

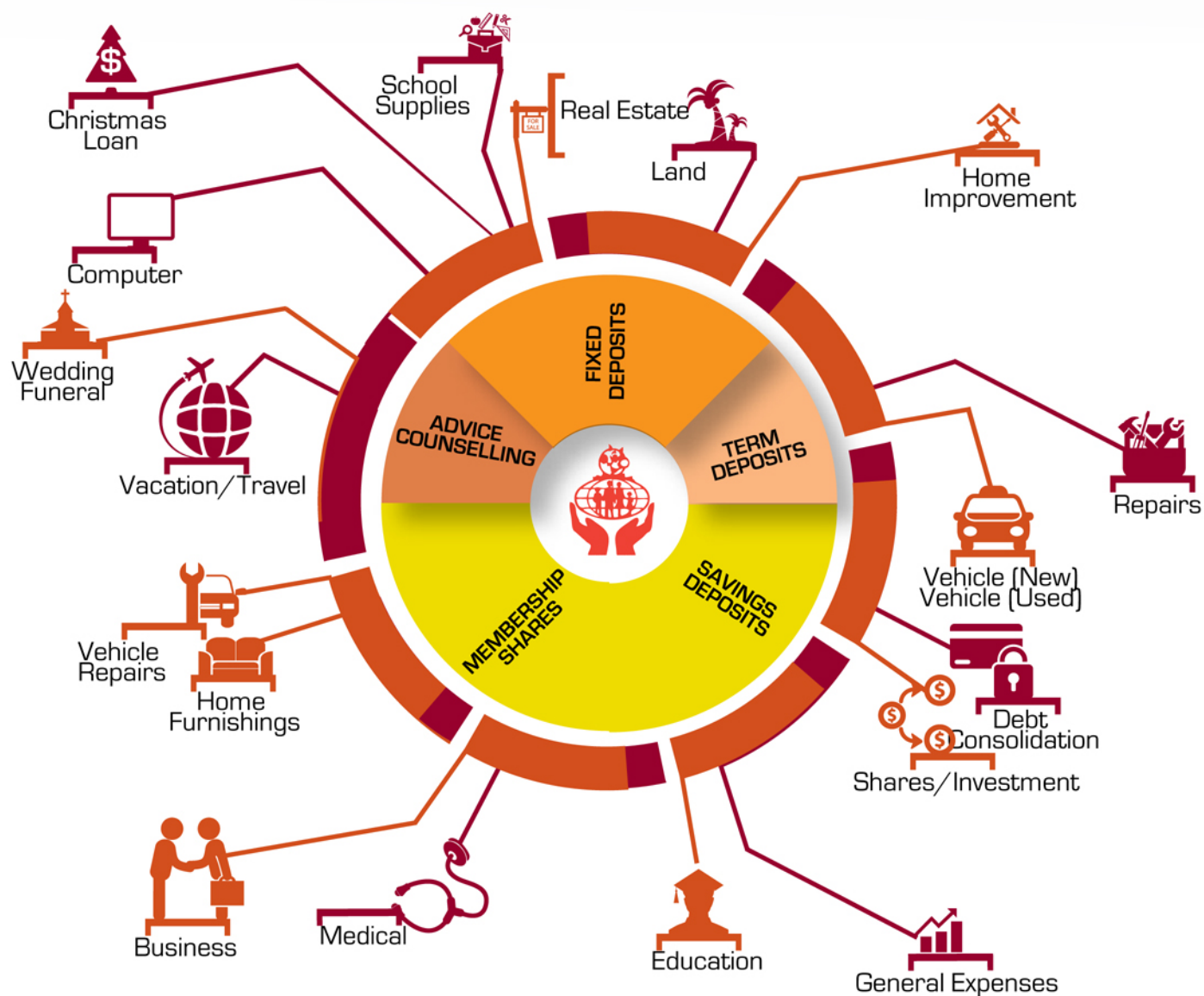


**The Light & Power Employees
Co-operative Credit Union Ltd.**

Annual Report 2017

The Light and Power Employees Co-operative Credit Union Ltd

Products and Services Suite





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

**ANNUAL REPORT
2017**

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 in 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. Wesley Trotman
Secretary: Mrs. Cyrilene Bryan
Treasurer: Mr. Anderson Henry

Telephone: (246) 431-1400
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NOTICE is hereby given that the 35th Annual General Meeting of the Light & Power Employees Co-op Credit Union Limited will be held on Saturday 24 March 2018 at the Lloyd Erskine Sandiford Conference Centre, 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 18 March 2017
6. Matters arising from the Minutes
7. Reports of:
 - i) Board of Directors
 - ii) Auditors' Report and Financial Statements
 - iii) Treasurer's Report
 - 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



Cyrilene Bryan
Secretary

Visit us on-line at:
www.lpecu.bb

The Light & Power Employees Co-operative Credit Union Ltd

PRESIDENT'S MESSAGE



Fellow Members, as President of the Board of Directors, I am pleased to report that in 2017, The Light & Power Employees Co-operative Credit Union Limited achieved another year of satisfactory financial results.

We exist in a time of tremendous economic and social change. The country is still being impacted by the recession that resulted from the global financial downturn between years 2007 to 2008. Notwithstanding the tough new challenges we will face in fiscal 2018, we intend to continue our disciplined approach to cost management, build a stronger capital base and maintain a level of liquidity to meet our requirements. There has been severe competition and other challenges in the financial services sector. However, we experienced moderate loan growth and our total assets now exceed the \$50 million level.

It is imperative that the Credit Union be prepared to transform itself, improve and adapt to the ever changing circumstances of the environment in which we now operate. It is important that we encourage the kind of innovation and thinking that our vision requires. This is the challenge which we must all respond to - Directors, Committee members and staff alike. How we respond to change will define our success in the future.

As a Credit Union our main purpose at all times is to act in the best interests of our membership. Every decision we make and every initiative we undertake is strategically focused on ensuring your financial wellbeing. We are proud of the role we have played in assisting our members in creating wealth and financial independence and we remain committed to our involvement in the lives of our members and achievement of their goals.

We believe that we do have a responsibility to help you build a bright future. In 2018 our number one priority is to ensure that we continue to make a meaningful difference in your lives. We have entered 2018 with the belief that the future holds promise and opportunity for our members and this organization that we have been building for over thirty-three (33) years.

I wish to thank our dedicated Board of Directors and members of the committees for giving of their time, counsel and knowledge during 2017. Thank you to members of staff for your focus in providing excellent member services. As a Board, we are pleased with the progress and direction of the Credit Union and as President, I can attest that our Credit Union is a strong and viable organization with a bright and prosperous future.

.....
Wesley Trotman
President, Board of Directors

MINUTES

MINUTES OF THE 34TH ANNUAL GENERAL MEETING OF THE LIGHT & POWER EMPLOYEES CO-OPERATIVE CREDIT UNION LTD HELD AT THE LLOYD ERSKINE SANDIFORD CENTRE, ST. MICHAEL ON 18 MARCH 2017

1. ASCERTAINMENT OF A QUORUM

A quorum was ascertained and the Chairman Mr. Wesley Trotman called the meeting to order at 4:46 p.m.

2. PRAYERS

A prayer was said by Miss Danielle Austin after which members recited the prayer of St. Francis of Assisi.

3. INTRODUCTION OF GUESTS FROM OTHER CREDIT UNIONS

The Chairman welcomed everyone to the meeting and invited the guests from other Credit Unions to introduce themselves and extend greetings on behalf of their respective Credit Unions.

4. FEATURE PRESENTATION

4.1 The feature presentation was delivered by Miss Ambia Parris a junior member of the Credit Union. In her address she queried Credit Union members as to whether *'they were youth ready'*. Miss Parris outlined various approaches that the Credit Union could adopt to make it a *'youth ready'* Credit Union and market to *'millennials'*.

4.2 Miss Ayodele Yarde, another junior member, gave a presentation on her trip to Shanghai, China to attend the Global Young Leader's Conference in July 2016. Miss Yarde commented that it was a life changing experience and thanked the Credit Union for assisting her in making that journey possible.

5. MINUTES OF 33rd ANNUAL GENERAL MEETING OF 19 MARCH 2016

5.1 The Minutes of the 33rd Annual General Meeting held on 19 March 2016 were taken as read on a motion moved by Mr. Kelvin Whittaker and seconded by Mr. Dave Taylor. The motion was carried by a majority vote.

5.2 There were no errors or omissions.

5.3 The Minutes were adopted on a motion moved by Mr. Trevor Williams and seconded by Mrs. Ann Austin.

6. MATTERS ARISING FROM THE MINUTES OF 19 MARCH 2016

6.1 **Minute 6:10, Privacy When Conducting Business** – Mr. Dave Taylor queried the status of this matter. Mr. Wesley Trotman replied that the suggestions were considered and the Credit Union did its best to ensure member confidentiality at the front counter. Some of the suggestions would require a re-configuration of the area and the building was not designed for those structural changes.

7. MINUTES OF THE SPECIAL GENERAL MEETING OF 14 DECEMBER 2016

7.1 The Minutes were adopted on a motion moved by Mrs. Donna Gibbs and seconded by Mr. Kelvin Whittaker. The motion was carried by a majority vote.

7.2 Mr. Grantley Haynes sought a commitment from the Board to be conveyed to the incoming Board that the annual report would be circulated one week in advance of the Annual General Meeting.

MINUTES

MINUTES OF THE 34TH ANNUAL GENERAL MEETING OF THE LIGHT & POWER EMPLOYEES CO-OPERATIVE CREDIT UNION LTD HELD AT THE LLOYD ERSKINE SANDIFORD CENTRE, ST. MICHAEL ON 18 MARCH 2017

- 7.3 Mr. Wesley Trotman apologized for the late circulation of the annual report and explained that there was additional work done on the annual audit. Consequently, reports which relied on the annual audit were late and that contributed to the delay in preparation and early circulation of the Annual Report. Mr. Trotman advised that the Auditor's Report and Financial Statement were available on the Credit Union's website and its office at Bush Hill, The Garrison, St Michael. This information was communicated to members via email more than ten days prior to the meeting.
- 7.4 The minutes were adopted on a motion moved by Mrs. Ann Austin and was seconded by Mr. Anderson Henry. The motion was carried by a majority vote.
- 7.5 **MATTERS ARISING**
- 7.5.1 Mr. Anthony Callender commented that in late 2016 and early 2017 there was concern with the level of service at banking institutions, as well as the interest rates being offered. Many individuals turned to Credit Unions for better rates on deposits. He charged that the Credit Union would have to improve its level of service if it was to attract some of those frustrated members.
- 7.5.2 Mr. Callender stated that there was inadequate notification of the meeting for Horseshoe Manor. He said that he was informed of the meeting after it was held. He subsequently contacted the Credit Union and was told that the legal requirement was that it would be advertised in the newspaper and opined that it was unacceptable. Mr. Callender continued that the Credit Union must ensure that members were adequately informed when there were meetings and that he noticed that the attendance at the meeting comprised of current employees of The Barbados Light and Power Co Ltd and staff of the Credit Union. Mr. Callender asked for an improvement in the level of notification that was given to members on an annual basis as he was disappointed that he was not at the meeting and would have wanted to be there.
- 7.5.3 Mr. Trotman replied that the notice of the meeting was advertised in the Barbados Advocate and the Nation Newspapers on two occasions. Additionally emails were sent to members advising them of the meeting and it was also advertised in the Reddy Bulletin. The notice was also placed on the Credit Union's website and posters were displayed in the Credit Union office for more than two weeks prior to the meeting.
- 7.5.4 Mr. Grantley Haynes queried whether there was any current information on the Horseshoe Manor property.
- 7.5.5 Mr. Trotman stated that resulting from the meeting, members requested that the project be placed on hold and that an assessment of the same be conducted. The Board was awaiting the results of the assessment and this will be communicated to the Credit Union members in due course.
- 7.5.6 Chairman of the Horseshoe Manor Project, Mr. Reginald Parris reported that discussions were held with the Architect the previous week. He requested that she search within her network to find out who would need that type of building. Once we could get a commitment that we are setting up a building that could be easily tenanted, then we would proceed in that direction. We would not want to set up a building that was a "white elephant" but one that could generate some returns for the Credit Union.
- 7.5.7 Mr. Callender stated that the Credit Union had already spent a significant amount of money on this building based on the figures in the report.

MINUTES

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He then queried why the Credit Union would spend more money on more assessments when it was aware that it was not ready to start the project.

7.5.8 Mr. Trotman replied that the Board of Directors was guided by the decision of the members.

7.5.9 Mr. Callender suggested that the Credit Union wait until it was ready to begin construction as it was not an appropriate time to build, given the level of vacant properties in the area.

8. REPORTS

8.1 Board of Directors

8.1.1 The Board of Directors report was presented by Mr. Wesley Trotman.

8.1.2 The report was taken as read on a motion moved by Mrs. Jacqueline Mason-Pile and seconded by Mrs. Gillian Marshall. The motion was carried by a majority vote.

8.1.3 Mr. Trotman commented that the report gave an overview of the environment in which the Credit Union operated within the last year. He stated that assets increased by 4% to \$49.338 million and loans to members grew by 2% to \$31.115 million. Additionally the capital to asset ratio stood at 12.3%. During the period under review the Credit Union's website was revamped and the new address was www.lpecu.bb.

8.1.4 The Board of Directors Report was adopted on a motion moved by Mr. Kelvin Whittaker and seconded by Mr. Anderson Henry. The motion was carried by a majority vote.

8.1.5 Mr. Willis Hall stated that he was disappointed that members could not access their account information from the Credit Union's website.

8.1.6 Mr. Trotman indicated that the Credit Union was aspiring to that and as a financial institution it must ensure that security was maintained. All the security protocols must be in place to protect the member's information especially in the age of website hacks and identity theft. We must at all times ensure that members' information is protected and kept confidential.

8.1.7 Mr. Wilfred Clarke commented on the statement in the President's Report, "*while growth was low the focus during the year was to recruit members whose value added to the per capita of the Credit Union*". Mr. Clarke asked whether we were looking for the rich and famous to join the Credit Union or whether we were opening opportunities for members to join and over time help them to grow in their financial situation. Mr. Clarke opined that it appeared that we were going down the line where we were picking and choosing persons based on their financial value to the Credit Union and sought clarification on the statement.

8.1.8 In response to the query from Mr. Clarke regarding the criteria for membership, Mr. Trotman explained that the Credit Union over the years had members who saved on a consistent basis and this has impacted positively on its asset growth. Members were encouraged to continue saving to ensure this positive impact on the Credit Union's finances. When we seek membership we want to attract those members that contributed to the growth of this Credit Union. We were seeking members who had the continued commitment to growth and to drive this Credit Union forward.

MINUTES

MINUTES OF THE 34TH ANNUAL GENERAL MEETING OF THE LIGHT & POWER EMPLOYEES CO-OPERATIVE CREDIT UNION LTD HELD AT THE LLOYD ERSKINE SANDIFORD CENTRE, ST. MICHAEL ON 18 MARCH 2017

- 8.1.9 Mr. Anthony Callender commented that the statement made in the report was inappropriate. He stated that the reason why the Board of Directors, the Supervisory and Credit Committees were trained was to ensure that when members came in, whatever funds they had, we are able to assist those members.
- 8.2 **THE AUDITORS REPORT AND FINANCIAL STATEMENT**
- 8.2.1 The Auditors Report was presented by Mr. Mark Hall of Drayton J. Carter and Co. Mr. Hall stated that the International Federation of Accountants changed the Audit Report format and it was now a longer report. Mr. Hall then read the opinion paragraph only.
- 8.2.2 The Auditor's Report was adopted on a motion moved by Mr. Dave Taylor and seconded by Mr. Trevor Williams. The motion was carried by a majority vote.
- 8.3 **TREASURER'S REPORT**
- 8.3.1 The Treasurer's Report was presented by Mrs. Paula Palmer.
- 8.4 The report was taken as read on a motion moved by Mr. Kelvin Whittaker and seconded by Mrs. Paula Palmer.
- 8.5 Mrs. Palmer gave an overview of the report. During fiscal 2016, assets increased by \$1.9 million or 4% to reach \$49.338 million. The loans, net of the provision for losses was \$31.115 million which was 1.8 % above the level of previous year. Consequently the loans to asset ratio stood at 63.1% as compared with 64.4% in the previous year. In an effort to assist members the Board reduced interest rates on select portions of the loans portfolio and adjusted the limits on others. This initiative was undertaken to encourage members to borrow.
- 8.6 Mrs. Palmer reported that delinquent loans stood at \$0.35 million which was 1.1% of the total loan portfolio and was well below the acceptable level of 5%. This was evidence that members remained committed and were honouring their commitments. Members' deposits increased by \$1.2 million which was a 2.9% increase over the previous year. The overall growth in the deposits was positive but still below the acceptable rate of 10% to 20 %.
- 8.7 Gross income for the period under review increased by 2.9% over the level of the previous year and the revenue generated from loans was \$2.7 million. This decline in revenue of 2% was attributed to the reduction in the interest rates. The Credit Union's total expenses decreased nominally to \$2.75 million. Mrs. Palmer opined that when consideration was given to the challenging economic times over the past year the net operating income was favorable.
- 8.8 The Treasurer's Report was adopted on a motion moved by Mr. Trevor Williams and seconded by Mrs. Hazelana Mason. The motion was carried by a majority vote.
- 8.9 **THE SUPERVISORY COMMITTEE REPORT**
- 8.9.1 The Supervisory Committee Report was presented by Mr. Hasani Grosvenor.

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- 8.9.2 The report was taken as read on a motion moved by Mrs. Donna Gibbs and seconded by Mr. Dave Taylor.
- 8.9.3 There were no comments. The Supervisory Committee Report was adopted on a motion moved by Mr. Anthony Callender and seconded by Mr. Omar Hunte. The motion was carried by a majority vote.
- 8.10 **THE CREDIT COMMITTEE REPORT**
- 8.10.1 The Credit Committee Report was presented by Mr. Nigel Harris.
- 8.10.2 The report was taken as read on a motion moved by Mrs. Cindy Callender and seconded by Mr. Trevor Williams. The motion was carried by a majority vote.
- 8.10.3 Mr. Harris reminded members to review the entire loan application form, and in particular the information required before submission of the application for approval. That would assist in a speedy turnaround of the loan applications. Mortgage interest rates were reduced to 7% on 1 October 2016. The Christmas loan threshold was increased from \$4,000 to \$6,000.
- 8.10.4 The Credit Committee Report was adopted on a motion moved by Mr. Omar Hunte and seconded by Mr. Malcolm Mayers. The motion was carried by a majority vote.
- 8.11 **DELINQUENCY COMMITTEE REPORT**
- 8.11.1 The Delinquency Committee Report was presented by Chairman of the Credit Committee, Mr. Nigel Harris.
- 8.11.2 The report was taken as read on a motion moved by Mr. Anderson Henry and seconded by Mrs. Cindy Callender.
- 8.11.3 There were no comments. The Delinquency Committee Report was adopted on a motion moved by Mrs. Cindy Callender and seconded by Mr. Hasani Grosvenor. The motion was carried by a majority vote.
9. **ALLOCATION OF SURPLUS**
- 9.1 Mrs. Paula Palmer stated that the Board of Directors proposed a dividend of 20 cents per share on qualifying shares for the financial year 2016.
- 9.2 The motion for the acceptance of the dividend payment was moved by Mr. Trevor Williams and seconded by Mr. Anderson Henry. The motion was carried by a majority vote.
- 9.3 Mrs. Palmer reported that the Board agreed an additional 2% interest payment on non-qualifying shares for the year 2016.
10. **ELECTION OF OFFICERS**
- 10.1 The Chairman of the Credentials Committee Mr. Reginald Parris advised that the other members of the Committee were Mrs. Elizabeth Beckles-Parris and Mrs. Dian Brathwaite. He announced that the Chairman of Elections was Mr. Victor Callender and that there were two vacancies on the Board of Directors, two vacancies on the Supervisory Committee and one vacancy on the Credit Committee. Mr. Parris indicated that nominations were received as follows:

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10.1.1 Board of Directors: Mr. Kelvin Whittaker, Mr. Jason Bowen and Mr. Dave Taylor.

10.1.2 Supervisory Committee: Mr. Samuel Blades, Mr. Jason Bowen and Mr. David Lawrence.

10.1.3 Credit Committee: Mr. Jason Bowen, Mr. David Lawrence and Ms. Gloria Grant.

10.1.4 Mr. Parris stated that Mr. Jason Bowen and Ms. Gloria Grant were not present but letters were received indicating their willingness to seek election to the respective Committees.

10.2 Board Of Directors

10.2.1 The Chairman of Elections declared two positions vacant on the Board of Directors.

10.2.2 Voting ensued and the results were as follows:

Mr. Kelvin Whittaker -57
Mr. Jason Bowen -43
Mr. Dave Taylor -39

10.2.3 The Chairman declared the following persons duly elected to the Board for a three-year term:

Mr. Kelvin Whittaker
Mr. Jason Bowen

10.3 Supervisory Committee

10.3.1 The Chairman of Elections declared two positions vacant on the Supervisory Committee.

10.3.2 The following persons were duly elected to the Supervisory Committee for a three-year terms:

Mr. Samuel Blades
Mr. David Lawrence

10.4 Credit Committee

10.4.1 The Chairman of Elections declared one position vacant on the Credit Committee.

10.4.2 Ms. Gloria Grant was duly elected to the Credit Committee for a three-year term.

11. RESOLUTIONS

11.1 A resolution was presented to increase the monthly honorarium for elected officers as follows: Board of Directors - \$200.00, Supervisory Committee - \$125.00 and the Credit Committee - \$125.00. The motion was moved by Mr. Reginald Parris and seconded by Mr. Victor Callender. A counter motion for the Supervisory Committee and the Credit Committee to be paid \$150.00 was moved by Mr. Dave Taylor and seconded by Mr. Wilfred Clarke. The motion was carried by a majority vote of 66. There was one against and one abstention.

12. APPOINTMENT OF AUDITOR

12.1 A motion for the re-appointment of Drayton J. Carter and Co. as auditors for the financial year 2017, was moved by Mr. Wesley Trotman and seconded by Mrs. Paula Agbowu. The motion was carried by a majority vote.

13. SETTING OF MAXIMUM LIABILITY

13.1 A motion that the maximum liability remain at \$25 million was moved by Mr. Wesley Trotman and seconded by Mr. Kelvin Whittaker. The motion was carried by a majority vote.

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14. ANY OTHER BUSINESS

- 14.1 Mr. Erwin Jones asked for the proportion of membership for Barbados Light & Power employees and non-Barbados Light & Power employees. He said that he was uncomfortable with the statement made that members were not coming forward to serve and opined that the process used to inform members to serve was ineffective. There were many years in which he was willing to serve and did not know when the notice was published. He stated that members were not adequately informed.
- 14.2 Mr. Trotman confirmed that the proportion of non-Barbados Light & Power Employees was greater and that advertising was done extensively to notify all members of the Annual General Meetings and related information.
- 14.3 Mrs. Gillian Marshall added that various methods were used to notify members when nominations were open. These were: via email, publishing in the newspapers on no less than two occasions and placing posters in the Credit Union.
- 14.4 Mr. Jones said that one method which would be effective was through the mail and a different colored paper could be used so that when members saw it they would know that elections were near. That process could start as early as February.
- 14.5 Mrs. Marshall informed that the information was circulated as early as January and was included in the monthly statements at the bottom of the page.
- 14.6 Mr. Jones replied that the print was too small and you would have to find a way to specifically target persons. He stated that he did not need his statement to know his balances as he was already aware, therefore, he would not read the statement. He opined that the Board should comprise of non Barbados Light & Power employees as it would bring value to the Credit Union.
- 14.7 Mrs. Marshall stated that some Directors were non Barbados Light & Power employees.
- 14.8 Mr. Callender asked whether they were satisfied with the number of member that were coming forward to serve on the Board and if so what were they doing to attract these members as he was concerned that we were re-cycling members on the various committees and should find new methods to attract members to serve. He added that publishing the notices in the newspaper was not enough and that in the past notices were mailed to members.
- 14.9 Mr. Trotman stated that was done when it was only Barbados Light & Power Co. Ltd employees but there was now an open bond and that emails were sent to members.
- 14.10 Mr. Callender stated that his proposal would be to recruit one of the young members to serve on the committees and they would be there in an observatory role and for succession planning.
- 14.11 Miss Alicia Chandler added that a method the Credit Union could adopt to reach out to members would be to have social media presence which was easy and free. All that was required was to find someone who was interested in undertaking the task and send the information to them which would then be uploaded. There could be 'reach outs', sending via email, or a "Whatsapp" broadcast.

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MINUTES OF THE 34TH ANNUAL GENERAL MEETING OF THE LIGHT & POWER EMPLOYEES CO-OPERATIVE CREDIT UNION LTD HELD AT THE LLOYD ERSKINE SANDIFORD CENTRE, ST. MICHAEL ON 18 MARCH 2017

- 14.12 Mr. Trotman stated that all the information sent via these broadcasts would have to be carefully vetted before it was circulated.
- 14.13 Miss Chandler added that communication was a two way process and that members were already aware that the meeting was always in March. They should not wait for the Credit Union to notify them since they could contact the Credit Union for information as well.
- 14.14 Mr. Dave Taylor suggested that the Credit Union could market from within and reward members for bringing in new members, and that could be done at the end of the year.
- 14.15 Mrs. Cindy Callender commented that 95 members were present at the Annual General Meeting and that 94 were in attendance the previous year. She added that at least 95 members could put themselves up for nomination each year. Over the years there was improvement in the methods used for nominations and there were other committees that they could join beside the Board, Supervisory or Credit Committees. Referring to the statement made that the Credit Union was recycling members she asked how many members were willing to come forward to serve on these committees. She opined that due to recent regulations, not many persons came forward to serve.
- 14.16 Mr. Trotman added that the 'Notice To Serve' was advertised every January and was published for three weeks in the newspapers, to inform members that the Annual General Meeting was approaching. The meeting was held in March every year, either the last or second last Saturday in March. There was a month between that notice going out and the end of the nomination process which closed in mid-February.
- 14.17 Mr. Wilfred Clarke congratulated the staff of the Credit Union for the excellent job they did. He was pleased with the level of customer service and commended the staff for their hard work. Mr. Clarke commented that the issue of membership was dear to his heart as he believed that without members there was no growth and questioned whether there was an updated Strategic Plan in place and whether these targets were being met. He queried whether there was a marketing strategy and if these goals are specifically defined.
- 14.18 Mrs. Gillian Marshall stated that there was an updated Strategic Plan from 2015 and that would be reviewed in 2017 with the new Credit Union Manager as Mr. Trevor Williams was due to retire within the coming months. Some of the targets were met and others were not. That was attributed to changing market conditions. Members were encouraged to bring in new members and some Directors had done that. Mrs. Marshall added that when the Strategic Plan was reviewed the focus would be placed specifically on marketing.
- 14.19 Mr. Reginald Parris commented that he appreciated the comments in relation to getting persons to serve. The process was a tedious one and it was difficult getting persons to serve. First they would ask what the job entailed and when they realized that it involved long hours and the sacrifices they had to make they would serve for a year and then decide they could not cope with it anymore. The Credit Committee met every week and sometimes twice per week. He encouraged members if they were willing to serve to put their names forward before they left the meeting and they would be contacted for the next Annual General Meeting.

MINUTES

MINUTES OF THE 34TH ANNUAL GENERAL MEETING OF THE LIGHT & POWER EMPLOYEES CO-OPERATIVE CREDIT UNION LTD HELD AT THE LLOYD ERSKINE SANDIFORD CENTRE, ST. MICHAEL ON 18 MARCH 2017

14.20 As it related to marketing, Mr. Parris asked how many persons did not belong to a Credit Union. When members joined the Credit Union they were asked to state on the form whether they belonged to another Credit Union. That information would then be sent to the other Credit Union for approval to join this Credit Union. Should that Credit Union state that the member had outstanding loans or was in bad standing then the application would not be approved by this Credit Union and that as a former Director and President of this Credit Union you should know that. We have to grow this Credit Union from babies up. We have to grow it through our family members. We should not get the idea that there are persons out there lining up to join this Credit Union. We need the members' help and that did not come. This has been a challenge throughout the movement.

14.21 Mr. Anderson Henry advised that the Financial Services Commission had instituted a Fit and Proper Questionnaire for all elected officers of Credit Unions. Members who therefore offered themselves for nomination would have

to complete that form prior to the Annual General Meeting and would have to produce a Police Certificate of Character, Résumé, Financial statements, etc. Sitting Directors also had to provide various types of information to the banks. It is a new framework and members making themselves available for office would have to comply.

15. THE VOTE OF THANKS

14.1 Miss Melissa Austin moved the vote of thanks.

16. TERMINATION

15.1 There was no further business and the meeting ended at 8:14 p.m.



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Cyrilene Bryan
Secretary, Board of Directors

ATTENDANCE

AT THE 34TH ANNUAL GENERAL MEETING

ON 18 MARCH 2017

MEMBERS

- | | |
|------------------------------|------------------------------|
| 1. AGBOWU Paula | 46. HAYNES Grantley |
| 2. ALLEYNE Angela | 47. HAZLEWOOD Samantha |
| 3. ALLEYNE Julie | 48. HENRY Anderson |
| 4. ALLEYNE Waveney | 49. HOLDER Alison |
| 5. ARCHER Nneka | 50. HOLDER Charles |
| 6. AUSTIN Ann | 51. HOLDER Colin |
| 7. AUSTIN Danielle | 52. HOLDER Jean |
| 8. AUSTIN Melissa | 53. HOLDER Sanderson |
| 9. BANCROFT Glendeen | 54. HOLDER Wendell |
| 10. BANCROFT Kerrie | 55. HUMPHREY Antoinette |
| 11. BECKLES-PARRIS Elizabeth | 56. HUNTE Omar |
| 12. BLACKMAN Paul | 57. HUTSON Xavier |
| 13. BLADES Samuel | 58. JOHNSON Norma |
| 14. BRADSHAW Veldene | 59. JONES Erwin |
| 15. BRATHWAITE Danica | 60. JONES Joycelyn |
| 16. BRATHWAITE Dian | 61. JORDAN Linda |
| 17. BREWSTER Leeann | 62. KING Cori |
| 18. BROOKS Darren | 63. LAWRENCE David |
| 19. BRYAN Cyrilene | 64. LONDON Anthony |
| 20. BRYAN Lena | 65. LYNCH Marcia |
| 21. CALLENDER Anthony | 66. MARKS Roxanne |
| 22. CALLENDER Cindy | 67. MARSHALL Gillian |
| 23. CALLENDER Victor | 68. MASON Hazelana |
| 24. CHANDLER Alicia J | 69. MASON-PILE Jacqueline |
| 25. CLARKE Harriet | 70. MAYERS Malcolm |
| 26. CLARKE Wilfred | 71. MAYERS-GODDARD Cheryl |
| 27. COPPIN James | 72. MAYNARD-DANIEL Christian |
| 28. CORBIN Wayne | 73. MEDFORD Bonita |
| 29. CORBIN-HUNTE Shakira | 74. MOORE Ricardo |
| 30. DANIEL Andrina | 75. NILES Rhe-Ann |
| 31. DANIEL Aviston | 76. PALMER Andrea |
| 32. DANIEL Bernadine | 77. PALMER Paula |
| 33. DANIEL Stephen | 78. PARRIS Aaron |
| 34. DANIEL Stephene | 79. PARRIS Alyssa |
| 35. FITZGERALD Angela | 80. PARRIS Ambia |
| 36. FITZGERALD Simone | 81. PARRIS Reginald |
| 37. FORDE Rochelle | 82. PHILLIPS Adjua |
| 38. GAY Matthew | 83. PILE James |
| 39. GIBBS Donna M | 84. PILE-WORRELL Jennifer |
| 40. GREENE Suzanne | 85. SMALL Sireda |
| 41. GRIFFITH Requell | 86. SMALL Stephen |
| 42. GROSVENOR Hasani | 87. SQUIRES Dwayne |
| 43. HALL Willis | 88. STOUTE Sherrol |
| 44. HARRIS Nigel | 89. STRAKER Tiffani |
| 45. HARRIS Yvette | 90. STRAUGHN Wayne |

ATTENDANCE

AT THE 34TH ANNUAL GENERAL MEETING
ON 18 MARCH 2017

MEMBERS

- 91. TAYLOR Dave
- 92. TAYLOR Demario
- 93. THORPE Clovena
- 94. TROTMAN Eric
- 95. TROTMAN Wesley
- 96. WALCOTT Maureen
- 97. WALCOTT Willoughby
- 98. WHITTAKER Kelvin
- 99. WILLIAMS Trevor
- 100. WORRELL Frederick
- 101. YARDE Ajani
- 102. YARDE Ayodele

ATTENDANCE

AT THE 34TH ANNUAL GENERAL MEETING

ON 18 MARCH 2017

GUESTS

1. ALLEYNE Dylana
2. BELGRAVE Merlene
3. CADOGAN Vallice – Bartel Co-op Credit Union Ltd
4. CARTER Drayton – Drayton J Carter & Co
5. CATLING Athelstan – Barbados Teachers Co-op Credit Union Ltd
6. CORBIN Carlton – City of Bridgetown Co-op Credit Union Ltd
7. CORBIN Janine – City of Bridgetown Co-op Credit Union Ltd
8. CORBIN Maxine – City of Bridgetown Co-op Credit Union Ltd
9. DANIEL Sheila
10. DOWNES Patricia – Family Co-op Credit Union Ltd
11. EDWARDS Kerry-Ann
12. FITT Susan – Endeavour Co-op Credit Union Ltd
13. GASKIN Leander – Barbados Police Co-op Credit Union Ltd
14. GREENDIGE Sherwin – Barbados Co-operative and Credit Union Ltd
15. GREENIDGE Sylvan
16. HALL Mark – Drayton J Carter & Co
17. HAZELL Kurt
18. HUNTE Shazarri
19. JONES Keith E – Bartel Co-op Credit Union Ltd
20. JORDAN Marguerita – St. Barnabas Co-op Credit Union Ltd
21. LASHLEY Kevin
22. LOVELL Anton – Co-operators General Insurance Co Ltd
23. McDonald Patrick – UWI Co-op Credit Union Ltd
24. MOORE Jennifer
25. PARRIS Ashton
26. PARRIS Beverley
27. TEMPRO Vincent

TENURE OF OFFICE – 2018

BOARD OF DIRECTORS

		Remaining Years
President	Wesley Trotman	Nil
Vice-President	Gillian Marshall	1 year
Secretary	Cyrilene Bryan	Nil
Treasurer	Anderson Henry	1 year
Assistant-Secretary	Tiffani Straker	1 year
Assistant-Treasurer	Jason Bowen	2 years
Member	Kelvin Whittaker	2 years

SUPERVISORY COMMITTEE

		Remaining Years
Chairperson	Hasani Grosvenor	Nil
Secretary	Donna Gibbs	Nil
Member	Nneka Archer	1 year
Member	Samuel Blades	2 years
Member	David Lawrence	2 years

CREDIT COMMITTEE

		Remaining Years
Chairperson	Cindy Callender	1 year
Secretary	Omar Hunte	Nil
Member	Gloria Grant	2 years

THE BOARD OF DIRECTORS



Wesley Trotman
President



Gillian Marshall
Vice President



Anderson Henry
Treasurer



Jason Bowen
Assistant Treasurer



Cyrilene Bryan
Secretary



Tiffani Straker
Assistant Secretary



Kelvin Whittaker
Member

SUPERVISORY COMMITTEE



Hasani Grosvenor
Chairman



Donna Gibbs
Secretary



Samuel Blades
Member



Nneka Archer
Member



David Lawrence
Member

CREDIT COMMITTEE



Cindy Callender
Chairperson



Omar Hunte
Secretary



Gloria Grant
Member

THE REPORT OF THE BOARD OF DIRECTORS

FOR THE YEAR ENDED 31 DECEMBER 2017

Overview

The Board of Directors is pleased to present the Annual Report of The Light & Power Employees Co-operative Credit Union Limited (LPECCUL) for the fiscal year ending 31 December 2017.

During fiscal 2017, The Light & Power Employees Co-operative Credit Union Limited (LPECCUL) was faced with strong competition from our counterparts within the industry as interest rates fell to an all time low. Traditional as well as non-traditional financial institutions competed aggressively for market share.

However, in spite of the prolonged negative domestic economic conditions and a highly competitive financial services sector, we delivered another year of satisfactory financial results. This continuing record of strong performance demonstrates LPECCUL resilience, strength and ability in navigating the pitfalls of the country's slow economic growth, which is projected to be in the region of one (1) percent.

Our results reflect the ongoing efforts of the Board of Directors, Committees and members of the staff to respond to the challenging realities in the financial sector and the individual needs of the membership.

The Directors are pleased to report that despite a very challenging year, our Credit Union ended the year with a net operating surplus of \$0.597 million after appropriations.

Performance highlights include the following:-

- Total assets increased by 3.6% to \$51.147 million
- Loans to members grew by 1% to \$31.476 million
- Delinquency stands at 1.25% of total loans
- Membership savings increased by 2.86% to \$44.053 million over the previous year.
- The capital to asset ratio stands at 13% and this is strong.

A detailed assessment of our financial performance will be presented in the Report of the Auditor as well as the Report of the Treasurer.

Governance

In order to discharge its responsibilities the Board meets at least once each month, while extra-ordinary meetings of the Board are scheduled when the need arises. A total of thirteen regular meetings were convened by the Board during the period under review and there were nine extra-ordinary meetings. The following table summarizes the attendance of Directors at scheduled board meetings:

Attendance from January to February 2017

Name	Position	Meetings	Attended	Excused
Wesley Trotman	President	3	3	-
Gillian Marshall	Vice-President	3	3	-
Paula Palmer	Treasurer	3	3	-
Cyrlene Bryan	Secretary	3	3	-
Reginald Parris	Asst. Treasurer	3	3	-
Tiffani Straker	Asst. Secretary	3	3	-
Anderson Henry	Member	3	3	-

THE REPORT OF THE BOARD OF DIRECTORS

FOR THE YEAR ENDED 31 DECEMBER 2017

Attendance from March to December 2017				
Name	Position	Meetings	Attended	Excused
Wesley Trotman	President	10	10	-
Gillian Marshall	Vice-President	10	7	3
Anderson Henry	Treasurer	10	7	3
Cyrilene Bryan	Secretary	10	9	1
Jason Bowen	Asst. Treasurer	10	7	3
Tiffani Straker	Asst. Secretary	10	7	3
Kelvin Whittaker	Member	10	7	3

The Board comprises seven members and is responsible for the overall management of the Credit Union's business affairs. It is obligated to protect and enhance the assets of the Credit Union. In doing so, the Board reviews and approves systems of risk management and internal controls, supervises the management team for effective performance, evaluates the Credit Union's financial position and performance and ensures compliance with relevant legislation and regulations. The internationally accepted Pearls Ratios provide the standards for monitoring and assessing a credit union's performance. The appropriate table is presented on page 25 of the Report. The Board also received and reviewed regular reports from appointed committees.

The Board of Directors of LPECCUL is committed to acting responsibly to ensure that all activities throughout the Credit Union are structured to achieve sound corporate governance and business practices. To this end, policies are determined and adopted by the Board in relation to all areas of operations, compliance, legal and reporting requirements. These policies are reviewed on a regular basis and are supported by procedures to ensure compliance and effective monitoring of LPECCUL business.

We are pleased to report that the level of compliance relating to members' enhanced due diligence (Know Your Member) has improved significantly. Members are reminded that compliance with directives and the guidelines of the regulators is mandatory and the Board is being held accountable for any breaches.

Membership Outreach

As reported in the previous year, growth in membership continues to be challenging due to demographics as well as the market conditions. The net membership grew by thirty-two (32) persons. At year end the Credit Union's total membership stands at 1809 members. During the year eight members passed away. The Board of Directors wishes to convey its heartfelt condolences to the relatives of those members who passed away during the year 2017.

Membership is a key performance target for our Credit Union as it is important for the sustainability of the organization. The Board recognizes that expansion of our delivery channels through the use of affordable technology should result in an increase in our membership base. Nevertheless, we thank those members who remain loyal and committed to our Credit Union, and continue to assist with the marketing efforts to recruit additional persons who are committed to the credit union principles and philosophy.

Capital Projects

There has been no further change in the plans to refurbish the Horseshoe Manor property. The anticipated cost factor, as well as the depressed commercial real estate market makes the project uneconomic at this stage.

There has been no success to date in securing a suitable tenant for the vacant office space at our Business Complex, and we have been advised that the lease of

THE REPORT OF THE BOARD OF DIRECTORS

FOR THE YEAR ENDED 31 DECEMBER 2017

the archives building will be terminated before year-end 2018. We continue to conduct general maintenance at the Collymore Rock and the Bush Hill properties to ensure appropriate accommodation for tenants, members and staff respectively.

Human Resources

The staff complement remains unchanged at ten. Our Credit Union has continued to focus on providing opportunities for training and development of staff and committee members. As in previous years, some of the training was done in-house and some was done externally. Staff attended training courses which were conducted by The Barbados Co-operative and Credit Union League Limited. This training was also availed of by committee members. In this regard we advise that committee members and staff attended a Compliance and Anti-Money Laundering workshop to enhance their awareness of the legislation and current issues in these very important areas.

We again encourage all members to participate in the courses offered by The Barbados Co-operative and Credit Union League Limited as these are designed to improve the skill levels of all credit unionists in Barbados. Additionally, the courses provide valuable information on personal financial literacy, savings and investment for retirement as well as counselling.

The Credit Union Movement

During the period June 16 to 21, 2017 the 60th Annual Convention of the Caribbean Confederation of Credit Unions as well as the 46th Annual General Meeting was held in Varadero, Cuba. The theme was *“Co-operatives: Reshaping Caribbean Sustainable Development.”* Two members of the Board and one member of staff attended the Convention.

Members of our Credit Union continue to provide strong support for activities sponsored by The Barbados Co-operative Credit Union League Limited. Mr. Anderson Henry is in his second term as the President

of the Board of Directors of The Barbados Co-operative and Credit Union League Limited. Similarly, Mr. Kelvin Whittaker is in his second term as the Chairman of the Co-operators General Insurance Company Limited as well as the Chairman of the Supervisory Committee of The Barbados Co-operative and Credit Union League Limited.

Community Involvement

Our Credit Union contributed to the economic and social wellbeing of our country, with education being the major focus. We continued our support for the youth. Under the Julie Alleyne Common Entrance Award Scheme, recognition was given to twelve (12) junior members who successfully completed the Common Entrance Examination. Similarly, under the Trevor Browne Scholarship Award Scheme, one award was made to a member pursuing studies at the tertiary level.

During the year the Credit Union provided financial assistance to several social and community events, as well as to several charitable causes in our communities. These were intended to benefit persons who were in need of assistance due to various challenges. In fiscal 2017 staff again partnered with a charitable organisation to provide toiletries and hot meals to the homeless in Bridgetown.

We continued to be a major sponsor of the annual Joseph Payne Memorial Athletic programme and have provided ongoing support to The Graydon Sealy Secondary School.

Outlook

Barbados' economic outlook remains weak. It is expected that the current challenges which exist in the local economy will continue into 2018 and thereby severely impact the financial services sector. Nevertheless, the Board of Directors is confident that despite the expected challenges which your Credit Union will face during the fiscal, we are placed to remain relevant and viable.

THE REPORT OF THE BOARD OF DIRECTORS

FOR THE YEAR ENDED 31 DECEMBER 2017

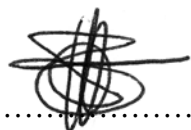
Our strategic focus will be on sustaining long-term financial growth and stability of the Credit Union. We are dedicated to providing financial services that positively impact the lives of our members. We will seek to meet our members' needs while enhancing our ability to invest in new products and technology with the ultimate objective of providing the best products and services possible. Above all, the goals of the Board of Directors are to continue the advancement of LPECCUL and to ensure that our members enjoy financially stable lives.

Acknowledgements

The Board wishes to thank all Committees, staff and other stakeholders for their unwavering commitment and dedication. While we all have different roles and responsibilities, our active collaboration is necessary if we are to achieve our objective of making a difference

in the lives of our members and our Credit Union. We especially thank The Barbados Light and Power Company Limited, which continues to provide ongoing support to many areas of our operations.

We extend thanks to each member for the loyal support and the confidence placed in us as we seek to serve you better. Our success would not be possible without your support and commitment. Together we will continue to build this organization and ensure its success. We appreciate your business and look forward to serving you in the years ahead.



.....
Wesley Trotman
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 2017 as compared to December 2016.

Description	Ratios	December 2017	Pearls Attained	December 2016	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	6,666,799 51,147,470		6,069,239 49,337,675		8% or greater
Net Income/Average Assets <i>Measures the Credit Union's ability to generate capital.</i>	<u>Net Income</u> Average Assets	583,562 50,242,573	13.03%	678,249 48,380,210	12.30%	1% or greater
Operating Expense/Income <i>Measures the Credit Union's ability to generate capital.</i>	<u>Operating Exp.</u> Total Income	1,633,271 3,184,112	1.16%	1,575,360 3,270,362	1.40%	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	31,476,117 51,147,470	51.29%	31,115,131 49,337,675	61.54%	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>	31,476,117 44,052,858	71.45%	31,115,131 42,829,592	72.65%	70% to 85%
Delinquent Loans/Total Loans <i>Indicates the quality of the loan portfolio.</i>	<u>Delinquent Loans</u> Total Loans	392,766 31,476,117	1.25%	359,969 31,115,131	1.16%	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	1,970,960 51,147,470	3.85%	465,639 49,337,675	0.94%	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 Savings	1,223,266 42,829,592	2.86%	1,201,983 41,627,609	2.89%	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 Loan Balance	360,986 31,115,131	1.16%	570,385 30,544,745	1.87%	8% to 15%

**The Light & Power Employees Co-operative
Credit Union Limited**
Financial Statements
December 31st, 2017

DJC & Co.

Drayton J. Carter & Co.

Chartered Accountants

Bridgetown

Barbados

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Sch. 1 - Details of Operating and Administrative Expenses	21-22

DJC & Co.

Drayton J. Carter & Co.

Chartered Accountants

The Annex, 'Urim House'

#1 Bagatelle Terrace

St. Thomas BB23003

Barbados, W. Indies



Drayton J. Carter & Co.
Chartered Accountants



Independent Auditors' Report

To the Members of **The Light & Power Employees Co-operative Credit Union Limited**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **The Light & Power Employees Co-operative Credit Union Limited** (the "Society") which comprise the statement of financial position as at December 31, 2017, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in compliance with the Co-operative Societies Act and its accompanying regulations.

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 Society in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

Independent Auditors' Report (continued)

To the Members of The Light & Power Employees Co-operative Credit Union Limited

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

In preparing the financial statements, management is responsible for assessing the Society'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 Society or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional 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 risk, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society'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 Society's ability to continue as a going concern.

Independent Auditors' Report (continued)

To the Members of The Light & Power Employees Co-operative Credit Union Limited

Auditors' Responsibilities for the Audit of the Financial Statements

- If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Society 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 finding, 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 to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

This report is made solely to the Credit Union's members, in accordance with Section 109 of the Co-operatives Societies Act of Barbados. Our audit work has been undertaken so that we might state to the Credit Union's members those matters we are required to state to it in an auditor's report and for no other purpose. To the fullest extent permitted by law and subject to any enactment or rule of law to the contrary, we do not accept or assume responsibility to anyone other than the Credit Union and the Credit Union's members for any audit work, for this report, or for the opinions we have formed.


Drayton J. Carter & Co.

BARBADOS

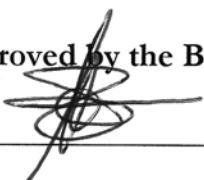
March 5th, 2018

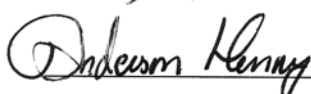
The Light & Power Employees Co-operative Credit Union Limited
Statement of Financial Position
As of December 31, 2017

	Notes	2017	2016
		\$	\$
Assets			
Cash and bank balances	3	3,148,603	2,735,430
Amounts receivable	4	298,508	267,483
Due from affiliate	5	67	4,953
Investments	6	13,232,856	12,175,562
Loans to members	7	31,476,117	31,115,131
Investment property	8	937,748	960,875
Property, plant and equipment	9	2,053,571	2,078,241
Total Assets		51,147,470	49,337,675
Liabilities and Members' Equity			
Accounts payable	10	427,813	438,844
Demand deposits	11	20,134,126	19,222,298
		20,561,939	19,661,142
Non-qualifying shares	12	23,918,732	23,607,294
Total liabilities		44,480,671	43,268,436
Members' Equity (Pages 7 and 8)			
Equity shares		180,900	177,700
Statutory reserves		5,355,280	5,331,188
Undivided surplus		1,095,795	523,890
Other reserves		34,824	36,461
Total members' equity		6,666,799	6,069,239
Total Liabilities and Members' Equity		51,147,470	49,337,675

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

Approved by the Board on March 05, 2018 and signed on its behalf by:

 Director

 Director

The Light & Power Employees Co-operative Credit Union Limited
Statement of Income
December 31, 2017

	Notes	2017	2016
		\$	\$
Interest income			
Loan interest		2,541,752	2,711,324
Other interest		2,016	16,619
		-----	-----
		2,543,768	2,727,943
		-----	-----
Interest expenses			
Interest on deposits		310,494	422,934
Interest on non-qualifying shares		643,443	751,677
		-----	-----
		953,937	1,174,611
		-----	-----
Net interest income		1,589,831	1,553,332
Other income			
Rental income		151,716	151,680
Dividends received		37,177	36,773
Investment income		437,965	338,350
Other income		13,486	15,616
Gain on sale of investments		-	99,858
		-----	-----
Net income after interest expense		2,230,175	2,195,609
		-----	-----
Expenses			
Staff cost (Schedule 1)		761,302	737,887
Operating and administrative (Schedule 1)		349,499	333,684
Depreciation	8 & 9	104,884	107,492
Membership security		251,756	229,097
Meetings and conferences		138,835	143,265
Tax on assets		-	23,935
Youth community and social welfare		26,995	-
		-----	-----
Total other expenses		1,633,271	1,575,360
		-----	-----
Net operating income for the year		596,904	620,249
		=====	=====

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

The Light & Power Employees Co-operative Credit Union Limited
Statement of Income and Comprehensive Income
December 31, 2017

	Notes	2017	2016
		\$	\$
Net operating income for the year		596,904	620,249
Other comprehensive income:			
Unrealised fair value (loss)/gain on available-for-sale-investments		(13,342)	58,000
Net income and comprehensive income for the year		583,562	678,249

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, 2017

		Share Capital	Statutory Reserve	Other Reserves	Undivided Surplus	Total
Balance at January 1, 2016	\$	175,400	4,730,953	107,646	513,331	5,527,330
Net income		-	-	-	620,249	620,249
Other comprehensive income				58,000		58,000
<u>Transfers:</u>						
Statutory reserve		-	600,000	-	(600,000)	-
Co-op Education fund		-	-	6,202	(6,202)	-
Additional transfer		-	-	-	-	-
Dividends paid		-	-	-	(3,488)	(3,488)
Net increase in share capital		2,300			-	2,300
Realised gain on sale of investment				(100,248)	-	(100,248)
<u>Appropriations:</u>						
Co-op Education fund		-	-	(5,139)	-	(5,139)
Social, education and welfare funds		-	-	(30,000)	-	(30,000)
Entrance fees & fines		-	235	-	-	235
Balance at December 31, 2016	\$	177,700	5,331,188	36,461	523,890	6,069,239
Balance at January 1, 2017	\$	177,700	5,331,188	36,461	523,890	6,069,239
Net income		-	-	-	596,904	596,904
Other comprehensive income		-	-	(13,342)	-	(13,342)
<u>Transfers:</u>						
Statutory reserve		-		-	-	-
Co-op Education fund		-	-	17,907	(17,907)	-
Additional transfer		-	23,792	-	-	23,792
Dividends paid		-	-	-	(7,092)	(7,092)
Net increase in share capital		3,200	-	-	-	3,200
<u>Appropriations:</u>						
Co-op Education fund		-	-	(6,202)	-	(6,202)
Social, education and welfare funds		-	-	-	-	-
Entrance fees & fines		-	300	-	-	300
Balance at December 31, 2017	\$	180,900	5,355,280	34,824	1,095,795	6,666,799

The Light & Power Employees Co-operative Credit Union Limited
Statement of Changes in Members Equity
December 31, 2017

	2017 \$	2016 \$
Other reserves comprise:		
Fair value reserve	16,917	30,259
Co-op Education Fund	17,907	6,202
	-----	-----
	34,824	36,461
	=====	=====

The Light & Power Employees Co-operative Credit Union Limited
Statement of Cash Flows
December 31, 2017

	2017 \$	2016 \$
Cash flows from operating activities		
Net operating income for the year	596,904	620,249
Adjustments for non-cash income and expenses		
Depreciation	104,884	107,492
Profit (Loss) on sale of asset	3,597	(5,000)
Gain on sale of investments	-	(99,858)
Bad debts	5,202	7,330
Changes in operating assets and liabilities		
Increase in amounts receivable	(31,025)	(117,191)
(Decrease) increase in amounts due from affiliate	4,886	(907)
(Decrease) increase in accounts payable	(11,031)	171,038
	-----	-----
Net cash from operating activities	673,417	683,153
	-----	-----
Cash flows from investing activities		
Loans to members	(366,188)	(577,716)
Investments	(1,070,636)	(5,727,478)
Additions to property and equipment	(61,263)	(48,819)
Proceeds from sale of fixed asset	580	5,000
	-----	-----
Net cash used in investing activities	(1,497,507)	(6,349,013)
	-----	-----
Cash flows from financing activities		
Members' deposits	911,828	1,097,304
Non-qualifying shares	311,438	104,679
Share capital	3,200	2,300
Dividends paid	(7,092)	(3,488)
Social, welfare, education & development funds	17,589	(35,139)
Entrance fees & fines	300	235
	-----	-----
Net cash from financing activities	1,237,263	1,165,891
	-----	-----
Net change in cash and cash equivalents	413,173	(4,499,969)
Cash and cash equivalents, beginning of year	2,735,430	7,235,399
	-----	-----
Cash and cash equivalents, end of year	3,148,603	2,735,430
	=====	=====

1. Registration and Principal Activity:

The Light & Power Employees Co-operative Credit Union Limited was registered on January 11, 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. The key sources of estimation uncertainty are the provision for doubtful debts and depreciation on property plant and equipment and investment property.

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 is based upon a detailed analysis of the loan portfolio and reflects the amount which in management's judgment provides adequately for potential losses.

Financial instruments

Financial assets and financial liabilities are recognized on the statement of financial position 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.

Investments

Available-for-sale:

Available for sale investments include equity securities. Equity securities classified as available for sale are those which are neither classified as held for trading nor designated at fair value through profit and loss.

2. Statement of accounting policies (continued)

Available-for-sale:

After initial measurement, available for sale investments are subsequently remeasured at fair value based on quoted bid prices. Unrealized gains or losses on available for sale securities are recognized in the statement of income and comprehensive income.

Unquoted equity instruments for which fair value cannot be measured reliably are recognized at cost less impairment.

Held to maturity financial investments:

Held to maturity financial investments are non-derivative financial assets with fixed or determinable amounts, which the credit union has the intention and ability to hold to maturity. They are stated at cost and are adjusted for the amortization of discount where the securities were purchased at a discount.

Loans and receivables:

Loans and receivables are non-derivative financial assets with fixed or determinable amounts that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate method, less impairment.

Impairment losses are reported as a deduction from the carrying value of the loan or balance and recognized in the statement of income as a provision for impairment.

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.

2. Statement of accounting policies *(continued)*

Corporation Tax

The Credit Union is exempt from taxation under Section 9(g) of the Income Tax Act of Barbados, Chapter 73. The Credit Union was however exposed to a temporary "Tax on Assets" that expired on March 31, 2016. The rate of the tax was 0.20% per annum on average domestic assets

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.

Investment property

Investment property comprises land and buildings owned but not occupied by the Credit Union and held to earn rental income or held for capital appreciation with possible future development potential. Investment property is recognized at cost. Depreciation on buildings is provided over the estimated lives of the assets on the straight-line basis at 2% per annum.

Transfers to or from investment property are recorded when there is a change in the use of the property. If an investment property becomes owner occupied, it is reclassified as property, plant and equipment. If any action is taken to develop or sell investment property it is classified as development property.

Rental income from investment property is recognized on the accrual basis.

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.

Related parties

Two parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individual or corporate entities.

The Light & Power Employees Co-operative Credit Union Limited
Notes to the Financial Statements
December 31, 2017

3. Cash and bank balances

	2017	2016
Cash holdings	\$ 60,158	119,339
Savings account	1,578,520	2,088,194
Current account	1,509,925	527,897
	-----	-----
	\$ 3,148,603	2,735,430
	=====	=====

The Society earned interest on its savings account and current accounts at rates ranging from 0.0048% to 0.15% (2016: 0.20% to .50%) during the financial year.

4. Amounts Receivable

	2017	2016
Trade receivables & prepayments	\$ 47,542	30,648
Accrued interest	122,924	113,253
Rent receivable	1,544	14,246
VAT refundable	126,498	109,336
	-----	-----
	\$ 298,508	267,483
	=====	=====

5. Due from affiliate

	2017	2016
Reddy Kilowatt Co-operative Society Ltd.	\$ 67	4,953
	=====	=====

The amount due from Reddy Kilowatt Co-operative Society Ltd. is unsecured, interest free and has no specific terms of repayment.

6. Investments

	Market Price	2017	2016
<u>Available for sale</u>			
<u>Quoted securities at market value:</u>			
Insurance Corporation of Barbados - 50,000 shares	\$3.70	185,000	188,000
Cable & Wireless (Barbados) Ltd- 33,360 shares	\$2.29	76,394	86,736
		-----	-----
		\$ 261,394	274,736
		-----	-----

The Light & Power Employees Co-operative Credit Union Limited
Notes to the Financial Statements
December 31, 2017

6. Investments (continued)

Unquoted securities at cost:

Barbados Co-operative & Credit Union League Ltd.	\$	59,370	59,370
Central Fund Facility Trust- Statutory reserves (2.50%)		40,000	40,000
Central Fund Facility Trust- Ordinary deposit (2.75%)		27,775	25,864
Central Fund Facility Trust- Fixed deposit (3.00%)		46,371	45,020
Co-operators General Insurance Co. Ltd.			
2017:4,798 (2016: 4,731) Ordinary shares		638,580	624,510
Co-operators General Management Co. Inc.			
2017: 3,126 (2016:2,501) Ordinary shares		62,520	50,020
		-----	-----
	\$	874,616	844,784
		-----	-----

Held to maturity

Government debt securities:

Treasury Note issue # 961 (3.23% -2017)	\$	-	2,480,000
Treasury Note issue # S201613 (3.23% - 2017)		-	2,480,000
Treasury Note issue # S201615 (3.23%-2017)		-	2,480,000
Treasury Note issue # 985-19 (3.59 % -2018)		2,456,250	-
Treasury Note issue # 985-18(3.18 % - 2018)		992,200	-
Treasury Note issue # S201707 (3.43 %-2018)		2,479,000	-
Treasury Note issue # S201708 (3.43 %-2018)		2,479,000	-
Government Savings Bonds (5.5%- 2020)		152,480	152,480
Debenture # 0007 (7%- 2024)		500,000	500,000

Capita Financial Services Inc.

Certificate of Deposit (3.00% - 2018)	\$	550,000	550,000
Certificate of Deposit (3.50% - 2018)	\$	2,100,000	2,000,000
		-----	-----
		11,708,930	10,642,480
		-----	-----

Loans and receivables

Co-operators General Management Co. Inc.

Mortgage Loan receivable			
(10 years @ 7%)	\$	387,916	413,562
		-----	-----
	\$	13,232,856	12,175,562
		=====	=====

The Light & Power Employees Co-operative Credit Union Limited
Notes to the Financial Statements
December 31, 2017

7. Loans to members

	2017	2016
Loan portfolio	\$ 31,604,502	31,281,681
Provision for loan losses	(128,385)	(166,550)
	<u>31,476,117</u>	<u>31,115,131</u>
Movement in provision for loans		
Balance beginning of year	\$ 166,550	197,702
Charged to provision	(86,550)	(56,152)
Increase in provision	48,385	25,000
	<u>128,385</u>	<u>166,550</u>

The Society offers ordinary loans to members at rates varying from 6% to 12% (2016: 6% to 12%) per annum. The maximum loan limit is 10% of the entity's equity base. A line of credit facility is also in place offering members revolving credit up to \$15,000 (2016: \$15,000) at the interest rate of 15% (2016: 15%) per annum. Interest charged by the Society is computed on the reducing balance basis.

8. Investment property

	2017	2016
<u>Cost</u>		
Balance at start	\$ 1,367,955	1,367,955
Balance at end	<u>1,367,955</u>	<u>1,367,955</u>
<u>Depreciation</u>		
Balance at start	407,080	383,952
Additions	23,127	23,128
Balance at end	<u>430,207</u>	<u>407,080</u>
Net book value	<u>\$ 937,748</u>	<u>960,875</u>
Direct rental income from investment property	\$ 71,718	71,680
Operating expenses	(25,894)	(24,726)
Net profit on investment property	<u>\$ 45,824</u>	<u>46,954</u>

The Light & Power Employees Co-operative Credit Union Limited
Notes to the Financial Statements
December 31, 2017

8. Investment property (continued)

Investment property shown at the net cost of \$ 937,748 (2016: \$ 960,875) as at December 31, 2017 has a current valuation of \$ 2,200,000 as determined by the Barbados Revenue Authority. The appraisal excess of \$ 1,265,252 is not accounted for in these financial statements.

9. Property, Plant & Equipment

<u>2017</u>	Total	Land & Buildings	Furniture & Equip.	Computer Equip.	Motor Vehicle
	\$	\$	\$	\$	\$
<u>Cost</u>					
Balance at start	3,282,373	2,693,024	316,694	230,655	42,000
Additions	61,263	-	9,928	51,335	-
Disposals	(128,797)	-	(43,872)	(84,925)	-
	-----	-----	-----	-----	-----
Balance at end	3,214,839	2,693,024	282,750	197,065	42,000
	-----	-----	-----	-----	-----
<u>Depreciation</u>					
Balance at start	1,204,132	727,148	256,590	216,894	3,500
Additions	81,756	44,707	11,847	16,802	8,400
Disposals	(124,620)	-	(39,695)	(84,925)	-
	-----	-----	-----	-----	-----
Balance at end	1,161,268	771,855	228,742	148,771	11,900
	-----	-----	-----	-----	-----
Dec 31, 2017	2,053,571	1,921,169	54,008	48,294	30,100
	=====	=====	=====	=====	=====

The Light & Power Employees Co-operative Credit Union Limited
Notes to the Financial Statements
December 31, 2017

9. Property, Plant & Equipment (continued)

2016	Total	Land & Buildings	Furniture & Equip.	Computer Equip.	Motor Vehicle
	\$	\$	\$	\$	\$
<u>Cost</u>					
Balance at start	3,270,077	2,693,024	311,630	228,900	36,523
Additions	48,819	-	5,064	1,755	42,000
Disposals	(36,523)	-	-	-	(36,523)
	-----	-----	-----	-----	-----
Balance at end	3,282,373	2,693,024	316,694	230,655	42,000
	-----	-----	-----	-----	-----
<u>Depreciation</u>					
Balance at start	1,156,290	682,441	241,158	196,168	36,523
Additions	84,365	44,707	15,432	20,726	3,500
Disposals	(36,523)	-	-	-	(36,523)
	-----	-----	-----	-----	-----
Balance at end	1,204,132	727,148	256,590	216,894	3,500
	-----	-----	-----	-----	-----
Dec 31, 2016	2,078,241	1,965,876	60,104	13,761	38,500
	=====	=====	=====	=====	=====

Lands and buildings shown at the net cost of \$ 1,921,169 (2016: \$ 1,965,876) as at December 31, 2017 have a current valuation of \$ 4,500,000 as determined by the Barbados Revenue Authority. The appraisal excess of \$ 2,578,831 is not accounted for in these financial statements.

10. Accounts Payable

	2017	2016
Trade payables	\$ 57,572	50,140
Interest payable	370,241	388,704
	-----	-----
	\$ 427,813	438,844
	=====	=====

11. Demand Deposits

	2017	2016
Savings deposits	\$ 13,419,125	13,294,463
Term deposits	261,711	234,777
Fixed deposits	6,453,290	5,693,058
	-----	-----
	\$ 20,134,126	19,222,298
	=====	=====

Interest paid on deposits varied between 1.25% and 3.00% per annum (2016: 2.25% and 3.25%).

12. Non-qualifying 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. The Society at its Special General Meeting held on September 24, 2008 approved its minimum amount for qualifying shares at \$100.

13. Commitments

Commitments in respect of loans approved but not disbursed as at December 31, 2017 were \$ 1,642,560 (2016: \$2,657,365).

14. 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.

14. Financial instruments and risk management (continued)

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, amount due from affiliate, receivables and cash held with financial institutions.

Maximum exposure to credit risk

	2017	2016
Bank balances	\$ 3,148,603	2,735,430
Amounts receivable	298,508	267,483
Due from affiliate	67	4,953
Investments	13,232,856	12,175,562
Loans to members - net	31,476,117	31,115,131
	-----	-----
	\$ 48,156,151	46,298,559
	=====	=====

14. Financial instruments and risk management (continued)

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 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, 2017 based on contractual undiscounted payments.

	2017	2016
Accounts payable	\$ 427,813	438,844
Demand deposits	20,134,126	19,222,298
	-----	-----
	20,561,939	19,661,142
Non-qualifying shares	23,918,732	23,607,294
	-----	-----
Total liabilities	\$ 44,480,671	43,268,436
	=====	=====

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, 2017

(Schedule 1)

	2017	2016
Staff cost		
Salaries	\$ 624,389	603,803
National insurance	44,549	48,196
Pension fund	28,419	32,053
Uniforms	10,716	1,928
Medical insurance	13,954	12,761
Group life insurance	7,524	7,524
Education/training	20,025	19,575
Staff welfare	11,726	12,047
	-----	-----
	\$ 761,302	737,887
	=====	=====
Number of employees	10	10
	-----	-----
Office Expenses		
Stationery, office expenses and advertising	\$ 88,669	73,178
Cleaning	10,322	12,032
Utilities	21,310	20,696
Insurance	3,199	3,164
	-----	-----
	\$ 123,500	109,070
	-----	-----
Property Management		
Repairs and maintenance	\$ 78,577	85,455
Utilities	2,611	1,989
Insurance	15,558	17,261
Land tax	42,210	42,210
Property valuation	851	-
	-----	-----
	\$ 139,807	146,915
	-----	-----
Motor Vehicle Expenses		
Petrol and maintenance	\$ 3,703	3,282
Insurance and licensing	2,423	2,060
	-----	-----
	\$ 6,126	5,342
	-----	-----

The Light & Power Employees Co-operative Credit Union Limited

Details of Operating and Administrative Expenses

December 31, 2017

(Schedule 1)

	2017	2016
Other Administrative Expenses		
Audit fees	\$ 32,900	30,000
Bank charges	5,704	4,924
Donation	8,033	11,710
League dues	31,749	30,727
Loss (Gain) on disposal of fixed assets	3,597	(5,000)
Miscellaneous	19,722	5,590
Bad debts (recoveries)	(68,309)	(32,330)
Increase in bad debt provision	43,385	25,000
Travel and entertainment	3,285	1,736
	-----	-----
	\$ 80,066	72,357
	-----	-----
Total Operating and Administrative Expenses	\$ 349,499	333,684
	=====	=====

TREASURER'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

Overview

This was another successful year despite the socio-economic challenges faced by our country and increased competition from other financial institutions. We were able to maintain this level of performance by focusing on improved service to our members and by sound operational policies and controls. Our net operating profit after appropriations was \$0.597 million. We were able to pay 2.75% interest on Membership Non Qualifying shares and proposed a 20% dividend on Permanent Shares, while lowering the interest rate paid on a major sector of the loan portfolio.

Total assets increased by \$1.809 million or 3.6% over the previous year to reach \$51.147 million. The main contributor to this increase was the growth in the investment portfolio. The rate of growth in total assets has slowed over the past four (4) years due mainly to the economic constraints of the country.

The Auditor's Report and Financial Statements are detailed on page 27 to 49 of this report. We also provide a summary below to show the progress made by this Credit Union over the past nine years.

Loans

At 31 December 2017 total loans stood at \$31.476 million, approximately 1.1 % above the level of the previous fiscal year. The demand for loans added \$8.282 million in new advances to the loan portfolio, but the increase was partially negated by liquidation of several large loans as some members decided to exercise alternate borrowing options. The mortgage/real estate loans were a major contributor to our increase.

For the third successive year, the established minimum Pearl's ratio of 70% for growth in the loan portfolio was not achieved. The loans/asset ratio stood at 61.5% as compared with 63.1% in the previous year and this gives an indication of our excess liquidity. In an effort to address this situation, the Board reduced interest rates on select portions of the portfolio as well as adjusted limits on others to encourage members to borrow. However, it is apparent that some members who experienced a real reduction in disposable income opted to defer the level of their loan commitments. Nevertheless, we were able to comfortably meet the loan demands of our members as well as to honour payment obligations in a timely manner. We recognise that the financial landscape has

YEAR	Total Assets (000)s	Total Loans (000)s	Total Deposits (000)s	Net Income (000)s	Capital (000)s	Statutory Reserves (000)s	NQShares (000)s	Divid/Int (000)s	Dividend/ NQS Rate %
2017	51,147	31,476	44,053	584	6,667	5,355	23,919	643	2.75
2016	49,338	31,282	42,830	678	6,069	5,331	23,607	752	3.25
2015	47,423	30,742	41,627	514	5,527	4,730	23,503	576	2.75
2014	44,510	31,324	38,379	592	4,981	3,878	22,746	584	3.25
2013	43,000	29,519	37,416	465	4,450	3,389	22,455	767	5.50
2012	40,098	27,946	34,929	395	4,417	3,088	22,260	873	4.00
2011	38,668	25,843	33,924	378	4,067	2,770	21,404	1,162	5.75
2010	34,148	25,014	29,208	126	4,167	2,464	18,814	883	5.00
2009	31,400	23,060	26,693	364	3,793	2,433	17,508	753	5.13

TREASURER'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

become extremely competitive with both traditional and new entrants to the market offering very attractive packages for lending business. We therefore urge you to make this Credit Union your first choice when you are seeking advances.

The quality of our loan portfolio is considered to be good. Delinquent accounts stand at \$0.393 million, representing 1.25% of the total loan portfolio. The delinquent situation is well below the acceptable level of 5% and based on previous experiences, we consider our provision for loan losses to be adequate.

Your Board is mindful of the pending implementation of IFRS 9 which will become effective on 2018/01/01. IFRS 9 requires that the Credit Union be forward thinking in its approach to provisioning for loan losses. In anticipation of the implementation of the new guidelines under IFRS 9, a review of all loans was conducted to identify potentially weak credit situations. The Board is satisfied with the good quality of the loan portfolio and that there are adequate reserves to cushion any adverse situations.

Liabilities

Despite the limited disposable income, our members demonstrated confidence by increasing their savings in the Credit Union, thus acknowledging our commitment to safety and prudence.

Total deposit liabilities increased by \$1.22 million or 2.8% to a level of \$44.053 million. While the overall growth in deposits is a positive factor, it is still below the acceptable range of 10% to 20%. The savings/loans ratio stands at 71.5% and this gives an indication of the available liquidity to finance additional borrowing.

Fixed Deposits recorded the largest increase in deposit liabilities, rising by \$0.760 million or 13% to \$6.453 million. A significant portion of this amount is attributed to placements transferred from regular deposits. Regular deposits evidenced an increase of 1.1% to reach \$13.419 million. Growth of 1.3% was

also recorded in the membership share balances which now total \$23.919 million. During the year, the Board's policy of paying a very favourable rate on deposit to all of its members was continued. This is in an effort to ensure that members received a decent return on their savings at time when rates are at a historically low level. With your support we expect to continue this trend.

Equity

One of the most important measurements in determining the strength of a credit union is capital adequacy. This determines the ability of the institution to withstand any adverse financial performance, especially in difficult conditions. The Credit Union's equity position has remained strong. Our capital and reserves now stand at \$6.667 million and the capital/assets ratio is 13%. This is a further improvement over last year's position which stood at 12.3%. The Pearls Standard requirement is 8%.

All credit unions operating in Barbados are mandated to establish and maintain reserves. Annually the greater of one half of one percent of assets or 25 per cent of the surplus is transferred until the capital of the society equals 10 per cent of the total assets of the society. The Board of Directors recognises that sustained growth in institutional capital is important and has continued to set aside increased amounts to the statutory reserves which are in excess of the legal requirement. As advised previously, it is imperative that the Credit Union strengthens its capital base to ensure that the potential for future growth is supported as well as to cushion any adverse shocks in the current economic climate.

Income

Gross income decreased by 5.5% from the level of the previous year. Revenue generated from loans was \$2.542 million, reflecting a decline of 6% from the previous year. This was impacted by the decision of the Board to reduce the lending rate on mortgages by a further 1 per cent, thereby providing some relief for the members.

TREASURER'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

At 2017/12/31 our investment portfolio stood at \$13.233 million and the revenue derived during the fiscal was \$0.438 million as compared with \$0.338 million in the previous fiscal. Satisfactory treasury management ensured that we were able to offset the reduction in loan interest income as well as earnings received from commercial banks on surplus funds.

The revenue from rentals remained flat at \$0.152 million as we have been unable to secure a satisfactory tenant for the upstairs portion of our business complex. The revenue derived from Line of Credits was unchanged at \$60,000 as there was reduced utilisation of the facility.

Total Expenses

Total expenses decreased by 6% from the level of the previous financial year to \$2.587 million. Prudent control over expenditures is evident. Interest expense on regular deposits and non-qualifying shares totalled \$0.954 million as the Credit Union responded to the impact of market forces to keep control over its cost of funds. 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. Personnel costs increased nominally due to market conditions. The Membership Protection Insurance cost was increased effective June 2017 and this resulted in an overall increase of 10% over the previous year.

Net income for the financial year 2017 was \$0.584 million after adjustments for unrealised fair value loss on available-for-sale-investments

Summary

When consideration is given to the challenging economic environment within which the Credit Union operated during fiscal 2017, our net operating income is favourable. Positive results have been derived by prudent selection of credits and good control over expenses.

The Board is therefore pleased to advise that we have again provided a very decent return to our members while at the same time setting aside adequate funds to build up our reserves. It is our intention to ensure that your Credit Union remains strong, safe and secure. We are determined to improve on these results in fiscal 2018 and this can be achieved if all members lend their full support.



Anderson Henry
Treasurer

THE SUPERVISORY COMMITTEE REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

At the first meeting of the Committee Mr. Hasani Grosvenor and Mrs. Donna Gibbs were elected to serve as Chairman and Secretary respectively.

The committee's duties include but are not limited to the following:

1. Examination of the books of the Credit Union
2. Appraise the policies and operating procedures of the Credit Union and make recommendations to the Board and the Credit Committee
3. Confirmation of cash instruments, property and securities
4. Monitor the management of the Credit Union
5. Verify the assets of the Credit Union and ensure that they are properly protected
6. Receive and investigate complaints made by members
7. Ensure that the Credit Union complies with provisions of the Co-operative Societies Act, Regulations and the Credit Union's By-Laws
8. Attest to monthly returns filed with the Financial Services Commission are in compliance with the Act

Attendance for January to March 2017

Names	Position	Meetings Held	Attended	Excused
Hasani Grosvenor	Chairman	2	2	0
Donna Gibbs	Secretary	2	2	0
Anthony London	Member	2	1*	0
Samuel Blades	Member	2	2	0
Nneka Archer	Member	2	2	0
David Lawrence	Member	2	1*	0

*Required to attend one meeting only

Attendance for April to December 2017

Names	Position	Meetings Held	Attended	Excused
Hasani Grosvenor	Chairman	5	5	0
Donna Gibbs	Secretary	5	5	0
Samuel Blades	Member	5	4	1
Nneka Archer	Member	5	3	2
David Lawrence	Member	5	5	0

The Financial Statements of the Credit Union were reviewed on a monthly basis, as well as the quarterly submissions to the Financial Services Commission.

In addition to the review of the monthly financial statements, complaints received, securities of selected books, delinquent loans, bank reconciliations, opened and closed accounts, and loan disbursements were reviewed.

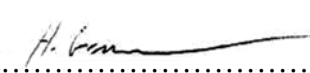
Procedures were performed on the calculation of loan interest across various categories. The committee verified the existence of the Credit Union’s assets by inspecting the investments held.

Areas of concern and areas where improvement should be sought were communicated to the Board of

Directors. During the testing and reviews performed by the committee, no evidence of significant misstatement in the books of the Credit Union was noted.

The Supervisory Committee wishes to extend its appreciation to the staff of the Credit Union as well as the Board of Directors, 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.


.....
Hasani Grosvenor
Chairman

THE CREDIT COMMITTEE

FOR THE YEAR ENDED 31 DECEMBER 2017

The Credit Committee met following the 34th Annual General Meeting held on 18 March 2017 and persons were elected to serve in the following positions:

Chairperson	- Cindy Callender
Secretary	- Omar Hunte
Member	- Gloria Grant

Year In Review

The following changes were made during financial year 2017:

1. Mortgage interest rates reduced from 7 % to 6 % per annum with effect from 1 August 2017
2. Ordinary loan interest rates reduced from 11 % to 10 % per annum with effect from 1 August 2017
3. Christmas loans maximum increased from \$6,000.00 to \$7,000.00

Attendance

The Co-operative Societies Act require the Credit Committee to meet at least monthly. This Committee continued to meet weekly, thus enabling our members loan applications to be reviewed in a timely manner. Our attendance record for the financial year ended 31 December 2017 is as follows:

Attendance 1 January to 18 March 2017

Name	Position	Meetings Held	Attended	Excused
Nigel Harris	Chairperson	10	9	1
Omar Hunte	Secretary	10	10	0
Cindy Callender	Member	10	9	1

Attendance 21 March to 31 December 2017

Name	Position	Meetings Held	Attended	Excused
Cindy Callender	Chairperson	40	39	1
Omar Hunte	Secretary	40	37	3
Gloria Grant	Member	40	37	3

Comparisons – Fiscal Years 2016 and 2017

In fiscal 2017, the Credit Committee facilitated the disbursement of 641 loans amounting to \$8.282 million. This equated to an increase in loan disbursements of 23% or \$1.548 million compared to 2016. The most significant increase during the year in review was \$1.386 million in Real Estate facilities. Additionally, the Real Estate loans approved, but not disbursed at 31 December 2017 amounted to \$1,481 million; an indication that our members still see the Credit Union as a popular source for long term finance.

Vehicle loans remain a major category in the Credit Union's loan portfolio with \$1.281 million disbursed in 2017, this is however down on the previous year's \$1.380 million.

Restructuring of finances including Debt Consolidations amounted to \$1.382 million, an increase of \$0.208 million on fiscal 2016. Many members came of their own volition to review their finances and chart the way towards an increased disposable income, plan for children's tertiary education or in some instances, prepare for retirement.

THE CREDIT COMMITTEE

FOR THE YEAR ENDED 31 DECEMBER 2017

We thank our members for working with us by completing the more detailed loan application and for submission of supporting documentation, as necessary. These requirements are enforced by our regulators and supported by the Board of Management. The said information is required not to be obstructive, but to enable the Committee to make an informed decision and additionally, reduce the turnaround time between application and disbursement.

guidance over the past 12 years. We give our undertaking to work with the new Manager when appointed, as we endeavor to assist our members' financial needs.

The Credit Committee thanks the management and staff for the assistance and support rendered during this challenging, but successful year in review. We look forward to working together in 2018 for the benefit of the membership and by extension, your Credit Union.

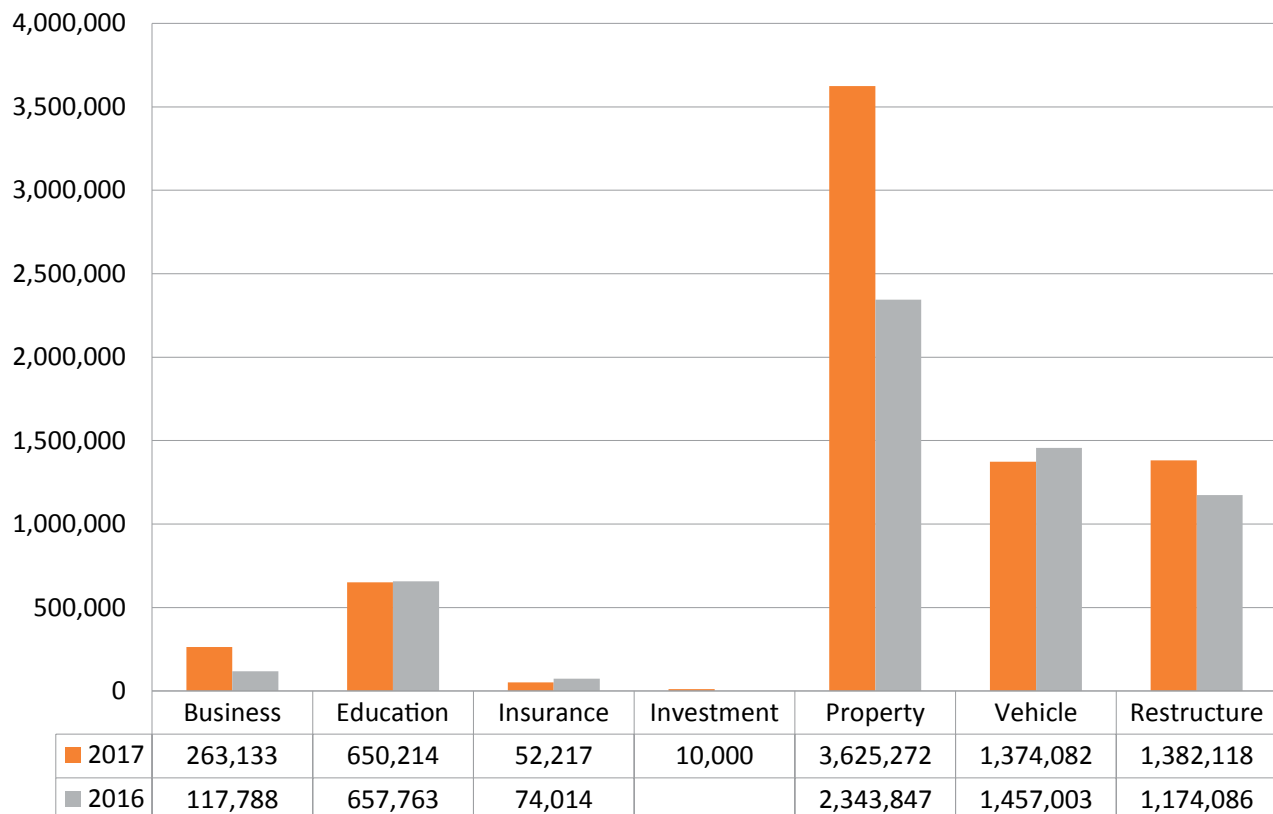
Appreciation

Our best wishes to Mr. Trevor Williams for a long and healthy retirement and we thank him for his invaluable



Cindy Callender
Chairperson

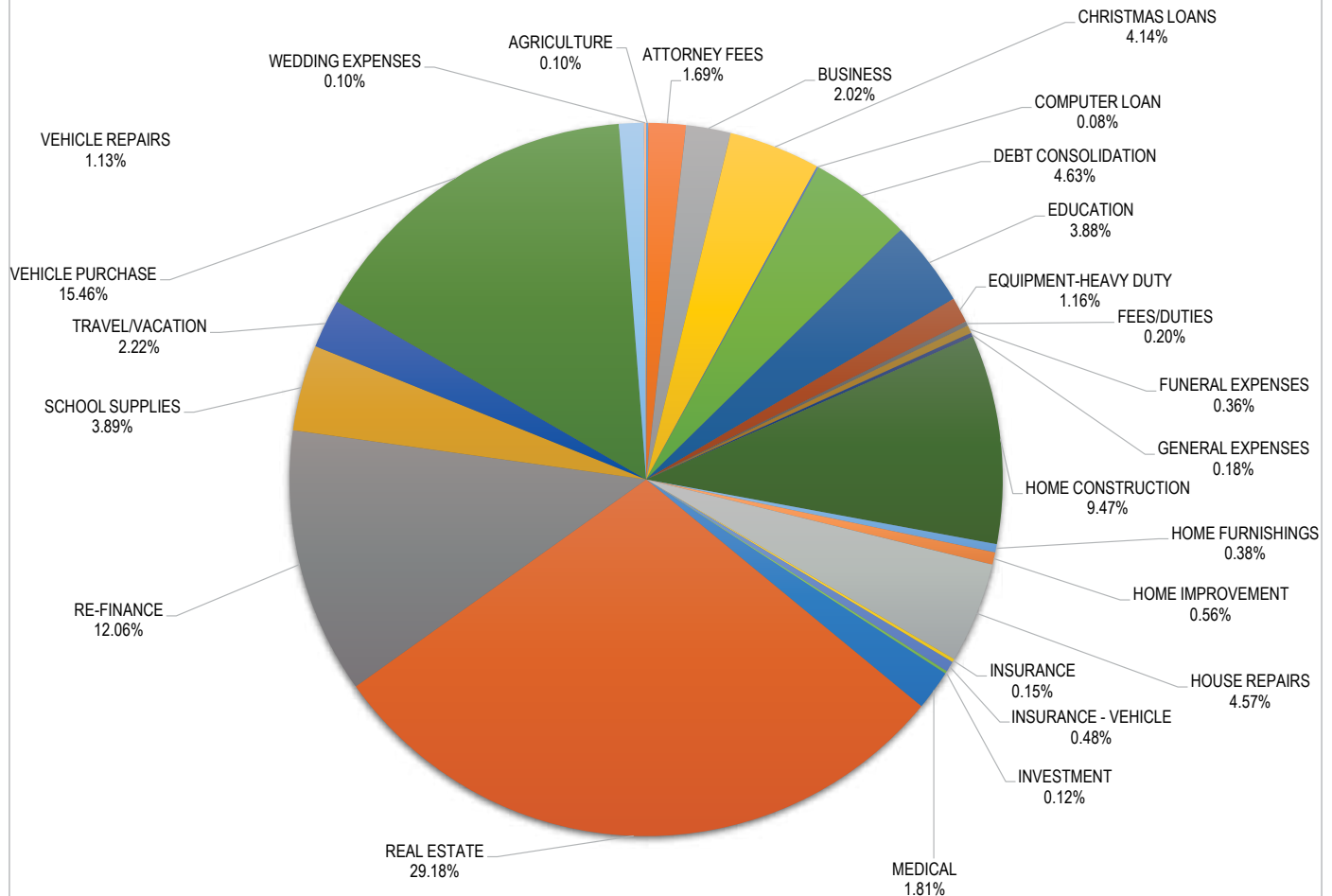
LOANS COMPARISON (BY GROUP) FOR ANNUAL REPORT FOR YEAR ENDING - 31 DECEMBER 2017



THE CREDIT COMMITTEE

FOR THE YEAR ENDED 31 DECEMBER 2017

2017 LOANS COMPARISON REPORT



REPORT OF THE DELINQUENCY COMMITTEE

FOR THE YEAR ENDED 31 DECEMBER 2017

The Delinquency Committee for the year ending 31 December 2017 comprised the Credit Committee, Mr. Trevor Williams and Mrs. Ann Austin.

The aims and objectives of the Delinquency Committee: -

1. To recover all outstanding loan payments and/or overdue balances.
2. To provide financial counseling 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.

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

CATEGORIES	2017	2016	CHANGE
Total loans outstanding at year end	\$31,605,054	\$31,381,681	\$223,373 (increase)
Shares held for outstanding delinquent loans	\$5,800	\$7,949	\$2,149 (decrease)
Total principal outstanding delinquent loans	\$392,766	\$359,969	\$32,797 (increase)
Total exposure (loans at risk)	\$386,966	\$352,020	\$34,946 (increase)
Percentage exposure compared to total loans	1.25	1.12	0.10 (increase)
Number of delinquent members	18	13	5 (increase)
Accounts Written Off	1	2	1 (increase)
Amounts Written Off	\$13,340	\$2,707	\$10,633 (increase)

REPORT OF THE DELINQUENCY COMMITTEE

FOR THE YEAR ENDED 31 DECEMBER 2017

At year end, there were 18 delinquent loans with a total balance of \$392,766

Total exposure namely "Loans at Risk" equated to 1.25 % of total loans outstanding at year-end, remaining well within the 'accepted rate' of 5.00 %.

The economic climate in fiscal calendar year 2017 was challenging for our membership. Indeed, management of delinquent loans in this period was an ongoing exercise.

Members came forward and refinanced or consolidated their borrowing, to make payments more manageable. Loans were examined throughout the year and those persons with accounts deemed to give cause for concern, were called in to restructure their facilities. For the second consecutive year, the combined Debt Consolidation and Refinance loans categories exceeded \$1,100,000.

During the year in review, telephone calls were made and notices issued to enforce payments. Our appointed attorneys-at-law and debt collectors pursued the hard core delinquent cases and instigated court action as necessary, on behalf of the Credit Union.

Delinquent loans increased to \$392,766 at year end and we opted to make provisions for the accounts where recovery of funds may be protracted. Whilst one account was removed from our loan portfolio in 2017, repayment of the debt will still be pursued.

The Delinquency Committee thanks the appointed attorneys-at-law and debt collectors for their assistance during the year and look forward to a continued association.

Our mission is to pursue the aims and objectives of the Delinquency Committee, for the benefit of your Credit Union and we pledge our commitment.



.....
Cindy Callender
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.

OFFICERS' PLEDGE

As an Officer of The Light and Power Employees Co-op Credit Union Limited , 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.

NOTES

NOTES

CO-OPERATORS GENERAL INSURANCE CO. LIMITED



TRUSTED FINANCIAL PROTECTION

INSURANCE COVER FOR HOUSE, VEHICLE AND
OTHER VALUABLE PROPERTY AGAINST THE EVER PRESENT DANGER OF
FIRE, HURRICANE, FLOOD, VEHICULAR ACCIDENTS.

OTHER CLASSES OF INSURANCE OFFERED ARE
TRAVEL, PUBLIC AND EMPLOYERS LIABILITY, BURGLARY AND CASH IN TRANSIT



COME IN AND VISIT US

HEAD OFFICE

Upper Collymore Rock, St. Michael
Tel: (246) 431-8600
Fax: (246) 430-9148

OPENING HOURS:
Mon-Fri 7:30 am-5pm
Sat-9am - 1pm

BRANCH #1

Shop #10 Town Square
Queens Street,
Speightstown, St. Peter
Tel: (246) 422-2106
Fax: (246) 430-9148

OPENING HOURS:
Mon-Fri 9am-5pm
Sat-9am - 1pm

BRANCH #2

Emerald City Supermarket
Six Roads, St. Phillip
Tel: (246) 271-1227

OPENING HOURS:
Mon-Fri 9am -6pm
Sat 9am -1pm

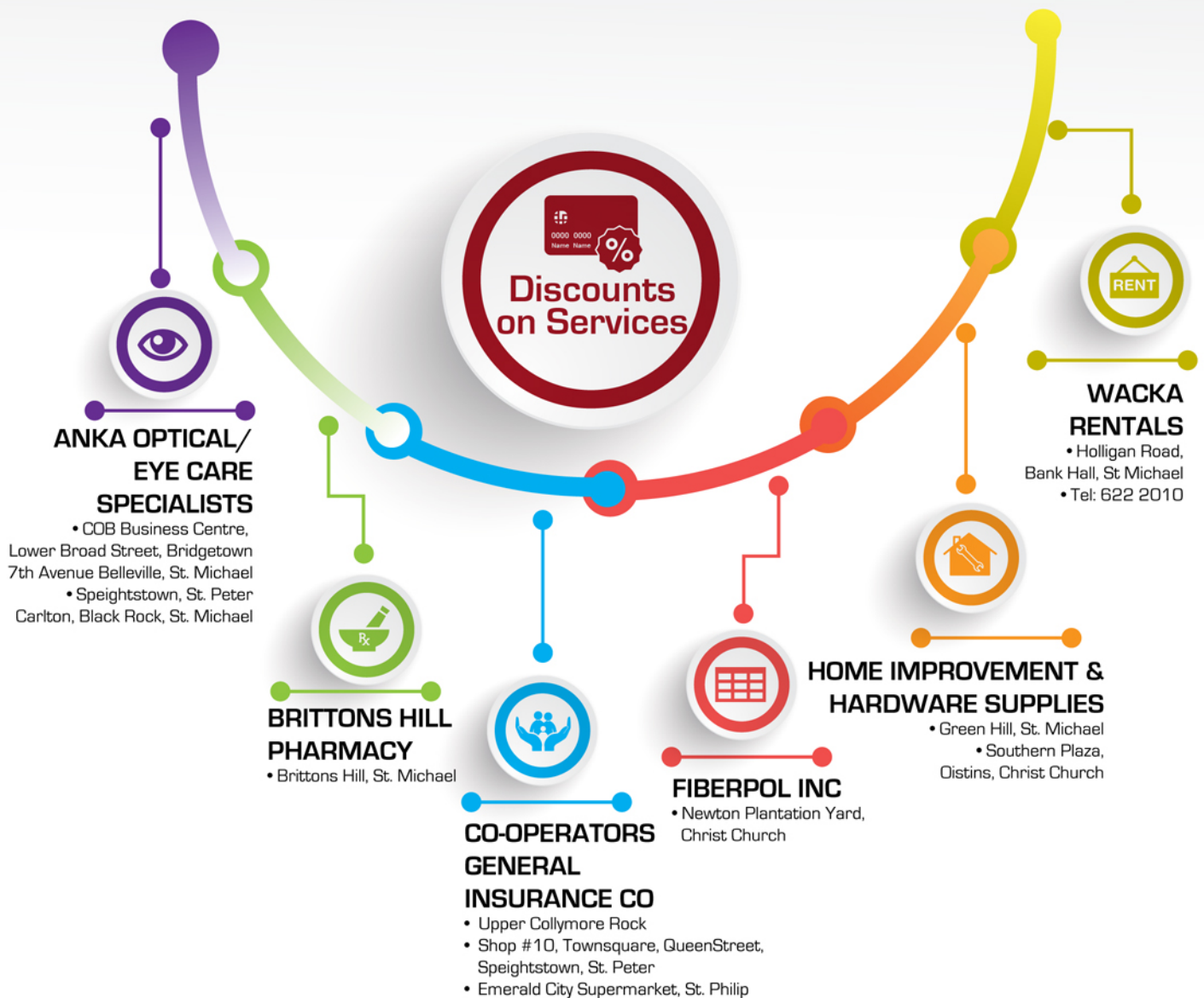
FOR YOUR CONVENIENCE SATURDAY OPENING HOURS
9 AM -1 PM AT ALL LOCATIONS

** Special discounts for Credit Union & BARP members*



CO-OPERATORS GENERAL INSURANCE CO. LIMITED
"you are not just a policy holder, you are an owner"

Discounts available to Members



Our Vision

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

Mission Statement

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

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