



The Light & Power Employees
Co-operative Credit Union Ltd.

Annual Report
2012



THE LIGHT & POWER
EMPLOYEES
CO-OPERATIVE
CREDIT UNION LTD.

ANNUAL REPORT
2012

PRAYER OF ST FRANCIS OF ASSISI

LORD, make me an instrument of thy peace,
Where there is hatred, let me sow love,
Where there is injury, pardon;
Where there is doubt, faith;
Where there is despair, hope;
Where there is darkness, light; and
Where there is sadness, joy.

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 are pardoned;
And it is dying that we are born to eternal life.

This favorite prayer of Saint Francis of Assisi is often used by credit union members at the beginning or at the end of their meetings. It is even referred to in some places as the "Credit Union Prayer."

THE LIGHT & POWER EMPLOYEES CO-OPERATIVE CREDIT UNION LTD.

Business Complex
Bush Hill, The Garrison, St. Michael

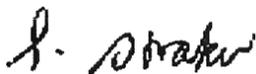
President: Mr. Kelvin Whittaker
Secretary: Miss Tiffani Straker
Treasurer: Mr. Stephen Daniel

Telephone: (246) 431-1400
Fax: (246) 228-4643
Email: lp.creditunion@caribsurf.com

NOTICE is hereby given that the 30th Annual General Meeting of The Light & Power Employees Co-op Credit Union Limited will be held on Saturday 23 March 2013 at the Lloyd Erskine Sandiford Centre, Two Mile Hill, St. Michael at 4:30 p.m.

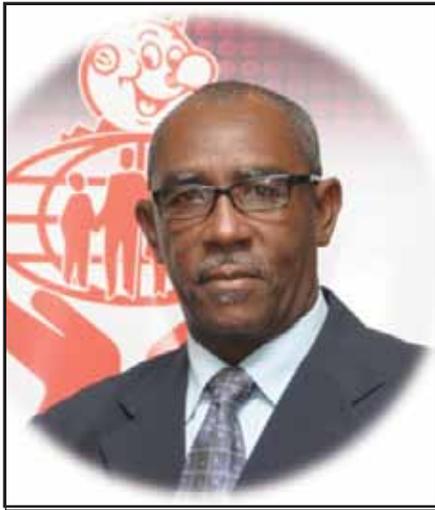
A G E N D A

1. Ascertain that a quorum is present
2. Prayers
3. Introduction of Guests from other Credit Unions
4. Feature Presentation
5. Minutes of the Annual General Meeting of 24 March 2012
6. Matters arising from the Minutes
7. Report of:
 - i) Board of Directors
 - ii) Auditors' Report and Financial Statements
 - iii) Treasurer
 - iv) Supervisory Committee
 - v) Credit Committee
 - vi) Delinquency Committee
8. Allocation of Surplus
9. Election of Officers
10. Resolutions
11. Appointment of Auditors
12. Setting of the Maximum Liability
13. Any Other Business
14. Vote of Thanks



.....
Tiffani Straker
Secretary

Visit us on-line at:
www.lpeccu.com



The Light & Power Employees Co-operative Credit Union Ltd

PRESIDENT'S MESSAGE

ON behalf of the Board of Directors and staff, I wish to assure our membership of the safety and soundness of The Light & Power Employees Co-operative Credit Union (LPECCUL). A strong financial position has always been one of our primary goals. As such, your Board has followed the most prudent philosophy in making decisions about this Credit Union. As we celebrate our 30th Annual General Meeting, we give thanks to the founding members who launched us on the path to progress. I am pleased to report that from humble beginnings our total assets now exceed \$40 million. Over the years we have avoided taking unnecessary risks to boost growth and in this current financial environment our traditional approach appears to be justified.

LPECCUL is a viable organisation which is committed to providing the best value for both borrowing and saving members. In this regard we have listened to your suggestions and while adjusting our policies and practices, we have still been able to provide a decent return to our members on their investments.

In 2012, LPECCUL increased its emphasis on youth and development. We held our inaugural Youth Forum which was a tremendous success. We are pleased to report that it was also attended by Mr. Melvin Edwards, a Past President of WOCCU. As promised the Educational Scholarship was launched to assist persons who are being educated at the tertiary and vocational level. Awards have been based on merit and need. Advanced training has continued for staff and committee members using the CARIBDE programme as well as CUES. Both bodies are recognized internationally for Credit Union executive leadership development.

It is expected that fiscal 2013 will be a challenging year. Nevertheless, our focus will be on maintaining steady growth, reducing expenditures and growing our membership. The Credit Union is already committed to upgrading its website as well as improving its internal computer systems. You will also be pleased to learn that the Board has commissioned an Architect to assist us with the restoration and refurbishment of HorseShoe Manor. This project has been in limbo for many years. It is hoped that you will give this project your full support.

We on the Board are committed to ensuring your Credit Union is managed with integrity and fiscal responsibility. Remember the Credit Union belongs to you, the member. Your suggestions are always welcome and we expect you to help foster our mutual continued growth.

.....
Kelvin Whittaker
President

MINUTES

MINUTES OF THE 29th ANNUAL GENERAL MEETING OF THE LIGHT & POWER EMPLOYEES CO-OP CREDIT UNION LTD HELD AT THE BARBADOS YACHT CLUB, BAY STREET, ST. MICHAEL ON SATURDAY 24 MARCH 2012 AT 4:30 P.M.

- 1. Ascertainment Of A Quorum**
 - 1.1 A quorum was ascertained and the meeting commenced at 4:46 p.m.
- 2. Prayers**
 - 2.1 Prayers were said by Mr. Wilfred Clarke, after which members recited the Prayer of St. Francis of Assisi.
- 3. Introduction Of Guests From Other Credit Unions**
 - 3.1 The Chairman welcomed all members and guests and those from other Credit Unions.
 - 3.2 The Chairman expressed condolences to the families of the following: Mr. Norman Burrowes (former Director of The Light & Power Employees Co-operative Credit Union), Ms. Olga Watts (former President of Endeavour Co-operative Credit Union), and Mr. George Butcher (St. Marks Co-operative Credit Union).
 - 3.3 Welcome back wishes were extended to the Secretary of the Board, Mrs. Cyrilene Bryan.
- 4. Feature Presentation**
 - 4.1 The feature presentation on Personal Financial Management was done by Dr. Justin Robinson, Dean of the Faculty of Social Sciences, University of the West Indies, Cave Hill Campus and Chairman of the National Insurance Scheme.
- 5. Minutes Of Annual General Meeting Of 21 May 2011**
 - 5.1 A motion that the minutes be taken as read was moved by Mr. Wesley Trotman and seconded by Mr. Stephen Small. The motion was carried by a majority vote.
- 5.2 Errors And Omissions**
 - 5.2.1 Minute 3.1, replace President with Chairman (and all subsequent references)
 - 5.3 A motion for the adoption of the minutes as amended was moved by Mrs. Veldene Bradshaw and seconded by Mrs. Ann Austin. The motion was carried by a majority vote.
- 6. Matters Arising From The Minutes**
 - 6.1 Mr. Wilfred Clarke queried (6.2) the status of the Horseshoe Manor project.
 - 6.1.1 The Chairman stated that the Credit Union would renovate the property under the advice of reputable realtors. The tenants had been given notice and the property was therefore vacant. The original structure and design must be maintained as advised by the Barbados National Trust.
 - 6.1.2 Mr. Clarke stated that the premises should be secured to deter persons who may wish to use the premises for unwarranted reasons.
 - 6.1.3 The Chairman assured that the Credit Union's management had secured the property against such use.
 - 6.2 Mr. Anthony Callender expressed his concern with the process for selecting members to serve on the executive.
 - 6.2.1 The Chairman indicated that the process had changed following the adoption of the amended By-laws. In the amended By-laws the committee has been changed from a Nominations Committee to a Credentials Committee. With the Credentials Committee every nomination received from members would be presented at the Annual General Meeting and the members would decide which nominee they wanted for

MINUTES

of the 29th Annual General Meeting

each vacant position. Those nomination forms must be received not less than 21 days prior to the Annual General Meeting. Those names have to be published in the media along with the notice of the Annual General Meeting. This aids in the transparency of the process.

6.2.2 Mr. Callender further queried whether that was a better system than the previous one and whether it interfered with the democratic process of the Credit Union.

6.2.3 The Chairman said that the new system was better since there was a form outlining the criteria for nomination and it must be signed by the member, proposer and seconder. The process also allowed for a Chairman of Elections which was separate from the Chairman of the Annual General Meeting.

6.3 Mr. Howard Griffith queried whether the Credit Union made an effort to recognize The Barbados Light & Power Co Ltd during its 100th Anniversary Celebrations.

6.3.1 The Chairman said that efforts had been made and that the matter was being addressed.

6.4 A motion that the minutes be taken as read was moved by Mr. Eric Trotman and seconded by Mr. Willis Hall.

7. Reports

7.1 BOARD OF DIRECTORS

7.1.1 A motion that the report was taken as read was moved by Mr. Wilfred Clarke and seconded by Miss Sheena Edwards.

7.1.2 The Chairman outlined plans for the International Year of Co-operatives and these included: A Youth

Forum, and at a national level, a Co-op Fest, and a conference.

7.1.3 The Chairman informed that there were consultations with a WOCCU representative Mr. Dave Grace and Mr. Hutton from Jamaica who dealt with shared services.

7.1.4 The Credit Union would be launching a Savings Club with one or two of the neighbouring schools.

7.1.5 Mr. Winfield Jordan asked whether consideration was given to diversification of the membership of the Credit Union to preserve the membership base, in the event that persons left The Barbados Light & Power Company Ltd and there was a decline in membership.

7.1.6 The Chairman said that the membership bond was within a 5 mile radius. The Credit Union sought out quality membership and that kept the delinquency under 0.5% and in line with the PEARLS ratio.

7.1.7 Mr. Reginald Parris added that most persons were members of more than one Credit Union. The responsibility was therefore on the Credit Union to grow the membership through our members in order to take our Credit Union forward.

7.1.8 Mr. Anthony Callender asked whether the Credit Union was pursuing the delinquency policy as rigorously as possible.

7.1.9 The Chairman said yes and that when the delinquency became chronic these persons were still pursued even after the debts had been written off.

7.1.10 A motion for the adoption of the report was moved by Mr. Wesley Trotman and seconded by Mr. Paul Blackman.

MINUTES

of the 29th Annual General Meeting

- | | |
|---|--|
| <p>7.2 AUDITORS REPORT AND FINANCIAL STATEMENT</p> <p>7.2.1 The Auditors Report was read by Mr. Drayton Carter of Drayton J. Carter & Co.</p> <p>7.2.2 A motion that the report be taken as read was moved by Mr. Howard Griffith and seconded by Mrs. Veldene Bradshaw.</p> <p>7.3 TREASURER'S REPORT</p> <p>7.3.1 This report was presented by Mr. Stephen Daniel.</p> <p>7.3.2 A motion that the Financial Statements be taken as read was moved by Mrs. Gillian Marshall and seconded by Mr. Wilfred Clarke.</p> <p>7.3.3 Mrs. Dian Brathwaite asked if lowering the mortgage interest rate would encourage members to borrow more.</p> <p>7.3.4 Mr. Stephen Daniel said it was being actively considered.</p> <p>7.3.5 Mr. Howard Griffith in analyzing the Loan Growth Rate in the PEARLS ratios, said that there was in year 2010, \$ 1.954 million in loans and only \$0.828 million in year 2011, that there was a lot of cash in the Credit Union and there is a need to create a better environment for the members. This was an opportunity for us to improve the interest rate and the members' position. Not only for mortgage interest but rebates on mortgage. He asked for guidance on the Employee's Benefit Scheme, where in 2010 there was a negative balance of \$31,417 and in year 2011 a positive of \$12,169. He asked whether there was a movement of funds.</p> <p>7.3.6 Mr. Daniel said that two members had retired and withdrawn their funds.</p> | <p>7.3.7 Mr. Griffith asked how much the Board had projected to spend on the renovations to Horseshoe Manor?</p> <p>7.3.8 Mr. Reginald Parris stated that initially it was \$1.5 to \$2 million dollars but could be more since it was an old building and the costs could be more.</p> <p>7.3.9 Mr. Winfield Jordan asked if all avenues were exhausted in recovering the delinquent loans?</p> <p>7.3.10 Mr. Daniel said that he stated that although they were written off the books, the Credit Union was still actively pursuing the recovery of the loans.</p> <p>7.3.11 A motion for the acceptance of the Treasurer's Report was moved by Mr. Trevor Williams and seconded by Mrs. Paula Palmer.</p> <p>7.4 SUPERVISORY COMMITTEE</p> <p>7.4.1 A motion that the report be taken as read was moved by Mr. Victor Callender and seconded by Mrs. Veldene Bradshaw.</p> <p>7.4.2 A motion for the adoption of the report was moved by Mrs. Ann Austin and seconded by Miss Joanne Bradshaw. The motion was carried by a majority vote.</p> <p>7.5 CREDIT COMMITTEE</p> <p>7.5.1 A motion that the report be taken as read was moved by Mr. Winfield Jordan and seconded by Mr. John Blades. The motion was carried by a majority vote.</p> <p>7.5.2 Mr. Winfield Jordan asked whether the Credit Union was allowed to provide business loans.</p> <p>7.5.3 Mrs. Palmer replied that the Credit Union provided business loans to members.</p> |
|---|--|

MINUTES

of the 29th Annual General Meeting

- 7.5.4 Mr. Grantley Haynes queried the high percentage of education loans, since he was of the opinion that education was free.
- 7.5.5 Mrs. Palmer stated that there were members who borrowed for distance learning and overseas studies. The category was a consolidation of school, education and computer loans.
- 7.5.6 Mr. Anthony Callender stated that there would be a new traffic regulation where vehicles 5 years and over would have to be inspected. He said that this may have implications regarding comprehensive insurance coverage and asked whether the Credit Union would review its policy regarding vehicle loans.
- 7.5.7 Mrs. Palmer stated that she was not aware of that regulation and that when it was legislated the Credit Union would make the necessary amendments to its policy.
- 7.5.8 A motion for the adoption of the report was moved by Mrs. Dian Brathwaite and seconded by Mrs. Veldene Bradshaw. The motion was carried by a majority vote.
- 7.6 DELINQUENCY COMMITTEE
- 7.6.1 A motion that the report be taken as read was moved by Mr. Wesley Trotman and seconded by Mr. Malcolm Mayers. The motion was carried by a majority vote.
- 7.6.2 A motion for the adoption of the report was moved by Mr. Trevor Williams and seconded by Mr. Winfield Jordan.
- 8. Allocation Of Surplus**
- 8.1 Mr. Stephen Daniel stated that the Board of Directors proposed a dividend of 10 cents per share.
- 8.2 A motion for the acceptance of the dividend was moved by Mr. Anthony Callender and seconded by Miss Roxanne Marks. The motion was carried by a majority vote.
- 8.3 A motion to amend the agenda to address item 11 at that time was moved by Mr. Anderson Henry and seconded by Miss Paula Palmer.
- 9. Appointment Of Auditor**
- 9.1 A motion for the appointment of Drayton J Carter & Co as Auditors for fiscal year 2012 was moved by Mr. Wilfred Clarke and seconded by Mrs. Ann Austin. The motion was carried by a majority vote.
- 9.2 The Auditor was excused at that time.
- 10. Election Of Officers**
- 10.1 The Chairman stated that the Nominations Committee had been replaced with a Credentials Committee as outlined in the amended By-laws. The Chairman of the Credentials Committee was Mr. Dave Taylor and the other members of the Committee were Mr. Nigel Harris and Mr. Howard Griffith. He further stated that the Chairman of Elections was Mr. Victor Callender.
- 10.2 Mr. Dave Taylor then outlined the criteria for nominations as outlined on the nominations form, and stated that all nominations had been reviewed by the committee. He added that all persons presented to the committee were of good standing.
- 10.3 BOARD OF DIRECTORS
- 10.3.1 Mr. Victor Callender declared that there were two vacancies on the Board of Directors. He further stated that nominations were received for the following persons:

MINUTES

of the 29th Annual General Meeting

Mr. Kelvin Whittaker
Mr. Wesley Trotman

Mr. Wilfred Clarke
Mr. Anthony London
Mrs. Veldene Bradshaw
Miss Glendeen Bancroft
Mrs. Dian Brathwaite

10.3.2 These members were declared duly elected to the Board of Directors to serve a three-year term.

10.4 SUPERVISORY COMMITTEE

10.4.6 Lots were drawn and the results were as follows:

10.4.1 Mr. Callender stated that all the members of the Supervisory Committee for the current year would have to be re-elected. In the past the members served for only one-year. However as outlined in the amended By-laws the committee would now serve on a rotation basis. Two members would serve for three years, two members would serve for two years and one member would serve for one year.

Mr. Wilfred Clarke – 3 years
Mrs. Veldene Bradshaw -3 years
Mr. Anthony London – 2 years
Miss Glendeen Bancroft – 2 years
Mrs. Dian Brathwaite – 1 year

10.4.7 Mr. Callender stated that the committee would have one-term before they could be re-elected.

10.4.2 Mr. Callender declared all seats on the committee vacant. He stated that nominations were received for following persons:

10.5 CREDIT COMMITTEE

10.5.1 Mr. Victor Callender stated that there were three nominations for the Credit Committee. These were:

Mr. Kelvin Whittaker
Mr. Wilfred Clarke
Mr. Charles Holder
Mr. Anthony London
Mrs. Veldene Bradshaw
Miss Glendeen Bancroft
Mrs. Dian Brathwaite

Mrs. Gillian Marshall
Mr. Charles Holder
Mr. Wayne Wilson

10.5.2 Mr. Callender confirmed that these members were willing to serve on the committee. He therefore declared them duly elected to the Credit Committee.

10.4.3 Mr. Callender stated that Mr. Kelvin Whittaker was already elected to the Board of Directors and was therefore not eligible for a seat on this committee.

10.5.3 Lots were drawn and the results were as follows:

10.4.4 Mr. Callender asked whether all persons nominated were willing to stand for election. Mr. Charles Holder then withdrew his name from the nominations.

Mrs. Gillian Marshall – 1 year
Mr. Charles Holder – 2 years
Mr. Wayne Wilson – 3 years

10.4.5 Mr Callender then declared the following persons duly elected to the Supervisory Committee:

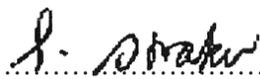
11. Resolutions

11.1 There were no resolutions.

MINUTES

of the 29th Annual General Meeting

- 12. Setting Of The Maximum Liability**
- 12.1 The Chairman stated that the Board recommended that the maximum liability was set at \$25 million. The motion was moved by Mr. Winston Sealy and seconded by Mrs. Gillian Marshall.
- 13. Any Other Business**
- 13.1 Mr. Anthony Callender asked that the nominations forms be posted to the members so that they could all be part of the process.
- 13.2 Mr. Eric Trotman asked what was the rationale behind the Supervisory and Credit Committee only serving one term, since throughout the movement those committees served for two terms.
- 13.3 The Chairman stated that it was to give them the opportunity to sit on another committee. The process could however be reviewed.
- 13.4 Tokens were presented to the retiring Directors and Committee members.
- 13.5 Tokens were presented to all children present.
- 13.6 Door prizes were presented as follows:
\$100 savings Voucher: Mrs. Sandra Clarke, Mr. Dave Taylor, Mrs. Cindy Callender, Miss Sheena Edwards, Mr. Howard Griffith
Iron Life Water: Mr. Hugh Fitt, Mrs. Gillian Marshall
\$250 Insurance Voucher: Miss Harriet Clarke
Lunch Voucher: Mr. Kirk Hazell Jr., Ms Susan Fitt
- 13.7 The Chairman declared that the date of the next Annual General Meeting is the 23 March 2013.
14. The vote of thanks was delivered by Mr. Anderson Henry.
- 14.1 There being no further business the meeting ended at 9:49 p.m.



.....
Tiffani Straker
Secretary

ATTENDANCE

OF THE 29TH ANNUAL GENERAL MEETING

ON SATURDAY 24TH MARCH 2012

MEMBERS

1.	Alleyne, Angela	27.	Daniel, Andrina	53.	King, May-Etta
2.	Austin, Ann	28.	Daniel, Aviston	54.	London, Anthony
3.	Austin, Danielle	29.	Daniel, Bernadine	55.	Lynton, Dave
4.	Austin, Melissa	30.	Daniel, Stephen	56.	Marks, Roxanne
5.	Bancroft, Glendeen	31.	Dottin, Wayde	57.	Marshall, Gillian
6.	Barrow, Caryl	32.	Edwards, Sheena	58.	Mason, Hazelana
7.	Blackman, Paul	33.	Fitt, Hugh	59.	Mayers, Malcolm
8.	Blades, John	34.	Fitzgerald, Angela	60.	Medford, Bonita
9.	Bradshaw, Jo-Anna	35.	Foster, Jeffrey	61.	Moore, Ricardo
10.	Bradshaw, Veldene	36.	Gill, Lisa	62.	Palmer, Andrea
11.	Brathwaite, Danica	37.	Gittens, Trevor	63.	Palmer, Paula
12.	Brathwaite, Danny	38.	Greaves, Reginald	64.	Parris, Reginald
13.	Brathwaite, Dian	39.	Green, Whitfield	65.	Polius, Mathilda
14.	Bristol, Herman	40.	Griffith, Howard	66.	Polius-Alleyne, Rawle
15.	Bryan, Cyrilene	41.	Griffith, Paul	67.	Sealey, Winston
16.	Bryan, Lena	42.	Hall, Willis	68.	Shockness, Corey
17.	Burgess, Kevin	43.	Harris, Yvette	69.	Small, Stephen
18.	Cadogan, Dian	44.	Haynes, Grantley	70.	Springer, St Clair
19.	Callender, Anthony	45.	Henry, Anderson	71.	Straker, Tiffani
20.	Callender, Cindy	46.	Hinds, Harriet	72.	Taylor, Dave
21.	Callender, Victor	47.	Holder, Charles	73.	Trotman, Eric
22.	Clarke, Harriet	48.	Holder, Colin	74.	Trotman, Wesley
23.	Clarke, Sandra	49.	Holder, Wendell	75.	Whittaker, Kelvin
24.	Clarke, Wilfred	50.	Jennings, Ricaido	76.	Williams, Trevor
25.	Coppin, James	51.	Jordan, Linda	77.	Wilson, Wayne
26.	Corbin, Wayne	52.	Jordan, Winfield	78.	Yearwood, Cecil

GUESTS

1. Babb, Sheila – Teachers Co-operative Credit Union Ltd
2. Bancroft, Kerrie
3. Barton, Fergusson – Endeavour Co-operative Credit Union Ltd
4. Carter, Drayton J – Drayton J Carter & Co
5. Fitt, Susan – Endeavour Co-operative Credit Union Ltd
6. Forde, Moreta D – Bartel Co-operative Credit Union Ltd
7. Haynes, Hally – Barbados Co-operative and Credit Union League Ltd
8. Hazell Jr., Kurt
9. Hope, Clayton – Teachers Co-operative Credit Union Ltd
10. Jones, Keith – Bartel Co-operative Credit Union Ltd
11. Maxwell, Shem – BET Co-operative Credit Union Ltd
12. Robinson, Justin
13. Shuffler, Brent – City of Bridgetown Co-operative Credit Union Ltd

MINUTES SPECIAL GENERAL MEETING

MINUTES OF A SPECIAL GENERAL MEETING OF THE LIGHT & POWER EMPLOYEES
CO-OPERATIVE CREDIT UNION LTD HELD IN THE CHRISTIE CONFERENCE ROOM,
BARBADOS LIGHT & POWER CO LTD, THE GARRISON, ST MICHAEL ON THURSDAY 22ND
NOVEMBER 2012

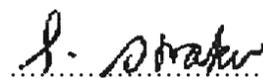
1. **Ascertainment Of A Quorum**
 - 1.1 A quorum was ascertained and the meeting began at 5:20 p.m.
2. **Prayers**
 - 2.1 Prayers were said by Rev. Nigel Harris.
 - 2.2. An excuse was offered for Vice-President Mr. Reginald Parris who was overseas.
3. **Discussion And Amendment To By-Law 40**
 - 3.1 Mr. Kelvin Whittaker stated that the meeting was to discuss the amendment to By-Law 40(d). He said that in the past only the Board of Directors' term of office was rotated. The terms of office for the Supervisory and Credit Committee was rotated that year for the first time. He continued that the Supervisory and Credit Committees served one (1) term of three (3) years.
 - 3.2 Mr. Whittaker stated that the meeting was held to seek approval for By-Law 40(d) to be amended, to have two (2) terms of office for these committees, for continuity purposes as that was the best option.
 - 3.3 Mr. Whittaker then read the old By-Law 40.
 - 3.4 Mr. Cori King queried whether a member could choose not to seek re-election after the first term of office.
 - 3.5 Mr. Whittaker said yes.
 - 3.6 Mr. Dennis Gooding asked if there was a problem finding members to serve on these committees.
 - 3.7 Mr. Whittaker replied that there were always persons willing to serve.
 - 3.8 Mr. Wilfred Clarke stated that the resolution should have been circulated to members prior to the meeting.
- 3.9 Mr. Whittaker said that the By-Law to be amended was circulated prior to the meeting.
- 3.10 Mr. Williams stated that a resolution could be moved from the floor if the members consented by unanimous decision. He added that the meeting was to discuss the amendment to By-law 40(d) and if the members agreed then the resolution would be moved to amend the said By-Law.
- 3.11 Mr. Williams stated that since the By-Law had been discussed the motion would then be moved to amend the By-Law. Mr. Williams then read the old By-Law 40, following which he read the proposed amendment to By-Law 40.
- 3.12 Mr. Trevor Williams then read the resolution to amend By-Law 40(d).
- 3.13 A motion for the amendment to By-Law 40(d) was moved by Mr. Trevor Williams and seconded by Mr. Winfield Jordan. The motion was carried by a majority vote of 30.
- 3.14 Mr. Trevor Williams then read By-Law 40(d) as amended by members.

4 Any Other Business

- 4.1 There was no further business.

5.. Vote Of Thanks

- 5.1 Mr. Kelvin Whittaker thanked all members for attending the meeting.
- 5.2 A motion for the termination of the meeting was moved by Mr. Winston Harewood and seconded by Mr. Wilfred Clarke. The motion was carried by a majority vote.
- 5.3 The meeting was terminated at 6:39 p.m.



.....
Tiffani Straker
Secretary, Board of Directors

ATTENDANCE
AT SPECIAL GENERAL MEETING
ON 22ND NOVEMBER 2012

MEMBERS

1. Austin, Ann
2. Bancroft, Glendeen
3. Blackman, Paul
4. Brathwaite, Danica
5. Brathwaite, Dian
6. Brathwaite, Veldene
7. Bryan Cyrilene
8. Bushell, Kim
9. Clarke, Wilfred
10. Daniel, Bernadine
11. Daniel, Stephen
12. Denis Gooding
13. Edwards, Sheena
14. Fitzgerald, Angela
15. Hall, Willis
16. Harewood, Winston
17. Harris Nigel
18. Henry Anderson
19. Jordan Winfield
20. King, Cori
21. King, Gerry
22. King, Ronald
23. Mason, Hazelana
24. Palmer, Andrea
25. Palmer, Paula
26. Straker Tiffani
27. Trotman, Eric
28. Trotman, Wesley
29. Whittaker, Kelvin
30. Williams, Trevor

TENURE OF OFFICE

BOARD OF DIRECTORS

Remaining Term

President	Kelvin Whittaker	2 years
Vice President	Reginald Parris	1 Year
Secretary	Tiffani Straker	Nil
Treasurer	Stephen Daniel	Nil
Assistant Secretary	Cyrlene Bryan	Nil
Assistant Treasurer	Wesley Trotman	2 years
Member	Anderson Henry	1 year

Supervisory Committee

Remaining Term

Chairman	Wilfred Clarke	2 years
Secretary	Anthony London	1 year
Member	Veldene Bradshaw	2 years
Member	Glendeen Bancroft	1 year
Member	Dian Brathwaite	Nil

Credit Committee

Remaining Term

Chairperson	Gillian Marshall	Nil
Secretary	Wayne Wilson	2 years
Member	Charles Holder	Nil
Member	Paula Palmer	Nil

THE BOARD OF DIRECTORS



Kelvin Whittaker
President



Reginald Parris
Vice President



Tiffani Straker
Member



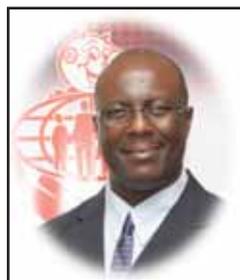
Stephen Daniel
Treasurer



Wesley Trotman
Assistant Treasurer

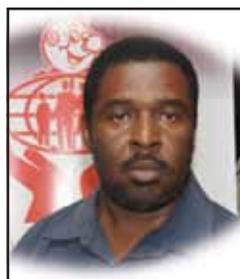


Cyrilene Bryan
Assistant Secretary



Anderson Henry
Member

SUPERVISORY COMMITTEE



Wilfred Clarke
Chairperson



Anthony London
Secretary



Glendeen Bancroft
Member



Veldene Bradshaw
Member



Dian Brathwaite
Member

CREDIT COMMITTEE



Wayne Wilson
Secretary



Gillian Marshall
Chairperson



Paula Palmer
Member



Charles Holder
Member

THE BOARD OF DIRECTORS REPORT

FOR THE YEAR ENDED 31 DECEMBER 2012

Attendance January to March 2012:

Name	Position	Meetings	Attended	Excused
Kelvin Whittaker	President	4	4	-
Reginald Parris	Vice-President	4	4	-
Stephen Daniel	Treasurer	4	3	1
Cyrlene Bryan	Secretary	4	2	2
Anderson Henry	Asst. Treasurer	4	4	-
Dave Taylor	Asst. Secretary	4	4	-
Tiffani Straker	Member	4	4	-

Attendance April to December 2012:

Name	Position	Meetings	Attended	Excused
Kelvin Whittaker	President	14	14	-
Reginald Parris	Vice-President	14	12	2
Stephen Daniel	Treasurer	14	14	-
Tiffani Straker	Secretary	14	11	3
Cyrlene Bryan	Asst. Secretary	14	9	5
Wesley Trotman	Asst. Treasurer	14	14	-
Anderson Henry	Member	14	13	1

Overview

The year 2012 was another challenging one. The majority of countries in the world experienced financial problems related to recessionary conditions and debt servicing. The challenges were more pronounced in the United States of America and in Europe where most countries experienced nominal growth or negative growth. The Barbados economy was not isolated from the global effects and struggled to ease out of a recession that started over five years ago.

The overall performance of the Barbados economy in many aspects is similar to that of our Caricom partners who have also been adversely impacted by the weakness of the global economy. Unemployment is still reported to be at double digit levels and growth in GDP is forecast to be less than one per cent. It is within this context

that the Board of Directors of The Light & Power Employees Co-operative Credit Union Ltd. presents the report of the performance of the Credit Union for the year ended December 2012. Given the challenging economic environment, as well as strong competition from other financial institutions, our Credit Union performed well, achieving a surplus of \$0.395 million. The Treasurer's Report will provide full analysis of our financial performance. However, some of the highlights of our performance are listed in the following areas:

- ◆ Assets increased by \$1.43 million or 3.7% to reach \$40.09 million
- ◆ Net loans increased by \$2.08 million or 8.1% to \$27.67 million
- ◆ Net new members increased by 35 to 1673

THE BOARD OF DIRECTORS REPORT

FOR THE YEAR ENDED 31 DECEMBER 2012

- ◆ Members' Non-Qualifying Share balances increased by \$0.86 million or 4% to reach \$22.25 million
- ◆ Delinquent loans stood at 1.2% of the total loan portfolio.
- ◆ The Credit Union's capital to asset ratio stands at 11%.

The Board's primary goals in fiscal 2012 were to implement policy initiatives and strategic measures which would contain cost, maintain the solid financial structure of the business and prepare a platform for a more viable organization in the future. For the year 2012, the Board established some key performance areas to guide it in achieving stated business objectives. These included the following:-

- Member education
- Increased loans and savings
- Delinquency control
- Human resources and training

The Board is satisfied that satisfactory progress has been made in every area.

Financial Developments

During the past year there was evidence of consolidation and rebranding within the financial sector. Interest rates within the system remained low and general uncertainty within the economy resulted in a reduction of lending. Consequently there was excess liquidity in the system. Competition for delivery of products and services intensified as providers adopted more aggressive approaches to maintain market share. To match the competition, we adjusted our payments to cater to the needs of our membership. It is recognized that payments fit into monthly budgets in a more meaningful way than interest rates do. This has had a positive impact in assisting members to achieve what matters to them.

The regulators have issued draft guidelines which are intended to strengthen the governance and overall operation of the credit union movement within Barbados. Discussions have already been held and we are awaiting the implementation date.

Membership/Membership Outreach

During the year there was a net increase of 35 persons who joined our credit union. This growth cannot be considered as being robust and is below the 5% growth target set for the fiscal year. Our membership growth was impacted negatively by the death of some members as well as current economic hardships which forced a number of persons to cease their relationship with us. It should be noted that the value of our asset base per member is now \$23,968.00 as compared with \$23,708.00 at the end of the previous year. This growth is nominal but must be considered within an environment where disposable income of members has been reduced and the capacity to save has been further reduced by the increased cost of living. We continue to thank those members who have assisted in the marketing effort to recruit additional members.

An Education Committee was established and it has commenced the process of providing additional information to the members. The Board is aware of the need to communicate more effectively with the entire membership. During the year, greater efforts were made to reach out to all members, particularly those who are not directly associated with our sponsoring company. This has had a positive impact on our sales growth. Members can expect an upgrade of our website during the coming year as we seek to keep the flow of information and communication at a constant level.

The Board has launched several initiatives geared towards the youth and this is further discussed in the Education Committee Report.

THE BOARD OF DIRECTORS REPORT

FOR THE YEAR ENDED 31 DECEMBER 2012

Technology

There was a full review of our computer systems and it is recognized that in many respects there is a need for an upgrade of same if we are to cater more efficiently and effectively to our membership. During the year the Credit Union issued a re-branded identification card to members. Printing of cheques internally has also commenced in the latter part of the year and there are plans to upgrade our website. Consistency in delivery of high quality service is critical to our survival in this competitive service sector. The Board is therefore actively seeking a strategic partner which will enable us to provide a broader range of services at affordable costs.

Capital Projects

Over one year ago a sub-committee was established to make specific recommendations for the development of the HorseShoe Manor property. This committee is chaired by the Vice-President who has been working with the various parties involved to ensure that feasible options can be realized. As indicated previously, the process is slow due to the number of organizations involved. Additionally, the fact that the building is classified as a “listed” building by the Barbados National Trust limits the options which are available, as any restoration work must meet certain specific conditions. We have had preliminary drawings prepared for a fully restored property.

Human Resources

During the year the Credit Union continued its programme of training and development of both staff and volunteers through online and specialist trainers. Both staff and committee members attended the Caribbean Development Education Programme (CaribDe). The CaribDe expounds on current legislative and regulatory issues, good governance, the International Co-operative Principles, the financial climate and their impact on credit unions in the Caribbean.

Members of staff and committees attended courses sponsored by The Barbados Co-operative Credit Union League Limited which are aimed at improving the overall skill level of credit unionists in Barbados. Training for staff was also provided by The Barbados Light & Power Company Limited and the Board expresses its appreciation for this assistance.

Staff commitment to the Credit Union remains high and there was no reduction in the staff complement during the year. During the year Mr. Charles Alfred Holder who had been elected to the Credit Committee resigned due to illness. He was replaced by Mrs. Paula Palmer. The Board wishes to record its appreciation to both staff and volunteers for the loyalty and commitment to the Credit Union during the past year and for their contribution to the attainment of our success.

The Credit Union Movement

During the period 21st to 27th June, 2012 the 55th Annual Convention of the Caribbean Confederation of Credit Unions as well as the 41st Annual General Meeting was held in Jamaica. The Trinidad & Tobago Co-operative Credit Union League organised a leadership conference from 30th May to 3rd June, 2012 and this was held in Curacao. The annual convention of the World Council of Credit Unions Ltd was held in Gadansk, Poland during the period 12th to 20th July 2012.

Two members of the Board attended seminars on Strategic Planning in Vancouver, Canada in June, 2012. This was part of the advanced management training provided by the Credit Union Executive Society for directors (CUES).

Members of our Credit Union continue to be actively involved with the administration of Credit Unions locally. Mr. Anderson Henry was elected to the Board of Directors of the Barbados Co-operative credit union League. Mr. Kelvin Whittaker has been appointed as Deputy Chairman of the Co-operators General Insurance Limited.

THE BOARD OF DIRECTORS REPORT

FOR THE YEAR ENDED 31 DECEMBER 2012

Community Involvement

Our Credit Union makes an important contribution to the economic and social wellbeing of our country, particularly in these difficult economic times. We continued our commitment and provided support to worthy causes that were engaged in education, health, culture and social welfare. We have committed to a partnership with The Graydon Sealy Secondary School to support their sports programme.

Condolences

We extend sincere condolences to all members of the Credit Union family who lost loved ones during the past year.

Outlook

The year 2013 is expected to be a challenging one for our members and the Credit Union. Income levels are anticipated to remain relatively stable and increased pressure on disposable income is more than likely to occur. Members are therefore advised to use the Credit Union services and products judiciously and avoid unnecessary risk exposure. Our primary objective in fiscal 2013 will be to build on the progress we have made in the past to achieve consistent and sustainable performance over the long term. To this end the Strategic Plan is to be upgraded. We continue to position our Credit Union to face the challenges by

maintaining the level of training for all staff and the committee members.

Our statutory reserves have been further increased above the minimum levels to ensure we are in a position to cushion any shocks and provide for long term growth. This will involve increasing the volume of good loans while continuing a rigorous approach in managing delinquencies. A full review of our strategic plan will be done in the first quarter of the next fiscal year and we shall endeavour to diversify our existing income sources as we anticipate that low interest rates will continue to adversely impact investment yields.

Acknowledgements

The Board wishes to thank all Committees, staff and other stakeholders who provided assistance and contributed to our success during the past year. We extend thanks to each member for the support and the confidence placed in us.



.....
Kelvin Whittaker
President

The Light & Power Employees Co-operative Credit Union Limited

PEARLS Analysis

Pearls is an analysis of a Credit Union's performance. PEARLS is the acronym for Protection, Earnings, Asset Quality, Rate of Growth, Liquidity and Structure. Following is a comparison of our position as represented by the PEARLS analysis for the period ended December 2012 as compared to December 2011.

Description	Ratios	December 2012	Pearls Attained	December 2011	Pearls Attained	Pearls Benchmark
Capital/Total Assets <i>A measure of the Credit Union's ability to absorb losses</i>	<u>Capital</u> Total Assets	4,416,848 40,097,672	11.02%	4,067,872 38,667,636	10.52%	8% or greater
Net Income/Average Assets <i>Measures the Credit Union's ability to generate capital.</i>	<u>Net Income</u> Average Assets	394,865 39,382,654	1.00%	377,527 36,407,884	1.04%	1% or greater
Operating Expense/Income <i>Measures the Credit Union's ability to generate capital.</i>	<u>Operating Exp.</u> Total Income	1,503,265 3,130,397	48.02%	1,528,529 3,402,887	44.92%	50% or less
Loans/Total Assets <i>Indicates the Credit Union's ability to meet short-term cash obligations.</i>	<u>Loans</u> Total Assets	27,946,579 40,097,672	69.70%	25,843,005 38,667,636	66.83%	70% to 80%
Loans/Savings <i>Indicates the Credit Union's ability to meet short-term cash obligations.</i>	<u>Loans</u> <u>Savings</u>	27,946,579 34,928,998	80.01%	25,843,005 33,823,682	76.41%	70% to 85%
Delinquent Loans/Total Loans <i>Indicates the quality of the loan portfolio.</i>	<u>Delinquent Loans</u> Total Loans	324,035 27,946,579	1.16%	389,888 25,843,005	1.51%	5% or less
Non-earning Assets/Total Assets <i>A high ratio that will have an adverse effect on the Credit Union's profitability.</i>	<u>Non-Earning Assets</u> Total Assets	370,877 40,097,672	0.92%	273,037 38,667,636	0.71%	6% or less
Savings Growth Rate <i>Indicates the success of the Credit Union in providing services to its members.</i>	<u>Net Growth</u> P/Y <u>Savings</u>	1,105,316 33,823,682	3.27%	4,615,886 29,207,796	15.80%	10% to 20%
Loan Growth Rate <i>Indicates the success of the Credit Union in providing services to its members.</i>	<u>Net Growth</u> P/Y <u>Loan Balance</u>	2,103,574 25,843,005	8.14%	828,399 25,014,606	3.31%	8% to 15%

The Light & Power Employees Co-operative
Credit Union Limited
Financial Statements
December 31st, 2012

DJC & Co.

Drayton J. Carter & Co.
Chartered Accountants
Bridgetown
Barbados

Table of Contents	Page
Independent Auditors' Report	1
Balance Sheet	2
Statement of Income	3
Statement of Changes in Members Equity	4-5
Statement of Cash Flows	6
Notes to the Financial Statements	7-15
Sch. 1 - Details of Operating and Administrative Expenses	16-17

Drayton J. Carter & Co.

Chartered Accountants
1st Floor Annex, 'Halsworth'
Welches Road
St. Michael
Barbados



Drayton J. Carter & Co.

Chartered Accountants



Auditors' Report to the Members of The Light & Power Employees Co-operative Credit Union Limited

We have audited the accompanying financial statements of **The Light & Power Employees Co-operative Credit Union Limited** which comprise the balance sheet as of December 31, 2012, the statement of income, statement of changes in members' equity, statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the financial statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of **The Light & Power Employees Co-operative Credit Union Limited** as of December 31, 2012 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and in compliance with the Co-operatives Societies Act and its accompanying Regulations.

Drayton J. Carter & Co.

BARBADOS

March 7th, 2013

The Light & Power Employees Co-operative Credit Union Limited

Balance sheet

As of December 31, 2012

	Notes	2012 \$	2011 \$
Assets			
Cash and bank balances	3	4,032,624	5,310,398
Amounts receivable	4	111,169	94,396
Due from affiliate	5	2,244	2,713
Investments	6	5,241,852	4,597,149
Loans to members – net	7	27,676,394	25,596,976
Property, plant and equipment - net	8	3,033,389	3,066,004
		-----	-----
Total Assets		40,097,672	38,667,636
		=====	=====
Liabilities and Members' Equity			
Accounts payable	9	235,762	278,017
Demand deposits	10	12,669,196	12,419,288
Employee benefit scheme	11	516,064	498,065
		-----	-----
		13,421,022	13,195,370
Non-qualifying shares	12	22,259,802	21,404,394
		-----	-----
Total liabilities		35,680,824	34,599,764
		-----	-----
Members' Equity (Pages 4 and 5)			
Equity shares		167,300	163,800
Statutory reserves		3,088,104	2,770,293
Undivided surplus		764,941	764,757
Other reserves		396,503	369,022
		-----	-----
Total members' equity		4,416,848	4,067,872
		-----	-----
Total Liabilities and Members' Equity		40,097,672	38,667,636
		=====	=====

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

Approved by the Board on March 7th, 2013 and signed on its behalf by:

 Director

 Director

The Light & Power Employees Co-operative Credit Union Limited
Statement of Income
December 31, 2012

	Notes	2012 \$	2011 \$
Interest income			
Loan interest		2,542,222	2,459,163
Other interest		99,965	107,731
		-----	-----
		2,642,187	2,566,894
		-----	-----
Interest expenses			
Interest on deposits		359,676	334,621
Interest on non qualifying shares		872,591	1,162,211
		-----	-----
		1,232,267	1,496,832
		-----	-----
Net interest income		1,409,920	1,070,062
Other income			
Gain on sale of shares		0	413,405
Rental income		211,095	243,433
Dividends received		47,370	28,661
Investment income		176,215	137,815
Other income		53,530	12,680
		-----	-----
Net income after interest expense		1,898,130	1,906,056
		-----	-----
Expenses			
Staff cost (Schedule 1)		700,179	657,504
Operating and administrative (schedule 1)		351,952	469,667
Depreciation		97,565	87,355
Membership security		187,940	158,746
Meetings and conferences		165,629	155,257
		-----	-----
Total other expenses		1,503,265	1,528,529
		-----	-----
Net operating income for the year		394,865	377,527
		=====	=====

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

The Light & Power Employees Co-operative Credit Union Limited
Statement of Changes in Members Equity
December 31, 2012

	Share Capital	Statutory Reserve	Other Reserves	Undivided Surplus	Total
Balance at January 1, 2011	\$ 159,400	2,464,636	779,297	764,661	4,167,994
Net Income for the year	0	0	0	377,527	377,527
<u>Transfers:</u>					
Statutory reserve	0	300,382	0	(300,382)	0
Co-op Education fund	0	0	3,775	(3,775)	0
Dividends paid	0	0	0	(3,274)	(3,274)
Net increase in share capital	4,400	0	0	0	4,400
Contingency Fund	0	5,000	(5,000)	0	0
<u>Appropriations:</u>					
Co-op Education fund	0	0	(1,262)	0	(1,262)
Development fund	0	0	40,000	(40,000)	0
Social, education and welfare funds	0	0	10,000	(30,000)	(20,000)
Entrance fees & fines	0	275	0	0	275
Fair Value Adjustment (FVA)	0	0	(457,788)	0	(457,788)
Balance at December 31, 2011	\$ 163,800	2,770,293	369,022	764,757	4,067,872
Balance at January 1, 2012	\$ 163,800	2,770,293	369,022	764,757	4,067,872
Net Income for the year	0	0	0	394,865	394,865
<u>Transfers:</u>					
Statutory reserve	0	317,516	0	(317,516)	0
Co-op Education fund	0	0	3,949	(3,949)	0
Dividends paid	0	0	0	(3,216)	(3,216)
Net increase in share capital	3,500	0	0	0	3,500
Contingency Fund	0	0	0	0	0
<u>Appropriations:</u>					
Co-op Education fund	0	0	(3,775)	0	(3,775)
Development fund	0	0	40,000	(40,000)	0
Social, education and welfare funds	0	0	0	(30,000)	(30,000)
Entrance fees & fines	0	295	0	0	295
Fair Value Adjustment (FVA)	0	0	(12,693)	0	(12,693)
Balance at December 31, 2012	\$ 167,300	3,088,104	396,503	764,941	4,416,848

The Light & Power Employees Co-operative Credit Union Limited
Statement of Changes in Members Equity
December 31, 2012

	2012	2011
Other reserves comprise:		
Fair value reserve	\$ 62,785	75,478
Co-op Education Fund	3,949	3,775
Contingency Fund	0	0
Social, education, and welfare funds	30,000	30,000
Development fund	299,769	259,769
	-----	-----
	\$ 396,503	369,022
	=====	=====

The Light & Power Employees Co-operative Credit Union Limited
Statement of Cash Flows
December 31, 2012

	2012	2011
Cash flows from operating activities		
Net income for the year	\$ 394,865	377,527
Adjustments for non-cash income and expenses		
Depreciation	97,565	87,355
Loss on sale of asset	4,716	7,509
Gain on sale of shares	0	(413,405)
Changes in operating assets and liabilities		
Increase/(Decrease) in amounts receivable	(16,773)	31,475
Decrease (Increase) in amounts due from affiliate	469	(420)
(Decrease) in accounts payable	(42,255)	(8,939)
	-----	-----
Net cash from operating activities	438,587	81,102
	-----	-----
Cash flows from investing activities		
Loans to members	(2,079,418)	(782,370)
Investments	(657,396)	(1,314,025)
Additions to property and equipment	(69,666)	(89,985)
	-----	-----
Net cash used in investing activities	(2,806,480)	(2,186,380)
	-----	-----
Cash flows from financing activities		
Members' deposits	249,908	2,025,624
Employee benefit scheme	17,999	12,679
Non-qualifying shares	855,408	2,590,262
Share capital	3,500	4,400
Dividends paid	(3,216)	(3,274)
Social, welfare, education & development funds	(33,775)	(21,262)
Entrance fees & fines	295	275
	-----	-----
Net cash generated by financing activities	1,090,119	4,608,704
	-----	-----
Net change in cash and cash equivalents	(1,277,774)	2,503,426
Cash and cash equivalents, beginning of year	5,310,398	2,806,972
	-----	-----
Cash and cash equivalents, end of year	\$ 4,032,624	5,310,398
	=====	=====

1. Registration and Principal Activity:

The Light and Power Employees Co-operative Credit Union Limited was registered on January 1, 1984 and continued under the Co-operative Societies Act 1990-23. The Credit Union exists principally to promote the economic interest of its members in accordance with co-operative principles.

2. Statement of accounting policies

Basis of preparation

These financial statements are stated in Barbados dollars and have been prepared in accordance with International Financial Reporting Standards (IFRS) under the historical cost convention.

Estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

Adoption of new and revised Standards and Interpretations

In the current year the Society has adopted all new and revised Standards and Interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee of the IASB, that are relevant to its operations and effective for the current fiscal year. Compliance with the Standards and Interpretations has not resulted in any significant changes to the Society's accounting policies or financial disclosure. The following are significant accounting policies adopted by the Society:

Allowance for doubtful loans

The allowance for doubtful loans of \$270,185 (2011: \$246,029) is based upon a detailed analysis of the loan portfolio and reflects the amount which in management's judgement provides adequately for potential losses.

Investments

Available-for-sale

Securities disclosed as available-for-sale are intended to be held for an indefinite period but may be sold in response to a need for liquidity or to benefit from favourable economic conditions. Available-for-sale investments are restated at their fair market value and unrealised gains or losses arising from the restatements are presented under general reserves.

Government debt securities

Government debt securities are stated at cost and are adjusted for the amortisation of discount where the security was purchased at a discount.

2. Statement of accounting policies *(continued)*

Other investments

All other investments are stated at cost.

Property, plant and equipment

Property, plant and equipment are recorded at cost less accumulated depreciation and impairment losses. Depreciation on property, plant and equipment, excluding land, is provided over the estimated lives of the respective assets on the straight-line basis.

The annual depreciation rates are applicable:-

Building	2%
Furniture and equipment	10%
Computer system	25%
Motor vehicle	20%

Impairment of assets

At each reporting date fixed and other assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected assets or group of assets is estimated and compared with their carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognized immediately in the income statement.

Entrance fees

Entrance fees and fines are credited directly to the Statutory Reserves.

Corporation Tax

The Credit Union is exempt from taxation under Section 9(g) of the Income Tax Act of Barbados, Chapter 73.

Group pension plan

The Society has established a group pension plan termed a "Defined Contribution Plan" on behalf of its permanent employees. All pension cost in relation to this scheme is expensed when incurred in accordance with IAS 19.

Foreign currency transactions

Foreign currency transactions completed during the year are recorded at the actual rates of exchange prevailing at the dates of such transactions.

Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Society and the revenue can be measured reliably. Interest on loans to members is recognized on the cash received basis.

2. Statement of accounting policies (continued)

Financial instruments

Financial assets and financial liabilities are recognized on the balance sheet of the Society when it becomes a party to contractual provisions of the underlying transactions and the bases of the accounting are disclosed in the specific item identified.

	2012	2011
3. Cash and bank balances		
Cash holdings	\$ 105,607	49,386
Savings account	3,078,784	2,251,409
Current account	848,233	3,009,603
	-----	-----
	\$ 4,032,624	5,310,398
	=====	=====

The Society earned interest on its savings account and current accounts at the rates ranging from 1.50% to 2.50% at the end of the financial year.

4. Amounts Receivable

Trade receivables & prepayments	\$ 32,044	29,020
Accrued interest	42,762	33,697
Rent receivable	14,711	20,528
VAT refundable	21,652	11,151
	-----	-----
	\$ 111,169	94,396
	=====	=====

5. Due from affiliate

Reddy Kilowatt Co-operative Society Ltd.	\$ 2,244	2,713
	=====	=====

6. Investments

	Market Price	Market Value	Market Value
Quoted securities / (Available-for-sale)			
Banks Holdings Ltd. – 21,899 shares	\$ 3.00	65,697	72,048
Insurance Corporation of Barbados - 50,000 shares	\$ 2.60	130,000	125,000
Cable & Wireless (Barbados) Ltd- 33,360 shares	\$ 5.00	166,800	178,142
		-----	-----
		\$ 362,497	375,190
		-----	-----

The Light & Power Employees Co-operative Credit Union Limited
Notes to the Financial Statements
December 31, 2012

	2012	2011
6. Investments (continued)		
<u>Unquoted securities</u>		
Barbados Co-operative & Credit Union League Ltd.	\$ 59,370	59,387
Central Fund Facility Trust- Statutory reserves (3.00%)	40,000	0
Central Fund Facility Trust- Ordinary deposit (2.75%)	20,000	0
Central Fund Facility Trust- Fixed deposit (3.00% -2013)	40,000	0
Co-operators General Insurance Co. Ltd. 4,598 (2011: 4,518) Ordinary shares	533,580	516,780
Co-operators General Management Co. Inc. 882 Ordinary shares	17,640	17,640
	-----	-----
	\$ 710,590	593,807
	-----	-----
<u>Government debt securities</u>		
Treasury Note # 0079 (4.75% - 2016)	\$ 500,000	500,000
Treasury Note # 3 (4.375% - 2014)	1,000,000	1,000,000
Government Savings Bonds (5% - 2016)	39,220	39,220
Allotment # 0007 (7%- 2024)	500,000	0
	-----	-----
	2,039,220	1,539,220
	-----	-----
<u>First Citizens Investment Services (Barbados) Limited</u>		
Government security debenture 2026 (3.5 - 4.25%)	\$ 1,079,545	1,038,932
	-----	-----
<u>Capita Financial Services Inc</u>		
Certificate of Deposit (5.00% - 2013)	550,000	550,000
	-----	-----
<u>Co-operators General Management Co. Inc.</u>		
Mortgage Loan receivable (10 years @ 7%)	500,000	500,000
	-----	-----
	\$ 5,241,852	4,597,149
	=====	=====

The Light & Power Employees Co-operative Credit Union Limited
Notes to the Financial Statements
December 31, 2012

	2012	2011
7. Loans to members		
Loan portfolio	\$27,946,579	25,843,005
Provision for loan losses	(270,185)	(246,029)
	-----	-----
	\$27,676,394	25,596,976
	=====	=====

The Society offers ordinary loans to members at rates varying from 6% to 11% per annum. The maximum loan limit as at December 31, 2012 was \$400,000.00. A line of credit facility is also in place offering members revolving credit up to \$15,000.00 at the interest rate of 15% per annum. Interest charged by the Society is computed on the reducing balance basis.

8. Property, Plant & Equipment

	Total \$	Land & Buildings \$	Furniture & Equip. \$	Computer Equip. \$	Motor Vehicle \$
<u>Cost</u>					
Balance at start	4,268,558	3,746,392	280,545	205,098	36,523
Additions	69,666	3,667	21,317	44,682	0
Disposals	(38,634)	0	(678)	(37,956)	0
	-----	-----	-----	-----	-----
Balance at end	4,299,590	3,750,059	301,184	211,824	36,523
	-----	-----	-----	-----	-----
<u>Depreciation</u>					
Balance at start	1,202,554	806,931	192,091	167,009	36,523
Additions	97,564	61,597	17,683	18,284	0
Disposals	(33,917)	0	(106)	(33,811)	0
	-----	-----	-----	-----	-----
Balance at end	1,266,201	868,528	209,668	151,482	36,523
	-----	-----	-----	-----	-----
Dec 31, 2012	3,033,389	2,881,531	91,516	60,342	0
	=====	=====	=====	=====	=====

The Light & Power Employees Co-operative Credit Union Limited
Notes to the Financial Statements
December 31, 2012

8. Property, Plant & Equipment *(continued)*

	Total \$	Land & Buildings \$	Furniture & Equip. \$	Computer Equip. \$	Motor Vehicle \$
<u>Cost</u>					
Balance at start	4,216,739	3,713,544	259,071	207,601	36,523
Additions	89,985	32,848	21,908	35,229	0
Disposals	(38,166)	0	(434)	(37,732)	0
	-----	-----	-----	-----	-----
Balance at end	4,268,558	3,746,392	280,545	205,098	36,523
	-----	-----	-----	-----	-----
<u>Depreciation</u>					
Balance at start	1,145,856	745,881	177,328	186,124	36,523
Additions	87,355	61,050	14,806	11,499	0
Disposals	(30,657)	0	(43)	(30,614)	0
	-----	-----	-----	-----	-----
Balance at end	1,202,554	806,931	192,091	167,009	36,523
	-----	-----	-----	-----	-----
Dec 31, 2011	<u>3,066,004</u>	<u>2,939,461</u>	<u>88,454</u>	<u>38,089</u>	<u>0</u>

Lands and buildings shown at the net cost of \$2,881,531.00 as at December 31, 2012 have a current valuation of \$ 6,950,000.00 as determined by the Department of Land Tax. The appraisal excess of \$ 4,068,469.00 is not accounted for in these financial statements.

	2012	2011
9. Accounts Payable		
Trade payables	\$ 15,253	16,274
Interest payable	220,509	258,992
Non members payable	0	2,751
	-----	-----
	\$ 235,762	278,017
	=====	=====

The Light & Power Employees Co-operative Credit Union Limited
Notes to the Financial Statements
December 31, 2012

	2012	2011
10. Demand Deposits		
Savings deposits	\$ 8,658,097	8,545,035
Term deposits	270,773	273,747
Fixed deposits	3,740,326	3,600,506
	-----	-----
	\$ 12,669,196	12,419,288
	=====	=====

Interest paid on deposits varied between 3.00% and 3.25% per annum.

11. Employee Benefit Scheme

Balance, end of year	\$ 516,064	498,065
	=====	=====

This scheme is designed to encourage employees and members' to set aside current funds to meet their long term retirement obligations. The scheme is also designed to provide benefits to any employee who by reason of extended illness or other circumstances suffers a prolonged loss of income. The interest rate paid by the scheme at the end of the financial year was 4.25%. Withdrawals from the scheme before the conditions noted above are paid inclusive of interest effective on the date of withdrawal.

12. Members ordinary shares

International Accounting Standard (IAS) 32 requires that shares capable of being withdrawn from the credit union be classified as liabilities and payments to members based on these shares be classified as an interest expense and presented as a charge in arriving at net surplus. The Co-operatives Societies Regulations, 2008 at section 32, set a minimum value for qualifying shares to be shown as equity of \$50.00. The society at its Special General Meeting held on September 24, 2008 approved its minimum amount for qualifying shares at \$100.00.

13. Commitments

Commitments in respect of loans approved but not disbursed as at December 31, 2012 were \$2,400,389 (2011: \$3,565,431).

14. Comparative information

During the completion of the financial statements of the current year certain of the prior year amounts were reclassified to conform to the current year's financial statements presentation.

15. Financial instruments and risk management

Financial risk factors

The Society's activities expose it to a variety of financial risk: market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

Market risk

The Society takes on exposure to market risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks mainly arise from changes in foreign currency exchange rates and interest rates.

Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Concentrations of currency risk

The Society provides all its services to members in the Island of Barbados and has limited exposure to foreign currency risk.

Interest rate risk

Interest rate risk is the risk that the value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Due to the nature of the Society's business there is a significant exposure to interest rate risk.

Credit risk

Credit risk arises from the possibility that counter-parties may default on their obligations to the Society. Credit exposures arise principally from loans, receivables and cash held with financial institutions.

Maximum exposure to credit risk

	2012	2011
Bank balances	\$ 4,032,624	5,310,398
Amounts receivable	111,169	94,396
Investments	5,241,852	4,597,149
Loans to members - net	27,676,394	25,596,976
	-----	-----
	\$ 37,062,039	35,598,919
	=====	=====

Liquidity risk

Liquidity risk is the risk that the Society is unable to meet its payment obligations associated with its financial liabilities when they fall due.

The Light & Power Employees Co-operative Credit Union Limited
Details of Operating and Administrative Expenses
December 31, 2012

15. Financial instruments and risk management *(continued)*

The 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 Society and its exposure to changes in interest rates and exchange rates.

The table below summarises the Society current financial liabilities at December 31, 2011 based on contractual undiscounted payments.

	2012	2011
Accounts payable	\$ 235,762	278,017
Demand deposits	12,669,196	12,419,288
Employee benefit scheme	516,064	498,065
	-----	-----
	13,421,022	13,195,370
Non-qualifying shares	22,259,802	21,404,394
	-----	-----
Total liabilities	\$ 35,680,824	34,599,764
	=====	=====

Fair value

Fair value amounts represent estimates of the consideration that would currently be agreed upon between knowledgeable, willing parties who are under no compulsion to act and is best evidenced by a quoted market value, if one exists. Fair value of financial instruments is assumed to approximate their carrying values.

The Light & Power Employees Co-operative Credit Union Limited
 Details of Operating and Administrative Expenses
 December 31, 2012

(Schedule 1)

	2012	2011
Staff cost		
Salaries	\$ 579,675	556,584
National insurance	48,012	46,863
Pension fund	24,559	33,600
Uniforms	14,210	3,533
Medical insurance	13,082	11,661
Education/training	13,361	765
Staff welfare	7,280	4,498
	-----	-----
	\$ 700,179	657,504
	=====	=====
Number of employees	11	11
	-----	-----
Office Expenses		
Stationery, office expenses and advertising	\$ 83,849	76,156
Cleaning	12,075	8,160
Utilities	20,177	19,913
Insurance	3,729	3,729
	-----	-----
	\$ 119,830	107,958
	-----	-----
Property Management		
Repairs and maintenance	\$ 15,476	31,338
Utilities	5,784	6,335
Insurance	19,212	19,213
Land tax	31,275	32,698
	-----	-----
	\$ 71,747	89,584
	-----	-----
Motor Vehicle Expenses		
Petrol and maintenance	\$ 2,337	2,160
Insurance and licensing	2,798	1,804
	-----	-----
	\$ 5,135	3,964
	-----	-----

The Light & Power Employees Co-operative Credit Union Limited
 Details of Operating and Administrative Expenses
 December 31, 2012

(Schedule 1)

	2012	2011
Other Administrative Expenses		
Audit fees	\$ 17,500	12,500
Bank charges	7,120	6,338
Donation	20,950	8,700
League dues	25,886	23,450
Loss on disposal of fixed assets	4,716	7,509
Miscellaneous	9,221	5,915
Bad debts	68,871	174,710
Travel and entertainment	976	1,666
Institutional strengthening project	0	17,223
BCCUL development fund	0	3,000
Preparation of performance appraisal system	0	7,150
	-----	-----
	\$ 155,240	268,161
	-----	-----
Total Operating and Administrative Expenses	\$ 351,952	469,667
	=====	=====

TREASURER'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2012

Overview

Amidst the many challenges faced by the financial sector in fiscal 2012, The Light & Power Employees Co-operative Credit Union Limited once again recorded satisfactory progress. The overall financial performance in achieving a net surplus of \$0.395 million can be considered favourable if measured by the PEARLS ratios which are on page 21 of this report.

Assets

Total assets increased by \$1.43 million or 3.7% to reach \$ 40.09 million. The main contributor to this increase was the growth in loans to members. At 31 December 2012 total loans net of provisions stood at \$27.67 million, approximately 8.1% higher than in the previous fiscal. The larger growth compared to previous years is attributed to the increased demand for credit, primarily to satisfy real estate related requirements. It should be noted that the Line of Credit facility, which is a very profitable segment, showed an increase in usage during the past year, reversing the decline recorded in the previous year.

For the second consecutive year, our capital/assets ratio is recorded at 11% and this is above the minimum requirement of 8%. Our capital base is relatively strong and the Board has again made contributions to the

statutory reserves which are well in excess of the legal requirement. It should be noted that our net income/average assets is recorded at 1.0%. The net income recorded was impacted by the payment of \$0.87 million in interest on non-qualifying share balances to members. A provision of \$0.068 million has been made for receivables which appear to be doubtful even though the collection process is not fully exhausted. Consequently, the quality of our asset base is considered to be strong. Delinquent accounts remained stable at \$0.3 million of the loan balance, representing 1.2% of the total. Overall, this situation is well below the acceptable level of 5% and in a year when the entire financial sector has been adversely impacted by harsh economic realities the performance is commendable

Liabilities

During the year total liabilities increased by \$1.08 million or 3.2% to a level of \$35.68 million. The major growth was recorded in the non-qualifying share balances which increased by \$0.86 million or 4% to \$22.25 million. The regular savings balance evidenced a nominal increase to reach \$8.65 million. Growth in this category would have been affected by the action of some members to utilise savings to support personal requirements in this period of economic uncertainty. The movement in both fixed deposits and Term Savings was lethargic.

TREASURER'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2012

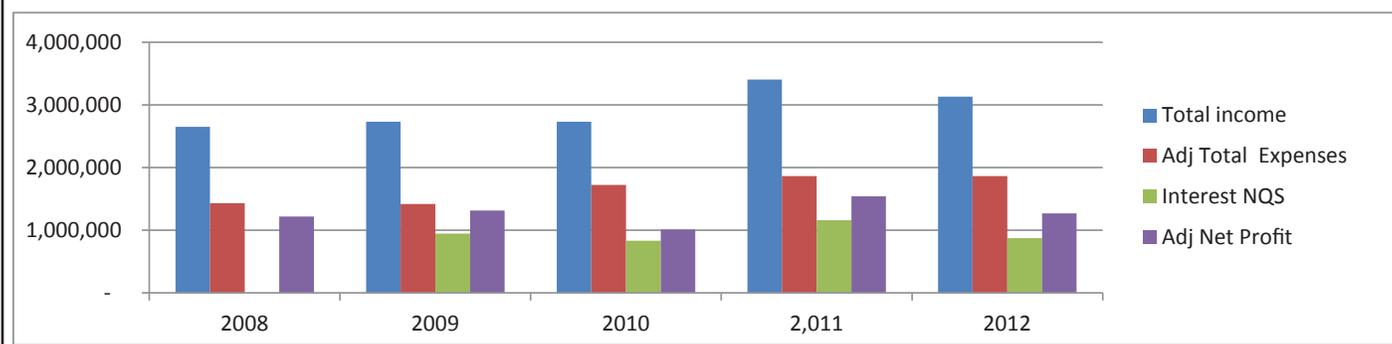
Equity

The Credit Union's equity position is strong. The Board of Directors has continued to set aside increased amounts to the statutory reserves which are in excess of the legal requirement. In this fiscal year in excess of \$300,000 was again allocated to the statutory reserves to ensure that the potential for future growth is supported.

of rental income. It should be noted that the greater utilisation of the Line of Credit facility had a positive impact on the income stream.

Net income for the financial year 2012 was \$0.39 million. However, to compare this year's financial results to those of the previous years, it is necessary to reinstate interest expense for non-qualifying shares. Net income of \$1.37 million is achieved after the reinstatement.

	2008	2009	2010	2,011	2012
Total income	2,651,392	2,730,240	2,732,317	3,402,888	3,130,397
Adj Total Expenses	1,430,754	1,417,505	1,722,818	1,863,150	1,862,941
Interest NQS	-	948,786	833,325	1,162,211	872,591
Adj Net Profit	1,220,638	1,312,735	1,009,499	1,539,738	1,267,456



Income

Gross income reflects a decline of 8% as the extraordinary investment income realised in the previous year was nullified. Revenue generated from loans increased by 3.4% to \$2.54 million despite a decision by the Board of Directors to reduce the lending rate on all mortgage loans. The other main sources of income were derived from investment as well as rentals. The prevailing lower rates on investments and deposit placements would have lowered the yields in these categories. The decision to evict all tenants from the HorseShoe Manor property resulted in a reduction

Total expenses

Total expenses decreased by 10% during the financial year to \$2.74 million. Interest expense totalled \$1.23 million. The major portion of this amount was paid to members who hold non-qualifying membership shares. Non-interest expenses were well contained within normal market expectations. Salaries for staff increased nominally. The payment to the Mutual Benefit Plan for providing membership security increased to \$0.19 million.

TREASURER'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2012

Summary

When we extract the extra-ordinary income from the previous year and consider the reduction in lending rates on a key segment of the loan portfolio, the Credit Union achieved satisfactory results. Our pricing and terms of credit have been set to satisfy the needs of our membership. Our net income growth was modest as we also provided a fair and satisfactory return to all our members. We are confident that when the greater portion of the \$2.4 million in undrawn loan commitments are booked, together with normal disbursements, our revenues should increase even further.

We recognise that occasionally some members will experience challenges and we urge you to consult with the Credit Union as early as possible. While our delinquency level is still under control any increase in the impaired assets can adversely impact our success. Nevertheless, we are confident that our Credit Union will continue to perform well.



.....
Stephen Daniel
Treasurer

THE SUPERVISORY COMMITTEE REPORT

FOR THE YEAR ENDED 31 DECEMBER 2012

At the Annual General Meeting held on 24 March 2012 at The Barbados Yacht Club, the following persons were elected to serve according to the newly amended By-Laws of The Light and Power Employees Co-operative Credit Union Limited.

Mr. Wilfred Clarke	3 years
Mrs. Veldene Bradshaw	3 years
Mr. Anthony London	2 years
Miss Glendeen Bancroft	2 years
Mrs. Dian Brathwaite	1 year

At its first meeting, the Supervisory Committee elected Mr. Wilfred Clarke and Mr. Anthony London to serve as Chairman and Secretary respectively. The election of members to serve on a rotation basis is the first in our Credit Union's history. This change was also effective for the Credit Committee, bringing these Committees in line with the Board of Directors which already has a rotation system in place.

In accordance with the Co-operative Society Act Cap. 378, the Supervisory Committee monitors all aspects of the Credit Union's activities. It is charged with responsibility of ensuring that the Credit Union is prudently managed and members' assets are safeguarded. This responsibility includes, but is not limited to the following:

- Examination of the books of the Credit Union
- Confirmation of cash instruments, property and securities
- Attest to monthly returns filed with the Financial Services Commission are in compliance with the Act
- Appraise the policies and operating procedures of the Credit Union and make recommendations to the Board and the Credit Committee
- Receive and investigate complaints made by members
- Monitor the management of the Credit Union

Attendance for January to March 2012

Names	Position	Meeting	Attended	Excused
Willis Hall	Chairperson	2	2	-
Ian Massiah	Secretary	2	-	2
Veldene Bradshaw	Member	2	2	-
John Blades	Member	2	2	-
Anthony London	Member	2	2	-

Attendance for April to December 2012

Names	Position	Meetings	Attended	Excused
Wilfred Clarke	Chairperson	6	6	-
Anthony London	Secretary	6	6	-
Veldene Bradshaw	Member	6	4	2
Glendeen Bancroft	Member	6	4	2
Dian Brathwaite	Member	6	6	-

THE SUPERVISORY COMMITTEE REPORT

FOR THE YEAR ENDED 31 DECEMBER 2012

- Ensure that the Credit Union complies with provisions of the Co-operative Societies Act, Regulations and the Credit Union's By-Laws
- Verify the assets of the Credit Union and ensure that they are properly protected

To this end the Supervisory Committee did the following during the review period:

- Reviewed the minutes of the Board of Directors meetings, sought clarification and made recommendations to the Board as necessary
- Installed a suggestion box to receive suggestions, comments and/or complaints from members
- Held meetings to refresh members of the Committee on the requirements of the Act, Regulations and By-Laws
- Reviewed the policies of the Credit Union and made recommendations on improving the said policies
- Verified that all the assets of the Credit Union are properly protected
- The Supervisory Committee has received, reviewed and attested to the monthly returns filed with the Financial Services Commission and sought clarifications, raised concerns and made recommendations when necessary
- Reviewed procedural changes to the operations of the Credit Union affairs to ensure that they would not negatively impact on the Credit Union
- Reviewed the minutes of the Credit Committee's meetings and ensured that all loan application requirements were met and loans disbursed were properly secured
- Reviewed the loan delinquency reports and ensured that the management is being properly addressed

The Supervisory Committee is presently reviewing the draft document, on New Guidelines For All Credit Unions, sent to all credit unions by the Financial Services Commission (FSC) for comment.

TRAINING / EDUCATION

One member of the Committee attended the Credit Union Development Educator Training Programme (CaribDe). Three members attended training provided by The Barbados Co-operative and Credit Union League Limited. Members of the Board of Directors, Credit Committee and staff continue to pursue training and higher education in disciplines which will benefit the Credit Union, as recommended by the Financial Services Commission.

The Supervisory Committee commends the Board on reviving the Education Committee and establishment of an education scholarship for qualifying members. The continuing recognition of our junior members who are transitioning from primary to secondary schools is noted.

The Committee is aware that some progress has been made in relation to the Horseshoe Manor building project. However it is still awaiting a clear and definitive plan for this project, as this has been ongoing for over eight (8) years. That apart, the Committee is satisfied that our Credit Union is being soundly managed and that the management is executing its responsibilities with prudence.

The Supervisory Committee wishes to extend its appreciation to the staff of the Credit Union as well as the Board and the Credit Committee for the assistance and co-operation during the past year.

To you the members of the Credit Union, we thank you for the confidence you have placed in us and we look forward to serving you in the future.


.....
Wilfred Clarke
Chairman

THE CREDIT COMMITTEE REPORT

FOR THE YEAR ENDED 31 DECEMBER 2012

Attendance for January 1st, 2012 to March 22nd, 2012

Name	Position	Meetings	Attended	Excused
Paula Palmer	Chairperson	12	12	-
Gillian Marshall	Secretary	12	12	-
Wayne Wilson	Member	12	10	2

Attendance for March 29th, 2012 to December 31st, 2012

Name	Position	Meetings	Attended	Excused
Gillian Marshall	Chairperson	39	37	2
Wayne Wilson	Secretary	39	34	5
Charles Holder	Member	18	6	12
Paula Palmer	Member	21	17	4

At the Annual General Meeting held on March 24th, 2012, the following persons were elected to serve on the Credit Committee:

Gillian Marshall – Chairperson

Wayne Wilson – Secretary

Charles Holder – Member

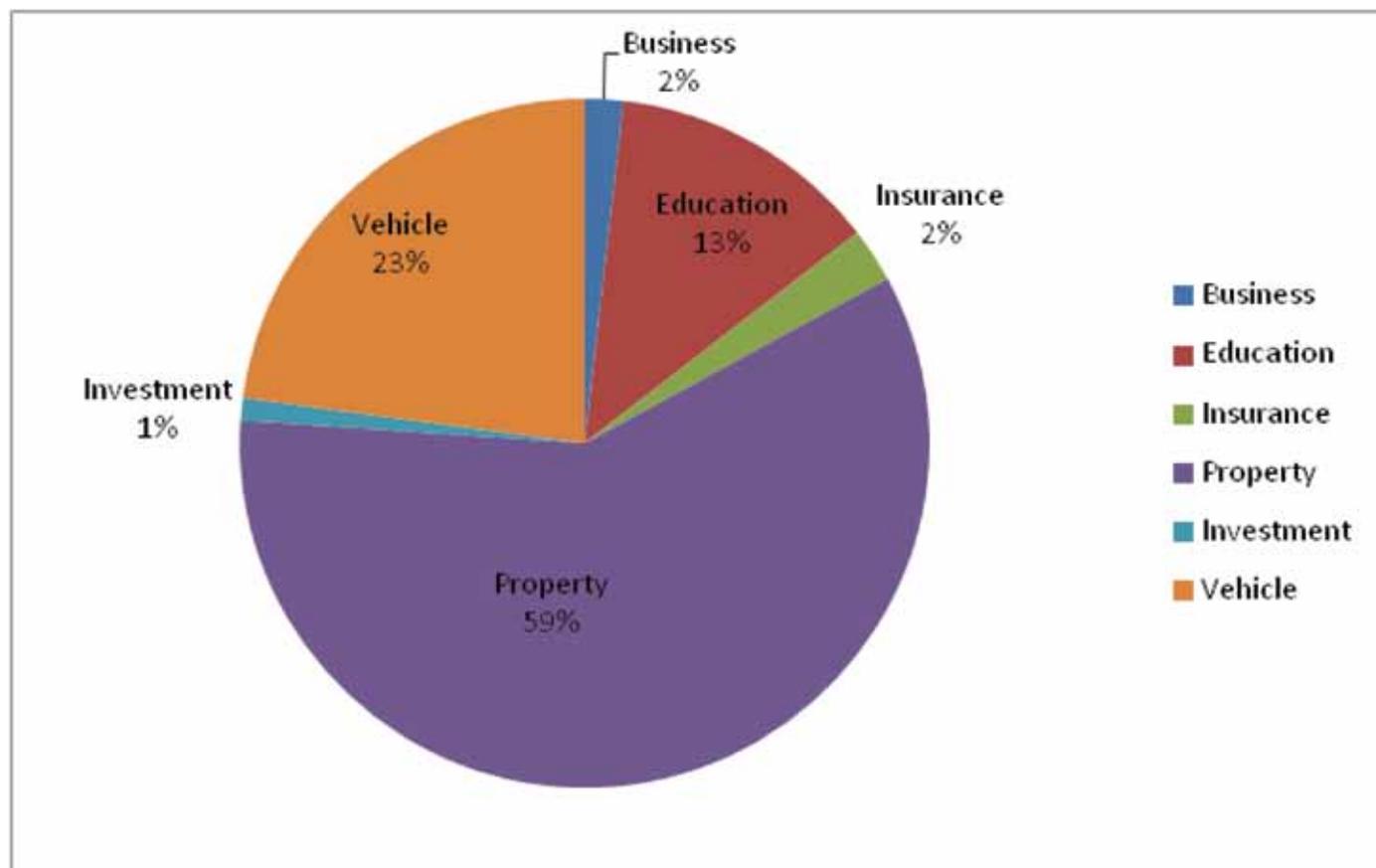
During the year, Mr. Holder experienced personal challenges and as a result, was unable to continue his duties. In order to enable the Credit Committee to continue functioning at its optimal capacity, the Board of Directors appointed Mrs. Paula Palmer to fill this vacancy effective July 26th, 2012. In addition, Credit

Committee members undertook training to further expand their knowledge base through a number of courses offered by The Barbados Co-operative & Credit Union League Ltd. and Caribbean Development Educators Programme (CaribDe).

The Credit Committee is charged with ensuring that the credit union is making the best use of members' deposits by lending those funds to fellow members. This is done after careful consideration of the 5 "C"s – Capacity (ability to repay); Collateral (security offered); Character (repayment history); Capital (savings/assets) and Condition (purpose for funds).

THE CREDIT COMMITTEE REPORT

FOR THE YEAR ENDED 31 DECEMBER 2012



Loan Comparison For Major Categories In 2012

In fiscal year of 2012, the loan portfolio grew by 8%. The loans and advances for the year totalled \$8,435,295.00 compared to \$7,870,108.00 which was disbursed in 2011. In addition, we continued to promote our various loan products by offering specials on our School Supplies and Christmas Loans by reducing interest rates from 12% to 10%. Such specials resulted in the growth of 45% in our School Supplies loans with a disbursement of \$554,068.00 compared to the previous year's total of \$381,047.00.

The reduction of our mortgage rate from 8% to 7.5% was received quite favourably by our members. As a result, property continued to be the main area of interest accounting for 59% of our total loans disbursed. Advances for vehicle and educational purposes followed

with 23% and 13% respectively. For a detailed analysis of the loan comparison for the fiscal years of 2011 and 2012, kindly refer to the chart provided at the end of this report.

Unfortunately, as a consequence of the declining economy, some Credit Union members evidenced a reduction in income and small businesses, a loss of customers, which led to them experiencing financial challenges. Such occurrences led to a weak demand for business and investment loans which recorded a significant reduction of 54% and 56% respectively.

The Committee always made it a priority to assist our members in working through their financial problems and will continue to do so as the need arises. However, it is wise to caution persons not to include overtime pay as a factor in their disposable income as this can lead to overextension.

THE CREDIT COMMITTEE REPORT

FOR THE YEAR ENDED 31 DECEMBER 2012

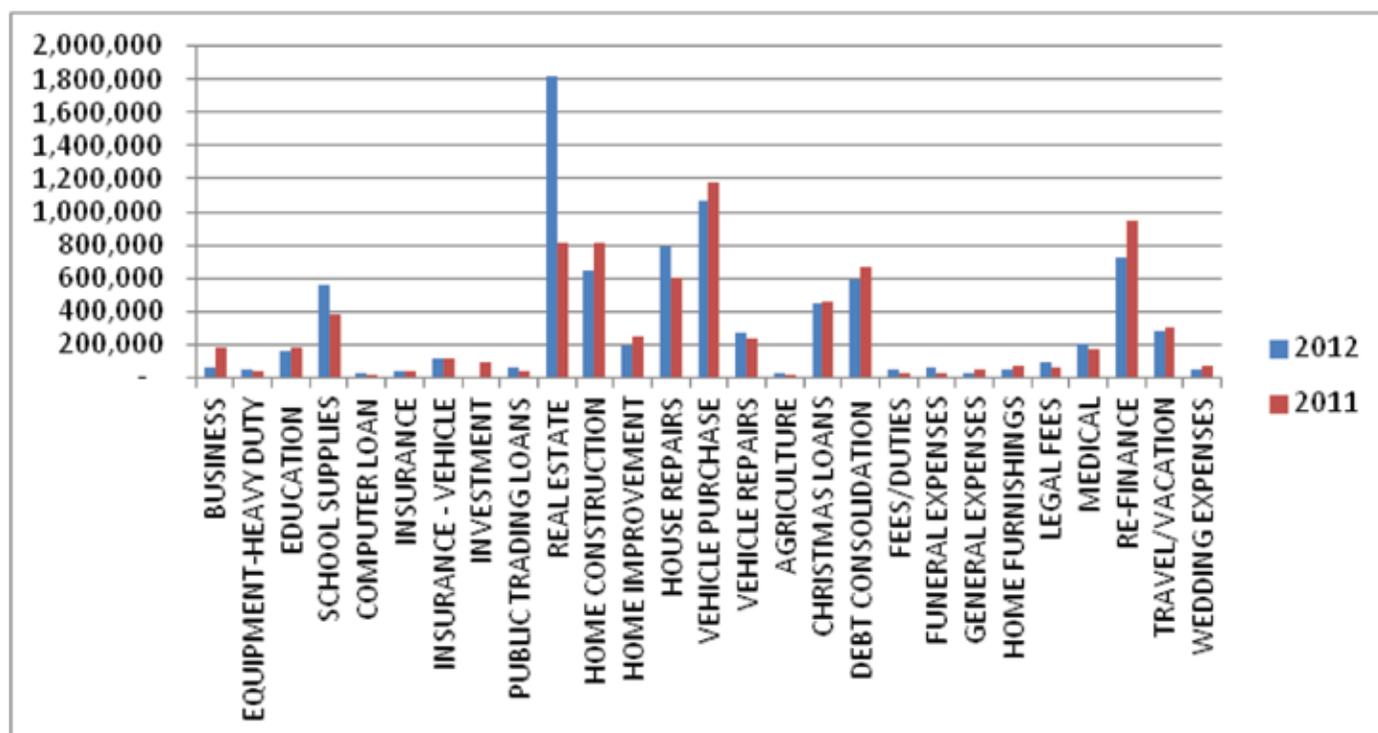
As we welcome a new year, the Credit Committee in conjunction with the Board of Directors, will continue to seek innovative ways to assist members with their financing needs. Our objective remains to be the first institution members consult when they require a loan.

As Chairperson of the Credit Committee, I have been privileged to work with a dedicated team and would

like to take this opportunity to extend appreciation for the time and wisdom they have provided.

Once again, we thank you for the opportunity to serve you, and look forward to another successful year in assisting members reach their personal and financial goals.

Loans Comparison by Category 2011 - 2012



.....
 Gillian Marshall (Mrs.)
 Chairperson

EDUCATION COMMITTEE REPORT

FOR THE YEAR ENDED 31 DECEMBER 2012

The Education Committee was formed with a mandate to educate our members by using a number of educational forums to disseminate information.

The Committee is represented by: Cyrilene Bryan, Reginald Parris, Andrea Edey, Alfred Holder, John Blades, Samantha Hazlewood and members of staff Roxanne Marks or Ricardo Moore.

Our Credit Union recognizes that the youth is a key factor for future growth of the credit union movement. In July we successfully launched the inaugural Youth Forum as part of our recognition of the International Year of the Credit Union Movement. Ten members of the Graydon Sealy Secondary School participated in the forum. We have also provided sponsorship for the school's sporting activities.

The Credit Union again made awards to sixteen junior members who successfully completed the Common Entrance Examination. The awards included financial support to assist with defraying the initial tuition costs at their Secondary Schools.

A Scholarship Award programme has been developed to provide educational assistance for qualifying members who are pursuing courses of study at the tertiary or vocational level. This programme was fully introduced

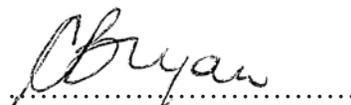
during the past year with the award of six scholarships.

The Committee hosted Credit Union Day in October, and customers were treated to tokens as they transacted business.

In November 2012, the Educational Committee hosted a lecture on "Personal Finance" by Mr. Jeremy Stephens. The lecture was informative. Two door prizes of \$100 vouchers, were won by Mr. Sanderson Holder and Mrs. Maureen Walcott respectively.

In fiscal 2013 the Committee plans to introduce a newsletter and a poster competition. We shall again continue our lecture series and support the Youth Forum.

We thank the parents for their supportive role as well as the children themselves. We also want to thank the Manager and staff for their dedication and support and we look forward to serving you.



Cyrilene Bryan
Chairperson Educational Committee

DELINQUENCY REPORT

FOR THE YEAR ENDED 31 DECEMBER 2012

The Delinquency Committee for the year ending 31 December 2012 comprised of The Credit Committee, Mr. Trevor Williams and Mrs. Ann Austin.

Aims and Objectives of the Delinquency Committee: -

1. *To recover all outstanding loan payments and/or overdue balances.*
2. *To provide financial counselling to members*
3. *To offer guidance to members who are experiencing financial difficulties, due to economic conditions or personal commitments.*
4. *To liaise with delinquent members, with a view to reaching amicable payment arrangements.*

5. *To ensure that the exposure to the Credit Union, is kept to the minimum.*

At year end, there were 16 delinquent loans with a total balance of \$324,035.

Total exposure namely “Loans at Risk” equated to 1.16 % of total loans outstanding at year-end, remaining well within the internationally ‘accepted rate’ of 5.00 %.

The following table provides a comparative analysis of Delinquent Loans: -

CATEGORIES	2012	2011	CHANGE
Total Loans Outstanding at Year End	\$27,946,579	\$25,843,005	\$2,103,574 (increase)
Shares Held for Outstanding Delinquent Loans	\$16,752	\$58,975	\$42,223 (decrease)
Total Principal Outstanding Delinquent Loans	\$324,035	\$389,888	\$65,853 (decrease)
Total Exposure (Loans at risk)	\$307,283	\$330,913	\$23,630 (decrease)
Percentage Exposure Compared to Total Loans	1.16 %	1.28 %	0.12 (decrease)
Number of Delinquent Members	16	17	1 (decrease)
Accounts Written Off	0	21	21 (decrease)
Amounts Written Off	\$0	\$77,574	\$77,574 (decrease)

DELINQUENCY REPORT

FOR THE YEAR ENDED 31 DECEMBER 2012

The management of delinquent loans during financial year 2012 was an ongoing challenge, as some members experienced difficulties in meeting their loan commitments, due to the unstable economic environment. Such circumstances reinforce the need to exercise financial prudence, if we are to successfully manage the level of delinquent accounts.

We acknowledge and commend the individuals who contacted our Loans Personnel to restructure their finances to enable more comfortable loan repayments. Unfortunately however, it was necessary to contact other delinquent members to conduct the same exercise and in some cases, reminders had to be issued to enforce payment.

Recovery of delinquent loans thus remained a priority during the year and our appointed Debt Collectors and Attorneys-at-Law, actively pursued recovery of debts on our behalf. We fully appreciate their assistance.

Members are reminded that in accordance with the Credit Union's policy for loan applications, where detailed financial information is required, to provide it in its entirety. This would assist in circumventing delinquency and enable you, our members, to comfortably meet your loan installments. In addition, should you encounter financial difficulties, you are encouraged to contact the Credit Union to facilitate mutually agreed arrangements.

Containing the level of delinquent loans remains a necessary but unpleasant task. Nonetheless, we are fully committed in our mission to pursue the aims and objectives of the Delinquency Committee, for the benefit of our Credit Union.

.....
Gillian Marshall (Mrs.)
Chairperson

STANDING ORDERS

1. (a) A member is to stand when addressing the Chair
(b) Speeches are 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 shall immediately take his seat.
3. No member shall address the meeting except through the Chairman.
4. A member may not speak twice on the same subject except:
(a) The mover of a motion... who has the right to reply
(b) He rises to object or to explain (with the permission of the Chair.)
5. The Mover of Procedural Motion... (Adjournment laid on the table, Motion to postpone) has no right to reply
6. No speeches are to be made after the “question” has been put and carried or defeated.
7. A member rising on a “Point of Order” is to state the point clearly and concisely. (A “Point of Order” must have relevance to the “Standing Order.”)
8. 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”, proceed to the “Next Business”, or the closure: “That the Question be NOW PUT”, may be moved at any time.
9. Only one amendment should be before the meeting at one and the same time.
10. When a motion is withdrawn, any amendment to it fails.
11. The Chairman has the right to a “casting vote”.
12. If there is equality of voting on an amendment, and if the Chairman does not exercise his casting vote, the amendment is lost.
13. Provision is to be made for protection by the Chairman from vilification (personal abuse).
14. No member shall impute improper motives against another member.

DIRECTORS' PLEDGE

As a Director of Light and Power Employees Co-op Credit Union, I do solemnly pledge:

To serve, to the best of my ability, those who have elected me to this position of honour and responsibility;

To strive to present the concepts and questions of our membership in ways my counterpart of the Board may understand;

To hear all options objectively and without prejudice;

To reach conclusions that lead to the betterment of all members of the Credit Union:

In the spirit of co-operation and through the tradition of the Credit Union philosophy and its practice, I will respect and recall the operating principles and their special application during these important deliberations.

OUR VISION

*To be a dynamic financial
services provider
driven by the needs
of the members*

MISSION STATEMENT

*We The Light and Power Employees
Co-operative Credit Union Ltd,
are committed to providing quality
financial products and services to meet
the needs of our members,
with the highest level of integrity.*



THE LIGHT AND POWER EMPLOYEES CO-OPERATIVE CREDIT UNION LTD.
Business Complex, Bush Hill, The Garrison, St. Michael
Tel (246) 431-1400 Fax (246) 228-4643
Email: lp.creditunion@caribsurf.com
www.lpeccu.com Printed by Panagraphix Inc