting. We are grateful for the opportunity to have served and contribute meaningfully to the financial and economic development of our blessed land. We are also confident that our remaining colleagues on the Board possess the aptitude and attitude to elevate KCCU to new altitudes.

With this, I wish to extend appreciation, on behalf of the Board of Directors, to the members, our committee volunteers, the Financial Services Authority (FSA), the Co-operative Department, the League, and the Management and Staff for your invaluable contribution to our KCCU. May God bless us all and may he bless this 61st Annual General Meeting.

A handwritten signature in black ink, appearing to read 'Terral Mapp', with a long horizontal line extending to the right.

Bro. Terral Mapp

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



Bro. Martin Sheen

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

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 2022

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.	Terral Mapp	-	President
Bro.	Bernard John	-	Vice President
Bro.	Laurent Hadley	-	Treasurer
Bro.	Martin Sheen	-	Secretary
Sis.	Sabita Jacobs	-	Assistant Secretary/Treasurer
Bro.	Timothy Scott	-	Director
Sis.	Danville Toney	-	Director

Credit Committee

Sis.	Ingrid Clarke	-	Chairman
Sis.	Elthia George	-	Secretary
Sis.	Licia Nero	-	Member
Sis.	Juanika Joseph	-	Member
Bro.	Claydon Roache	-	Member

Supervisory and Compliance Committee

Bro.	Elvis Dublin	-	Chairman
Sis.	Daniella Henry	-	Secretary
Sis.	Moureeze Franklyn	-	Member
Bro.	Steve Millington	-	Member
Sis.	Akisha Yearwood	-	Member

Education Committee

Sis.	Joselle Joslyn-White	-	Chairman
Sis.	Joslyn Craigg	-	Secretary
Sis.	Nicole Byron	-	Member
Sis.	Liz-Ann Laidlow	-	Member
Sis.	Niasha Stapleton	-	Member

Banker

Bank of St. Vincent & the Grenadines

Auditor

Grant Thognton

Solicitor

Saunders & Huggins

STAFF PROFILE 2022

Mr.	Clement Lynch	-	Chief Executive Officer
Mrs.	Alice Adams-Francois	-	C.E.O. Secretary
Mrs.	Hadasha Butcher-Cruickshank	-	Compliance Officer
Mrs.	Oszette Glasgow-Providence	-	Human Resource Officer
Mr.	Keson Baptiste	-	Information Technology Officer

CUSTOMER SERVICES AND ADMIN DEPARTMENT

Mr.	Alonso Munroe	-	Head of Customer Service and Administration
Mrs.	Clairiesa Anderson-Pierre	-	Member Services – Senior Representative
Ms.	Corina Arrindell	-	Customer Service Representative
Ms.	Michka Charles	-	Receptionist
Ms.	Maureen Wells	-	Office Attendant
Mr.	Andre Soleyn	-	Drive/Office Attendant
Ms.	Isha Williams	-	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

LOANS RECOVERIES DEPARTMENT

Ms.	Judith Seaman	-	Recoveries Manager
Ms.	Zorah Primus	-	Recoveries Officer
Mr.	Khalil Ashton	-	Recoveries Officer

ACCOUNTS DEPARTMENT

Mr.	Eronne Evans	-	Chief Accountant
Ms.	Allisa Barnum	-	Accounts Supervisor
Ms.	Koriene Chance	-	Accounts Clerk
Mrs.	Monique Springer-Cupid	-	Head Teller
Ms.	Cuthesia Miller	-	Teller
Mr.	Sobato McDowall	-	Teller
Ms.	Kristel Craigg	-	Teller
Ms.	Anaria Morgan	-	Teller
Ms.	Sameeka McDonald	-	Teller

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. Jared James

UNION ISLAND

Ms. Rachel Phillips
Mr. Asean Craigg
Ms. Kezanny Williams

CANOUAN

Ms. Wendella Richards

TABLE OF CONTENTS

	PAGE
STANDING ORDERS	5
61st ANNUAL GENERAL MEETING NOTICE AND AGENDA	6
MINUTES OF 59TH ANNUAL GENERAL MEETING	11
BOARD OF DIRECTORS REPORT	24
TREASURER’S REPORT	38
FINANCIAL STATEMENTS	46
CREDIT COMMITTEE REPORT	52
SUPERVISORY AND COMPLIANCE COMMITTEE REPORT	58
EDUCATION COMMITTEE REPORT	63
PHOTO GALLERY: 2022 MEMORIES	75

MINUTES OF THE 60TH ANNUAL GENERAL MEETING (AGM)

OF THE

KINGSTOWN CO-OPERATIVE CREDIT UNION LTD (KCCU)

**HELD AT THE METHODIST CHURCH HALL AND ON THE ZOOM PLATFORM ON THE 14 JULY,
2022 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 4.50 P.M.

She expressed appreciation to the attendees in person and online.

3. PRAYER

Member, Sis. Crystal Craig offered a word of prayer. The Credit Union's prayer was then recited.

4. NATIONAL ANTHEM

The National Anthem was rendered via digital pre-recording.

5. CREDIT UNION SONG

Sis Judith Seaman sang the Credit Union song.

6. APOLOGY FOR ABSENCE

Bro Clement Lynch- Chief Executive Officer

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:

Berrisford Shallow	Jacqueline Mary Johnson	McLawrence Ollivierre
George Beedy	Yvette Bruce	Reuben Baker
Rhonda Boyea	Ronford Lewis	Lornette Chambers
Gailene Scott	Beverly Phillips	Sharon John
Kenneth McDowall	Krista Samuel	Noel Gurley
Humphrey Harry	Peter Campbell	Ainsely Errol Horne
Richard Saunders	Sonya Diana Hias	Hester Richards
Rochelle Yearwood	Claudius George	Marla Joseph
Caswell James	Randolph Thomas	Henzey Robinson
Debra Robinson Samuel	J-Arda Williams	Albeda Frank
Celina Roberts Simons	Lorna Cole	Michael Nicholls
Donald Martin	Theodora Joseph	Janette Samuel
Roain Mclean	Arthur Constance	Jeanetta Baptiste
Shirley John	David Cato	Fiona Dennie Pierre
Naomi Iva Haynes	Cristobel Parsons	Ronique Marshall Delpesche
Gladys Peters	Adolphus Richards	Alfedo McDonald
Cindy Francis	Leslieann Duke	Esrick Layne
Omiga Phillips	Nevil Rodney	Veronica Wiseman
Esther Gurley	Rusil Peters	Lester Williams
Stephanie Burke	Wildred Ashley Mclean	Marva Millington
Mary David	Norma Caesar	Anita Wilson
Athalie Bristol	Vennis Need	Audrey Williams
Judy-Ann Doden	Elliot Hillocks	Ashford Baptiste
Samantha Robertson	Hilton McBarnett	Noela Matthews
Nasina Miller	Doria Charles	Tamara Ragogue

8. GREETINGS

Greetings received from the following organisations:

- SVG Cooperative Credit Union League – Cecilia Williams
- St. Vincent and the Grenadines Teachers Cooperative Credit Union Ltd (SVGTCCU) – Sis. A. Hamilton
- General Employees Credit Union Ltd (GECCU) – Sis. Maxine Johnny

BUSINESS SESSION

1. CALL TO ORDER

Bro Terral Mapp, President and Chairman of the Business Session, called the Business Session to order.

2. PRESIDENT'S REPORT

Bro. Terral Mapp, the President, presented the report and highlighted the following:

- a. In the first quarter of 2021, the spike in COVID-19 cases devastated workplace productivity and resulted in the loss of lives;
- b. On 9th April 2021, La Soufriere began the first of thirty-two explosive eruptions, triggering an evacuation of over 22,400 persons from varying communities. These eruptions ejected over 500,000 tons of ash over the islands, causing over 635 million in loss and damage.
- c. Hurricane Elsa struck on 2nd July 2021 with a comparable devastating impact on the Vincentian population, displacing over 200 Vincentians. The damage from the hurricane was placed at 40 million dollars.
- d. Through all the adversities, KCCU stood with its members by:
 - i. Extended payment deferrals to over 200 persons with loans valuing 15.8 million;
 - ii. Contribution to national recovery in the form of a 4-million-dollar investment in government bonds;
 - iii. Through the Western Union branch at Marriaqua, the Co-operative facilitated the processing of over 6 million dollars in remittances which has helped to sustain the economy;
 - iv. Built on the \$900,000 in interest and dividends in 2020 with a record of \$1.3 million payout in 2021;
 - v. Over 600 nurses benefited from the contribution to Health Care Workers Appreciation Day;
 - vi. Twenty-two (22) 600-gallon water tanks were purchased and donated to farmers across SVG;
 - vii. Fourteen (14) 1,000-gallon water tanks were purchased and donated to schools one week before the eruption of La Soufriere;
 - viii. The recently established Ciclyn Joseph academic annual bursary valued at \$3,000 was awarded to six tertiary-level students;

- e. Appreciation expressed to two retiring Directors: Sis Cynthia Hope-Browne and Bro Jerome DeShong

3. ADOPTION OF THE AGENDA AND STANDING ORDERS

The President suggested item 5 of the Business Session on the Agenda be amended to allow the elections of each Committee after the presentation of each Committee's report. Also, presentations for two initiatives the Board sought to undertake should be allowed immediately after the BOD's REPORT.

A motion was moved by Bro. Kazon Simmons and seconded by Sis. Oszette Glasgow Providence to accept the amendment. There were no descending voices, and the motion was carried to accept the amendment to the Agenda.

Sis, Licia Nero moved the motion to adopt the standing orders, seconded by Bro. Timothy Scott. The motion was carried.

4. MINUTES OF THE 59TH ANNUAL GENERAL MEETING

3.1 Amendments and Confirmation

Pg 16 – 4.1.1, 2nd paragraph: "copped" was changed to "co-opted".

Pg 16 – 4.2: "Bro. Bernard Scott" was changed to "Bro. Bernard John".

Pg 18 – 2nd paragraph of 4.2.3: "Sis. Nicky Boyea inquired about the significant increase in the overdraft facility. Bro. John and Bro. Clement Lynch, CEO of the Credit Union, clarified that it was due to a timing issue addressed by the Chief Accountant of the Credit Union", which should state Bro. John's full name and position. Also, "Chief Account" was corrected to "Chief Accountant".

Pg 21 – 1st paragraph: "past Minister of Health and Wellness" was changed to "Infectious Disease Specialist".

Pg 21 – 2nd paragraph: "The Bequia schools..." was changed to "The Grenadines schools..."

4.2 Matters Arising

3.2.2 Delinquency

Bro. Cools Vanloo requested a breakdown of delinquency by loan category in the presentation of the financials report.

3.2.3 KCCU share capital augmentation plan

The Chairman informed that the special meeting for the share capital augmentation plan was approved by the Financial Services Authority (FSA). Given the urgency, he proposed that the meeting be held on Thursday, 8th September 2023.

Bro. Kazon Simmons moved a motion seconded by Sis. Licia Nero to hold the meeting on the proposed date. The motion was carried.

Bro. Danville Toney moved the motion to adopt the minutes as amended and seconded by Sis. Annis Bailey-Providence. The motion was carried.

5. REPORTS – PRESENTATION AND ADOPTION

5.1 BOARD OF DIRECTORS' REPORT

Bro. Timothy Scott moved the motion to adopt the report as read and seconded by Sis. Ackeisha Yearwood. The motion was carried.

5.1.1 *Discussion on the BOD Report*

Pg 25 - In response to Bro. Gillon Frederick's question, the Chairman stated that the Information Technology Officer was recruited in January 2023 and performing adequately. Additionally, the point of sale rollout was being collaborated with the Bank of St. Vincent and the Grenadines (BOSVG), but the issues were to be resolved in the following three months.

Pg 29 – In response to Bro. Harvey's question, the Chairman stated that assessing performance with a benchmark was critical, and the Cooperative would endeavour to do so.

Pg 30 - In response to a query about whether the new members aged twenty and below were junior savers, Bro. Eronne Evans, Chief Accountant, confirmed that they were all qualified members.

Pg 30 - The Chairman committed to organising a package to benefit the elders. Additionally, the \$1.3 million paid out in dividends in 2022 significantly aided the elders.

Pg 30 – Responding to Bro. Harvey's questions about the three positions filled, Bro. Evans stated that they were vacant positions and not new ones.

Pg 31 – Sis. Ginette Gilbert complained that on her last visits to the Credit Union, the line was backed-up outside, and the reason was short-staffing issues. She suggested that action be taken to avoid the problem regularly. The Chairman noted that COVID-19 was the main reason for the issue and added that the Human Resource Committee was examining ways to restructure the staff to meet the needs of the growing membership. A document was being prepared for presentation to the Board.

Bro. Romal John recommended that the youths be allowed to serve on the Board.

Pg 31 - The last sentence should read, "During 2021, Board and staff members participated in the following training activities".

Pg 32 – Bro. Gillon Frederick inquired about DCASH, the Eastern Caribbean Central Bank product. Bro. Evans responded that it was the digital version of the EC currency and that the Cooperative signed up as a part of the pilot project. He added that after some hiccups, the product was re-introduced and advertised. The Cooperative would be part of the collaborative efforts.

Pg 32 – Sis. Indira Toney inquired why the AML training was poorly attended compared to the DCASH merchant training. Bro Evans clarified that in the AML training, the trainers participated and who, in turn, trained the staff.

Pg 34, 9.13 – Bro. Vanloo expressed grave concerns with the corporate governance guiding contractual agreements between the Cooperative and its members. He opined that loan agreements involving a salary deduction should have nothing to do with loan agreements involving share savings as they were separate agreements. He further opined that it was illegal and should be discontinued. The Chairman said that an investigation would be carried out.

Pg 35 – Bro. Harvey questioned the choice of the name 'Ciclyn Joseph' for the academic bursary. He also requested details on the AIA bus terminals. In response, the Chairman stated that Mrs. Ciclyn Joseph was the first female President, and her name was chosen to show appreciation to the Credit Union. The Credit Union recognised a marketing opportunity at AIA, given the area's heavy traffic, and therefore came up with the idea to construct branded bus terminals.

However, there were some bureaucratic delays with the Government. The Chief Surveyor allocated the land, and KCCU has completed the design, and received quotations.

Bro. Vanloo disagreed with the construction of the bus terminals as he believed it was the responsibility of the Government, and the funds could be put to better use to benefit the immediate membership.

Bro. Frederick and Bro. Scott, among other members in attendance, shared a different opinion and agreed with the construction of the bus terminals.

Bro. Vanloo moved for voting by the membership to not proceed with constructing the bus terminals at AIA, seconded by Bro. Harvey Farrell. The motion was carried. The membership unanimously voted for the construction of the bus terminal.

Sis. Marcelle Burgin (online) voiced her disagreement about how the voting was handled because the persons who attended online were not acknowledged. Also, hands should have been counted instead of 'the aye's have it'.

Pg 35 – A Sis. sought an explanation for:

- "Repackaging of our loan products with a reduction in interest rates and fees." The Chairman clarified that the loan terms were adjusted to make it more affordable for members.
- "Dissemination of KCCU branded tokens to members."

She also advised changing the word 'X-Mas' to 'Christmas'. A suggestion box be implemented for members to leave their ideas. The Chairman noted that it was the name of the loan for the 2022 Christmas season.

Sis. Carmen Barker aired three grievances based on her observations:

- Persons over a certain age were being denied loan applications on the assumption that they would not live long enough to repay and opined that it should not be so.
- There was no return-call protocol regarding how long an employee should take before returning a call to a member.
- If a third party was sent to pay at the Credit Union, they should not be privy to the account balance.

The Chairman indicated sixty-five (65) was all credit unions' retirement age. Bro. Evans responded that while no return-call protocol existed, the staff endeavoured to return calls as soon as possible. There were security protocols to be followed for overseas members. Efforts were being made to accommodate members who did not wish to have their books updated or a receipt showing the total when being paid by a third party.

Pg 36, 9:16 – In response to a question, the Chairman explained that Solar Photovoltaic (PV) units were installed on the roofs of the Kingstown and Marriaqua Branches. The electricity generated feeds the VINLEC grid, and the Cooperative earns forty-five cents per kilowatt hour.

Pg 36, 9:16 – The Chairman responded to Bro Harvey's question by explaining that the Credit Union was in year three of six regarding repayment of the solar systems.

Pg 36, 9:16 – Bro. Frederick queried the extent of the investment in solar power. The Chairman informed him that over \$300,000 was invested with plans for further investment as the Cooperative attempted to diversify the income stream.

5.1.2 Presentation of award

KCCU presented an award to Bro. Troy Bullock for completing his BSc in Banking and Finance in May 2021. Bro. Bullock was also pursuing an MBA.

A motion was moved for the adoption of the BOD report by Bro. Frederick and seconded by Bro. Timothy Scott. The motion was carried.

5.2 TREASURER'S AND AUDITOR'S REPORT

Bro Laurent Hadley, the Treasurer, invited Bro. Floyd Patterson (online) of Grant Thornton Accounting Firm to present the Auditor's Report, after which he gave the Treasurer's Report.

5.2.1 AUDITOR'S REPORT

Based on the Auditors' examination for the year ended 31st December 2021, the Auditors issued an unqualified audit opinion on the financial statements of the Kingstown Cooperative Credit Union records. There were no reservations concerning the fair presentation of the financial statements.

5.2.2 TREASURER'S REPORT

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

5.2.2.1 Discussion on the Treasurer's Report

Pg 41 - A motion was moved by Bro. Frederick and seconded by Bro. Vanloo to accept the dividends and rebates as follows:

Permanent Shares 7%
Redeemable Shares 1.5%
Rebates on loan interest 2.25%

The motion was carried.

Bro. Simmons moved the motion to adopt the treasurer's report and seconded by Sis. Toney. The motion was carried.

5.3 PRESENTATION OF EXPANSION PROJECT IN GEORGETOWN

Bro. Bernard John presented the plans for the Cooperative to expand to the Windward side, specifically Georgetown. The Investment and Building Committee formulated the project to expand the building portfolio. The aim was to accommodate members of the rural community.

A feasibility study of the area revealed that approximately 23,000 resided in the surrounding areas of Georgetown (from Colonaire to Fancy). Bro John highlighted that the Credit Union constructed its building on land that would be purchased from the Government, instead of renting. In the design phase of a two-to-three story building which would be elderly and handicap friendly, the first floor will be for operations of the Credit Union and the other floors for rent.

After financial estimates, it was determined that the project would pay for itself in approximately eleven years.

5.3.1 Discussion on the presentation expansion project in Georgetown

Bros Frederick and Vanloo supported the project.

Bro Frederick queried the implementation of the Western Union service at the location, and it was confirmed.

Bro John said it was an excellent opportunity for KCCU to attract and service new customers.

5.3.2 Voting

The members voted unanimously for the construction of an office in Georgetown.

5.4 PRESENTATION ON LAND AT BRIGHTON

Bro. Bernard John presented the plans to develop two- and three-bedroom houses at the Brighton land for Corporation members.

The proposed cost was \$377,000 for a three-bedroom property and \$281,000 for a two-bedroom property. These fees did not include legal fees. A pilot project was proposed, starting with two houses.

5.4.1 *Discussion on the presentation for Brighton land plans*

Bro. Edwards inquired about the horrible conditions of the roads at Brighton and was informed that infrastructure would be put in place, but the Cooperative would not develop the entire route.

In response to Bro. Edwards question, Bro. John indicated that a committee would be formed to manage the project.

5.4.2 *Voting*

The members voted unanimously for the construction of houses on the land in Brighton for sale to the members.

5.5 CREDIT COMMITTEE REPORT

Sis Aceisha Haywood moved the motion to accept the report as read and seconded by Bro. Danville Toney. The motion was carried.

Presented by the Chairperson of the Credit Committee, Bro. Timothy Scott highlighted several key points:

Though only one loan was disbursed for the agricultural sector, the Credit Union made significant contributions to the industry after the eruption of La Soufriere.

There was an approximate 34% increase in loans compared to the previous year. In contrast to the 2020 number of 8.66% (\$7.18M), the delinquency rate during the review period (2021) was 5.6% (\$5M). This demonstrated a rate improvement of 3.06% from the 2020 number.

5.5.1 *Discussion on the Credit Committee Report*

Pg 100 – Bro. Vanloo inquired about the low payout on business loans. He stressed that young entrepreneurs of the Credit Union should be allowed to expand their businesses. Bro. Scott updated that the process had begun for small business loans and to assist such applicants with preparing business plans.

Sis. Joslyn Craig moved the motion to adopt the Credit Committee report, seconded by Sis. Nyasha Stapleton. The motion was carried.

5.6 SUPERVISORY & COMPLIANCE COMMITTEE REPORT

Bro. Brent Cupid moved the motion to accept the report as read and seconded by Sis Nero, and the motion was carried.

Bro. Kazon Simmons, Chairperson of the Supervisory Committee, presented the report's concluding remarks.

5.6.1 Discussion on the Supervisory Committee Report

Sis. Daniella Henry moved the motion to adopt the report seconded by Sis. Akeisha Yearwood. The motion was carried.

5.7 EDUCATION COMMITTEE REPORT

Sis. Joselle Joslyn-White, Chairperson of the Education Committee, presented the Education Committee Report.

A motion was moved by Sis. Juanika Joseph to accept the report as read, and it was seconded by Sis. Betty Crosby Medford. The motion was carried.

Sis Joslyn-White highlighted six scholarships and three bursaries awarded during the reporting period.

5.7.1 Discussion of the Education Committee Report

Bro. Cools Vanloo inquired about the total number of scholarship and bursary beneficiaries. The Chairperson responded that such information was not at hand and would be reported in 2023.

A motion was moved to adopt the report by Sis. Ingrid Susan Clarke and seconded by Bro. Timothy Scott. The motion was carried.

6. ELECTIONS AND NOMINATIONS

The FSA facilitated the voting process.

6.1 Board of Directors

Retired: Sis. Cynthia Hope-Browne and Bro. Jerome DeShong

Nominated from Nominations Committee:

Bro. Jeremy Jackson

Bro. Danville Toney

Nominated from the Floor:

Bro. Timothy Scott

Bro. Brent Cupid moved a motion to close nominations, seconded by Bro Harvey. The motion was carried.

The results were:

Bro. Jeremy Jackson	-	72
Bro. Danville Toney	-	93
Bro. Timothy Scott	-	104

The two available positions were filled by Bros Timothy Scott and Danville Toney. They would both serve for three-year terms.

6.2 Auditor

Nominated from the Floor:

Grant Thornton

Bro. Vanloo moved a motion seconded by Sis Susan Clarke and carried to close nominations. The membership voted unanimously for the retention of Grant Thornton as Auditor.

6.3 Credit Committee

Retired: Bro. Timothy Scott

Retired but eligible for re-election:

Sis. Licia Nero

Nominated from Nominations Committee:

Sis. Licia Nero
Sis. Nicole Joseph-Byron

Nominated from the Floor:

Bro. Claydon Roache

Sis. Atica Allen moved a motion seconded by Bro. Vanloo to close nominations and was carried

The results were:

Sis. Licia Nero	-	90
Sis. Nicole Joseph-Byron	-	56
Bro. Claydon Roache	-	67

Sis. Licia Nero and Bro. Caydon Roache filled the two positions and would serve for three-year terms.

6.4 Supervisory and Compliance Committee

Retired but eligible for re-election:

Bro. Kazon Simmons

Nominated from Nominations Committee:

Sis. Nyasha Viola Stapleton

Nominated from the Floor:

Bro. Steve Millington

A motion moved by Sis. Yearwood, seconded by Bro Toney to close nominations, was accepted.

The results were:

Sis. Nyasha Viola Stapleton	-	50 votes
Bro. Steve Millington	-	53 votes

The available position was filled by Bro. Steve Millington, who would serve for the next three years.

Bro. Cupid moved the motion to destroy the ballots seconded by Sis Nero. The motion was carried.

7 ANY OTHER BUSINESS

7.1 Employee Dismissal

Bro. Vanloo requested an update regarding dismissing an employee who took the case to the Labour Department. The Chairman updated that the Labour Commissioner dismissed the case.

Bro. Vanloo contradicted this by stating that the Labour Commissioner ruled the dismissal of the employee unfair, and the Credit Union decided to appeal the decision. Bro. Vanloo did not agree with the appellation. The Chairman responded that he was unaware of that ruling and would further investigate.

7.2 KCCU Med

Bro. Harvey Farrell suggested that an annual update on the performance of KCCU Med be included in the Board of Directors' Report. The lack of advertising and reporting on the service was one of the reasons for the members' low interest. The point was noted.

7.3 Lands in Bequia and Canouan

Bro Harvey Farrell inquired whether there were plans for the lands in Bequia and Canouan. The Chairman responded that major challenges were faced regarding the development of the land in Canouan.

8. ADJOURNMENT OF MEETING

Bro. Brent Cupid moved the motion to adjourn the meeting, seconded by Bro. Danville Toney. The motion was carried.

Read and signed as a true record this 3rd day of July 2023



Bro. Terral Mapp

President



Bro. Martin Sheen

Secretary

10. BOARD OF DIRECTOR'S REPORT TO THE 61ST ANNUAL GENERAL MEETING OF THE KINGSTOWN CO-OPERATIVE CREDIT UNION LIMITED

10.1 The Board of Directors of the Kingstown Co-operative Credit Union Limited (KCCU) Ltd. is pleased to present to you, our members, the annual report for the period ended December 31, 2022. This report comes on the backdrop of the first year of recovery from the impacts of Covid-19 and La Soufriere eruptions. This recovery was partially tempered by Russia's war in Ukraine commencing February 2022, which compounded already existing supply chain issues and triggered high inflation rates, globally. In an attempt to restore price stability, central banks in advanced economies increased interest rates aggressively which inadvertently disrupted international financial markets.

KCCU rolled-out a number of initiatives to support and capitalize on the recovery, which are detailed in this report. Additionally, lessons learnt from coping with social distancing requirements induced by Covid-19 provided the impetus for us to accelerate our push towards technology driven solutions. For instance, hybrid AGMs which allowed members to attend meetings virtually and physically during the Covid-19 pandemic have taken up permanent residency. At the governance and operational levels, a number of meetings are now virtual which has markedly improved efficiency. Additionally, this feature is being utilized when engaging with overseas vendors and members improving the overall service delivery of KCCU. The Credit Union has fully embraced Electronic Funds Transfer for payment where possible, which has significantly reduced our use of cheques and in so doing, amassed substantial cost savings. We have procured an ATM to be installed at the main office in the second half of 2023 and have commenced implementation of a \$2 million IT project to strengthen our platforms and digitally transform our operations.

In addition to the bold initiatives undertaken, 2022 marked important milestones in our financial position. Thanks to you, our members, the Capital Augmentation Plan was implemented, increasing our adequacy of capital reserves to 13%, from its stubborn position at the margins of the benchmark of 10%. Thanks to the bold and strategic actions of management and staff, primarily in marketing and human resource management, record growth was achieved in loans. The loan portfolio saw a growth of \$11.7M and disbursements of \$34.8M, taking the total loan portfolio over \$100M.

10.2 Economic Environment

The Vincentian economy is recovering from the multiple shocks of the pandemic, 2021 volcanic eruptions, and Hurricane Elsa. Following the 3.7% decline in 2020, the economy built on the 0.8% growth in 2021 with an estimated expansion of 5.3% in 2022 (IMF World Economic Outlook Database, April 7, 2023). This improved performance reflects higher output in all major sectors in the economy, supported by large-scale investment projects and recoveries in tourism and agriculture as the global economy reopens.

Despite the strong efforts of the Government of St. Vincent and the Grenadines to contain deficits, critical fiscal responses to these shocks pushed public debt to 87.7% of GDP as of end-2022. In addition, surging commodity prices, fueled by Russia's war in Ukraine, raised inflation sharply to 5.7% in 2022, adding to fiscal and external pressures and weighing on the economic recovery. The protracted effects of this war coupled with the possibility of an abrupt slowdown in trading partners' growth, potential delays caused by supply chain disruptions, and the ever-present threat of frequent natural disasters, pose significant downside risks to growth prospects. Notwithstanding, the IMF predicts the Vincentian economy to further strengthen in 2023 with growth of 6 percent, as large-scale construction projects get into full swing and the tourism industry expands above pre-pandemic levels.

This favourable outlook possesses significant potential for job creation. Further, the Government's announced salary increases for public servants over 2023-2025 of 7% (2.5% - 2023, 2% - 2024, 2.5% - 2025), reductions in income and corporate taxes from 30% to 28%, increase in tax threshold from \$20,000 to \$22,000 and the establishment of a National Wages Council with expectation of wage increases for low-income earners are likely to spur increased income generation nationwide. At the same time, price stability is anticipated to be restored, as the interest rate hikes reduces the money supply, and the supply chain challenges are addressed. These outturns will improve the financial position of local businesses and Vincentians alike which should improve our non-performing loan ratio and drive further expansion in the demand for loans and other financial services.

10.3 Board of Directors Elections, Meetings, and Attendance

At the 60th Annual General Meeting, Sis. Cynthia Hope Browne and Bro. Jerome De shong concluded their two-term tenure. Bro. Timothy Scott and Bro. Danville Toney were elected to the Board of Directors to fill these two positions.

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

- Bro. Terral Mapp – President
- Bro. Bernard John – Vice-President
- Bro. Martin Sheen – Secretary
- Bro. Laurent Hadley – Treasurer
- Sis. Sabita Jacobs – Assistant Secretary/Treasurer
- Bro. Danville Toney – Director
- Bro. Timothy Scott - Director

This present Board of Directors comprises 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. Terral Mapp and Bro. Bernard John will retire at this Annual General Meeting while Bro. Martin Sheen is eligible for re-election.

10.3.1 Meetings and Attendance

Meetings of the Board were held monthly. Additionally, five (5) special meetings were arranged.

During 2022, the Board established an Information Technology Governance Committee. This committee is an addition to the existing Human Resource Committee and Investment and Building Committee.

The Board appointed members of each of the following subcommittees to serve for the 2022/2023 period:

The Human Resources Committee

- Sis Cynthia Hope-Browne - Chairman
- Sis. Sabita Jacobs – Secretary
- Bro. Martin Sheen – Member
- Bro. Jerome De Shong – Member
- Bro. Danville Toney – Member

The Investment and Building Committee:

- Bro. Bernard John - Chairman
- Bro. Cole Debique - Secretary
- Bro. Laurent Hadley - Member
- Bro. Terral Mapp - Member
- Bro. Jeremy Jackson - Member
- Sis. Susan Clarke - Member
- Bro. Timothy Scott – Member

Information Technology Governance Committee

- Bro. Martin Sheen - Chairman
- Bro. Timothy Scott - Secretary
- Sis. Sabita Jacobs - Member
- Sis. Cynthia Hope-Browne - Member

10.4 Strategic Agenda

Implementation of our strategic business plan (2020-2023) continued in 2022. The aims of this plan are:

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

10.5 Georgetown Branch Development Project

At the last AGM, members gave full approval to a proposal from the Board of Directors to establish a branch in Georgetown. The Board is pleased to report that over the past months, substantial progress has been made towards realizing this initiative. We are finalizing the purchase of 12,146 square feet of flat land in Georgetown (opposite site of BOSVG and GECCU Georgetown Branches, with the main road being in the center) and completed concept designs for a 2.5 storey structure that is modern but maintains most of the unique exterior features of KCCU Kingstown Headquarters. Detailed designs are anticipated to be completed in the third quarter of 2023 and we hope to begin construction in the first half of 2024.

10.6 Affordable Housing Project at Brighton

The Board of Directors also received approval at the last 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, which will be placed on the market to obtain an understanding of buyers' appetite.

With this approval, we have cleared the entire land of trees, conducted a topography survey and are finalizing subdivision plans. The clearing of the trees has opened up the true beauty and scenery of the land. This has resulted in growing inquiries from potential buyers.

10.7 Investment in Renewable Energy

KCCU is a trailblazer in the thrust for greater use of renewable energy in St. Vincent and the Grenadines. In September 2022, we completed the first private sector led Solar PV farm in SVG. This project has the capacity to produce 121 kilowatts of clean energy and will pay for itself in seven years. It follows the successful implementation of a 47-kW system at our Kingstown office and a 11.4 kW system on the Marriagua branch, at a total capital outlay of \$314,277. Taken together, KCCU has installed close to 180 kilowatts of solar energy that generates \$13,000 in returns monthly (\$156,000 annually) at an investment of over \$1,000,000. Of this \$13,000, an average of \$3,000 covers KCCU's monthly electricity expenses while the remaining \$10,000 is recorded as non-interest income.

10.8 Bus Stops at AIA Entrance

During 2022, we delivered on our promise to erect two bus stops at the entrance of the Argyle International Airport as a small token towards the development of this blessed land through the construction of public facilities in SVG. These facilities were constructed by Lester's Welding Services at a cost of over \$160,000. They are the first of their kind in this country, as after full completion, they will be equipped with solar panels to generate electricity for lighting and charging of devices while you await your bus to your destination. Additionally, the facilities will be equipped with security cameras for safety; all geared towards making your traverse more appealing. This initiative to construct these bus stops grew out of the understanding that a country can achieve a lot through private-public partnerships; this one being between the SVG Tourism Authority and KCCU. Notably, there has been interest from potential advertisers desirous of a marketing spot on these bus stops which presents an opportunity to further supplement KCCU's non-interest income.

10.9 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:

1.20% 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;

1.2% - 5% security deposit of the purchase price of the vessel from the applicant.

This program represents another example of a public-private partnership; this initiative was 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 SVG's long history of artisanal fishing into our Brand, Marketing Activities, Operations and Finance Activities. We are confident that our participation in this collaborative effort will propel the small business sector by giving a much-needed injection of capital into ventures within the Fisheries sector_with_the attendant benefits of employment creation and poverty reduction, particularly in rural communities where the highest rates of poverty persist. Industry data show that the economic contribution of our local fishing industry has doubled from EC\$10.0 million in 2016 to EC\$20.1 million in 2022. The data also show that this growth is not centralized but rather widespread as all the fishing zones, extending from North Leeward to North Windward and including the Grenadines, registered significant increases over the stated period. In 2022, 60 applications were received for pirogues and 65 for engines.

Since inception, the program has seen the granting of loans in excess of EC\$800,000. This represents one of the largest capital injections in the fishing sector. This facilitated the purchasing of large fishing vessels as well as assisted a number of smaller fisher folk to purchase vessels as well engines. Without such a programme, some individuals would not have undertaken such a venture. The additional economic upliftment must also be noted as these ventures bring employment, and general productivity to the country. This program is still in its pilot phase and the demand has been way beyond our estimates. We intend for this to serve as a model for projects where external support can be leveraged by utilizing financing.

10.10 New Western Union Office at Kingstown Headquarters

Covid-19 and the Volcanic eruptions in April 2021 reinforced the importance of remittances to our economy. Indeed, in the peak of the eruptions, our Western Union Service at the Marri aqua branch was opened for extended hours and processed a record 2,086 transactions, valuing \$1.2M, compared to 952, at a value of \$546K in April 2020. Inspired by this background, we established a western union office at our Kingstown headquarters in August, 2022. Up until the end December 2022, this Kingstown office processed 2,776 incoming transactions, valuing \$2.0M, which represents 21.1% of total remittances (13,888, valuing \$9.7M) facilitated by KCCU in 2022. In addition, western union services have drawn thousands of persons to our offices which increases our public image and attracts new members.

10.11 IT project

Investments in technology presents the fastest way of driving innovation, boosting efficiency and modernizing services to maintain a competitive edge Information Technology is also one of the highest areas of risk to financial institutions. Cognizant of this, we established an Information Technology Governance Committee which immediately commissioned an IT Audit. Based on the findings of this Audit, a project estimated to cost \$2M was developed to be implemented over two years. This project entails: (1) redesign of Firewalls, Switches and Network; (2) Implementation of VMware; (3) redesign of Cable Management; (4) installation of Vulnerability Scanning/Patch Management; (5) Implementation of Encrypted Backup; (6) Subscription to Cloud-Based Disaster Recovery; and (7) Creation of IT policies.

Additionally, a biometric access control system was installed in all the branches to improve the security, specifically in critical areas such as the vault and IT server room. Further, we have completed designs for the remodeling of the customer service area at the Kingstown headquarters to improve efficiency, and importantly, accommodate an ATM machine which will be operational 24 hours. The remodeling is expected to be undertaken in second the half of 2023 along with the installation of the ATM.

10.12 Marketing and Public Relations Promotion

During 2022, KCCU planned and executed the most strategic and bold marketing program ever. This encompassed:

- 1) Greater use of social media including the execution of reels, sponsored ads and social campaigns, and the introduction of a TikTok account geared towards increasing our online presence, connecting with our target audience and appealing to the younger demographics;
- 2) Strategic placements of branded billboard throughout the island;
- 3) Caravan membership drives to the windward and leeward sides of the island which enabled us to take our message to current and prospective members in rural areas and gather their feedback (This generated over 45 new member and over 145 loan opportunities);
- 4) Company visits; generating over 200 new members
- 5) Introduction of the tagline **“With U in Mind”** to showcase our consideration of our membership in our products and services;
- 6) Hosting of a booth at the Everything Vincy Expo 2022 which won third place for best decorated booth (We saw over 80 persons signing up for membership through this initiative);
- 7) Greater use of Radio promotion during peak hours;
- 8) Presentation at BSc. of Nursing Orientation sessions which generates demand for KCCU Educate and Edutech products; In 2022, 22 of the 60 persons in attendance applied for KCCU Educate; and

10.13 Reintroduction of the Dip N’ Win and 12 Days of Christmas promotion.

These resulted in impressive growth in our reach, following, impressions and engagements across all our social media platforms.

Social Media Metrics				
	2022	2021	Difference	% Change
Facebook Reach	121, 899	72,603	49,296	67.9
Facebook Followers	847	401	446	111.2
Facebook Impressions	7,351,818	1,738,082	5,613,736	323.0
Facebook Engagement	114,922	35,320	79,602	225.4
Facebook Video Views	86,576	6,490	80,086	1,234.0
Facebook Profile Visits	25,291	7,577	17,714	233.8
Instagram Followers	322	NA		
Instagram Profile Visits	10,959	NA		

10.14 Public Relations

During 2022, Our social initiatives focused on social development, culture, sporting and medical support as well as membership appreciation. It involved development seminars for both our senior and junior members, academic bursaries for secondary and tertiary education, the hosting of the KCCU National Dance Festival and our Christmas outreach project.

The Cicyln Joseph Academic Bursary, which was introduced in 2021, continued in 2022. As a testament of our commitment to supporting education, the Board of Directors increased the number of recipients from 6 to 10. The 2022 awardees are listed in the Table below:

Cicyln Joseph Academic Bursary Awardees	
Recipient	Field of Study
Mr. Jaykel Mars	MSc. Creative Arts/Culture
Ms. Karina Simon	BSc. Nursing
Mrs. Jenner Martin-Gilbert	PhD. Infectious Diseases
Ms. Keistal Mayers	BSc. Psychology with Minor HRM
Ms. Zaria Knights	BSc. Political Science with Psychology
Ms. Petra-Anne Davis-Smith	Associate Degree in Teaching
Ms. Diana Wilson	BSc. Financial Management
Ms. Marissa Pereira	BEd. Early Childhood Care & Education
Mrs. Anika Provide-Wyllie	Association of Chartered Certified Accountants
Ms. Zibeon Weeks	Associate Degree in Teaching

After a two-year hiatus as a result of Covid-19, KCCU National Dance Festival returned. The 2022 Event was held at Russell’s Auditorium and was packed on all four nights, which shows how much this cultural initiative has become a household name. KCCU also sponsored Miss SVG 2022, participated in the Breast Cancer Awareness Walk and implemented social media campaigns on Mental Health Awareness and Breast cancer awareness.

10.15 Human Resource Development

The **Golden Thread** that runs through all of our strategic efforts is **People**. At the last AGM, members highlighted several efficiency gaps that persisted across the operations of KCCU. We have listened and have made substantial modifications in our human resources to address these gaps and better align the institution to our strategic agenda.

These modifications include:

- 1)The establishment of a Securities department to provide greater focus on the processing and management of securities (Four new posts [Securities Manager, Senior Securities Officer and 2 Junior Securities Officers] were created in this department which were all filled via internal promotions);
- 2)A new Senior Loans Officer post, taking the total to two, which were both filled internally as the previous Senior Loans Officer was promoted to Securities Manager;
- 3)A new Business Development Officer post to support members seeking financing to advance their business endeavors, which was filled internally; and
- 4)A new Marketing Assistant post to support our ambitious marketing drive, which was filled internally;
- 5)A new Information Technology Officer post which was filled externally; and
- 6)A new Driver/Office Attendant Post which was filled externally.

These internal promotions/appointments into the new posts created vacancies which were filled as follows:

Externally:

- Security Guard
- Teller
- Customer Service Representative - Bequia

Internally:

- Loans Officer
- Teller
- Recoveries Officer

Additionally, 8 additional interns were recruited, taking the total to 9. These interns were assigned as follows:

- Customer Service – 3
- Loans – 4
- Loans Data Entry – 1
- Teller- 1

10.16 Staffing

As a result of the modifications, the total number of staff members increased from 44 at the end of December, 2021 to 53 at same period in 2022. The 9 interns took the staff count to 62.

Staff Count			
	Male	Female	Total
Kingstown	11	27	38
Mespo	2	6	8
Bequia	1	2	3
Canouan	0	1	1
Union Island	1	2	3
Total	15	28	53

10.17 Staff Training and Development

During 2022, five (5) staff members continued studies in Management Studies (Human Resources), Psychology (with minor in Human Resources), Banking and Finance (Special) and Financial Management. Mrs. Clairiesa Anderson-Pierre completed her BSc. Management Studies (Human Resources) and Ms. Stowe Completed her French Diploma Level 1 and 2 (intermediate Level). On behalf of the Board of Directors, committees, and management I wish to congratulate these outstanding young women on their accomplishments.

10.17.1 Training

The Board and Staff participated in the following training:

List of Training Attended			
Name of Training (External)	Date	Number of Persons in Attendance	Persons in Attendance
Modern Debt Collection Strategies for Credit Unions	January 25, 2022	5	Timothy Scott Ingrid Clarke Licia Nero Elthia George Juanika George
“Privacy Awareness: The Rules You Need to Know” - Webinar	February 3, 2022	1	Keson Baptiste
Strategic Leadership Symposium for Credit Unions	February 3, 2022	8	Clairiesa Anderson-Pierre Martin Sheen Terral Mapp Bernard John Laurent Hadley Sabita Jacobs Jerome De Shong Cynthia Hope-Browne
Governance in a Digital Pandemic/ AML for CEO/BOD Forum	February 4, 2022	2	Jerome De Shong Cynthia Hope-Browne
Digital Transformation of Your Loan Document Processing	February 9, 2022		Sharol-Rose Gregg-Abbott Keson Baptiste
Understand Risk-Based Approach	February 15, 2022	8	Hadasha Butcher-Cruickshank Eronne Evans Marcelle Alexander Judith Seaman Terrel Mapp Martin Sheen Jerome Deshong Kazon Simmons
WOCCU Training: Fostering True Inclusion for Maximum Impact	February 22, 2022	4	Oszette Glasgow-Providence Keson Baptiste Joselle Joslyn-White Joslyn Craigg

Microsoft Software Designs: -System Administration/ User Management/ System Security/ System Backup	March 7, 2022	1	Keson Baptiste
-System Overview	March 8, 2022	1	Keson Baptiste
-Creating Members/ Accounts enquiry/ Sig. & Pic./ Document Management/ Fin. & Empl./ Personal Report	March 9, 2022	1	Keson Baptiste
WOCCU Training: Credit Unions in the Digital Age	February 22, 2022	1	Keson Baptiste
Western Union Training	July 25, 2022... July 26, 2022... July 29, 2022... August 5, 2022... August 9, 2022.	2	Sameeka McDowall Anaria Morgan
D-Cash Training	August 10, 2022	2	Sameeka McDowall Anaria Morgan
National Safety Council First Aid & CPR (1 Day)	October 22, 2022	5	Anaria Morgan Asean Craigg Isha Williams Sharol-Rose Gregg-Abbott Wendella Richards
National Safety Council First Aid & CPR (1 Day)	October 25, 2022	11	Alice Adams-Francois Ariel Bulze Cara Hunter Carlos Ryan Jasmine Woods Joshua Romeo Judith Seaman Kimmel Browne Rhonel John Zoriah Primus Senica Williams-Spencer
National Safety Council First Aid & CPR (1 Day)	October 25, 2022	9	Eronne Evans Devorn Walker Khalil Ashton Makini St. Hilaire Michka Charles Oszette Glasgow-Providence Rachel Phillips Tionne Williams Deyonte Adams

Jaric First Aid Training	October- December 2022	27	Anaria Morgan Asean Craigg Isha Williams Sharo-Rose Gregg-Abbott Wendella Richards Alice Adams-Francois Ariel Bulze Cara Hunter Carlos Ryan Jasmin Woods Joshua Romeo Judith Seaman Kimmel Browne Rhonel John Zoriah Primus Senica Williams-Spencer Eronne Evans Devorn Walker Allisa Barnum Makini St. Hilaire Michka Charles Oszette Glasgow-Providence Rachel Phillips Tionne Williams Deyonte Adams Sameeka McDonald Andre Soleyn
Life Saving & Loan protection procedures	November 29, 2022	1	Alice Adams-Francois

Internal Training Sessions:	Facilitator	Date	Persons in Attendance
AML CFT Training	Compliance Officer	5 th and 6 th October, 2022	Sameeka McDowall Anaria Morgan
Customer Service Training	HR Officer, Compliance Officer, Head of Customer Service and Admin	November – December 2022	Vicky Frank Briana George Ayana Ash Zoriah Primus Khalil Ashton Shacquilla Aberdeen Andre Soleyn Maureen Wells Michka Charles Cuthbert Noel

Several Directors, committee members and staff also benefitted from training at the Annual CCCU Convention. The Convention returned in full in 2022 and was held in Montego Bay, Jamaica. 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.

10.18 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 2022			
	MEMBERS	SHARES (EC\$000'S)	LOANS (EC\$000'S)
MARRIAQUA	2,326	3,981	2,564
BEQUIA	662	1,246	497
UNION ISLAND	387	781	862
CANOUAN	185	472	695

10.19 Co-operative Movement

KCCU is cognizant of the fact that a strong credit union movement locally and regionally is critical for the viability and sustainability. KCCU continued to provide support and to partner with the SVG Credit Union League, the Co-operative Division. We continued to work closely with the Financial Services Authority on regulatory and other matters.

10.20 Investment and Lending

10.20.1 Investment Securities

KCCU continues to diversify its income portfolio as well as utilize our excess liquidity. During 2022, we have seen a significant drop in our interest income on our deposit account held at Bank of St. Vincent and the Grenadines, moving from 2.0% to 0.5%. This translates to a decrease in income of over \$200,000. The strategic alternative is to invest in Government of SVG bonds. Therefore, additional investments were made in the Government of St. Vincent and the Grenadines Treasury Bonds. As such, total investments grew by 56% or \$4.2M in 2022. While this growth did not result in direct growth in investment income, it was essential to maintain the investment income at approximately \$800,000 curtailing the anticipated loss from the reduction in interest rates on our deposit accounts.

10.20.2 Lending

During 2022, KCCU saw an unprecedented demand for loans. The increased liquidity from the pandemic was transformed into a significant growth in the loan portfolio. Various marketing initiatives, member outreach, staff development and management creativity enabled a growth of \$11.7M in the loan portfolio. This 13.3% growth in the portfolio is 50% higher than KCCU’s previous growth average. While mortgages continue to dominate the loan portfolio, KCCU continues to see increased demand for loans for small business and higher education. This bold promotion of education and business loans augurs well for improving the productivity of Vincentians and for building a knowledge economy.

KCCU continues to work with members who are experiencing financial difficulties meeting their financial obligations to us. We continue to work with persons to restructure their loans after the expiration of the pandemic moratorium.

New Members

Age Group	New Members		%	
	2021	2022	2021	2022
Below 20 years	279	269	26	25
20 – 25 years	145	148	14	13
26 – 30 years	152	141	14	13
31 – 40 years	233	246	21	22
41 – 50 years	142	150	13	14
Over 50 years	134	143	12	13
Total	1085	1097	100	100

10.21 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 2022:

Kenrick Peters	Collin Thomas	Reginald Thomas
Phill C. James	Jestina Alvis	Julian Forbes
Ulric B Butler	Netta Russell	Lamond M. Crooke
Annis Bullock	Randolph Horne	Hedwige Sandy
Ann-Marie Bowman	Earl Ashton	Inica Dublin
Michele Miller-Findlay	Julian Bailey	Clinton Tucker
Jacob Nero	Sherridan Henry-John	Helen Gilbert
Shanneth Williams-King	Owen Prescod	Donna Scott
George Wilson	Kenneth Lavia	Apparcia Jones
Donald Myers	Ezekiel Clarke	Andrew Matthias
Simeon Sandy	Cynthia Davis	Erry Cyrus
Viola Trimmingham	Joseph Barker	Evelyn Cambridge
Irene Foy	Albert Dasilva	Kenroy Davis
Kendolf Scott	Allanzo Deane	Clarena Browne
Gregory Waldron	Urias Trimmingham	Kimlyn Spring
Dillon Robinson	Angus Maloney	Paul James
Abigail Prince	Yvette Nichols-Barnwell	Noel Cyrus
Cyril Harry	Pearline Richardson	Samuel Robertson
Augustus Priam	Kyron King	Winston Roberts
George Francis	Keziah Ashton	Janice Bacchus-Weekes
Insford Kydd	Reynold Campbell	Norman Matthias

Moulton Mayers	Rosetta Shephard	Lynette Frederick
Stanley Richards	Bereford King	Dorothy Derrick
Hermelitha McPhy	Eldon Richards	Orneicho Burke
Tropheua Williams	Ivsow Shallow	Jemina John
Lester Smart	Silas Hamilton	Rudolph John
Irvin Jackson	Leroy Jackson	Collin Primus
Martha Diamond	Veta Williams	Elsie Foy
Claudette Mitchell	Jennifer Cuffy-Ashton	Danley K. Matthews
George Kydd	Verna Keane	Dexter Ambris
Yvonne Culzac	George Joseph	Victor Peters
Kendal Robertson	Vesta Bowman	Albona Brackin

10.22 Acknowledgement

The Board of Directors wishes to extend gratitude to members of the elected committees, our committed staff, sub-committees and of course, you, our members for the commitment, perseverance and resolute support of the achievement of the Credit Union during the year under review. We could not have achieved these milestones without your unswerving support.

The Board of Directors also wishes to show special appreciation to our retiring director Bro. Bernard John. Also, we would like to thank management committees, management, and staff, for their continued dedication to the organization as we go through various changes and environments.

We thank our Regulator, the Financial Services Authority (FSA), for their guidance and support through our capital augmentation plan and discussions on our various capital projects. As we continue to grow, we wish to continue to have healthy discussions to ensure stability of our organization and the sector overall.

The Board thanks the membership, Cooperative League, the Co-operative Department, Fellow Credit Unions, Co-Operatives, and the Auditors, for the opportunity to serve during the year and looks forward to the continued strengthening of our Credit Union. May God bless you.

As my tenure comes to close, I wish to thank all who were involved, lent their support and guidance, and in one way or the other supported the growth of Kingstown Co-operative Credit Union under my directorship. I will continue to lend my support to KCCU and wish nothing but the continued success.

Thank you and may God bless us all.

Presented by and on behalf of the Board of Directors.

Yours sincerely

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

Terral Mapp

11. TREASURER’S REPORT TO THE 61ST ANNUAL GENERAL MEETING OF THE KINGSTOWN CO-OPERATIVE CREDIT UNION LIMITED

11.1 INTRODUCTION

The KCCU recorded a net loss of \$724K for the financial year ending December 31st, 2022. This was a decline from \$1.70M at the end of the previous reporting period, primarily driven by the following: (i) An increase in the allowance for losses on loans, (ii) Increases in expenses related to the resumption of pre-covid activities and (iii) Retroactive charges relating to the management agreement effected during the year. Notwithstanding, the credit union’s balance sheet remains sound as evidenced in the growth of the asset base by \$11m or 8% over the period under review. This is also reflective of the continued confidence of members in the organization, helped by the rebound in the local and global economy and the return to some semblance of normalcy, following the Pandemic.

Despite the negative outturn in profitability, the fundamentals of the KCCU remains sound. To this end, we are committed to our obligation to provide sound financial solutions for our members through attractive loans and savings products. Moreover, we remain steadfast in our social efforts to support our members.

I present you with this report, which provides highlights of the performance of the KCCU for the year ended December 31, 2022.

11.2 Financial Results

The following table presents an overview of the KCCU’s financial performance for the financial year ended 2022, with a comparison of the financial year 2021.

11.3 Assets

Assets	2022	2021	Difference	Change%
Total Assets	143,915,314	133,136,639	10,778,675	8
Loans (Net)	97,608,345	86,823,443	10,784,902	12
Cash resources	19,511,346	24,556,196	-5,044,850	-20
PPE	10,884,110	10,120,052	764,058	7
Investment Securities	11,715,372	7,506,321	4,209,051	56
Investment property	2,842,668	2,842,668	0	0

Total assets increased by \$11 million or 8% from \$133 million at December 31st, 2021 to \$144 million at December 31st, 2022. This was primarily driven by an increase in loans of \$11 million or 12% from \$87 million to \$98 million over the period under review. Notably, the gross loan portfolio reached a significant milestone by surpassing the \$100 million mark. This was helped by the boom in the local construction sector coming out of the Pandemic, coupled with the Credit Union’s strategic marketing campaign.

Cash resources declined by \$5 million or 20% from \$25M at December 31st, 2021 to \$20M at December 31st, 2022. The cash was deployed to fund the position in investment securities which grew by 56% from \$8M at December 31st, 2021 to \$12M at December 31st, 2022. This is reflective of the continued efforts to diversify income streams. These investments comprise primarily local sovereigns with attractive yields and amortizing payment structures that also provides a form of liquidity support.

11.4 Share capital and members deposits

Share capital and member deposits	2022	2021	Difference	% Change
Share Capital*	5,642,730	2,464,484	3,178,246	129
Members' Share savings**	59,652,028	58,829,116	822,912	1
Term Deposits	57,650,818	50,289,084	7,361,734	15

*The Share Capital category is representative of Qualifying and Equity Shares

**Members Share Savings represents Redeemable Shares.

At the Special General Meeting held on September 8, 2022, the membership approved the proposed Capital Augmentation Plan. This increased the Credit Unions Share Capital by approximately 129% and has put the organization in better positions to withstand shocks.

Deposits grew by \$7 million or 15% from \$50 million at December 31st 2021 to \$58 million at December 31st, 2022. This is consistent with the trend in the currency union where liquidity remains sound despite the significant level of liquidity tightening in the developed economies.

11.5 STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

Income	2022	2021	Difference	Change %
Interest on loans	7,396,546	6,778,572	617,974	9
Investment Income	738,194	819,335	-81,141	-10
Income on Death Benefit	221,376	276,174	-54,798	-20
Commission and Miscellaneous Income	574,757	340,916	233,841	68

Consistent with the growth in the loans portfolio, interest on loans grew by \$618K or 9% from \$6.78M at December 31, 2021 to \$7.40M at December 31, 2022. However, despite the growth in the investment portfolio, investment income declined by \$81K from \$819K at December 31st, 2021 to \$738K at December 31st, 2022. This was driven by the decline on rates on the balances held at banks. There was a decline in income on Death Benefit (20%) while Commission and miscellaneous income increased by \$234K or (68%).

11.6 Net Profit

Net Profit	2022	2021	Difference	Change %
Profit (loss) for the year	(724,620)	1,704,437	-2,429,057	-143

The increases in income were offset by an increase in Loan loss provision given the significant growth in loans and delinquencies. The period under review also saw an increase in Selling, General and Administrative expenses, particularly as the credit union resumed some of its pre-covid promotional activities, including the largely successful Dance Festival; the year also saw the 'in-person' return of the CCCU convention. These expenditures were impacted by the elevated inflationary environment as we continued to grapple with the lingering effects of the health crisis and Russia's aggression in Ukraine. Lastly, early 2022 saw the finalization of a management agreement which required back-charges of approximately \$502K. The aforementioned activities largely contributed to the decline in profitability from \$1.70M at December 31st, 2021 to \$-724K at December 31st, 2022.

11.7 DIVIDENDS AND REBATES

The following dividends and rebates are being proposed for the financial year:

Qualifying Shares 6%

Redeemable Shares 1%

11.8 CONCLUSION

Despite the decline in profitability, the KCCU's balance sheet remained sound. This performance was driven by impressive growth in the loan book, supported by the rebound in the construction sector of the local economy. In the interest of prudence, provisions were made for the growing loan portfolio and increasing delinquency. Going forward, targeted measures will be taken to capture non-performing loans to mitigate deteriorating credit quality in the loan portfolio. Similar charges were also made for the new management agreement however, it must be noted that neither if these transactions represented any cash outlay.

The return of 'pre-covid' activities resulted in an increase in the Credit Union's expenses. This was not help by prevailing high inflation environment, resulting from geopolitical tensions on the European Continent. A review of cost is important to ensure that we manage growing expenses while not sacrificing the needed investments for the continued advancement of the Credit Union.

The short to medium term outlook for the local economy is favorable however, this is tempered by geopolitical tensions and stubbornly high inflation. Through prudent and strategic management, we aim to capitalize on sustainable opportunities while ensuring we make investments in the guardrails of information technology and risk management to ensure the fundamentals of the credit union remains sound and our member's interest is safe.

Brothers and sisters, I thank you for your continued support and contribution towards the development of this credit union.



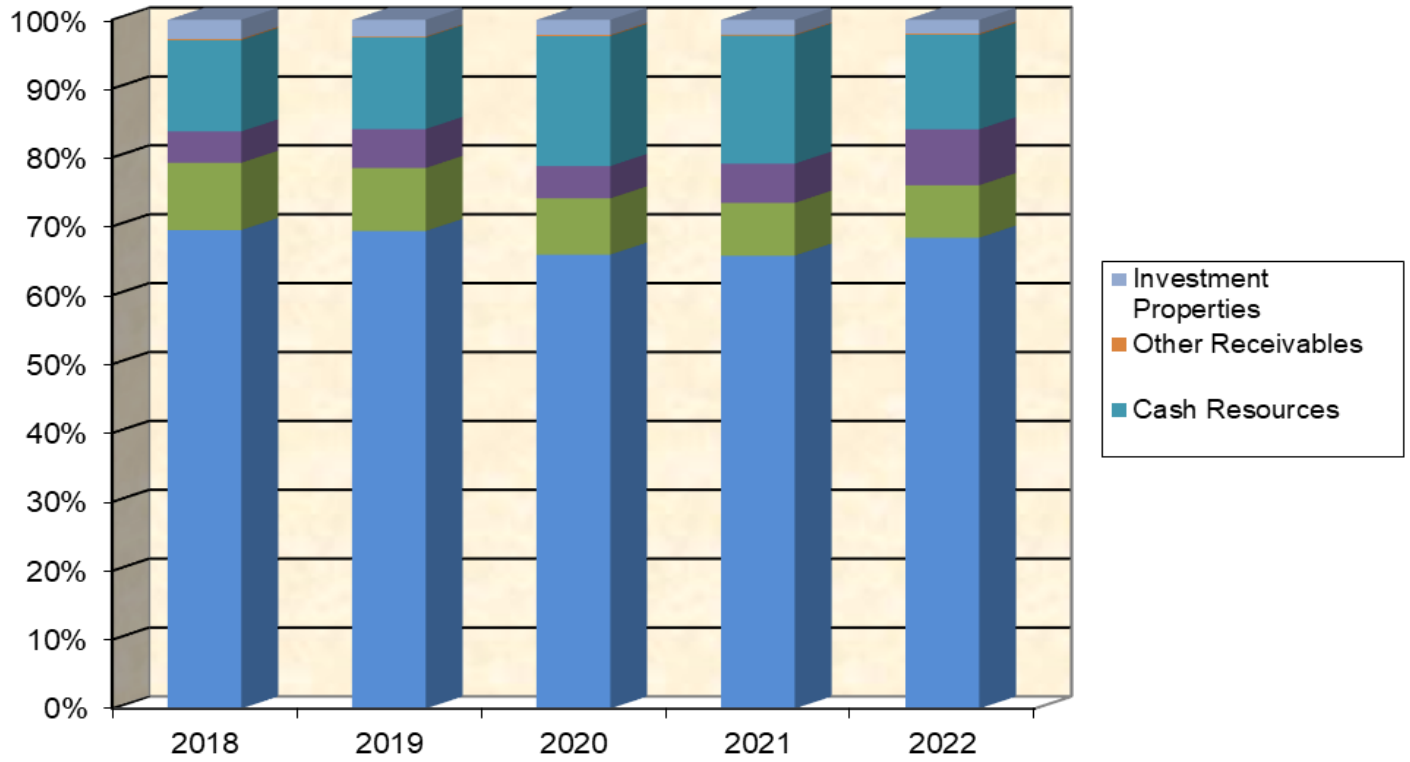
Laurent Hadley

Treasurer

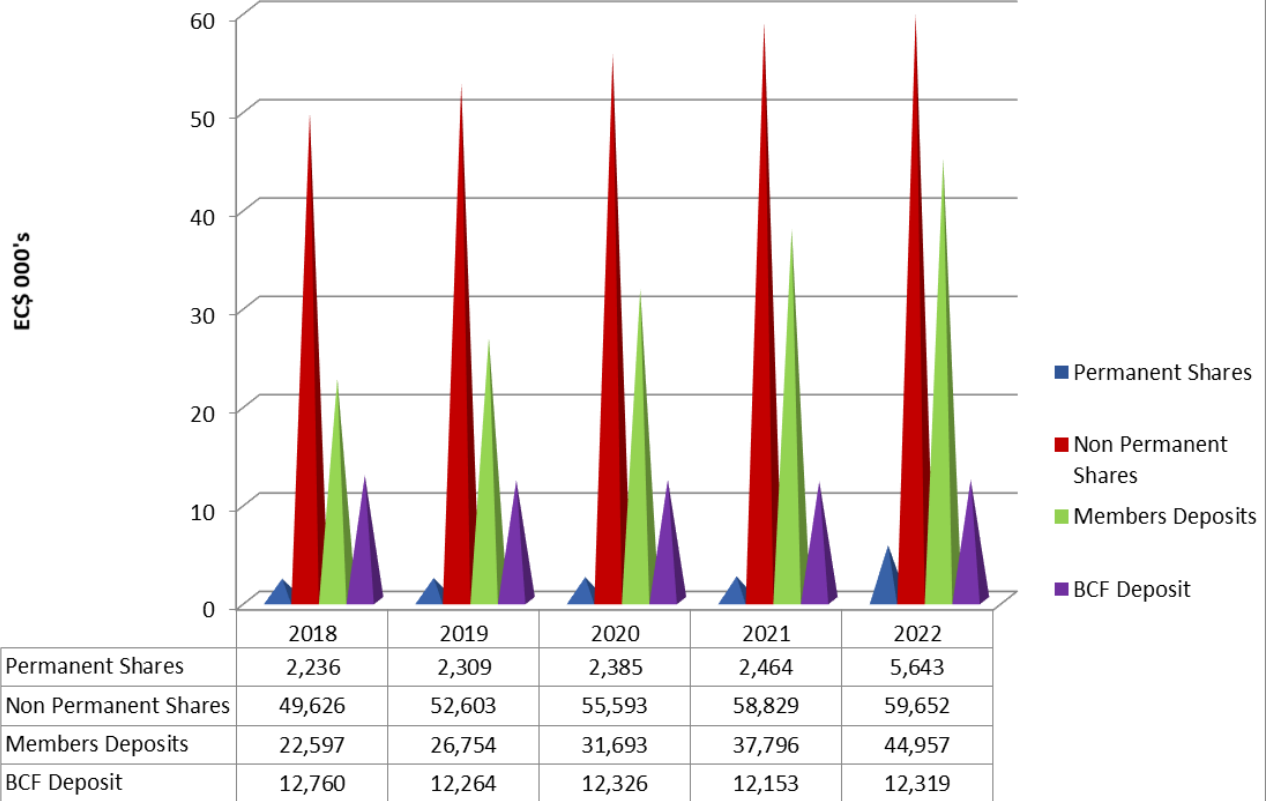
PEARLS RATIOS

	Financial Ratios	Working 2021	Working 2022	Actual 2021	Actual 2022	Standard
P1	<u>Allowance for loan Losses Delinquency >12mths</u>	<u>3,239,870</u> 3,448,833	<u>4,149,522</u> 3,284,682	94%	126%	100%
E1	<u>Net Loan</u> <u>Total Assets</u>	<u>86,823,443</u> 133,136,639	<u>97,595,986</u> 143,875,957	65%	68%	70-80%
E3	<u>Financial Investment</u> <u>Total Assets</u>	<u>7,506,321</u> 133,136,639	<u>11,609,635</u> 143,875,957	6%	8%	<10%
A1	<u>Total Loan Delinquency</u> <u>Total Loan Portfolio</u>	<u>5,010,988</u> 88,472,500	<u>8,534,157</u> 100,231,826	5.7%	8.5%	<=5%
A2	<u>Non Earning Assets</u> <u>Total Assets</u>	<u>4,567,178</u> 133,136,639	<u>6,011,037</u> 143,875,957	3.4%	4.2%	<=5%
R1	<u>Net Loan Income</u> <u>Average Net Loan Portfolio</u>	<u>5,501,257</u> 83,551,982.00	<u>9,865,713</u> 92,209,715.00	6.6%	10.7%	10%
R9	<u>Operating Expense</u> <u>Average Total Assets</u>	<u>4,698,849</u> 128,030,727	<u>5,428,531</u> 138,506,298	3.7%	3.9%	5.0%
L1	<u>Net Liquidity</u> <u>Savings</u>	<u>22,937,004</u> 109,118,200	<u>18,117,797</u> 117,297,320	21.0%	15.4%	>15%
S9	<u>Increase in Loans</u> <u>Total Loan portfolio of Previous Year</u>	<u>5,510,814</u> 82,961,686	<u>11,759,326</u> 88,472,500	7%	13%	Not Specified
S10	<u>Increase in Total Assets</u> <u>Total Assets of Previous year</u>	<u>10,211,824</u> 122,924,815	<u>10,739,318</u> 133,136,639	8%	8%	Not Specified

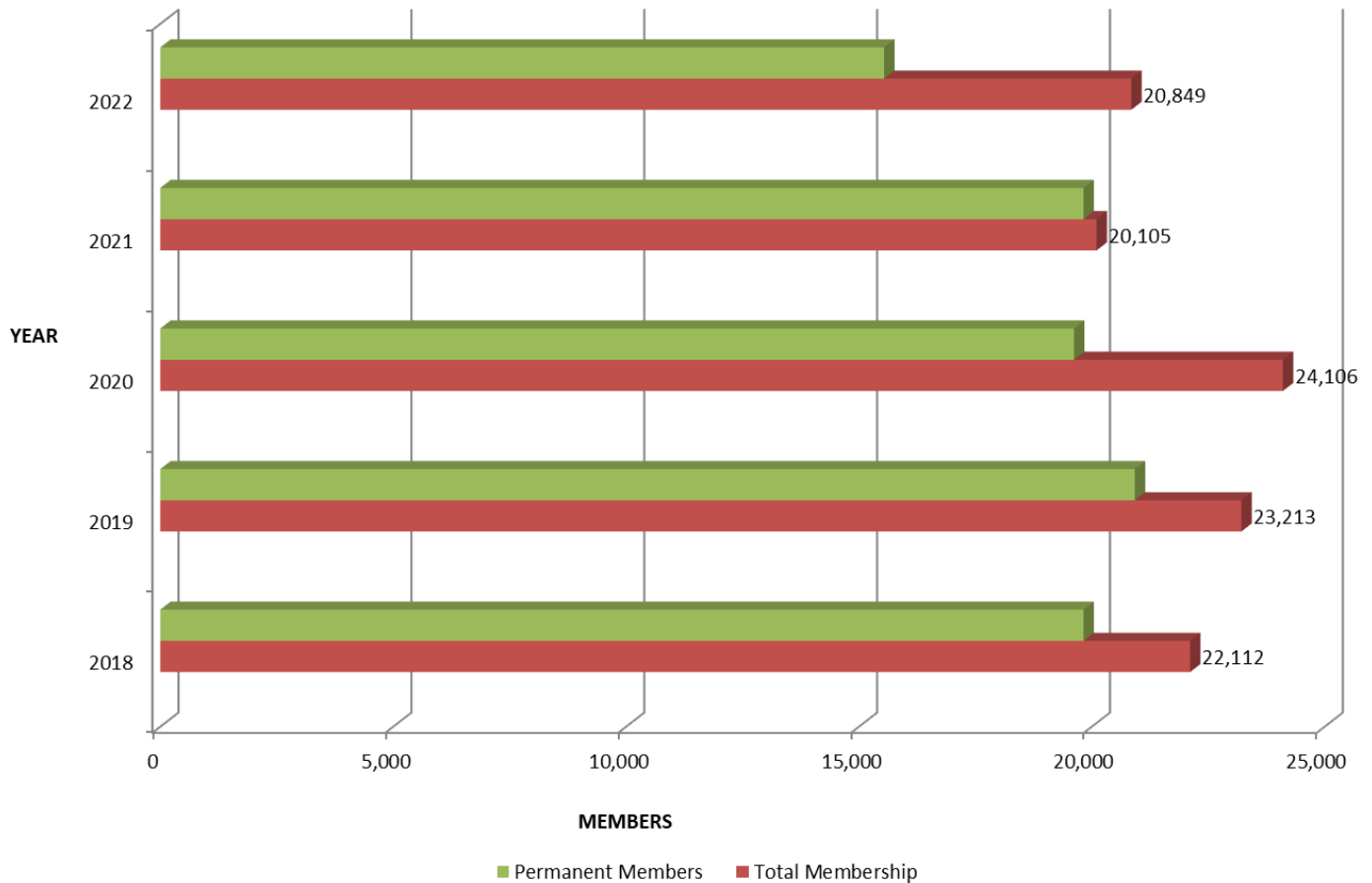
ASSETS



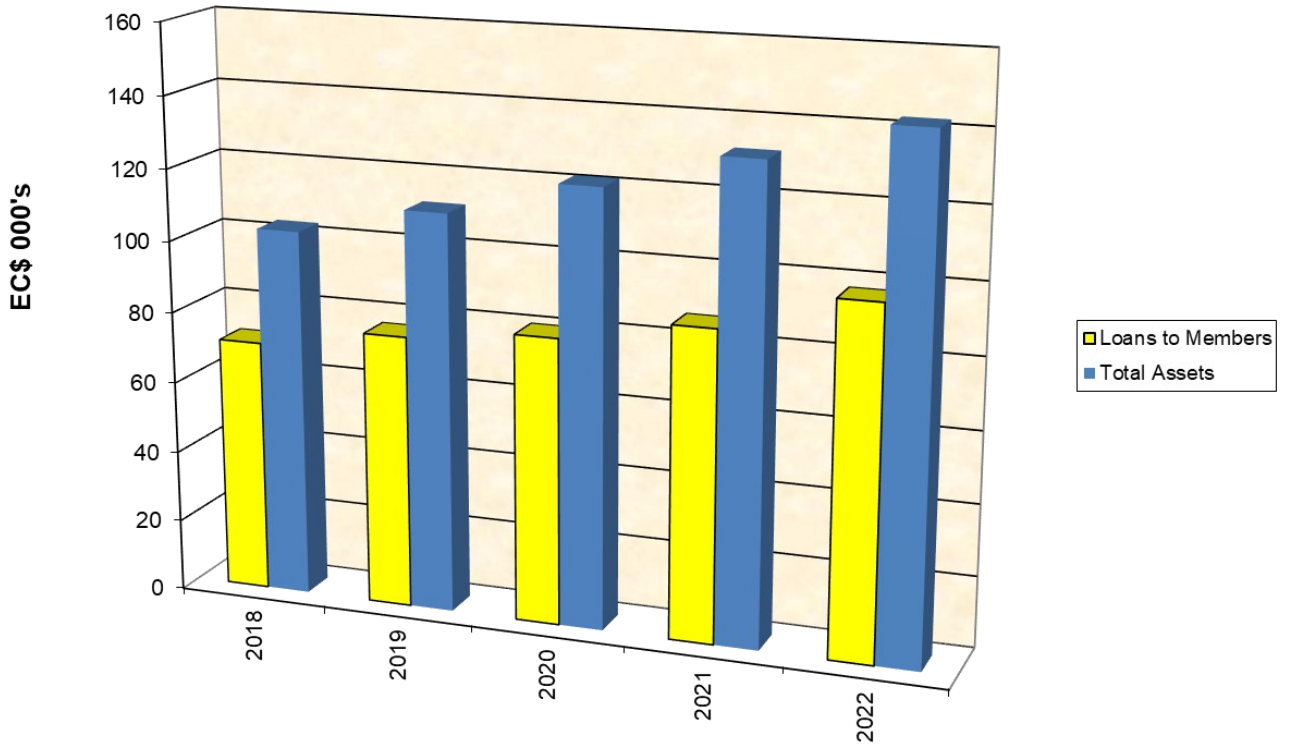
SHARE CAPITAL AND MEMBERS' DEPOSIT



MEMBERSHIP GROWTH

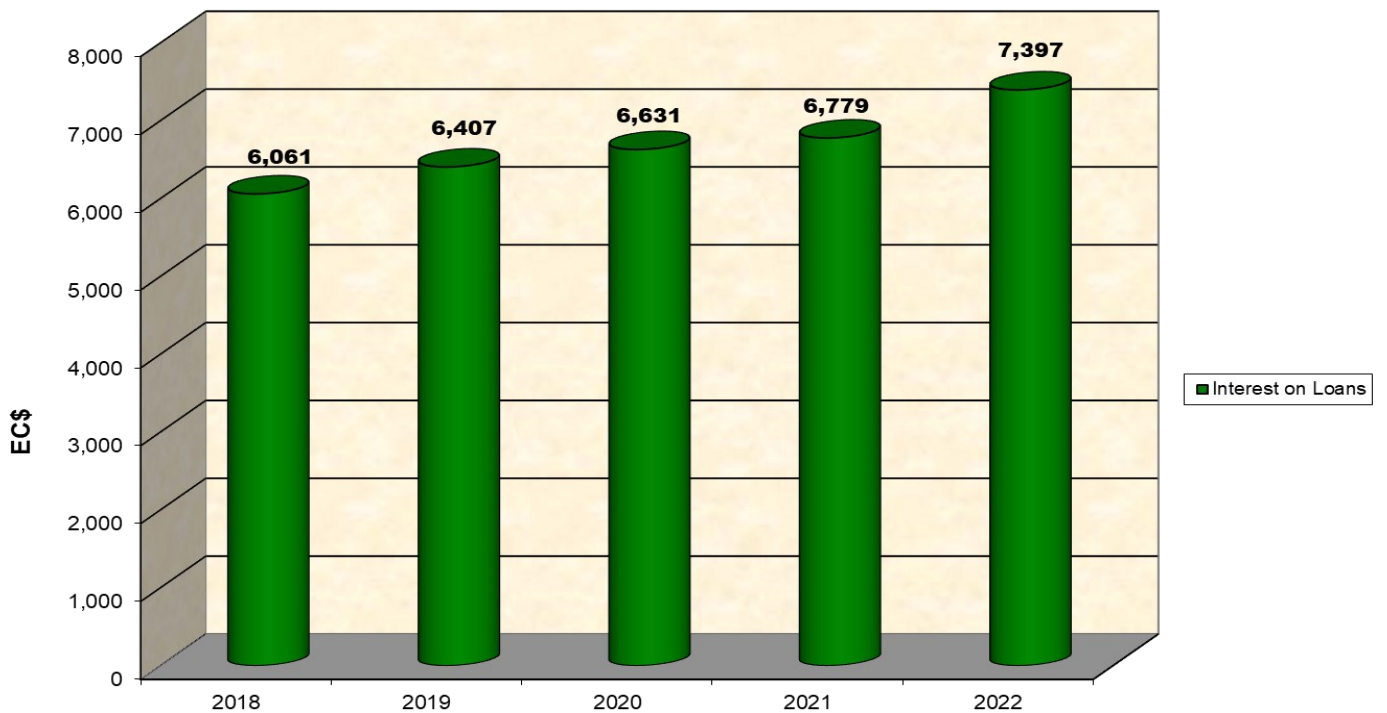


TOTAL ASSETS AND LOANS



	2018	2019	2020	2021	2022
Loans to Members	70,963	76,618	80,280	86,823	97,596
Total Assets	103,275	111,634	121,813	132,025	142,764

INTEREST INCOME ON LOANS





Kingstown Co-operative Credit Union Limited

Financial Statements
Year Ended December 31, 2022
(in Eastern Caribbean dollars)



Contents

Page 1	Corporate Information
Pages 2 - 5	Independent Auditor's Report
Page 6	Statement of Financial Position
Page 7	Statement of Changes in Equity
Page 8	Statement of Profit or Loss and Other Comprehensive Income
Page 9	Statement of Cash Flows
Pages 11- 51	Notes to the Financial Statements

Corporate Information

REGISTERED OFFICE

Granby Street
Kingstown
St. Vincent and the Grenadines

DIRECTORS

Mr. Terral M. Mapp - President
Mr. Bernard A. John - Vice President
Mr. Laurent M. Hadley - Treasurer
Mrs. Cynthia L. Hope-Browne
Mr. Jerome A. De Shong
Ms. Sabita N. Jacobs

SECRETARY

Mr. Martin S. Sheen

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

Grant Thornton
Sergeant-Jack Drive, Arnos Vale
P.O. Box 35
Kingstown, St. Vincent
West Indies
T +1 784 456 2300
F +1 784 456 2184
www.grantthornton.lc

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Kingstown Co-operative Credit Union Limited**, which comprise the statement of financial position as at December 31, 2022, 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 significant accounting policies and other explanatory 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, 2022, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Credit Union in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (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 ethical responsibilities in accordance with these requirements and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters, that in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the audit of the financial statements section of our report, including in relation to those matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risk of material misstatement of the financial statements. The results of our audit procedures, including the procedures to address the matters below, provide a basis for our audit opinion on the accompanying financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do 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 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Key Audit Matters	How Our Audit Address the Key Audit Matter
<p>Allowance for impaired loans</p> <p>The allowance for impaired loans is considered a significant matter as it requires the application of judgement and use of subjective assumptions by management. The identification of impairment and the determination of the recoverable amounts are an inherently uncertain processes involving various assumptions and factors including the financial condition of the counterparty and the timing of amounts of expected future cash flows.</p> <p>The Credit Union records both collective and specific allowances for losses on loans and advances to customers. In accordance with IFRS 9 Financial Instruments: Impairment, impairment allowances are recognized at each reporting date at amounts equal to the <i>12-month expected credit losses</i> or the <i>lifetime expected credit losses</i> if the credit risk on the loan has increased significantly since initial recognition. The recoverable amounts of impairment loans are assessed on an individual basis and is primarily based on the realization of the underlying collateral security. An assessment is made on the market value of the collateral and the time and cost of realization in determining the expected cash flows.</p> <p>Management is continuously assessing the assumptions used in determining the allowance for loan losses process, and estimates are changed to account for current market and economic conditions, including the state of the real estate market.</p> <p>During the current year, management reassessed and amended the loan loss allowance policy based on their forward-looking expectations on foreclosing and realizing the underlying collateral security and based on current economic environment.</p>	<p>We assessed and tested the design and operating effectiveness of controls over:</p> <ul style="list-style-type: none"> ➤ Management's process for making lending decisions inclusive of the approval, disbursement and monitoring of the loan portfolio. ➤ Data used to determine the provisions for loan impairment, including transactional data captured at loan origination, internal credit quality assessments, storage of data and computations. <p>In addition, we assessed the adequacy of the provision for loan losses by testing the key assumptions used in the Bank's specific and collective loan loss allowance calculations, including the identification of impairment, forecast of future cash flows, valuation of underlying collateral and estimates of recovery on default.</p> <ul style="list-style-type: none"> ➤ We reviewed the accounting for the allowance for loan impairment policy and assessed the reasonableness of the change in estimates based on the Credit Union's historical experience of the realization of security, actual collection of cash flows and the current market conditions. We assessed the model and inputs and assumptions for the inherent risk allowances. <p>In addition, we assessed the adequacy of the disclosures in the financial statements.</p>

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 the International Financial Reporting Standards (IFRS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, 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 auditors' report that includes our opinion. "Reasonable assurance" is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Reporting Standards on Auditing (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 purposes 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, then we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

August 21, 2023

Kingstown Co-operative Credit Union Limited

Statement of Financial Position

For the Year Ended December 31, 2022

(in Eastern Caribbean dollars)

	Notes	2022 \$	2021 \$
ASSETS			
Cash and cash equivalents	8	19,568,227	24,556,196
Investment securities	9	11,609,635	7,506,321
Loans to members	10	97,595,986	86,823,443
Other assets	11	263,538	176,165
Investment in associates	12	1,111,794	1,111,794
Investment properties	13	2,842,668	2,842,668
Property and equipment	14	10,884,109	10,120,052
Total Assets		143,875,957	133,136,639
LIABILITIES			
Accounts payable and accrued liabilities	15	1,952,821	1,619,192
Members' deposits	16	57,645,292	50,289,084
Redeemable member shares	17	59,652,028	58,829,116
Total Liabilities		119,250,141	110,737,392
EQUITY			
Share capital	17	5,642,730	2,464,484
Statutory reserve fund	18	6,361,447	6,354,347
Development fund	19	5,000	5,000
Revaluation surplus		5,610,510	5,610,510
Retained earnings		7,006,129	7,964,906
Total Equity		24,625,816	22,399,247
TOTAL LIABILITIES AND EQUITY		143,875,957	133,136,639

These financial statements were approved by the Board of Directors and authorized for issue on August 21, 2023, and signed on its behalf by:



Mr. Terral M. Mapp
President



Mr. Laurent M. Hadley
Treasurer

Kingstown Co-operative Credit Union Limited

Statement of Changes in Equity

For the Year Ended December 31, 2022

(in Eastern Caribbean dollars)

	Share Capital \$	Statutory Reserve Fund \$	Development Fund \$	Revaluation Surplus \$	Retained Earnings \$	Total \$
Balance at January 1, 2021	2,385,489	6,009,232	5,000	5,610,510	6,856,343	20,866,574
Profit for the year	-	-	-	-	1,704,437	1,704,437
Appropriation to statutory reserve	-	340,900	-	-	(340,900)	-
Issuance of shares	78,995	-	-	-	-	78,995
Dividends paid on permanent shares	-	-	-	-	(249,974)	(249,974)
Transfer to the National League	-	-	(5,000)	-	-	(5,000)
Appropriation to development fund	-	-	5,000	-	(5,000)	-
Entrance fees	-	4,215	-	-	-	4,215
Balance at December 31, 2021	2,464,484	6,354,347	5,000	5,610,510	7,964,906	22,399,247
Profit for the year	-	-	-	-	(724,620)	(724,620)
Appropriation to statutory reserve	-	-	-	-	-	-
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

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

Kingstown Co-operative Credit Union Limited

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended December 31, 2022

(in Eastern Caribbean dollars)

	Notes	2022 \$	2021 \$
Income			
Interest income	20	7,396,546	6,778,572
Investment income	21	800,074	819,335
		8,196,620	7,597,907
Interest expense		(1,225,638)	(1,339,374)
Rebates and interest to members		(963,030)	(1,225,288)
Net Interest Income		6,007,952	5,033,245
(Allowance for) recovery from impairment on financial assets	22	(1,014,857)	675,632
		4,993,095	5,708,877
Rental income		263,008	242,700
		5,256,103	5,951,577
Selling expenses	23	(667,975)	(325,238)
General and administrative expenses	24	(5,930,922)	(4,698,849)
		(1,342,794)	927,490
Other Income			
Income on death benefit plan – net	25	221,376	276,174
Commissions and miscellaneous income		396,798	340,916
Increase in fair value of investment properties	13	-	159,857
		618,174	776,947
(Loss) Profit for the Year, being Total Comprehensive (Loss) Income for the Period		(724,620)	1,704,437

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, 2022

(in Eastern Caribbean dollars)

		Restated
	2022	2021
	\$	\$
Notes	\$	\$
Operating Activities		
(Loss) profit for year	(724,620)	1,704,437
Adjustments for		
Depreciation	14 408,700	382,607
Appreciation in investment properties	13 -	(159,857)
Net (Loss) Profit before Changes in Operating Assets and Liabilities	(315,920)	1,927,187
Other assets	(87,373)	14,568
Loans to members, net of recoveries	(10,772,543)	(6,542,923)
Accounts payable and accrued liabilities	333,629	277,560
Deposits	7,356,208	6,126,855
Net Cash (Used in) Generated from Operating Activities	(3,485,999)	1,803,247
Cash Flows from Investing Activities		
Acquisition of property and equipment	14 (1,172,757)	(553,232)
Increase in investment securities	(4,103,314)	(1,784,453)
Net Cash Used in Investing Activities	(5,276,071)	(2,337,685)
Cash Flows from Financing Activities		
Net proceeds from redeemable shares	17 3,885,367	3,236,445
Dividends paid	(229,157)	(249,974)
Entrance fees received	7,100	4,215
Increase in share capital	115,791	78,995
Development fund contributions paid to the National League	(5,000)	(5,000)
Net Cash Generated from Financing Activity	3,774,101	3,064,681
Net Movement in Cash Resources	(4,987,969)	2,530,243
Cash Resources - Beginning of Year	24,556,196	22,025,953
Cash Resources - End of Year	8 19,568,227	24,556,196

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

Kingstown Co-operative Credit Union Limited

Index to Notes to the Financial Statements

Note 1	Incorporation and Principal Activities
Note 2	Basis of Preparation
Note 3	New Standards, Interpretations and Amendments
Note 4	Summary of Significant Accounting Policies
Note 5	Financial Risk Management
Note 6	Capital Risk Management
Note 7	Critical Accounting Estimates and Judgements
Note 8	Cash and Cash Equivalents
Note 9	Investment Securities
Note 10	Loans to Members
Note 11	Other Assets
Note 12	Investment in Associates
Note 13	Investment Properties
Note 14	Property and Equipment
Note 15	Accounts Payable and Accrued Liabilities
Note 16	Members' Deposits
Note 17	Share Capital
Note 18	Statutory Reserve
Note 19	Development Fund
Note 20	Interest on Loans
Note 21	Investment Income
Note 22	Impairment Allowance (Recovery)
Note 23	Selling Expenses
Note 24	General and Administrative Expenses
Note 25	Income on Death Benefit Plan – Net
Note 26	Staff Costs
Note 27	Related Party Transactions
Note 28	Income Tax
Note 29	Commitments
Note 30	Subsequent Events
Note 31	Co-operative Societies Act Compliance Requirements
Note 32	Comparative Figures

Kingstown Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2022

(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) under the historical cost convention unless otherwise stated, 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 has 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 Standards, Interpretations and Amendments

a. New Standards, Interpretations and Amendments Effective During the Year

A number of new standards, amendments to standards and interpretations are effective for annual reporting periods beginning on or after January 1, 2022, and have been applied in preparing these financial statements.

Except for the changes below, the Credit Union has consistently applied the accounting policies as set out in Note 3 to all periods presented in these financial statements.

b. New Standards, Interpretations and Amendments Effective January 1, 2022

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Credit Union’s financial statements are disclosed below. The Credit Union intends to adopt these standards, if applicable, when they become effective. The new and amended standards and interpretations are not expected to have any significant 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, 2022

(in Eastern Caribbean dollars)

3. New Standards, Interpretations and Amendments*Cont'd*

b. New Standards, Interpretations and Amendments Effective from January 1, 2022*Cont'd*

Amendments to IAS 1: Classification of Liabilities as Current or Non-Current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after January 1, 2023, and must be applied retrospectively. The Credit Union does not expect any effect on its financial statements.

c. New Standards, Amendments and Interpretations not yet Effective and have not been Early Adopted

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Credit Union's financial statements are disclosed below. The Credit Union intends to adopt these standards, if applicable, when they become effective. The new and amended standards and interpretations are not expected to have any significant impact on the Credit Union's financial statements.

Amendments to IAS 1: Classification of Liabilities as Current or Non-Current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after January 1, 2023, and must be applied retrospectively. The Credit Union does not expect any effect on its financial statements.

Definition of Accounting Estimates – Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after January 1, 2023, and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments are not expected to have a material impact on the Credit Union.

Kingstown Co-operative Credit Union Limited

Notes to the Financial Statements For the Year Ended December 31, 2022

(in Eastern Caribbean dollars)

3. New Standards, Interpretations and Amendments*Cont'd*

c. New Standards, Amendments and Interpretations not yet Effective and have not been Early Adopted*Cont'd*

Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, The IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after January 1, 2023, with earlier adoption permitted. Since the amendments to the Practice Statement 2 provide for non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

The Credit Union is currently assessing the impact of the amendments to determine the impact they will have on the Credit Union's accounting policy disclosures.

Insurance Contracts – IFRS 17

In May 2017, the IASB issue IFRS 17, Insurance Contracts, a comprehensive new accounting for insurance contracts covering recognition and measurement presentation and disclosure. IFRS 17 will replace IFRS 4 Insurance Contracts that was issued in 2005. In June 2020, the IASB published amendments to IFRS 17 to include scope exclusions for certain credit card contracts and similar contracts that provide insurance coverage, the optional scope exclusion for loan contracts that transfer significant insurance risk, and the clarification that only financial guarantees issued are in scope of IFRS 9.

IFRS 17 applies to all types of insurance contracts regardless of the type of entity that issue them, as well as to certain guarantees and financial instruments with discretionary participation features.

IFRS 17 is effective for accounting periods beginning on or after January 1, 2023. The Credit Union does not expect the impact of IFRS 17 to be material.

4. Summary of Significant 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.

Kingstown Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2022

(in Eastern Caribbean dollars)

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

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%

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.

Kingstown Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2022

(in Eastern Caribbean dollars)

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

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 carries its investment properties at fair value, with changes in fair value being recognized in other comprehensive income (OCI). The Credit Union engaged an independent valuation specialist to assess fair value for investment properties, 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 a 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.

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.

Kingstown Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2022

(in Eastern Caribbean dollars)

4. Summary of Significant Accounting PoliciesCont'd

h. Financial InstrumentsCont'd

(i) Recognition, Initial Measurement and DerecognitionCont'd

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 received 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
- 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.

Kingstown Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2022

(in Eastern Caribbean dollars)

4. Summary of Significant Accounting PoliciesCont'd

h. Financial InstrumentsCont'd

(iv) *Equity InstrumentsCont'd*

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 on cash flows that are solely payments of principal and interest (SSPI) 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).

(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 SSPI 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.

Kingstown Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2022

(in Eastern Caribbean dollars)

4. Summary of Significant Accounting PoliciesCont'd

h. Financial InstrumentsCont'd

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

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 the statement of profit or loss and other comprehensive income.

Premiums, discounts and related transactions 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.

(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.

Kingstown Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2022

(in Eastern Caribbean dollars)

4. Summary of Significant Accounting PoliciesCont'd

h. Financial InstrumentsCont'd

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

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 estimated of fair value can be obtained.

Financial assets are designated at FVTPL if doing so eliminate 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:

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

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.

Kingstown Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2022

(in Eastern Caribbean dollars)

4. Summary of Significant Accounting PoliciesCont'd

h. Financial InstrumentsCont'd

(xii) Impairment of Financial AssetsCont'd

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, 2022

(in Eastern Caribbean dollars)

4. Summary of Significant Accounting PoliciesCont'd

h. Financial InstrumentsCont'd

(xiii) 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, 2022

(in Eastern Caribbean dollars)

4. Summary of Significant Accounting PoliciesCont'd

h. Financial InstrumentsCont'd

(xiii) 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, 2022

(in Eastern Caribbean dollars)

4. Summary of Significant Accounting PoliciesCont'd

h. Financial InstrumentsCont'd

(xiii) 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, 2022

(in Eastern Caribbean dollars)

4. Summary of Significant 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

Gains/losses arising on the revaluation of property (other than investment property).

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, 2022

(in Eastern Caribbean dollars)

4. Summary of Significant Accounting PoliciesCont'd

I. LeasesCont'd

As a LesseeCont'd

The Credit Union recognizes a right-of-use 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, if the Credit Union's changes in 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, 2022

(in Eastern Caribbean dollars)

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

I. Leases*Cont'd*

Policy Applicable before January 1, 2019

i. Leased Assets

Assets held under leases are classified as operating leases and are not recognized in the Credit Union's statement of financial position.

ii. Lease Payments

Payment made under operating leases are recognized in profit or loss on a straight-line basis over the term of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made by the lessor by way of penalty is recognized as an expense in the period in which termination takes place.

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 risk 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 and of investing deposit receipts in 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.

Kingstown Co-operative Credit Union Limited

Notes to the Financial Statements For the Year Ended December 31, 2022

(in Eastern Caribbean dollars)

5. Financial Risk ManagementCont'd

5.1 Credit RiskCont'd

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 advances. 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:

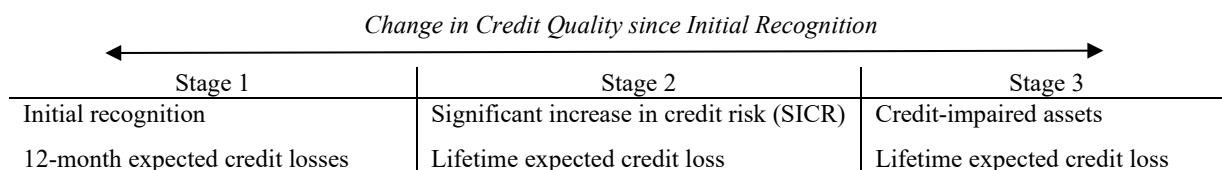
- (i) Mortgages over real properties; and
- (ii) Charges over members' deposits and ordinary savings.

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 addition, in order to minimize the credit loss, the Credit Union will seek additional credit collateral from the counterparty as soon as impairment indicators are notices for the relevant individual loans and advances.

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 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 or 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 provision recognized when there was been a significant increase in credit risk compared with what was expected at origination.

Kingstown Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2022

(in Eastern Caribbean dollars)

5. Financial Risk ManagementCont'd

5.1 Credit RiskCont'd

Impairment and Allowance PoliciesCont'd

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.

IFRS 9 provides that cost can be used as a basis for estimating fair value where, there are limitations on supportable information to do otherwise. There is currently insufficient trading information from published sources to measure the fair market value of the corporate term deposits. Any application based on the insufficiency of this data would therefore result in a wide range of possible fair value measurements and cost therefore represent the best estimate of fair value within the relevant range.

The following summarizes the maximum credit risk:

	2022	2021
	\$	\$
Deposits with commercial banks	17,410,745	23,450,611
Investment securities	11,151,741	7,048,426
Loans to members	97,595,986	86,823,443
Other assets	225,519	103,796
	<u>126,383,991</u>	<u>117,426,276</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, 2022 and 2021, 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, 2022

(in Eastern Caribbean dollars)

5. Financial Risk Management*Cont'd*

5.1 Credit Risk*Cont'd*

Loans and Advances to Members

Loans and advances to members are summarized as follows:

	Mortgage	Consumer	Vehicle	Education	Promotional	Micro- Business	Total
	\$	\$	\$	\$	\$	\$	\$
At December 31, 2022							
Gross loans	50,647,315	17,912,770	9,154,442	2,953,024	11,954,096	7,610,181	100,231,826
Add: interest receivable	642,698	354,822	62,746	110,755	260,052	82,606	1,513,682
	51,290,013	18,267,592	9,217,188	3,063,779	12,214,148	7,692,787	101,745,508
Less: ECL allowance on gross loans	(766,900)	(1,320,790)	(278,861)	(229,671)	(1,016,790)	(536,510)	(4,149,522)
	50,523,113	16,946,801	8,938,329	2,834,108	11,197,358	7,156,277	97,595,986
At December 31, 2021							
Gross loans	45,552,735	15,022,983	9,493,790	3,054,538	7,763,395	7,585,059	88,472,500
Add: interest receivable	812,222	281,509	60,157	89,164	187,986	159,775	1,590,813
	46,364,957	15,304,492	9,553,947	3,143,702	7,951,381	7,744,834	90,063,313
Less: ECL allowance on gross loans	(909,457)	(1,051,075)	(219,957)	(142,723)	(792,765)	(123,893)	(3,239,870)
	45,455,500	14,253,417	9,333,990	3,000,979	7,158,616	7,620,941	86,823,443

Kingstown Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2022

(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, 2022				
Mortgage	46,519,609	1,334,290	2,793,414	50,647,315
Consumer	16,044,207	201,866	1,666,697	17,912,770
Vehicle	8,713,597	39,842	401,003	9,154,442
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
	92,056,899	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
	Stage 1 \$	Stage 2 \$	Stage 3 \$	Total \$
As at December 31, 2021				
Mortgage	42,873,317	1,244,889	1,434,529	45,552,735
Consumer	14,000,637	33,729	988,617	15,022,983
Vehicle	9,305,603	-	188,187	9,493,790
Education	2,523,279	298,129	233,130	3,054,538
Promotional	6,965,614	91,171	706,610	7,763,395
Micro-business	7,509,372	-	75,687	7,585,059
	83,177,822	1,667,918	3,626,760	88,472,500
Add: interest receivable	813,369	195,514	581,930	1,590,813
	83,991,191	1,863,432	4,208,690	90,063,313
Less: ECL allowance	(805,632)	(57,981)	(2,376,257)	(3,239,870)
	83,185,559	1,805,451	1,832,433	86,823,443

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, 2022

(in Eastern Caribbean dollars)

5. Financial Risk Management*Cont'd*

5.2 Liquidity Risk*Cont'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, 2022

(in Eastern Caribbean dollars)

5. Financial Risk Management*Cont'd*

5.2 Liquidity Risk*Cont'd*

	Up to 1 Month \$	2 to 3 Months \$	4 to 12 Months \$	1 to 5 Years \$	Over 5 Years \$	Total \$
As at December 31, 2022						
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	-	-	225,519	-	-	225,519
Total Financial Assets	21,877,063	4,549,443	21,466,985	100,598,368	25,648,148	174,140,007
Financial Liabilities						
Accounts payable and accrued liabilities	-	-	1,952,821	-	-	1,952,821
Member deposits	-	-	57,650,819	-	-	57,650,819
Redeemable member shares	-	-	51,785,953	5,859,339	-	57,645,292
Total Financial Liabilities	-	-	111,389,593	5,859,339	-	117,248,932
Liquidity Gap	21,877,063	4,549,443	(89,922,608)	94,739,029	25,648,148	56,891,075

Kingstown Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2022

(in Eastern Caribbean dollars)

5. Financial Risk Management*Cont'd*

5.2 Liquidity Risk*Cont'd*

	Up to 1 Month \$	2 to 3 Months \$	4 to 12 Months \$	1 to 5 Years \$	Over 5 Years \$	Total \$
As at December 31, 2021						
Financial Assets						
Cash and cash equivalents	24,556,196	-	-	-	-	24,556,196
Investment securities:						
- at amortised cost	162,366	345,929	2,023,133	5,300,942	29,429	7,861,799
- at FVTPL	-	-	-	-	457,895	457,895
Loans and advances to customers	1,974,823	3,873,694	16,013,445	81,740,704	23,621,574	127,224,240
Other assets	-	-	103,796	-	-	103,796
Total Financial Assets	26,693,385	4,219,623	18,140,374	87,041,646	24,108,898	160,203,926
Financial Liabilities						
Accounts payable and accrued liabilities	-	-	1,619,192	-	-	1,619,192
Member deposits	-	-	43,529,316	6,759,768	-	50,289,084
Redeemable member shares	-	-	58,829,116	-	-	58,829,116
Total Financial Liabilities	-	-	103,977,624	6,759,768	-	110,737,392
Liquidity Gap	26,693,385	4,219,623	(85,837,250)	80,281,878	24,108,898	49,466,534

Kingstown Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2022

(in Eastern Caribbean dollars)

5. Financial Risk ManagementCont'd

5.2 Liquidity RiskCont'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 central 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, 2022

(in Eastern Caribbean dollars)

5. Financial Risk Management*Cont'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 \$	1 – 3 Months \$	4 – 12 Months \$	1 – 5 Years \$	Over 5 Years \$	Non-Interest Bearing \$	Total \$
As at December 31, 2022							
Financial Assets							
Cash and cash equivalents	16,396,693	-	-	-	-	3,171,534	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	-	-	-	-	-	225,519	225,519
Total Financial Assets	18,705,529	4,549,443	21,241,466	100,598,368	25,190,253	3,854,948	174,140,007
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	1,902,127	54,889,866

Kingstown Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2022

(in Eastern Caribbean dollars)

5. Financial Risk Management*Cont'd*

5.3 Interest Rate Risk*Cont'd*

	Up to 1 Month \$	1 – 3 Months \$	4 – 12 Months \$	1 – 5 Years \$	Over 5 Years \$	Non-Interest Bearing \$	Total \$
As at December 31, 2021							
Financial Assets							
Cash and cash equivalents	22,556,175	-	-	-	-	2,000,021	24,556,196
Investment securities:							
– at amortised cost	162,366	345,929	2,023,133	5,300,942	29,429	-	7,861,799
– at FVTPL	-	-	-	-	-	457,895	457,895
Loans and advances to customers	1,974,823	3,873,694	16,013,445	81,740,704	23,621,574	-	127,224,240
Other assets	-	-	-	-	-	103,796	103,796
Total Financial Assets	24,693,364	4,219,623	18,036,578	87,041,646	23,651,003	2,561,712	160,203,926
Financial Liabilities							
Accounts payable and accrued liabilities	-	-	-	-	-	1,619,192	1,619,192
Member deposits	-	-	43,529,316	6,759,768	-	-	50,289,084
Redeemable member shares	-	-	58,829,116	-	-	-	58,829,116
Total Financial Liabilities	-	-	102,358,432	6,759,768	-	1,619,192	110,737,392
Net Interest Re-Pricing Gap	24,693,364	4,219,623	(84,321,854)	80,281,878	23,651,003	942,520	49,466,534

Kingstown Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2022

(in Eastern Caribbean dollars)

5. Financial Risk Management*Cont'd*

5.3 Interest Rate Risk*Cont'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.

	2022	2021
Loans and Advances to Customers:		
- Micro-business	6.96 - 9.96%	9.00 - 12.00%
- Education	3.00 - 9.96%	3.00 - 9.96%
- Consumer	6.00 - 18.00%	6.00 - 18.00%
- Vehicle	5.14 - 12.00%	6.00 - 12.00%
- Mortgage	4.56 - 12.00%	4.56 - 12.00%
- Promotional	8.04 - 9.96%	8.04 - 12.00%
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%	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 \$706,280 (2021: \$636,121) 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 (2021: \$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, 2022

(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

The Credit Union's financial assets and financial liabilities are disclosed in the statement of financial position approximate their fair value.

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, 2022 (see **Note 31**).

Kingstown Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2022

(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 (i)** – 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 3 (i) 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, 2022, is included in the following notes:

- Note 3 (e) - Valuation of land and building.
- Note 3 (f) - Valuation of investment property.
- Note 3 (i) - 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 4.5 - Determination of the fair value of financial instruments.

8. Cash and Cash Equivalents

	2022	2021
	\$	\$
Cash on hand	2,157,482	1,105,585
Demand deposit at bank	260,711	233,402
Savings accounts at bank	17,150,034	23,217,209
Cash and Cash Equivalents in Statement of Financial Position	19,568,227	24,556,196
Cash and Cash Equivalents in Statement of Cash Flows	19,568,227	24,556,196

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, 2022

(in Eastern Caribbean dollars)

9. Investments Securities

	2022	2021
	\$	\$
Amortized Cost		
Debt securities	11,706,628	7,524,293
Interest receivable	124,835	98,118
	<u>11,831,463</u>	<u>7,622,411</u>
Less: expected credit losses	(679,723)	(573,985)
Total Debt Securities	<u>11,151,740</u>	<u>7,048,426</u>
Fair Value through Profit or Loss		
Equities	457,895	457,895
	<u>11,609,635</u>	<u>7,506,321</u>

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

	2022	2021
	\$	\$
At December 31		
Balance beginning of year	573,985	573,985
Charge for the year (Note 22)	105,738	-
	<u>679,723</u>	<u>573,985</u>

Kingstown Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2022

(in Eastern Caribbean dollars)

10. Loans to Members

	Mortgage \$	Consumer \$	Vehicle \$	Education \$	Promotional \$	Micro- Business \$	Total \$
At December 31, 2022							
Gross loans	50,647,315	17,912,770	9,154,442	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	16,591,980	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
	Mortgage \$	Consumer \$	Vehicle \$	Education \$	Promotional \$	Micro- Business \$	Total \$
At December 31, 2021							
Gross loans	45,552,735	15,022,983	9,493,790	3,054,538	7,763,395	7,585,059	88,472,500
Less: expected credit losses	(909,457)	(1,051,075)	(219,957)	(142,723)	(792,765)	(123,893)	(3,239,870)
	44,643,278	13,971,908	9,273,833	2,911,815	6,970,630	7,460,166	85,232,630
Add: interest receivable	812,222	281,509	60,157	89,164	187,986	159,775	1,590,813
	45,455,500	14,253,417	9,333,990	3,000,979	7,158,616	7,620,941	86,823,443

The average yield on loans for the year was 8.0% (2021: 8.0%).

Kingstown Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2022

(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, 2022				
Mortgage	46,519,609	1,334,290	2,793,414	50,647,315
Consumer	16,044,207	201,866	1,666,697	17,912,770
Vehicle	8,713,597	39,842	401,003	9,154,442
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
	92,056,899	2,144,058	7,546,551	101,745,508
Less: expected credit loss	(446,893)	(57,065)	(3,645,564)	(4,149,522)
	91,608,006	2,086,993	3,900,987	97,595,986
	Stage 1 \$	Stage 2 \$	Stage 3 \$	Total \$
As at December 31, 2021				
Mortgage	42,873,317	1,244,889	1,434,529	45,552,735
Consumer	14,000,637	33,729	988,617	15,022,983
Vehicle	9,305,603	-	188,187	9,493,790
Education	2,523,279	298,129	233,130	3,054,538
Promotional	6,965,614	91,171	706,610	7,763,395
Micro-business	7,509,372	-	75,687	7,585,059
	83,177,822	1,667,918	3,626,760	88,472,500
Add: interest receivable	813,369	195,514	581,930	1,590,813
	83,991,191	1,863,432	4,208,690	90,063,313
Less: expected credit losses	(805,632)	(57,981)	(2,376,257)	(3,239,870)
	83,185,559	1,805,451	1,832,433	86,823,443

Kingstown Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2022

(in Eastern Caribbean dollars)

10. Loans to Members*Cont'd*

The following summarizes the movement in the expected credit losses.

	Mortgage \$	Consumer \$	Vehicle \$	Education \$	Promotional \$	Micro- Business \$	Total \$
At December 31, 2022							
Balance – beginning of year	909,457	1,051,075	219,957	142,723	792,765	123,893	3,239,870
Charge 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

	Mortgage \$	Consumer \$	Vehicle \$	Education \$	Promotional \$	Micro- Business \$	Total \$
At December 31, 2021							
Balance – beginning of year	1,066,580	1,617,679	316,375	143,760	75,317	688,439	3,908,150
Charge for the year	(157,123)	(566,604)	(96,418)	(1,037)	717,448	(564,546)	(668,280)
Balance – end of year	909,457	1,051,075	219,957	142,723	792,765	123,893	3,239,870

Kingstown Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2022

(in Eastern Caribbean dollars)

11. Other Assets

	2022	2021
	\$	\$
Interest receivable	128,428	33,982
Prepaid expenses	38,020	72,369
Other receivables	97,091	69,814
	263,539	176,165

12. Investment in Associates

	2022	2021
	\$	\$
Investments at the beginning of the year	1,111,794	1,111,794
Share of (loss) profit for the year	-	-
	1,111,794	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.

During 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.

13. Investment Properties

	Land at Canouan \$	Land and Building at Kingstown Park \$	Land at Bequia \$	Land at Brighton \$	Total \$
December 31, 2020	188,926	435,050	78,148	1,980,687	2,682,811
Change in fair value	-	62,150	5,582	92,125	159,857
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

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, 2022

(in Eastern Caribbean dollars)

14. Property and Equipment

	Land \$	Motor Vehicle \$	Work in Progress \$	Building \$	Furniture & Equipment \$	Total \$
At December 31, 2020						
Cost or valuation	2,831,910	-	-	6,996,861	3,447,931	13,276,702
Accumulated depreciation	0	-	-	(813,248)	(2,514,027)	(3,327,275)
Net book amount	2,831,910	-	-	6,183,613	933,904	9,949,427
Year Ended December 31, 2021						
Opening net book amount	2,831,910	-	-	6,183,613	933,904	9,949,427
Additions	-	-	-	426,568	126,664	553,232
Depreciation charge	-	-	-	(139,612)	(242,995)	(382,607)
Closing net book amount	2,831,910	-	-	6,470,569	817,573	10,120,052
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

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 \$408,700 (2021: \$382,607) was charged to general and administrative expenses.

Kingstown Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2022

(in Eastern Caribbean dollars)

15. Accounts Payable and Accrued Liabilities

	2022	2021
	\$	\$
Accounts payable	412,143	522,554
Payroll obligations	1,205,220	907,095
Other accruals	335,458	189,543
	1,952,821	1,619,192

16. Members' Deposits

	2022	2021
	\$	\$
Members' demand deposits	44,957,032	37,796,155
Building capitalization fund shares	12,318,797	12,152,811
	57,275,829	49,948,966
Interest payable	369,464	340,118
	57,645,293	50,289,084

The building capitalization fund shares have varying maturity dates.

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

	2022	2021
	%	%
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	
	2022	2021	2022	2021
Permanent shares with voting rights	-	Unlimited	-	Unlimited
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, 2022

(in Eastern Caribbean dollars)

17. Stated CapitalCont'd

Issued Capital

	Number of Shares		Value	
	2022	2021	2022	2021
	\$	\$	\$	\$
Permanent shares	-	477,098	-	2,464,484
Redeemable shares	11,930,406	11,118,534	59,652,028	58,829,116
Qualifying shares	1,128,546	-	5,642,730	-
			65,294,758	61,293,600
Less: redeemable shares reclassified as liability			(59,652,028)	(58,829,116)
			5,642,730	2,464,484

In accordance with IAS 32, shares redeemable at the option of the shareholder are reported as liabilities.

In accordance with the resolution of September 8, 2022, \$3,062,455 of redeemable shares were converted to qualifying shares.

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 which is 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 Nil (2021: \$340,900) 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 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 (2021: \$5,000) to the development fund, and \$5,000 was transferred to the National League.

20. Interest on Loans

	2022	2021
	\$	\$
Mortgage loans	3,360,963	3,181,654
Consumer loans	3,046,356	2,610,435
Vehicle loans	791,568	801,850
Education loans	197,659	184,633
	7,396,546	6,778,572

21. Investment Income

Investment income comprises:

	2022	2021
	\$	\$
Interest earned on bank deposits and fixed deposits	296,553	479,714
Interest earned on securities at amortized cost	491,378	336,530
Dividends	12,143	3,091
	800,074	819,335

Kingstown Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2022

(in Eastern Caribbean dollars)

22. Impairment Allowance (Recovery)

	2022	2021
	\$	\$
Increase (reduction) in impairment allowance on loans (Note 10)	909,652	(668,280)
Recoveries on loans previously written off	(533)	(7,352)
Impairment charge – investments (Note 9)	105,738	-
	1,014,857	(675,632)

23. Selling Expenses

	2022	2021
	\$	\$
Donations	110,139	86,628
Publicity, promotions and sponsorship	471,411	176,060
Scholarship funds	86,425	62,550
	667,975	325,238

24. General and Administrative Expenses

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

	2022	2021
	\$	\$
Annual general meeting expenses	61,084	44,375
Annual licence fees	154,127	207,881
ATM fees	425	31,740
Audit fees	75,400	75,400
Bank charges	86,612	59,052
Board and committee meetings	220,128	156,315
Communication expenses	181,456	185,659
Conventions and summits	30,627	-
Depreciation expense (Note 14)	408,700	382,607
Electricity	81,600	41,939
General insurance	64,974	58,811
Insurance on loans and shares	632,328	564,734
League dues	87,179	90,398
Other operating expenses	3,295	12,685
Professional fees	137,581	43,719
Rental expense	103,526	90,114
Repairs and maintenance – buildings	122,085	87,753
Repairs and maintenance – equipment	110,226	136,449
Security	222,551	200,229
Staff costs (Note 26)	2,666,421	1,974,171
Stationery and office supplies	225,935	211,008
Travel	240,260	29,410
Water	14,400	14,400
	5,930,922	4,698,849

Kingstown Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2022

(in Eastern Caribbean dollars)

25. Income on Death Benefit Plan - Net

	2022	2021
	\$	\$
Death benefit contributions	620,001	587,924
Death benefit claims paid	(398,625)	(311,750)
	221,376	276,174

26. Staff Costs

	2022	2021
	\$	\$
Bonus	86,827	63,972
Staff medical insurance	36,959	38,347
Gratuity	502,389	-
National Insurance contributions	80,737	72,336
Salaries and wages	2,012,615	1,666,683
Severance payment	1,000	918
Staff training and education	101,212	33,027
Staff uniforms	48,948	26,064
Retirement benefit	36,987	6,964
Vacation	(241,253)	65,860
	2,666,421	1,974,171

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 associated 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 Unions 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, 2022

(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	
	2022	2021
	\$	\$
Salaries and wages	927,438	646,497
Gratuity	502,389	-
National Insurance contributions	36,396	22,878
	<u>1,466,223</u>	<u>669,375</u>

ii. Loans and Deposits

a. Loans

	Balance Outstanding as at December 31	
	2022	2021
	\$	\$
Directors and Committee Members	1,394,204	403,933
Management staff	1,722,897	1,402,449
	<u>3,117,101</u>	<u>1,806,382</u>

b. Deposits

	Balance Outstanding as at December 31	
	2022	2021
	\$	\$
Directors and Committee Members	583,038	559,205
Management staff	454,411	902,802
	<u>1,037,449</u>	<u>1,462,007</u>

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

Kingstown Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2022

(in Eastern Caribbean dollars)

28. Income Tax

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

29. Commitments

Undrawn loan commitments at year end amounted to \$5,160,468 (2021: \$4,307,370).

30. Subsequent Events

Dividends

On August 25, 2023, the directors declared dividends of 6% and 1% on qualifying and redeemable shares on record, as of August 25, 2023, respectively.

31. Co-operative Societies Act Compliance Requirements

	2022	2021
	\$	\$
Certificates of deposit	259,720	257,149
Cash	19,511,346	24,556,196
	<u>19,771,066</u>	<u>24,813,345</u>
Members deposits and ordinary shares	117,302,846	109,118,200
	<u>17%</u>	<u>23%</u>

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. Liquid reserves of the Credit Union represented 17% (2021: 23%) of members' shares and deposits.

	2022	2021
	\$	\$
Statutory and other reserves	12,275,758	11,969,857
Total liabilities	118,424,355	110,737,392
	<u>10%</u>	<u>11%</u>

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% (2021: 11%) of its total liabilities.

30. Comparative Figures

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

12. CREDIT COMMITTEE REPORT TO THE 61ST ANNUAL GENERAL MEETING OF THE KINGSTOWN CO-OPERATIVE CREDIT UNION LIMITED

12.1 INTRODUCTION

On this occasion of the 61st Annual General Meeting of the Kingstown Co-operative Credit Union Limited, the Credit Committee takes this opportunity to present its report to the members of this noble institution, having served for the year 2022.

The 2022 period saw the following members serving:

Sis. Susan Clarke – Chairperson

Sis. Elthia George – Secretary

Sis. Juanika Joseph – Committee Member

Sis. Licia Nero – Committee Member

Bro. Claydon Roache – Committee Member

At the 60th Annual General Meeting held on 14th July 2022, Bro Claydon Roache was elected as a member while Bro. Timothy Scott retired. The hybrid meeting took place at the Methodist Church Hall and via Zoom.

12.2 CREDIT COMMITTEE ATTENDANCE REPORT 2022

Volunteers/Members	Position	Attendance
Sis Ingrid Susan Clarke	Chairperson	46
Sis Elthia George	Secretary	46
Sis Juanika Joseph	Member	46
Sis. Licia Nero	Member	46
Bro. Claydon Roache	Member	21
Bro. Timothy Scott	Outgoing Chairman	25

12.3 FUNCTIONS AND OPERATIONS OF THE CREDIT COMMITTEE

The Credit Committee, the lifeblood of the Credit Union, plays a pivotal role in its operations' survival. As in previous years, meetings of the Committee were held on Tuesdays to conduct reviews of loan applications made by members under the Co-operatives Society Act 2012 and the KCCU Bye-laws.

The Committee also conducted periodic checks on loans granted by internal management to ensure that the loans complied with the lending regulations and the Credit Union’s loan policy, as approved by the Board. Also, periodic house construction site visits were conducted to investigate if the work was coordinated with funds dispersed and expended.

The Chairperson presented progress reports monthly to the Board of Directors. These reports summarized weekly activities the Credit Committee continues to undertake for the period under review; it included a breakdown of the number of loans approved/ disapproved and the purpose and collateral of each loan presented.

12.4 OVERVIEW

KCCU continues to survey the financial market to design products that best suit its members’ pockets and needs. It is for this and other reasons we at KCCU continue to offer loans such as the Diamond Deal and the KCCU Protect. KCCU continued to promote its debt consolidation product in an attempt to help provide members who are desirous of such a product with some financial relief.

The Kingstown Cooperative Credit Union Credit Committee continues to provide financial counselling to members and encourages members who have not sought such counselling to make use of this free service.

The Kingstown Cooperative Credit Union continues to focus on developing new and innovative loan products. The organization hopes that these products would meet the needs of its members while it continues the prudent management of its delinquency level.

12.5 LOAN ANALYSIS

Table 1: Loan Activities 2022 and 2021

YEAR	REVIEWED		APPROVED		DISBURSED	
	No.	Value (ECS)	No.	Value (ECS)	No.	Value (ECS)
2022	3,386	33,758,383	3,331	28,014,310	3,107	34,800,811
2021	2,850	22,384,805	2,820	15,803,172	2,610	25,298,510
% CHANGE	18.8	50.8	18.1	77.3	19.0	37.6

The Credit Union's loan activity continued along its growth trajectory over the recorded position for last year. The table above illustrates the performance of loans reviewed, approved, and disbursed. There was an 18.8% increase in loans reviewed and an 18.1% increase in loans approved. The value of the loans approved has significantly grown by approximately \$12.2m (77.3%) over the period.

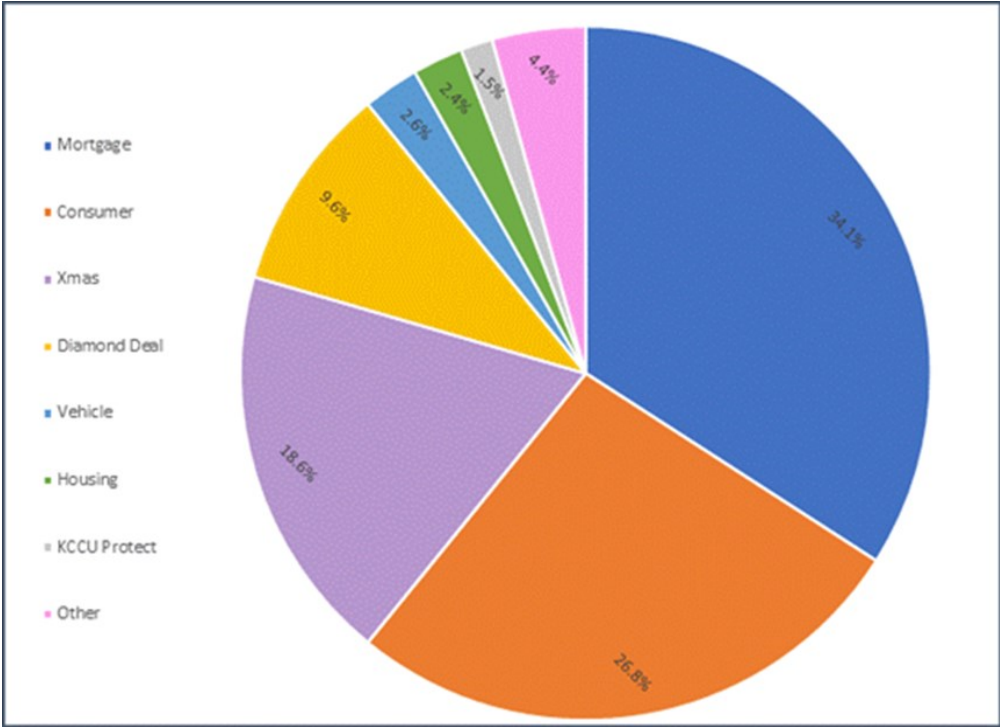
12.6 LOAN DISBURSEMENTS

Table 2: Loans Disbursed by Type

LOAN TYPES	2022			2021			% CHANGE VALUE
	VALUE (ECS)	NO.	% OF TOAL LOAN VALUE	VALUE (ECS)	NO.	% OF TOAL LOAN VALUE	
BOSS	30,150	1	0.1	-	-	-	-
BUSINESS	239,328	18	0.7	574,457	16	2.3	(58.3)
CONSUMER	9,322,999	1,923	26.8	6,483,121	1,503	25.6	43.8
DEBT CONSOLIDATION	59,462	11	0.2	108,697	16	0.4	(45.3)
DIAMOND DEAL	3,355,044	98	9.6	3,698,958	134	14.6	(9.3)
EDUCATION	86,227	26	0.2	176,244	43	0.7	(51.1)
HOUSING	824,679	131	2.4	810,556	142	3.2	1.7
KCCU EDUCATE	331,613	24	1.0	532,448	48	2.1	(37.7)
KCCU EDUTECH	228,074	53	0.7	47,000	12	0.2	385.3
KCCU PROTECT	525,463	23	1.5	1,690,947	88	6.7	(68.9)
LEGGO	137,453	32	0.4	-	-	-	-
MEDICAL	64,250	3	0.2	77,884	7	0.3	(17.5)
MORTGAGE	11,861,562	68	34.1	6,744,185	54	26.7	75.9
PROF FEES	1,350	1	0.0	36,970	2	0.1	(96.3)
SAVE YA	-	-	-	68,737	15	0.3	(100.0)
READY CASH	89,797	55	0.3	69,751	43	0.3	28.7
REVEL	252,460	58	0.7	-	0	-	-
VEHICLE	913,439	49	2.6	782,794	60	3.1	16.7
XMAS	6,477,462	533	18.6	3,395,762	427	13.4	90.8
TOTAL	34,800,811	3,107	100	25,298,510	2,610	100	37.6

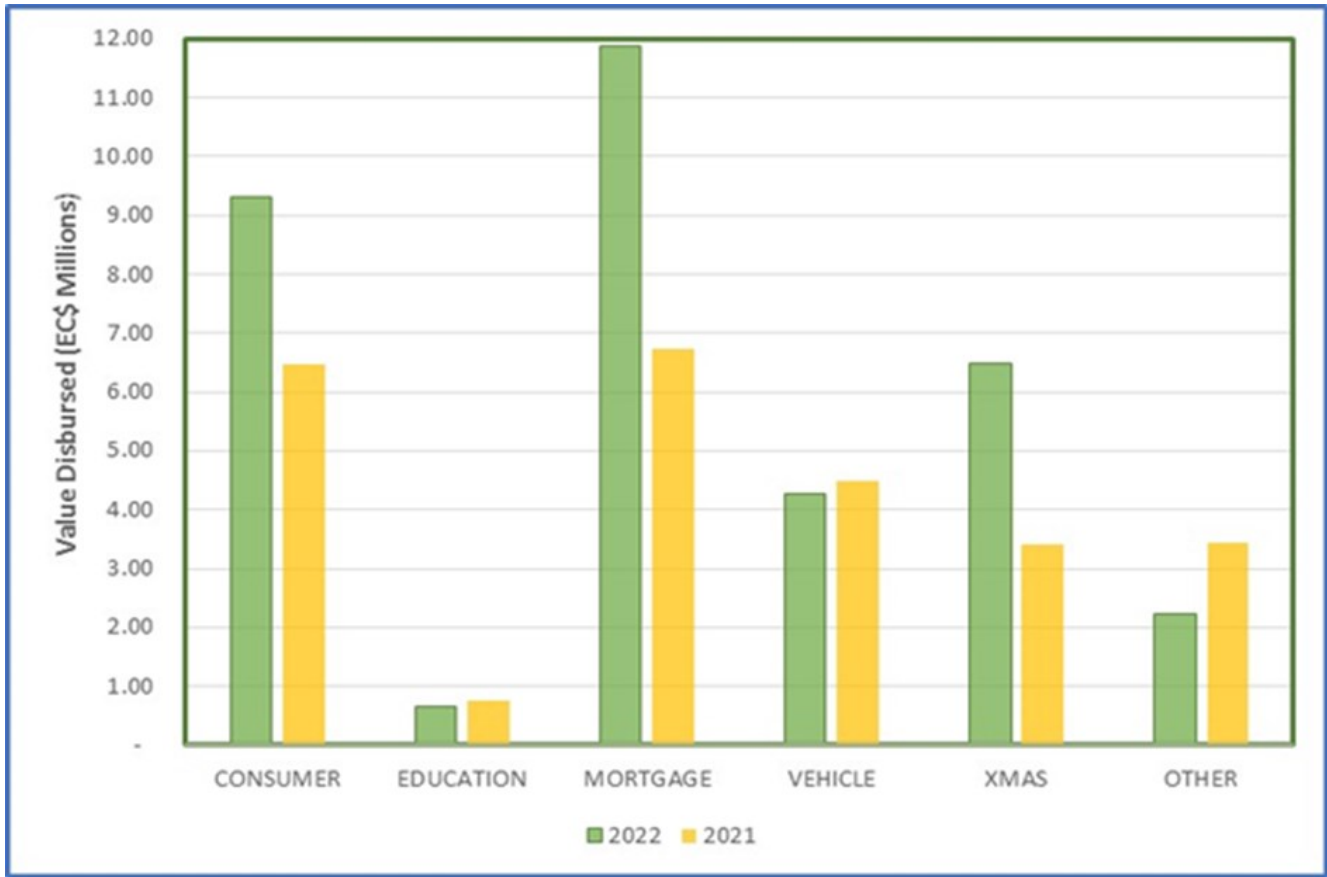
For yet another year, the loan portfolio recorded growth as members have been accessing the full range of loan products. There was a significant increase in KCCU Edutech which increased by 385.3%. The other products that showed increases were Xmas (90.8%), Mortgage (75.9%) and Consumer (43.8%). The record has shown decreases in KCCU Protect (68.9%) and Education (51.1%). The Leggo and Boss loan products were introduced in 2022. Overall, the loan portfolio grew by 37.6%.

Figure 1: Percentage of Funds Disbursed by Category for 2022



The dominant features of requests continue to be mortgages, consumer and Xmas loans. For the year 2022, Mortgage accounted for 34.1% of the funds disbursed, consumer 26.8% and Xmas 18.6%. The remaining categories collectively contributed 20.5%.

Figure 2: Value of Loans Disbursed by Type 2022 and 2021



As at December 31, 2022, the total value of loans disbursed has increased by approximately \$9.5m when compared to that of the prior year. X-mas loans increased significantly by \$3m, while consumer loans increased by \$2.8m. The loans categorized as “other” showed a decrease of \$1.2m.

12.7 DELINQUENCY

The delinquency rate for the period under review (2022) stood at 8.5% (representing EC\$8.5 million as compared to the 2021 figure of 5.6% (representing \$5 million). This represents an increase in the rate of 2.9% on the 2021 figure.

The Credit Committee continues to work with the Recoveries Department to reduce the level of delinquency in the organization, which continues to play a vital role in the reduction of delinquency over the years.

12.8 MORATORIUMS

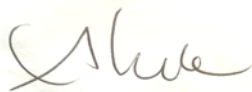
During the review period, three hundred and forty-four (344) requests for moratoriums valuing \$18,053,849 were received. The approved Moratoriums were two hundred and eight (208) representing a value of \$15,907,518. Moratoriums were given to our members to assist with the negative impact of the Covid 19 Pandemic as well as the eruption of the La Soufriere volcano.

12.9 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 thank you for your commitment to the Credit Union by way of your savings and honouring of loan obligations.

We take this opportunity to 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. Furthermore, we would like to say thank you for the continuous guidance to the Supervisory Committee, Education Committee, Credit Department and Board of Directors, as working hand in hand 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.



Susan Clarke
Chairperson



Licia Nero
Secretary

13. REPORT OF THE SUPERVISORY AND COMPLIANCE COMMITTEE TO THE 61ST ANNUAL GENERAL MEETING OF THE KINGSTOWN CO-OPERATIVE CREDIT UNION

13.1 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 programmes and activities during the period under review to the 61st Annual General Meeting of the Kingstown Co-operative Credit Union.

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.

DUTIES

The duties and responsibilities of the Committee as outlined in Sections 65-71 of the Co-operative Societies Act 2012 includes but 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 record of all meetings and activities undertaken in carrying out the Committee's duties.

13.2 COMPOSITION OF THE COMMITTEE AND ATTENDANCE AT MEETINGS

At the 60th AGM one (1) member was elected to serve on the SCC, namely, Bro. Steve Millington. The Committee held its first meeting on 18th July 2022 and elected its Chairman and Secretary. Bro Elvis Dublin and Sis Daniella Henry were elected unopposed respectively.

The current committee members are as follows

Bro. Elvis Dublin	Chairman
Sis. Daniella Henry	Secretary
Sis. Akisha Yearwood	Member
Sis. Moureeze Franklyn	Member
Bro. Steve Millington	Member

The Committee convened thirty (30) meetings and made two (2) site visits to each of the branches during the period under review.

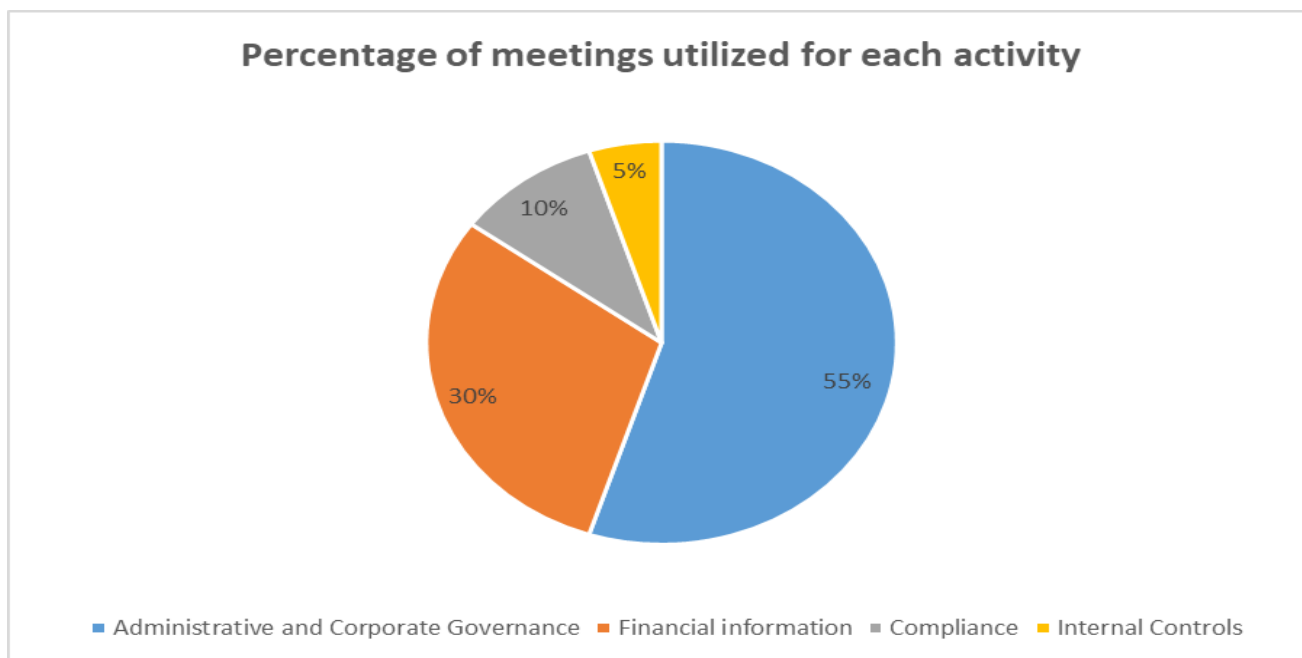
The Committee attendance and composition is as follows;

MEMBER	NO OF MEETINGS ATTENDED (30)
Elvis Dublin	30
Daniella Henry	28
Steve Millington	28
Akisha Yearwood	30
Moureeze Franklyn	28

ACTIVITIES DURING 2022/2023

This section is graphic summary of the Supervisory and Compliance Committee activities during the period under review. The activities are grouped in relation to the Committee’s duties.

The following chart illustrates the amount of time spent on the different areas of responsibility by the Committee.



13.3 Administrative and Corporate Governance

Fostering Good Corporate Governance within the organisation 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 of good Corporate Governance systems resides with the Board of Directors and for that reason the Committee sought to convene quarterly meetings with them to share our findings and recommendations.

This effort was severely affected by the Covid 19 protocols. However, we were able to convene one in person meeting in the first quarter of 2023.

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

- ◆ We proposed to the BOD than an all-out effort be made to acquire a building/property in Kingstown for the purpose of housing our Administrative Offices. This is deemed necessary because of the increasing staff population coupled with an increase in the products and services offered to our members.
- ◆ Reports for board meetings be made available at least two (2) days before the meeting, this would allow for more substantive discussion on reported matters, e.g. AML/CFT/PFT
- ◆ To employ a Legal officer and Internal Auditor, a document outlining the merits of such proposal was presented to the Board of Directors.
- ◆ A change to the hours of work in keeping with the KCCU/CTAWU Employment Agreement of 37 1/2 hours per week.

Our Committee noted several areas worthy of commendation by the BOD, these include

- ◆ The purchase of a vehicle and employment of a driver.
- ◆ The Launch of a Solar Farm in Kingstown Park
- ◆ The opening of a Western Union Branch in Kingstown
- ◆ Establishment of an IT Governance Committee
- ◆ The progress made with implementation of the Capital Augmentation Plan.
- ◆ The launch of the AIA bus stop.
- ◆ The completion of the building in Marriaqua that now houses the archives.

13.4 MEETINGS WITH COMMITTEES, DEPARTMENT MANAGERS AND OFFICERS

13.4.1 EDUCATION COMMITTEE

Meetings held with the Education Committee highlighted and discussed issues relating to the Scholarship Awards Policy and the registration process. Some improvement has been made by the Committee in that regard. We applauded them for the creativity displayed in the execution of some of their activities but advised that some more formally (parliamentary procedure) be practised during their meetings.

13.4.2 CREDIT COMMITTEE

A meeting with the Credit Committee was to listen and observe their processes and procedures in the handling of Loan Applications.

We were satisfied that the committee is applying the required policy and guidelines in the execution of their duties.

13.4.3 DEPARTMENT MANAGERS AND OFFICERS

The Committee held scheduled meetings with

- CEO (Ag)
- Chief Accountant
- Human Resource officer
- IT officer
- Customer Service Manager
- Recoveries Manager

Those meetings gave us an opportunity to grasp the operations of the different departments in KCCU. We noted the various challenges expressed and communicated our recommendations to the BOD in our monthly reports.

13.4.4 COMPLIANCE

The Committee held several meetings with the Compliance Officer during the period. The primary focus was to keep abreast of the AML/CFT policies, plans and programmes tailored to mitigate any risk to KCCU. We reviewed several documents and policies touching and concerning AML/CFT, these included;

- ◆ Political Exposed Person (PEP) and sanction list
- ◆ Risk Assessment Policy
- ◆ AML Policy 2023
- ◆ Fraud Policy

Our findings and or recommendations following those reviews was shared with the BOD in our monthly reports.

However, a meeting on the 5th December 2022 with the FSA highlighted some areas that would require specific focus going forward. Areas mentioned include the Proliferation of Finance Terrorism (PFT), the Financial Crimes Prevention (FCP) which encompasses Fraud, Cybercrimes, Terrorism and Human Trafficking. We are required to examine the controls and procedures in place to combat potential money Laundering and to ensure that the compliance programme is in keeping with the regulations.

13.5 INTERNAL CONTROLS

Internal Controls helps to drive good corporate governance, and so, we reviewed some files and documents to test the level of controls procedures that are in place.

- ◆ Staff Loan files
- ◆ Members Loan files
- ◆ The Senior Management Agreement
- ◆ The KCCU/CTAWU Employees Agreement

At the conclusion of this exercise we noted the need for department processes manual and policies strengthening and development.

13.6 FINANCIAL INFORMATION

This aspect of our work plan we reviewed the Auditors Report for 2021, the Fixed Asset Register and the BOD monthly financials report.

Discussions were held with the CEO (Ag) on issues noted and suggested recommendations made by the auditors in their report. In cases where time-lines were given we followed up to ensure those deadlines are met.

Overall, our review findings here did not reveal anything of significant concern.

13.7 SELF EVALUATION

The committee did self-evaluations at the end of each quarter to rate our performance in the execution of our work-plan. We all agreed that most of our planned activities materialised and their objectives

13.8 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 greater focus on digitalisation 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 organisation during the period under review.



Bro. Elvis Dublin
Chairman



Sis. Daniella Henry
Secretary

14. EDUCATION COMMITTEE REPORT FOR THE 61ST ANNUAL GENERAL MEETING OF THE KINGSTOWN CO-OPERATIVE CREDIT UNION LIMITED

14.1 INTRODUCTION

The Education Committee is pleased to report to the membership on the numerous activities that were carried out during the time period under review. For the year 2022 - 2023, we had ideas for continued membership growth that would allow us to stay in touch with our members and the greater community.

14.2 COMPOSITION OF THE EDUCATION COMMITTEE MEMBERSHIP

Following the 60th Annual General Meeting, the following individuals were chosen by the Board of Directors to serve on the Education Committee in 2022–2023. On Wednesday, July 20th 2022, a special meeting was held by the Committee to elect the Chairman and Secretary outcome was as follows:

Sis. Joselle Joslyn	Chairperson
Sis. Joslyn Craigg	Secretary
Sis. Nicole Byron	Member
Sis. Niasha Stapleton	Member
Sis. Liz-Ann Laidlow	Member

Thirty-seven (37) meetings were held by the committee in total. The Committee meets on an average three to four times per month, however unscheduled meetings are held when the need arises. The Committee Chair also attends joint meetings held once a month with the Board of Directors.

The following is the attendance:

Names	No. of Meeting	Present	Absent/Excused
Sis. Joselle Joslyn	37	37	Nil
Sis. Joslyn Craigg	37	37	Nil
Sis. Nicole Byron	37	34	3
Sis. Niasha Stapleton	37	28	9
Sis. Liz-Ann Laidlow	37	29	8

14.3 THE ROLE OF EDUCATION COMMITTEE

The Education committee is a voluntary body consisting of five (5) members established by the board of directors. We use a variety of initiatives to educate both members and non-members. We are assigned with the planning, organizing, implementing, and the execution of these activities that are largely but not exclusively educational in nature and are intended to increase membership. To accomplish our goals, the committee collaborates with the Kingstown Co-operative Credit Union's management and staff.

14.4 ACTIVITIES IN REVIEW

The Committee endeavored to maintain the Kingstown Co-operative Credit Union's expected activities while also addressing the various requests and needs of our members. These activities are highlighted below in more detail:

"Celebrating the Youth of Yesterday, Today, and Tomorrow" was chosen as the theme for the KCCU 29th award ceremony in 2022. This scholarship award event for our young achievers was held in grand style on August 4, 2022, at the Frenches House. Recipients were recognized for their outstanding achievements in the Academic and Socio-Academic categories. Based on academic achievement and

financial need, six scholarships at \$1500.00 each were given out, and an additional \$3200.00 was split among four bursaries. All other applicants who were successful at the CPEA examinations and are active members of the Credit Union received a monetary token of one hundred and fifty dollars (EC\$150.00) to assist with the purchase of school supplies. In total, the Credit union paid out Twelve Thousand Two Hundred Dollars (\$12200.00) in scholarships and bursaries to successful members who sat the CPEA exams.



The ceremony was primarily hosted by past and current scholarship recipients, including Skye Hada-way (2020 recipient), Bro. Anju Dowers (2016 recipient), Tshemia Yearwood (2015 recipient), Ash-lynn Francis (2017 recipient), Naima Mclean (2020 recipient), Liz-Ann Laidlow (2002 recipient), and Naima Mclean (2020 recipient). Mr. Dylaan Nedd, another scholarship recipient and the main speak-er, stressed the importance of encouraging students to balance academics and extracurricular activi-ties in his succinct words.

In addition, invited speakers Mrs. Hannah Browne, SEO for primary schools, and Mr. Terral Mapp made brief remarks. The Sion Hill Euphonium Steel Orchestra, the Diadem Dancers, and pannist Mr. Rodney Small all entertained the audience with their performances.

The event was highly praised by both recipients and their parents, who left thoroughly entertained and motivated.

<i>Academic Scholarship Recipients:</i>	<i>Sex</i>	<i>School Attended</i>
<i>Myles Dalton</i>	<i>M</i>	<i>Kingstown Preparatory</i>
<i>Matthew Brown</i>	<i>M</i>	<i>St. Mary's Roman Catholic</i>
<i>Devin Warner</i>	<i>M</i>	<i>Questelles Government</i>
<i>Socio-Economic Scholarship Recipients:</i>		
<i>Karin Providence</i>	<i>F</i>	<i>Kingstown Preparatory</i>
<i>Albertisha Grant</i>	<i>F</i>	<i>Lodge Village Government</i>
<i>Derese Adams</i>	<i>F</i>	<i>Georgetown Government</i>

Scholarship recipients for the academic year 2022-2023:

<i>Bursary Recipients Academic::</i>	<i>Sex</i>	<i>School Attended</i>
<i>Chad Alexander</i>	<i>M</i>	<i>Kingstown Preparatory</i>
<i>Neriah Samuel</i>	<i>F</i>	<i>St. Mary's Roman Catholic</i>
<i>Socio-Economic:</i>		
<i>Shamyra Trimmingham</i>	<i>F</i>	<i>Kingstown Government</i>
<i>Malik Mckje</i>	<i>M</i>	<i>C W Prescod Primary</i>

Bursary recipients for the academic year 2022-2023:

14.4.1 KCYC SUMMER CAMP WITH A TWIST

After a two-year absence due to the Covid 19 pandemic, the KCYC Summer Camp returned with a twist, in the form of a 'Fun Day' at River 14 on August 27, 2022, with eighty youngsters in attendance. The purpose of this event was to demonstrate to our young members how their Credit Union valued them. The exciting games planned for our children were clearly the highlight of the day with medals and trophies been awarded, to the various victorious teams.



There was more than enough food to go around, including BBQ, lunchboxes, beverages, and snacks. Many thanks to all of the caterers! The Bright smiles on everyone's faces as the event drew to an end were a definite sign that everyone had an absolutely fantastic time, and the event was therefore judged to have been a success. Overall, everything went off without a hitch.

14.4.2 SCHOLARSHIP HOLDERS SCHOOL REPORTS

With a reminder of the permitted grades for forms 1-3 at 75% and forms 4-5 at 65%, the Education Committee is actively engaged in evaluating the scholarship recipients' school reports during the scholarship period. When a recipient's grades fall short of the required standards, a meeting with the student and parent/guardian is scheduled to go through the student's progress. It's important to point out that all scholarship recipients are currently fulfilling all requirements.

14.4.3 KCCU MASTER MIND QUIZ

The yearly school quiz was back after a two-year hiatus, and we at KCCU were thrilled to be able to host it. Along with this, we also reinvented the quiz competition from what it had previously been the new format was a quiz that mirrored the Jeopardy game show. This was done because we understood the value of technology and how it can act as a catalyst for innovation in school quizzes and encouraging student engagement.

This competition's goals were 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.

There were three stages to this competition:

Stage one- The Preliminaries. During the preliminary rounds, which were conducted from November 8 through November 30, 2022, 32 schools competed for a place in the semifinals and finals. The competition featured schools from Fitz Hughes on the Leeward end to Fancy on the Windward side.

Stage two- The Semi-finals. On December 12 at French's House Kingstown, ten (10) schools competed in the semifinals, with the top six (6) qualifying teams moving on to the championship.

Third stage- Finals. On December 16th 2022, finals took place at French's House Kingstown. 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:

- 1st place - Kingstown Anglican School - Javier Simmons
- 2nd place - Spring Village Methodist - Sonjay Lewis
- 3rd place - Pamelus Burke Primary - Calvin Lampkin

An iPad, a laptop, and a cell phone were awarded as prizes for first, second, and third place, respectively. Additionally, the winning school received the challenge trophy and \$2,000 for the development of the school. All other participants who took part received a certificate and goody bag full of school essentials.



14.4.4 KCCU SENIOR DAY

When we consider our senior member, the phrase "appreciation" immediately comes to mind. We cherish our senior members at KCCU, and we were thrilled to bring back this program for our senior members. On December 17th, 2022, one hundred and fifty (150) members joined us for a day of fun, entertainment and lots of food at the Rawacou Recreational Grounds; it was the ideal environment to interact with our seniors.

Planned activities include:

- ◆ Free health screenings
- ◆ Giveaways
- ◆ Live entertainment
- ◆ Photo booth
- ◆ Dominoes
- ◆ Karaoke
- ◆ Massage Therapy
- ◆ Health talk
- ◆ Pedicure and Manicures
- ◆ Dental Checks
- ◆ Dance off with Be-fit
- ◆ Live streaming of the activities



14.4.5 *DISTRUBUTION OF CHRISTMAS HAMPERS*



“People helping people” is what we do best at KCCU. Every member of our noble institution is important to us, and our people-first culture drives us to get engaged in our community and support worthy causes. That is why, on December 21st, 2022, we presented a total of thirty-five (35) food hampers, each valued \$300.00, for a total value of \$10,500.00 to families in need during that time of year. Members of the various communities were able to smile thanks to us.

14.4.6 *ADOPT-A-SCHOOL PROJECT*

We can all attest to the important role that agriculture plays in our economy, thus the Education Committee launched a project to revitalize the agricultural industry at two of the schools that were impacted by the volcanic eruption. The New Grounds primary School and Adelphi Secondary School were recognized as the schools to assist. As a result, we are pleased to provide the following details:

Adelphi Secondary School

The financial contribution of \$3008.00 has positively impacted the school's agriculture program in several ways:

- 1) The percentage of students willing to participate in the hands-on aspect of the agricultural science curriculum has increased by 80%. The students are now seeing agriculture as a profitable business where money can be earned through cultivating crops and raising livestock.
- 2) As the crop and livestock production increased, students were able to partake in the revenue generated.
- 3) It fostered closer relationships with the school and the community. When there was a high demand for chicken and vegetables in the area, great partnerships were formed.
- 4) Broiler production has expanded from 50 chickens per year to 100 chickens for the school year 2022-2023.

- 5) The School Meal feeding Program was powered by crops and livestock from the school's agricultural program, and was able to provide more nutritious meals at a lower cost.
- 6) Employees and community members can now purchase crops and livestock from the agricultural program

New Grounds Primary- School Garden Project

Goal : The project's primary goal was to support the school's feeding program, which is essential in providing food for at least 85% of the student's population.

With land readily available the following was the outcome:

- 1) On May 6, 2022, they welcomed a contribution of \$1054,00 from the Kingstown Cooperative Credit Union to assist with project's implementation.
- 2) The money was utilized to purchase a few gardening tools, seedlings, and to prepare the site.
- 3) On May 11, 2022, they started growing vegetables like peppers, cucumbers, tomatoes and eggplants.
- 4) During the harvest season, they were able to supply fresh vegetables to the kitchen's staff to prepare delicious meals for the students. Where there was a surplus, they sold it and used the earnings to purchase food for the kitchen (gas, chicken, etc.) and more seedlings to ensure the continuity of the garden.
- 5) They also decided to try watermelon crop in January, despite the fact that they were in the dry season they were nonetheless adamant. In order to address this problem, a water sprinkler was purchased, and the pupils eagerly watered the plants every morning. They were able to harvest 103 pounds of watermelon, thus deeming it a success. These were sold to the Sunrise Supermarket Arnos Vale. The proceeds were then used to purchase chickens for the school's feeding program and also to purchase other crops (pineapple, cabbage, peppers and watermelon) to continue the project.
- 6) The project also benefited the students, some of whom received free slices (those who helped in the garden) and others of whom paid \$1 for a slice.
- 7) The project thus far is a tremendous success and is indeed beneficial not only to their holistic development but also to students' physical need.
- 8) They are looking forward to creating a dining area for the students once the garden continues to be a success.

14.4.7 KCCU SCHOLARSHIP RECIPIENTS PROFESSIONAL DAY

The Education Committee planned a professional session with the theme "It's all about you" on April 14, 2023, at Frenches House. Mr. Bernard John from the training department of Service Commissions, Mrs. Kezi Francis representing the legal field, Ms. Latoya Deroche, educator and an event planner (for the launch of small businesses), Mr. Renato Gumbs from the Agriculture Department, Mr. Alex Barnwell from the Entertainment Industry, Dr. Ariel Gibson from the Medical field, and Ms. Ruth Stowe representing the Marketing department KCCU were among the presenters invited to give students an inside look at the various career opportunities available to them. There were thirty persons present for this professional session, which was mostly for our scholarship recipients. This event was a great success, and we hope that it will become a regular feature of our calendar of events.



14.4.8 EASTER NEWSLETTER

The KCCU News Letters' goals are to keep members informed, connected, and provided with helpful information. The Easter news letters were distributed to members via email and posted on various social media platforms; however, no printed editions were made. Among the newsletter's highlights were the President's Speech, Easter Celebrations on Main Land vs. the Grenadines, KCCU products and promotions, Social media and your business, and more. Please

see our website https://www.kingstowncreditunion.com/pdf/KCCU_Easter_Newsletter_2023.pdf.

14.4.9 SENIOR CARE DAY/FUN DAY ON UNION ISLAND.

This event took place at the Ashton Union Hard court on March 11, 2023. Unfortunately, we experienced a few minor hurdles, but we nevertheless went forward with the event, which began at 1:00 p.m. Due to the inclement weather and flight problems, the majority of the staff and committee members were delayed on the mainland, and as a result, we were unable to execute several of the scheduled activities. However, there were 80 attendees who enjoyed the music, the food, the impromptu games, and the bouncing castles and trampolines for the kids. We also offered health screening tests, among other things. Despite the challenges, everything went smoothly.

14.4.10 SENIOR CARE DAY/FUN DAY ON BEQUIA

Members appreciate being acknowledged and valued, and we are grateful to the community of Bequia for their ongoing support and confidence in us to satisfy their financial requirements, therefore on April 29, 2023, our team traveled to Bequia for a fun-filled day of celebrations with our members. Snack boxes, lunches, massages, pedicures, manicures, health checks, fun and activities were provided to members. We also had promotional products and giveaways for members to take advantage of throughout the day. Our members were quite pleased with our event.

The following is a summary of the Education Committee's activities held over the year.

Date	Activity	Venue	Budget Cost	Actual Cost
04 th August, 2022	Secondary Awards Ceremony	Frenches House	8541.52	\$20,741.52
27 th August, 2022	KCYC Summer Camp	River 14 Recreational Park	\$13,300.00	\$13,272.20
08 th Nov – 16 th December 2022	MASTER MIND QUIZ	Zonal Schools & Frenches House	\$14,000.00	\$12,992.00
17 th December, 2022	KCCU Senior Care Day	Rawacou Recreational Park	\$23,510.00	\$24,233.00
21 st December 2022	Distribution of Hampers	Delivered by hand to recipients	\$10,500.00	\$10,500.00
04 th March, 2023	Union Island Fun Day	Ashton Hard Court	\$17,178.08	\$19,370.66
06 th April, 2023	Newsletter	Distributed via email	\$1,000.00	\$0.00
14-April-2023	KCCU Professional Development	Frenches House	\$1,500.00	\$1,500.00
29 th April, 2023	Bequia Fun Day	Clive Tannis Playing Field	\$17,550.00	

14.5 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 recognize that our efforts would be futile if not for the commitment of the President and Board of Directors; CEO a.g, management and staff at all the branches.

We especially want to thank the Marketing Department (Sis. Ruth Stowe, Bro. Cutherbert Noel and Sis. Clairiesa Pierre) for their unwavering assistances. Your continuing support is appreciated by the committee.

I cannot express enough thanks to my committee for their continued support and encouragement. I offer my sincere appreciation for the learning opportunities provided by you.

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... or all... of the events as we continue to celebrate YOU! May God bless you all!

Co-operatively yours.



Sis. Joselle Joslyn White

Chairperson



Sis. Josyln Craigg

Secretary

PHOTO GALLERY: 2022 MEMORIES

- **AWARDS**



Staff Awards Ceremony 2022



Winner of KCCU Primary School Quiz



Top three awardees KCCU Primary School Quiz



Award of Excellence to Past Scholarship recipient



Grammar School Road Relay Winners– Reeves House

• DANCE FESTIVAL



KCCU Staff Dance Group; KCCU Ravers



• **12 DAYS OF CHRISTMAS PROMOTION**
(Hospital visits, Hamper Distribution, Dip & Win, Caroling)



- **SENIOR CARE DAY**



- **KCCU SUPPORTING THE CAUSES (Breast Cancer and Violence Against Women)**



- **CICYLN JOSEPH ACADEMIC BURSARY RECIPIENTS**



6 out of 10 of our bursary recipients 2022

- **CPEA SCHOLARSHIP AND BURSARY RECIPIENTS**



7 out of 10 of our CPEA Scholarship and Bursary Recipients

• **KCYC FUN DAY**



● **KCCU GO-GREEN INITIATIVE**



KCCU's Solar farm at Kingstown Park



● **EVERYTHING VINCY EXPO**



Award for Best Decorated Booth

NOTES



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